

**CHAPTER-IV**  
**WORKS EXPENDITURE**  
**SECTION-A**  
**WORKS DEPARTMENT**

**4.1 Working of Works Department**

The Works Department is entrusted with the construction, improvement and maintenance of the roads, bridges and Government buildings in the State. A review of the working of the Department revealed serious failure of expenditure control and wide spread mismanagement of funds having a financial involvement of Rs.548.91 crore which constituted 49.72 *per cent* of the total expenditure of Rs.1103.83 crore during 1999-2002. The expenditure on establishment far exceeded the prescribed norms and there was gross mismanagement of the inventory system. There was significant cost overrun (44 *per cent*) in execution of bridges. No action had been taken to fix responsibility wherever irregularities had occurred.

**4.1.1 Highlights**

❖ Budget formulation, control and monitoring of expenditure were inadequate. There were unjustified surrenders (Rs.6.87 crore) and unnecessary supplementary demands of Rs.35.90 crore. Revenue expenditure had been increasing every year and increased from 56 to 74 *per cent* of the total expenditure during 1997-2002 which severely constricted outlay on capital works. Establishment expenditure was 51 *per cent* against the admissible 10.5 *per cent* resulting in excess expenditure of Rs.206.59 crore.

(Paragraphs 4.1.5.1, 4.1.5.3, 4.1.5.5 and 4.1.5.8)

❖ There was cost overrun of Rs.71.31 crore in 29 bridge works along with time overrun. No monitoring or evaluation was carried out to make them cost/time effective.

(Paragraph 4.1.6)

❖ Operation and Maintenance (O & M) Budget were largely consumed on wages and salaries and only 34 *per cent* of the total provision for maintenance expenditure was actually spent on maintenance of completed works.

(Paragraph 4.1.8)

❖ Failure to adopt Schedule of Rates (SORs) in preparation of estimates and acceptance of irrational rates in tenders led to extra liability of Rs.3.12 crore.

(Paragraphs 4.1.9.1 and 4.1.9.2)

❖ Drawal of agreements with faulty clauses, non-enforcement of contract conditions, execution of works without inviting tenders and in deviation from approved specifications and failure to levy penalty where due led to extra expenditure/liability of Rs.12.87 crore.

{Paragraphs 4.1.9.3 (i) (ii), 4.1.9.5, 4.1.9.9 and 4.1.9.10}

❖ Abandonment/non-completion of works led to wasteful expenditure of Rs.25.95 crore.

(Paragraph 4.1.9.6)

❖ Excess expenditure incurred without any authority amounted to Rs.3.87 crore.

{Paragraphs 4.1.7 (ii) and 4.1.9.7(i,ii,iii)}

❖ Disregard of design and specifications led to wasteful expenditure of Rs.3.19 crore.

(Paragraph 4.1.9.8)

❖ Sub-standard execution of building works resulted in loss of Rs.1.62 crore.

{Paragraph 4.1.9.11 (iii)}

❖ 3757 NMR/DLR staff were in excess costing exchequer Rs. 16.23 crore in 3 years.

(Paragraph 4.1.10.1)

❖ Failure to utilise available machinery due to improper planning led to loss of Rs. 5.29 crore. Unproductive expenditure due to poor inventory management was Rs.11.63 crore.

{Paragraphs 4.1.11 and 4.1.13 (i)}

#### **4.1.2. Introduction**

The primary function of the Works Department is planning and execution of roads/bridge works and construction, maintenance and repairs of non-residential and residential Government buildings. Besides, 3190 Kms of National Highways (NH) in the State, it had 13,303 Kms of State Highways (SH: 5049 Kms), Major District Roads (MDR: 3677 Kms) and Other District Roads (ODR:4577 Kms) as of March 2002. The Department also maintained 47.66 lakh sqms plinth area of non-residential buildings and 37.32 lakh sqms of residential buildings (March 2002).

#### **4.1.3 Organisational Set-up**

The Engineer-in-Chief-cum-Secretary to Government was the overall in-charge of the Department. There were Engineer-in-Chief (EIC), 5 Chief Engineers (CE), 16 Superintending Engineers (SE) and 76 Executive Engineers (EE).

**4.1.4 Audit Coverage**

Test check of records of the Administrative Department of 4 EIC/CEs and 22 EEs for the periods 1999-2000 to 2001-2002 was done during January to May 2002.

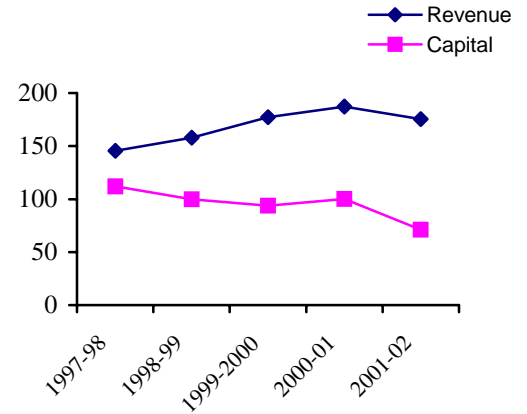
**4.1.5 Financial Management and Control**

**4.1.5.1 Budgetary allocation and expenditure**

The budget provisions vis-a-vis expenditure of the department were as follows:

Year	Budget Provision			Expenditure			Excess (+) saving (-) / (percentage)	Savings/ excess (percentage)
	Capital	Revenue	Total	Capital	Revenue	Total		
	( R u p e e s i n c r o r e )							
1997-98	126.60	130.04	256.64	112.08	145.40	257.48	(+)15.36 (12)	(-)14.52 (11)
1998-99	137.65	147.43	285.08	99.75	157.93	257.68	(+)10.50 (7)	(-)37.90 (28)
1999-00	232.75	146.79	379.54	93.71	177.31	271.02	(+)30.52 (21)	(-)139.04 (60)
2000-01	129.22	169.60	298.82	100.03	187.36	287.39	(+)17.76 (10)	(-)29.19 (23)
2001-02	112.14	203.55	315.69	70.97	175.51	246.48	(-)28.04(14)	(-)41.17 (37)
<b>Total</b>	<b>738.36</b>	<b>797.41</b>	<b>1535.77</b>	<b>476.54</b>	<b>843.51</b>	<b>1320.05</b>	<b>(+)46.10(6)</b>	<b>(-)261.82(35)</b>

Despite separate allocation of Rs.121.20 crore during 1999-2002 under Revenue section for cyclone damage repairs, funds from capital works were consistently diverted by the department for revenue expenditure which was irregular. Heavy revenue expenditure had a direct impact on the developmental activities which were starved of funds. The increase in revenue expenditure along with decline in capital expenditure indicated an underutilised work force. Reasons for the considerable savings/excesses were not intimated.



**4.1.5.2 Inadequate control over Letter of Credit (LoC)**

Government introduced (April 1968) the system of Letter of Credit (LoC) to ensure even flow of expenditure and avoid excess expenditure over budget allotment. LoC was, however, authorised without assessment of actual requirements. While the prorata charges levied under different heads were deducted from the gross budget provisions, the LoC's were loaded with additional 2 per cent towards Income tax. This being an accounting adjustment, the EEs obtained excess LoC for Rs.20.42 crore.

EEs under CE (Roads), CE (Buildings) and CE (NH) executed works worth Rs.149.37 crore (Roads : Rs. 96.89 crore, Building : Rs.40.48 crore and NH: Rs.12 crore) during 1999-2002 without sanction and the liability created for future payments. This confirmed that the control over LoC was grossly inadequate which subverted the procedure of financial control.

**Expenditure of Rs. 18.13 crore was incurred by 9 EEs without budget provisions**

According to codal provisions, no expenditure was to be incurred nor liability created in the absence of budget provision. However, EEs of 9<sup>1</sup> Divisions incurred Rs.18.13 crore on different works during 1999-2002 which was irregularly paid in the absence of budget provisions. The unauthorised expenditure was incurred by debiting to Miscellaneous Works Advance or through Transfer Entry Orders. No action had been initiated by the CE for the irregular expenditure of Rs. 18.13 crore. In Cuttack (R&B) Division, the EE spent Rs.11.30 crore on repairs of buildings against the budget provisions of Rs.6.71 crore during 1998-2001 by diverting Rs.4.59 crore from other works. No action had been taken against the officers concerned by the CE. Such inactions on the part of controlling officers weakened the budgetary process.

#### ***4.1.5.3 Unjustified Surrenders and Supplementary Demands***

**Surrender of Rs.6.87 crore under Revenue section and supplementary demands of Rs.27.95 crore under Capital section were unjustified**

During 1999-2001 under the Revenue section, the expenditure exceeded the provision by Rs.48.28 crore and the supplementary provision of Rs.7.95 crore was grossly insufficient. Despite substantial excess expenditure there were also surrenders of Rs.6.87 crore. The expenditure under Revenue section during 2001-02 and that under the Capital section during 1999-2002 was less than even the original provisions and the supplementary provision of Rs.27.95 crore during the above years were unjustified. This serious deficiency in preparation of budget / revised estimates were never reviewed for rectification.

#### ***4.1.5.4 Delay in submission of Budget Proposals***

The budget manual and instructions issued by the Finance Department stipulated that the Controlling Officer was to submit the budget proposal by 1 September which was then to be consolidated and submitted to the Finance Department. However, due to delay of more than 4 months in receipt of proposals from the Controlling Officers, the Works Department could not submit the budget proposals to the Finance Department in time and the latter had to finalise the budget on ad-hoc basis. No effort was made to streamline the procedures to ensure preparation of realistic budget proposals.

#### ***4.1.5.5 Rush of Expenditure***

The Controlling Officers were to ensure control over expenditure and to guard against rush of expenditure in March. However, between 1999-2002 cash payments made in March each year were as high as 31 to 44 *per cent* of the total expenditure. Although this was endemic no corrective action was taken.

<sup>1</sup>. R&B Divisions: Khurda, Cuttack, Jagatsingpur, Balasore, Sambalpur, Kendrapara, Bhubaneswar (No.I&IV) and N.H Division Rourkela.

**4.1.5.6 Drawal of funds without immediate requirement**

**Rs.14.86 crore was drawn by 7 EEs without immediate necessity and parked in DCR**

In blatant disregard of the rules and directives of the Finance Department, 7 EEs<sup>2</sup> parked Rs.14.86 crore in Deposit At Call Receipt/Banker's cheque during 1999-2002 indicating that funds were drawn without any immediate necessity. No action was taken against the erring officers.

According to Treasury code, no money was to be drawn from Treasury/Bank unless required for immediate disbursement. Despite this, the Finance Department released (March 2001/March 2002) LoC for Rs.5.79 crore to CE (Buildings)/ CE (Roads) (Rs.3.50 crore under Critical Intervention Fund, Rs.1.59 crore for upgradation of Judicial Administration and Rs.70 lakh for construction of Banijyakar Bhawan in Cuttack) without examining the requirement. The amount was deposited in Civil Deposits to avoid lapse of LoC. The works had not been started (September 2002).

**4.1.5.7 Plan provisions vis-à-vis revised plan outlay**

The annual plan outlay, budget provisions and revised plan outlay were as follows:

Year	Approved plan outlay	Budget provisions	Revised plan outlay	Percentage of reduction in plan activities
	( R u p e e s i n c r o r e )			
1999-2000	195.62	232.75	79.23	66
2000-2001	46.54	129.22	50.44	61
2001-2002	56.72	112.14	49.94	55

The annual plan outlays were revised downwards by 55 to 66 *per cent* by the Planning and Co-ordination Department (P&C) at the end of the financial year due to lack of resources. This indicated failure to correctly assess and mobilise resources.

The targets vis-a-vis achievement of the department were as follows:

Year	Targets		Achievement		Percentage of achievement	
	Roads (in Kms)	Bridges (in Nos)	Roads (in Kms)	Bridges (in Nos)	Roads	Bridges
1999-2000	83	36	38	29	46	51
2000-2001	153	29	41	09	27	31
2001-2002	110	15	--	11	--	73

Neither any target was set for building works nor was any achievement reported. Monitoring and evaluation of the works were to be done by EIC and P&C Department. No monitoring and evaluation was ever done.

The allotment/expenditure for NH works during 1999-2002 was Rs.298.94 crore. Against the above, the MORT&H reimbursed Rs.283.77 crore resulting in short release of Rs.15.17 crore which was met out of State funds. This short

<sup>2</sup> R&B Division Khurda (Sri B. K. Pattanaik-March 2000 and B. K. Behera-March 2001) and Balasore ( Sri M. G. Baig-March 2001) and NH Division Rourkela (Shri B. C.Dash-March 2002), NH Division Keonjhar (Sri S. C Das- March 2000- Sri S. K. Das March 2001) and NH Division, Sambalpur (Sri R. Das- March 2000/2001).

release was attributed to EEs not fulfilling the prescribed norms of incurring expenditure.

