

INTERNAL AUDIT

Internal audit has been conducted up to the year 2013-14 by Directorate of Audit, Govt. of NCT of Delhi.

AG (Delhi) AUDIT

Statutory audit of PWD Flyover Project Division F111 has been conducted by AG (Audit) Delhi till March 2014. In r/o. F 112 and F 113, the AGCR audit has been conducted till March 2013.

VACANCY STATEMENT

The details of posts sanctioned, filled up and lying vacant as on 31.03.2015 in respect of the department are as under:

S. No.	Name of Post	F-111			F-112			F-113		
		No. of Post sanctioned	Filled	Vacant	No. of Post sanctioned	Filled	Vacant	No. of Post sanctioned	Filled	Vacant
1.	Group A	1	1	0	1	1	0	1	1	0
2.	Group B	3	2	1	4	3	1	4	3	1
3.	Group C	6	2	4	2	2	0	1	1	0
		10	5	5	7	6	1	6	5	1

Maintenanced of Records:-

The maintenance of records of PWD Flyover Project Division F-111, 112 and 113 for the period 2014-2016 was found satisfactory subject to observations made in Current Audit Report and in Test Audit Note.

Old Audit Report

There were 11 old Audit paras with recovery of Rs. Nil were outstanding. The office of PWD Flyover Project Division F 111, 112, and 113 has not submitted the replies. All these 11 paras have been incorporated with current audit report as Part-1 (Old audit report).

PART - I A

Year	Outstanding		Settled This Time		Still Outstanding	
	Paras	Recovery	Paras	Recovery	Paras	Recovery
2009-2014	11	NIL	Nil	Nil	11	NIL

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PART – IB

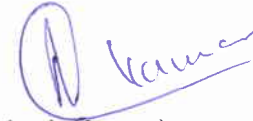
Current audit report

During current audit 08 preliminary audit memos (including 02 record memos.) were issued, no memos have been settled on the spot and balance 06 memos have been converted into 05 paras and 01 TAN and incorporated in current audit report as part – II.

During the course of current audit, a recovery amounting to Rs. Nil- has been pointed out, recovery of Rs. Nil/- has been effected/verified on the spot and an amount of Rs. Nil/- is still recoverable as per details given below:-

Memo No	Subject	Recovery pointed out	Recovery effected/verified	Recovery still outstanding
		NIL		-

The internal audit report has been prepared on the basis of information furnished and made available by PWD Flyover Project Division F111, 112 and 113. The Dte. Of audit, GNCT of Delhi disclaims any responsibility for any misinformation and/or non-information on the part of auditee.



(Rakesh Kumar)
AO/IAO, Party VII

(18) (98) (9)

PART - I
OLD Audit Report
PART II
Current Audit
2007-09

Para No. (1)

Para No. 1 Ref. to audit memo no. 15 dated 11/8/09.

Sub: Avoidable loss amounting to Rs. 6 crore. due to preparation of inaccurate estimate.

The work relating to "Corridor improvement for Outer Ring Road from IIT Gate to NH-8 intersection, New Delhi (Flyover at African Avenue, Vivekananda Marg and Rao Tula Ram Marg & 04 underpasses and 09 subways") was awarded to M/s Afcons infrastructure at the tender amount of Rs. 234 crore which was 41.97% above the estimated cost of Rs. 165 crore. The justification of rate was 35% above the estimated cost where the work was awarded at 41.97% above the estimated cost.

During scrutiny of records it has been noticed that work relating to four underpasses and nine subways were deleted from the original work due to non-availability of site. Audit therefore of the opinion that section 15 1(2) of CPWD Manual was not adhered to by the Division. Further, after excluding the work "Four underpasses and nine subways", the total amount of work quoted by M/s ITD cementation India Ltd. works out to Rs. 147 Crore and total amount quoted by M/s Afcons Infrastructure, Mumbai works out to Rs. 153 Crore as per issued statement showing balance scope of work. Had the department prepared the realistic estimate after excluding the work for which clear site was not available, the department could had awarded the work at the cost of Rs. 147 crore instead of Rs. 153 crore and an amount of Rs. 6 crore could have been saved.

Reasons for inviting of tenders in the absence of clear site and reasons for awarding the work higher than the justified rates may be intimated to audit.

