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COMMITTEE ON PUBLIC ACCOUNTS

NINETY-NINTH REPORT

(ELEVENTH ASSEMBLY)



REPORT OF THE COMMITTEE ON PUBLIC ACCOUNTS ON THE  
REPORT OF THE COMPTROLLER AND AUDITOR GENERAL  
OF INDIA FOR THE YEAR 1996-97 (CIVIL) RELATING  
TO PUBLIC WORKS DEPARTMENT  
GOVERNMENT OF ASSAM

Presented before the House on 4th April, 2005

ASSAM LEGISLATIVE ASSEMBLY SECRETARIAT  
DISPUR :: GUWAHATI-6.

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COMPOSITION OF THE COMMITTEE  
2003-2006

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1. Smti. Pramila Rani Brahma

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3. Dr. Zoi Nath Sarma
4. Shri Gautam Bora
5. Shri Ajit Singh
6. Shri Bidya Singh Engleng
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2. Shri P. Deuri Bharali, Additional Secretary
3. Shri B. Basumatary, Deputy Secretary
4. Shri Dharmeswar Mazumdar, Under Secretary
5. Shri Khalilur Rahman, Committee Officer

## PREFATORY REMARKS

I, Smti. Pramila Rani Brahma, Chairperson of the Committee on Public Accounts having been authorised to submit the Report on their behalf, present this Ninety-Ninth Report of the Committee on Public Accounts on the Audit paras contained in the Report of the Comptroller and Auditor General of India (Civil) for the year 1996-97 pertaining to Public Works Department, Government of Assam.

2. The Report of the Comptroller and Auditor General of India (Civil) for the year 1996-97 was presented to the House on 16th March, 1998.

3. The Report as mentioned above relating to the Public Works Department has been considered by the Committee in its sitting held on 30th November, 2004.

4. The Committee has considered the Draft Report and finalised the same in its sitting held on 11-3-2005.

5. The Committee has appreciated the valuable assistance rendered by the Principal Accountant General (Audit) Assam and his Junior Officers and staff during the examination of the paras in respect of the concerned department.

6. The Committee expressed its thanks to the Departmental witnesses for their kind co-operation and also offered thanks to the officers & staff dealing with the Committee on Public Accounts, Assam Legislative Assembly Secretariat for their strenuous and sincere services rendered to the Committee.

7. The Committee earnestly hopes that the Government would take appropriate step to implement the recommendations made in the Report.

PRAMILA RANI BRAHMA,  
Chairperson,  
Committee on Public Accounts.,

Dispur  
The 11th March, 2005

**REPORT****Public Works (Roads) Department****Non-recovery of unadjusted advance/cost of materials from a construction corporation.****(Audit para 4.10/CAG/1996-97 Civil)**

1.1. The Audit has pointed out that "Construction of RCC Bridge over the river Doyang at Jamugurighat on Dhandashyam Ali" under Golaghat Public Works (Roads) division was entrusted to a Construction Corporation (an undertaking of Government of Assam) in February 1991 at a lump sum of Rs. 194.26 lakh with the stipulation for completion by February 1994. The Corporation after executing 21 percent of the work valued at Rs.40.01 lakh stopped its execution (October 1993) without assigning any reason and had not resumed the work despite efforts made by the department. In March 1995 the Corporation expressed their inability to resume the work at the contract price. The Chief Engineer PWD (Roads) Assam withdrew (April 1995) the contract without imposing any penalty. The balance work had not been allotted to any other agency (December 1996). A test check (December 1996) of records of Golaghat Public Works (Roads) Division revealed that the division had paid Rs.67.00 lakh to the Corporation upto August 1993 as advance. In addition, cost of departmental materials worth Rs. 2.05 lakh issued to the Corporation and utilised in the work were yet to be recovered (December 1996). Thus, an amount of Rs. 29.04 lakh was outstanding from corporation, but no action had been initiated by the department for recovery of the same (December 1996). Besides, expenditure of Rs. 40.01 lakh incurred so far on the work remained unproductive.

