



# **SPECIAL AUDIT REPORT**

**ON**

## **CONSTRUCTION OF METRO BUS PROJECT MULTAN**

**HUD & PHE DEPARTMENT  
GOVERNMENT OF THE PUNJAB  
AUDIT YEAR 2016-17**

**AUDITOR GENERAL OF PAKISTAN**



## PREFACE

Articles 169 & 170 of the Constitution of the Islamic Republic of Pakistan 1973, read with Sections 8 and 12 of the Auditor General's (Functions, Powers, and Terms and Conditions of Service) Ordinance, 2001 require the Auditor General of Pakistan to conduct audit of the accounts of the Federation, the Provinces and any authority or body established by the Federation or a Province. The special audit of project "Construction of Metro Bus Multan" executed by Multan Development Authority was carried out accordingly.

The Directorate General Audit Works (Provincial) Lahore conducted special audit of the project "Construction of Metro Bus Multan" during February-April 2017 for the period March 2015 to March 2017 with a view to reporting significant findings to the stakeholders. Audit examination was primarily aimed at evaluating the achievements of the intended project objectives and compliance of applicable rules and regulations.

Audit findings indicate need for adherence to the regularity framework besides instituting and strengthening of internal controls to avoid recurrence of similar violations and irregularities. Most of the observations included in this report have been discussed in the SDAC meeting.

The Audit Report is submitted to the Governor of the Punjab in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan 1973, for causing it to be laid before the Provincial Assembly.

Islamabad  
Dated: 27<sup>th</sup> November, 2018

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(Javaid Jehangir)  
**Auditor General of Pakistan**



# TABLE OF CONTENTS

ABBREVIATIONS & ACRONYMS  
EXECUTIVE SUMMARY

<b>SECTIONS</b>	<b>Page No</b>
1. INTRODUCTION	01
2. AUDIT OBJECTIVES	02
3. AUDIT SCOPE AND METHODOLOGY	03
4. AUDIT FINDINGS AND RECOMMENDATIONS	03
4.1 Organization and Management	03
4.2 Financial Management	04
4.3 Procurement and Contract Management	46
4.4 Construction and Works	70
4.5 Asset Management	144
4.6 Monitoring and Evaluation	150
4.7 Environment	151
4.8 Sustainability	151
4.9 Overall Assessment	151
5. CONCLUSION	152
6. ACKNOWLEDGEMENT	155
7. ANNEXES	157



## ABBREVIATIONS & ACRONYMS

AA	Administrative Approval
AASHTO	American Association of State Highways & Transport Officials
ABC	Asphaltic Base Course
ACP	Aluminum Composite Panel
ASME	American Standards for Mechanical Engineering
B&R	Buildings & Roads
BOQ	Bill of Quantities
BRTS	Bus Rapid Transit System
BS	British Standards
BZU	Bahauddin Zakria University
CDWP	Central Development Working Party
Cft	Cubic Feet
CM	Chief Minister
cu.m	Cubic Meter
DAC	Departmental Accounts Committee
DBs	Distribution Boards
DFR	Departmental Financial Rules
DG Set	Diesel Generator Set
NIT	Notice Inviting Tender
DPAC	District Price Assessment Committee
EA	Executing Agency
ECNEC	Executive Committee of National Economic Council
EM&E	Electrical Mechanical & Engineering
EN	European Norms
FD	Finance Department
FOB	Free on board
GoPb	Government of the Punjab
GST	General Sales Tax
HUD&PHE	Housing Urban Development And Public Health Engineering Department
HDPE	High Density Polyethylene Pipe
IB	Instructions to Bidders
INTOSAI	International Organization of Supreme Audit Institutions
JMF	Job Mix Formula
JV	Joint Venture
KM	Kilometer
LED	Light Emitting Diode
LCD	Liquid Crystal Display

LM	Long Meter
MB	Measurement Book
MBS	Metro Bus Service
MRS	Market Rates System
MBTS	Metro Bus Transit System
MDA	Multan Development Authority
MTDF	Medium Term Development Framework
NAC	Non-Availability Certificate
NEC	National Economic Council
NJB	New Jersey Barrier
NRL	National Refinery Limited
PAO	Principal Accounting Officer
PD	Project Director
P&D	Planning & Development
PC-I	Planning Commission-I
PDWP	Provincial Development Working Party
PFR	Punjab Financial Rules
PMA	Punjab Mass Transit Authority
PSD	Platform Screen Doors
PSI	Per Square Inch
PO	Public Oversight
RCC	Reinforced Cement Concrete
Rft	Running Feet
RM	Running Meter
RMCS	Remote Monitoring Control System
SDAC	Special Departmental Accounts Committee
SLA	Service Level Agreement
TSE	Technically Sanctioned Estimate
TMA	Town Municipal Administration
UET	University of Engineering and Technology, Lahore
UPS	Uninterrupted Power Supply
VVVF	Variable Voltage Variable Frequency



## **EXECUTIVE SUMMARY**

The Director General Audit Works (Provincial), Lahore conducted special audit of the project Construction of Metro Bus Multan during February to April, 2017 to evaluate the financial performance, achievement of the project objectives and the desired benefits as envisaged in PC-I. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs).

Multan Development Authority (MDA), Multan launched this project during 2014-15. The project was approved in March 2015 with PC-I cost of Rs 28,901.79 million and completion period of nine months. The scheme was funded by Government of the Punjab and funds were transferred into the accounts of MDA. The whole project was executed by the MDA. The overall objectives of this project were to improve the efficiency and performance of the public transport system in Multan by introducing environment friendly and high quality rapid mass transit system.

The project was completed in January, 2017 at a total cost of Rs 28,377.507 million which included cost of civil works, land acquisition and for shifting of services. Final bills of the contractors were not processed till December 2017.

While approving the PC-I, the P&D Department instructed the project management to use input rates of Finance Department in the TSE. It was observed that the department in some of cases got the estimates approved at higher rates without giving due consideration to economy and also in violation of input rates of Finance Department. Therefore, the estimates could not serve as a valid bench mark for evaluation of bids. Technical sanction estimates were much higher than MRS which gave the contractors a cushion to quote higher rates against the actual rates. Had the TS estimates been correctly prepared, the bids would have been much lower than the bids finally accepted in this project.

Initial Environmental Examination and Environmental Impact Assessment were not carried out as required under Section 12 of the Pakistan Environmental Protection Act, 1997, despite its provision in the PC-1.

The viability and sustainability of the project depends upon the huge subsidy provided by the Government. Currently government is paying subsidy against a nominal ticket fee of Rs 20 and number of passengers commuting between the last four stations of Bosan road is extremely low.

Effective implementation of the system of internal controls as laid down in the departmental codes/instructions was found lacking. Therefore, lapses in financial management, contract management, construction & works and deviation from the agreement clauses/specification/templates were observed. In this report, Audit has pointed out a number of cases in which excess rates than admissible ones were approved due to application of higher input rates.

The report has been finalized after discussing most of the observations in the SDAC meeting. Some of the cases were referred to Finance Department for clarification and to technical committee for probe. Directives for effecting recovery were issued against the others.

### **Impact of Audit**

Following improvements/recoveries were made by the Departments on pointation and recommendations of Audit:-

- i. Audit pointed out recovery of Rs 3,480.97 million. The Authority admitted recovery to the extent of Rs 423.532 million out of which Rs 81.924 million was effected/verified. The Authority promised that the admitted recovery of Rs 423.532 million would be recovered in due course of time.

- ii. In addition to the recovery admitted by the department the SDAC directed further recovery of Rs 169.040 million to be effected within 30 days.
- iii. The SDAC referred a number of paras where difference of opinion between Audit and Authority arose, to the Finance Department for clarification/advice and to the Administrative Department for probe by a technical committee.

### **Key audit findings**

Audit findings, categorized into major issues, e.g. Financial Management, Procurement & Contract Management, Construction & Works and Asset Management are as under:

#### **1. Financial Management**

Review of Financial Management revealed overpayments and irregularities worth millions. The key audit findings are summarized below:

- I. Avoidance of approval of the project from ECNEC by dividing it in nine packages - Rs 28,901.787 million.
- II. Doubtful payment due to non-reconciliation of payments for land compensations with Treasury/DAO Multan—Rs 3,355.745 million.
- III. Non-recovery on account of price de-escalation on diesel, steel and bitumen - Rs 254.57 million.
- IV. Excess payment over and above the agreed tender percentage - Rs 247.100 million.
- V. Undue financial assistance due to non-obtaining of additional performance security—Rs 53.80 million.
- VI. Overpayment due to allowing 27% duties on local material and labour and then 20% contractor's profit & overhead thereon—Rs 53.783million.
- VII. Violation of financial discipline and non-credit of markup/profit to the Metro Bus System accounts—Rs 18.882 million.
- VIII. Irregular grant of secured advance against perishable items—Rs 8.383 million.

- IX. Non-Recovery of Income Tax on advance payment—Rs 2.391 million.
- X. Overpayment of Mega Project allowance—Rs 2.055 million.

## **2. Procurement and Contract Management**

Examination of Contract Management revealed irregularities amounting to Rs 1,908.642 million. Audit findings under this category, inter alia, include the following:

- I. Irregular procurement of bitumen from sources other than NRL Karachi—Rs 904.184 million
- II. Acceptance of EM equipment of lower specification and non-execution of complete jobs —Rs 398.386 million
- III. Overpayment due to approval of cost estimates by taking inflated quotations of equipment—Rs 295.405 million
- IV. Irregular allotment of works without open tender in violation of PPRA rules —Rs 84.434 million
- V. Irregular expenditure on account of inaugural ceremony of Multan Metro Bus Service without open tender—Rs 28.04 million
- VI. Loss due to sub-letting of contract at lower rates—Rs 26.566 million
- VII. Payment to contractors for graduate engineer and operating staff not engaged during maintenance period—Rs 8.640 million.

## **3. Construction & Works**

Review of Construction and Works revealed overpayments, irregularities and losses amounting to Rs 2,910.588 million. The key audit findings are summarized below:

- I. Overpayment due to sanction of higher rates—Rs 856.78 million.
- II. Un-authorized payment due to non-production of rate analysis of non-standardized items—Rs 336.448 million.
- III. Loss due to sanction of higher rates by adding inadmissible carriage in concrete rates—Rs 235.577 million.

- IV. Irregular payment due applying fresh market rates for execution of Non-BOQ/Item –Rs 219.107 million.
- V. Loss due to sanction of higher rates by adding inadmissible carriage in ABC and AWC rates–Rs 117.246 million.
- VI. Overpayment due to incorrect measurement of wire strand in MBs/Sheets in violation of the TSE–Rs 73.654 million.
- VII. Irregular payment due to execution of Non-BOQ/items without approval of rate analysis–Rs 39.288 million.
- VIII. Non-recovery on account of less use of bitumen–Rs 28.158 million.
- IX. Overpayment due to double payment of admixture in concrete class A-2 and A-3–Rs 21.589 million.

#### **4. Assets Management**

Review of Asset Management revealed non-recoveries and non-accountal of Rs 49.304 million. The key audit findings are summarized below:

- I. Un-authorized expenditure due to non-accountal of tree guards–Rs 17.615 million.
- II. Non-accountal of equipment and T&P articles–Rs 17.489 million.
- III. Non-recovery of dismantled material–Rs 3.554 million.

#### **Recommendations**

Audit observed that most of the irregularities were either due to weak technical, supervisory and financial controls or poor contract management. Principal Accounting Officer needs to strengthen internal controls regime in the department in the light of following recommendations:

- i. Proper vigilance is required to be exercised while sanctioning rate analysis and TS estimates for the future projects. The analysis should be prepared on approved templates by the Government. The department needs to observe financial discipline and before

execution of projects the approval from appropriate fora be obtained.

- ii. Internal controls like test check measurements/periodic inspections of works, stock verification and accountal of T&P articles/equipments by supervisory officers need to be implemented. The department also needs to reconcile the transaction with cash books, treasury and banks.
- iii. Excess amount paid to contractor(s) due to application of higher rates and excess measurement timely be recovered. The contract agreements be adhered to in letter & spirit.
- iv. The department needs to observe PPRA Rules and fulfill all the codal requirements. Disciplinary action needs to be initiated and responsibility fixed against the officers responsible for lapses and violation of rules/specifications besides effecting recoveries.
- v. Environmental considerations are required to be taken care of in order to mitigate urban pollution, carbon emissions and smog etc.

## 1. INTRODUCTION

1.1 Multan Development Authority Multan launched the project “Metro Bus Project from Kumharan wala chowk to the Bahauddin Zakria University” during 2014-15. The whole Project of construction of Metro Bus System was divided in two portions i.e. (i) elevated portion and (ii) at grade portion. The total length of the MBS corridor is 18.5 km with 9.2 meter width with 21 stations. The elevated portion is 12.5 km and at grade is 6 km. The project was divided into nine packages **inter alia** bus depot, command & control center and electrical & mechanical system. The project was completed by the MDA with construction supervision of M/s Osmani and Company (Pvt.) Ltd. and it started its operations in January 2017.

1.2 The Directorate General Audit Works (Provincial) Lahore conducted special audit of Metro Bus Multan during February to April 2017. The project with approved PC-I cost of Rs 28,901.79 million was funded by Government of the Punjab. The funds were transferred by FD into the accounts of the MDA. The whole project was executed by the MDA. It started in March 2015 with completion period of 9 months as provided in the agreement. In the light of Rule 8 of Second Schedule of Delegation of Financial Powers Rules, 2006, ECNEC was the final approving authority for any provincial project costing more than Rs 10,000 million. However, this project, which otherwise required ECNEC approval, was split into nine packages to avoid approval from ECNEC. The project was completed in January 2017 with total cost of Rs 28,377.507 million. Final bills of the contractors were not processed till December, 2017.

1.3 Project objectives were as under:

- To reduce traffic load in Multan.
- To improve the efficiency of public transport in the city.
- To improve the city environment by reduction in number of vehicles plying on the roads, and to improve quality of life.
- To provide comfort and facilitate the public in travelling.
- To improve the existing transportation mechanism.

1.4 Funds were provided by the Government of the Punjab. No loan/grant was utilized for this project.

1.5 Cash flows/releases of funds were regulated by the Finance Directorate MDA, Multan through its cash management plan.

1.6 Payments were regulated by the provisions of agreements and Departmental Financial Rules (DFR).

1.7 Financial status of the project is summarized below:

**(Rs in millions)**

<b>Planned cost original/PC-1 cost</b>	<b>Revised PC-I cost</b>	<b>Planned completion Period as per PC-I</b>	<b>Actual expenditure upto March, 2017</b>	<b>Percentage of expenditure</b>
36,113.49	28,901.790	9 Months	28,377.507	98%

1.8 Physical progress as compared with the PC-I is mentioned as under:

<b>Project</b>	<b>Length of track</b>	<b>Construction time as per agreement</b>	<b>Actual Completion Time</b>
Kumharanwala chowk to BZU	18.50 kilometers	9 Months	22 Months
Bus Depot Multan	-	7 Months	Although made operational but not completed yet.
Command & Control Centre Multan	-	12 Months	--do--

## **2. AUDIT OBJECTIVES**

The major objectives of the audit were to:

- i. Analyze the overall performance vis-à-vis planned targets, achievement of objectives, cost and time over-run and timely accrual of benefits.



- ii. Assess whether the resources were utilized for the purpose for which they were provided.
- iii. Review compliance with applicable rules, regulations, procedures and instructions issued from time to time by the Finance Department.

### **3. AUDIT SCOPE AND METHODOLOGY**

**3.1** The audit scope included scrutiny of accounts of the project for the period from March 2015 to March 2017, involving an expenditure of Rs 28,377.507 million.

**3.2** Audit methodology included data collection, scrutiny/analysis of record, discussions with engineering staff as well as consultants, site visits, Observations and holding the SDAC meetings and follow-up.

### **4. AUDIT FINDINGS AND RECOMMENDATIONS**

#### **4.1 Organization and Management**

Salient features of Organization and Management set-up of the project are given below:-

**4.1.1** The project/scheme was executed by the MDA Multan under the administrative control of Secretary HUD & PHE Department, Lahore. The project was headed by Director General, MDA, supported by Chief Engineer, Director Engineering and Director Finance MDA, Multan.

**4.1.2** Job descriptions of the said staff were well defined in the delegation of powers of MDA, Multan.

**4.1.3** M/s Osmani & Company Pvt. Ltd. was the design and supervision consultant of the project.

**4.1.4** The contractors submitted the bills to MDA which were first checked by M/s Osmani & Co as Supervisory Consultants of the project and then pre-audited by the Local Fund Audit, Government of the Punjab.

**4.1.5** The accounts were maintained centrally in the Directorate of Finance MDA Multan.

## **4.2 Financial Management**

### **4.2.1 Avoidance of approval of project from ECNEC by dividing it in nine packages –Rs 28,901.787 million**

As per Rule 8 of Second Schedule of Delegation of Financial Powers Rules, 2006 amended upto 2010, “the scheme costing more than 10,000 million is recommended by PDWP of each Province to CDWP for approval and cost clearance. CDWP refers the scheme costing Rs 10,000 million or above to ECNEC which is final approving authority for approval of any provincial project/ scheme.

Project Director Metro Bus Project, (MDA) Multan got the approval of scheme Metro Bus project from PDWP and P&D Department, Govt. of Punjab by splitting the full scheme into nine (9) packages. The total cost of the project was Rs 28,901.787 million.

<b>Sr. No.</b>	<b>Package No.</b>	<b>Description of work</b>	<b>Date of Approval</b>	<b>Approved Cost Rs</b>	<b>Expenditure Rs</b>
1	Package No.I	Civil Work	11.03.2015	5,125.705	5,204.54
2	Package No.II	Civil Work	11.03.2015	4,592.979	4,666.266
3	Package No.III	Civil Work	11.03.2015	2,688.802	2,987.301
4	Package No.IV	Civil Work	11.03.2015	3,252.006	3,550.543
5	Package No.V	Civil Work	11.03.2015	3,594.132	4,330.948
6	Package No.VI	Land Acquisition and compensation of structure	11.03.2015	4,238.755	4,239.000
7	Package No. VII	Supply and installation escalator/elevator	11.03.2015	1,687.264	1,322.442
8	Package No. VIII	Supply and installation of generator and LED	11.03.2015	1,001.565	811.607

Sr. No.	Package No.	Description of work	Date of Approval	Approved Cost Rs	Expenditure Rs
		lights			
9	Package No.IX	Command Control Center and Bus Depot	27.09.2015	2,047.673	1,224.86
<b>Total</b>				<b>28,901.787</b>	<b>28,337.507</b>

The Authority avoided approval of scheme from CDWP and ECNEC which were competent fora for approval of schemes costing more than Rs 10,000 million. Hence, the approval of the scheme from PDWP and P&D Department Govt. of Punjab was irregular and in violation of rules.

Weak technical, financial and supervisory controls resulted in irregular approval of scheme by dividing into nine packages and avoiding approval from CDWP and ECNEC amounting to Rs 28,901.787 million involving expenditure of Rs 28,337.507.

Audit pointed out irregularity in April 2017. The Authority did not reply.

The para was not discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017 due to non-submission of working paper by the Authority.

Audit recommends the Authority to seek post facto approval and condonation of irregularity from the ECNEC besides fixing responsibility for this lapse.

**(Para No. 184)**

#### **4.2.2 Non-mutation of land in the name of MDA/Government – Rs 3,781.419 million**

As per Section 17(A) of Land Acquisition Act 1894, the Collector shall, upon payment of the cost of acquisition make over charge of the

land to the Authority, and the land shall thereupon vest in the name of Authority/Government.

Project Director Metro Bus Project, (MDA) Multan made payment to various affectees on account of land compensation valuing Rs 3,781,419,278 but did not get the mutation of land in the name of Multan Development Authority, Multan/Government of Punjab.

Weak technical, financial and supervisory controls resulted in non-mutation of land valuing Rs 3,781,419,278 in name of MDA.

Audit pointed out irregularity in April 2017 but the Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that letters had been sent to the Assistant Commissioner, City Multan, Assistant Director Land Record, Computer Centre Multan Saddar and Director PHATA Multan Region for mutation of land acquired for Metro Bus Project Multan. The Committee took it seriously and directed Director General MDA to approach Senior Member Board of Revenue immediately for mutation of land within 30 days. Compliance of the Committee's directives was not reported till finalization of this report.

Audit recommends early mutation of acquired land in the name of MDA/Government of Punjab.

**(Para No. 539)**

#### **4.2.3 Doubtful payment due to non-reconciliation of payments for land compensations with Treasury/DAO Multan – Rs 3,355.745 million**

According to Rule 8.12, 8.13 & 8.14 of the Departmental Financial Rules - after the expiry of the month, a monthly settlement/reconciliation

should be carried out as soon as possible with all treasuries in respect of the transactions occurred in a month.

Project Director Metro Bus Project, (MDA) Multan did not get the payments reconciled with District Accounts Office/District Treasury Multan on account of land acquisition/compensation and purchase of land in respect of construction of Metro Bus System Multan. Payment vouchers were issued by the office of Land Acquisition Collector, MDA, Multan, to affectees who submitted to DAO Multan for clearance of payments from respective banks. After issuance of same vouchers by LAC, the proof of payment to the affectees was not available on record.

S.No	Payment made by	Amount	Description
1	Land Acquisition Collector	3,169,197,961	Metro Bus Route
2	-do-	177,369,881	Metro Bus Depot
3	Director Admn & Finance	9,178,086	Purchase of land for Command & Control Center
<b>Total</b>		<b>3,355,745,928</b>	

Weak supervisory and financial control resulted in doubtful payment due to non-reconciliation of payment of land compensation with Treasury/DAO Multan amounting to Rs 3,355.746 million.

Audit pointed out the matter in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that letters were sent to the District Account Officer, Multan for verification/reconciliation of paid vouchers of compensation amount. The Committee directed the Director Finance and LAC MDA Multan to immediately take up the case with District Accounts Office Multan for reconciliation of paid amount within 30 days. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early probe regarding doubtful payments besides fixing responsibilities against person(s) at fault.