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Para No. (2)

Para No.: 2 (Ref.: Memo No. 17 Date: 11.08.2009)

Sub.: Unavoidable additional expenditure to the tune of Rs. 4.83 cr on account of Escalation cost due to slow progress of work.

The work of construction of flyover at Naraina T-Point, Ring Road, Delhi was awarded to M/s. Navayuga Engineering Co. in March 2007 at a tender cost of Rs. 97,91,42,871/- i.e. 48.88% above the estimated cost of Rs. 65,76,63,458/-. The stipulated date of start and completion of work 14.03.2007 and 13.12.2008 respectively. Scrutiny of record revealed that upto 16th R/A bill Rs. 44,14,93,962/- was paid to contractor which includes payment of Rs. Rs. 4,83,47,562/- under clause 10CC towards escalation in the cost of material and labour incurred due to delay in completion of work. The work is still in progress and only 53% work was completed till date. Therefore, persistent failure of department on the preparation of proper estimates and to ensure smooth and timely completion of work thus resulted in an available and additional expenditure to the tune of Rs. 4.83 cr.

The facts and figures given above may be verified and reason for incurring such as huge additional expenditure as well as delay in completion of work may be investigated and result thereof may be intimated to audit.

Further as per provision contained under clause 2(ii) of the terms of contract, in case the completion period exceed three months from the stipulated date of completion, then penalty @ 1% per week of the tender cost subject to a maximum of 10% of the tendered value of work is recordable from the contractor for delay in work in recoverable from the contractor for delay in work. Since there is delay in execution of work, therefore Rs. 9.79 cr is liable to recovered from the contractor but EOT was granted upto 06.11.2009 without levying penalty. The reason for non-levy of penalty requires elucidation.

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Para No. (3)

Para No.: 3 (Ref.: Memo No. 10 Date: 30.07.2009)

Sub.: Unauthorized expenditure of Rs. 4,44,370/-

As per the Finance (Accounts) Deptt. Govt. of NCT Delhi order No. F8/3/2000-AC/927 dated 20.06.2002 the Head of office is not competent to sanction the expenditure incurred on hiring of Vehicle.

Audit scrutiny of records reveled that Flyover Project Division F-111, 112, 113 had placed job orders for hiring of vehicles for an average mileage up to 2000km running & 225 hours duty in a month including the drivers except Sundays.

S.No.	V. No. & date	Name of Agency	WO No.	Amount, Rs.
1	08, 06.11.2007	M/s Ranjit Const., Co.	02/EE/F-111/PWD/07-08/ dated 04.08.07	50,200/- 34,147/- 49,707/-
2	42, 26.03.2008	Sh. Rattan Lal	04/EE/F-111/PWD/07-08/ dated 15.10.07	21,311/- 18,911/- 20,292/- 20,286/- 20,095/- 20,595/- 20,826/- 36,610/-
3	30, 18.03.2008	Sh. Yatish Kumar Sharma	01/EE/F-113/PWD/07-08/ dated 03.10.07	32,969/-
4	38, 20.02.2007	Sh. Narender Singh	01/EE/E/F-113/PWD/07-08/ dated 27.09.2007	19,512/-
5	42, 17.10.2008	Sh. Narender Singh	EE/E/F-112/PWD/07-08/ dated 10.09.2008	18,688/-
6	15, 04.03.2009	Sh. Kuldeep Kumar	EE/E/F-112/PWD/08-09/	19,302/-
7	49, 23.03.2009	Sh. Narender Singh	69/1/PWD/F-113/ /08-09/	20,265/-
8	02, 5.01.2009	M/s Rajdhani Taxi Service	Wo 56/PWD/F-113/08-09 dt. 67/PWD/F-112/ 08-09/	20,654/-
9	43, 23.07.2009	Sh. Kuldeep Kumar	dated 06.10.2008	4,44,370/-
			Total	

As per above quoted orders dated 20.06.2002 the approval of the competent authority (Head of Department) was required, but the department had made the payment without obtaining the approval of the competent authority.. Thus, the department had incurred unauthorized expenditure of Rs. 4,44,370/- on hiring of vehicle.

Para No. 4

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Para No. 4 (Ref.: Memo No. 14 & 16 Date: 10.08.2009 and 11.08.2009 respectively)

Sub.: Award of work without clearly available site.