#### **4.1.5.8 Excess expenditure on establishment and manpower**

**Excess expenditure of Rs.206.59 crore on establishment**

Against the prescribed norm of 10.5 *per cent* for establishment, it was seen that Rs.260.11 crore were spent on establishment during 1999-2002 which was 51 *per cent* of the works outlay of Rs.509.68 crore. Rs.206.59 crore establishment expenditure was in excess of norms.

There were 5 Mechanical Divisions entrusted with the responsibility of maintenance and repairs of machinery of the department. A Mechanical Division should have minimum workload of Rs.1.80 crore per year (1985). It was, however, revealed that the expenditure of the divisions averaged only between Rs.47.72 lakh and Rs.63.02 lakh which was only 27 to 35 *per cent* of the norms. The Mechanical Divisions had been rendered idle since most of the works were executed by the contractors. No effort was made to utilise the departmental machinery to their optimal potential or wind up the divisions and re-deploy the manpower elsewhere. The establishment expenditure of the 5 Divisions amounted to Rs.7.44 crore per year which was largely unfruitful since the machinery were utilised for only 8 *per cent* of the available working hours. Government could review the manpower of Mechanical Divisions.

#### **4.1.5.9 Diversion of Funds**

The work of construction of HL bridge over river Brahmani at Rampur was not taken up for over 3 years due to non-finalisation of site. The EE misutilised the allotment of Rs. 94 lakh during 1999-2002 on other works and on stores.

Similarly, contingency expenditure of Rs.32.48 lakh<sup>3</sup> pertaining to energy bills, telephone bills, purchases of stationery and computers and printing works of divisions, circles and controlling offices were irregularly debited to works.

**Cost overrun of Rs.71.31 crore on bridge works alongwith time overruns**

#### **4.1.6 Failure to monitor and prioritise incomplete bridge works**

40 major bridges were taken up for completion between March 1994 and August 2001 at a cost of Rs.182.49 crore. Works worth Rs.131.94 crore (72 *per cent*) had been executed by February 2002. Scrutiny revealed that the cost of 29 bridges were revised to Rs.233.68 crore against the original cost of Rs.162.37 crore mainly due to rise in cost of labour, materials, POL, delay in land acquisition and modification in design during construction warranting execution of additional work. This resulted in cost overrun of Rs.71.31 crore (44 *per cent*). Although all the bridges remained incomplete, 13 new bridges for Rs.51.47 crore were approved during 1999-2002 and expenditure of Rs.17.83 crore (35 *per cent*) incurred. In all, 53 bridges remained incomplete as of March 2002. Evidently, there was no prioritisation of projects to make

<sup>3</sup> (R&B) Division No.I, Ganjam (Rs.0.26 lakh), Cuttack (Rs.2.75 lakh), Charbatia (Rs.1.04 lakh), Burla (Rs.0.06 lakh), Balasore (Rs.0.30 lakh), No. II, Ganjam (Rs.1.91 lakh), Kendrapara (Rs.2.02 lakh), Jeypore (Rs.1.50 lakh), No-IV, Bhubaneswar (Rs.0.71 lakh), CE, NH (Rs.20.32 lakh), NH Division, Keonjhar (Rs.0.89 lakh) and Sambalpur (Rs.0.72 lakh).

use of the available resources judiciously. No attempt was made to complete the ongoing works. The EIC-cum-Secretary also agreed (January 2002) that the achievement was far behind the schedule due to lack of proper planning, investigation, designs and project monitoring.

A review of Cuttack (R & B) Division disclosed that as of March 2001 there were 68 groups of ongoing building works pertaining to 17 departments. Against the approved cost of those works for Rs.8.50 crore, budget provisions were made for Rs.6.10 crore of which Rs.3.63 crore were spent (March 2002). 43 works were reportedly incomplete and 25 works were reported complete at Rs.1.62 crore and handed over to the concerned departments. It revealed that of the 43 incomplete works, the department had provided Rs.1.47 crore for 17 works (approved at Rs.2.17 crore), against which expenditure (March 2001) was only Rs.70 lakh. Reasons for non-completion were attributed mostly to (i) non-availability of site/land, (ii) want of administrative approval, (iii) want of funds and (iv) non-execution of work by the contractors. While the reasons of (i), (ii) and (iv) were departmental lapses, the reason of want of funds was untenable since the works were not prioritised for completion within the available resources and savings were available under capital head. Details in respect of balance 26 incomplete works were not available.

#### ***4.1.7 Expenditure by EEs in excess of Approval/Sanction***

(i) EEs were authorised to incur expenditure upto 15 *per cent* above the administrative approvals and technical sanctions. In violation of these instructions, 18 EEs<sup>4</sup> paid Rs.37.63 crore (63/41 *per cent*) to 33 agencies in excess of administrative approvals (27 works: Rs.31.60 crore) and technical sanctions (7 works: Rs.6.03 crore). No action was taken to control unauthorised expenditure.

(ii) Reconstruction of damaged culvert at Km 222/9 and Rehabilitation of Kuradhi bridge at Km 251/6 of NH 215 estimated to cost Rs.75.31 lakh (Culvert : Rs.46.90 lakh and Kuradhi : Rs.28.41 lakh) were executed with each work limited to Rs.50,000 with total expenditure of Rs.68.59 lakh (Culvert : Rs. 40.61 lakh and Kuradhi: Rs.27.98 lakh). In none of the cases, financial sanction and technical approval of the MORT&H were obtained. No budget allotment was available for reconstruction of damaged culvert and only Rs.22.60 lakh were allotted for the Kuradhi bridge. The unauthorised expenditure of Rs.45.99 lakh was debited to other works. Thus, Rs.68.59 lakh was spent without sanction/approval and adequate provision of funds.

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<sup>4</sup> R&B Divisions; Khurda, Charbatia, Cuttack, Sambalpur, Balasore, Bhadrak, Kendrapara, Jagatsinghpur, Panikoili, Dhenkanal, Angul, Ganjam (No.I), Bhanjanagar, Phulbani, Koraput, NH Divisions; Sambalpur, Rourkela and Dhenkanal.

#### 4.1.8 Expenditure on Operations and Maintenance (O&M)

60 per cent of the total provision made for Revenue Sector was actually consumed on establishment

Rs.509.68 crore were available during 1999-2002 under Revenue Sector for O&M of roads and bridges and buildings, Rs.260.11 crore (51 per cent) was exhausted on establishment expenditure and Rs.28.70 crore (6 per cent) on Tools and Plants. Rs.16.23 crore (3 per cent) was also spent on the wages of the 3757 identified NMR/DLR staff of the department. The EEs further spent Rs.33.70 crore (6 per cent on an average of the test checked units) on deployment of 7514 casual labour though it's employment was prohibited by the Finance Department. Further, the works executed by the casual labour were not quantified. No action was taken against the EEs for such practice. As a result on O&M, the expenditure was limited to Rs.170.94 crore (34 per cent).



#### 4.1.9 Extra expenditure and loss in implementation of Projects/Contracts

Departmental officers are responsible for strict enforcement of terms of contract, specification of works and other requirements under extant codal provisions. These were violated leading to large scale undue benefits, excess payments, wasteful and unproductive expenditure as discussed below.

##### 4.1.9.1 Acceptance of tenders with irrational rates

As per codal provisions, while selecting tenders, the rationality of rates in different items of a tender should be taken into account. The officer inviting the tender was also to negotiate with a tenderer to obtain the lowest rates. Periodical Renewal (PR) Works to NH 215 and NH 23 in three reaches<sup>5</sup> were tendered in August 2001 under single notice providing identical item of works. While accepting (December 2001) tender value of Rs.23.67 lakh for NH 23 at 29.90 per cent less than the estimated cost tenders for NH 215 were accepted (December 2001) for Rs.97.34 lakh at 4.94 per cent above the estimated costs. The irrationality of rates quoted for identical works during the same period was evidently not evaluated by the EE/SE. This led to avoidable liability of Rs.34.69 lakh.

##### 4.1.9.2 Non-adoption of Schedule of Rate (SR)

As per codal provisions, estimated costs were to be prepared on the basis of prevailing schedule of rates. The tenders were to be compared to conclude the rationality of the rates quoted. However, the estimates sanctioned (March 2000) by the CE, NH at Rs.32.45 crore for fourteen improvement works of Riding Quality of NHs (162 km) were prepared unjustifiably on local market

Failure to adopt schedule of rates in preparation of estimate led to extra liability of Rs.2.77 crore

<sup>5</sup> NH 215; (i) RD 233/3 to 237/3 Km estimated cost: Rs. 53.60 lakh, (ii) RD 212 to 215 Km estimated cost : Rs. 35.77 lakh and NH 23 (iii) RD 237 to 243 Km estimated cost : Rs.34.27 lakh (EE, NH Division Rourkela).



rates instead of approved SR. The difference between the estimated cost (Rs.29.68 crore) as per SR and that put to tender on local market rate (Rs.32.45 crore) worked out to Rs.2.77 crore. The inflation of the estimates to the extent of Rs.2.77 crores facilitated acceptance of higher tender rates. The CE accepted (December 2000) their tenders and the works were under execution (March 2002).

#### **4.1.9.3 Award of work without tender**

(i) As per codal provisions, tenders were not to be split to avoid sanction of higher authority. Further, sales tax at the rate of 4 *per cent* was recoverable from contracts of Rs.1 lakh and above. However, EEs of 16 Divisions<sup>6</sup> executed work worth Rs.45.48 crore after splitting orders keeping the value of contract below Rs.1 lakh each. This resulted in evasion of sanction by higher authority and collection of sales tax for Rs.1.13 crore. After split up of tenders, 3 EEs also allowed Rs.1.41 crore excess over the sanctioned estimate resulting in additional expenditure. The CEs had not taken any action against the EEs for such breach of rules.

(ii) The work of approach roads to the High Level (HL) bridge over Mahanadi on Sonapur-Biramaharajpur-Subalya road was entrusted to the contractor of the bridge as an extra item at a cost which was 35.32 *per cent* excess over the estimated cost. Based on the recommendation (October 2000) of the EE/SE/CE, Government allotted (July 2001) the works at Rs. 2.37 crore for completion by February 2002. No work on the approach roads had been executed as of May 2002 showing the work was not urgent. The extra liability of Rs.62 lakh because of the 35.32 *per cent* premium was avoidable and the work could have been tendered.

#### **4.1.9.4 Unjustified cancellation of tender**

For construction of submersible bridge over Balijodi Nullah on Karanjia-Mohadevdeuli road at 10<sup>th</sup> km, three tenders were received with the lowest for Rs.63.66 lakh being 6.89 *per cent* above the estimated cost. Government cancelled (June 1997) the notice to tender on the ground of insufficient budget provision (Rs.7 lakh).

Fresh lowest tender for Rs.96.37 lakh received in October 1999 was also cancelled (September 2000) since the contractor did not turn up for negotiation. Thereafter, the lowest negotiated tender for Rs.84.98 lakh received (November 2000) on the third occasion was accepted in November 2001 though the budget provision at that stage was only Rs.27 lakh. Since the work was administratively approved, the budget provisions were to be periodically augmented. Thus, the cancellation of valid tender in June 1997 was unjustified. This led to extra liability of Rs.21.32 lakh at tender stage apart from time overrun of 5 years.

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<sup>6</sup> R&B Divisions: Khurda, Charbatia, Cuttack, Jagatsinghpur, Burla, Sambalpur, Kendrapara, Keonjhar, Jeypore, Dhenkanal, Balasore, Panikoli, Bhubaneswar- IV and NH Divisions: Keonjhar, Sambalpur and Rourkela.

