

GOVERNMENT OF INDIA
NORTH EASTERN COUNCIL SECRETARIAT
NONGRIM HILLS : SHILLONG - 793003

No: NEC/T/RD/AP-II/10th Plan/2004-05

Dated, 25th September/2007

To

The Chief Engineer (EZ),
Public Works Department (Roads)
Govt. of Arunachal Pradesh,
Itanagar.

Sub: Revised EFC for up-gradation of Pasighat-Koyu-Road in Arunachal Pradesh.

Ref: No. N-14072/02/2007-PAMD dated 22nd August, 2007.

Sir,

We have received the comments of the revised EFC proposal of the above state road from Planning Commission (Project Appraisal & Management Division) (copy enclosed). The case was examined by this Secretariat, but the reply could not be furnished since it required details inputs from the State Government.

In view of the above you are requested to furnish the detailed justification, variance of analysis and comparative statements etc. showing the item-wise original and revised cost with proper justification so that the same can be forwarded to the Planning Commission.

This may be treated as most urgent.

Encl: **As stated above.**

Yours faithfully,



Executive Engineer (T&C)

Copy forwarded to:-

Dated, Itanagar the 26th September, 2007

1. The Superintending Engineer (PWD), Boleng for immediate necessary action.
2. Executive Engineer (PWD), Pasighat for immediate necessary action.



(Bora Ete),
Chief Engineer (EZ)

GOVERNMENT OF ARUNACHAL PRADESH
PUBLIC WORKS DEPARTMENT

Gram : Chiefworks

Phone : 0360 – 2212427, Fax : 2212428

Email : ceapezita@sancharnet.in

No. CEAP(EZ)/WTC-19/WTC-19/10TH PLAN/PLTK/2007-08/2491-93 22nd October, 2007.

Office of the Chief Engineer,

Eastern Zone, PWD, Itanagar – 791111

To

The Advisor (T & C)

North Eastern Council (NEC)

Nongrim Hills

Shillong-793001.

Sub :- Revised EFC for “Upgradation for Pasighat-Koyu-Ego Road in Ar.P

Ref :- NEC/T/RD/AP-II/10th Plan/2004-05 dated 25th Sep 2007.

Sir,

In reference to the above, point-wise reply has been furnished and enclosed as per format communicated vide no. N-14072/02/2007-PAMD dated 22nd August 2007 is enclosed in duplicate for further action please.

Enclosure: a.a in duplicate.

Yours faithfully,



(Bora Ete)

Chief Engineer (EZ),

PWD, AP, Itanagar.

Copy to:-

1. The Superintending Engineer, Boleng PWD Circle, Boleng, Ar.P for information alongwith enclosure.
2. The Executive Engineer, Pasighat PWD Division, Pasighat-791102, Ar.P for information alongwith enclosure.



(Bora Ete)

Chief Engineer (EZ),

PWD, AP, Itanagar.

**Queries from Planning Commission
(Project Appraisal & Management Division)**

Upgradation of Pasighat – Koyu Ego Road in Arunachal Pradesh

Sl. No.	Queries No. N-14072/02/2007-PAMD dated 22 nd August, 2007.				Reply
1.0	Project Profile:				
	1.1 The salient features of the project as sanctioned originally and RCE are as under:				
		Originally sanctioned proposal	Revised cost estimate now proposed	Variation	
	Capital cost (Rs. cr)	46.36	78.50	32.14	
	Base price	2003-04	Tender		
	Physical parameters Lengths (kms)	60	60		
	Bridges (mts)	60	60		
	Schedule of completion	March, 08	March, 10	24 months	
	Phasing of expenditure (Rs. crore)				
	Upto 3/05	11.78	10.01		
	2005-2006	20.24	11.25		
	2006-2007	-	10.00		
	2007-2008	-	15.75		
	2008-2009	-	15.75		
	2009-2010	-	15.74		
	Total	-	78.50		
	EIRR %	Not calculated	Not calculated		
2.0	Present Status:				
	2.1 The proposal is approval of first RCE for improvement of ODR from Pasighat in East Siang District to Ego in West Siang District of				