1.2. The department in their written reply has stated that the work construction of RCC bridge over river Doyang was allotted to M/S A.G.C.C. Ltd., a Government of Assam undertaking organisation at a lump sum work value of Rs.1,94,26/- (L) to be completed by February 1994, an amount of Rs.29,01,863/- was paid to the firm in the shape of Advance and value materials issued to the firm. After execution of 21 percent of work valued of Rs.40.01(L) the firm stopped the work in October 1993 without assigning any reasons and did not resume inspite of repeated reminders. In March, 1995, the firm expressed their inability to resume and complete the work, finding no alternative the Department had withdrawn the work without imposing any penalty. The balance of work meanwhile allotted to shri B.N. sarma on 15.5.95 at the tender value of Rs.4,47,16,200/- and is now duly completed. Thus an excess amount of rs.29,01,863/- yet to be refunded by M/S A.G.C.C.Ltd. However, inspite of several requests, no response has yet been received from the firm. The Advance payment made to the Contractor is under the perview of the standing order where there is provision of 90% Advance to the firm. No panel action could be taken as the firm itself is a undertaking one.

## OBSERVATIONS/RECOMMENDATIONS

1.3. During the course of examination the Committee observes that the department made advance payment of Rs.67.00 lakh to the AGCC without any security. The Chief Engineer PWD (Roads) withdrew the work from the AGCC without imposing any penalty for non completion of work within stipulated time. Even no steps had been taken by the department to recover the outstanding amount of Rs.29.04 lakh from the Corporation which caused the huge loss of Government revenue.

1.3.1. The Committee therefore, recommends strongly that steps should be taken by the department to realise the excess payment from the Corporation and action taken in this regard may be intimated to the Committee within 90 days from the date of presentation of this report before the House.

**Extra and unproductive expenditure due to departmental delays  
in the execution of bridge work and its approaches**

**(Audit para 4.11/CAG/1996-97 Civil)**

2.1. Audit has pointed out that the Construction of double lane RCC bridge No.17/1 (excluding approach to bridge) over river Nonoi on Mangaldoi Patharighat Khairabari Road under Mangaldoi Road Division was awarded to a contractor in July 1988 at lump sum tendered value of Rs.45.00 lakh for completion by January 1990. After executing a portion of work (52.5 per cent) valued at Rs.23.63 lakh the contractor suspended the work (June 1990) and claimed price escalation for reasons attributable to departmental lapses i.e. delay in approval of drawings/designs non-availability of required quantity of cement, steel materials with the department and delay in payment of running account bills. The department had not agreed to the price escalation claimed. The matter was referred (April 1993) to an arbitrator who passed an award (December 1993) in favour of the contractor for a total amount of Rs.1.50 lakh as compensation and directed him to execute the balance work at a lump sum price of Rs.50.00 lakh without any more escalation with the stipulation to complete the work by December 1994. He also directed the department to release the contractor's security money amounting to Rs. 1.59 lakh held by the Department. As per condition of award, the compensation and refund of security money was to be paid to the contractor within 60 days from the date of award failing which a simple interest at 18 per-cent per annum was payable by the Department. Accordingly, the contractor resumed the work (March 1994) and completed the same in March 1995 at a total cost of Rs. 73.63 lakh and the Division paid (May 1995) Rs. 75.49 lakh including Rs. 1.50 lakh compensation and Rs. 0.36 lakh interest. The bridge had not been opened to traffic (April 1997) for want of bridge approaches which could not be constructed as required land for the purpose had not been acquired. Thus, delay in furnishing of final drawings/designs and materials to the contractor entailed an additional expenditure of Rs. 30.49 lakh (Rs.75.49 lakh Rs. 45.00 lakh). Further, the decision to take up construction of the bridge prior to acquisition of land required for its approaches resulted in the investment of Rs.73.63 lakh remaining idle for nearly 2 years and extra expenditure of Rs. 1.86 lakh.