**(Para No 541)**

**4.2.4 Un-justified payments at commercial rates for building structures not declared as commercial by MDA – Rs 644.259 million**

According to standard procedures of all Development Authorities for getting the residential buildings declared as commercial/semi-commercial the owners will have to deposit the prescribed fee.

Project Director Metro Bus Project, (MDA) Multan paid an amount of Rs 644,259,351 to certain affectees/land owners on account of compensation for building structures at commercial rates which were not declared commercial by Multan Development Authority. The payment was made through award No.11, 12, & 16 on the basis of field survey by Patwari & Qanoongu who declared property commercial at their own. Hence, the payments on the basis of commercial rates was un-justified.

Weak technical, financial and supervisory controls resulted in un-justified payments on commercial rates for building structure compensation amounting to Rs 644.259 million. **(Annex-1)**

Audit pointed out un-justified payment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that Land Acquisition Collector was duty bound to make payments of compensation according to existing site position ignoring the facts that the owner of property had got it declared commercial/semi commercial from any agency. Audit informed the Committee that no building was declared as commercial building or semi commercial building by Multan Development Authority or any Town Municipal Committee Multan. The Committee directed the Authority to refer the case to Finance Department, Lahore for clarification within 30

days. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends the department to seek early clarification from Board of Revenue/Finance Department and take action/effect recovery accordingly.

**(Para No. 551)**

#### **4.2.5 Undue financial benefit because of non-revalidation of expired bank guarantee – Rs 299.951 million**

As per Clause 11-A(a) of Contract Agreement (additional clauses), thirty percent (30%) of the Contract Value as recoverable advance shall be paid to the contractor after receipt of an acceptable performance security, receipt of an acceptable bank guarantee.

Audit observed that 30% mobilization advance was granted for “*Escalators, Elevators and platform screen doors*” against bank guarantees which expired before the issuance of Substantial Completion Certificates by the MDA. Project Director Metro Bus Project, (MDA) Multan did not get revalidated these bank guarantees. Therefore, the Authority extended un-due financial benefit to the contractor by not getting the bank guarantee revalidated.

Weak technical and financial controls resulted in undue financial assistance because of non-revalidation of expired bank guarantee for Rs 299.951 million against 30% mobilization advance for equipment.  
**(Annex-2)**

Audit pointed out undue financial assistance in April 2017 but the Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that bank guarantee against 30% mobilization advance expired and contractors had been asked to submit re-validated bank guarantees. The Committee directed the Authority to obtain revalidated bank guarantees from the contractors and

get it verified from Audit within 30 days. Compliance of the Committee's directives was not reported till finalization of this report.

Audit recommends early re-validation of bank guarantee besides fixing responsibility for this lapse.

**(Para No. 328, 329, 339)**

#### **4.2.6 Non-recovery on account of price de-escalation of diesel, bitumen and steel – Rs 254.57 million**

According to clause-55(1) of contract agreement, where any variation (increase or decrease) to the extent of 5% or more in the price of items mentioned in clause-55(2), take place after acceptance of tender and before completion of work, the amount increase or decrease should be adjusted to the extent of actual variation in the cost of item of work. Also as per Finance Department letter No.RO (Tech-1)FD 1-2/2010 dated 14.03.2010 "the price variation (increase or decrease ) is required to be adjustable for quantities of those items against secured advance was granted if there is difference of prices between period of tender date and date of grant of secured advance".

**4.2.6.1** Project Director Metro Bus Project, (MDA) Multan did not recover the de-escalation on account of diesel as the rates decreased during execution of works. The decrease in rates was more than 5%, which was required to be recovered. But same was not recovered which was violation of above mentioned clause.

Weak technical, financial and supervisory controls resulted in non-recovery on account of de-escalation of diesel amounting to Rs 197.076 million. **(Annex-3)**

Audit pointed out the non-recovery in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the recovery on



account of de-escalation of diesel would be made in next bill of the contractor. The Committee directed the Authority to effect up to date recovery within 30 days. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification from Audit.

**(Para No 13, 78, 109, 149, 197, 275, 376, 514)**

**4.2.6.2** Project Director Metro Bus Project, (MDA) Multan did not recover the price de-escalation on account of bitumen used during execution of works i.e. *Asphaltic Base Course (ABC)*, *Asphaltic Wearing Course (AWC)*, *Bituminous Tack coat and Priming coat* by using bulk bitumen. The decrease in rates was more than 5%, which was required to be recovered. But the same was not recovered in violation of above mentioned clause.

Weak technical, financial and supervisory controls resulted in non-recovery on account of de-escalation of bitumen valuing Rs 30.359 million. **(Annex-4)**

Audit pointed out non-recovery in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority committed that the recovery on account of de-escalation of bitumen would be recovered in next bill of the contractor. The Committee directed the Authority to effect up to date recovery within 30 days. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 14, 79, 110, 136, 150, 203, 276, 377)**

**4.2.6.3** Project Director Metro Bus Project, (MDA) Multan did not recover the de-escalation on account of steel as the rates were decreased more than 5% during execution of works. The decrease in price was required to be

recovered but same was not done. This is violation of above mentioned notification of FD and un-due financial aid to contractors.

Weak technical, financial and supervisory controls resulted in non-recovery of de-escalation of steel valuing Rs 26.862 million. **(Annex-5)**

Audit pointed out non-recovery in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority committed that recovery of de-escalation on account of steel would be recovered in next bill of contractor. The Committee directed that the recovery be effected within 30 days and got verified from Audit. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No 183, 241, 381, 382, 513)**

#### **4.2.7 Excess payment over and above the agreed tender percentage - Rs 247.100 million.**

As per para (v) of the Finance Department notification No.RO(Tech)FD 1-2/83-VI dated 29<sup>th</sup> March 2005, final cost of the tender/payment shall be the same percentage above/below the amount of revised sanctioned estimate as was at the time of approval of the tender, so as to check excess payment.

Project Director Metro Bus Project, (MDA) Multan got the civil work of (Package I, II, III, IV, V and IX) executed by different contractors but did not maintain the quoted/accepted percentages upto the final/last bills. Payment at higher percentages was because of the fact that the contractors executed less quantities of work for which they had quoted rates lesser than the estimated rates and executed more quantities of items for which they had quoted higher rates.

Weak technical, financial and supervisory controls resulted in excess payment due to non-maintenance of the accepted percentage of tenders upto final payment amounting Rs 247.100 million. **(Annex-6)**

Audit pointed out the excess payment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that contractor had completed the work at site and all items of work having lower quoted rates had been completely utilized to the satisfaction of Engineer in charge keeping in view construction drawings issued by the consultant. Audit informed the committee that because of execution of items having higher rates with excess quantities and non-execution of items having lower rates the original rate of premium was not maintained by the Authority in last paid bill. The Committee directed the Authority to prepare the financial/comparative statement of all items executed as per instruction of Finance Department dated 29.03.2005, recover the overpayment if occurred and get it verified from Audit within 30 days. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early recovery of the overpaid amount due to non- maintenance of accepted percentage and its verification from Audit.

**(Para No 09, 80, 107, 151, 204, 272, 387)**

#### **4.2.8 Non-recovery/Coverage of insurance from the contractor – Rs 194.874 million**

As per Contract Agreement Clause 11A (b) iii (additional clauses) Certificate or Policy of Marine Insurance covering transit insurance from foreign factor to site was required from contractor.

Project Director Metro Bus Project, (MDA) Multan awarded the contract of *Escalators Platform Doors and Diesel Generator Set* to the contractors but insurance coverage of the work was not got done nor any recovery on account of the cost of insurance from the contractor was effected. The approved item rate and bid offered was inclusive of cost of

insurance of imported items. Hence, the cost of insurance was required to be recovered from the contractor.

Weak technical and financial controls resulted in non-recovery of insurance cost amounting to Rs 194.874 million.

Audit pointed out the irregularity in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the coverage of insurance of imported equipments was made. Audit informed the Committee that the Authority did not provide the record for verification. The Committee directed the Authority to provide complete record for re-verification within 30 days. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early recovery from the contractor besides fixing responsibility against the person(s) responsible who extended undue financial benefit to the contractor.

**(Para No. 315, 335, 340)**

#### **4.2.9 Un-justified payments on account of building structure compensation due to non-production of complete record – Rs 66.146 million**

According to section No.23 of Land acquisition Act 1894, under sub part, compensation for building apart from site, “where the subject to be valued for purpose of compensation is a building apart from the site, the value of building has to be fixed by ascertaining the cost of reproducing the building at the present time and then allowing for depreciation in consideration of the age of the building and for the cost of such repairs as might be required apart from depreciation.”

Project Director Metro Bus Project, (MDA) Multan paid an amount of Rs 66,146,040 to affectees of land acquisition on account of

building structure compensation through award Nos. 11, 12, 13 & 16 on the basis of assessment of structure by Provincial Building Division Multan. Record in support of assessment of structure, showing survey/field book, number of shops/houses, area required for acquisition, nature of business and nature of property, length, width & depth of shops/houses, life of building, original cost of building, depreciation value and repair cost, was not produced to Audit despite various written and verbal requests. In the absence of complete record, the payments of building structure compensation could not be audited.

Weak technical, financial and supervisory controls resulted in unjustified payments on account of building structure compensation amounting to Rs 66,146,040.

Audit pointed out the un-justified payment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that assessment of superstructure in respect of constructed properties commercial & residential was made by the Provincial Building Department Multan which was authorized to do so. The Committee directed the Authority to produce the complete record relating to assessment of building structure made by Building Department, Multan within 30 days. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early production of complete record for verification besides fixing responsibility for non-production of record to Audit.

**(Para No. 550)**

#### **4.2.10 Undue financial benefit due to non-obtaining of additional performance security – Rs 53.80 million.**

As per general direction No.26 (A) of the agreement read with Finance Department's letter No. RD (Tech) FD-1-2/83/VI(P) dated 24.01.2006, if contractor quotes his rates 5% or more below the estimated rates, additional performance security at the percentage equivalent to the

percentage on which tender is accepted shall be obtained from the contractor within 15 days of the receipt of the acceptance.

Project Director Metro Bus Project, (MDA) Multan awarded work amounting to Rs 988.973 million against estimated amount of Rs 1045.890 million which comes to 5.44% below the estimated amount. The additional performance security @ 5.44 % of the contract cost amounting to Rs 53.80 million (988.973 x 5.44%) was required to be obtained but the same was not obtained by giving undue financial benefit to the contractor.

Weak supervisory and financial controls resulted in undue financial assistance to the contractor because of non-obtaining of additional performance security for Rs 53,800,123.

Audit pointed out undue financial assistance in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority admitted that additional performance security was not obtained. The Committee took it seriously and directed that matter be got condoned from Finance Department. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends that the authority may probe the matter and fix responsibility for extending undue financial benefit to the contractor.

**(Para No. 378)**

**4.2.11 Overpayment due to allowing 27% duties on local material and labour and then 20% contractors' profit & overhead thereon – Rs 53.783 million**

As per para No. i & ii of P&D letter No. 1/35- RO (TECH)/P&D dated 08.06.2014 cost clearance does not constitute approval of the rates and quantities provided in the cost estimate. Final responsibility of rates, specifications and design shall rest with the design consultants and authority competent to accord technical sanction. Rates for non-

standardized items are only for estimation purpose and shall not form basis for award of work.

Project Director Metro Bus Project, Multan got non-BOQ items approved, measured and paid by taking market rates and adding 27% duties showing as imported items along with 20% contractor overhead & profit. Contractor profit & overhead was not admissible on duties. Furthermore, 27% duties along with 20% contractor profit & overhead was also added on local material, manufactured by M/s Al-Cop Pvt Ltd, carted from Karachi to Multan and local labour i.e. fixing Hardware (stainless) was also allowed which was not admissible.

Weak technical, financial and supervisory controls resulted in overpayment of Rs 53,782,729 due to addition of 27% duties along with 20% contractor over head & profit on local material and labour. **(Annex-7)**

Audit pointed out overpayment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the competent authority had rightly incorporated duties, in analysis of rate, however, contractor profit could be excluded on the amount of sales taxes/Government duties. Audit informed the Committee that the 27 % duties were added on local material manufactured by Al-Cop Pak Pvt. Ltd which was carted from Karachi and local labour i.e. fixing hardware stainless steel etc. was applied and 20% contractor profit was additionally added on 27% duties. The Committee upheld the viewpoint of the Audit and directed that upto date recovery on account of addition of 27% duties on local material, labour along with 20% contractor overhead/profit on 27% duties be recovered within 30 days and get it verified from Audit. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification from Audit.  
(Para No. 34, 45, 70, 82, 97, 98, 145, 147, 148, 199, 201, 202, 306, 307)

**4.2.12 Irregular payment of compensation against encroached state land - Rs 6.696 million and irregular allotment of state land – Rs 50.00 million**

According to section 17 of land acquisition Act 1894, the Provincial Government becomes owner of the property which has come to it by means of acquisition effected under the provisions of Land Acquisition Act 1894 and gets absolute title in the property which thenceforth vests in the government free of all encumbrances.

Project Director Metro Bus Project, (MDA) Multan made payment of Rs 6,695,784 on account of compensation to the management of a seminary at Chowk Kumharanwala which was illegally constructed on the land of MDA, Multan. The payment was made for clearance of route of Metro Bus Multan, whereas this payment was not admissible because the land had been acquired by MDA in January 1982 under Land Acquisition Act 1894. At that time the compensation was paid to owner of the land Mr. Asad Abbas Shah who later on encroached upon this land. Now the LAC and management of MDA again gave him 5 kanal state land on M.A. Jinnah road Multan near disposal station and office of WASA and MDA further paid Rs 6,695,784 for construction of new Imam Bargah instead of vacation of encroached land since January 1982. The rent of this land worked out was Rs 2,040,000 (Rs 5,000 x 12 x 34 approximately). The cost of the land now given near disposal station works out to Rs 50 million (Rs 5 x 20 x 500,000). The original land cost which was paid at the time of acquisition in 1982 also required to be recovered from the management of the seminary.

Weak technical, financial and supervisory controls resulted in irregular payment of Rs 6,695,784 on account of compensation for the building structure on state owned encroached land and irregular allotment of state land worth Rs.50.00 million.



Audit pointed out the irregular payment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that payment of building structure compensation was paid for the superstructure/building constructed as Imam Bargah Abu Al Fazal and Masjid Jafaria Chowk Kumharanwala in compliance of letter No.987/DE-I(METRO)/MDA dated 29.11.2016 by the order of Commissioner, Multan Division, Multan. Neither the land was acquired nor was its compensation assessed by the LAC. Audit informed the Committee that the payment was not admissible because the land had already been acquired by MDA in January 1982 under Land Acquisition Act 1894 and due amount was paid which however, was again encroached upon. Hence recovery of the amount already paid along with rent at commercial rate from period January 1982 to date (Rs 2,040,000 (Rs 5,000x12x34 approximately) was due. The Committee directed the Deputy Commissioner Multan to enquire the matter and submit his report within 30 days. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early finalization of inquiry and penal action in the light of recommendation of inquiry report.

**(Para No. 538)**

#### **4.2.13 Undue financial benefit due to non-revalidation of expired additional bank guarantee—Rs 46.503 million**

As per general direction No.26 (A) of the agreement read with Finance Department's letter No. RD (Tech) FD-1-2/83/VI(P) dated 24.01.2006, if contractor quotes his rates 5% or more below the estimated rates, additional performance security at the percentage equivalent to the percentage on which tender is accepted shall be obtained from the contractor within 15 days of the receipt of the acceptance.

Project Director Metro Bus Project, (MDA) Multan awarded the contract of "*Supply, Installation, Testing, Commissioning of LED Road lights etc*" at MBS Multan to the contractor M/s Philips Pakistan Ltd

during May 2016 for Rs 90,237,400 against estimated value of Rs 144,949,700 which was 34% below. Additional performance security obtained from Standard Chartered Bank which was expired on 25.10.2016. Whereas it was required to be valid till issuance of substantial completion certificate. Therefore, the department extended un-due financial benefit to the contractor by not getting the additional bank guarantee revalidated.

Weak technical and financial resulted in undue financial benefit due to non-revalidation of bank guarantee amounting to Rs 46.503 million.

Audit pointed out the undue financial benefit in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that bank guarantee was expired and contractor had been asked to submit re-validated bank guarantees. The Committee directed the Authority to produce the revalidated bank guarantee within 30 days. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends the authority may probe the matter and fix responsibility for extending undue financial benefit to the contractor.

**(Para No. 348)**

#### **4.2.14 Reimbursement of expenditures to the consultant not covered in the agreement – Rs 37.339 million**

According to clause 6.2(C) Direct costs (non-salary costs) actually and reasonably incurred by the consultant in performance of services will be reimbursed on production of original vouchers. Further, the official record of Director Admin and Finance revealed that original voucher in support of reimbursement of expenditure to the Consultant were not produced with the claims.

Project Director Metro Bus Project, (MDA) Multan made payment to M/s Osmani & Co. (Pvt.) Ltd. of Rs 37,338,584 as reimbursement of expenditures on account of rent of house, rent of vehicles, air tickets (Multan to Karachi) and miscellaneous petty expenditure without original supporting record. The payment was made as a part of consultancy

supervision charges but supporting record e.g. technical/financial bid and acceptance/offer letter of M/s Osmani & Co. was neither available in record nor produced to Audit despite various written and verbal requests. Only a photocopy of the contract agreement was produced by the Authority which revealed that reimbursement was not covered in the agreement. In the absence of technical & financial bid and original vouchers/receipts it was difficult to ascertain admissibility and veracity of the claims. It was quite astonishing to note that the consultant claimed air tickets—to and from Multan -Karachi which in no way could be justified.

Weak technical, supervisory and financial controls resulted in reimbursement of expenditure of Rs 37,338,584 without supporting original record.

Audit pointed out unjustified payment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that complete record as per audit observation would be produced in due course of time. The Committee directed the Authority that complete record including Technical and Financial Bids be produced to Audit within 15 days. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early verification of record and recovery of excess amount.

**(Para No. 532)**

#### **4.2.15 Overpayment due to non-recovery of imbalance rates— Rs 22.166 million**

As per clause 47-A of contract agreement, if a contractor quotes such disproportionate rates in his tender which deviate from the rates provided in the technical sanction estimate, payment for the items whose rates were higher would be made at the rates depicted in technical sanction estimate. On the execution of such items, the balance payment would be

withheld till the completion of the work of items for which low rates were quoted.

Project Director Metro Bus Project, (MDA) Multan awarded a work at 5.44 % below the estimated cost. The contractor quoted imbalance rates against various items. The Authority was required to make payment to the contractor for higher quoted rates items at the rates of TS estimate but the payment was made at the quoted rates of the contractor in violation of rules.

Weak technical and financial controls resulted in overpayment for Rs 22,166,607.

Audit pointed out the overpayment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that contractor had completed the work at site and all items of work having lower quoted rates had been completely/executed to the satisfaction of Engineer in charge. Audit informed the committee that Authority allowed contractor's quoted rate (which were higher than the estimated rates) instead of estimated rate for payment of items having higher rates which was violation of clause 47-A of contract agreement. The Committee directed the Authority to prepare the financial/comparative statement of all items executed as per instructions of Finance Department dated 29.03.2005, recover the overpayment if involved and get it verified from Audit within 30 days. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early recovery of the amount besides fixing responsibility for granting undue benefit.

**(Para No. 385)**

#### **4.2.16 Violation of financial discipline and non-credit of markup/profit to the Metro Bus System accounts – Rs 18.882 million**

According to NOTE, 1 at the end of rule No. 2.4 of PFR Vol-1, it is a serious irregularity to draw cheques for deposit and keep them in the cash chest (personal accounts) at the close of the year for the purpose of showing the full amount of grant as utilized.

Project Director Metro Bus Project, (MDA) kept an amount of Rs 932,704,035 in commercial bank account maintained by Director Finance MDA Multan for more than five months. Director Finance deducted this amount from the claim of the contractors by indicating it as the amount withheld against a substandard work which however was subsequently released to the contractor. The detail of deficiencies and its rectifications was not produced. The amount which was kept in commercial bank account of MDA earned some profit/markup (8% per annum) which was not credited to Metro Bus System's accounts. The funds were kept in commercial bank either to earn profit on deposit or to save the funds from being lapsed.

Weak technical, financial and supervisory controls resulted in violation of financial discipline and loss due to non- credit of markup/profit to the Metro Bus System accounts amounting to Rs 18.882 million. (**Annex-8**)

Audit pointed out the irregularity in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. In 02 cases (para No. 534 & 536) the Authority did not submit the working papers. In other 03 case (para No.37, 73 and 95), the Authority stated that an amount of Rs 932,704,035 was placed in deposit after deductions of all taxes and securities of contractor. It was placed in deposit to compel contractor to complete the rectifications as per satisfaction of the consultants and Engineer in-charge. Audit informed the Committee that amount was kept in special saving account No.3585-5 in

commercial bank account maintained by Director Finance MDA Multan by declaring the work substandard having some deficiencies in execution of work. Later on the amount was released to contractor in 05 installments from August 2016 to December 2016. The Committee directed the administrative department to conduct an enquiry and submit the report within 30 days for further proceeding. The Committee also directed Director General MDA to return the amount of interest from special saving account No.3585-5 to metro bus project account within 30 days. Compliance of the Committee's directives was not reported till finalization of this report.

Audit recommends early credit of up-to-date markup/profit to the Metro Bus System's accounts besides fixing responsibilities for violation of financial discipline by transfer of Metro fund to private bank account of Authority.

**(Para No 37, 73, 95, 534, 536)**

#### **4.2.17 Irregular advance payment to Deputy Director WASA and its non-adjustment – Rs 18.073 million**

As per Rule 2.10 (b) (5) and 2.20 of Punjab Financial Rules (Volume-I), it is not permissible to draw advance from fund for the execution of work in future and every payment including repayment of money previously lodged with Government for whatever purpose, must be supported with a voucher setting forth full and clear particulars of the claim.