## 4.1.9.5 Undue benefits allowed to contractors

Undue benefits of Rs.4.13 crore were extended to contractors by non-enforcement of contractual terms and payments at higher rates

Undue benefits of Rs.4.13 crore were extended to contractors due to failure to adhere or enforce the contractual terms as summarised below:

Name of work	Cost of work (Rupees in crore)	Date of commencement/ completion	Observation
(i) Construction of six major bridges alongwith approaches in Ganjam District	21.80	March 1994/ March 1996	The escalation clause normally provided that the rises of prices of labour, materials and POL were reimbursable for 75 per cent. The agreements in respect of two bridges (near Moulabhanja and Hinjili) provided for 100 per cent reimbursement resulting in undue benefit of Rs.29.50 lakh. Against 133 tonnes of steel stipulated for dismantlement from Moulabhanj bridge, 30.409 tonnes were salvaged and auctioned at Rs.3.20 lakh in October 2000. The remaining quantity of 102.591 tonnes was not accounted for (May 2002) leading to undue benefit of Rs.10.80 lakh. The total undue benefit was Rs.40.30 lakh.
(ii) Widening two lanes including raising and realignment from 296.960 to 305 Km of NH 23	11.83	March 1996- June 2000/ March 1999- December 2002	As per the agreements, obtaining of bitumen as per the specifications constituted the cost and risk of the contractors. However, during execution the contractors were allowed by the CE to execute first coat surface dressing involving higher rate in place of primer coat approved at lower rates on the ground that primer was not available locally. There was no evidence on record to indicate non-availability of primer. This led to extra contractual payment of Rs.36.18 lakh.  Further, as per the sanctioned estimate, stone products were to be obtained from the departmental approved quarry "Jalda" located at 57 Km from the site at Rs.142.70 per cum. However, stone products were collected from a quarry located at 6 Km from the site as seen from the quality control test results. The rate of the contractor which included lead charges for 57 km were, however, not reduced to 6 Km resulting in undue benefit of Rs.22.92 lakh.  Thus, by execution of work in deviation to the approved specifications together with non-revision of the item rates to suit the actual lead charges led to undue benefit of Rs.59.10 lakh to the contractor.
(iii) Construction of HL Bridge over river Smakoi on Missing Link of NH 23	7.83	March 2001/ September 2003	Despite absence of any provision in the agreement, the firm was paid (March 2001) Rs.78.30 lakh interest free mobilisation advance as per orders (March 2001) of CE. This had violated the general financial rules

Name of work	Cost of work (Rupees in crore)	Date of commencement/ completion	Observation
			that any advance to contractors was to carry interest of 18 <i>per cent</i> per annum. This resulted in undue favour to the contractor and loss of interest for Rs.21.14 lakh as of September 2002.
(iv) Widening of two lane from RD 201/290 to 206/600 km of Cuttack-Sambalpur Section of NH 42 and widening and strengthening to NH 23 from RD 72/2 to 78/2 Km of Cuttack-Rourkela section	3.69	October 1997/ October 1999	<p>The quoted rates were deemed to cover any and all distance and situations of source of soil and also any modes of transport either by manual or mechanical means. 0.48 lakh cum of earth work was shown as executed mechanically resulting in undue benefit of Rs.13.75 lakh.</p> <p>In the work of widening of NH 42, the earth obtained and utilised was not of the required specifications and as such did not act as filler layer for effective drainage and in turn posed threat to the road and embankment. This warranted providing sand and graded filter media at sub-grade level with additional expenditure of Rs.17.98 lakh which was not approved by MORT&amp;H (January 2002). The execution of work in deviation to the approved specification, thus, involved undue benefit of Rs.31.73 lakh to the contractors.</p> <p>Further, the agreement for the work of NH 42 provided for excavation of disintegrated rock for 0.10 lakh cum. During execution the quantity was increased to 0.27 lakh cum involving additional payment of Rs.21.59 lakh which was not approved by MORT&amp;H (January 2002). The sanctioned estimate and the agreement also did not include any item for removal of trees or stumps. However, during execution of work such item was encountered and the Forest Department prolonged the work of removal of trees which involved payment of escalation to the contractor for the prolonged period amounting to Rs.18.48 lakh.</p> <p>Thus, execution of work in deviation of the specifications and lack of timely action for removal of trees led to extra contractual payments of Rs.71.80 lakh.</p>
(v) Construction of HL bridge over river Daya	2.29	October 1994/April 1996	The work was to be executed on Tirmulaghat near Beguniapada on Patnaikia-Delanga-Khurda road (balance works). While implementing the work, the contractor represented (May 1995) for compensation of the loss caused in May 1995 due to flash floods. Although as per the contract no claim was to be entertained on such account, the Engineer-in-Charge assessed (May 1996) the loss as Rs.25.39 lakh against which Government sanctioned (September 1998)

Name of work	Cost of work (Rupees in crore)	Date of commencement/ completion	Observation
			Rs.22.80 lakh. This resulted in undue benefit of Rs.22.80 lakh to the contractor.
(vi) Construction of HL bridge over Mahanadi at Sidhamula	25.10	March 1997/ March 2000	<p>Prices of cement and steel prevailing on the date of commencement (March 1997) of the work were to be the base price for calculation of escalation. However, the escalation on material component was reimbursed from the date of opening (September 1996) of the tender leading to undue benefit of Rs.11.35 lakh as of June 2002.</p> <p>Further, the detailed tender call notice stipulated that the escalation on labour component was payable based on the differences of All India Price Index for Industrial workers. Accordingly, the contractor had offered the lump sum value for the work and subsequently also clarified (January 1997) that the offer was as per the escalation clause provided in the NIT. During execution, this clause was modified at the instance (March 1997) of the CE (Roads) that the escalation would be payable on the differences of minimum wages of State Government fixed from time to time. The contractor was reimbursed Rs.1.09 crore on labour component as of December 2001 based on the difference of minimum wages.</p>

#### 4.1.9.6 Unproductive expenditure due to improper planning in execution

Construction of four works as detailed below were approved between March 1994 and February 1997 for execution at Rs. 2.28 crore.

The Civil Works of 16 'C' type and 8 'D' type quarters and other works were completed between August 1996 and April 2001 with expenditure of Rs.1.85 crore. The works could not be made operational and handed over to the concerned departments due to non-completion of electrical and sanitation works. Thus, non-synchronisation of various components of building construction rendered the expenditure of Rs. 1.85 crore unproductive for over 5 years.

Lack of co-ordination within the Department led to unproductive expenditure of Rs.1.85 crore

(Rupees in lakh)

Sl. No.	Name of work	Date of anticipated completion	Unfruitful expenditure incurred so far
1.	20 Nos. of "C" type and 10 Nos. of "D" type Qrs. of Health/Family Welfare Department, Burla.	April 2001	59.25
2.	60 seated Hostel Building at I.T.I. Choudwar.	January 2000	39.96
3.	Residence-cum-offices for Superintendent of Police and for Collector of Nayagarh.	October 1996	27.96
4.	District Tourism and Cultural Centres at Phulbani.	August 1996	57.37
	<b>Total</b>		<b>184.54</b>

**Abandonment/  
non-completion  
of works led to  
unfruitful/un-  
productive  
expenditure of  
Rs. 24.10 crore**

Similarly, abandonment, non-completion of works and improper planning also led to unfruitful expenditure of Rs.24.10 crore as shown below:

Name of work	Cost of work (Rupees in crore)	Date of completion	Observation
(i) Construction of HL bridge over river Daya at 13 <sup>th</sup> Km of Pattanaikia-Delanga-Khurda road	4.22	April 1997	Though the bridge was reported as opened to traffic with "short approaches", in fact only pedestrians could use the bridge. Minister, Works also stated (November 1999) that due to non-execution of the approaches to the bridge the general public was deprived of its benefit. Long approaches were not executed as of August 2002 resulting in unfruitful expenditure of Rs.4.22 crore.
(ii) Construction of a HL bridge over river Badagenguti	4.20	January 2002	The construction of the bridge near Areikana on Baruan Balichandrapur Road (ODR) was completed in January 2002. However, the approach roads could not be executed due to non-availability of land rendering the expenditure of Rs.4.20 crore incurred on the bridge unfruitful.
(iii) Development of roads under Orissa State Road Project	14.53		Government of Orissa (GoO) accepted World Bank's Project Implementation Frame work and entered into a participation Agreement with Ministry of Finance, Government of India in 1997 to avail loan assistance (US \$ 3.5 millions) from January 1999. Based on the above agreement, GoO identified about 2350 Km of different roads for development under Orissa State Road Project.  The consultancy works of (i)Techno economic analysis,(ii) Socio environmental feasibility study, (iii)Evaluation of feasibility of improvement works,(iv) Prioritising 700 Km of roads out of identified 2350 Km of roads,(v) Institutional Development Strategic Study and (vi) Computerised Project Financial Management System Study (CPFMS) to cater the needs of the PW Divisions in maintaining and reporting their expenditures were got completed through two agencies with expenditure of Rs.14.53 crore. Thereafter, the World Bank expressed unwillingness for providing loan on the ground of major fiscal crisis of GoO. Thus, the Orissa State Road Project was not made operative rendering the expenditure of Rs.14.53 crore on consultancy payments unfruitful.
(iv) Construction of HL bridges over Petapulla Nullah at 19 Km and Tujer Nullah at 21 Km of Suruganja-Manusagaon Road	1.09	March 1997	For providing all weather communication to the Tribal people of Kasipur Block of Rayagada District, construction of the bridges were approved (June 1996) for finance under the International Fund for Agriculture Development (IFAD) Scheme, targeted for completion by March 1997 at a cost of Rs.1.09 crore as a time bound programme. The progress of construction was slow and after execution of works for Rs. 61.08 lakh (Rs. 22.75 lakh in Tujer Nullah and Rs. 38.33 lakh of Petapulla Nullah) the works were abandoned as IFAD Scheme was closed from December 1997. The balance works of the bridges remained incomplete (December 2001) rendering the expenditure of Rs. 61.08 lakh unfruitful.

Name of work	Cost of work (Rupees in crore)	Date of completion	Observation
(v) Construction of submersible bridge over river Deo at 63 <sup>rd</sup> Km on TDPUMB- Rupsa Road (MDR-70)	0.68	February 1995	The work was awarded (February 1993) to a contractor at Rs.68.42 lakh for completion by February 1995. Since the contractor defaulted in execution after completion of work worth Rs.17.88 lakh his contract was closed (June 1998) with penalty. The balance works were awarded (June 2000) on re-tender to another contractor at Rs.73.89 lakh for completion by June 2002. The contractor suspended the work from January 2001 on the ground that there was heavy percolation of water. Although the terms of the agreement stipulated that de-watering of foundation was the responsibility of the contractor, the CE/EIC suggested (March 2001) replacement of the open foundation with RCC raft foundation. The CE (DPI) submitted (April 2001) the revised design to EIC but to avoid incurring additional cost, he directed (April 2001) the EE/SE to execute the bridge as per the old design. The revised design was, however, approved by the EIC (December 2001) and the cost of the bridge with raft foundation was revised (March 2002) to Rs.1.46 crore. The work as per the revised design was under execution (September 2002). The unwarranted modification of the designs from open foundation to raft foundation instead of enforcing contract condition for dewatering by the contractor as proposed by CE (DPI) led to extra liability of Rs.54 lakh.

#### 4.1.9.7 Unauthorised expenditure on works

(i) As per codal provision, any variation in the schedule of quantities of a contract during execution were to be carefully investigated for financial implications. In respect of four works, excess execution between 13 and 16 per cent over the contract values were got done by 4 EEs<sup>7</sup> without prior approval. The increase was due to inadequate survey and change of specification during execution. This resulted in unauthorised payments of Rs.1.65 crore.

(ii) During 2000-2001 improvement and repair works valuing Rs.99.95 lakh were executed and paid for by the EE, Jagatsinghpur (R&B) Division out of lump sum allotment for the roads towards repair and improvement through 203 split up agreements limited to Rs.50,000 and below each. Neither the agreements nor the measurement book indicated the dates of commencement of the works. No work order was also issued to the agencies for commencement of the work. In the absence of dates of execution of works and without any measurement check by AE and EE, the payments of Rs.99.95 lakh made thereagainst were apparently fraudulent and would merit investigation.

**Payment for works without any record of period of its execution led to fraudulent payment of Rs.99.95 lakh**

<sup>7</sup> Charbatia R&B Division - (Construction of HL Bridge over Badagenguti at Areikana), Sambalpur NH Division (Widening of two lanes from 201/290 to 206/600 Km of NH 42), Bhubaneswar R&B Division (Construction of Nirman South at Bhubaneswar) and Rourkela NH Division (Construction of HL bridge over Suidhi Nullah on NH 23).

Execution of similar items of work on a road under different programmes resulted in wasteful expenditure of Rs.53.29 lakh.

(iii) Under Cyclone Damage Repair (CDR) works, Fulnakhara-Niali-Madhava Road (MDR-81) from RD 4 to 19 km was shown as repaired between September 2000 and January 2002 at a cost of Rs.53.29 lakh under metalling, surface dressing and final seal coat. Immediately thereafter, the CE (Roads) sanctioned (February 2002) an estimate for Rs.1.60 crore for execution of identical items of work on the above road on the ground that no improvement work was executed on these stretches during the previous ten years due to paucity of funds. The CE's justification was incorrect as the CDR works were not taken into account in the estimate for the 'improvement' work. The work was awarded (June 2002) to a contractor for Rs.1.69 crore for completion by May 2003 and as of January 2003, the contractor executed work valuing Rs.87.37 lakh. Thus, execution of similar items of work on the same stretches under different programmes resulted in wasteful expenditure of Rs.53.29 lakh. The matter merits investigation.

