

FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC ACCOUNTS
(2019-2021)**

FIFTY SEVENTH REPORT
(Presented on 4th July, 2019)



**SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2019**

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on

**Action Taken by Government on the Recommendations
contained in the 118th Report of the Committee
on Public Accounts (2001)**

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COMMITTEE ON PUBLIC ACCOUNTS
(2019-2021)

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Smt. S. Shahina, Joint Secretary

Shri P. P. Shahnawas, Deputy Secretary

Shri A. Jafar Khan, Under Secretary.

INTRODUCTION

I, the Chairman, Committee on Public Accounts, having been authorised by the Committee to present this Report, on their behalf present the Fifty Seventh Report on Action Taken by Government on the Recommendations contained in the 118th Report of the Committee on Public Accounts (2001)

The Committee considered and finalised this Report at the meeting held on 1st July, 2019.

Thiruvananthapuram,
1st July, 2019.

V. D. SATHIESAN,
Chairman,
Committee on Public Accounts.

REPORT

This Report deals with the Action Taken by the Government on the recommendations contained in the 118th Report of the Committee on Public Accounts (2001).

The 118th Report of the Committee on Public Accounts (2001) was presented to the House on 2nd March 2001 and it contained 18 Recommendations related to Water Resources Department. Government was directed to furnish the Action Taken on the recommendation contained in the Report on 7th April 2001 and the final reply was received on 7-3-2018.

The Committee examined the statements of Action Taken at its meeting held on 21-3-2002, 2-1-2008, 20-9-2011, 17-10-2017 & 23-5-2018. The Committee was not satisfied with the Action Taken by Government on some recommendations. Such recommendations, replies furnished thereon and further recommendations of the Committee are included in Chapter I of this Report.

The Committee decided not to pursue further action on the remaining recommendations on the basis of Action Taken by the Government. Such recommendations and Action Taken by Government are included in Chapter II of this Report.

CHAPTER I

RECOMMENDATIONS IN RESPECT OF WHICH ACTION TAKEN BY GOVERNMENT ARE NOT SATISFACTORY AND WHICH REQUIRE REITERATION

WATER RESOURCES DEPARTMENT

Recommendation

(Sl. No. 5, Para No. 10)

1.1 The Committee note with serious concern that the pipes procured for the MCS Project by Irrigation Department between 1988 and 1989 remained unutilised

in five Divisions. The contention of the Department regarding the acceptance of entire quantity of the pipes which the suppliers had manufactured according to the order placed by the Department shows that there had been some other consideration for the purchase rather than necessity. The Committee, therefore, recommend the fixing of responsibility for this heavy purchase of pipes and for initiating action against the persons found responsible.

Action Taken

1.2 Total ayacut area envisaged under Kallada Irrigation Project was 61630 hectares. Most of the components of the project was executed during 1982-1989 using World Bank Assistance. Total requirement of pipes for completing Minor Conveyance System works under this project was estimated and accordingly 29.23 lakh metre pipes were procured during 1987-88 to 1990-91. Most of the Minor Conveyance System works were arranged during this period. The World Bank Assistance was completed during 1989 and thereafter the progress of the project was reduced considerably due to paucity of State fund. So these MCS works were also delayed. Many canal works were not started and later abandoned. Due to this the procured pipes were not fully utilized. During 1992-2003, for completing the arranged MCS works and also for completing new works arranged after 1992, these pipes were utilized and at present only 5520 m. pipes were left unutilized. The pipes will also be utilized for rectification of damaged pipe lines. Action has been initiated to issue the stock of PVC pipes to works of other Divisions which are in execution as per rules.

Recommendation

(Sl. No. 6, Para No. 11)

1.3 The Committee note with serious concern that the required details of present position of MCS Project, quantity of pipes laid, the remaining area under the scheme where the pipelines are to be laid and the assessment about the functioning of the pipelines already laid have not yet been furnished to the Committee. The Committee desire that the required details should be furnished to the Committee at the earliest.

Action Taken

1.4 As per the original proposal, total ayacut of Kallada Irrigation Project was 61630 hectares. Later as a policy decision taken by State Government, few canals were dropped and the ayacut was reduced to 53514 hectares. In which MCS works were done in 37281 hectares of land and about 9519 hectares land is being directly fed through Minor distributories, water courses and field bothies. In the remaining 6714 hectares of ayacut, new MCS works or Field bothies are to be constructed. Under this project 1945 numbers of MCS works are done in 37281 hectares of ayacut and in which 300 numbers of works are yet to be completed. 250 numbers of systems are working in good condition and the remaining 1395 system are in partially working condition and these Minor Conveyance System required repairs for efficient working.

