

Government of India
Ministry of Shipping, Road Transport & Highways
Department of Road Transport & Highways
(P&M Section)

NH-18011/1/2007-P&M

New Delhi, the 5th October, 2007

To

Secretaries (PWD) of all States,
CEs (NH) of all State PWDs.

Sub: Discussion on National Highways on Central Sector Road.

Sir,

I am directed to enclose herewith a copy of the Minutes of the meeting held by Secretary (RT&H) on 11/09/2007 in Room No. 121-122 of Planning Commission, New Delhi for review of Central Sector Road Works.

Enclo: As above


(K.R. Gattin)

Under Secretary to the Govt. of India
Tel No. 23710450

Copy to:

1. All Chief Engineers, M/o S, RT&H.
2. All Regional Officers, Mo/o S, RT&H

**Minutes of the meeting held by Secretary (RT&H) on 11.9.2007 in
Room No. 121-122 of Planning Commission for Review of Central Sector Road Works**

List of participants is at Annexure.

Welcoming the participants Secretary (RT&H) mentioned that he had recently made an internal review and found that the progress of Expenditure on National Highway works on whole was not satisfactory. Therefore, he had decided to convene this meeting to review and also to list out corrective measures for expediting the progress of works. As per the National Highway Act, 1957 the Central Government is responsible for the development and maintenance of National Highway but its actual execution of works is done by NHAI, States and BRO. Therefore, the Ministry has to take proactive approach in this regard. The progress of submission of estimates by the states is slow and some of the estimates may be pending in the Ministry. There may be problems on both sides but unless the funds allocated are utilised, no progress could be achieved. The position should change qualitatively. The estimates should be sent in time and these should also be cleared in time. All the states should ensure that they spend 75% of the allocation by December, 2007 and state failing on this account will lose their allocation as the funds could be diverted to better performing states.

The agenda items were taken up after these introductory remarks of Secretary (RT&H).

(Action all States / D/o RT&H)

Item No. 1: Progress of NH works during the year 2007-2008.

1.1 Secretary (RT&H) reviewed the state-wise progress of latest expenditure on National Highway original works. The highest expenditure is reported by Goa (74%) while Haryana has reported 57.2% and Rajasthan 43%. Some other states have reported relatively low figures and the overall position is not satisfactory. He reiterated that state who do not utilise 75% of their allocation by December, 2007, the funds allocated may be diverted to better performing states.

1.2 Responding to the observations of Secretary (RT&H) representative from Bihar, Haryana, Madhya Pradesh and Jharkhand mentioned that the reason for low expenditure is non-sanctioning of estimates by the Ministry. If the estimates are sanctioned at the fag end of the year then no progress could be achieved. The representative of Madhya Pradesh PWD reported about the problem in reimbursement of funds by the Regional Pay and Accounts Office. Secretary (RT&H) states that the estimates prepared by the states should conform to the Ministry's norms so that these estimates may not be

returned to the states for clarifications. The representative from Kerala states that in Kerala the working season is short due to rainy season and Kerala should be given some relaxation in meeting the target of 75% by December, 2007. The officer from Tripura stated that in regard to the work executed by the BRO there is inordinate delay and the State Government is not aware of the actual position. The representative from Rajasthan stated that there is a need to study the procedure adopted for sanction and procedure adopted by the Ministry of Rural Development could be adopted for NH works also. Some of the representative suggested more delegation of powers to the states to sanction estimates so that the process could be speeded up.

1.3 Responding to the observations about delay in sanctioning estimates, ADG-I stated that there are internal procedures to be followed in the Ministry which also take time. However, the suggestions for speeding up the process could be considered. After discussions it was decided as follows:-

1.4 The estimates for the current financial year shall be prepared by the PWDs, if not already done, in a time bound manner and will be technically cleared by Project Chief Engineers concerned by 15.10.2007 and all the Zonal Chief Engineers would go to their respective states for any clarification, site inspection, wherever required. The State PWDs will engage their experienced officers/staff for this work of preparation of the estimates strictly in accordance with the norms prescribed by the Ministry. The financial sanction and the administrative approval will follow. The whole process will be carried out in such a manner that the bulk of the estimates will be sanctioned by 31.12.2007. Bank of Sanction ratio will be observed but some relaxation could be given if good progress is achieved. The Regional Offices will also be involved in the process. The above course of action was accepted by all the states.

1.5 However, from next financial year the deficiencies of the National Highways to be removed are to be assessed and the list of such works with the estimates are to be prepared. The inter-se priority of these works is to be decided according to the traffic level and condition of National Highways. The sanction limit could be decided according to the availability of fund. The process of identification is to be completed before the month of December of the preceding financial year so that estimates are finalized before the start of the financial year.