Project Director Metro Bus Project, (MDA) Multan paid the advances to Deputy Director WASA MDA Multan on 14.04.2016 and 14.11.2016 for the execution of work "*Relocation of Water Supply Line at Metro Bus Station of Metro Bus Multan*" and "*Sewer line under the route of Metro Bus System from BCG Chowk*". Despite lapse of considerable period, the advances were not adjusted. Moreover, no record was produced by the WASA (MDA) Multan despite repeated requests.

Weak supervisory and financial controls resulted in irregular payment and non-adjustment of advances for Rs 18.073 million.

Audit pointed out the irregularity in April 2017. The Authority did not reply.

The SDAC meeting held on 28.11.2017 to 30.11.2017 but the paras could not be discussed due to non-submission of working papers by the Authority.

Audit recommends early regularization of irregular payment of advances granted to Deputy Director from Finance Department and its early adjustment.

**(Para No 349, 350)**

**4.2.18 Irregular retention of receipt and its utilization – Rs 16.583 million**

As per rule No. 4.7(1) of PFR Volume-I, it is the primary responsibility of the Departmental authorities to see that all government revenue/dues were correctly and promptly assessed, realized and credited to the proper Account.

Director General (MDA) Multan earned Rs 16,582,708 from pre-qualification/tender sale of Package I to IX of Metro Bus Project Multan and kept the amount in commercial bank account No.3761-4 (Bank of Punjab) maintained by Director Admn & Finance MDA and utilized instead of depositing the same amount into Metro Bus Project accounts (Govt. Deposit).

Weak technical, supervisory and financial controls resulted in irregular retention and utilization of Rs 16,582,708 earned from pre-qualification/bidding process for Metro Bus System.

Audit pointed out the irregularity in April 2017. The Authority did not reply.

The para could not be discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017 due to non-submission of working paper by the Authority.

Audit recommends early credit of receipts of Metro Bus Project along with profit/markup to the relevant account besides fixing responsibilities for such gross violations.

**(Para No. 552)**

**4.2.19 Un-due financial benefit to the contractor by making payment against the works not actually executed – Rs 12.269 million**

As per rule 7.17 of DFR, all the payment for work are based on the quantities recorded in the measurement book and it is incumbent upon the person looking the measurement to record the quantities clearly and accurately. Further, according to PAC Directives dated 14.11.2009 (audit para no.15.5 of Audit Report 2000-01 of C&W Department), the Committee directed that in those cases where recoveries were being delayed, recovery should be effected along with mark up and action be taken against responsible.

Project Director Metro Bus Project, (MDA) Multan awarded a contract of “*Supply, Installation, Testing, Commissioning of Street lights Poles, PVC Conduits, copper cables, road lighting and bus stations light control panels, earthing etc*” and got executed certain items but made payment in excess (Rs 12.269 million) than actually installed at site which however, was adjusted in the last bill. Audit holds such overpayments as irregular and against cannons of financial propriety. Such payments against the works not actually executed at site are undue financial benefit to the contractors.

Weak technical and financial controls resulted in undue payment of Rs 12.269 million against the work which actually was not executed at site.

Audit pointed out advance payment in April 2017. The Authority did not reply.



The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the measurement of poles & cables was made as per actual installations executed at sites. During execution of civil work, the poles & cable coming under the pedestrian bridges of 21 Metro Bus Station & also under 11-KV crossing were removed at site keeping in view actual position and payment against the same quantity of poles & cables was adjusted/recovered in the last bill. Audit informed the Committee that Authority did not produce any record in support of reply. The Committee directed the Authority to produce the complete record for re-verification within 30 days. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early recovery of advance payment from the contractor alongwith 12% interest besides fixing responsibility for this lapse.

**(Para No. 345)**

#### **4.2.20 Unjustified payment of secured advance due to allowing excess rate – Rs 9.478 million**

As per para 2.98 of Building and Roads Code, secured advance will be granted to the contractor on imperishable material brought at site @ 75% of the supplied material. The material would be the property of government and contractor would be responsible for any loss to the material. The recovery of the material would be as per its consumption at site or within 3 months.

Project Director Metro Bus Project,(MDA) Multan made payment of secured advance on items of work "*MS Bars Deformed grade 60 and Sand*" at rate of Rs 60,750 per ton and Rs 39.37 per cft respectively, whereas the admissible rates of Steel G-60 and Sand were Rs 56,115 per Ton and Rs 27.75 per cft. So the excessive rate was assessed for secured advance and paid to contractors only to extend undue financial benefit.

Weak technical and financial controls resulted in unjustified payment on account of secured advance of Rs 9.478 million due to allowing excess rates. **(Annex-9)**

Audit pointed out unjustified payment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the secured advance was given on the prevailing Market rates. Further, the material was brought at site and secured advance was granted which had been utilized and adjusted. Audit informed the Committee that Authority paid the secured advance by assessing higher value of material which was undue financial benefit to the contractor. The Committee directed Director General MDA to enquire the matter, fix responsibility and recover markup/interest @ 12% for period in which contractor utilized/availed the undue financial favour. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 380, 511, 512)**

#### **4.2.21 Irregular payment of land compensation and structure without provision in PC-I & TSE – Rs 9.178 million**

As per provision of Revised PC-I and TSE of Package-9 Part-B Command and control center at Chungi No.9, there was no provision of land acquisition.

Project Director Metro Bus Project, (MDA) Multan made payment of Rs 9,178,086 on account of land compensation of package-9 part-B command & control center, through private negotiation, without provision in revised PC-I/T.S. Estimate. The funds of civil work were utilized by transfer of funds from Metro Bus account (Govt. Deposit) to private commercial bank account of MDA. The payment was violation of standing instructions of Finance Department.

Weak technical, financial and supervisory controls resulted in irregular expenditure of Rs 9,178,086 without provision in PC-I & TSE.

Audit pointed out the irregularity in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority admitted the irregularity and promised to get it regularized in revised PC-I & TSE. The Committee directed Additional Director General MDA and Land Acquisition Collector, MDA to pursue the case and produce record for re-verification within 30 days. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early condonation of irregularity from Finance/P&D Department and verification of revised PC-1/TSE besides fixing responsibilities for making payments beyond the provisions of PC-1.

**(Para No. 540)**

**4.2.22 Double payment against the same registry of ownership – Rs 8.778 million**

According to para No.2 of minutes of Meeting dated 20.06.2015 under the chairmanship of DCO Multan, regarding land compensation paid to effectees of Metro Bus Scheme Multan for proof of ownership, PTD, Registry, Court decree and valid Fard-e-Malkiat issued by Revenue Department will be produced.

Project Director Metro Bus Project, (MDA) Multan made two payments amounting to Rs 14,476,590 against the same registry. A compensation of Rs 5,698,172 was assessed, in favour of Mr. Haji Azam, Muhammad Arshad, Abdul Ghafar, Muhammad Ashraf etc. for commercial constructed area of 2 marla,19 sq.yard & 1 sft along with building structure compensation and accordingly was paid vide Sr. # 614 of Award No.11 dated 02-09-15. Later on against the same registry showing another area of 3 marla & 13 sq.yard for commercial constructed

and 1 marla, 12 sq.yard & 7 sft, an amount of Rs 8,778,424 including building structure compensation was also paid to same persons vide Sr. # 631 of Award No.11 dated 02-9-15. The second payment of Rs 8,778,424 against the same registry to the same persons was double payment.

Weak supervisory and financial controls resulted in irregular/double payment of Rs 8,778,424 against a single registry of ownership.

Audit pointed out the double payment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that payment was rightly made in compliance of instructions of Commissioner Multan Division Multan. Audit informed the Committee that payment was made two times to the same owners against same single registry which needed recovery. The Committee directed Deputy Commissioner Multan to enquire the matter and recover the double payment if any, fix responsibility and submit his report within 30 days. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early recovery besides fixing responsibility for this double payment.

**(Para No. 542)**

#### **4.2.23 Irregular grant of secured advance against perishable item – Rs 8.383 million**

As per Clause No.45 of contract agreement, a contractor whose contract is for finished works can be granted a secured advance on the security of material of imperishable nature brought by him at site of the work @ 75% of material cost.

Project Director Metro Bus Project, (MDA) Multan granted the secured advance against bitumen for a quantity of 186,280 kg @ Rs 45 per kg (bulk) which was a perishable item. The secured advance for perishable

items was not allowed as per rules and the contract agreement. This was a serious irregularity, violation of financial discipline and undue financial benefit to the contractor.

Weak technical, financial and supervisory controls resulted in irregular grant of secured advance valuing Rs 8,382,600 against bitumen.

Audit pointed out the irregularity in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the secured advance was sanctioned by the competent authority. It was a fast track project therefore, the competent authority allowed secured advance against the material lying at site and was certified by the concerned officers and recommended by the consultant. Audit informed the Committee that secured advance was granted on perishable item i.e bitumen which was violation of Clause No. 45 of the contract agreement. The Committee took it seriously and directed that warning be issued to all concerned including consultant of the project and interest/markup @ 12% be recovered for period from date of grant of advance and to the date of adjustment within 30 days and get it verified from Audit. Compliance of the Committee's directives was not reported till finalization of this report.

Audit recommends regularization/condonation of matter from Finance Department and recovery of interest @Rs 12% for the period involved besides fixing responsibility.

**(Para No. 135)**

#### **4.2.24 Loss due to allowing payment of operation and maintenance cost instead of recovery from the contractor – Rs 6.808 million**

As per quotation of Merin Pvt Ltd vide reference No. BRTS/MUL/002, dated 20.08.2015, the scope of work is supply of equipment/escalators as per standard specification at site, including installation, testing and commissioning, inland transportation from

Karachi sea port to site, storage and insurance of Escalators along with free maintenance services with parts for one year free of cost after the handing over and free of cost pre-shipment inspection. Accordingly the analysis was approved in technical sanctioned estimate by the Chief Engineer which included the operational & maintenance cost under Head SOP-2 for the defect liability period.

Project Director Metro Bus Project, (MDA) Multan in the contract of “*Supply, Installation, Testing, and Commissioning of Escalators at Metro Bus Project Multan Package-7 (Group-1)*” paid Rs 6,808,800 to PMA Lahore for making payment to the contractor on account of operation and maintenance of escalators during defect liability period. Whereas operation and maintenance cost was already included in the contractor’s quotation for the said item. Therefore, payment to the PMA Lahore for operation and maintenance during defect liability period was unjustified.

Weak technical and financial controls resulted in loss of Rs 6,808,800 because of undue payment from Metro Bus account instead of recovery from the contractor.

Audit pointed out the loss in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. Audit informed the Committee that the operation and maintenance was responsibility of the contractor as per letter No. BRTS/MUL/002, dated 20.08.2015. The Committee directed that to the extent of operation charges para may be reduced and balance amount regarding maintenance charges be recovered from the contractor through PMA Lahore within 30 days. Compliance of the Committee’s directives was not reported till finalization of this report.

Audit recommends early issuance of addendum and corrigendum of Agreement/Acceptance letter for reduction in cost of agreement and recovery from the contractor.

**(Para No. 319)**

#### **4.2.25 Wasteful expenditure made to DGPR on account of advertisement on private print media – Rs 6.417 million**

As per Chief Minister directives vide No. PA/AS/CMS/08/01-4/398 dated 19.06.2008, “Chief Minister has imposed a total ban on all advertisement for publication in newspapers, periodicals and journals which (a) contain picture of C.M and/or any of the Ministers of the Government of the Punjab or (b) do not contain any message, advice, announcement or instruction of Public importance and significance”.

Project Director Metro Bus Project, (MDA) Multan made huge payment amounting Rs 6,416,778 to DGPR, Government of the Punjab, Lahore regarding advertisement of Metro Buss Project on print media and charged to contingency of the work/scheme in violation of instructions of Chief Minister Punjab.

Weak supervisory and financial controls resulted in wasteful expenditure on account of advertisement on private print media amounting to Rs 6,416,770.

Audit pointed out the irregularity in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that all the payments were made to DG PR Lahore on account of advertisement of this project. The expenditure was rightly charged against the contingency of the work. Audit informed the Committee that Chief Minister Punjab had imposed a ban on all advertisement for publication in newspaper, periodical and journals which contain picture of CM/Ministers of Government of Punjab and do not contain message, advice and announcement or instructions of public importance. The Authority made expenditure to private companies and local newspapers for advertisement of metro bus project Multan in violation of instructions of CM Secretariat. The Committee directed Director General MDA to enquire the matter and submit his report within

30 days. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early enquiry and fixing responsibility for the irregularity.

**(Para No. 242)**

#### **4.2.26 Overpayment due to allowing contractors profit/overheads on GST – Rs 5.643 million**

As per rule 2.10 of Punjab Financial Rules Vol-I, every public officer is expected to exercise the same vigilance in respect of expenditure from government funds as a person of ordinary prudence would exercise in respect of expenditure incurred from his own money.

Project Director Metro Bus Project, (MDA) Multan awarded the contract of "*Street Lights Poles etc*" to the contractor M/s Mian Babar Construction Co and "*LED Road lights*" to M/s Philips Pakistan Ltd. The Authority got approved rate analysis of different items of cables by taking quotations on higher side by allowing 20% contractor profit and overhead charges on GST. Addition of 20% contractor overhead and profit on GST was not admissible.

Weak technical and financial controls resulted in overpayment of Rs 5.643 million to the contractor. **(Annex-10)**

Audit pointed out the overpayment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the rate analysis of all the items were prepared on the basis of market rates by obtaining quotations including GST, with 20% contractor profit & overhead and incorporated in PC-I/Rough Cost Estimate. The Committee did not agree with the view point of the Authority and directed that 20% profit and overhead which was not allowed on GST be recovered within 30 days and



get it verified from Audit. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification from Audit.

**(Para No. 343,346)**

#### **4.2.27 Overpayment due to inclusion of Income Tax in the rate analysis – Rs 4.634 million**

According to the instructions issued by the Finance Department, vide No. RO(Tech)FD-2-3/2004, dated 21.09.2004, regarding template of Finance Department Income Tax is not added in the rate analysis of non-standardized items.

Project Director Metro Bus Project, (MDA) Multan in contract of *“Supply, Installation, Testing, Commissioning of Street lights Poles, PVC Conduits, copper cables, road lighting and bus stations light control panels, earthing etc”* got approved rates analysis of different items of Poles by including 7% Income Tax along with 20% contractor profit and overhead charges. Inclusion of Income Tax in the rate analysis resulted in overpayment.

Weak technical and financial controls resulted in overpayment of Rs 4,634,560 to the contractor.

Audit pointed out the overpayment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the rate analysis of all items were prepared on the basis of market rates by obtaining quotations with 20% contractor profit & overhead. The contractor quoted the item rates and payment was made accordingly by deducting income tax @ 7%. Audit informed the Committee that Authority prepared rate analysis by including 7% Income Tax which was against instructions of Finance Department. The Committee upheld the view point of the Audit and directed that income tax @ 7% and the amount of 20% contractors overhead/profit on

this income tax added in the rate analysis be recovered within 30 days and get it verified from Audit. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification from Audit besides taking disciplinary actions against concerned.

**(Para No. 344)**

**4.2.28 Non-Recovery of Punjab Sales Tax on advance payment – Rs 3.766 million**

As per Finance Department letter No. SO(Tax)102/97 (withholding)(Tax section) dated 18.07.2014, 16% Punjab Sales Tax may be deducted at source from all payments against services and deposited in accounts of Punjab Revenue Authority as and when deducted/withhold.

Project Director Metro Bus Project, (MDA) Multan made advance payment on account of inauguration ceremony of Multan Metro Bus Service, Multan but did not deduct the Punjab Sales Tax @ 16% on these advance payments. The detail is as under:

<b>Sr. No.</b>	<b>Name of company</b>	<b>Vr. No.</b>	<b>Date</b>	<b>Amount Paid</b>	<b>16% PST Rs</b>
1	M/s Mirradore Production Islamabad	171	12.1.17	10,000,000	1,600,000
2	M/s Klock Work Lahore	304	21.1.17	4,939,700	790,352
3	M/s Mirradore Production Islamabad	306	21.1.17	8,600,000	1,376,000
<b>Total</b>					<b>3,766,352</b>

Weak technical, financial and supervisory controls resulted non-recovery of Punjab Sales Tax of Rs 3,766,352.

Audit pointed out the non-recovery of PST in April 2017. The Authority did not reply.

The para was not discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017 due to non-submission of working paper by the Authority.

Audit recommends early recovery of the tax and its verification from Audit.

**(Para No. 180)**

**4.2.29 Incorrect assessment of building structure compensation – Rs 2.839 million**

According to section No.23 of Land Acquisition Act 1894, under sub part, compensation for building apart from site, “where the subject to be valued for purpose of compensation is a building apart from the site, the value of building has to be fixed by ascertaining the cost of reproducing the building at the present time and then allowing for depreciation in consideration of the age of the building and for the cost of such repairs as might be required apart from depreciation

**4.2.29.1** Land Acquisition Collector (MDA), Multan made incorrect assessment of building structure amounting to Rs 1,848,535 in Award No. 12 dated 26-01-2016 vide Sr. No.15 on the basis of survey 5 of survey/field book in favour of M/s Riaz & Co. by showing the building as commercial but payment was assessed for structure without any detail meaning thereby no building/structure existed. Hence the assessment of building structure was un-justified.

Weak technical, supervisory and financial controls resulted in incorrect assessment of building structure valuing Rs 1,848,535.

Audit pointed out the irregularity in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that as per award No.12 vide Sr. No.15, the land measuring 1-Kanal commercial constructed and land

measuring 1-kanal 4-marla 10-sq yards industrial was acquired. The Provincial Building Department Multan also assessed the building structure meaning thereby the construction existed. Audit informed the Committee that building structure compensation was paid for commercial property having no construction as per survey book. The Committee directed Deputy Commissioner Multan to enquire the matter and fix responsibility against concerned and submit his report within 30 days. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early finalization of the inquiry and its verification.

**(Para No. 557)**

**4.2.29.2** Land Acquisition Collector, MDA, Multan made incorrect assessment of building structure for an amount of Rs 846,180 in Award No.12 dated 26.01.2016 vide Sr.132 on the basis of survey No.1 of survey/field book for village Setal Mari in favour of M/s Gull Tex, Vehari Road Multan by showing the area as industrial, whereas only payment of building structure was admissible if it was a constructed building. Further, detail of assessment of building structure was not produced to Audit for verification. Hence the assessment of building structure was irregular and un-justified.

Weak technical, supervisory and financial controls resulted in incorrect assessment of building structure compensation of Rs 846,180.

Audit pointed out incorrect assessment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that land measuring 1-Kanal commercial constructed and 1-kanal 4-marla 4-sq yards industrial was acquired as per award. The assessment in respect of structure was made by the Provincial Building Division, Multan. The matter if desired could be clarified from Provincial Building Division. The Committee directed the Authority that matter might be taken up with Provincial

Building Division Multan and the record produced for re-verification within 30 days. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends the Authority to probe the matter and get it verified.

**(Para No. 558)**

**4.2.29.3** Project Director Metro Bus Project, (MDA) Multan made payment to Mr. Muhammad Suffain s/o Muhammad Shafi in Award No.11 Part -1 dated 29.06.15 amounting to Rs 4,859,525 including 15% compulsory charges and Rs 144,905, on account of building structure, whereas the payment of Rs 144,905 was not admissible because as per survey/ field book vide Sr.No.28, the area was not shown as constructed. Further, the assessment/recommendation of Building Division, as required under section No.23 of Land acquisition Act 1894 was not produced to Audit for verification. Hence the payment made on account of building structure compensation was not justified.

Weak technical, supervisory and financial controls resulted in unjustified payment of Rs 144,905 due to non-mentioning of category of area as constructed in the survey.

Audit pointed out overpayment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated the Provincial Building Division, Multan had made assessment of building structure. In the field book, the above bifurcation of area was available however, inadvertently the word commercial was not narrated. Audit informed the Committee that building structure compensation was paid to effectee but as per field book the area was not shown as constructed and payment was unjustified. The Committee directed the Deputy Commissioner Multan to enquire the matter and fix responsibility and submit his report within 30 days. No

compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early recovery of the amount pointed out.

**(Para No. 554)**

**4.2.30 Non-Recovery of Income Tax on advance payment—  
Rs 2.391 million**

As per Finance Act 2015 applied w.e.f dated 01.07.2015, 10% income tax may be deducted at source from all payments against services and 7% on civil work payment.

Project Director Metro Bus Project, (MDA) Multan in one case made advance payments on account of inauguration ceremony but did not deduct the Income Tax @ 10% on the advance payments and in other case did not deduct 7% Income Tax on payment of civil works.

Weak technical, financial and supervisory controls resulted in non-recovery of Income Tax on advance payment for Rs 2,391,367.

Audit pointed out the issue of non-recovery in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority admitted the recovery regarding para No. 313. Para No. 181 was not discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017 due to non-submission of working paper by the Authority. The Committee directed the Authority to effect the recovery in all cases within 30 days. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early recovery of the Income Tax and its verification from Audit.

**(Para No. 181, 313)**

#### **4.2.31 Overpayment of Mega Project allowance – Rs 2.055 million**

As per PC-I and T.S. Estimate the mega project allowance was approved as 4.16%.

Project Director Metro Bus Project, (MDA) Multan while executing the work of Package-II allowed a project allowance @ 4.21% instead of 4.16% in violation of instruction of Finance Department.

Weak technical, financial and supervisory controls resulted in overpayment of mega project allowance of Rs 2,055,108.

Audit pointed out the overpayment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority committed that recovery would be made in next bill of the contractor. The Committee directed the Authority that recovery on account of extra allowance be effected within 30 days. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 86)**

#### **4.2.32 Irregular payment due to application of incorrect rates for land compensation–Rs 1.650 million**

According to registry of property No.2509/D at Hafiz Jamal road of Mr. Atique Rasool S/o Faiz Rasool “the house has not been declared as commercial property”.

Land Acquisition Collector, (MDA) Multan paid an amount of Rs 2,736,711 against award No.15 dated 22.10.2016 on account of land compensation including cost of Rs 177,046 on account of compensation of building structure on the basis of survey / field book by allowing rate of Rs 2,400,000 of commercial constructed building instead of residential (sakni) rates of Rs 750,000 per marla as notified by DPAC rate from Board of Revenue dated 23.05.2016. As per registry of property the

building was shown as a house and was not declared commercial. In this way excess rate of Rs 1,650,000 (2,400,000 – 750,000) was applied and paid accordingly.