Comment on Para 10 & 11

1.5 The Committee observes that the reply furnished by the Department was incomplete and not satisfactory and the Department was not able to furnish full details of expenditure incurred on the project even after 22 years. The Committee also expresses its dissatisfaction on the reply that 1395 numbers of Minor Conveyance System (MCS) are not still functioning.

Recommendation

(Sl. No. 7, Para No. 14)

1.6 The Committee observe that though the contract for construction of a 5 span bridge-cum-regulator across Chalakkudy river at Kanakkankadavu was awarded in June 1984, the department was forced to terminate the contract during June 1991 since the Department could not accept the plea for enhanced rate for the work done after the expiry of the period of contract. The inordinate delay in re-arranging the work not only delayed the work for about 15 years but also led to an abnormal increase in estimate from Rs. 179.87 lakh in June 1984 to Rs. 426 lakh in 1992 based on the schedule of rates for 1990.

Recommendation

(Sl. No. 8, Para No. 15)

1.7 The Committee note with serious concern that the defective investigation and absence of a feasibility study or project study led to the changes introduced in the scope of the work and resultant discontinuation of work by the contractor. The Committee were of the view that lack of planning and foresight in initial stages was the basic reason for the expenditure incurred so far becoming infructuous. Therefore, the Committee recommend to strengthen the investigation wing to avoid such situations in future.

Action Taken on Para 14 & 15

1.8 A separate wing was formed under the control of the Chief Engineer, Investigation for strengthening the investigation works as per G. O. (Ms.) No. 38/91/Irrgn. dated 20-9-1991 and at present this office is functioning in full strength, even though the post of Chief Engineer was since abolished.

Comment on Para 14 & 15

1.9 The Committee opines that lack of proper investigation is the reason for the problem in works and the Committee therefore suggests that the investigation of such works in the Department should be handed over to LBS Centre for Science and Technology or any Engineering College.

Recommendation

(Sl. No. 11, Para No. 20)

1.10 The Committee underline the need for evolving a fool-proof irrigation management in the department to limit the establishment expenditure to 15 per cent of the works expenditure as ordered by Government.

Action Taken

1.11 Earnest efforts are made by the Department to limit establishment expenditure within the permissible limit. In certain cases on the reasons beyond the control of the department, implementation of some schemes are delayed. This in turn result in higher establishment expenditure. However, Government

contemplates reconstitution of the Authority and utilisation of the services of the existing Division of Irrigation Department for the Authority either by deputation or declaring the posts separately for the Authority.

Further Recommendation

1.12 The Committee recommends that posts sanctioned for special projects should be re-deployed as soon as the project is completed.

Recommendation

(Sl. No. 12, Para No. 24)

1.13 The Committee cannot agree with the action of the Department in allowing an enhanced rate of Rs. 152 per cubic metre to the quantity of 8490 cubic metres of excavated hard rock, to the contractor on the ground that the blasting was carried out under wet conditions. The Department had thrown away all standards of propriety and over looked clause 9.2 (b) of the specifications for canal works and clause 31 of Local Competitive Bidding Specification which stipulates that the contractor was bound to execute the work at the agreed rate. The Committee recommend that the responsibility for the irregular payment should be fixed and the concerned should be appropriately punished.

Recommendation

(Sl. No. 13, Para No. 25)

1.14 The committee understand that there is wide variation regarding the amount of irregular additional payment as Rs. 11.46 lakh pointed out by audit and Rs. 4.86 lakh as reported by the Special Enquiry Cell, Irrigation Department. Therefore, the Committee recommend that a thorough probe should be conducted in this regard and the result thereon should be intimated to the Committee.

Action Taken on 24 & 25

1.15 According to the Audit Report the loss on account of the irregular additional payment for the earth work excavation was Rs. 11.46 lakh. The Chief Engineer, Special Enquiry Cell was directed from Government to conduct an enquiry in the matter. According to the enquiry report the inadmissible payment is Rs. 4.86 lakh.

