

Chapter - 5

Project Monitoring

5.1 Project Monitoring

PGCIL monitors projects through a two tier monitoring system at both pre-award and post-award stages of contracts. For corporate level monitoring, Corporate Monitoring Group (CMG) Department and for Regional level monitoring, Planning Environment & Social Management (PESM) Departments of the concerned regions under PGCIL are the responsibility centers.

5.2 Pre-award monitoring

Procurement Policy of PGCIL prescribed monthly pre-award meetings at the level of Executive Director (Contract Services) and review meetings at the level of Director (Projects) once in two months.

However, it was noticed that out of 60 pre-award monthly meetings to be held during the period 2012-13 to 2016-17, only 11 meetings were held. Further pre award meetings was held only once in a year during 2012-13, 2014-15 and 2016-17 and no pre award meeting was held during 2015-16. Moreover, minutes of meetings were also not maintained.

During these meetings, Executive Director (Contract Services)/ Director (Projects) had instructed early supply of inputs/ finalization of QR for timely floating of NIT, issuance of NOA *etc.* A review of 18 selected transmission projects where specific target dates for NIT and NOA were fixed in these meetings held during April 2013 to March 2017 revealed that in seven transmission projects the targets were not met and delay ranging from 6 days to 819 days was observed.

Management/ Ministry replied that (January/ June 2019) that all efforts are made to ensure completion of various activities by dates committed or specified.

The fact remained that no follow up actions were pursued in the following meetings and delay ranging from 50 weeks to more than 150 weeks in the award of 93 contracts relating to 17 transmission projects. Thus, in the absence of timely follow up on the progress of work or actions taken for timely completion of projects the intended purpose of monitoring was not served.

5.3 Post-award monitoring

5.3.1 Project Review Meetings

WPPP provided that, for better coordination amongst various departments at Corporate Office and Regions as well as smooth execution of projects, Region-wise Project Review Meetings (PRMs) shall be held and chaired by the Executive Director of respective Region, once in two months. Review of records, however, revealed the following:

(i) PRMs were not held at prescribed intervals as only one to four⁵¹ meetings were held by each Region during 2012-17 against the requirement of holding 30 PRM meetings during that period.

Targets were fixed in the PRMs in terms of completion, submission of compliance reports, resolution of critical issues etc. In the absence of regular meetings it would be difficult to monitor the targets set and early resolution of critical issues which in turn affected smooth execution of projects.

(ii) Slow progress of work, slow/ non-mobilisation of resources by the contractors was also discussed in the meetings. However, in the absence of timely follow up on the progress of work or actions taken for timely completion of projects, the intended purpose of monitoring was not served.

(iii) The problems/ constraints like delay in land acquisition/ severe right of way problems, forest clearance, delay in readiness of substations and stringing problem etc. were discussed about 11 out of 18 selected transmission projects for long time but remained unresolved.

Thus, PRMs were held for all the projects. However, these meetings had no significant impact in controlling the delays of 1 to 39 months in providing site fronts, delay in owner supply material like tower, conductors etc., change in scope and quantity due to inadequate survey, delay in starting of manufacturing activities by manufactures in respect of 10 schemes. Thus, in the absence of timely follow up on the progress of work or actions taken for timely completion of projects the intended purpose of monitoring was not served.

Management/ Ministry replied that (January/ June 2019) that with the increase in number of projects and use of IT infrastructure, monitoring of projects through video conferencing is done more effectively and at lesser cost.

The reply is to be viewed against the fact that no minutes of above video conferencing were made available and in the absence of same, adherence of WPPP with regard to holding of required meetings could not be ensured. This has also contribution of avoidable delays in execution of 10 schemes.

5.3.2 Quarterly Performance Review at Ministry level

In addition to project monitoring system at PGCIL's level as discussed above, MoP also monitored the performance of PGCIL projects every quarter. However, status of quarterly performance review meetings held during 2012-17 revealed that only 10 meetings were held against 20 required meetings with intervening gap of three to 16 months.

Review of above ten meetings, disclosed that:

(i) In 2012-13 only one meeting was held on 12 March 2013 (3rd quarter) in which Secretary (Power) directed PGCIL to take up action on certain issues.