2.2 The department in their written reply has stated that the work construction of R.C.C. double lane bridge with approaches over river Nonoi (Br. 17/1) on Mangaldoi Patharighat Khairabari Road was administratively approved by the Government vide No.DASR.74/87/11, dated 6.11.87. The work was allotted to B.N. sarma with a tender value of Rs.45.00 lakhs to be completed on Jan/90 vide formal work order No.T/BR/NR-NW/238/86/Pt-I/25, dated 11.1.80. The administrative

approval was accorded on the basis of rough estimates and drawing prepared by the Department. But while sinking of wells of sub-structure work, it was noticed that the sinking of well had not received the required design depth and found to be not compatible to erect the bridge. Besides some technical problems were also noticed during sinking of wells. As a result the original drawings had to be modified after visiting the spot by the Departments high Officials of the Department. Thus it takes time in preparation of required drawings. (2) The materials required for the bridge proper was not available at that time due to paucity of fund and could not supplied to the contractor as per terms and condition of the tender agreement: Due to unavoidable delay in preparation of drawing etc. the contractors appeal for arbitration award. As a result the total expenditure gone upto Rs.75,21,500.00 instead of Rs.74,393 lakhs including arbitration award. The revised estimates has already been sanctioned and the bridge and approaches has already been completed in all respect and opened for vehicular traffic.

### OBSERVATIONS/RECOMMENDATIONS

2.3. During the course of discussion, the departmental witnesses could not satisfy the Committee. The Committee expresses its concern that the construction of the bridge was taken up without the acquisition of land for approach road. The Committee also observes that due to delay in furnishing of final drawings/designs and issue of materials to the contractor for the work "Construction of double land RCC bridge over river Nonoi" resulted an additional expenditure of Rs.30.49 lakh. Besides, the bridge could not be opened to traffic within the stipulated time for non construction of approach roads resulting in idle investment of Rs.73.63 lakh. The Committee feels that the technical authority had to ensure the necessary survey and to prepare the necessary estimates and take necessary steps to acquire the land for approach in time and go ahead with the work. But it was not done.

2.3.1. The Committee, therefore recommends, that the responsibility should be fixed against the erring official (s) for the delay in furnishing the drawings and designs to the Contractor for which a great additional amount had been incurred by the Government and action taken in this regard may be intimated to the committee within 60 days from the date of presentation of this report before the House.



**Non recovery of dues from contractor**  
(Audit pare 4.12/CAG/1996-97 Civil)

3.1. Audit has brought out the work "Construction of approaches and guid bunds to R.C.C. Bridge over river Depi" on N.H.-52 under Chouldhowaghat National High way (NH) Division was awarded to a contractor in June, 1987 at the tendered value of Rs. 57.01 lakh with the stipulation to complete the work by June 1989. Progress of the work, however, was very slow and inspite of issue of notices the contractor failed to complete the work. As a result the work was withdrawn (February 1991) at the risk and cost of the contractor. The reason for delay in withdrawal of work was not stated. Value of work done at the time of withdrawal was Rs. 52.84 lakh. Balance work was allotted to another contractor (March 1992) at a tendered value of Rs. 18.72 lakh for completion by September 1992. The work however, remained incomplete till November 1996, an extension of time beyond September 1992 was not applied for by the Contractor and granted to him. Test check (November 1996) of records revealed that running account bill payments of Rs.51.15 lakh upto (February 1990) the original contractor and Rs.13.03 lakh (upto April 1995) to the second contractor were made by the division. extra expenditure of Rs. 8.86 lakh incurred so far on the above work was to be recovered from the original contractor as the work was rescinded at his risk & cost. Besides, Rs.2.00 lakh being advance payment Rs. 0.38 lakh secured advance and Rs.0.12 lakh being hire charge of road roller remained to be recovered from him as of September 1997. Thus Rs. 11.36 lakh was recoverable from the original contractor against which Rs. 2.60 lakh (Rs 1.69 lakh being the value of his incomplete final bill, Rs. 0.79 lakh being security deposit and Rs. 0.12 lakh being the value of sand/gravel supplied by the contractor for other works) was available with the division. The department had not initiated any action for recovery of balance amount (Rs. 8.76 lakh) after adjustment of Rs. 2.60 lakh. The Division on the other hand released in January 1993 Rs. 1.14 lakh being the earnest money of the original contractor. Besides, expenditure on the work incurred so far remained unproductive for last 10 years.