I The work of Construction of Bridge Over Pond (Neela Hauz) on Aruna Asaf Ali Road, New Delhi was awarded to M/s. Gammon India Ltd. at the tendered cost of Rs. 28.44 cr which was 55.34% above the estimated cost of Rs. 18.31 cr. The stipulated date of start and completion of work was 23.11.2006 and 22.03.2008 respectively. Scrutiny of records revealed that the site of work could not be handed over to the agency upto 21.01.2008. After that contractor requested for foreclosure of contract or enhancement of 25% on their quoted rates which was not acceded to by the authorities and contract with M/s. Gammon India Ltd was foreclosed on 05.03.2008.

Further, as per record revised estimate was prepared for Rs. 25.92 cr and work was re-awarded to M/s. Valecha Engineering Ltd. and the tendered amount of Rs. 34.45 cr on 16.04.2008 with stipulated date of start and completion as 08.05.2008 and 07.09.2009 respectively. The work is in progress and only 22% work has been completed although only one month left to stipulated date of completion.

However, as per Section 15 1(2) of the CPWD Manual NIT be approved only when the availability of site is clear from all encumbrances. Reason for non-compliance of this provision needs elucidation.

II The work of construction of Road Under Bridge connecting Road No. 58 & 64 passing below Delhi-Ghaziabad Railway Line near Jhilmil Colony was awarded to M/s. Y.D. Builders & Hotels Pvt. Ltd at a tendered cost of Rs. 13,44,69,800/- i.e. 37.55% above the estimated cost of Rs. 9,77,54,014/-. The stipulated date of start and completion of work as per progress report of work were 22.02.2007 & 21.08.2008. As per record made available to the audit Rs. 27.03 cr. as on March 2009 was paid to the contractor but only 13% work have been completed whereas stipulated date of completion has already been elapsed. Further the department had paid Rs. 4.65 cr to the LAC/ADM(NE) and mobilization advance of Rs. 1.34 cr. on to occasion i.e. Rs. 65.00 lakhs on

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28.02.2007 and 69.00 lakhs 30.03.2007 out of which only Rs. 10,04,722/- has been recovered and Rs. 1,23,95,268/- is still to be recovered.

As per Section 15 1(2) of CPWD Manual availability of clear site should be facilitated to avoid under delay in handing over to site and ultimately delay in start of work before issue of NIT. In the instant case site was not clear as factory owners obtained stay order for the Hon'ble High Court on 17.11.2006 upto 17.05.2008. Moreover, Rs. 27.03 cr. has been incurred on the work when the matter was sub-judiced. Therefore reason for award of work in January 2007 in the absence of clear site needs Justification.

Para No. (5)

Para No.: ~~6~~ (Ref.: Memo No. 01 Date: 22.07.2009)

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Sub.: Non-Production of Record

The following records for the year 2007-09 were not produced to audit for its scrutiny. These records may be shown to next audit:-

1. Agreement Register (F-113)
- ✓ 2. Contactor Ledgers (F-111, F-1112 & F-113)
3. Works Abstracts (F-113)
- ✓ 4. Register for Site (F-111, F-112 & F-113)
5. Property Stock Register
6. Register of vehicles

Man Mohan Singh
12-8-09
(MANMOHAN SINGH)
Sr. I.A.O., Party No. 10

(Memo NO. 6 Dated : 13.3.2015, memo no. 10 & 11 dated 18.3.2015)

(A) Subject :- Preparing of estimate and deviations on account of extra/deviated/substituted items in various project works

During scrutiny of records of O/o Executive Engineer, PWD, F-111 for the period 2009-10 to 2013-14, it was noticed that against the estimated cost of works as worked out in the detailed estimates for works, the figures of tendered amount by the lowest bidding agencies were low, however gross final payment made to these agencies including extra/deviated/substituted items amounted much higher than the tendered cost as detailed below :-

S. NO.	Agreement no.	name of contractor/agency	Estimated Cost	Tendered Cost	Percentage by which TC was below EC	Gross Final Payment made to agency	Deviation on account of extra/deviated /substituted items	% of deviation
1	6/EE/F-111/PWD/2010-11	Shri B M Jha	2290809	1973761	-13.84	2488576	514815	26.08
2	1/EE/F-111/PWD/2011-12	M/s Ranjit Construction Company	1603136	1367520	-14.70	2133615	766095	56.02
3	3/EE/F-111/PWD/2011-12	Sh. B M Jha	384134	267600	-30.34	491463	223863	83.66
4	4/EE/F-111/PWD/2011-12	Sh. B M Jha	822085	681425	-17.11	1027626	346201	50.81
5	6/EE/F-111/PWD/2011-12	M/s Royal Const. Co	652583	480865	-26.31	673805	192940	40.12
6	7/EE/F-111/PWD/2011-12	Sh B M Jha	1502635	1085963	-27.73	1621494	535531	49.31
7	8/EE/F-111/PWD/2011-12	M/s Dushyant Enterp.	670439	608820	-9.19	770435	161615	26.55