Since there is huge difference in the alleged loss calculated in the Audit Report and the Enquiry Report, the issue was referred to the Chief Technical Examiner and according to the Chief Technical Examiner the amount calculated by the Chief Engineer Special Enquiry Cell, Thiruvananthapuram ie, Rs. 4,86,228.60 shall be taken as the base to compute the loss sustained by Government and to calculate the excess payment made on each bill and proportionate interest for that amount to be recovered as per rules. Accordingly Executive Engineer, KIP RB Division No. 11, Kottarakara has been directed to prepare the final bill and to recover the loss of Rs. 4,86,228.60 from the contractor. Revenue Recovery action initiated against the contractor Shri N. V. Poulose to recover a loss of Rs. 4.86 lakh through the District Collector, Ernakulam. The Contractor filed WPC 4692/2007 before High Court Ernakulam against the Revenue Recovery proceedings and the High Court passed stay order stating that the stay will stand till the finalization of Arbitration case. Counter Affidavit filed by the Department praying to dismiss the WPC is pending disposal.

Out of the four officers two have already retired. Their pensionary benefits have already been sanctioned and payment has been made. Their whereabouts are:-

1. Sri P. M. Kurian, Superintending Engineer, Padinjarekkara House, Puthanangadi, Kottayam. Retired on 30-11-1990.
2. Sri K. K. Philip, Superintending Engineer, Manoraj, Thottumugham P. O., Aluva.

1.16 Recovery of loss sustained to Government can be realised through Revenue Recovery action or through deduction from the revised estimate which is still pending. The whereabouts of the other two officers will be ascertained and proper action taken for fixing responsibility.

Recommendation

(Sl. No. 14, Para No. 26)

1.17 The Committee desire to furnish the details of the findings of the Chief Technical Examiner on completion of the enquiry.

Action Taken

1.18 A copy of the report of the CTE is as follows:

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1.19 "This wing is requested to advise the correct figure which is to be based for calculation loss sustained to Government. Accordingly on scrutiny, it is seen that the irregular additional payment made, to the contractor Rs. 4,86,228.60 as calculated by the Chief Engineer Special Enquiry Cell, shall be taken as a base for the computation of loss sustained by Government. In addition to this excess payment made on each bill is to be calculated and proportionate interest for that amount recovered as per rules."

Comments on Para 24, 25 & 26

1.20 The Committee expresses its displeasure on the replies furnished by the Department and opines that the explanations were not satisfactory. The Committee regrets the fact that proper action was not initiated against those responsible for irregular payment even after several years and the additional payment due was yet to be recovered.

1.21 The Committee insists that its recommendations should be viewed seriously and appropriate timely action must be taken on those recommendations.

CHAPTER II

RECOMMENDATIONS IN RESPECT OF WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE FURTHER ACTION IN THE LIGHT OF THE REPLIES FURNISHED BY GOVERNMENT WATER RESOURCES DEPARTMENT

Recommendation

(Sl. No. 1, Para No. 2)

2.1 The Committee observe that the Superintending Engineer's failure to verify the tender documents and to indicate the unit of work correctly provided in the estimate resulted in an avoidable payment of Rs. 1.05 lakh to the contractor.

The Committee note that the scrutinizing authority viz. The Superintending Engineer had failed to point out the grave lapse. The Committee, therefore, recommend that the responsibility for the lapses should be fixed against the Superintending Engineer for not conducting proper verification of tender documents.

Action Taken

2.2 Though the Superintending Engineer is the scrutinizing authority and is primarily responsible for the failure to indicate the unit of work correctly in the tender documents and the contract agreement, the subordinate officers are bound to scrutinize the documents thoroughly with utmost care before sending them to the higher office for sanction. Hence the four officers i.e., the Superintending Engineer, the Design Assistant, the Draftman are responsible for the lapse.

Recommendation

(Sl. No. 2, Para No. 3)

2.3 The Government informed that the liability of Rs. 1.03 lakh was fixed against the four officers responsible for the unnecessary loss sustained to Government. Further developments in the recovery of the amount may also be reported to the Committee.