3.2 The department in their written reply has stated that the work of construction of approaches and guide bund to RCC Bridge over river Depi on NH-52 was awarded to Sri K.L. Agarwalla at the tender value of Rs. 57,00,900.00 (0.5% below the estimated cost) vide tender agreement No. 5/CE/BRD/RD of 1987-88 with the target date of completion of the work within 24 months from 15 days after the date of issue of formal work orders issued vide No. BRD/RD/40/88/57, dtd. 18.06.87.

But the contractor could not complete the work due to the following reasons.

(a) As per estimates the approved quarry for collection of stone material was Siman. But due to non-availability of a specified size of boulder at the quarry, the contractor was compelled to collect the boulders by breaking large size boulder in conformity to the specified size of boulders for which the contractor had pressing hard for enhancement of rate at the market price prevailing at that period.

(b) For carriage of boulders, the estimated provision was for a distance of Rs. 60.00 Ms only. But due to change of river current and the site condition, the contractor had to collect the boulders almost about 500.00 M away from the work site as such the contractor had appealed for extra lead. As a result the progress of work found to be very slow and he was unable to complete the work within the specified time. However the Deptt. had persued the contractor several times to complete the work. Finding no other alternative the Department had rescinded the work from Sri K.L. Agarwalla and allotted the balance work to Sri K. L. Pareek at the tender value of Rs. 18,72,162.00. Accordingly the incomplete final bill was prepared by the A.E.E., Jonai NH Sub-Division for the bill value of Rs. 52,46,411.00. Payment has already been made vide VR. No. of 58 for Rs. 51,00,790.00. Hence the balance amount payable to the contractor is Rs. 1,45,621.00. As observed by A.G. in the Draft Para the actual recoverable amount shown below :

Advance payment.....	Rs. 2,00,000.00
Secured Advance.....	Rs. 38,000.00
Hire charge of Road Roller (Net Rs. 0.12 L as shown by A.G., .....	Rs. 9,879.00
Total =	Rs. 2,47,879.00

The recoverable amount can be adjusted from the contractor as shown below :

RA/618, dt. 19.09.90	.....	Rs 1,65,855.00
1214, dt. 26.03.90	.....	Rs. 12,104.00

#### Deposit Class - II

3/89,5/89	Vr. 56 & 44	.....	Rs. 14,928.00
1/89	Vr. 149	.....	Rs. 11,500.00
2/89	Vr. 53	.....	Rs. 52,292.00
Total =			Rs. 2,56,679.00

As such the recoverable amount can be adjusted. In respect of difference cost of extra expenditure as observed by A.G. is not at all the difference of cost. The variation of extra expenditure of Rs. 0.49 (L) mainly due to extra lead as per Contract Agreement, the item has already been incorporated in the Revised Estimate which was already forwarded to DGBR vide CE's No. BRD/RD/20/84/58-A, dt. 17.01.94 which is yet to be sanctioned. As such the extra expenditure as observed by A.G. are unavoidable.

### OBSERVATIONS/RECOMMENDATIONS

3.3. The Committee observes that since the work of construction of approaches and guide bunds to RCC bridge over river Depi was rescinded at the risk and cost of the contractor but the extra expenditure of Rs. 8.76 lakh (after adjustment of receivable and recoverable amount) had not been made recovery from the contractor. The department had provided the entire amount to the original contractor who could not complete the job within time frame and resulted in excess expenditure. The Committee failed to understand why the department had released Rs. 1.14 lakhs being the earnest money to the original contractor despite the contractor could not complete the work. The Committee also expresses its concern over the matter because the department could not complete the work even after 10 years through the second contractor.

3.3.1 The Committee therefore recommends that the department has to submit a detail report for whose fault, the work could not be completed even after long 10 years and directed to take a step for recovery of the balance amount of Rs. 8.76 lakh from the contractor. The Committee also recommends to initiate action against the concerned officer who released the earnest money to the contractor and action taken in these regard may be intimated to the Committee within 30 days from the date of presentation of this report before the House.