Weak technical, financial and supervisory controls resulted in irregular payment due to application of incorrect rates valuing Rs 1,650,000.

Audit pointed out the irregular payment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that property was purchased vide registered deed No.2132 dated 16-03-2000 by Mr. Atique Rasool as residential/sakni with front measuring 55 feet 9 Inch on Hafiz Jamal Road. However, with the passage of time he constructed 5 shops which existed at the time of survey. The land measuring 28-sq yard 01-SFT was treated as commercial which was acquired in award No.15 dated 26-10-2016. Audit informed the Committee that as per record of the LAC, house was residential but compensation was paid at commercial constructed rates. The Committee directed that the record relating to commercial activities i.e. voucher of payment of property tax, WASA and WAPDA and gas bills be produced to Audit within 30 days. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early recovery of irregular payment and its verification.

**(Para No. 548)**

#### **4.2.33 Non-recovery of General Sales Tax – Rs 1.534 million**

According to Chief Commissioner Inland Revenue, Regional Tax Office Lahore letter No.896 dated 06.08.2013, in case of Public Works, it is clearly directed that the contractor engaged makes purchases only from the firms/persons holding sales tax registration. The government department/organization while undertaking such venture must require



contractors to present a sales tax invoice of all material mentioned in BOQ as evidence of its legal purchase, before releasing payment to them. 1/5<sup>th</sup> of sales tax applicable shall be deducted by department”.

Project Director Metro Bus Project, (MDA) Multan neither deducted 1/5<sup>th</sup> of sales tax amount nor obtained sales tax invoices for remaining 4/5<sup>th</sup> amount of sales tax from contractor/supplier for procurement and supply of different items.

Weak technical and financial controls resulted in non-recovery of Rs 1.534 million on account of Sales Tax. **(Annex-11)**

Audit pointed out non-recovery in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. In three cases (para No. 521,522 & 523) the Authority admitted the recovery. In fourth case (para No. 83) the Authority stated that the invoices of the paid GST are being collected which would be produced shortly. Audit informed the Committee that Authority violated the instructions of FBR regarding deduction/withholding tax @1/5<sup>th</sup> of sale tax amount and obtaining of invoices for balance amount of sale tax @ 4/5<sup>th</sup>. The committee directed the Authority to effect recovery within 30 days in case of para No. 521, 522 & 523. In case of para No.83 the Committee directed the Authority to produce the complete record for re-verification within 15 days. No compliance of the Committee’s directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 83,521,522,523)**

#### **4.2.34 Non-recovery of unauthorized expenditure – Rs 1.500 million**

As per clause-28(3&4) of contract agreement “the cost of making any test shall be borne by the contractor if such test is clearly intended by or provided for in the specification or BOQ”.

Project Director Metro Bus Project, (MDA) Multan made a payment of Rs 1,500,000 to the University of Engineering and Technology Lahore vide Vr. No. 405 dated 22.06.2016 on account of testing and evaluation of LED lights. The said payment was the responsibility of the contractor. The payment of Rs 1,500,000 was inadmissible hence recoverable from the contractor.

Weak technical and financial controls resulted in undue payment of Rs 1,500,000 on account of lab tests.

Audit pointed out undue expenditure in April 2017. The Authority did not reply.

The para was not discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017 due to non-submission of working paper by the Authority.

Audit recommends early recovery and its verification.

**(Para No. 400)**

#### **4.2.35 Un-justified payment on account of office facilities for Police and Service Departments – Rs 1.468 million**

According to condition No.11 of acceptance letter of scheme, items under bill No.7 will be carried out as per actual requirement after approval of the Engineer incharge. Also as per para No. 2.20 of DFR Vol-I, every payment for whatever purpose must be supported with complete record in support of claims.

Project Director Metro Bus Project, (MDA) Multan paid an item “*Office Facilities for Police and Service Department*” in Bill No.7 General items Provisional Sum without any detail and breakup of the cost. Further, maintenance of law & order and to manage traffic system is a routine laid

down duty of the police department for which no separate payment was required to be made to the contractor.

Weak technical, financial and supervisory controls resulted in unjustified payment of Rs 1,468,000 to the contractor on account of office facilities for Police and Service Department.

Audit pointed out the un-justified payment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the provision of office facilities for Police and Services Department was provided in the estimate. Audit informed the Committee that Authority booked the expenditure without any details/breakup. To maintain law & order and traffic management was the responsibility of the Police Department which is included in their job description. Further, during verification Authority produced a copy of rate analysis by providing 10 private guards @ Rs 12,000 per month each which could not be justified. The Committee directed the Administrative Department to conduct a probe by constituting a technical committee and submit report within 30 days. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification from Audit.

**(Para No. 190, 251)**

#### **4.2.36 Un-justified payment for running & maintenance of operational vehicles in Bill No. 07 – Rs 1.200 million**

As per Special Clause No. 10 of contract agreement, the contractor was responsible for provision, running and maintenance of vehicle facility to client without any cost. Also according to rule No.49 of PFR Vol-II, the petrol, oil, lubricants and spare parts should be maintained separately for each vehicle. The Log Books should be maintained in the prescribed form.

Project Director Metro Bus Project, (MDA) Multan in package III& IV paid an item “*operational cost of running & maintenance of*

*vehicles (including driver)*” vide item No.702-SP 708 in Bill No.7 General items @ Rs 200,000 per month amounting to 1,200,000 in violation of contract agreement. Also, neither the log books of vehicles nor any voucher showing the procurement of the POL and spare parts was available in record/measurement sheet. Allied record was also not produced to Audit despite various written and verbal requests.

Weak technical, financial and supervisory controls resulted in un-justified payment of Rs 1,200,000 on account of operational cost of vehicles.

Audit pointed out the un-justified payment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the lump sum provision for running and maintenance of vehicle including driver was made in the estimate and work was awarded after competitive bidding. The payment against this item was made on monthly basis after its verification by the Engineer Incharge and Consultant. Audit informed the Committee that as per additional Clause No 10 of the contract agreement, the contractor was responsible for provisions and maintenance of transport facility to the client. The Committee directed that cost on account of maintenance of vehicles provided to client might be recovered within 30 days and get it verified from Audit. No compliance of the Committee’s directives was reported till finalization of this report.

Audit recommends recovery and its verification.

**(Para No. 137,189)**

### **4.3 Procurement and Contract Management**

#### **4.3.1 Irregular procurement of bitumen from sources other than NRL Karachi – Rs 904.184 million**

As per recommendation of consultant of project through Job mix formula, the source of bitumen would be National Refinery Limited

(Karachi). As per condition of acceptance letter, the contractor would himself arrange the bitumen from NRL Karachi and would submit proof in this regard. Also as per condition No.3 of acceptance Letter, an undertaking will be obtained from the contractor regarding not to sublet the work to any agency at any cost during the course of operation of this contract agreement.

Project Director, Metro Bus Project (MDA) Multan got executed the items “*Asphaltic Base Course, Asphaltic Wearing Course, Prime Coat and Tack Coat*” by using bulk bitumen. Most of the invoices produced to Audit were of the sources/refineries other than NRL Karachi and were issued to the persons/contractors not relevant to the Metro Bus Project Multan. This situation indicates that either these invoices were collected from irrelevant companies just to complete the formality or these companies were sub-contractors of the main contractors of the project. The Authority could not prove that the bitumen was procured from NRL Karachi.

Weak technical and financial controls resulted in irregular procurement of bitumen from sources other than NRL Karachi – Rs 904.184 million. (**Annex-12**)

Audit pointed out un-justified payment in April 2017 but the Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the contractors made contracts with different persons for supply of the bitumen from Attock petroleum Morga Rawalpindi for early and speedy completion of the work. The use of said bitumen was verified/certified by the Engineer in-charge as well as by the Consultant. The contract of supply items could not be considered as subletting of the contract. Audit informed the Committee that the Authority itself admitted that supply of bitumen was

arranged through different contractors from Attock Petroleum Morga Rawalpindi instead of National Oil Refinery Karachi (which was now known as Attock Oil Refinery Karachi). Further, as per condition of acceptance letter and recommendation of JMF the bitumen was required to be procured from National Oil Refinery Karachi whereas the Authority procured it from Attock Petroleum Limited Morgah Rawalpindi which is a refinery banned by C&W Department for last many years. The use of bitumen from a banned refinery cannot be justified. The Committee directed the Director General MDA to enquire whether procurement of bitumen was from Attock Oil Refinery Karachi or from Attock Petroleum Limited Morgah Rawalpindi and to recover the difference of rate on account of carriage and submit his report within 30 days. The Committee also directed the Authority to produce the original invoices showing the procurement of bitumen and all record relating to approval and installation of Asphalt plant by contractor to prove that the work of carpeting was executed by him and there was no sub letting. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early enquiry and to effect recovery besides fixing responsibility for this lapse.

**(Para No.182, 231, 312)**

#### **4.3.2 Acceptance of EM equipment of lower specification and non-execution of complete jobs – Rs 398.386 million**

As per agreement/bidding documents (para 3.1 and 4.1(ii) of Specifications-Technical Provisions) for Escalator Works “Heavy duty VVVF inclined moving escalators with 30 years life with fully outdoor/exposed type escalator” shall be furnished in conformity with latest standards/code editions with British Standards/European Norms-BS/EN-13015:2008 version) along with “Automatic control i.e. Automatic (stand alone) with LCD display of all parameters for Control/Monitoring– individual control, station control, remote monitoring and control of all stations at one location etc. on escalators” as per American Public Transport Association (APTA) in compliance with ASME and EN115 by using steel made of SS 316 in balustrades and cladding work of escalators.

Also as per agreement/bidding documents the contractor was required to supply elevators as per Specifications/Technical Provisions for escalator works (para 23 technical Date of Specifications-Technical Provisions) “*Supply of brand new passenger elevator machine room fully complied with EN standards 630 kg/08 persons, speed 1 m/s with 6 meter height Western Europe, Japan or USA etc*” shall be furnished in conformity with latest standards/code, Power voltage 400 V, Pit depth 1400mm, Overhead 4200mm and Car clear Height 2500 mm or as per EN 81-1 along with “*Automatic control i.e. Automatic (stand alone) with LCD display of all parameters for Control/Monitoring–individual control, station control, remote monitoring and control of all stations at one location etc on elevators*”.

**4.3.2.1** Project Director Metro Bus Project, (MDA) Multan awarded the contract of “*Supply, Installation, Testing, Commissioning of 64 Escalators at Metro Bus Project Multan*” to the contractor M/s Merin Pvt Ltd who procured escalators which were of lower specification but rates were paid for the escalator of richer specification indicated in the contract document. Further, in the contract document weather exposed/out-door heavy duty public transport escalators were to be installed. The contractor installed Model 9300AE which was semi outdoor/covered-outdoor with F-type handrail profiles (which are used in indoor escalators) design-F balustrade/cladding made of SS304. As per contract agreement the compatible model was 9700AE Schindler with design-I balustrade, cladding made of SS316 which was fully outdoor/weather exposed. The Authority made payment for installation of DBs and RMCS but the same were not installed at site.

Weak financial and technical controls resulted in procurement of low specification escalators which was against the public interest. The management also failed to deduct Rs 129,764,010 (Rs 865,093,400x15%) from the price of escalators on account of their below-specification.

Audit pointed out irregularity in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the escalators installed were fully compliant with specifications and according to EN 115 standard escalators had Outdoor type IP-67 Heavy Duty VVVF inclined duty moving escalators (with inverter). Further, as far as 9300AE model was concerned, the manufacturer Schindler itself confirmed that the 9300AE model was installed for Public Transportation and also provided the reference list to Mass Transit System. Audit informed the Committee that the Contractor installed Model 9300 AE which was semi outdoor/covered outdoor with F-type handrail profiles (which are used in indoor escalator) design-F balustrade/cladding made of SS304. As per contract agreement the compatible model was 9700 AE Schindler with design-I balustrade, cladding made SS316 which was fully outdoor/weather exposed. Moreover, as per authorized dealer (M/s Merin Pvt Ltd) of Schindler enunciated in the letter ref No. ESC/RP/JC/2015/002, dated 14.03.2016 mentioned the specification for work “Supply and Installation of Escalators for District Court premises to New Judicial Complex Rawalpindi” 9300AE model was covered-outdoor having design F-Balustrade, therefore, it proved that sub-standard escalators were installed. Audit, further informed that the Authority made payment for installation of DBs and RMCS but the same were not installed at site. The Committee directed the Administrative Department to conduct a technical and financial probe by constituting a committee and submit report within 30 days. No compliance of the Committee’s directives was reported till finalization of this report.

Audit recommends to probe the matter and effect recovery of difference in amount.

**(Para No. 325)**

**4.3.2.2** As per Agreement/Acceptance letter 262/XEN (MBS) MDA, dated 13.10.2015 for Rs 865,093,400, the contractor was required to procure the escalators with capacity of 9000 persons per hour.



Project Director MDA Multan awarded the contract of “*Supply, Installation, Testing, Commissioning of Escalators at Metro Bus Project Multan*” to the contractor M/s Merin Pvt Ltd and got approved the rates of escalator “*Supply of brand new outdoor type Escalators VVVF with sensor stop and go function reversible operation fully with EN standards vertical height 6000 millimeter Western Europe, Japan or USA etc*” on the basis of quotation of M/s Merin Pvt Ltd dated 20.08.2015 for an amount of Rs 9,400,000 and accordingly rate analysis and estimate was approved. The contractor quoted the price at par. As per third party inspection report of TUV Austria Services GMBH dated 08.09.2016 the capacity of escalators was 6,000 persons per hour. As per Agreement/Acceptance letter the contractor was required to procure the escalators with capacity of 9,000 persons per hour. Therefore, due to supply of sub-standard escalators, the recovery was required to be effected from the contractor.

Weak technical and financial controls resulted in overpayment of Rs 120,320,000 due to allowing higher rates on the basis of inflated quotations.

Audit pointed out issue in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the escalators installed were as per approved technical specifications of consultant. It was further clarified that there were standardized procedure/test methods to check the capacity of an escalator by step width and by speed. As per actual position 9,000 person per hour capacity escalators were installed. Audit informed the Committee that as per third party inspection report of TUV Austria Services GMBH dated 08.09.2016 the capacity of escalators was 6,000 persons per hour. The Committee directed the Administrative Department to conduct a technical probe by constituting a technical committee with reference to third party inspection report and to submit report within 30 days. No compliance of committee’s directives was reported till finalization of this report.

Audit recommends early recovery from the contractor.

**(Para No. 321)**

**4.3.2.3** As per Quotation of Merin Pvt Ltd vide reference No.BRTS/MUL/002, dated 20.08.2015, the price of “*Supply of brand new outdoor type Escalators VVVF with sensor stop and go function reversible operation fully with EN standards vertical height 6000 millimeter Western Europe, Japan or USA etc*” was Rs 9,400,000 for each escalator and same was agreed upon by the contractor.

Project Director (MDA) Multan awarded the contract of “*Supply, Installation, Testing, Commissioning of Escalators at Metro Bus Project Multan*” to the contractor M/s Merin Pvt Ltd and got approved the rates of escalator “*Supply of brand new outdoor type Escalators VVVF with sensor stop and go function reversible operation fully with EN standards vertical height 6000 millimeter Western Europe, Japan or USA etc*” approved on the basis of quotation of M/s Merin Pvt Ltd dated 20.08.2015 for an amount of Rs 9,400,000 and accordingly rate analysis and estimate was approved. The contractor also quoted the price at par, but on the other hand as per third party inspection report of TUV Austria Services GMBH dated 08.09.2016 and proforma invoice of Schindler dated 29.12.2015 the actual rise/height of escalators was 5200 millimeter to 5900 millimeter. As per Agreement/Acceptance letter 262/XEN(MBS)MDA, dated 13.10.2015, the contractor was required to procure the escalators with actual rise of 6000 millimeter. Therefore, due to supply of sub-standard escalators, the recovery was required to be effected from the contractor.

Weak technical and financial controls resulted in overpayment due to allowing higher rates on the basis of inflated quotations to the contractor amounting to Rs 48,880,014.

Audit pointed out the irregularity in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority explained to the Committee that supply of brand new Outdoor type Escalators (EI), VVVF with sensor stop and go function and reversible operation fully complied and compatible by EN standards, compatible for 50°C Ambient, heavy duty for public use in

metro stations, fully outdoor type, having Step width of 1000 mm, speed of 0.5 m/s, total vertical height 6m approx, (May vary upto  $\pm 15\%$  as transportation profile and architectural drawings), inclination of  $30^\circ$  with the Horizontal, step at Top/Bottom-02 Nos, truss, Drip Pan, Drive units, motors, automatic controls, safety devices, brakes, governors, step chain, handrail, High Quality Stainless Steel Cladding, Step Demarcation Lights, landing plates, Stainless steel balustrades and skirting panels with Skirt Lights along with surge protection, LED indication posts, LED Type Automatic individual & Central Control (with communication protocol/hardware for remote monitoring of all escalators of all stations at one central location) complete in all respect” were installed by the contractor. Audit informed the Committee that as per third party inspection report of TUV Austria Services GMBH dated 08.09.2016 and proforma invoice of Schindler dated 29.12.2015 the actual rise/height of escalators were 5200 meters to 5900 meters instead of actual rise of 6000 meters as per agreement.

The Committee directed Administrative Department to conduct a technical probe by constituting a technical committee with reference to agreement clauses &  $\pm 15\%$  factor and third party inspection report and to submit report within 30 days. No compliance of committee’s directives was reported till finalization of this report.

Audit recommends for early recovery from the contractor.

**(Para No. 322)**

**4.3.2.4** Project Director Metro Bus Project, (MDA) Multan awarded the contract of “*Supply, Installation, Testing, Commissioning of 63 Elevators at Metro Bus Project Multan*” to the contractor M/s Greaves Pvt Ltd during October 2015 for an amount of Rs 488,696,480. The elevators/lifts were of lower specifications but rates for higher specification indicated in the contract document were paid. Further, in the contract document Power voltage 400 V, Pit depth 1400mm, Overhead 4200mm and car clear Height 2500 mm or as per EN 81-1 were required but the contractor as per site commissioning report of Consultant M/s Osmani & Company dated 18.12.2016 installed 380 V power voltage, 1000 mm pit depth, 300mm

overhead and 2180mm car clear height. The Authority made payment for installation of DBs and RMCS but the same were not installed at site.

Violation of contractual obligations resulted in non-reduction of rate by Rs 48,869,648 (Rs 488,696,480x10%) from the price of elevators on account of their below-specification.

Audit pointed out irregularity in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the elevators installed were as per approved technical specifications of consultant. Audit informed the Committee that as per commissioning report of Consultant M/s Osmani & Company dated 18.12.2016 the contractor installed elevator/lifts of 380 power voltage, 1000 mm pit depth, 300 mm overhead and 2180 mm car clear height instead of power voltage 400 V, pit depth 1400 mm, overhead 4200 mm and car clear height 2500 mm. The Committee directed Administrative Department to conduct a technical probe by constituting a technical committee (with reference to third party inspection report) and to submit report within 30 days. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 334)**

**4.3.2.5** As per Quotation of Merin Pvt Ltd vide reference No. BRTS/MUL/002, dated 20.08.2015, the scope of work is supply of equipment/escalators as per standard specification at site, including installation, testing and commissioning, inland transportation from Karachi Sea port to site, storage and insurance of escalators with a cost of each escalators for Rs 1,560,200 amounting to Rs 99,852,800 along with free of cost pre-shipment inspection and free maintenance services with parts for one year after the handing over. Accordingly, rate analysis was approved in technical sanctioned estimate by the Chief Engineer under Head SOP-2 for each escalator @ Rs 1,560,200.

Project Director, Metro Bus Project, (MDA) Multan awarded the contract of “*Supply, Installation, Testing, Commissioning of escalators and elevators at Metro Bus Project Multan*” to different contractor during October 2015. The Authority in the agreement added separately double cost of 3 drain pump 50 GPM and 6 meter, remote monitoring control, civil & allied works and electric & ancillary works. Whereas, in the quotation dated 20.08.2015, the contractor had already included the total cost of each escalator and elevator including cost of all allied items. Inclusion of double cost in the rates analysis resulted in double payment.

Weak technical and financial controls resulted in overpayment of Rs 36.350 million due to inclusion of double cost. **(Annex-13)**

Audit pointed out overpayment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the rate analysis was only for installation, testing and commissioning of escalators and elevator i.e SOP-I, while the items of works for, 3 drain pump 50 GPM, remote monitoring control work, civil & allied works, electric & ancillary works were totally separate and independent items of BOQ and placed in the sub-head/component of SOP-II. These items were not included in the cost of Rs 1,560,200 for each escalator and elevator. Audit informed the Committee that SOP-I and SOP-II both were same and there was a duplication which was undue financial benefit to the contractor. The Committee directed the Administrative Department to conduct a technical probe by constituting a technical committee and to submit report within 30 days. No compliance of committee’s directives was reported till finalization of this report.

Audit recommends early issuance of addendum and corrigendum of Agreement/Acceptance letter for reduction in cost of agreement.

**(Para No. 318, 332)**

**4.3.2.6** As per agreement/bidding documents of contractor, the scope of work shall cover design, supply, installation, testing & commissioning of entire escalators equipment including drive machine, truss, upper and lower station, steps, chain, stops, handrails, balustrades, controller, safety equipment, signs etc. specified herein. The contractor shall also furnish all labor, erection equipment, erection tools, embedded parts and materials, etc. necessary to supply, install, test and commission the escalators all in perfect operating condition in accordance with these specifications and drawings.

Project Director Metro Bus Project (MDA) Multan awarded the contract of “*Supply, Installation, Testing, Commissioning of 64 Escalators at Metro Bus Project Multan*” to the contractor M/s Merin Pvt Ltd during October 2015 for an amount of Rs 865,093,400. In the escalators the contractor did not install the Canopy. Whereas in the bid price, the contractor quoted rate and Canopy was included in his scope of work. Instead the Canopy work was executed by the civil work contractor. Hence, cost of canopy needs be recovered from the contractor.