Action Taken

2.4 The loss of Rs. 1,04,873 sustained to Government due to the mistake occurred in the tender schedule of the work of "providing water supply arrangements to Malabar Cements Ltd." was equally apportioned among the Officers who are responsible for the lapse i.e., Shri K. Govindan, Chief Engineer (Rtd.), Smt. M. Padmavathy, Assistant Engineer (Rtd.), Sri Pakkajakshan Pillai, Assistant Executive Engineer (Rtd.) and Sri K. Jossie, Superintending Engineer (Rtd.). All the four accused officers approached the Hon. High Court against the recovery proceedings initiated in order to make good the share of liability fixed against them (i.e., Rs. 26,218 from each). The OPs filed by Sri K. Govindan were

disposed of by the Hon. High Court on 17-2-2003 directing to disburse the entire pensionary benefits less the liability fixed. An amount of Rs. 26,217 has been withheld from the DCRG of Shri K. Govindan, Chief Engineer (Rtd.). The Hon. High Court granted stay against the recovery proceedings in the OPs filed by the other three Officers. Action is being taken to vacate the stay order. Statements of Facts in the OPs have been furnished to the Advocate General.

Recommendation

(Sl. No. 3, Para No. 8)

2.5 The Committee find that the stock accounts in certain Divisions of Kallada Irrigation Project at the end of March 1991 showed minus balance and it was pending adjustment. The Committee desire that the reconciliation of accounts of these Divisions should be completed and the fact reported to the Committee.

Action Taken

2.6 The Store Operating Division of KIP Division during the PAC Report were as follows:

1. KIP RB Division No. 1, Thenmala
2. KIP RB Division No. 2, Kottarakkara
3. KIP RB Division No. 3, Karunagappally
4. KIP LB Division No. 1, Punalur
5. KIP LB Division No. 6, Kottarakkara
6. KIP Division No. 7, Kottiyam
7. KIP MCS Division No. 1, Punalur
8. KIP MCS Division No. 2, Adoor.

2.7 Out of the above eight Store Operating Divisions, seven store operating divisions including KIP RB Dvn. No. 3 Karunagappally and KIP LB Division 7,

Kottiyam were abolished w.e.f. 31-1-2003 and 17-1-2003 respectively and attached to division No. V, Kollam. There were minus balance under stock account in the above two divisions. But reconciliation of stock account of these defunct divisions could not be undertaken for want of the monthly accounts, priced ledgers and other connected registers. Later it was reported that the above registers were irrecoverably lost. The minus balance reported in the defunct store operating divisions No. 1 Thenmala in the period mentioned as per PAC report had been reconciled and cleared.

2.8 Necessary instructions have been given to the Divisions/Sub Division by the Superintending Engineer, KIP RB Circle Kottarakkara for annual verification of store and for annual/disposal of unserviceable/obsolete items.

Recommendation

(Sl. No. 4, Para No. 9)

2.9. The Committee opine that the Irrigation Department would have taken legal action against the supplier firm for violation of contractual obligation and steps to black list the supplier firm. The Committee desire to be furnished with the details of action taken against those responsible for failure in pursuing the matter.

Action Taken

2.10 Kallada Irrigation Project consisting of a masonry gravity storage dam at Parappan near Thenmala and diversion weir at Ottakkal, Right Bank and Left Bank Canal Systems and distributory system was started in the year 1961. The Kallada Irrigation and Tree Crop Development Project (KI & TCDP) was implemented with the financial loan from World Bank during the period from June 1982 to March 1989. As per the condition stipulated by World Bank, Local Competitive Bidding specifications were included in all agreements executed for the implementation of works of the project. Clause 51 & 52 of LCB specification provided for settlement of disputes through arbitration. In the event of failure of the supplier firm to supply material as per schedule, the Department would be bound to purchase the same locally especially in view of the arbitration clause as otherwise the works contractors would move for arbitration of the dispute related

to supply of material which would result in imposition of awards detrimental to the interests of Government. Thus the Department officers concerned must have been forced to act to purchase material locally.

2.11 The Superintending Engineer, KIP reported that there are no details in respect of contract firm which supplied cements during the above period. But it is learnt from some retired officers that the cement was supplied by Madras Cement Company.

2.12 The Chief Engineer, Project II reported that there were 8 store operating divisions under KIP. Out of which seven were abolished during the period from 1995 to 2003. Hence reconciliation was not possible since registers containing valuable information were irrecoverably lost. The consolidated incumbency details of the divisional officers except KIP LB division I, Punalur are the following:

1. KIP (RB) Dvn. No. I, Thenmala Division (attached to KIP RB Division No. II, Kottarakkara)

Executive Engineers

- | | |
|------------------------|---------------------------|
| 1. K. Supru | - 1-4-1986 to 31-3-1987 |
| 2. M. M. George | - 1-4-1987 to 31-8-1987 |
| 3. Zimon Kaippallathil | - 1-9-1987 to 5-12-1988 |
| 4. K. C. Luke | - 6-12-1988 to 16-3-1989 |
| 5. Alexander Thariyan | - 17-3-1989 to 17-11-1989 |