**Unproductive expenditure of construction of a bridge component due to irregular preparation of original estimates**

(Audit para 4.13/CAG/1996-97 Civil)

4.1. The audit has pointed out that against supply order placed (January 1987) with a Guwahati based firm by the Chief Engineer, Public Works (R & B) Department, Hills, Diphu, Barapather Road Division procured (between March 1989 and February 1990) 2 Hamilton girder bridge components of 60 and 50 metre spans at a cost of Rs. 24.88 lakh for construction of two Hamilton Girder bridges at two different chainages of 4th km and 10th km (Bridge No. 4/1 and 10/1) of Hindustan Paper Corporation road respectively from Chokihola to Arlongwati Phase 1, (Sanctioned in March 1984). The bridge components were accounted for in the site accounts of respective bridges. Subsequently it was decided (January 1991) that a cause way be constructed at the 10th km. chainage in place of this Hamilton Girder Bridge No. 10/1 and the same was completed in (December 1993). The department also decided to utilise the surplus bridge components of bridge No. 10/1 in bridge No. 4/1 by extending its length from 60 metre to 110 metre. Accordingly revised administrative approval for Rs. 53.35 lakh was accorded (September 1991) by the Karbi Anglong District Council for construction of bridge No. 4/1. Following technical sanction to the revised estimate for Rs. 53.35 lakh issued (May 1992) by the Chief Engineer the construction of substructure of this bridge with open type foundation was awarded (May 1992) to a contractor at tendered value of Rs. 18.54 lakh. After award of the work, the design of the Sub-structure was substituted by well foundation because open foundation originally envisaged was found to be inadequate due to increase in length of bridge. This change led the contractor to stop the excavation work. Consequent on this change, a re-revised estimate for Rs. 102.23 lakh was prepared (March 1994) by the department and submitted to the District Council Authority. Approval for the same had not been received and the work remained suspended as of February 1997. This indicated that the initial investigation and the technical scrutiny forming the basis of the design and technical sanction accorded by the Chief Engineer in May 1992 were not proper and the original estimates were irregularly prepared and sanctioned. This delay in construction of the bridge led to cost escalation of Rs. 48.88 lakh apart from the investment of Rs. 24.88 lakh on bridge components remained unfruitful for a period over 7 to 8 years.

4.2 The department in their written reply has stated that the propose to construct two Nos. of Hamilton Girder Bridge on Chowkihola to Arlongwati H.P.C. Road ph-I (Bridge No. 4/1 and 10/1) and estimate prepared by the Executive Engineer, PWD, Borpather Road Division with

open type foundation of both the bridges and sanctioned the same accordingly (March/1994) by the concerning authority. As per estimate provision, Department procured B.U. unit for span of 60.00 meter for Bridge No.4/1 and 50.00 meter for bridge No. 10/1 between March, 1980 and February, 1990. Due to the abruptly changes of climatic condition and after through study of the proposed site of Bridge No. 10/1 it is revealed that the field officers opine that a vented causeway will suffice the purpose of cross drainage in that particular location, where the duration of high flood is very short though the intensity is high and also for substitution of the Bridge by a vented causeway with considerable easy graded low approaches which will also reduce the over all cost of construction for both the bridges and matter discussed in the minutes of discussion held on 10.01.91 with the authority of Karbi Anglong Athonmous Council and finally it was decided (January, 1991) that a causeway be constructed at the 10th Km. Chainage in place of this Hamilton Girder Bridge No.10/1 and same was completed in December, 1993. Expenditure incurred for construction of causeway as per record Rs. 13.50 lakhs. Again after scrutiny of the hydrolic particulars for Bridge No. 4/1, the design Branch of the Chief Engineer's office, PWD (Roads), Guwahati suggested for provision of atleast 105.00 meter water way instead of 60.00 meter, the Fact has verified at site by the Superintending Engineer, Who was also recommended for span of 110.00 meter in order to avoid afflux, scour effect and overtopping etc. And finally department decided to utilised the surplus bridge components of bridge No. 10/1 in bridge No. 4/1 by extending it's length from 60.00 meter to 110.00 meter (60.00 m. to 50.00 m) on the above facts. Officers involved from preparation of original estimates for construction of bridge No. 4/1 and 10/1 to construction of causeway at the chainage of 10th Km. in place of bridge No. 10/1 and again construction of Bridge No. 4/1 by extending it's length from 60.00 m to 110.00 m and also cause of conversion of type of foundation from open to well and re-revised estimate preparation of bridge No.4/1 amounting to Rs. 102.23 lakhs from Rs. 53.35 lakhs as shown below :-