From the above trend, it is evident that while preparing detailed estimates all aspects of planning like applicable DSR, prevalent market rates, extra/deviated/substituted items included in scope of work later etc. were not taken into consideration and therefore these detailed estimates were defective and did not confirm to actual requirement of work. the agencies bid much below the estimated cost in an effort to get the contract and later on made claim on account of extra /deviated/substituted items to recover the cost of work, which was allowed ex-post facto by the department. This practice has deprived the department of competitive rates for the extra/deviated/substituted items and has resulted in excess expenditure.

The revised required technical sanction may be obtained from the competent authority and shown to next audit.

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(B) Subject :- Deviation in Technical Sanction

As per Rule 2.5.2 of CPWD Works Manual 2010, the Technical sanction for a work can not be exceeded upto 10% beyond which "Revised Technical Sanction" shall be necessary.

On scrutiny of information / agreement register provided, it is found that expenditure over the works has been done more than estimated cost as given under :-

S NO.	Agreement NO. & Year	Name of Work	Estimated Cost	Total amount of bill (Rs)	% of Exc Expendi over TS/
1	02/EE/F-112/PWD/2009-10	Corridor improvement of outer ring road from ITT gate toNH-8, New Delhi (SH Land scraping work below flyover at Africal avenue Aurna Asaf Ali Marg Intersection)	3589015	5607407	56.24
3	03/EE/F-112/PWD/2010-11	Corridor improvement of outer ring road from ITT gate toNH-8, new Delhi (SH providing & fixing roofing system in Munirka subways)	840303	1414544	68.34
4	10/EE/F-112/PWD/2010-11	Corridor improvement of outer ring road from ITT gate toNH-8, new Delhi (providing & fixing kota stone copping over bricks toe wall)	990904	2625760	164.99
5	1/EE/F-112/PWD/2011-12	Corridor improvement of outer ring road from ITT gate toNH-8, new Delhi (Rubbing polishing of floor and distempering painting of subway)	216997	337733	55.64
6	2/EE/F-112/PWD/2011-12	Corridor improvement of outer ring road from ITT gate toNH-8, new Delhi (Providing and fixing overhead signages boards)	1257701	1807602	43.72
7	3/EE/F-112/PWD/2011-12	Corridor improvement of outer ring road from ITT gate toNH-8, new Delhi (Making permanent arrangement for new floor pattern of traffic on RTR flyover)	9423916	12438541	31.99
8	01/EE/F111/PWD/2011-12	Construction of flyover at Naraina T Point, Ring Road, New Delhi (SH Restoration of road from Naraina T Point to 220 KV grid naraina Ring Road pemiision on scheme on ECO8SH4023	1367520	2133615	56.02

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9	02/EE/F111/PWD/2011-12	C/o flyover at naraina T Point, Ring Road New Dlihi (Sh Safety precautions of structure t o provide metal crash barrier and speed breaker)	1998994	2766449	38.39
10	03/EE/F111/PWD/2011-12	C/o flyover at naraina T.Point, Ring Road New Delhi (Day to day cleaning of road)	267600	491463	83.66
11	04/EE/F111/PWD/2011-12	Restoration of road, cut by CEO Dlehi Contonment for laying sewerage pipe line under Ring road, Naraina Flyover Delhi	822085	1027626	25.00
12	06/EE/F111/PWD/2011-12	Restoration of road, cut b y DJB for laying ater supply line at ring road, Near Naraina Flyover, Dlehi	480865	673805	40.12
13	07/EE/F111/PWD/2011-12	Restoration of road, cut by CEO Delhi Contonment for laying sewerage pipe line under Ring road, Naraina Flyover Delhi	1085963	1621494	49.31
14	03/EE/F111/PWD/2012-13	C/o Flyover at Naraina T Point ring Road, (SH misc. works of services for office of CE F1/PFF11/EE/F-111& AE F 1114, 1111	495200	616538	24.50

As expenditure has exceeded more than estimated cost in % shown against above cases, required revised sanction may be shown to next audit.