Execution of works without conforming to design and specification led to wasteful expenditure of Rs.3.19 crore

**4.1.9.8 Wasteful expenditure**

Execution of works in deviation to the designs/specification and non-synchronisation of the half done works with that of the balance works led to wasteful expenditure of Rs.3.19 crore as detailed below:

Name of work Date of commencement/ completion	Cost of work (Rupees in crore)	Observation
(i) Replacement of old damaged bridge over river Ardei at 136 Km of JC Main Road  March 1994 / September 1995	54.99	The contractor after completing the cut off wall, floor protection and pier cladding stopped the execution from June 1995. His contract was rescinded (May 1998) after three years of stoppage of the work without penalty. The balance works were not executed till transfer of the work to the NH in November 1999 classifying the road as NH 215 by which time EE Keonjhar R&B Division had incurred an expenditure of Rs.66.25 lakh on the bridge. The NH authorities not being satisfied with the designs had proposed (September 2000) construction of a new bridge. The new bridge had not been executed (January 2002). This led to wasteful expenditure of Rs. 66.25 lakh.
(ii) Construction of a submersible bridge over river Kusei at 14 <sup>th</sup> Km of Ramchandra-pur-Harichandanpur Road. - / March 1999	1.87	The bridge constructed (March 1999) at cost of Rs.1.87 crore was opened to traffic in April 1999. After six months of its opening to traffic, the bridge was severely damaged and collapsed in October 1999. The Enquiry Committee under the Chairmanship of CE Bridges, observed (March 2000) that uprooted trees came floating in the river and choked the vents of the bridge which created whirlpool action and caused eddies around the piers deepening the scour. It was revealed in audit that the design aspect of the bridge was not given adequate importance in view of its location on Other District Roads. Although the bore log data indicated presence of sand to a depth of 8 metres below the bed level the foundation level was left at the designed level of 3 metres depth. As a result, the piers could not withstand the thrust of the flood water resulting collapse of eight spans and led to wasteful expenditure of Rs.1.87 crore incurred on construction of the bridge.

Name of work Date of commencement/ completion	Cost of work (Rupees in crore)	Observation
(iii) Construction of the HL bridge over river Mahanadi near Boudh on Boudh-Kiakata-Rairakhol Road (SH 24). December 1994 / December 1998	17.16	<p>The work was awarded to M/s Orissa Construction Corporation (OCC) with RCC double box girder and well foundation spreading over 35 spans for Rs.17.16 crore. Due to slow progress of work, the contract of the OCC was rescinded (February 1997) at the cost and risk of the Corporation. OCC was paid Rs.66.34 lakh as of November 1996 against value of work done of Rs.78.94 lakh. The balance work of the bridge was awarded (April 1998) to M/s UP State Bridge Corporation Limited (UPSBC) under a lump sum contract for Rs. 25.64 crore adopting the corporation's own drawing which provided for open RCC foundation with solid RCC single circular pier (2 metre dia) and increasing the number of spans to 74.</p> <p>Consequential to the revision of drawing of the bridge from well foundation to open foundation, the works executed by OCC sinking of wells (9 Nos) for Rs.66.34 lakh were rendered wasteful since the specification of excavation of foundation was changed for all the 74 spans.</p>

#### 4.1.9.9 Excess payment to contractors

**Excess payment of Rs.2.01 crore was made to the contractors in violation to the terms of the contracts**

Excess payment of Rs.2.01 crore was made to the contractors in violation of the terms of the contracts as summarised below. These merit investigation.



Name of work Date of commencement/ completion	Amount payable (Rupees in crore)	Amount paid (Rupees in crore)	Observation
(i) Construction of balance works of HL bridge (184.23 metre) over river Daya on Pattanaikia-Delanga-Khurda road	1.17	2.28	For the construction, a lump sum offer of a contractor amounting to Rs.2.29 crore was approved (September 1994) with rebate of Rs.0.58 lakh per metre for any reduction of work during execution and Rs.63 lakh per each span on additional execution. This was not in conformity with the provisions of NIT which stipulated that the rebate as well as extra payment should be in identical proportions. The financial implication of such discrepancy in the quoted rate was not examined before acceptance. During execution, due to inadequate vents provided at the site, the designs were modified increasing the length of the bridge by three spans of 35 metres each with exclusion of one span of 10 metres. This involved additional payment of Rs.1.77 crore. While the tendered rate was Rs.1.23 lakh per metre he quoted a rate of Rs.63 lakh per additional span which worked out to Rs.1.80 lakh per metre. Thus, at the quoted rate Rs.1.77 crore was paid instead of Rs.1.17 crore. This led to extra payment of Rs.60.82 lakh. Escalation charges of Rs.51.07 lakh (Rs.12.07 lakh in Daya bridge and Rs.39 lakh in Mahanadi bridge) were also paid to the contractor on the extra works though under the contract this was not payable.
(ii) Maintenance of NH works in 3 NH Divisions	Nil	0.34	Although NH works were to be maintained by the contractor upto six months after construction, EEs of 3 NH <sup>8</sup> Divisions made separate payments of Rs.34.12 lakh between March 2000 and March 2002 to 5 contractors during the currency of the contracts towards maintenance of the works and profile correction etc.
(iii) HL bridge over river Badanadi and Rushikulya at Aska	Nil	0.55	For computing the increase in the cost of labour for reimbursement to the contractors, the Consumers' Price Index (CPI) for industrial workers (wholesale price) was the basis. Government directed (November 1992) that escalation on labour component from 1 July 1990 be based on minimum wage instead of CPI for industrial workers. The minimum wages fixed at Rs.25 per day from 1 July 1990 were revised to Rs. 30 per day from August 1996. Therefore, no escalation on labour component was payable in respect of any contracts received/finalised after 1 July 1990 for works executed upto August 1996. However, in Bhanjanagar (R&B) Division the contracting firm was paid (February/March 2000) escalation on labour for Rs.54.97 lakh.

<sup>8</sup> NH Division; Sambalpur, Keonjhar and Rourkela.  
NH-6: RD 392 to 412 km, NH-23: RD-201/290 to 206/600 km, 257 to 263 km 273 to 286 km and 296/960 to 305 km.

**4.1.9.10 Extra expenditure/liability**

Execution of works in deviation of approved specification and non-levy of penalty despite default in execution led to extra expenditure/liability of Rs.3.57 crore as detailed below:

**Execution of work in deviation from the specification and non-levy of penalty led to extra expenditure / liability of Rs.3.57 crore.**

Name of work Date of commencement/completion	Cost of work (Rupees in crore)	Observation
(i) Widening including strengthening of the NH-23 in RD 257 to 268/3 km, RD 273 to 280/3 km., RD 281 to 286/74 km. June/July 1998 March/ December 2000	9.13	The works awarded (June/July 1998) to three contractors involved widening the road to 7 metres with overlay of one layer of WBM and one layer of BUSG followed by premix carpet and seal coat. The works were reported as completed (December 2000-January 2001) with payment of Rs.8.83 crore to the contractors. However, the road crusts failed immediately after completion showing signs of distress in the carriage way. MORT&H suggested investigation into the causes of failure. Though the EE had pointed out (October 2000) that the failure occurred due to presence of voids in the BUSG layer which enabled water seeping into the BUSG layers resulting failure of the crust, the laboratory test results on such failure were not obtained. As per the conditions of the contracts, the surface of the embankment/sub-grade at all times during construction was to be maintained for effective drainage of water and also to prevent ponding. These reaches suffered the failure basically due to presence of voids in the BUSG layer in as much as construction of the road embankments without adequate drainage facility. The SE proposed (April 2001) provision of aggregate drain alongside the black topped surface for channelising the accumulated water at a cost of Rs.45.50 lakh in these reaches. Although the same was not approved by MORT&H, the EE had incurred an expenditure of Rs.16.10 lakh on such work as of May 2002. Thus, execution of the works by the agencies without adhering to the specifications together with the departmental failure in not penalising the contractors for poor quality works and instead carrying out the rectification at the cost of the department led to extra expenditure/liability of Rs.45.50 lakh .
(ii) Single lane to double lane from RD 255 to 257 Km and RD 268 to 271 Km of NH 23. December 1997/August 1995 November 1998/ February 1997	0.31 0.46	The reach from RD 255 to 257 Km was completed at Rs.31.13 lakh by February 1999. In the case of RD 268 to 271 Km the contractor abandoned the work after executing work worth Rs.19.01 lakh as of June 1999. The balance works were got completed departmentally at a cost of Rs.27 lakh by October 1999. Immediately thereafter, the road developed severe cracks in both the reaches and the road was in distress condition. The reasons for the failure of the road were not investigated. Rs.70.59 lakh was spent on bituminous macadam and surface dressing between June and August 2000 under Flood Damage Repair (FDR) grant for both the reaches. Again the portion from RD 269 to 271 Km disclosed heavy depressions with wide spread pot holes which was not rectified (March 2002). Thus, the reasons for frequent failures of the constructed/repaired road were not investigated by the department, responsibility not fixed and recoveries , if any, not made from the contractors.
(iii) Strengthening two lane pavement from RD 440 to 456 Km of	4.57	The portions from 443 to 445.714 Km and 450 to 456 Km were completed and opened to traffic by June 1997. Thereafter the CE, NH, Regional Officer (RO), MORT&H and the CE, Research Development and Quality Promotion (RDQP) noticed crocodile cracks over the SDBC surface. The matter was,

Name of work Date of commencement/completion	Cost of work (Rupees in crore)	Observation
NH 6 <u>March 1996/</u> March 1999		thereafter, investigated and as mentioned (June 1998) by the EIC-cum-Secretary to Government, the inter-connected cracks forming a series of blocks were developed due to (i) excessive movement of base (ii) oversaturation of base (iii) excessive load over the surface and (iv) inadequate pavement thickness. He concluded that the failure was mostly due to the lapses in execution by the contractor. The contractor was not penalised and instead, rectification was carried out by the same contractor under extra item to the contract resulting in extra expenditure of Rs.57.72 lakh to the Department.
(iv) Widening of NH 6 from RD 322 to 338 Km <u>April 1995 /</u> April 1997	1.77	After completion of the work in stretches, depressions occurred in the central carriage way which led to failure of the crust. The failure was attributed to inadequacy of sub-base designed by the department and construction of the embankment and sub-base without providing drainage facility. The central carriage way portion for 0.25 lakh Sqm was repaired and sand drain was provided to protect the widening portion through the same agency with additional expenditure of Rs. 31.81 lakh.
(v) Construction of HL bridge over Kantia Nullah at 6 <sup>th</sup> Km on RN Road (MDR 18) <u>December 1997</u> September 1998	0.38	The contract stipulated that in case of default in completion of the work including extended scope of the works, if any, the left over works were to be got executed at the cost and risk of the defaulting contractor. The contractor could not complete the works even during the extended period (June 2000) on the grounds of change of site and involvement of execution of additional spans. Although the grounds were not tenable as per the term of the contracts, the agreement was closed by the CE (Roads) without levy of penalty by which time the defaulting contractor had executed works worth of Rs.14.41 lakh. The left over works of Rs.23.71 lakh were retendered in February 2001 and the lowest negotiated tendered value of Rs.44.09 lakh was under approval (September 2002). Thus, the default in execution led to extra liability of Rs.20.38 lakh at the tender stage.
(vi) Construction of approach roads to HL bridge over river Tikira at 67 <sup>th</sup> km on Rairakhol-Deogarh road (SH 24) <u>August 1993</u> February 1995	0.34	The contractor abandoned (August 1996) the work at sub-base level. The SE during inspection suggested (May 2001) for stone pitching to the embankment to safeguard the bridge and approach roads. The works were not executed before monsoon. The flood water of July 2001 overtopped the half done approach roads causing breach of 73 metres and washing out the existing vented causeway. Thereafter with the instruction (July 2001) of the EIC restorations were made (July 2001) with an expenditure of Rs.38.27 lakh. Tenders for permanent restoration work received in March 2002 for Rs. 46.06 lakh remained unfinalised (May 2002). Thus, the abandonment of the work by the contractor together with delay in completion of the protection works led to extra expenditure of Rs.38.27 lakh. Besides, the defaulting contractor retained unused departmental materials worth Rs.5.04 lakh which was not recovered (May 2002).

