

PHYSICAL VERIFICATION REPORT

(Conducted by Dy. Director, Planning on 21-11-2010)

1. **Name of Project:** Construction of New District Hospital Complex at Rajouri
2. **Funding Agency:** NRHM & Health Department (State Plan, ACA, Free Plan Component, Mission Flexible Pool).
3. **Executing Agency:** JKPCC Ltd. (J&K Projects Construction Corporation Ltd.)
4. **Year/Date of Start of Work:** Jan 2006
5. **Year/ Date of Completion:** Jan 2009 (3 years period from start of work)

6. **Financial Status of Work:**

(Rs. in Lakhs)

Estimated Cost	1807.53	Original (05-05-04)
	2451.75	1 st revision (13-08-05)
	3636.30	2 nd revision (02-02-08)
	4640.40	3 rd revision (25-09-10)
Funds Released	2373.72	
Value of Work Done	2420.00	
Expenditure Incurred	2373.72	

7. **Major Reasons for cost escalation:**

First Revision

- a. Increase in plinth area from 1,25,513 Sft. to 1,51,247 Sft.
- b. Inclusion of new items in Project after engagement of consultant.

Second Revision

- a. Increase in plinth area from 1,51,247 Sft. To 2,34,142 Sft
- b. Increase in service tax over the years. It went up from 4.2% in original project to 8.4% w.e.f. April 2007.
- c. Proportionate increase in consultancy charges & contingencies.

Third Revision

- a. Granite flooring in circulation area and vitrified tile flooring in rooms/ wards instead of Kota stone with white marble strip/ floor tiles. Extra provision for aluminium doors/ windows, structural glazing & false ceiling of Armstrong, etc. These were reported to have been taken up for execution as per general instructions and specifications adopted in all the District Hospitals of the State as per the directions of Managing Director, JKPCC Ltd.

- b. Providing & fixing of expansion joints with polysulphide thermocol etc.
- c. Inclusion of new items:-
- (i) *Antistatic flooring with primer, copper tapping & epoxy coating upto 2mm thick in floors & polyurethane coating on walls for Operation Theatre floors & walls*
- (ii) *Supply, installation, testing & commissioning of EPABX System*
- (iii) *Mechanical components: Incinerator of 50 Kg/hr capacity, Supply & installation of Kitchen equipment, SITC of Medical Gases, Autoclave, Fire Alarm & Fire Fighting system, Laundry equipment, Addition/ alteration as shown by OSD to Hon'ble Health Minister at site in Aug 2009 & Aug 2010.*
- d. Increase in service tax over the years. It went up from 8.4% in April 2007 to 10.5% in April 2010.
- e. Proportionate increase in consultancy charges & contingencies.

8. Physical Status of Work:

S. No.	Major Works/ Items	Physical Progress (% of work completed)
1	Main Building Complex <u>Block A & B:</u> IPD, Emergency, OTs, Hospital Admn. etc. <u>Block C:</u> OPD, Registration, etc.	The main building is divided into three blocks viz. A, B & C. <u>Block A & B:</u> 98% civil work completed, 95% sanitary/ plumbing work completed, 85% electrification completed <u>Block C:</u> RCC framed structure basement to 2 nd floor completed and for 3 rd floor 75% completed
2	Const. of Diagnostic Block First Floor	Alteration/ addition of ground floor of Diagnostic Block constructed prior to start of the said project is in progress. Const. of first floor not taken up as yet.
3	Compound wall with enter & exit gates, Retaining wall, Landscaping, etc.	20% complete; Work in progress
4	Water supply	One Tubewell submersible pump with 3 inch dia suction pipe functional & supplying water to 2 sump tanks of 50,000 gallons each from where water is pumped by motors to the 34 number plastic water tanks of 2000 ltrs capacity each (total capacity of 64,000 litres) placed on roof of Block B.
5	Electricity	2 transformers of 630 KV installed and connection provided from the special

S. No.	Major Works/ Items	Physical Progress (% of work completed)
		electric line coming from Jammu and catering DC Office & Dak Bunglow. AVR installed in temporary shed.
6	Sewage disposal	4 septic tanks and 4 soakage pits and 2 rain water recharging tanks constructed behind main building.
7	Solid Waste Management	Digging of pit for constructing bio-waste disposal using chemicals is in progress.
8	Construction of Mortuary, Laundry, Garage, Driver's Quarters, Generator room/ Sarai, etc.	Work yet to be taken up
9	Const. of Doctor's quarters – 9 nos.	Work yet to be taken up
10	Const. of Paramedical staff quarters – 12 nos.	Work yet to be taken up