Para No. 8
~~Para No. 2~~

(Memo NO. 16 & 17 dated 23.3.2015)

Subject :- Wrong Estimates

(A) Work of Corridor Improvement for ORR from IIT gate to NH8 SW: land scoping work below RTR flyover

Agreement no. 01./EE/F112/2010-11

The work of Corridor Improvement for ORR from IIT gate to NH8 (SH: land scoping work below RTR flyover) during 2010-11 with estimated cost of Rs. 1989413/- was awarded to M/s Bhawani Construction vide agreement no. 01/EE/F112/2010-11 at tendered cost of Rs. 1643100/- which is 17.41% below the estimated cost. The stipulated date of start was 26.4.2010 and wok was stipulated for completion within 2 months i.e. by 25.6.2010. The actual date of completion was 8.8.2010. The following is observed in this regard :-

(C) The original and revised technical sanction is not available as per record provided.

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(D) Against tendered cost of Rs. 1643100/-, the payment made to the agency upto final bill is Rs. 1994561. This payment includes payment on account of extra item/Deviation which amounted to Rs. 351461/- which is 21.39% above tendered cost.

The above payment for extra and deviated items indicate that while preparing the detailed estimate, all aspects of planning were not taken into consideration and therefore detailed estimate were defective and did not confirm to actual requirement of the work. This has deprived the department of competitive rates for extra/deviated items.

The reason for non inclusion of above extra and deviated items while preparing the above extra/ deviated items while preparing the detailed estimate for work be elucidated & requisite Technical sanction may be shown to audit.

(B) Subject :- work of Corridor Improvement for ORR from IIT gate to NH8 SW: Providing & fixing of kota stone coping over bricks toe walls)

Agreement no. F.10/EE/F112/PWD/2010-11

During test check of record in r/o work Corridor Improvement for ORR from IIT gate to NH8 SW: Providing & fixing of kota stone coping over bricks toe walls), the following is observed. :-

- Against estimated cost of Rs. 990904, the work has been awarded 93.6% above the estimated cost i.e. at tender cost of Rs. 1919000/- to Sh. Ramesh Kumar.
- In addition to awarding of work at 93.6% above the estimated cost, the amount paid viz final bill is Rs. 2625760/- which is 36.83% higher than the tendered cost and 165% higher than the estimated cost. It means Rs. 706760/- has been given on account of extra items/deviation. It shows that while preparing detailed estimate, all aspects of planning were not taken into consideration. Thus detailed estimates were defective and did not confirm to actual requirement of the work. This has deprived the department of competitive rates for extra/deviated items.
- Since the technical sanction is not available in the records provided, and deviation amounts being on higher side, revised technical sanction is required to be obtained in view of Section 2.5.2 of the CPWD manual.

The reason for non inclusion of above extra and deviated items while preparing detailed estimate for work be elucidated and revised technical sanction may be shown to next audit.

Para No. 8
~~Para No. 3~~

(Memo no. 15 dated 20.3.2015)

Subject :- Unauthorized Expenditure of Rs. 326334/-

As per Finance (Accounts) Department Govt. of NCT of Delhi Orde NO. F.8/3/2000-AC/927 dated 20.6.2002 Head of Office is not competent to sanction the expenditure incurred on hiring of vehicles. Audit scrutiny of records revealed that flyover project division F 111,112,113 had placed

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job orders for hiring of vehicles for an average mileage upto 2000 km / or more than 2000 km running & 225 hours duty in a month including the drivers except Sundays

Voucher NO.	Dated	Name of Agency	W O NO.	Amount paid
F-112				
16	9.3.2010	Ranjit Singh	7/AE/F1112/PWD/09-10	40891
37	20.1.2010	Narinder Singh	WO NO. 67(1)/PWD/F-112/2010/19 dt 3.12.2010	22064
10	20.4.2011			19923
6	8.6.2011			21294
27	24.6.2011			22006
31	27.7.2011			22064
35	24.3.2012			44800
11	11.7.2012	Jawala Jobner Construction Co.	67(1)/EE/F112/PWD	25432
12	3.8.2012			27752
F-111				
3	5.7.2011	Dinesh Kumar	1/AE/F1114/PWD/11-12	21432
12	16.3.2012	Tek Chand	WO 22/F111/PWD/2011-12 dt 31.11.2012	35042
15	16.3.2012	Rajwanti Travels	WO NO. 3/AE/F1114/PWD/2011-12 dt 10.1.2012	23634
		Total		326334

HOO is requested to regularize the above expenditure from HOD/Finance department in above cases and shown to next audit. Similar cases may also be reviewed.