The project was approved by NEC vide No. F.No.1/75/2003-NEC dtd 30th June'2004 for Rs. 46.36 crore. Actual expenditure upto March/07 was 30.53

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	Arunachal Pradesh. The proposal was considered by EFC on 8 th March, 2004 and a capital cost of Rs. 46.36 crore was recommended. It is not clear when the project was approved. However an expenditure of Rs. 26.06 crore has been incurred so far. It is observed that out of formation in 60 kms, about 44 kms has been completed and Pavement in a length of 8.5 kms, 43 mts. of bridge length has also been completed by March, 2006.	<p>crore and physical progress was:</p> <ol style="list-style-type: none"> 1. Formation work = 44.44 km 2. RW & BW = 1649 Mtr. 3. Culverts = 214 Nos. 4. Pavement a). Sub-grade = 31.48 km, b) WBM-I=45.89 km & c) WBM-II- 39.93 km, WBM-III- 4.76 km & PMC – 1.80 km. 												
3.0	<p>Reasons for time overrun:</p> <p>3.1 This project was scheduled to be completed in March, 2008. It is now anticipated that the project would be completed by March 2010. The project authorities have not given the specific reasons for the delay of 24 months. Detailed chronological diary of events after EFC's recommendation has also not been furnished, without which it is difficult to comment on the reasons and period of delay. Even the date of sanction of the original estimate is not available.</p>	<p>The Project has been delayed by short funding coupled with disruption of communication due to damage of bridges etc by flash flood in 2004, Year-wise phasing of fund (as per approval) as well as actual fund released as indicted below which is explanatory to the delay.</p> <table border="1" data-bbox="1093 751 2033 959"> <thead> <tr> <th data-bbox="1093 751 1267 831">Year</th> <th data-bbox="1267 751 1442 831">Phasing of fund (lakh)</th> <th data-bbox="1442 751 2033 831">Actual allotment (lakh)</th> </tr> </thead> <tbody> <tr> <td data-bbox="1093 831 1267 874">2004-05</td> <td data-bbox="1267 831 1442 874">1583.00</td> <td data-bbox="1442 831 2033 874">1031.00</td> </tr> <tr> <td data-bbox="1093 874 1267 917">2005-06</td> <td data-bbox="1267 874 1442 917">1637.00</td> <td data-bbox="1442 874 2033 917">855.00</td> </tr> <tr> <td data-bbox="1093 917 1267 959">2006-07</td> <td data-bbox="1267 917 1442 959">1221.00</td> <td data-bbox="1442 917 2033 959">1170.00</td> </tr> </tbody> </table> <p>Allotment has not received as per phasing</p>	Year	Phasing of fund (lakh)	Actual allotment (lakh)	2004-05	1583.00	1031.00	2005-06	1637.00	855.00	2006-07	1221.00	1170.00
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	<p>3.2 It is observed that that a mandatory review meeting was held on 6th November, 2006, wherein it was mentioned that the scope of the project has been changed due to floods in July, 2004 and that the State Govt. had submitted a revised estimate for the project. It appears that the review meeting had suggested to prepared a revised DPR, the reasons for which is not clear. What action has been taken by the NEC or the State PWD is also not available and these need to be placed before EFC.</p>	<p>Initiation of Revised Cost Estimate is necessitated as the scope of the project has been changed due to urgent necessity of restoring and reconstructions of bridges damaged during 2004 flash flood to keep the communication intake for continuation of traffic as well as the improvement work. Further there is abrupt increase in cost of the material like cement, Steel and Bitumen.</p>												
	<p>3.3 Normally RCE projects requiring CCEA's approval would need to be considered by a Standing Committee for to fix responsibility for time</p>	<p>The time and overrun is due to year-wise short funding as well as due to increase in scope of works necessitated by natural calamities effect.</p>												

