

GOVERNMENT OF JAMMU & KASHMIR

Chief Minister's Monitoring Cell

PHYSICAL VERIFICATION REPORT OF "Construction of 123 KV D/C Ramban-Khillani-Kishtwar Transmission line"



By
Under Secretary,
CM's Monitoring Cell.

Construction of 123 KV D/C Ramban-Khilani-Kishtwar Transmission line

Date of visit: ____04/2011

Name of the scheme	Construction of 132 KV D/C Ramban-Khilani-Kishtwar Transmission line on turnkey basis
Executing agency	M/S KEC International Ltd, Mumbai
Value Of Turnkey Package	Rs 35.2529 crore
Revised financial provision	Rs 49.1352 crore
Difference	Rs 13.8824 crore*
Completion time of the project	18 months from the commencement date of contract.

Scope of the work:

Contract package TI-J/1/2007 for survey, Engineering design, Fabrication of lattice type Galvanized Tower Structures, Supply, Laying of Foundations, Erection of Towers, Protection Works, Laying of ACSR, Conductor and Stringing, Testing and Commissioning including Transportation, Insurance, Unloading, Handling Storage at site etc for construction of 132 KV D/C Ramban-Khilani Transmission Line on turnkey basis. Maintaining of transmission line for a period of three months after successful commissioning of line and handing over transmission line complete in all respects-

Field observations:

1. **Inexplicable and inordinate delay:** Pilfering the time of the government is as bad as stealing the money of the government. This turnkey project which was awarded to the executing agency in 2007 was scheduled to be completed by June, 2009. Even if we will withstand to the vague excuses of executing agency viz-a-viz pending clearances from different departments, they have even failed to construct the foundations and erect the towers at the places where there has been no such problem/pendency on ground. Eventually after the delay of around 2 years only 107 out of 232 towers have been erected and stringing of only 9Kms out of 82Kms have been done. However 207 out of 232 foundations of towers have been completed. The delay has also caused an increase

in the cost of protection work as well. The delay has cost increase in the work.

2. Unplanned/uncalled cost escalation: The Contractor/Executing agency is demanding an enhancement of around 40% of the original value of this turnkey package. While survey component of Rs 31.00 lacs has been the part of this project and the survey was to be conducted before the award of the contract, the contract may have no scope of enhancement as a reason for the change in the survey. This is clearly indicated in clause 2.1-2.2 of LOA (Letter of Agreement) which reads as:-

1. The value of this turnkey package shall be Rs.35,25,29,000 (rupees thirty five crores twenty five lacs and twenty nice thousand) for the entire scope of work under this LOA which includes Design, Survey, Supply, construction, erection, testing & commissioning and this amount includes all central taxes & duties, toll tax, works contract tax & insurance charges and nothing extra shall be paid. Further detail os the contract price for the purpose of on account payment is given in document No.01 of this LOA in various schedules.

2. Notwithstanding the break-up of the schedule wise contract price, the contract shall, at all time, be construed as a single source responsibility contract and the value shall not exceed the amount specified at para 2.1 and any breach in any part of this contract shall be treated as a breach of the entire contract.

The topography or the soil cannot change from dry (the time of the award of the contract) to DFR within a period of 6 months. The on spot inspection of various locations along the proposed transmission line shows that the most of the locations where the towers are to be erected seems dry and not DFR as claimed by the executing agencies. This is supported with the fact there exist NHPC towers, which have been already erected.

Similarly the executing agency has been asking for increase in number of special towers from 2 to 39 on both the transmission lines of Bhalessa-Thattri and Ramban-Kishtiwar as also increase in number of towers which has become one of the reasons fo cost escalation. But again rise a question, if the special towers were required, why were not they included earlier in the DPR, when survey costing Rs. 31 lacs was done. However, it is pertinent to mention here that the towers on present

transmission line (NHPC) in the same location with almost similar angles/inclinations for transmission line are not special. This is seen in a classical example on a road side tower at location No: 137. Even if we will consider the present/ modified survey (as claimed by executing agency) it is found that at various locations along the path of transmission line that the foundations are made at sliding zones e.g. location No: 145 (see picture-1).

3. Delay in settlement of land issues:

The land issues at various tower locations have not been settled till date. An interaction with the concerned villagers on the way suggest that this is because of lack of connectivity between land owners and collector for land aquisition. It is not clear whether they ever instructed or directed their subordinate officials to visit the sites and sort out the land issues. There are serious problem of land issues at location No: 181, 182 and 136.

4. Poor Quality of Work:

At some places where towers have been erected there is no proper finishing of foundation (which has to be done before erection of tower) and the quality of foundation work is very poor. E.g. location No: 137 (see pictures-2)

Recommendations:

1. It needs to be investigated whether the delay has been on the part of executing agency or department. According to clause-25 of contract agreement, the extension of time can be given under special circumstances with the following conditions:-

“the contractor shall give to the Engineer-in-Charge, notice of his intention to make a claim for an extension of time within 14 days of the circumstances for becoming known to the contractor for such an extension. The notice shall be followed as soon as possible with full supporting details.”

(Copies attached)

Therefore, it is recommended that Chief Engineer, Systems, Jammu may submit the complete details with reasons and logic for delay within next 15 days.

2. As regards to demand for cost escalation from executing agency, there are two possibilities:-

- a) either the initial survey conducted (with a cost of Rs. 31 lacs) is wrong (as understood during interaction with field); or
- b) there is something wrong in demand for escalation now.

Therefore, it is recommended that Chief Engineer, Systems, Jammu may submit the complete details alongwith reasons for demand in cost escalation. He may also explain the approach and mechanism adopted for making the DPR & survey (alongwith details of engineers associated with the preparation of DPR and conduct of survey) and then modification, so that the responsibility can be fixed and action can be initiated against erring officials. Further, the department may be advised to be discouraging for any demand on cost escalation as it will set up bad precedence for any turnkey project.

It is also recommended that DDC Doda/Kishtiwari/Ramban may be asked to clear all land disputes related to this transmission line by June 15, 2011 with intimation to this office alongwith the complete details of disbursement to land owners.

(Jahangir Hashmi)
Under Secretary,
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Picture-1



Picture-2