Para No. 09

Para No. 4

(Memo NO. 4 Dated : 11.3.2015)

Subject :- Unclaimed deposit of Rs. 18424129/- in Civil Deposit head.

As per codal provision, the Divisional Officer should keep close watch over delay in the refund of security deposit to contractors and for this purpose, they should (a) periodically review the register of security deposit (b) ascertain the year wise detail of such deposits & (c) identify the unclaimed deposits for more than 3 years and credit the same into the Govt. accounts as revenue.

Scrutiny of monthly account for the month ending February, 2015 has revealed that as per schedule of Deposit (Form 79 PWD 35) Rs. 18424129/- are lying outstanding at the end of the month as detailed below

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Head	Amount (in Rs.)
Civil Deposit : Security Deposit of Contractors (Part II)	9792290
Civil Deposit : Public Works Deposit (Part III)	248687
Civil Deposit : Other Deposit (withheld amount etc. part V)	8383152
Total	

The above deposits lying unclaimed more than 3 years be credited ingovt. Accounts under intimation to audit.

Para No. 10
Para No. 5

(Memo NO. 2 dated 11.3.2015)

Subject :- Incurring of Excess Expenditure in 2011-12

As per Budget & Expenditure statement provided by the Department for 2011-12 (Plan), there is excess expenditure of Rs. 8.21 lakh as allotted budget is Rs. 1804 lakh and expenditure is Rs. 1812.21 lakhs.

The excess expenditure of Rs. 8.21 lakh is required to be regularized from the competent authority i.e. Finance Department of GNCT of Delhi under intimation to audit.

Para No. 11
Para NO. 6

(Memo no. 1, 1 (A) dated 4.3.2015, 1(B) dated 9.3.2015, 1 (C) dated 12.3.2015, 1 (D) dated 17.3.2015 and 1(E) dated 20.3.2015)

Subject : Non production of records

The following record has not been produced and the same may be shown to next audit :-

- (C) Bill Register (F-111)
- (D) Fidelity Bond (F-111)
- (E) Expenditure control register (F-111)
- (F) Information regarding deduction of tax at source in r/o works (F-111)
- (G) Stock register – consumable and non consumable (F-111,112 and 113)
- (H) Property register (F-111,112 and 113)
- (I) List of advances given to other agencies by divisions (F-111, 113)
- (J) Condemnation file (F-112 and 113)

Indu Oberoi

(INDU OBEROI)

IAO AUDIT PARTY NO. 1

CURRENT AUDIT REPORT
PART-II
(1.4.2014 TO 31.3.2016)

PARA No. 1 (A) Preparing of estimate and deviations on account of extra/deviated/substituted items in various project works.

(Ref.: Memo No. 4 Dated 11.08.2016)

During scrutiny of records of O/o Executive Engineer, PWD, F-111 for the period 2014 to 2016, it was noticed that against the estimated cost of works as worked out in the detailed estimate for works, the figures of tendered amount by the lowest bidding agencies were low, however gross final payment made to the agencies including extra/deviated/substituted items amounted higher than the tendered cost as detailed below:-

S. No.	Agreement No.	Name of contractor/agency	Estimated Cost	Tendered Cost	% by which TC was below EC	Gross Final payment made to the agency	Deviation on account of extra/deviated/substituted items	% of deviation
1	02/EE/PWD/FPD F-111/2014-15	M/s Universal Enterprises	999951	955953	-4.4	1145910	189957	19.87
2	03/EE/PWD/FPD F-111/2014-15	M/s Soni Detective & Allied Services	15207552	13979820	-8.07	16093892	2114072	15.12
3	01/EE/PWD/FPD F-111/2015-16	M/s Chaudhary Construction Co.	10048812	8844444	-13.6	9984565	1140121	12.89

From the above trend, it is evident that while preparing detailed estimates all aspects of planning like applicable DSR, prevalent market rates, extra/deviated/substituted items included in scope of work later etc. were not taken into consideration and therefore, these detailed estimates were defective and did not conform to actual requirement of work. The agencies bid much below the estimated cost in an effort to get the contract and later on made claim on account of extra/deviated/substituted items to recover the cost of work, which was allowed ex-post facto by the department. This practice has deprived the department of competitive rates for the extra/deviated/substituted items and has resulted in excess expenditure.