Name of work Date of commencement/completion	Cost of work (Rupees in crore)	Observation
(vii) Construction of the balance works of HL bridge over river Mahanadi at Sonapur on Sonapur-Biramaharajpur-Subalya road (ODR)  February 1999 February 2002	25.00	As per rules, the tenders were to be finalised and agreements executed within 90 days from the date of receipt and escalations on labour, material and POL were payable from the date of opening of tender. However, the tenders for the work received in November 1997 was awarded as late as in February 1999 to a contractor (due to delayed finalisation of the tender). The contractor had executed (March 2002) work worth Rs.21.01 crore. Further, although the contractor had not executed any work from November 1997 to February 1999, the cost escalation was paid for the above period to the contractor which resulted in avoidable expenditure of Rs.57 lakh.
(viii) Construction of the HL bridge over river Safai at 67 <sup>th</sup> Km of Sambalpur Rourkela road (SH 10)  October 1993 April 1995	--	The work was taken up by OBCC on priority basis since the existing girder bridge was in a dilapidated condition. As the work was not completed as scheduled, the balance works were awarded to another contractor providing construction, maintenance and completion of the work proper and the diversion roads at their cost and risk. This girder bridge was used as a diversion during the construction period of the new bridge. Adequate maintenance was not done to the girder bridge and as a result, the bridge further deteriorated and collapsed on 3 May 2001. This obstructed the vents of the new bridge warranting protection works. The protection works were completed (January 2002) through the bridge contractor and another agency with payment of Rs.34.52 lakh. Thus, the massive delay of 12 years in execution of the bridge together with lack of maintenance of the girder bridge used as diversion led to extra expenditure of Rs.34.52 lakh.

#### 4.1.9.11 Irregularities in execution of Deposit Works

**There has been mis-management of funds of Rs.17.81 crore on execution of deposit works**

Works Department executed various works under the deposit accounts of other agencies. Finance Department receives the deposits and releases LoCs for execution of the works. There had been mismanagement of funds of Rs.17.81 crore on execution of deposit works as summarised below:

(i) Against the receipt of deposits of Rs.31.52 crore, Finance Department authorised Rs.24.02 crore for execution of the works. As a result, deposit works for Rs.7.50 crore remain unexecuted (March 2002).

(ii) During 1999-2002, against LoC of Rs.1.59 crore provided for repairs of deposit works of Aviation Research Centre (ARC), Charbatia, the EE Charbatia (R&B) Division incurred an expenditure of Rs.1.15 crore and the balance LoC of Rs. 44 lakh was diverted to other works.

(iii) The EE, Charbatia (R&B) Division incurred an expenditure of Rs.1.38 crore during April 1999 to August 2001 towards repairs to the residential and non-residential buildings of ARC, Charbatia.

The Assistant Director (ADMN) ARC Charbatia however, reported (August 2001) that repair works executed by the Division were sub-standard

as the leakage/seepage of roofs/walls had increased despite repairs. The CE (Building) directed (August 2001) to rectify the defects and to initiate action against the Engineer-in-charge. Neither the defects were rectified nor responsibility fixed for the sub-standard works. Thus, the expenditure of Rs.1.38 crore incurred on repairs did not serve the purpose.

Similarly, the additional class room in Oriya Medium School at Charbatia (UGME school) constructed with an expenditure of Rs.24.24 lakh was leaking profusely. The EE attributed (September 2001) the poor standard of work to laxity of supervision by JE and instructed to take up the repair which were, however, not carried out (November 2001). Thus, the expenditure of Rs.24.24 lakh incurred on the construction was rendered unfruitful as the building could not be handed over.

(iv) Although the notice (July 2001) floated by EE, Burla (R&B) Division for improvement of 7 roads sponsored (July 2001) by Western Orissa Development Council (WODC) at Rs. 88.63 lakh provided for execution of identical items of works, the SE accepted 3 tenders ranging between 18.66 *per cent* and 23.87 *per cent* less than the estimated cost and the other 4 tenders carried excess between 2.51 *per cent* and 2.46 *per cent* over the estimates. The total value of the tenders stood at Rs.80.59 lakh. The irrationality of rates quoted by the bidders for identical works during the same period was evidently not evaluated by the EE/SE. This led to avoidable liability of Rs.11.67 lakh at the tender stage.

(v) The Railways approved construction of Railway over Bridge (RoB) by NH as a deposit work at 348/180 Km of NH 6 near Keonjhar. Although the fly over was 1180 metres long, the pre-construction borings were conducted only at two locations which indicated the Safe Bearing Capacity (SBC) as 26.256 tonnes per sqm against the designed requirement of 22.8 tonnes per sqm. Based on this data it was considered that the construction of the approaches to the RoB in earthen embankment was costly compared to the RCC fly over. Construction of a RCC RoB on NH-6 was accordingly awarded (July 1999) to a contractor at Rs.10.38 crore for completion by January 2001. The agreement stipulated that sub-soil exploration was to be completed before actual execution for confirmation of the SBC of the soil as indicated in the drawings. Before actual execution, the SBC was found to range between 4.37 and 15.14 tonnes per sqm at all pier locations. Due to low SBC, modifications were carried out providing considerable increase in the foundation concrete. The estimate was revised to Rs.14.97 crore in July 2001 and the work was rescheduled for completion by January 2002. Had the SBC been correctly assessed ab-initio and the fly over constructed by earthen embankment, the work could have been completed at Rs.10.04 crore. The inadequate pre-construction survey and investigation, therefore, not only led to insufficient reading of the SBC but also escalated cost of the bridge by Rs.4.93 crore and time overrun by one year.

(vi) Construction of approach road to Railway over Bridge (RoB) near Bargarh on NH 6 was awarded (November 1999) to a contractor at Rs.1.65 crore for completion by September 2000. The agreement stipulated that in case of failure of completion within the given time, compensation upto 10 *per cent*

of the value of the work was leviable. The contractor after executing work worth Rs.1.15 crore abandoned (March 2001) it without executing the surface dressing and finishing items. Liquidated damage of Rs.16.50 lakh though leviable under the contract towards default in execution was not levied (January 2002).

Although as per the agreement the contractor was to protect and maintain the work during execution and upto the defect liability period, no such action was taken by him after abandonment of the works. As a result and also due to non-execution of the surface dressing works, the works developed signs of distress on account of surface erosion by rain water. Neither the defects had been rectified (February 2002) nor any action initiated for closure of his agreement with penalty. The road had not been opened to traffic (January 2002). The non-completion and time overrun in the work thus resulted in unfruitful expenditure of Rs.1.15 crore.

(vii) The detailed specifications for the works of above approach roads to the RoBs stipulated that the contractors had to make and maintain all diversions including light barriers etc. as directed by the EIC. However, during the process of finalisation of the bids for the work of RoB near Keonjhar the department completed the construction of diversion of road on the site incurring an expenditure of Rs.27.51 lakh. Similarly, the Railways completed the diversion road at Bargarh site before handing over to the NH organisation. Thereafter, the works, were awarded to contractors at Rs.12.03 crore stipulating construction of the RoBs and maintenance of diversion roads at their cost and risk. In spite of that the department continued to maintain the diversion roads during the currency of the contracts resulting in extra expenditure/liability of Rs.57.69 lakh on such account as of February 2002.

(viii) The 10<sup>th</sup> Finance Commission sponsored a scheme for establishment of Roll on/Roll off facility between Satapada and Jahnikuda to connect Satapada with Puri District Headquarters. For this purpose, the Chilika Development Authority (CDA) deposited (May 1999) Rs.2 crore with Khurda (R&B) Division for improvement of 19 Kms of Krushnaprasad-Jahnikuda road at Rs.1.55 crore and replacement of the damaged wooden bridge at Rs.45 lakh with a HL bridge at Poisana being the vital link for making the scheme operational. The road was completed in March 2000 with expenditure of Rs.1.47 crore. For construction of the bridge the lowest tender value of Rs. 87 lakh received in July 2000 was not approved (December 2001). The balance amount of Rs. 45 lakh was refunded to the CDA in January 2002 and the bridge was not executed. Due to non-completion of the bridge, the road could not be opened for traffic, thereby rendering the entire expenditure of Rs.1.47 crore unfruitful.

#### **4.1.10 Manpower Management**

##### **4.1.10.1 Sanctioned strength vis-à-vis Staff in position**

The sanctioned strength vis-a-vis men in position in different grades (March 2001) as per the Budget data was as follows. The staff position as of March 2002 was not worked out by the Department even as of May 2002.

Grade	Sanctioned post (both technical & non-technical)	Men in position (both technical and non- technical)	Vacancy/ (Percentage in bracket)	NMR <sup>9</sup> /DLR staff in Grade B,C&D
A	174	158	16 (9)	
B	729	673	56 (8)	
C	4785	3810	975 (20)	
D	6301	5696	605 (10)	
	<b>11989</b>	<b>10337</b>	<b>1652 (14)</b>	<b>3757</b>

**Excess deployment  
of 3757 numbers of  
staff at a cost of  
Rs.16.23 crore**

Although the vacancies under all the grades ranged between 8 and 20 *per cent* (March 2001), Government neither reduced the sanctioned strength on realistic evaluation nor was the workload re-organised and staff redeployed. Instead, against the vacancy of 1636 posts under Group B, C & D the department had enrolled 3757 on NMR and DLR (without sanction). The unauthorised expenditure was Rs.16.23 crore during 1999-02.

#### **4.1.10.2**      *Creation and operation of post without job description*

The Administrative Department created and operated one post of EIC (Civil) from December 1995, yet the job description of the EIC was not codified and the EIC had not been authorised with any technical and financial powers (March 2002). The expenditure on salaries of EIC and his establishment during December 1995 to March 2002 amounted to Rs.24 lakh.

#### **4.1.10.3**      *Transfer and posting policy*

Without receipt of any transfer orders, 65 officers were unauthorisedly allowed to perform their duties for 2 months to 13 years at places other than their actual places of posting. It was evident that transfer and postings were being done in ad-hoc and even arbitrary manner having adverse impact on the efficient discharge of duties by the officials concerned.

#### **4.1.10.4**      *Vigilance and disciplinary cases*

There were 47 vigilance and disciplinary cases in respect of 54 Officers pending for finalisation as of March 2002. The period of pendency ranged between 10 and 48 months. During the pendency 7 Officers retired on superannuation. Such pendency of disciplinary cases frustrate the purpose of disciplinary action.

#### **4.1.10.5**      *Training*

Although the department had adequate infrastructure for construction of roads, bridges and buildings, yet no training institute was established for periodical training to increase efficiency.

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<sup>9</sup> NMR- Nominal Muster Roll, DLR- Daily Labour Roll.

**4.1.10.6 Non-finalisation of pension cases**

243 members of staff were authorised provisional pension of Rs.15.21 lakh per month due to delay in finalising pension cases by the Department. The delay ranged between 3 and 38 months.

**4.1.10.7 Non-recovery of rent of Staff Quarters**

In 12<sup>10</sup> out of 22 Divisions test checked rent amounting Rs.89.04 lakh (March 2002) was not recovered from the staff occupying Government quarters. While routine notices were issued, there was no follow-up action.

**4.1.11 Inventory control**

Due to large scale misappropriation, defalcation, theft and pilferage in stores Government ordered (January 1996) discontinuance of procurement of stores from April 1996 and directed that the works be executed by contractors on finished item rate contract basis providing stores and machinery at their cost and risk. Government also ordered for immediate stock taking of the existing materials/spares and exploring the possibility of their utilisation/disposal. Despite lapse of over 6 years, such stock taking was yet to be completed (March 2002). Test check in audit revealed that the department continued to retain surplus stores worth Rs.34.65 crore (March 2002). These items mostly related to higher dimension steel rods and building fittings. No action was taken to utilise/dispose of the same. The department had incurred Rs.11.63 crore during 1999-2002 on watch and ward and maintenance of stores. Audit scrutiny also revealed irregularities in inventory control resulting in loss of Rs.8.55 crore as detailed in Appendix- XXVIII.

**4.1.12 Poor functioning of Stores Verification Party**

A Stores Verification Organisation with a staff strength of 18 and headed by one SE was to conduct physical verification of stores, segregate surplus/unserviceable materials and detect pilferage, theft and losses. In 40 months, physical verification was done in 14 divisions. Even the reports of verification were issued after a delay of 4 years. Even though the reports indicated mismanagement of stores valued at Rs.9.75 crore arising out of discrepancies between book and ground balances, lack of references of utilisation of materials and shortage in charge papers etc. neither did the EEs take any remedial action nor was any action taken against the delinquent officials.

