

CHAPTER – V

MONITORING OF PROJECTS

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5.1 Non-functional/ non-completion of LI project

The Project Report of RLBC envisaged providing lift irrigation to 12,316 ha in highland areas. The Project Authority, RLBC deposited (during 2004 to 2012) ₹26.35 crore with EE, Lift Irrigation Division, Dhenkanal for construction of 19 Lift Irrigation (LI) Projects to provide irrigation to 2,780 ha. The Division had constructed 17 lift projects during 2013-16 to provide irrigation to 2,220 ha incurring an expenditure of ₹15.67 crore. Execution of balance two projects with an ayacut of 560 ha was under progress (September 2019) due to delay in want of clearance from NHA and Railway authorities. Audit scrutiny revealed that of the 17 completed LI projects, five projects³³ with an ayacut of 680 ha (24 *per cent*) were functional and balance 12 projects³⁴ remained defunct due to continuous theft of spares. Audit conducted Joint Physical Inspection of LI project -Chandapur-III with an ayacut of 100 ha completed in 2013 and stated to be operative and found that the project was defunct since 2017. The Department had not taken any initiatives for completion of balance two projects and upkeep of the projects through PPs. Thus, poor monitoring by the Department led to denial of irrigation to 2,200 ha (76 *per cent*) despite incurring expenditure of ₹15.67 crore. Besides, balance funds of ₹10.67 crore were lying idle with EE, Lift Irrigation Division, Dhenkanal.

Government accepted (July 2021) that due to lack of proper maintenance, watch & ward *etc.*, by the respective PPs, some projects such as Chandpur-III were not functional as these projects had no provision for maintenance. The reply is not acceptable since 13 out of 17 LI Projects were found defunct and no action had been taken to make them functional, indicating laxity in monitoring.

5.2 Sub-standard execution of work due to lack of monitoring

The project authority of SIP, constructed an aqueduct at RD. 00 km of SMC which got completed in 2006. In order to provide trial irrigation in the project, 20 cumecs of water was released in 2013-14 through the aqueduct. When water was discharged through the aqueduct, it leaked profusely. The E-i-C inspected (May 2014) the aqueduct and advised to take remedial measures to prevent the leakage so as to protect the structure from further deterioration and emphasised structural strengthening and water proofing of the aqueduct. Audit noticed that no remedial measures had been taken (July 2019) by CE&BM/SE of SIP. As such, in the event of release of water to its designed capacity of 118.50 cumecs, possibility of collapse of the structure could not be ruled out. In the event of collapse of the aqueduct the supply of irrigation water to the entire SIP would be stopped. This indicated laxity in monitoring by the authorities of works executed.

³³ (i)Badajhara, (ii)Chandapur-III, (iii)Jantanibol, (iv)Kantoor-II and (v)Kantoor-III

³⁴ (i)Baghua, (ii)Bangura, (iii)Birasal, (iv)Brahmania, (v)Chandapur-I, (vi)Chandapur-II, (vii)Kanpura, (viii)Kantoor-I, (ix)Kapasira, (x)Muktaposi, (xi)Rahani and (xii)Sibulaposi

5.3 Lack of measures in quality control

The Agreement condition stipulated that the samples of materials should be furnished to the Departmental laboratory for testing. After satisfactory test results confirming to technical specifications, the materials were to be utilized. In test checked projects, Audit noticed that the department did not conduct any test of the materials so as to ensure the comprehensive strength of the structures constructed. On test check, Audit noticed that a siphon was constructed at a cost of ₹16.40 crore during 2006 in NH crossing of RRBC at RD 59.73 km. During trial irrigation in 2016, there was severe leakage from the canal. The E-i-C visited (8 September 2016) the site and observed that the leakage was due to settlement of approach slab and subsoil erosion by piping and suggested for remedial measures by dismantling and removing the entire settled portion. Accordingly, the work was completed (August 2017) through the existing contract with an extra expenditure of ₹7.32 crore. Thus, due to lack of monitoring and quality control of the materials utilized, the department incurred extra expenditure of ₹7.32 crore.



Slipped portion of canal siphon at RD 59.730 km of RBC

Government stated (July 2021) that leakage might have been caused due to small cavity formation as water was supplied after a decade. It was also stated that the cost of restoration was only ₹95 lakh without providing details of expenditure incurred.

Similarly, during joint physical verification of the distribution system of Amath MLP, Audit noticed that the pipes utilised in the work were leaking and water was not flowing in the outlet. The reason attributable to such lapse was non-utilisation of pipes in correct specifications. Laxity on the part of executives in monitoring the materials utilised by the contractors led to leakage of pipes.

The State Government replied (July 2021) that the public were knowingly damaging the pipes of the outlets for irrigation. Evidently, there is lack of vigilance and monitoring mechanism in the infrastructure created by Government.