9. Field Observations:

- The facia of Blocks A & B which was complete, looked attractive & colourful except for a vertical crack which ran from 3rd floor to the 4th floor and was clearly evident even from a distance of 100 meters. Deputy General Manager, JKPCCLtd. explained that this crack had developed at the joint of Block A & B and was due to climatic changes (expansion/ contraction of the structure).
- Granite was used in corridors & waiting space on the floors as well as walls upto a height of 4½ feet. The wards and rooms had vitrified tile flooring whereas the toilets had ceramic tiles on the floor as well as wall tiles upto a height of 7 feet. Non-skid enduora tiles were used on the slanting surface of stairways.
- The quality of electric and sanitary equipment/ items used in the Blocks was good. Some of the brand used are given below: -

Electrical Items	
Fans	Bajaj
Concealed lights	Bajaj
Electric Wire	Anchor
Electric switches	Roma, Anchor
Sanitary items	
Taps	Jaguar
Washbasin, flush seats	Hindware

- The wood used for doors and their frames was Marindi and not Deodar. Deputy General Manager, JKPCCLtd. intimated that

although Marindi wood was cheaper than Deodar, its quality is as good as Deodar and it is termite proof.

- e. The quality of furniture placed in the wards/ rooms, which was reported to have been procured by Health Department, seemed to be poor as no brand name was inscribed on any of the furniture items. The furniture seems to be of local made. Narrow lines of rust/ peeled off paint were observed on few furniture items and rubber/ plastic foot shoes of many beds were missing. However, Nidra mattresses were placed on the beds.
- f. Vertical hollows for installation of dumb lifts in the main building were found ready but the lifts were yet to be installed.
- g. The work of antistatic flooring with primer, copper tapping & epoxy coating and polyurethane coating on walls of the Operation Theatres (OTs) was partially completed. Deputy General Manager, JKPCC Ltd. intimated that it was purposely left incomplete because labours working at site and people entering OTs now will not be allowed once it is completed.
- h. Certain temporary arrangements/ alterations were made in the ground floor of Block A & B. Deputy General Manager, JKPCC Ltd. intimated that the Health Department will start OPD of the hospital w.e.f. Dec. 2010 from Block A & B (which is ready) instead of Block C (actually meant for OPD). The addition/ alteration work of the Diagnostic Block, which was constructed prior to start of this project, has been incorporated in the latest price revision and taken up so as to make the Block functional when OPD will start in December 2010.

10. Suggestions:

- a. The construction work of Block C has been stalled by JKPCC Ltd. for want of funds. Any delay in providing funds for completion of the partially developed structure of Block C will escalate the cost of project even further. **Health Department & JKPCC Ltd. may be asked to address this issue immediately.**
- b. District Hospital with over 200 bed capacity IPD wards, Emergency wards, OT's, Diagnostic Lab, Office Administration, etc. but without OPD and quarters for staff (Doctor/ paramedical) will function with lot of inconvenience for doctors/ paramedical staff and patients, especially during emergencies. **Construction of the left over components needs to be taken up immediately by clearly prescribing time-limits to the executing agency.**
- c. Development of a major crack and its clear evidence on the facade of a multi-storied public building even before its inauguration sends a negative picture of the government to the general public. **JKPCC Ltd. may be asked to find engineering solutions to conceal this crack immediately, if developed due to climatic**

factors, else its working quality is at stake. JKPC may also be asked to ensure that such cracks do not develop between the joint of Block B (already constructed) and Block C (under construction).

- d. Health Department may be asked to re-examine the quality of furniture procured and, if found to be good, it may consider painting those portions of the furniture where either paint has peeled off or rust lines are evident. It should be also ensured that all of these have rubber/ plastic foot shoes so that scratch marks do not form on the vitrified tile flooring of wards/ rooms when these are dragged/ moved and also avoid undesired noise within the hospital.
- e. By starting the OPD temporarily w.e.f. Dec. 2010 from the IPD/ Emergency wards, the Health Department will be under utilizing such a huge government infrastructure developed by spending crores of rupees. However, precautions need to be taken that the OPD is restricted to a particular portion of Block A & B and out of bound areas need to be clearly indicated to prevent staff & patients from trespassing and damaging blocks. **Adequate and separate provision of funds need to be kept for carrying out minor alterations as well as maintenance of the portion that would be put to OPD use so that these temporarily recurring expenses are not met out of funds to be released for completion of the left over construction works of the District Hospital.**

11. Additional Suggestion:-

The road link to the newly built District Hospital at Rajouri is single lane and not in proper condition either. In case OPD is started by Dec. 2010, this road needs to be repaired/ metalled immediately although the ultimate requirement would be a double-lane road connecting it to all major towns of district Rajouri.

12. **Critical Analysis of the Project:-**

Critical analysis is necessary in order to take lessons from the manner in which this project is being executed, as a case study and to ensure planned execution of similar projects in the future.

1. Vital information obtained from Directorate of Health, Jammu:-

- a. The project is under execution for the past 5 years with out accord of administrative approval of either the original cost or the revised costs.