2. KIP (RB) Dvn. No. II, Kottarakkara (Existing Division)

Executive Engineers

- | | |
|-----------------------------------|--------------------------|
| 1. C. P. Philip
(Addl. Charge) | - 25-4-1985 to 20-8-1985 |
| 2. Geo Varghese Thomas | - 20-8-1985 to 31-8-1986 |

3. P. M. Aliya - period not known
(Asst. Exe. Engineer in charge)
4. K. G. Karunakaran Nair - 30-1-1987 to 1-8-1987
5. Chandrasekharan Nair. B - 1-8-1987 to 24-8-1987
(Addl. charge)
6. P. M. Navoor Rauvather - Period not known
7. K. M. Muraleedharan Nair - 16-5-1989 to 15-6-1989
(T.A. Addl. Charge)
8. P. T. Koshy - 15-6-1989 to 30-4-1993

3. KIP (RB) Division No. 8, Karunagappally (attached to KIP (LB) Dvn. No. 5, Kollam)

Executive Engineers

1. Thrsis A. - 7-8-1986 to 10-2-1989
2. Chandrasekharan Nair B. - 10-2-1989 to 9-1-1990

4. KIP (RB) Division No. 1, Punalur (attached to KIP (LB) Dvn. No. 2, Kottarakkara)

Details pending

5. KIP (LB) Division No. 6, Kottarakkara (attached to KIP (RB) Dvn. No. 2, Kottarakkara)

1. V. Sambupotty - 1-3-1984 to 29-9-1984
2. T. K. Narayanan - 30-9-1984 to 27-6-1988
3. Babu Rajan - 28-6-1988 to 12-7-1988
4. K. Thankappan Nair - 13-7-1988 to 23-7-1988
5. T. N. GopalakrishnaKurup - 24-7-1988 to 13-2-1989
6. K. Thankappan Nair - 14-2-1989 to 29-3-1989

7. Mathew Mathew - 30-3-1989 to 9-6-1989
 8. K. Thankappan Nair - 10-6-1989 to

6. KIP (LB) Division No. 7, Kottiyam (attached to KIP (LB) Dvn. No. 5, Kollam)

Executive Engineers

1. Sri K. N. Ponnappan - 8-10-1984 to 31-10-1986
 2. Sri T. N. Narayanan - 31-10-1986 to 18-11-1986
 3. Sri C. Daniel - 18-11-1986 to 10-7-1990

7. KIP (MCS) Division No. 1, Punalur (attached to KIP RB Dvn. No. II, KTRA)

Executive Engineers

1. K. N. Ponnappan - 1-1-1984 to 2-3-1985
 2. Koshy P. Mathew - 3-3-1985 to 22-3-1985
 3. K. G. Polouse - 23-3-1985 to 31-3-1985
 4. Koshy P. Mathew - 1-1-1985 to 23-7-1986
 5. K. A. Ayyappanesan - 24-7-1986 to 6-4-1987

8. KIP (MCS) Division No. 11, Adoor (attached to KIP (RB) Dvn. No. II, Kottarakkara)

Executive Engineers

1. C. P. Philip - 1-3-1985 to 24-8-1987
 2. K. Mahadevan - 25-8-1987 to 30-4-1988
 3. R. Muraleedharan Nair - 1-5-1988 to 26-5-1988
 4. T. G. Mathew - 27-5-1988 to 30-1-1990

2.13 It is also reported that the names and incumbency periods of Divisional Officers (Executive Engineers) of KIP LB Division No. I, Punalur have not been traced out inspite of strenuous efforts made in the KIP RB Circle, Kottarakara and in the KIP (RB) Division No. II Kottarakara.

2.14 It is to be noted that local purchase of cement was done about 33 years ago. Most of the officers reported as responsible for the lapse would have long since retired. Since the time limit for filing Civil Suit against the retired officials expired no effective action for recovery can be initiated at this time. However keeping these incidents in mind the department has done away with the procedure for supplying materials through department stores. Now it is the contractor's obligation to take materials.

The reply may kindly be accepted and further action dropped.