The above irregularities may be got regularized from the competent authority and shown to next audit.



(B): Wrong Estimates

(Ref. : Memo No. 3 Dated 10.08.2016)

Para 15.1(2) of CPWD Works Manual provides that before approval of NIT, availability of clear site, funds, approval of building plans from local bodies, materials, structural drawings and layout plan for all services are desirable.

Further, as per sanction 23.1.2 and 23.2.3 of CPWD works manual, no deviation/extra items in the quantities of any work should be made at site without prior approval of the competent authority.

The work "Comprehensive development of corridor between Prem Bari Pul to Azad Pur, SH – C/o store room & misc. repair work in Project Circle F 11 & Divn. F 111 & F113 at Lajpat Nagar-IV, New Delhi" with an estimated cost of Rs. 9,99,951/- was awarded to M/s Universal Enterprises at a tendered cost of Rs. 9,55,953/- vide agreement no. 02/EE/F111/PWD/14-15. The stipulated date of start were 20-10-2014 and completion were 19-01-2015.

During the scrutiny of records related to work, the following irregularities have been noticed:-

- (i) The stipulated date of completion of work was 19-01-2015. The department granted extension of time up to 31-07-2015 without levy of any penalty/compensation, which means that department accepts that the delay was on part of department itself.
- (ii) Against the tendered cost of Rs. 9,55,953/- (i.e. below the estimated cost of Rs. 9,99,951/-), a payment of Rs. 11,45,910/- has been made vide First and Final Bill. The payment included payment on account of extra/deviated items of Rs. 1,89,957/- . This extra/deviated payment indicates that not only the detailed estimate for work were defective as those did not conform to the actual conform to the actual requirement of the work but also deprived the department of competitive rates for extra/deviated items.

The above irregularities may be got regularized from the competent authority and shown to next audit.

PARA No. 2: Non levy of compensation in delayed work.

(Ref.: Memo No. 6 Dated 12.08.2016)

As per clause 2 of general conditions of contract, if contractor fails to maintain the required progress of work, the department should levy a penalty @1.5% per month on delay to be computed on per day basis subject to 10% of the tendered value of the work.

Procedure regarding recording of hindrance (Modified as per OM/MAN/233) and processing cases of extension of time is given in Section 29.7 & 29.8 of CPWD Works Manual, 2014. Further, as per Section 29.9 regarding extension of time without levy of compensation stipulates that in the case where extension is granted without levy of compensation (**Performa shown in Appendix 30**) (**Added as per OM/MAN/221**) after approval of the competent authority, provision suggested in the preceding paragraph should stand with a view to safeguard the interest of the Government, especially against unforeseen circumstances.

During Test check of records it was revealed that following work was already delayed but not completed till date and penalty under Clause 2 needs to be levied:-

Agreement No.	Name of Work	Agency to whom allotted	Tendered Amount	Stipulated Date of Start	Stipulated Date of completion	Amount of compensation not levied (10% of TA)
01/EE/F-113/PWD/13-14	Improvement of corridor between Mukarba Chowk to Wazirabad Chowk. SH:C/o Parallel road in Zone P-1 on the other side of Nallah from Sanjay Gandhi Transport Nagar to Wazirabad Chowk.	M/s GR Infraprojects Limited	1357928356	21-05-2013	20-11-2014	135792836

Despite having provisions of penalty/compensation in the contract conditions, the department has not levied any penalty under clause-2 of the agreement though the work was delayed by more than 18 months, from the scheduled time of completion.

The above irregularities may be got regularized from the competent authority and shown to next audit.

PARA No. 3: Purchase of Computers without approval of TEC of IT Department.

(Ref. : Memo No. 7 Dated 12.08.2016)

As per Delegation of financial powers to HODs and Administrative Secretaries of the Departments of Government of NCT of Delhi vide O.M No.F.8/3/2010-AC/usfa/41-44 dated 12-03-15, Head of Department is competent to purchase of computers including Laptop, Printer and Computer Furniture up to Rs. 3.50 Lacs per annum subject to approval of TEC of IT Department.