1. Chief Engineer, PWD (Hills) = Shri N. C. Hazarika, Retd.
2. Additional Chief Engineer, PWD, (Hills) = Shri B. C. Kar, Retd./Ex-pired.
3. Superintending Engineer, PWD (R & B), Diphu Circle = Sri Guna Das, Retired.
4. Executive Engineer, PWD, Borpathar Divn. = (i) Shri B. N. Patowari (Retd.)  
(ii) Shri S. K. M. Bhagawati (Retd).

After submission of re-revised estimate (march, 1994) prepared by the Department on the basis of S.O. R. 1990-91 amounting to Rs. 102.23 lakhs was lying at the disposal of council till February, 1997. However, again the work was taken up and once again prepared the revised estimate of bridge No. 4/1 on the baiss of S.O.R. 1995-96 and amount goes to Rs. 121.55 lakhs from Rs. 102.23 lakhs and submit the same to the District

Council Authority for according Administrative Approval. And finally, the District Council Authority has accorded Administrative Approval vide No. KAAC/PWD-337/Pt.1/AA/98/99/7848 dt. 21.12.99 and tender has been floated but not yet settled due to the absence on interested tenderers.

### OBSERVATIONS/RECOMMENDATIONS

4.3. During the course of examinations the Committee observes that the Chief Engineer PWD (Roads) had issued the supply orders for two Hamilton Bridge Girder components without proper survey and investigation. The Committee also observes that delay in construction of the bridge led to cost escalation of Rs. 48.88 lakh apart from the investment of Rs. 24.88 lakh on procurement of bridge components remaining unfruitful for a period of over 7-8 years.

4.3.1. The Committee therefore, recommends that the entire matter should be investigated thoroughly by the department and the report of the investigation shall be intimated to the Committee accordingly. The Committee also recommends that responsibilities should be fixed on the official (s) for the lapses in preparation of the original estimates and action taken thereon may be intimated to the Committee within 60 days from the date of presentation of this report before the House.

**Extra expenditure due to departmental delay  
(Audit para 4.14/CAG/1996-97 Civil)**

5.1. The audit has pointed out that the construction of RCC Bridge (proper) over river Dassang at Pithagutighat and approach slabs on approaches to the bridge on Pithaguti-Sapekhati road under Dibrugarh Road Division was awarded to a contractor in August, 1985 at a lump sum tendered value of Rs. 84.42 lakh. The work was to be completed by August, 1987. As per agreement, the Department had the obligation of providing required cement and steel to the contractor in time at agreed rates. Construction of approaches to the bridge was kept outside the scope of the contract. Construction of RCC Bridge excluding the RCC slabs was completed by the contractor in August, 1988 with extension of time. The extension was allowed primarily due to departmental delays in supplying cement and steel material to the contractor. In October, 1989 the contractor preferred certain claims for compensation in respect of loss sustained by him on account of escalation of wages of labour, cost of material and fuel and extra cost of establishment and overhead charges for prolongation of working period caused by delay in supply of construction materials and non-delivery of the same at specified places. The contractor also sought settlement of claims through arbitration. The matter was accordingly referred (November, 1992) to a sole arbitrator, who passed an award (September, 1993) in favour of the contractor for lump sum amount of Rs. 3.50 lakh. Government accepted the award and the division paid (February, 1994) Rs. 3.50 lakh to the contractor. In addition, Rs.0.08 lakh was paid to the arbitrator as his commission. The bridge was opened to traffic on 18th January, 1994. The division stated in September, 1997 that during the time of execution there was shortage of construction materials which had to be procured from other divisions and hence could not be supplied to the firm in time. Thus due to departmental failure to make the required quantity of materials available to the contractor in time at specified place of delivery, Government had to bear extra financial burden of Rs.3.58 lakh.