Recommendation

(Sl. No. 9, Para No. 16)

2.15 The Committee are convinced that the contractor had filed a case against the recovery of cost of materials valued at Rs. 3.57 lakh from the original contractor. Details of the progress of recovery of the cost of materials retained by the contractor and the action taken against the officers responsible for the lapse in effecting payment of final bill without recovering the cost over the Department materials would be informed to the Committee.

Action Taken

2.16 Judgement was pronounced on 15-6-2001 in the O. S. No. 582/92 filed by the contractor before the Addl. Sub Judge, North Paravoor. The court did not admit the prayer of the contractor not to recover the cost of any quantity of reinforcement steel and 2.681 tonnes of cement. Now it is under the consideration of the Hon'ble High Court. Though the final bill of the work was prepared, it was not paid to the contractor since the M. Book and connected records

were in the court. The court had admitted the final bill amount recorded as per M. Book No. 103/86-87 along with other claims of the contractor and included in the decree amount admitted in O. S. 582/92. The contractor had filed an EP No. 472/2002 before the Sub Judge, North Paravoor and it is pending before the court. Major part of the decree amount with interest was paid to the contractor leaving a balance amount of Rs. 27,206 with interest from 23-4-2004. The contractor has also filed an appeal in the Hon'ble High Court against some points in the judgement in O. S. 582/92 and the same is pending before the court. The final bill amount was prepared as per the M. Book No. 103/86-87 and as per this M. Book cost of 1070.419 tonnes of cement and 1734.30 Qtl of steel were seen recovered as cost of the departmental materials. As the records of the work are in the court, this cannot be confirmed. The Addl. Govt. Pleader, Sub Court, North Paravoor had informed that the Hon'ble Court had objected to return the documents since the case is pending.

2.17 The final bill has not been paid to the contractor. Also the prayer of the contractor not to recover the cost of departmental materials is under the consideration of the Hon'ble High Court of Kerala. Hence taking disciplinary action against officers responsible for payment of final bill without deduction cost of departmental materials may not be relevant.

Recommendation

(Sl. No. 10, Para No. 19)

2.18 The Committee find that though the Department had spent an amount of Rs. 107.02 lakh till 1991-92 for establishment expenditure of Chamravattom project, which was more than 130 per cent of the works expenditure. The failure in obtaining clearance from Central Water Commission and retention of a large complement of staff for more than 4½ years for revision of the project resulted in infructuous expenditure and defeated the very purpose of the scheme. The Committee urge that immediate steps should be taken to complete the construction of the Chamravattom Project to fulfil the long cherished dreams of the inhabitants of Malappuram, Palakkad and Thrissur Districts.

Action Taken

2.19 A special purpose body known as "the Bharathapuzha Regulator-cum-Bridge at Chamravatom" has already been constituted as per G. O. (P) No. 35/99/IRD dated 28-4-1999 to implement the project with an estimated cost of Rs. 70 Crores. The Chamravattom Regulator Authority of Kerala Limited was registered under the Companies Act, 1956 with registered office at Kochi vide certificate of Incorporation No. 14127 of 2000 dated 3-8-2000 issued by the Registrar of Companies. The work of the project under the newly constituted Chamravattom Regulatory Authority was inaugurated by the then Honourable Minister for Irrigation on 10-3-2001.

Recommendation

(Sl. No. 15, Para No. 28)

2.20 The Committee urge the Government to furnish a copy of the Enquiry Report of the Special Enquiry Cell, Irrigation Department on the work of formation of Pavumba distributory of Kallada Irrigation Project and the details of the action taken to recover the loss of Rs. 9.25 lakh on the basis of the enquiry.

Action Taken

2.21 The Enquiry report has not been finalised since the incumbency details of the officers who are directly involved in the execution of the work as well as the related payment to the work was not submitted. The files relating to the "formation of Pavumba Distributory from Ch. 0 m to 2674m. including CD works" was handed over to Vigilance & Anti-corruption Bureau, Kollam unit on 21-5-2005 in connection with an investigation of VE 17/98. The Vigilance authorities have informed that the investigation is completed and the case is pending with Vigilance Court., Thiruvananthapuram for trial.