⁵¹ *WR I-2, WR II-1 NR I-4, NR II-4, NER-1, SR I-4, ER II-4.NR III-1and Odisha-1*

However, in the next meeting held on 7 November 2013 no compliance/ progress in respect of the above was discussed as per the minutes. Similarly, no follow up of the directions given by Secretary Power in the meeting held on 7 November 2013 were found recorded in the minutes of the subsequent meetings.

(ii) In 2014-15, only one meeting was held on 23 September 2014 whose minutes were not found on records.

(iii) The meeting for 1st, 2nd and 3rd quarter for 2015-16 was held on 22 February 2016 with a gap of about 16 months from the last meeting held on 23 September 2014.

Ministry (June 2019) stated that henceforth Quarterly Progress Report (QPRs) would be held regularly and PGCIL was advised to furnish action taken report of last QPR meeting before the next QPR meeting.

Audit appreciates the assurance given by the Ministry with regard to holding of regular meetings in future to ensure the action taken on the directions given in preceding meetings.

5.4 Project completion reports

PGCIL did not have any system of preparing project completion reports after completion of projects to bring out at one place all technical and financial details of the project, major problems faced during implementation and specific initiatives/actions taken to resolve them. Such reports, if available, could have been used to bring on record any special process or methodology to be adopted and its experience/achievement as well as any important aspects to be kept in view in future projects.

Management/ Ministry (June 2019) stated that study, deliberations and updating of the format for project closure report are under progress and the project closure report would be prepared for all future projects.

Audit appreciates the assurance given by the Management/Ministry with regard to preparing project completion reports in future. However, on the similar issues raised in the CAG report no 18 of 2014 Ministry had assured (March 2014) to suitably consider the audit findings in revised WPPP/ ERP. But, it was observed that no changes/modifications regarding the above were made in revised WPPP 2016.

5.5 Non-monitoring of 24x7 power supply across the country

The objectives of 24x7 Power for All (PFA) programme of GOI are to supply quality, reliable and affordable power 24x7 to all domestic, commercial and industrial consumers by March 2019. To implement 24x7 PFA, a Central Programme Monitoring Unit (CPMU) under the chairmanship of Joint Secretary (Distribution) Ministry of Power, GOI with ED (T&D), REC as convener had been constituted with officials from various CPSEs.

Audit observed that:

(i) Director (Projects), PGCIL was required to submit to Ministry a monthly/ quarterly report focusing on various key areas related to various inter-state transmission systems such as physical progress, achievements and/ or other related issues. However, no such system of periodic reporting pertaining to 24x7 schemes had been set up by PGCIL. The issue was reiterated in the meeting for 'Monitoring of 24x7 PFA' held on 22 January 2018 under the chairmanship of Joint Secretary (Distribution), But, till date no such monthly progress report for 24x7 schemes has been furnished by PGCIL to Ministry.

(ii) Monitoring of 24x7 PFA scheme is being done entirely through a dedicated web portal and Central Programme Monitoring Unit (CPMU) requested PGCIL to update the progress of various interstate projects. The web portal serves as a dashboard for the Programme which is easily accessible by all parties associated. It was not intimated to Audit if PGCIL had been updating the portal with information which is important to stakeholders such as the status of completion of various transmission lines/substations, achievements and/or other related issues or not.

Thus, monitoring by PGCIL in the PFA scheme indicates that there was scope for further improvement.

Management/ Ministry stated (January 2019/ June 2019) the following:

(i) Monthly/ quarterly reports focusing on the key areas related to various inter-state transmission systems, including those identified by the States to meet "24x7 Power for All" are sent to Ministry of Power and Ministry of Program Implementation.

(ii) As suggested by Audit, efforts will be made in the next review meeting of CPMU, to collect necessary details for uploading this information on dedicated web portal for 24x7 Power for All also.

Management's/ Ministry's reply is to be viewed against the following facts:

(i) No specific report focusing on lines identified under 24x7 Power for All scheme is being forwarded to Ministry.

(ii) Regarding updation of the online portal for 24x7 Power for All, Management has accepted the audit observation.