(Action all Zonal CEs dealing with projects / All State PWDs)

Item No. 2: Utilization of fund under Permanent Bridge Fee Fund.

Secretary (RT&H) stated that total funds available under the PBFF are about Rs. 90 crores. Though it is a small amount, most of the states are not able to fully utilise this amount. A few of the state representatives mentioned that proposals submitted by them for sanction under PBFF are yet to be sanctioned. Secretary (RT&H) directed all the Zonal Chief Engineers to clear all pending proposals. All estimates should be technically sanctioned by 15.10.2007. All the states should take action accordingly.

(Action all Zonal Chief Engineers/State PWDs)

Item No. 3: Maintenance of National Highways.

3.1 Secretary (RT&H) stated that expenditure incurred so far on the maintenance of National Highways for sanction of estimates is the same as for the maintenance works except for 'OR' for which annual maintenance programme have to be prepared. Several representative mentioned that slow progress is either due to non-sanctioning of the estimates or non-release of funds by the Ministry. The representative from Jharkhand mentioned that most of the National Highways in the state is in bad condition and urgent action is needed. The representative from Orissa mentioned that Orissa is on the threshold of industrialization and most roads especially NH-215 are in extremely bad condition. The representative from Punjab stated that all M&R are in extremely bad condition. The representative from Punjab state that all M&R estimates should be sanctioned latest by 31.12.2007. the representative from Goa mentioned about landslides in Goa.

3.2 The representative from MP mentioned that no funds for the 'OR' sub-head have been released by the PAO. Chief Engineer (PL) mentioned that as a special case, in the case of MP, payment has been made by cheques. The money could not be released by the PAO due to some technical problems, which would be resolved in a day or two. Some of the representatives states that norms for state-wise allocation of funds are not known to the states.

3.3 Responding to the points raised by the states ADG-I stated that the Government is not investing funds for major development works on the stretches identified for inclusion under NHDP. However, these stretches would need to be maintained in traffic worthy conditions till these are taken over by the NHAI for four laning. Secretary (RT&H) mentioned that it is responsibility of the Central Government to maintain the roads even though these roads are to be developed by NHAI under NHDP. Therefore,

the required maintenance activities and IRQP works as per the condition of roads and bridges are to be taken up till the National Highways are entrusted to NHAI.

3.4 Summing up discussions on the agenda item, Secretary (RT&H) states that all the states should identify repair works and prepare the estimates as per norms and send them to the Ministry at the beginning of the financial year. Zonal Chief Engineers should ensure speedy sanction of estimates.

(Action all Zonal Chief Engineers/State PWDs)

Item No. 4: Delegation of power for approval of variations for implementation of NH(O) works.

ADG-I mentioned that at present, powers to approve variations upto 5% of the cost of the estimates has been delegated to the Regional Officers and states may offer comments on the present working of the system. Various Regional Officers mentioned that the system is working well in their respective states and there are not problems. Many of the representative of the State Governments mentioned that the powers should be delegated to the Chief Engineers of the states so that the dual control system could be eliminated. Secretary (RT&H) mentioned that the matter would be considered further and a decision would be taken.

(Action all States/D/o RT&H)

Item No. 5: Award of works.

ADG-I stated that in the case of NH works costing Rs. 5 crore and more, the Standard Bidding (SBD) is to be followed. However, some of the states are not using SBD in full for award of contracts for works costing Rs. 5 crore and more. According to the CVC guidelines, negotiations are not permitted with the lowest tenderer and this is also not being followed by the states in respect of NH works. Secretary (RT&H) stated that unlike state sector works, the NH works are Central Works and the CVC and other guidelines of the Central Government including this Department for award of works and implementation need to be followed in letter and spirit. He urged all the states to follow the procedure meticulously.

(Action all States)

Item No. 6 : Expenditure Report and Performance Report.

Chief Engineer (PL) stated that the mostly expenditure progress and physical performance reports in respect of NH works are not being received in time. Some of these reports are to be sent to PMO and Ministry of Statistics & Programme Implementation. He urged all the states to furnish these reports in time.

(Action all States)

Item No. 7: The Implementation of the Control of National Highways (Land & Traffic) Act, 2002.

Chief Engineer (PL) stated that the Control of National Highways (Land & Traffic) Act, 2005 has come into effect from 27.1.2005. One of the important tasks under this Act is to prepare the Land Registers. Some of the Highways Administrations have initiated action for preparation of Land Registers but, on the whole nothing much has been done. He requested the states to accord priority to this work. Secretary (RT&H) stated that the matter should be discussed and actively monitored in the Zonal Committee meetings. In addition the nodal officers of the State Governments nominated for NHDP works will also pursue the matter with the departments concerned of the State Governments (e.g. Revenue, Transport, Home Departments etc.) for implementation of this Act.