- b. The 3rd revision of cost by JKPCC Ltd. has not been endorsed by Health Department.

2. Ill-panned Project:-

- a. Revising the plinth area twice, i.e. from 1,25,513 Sft. to 1,51,247 Sft. and then to 2,34,142 Sft. and changing specification of kota stone flooring of corridors/ waiting area to granite flooring and of wards from terrazzo flooring to vitrified tile flooring during execution and also inclusion of new items year after year thereby resulting in escalation of cost especially when funding was inadequate clearly indicates how ill-planned the project was. Had the project been approved, the approval of revisions would have prevented this ill-planning. **Decisions to revise the project seem to have been taken arbitrarily both by the Health Department as well as JKPCC Ltd. with no approval from the competent authority.**
- b. Instead of taking up the construction of entire structure and building them floor-wise, construction was taken up block-wise in a vertical manner by the executing agency and later the blocks were joined. This perhaps might have been due to some engineering compulsions best known to JKPCC Ltd. However, had the construction work been carried out floor-wise, the Hospital could have been completed in all aspects up to the floor level for which funds were available for time being and construction of the top floors could have been taken up at a later date when more funds being provided. Simultaneous construction of staff quarters, Diagnostic blocks, etc. should have been taken up by JKPCC Ltd. to avoid the present situation arisen when Health Department has decided to temporarily start its OPD from the IPD/ Emergency Block.

3. Pattern of flow of funds:-

Since the project cost has been revised thrice since its inception, the pattern of flow of funds was also obtained from Deputy General Manager, JKPCC Ltd. Rajouri and is given below for perusal.

(Rupees in Lakhs)

<i>Year</i>	<i>Amount Received</i>	<i>Value of work done</i>
<i>2005-06</i>	<i>80.00</i>	<i>0.00</i>
<i>2006-07</i>	<i>445.00</i>	<i>150.20</i>
<i>2007-08</i>	<i>1111.00</i>	<i>559.80</i>
<i>2008-09</i>	<i>115.00</i>	<i>585.00</i>
<i>2009-10</i>	<i>522.72</i>	<i>925.00</i>
<i>2010-11(ending 10/2010)</i>	<i>100.00</i>	<i>200.00</i>
<i>Total</i>	<i>2373.72</i>	<i>2420.00</i>

Points to be noted:

- a **16.36 crore (90% of original cost) were provided by March 2008, but the pace of execution seems to have been very slow during initial three years by when the project should have been completed.**
- b The District Hospital is being constructed by utilizing funds (Rs.620.00 lacs) meant for promotion of Health Services in Rural Areas is evident from the following break-up of funds released under the project by Health Department till date: -

(Rs. In Lakhs)

1). National Rural Health Mission	
a). ISM (Indian System of Medicines)	20.00
b). Mission Flexible Pool	200.00
c). GIA (Grant In Aid)	
(i) Strengthening under NRHM	200.00
(ii) Infrastructure Development	200.00
Sub-Total	620.00
2) ACA	400.00
3) Free Plan Component	946.00
4) State Plan	407.72
Total	2373.72

4. Provision for funds in the Project which resulted to be unfruitful:-

(Rs. In Lakhs)

Items	Original Cost	1 st Revision	2 nd Revision	3 rd Revision
Consultancy (3%)	54.28	66.54	95.92	120.38
Contingency (3%)	37.67	68.53	65.87	80.25
Service Tax (4.2%, 8.4% & 10.5%)	72.80	98.82	277.13	392.28
Corporation Charges (17.50%)	226.51	---	---	---
Total	391.26	233.89	438.92	592.91

- a. Corporation charges to the tune of Rs. 226.51 lacs for assigning execution of work to JKPCCLtd. seems unfruitful due to the slackness in pace of execution. Even the State Public Works Department may have worked at a faster pace.
- b. Instead of enhancing the consultancy charges after each revision, the consultant should have been penalized for poor consultancy services which resulted in repeated revision of the project cost.
- c. Provision for contingencies seems irrelevant when cost of project has gone up by 156%.

- d. Service tax has increased from Rs 72.80 lacs to Rs 392.28 lacs, i.e., enhancement by more than 5 times the original provision due to delay in execution of the project.

13. Conclusion:-

Sources of funding for completion of construction work of District Hospital, Rajouri, needs to be explored by Health Department immediately so that the Health Complex is completed and put to optimum use by way of providing quality health services to the people of Rajouri within their district.

In future, Health Department need to take care that services of specialized consultants of national/ international repute are hired by inviting expression of interest through national papers/ internet and global tenders to be invited in order to ensure that reputed executing agencies are assigned the task of accomplishing such huge projects only after obtaining administrative/ technical approval from the competent authorities.

Physical Verification Conducted by:	Madan Gopal Sharma, Deputy Director Planning, Monitoring Cell, Chief Minister's Secretariat.
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