**4.1.13 Deployment of machinery/Underutilisation of departmental machinery**

(i) In 13 units test checked, the EEs were having 104 Power Road Rollers (PRRs) of which 69 were in working condition. No attempt was made to repair the rollers to make them fit for deployment. Against 3.89 lakh hours

Materials worth Rs. 34.65 crore were not disposed of resulting in unproductive expenditure of Rs.11.63 crore apart from loss of Rs.8.55 crore

<sup>10</sup> R&B Divisions Khurda:-Rs.2.90 lakh, Charbatia: Rs.1.84 lakh, Cuttack: Rs.40.84 lakh, Jagasinghpur: Rs.5.09 lakh, Ganjam No-I: Rs.0.26 lakh, Ganjam No. II: Rs.8.73 lakh, Keonjhar: Rs.8.20 lakh, Jeypore: Rs.0.55 lakh, Dhenkanal: Rs.2.22 lakh, Balasore: Rs.14.34 lakh, Panikoiili: Rs.3.61 lakh, NH Dhenkanal: Rs.0.46 lakh



available during the period from April 1999 to March 2002, the EEs deployed the road rollers only for 0.33 lakh hours which worked out to 8 *per cent*. The low utilisation as per the Engineers-in-Charge was due to execution of works by contractors deploying their own PRRs. This led to loss of revenue on account of hire charges of Rs.5.29 crore (March 2002).

(ii) According to the conditions of the contracts, machinery available with the department were to be provided to the contractors on payment of usual hire charges. Rs.14.24 crore were outstanding with the contractors as hire charges pertaining to the works executed as of March 2002.

#### ***4.1.14 Deficient Accounting***

Failure on the part of the EEs to adhere to the prescribed accounting procedure led to non-adjustment of Rs.52.77 crore as detailed in Appendix-XXIX.

#### ***4.1.15 Poor response to Audit***

Audit observations on financial and other irregularities noticed during local Audit and not settled on the spot were communicated to the Heads of Offices and to next higher departmental authorities through Inspection Reports (IR). As of September 2002, 957 IRs containing 3813 paragraphs were outstanding for compliance. The IRs included serious financial and other irregularities like extra expenditure, non-recovery, infructuous/avoidable expenditure and misappropriation etc. involving Rs.223.20 crore. The failure of the Department to take action on the audit observations facilitated continuance of irregularities and perpetuates an atmosphere of financial irresponsibility.

The review was demi-officially forwarded (July 2002) to the Engineer-in-Chief-cum-Secretary to Government, Works Department for reply within six weeks and was followed by demi-official reminder in September 2002. No replies were received (October 2002).

**Deficient accounting led to non-reconciliation of discrepancies for Rs. 52.77 crore**

**Failure of the department to take action on audit observation led to non-settlement of audit objection involving Rs.223.20 crore**

**SECTION-B**

**COMMERCE AND TRANSPORT  
(COMMERCE) DEPARTMENT**

**4.2 Undue favour to a stevedore in Gopalpur Port**

**A stevedore was paid Rs.65.21 lakh towards operation, manning and maintenance of harbour craft at Gopalpur Port Project without any shipment activity and without mobilisation of men and machinery.**

The work “Operation, manning and maintenance of harbour craft of Gopalpur Port Project for the shipment season 2001-2002” (December 2001 to March 2002) was awarded (March 2002) by the Executive Engineer (EE), Gopalpur Port Project to a stevedore for Rs.1.61 crore. The contract stipulated *inter alia*, that the period of contract might be changed as and when required depending upon the circumstances and in such cases, payment would be made for the actual working period. The stevedore was, however, paid Rs.65.21 lakh for operating, manning and maintaining work for first two months from 2 December 2001 to 1 February 2002, even before the award of work.

Test check of records revealed (April 2002) that though the date of commencement of work mentioned in the agreement was 2 December 2001, the barges (harbour craft) were not handed over by port authorities to the stevedore and the stevedore had not even mobilised men and machinery at site even by the first week of February 2002. The first ship for which stevedore services were provided arrived at Gopalpur Port on 17 February 2002. As such, there was no activity at the port site during the period December 2001 and January 2002. Hence the agency was not entitled to any payment.

Government stated (July 2002) that the stevedore had mobilised the men and machinery at site/took over possession of the port crafts and had commenced the work from 2 December 2001. The reply was not correct as the stevedore had not mobilised men and machinery as of 30 January 2002 and no stevedore services were provided before 17 February 2002.

## **HOUSING AND URBAN DEVELOPMENT DEPARTMENT**

### **4.3 Irregular and unnecessary purchases without assessing actual requirement**

**Spare parts and stores valuing Rs.9.86 crore were procured without tenders and requirement resulting in blockage of Rs.2.76 crore.**

Departmental rules stipulate that purchase of materials required for use in public works should be made in the most economical manner after assessing definite requirements and the existing stock of materials. The rates for purchases exceeding Rs.10,000 should be approved by the competent authority after inviting sealed quotations/tenders through wide publicity and purchase orders should not be split up to avoid sanction of higher authority.

Test-check of records of defunct Public Health (PH) Mechanical Division, Bhubaneswar, renamed (July 2000) as PH Division, Bolangir revealed (December 2001) that the Executive Engineer (EE), purchased spares worth Rs.9.86 crore for departmental rigs and other machinery during 1997-2001 (upto July 2000) without assessing the requirement. Spares worth Rs.7.26 crore were purchased from local markets through spot quotations by the sub-divisional officers on piecemeal basis without inviting sealed tenders/quotations. This included stores valuing Rs.0.75 crore purchased during shifting (July 2000) of the division from Bhubaneswar to Bolangir and resulted in huge accumulation of unutilised stores valuing Rs.2.76 crore as of October 2002.

Further, one rig (B-80) was repaired (April-July 2000) by the erstwhile PH, Mechanical Division, Bhubaneswar by purchasing spares worth Rs.39.86 lakh. But the rig was still not in working condition. Thus, the expenditure on spares was rendered wasteful. The defunct division transferred all rigs and machinery to five PH divisions while the unutilised spares were transferred only to one division which resulted in accumulation of spares mainly in that division.

Thus, irregular and unnecessary purchase of spares in disregard of the prescribed purchase procedures resulted in blockage of Government funds of Rs.2.76 crore. Such irregular and unnecessary purchases was attributable to uncontrolled release of LoCs of Rs.15.08 crore by the Chief Engineer (CE) to the EE as against allotment of only Rs.9.60 crore during the said years. The matter calls for investigation.

Government, while accepting the audit observations stated (August 2002) that departmental special audit was in progress and disciplinary action had been initiated.

## RURAL DEVELOPMENT DEPARTMENT

### 4.4 Wasteful expenditure on a bridge work

**Wasteful expenditure of Rs.61.82 lakh due to major variation in boring data and change of design and abandonment of work. The EE also failed to recover Government dues of Rs.26.73 lakh from the defaulting contractor.**

Construction of a high level bridge over river Gobari on Mahakalapada-Bijaynagar road in Kendrapara district was awarded (February 1991) by the Executive Engineer (EE), Kendrapara Expressway Division<sup>1</sup> on lump sum contract at Rs.1.50 crore stipulating completion by August 1993. In June 1994 after receiving Rs.61.82 lakh, the contractor abandoned the work on the ground of non-clearance of dues. Although the reason adduced by the contractor was not correct, it took over 3 years for the contract to be closed (July 1997) by the Government with levy of penalty of 5 per cent of the value of incomplete work. This had not been recovered from the contractor till date.

Scrutiny further revealed that the EE issued (December 1991-June 1994) to the contractor 4090 bags of cement, 16.3152 MT of steel and one bearing in excess of requirement which were not returned. Steps were not initiated by the EE as of June 2002 to recover the cost of unutilised materials at penal rate amounting to Rs.22.33 lakh together with the penalty of Rs.4.40 lakh imposed by the Government on closure of the contract. Against the recoverable dues of Rs.26.73 lakh, only Rs.2.09 lakh were available as Security Deposit.

As per instructions of June 2001 the EE, Rural Works Division, Kendrapara undertook fresh boring where wide variation between old and new boring data was discovered necessitating change in foundation levels of all the piers. Accordingly, he suggested (November 2001) preparation of a fresh General Arrangement Drawing (GAD) which was still to be done as of October 2002.

Scrutiny revealed that the payment of Rs.61.82 lakh to the contractor included Rs.13.50 lakh towards setting up camp and submission of first set of designs (Rs.6 lakh) and mobilisation (Rs.7.50 lakh). Since the work was closed and the design of the contractor was not workable in view of major variations in the subsequent boring data, Rs.13.50 lakh spent on designs, mobilisation etc. proved wasteful.

The role of EE in not recovering Rs.26.73 lakh from the contractor deserves investigation. The entire expenditure of Rs.61.82 lakh proved wasteful and the bridge remained incomplete for over 12 years.

The matter was reported to the Chief Engineer, Rural Works during August 2001; reply had not been received. The matter was also demi-officially

<sup>1</sup> The work was transferred to the Rural Works Division, Kendrapara from June 1991.

forwarded (July 2002) to the Commissioner-cum-Secretary to the Government, Rural Development Department for reply within six weeks and was followed by demi-official reminder in August 2002. No reply was received (October 2002).

**4.5 Unfruitful expenditure due to defective execution of a bridge work**

**Failure of the Executive Engineer (EE) to take corrective action despite instructions of higher authorities led to unfruitful expenditure of Rs.1.21 crore on a bridge work that remained incomplete for 8 years.**

Based on the General Arrangement Drawing (GAD) approved (February 1992) by the Chief Engineer (CE), Rural Works (RW), construction of a high level bridge over river Baitarani on Champua-Fogu road was awarded (November 1994) to a contractor at Rs.2.67 crore for completion by May 1997. After partly casting and sinking of all piers (5 numbers) and abutments (both sides) and receiving payment of Rs.1.21 crore, the contractor stopped the work (June 2000) and applied for extension upto April 2002. The CE during inspection (December 2000) observed that wells had shifted and tilted beyond the permissible limit of 150 mm and 1:80 respectively. Therefore, Technical Advisory Committee (TAC) suggested (November 2001) remedial measures at contractor's cost.

Check of records in audit revealed (March 2002) that the GAD provided for test boring at exact position of piers/abutment wells before commencement of work. The Superintending Engineer (SE), RW, North-Eastern Circle, Keonjhar during his inspection (November 1994) had pointed out the difference between the bore log data adopted in the GAD and those furnished at site and instructed the EE for fresh boring at the well points to ascertain soil condition and rock bed. Fresh test boring was not done by the EE before commencement of the work. Consequently, the wells tilted and shifted beyond the permissible limit. Even the remedial measures suggested by the TAC were not carried out as of June 2002.

Thus, improper investigation and failure to conduct fresh test boring by the EE as instructed by SE led to defective and incomplete execution of the work rendering the expenditure of Rs.1.21 crore unfruitful. Further, the EE also failed to get the defective work rectified by the contractor as directed by the TAC. Besides, funds of Rs.3.32 crore received for the bridge and approach road, could not be utilised due to slow progress and defective execution of work and were surrendered between 1994 and 2002. Resultantly, the beneficiaries were deprived of the intended communication facility which the bridge was to provide.

EE stated (March 2002) that decision of the TAC to rectify the defects at contractor's cost was communicated to the contractor. However, the defects were not rectified as of June 2002.

The matter was reported to the CE, RW during May 2002; reply had not been received. This again was demi-officially forwarded (July 2002) to the Commissioner-cum-Secretary to Government, Rural Development Department for reply within six weeks and was followed by demi-official reminder in August 2002. No reply was received (October 2002).

## WATER RESOURCES DEPARTMENT

### 4.6 Excess payment to contractors for non-deduction of voids from excavated materials

#### **Excavated Medium Hard Rock was not stack measured and voids not deducted which led to excess payment to contractors.**

Excavation of Right Main Canal from RD 11 to 22 Km including structures, RD 33 to 39 Km and RD 39 to 42 Km of Upper Indravati Irrigation Project was awarded (January 1994/May 1994/January 1995) to two contractors under three agreements at a cost of Rs.5.89 crore for completion by July 1995/November 1995/April 1996. The agreements provided, *inter alia*, for excavation of 0.87 lakh cum of Medium Hard Rock (MHR) mixed with disintegrated (DI) rock, intermediate stony earth patches etc. at a cost of Rs.0.73 crore against which the contractors executed 8.06 lakh cum and were paid Rs.9.92 crore at rates varying between Rs.81 and Rs.142.20 per cum.

Check of records of Right Canal Division-I, Mukhiguda (October 2001) revealed that the general conditions of agreement for RD 33-39 Km and RD 39-42 Km stipulated that payment for excavation of MHR was to be made for the quantity to be arrived at after deducting 25 *per cent* voids from stack measurement but this condition was not incorporated in respect of agreement for Reach 11-22 Km though 7.18 lakh cum was excavated in this reach. Payments were thus made to the contractors on level section measurement instead of stack measurement for MHR and deduction of voids.

Thus, payment for the overall quantity (8.06 lakh cum) of excavation as MHR without deduction of voids of 2.02 lakh cum being 25 *per cent* of the excavated quantity, resulted in excess payment of Rs.2.48 crore to the contractors.