Violation of contractual obligations resulted in non-recovery of Rs 8,650,934 (Rs 865,093,400x1%) from the price of escalators on account of non-installation of Canopy on escalators.

Audit pointed out non-recovery in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that execution of canopy was not covered in contractor’s scope of work as per work order and tender. The same was executed by civil contractors. Audit informed the Committee that installation of canopy was included in the scope of installation of escalators. Therefore, cost of canopy was required to be recovered. The Committee directed the Administrative Department to conduct a technical probe by constituting a technical committee and submit report within 30 days. No compliance of committee’s directives was reported till finalization of this report.

Audit recommends recovery from the contractor.

**(Para No. 327)**

**4.3.2.7** As per Contract Agreement Clause 35.2 (Specifications-Technical Provisions), the equipment/escalators shall be inspected at the manufacturer's facility in the presence of representative of the Employer and Consultant. All costs incurred for the witness of factory inspection tests by the two representatives of Employer and two representatives of Engineer/Consultant including cost of air travel, boarding, lodging, transportation and other expenses incidental to the inspection and testing shall be borne by the contractor. In addition, for foreign travel the contractor shall provide for 4 person daily allowance in US dollar for out of pocket expenses @ 100 dollar per day per person and the number of days shall be not less than 5 days.

Project Director Metro Bus Project, (MDA) Multan awarded the contract of "*Supply, Installation, Testing, Commissioning of Escalators Elevators, Plate form Screen Door and Generators at Metro Bus Project Multan*" to different contractors from Europe but pre-inspection at Manufacturer premises/factory of manufacturer were not carried out by the two representatives of Employer and Engineer/Consultant nor cost of pre-shipment inspection charges were recovered from the contractor as the cost of pre-shipment inspections was already included in the bid price of the contractors.

Weak financial and technical controls resulted in non-recovery of Rs 5.632 million on account of cost of pre-shipment inspection charges and TA/DA cost from the contractor. **(Annex-14)**

Audit pointed out non-recovery in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the escalators/elevators were procured from Europe through Letter of Credit

(LC) opened/established by MDA and pre-shipment inspection at Manufacturer premises/factory was carried out by a representative of Client and all charges were borne by contractor as per agreement. The Pre-shipment inspection & post shipment verification of escalators/elevators was also carried out by a Third Party “TUV Austria”. Audit informed the Committee that no record was produced by the Authority for verification. The Committee directed the Authority to produce the complete record for verification within 30 days. No compliance of the Committee’s directives was reported till finalization of this report.

Audit recommends recovery from the contractor besides fixing responsibility against the person(s) at fault.

**(Para No. 317, 330, 337, 342)**

### **4.3.3 Overpayment due to approval of cost estimate by taking inflated quotations of equipment – Rs 295.405 million**

As per para 4 of PPRA Rules 2014, a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, with the object of brings value for money and procurement process is efficient and economical. Further, as per FD Notification No.RO(Tech)FD.2-3/2004, dated 02.08.2004, the administrative department shall ensure the Transparency of tendering based on markets rates.

**4.3.3.1** Project Director MDA Multan awarded the contract of “*Supply, Installation, Testing, Commissioning of Escalators at Metro Bus Project Multan Package-7 (Group-1)*” to the contractor M/s Merin Pvt Ltd. The Authority got approved the rates of escalator on the basis of inflated quotation of M/s Merin Pvt Ltd dated 20.08.2015 for an amount of Rs 9,400,000 and accordingly rate analysis and estimate was approved. The contractor quoted the price at par. Audit observed that as per proforma invoice No.QUA-150227, 29.12.2015 read with Letter of Credit between Bank of Punjab Multan and HBL Istanbul vide LC No.233004-00237-15 dated 31.05.2016, the cost paid to Schindler Company for each escalator was Rs 6,904,023 (58,100 euros).It proved that the quotation given by M/s Merin on 20.08.15 was highly inflated. Resultantly, estimate



was approved at a very high cost. Had the management been vigilant, the rate of Rs 6,904,023 (including 11% contractor overhead and profit) should have been taken in the estimate instead of Rs 9,400,000. Therefore, due to allowing higher rates, the government sustained a huge loss.

Weak technical and financial controls resulted in overpayment of Rs 159,742,528 due to allowing higher rates on the basis of inflated quotations.

Audit pointed out the overpayment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the first component i.e. thirty percent (30%) amount of SOP-I (Supply of imported plant) was paid to the contractor as recoverable advance after receipt of acceptable performance security by the employer. This was paid to the contractor for the local handling, management, 3<sup>rd</sup> party inspection, fluctuation of foreign exchange (rates of Euro), marine insurance, pre-shipment inspection, additional government taxes & levies as per contract agreement between the MDA and the contractor. The second component for 70% face value, as mentioned in the contract at SOP-1, was paid to foreign supplier through Letter of Credit (LC) against the proforma invoice. Audit informed the Committee that that the rate analysis was prepared incorrectly by obtaining higher quotations than available in the market. Hence, the amount overpaid was also required to be recovered on this account.

The Committee directed that Administrative Department may conduct a technical probe by constituting a technical committee and submit report within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 320)**

**4.3.3.2** Project Director Metro Bus Project, (MDA) Multan awarded the contract of "*Supply, Installation, Testing, Commissioning of 63 Elevators*"

to the contractor M/s Greaves Pvt Ltd. On the basis of quotation of M/s Greaves Pvt Ltd dated 20.08.2015 for an amount of Rs 4,920,000 for 6 meter height and Rs 5,300,000 for 12 meter height in the rate analysis and estimate was approved. The contractor also quoted the price at par, but on the other hand as per proforma invoice dated 23.03.2016 read with Letter of Credit/LC No.233004-00236-15, the cost paid to SODIMAS Company for each elevator for 6 meter height was Rs 3,542,797 (for 62 lifts) and for 12 meter height @ Rs 3,497,404 (for 1 lift) and same was required to be approved in the estimate only by allowing 11% contractor's profit and overhead charges. Audit observed that the quotation on the basis of which the rate analysis was approved was on higher side which resulted in loss as detailed below:

Sr	Specification	Quantity Paid	Rate Paid	Rate Admissible	Excess Rate	Overpayment (Rs)
1	Elevator for 6 meter height	62 Nos.	4,920,000	3,542,797	1,377,203	8,5386,586
2	Elevator for 12 meter height	1 Nos.	5,300,000	3,497,404	1,802,596	1,802,596
<b>Total overpayment</b>						<b>87,189,182</b>

Weak technical and financial controls resulted in overpayment to the contractor amounting to Rs 87,189,182 due to allowing higher rates on the basis of inflated quotations.

Audit pointed out overpayment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the first component i.e. thirty percent (30%) amount of SOP-I (Supply of imported plant) was paid to the contractor as recoverable advance after receipt of acceptable performance security by the employer. This was paid to the contractor for the local handling, management, 3rd party inspection, fluctuation of foreign exchange (rates of Euro), marine insurance, pre-shipment inspection, additional government taxes & levies etc managerial profit & loss expenses as per the contract agreement between the MDA and the contractor. The second component for 70% face value as mentioned in the

contract at SOP-1 was paid to foreign supplier through Letter of Credit (LC) against the proforma invoice. Audit informed the Committee that the rate analysis was prepared incorrectly by obtaining higher quotations than available in the market. Hence, the amount overpaid was also required to be recovered on this account.

The Committee after hearing comments both sides directed that Administrative Department may conduct a technical probe by constituting a technical committee and submit report within 30 days. No compliance of the Committee’s directives was reported till finalization of this report.

Audit recommends early recovery from the contractor and finalization of the probe regarding difference of rates between proforma invoice and LC.

**(Para No. 333)**

**4.3.3.3** Project Director, Metro Bus Project, (MDA) Multan awarded the contract of “*Supply, Installation, Testing, Commissioning of brand new 252 Platform Screen Doors height 2400 mm including header, VVVF type width of 1600 mm etc at Metro Bus Project Multan*” to the contractor M/s Pak German Engineering Pvt Ltd on the basis of inflated quotation of M/s Pak German Engineering Pvt Ltd for Rs 431,775 each and accordingly rate analysis and estimate was approved. The contractor quoted the price at par. Audit observed that as per proforma invoice No.8012678/1, dated 08.04.2016 read with Letter of Credit between Bank of Punjab Multan and Banco Bilbao Vizcaya Spain Madrid vide LC No.233004-00086-16 dated 13.05.2016, the cost paid to Grupsa Company for each PSD was Rs 239,414(2008.44 euro eachx119.2040) and same was required to be approved in the estimate only by allowing 11% contractor’s profit and overhead charges. Rate analysis was approved on higher side which resulted in loss as detailed below:

<b>Sr. No</b>	<b>Rate Paid Rs</b>	<b>Rate to be Paid Rs</b>	<b>Excess Rate Rs</b>	<b>Quantity</b>	<b>Overpayment Rs</b>
1	431,775	239,414	192,361	252 Nos.	48,474,972

Weak technical and financial controls resulted in overpayment due to allowing higher rates on the basis of inflated quotations to the contractor amounting to Rs 48,474,972.

Audit pointed out overpayment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the first component i.e. thirty percent (30%) amount of SOP-I (Supply of imported plant) as recoverable advance was paid to the contractor after receipt of acceptable performance security by the employer. This was paid to the contractor for the local handling, management, 3rd party inspection, fluctuation of foreign exchange (rates of Euro), marine insurance, pre-shipment inspection, additional government taxes & levies etc managerial profit & loss expenses as per the contract agreement between the MDA and the contractor. The second component for 70% of face value as mentioned in the contract at SOP-1 was paid to foreign supplier through Letter of Credit (LC) against the proforma invoice. Audit informed the Committee that only 11% on account of contractor profit and overhead was required to be paid instead of 20%. Hence recovery was established. The Committee directed the Administrative Department to conduct a technical probe by constituting a technical committee and submit report within 30 days. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early finalization of the probe and recovery from the contractor.

**(Para No. 338)**

#### **4.3.4 Un-Justified payment due to non-production of invoice/proof regarding procurement of bitumen from NRL Karachi – Rs 119.733 million**

As per recommendation of consultant of project through Job mix formula, the source of bitumen would be National Refinery Limited

(Karachi). As per special condition of acceptance letter, the contractor would himself arrange the bitumen from NRL Karachi and would submit proof in this regard. Also as per condition No.3 of acceptance Letter, an undertaking will be obtained from the contractor regarding not to sublet the work to any agency at any cost during the course of operation of this contract agreement.

Project Director, Metro Bus Project,(MDA) Multan got the items “*Asphaltic Base Course, Asphaltic Wearing Course, Prime Coat and Tack Coat*” executed through different contractors by using bulk bitumen but invoices showing the procurement of bitumen from National Refinery limited (NRL) were neither available in record nor produced to Audit. This was violation of above mentioned clauses of contract agreement. In the absence of invoices/proof regarding procurement of bitumen from NRL Karachi, the payment of above items was unjustified

Weak technical and financial controls resulted in unjustified payment due to non-production of invoice/proof regarding procurement of bitumen from NRL Karachi valuing Rs 119.733 million.

Audit pointed out un-justified payment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the invoices for the procurement of Bitumen were available for verification. Audit informed the Committee that as per condition of acceptance letter and recommendation contained in JMF the bitumen was required to be procured from National Oil Refinery Karachi which was now renamed as Attock Oil Refinery Karachi. The Authority did not produce the invoices. The Committee directed the Director General MDA to enquire the matter of procurement of bitumen either from Attock Oil Refinery Karachi or from Attock Petroleum Limited Morgah Rawalpindi and submit his report within 30 days. The Committee also directed the Authority to produce the original invoices showing the procurement of bitumen to Audit within 30 days. No compliance of the Committee’s directives was reported till finalization of this report.

Audit recommends early production of invoices and probe of report.

**(Para No. 84, 383)**

#### **4.3.5 Irregular allotment of works without open tender in violation of PPRA rules – Rs 84.434 million**

As per para 11& 12 of the Punjab Procurement Rules, 2014, all procuring agencies shall provide clear authorization and delegation of powers for different categories of procurement and shall only initiate procurements once administrative approval and technical sanction of the competent authorities concerned has been accorded.

Project Director Metro Bus Project, (MDA) Multan made advance payment to Managing Director, WASA, (MDA), Multan who executed different works for Metro Bus Project Multan amounting to Rs 84.434 million without open tender and competition. The Authority did not produce the record related to adjustment of the expenditure.

Weak supervisory and financial controls resulted in irregular expenditure of Rs 84.434 million. **(Annex-15)**

Audit pointed out the irregularity in April 2017. The Authority did not reply.

The paras could not be discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017 due to non-submission of working paper by the Authority.

Audit recommends early production of record of adjustment of the advances and regularization the matter from Finance Department besides fixing responsibility for violation of PPRA Rules.

**(Para No. 358, 359, 361, 362, 365, 491, 494, 505, 506)**

#### **4.3.6 Non-recovery on account of non-installation of motion sensors in escalators – Rs 43.254 million**

As per agreement/bidding documents the contractor was required to supply escalators as per specifications/technical provisions for escalator

works (para 3.1(f) of Specifications-Technical Provisions for Escalator Works) “each escalator shall be provided with sensor which automatically engages the escalator motion when a passenger is detected from 3 meter dia to first step of on the first step of the entrance/landing platform, and stops the escalator when there are no passengers on the unit”.

Project Director Metro Bus Project (MDA) Multan awarded the contract of “*Supply, Installation, Testing, Commissioning of 64 Escalators at Metro Bus Project Multan*” to the contractor M/s Merin (Pvt.) Ltd. The contractor did not install the motion sensors in the escalators. The escalators installed just slow down but do not stop when no-body was moving whereas the payment was made to the contractor for motion sensors as well as per bid price.

Violation of contractual obligations resulted in non-recovery of Rs 43,254,670 (Rs 865,093,400x5%) from the price of escalators on account of non-installation of motion sensors.

Audit pointed out non-recovery in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the motion sensors were installed in all escalators. The same were successfully tested & commissioned by the consultant and were working satisfactorily since long. Audit informed the Committee that Authority did not install the motion sensors in escalators as the escalators installed just slow down but do not stop when nobody was travelling. The Committee directed the Authority to produce the third party report for re-verification within 30 days. No compliance of committee’s directives was reported till finalization of this report.

Audit recommends early recovery from the contractor.

**(Para No. 326)**

#### **4.3.7 Irregular expenditure on account of inaugural ceremony of Multan Metro Bus Service Multan without open tender/competition – Rs 28.04 million**

As per para No. 9 of PPRA Rules 2014 a procuring agency shall announce in appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. Subject to rule 13, any procurement exceeding two million rupees shall be advertised on the website of the Authority, the website of the procuring agency, if any, and in at least two national daily newspapers of wide circulation, one in English and one in Urdu. Also as per rule no 2.10 of Punjab Financial Rules Vol-I, every public officer is expected to exercise the same vigilance in respect of expenditure from government funds as a person of ordinary prudence would exercise in respect of expenditure incurred from his own money.

**4.3.7.1** Project Director, Metro Bus Project, Multan paid advance payments to three companies on account of inaugural ceremony of Multan Metro Bus Service without open tendering/competition on PPRA website, electronic media and print media. Keeping in view the austerity measures this expenditure should have been avoided. Further, the expenditure was made in violation of PPRA rules 2014. The detail is as under:

<b>Sr. No.</b>	<b>Name of company</b>	<b>Vr. No.</b>	<b>Date</b>	<b>Amount (Rs)</b>
1	M/s Mirradore Production Islamabad	171	12.01.17	10,000,000
2	M/s Klock Work Lahore	304	21.01.17	4,939,700
3	M/s Mirradore Production Islamabad	306	21.01.17	8,600,000
<b>Total</b>				<b>23,539,700</b>

Weak technical and supervisory controls resulted in irregular expenditure on account of inaugural ceremony of Multan Metro Bus Service Multan without open tendering/competition amounting to Rs 23,539,700.



Audit pointed out the irregularity in April 2017. The Authority did not reply.

The para was not discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017 due to non-submission of working paper by the Authority.

Audit recommends the department may justify this expenditure or get it regularized from Finance Department.

**(Para No. 186)**

**4.3.7.2** Project Director, Metro Bus Project, (MDA) Multan paid Rs 4,500,800 to M/s MNH Product House Model Town Lahore on account of development of video documentary of Multan Metro Bus Service vide Vr. No.10 dated 20.01.2017 and charged to head of account “*media campaign charges*” without open tender and competition on PPRA website, electronic media and print media. Keeping in view the austerity measures this expenditure should have been avoided. Further, the expenditure was made in violation of PPRA rules 2014.

Weak technical and supervisory controls resulted in irregular expenditure on advertisement without open tendering amounting to Rs 4.500 million.

Audit pointed out irregularity in April 2017. The Authority did not reply.

The para was not discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017 due to non-submission of working paper by the Authority.

Audit recommends inquiry to fix responsibility for this lapse besides regularization of this issue from Finance Department.

**(Para No. 185)**

#### **4.3.8 Loss due to sub-letting of contract at lower rates – Rs 26.566 million**

As per special condition No.3 of contract agreement (work order) “you are required to provide an undertaking not to sub-let the work to any agency at any cost during the course of operation of this contract agreement”. As per clause 26&27 of contract agreement “The contractor shall not assign/sub-let the works or any part thereof except where otherwise provided by the contract, without the prior written consent of the Engineer incharge”.

Project Director Metro Bus Project, Multan in Package-II awarded the work to M/s ZKB who sublet the work of carpeting to M/s Sheikh Abdur Razaq & Co. (Pvt.) Ltd. vide agreement No.ZKB/MBS/COMM/1358 dated 02.02.2016 at lower rates. This disclosed that the agreement was executed in contravention of the rule ibid and work was executed at lower rates. Hence, the benefit of difference in rates was un-due favour to the original contractor and loss to the national exchequer.

Weak supervisory and financial controls resulted in loss of Rs 26,565,929 due to sub-letting of contract.

Audit pointed out the loss and violation of the contract agreement in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the agreement of subletting of contract by M/s ZKB to Abdul Razzaq & Co (Pvt.) Ltd as mentioned in the para does not exist. Neither the contractor sub-let any sub-work of project nor did the Authority issue any approval in this regard. M/s ZKB had executed the whole scope of work. Audit informed the Committee that contractor ZKB i.e. contractor of package-II sublet the work of carpeting to M/s Sheikh Abdul Razzaq & Co. (Pvt) vide agreement No. ZKB/MBS/COMM/1385 dated 02.02.2016 at lower rates as compared to his agreed rate with MDA. He had earned Rs 26.566 million by subletting

the contract. Further, M/s Sheikh Abdul Razzaq & Co. (Pvt) had procured the bitumen from Attock Petroleum Morga Rawalpindi which had already been declared sub-standard by C&W Department Government of Punjab. The Committee took a serious view of subletting the contract in violation of agreement and use of substandard bitumen and directed the Administrative Department to enquire the matter by constituting an enquiry committee regarding sub-letting of work, recovery of less rates, procurement of bitumen from Attock Petroleum Morga Rawalpindi and recovery of carriage on account of difference of rate between Karachi and Rawalpindi. The committee further directed that the result of enquiry be submitted to Audit through Administrative Department within 30 days for further proceeding. No compliance of the Committee's directives was reported till finalization of this report.

Audit recommends early finalization of inquiry and action accordingly besides effecting recovery.

**(Para No. 254)**

**4.3.9 Payment to contractors for graduate engineer and operating staff not engaged during maintenance period – Rs 8.640 million.**

As per Contract Agreement Clause 31.3 (Specifications-Technical Provisions), the contractor shall provide complete staff to operate the system continuously for 24 hours a day during defect liability period of two (02) years. Operating supervisor for complete system shall be a Graduate Engineer, registered with Pakistan Engineering Council having at least five (05) years in operation and maintenance of similar works. The remaining staff list shall be provided to the Engineer for approval. The staff Nos., skills and experience shall be as per approval of Engineer. All cost incidental to provide operating staff including staff salaries shall be deemed to be included in relevant item of Schedule of Price. No separate payment shall be made to the Contractor for fulfillment of his obligations under this clause.

Project Director, Metro Bus Project, (MDA) Multan awarded the contract of "*Supply, Installation, Testing, Commissioning of Escalators,*

*Elevators, Platform Screen Door and Generators at Metro Bus Project Multan*” to the different contractors during October 2015. The contractors were bound to provide complete staff to operate the system continuously for 24 hours a day for a period of two (02) years, but they did not provide staff list nor any approval was obtained from the Engineer Incharge. Therefore, due to non-deployment of staff the cost was required to be recovered from the contractor as all cost of operating staff including staff salaries for a period of two years were included in the bid price.

Weak financial and technical controls resulted in non-recovery of cost of graduate engineer and operator staff amounting to Rs 8.640 million from the contractor during maintenance period. **(Annex-16)**

Audit pointed out the non-recovery in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that there was no agreement between MDA and contractor for maintenance period. This agreement was executed between PMA and Contractor. The Committee directed the Director General MDA to transfer the paras to PMA Lahore under intimation to Audit and Administrative Department. No compliance of committee’s directives was reported till finalization of this report.

Audit recommends early recovery from the contractor besides fixing responsibility against the person(s) who extended un-due financial benefit to the contractor.

**(Para No. 316, 331, 336, 341)**

#### **4.4 Construction and Works**

##### **4.4.1 Overpayment due to sanction of higher rates – Rs 856.78 million**

According to the instructions issued by the Finance Department, vide No. RO (Tech)FD-18-23/2004 and RO(Tech)FD-2-3/2004, dated 21.09.2004 and 02.08.2004, rate analysis for the non-standardized items

shall be prepared by the Executive Engineer/Deputy Director, clearly giving the specifications of the material used and approved by the competent authority not below the rank of Superintending Engineer/Director on the basis of input rate/MRS of relevant quarter and placed on their website and send a copy to Finance Department for scrutiny/standardization. Further, as per para No.2&3 of covering memo regarding TS estimate, the Chief Engineer clarified that (approval of) the TS estimate does not confer any approval to the payment of rates provided in the estimate.