5.4 Inadequate monitoring of MLPs

Audit conducted the joint physical verification and found that in the four completed projects costing ₹56.85 crore under cluster-XIV for an ayacut of 3,100 ha water was not reaching the tail-end of the pipeline due to various reasons such as leakages in the pipeline, less pressure in the pipeline due to insufficient water in the source, operation of less number of pumps on account of low voltage and non-operation of pumps due to high voltage and frequent fluctuations in power supply. Thus, inadequate monitoring of the MLPs, despite an expenditure of ₹56.85 crore has not ensured sufficient irrigation to the designed ayacut of 3,100 ha.

Government stated (July 2021) that the OPTCL authorities were on the job to optimize their power system so that voltage problems could be reduced to a great extent.

5.5 Non-levy of penalty for delay in completion of work

Time is the essence of the contract. Further, contract condition stipulates that failure of the contractor to complete the work in time, the contractor is liable to pay compensation at 0.5 *per cent* per day subject to maximum of 10 *per cent* of the estimated cost. Test check of records revealed that despite non-completion of the work in time the department had not levied penalty of ₹167.79 crore as detailed in the table below:

Table 5.1: Showing non levy of penalty due to delay in execution of works

Sl.No .	Projects involved	Penalty (₹ in crore)	Impact
1	SIP	27.34	Three works ³⁵ with estimated cost of ₹273.43 crore were awarded (between June 2016 and December 2016) to OCC on signing of Memorandum of Understanding (MoU) for ₹315.32 crore with stipulation to complete the said works between August 2018 and December 2018. Audit noticed that OCC could complete the work valuing ₹302.61 crore (96 <i>per cent</i>) as of September, 2020. As there was no provision for levy of penalty for delay in execution of work in MoU, penalty of ₹27.34 crore, being 10 <i>per cent</i> of the estimated cost, could not be levied and recovered.
2	LIIP And MLP	140.44	Four contractors were awarded works between August 2013 and March 2018 for completion between February 2016 and February 2019 for ₹1,404.44 crore. The works could not be completed despite repeated instructions from the EEs as the delay was attributable to the contractors. As such liquidated compensation for ₹140.44 crore should have been recovered from the contractors.

(Source: Compiled by Audit)

The State Government stated (July 2021) that the delay in execution of canal works was on account of release of surplus water of reservoir through spill channel, delay in receipt of permission for blasting, general election, LA, forest clearance, *etc.* The reply is not acceptable as the reasons furnished are too general and were known to the contractors while accepting the contracts.

In addition to aforesaid deficiencies, the Audit also found several irregularities on tendering, extra cost due to adoption of excess lead, preparation of estimates without adhering the SoR/AoR which led to excess payment to the contractors, execution of works in violation to BIS code which are given in the **Appendix-II** enclosed:

³⁵ (i) Construction of spillway of Haldia earth dam, (ii) Baisinga feeder cum link canal and Restoration of SMC

5.6 Non maintenance of Registers of check measurement

Appendix-II of OPWD Code stipulates that Register of check measurement should be maintained and that measurement of work shall be done by Superior Officers. Divisional Officers should check measure 10 *per cent* of the works costing more than ₹2 lakh to check the accuracy of the measurements recorded by the subordinate officers. The objective of check measurement is to detect errors in measurement and to prevent fraudulent entries and also to see that the specifications have been faithfully maintained. Divisional Officer should particularly check measure extra items in respect of which the executed quantity had exceeded the original quantity by more than 10 *per cent*. However, it was noticed that none of the divisions test-checked had maintained the Registers of check measurement for which Audit could not ensure that the superior officers had conducted the required check and certified the accuracy of the measurements recorded by the subordinates.

Government stated (July 2021) that the observation of audit had been noted for guidance and assured to maintain check measurement register in each division.

5.7 Systemic issues observed in test checked projects

Despite audit recommendations to avoid delays in land acquisition, forest clearance and ayacut planning reported in Paragraph 2.3 of Audit Report (March 2009) under Accelerated Irrigation Benefit Programme, the following systemic issues as detailed below persisted.

- Out of five test checked major projects, four projects (except UIIP) which commenced between 1978 and 1999 were still under progress with time and cost overruns on account of delay in land acquisition, forest clearance, delay in finalization of design, inadequate survey and investigation, *etc.* In some projects the costs had gone up by 9 to 46 times.
- Due to delay in execution of UIIP, SIP and RLBC projects, the designed ayacut has been overlapped by MI projects, thereby increasing costs and bringing redundancies.
- In two test-checked projects (SIP and LIIP), non-evacuation of DPs despite payment of R&R assistance caused further payment of enhanced assistance.
- Non-adherence to the design and drawings as per DPR for lined canals, slippages of canal embankments was seen in UIIP and SIP projects.
- Lack of co-ordinated efforts on the part of different departments has led to single-cropping in irrigated ayacuts, instead of multi-cropping, envisaged in the DPRs. This has also contributed to reduction in benefit-cost ratio, making the projects economically unviable.