(Action all Zonal Chief Engineers / States)

Item No. 8: Implementation of Economic Importance (EI) and Inter-State Connectivity (ISC) works.

8.1 ADG-I stated that for EI & ISC total budget for the last few years is about Rs. 170 crore, but every year funds are surrendered. He also mentioned that in the case of EI works the cost is shared on 50:50 basis and no revised estimates are being allowed. In the case of ISC works the Central Governments bears the entire sanctioned cost. He further stated that in the case of CRF works only administrative approval is given whereas in the case of Inter-State Connectivity the estimates are to be sanctioned by the Ministry and the procedure could also be reviewed. He invited the views of the states for activating the mechanism so that these funds could be utilised. The representative of Andhra Pradesh mentioned that the procedure adopted for CRF works could be followed for E&I works also. That means that the revised estimates should not be allowed and excess expenditure should be met by the states subject to a permissible limit which may be upto 15% of the cost. He also stated that as per the CRF guidelines, CRF was to be utilised for strengthening the institutional mechanism which does not find a place in the

new rule. He urged that the old position should be restored. The representative from Haryana stated that about Rs. 15 crores was spent on road works based on Court orders but the amount has not been reimbursed. He also stated that there is no allocation for Haryana under E&I for the past two years. ADG-I clarified that when the new CRF Rules were framed, MOF refused to include the provision of funds for strengthening the institutional mechanism since this is not permissible under the CRF Act, 2000. The representative from Rajasthan state that even though the state demanded Rs. 5 crore nothing has been released.

8.2 Summing up discussion on this item Secretary (RT&H) stated that all the states should finalise their proposals and send them immediately and sanction could be given for all the schemes on one go. He also stated that the Ministry would consider the suggestions for changing the procedure for clearance and sanction of EI & ISC works on the same pattern as CRF works so that a uniform procedure could be followed for both EI & ISC and CRF works. Most of the states welcomed this initiative.

(Actions all States/D/oRT&H)

Item No. 9: CRF Rules.

ADG-I invited comments on the provisions of the new CRF Rules. Most of the representative from the States mentioned that the validation procedures, as well as checking by Regional Officers prescribed in the new Rules may not be practicable and these should be withdrawn. They also stated that under the new rules, funds to the extent of 3% in each work needs to be allotted to the Regional Officers for quality control, workcharged Estt. Etc. This provision will deprive funds to the states and there will be duplicity in the quality control works. Chief Engineer (P-10) also mentioned that the whole procedures are becoming very cumbersome. If the cost of the estimates for EI and ISC works is above Rs. 15 crore, the projects have to be approved by EFC and Planning Commission is insisting on 'in principle' approval from them also. There was also a suggestion that the provisions in the new rules should apply to only new works and for completed works. Some of the states mentioned that previous year's unspent balance should be allotted to them. ADG-II stated that as regards reimbursement of the expenditure on works taken up due to Court orders by Haryana, matter could be looked into. He also added that the ROs may not able to perform the responsibilities prescribed in the CRF Rules. Secretary (RT&H) stated that the Department would have a fresh look into these rules and if there is a need to change some of the provisions the same would be considered. However, till the rules are reviewed and modified the existing rules would be followed with the following clarifications:-

- i) The works which have been completed in full or in part before the date of notification of the rules will not be subject to the requirement of these checks by Regional Officers. The previous procedure for reimbursement would be followed.
- ii) The officers of the Headquarters from the Project Zones concerned would be deputed for assisting the Regional Officer in checking the execution of works for the works to be completed after the date of notification of these rules.

(Action D/o RT&H)

Item No. 10: Other matters.

10.1 Secretary (RT&H) mentioned that out of the total NH network of about 66,000 Km about 24,000 have been included under various phases of NHDP and to that extent, the workload in respect of National Highway works of the State PWDs are also to reduce. In the changed scenario, there is a need to have a fresh look into the present system of Chief Engineers heading the NH Department in the States. Possibility of new system of working like posting Executive Engineers of the States directly under the Regional Officers for effective handling of the NH works could be explored. He requested all the states to deliberate on this issue and provide necessary feedback.

(Action all States)

10.2 Chief Engineer (PIC) states that the estimates submitted by the states are mostly prepared at junior levels and the quality of preparation of estimates need improvements. He urged all the states to ensure that only experience officers should be posted for NH works and frequent transfers should be avoided.