**4.4.1.1** Project Director Metro Bus Project, (MDA) Multan got executed the item of work, “*Elastomeric bearing pads of specified size and requisite standard (Western European, USA Origin)*” as non-standardized items on the basis of rate analysis prepared by the consultant for Rs 16.46 per cubic centimeter based on quotation showing material rate of Rs 12.72 per cubic centimeter. The quotation was obtained from M/s Longman Industrial Sales, Circular Road, Lahore dated 15.07.2014 whereas, the quotation dated 13.03.2017 of same company with same specification @ Rs 9 per cubic centimeter was also available with Audit. Therefore, excess rate of Rs 3.72 per cu.cm along with contractor overhead and profit @ 20% was allowed.

Weak technical, financial and supervisory controls resulted in overpayment of Rs 271.449 million due to sanction of higher rates. **(Annex-17)**

Audit pointed out the loss in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that elastomeric bearing pads for this instant project was an imported item from Western Europe and also mentioned in work order at the time of tendering. It had no relevance with bearing pads produced locally by any other manufacturer. Contractor had carried out third party inspection at its own cost to ensure its origin. Audit informed the Committee that at the time of sanction of

PC-1, the local quotation have a rate Rs 14.54 per Cubic Centimeter dated 15.07.2014 of M/s Longman Industrial Sales was taken. Another quotation dated 13.03.2017 of same company with same specification was also available with rate of Rs 9.00 per cubic centimeter. Furthermore, the record regarding execution of imported item was not available. The Committee directed the Authority that complete record, i.e third party report, opening of Letter of Credit (LC), Bill of Lading (BL), foreign accounts, drawing/design and measurement sheet, be produced to Audit for produce to within 30 days. Compliance of the Committee's directives was not reported till finalization of this report.

Audit recommends early recovery besides fixing responsibility for the inflated estimates.

**(Para No 04, 50, 103, 141, 194, 269)**

**4.4.1.2** Project Director, Metro Bus Project, (MDA) Multan got executed and paid the item "*Construction of cast in place concrete piles 1200 mm dia including concrete class A3(4000 PSI) excluding steel reinforcement*" as non-standardized item on the basis of engineer estimate/rate analysis prepared by consultant based on input rate of Finance Department of relevant quarter. In T.S estimate, the rate of Rs 23,721 per meter was approved which was on higher side because excess machine hours were taken i.e. in the rate analysis one crane and one welding plant for 4 hours was admissible instead of 10 hours, piling rig machine for 10 hours instead of 16 hours and delivery pump for 10 hours instead of 24 hours. The inclusion of excess crane and machine hours resulted in excess rates.

Weak technical, financial and supervisory controls resulted in overpayment of Rs 129.526 million due to sanction of higher rates.  
**(Annex-18)**

Audit pointed out loss in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that provisions of all sub items like Crane, Welding Plant, Piling Rig and Delivery Pump 4" were

rightly provided as per actual need and rate analysis were approved by competent forum. Audit informed the Committee that only one Crane was admissible instead of 02 because one Crane was already included in rate analysis of steel Grade-60. Welding plant was admissible for 6 hours because 02 welders were provided for 03 hours in Manpower Component. Piling Rig was admissible for 10 hours instead of 16 hours and Delivery pump 4" (diesel) was admissible for 10 hours instead of 24 hours. The Committee directed the Authority to rationalize the rate analysis as per contention of Audit and effect recovery within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No.26, 64, 161, 217, 304)**

**4.4.1.3** Project Director, Metro Bus Project, (MDA) Multan got executed the item "*Manufactured trade mark expansion joints strip seal/finger type for bridges movement upto 80mm (Western Europe and USA)*" and paid as non-standardized item. Rate analysis of this item was neither available in record nor produced to Audit. A quotation of M/s Longman Industrial Sales for the said item along with all accessories and installations of Rs 75,000 per meter was provided by consultant, whereas, the quotation for same item with same specification along with all accessories of the same company of Rs 29,000 per meter was also available with Audit. The Authority applied excess rates of Rs 46,000 per meter (75000-29000) along with contractors' overhead/profit and premium.

Weak technical financial and supervisory controls resulted in overpayment of Rs 96.943 million due to sanction of higher rates. **(Annex-19)**

Audit pointed out loss in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the referred quotations for the job in question for an amount of Rs 29,000 per RM taken from M/S Longman were local whereas executed item was

imported. Audit informed the Committee that at the time of sanction of PC-1 the local quotation dated 15.07.2017 of M/s Longman Industrial Sales was taken showing rate of Rs 75,000 per RM. Another quotation of same company with same specification dated 02.03.2017 was also available showing the rate of Rs 29,000 per RM. Furthermore, no record regarding execution of imported item was produced. The Committee directed the Authority that complete record, i.e. third party report, opening of Letter of Credit (LC), Bill of Lading (BL), foreign accounts, drawing/design and measurement sheet, be produced to Audit within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 32, 68, 125, 165, 221, 292)**

**4.4.1.4** Project Director Metro Bus Project, (MDA) Multan sanctioned the rate for the item "*Construction of cast in place concrete piles 1200mm dia including concrete class A3 (4000 PSI) excluding steel*" for a quantity of 23,520 meter@ Rs 23,721 per meter, which was on higher side. It was observed that extra mason and carpenter were included in concrete A3 whereas no mason and carpenter for shuttering was required. Similarly, 3 hours of batching plant and transit mixture and carriage was also included in excess.

Weak technical, financial and supervisory controls resulted in overpayment of Rs 85,158,663 due to sanction of higher rate of Pile 1200 mm dia.

Audit pointed out overpayment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the concrete foreman for 10 hours had rightly been incorporated in the rate analysis approved by the competent forum and technically sanctioned by the Chief Engineer. Audit informed the Committee that in concrete class A3 there was no need for



inclusion of mason and carpenter in analysis of concrete A-3 poured in pile work. The Committee directed that Administrative Department may conduct a technical probe by constituting a technical committee and submit report within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 90)**

**4.4.1.5** Project Director Metro Bus Project, (MDA) Multan executed the non-BOQ item "*Construction of cast in place concrete pile 750 mm dia i/c concrete class A3 (4000 PSI)*" and paid at rate Rs 14,000 per LM by taking extra labour & machine hours against the admissible rate of Rs 11,260 Per LM.

Weak supervisory and financial controls resulted in overpayment of Rs 35,206,746 due to sanction of higher rate.

Audit pointed out overpayment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the rate of 760 mm dia was provided in the estimate @ Rs 14,827 per RM. However, according to design of WAPDA & site requirements, pile of 750 mm dia was executed at site for construction of 132 KVA lines at Vehari Chowk. The rate of 750 mm was prepared by Consultant on the basis of market rates. Audit informed the Committee that rate for the construction of 750 mm dia concrete pile was approved at higher rate than the admissible rate. The Committee directed the Authority to produce the complete record for re-verification within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 255)**

**4.4.1.6** Project Director Metro Bus Project, (MDA) Multan got executed the item of work “*Pre-cast Kerb stone –Non mountable*” as non-standardized items on the basis of rate analysis prepared by the consultant which were based on input rate of Finance Department. The estimated rate of item as per rate analysis was Rs 1,093 per meter which was on higher side as the cost of Pre-cast Kerb stone–Non mountable was taken as Rs 98,001.63 per 120 meters which comes to Rs 816.68 per meter. Whereas, as per input rates of 1<sup>st</sup> bi-annual 2015 of district Multan, the rate of Pre-cast Kerb stone of 300 mm x 450 mm x 150 mm vide sub item JE-3 was Rs 103 per foot and Rs 338 per meter. After adding Rs 36.30 (Rs 1200+2400+30=3630/120+20% =36.30) for shuttering, excavation and water for an amount of total material rate comes to Rs. 374.30 per meter. The Authority approved rate of Rs 816.68 per meter. Hence, excess rate of Rs. 442.38 per meter along contractor profit and overhead contractors’ premium was paid.

Weak technical financial and supervisory controls resulted in overpayment of Rs 28.171 million due to sanction of higher rates. **(Annex-20)**

Audit pointed out loss in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the rate of item was sanctioned by the competent authority. Audit informed the committee that as per letter issued by HUD & PHE department dated 11.03.2015 the work was required to be executed according to standard specification and instruction of Finance Department Lahore. The rates applied in project were based on input rate of Finance Department placed at its website in 1<sup>st</sup> bi-annual 2015 for District Multan. The rate of pre-cast kerb stone of 300mm x 450mm x 150mm was available in input rate of same bi-annual vide item JE-3 for Multan District. The Chair referred the para to Finance Department for further clarification. No compliance of committee’s directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 05, 51, 104, 142, 195, 270, 367)**

**4.4.1.7** Project Director, Metro Bus Project, (MDA) Multan got the item “*Pavement marking in Thermoplastic paint for lines of 15 centimeter wide*” executed and paid as non-standardized item on the basis of rate analysis prepared by the Authority which was based on input rate of Finance Department. The estimated rate was Rs 199 per meter, which was higher than the rate Rs 89 per meter (Rs 27 per rft) of same specification which was utilized in Multan at Khadam Punjab Rural Road Programme (KPRRP) during same period. The excess rate of Rs 110 (199-89) per meter was got approved and paid along with contractors profit and overhead and premium of the contractor.

Weak technical, financial and supervisory controls resulted in overpayment of Rs 25.142 million due to sanction of higher rates. **(Annex-21)**

Audit pointed out loss in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the rates were sanctioned by the competent authority in the Engineer Estimate which were based on market rate. Audit informed the Committee that the rate analysis of same item with same specification for district Multan which was also used on KPRRP for 12 centimeter wide was Rs 89 per meter whereas, Authority applied the rate of Rs 199 per meter. Specification of both items was same but there was huge difference in rates. Furthermore, the quotations of provided rates were not produced to Audit. The Committee directed the Authority to revisit the rate analysis with recalculation of area of paint with reference to specification of relevant companies whose quotations were obtained and difference of rates be recovered within 30 days. No compliance of committee’s directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No.36, 72, 127, 168, 224, 295)**

**4.4.1.8**Project Director, Metro Bus Project, (MDA) Multan got the item “*Pre-stressing Steel wire strand (pre-cast/pre-stressed inverted T,I,L-girder, box girder) grade 270 KSI, grade 1860 complete in all respect*” executed and paid on the basis of engineers estimate/rate analysis prepared by Consultant based on input rate of Finance Department of relevant quarter. In rate analysis of 1.4533 ton, the rate of sub item anchorage cone sets with wedges was added as Rs 4,480 per number instead of admissible rate of Rs 3,300 per number, the rate of corrugated steel sheath duct was added Rs 63 instead of admissible rate Rs 48 and rate of OPC cement for grouting as Rs 11,592 per ton instead of admissible rate of Rs 9,980 per ton vide item No. 6.026, 6.027 and 6.008 respectively. In this way excess rate of Rs 9,446 per ton was got approved and paid.

Weak technical, financial and supervisory controls resulted in overpayment of Rs 23.567 million due to sanction of higher rates. **(Annex-22)**

Audit pointed out loss in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the rates of items were approved by the competent forum and also technically sanctioned by Chief Engineer. Audit informed the Committee that Authority provided higher rates instead of admissible rate given on website of Finance Department under material component vide input rates of 1<sup>st</sup> bi-annual 2015 for District Multan. Hence, by the application of higher rates contractor was overpaid which was undue financial benefit. The Committee directed the Authority to seek advice from Finance Department within 30 days. No compliance of committee’s directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 27, 65, 122, 162, 218, 287)**

**4.4.1.9** Project Director Metro Bus Project, (MDA) Multan got the item “*Polyurethane Paint with Zink Phosphate Premier i/c Surface*” executed as non-standardized item on the basis of rate analysis prepared by the Authority based on input rate of Finance Department. The estimated rate of this item was Rs 826 SM. Further it was observed that in rate analysis of 50 SM of this item, the quantity of Zink Phosphate Premier was taken as 50 kg instead of admissible quantity of 20 kg, the quantity of polyurethane paint was taken as 50 liters instead of admissible quantity of 12 liters and quantity of thinner as 25 liters instead of admissible 8 liters. In this way excess rate of Rs 432 per sqm (Rs 383 + 12.71 % item premium per sqm) was got sanctioned and paid to the contractors accordingly.

Weak technical, financial and supervisory controls resulted in overpayment of Rs 20.777 million due to sanction of higher rates by adding inadmissible quantity.

Audit pointed out loss in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the specification of the above items were given by the Consultant. Audit informed the Committee that the Authority had no basis for preparation of rate analysis, cost and quantities of items taken in rate analysis the paint, primer and thinner were taken in excess the required which could not be justified. The Committee directed the Authority to revisit and re-calculate the rate analysis and recover the difference of rate within 30 days and get it verified from Audit. No compliance of committee’s directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 173, 229, 310)**

**4.4.1.10** Project Director, Metro Bus Project, (MDA) Multan got executed the item, “*granular back fill with sand*” as non-standardized item. In the rate analysis, “*Tendum Vibratory Roller*” was included which was

unjustified because fine sand was a filter material, the compaction of sand was not possible and 100% result from compaction of sand could not be achieved. Hence, addition of sub-item “*Tendum Vibratory Roller (1.5 ton)*” was inadmissible and un-justified.

Weak technical, financial and supervisory controls resulted in overpayment of Rs 14.431 million due to sanction of higher rates.  
**(Annex-23)**

Audit pointed out loss in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that provision of Vibratory Roller was rightly used for the compaction, leveling, dressing etc. The area required for compaction was narrow where road roller was not useable therefore the alternate Vibratory Roller was used for compaction, leveling and dressing etc. Audit informed the Committee that sand was a filter material and compaction of sand was neither admissible nor possible. 100% result from compaction of sand could not be achieved. Further, in the rate analysis under the components labour, provision of foreman concrete and labour was also not required. The Committee directed the Authority to effect the recovery on account of provision of foreman concrete & inadmissible labour and produce the compaction test report showing 100% compaction of sand within 30 days. No compliance of committee’s directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 16, 54, 111, 152, 205, 278)**

**4.4.1.11** Project Director, Metro Bus Project, (MDA) Multan got the item “*PVC Pipe 12" dia class-D*” executed and paid as non-standardized item at the estimated rate of Rs 9,569 per meter. The rate analysis of this item was neither available not produced. The admissible rate based on 1<sup>st</sup> bi-annual 2015 was worked out to be Rs 4,245 per meter. Hence, the excess rate Rs 5,255 per meter was allowed.

Weak technical, financial and supervisory controls resulted in overpayment of Rs 12.751 million due to sanction of higher rates. **(Annex-24)**

Audit pointed out overpayment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that applied rates were quite justified. The analysis of rate was based on market rates. Audit informed the Committee that the Authority applied the higher rates instead of admissible rates and also did not provide the rate analysis in support of reply. The Committee directed the Administrative Department to conduct a technical probe by constituting a technical committee and submit report within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 31, 291)**

**4.4.1.12** Managing Director WASA, (MDA), Multan approved the rate analysis of Non-BOQ item "*Providing, laying, cutting, jointing, testing and disinfecting HDPE (PN-8) pipe line 315mm dia in trenches complete in all respect etc*" approved and paid @ Rs 2,199 per rft against admissible rate of Rs 1,469 per rft.

Weak technical and financial controls resulted in overpayment due to sanction of incorrect rates analysis amounting to Rs 11.870 million. **(Annex-25)**

Audit pointed out loss in April 2017. The Authority did not reply.

The para was not discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017 due to non-submission of working paper by the Authority.

Audit recommends early recovery and its verification.

**(Para No. 351, 360)**

**4.4.1.13** Project Director, Metro Bus Project (MDA) Multan got the non-BOQ item “*Perforated dumpa ceiling with installation of curved perforate aluminum dumpa ceiling including aluminum frame etc*” approved for an amount of Rs 8,200 per sqm. The admissible rate worked out to Rs 4,782 per sqm. The rate was excessive because the excess rate of dumpa ceiling as Rs 3,983 per sqm was taken instead of actual rate Rs 2,500 per sqm (lowest quotation of M/s Nauman Enterprises Pvt Ltd dated 08.08.2016). Similarly, excess rates for aluminum frame of 3 sq meter size was approved by wrongly multiplying with 10 sqm instead of actual 3 sqm. Further, higher carriage rate from Karachi to Multan @ Rs 173 per sqm instead of actual rate of Rs 4 per sqm was approved.

Weak technical and financial controls resulted in overpayment due to sanction of incorrect rate analysis of Non-BOQ item i.e. dumpa ceiling for an amount of Rs 10.289 million. **(Annex-26)**

Audit pointed out overpayment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the aluminum frame for 10 sqm was considered necessary therefore, it was approved. As regard carriage, the rate was worked out on the basis of source to site of work. The necessary provision had been made in the revised estimate. Audit informed the Committee that Authority did not produce the complete record in support of its reply. The Committee directed the Authority to submit the full record for re-verification. No compliance of committee’s directives was reported till finalization of this report.

Audit recommends early recovery from the contractor and its verification.

**(Para No. 428, 456, 470)**



**4.4.1.14** Project Director, Metro Bus Project (MDA) Multan got non-BOQ items approved on excessive rates as non-standardized items, whereas these items existed in the MRS in different chapters with cheaper rates. Application of higher rates resulted in overpayment & loss to Government.

Weak technical financial and supervisory controls resulted in overpayment of Rs 9.659 million. **(Annex-27)**

Audit pointed out overpayment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. In 11 cases (para No. 490, 493, 510, 495, 496, 497, 498, 499, 500, 501, 502) the Authority did not submit the working papers. In case of para No. 486, the Authority stated that the rates were approved by Competent Authority. Audit informed the Committee that the Authority applied the higher rates than those admissible in relevant MRS. The Committee directed the Authority either to effect recovery or seek advice from the Finance Department. No compliance of committee's directives was reported till finalization of this report.

Audit recommends for early recovery from the contractor.  
**(Para No. 486, 490, 493, 510, 495, 496, 497, 498, 499, 500, 501, 502)**

**4.4.1.15** Project Director, Metro Bus Project, (MDA) Multan got the items of work "*Concrete of different classes*" executed on elevated portion and grade as non-standardized item by making the rate analysis on the basis of input rate of Finance Department Government of the Punjab. In the rate analysis of 50 cubic meter, the cement was added in excess quantities than the recommendations of Consultant in Concrete Mix Design.

Weak technical, financial and supervisory controls resulted in overpayment of Rs 9.691 million due to sanction of higher rates.  
**(Annex-28)**

Audit pointed out loss in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. In 05 cases (para No. 134, 176, 238, 273, 386), the Authority explained that recovery would be effected in next bill of the contractor. The Committee directed the Authority to effect the actual recovery within 30 days.

In one case (para No. 10) the Authority stated that Resident Engineer of the consultants M/S Osmani & Co. (Pvt) Ltd vide his letter No. RE/package-01/MMP/2015/83 dated 29.06.2015 had issued approval of Mix design of concrete for class A-2 (4000 PSI) with cement content @425 kg/CM which were accordingly used at batching plant to achieve 28 days compressive strength of concrete upto 4000 PSI. Audit informed the Committee that as per letter No. RE/Pkg-01/MMP/2015/154 dated 26.08.2015 issued by Resident Engineer of the consultants M/S Osmani & Co. (Pvt) Ltd the provision of cement was 390 bags for analysis of 50 cubic meters concrete class A-2(4000 PSI). The amount on account of excess quantity of cement needs recovery. The Committee directed the Administrative Department to conduct a technical probe and submit report within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 10, 134, 176, 238, 273, 386)**

**4.4.1.16** Project Director, Metro Bus Project, (MDA) Multan got the item of work "*UPVC pipe 100 mm dia*" executed and paid as non-standardized on the basis of rate analysis prepared by the consultant. The estimated rate of this item was Rs 752 per meter. The rate was excess because the rate of pipe of 110 mm dia was taken as Rs443 per meter whereas the execution was made with pipe of 100 mm dia. Hence, the rate was required to be reduced proportionately as the rate of both dia was different. Excess rate Rs 62.94 per meter was allowed which resulted in overpayment.

Weak technical, financial and supervisory controls resulted in overpayment of Rs 7.285 million due to sanction of higher rate. **(Annex-29)**

Audit pointed out overpayment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the rate of 100mm dia UPVC pipe was not available in the input rates of 1<sup>st</sup> bi-annual 2015 therefore the rate was assessed by obtaining quotations from the local market. Audit informed the Committee that the Authority got the item of work "UPVC pipe 100 mm dia" executed which was also evident from measurement sheet but paid the rate of 110 mm dia pipe. Further, Authority did not produce any quotation used in rate analysis/TSE for verification. The Committee directed that Administrative Department to conduct a technical probe and submit report within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 29, 66, 123, 163, 219, 289)**

**4.4.1.17** Project Director Metro Bus Project,(MDA) Multan got the item "*Concrete class-D2 (6250 PSI) cast in situ box girder*" executed and paid @ Rs 24,000 per cm. The estimated rate was Rs 33,514 per cm. In the said rate, lumpsum provision of Rs 863,760.75 was included for shuttering. Further, labour charges for an amount of Rs 207,302 were also added. The Authority also included carpenters and helpers for Rs 51,600 (Rs 16,350+Rs 35,250). Audit observed that when lumpsum provision for shuttering, erection and removal was included in the rate analysis, there was no need of carpenters and helpers.

Weak technical, financial and supervisory controls resulted in overpayment of Rs 6,796,126.

Audit pointed out overpayment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that cast in situ segments was major and important part of the project and that carpenter and helper taken in rate analysis were incorporated correctly as these were required for preparation of inner wooden boxes as per site requirement. However, the cost of shuttering required for cast in situ rotary taken in rate analysis was provided roughly at start without actual design. The detailed design provided by the consultant during execution stage included estimated cost of shuttering based on that design which was on much higher side than that provided in rate analysis. Audit informed the Committee that the cost of shuttering was inclusive of total cost of labour amounting to Rs 207,302 (92,134+115,168). Beside this, in rate analysis under the head manpower again carpenter and helper for an amount of Rs 51,600 (Rs 16,350+Rs 35,250) were taken. When the cost of shuttering preparation, erection and removal was taken in one component then carpenter and helper were not required for wood shuttering.