5.2. The department in their written reply has stated that the work construction of RCC bridge (proper) over river Dessang at Pithagutighat and approach slabs on approaches to the bridge on Pithaguti-Sapekhati road under Dibrugarh Road Division was awarded to a contractor in August, 1985 at lump sum tendered value of Rs. 84.42 lakhs. The work was to be completed by August, 1987. However, construction of RCC Bridge excluding the RCC slab was completed by the contractor in August, 1988 with extension of time. The extension of time was allowed due to delay in supplying cement and steel to the contractor. As because cement & steel of various sizes were not available either in the Divisional

store at Dibrugarh or in the Moran Sub-Division. The same had to be procured from other Divisions which took much time. Moreover, some materials were delivered at the site of work directly and some were collected in Dibrugarh central store, and then despatched to the site of work as per requirement by engaging carriage contractor. It is also a fact that cement and steel may not be available with the Division and cannot be stored for long time apprehending taking of cements and rusting of steel. So it takes time to collect fresh cement particularly for RCC bridge. The claim of the contractor was preferred on the basis of the arbitration award which was accepted by the Government Departmental failure to make the required quantity of materials to the contractor in time was due to the fact that the required sizes of steel materials and cement had to be obtained from other sources/Divisions.

### OBSERVATIONS/RECOMMENDATIONS

5.3. After the above discussion the Committee pleased to drop the para with a stricture that the department should be very careful so that such type of negligence should not be incurred in future.



**Non-recovery of dues from a contractor  
(Audit para 4.15/CAG/1996-97 Civil)**

6.1. The Audit has pointed out that the work of Improvement of (Metalled) Di joo-kimen road for 1988-89 chainages 500 to 1000 metre and 2000 to 3000 metre under North Lakhimpur Road Division was awarded to two contractors in December, 1989 at the tendered value of Rs. 7.15 lakh and Rs.5.61 lakh respectively to be completed by March, 1990. Both the contractor abandoned the work after receipt of running account payments of Rs. 6.87 lakh and Rs. 4.67 lakh in December 1993 and February 1993. Both the works were rescinded in March 1995 at the risk and cost of the contractors. The balance works of both the chainages were re-allotted in August 1995 to two different contractors and got completed in October 1995 and February 1996 at a cost of Rs. 5.64 lakh and Rs 4.41 lakh respectively. The extra expenditure of Rs 8.83 lakh. (at tendered value of works) was recoverable from the two contractors. Besides Rs. 0.19 lakh (Rs. 0.02 lakh being hire charges of road roller, Rs. 0.14 lakh being forest royalty and Rs. 0.03 lakh being the cost of unutilised bitumen) remained to be recoverd from them. however, only Rs. 0.12 lakh security deposit was available with the division for adjustment. The Department had not initiated any action for recovery of the balance amount of Rs. 8.90 lakh as of December 1996.

6.2. The department in their written reply has stated that the work "Improvement of (metteled) dijoo Kimen Road 1988-89 (Financed by NEEPCO) chainage from 500 M to 1000 M (Group No. II) was awarded to Late Gobin Baruah, contractor at 9% above the S.O.R. of 1985-86 vide tender No. 76 of A.C.E. of 1989-90 amounting to Rs. 7,15,040/- and the formal work order No. CE/T/SC/76-88/2 dt. 23/12/89. As per tender Agreement, the work had to be completed within 22.2.90. But the contractor had failed to complete the work. After repeated request, the contractor did not respond it. As a result as per tender clause 3(C) the works was rescinded vide letter No. G/265/89-90/7834, dated 15.3.95 informing the contractor that the balance work would be completed through the other agencies at the risk and cost of the defaulting contractor. This Division had prepared on estimate on the left over work of the original contractor. The estimated value of balance work was Rs. 4112,414/- which was prepared as per S.O.R. 1990-91. The work was awarded to Shri P.Dutta Contractor at 25% above the estimated rate vide tender No. ACE (North Lakhimpur) of 1995-96 and formal work order No. ACE/T/SC/261/95/15, dated 7.8.95 at a tender value of Rs. 5,15,517.00. In this connection, the following facts are laid down for favour of the Audit.