Executive Engineer (EE) stated (October 2001) that measurement for excavation of MHR was taken on level section which was considered to be more accurate. The contention of EE was not tenable in view of the fact that the MHR was mixed with earth and boulders etc. and lack of stack measurement and non-deduction of voids inflated the quantity of MHR for payment resulting in excess payment to the contractor.

The matter was referred to the Chief Engineer, Upper Indravati Irrigation Project, Khatiguda in December 2001; no reply was received from him. This again was demi-officially forwarded (February 2002) to the Commissioner-

cum-Secretary to Government, Water Resources Department for reply within 6 weeks and was followed by demi-official reminder in April 2002. No reply was received (October 2002).

#### **4.7 Wasteful expenditure due to bad planning**

##### **Expenditure of Rs.15.40 crore incurred on improvement of Bhanjanagar reservoir was rendered wasteful due to non-acquisition of forest land.**

Bhanjanagar reservoir with storage capacity of 47,800 Acre feet (Ac. ft.) enabled irrigation requirement of Rushikulya system and drinking water supply to Bhanjanagar and Berhampur towns. Due to siltation, the storage capacity had reduced to 38,600 Ac. ft. To ensure a storage of at least 45,800 Ac. ft., it was decided (1995) to raise the Top Bank Level (TBL) from RL 98.30 m to 100.50 m, strengthen the crest of the Dam and revise spillway designed with 7 bays for flood discharge of 914 cumecs in place of existing 154 cumecs. Although the Executive Engineer (EE), Bhanjanagar Irrigation Division was aware from the pre-construction survey that this would cause submergence of an additional 66.49 hect. of reserve forest land yet he took up the work under World Bank assistance (DSARP and WRCP<sup>2</sup>) without initiating any proposal for release of required forest land. As of March 2002, Rs.15.40 crore were spent.

The World Bank Supervision Mission, visited the site in July 2001 and noted that only 6 bays were constructed in place of 7 due to constraints in acquisition of forest land. The team suggested to restrict the maximum storage in the reservoir to the original Full Reservoir Level (FRL) 95.10 m in which case, raising of TBL was not necessary. However, the TBL had already been raised by 1.70 m.

Check of records in audit revealed (May 2002) that the proposal for release of reserve forest land was submitted only in November 2000 and the land had not been released as of June 2002.

Thus, the purpose of boosting reservoir capacity to supplement assured irrigation to Rushikulya system and providing drinking water to Bhanjanagar and Berhampur towns were defeated and expenditure of Rs.15.40 crore incurred on the works proved wasteful since construction of the 7<sup>th</sup> bay at this stage was not feasible.

EE, Bhanjanagar Irrigation Division stated (May 2002) that the repair of the dam was inevitable in order to regain the capacity and safety of the dam for future and after detailed study, the level of the reservoir would be increased. The fact however, remains that even after spending Rs.15.40 crore on enhancement of irrigation potential and drinking water facility, there was no increase in the storage capacity, water supply to two towns etc.

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<sup>2</sup> DSARP: Dam Safety Assurance and Rehabilitation Project.  
WRCP: Water Resources Consolidation Project

The matter was referred to the Engineer-in-Chief, Water Resources in May 2002. No reply had been received. This again was demi-officially forwarded (July 2002) to the Commissioner-cum-Secretary to Government, Water Resources Department for reply within six weeks and was followed by demi-official reminder in August 2002. No reply was received (October 2002).

#### **4.8 Undue financial aid to a contractor**

##### **Payment of escalation charge of Rs.56.52 lakh on labour component without any provision in the contract and despite advice of the Law Department in this regard.**

Excavation of Kadaguda Distributary from RD 00 to 16800 M of Harabhangi Irrigation Project was awarded (December 1998/June 1999) to a contractor under two agreements financed by World Bank under Water Resources Consolidation Project for Rs.5.12 crore stipulating completion in 12 months. The works could not be completed within the stipulated period and time extension upto September 2000/May 2001 was granted by the Chief Engineer and Basin Manager (CE and BM), Rushikulya, Vansadhara and Nagavali (RVN) Basin, without prejudice to Government's right to levy compensation under the terms of the contract. The contractor claimed differential amount on account of revision of minimum wages for the value of work executed upto December 1999/October 2000 and he was paid (December 2000) Rs.56.52 lakh towards increase in rates of labour as per price adjustment formula.

Check of records in Audit revealed that price adjustment clause was deleted from the agreements, since the stipulated time for completion of work was less than eighteen months as per conditions of bid documents approved by World Bank for Water Resources Consolidation Projects. While applying for extension, the contractor also furnished an undertaking that he would not claim any price escalation for the extended period. As per opinion (March 1992) of the Law Department circulated (April 1992) by the Government, a contractor on furnishing no claim certificate, forfeits his right to any escalation charges. Despite above clarification of Law Department, the contractor was unauthorisedly paid Rs.56.52 lakh towards price escalation on labour component.

EE did not contest the audit conclusion and stated (May 2002) that the payment was made under orders of CE and BM, RVN Basin.

The matter was referred to the Engineer-in-Chief, Water Resources in April 2001. No reply was received. The same was again demi-officially forwarded (June 2002) to the Principal Secretary to Government, Water Resources Department for reply within six weeks and was followed by a reminder in July 2002. No reply was received (October 2002).



**4.9 Wasteful expenditure due to disregard of design specification and execution of sub-standard work**

**Failure to execute a composite spur to the design length and specification led to wasteful expenditure of Rs.38.18 lakh. Further, work valuing Rs.1.08 crore was sub-standard due to disregard of recommendations of the consultant.**

(i) Protection to scoured bank on Devi Right Embankment at RD 78.460 km near village Bauriakana (construction of 60 m composite spur) was awarded (March 1998) to a contractor at Rs.46.23 lakh for completion by June 1998. The contractor after executing the spur upto 33 m at a cost of Rs.35.45 lakh stopped (June 1999) the work since it started sinking. The contractor had been paid (March 1999) Rs.31.45 lakh and final bill was pending. Besides, Rs.6.73 lakh were spent on the departmental supplies. The incomplete spur of 33 m was damaged due to flood and during super cyclone of October 1999. Repairs and bank protection work was awarded (April 2002) to another contractor at Rs.1.06 crore for completion by February 2003 and the work was under progress.

Check of records in audit revealed (March 2002) that the agreement provided for under-water dumping of 6818 cum hard stone boulder in GI crates and 5436 cum without GI crates, against which the contractor dumped only 800 cum in GI crates and 8795 cum without GI crates. Similarly, in place of provision for under-water dumping of 2635 cum of sand filled in empty cement bags in net-lons and 2635 cum without net-lon, the contractor executed 1400 cum and 4398 cum respectively. Non-execution of the work as per the design specification caused depression of the spur and the work was left incomplete. This indicated lack of supervision by the EE. Entries in the measurement book had also been tampered with as observed (February 2001) by the Executive Engineer (EE), Nimapara Irrigation Division and also corroborated (May 2001) by the Task Force Committee. Departmental proceedings were initiated against the erring officers on the basis of Task Force report on June 2002 and final quantity with financial involvement in the case was awaited as of August 2002.

Thus, non-completion of the composite spur to its design length and non-observance of the specifications for under-water dumping of stone and sand bag rendered the expenditure of Rs.38.18 lakh wasteful as the spur depressed (June 1999) and was unable to provide any protection to the river bank.

EE stated (June 2002) that the spur was constructed as a temporary protection measure. The reply was not tenable since the EIC, Water Resources considered (December 1997) one long composite spur suitable to protect the bank scouring effect.

(ii) To control river Devi to its right embankment from RD 77.400 km to 79.060 km, Government appointed (May 2000) Ocean Engineering Centre

(OEC) of Indian Institute of Technology (IIT), Madras as consultant to survey the river within 25 km stretch of its mouth starting at about 2 km upstream of village Bauriakana and to suggest remedial measures for protection of the river bank and embankment. The agency suggested (November 2000) various remedial measures which among other items included rehabilitation of old spurs and construction of 6 new spurs consisting of three layers i.e first layer with dredged materials, second layer with stones of 150 Kgs to 200 Kgs weight with side slope of 1:2 and bottom layers to be filled up with stones of 50 Kg. weight.

Accordingly, the Chief Engineer and Basin Manager, Lower Mahanadi Basin (CE and BM, LMB), Bhubaneswar submitted an estimate for Rs.13.38 crore. The Technical Advisory Committee (TAC) approved (November 2000) construction of only two new spurs between existing spur No.5 and 6, pending receipt of final report from the OEC and a physical model study report from Hydraulic Research Station, Hiraakud.

The EE, however, obtained approval of CE and BM, LMB in May 2001 for rehabilitation of three spurs (Nos.3,4,5) with packing of embankment at Rs.3.30 crore under the financial assistance of Orissa State Disaster Mitigation Authority (OSDMA) ignoring the approval of TAC for construction of two spurs.

Scrutiny in audit revealed (March 2002) that CDR to spur No.4 at RD 78.442 km and CDR to scoured Bank on Devi Right Embankment at RD 78.50 km to 79.50 km were awarded to two contractors<sup>3</sup> between June and August 2001 at Rs.2.18 crore stipulating completion by April/June 2002. The contractors executed work valuing Rs.1.08 crore as of June 2002. Although according to the recommendations of OEC, construction of spurs was required to be done using hard stone boulders of 150 Kg and 200 Kg weight, the contracts stipulated for boulders of only 50 Kg weight which were used during actual execution. Further, as per test report (November 2001) of the Quality Control Wing of the Department, the stones did not conform to ISI norms. This led to execution of work below specification.

Dredging of river bed was also not taken up by the EE as suggested by the consultant. Instead of 6 spurs only 2 new spurs have been constructed. Since none of the remedial measures suggested by the OEC were adopted, the expenditure of Rs.12.50 lakh paid towards consultancy charges was nugatory apart from execution of sub-standard work of Rs.1.08 crore.

**(iii)** The cyclone damage restoration work of the Saline Embankment from Jharling to Belanga between RD 3.3 and RD 5.2 km was awarded (June 2000) to two contractors at Rs.19.68 lakh stipulating completion in one and half months. The contractors after executing work valuing Rs.10.87 lakh abandoned the work in December 2000 and ex-parte measurements were taken (April/May 2001). Since the contractors did not execute the restoration work upto the design section to sustain the flood water, the incomplete embankment

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<sup>3</sup> (1)M/s B. Engineers & Builders  
(2)Shri Suresh Chandra Sahoo

was outflanked at different reaches by floods of 2001. Protection of the embankment at the same location was awarded (February 2002) to another contractor at Rs.30.95 lakh. The defaulting contractors were neither asked to reconstruct the embankment at their cost and risk nor their contracts closed with penalty as of June 2002.

The EE's failure to get the work completed within the contract period of one and half months and permitting the contractors to prolong the work for 9 months till the on set of the next monsoon led to wasteful expenditure of Rs.10.87 lakh, coupled with additional liability of Rs.30.95 lakh on protection works.

EE stated (June 2002) that the work in question was not a permanent solution to the problem but a temporary measure. The reply was not tenable since the restoration works were left incomplete by the contractors but the EE failed to take penal action against the defaulting contractors.

The matters were reported (May 2002) to the CE and BM, LMB; reply had not been received. The same were again demi-officially forwarded (July 2002) to the Commissioner-cum-Secretary to Government, Water Resources Department for reply within six weeks and was followed by demi-official reminders in August/September 2002. No reply was received (October 2002).

#### **4.10 Doubtful expenditure on canal works**

##### **Doubtful expenditure of Rs.31.27 lakh for filling canal banks.**

Improvement of Bargarh Main Canal from RD 40 km to RD 55 km under Water Resources Consolidation Project (WRCP) was awarded to a contractor in January/May 2001 at Rs.1.16 crore under two agreements, for completion by June/October 2002. The agreements provided *inter alia*, cutting of 1.02 lakh cum of earth in all kinds of soil in canal by mechanical means and utilising the same in filling reaches of the canal banks with all leads and lifts. The unusable surplus earth was to be deposited in the spoil banks. The contractor executed the work and received payment of Rs.30.60 lakh as of February 2002.

Check of records of the Executive Engineer (EE), Canal Division, Bargarh revealed (March 2002) that 0.66 lakh cum of earth were required in filling zones of the canal against availability of 1.02 lakh cum of earth from cutting zones. Despite clear provision in the agreements for utilising the cutting earth in filling zones, a separate item was provided in the estimates as well as in the agreements for use of borrow earth from outside the working reach. Due to this the contractor claimed borrowing the entire 0.66 lakh cum of earth from the borrow area from a distance of 4 km for the filling zones at a cost of Rs.31.27 lakh which was doubtful.