Sl. No.	Queries No. N-14072/02/2007-PAMD dated 22 nd August, 2007.	Reply
	<p>overrun and cost overrun. Since the RCE now proposed is Rs. 78.50 crore the reasons for time and cost overrun will have to be examined Departmentally and fix responsibility for the delay.</p>	
4.0	<p>Reasons for cost overrun:</p> <p>4.1 The project was originally sanctioned at an estimated cost of Rs. 46.35 crore based on 2003-04 prices. The revised cost is now estimated to be Rs. 78.50 crore (as against Rs. 76.31 crore proposed earlier in January 2007) which is based on the tender and revised to SOR 2006-07. The details as to when tenders were received and awarded are not available. Item-wise cost variance is not available. It is understood from the minutes of review meeting held on 6.11.2006 observed that the scope of the project has been changed due to flood in July, 2004 and that the State Govt. had submitted a revised cost estimate for the project. In the absence of any details it is difficult to comment on the reasons for cost overrun. Responsibility for cost overrun need to be fixed.</p>	<p>The increase in revised cost is due to the following facts.</p> <ol style="list-style-type: none"> 1) Addition of RCC Bridge for total length of 80 m for replacement of damaged steel bridge in flood of 2004. 2) Increase in cost of Bitumen.
5.0	<p>Plan for cost overrun:</p> <p>5.1 Funds will be provided from NEC's 10th Plan budget allocation as 90% grant in aid and 10% loan in accordance with the accepted pattern of financing for special category states.</p>	<p>10 % State share shall be mobilized from the State Budget.</p>
	<p>The requirement for 2006-07 is Rs. 15.75 crore and it needs to be ascertained whether the same has been provided during 2006-07; otherwise the chances are that the project will not be completed even by March, 2010.</p>	<p>Actual allotment during 2006-07 was Rs. 1170.00 lakh. The project should be completed by March/2010, if fund is allotted as programmed.</p>
6.0	<p>Viability:</p> <p>6.1 The viability of the project has not been worked out by the project authorities. Normally this needs to be calculated for the consideration of EFC.</p>	<p>The Project connects highly populated village like Mirem, Bilat and Administrative centre at Koyu. This will explore the Horticulture and Agriculture potential of the area, commercial traffic shall be generated on completion of the Scheme.</p>

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7.0	<p>Conclusion:</p> <p>7.1 The proposal is for approval of first RCE for improvement of ODR from Pasighat in East Siang District to Ego in West Siang District of Arunachal Pradesh. The proposal was considered by EFC on 8th March, 2004 and a capital cost of Rs. 46.36 crore was recommended. It is not clear when the project was approved. However an expenditure of Rs. 26.06 crore has been incurred so far. It is observed that out of formation in 60 kms, about 44 kms has been completed and Pavement in a length of 8.5 mts. Of bridge length has also been completed by March, 2006.</p>	<p>The approved cost of project was conveyed by NEC vide No. F.No.1/75/2003-NEC dtd 30th June'2004 for Rs. 46.36 crore. Actual expenditure upto March/07 was 30.53 crore and physical progress was:</p> <ol style="list-style-type: none"> 1. Formation work = 44.44 km 2. RW & BW = 1649 Mtr. 3. Culverts = 214 Nos. 4. Pavement a). Sub-grade = 31.48 km, b) WBM-I=45.89 km & c) WBM-II- 39.93 km, WBM-III- 4.76 km & PMC – 1.80 km. 														
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	<p>7.5 Funds will be provided from NEC's 10th Plan allocation as 90% grant in aid and 10% loan in accordance with the accepted pattern of financing for special category States. The requirement for 2006-07 is Rs. 15.75 crore and it needs to be ascertained whether the same has been provided during 2006-07; Other area the chances are that the project will not be completed even by March, 2010.</p>	<p>10 % State share shall be mobilized from the State Budget. Actual allotment from NEC 2006-07 was Rs. 1170.00 lakh. The project shall be completed by March/2010 if fund is allotted as programmed.</p>
	<p>7.6 The viability of the project has not been worked out by the project authorities. Normally this needs to be calculated for the consideration of EFC.</p>	<p>The Project connects highly populated village like Mirem, Bilat and Administrative centre at Koyu. This will explore the Horticulture and Agriculture potential of the area., commercial traffic shall be generated on completion of the Scheme.</p>

Chief-Engineer(EZ)
PWD: Eastern Zone: Itanagar
Arunachal Pradesh-791111.