Recommendation

(Sl. No. 16, Para No. 30)

2.22 The Committee consider it as a serious lapse that while executing the agreement with Kerala Electrical and Allied Engineering Company for the supply

and erection of trash rack structure in the masonry dam of the Chimony Dam Project, the Department failed to communicate the approval of designs and drawings within 60 days. Not only had this delay prompted the contractor to put forth claim for extra payment, but the fulfilment of long cherished Chimony Dam Project was also delayed. The Committee notes that as a result of delay of more than one year on the part of the department no penal action could be taken against the firm for violation of provisions in the agreement. The Committee urge that the Government should issue strict instruction to all Departments to observe the terms and conditions of agreement to avoid additional expenditure outside the terms of contract.

Action Taken

2.23 As recommended strict instructions has already been given to all the Chief Engineers under Irrigation Department to observe the terms and conditions of agreement to avoid additional expenditure outside the terms of contract.

Recommendation

(Sl. No. 17, Para No. 32)

2.24 The Committee are distressed to note that the non-acceptance of the original tender quoting a comparatively advantageous rate and the failure on the part of the Superintending Engineer in forwarding the same with specific recommendations resulted in an additional liability of Rs. 2.78 lakh on re-tender. The Committee were amazed at the version that it was rejected on account of certain ambiguities and deficiencies crept into the tender schedule and tender notices. The Committee opine that responsibilities for omissions and irregularities in the preparation of tender schedule should be fixed and action taken against the persons concerned should be informed to the Committee.

Action Taken

2.25 The Chief Engineer, Projects II had returned the tender documents submitted by the Superintending Engineer with the following remarks.

1. Specifications not in order and drawings not supplied along with tender documents.

2. Time of completion need only 9 months against 24 months provided.
3. Being 1st tender, explore the possibility to get better offer by re-tender.
4. Score off certain portions not applicable.
5. Notification in the newspaper and in the gazette shall be published on the same date.

2.26 For the above, the Superintending Engineer had stated that this particular work includes items for formation of canal and canal lining. As such drawings are not essential to be supplied along with the tender schedule.

2.27 The Superintending Engineer has also stated that the time of completion of the work was fixed based on the site condition, climatic condition, availability of materials etc. The time of completion even if fixed excessively does not, vitiate the sanctioning of the tender.

2.28 The tender notification published in the Mathrubhoomi daily and Gazette on the same date, i.e., 22-5-1989 (Subsequently reported to the Chief Engineer).

The works awarded for the formation of Main Canals during the period with tender percentage ranging between 50% and 79.5% are as detailed below:

	Name of Work	Agreement No.	Tender %
1	MC from Ch. 2180m to 2330 m.	23/SEPCM/90-91/19-10-1990	69% above
2	MC from Ch. 1525m to 1200 m.	1/SEPCM/90-91/7-4-1990	50% above
3	MC from Ch. 200m to 300 m.	19/SEPCM/90-91/5-10-1990	79.5% above
4	MC from Ch. 2100m to 21246 m.	27/SEPCM/90-91/30-10-1990	64.5% above

2.29 The original tender schedule as well as the re-tender schedule were based on 1986 schedule of rate. The quotation was approved at 72% above consequent on the response to re-tender call. The Chief Engineer has reported that the rate at which the work was awarded is not too high in view of the percentage of tender excess at that time.

2.30 The Superintending Engineer further reported that through his letter No. D1 (D7) 2668/89 dated 2-11-1989, copy of tender schedule and notice inviting tenders were submitted to Chief Engineer, Projects II to make modifications required in the specifications of the tender schedule and para to be deleted from the notice inviting tenders.

2.31 In response to this letter, the Chief Engineer gave direction through his letter No. WP2-21184/89 dated 12-12-1989 to effect correction as the agreement executing authority can very well finalise the tender schedule and no further approval from the Chief Engineer is needed. According to the Superintending Engineer he had only obeyed the Chief Engineer's direction to explore the possibility of a better offer, in the wake of rejection of the single tender, by inviting for the quotations when there was no response from the second tenderer.

Recommendation

(Sl. No. 18, Para No. 33)

2.32 The Committee also desire to be furnished with the details of the present stage of the work.

Action Taken

2.33 At present the work has been completed in all respects through another agency and completion certificate was issued on 27-8-1997.

Thiruvananthapuram,
1st July, 2019.

V. D. SATHEESAN,
Chairman,
Committee on Public Accounts.

APPENDIX

SUMMARY OF MAIN CONCLUSION/RECOMMENDATION

Sl. No.	Para. No.	Department Concerned	Conclusion/ Recommendation
1.	1.12	Water Resources	The Committee recommends that posts sanctioned for special projects should be re-deployed as soon as the project is completed.

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