Government stated (June 2002) that the agreement provided for utilisation of useful excavated material in filling section and the excavated materials were

mostly slushy and mixed with debris which were not suitable for filling sections as was observed by the Superintending Engineer, Hirakud Dam Circle, Burla during his inspection (8 May 2001). The reply was not tenable since the unsuitability of excavated material was not tested in the quality control wing of the department.

#### **4.11 Extra expenditure due to deviation from approved design**

##### **Execution of work by deviating from the approved designs, led to extra expenditure of Rs.46.60 lakh.**

Construction of Approach Channel and Chute carrier of Baghalati Irrigation Project was awarded (February 1997) to a contractor at Rs.3.27 crore for completion by August 1998 subsequently extended upto August 1999. The works were completed in November 2000 and payment of Rs.3.78 crore made (January 2001). Release of flood water through the spillway during 1999-2000 caused retrogression in the spill channel deeply scouring the earth dam. Protection measures by way of providing dry rubble rock toe were carried out during 1999-2001 through the same contractor at an additional cost of Rs.46.60 lakh (including materials).

Test-check of the records revealed (July 2001) that against the design requirements of the chute carrier for 250 metres in Reinforced Cement Concrete (RCC), the CE and Basin Manager (CE and BM), Rusikulya, Vansadhara and Nagavali Basin in his technical sanction (October 1996) reduced the length to 80 metres ignoring the approval of the CE (Designs) and during actual execution, the Executive Engineer (EE) further restricted it to only 69 metres. No reason was recorded for reduction in length nor the impact of restricted length on the retrogression of water on the chute carrier examined. Further, concurrence of CE (Designs) was not obtained for the deviation from the approved designs as required under the codal provisions. Due to execution of the work for a reduced length, the spilled water caused retrogression due to pool formation and the unexecuted portion of the spill channel was scoured between RD 69 and 250 metres during 1999-2000 and 2000-2001 warranting protection measures. The work as per the original design therefore stood incomplete (January 2002).

Thus, execution of the work in deviation from the approved designs resulted in extra expenditure of Rs.46.60 lakh as of January 2002 on protection measures.

Government stated (May 2002) that the chute carrier could not be executed to its design length of 250 metres due to fund constraint and the protection measures for restoration of the chute carrier had supplemented the execution of the stage II proposal which was in the pipe line. The reply was not tenable since fund constraint was not borne out from the records and the protection measures by dumping stones would in no way supplement the RCC work to be executed at the balance length of the chute carrier under stage II.

**4.12 Commencement of work and award of contracts on Minor Irrigation Project without design, drawings or land**

**Extra cost of Rs.26.83 lakh due to adoption of incorrect design and unfruitful expenditure of Rs.20.46 lakh on abandonment of work in Alikuan Minor Irrigation Project (MIP).**

(i) Alikuan MIP in Sorada Block of Ganjam district was damaged by floods of 1990. Rehabilitation of the project was identified (June 1991) for execution under Dam Safety Assurance Rehabilitation Project (DSARP), the funding of which was to cease in September 1999. Government engaged (March 1995) a consultancy firm to prepare the drawings and designs for the rehabilitation works. The Executive Engineer (EE), Minor Irrigation Division No.II, Ganjam adopted the drawings/designs without examining their suitability and entrusted (March 1996/June 1998) the work of raising of the crest of the earth dam, construction of four drops and re-gradation of surplus channel to three contractors for Rs.4.27 crore stipulating completion by September 1997/December 1998.

During execution, the Dam Safety Supervision Mission (DSSM) visited the site and pointed out (June 1996) serious lapses in construction management and quality control. DSSM also observed that the construction drawings were not prepared as per actual levels for each chainage nor had these been approved by the Chief Engineer (CE). Further, execution of earth work was not upto the required specification. Thereafter, the construction drawings were modified (1996/1997) by the Engineer-in-Chief, Designs and Planning necessitating execution of certain additional quantities of earth work and Cement Concrete (CC) as well as certain extra items.

Following representations (July/October 1997) from the contractors and as per quantity variation clause provided in the contract, the rates of earth work and its compaction were revised (September 1998) by the CE from Rs.41.34/Rs.11.13 to Rs.54.21/Rs.20.83 per cum respectively. The rate of CC in two contracts were also revised from Rs.1310/Rs.1330 to Rs.1499 per cum by the CE and submitted for approval of Government which was awaited (January 2002). The works were completed between December 1997 and April 1999.

Thus, execution of 0.49 lakh cum of earth work in excess and its compaction at higher rates resulted in extra expenditure of Rs.11.07 lakh as per approved deviation statement while liability to the extent of Rs.15.76 lakh was incurred towards excess execution of 0.09 lakh cum. of CC at revised rates as per interim deviation statement. This could have been avoided had appropriate drawings and designs for the work been available at the beginning. The award of work without proper design and drawing should be taken serious note of.

The Government stated (February 2003) that due to change of designs and drawings the quantities were revised necessitating revision of rates. The reply was not tenable as adoption of Consultant's drawings without examining their suitability led to upward revision of quantities and rates.

(ii) Audit check of records further revealed that the work of re-gradation of the surplus channel required for free flow of surplus water was entrusted (June 1998) to a contractor at a cost of Rs.33.65 lakh for completion by December 1998. However, the work remained incomplete (September 1999) after incurring expenditure of Rs.20.46 lakh since clearance from Forest Department was not available. Though forest clearance was ultimately received in August 2000, no action was taken for resumption of the work. Thus, the expenditure of Rs.20.46 lakh on the work was rendered unfruitful.

Government stated (February 2003) that due to non-availability of funds the balance work could not be done. The reply was not tenable since no effort was made to complete the balance work by providing funds in the budget despite receipt of Forest clearance in August 2000.

#### **4.13 Extra payment due to unwarranted revision of rates**

##### **Unwarranted revision of rates and incorrect fixation of revised rate led to extra payment of Rs.35.92 lakh to two contractors.**

Construction of balance works of Badanalla Main Canal from RD 19.9 Km to 25.6 Km, Sanyasipur Branch Canal from RD 00 to 8.10 Km and Srirampur Branch Canal with distribution systems of Badanalla Irrigation Project were awarded to two contractors in December 1997 / November 1996 under three packages namely 4, 6 and 8 at a cost of Rs.6.61 crore stipulating completion by June 1999 / February 1998.

The contract provided for revision of rates for the quantity of any item executed in excess of 25 *per cent*. Further, if a new item executed corresponded to any item described in the bill of quantity, the agreement rate only should be applied for the additional quantity.

(a) Check of records of the Executive Engineer (EE), Badanalla Canal Division revealed (July 2001) that the agreement for Package No. 4 provided for execution of 4,295 cum. of cement concrete (CC) M-15 grade for structure (894 cum) and lining works (3401 cum). The contractor, however, executed 5,130 cum (structure: 1451 cum, lining: 3679 cum) of CC M-15 and was paid (October 2001) for 1,451 cum at the agreement rate of Rs.1500 per cum. For the balance 3,679 cum, he was paid at a revised rate of Rs.2115 per cum which was approved (December 1998) by the Chief Engineer and Basin Manager (CE and BM), Rusikulya, Vansadhara and Nagavali Basin (RVN). Since the quantity did not exceed the agreement quantity by more than 25 *per cent*, the revision of rate was unwarranted.

The Chief Engineer stated (April 2002) that 4295 cum of CC M-15 grade did not include lining quantity of M-15 grade concrete. The reply was not tenable since 4295 cum of CC M-15 grade in the agreement included the quantity for lining works and revision of rates for this package was in violation of contract conditions. Thus, the irregular revision of rates resulted in an undue benefit of Rs.22.63 lakh to the contractor.

(b) The contracts in respect of Packages 6 and 8 drawn with another contractor provided for execution of 461 cum of CC M-15 for structures at the rate of Rs.1740 per cum. During execution of work, the Engineer-in-Chief directed that lining of the canal be made with CC M-15 grade. Consequently, the total quantity of the item with, CC M-15 grade, was increased from 461 cum to 3267 cum thereby exceeding the agreement quantity by more than 25 *per cent*. The contractor was paid (January 1999) at the agreement rate of Rs.1740 per cum for 646 cum. and at the revised rate of Rs.2261.33/Rs.2129 per cum for the balance 2621 cum. Scrutiny revealed that the rates were revised (April/May 1997) by the Executive Engineer ostensibly on the basis of site observation, by incorporating items such as 'excess labour for feeding to crusher', 'carriage of concrete', 'shifting of concrete mixture', 'cost of water and curing' etc. although the agreement rate was to be adopted for the purpose as provided in the contract.

The rates worked out by Audit on the basis of the rate analysis of the Water Resources Department were only Rs.1674/Rs.1666 per cum. Since the agreement rate of Rs.1740 per cum. was itself reasonable and workable, there was no justification for payment to the contractor at the inflated revised rates, which resulted in undue benefit of Rs.13.29 lakh to the contractor.

The Chief Engineer stated (April 2002) that the rates were revised since the lining works were more skillful and intensive in nature. The reply was not tenable since no superior skill to that of structural works was warranted for the lining works and revision of rates was not called for.

The matter was demi-officially forwarded (February 2002) to the Commissioner-cum-Secretary to Government, Water Resources Department for reply within six weeks and was followed by demi-official reminder in April 2002. No reply was received (October 2002).

#### **4.14 Collusion in the award of a World Bank contract to an unqualified contractor**

**Irregular acceptance of single non-responsive tender resulted in undue financial benefit of Rs.81.20 lakh to the contractor apart from wasteful expenditure of Rs.39.26 lakh incurred on sub-standard execution of structures.**

According to the conditions of World Bank bid documents, tenders of the contractors involved in corrupt and fraudulent practice are liable to rejection. Tender notice (November 1997) were issued by the Executive Engineer (EE), Hariharjore Irrigation Division No.II, Biramaharajpur for 2 reaches of the work "Construction of Hingma distributary and its minors and sub-minors of Hariharjore Irrigation Project" i.e. from (i) RD 00 to 7200 M and (ii) RD 7200 to 8958 M. Single tenders were received (January 1998) though tender papers had been purchased by a few other contractors. One of the tenderers who had purchased the tender papers lodged an FIR (January 1998) with Burla Police station that the single tenderer who had filed the tender papers for the work

had prevented him from bidding. While the tender was under consideration, a complaint was received from the World Bank alleging that the single tenderer had adopted corrupt practice in bidding and requested (June 1998) the Government to investigate.

Instead of carrying out investigation, Government approved (July 1998) the single tenders for Rs.2.58 crore (both reaches) at 46 *per cent* excess over estimated cost (Rs.1.77 crore). The works were awarded (October 1998) for completion by October 1999. The contractor after executing work valuing Rs.2.38 crore stopped (April 2000) further execution. Thereafter, Government after investigating the tender irregularities ordered (June/July 2000) fixation of responsibility and to debar the tenderer and advised closure of contract. However, the contract was not closed and the final bill was not prepared as of September 2002 pending rectification of defective works by the contractor.

Scrutiny of records further revealed (February 2002) that the contractor did not fulfill the World Bank norms as regards past experience, financial status, experienced work force etc. Further, procurement guidelines issued by World Bank stipulated negotiation with the lowest evaluated bidder to obtain a satisfactory contract. Since the estimated cost of the work was based on Schedule of Rates (1994) of Water Resources Department which included 15 *per cent* overhead charges and 10 *per cent* hidden cost on labour, there was no justification for acceptance of tender at 46 *per cent* higher than the estimated cost. The EE instead of rejecting the fraudulent single bid, recommended its acceptance at the higher tendered rate without negotiation which led to undue financial benefit of Rs.81.20 lakh to the contractor.

Audit checks further disclosed that almost all the structures in reach-II of the distributary were damaged and required immediate restoration. The reasons for damage were attributed (February 2002/July/August 2001) by the SE/EE to bad workmanship and lack of supervision. The expenditure of Rs.39.26 lakh on construction of the structures was wasteful. SE stated (February 2002) that final bill of the contractor was pending and that action had been initiated to fix responsibility for defective execution. However, no action was taken against the erring officers as of August 2002. The matter needs investigation.

The Chief Engineer and Basin Manager, Upper Mahanadi Basin, Burla, while accepting execution of defective work by the contractor, stated (September 2002) that the single bids were valid and responsive. The reply was not tenable in view of non-fulfilment of World Bank norms by contractor and also the orders of the Government to debar the contractor from World Bank tender for indulging in corrupt practice.

The matter was demi-officially forwarded (July 2002) to the Commissioner-cum-Secretary to Government, Water Resources Department for reply within six weeks and was followed by demi-official reminder in September 2002. No reply was received (October 2002).