The Committee directed the para to Finance Department for technical advice. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 133)**

**4.4.1.18** Project Director Metro Bus Project, (MDA) Multan got the rate analysis of item "*Reinforcement as per AASHTO M-31 Grade-60 etc*" approved for an amount of Rs 109,170 per ton in estimate. Rate was incorrect as the rate analysis of 5 tons for the item was prepared by adding inadmissible 3 working hours each for Crane 20 ton and dumper truck 10 ton costing Rs 11,034 in the rate analysis of 5 ton. These were not required in rigid pavement work. Hence, admissible rate worked out is Rs 106,522 per ton. Hence, excess rate Rs 2,648 per ton was allowed.

Weak technical and supervisory controls resulted in overpayment of Rs 6.630 million. **(Annex-30)**

Audit pointed out overpayment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. In 03 cases (paras No. 398, 484 & 529) the Authority stated the provision of dumper truck & crane was rightly incorporated in the analysis of the rate as these were mechanical requirement for loading, carriage & unloading of material from store to site of work. Audit informed the Committee that the Authority got the incorrect rate analysis approved for the item work by adding inadmissible 3 hours each for crane and dumper truck costing Rs 11,034 in analysis of 5 ton, without its requirement in rigid pavement. The Committee directed the Authority either to effect recovery or seek advice from Finance Department. No compliance of committee's directives was reported till finalization of this report.

Para No. 401 was not discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017 due to non-submission of working paper by the Authority.

Audit recommends early recovery from the contractor/person (s) responsible for this loss.

**(Para No. 398, 401, 484, 529)**

**4.4.1.19** Project Director, Metro Bus Project, (MDA) Multan got the item "*Cold Milling (0-50 mm)*" executed and paid as non-standardized item. The rate analysis prepared by the consultant was based on input rate of Finance Department. In the rate analysis of 1,000 sqm, lump-sum labour of Rs 3,000, lump-sum cost of equipment amounting to Rs 102,000 and in Material Component lump-sum cost of Rs 42,000 was added. No justification was provided for these rates. Hence, lump-sum provision of rates was unjustified and resulted in loss to Government.

Weak technical, financial and supervisory controls resulted in overpayment of Rs 5.734 million due to sanction of higher rates. **(Annex-31)**

Audit pointed out loss in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that Cold Milling was carried out with the help of specialized machine which required operators and skilled labour to run the equipment. Cold Milling to a required depth was carried out with diamond bits which were consumable items and were used as material. Audit informed the Committee that during audit the Authority provided the rate analysis with lump-sum provision of labour equipment and material, whereas during verification, the Authority produced the revised rate analysis (unsigned) by deleting the cost of material and increasing the cost of labour and equipment. Audit further intimated that the Cold Milling machine was the latest mechanized system which eliminated the labour force for dismantling of road surface upto a specified level. This machine does not require any material. The Committee directed the Authority to revisit and rationalize its rate analysis and reduce the labour force i.e. surveyors skilled/unskilled labour and recover the excess amount within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends upon early recovery and its verification.

**(Para No. 07, 105, 233, 271)**

**4.4.1.20** Project Director Metro Bus Project, (MDA) Multan got executed and paid the item "*Precast kerb stone (non-mountable)*" @ Rs 1,093 per meter. In the rate analysis, the rate of concrete A1 1:2:4 (on ground) and lean concrete 1:2:4 were taken. In the rate analysis cost of manpower for kerb stone i.e. mason, carpenter, helper, labour was admissible for one time whereas the Authority added additional manpower in the rate analysis which was unjustified. Further, the rate of crush/bajri was at site rate, but carriage on bajri was also provided in the rate analysis. This resulted in excess rate of Rs 394 per meter.

Weak technical, financial and supervisory controls resulted in overpayment of Rs 5,224,834 due to sanction of high rate of kerb stone.

Audit pointed out overpayment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the cost of additional manpower for erection/fixation of kerb stone was required which was separate from the preparation of bed for the fixing of kerb stone. Audit informed the Committee that the cost of manpower for kerb stone i.e. mason, carpenter, helper, labour was admissible only one time which was taken in the rate analysis of item pre-cast kerb stone. Provision of same labour in concrete Clause A-1 and Lean Concrete on ground again was inadmissible. Further, the rate of crush/bajri was at site rate, so carriage was not admissible. The Committee directed the Administrative Department to conduct a technical probe and to submit to report within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 93, 305)**

**4.4.1.21** Project Director Metro Bus Project, (MDA) Multan executed the non-BOQ item "*Supplying and Installation of perforated cable tray 300 x 80 x 1.50 mm with bracket i/c nuts, bolts & washers etc*" and paid at higher rate by taking incorrect rate in rate analysis. As in the rate analysis of 60 LM the sub items No.3 & 4, G I Sheet for Cable Tray top cover and its wastage @5% were added, whereas during site visit of Metro Bus Route it was noticed by Audit that there was no top cover on cable tray. Cost for perforation at sub item No. 9 was wrongly added by taking the quantity of 339.26 kg instead of 214.49 kg. Similarly, at sub-item 10 & 11 cost of moldings and installation were added which were not admissible because under equipment head amount for steel cutting, bending machine, grinder and drill etc was already included. Moreover, at

sub item No. 12 carriage of material was provided at higher rate than MRS chapter No.1 item No.15. Hence, the excess rate of Rs 1,654 per RM was got sanctioned and paid.

Weak supervisory and financial controls resulted in overpayment of Rs 4.735 million due to excess rate.

Audit pointed out overpayment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the payment to the contractor was made according to the approved design and TSE. Audit informed the Committee that under the head material, sub items vide No. 03 & 04, G I Sheet for cable Tray top cover and its wastage @ 5% were added, whereas during site visit it was noticed that there was no top cover on cable tray. Cost for perforation at sub item No 09 was wrongly added by taking the quantity of 339.26 Kg instead of 214.49 Kg. Moreover, vide sub item 10 & 11 cost of moldings and installation was wrongly added because in equipment head amount for steel cutting, bending machine, grinder and drill etc was already added. Similarly, at sub item No. 12 carriage of material was added at higher rates than MRS. The Committee directed the Authority to revisit the rate analysis and effect recovery within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 178, 232, 261)**

**4.4.1.22** Project Director Metro Bus Project, (MDA) Multan got executed the item "*Free end & Fix end support*" vide item No. 406-d & 406-e under bill No. 4.1(structure elevated flyover) and paid as non-standardized item. The estimated rate was Rs 291 per kg, which was on higher side due to addition of Rs 10 for transportation which was inadmissible because the rate of steel A-36 was at site rate. Hence, overpayment was made on account of carriage, short carriage or transportation.



Weak technical, financial and supervisory controls resulted in overpayment of Rs 4.285 million due to sanction of higher rates. **(Annex-32)**

Audit pointed out loss in April 2017 but the Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the transportation charges for Rs 10 per Kg was sanctioned by competent authority on account of its transportation from factory to store and then from store to casting yard. Audit informed the Committee that Authority applied incorrect input rates of material as the rate of galvanizing iron sheet (steel) was available in input rates vide item No 12.015 of 1<sup>st</sup> Bi-annual 2015 of Multan city @ Rs 108.32 per kg. This was at site rate hence transportation was not justified. Whereas Authority applied the rate of Rs 130.80 per kg with addition Rs 10 per kg as transportation charges. In this way excess rate of Rs 46.45 ( $140.80 - 108.32 = 32.48 + 20\% + 4.167\% +$  contractor premium) was paid. The excess rate was required to be recovered. The Chair referred the case to Finance Department for clarification. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 02, 49, 101, 139, 192, 267)**

**4.4.1.23** Project Director Metro Bus Project, (MDA) Multan got the item "*Asphaltic Base Course (ABC) and Asphaltic Wearing Course (AWC)*" executed as non-standardized items on the basis of rate analysis prepared by the consultant which were based on input rate of Finance Department. As per approved rate analysis of both items, the Authority included a cost of Rs 9,120 for 16 hours for one Tractor (with blade) in the rate analysis of 187.5 cu.m. which was in addition to provision of three Front End Loaders-15 ton for 10 hours. Provision of Tractor in the rate analysis was unjustified because Front End Loader was already provided. As per item no. 203 & 305 of specification attached with bidding document Vol-II, the

provision of Wheel Tractor with blade was not recommended for this project.

Weak technical, financial and supervisory controls resulted in overpayment of Rs 4.029 million due to sanction of higher rates. **(Annex-33)**

Audit pointed out loss in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the use of tractor with blade was necessary for the collection of spread material before its loading into the plant hopper. The usage of tractor with blade was justified which stood sanctioned by the competent forum. Audit informed the Committee that Authority added inadmissible machinery i.e wheel tractor with blade in addition to front end loader of 15 ton capacity. The nature of work of both the machinery was the same. Moreover, as per technical specification of the work vide items No 203 and 305, provision of machinery wheel tractor with blade was not recommended.

The Committee directed the Administrative Department to conduct a technical probe and submit report within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 03, 48, 102, 140, 193, 268)**

**4.4.1.24** Project Director (Package-I), Metro Bus Project, (MDA) Multan got approved the item "*P/L light dark pigment mosaic tiles etc.*" and paid as non-standardized item on the basis of rate analysis based on the input rate of Finance Department. The estimated rate of this item was Rs 1,233 per sqm which was excessive due to inclusion of inadmissible items i.e. water lorry 4000 liter, excess rate of grinding, polishing, excess cost of cement mortar amounting to Rs 7,500 and pigment amounting to Rs 2,000 for a rate analysis of 50 sqm. The actual rate comes to Rs 980.45 per sqm. In this way excess rate of Rs 252.55 per sqm (1233-980.45) was got sanctioned and paid to contractor along with premium.

Weak technical, financial and supervisory controls resulted in overpayment of Rs 3.518 million due to sanction of higher rates by adding incorrect rate of material and equipment.

Audit pointed out overpayment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the rate was prepared based on market rates and approved by P & D Department and technically sanctioned by the Chief Engineer Multan Development Authority Multan. Audit informed the Committee that rates and quantities were not provided in the rate analysis as per instructions of Finance Department. The Committee directed the Authority to revisit and recalculate the rate analysis of tiles and effect recovery on account of difference of rate within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 44, 77, 130, 172, 228, 301)**

**4.4.1.25** Project Director Metro Bus Project, (MDA) Multan executed and sanctioned the item No.SP-441 "*P/F interlocking paver 60mm thick over sand*" @ Rs 1,290 per square meter which was on higher side as excessive input rate was taken for tuff paver 60mm. The admissible rate was Rs 991.56 per sqm as worked out on the basis of input rates of Finance Department for relevant quarters. The excessive input rate resulted in overpayment.

Weak supervisory and financial controls resulted in overpayment of Rs 2,403,859 due to sanction of excessive rate.

Audit pointed out the overpayment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the paid rate for Rs 1,290 per square meter was prepared by Consultant on the basis of Market rates. Audit informed the Committee that the Authority provided the higher rates of tiles then those admissible in input rates issued by Finance Department in 1<sup>st</sup> bi-annual of 2015 of District Multan. The Committee directed the Authority either to effect recovery or seek advice from Finance Department, Government of Punjab within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 253)**

**4.4.1.26** The Director, Parks & Horticulture Authority Multan in Metro Bus Project Multan awarded the contract of "*Supply of plants for median from BZU station to Kuhmharan Wala station Multan*" to the different contractors during May 2016 and procured various plants at very high rates and payment was made. The said plants were available at very low prices in the market/nurseries as given in Annex-34. Therefore, excess payment was made to the contractors in violation of the rules.

Weak technical financial and supervisory controls resulted in overpayment of Rs 2.383 million. **(Annex-34)**

Audit pointed out the overpayment in April 2017. The Authority did not reply.

The paras were not discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017 due to non-submission of working paper by the Authority.

Audit recommends probe in the matter and fixing responsibility for this lapse.

**(Para No 492, 503, 504)**

**4.4.1.27** Project Director Metro Bus Project, (MDA) Multan got the item “*Providing, cleaning, cutting, bending, placing & fixing in position at any height etc. executed, high tensile deformed steel bars conforming to ASTM-A615 Grade 60, made of Karachi Steel Mill Billet, including cost of spacer block, steel chairs and pins, binding) Deformed Steel Bars (Grade 60)*” @ Rs 135 per kg, on the basis of Engineer estimate/rate analysis prepared by consultant on the input rate of Finance Department of 1<sup>st</sup> Bi-annual 2015 distt. Multan. Agreement rate of this item was Rs 111.32 per kg (i.e. Rs 111,321 per ton /1000) but the payment was made @ Rs 135 per kg. In this way excess rate of Rs 23.68 per kg was paid to contractor.

Weak technical, financial and supervisory controls resulted in overpayment of Rs 2,213,600 due to application of higher rate.

Audit pointed out overpayment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the payment was made @ Rs 135 which was quoted by the contractor. Audit informed the Committee that Authority provided higher rate in T.S. estimate, DNIT and comparative statement. Due to allowing higher rates in estimate the contractor also quoted higher rates in his bid. The Committee directed the Authority to revisit its rate analysis and recover the difference of rate within 30 days. No compliance of committee’s directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 396)**

**4.4.1.28** Project Director, Metro Bus Project, (MDA) Multan got approved a non BOQ item “*Water proof and heat proof (12 X 40 ft) container including two baths complete with both sides MDF laminated sheet covered with aluminum beading, false ceiling with Gypsum board with LED ceiling lights, flooring and electrification*” of different sizes at different rates on the basis of rate analysis prepared by the consultant on

the market rates. The approved rate was on higher side because container rate taken was higher than the market price of portable container with same specification. In this way excess rate was paid to the contractor.

Weak technical and financial controls resulted in overpayment of Rs 1.775 million due to allowing excess rate. **(Annex-35)**

Audit pointed out loss in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the analyses of rates as prepared by the Consultant were duly supported with quotations obtained from the market indicating competitive rates. Audit informed the Committee that Authority obtained the quotations of higher rates instead of actual market rates (quotation available with Audit). The Committee directed the Administrative Department to conduct a technical probe and to submit a report within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 515, 517, 518, 519, 520)**

**4.4.1.29** Project Director Metro Bus Project, (MDA) Multan sanctioned the item No.SP-10 "*Painting on new kerb stone with primer and 2 coat of black & yellow C.R. Paint*" and paid @ Rs 460 per square meter on higher side by taking excessive rate of manpower, CR paint and primer against the input rates for 1<sup>st</sup> bi-annual 2015 of Finance Department for District Multan which was to be applied as per PC-I. The admissible rate worked out was Rs 253 per sqm. Hence, excess rate of Rs 207 per sqm was paid.

Weak supervisory and financial controls resulted in overpayment of Rs 1,569,405 due to application of higher input rates.

Audit pointed out the overpayment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the rates were sanctioned on the basis of market rates which were sanctioned by the competent authority. Audit informed the Committee that the Authority applied higher rates than available in input rates of relevant bi-annual. The Committee directed the Authority to revisit/recalculate the rate analysis and recover the difference of rate within 30 days and get it verified from Audit. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 252)**

**4.4.1.30** Project Director Metro Bus Project, (MDA) Multan executed the item No. SP-420 "*P/L glazed ceramic tile*" and paid @ Rs 2,283 per SM against the TSE rate of Rs 1,773 per sqm. The item was executed as non-BOQ under sub-head "under pass" which was additional work which cropped up after tendering and awarding of work and payment was required to be made as per provision of clause No.41 of the agreement. The admissible rate of this item was Rs 1,464 per sqm. Hence, the excess rate Rs 819 per sqm was allowed.

Weak supervisory and financial controls resulted in overpayment of Rs 1,482,248 due to allowing excess rate.

Audit pointed out the overpayment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that overpayment would be recovered in the next bill of the contractor. The Committee directed the Authority to recover the amount within 30 day. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 256)**

**4.4.1.31** Project Director Metro Bus Project, (MDA) Multan got the item “*Pavement marking in Thermoplastic paint for arrows, stops, pedestrian crossing, back area etc.*” executed for a quantity of 799.60 SM @ Rs 2,500 per sqm as non-standardized item against TS rate of Rs 1,399 per sqm. The rate analysis of same item with same specifications was used on KPPRP for 12 cm width @ Rs 27 per rft i.e. Rs 593.33 per sqm. The specification of the both items was same but there was huge difference of rates. Hence, excess rate of Rs 1,727.57 per sqm (Rs 1,399 – Rs 593.33 + 20% + 78.69% contractor premium) was got approved and paid to the contractor.

Weak technical, financial and supervisory controls resulted in overpayment of Rs 1,381,368 due to sanction of higher rates.

Audit pointed out irregularity in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the rates were sanctioned by the competent authority based on market rate. Audit informed the Committee that the rate analysis of same item with same specifications was used on KPPRP for 12 cm width @ Rs 27 per rft i.e. Rs 593.33 per sqm. The specification of the both items was same but there was huge difference of rates. Further, the quotations of provided rates were not available in record. The Committee directed the Authority to revisit the rate analysis with recalculation of area of paint with reference to specification of relevant companies whose quotations were obtained for preparation of rate analysis and difference of rates be recovered within 30 days. No compliance of committee’s directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 132)**

**4.4.1.32** Project Director Metro Bus Project,(MDA)Multan got executed an item “*Painting on new kerb Stone with premier and two coat of black*



*and yellow CR paint* ” as non-standardized items on the basis of rate analysis prepared by the consultant based on input rate of Finance Department. Estimated rate of this item was Rs 460 per SM. In the rate analysis for 10 SM, incorrect input rates of equipment and labour were included. The admissible rate was Rs 253 per sq meter. In this way excess rate of Rs 207 per SM was got approved and paid to contractor accordingly.

Weak technical, financial and supervisory controls resulted in overpayment of Rs 1.197 million due to sanction of higher rates.

Audit pointed out loss in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the rates were sanctioned on the basis of market rates. Audit informed the Committee that the Authority applied higher rates as were available in input rates of relevant bi-annual. The Committee directed the Authority to revisit/recalculate the rate analysis and recover the difference of rate within 30 days and get it verified from Audit. No compliance of committee’s directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No.187, 243)**

**4.4.1.33** Project Director Metro Bus Project,(MDA) Multan sanctioned the rate for the item (Non-BOQ) “*P/L permanent steel lining 8mm thick liner complete*” @ Rs 142,079 per ton on excessive side by including the excess rate of welding plant including electricity charges of Rs 3,168.72 per hours whereas, the rate of Rs 286.33 per hour was admissible as taken in all other rate analyses of pile 1200 mm of same project. The excessive rate Rs 2,428 per ton resulted in overpayment.

Weak technical, financial and supervisory controls resulted in overpayment of Rs 1,096,595 due to application of higher rates.

Audit pointed out overpayment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the use of welding plant was mandatory for the execution of above item. The provision of welding plant in the analysis of rate sanctioned after obtaining quotations. Audit informed the Committee that in rate analysis under Equipment Component, the rate of welding plant was on higher side due to excessive working hours taken in the rate analysis by allowing 7 hours instead of 4 hours and also allowing Rs 1,500 per day. The Committee directed the Authority to revisit the rate analysis and produce the complete record for re-verification within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 92, 146, 200,263)**

**4.4.1.34** Project Director Metro Bus Project, (MDA) Multan executed the item "*Concrete class-A in haunches around PVC pipe placed across the road for future use of duct maker*" and paid at a higher rate of Rs 11,017 per cm side by taking inadmissible carriage of Bajri, concrete vibrator for haunching the concrete around the pipe etc and taking excessive batching plant hours.

Weak supervisory and financial controls resulted in overpayment due to sanction of excessive rate amounting to Rs 1,051,541.

Audit pointed out overpayment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the rate of bajri was assessed at source by adding the carriage cost which was more authentic and realistic. As regard the use of concrete vibrator, it was rightly used, as

it was an essential site requirement for compaction of concrete for haunching around pipes. Audit informed the Committee that inadmissible carriage of bajri was added. The rate of crush/bajri was at site rate. Furthermore, vibrator was not required for compaction/haunching around the pipes. The Committee directed the Administrative Department to conduct a technical probe by constituting a technical committee and submit report within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 257, 265)**

**4.4.1.35** Project Director Metro Bus Project, (MDA) Multan executed and paid the non-BOQ item "*P/L kerb block with paver kerber machine, concrete class A2 (4000 PSI)*" @ Rs 1,161.60 per LM on higher side by taking excess cost of operator of paver and inadmissible carriage of crush/bajri. The admissible rate worked out to Rs 1,027.17. Therefore, excess rate of Rs 134.43 per meter was paid.

Weak supervisory and financial controls resulted in overpayment due to allowing excess rate of non-BOQ item amounting to Rs 951,241.

Audit pointed out overpayment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the rate of bajri was assessed by adding the carriage cost which was more authentic and realistic. As regard the provision of operator, it was rightly applied because paver kerber machine needs operator. Audit informed the Committee that inadmissible carriage of bajri was added because the rate of crush/bajri was at site rate. Further, the rate of said item was prepared by providing higher rates than the input rates of Finance Department Government of Punjab. The Committee directed that Administrative Department may conduct a technical probe by constituting a technical committee and submit report within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 260)**

**4.4.1.36** Director General, Parks & Horticulture Authority Multan got the item “*Providing and fixing Tree Guard Square (1-1/2 inch x 1-1/2 inch x 3/16 inch) etc*” executed at BCG chowk to kunharan wala chowk and paid Rs 7,800 per number, whereas the same item with same specification was paid @ Rs 7,423 for other package (BZU to Qasim Fort Station). The difference of rate was un-justified.

Weak technical financial and supervisory controls resulted in overpayment due to allowing rate of Non-BOQ/items higher than provided in other packages amounting to Rs 920,000.

Audit pointed out the overpayment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority neither submitted the working papers nor attended the SDAC meeting.

Audit recommends early recovery from the contractor.