(i) The tender value of the defaulting contractor	Rs. 7,15,040.00
(ii) Bill value of the incomplete final Bill	Rs. 72,135.00
Work value left under -----	Rs. 6,42,905.00

From the above fact it is cleared that the original contractor had executed 94% of the work having 6% of the work unexecuted. The Division had prepared an estimate against the balance work left by the original contractor which comes to Rs. 4,12,414/- as against the left over work of value Rs. 42,905/- which is 96% higher than the balance work left by the original contractor, on the other hand, the original estimate was prepared as per S.O.R. of Rs. 1985-86 and the work was awarded at 9% above the estimated rate. On the other hand the subsequent estimate was prepared on the basis of S.O.R. 1990-91 and the work was allotted 25% above on the estimated rate. Therefore, it is observed that there is a gap between the value of the two estimates.

As per site condition, the original contractor had to execute the work against item No. 1, 2, 4 & 5, in excess of quantity as per estimates. As a result the contractor could not complete the work against the item No. 7 and 8 bearing to exceed the expenditure over the sanctioned estimates, So, it was not the fault of the original Contractor.

As per clause 3(e) of the tender agreement, the difference of cost between original estimate and the balance work is to be recovered from the defaulting contractor. But it is observed that Late Govin Boruah had almost completed the work leaving a lumpsum quantity of work value is Rs. 42,905/- only as per tender agreement. But the estimate was prepared on the balance work valued Rs. 5,63,860/- as against Rs 42,905/- which is not acceptable by the original contractor because as per site condition the work had to be executed exceeding the provision of quantity of work in the sanctioned estimate. On the otherhand, Late Govin Baruah, Contractor is expired while he was in Police custody during police operation against extremist in Assam. On humanitarian ground, he may be exempted from the tender clause 3(c) Both the contractors had already been completed the work.

The work "Improvement of (Mettled) dijoo Kimen Road 1988-89 (Finance by NEEPCO) chainage from 2000-3000 M (Group No. V) was awarded to Sri G.C. Baruah, Contractor at 9% above the S.O.R. of 1985-86 vide Tender No.77 ACE of 1989-90 the Tender value was Rs. 5,61,350/- The formal work order NO. ACE/T/CS/77/88/2, dt. 23.12.89. As per agreement, the work had to be completed on or before 3.3.90. But the contractor left the work incomplete, As a result as per tender clause No. 3(c) the work was rescinded. The balance work was allotted to Sri Hemadhar Gogoi Contractor who had completed the work on 8.2.96. The extra cost involved in completing the work was Rs. 3,43,698/- which is to be recovered from the defaulting contractor Sri B. C. Baruah.

The tender value of the original contractor	Rs. 5,61,350/-
<u>Value of incomplete final Bill</u>	<u>Rs. 4,63,687/-</u>
Work value left unexecuted	Rs 97,663/-

From the above facts it is observed that the Contractor had executed 83% of the work leaving balance of 17% of the value of the work which valued Rs. 97,663/-. But the Division had prepared an estimate against the left over work of value Rs. 97,663/- which comes to Rs. 3,40,420/- and the tender was accepted at 25% above the estimated cost. The tender value was Rs. 4,25,526/- as against the left over work of Rs. 97,663/- which is 435% higher than the balance work left by the original contractor. The original estimate was prepared as per S.D.R. 1985-86 and the works were allotted 9% above the estimated cost. On the other hand the subsequent estimate for balance work was prepared on the basis of S.O.R. Rs. 1990-91 and the work was awarded at 25% above the estimated rate, So, it is observed that there is a gap between the value of the two estimates, So it will not be justified to improve clause 3 (e) of the agreement. The original contractor had almost completed the work.

### OBSERVATIONS/RECOMMENDATIONS

6.3. During the course of examination the Committee was informed by the departmental witnesses that the contractor had expired in police custody before recovery of the amount from him. So there is no means way to make recovery of the amount. The Committee therefore recommends that since the contractor is not available, a report should be prepared by the department and submitted the same to the Committee within 30 days from the date of presentation of this report before the House.

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