During test check of record provided to the audit, it is observed that the following computer items were purchased without obtaining approval of TEC:-

S. No.	Cash Voucher No. & Date	Name of item	Amount (Rs.)
1	52 dated 23-03-16	Providing and Installation of HP officejet 7612 Wide Format e All-in-One (a) Upto33/29 ppm (Draft) 15/8 ppm (Bk/Clr) (b) 6.70 cm (2.64") LCD with Touch Smart Frame (c) 1usb (2.0), 1 Ethernet, 1 Wireless 802, 11b/g/n 1 USB host Port. (d) Up to 12,000 pages per month (e) 35 sheet ADF, Up to 33.6 khps; 4sec per page (f) Borderless print, copy scan upto A3+13x19-in	26,000
2	53 dated 23-03-16	1.Lenov all in one A700 Part No.F0DEW2UIN or equivalent Intel Core i5 6400 (2.7 Ghz), 8 GB DDR 4 RAM, 1 TB HDD, DVDRW, NVIDIA GTX 950A 2GB, HDMI IN& OUT, Wireless Keyboard & Mouse, Windows 10 Home 64 Bit, 23.8"W Touch FHD IPS LED. 2. HP Printer 1005 all in one printer or equivalent. 3. UPS 625 VA, Microtech/Luminous 4. MS office 2016	1,36,000

	5. Quick Heal Antivirus with Internet security. 6 Less: For old Obsolete computer set	
	TOTAL	1,62,000

The above expenditure may be got regularized from IT Department and shown to next audit. Similar cases may also be reviewed.

PARA No. 4: Purchase of Furniture items without approval of FD for relaxes the economy ban.

(Ref.: Memo No. 8 Dated 12.08.2016)

As per Delegation of financial powers to HODs and Administrative Secretaries of the departments of Government of NCT of Delhi vide O.M No.F.8/3/2010-AC/usfa/41-44 dated 12-03-15, Head of Department has been delegated full powers to purchase of furniture subject to condition that the F.D.'s approval is required to relax the economy ban on purchase of furniture.

During test check of record provided to the audit, it is observed that the following furniture items were purchased without obtaining approval of F.D.'s for relax the economy ban:-

S. No.	Cash Voucher No. & Date	Name of item	Amount (Rs.)
1	56 dated 23-03-16	1.DS 1CA DELITE HI-TECH CLASSIC ALMIRAHS..... 2.DS 2CA DELITE HI-TECH CLASSIC ALMIRAHS... 3. DESKING TABLE DT-Y716 COLOUR-APRICOT.... 4 DELITE HI-TECH V.D.U. TABLE WITH STORAGE UNIT	76,916
		TOTAL	76,916

The above expenditure may be got regularized from Finance Department and shown to next audit. Similar cases may also be reviewed.

PARA No. 5: Non production of records.

(Ref.: Memo No. 1(A), 1(B) & 1(C) Dated 08.08.2016)

The following record has not been produced and the same may be shown to the next audit:-

1. List of advances given to other agencies by all the three Divisions.
2. Fidelity Bond
3. Stock Register – consumable and non consumable (F -113)
4. Property Register of all the divisions.

(Rakesh Kumar)
AO/IAO, Party VII

TEST AUDIT NOTE

TAN 1: Deposits of Rs.159331166/- lying outstanding in Division F-111.


(Ref.: Memo No. 2 Dated 10.08.2016)

As per codal provision, the Divisional Officer should keep close watch over delay in the refund of security deposit to contractors and for this purpose, they should (a) periodically review the register of security deposit, (b) ascertain the year wise detail of such deposits and (c) identify the unclaimed deposits for more than 3 years and credit the same into the Govt. account as revenue.

Scrutiny of monthly account of Division F-111 for the month ending March, 2016 has revealed that as per schedule of Deposit (Form 79 PWD 35) Rs. 159331166/- are lying outstanding at the end of the month as detailed below:-

Head	Amount (in Rs.)
Civil Deposits : Security Deposit of Contractors (Part – II)	45731162/-
Civil Deposits : Public Works Deposit (Part III)	14523907/-
Civil Deposit : Other Deposit (withheld amount etc. Part V)	99076097/-
Total	159331166/-

The above deposits lying unclaimed more than 3 years may be credited in Govt. Account under intimation to audit.


(Rakesh Kumar)
AO/IAO, Party VII