

CHAPTER XIV: MINISTRY OF URBAN AFFAIRS AND EMPLOYMENT

14.1 Delay in completion of work

Inordinate delay in completion of the work and non-realisation of risk and cost due from the contractor resulted in loss of Rs 78.35 lakh.

The Surveyor of Works Central Public Works Department (CPWD) prepared an estimate of Rs 1.74 crore in 1982 for construction of 66 staff quarters for Eastern Regional Electricity Board (EREB), to be completed by October 1986. He could not start the work as clearance from local authorities was received only in February 1987. The CPWD prepared a revised estimate for Rs 2.42 crore for 66 quarters in April 1987. However, in March 1988, CPWD awarded the work of pile foundation for 58 quarters as approved by the Calcutta Municipal Corporation.

The Executive Engineer ignored the soil test report, which had recommended a combination of driven and bored piles for the foundation and opted for driven piles. Objecting to vibrations and noise caused by pile driving, local residents filed a case against the CPWD in July 1988. In view of the High Court's order CPWD rescinded the work and awarded the work of bored pile foundation to the same contractor in October 1989 at a cost of Rs 19.24 lakh. However, the contractor sought for arbitration upon rescission of earlier contract of driven pile foundation work.

The arbitrator made an award of Rs 4.07 lakh in September 1993 in favour of the contractor as the Executive Engineer, Kolkata Central Division-II CPWD had failed to take a proper decision before floating the tender regarding the nature of foundation to be adopted as per recommendations of the soil test report and had not attached the soil test report to the tender document. The CPWD paid Rs 4.07 lakh to the contractor in April 1996.

The Executive Engineer, Calcutta Central Division-II awarded the superstructure work of 58 quarters to another contractor in March 1990 at a tendered cost of Rs 1.25 crore, scheduled to be completed in December 1991. Due to slow progress of work, he rescinded the contract in July 1991 at risk and cost of the defaulting contractor. However, risk and cost amount of Rs 36.83 lakh could not be recovered, till November 2000. The chances of recovery are remote as the value of work done by the contractor was Rs 12.39 lakh out of which the CPWD had already paid Rs 7.04 lakh to him.

The CPWD again revised the cost estimate to Rs 3.42 crore in January 1992. The construction work of the building due to be completed in August 1993

was completed in February 1996. The electrical works and lift due to be completed by December 1994 were actually completed in May 1999. The CPWD incurred an expenditure of Rs 4.30 crore on the work. The EREB stated in April 2000 that though the CPWD had handed over the quarters in May 1999, some important ancillary services remained incomplete. However, officers of the EREB had occupied 36 staff quarters as of October 2000 in view of scarcity of accommodation.

Thus, the CPWD's failure to exercise technical and administrative control at different stages of execution of the project and ineffective coordination resulted in inordinate delay in its completion leading to a revenue loss of Rs 78.35 lakh on account of avoidable expenditure of Rs 4.07 lakh on arbitration award, non realisation, of risk and cost of Rs 36.83 lakh and loss on account of payment of the HRA and non receipt of license fee from employees of, EREB amounting to Rs 37.45 lakh from January 1994 to October 2000 besides enhancement of project cost from Rs 1.69 crore to Rs 4.30 crore.

Audit reported the matter to the Ministry in June 1999; who have not replied as of February 2001.

14.2 Loss of revenue

Failure of the Managers Government of India Press Publication Unit and Temple Street Unit to take appropriate action for sale of waste paper resulted in loss of Rs 31.90 lakh.

The Government of India Press (GIP), Temple Street, Forms Unit and Publication Unit accumulated 2451.30 quintal of waste paper valued at Rs 32.17 lakh between 1997 and 2000 but sold only 21.70 quintal at a cost of Rs 0.27 lakh.

The Manager, Publication Unit was responsible for the speedy disposal of accumulated waste paper in the three units up to 1998-99 to avoid spoilage and consequent loss of value. The annual agreements for sale of waste paper were to be finalised with the Directorate of Printing (DOP)'s approval before the beginning of each year to ensure regular lifting and to prevent accumulation of waste paper. As per the orders of the DOP issued in April 1997, the proposal seeking approval for sale of waste paper for 1998-99 should be submitted by the managers of the presses to them by 31 December, failure to do so would be viewed seriously and responsibility would be fixed for any loss due to spoilage.

Yet, the Managers of the press inordinately delayed in sending proposals to DOP and that there were further delays in according approval by the latter, as follows:

Report No. 2 of 2001 (Civil)

Year	Name of the press	Proposal sent to DOP in	Approved on	Details of agreement
1997-98	Publication unit	February 1997	June 1997	No agreement was executed
1998-99	Publication unit	January 1998	February 1998	Agreement executed in May 1998
1999-00	1. Publication unit	March 1999	May 1999	No agreement was executed
	2. Temple Street unit	June 1999	November 1999	-do-

There was delay at every level in finalising the tender formalities for 1997-98. The tender was valid for 150 days from its opening. It was sent to DOP after 49 days and was approved in 116 days i.e. after the tender period had lapsed. As a result, the contractor did not execute the agreement.

In 1998-99, agreement was finalised with a firm to lift waste paper of that year. The firm after lifting 21.70 quintal waste paper stopped work on the ground that the contract was for lifting waste paper of 1998-99 only and that the soiled paper of earlier year should be segregated. As this was not done by the Manager, Publication Unit, liquidated damage as per agreement for non-performance of the firm could not be levied.

In 1999-2000, the Manager, Temple Street Unit sent the proposal to DOP in June 1999 after a delay of six months and conditional approval was received in November 1999. The contractor refused to execute the agreement due to reduction in the market rate of waste papers. Similarly in the Publication Unit, the contractor did not sign the agreement, after approval from the DOP was received in May 1999.

The Managers of GI Press thus failed to discharge their responsibility for sale of waste papers between 1997 and 2000.

The lackadaisical approach of the managers as well as DOP towards sale of waste papers resulted in loss of Rs 31.90 lakh for non-disposal of 2429.60 quintal of waste paper. Besides, accumulation of paper for a prolonged period created health and fire hazards at the three presses apart from deterioration in quality. It is recommended that responsibility should be fixed for violation of DOP's instruction.

Audit reported the matter to the Ministry in June 2000; who have not replied as of February 2001.

14.3 Follow up on Audit Reports

Despite repeated instructions/recommendations of the Public Accounts Committee, the Ministry did not submit remedial Action Taken Notes on four Audit Paragraph.

Review of outstanding Action Taken Notes (ATNs) on paragraphs included in the Reports of the Comptroller and Auditor General of India - Union Government (Civil) as of October 2000 revealed that the following.

- (a) Ministry failed to submit ATN in respect of one Paragraph included in the Audit Report up to and for the year ended March 1998.

Number and year of the Audit Report	Paragraph number	Subject
2 of 1999	18.10	Extra payment of interest.

- (b) Though the Audit Report for the year ended 31 March 1999 was laid on the table of the Parliament on 17 May 2000 and the time limit of four months for furnishing the ATNs elapsed in September 2000, the Ministry did not submit ATNs on the following paragraphs:

Number and year of the Audit Report	Paragraph number	Subject
2 of 2000	5.1	Functioning of Land and Development office.
2 of 2000	19.1	Outstanding license fee of Rs 4.05 crore from licensees of Janpath Bhawan.
2 of 2000	19.2	Retention of rented premises beyond requirement.

Audit reported the matter to the Ministry in November 2000; who have not replied as of February 2001.