(Action all States / Zonal Chief Engineers)

10.3 Secretary (RT&H) also directed for the following actions which will strengthen the institutional mechanism:-

- i) Zonal Committees with the Project Chief Engineers of the Ministry and the Chief Engineers of the States concerned are to be constituted for monitoring of the works. The zonal meetings could be held every quarter and overall review in the Ministry by the Secretary (RT&H) could be done on half-yearly basis. Most states endorsed the suggestion. This Zonal Committee will finalise the list of works for National Highways and Central Sector road works to be taken up and take necessary action for approval.

(Action Project Chief Engineers / All States)

- ii) A Committee under the Chairmanship of DG(RD)&SS/ADG with secretaries of the States PWDs representing four regions of the country and three Chief Engineers of the Project Zones of this Department as members and Chief Engineer (Plg. Mon.) as Member-Secretary will be set up which will regularly meet at least once in a quarter to review the progress of works and the procedural requirement in order to remove the impediments for implementation of National Highways and other Central Sector Road works.

[Action Chief Engineer (PL)]

- iii) Weighbridges are to be installed for control of overloading of trucks as per the provisions of the Control of National Highways (Land & Traffic) Act, 2002. This Department has taken initiatives for installation of weight-in-motion equipment at few locations. Necessary preliminary activities for installation of these equipment are to be completed by the State PWDs. The installation of such weigh-in-motion equipment in other places can be outsourced for attracting private parties for weighing, offloading and storage of off loaded material. These are to be installed primarily at the locations of till booths wherever possible.

(Action Project Chief Engineers / All States)

- iv) The various check posts set up by the State Governments on National Highways are to be removed. The check posts of all the Departments of the State Governments are to be integrated and one Integrated Check Post is to be set up at the border of the States. One such Integrated Check Post shall be set up at the border of two adjoining states. The permission for setting up of such check posts shall have to be obtained from the Chief Engineer (NH) and the Transport Commissioner of the States concerned.

(Action Project Chief Engineers / All States)

- v) Best practices followed by the states if any in respect of National Highways and other Central Sector Road works are to be circulated among other states for their benefits and application.

(Action all States)

10.4 The representatives of State Governments of Madhya Pradesh and Jharkhand stated that the officers of the Regional Pay and Accounts Office may be relocated at Bhopal and Ranchi respectively. AS&FA state that these suggestions would be considered.

(Action AS&FA)

10.5 As per present practice the Chief Engineers of the Project Zones are competent to technically clear the estimates costing upto Rs. 5 crore. Considering the escalation in costs etc. it was decided that delegation of powers to the technical officers of the Ministry for technical clearance of estimates for increased amount would be considered.

[Action Chief Engineer (PI)]

The meeting ended with Thanks to the Chair.

LIST OF PARTICIPANTS FOR THE MEETING HELD ON 11-09-2007 AT THE PLANNING COMMISSION

MINISTRY OF SHIPPING, ROAD TRANSPORT & HIGHWAYS (D/o RT&H)

S/Shri

1. Brahm Dutt, Secretary-in-Chair
2. G. Sharan, ADG-I
3. Indu Prakash, ADG-II
4. A.B. Yadav, Chief Engineer
5. Arun Kumar Sharma, Chief Engineer
6. A.N. Dhodapkar, Chief Engineer
7. A.P. Bahadur, Chief Engineer
8. S.B. Basu, Chief Engineer
9. H.S. Ahluwalia, Chief Engineer
10. Kamlesh Kumar, Chief Engineer
11. N.S. Jain, Chief Engineer
12. Manoj Kumar, Superintending Engineer
13. S.K. Verma, Superintending Engineer
14. R.B. Singh, Superintending Engineer
15. Prabhakar, Deputy Secretary
16. K.R. Gatti, Under Secretary
17. L. Behra, Executive Engineer
18. PVVSS Ravi Prasad, RO, Bhubneshwar
19. S. K. Marwah, RO, Gandhinagar
20. O.P. Shrivastava, RO, Lucknow
21. M.G. Javachandra, R.O. Chennai
22. D.O Tawade, RO Mumbai
23. R.K. Pandey, RO Bangalore
24. C.R. Gangadhar, RO Hyderabad
25. C. Ekambaram, RO Thiruvananthapuram
26. Rajeev Singh, RO Patna
27. I.K. Pandey, RO Bhopal
28. A.K. Saxena, RO Jaipur
29. Y. Balakrishna, RO Guwahati
30. A.K. Nagpal, RO Chandigarh
31. R.P. Singh, ELO Raipur
32. A.K. Mandhan, Executive Engineer (NH) Raipur
33. D. Sarangi, RO. Kolkata