**(Para No. 507, 508)**

**4.4.1.37** Project Director, Metro Bus Project, (MDA) Multan got the item of work “*Providing and fixing of BRTS railing*” executed and paid @ Rs 14,900 per meter as non-standardized item on the basis of rate analysis prepared by the Authority based on input rate of Finance Department. In rate analysis, the rate of red oxide was added Rs150 per liter instead of Rs 72/liter as per input rate of Finance Department of relevant bi-annual.

Weak technical, financial and supervisory controls resulted in overpayment due to sanction of higher rates amounting to Rs 861,509 (4,607.750 x 187).

Audit pointed out loss in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that recovery would be made in next bill of the contractor. The Committee directed that recovery be effected within 30 days. No compliance of committee’s directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 41)**

**4.4.1.38** Managing Director WASA, (MDA) Multan got the rate analysis of Non-BOQ item “*Providing, laying, cutting, jointing, testing and disinfecting Abestos Cement/Fibre Cement Pipe of 40 inch dia complete in all respect etc*” approved for an amount of Rs 46,393 per meter. In the rate analysis of item, the Authority in addition of 20% contractor profit/overhead allowed 7.5% income tax and 2% wastage which was inadmissible. Thus, the Authority got sanctioned excess rate, which was loss to the Government. The detail is as under:

<b>Name of item</b>	<b>Rate required to be approved</b>	<b>Approved rate</b>	<b>Excess Rate</b>	<b>Qty in TS</b>	<b>Loss</b>
Providing, laying, cutting, jointing, testing and disinfecting Abestos Cement/Fiber Cement Pipe of 40 inch dia complete in all respect etc	Rs 42451 (2%=Rs 705.17 7.5%=Rs 3236.73=Rs 3941.90)	Rs 46,393	Rs 3942	215 meter	847,530

Weak technical and financial controls resulted in overpayment of Rs 847,530 due to sanction of incorrect rates analysis.

Audit pointed out loss in April 2017. The Authority did not reply.

The para was not discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017 due to non-submission of working paper by the Authority.

Audit recommends early recovery and its verification.

**(Para No. 357)**

**4.4.1.39** Managing Director WASA, (MDA), Multan got approved the rate analysis of item “*Providing, laying, cutting, jointing, testing and disinfecting RCC Pipe 18 inch dia in trenches complete in all respect etc*” and paid @ Rs 2,177 per rft. The rate was excessive due to non-utilization of available earth, disposal of earth double provision of shuttering and non-recovery of road pavement etc. So the excess rate of Rs 865.85 per cft was worked out and paid.

Weak technical and financial controls resulted in overpayment of Rs 831,000 due to sanction of incorrect rates analysis.

Audit pointed out loss in April 2017. The Authority did not reply.

The paras were not discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017 due to non-submission of working paper by the Authority.

Audit recommends early recovery and its verification.

**(Para No. 363, 364)**

**4.4.1.40** Land Acquisition Collector, (MDA) Multan, made overpayment to Mr. Khawja Imran s/o Karam Elahi for land compensation valuing Rs 1,356,549 including Rs 140,776 on account of structure compensation vide voucher No.2047/99/238 dated 28-01-2017 in award no.15 dated 26.10.16 on the basis of field book/survey book vide Sr. no. 5 in village “Jummah khalsa” by applying the rate of Rs 2,400,000 per marla (highest) which was rate of commercial constructed property. Admissible rate for residential property was Rs 750,000 per marla as notified by DPAC of Board of Revenue dated 23.05.2016. The nature of this property was not mentioned as commercial in field book/survey book. Hence excess rate of Rs 1,650,000 (2,400,000 – 750,000) was applied and paid.

Weak technical, financial and supervisory controls resulted in overpayment due to application of incorrect rates amounting to Rs 739,440.

Audit pointed out overpayment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that property of Mr. Khawaja Imran S/O Karam Elahi falls on Hafiz Jamal Road, Multan in Mouza Taraf Jumma Khalsa which was located in thickly populated and commercial area. Due to rush of work the column “nature of property” in field book remained unfilled. However, in the award register/list the nature of property had been declared commercial constructed as per site location under Abadi Deh and a Dental Clinic existed there. Audit informed the Committee that basic document i.e field book/survey report was silent about nature of property. Now the Land Acquisition Collector made changes by writing commercial constructed after issuance of para. The Committee directed that the Deputy Commissioner, Multan to enquire the matter and fix responsibility for overwriting in field book, recover overpayment if any and submit his report within 30 days. No compliance of the Committee’s directives was reported till finalization of this report.

Audit recommends early recovery of overpayment.

**(Para No. 547)**

**4.4.1.41** Project Director Metro Bus Project, (MDA) Multan got executed the item “*Providing and laying patterned color glazed porcelain tile 600mm x600mm of approved manufacturer on floor laid over 20mm thick 1:3 cement sand bedding mortar i/c jointed and grouted with matching colour grout complete in all respect*” and approved @ of Rs 2,453 per sq.m on the basis of input rates of Finance Department. The approved rate was in excess due to taking the material rate of 450 mm x 450mm porcelain tile as Rs 150 per sft whereas this rate was for tile of 600mmx 600mm size. The admissible rate worked out was Rs 1,915 per sm based

on the rate Rs 110 per sft of 450mm x450mm. Thus the excess rate was paid.

Weak technical, financial and supervisory controls resulted in overpayment of Rs 667,639 due to sanctioning of higher rate.

Audit pointed out overpayment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the rates of items were sanctioned by the competent authority on the basis of market rates. Audit informed the Committee that Authority applied the higher rates than those admissible as per input rates of Finance Department. The Committee directed the Authority to re-visit and recalculate its rate analysis and recover the difference of rates within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 516)**

**4.4.1.42** Project Director Metro Bus Project, (MDA) Multan got an item of work "*Electrical Panel*" executed and paid @ Rs 756,000 per No. at the approved rate of Rs 750,600 in both elevated fly over and rotary flyover, as non-standardized items/non-BOQ item on the basis of input rates of Finance Department. In the rate analysis incorrect input rates of items were applied under Material Component. The admissible rate was Rs 680,988 per No. Hence, excess rate of Rs 69,612 per No. along with contractor profit and overhead and premium was paid to contractor.

Weak technical, financial and supervisory controls resulted in overpayment of Rs 537,691 due to payment of items at higher rates amounting.

Audit pointed out loss in April 2017. The Authority did not reply.



The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the rates were sanctioned on the basis of market rates. Audit informed the Committee that Authority violated the instructions of Finance Department while preparing the rate analysis of said item. The Committee directed the Administrative Department to conduct a technical probe by constituting a technical committee and submit report within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 245,262)**

**4.4.1.43** Project Director, Metro Bus Project, (MDA) Multan got manufactured two items i.e. "*Traffic barrier and dealineator size 2' x 3'*" from Executive Engineer Provincial Machinery Maintenance Division, Lahore and paid Rs 4,774,975. The Machinery Maintenance Division Lahore prepared the rate analysis of both items on excessive side by taking the material input rates on higher side than available in the Finance Department input rates 1<sup>st</sup> bi-annual 2015. The preparation of rate analysis with incorrect rates resulted in loss to government.

Weak technical and financial controls resulted in overpayment of Rs 376,500 due to application of incorrect rate.

Audit pointed out the loss in April 2017. The Authority did not reply.

The para was not discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017 due to non-submission of working paper by the Authority.

Audit recommends early recovery of loss.

**(Para No. 314)**

**4.4.1.44** Project Director Metro Bus Project, (MDA) Multan, got the rate analysis of items "*Asphalt Base Course and Wearing Course Plant etc*" approved in the estimates by including extra labour charges @ 12.5% of equipment & machinery which were not admissible because labour

charges were already included in the hire charges of equipment & machinery and only 10% sundry charges on the cost of labour were to be added in the rate analysis as per approved template of the Finance Department.

Weak technical and financial controls resulted in overpayment due to sanction of higher rate analysis amounting to Rs 360,277.

Audit pointed out overpayment in April 2017. The Authority did not reply.

The para was not discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority admitted that rate analysis was prepared by adding unjustified provision which would be corrected in due course of time and revised analysis would be produced for re-verification. The Committee directed that rate analysis be corrected by deleting unjustified provision of labour charges @12.5% and difference of rate be recovered within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 384)**

**4.4.1.45** Project Director Metro Bus Project, (MDA) Multan got executed a non-standardized items "*Colour/matt porcelain tiles of 300mm x 600mm approved by Engineer incharge in rotary flyover*" for quantity of 1373.848 square meter @ Rs 2,150.5 per square meter against estimated rate of Rs 1,730 per square meter. The rate analysis was neither available in record nor produced to Audit for verification. Audit has prepared the rate analysis of this item by applying input rates of Finance Department of relevant bi-annual and worked out the rate of Rs 1,505 per Sq meter instead of Authority rate of Rs 1,730 per Sq meter. Hence, excess rate of Rs 225 per Sq meter (1730-1525) was got approved and paid to contractor accordingly.

Weak technical, financial and supervisory controls resulted in overpayment of Rs 309,116 due to sanction of higher rates.

Audit pointed out loss in April 2017. The Authority did not reply.

The para were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the analysis of rates were available and approved by competent authority. Audit informed the Committee that rate analysis was neither available in record nor produce by Authority during audit and verification. Audit has prepared rate analysis of same item on the pattern of Finance Department by applying input rate of relevant bi-annual and worked out the rate of Rs 1,525 per SM against Authority rate of Rs 1,730 per SM. The Committee directed the Authority to reconcile its rate analysis with Audit and recover the difference of rate within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 237)**

**4.4.1.46** Project Director Metro Bus Project, (MDA) Multan executed Non-BOQ item "*P/L RCC pipe 610mm dia*" and paid @ Rs 4,000.55 PM on excessive side by taking higher rate of pipe Rs 4,000.55 per meter instead of admissible rate of Rs 2,617.44 as per input rates of Finance Department. The excessive rate Rs 1,383.11 was a loss to Government and undue financial favour to the contractor.

Weak supervisory and financial controls resulted in overpayment due to allowing excessive rate of non-BOQ item valuing Rs 223,760.

Audit pointed out overpayment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that recovery would be made in next bill of the contractor. The Committee directed that recovery may be

effected within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 258)**

**4.4.1.47** Project Director (Package-IV), Metro Bus Project, (MDA) Multan got the item "*Concrete Class A-II 4000 PSI for NJB with slip form Paver*" executed for quantity of 1189.574 cm and paid @ Rs 16,000 per cm instead of admissible rate of Rs 14,500. Hence, excess rate of Rs 1,500 (16,000-14,500) per cm was paid to contractor. Similarly another Non-BOQ item under elevated rotary, "Providing and laying of RCC pipe 610 mm dia" was measured and paid for quantity of 201.54 meter @ Rs 4,000.55 per meter instead of admissible rate Rs 3,780.25 per meter as available in MRS 1<sup>st</sup>-biannual 2015 for District Multan. Hence, excess rate of Rs 220.3 (4000.55-3780.25) per cm was paid to contractor.

Weak technical financial and supervisory controls resulted in overpayment of Rs 127,391 due to application of higher rate.

Audit pointed out overpayment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017 The Authority directed that recovery would be made in the next bill of the contractor. The Committee directed that recovery may be effected within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 214)**

**4.4.1.48** Project Director Metro Bus Project, (MDA) Multan executed and paid the non-BOQ item "*P/L UPVC pipe 50mm dia*" for a quantity of 1006.624 meter @ Rs 353.66 per meter because of adding higher input rates and carriage.

Weak supervisory and financial controls resulted in overpayment due to allowing excess rate of non-BOQ item for Rs 106,702.

Audit pointed out overpayment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that recovery would be made in next bill of the contractor. The Committee directed that recovery be effected within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 259)**

#### **4.4.2 Non-obtaining of vouched account from various departments – Rs 601.976 million**

As per Rule 2.10(b)(5) and 2.20 of PFR Vol-I, "it was not permissible to draw advance from funds for the execution of works in future and every payment including repayment of money previous by lodged with Govt., for whatever purpose, must be supported by a voucher setting forth full and clear particular of the claims"

Project Director, Metro Bus Project,(MDA) Multan made advance payments of Rs 601,976,192 to various department i.e. WAPDA, WASA, SNGPL, PTCL, NTC and Pakistan Railways for execution of certain deposit works. Despite lapse of a considerable period, vouched accounts were neither submitted by concerned departments nor any effort of MDA was on record. Without vouched accounts status of execution of works and unspent balance could not be ascertained. The detail of advances in as under:

<b>Description</b>	<b>Amount (Rs)</b>
MEPCO, Multan	202,246,142.00
WASA, Multan	110,051,332.00
PTCL, Multan	50,048,265.00

SNGPL, Multan	73,489,000.00
Pakistan Railway, Multan	21,526,453.00
Parks & Horticulture Authority (PHA) Multan	144,615,000.00
<b>Total</b>	<b>601,976,192.00</b>

Weak technical and financial controls resulted in non-obtaining of vouched account amounting to Rs 601,976,192.

Audit pointed out non-obtaining of vouched accounts in April 2017. The Authority did not reply.

The para was not discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017 due to non-submission of working paper by the Authority.

Audit recommends early production of vouched account for audit scrutiny.

**(Para No. 399)**

#### **4.4.3 Un-authorized payment due to non-production of rate analysis of non-standardized items – Rs 336.448 million**

According to the instructions issued by the Finance Department, vide No. RO(Tech)FD-18-23/2004 and RO(Tech)FD-2-3/2004, dated 21.09.2004 and 02.08.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer/Deputy Director and approved by the competent authority not below the rank of Superintending Engineer/Director on the basis of input rate/MRS of relevant quarter and send a copy to Finance Department for scrutiny/standardization.

Project Director, Metro Bus Project, (MDA) Multan got the items executed as non-standardized items but rate analysis of these items were neither available in record i.e. PC-I, Original T.S.E/revised T.S.E nor these were produced to Audit despite verbal and written requests. The matter was also taken-up with consultant for production of rate analysis/breakup of the items but they also did not produce the same. In

the absence of rate analysis, the authenticity of the paid amount could not be verified.

Weak technical, financial and supervisory controls resulted in un-authorized payment due to non-production of rate analysis of non-standardized items valuing Rs 336.448 million.

Audit pointed out un-authorized payment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that lump-sum provision for each job was provided in the estimate. Now the necessary breakup of the items involved had been prepared and approved by the competent authority. Audit informed the Committee that approved rate analysis were neither provided during audit assignment nor during verification. Due to non-production of approved rate analysis, audit of payment of this item could not be conducted. The Committee directed the Authority that complete record i.e. approved rate analysis, measurement sheet (signed & dated), design and working drawing be produced to Audit within 30 days for verification/complete scrutiny. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early production of rate analysis to Audit.  
(Para No. 11, 30, 38, 39, 40, 59, 67, 74, 75, 108, 124, 128, 129, 143, 164, 169, 170, 174, 175, 196, 220, 225, 226, 230, 240, 274, 290, 296, 297, 298, 311, 395)

#### **4.4.4 Loss due to sanction of higher rates by adding inadmissible carriage in concrete rates – Rs 235.577 million**

According to the instructions issued by the Finance Department, vide No. RO(Tech)FD-18-23/2004 and RO(Tech)FD-2-3/2004, dated 21.09.2004 and 02.08.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer/Deputy Director, clearly giving the specifications of the material used and approved by the competent authority not below the rank of Superintending Engineer/Director on the basis of input rate/MRS of relevant quarter and

placed on their website and send a copy to Finance Department for scrutiny/standardization.

Project Director, Metro Bus Project, (MDA) Multan got executed the item “*Concrete Clause-A-I A-II, A-III, D-II and lean concrete*” and paid as non-standardized item by making rate analysis prepared by consultant on the basis of input rate of Finance Department of relevant quarter. The rate was worked out on higher side due to addition of inadmissible carriage on crush/ bajri by taking the input rate of item No. 18.001 of 1<sup>st</sup> bi-annual 2015 instead of admissible rate item No.6.011 in which graded bajri (size 3/8” to 1” mentioned) at site was available. Carriage of this crush stone (bajri) was not admissible because the rate of this item was at site rate.

Weak technical, financial and supervisory controls resulted in loss of Rs 235.577 million due to sanction of higher rates. (**Annex-36**)

Audit pointed out the loss in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that approved Mix Design Formula of concrete provided ranges of different sizes of aggregates that would combine in a recommended mixture of aggregate and bitumen binder in lab to provide guidelines/recipe to achieve well compacted asphaltic concrete keeping in view climatic condition of the area and availability of material. Audit informed the Committee that the authority violated condition of Mix Design formula which provided that aggregate/stone crushed 3/8” to 1-1/2” would be used which was provided under input item No.06.011 of 1<sup>st</sup> bi-annual 2015 District Multan and its rate was at site rate. Hence, carriage was not admissible. Authority provided the item coarse aggregate/bajri of surface dressing without any size which was not required for concrete. The rate of this item vide No. 18.001 of same bi-annual was at quarry rate. The addition of carriage was just provided for giving undue financial benefit to contractor. The Committee directed the para to technical wing of Finance Department for



clarification of issue. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

(Para No. 21, 22, 23, 24, 25, 60, 61, 62, 63, 116, 117, 118, 119, 120, 121, 157, 158, 159, 160, 210, 211, 212, 213, 215, 216, 283, 284, 285, 286, 372, 373, 374, 390, 391)

#### **4.4.5 Irregular payment due applying fresh market rates for execution of Non-BOQ/Item – Rs 219.108 million**

As per clause No. 41 of contract agreement, if any altered, additional or substituted work for which no rate is specified in the contract and the contractor may be directed to do, shall be carried out by the contractor on the same condition in all respect on which he agreed to do the main work and at the same rate as were applicable at the time of tender (bid schedule for the main work).

Project Director, Metro Bus Project, (MDA) Multan got non-BOQ items executed as non-standardized items at fresh market rates instead of rates (rates of 1st bi-annual -2015) which were applicable at the time of sanction of estimates along with agreed premium. It was violation of the agreement clause No. 41 of the contract agreement.

Weak technical, financial and supervisory controls resulted in irregular payment due to execution of non-BOQ/item at fresh market rates amounting to Rs 219.108 million. (**Annex-37**)

Audit pointed out the irregularity in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the item under reference was imported therefore there rates could not be based on MRS first bi-annual, 2015. Accordingly, its rates were assessed through obtaining quotations from the local market. The Authority also contended that clause 41 of the contract agreement was not applicable. Audit

informed the Committee that as per Clause 41 of contract agreement, if any altered, additional or substituted work for which no rate was specified in the contract and the contractor was directed to execute the same was to be carried out by the contractor on the same condition in all respect on which he agreed to do the main work and at the same rate as were applicable at the time of tender (bid schedule for the main work). No evidence that the imported items were provided by the Authority. Further, the issue of imported items relates only upto the rate of material and not to the composite rate. The Committee referred the para to Finance Department for seeking clarification for implementation of Clause 41 within 15 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends preparation of rates analysis on the basis of input rates of 1st bi-annual 2015 and recovery of excess amount, production of basis of rates paid and condonation of irregularity from Finance Department.

**(Para No. 12, 55, 144, 198)**

#### **4.4.6 Loss due to sanction of higher rates by adding inadmissible carriage in ABC and AWC rates – Rs 117.246 million**

According to the instructions issued by the Finance Department, vide No. RO(Tech)FD-18-23/2004 and RO(Tech)FD-2-3/2004, dated 21.09.2004 and 02.08.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer/Deputy Director, clearly giving the specifications of the material used and approved by the competent authority not below the rank of Superintending Engineer/Director on the basis of input rate/MRS of relevant quarter and placed on their website and send a copy to Finance Department for scrutiny/standardization. Also as per approved JMF for Asphaltting Wearing Course the size of the aggregate was approved from 3/8" to 1.50".

Project Director, Metro Bus Project, (MDA), Multan got executed and paid the items "*Asphaltting Base Course and Asphaltting Wearing*

*Course*” as non-standardized. Rate analysis was prepared by consultant on the basis of input rate of Finance Department of relevant quarter. But the approved rate was higher due to addition of inadmissible carriage on crush/bajri by taking the input rate of item No. 18.001 of 1<sup>st</sup> bi-annual 2015 instead of admissible rate item No.6.011 in which graded Bajri (size 3/8” to 1” mentioned) at site was available. Carriage of this crush stone (bajri) was not required because the rate of this item was at site rate. Hence the excess rate was allowed.

Weak technical, financial and supervisory controls resulted in loss of Rs 117.246 million due to sanction of higher rates. **(Annex-38)**

Audit pointed out loss in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that approved JMF provided ranges of different sizes of aggregates that would combine in a recommended mixture of aggregate and bitumen binder in lab to provide guidelines/recipe to achieve well compacted asphaltic concrete. Audit informed the Committee that the Authority violated the condition of JMF which provides that aggregate/stone crushed 3/8” to 1-1/2” would be used. It was provided under input item No.06.011 of 1<sup>st</sup> bi-annual 2015 District Multan and its rate was at site rate. Carriage was not admissible, whereas authority provided the item “Coarse aggregate/bajri” of surface dressing without any size which was required only for TST and not for carpeting. The rate of this item vide item 18.001 of same bi-annual was at quarry rate. The Finance Department in year 2012 and 2015 had clarified the sizes of bajri for carpeting and TST vide item No.06.011 and 18.001 respectively. The addition of carriage was just provided for giving undue financial benefit to the contractor which was required to be recovered. The Committee referred the para to Finance Department for clarification of issue. No compliance of committee’s directives was reported till finalization of this report.

Audit recommends early recovery and its verification.  
**(Para No. 19, 20, 57, 58, 114, 115, 155, 156, 208, 209, 281, 282, 370, 371, 392, 393, 394)**

#### **4.4.7 Overpayment due to incorrect measurement of wire strand in MBs/Sheets in violation of the TSE – Rs 73.654 million**

According to the instructions issued by the Finance Department, vide No. RO(Tech)FD-18-23/2004 and RO(Tech)FD-2-3/2004, dated 21.09.2004 and 02.08.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer/Deputy Director, clearly giving the specifications of the material used and approved by the competent authority not below the rank of Superintending Engineer/Director on the basis of input rate/MRS of relevant quarter and placed on their website and send a copy to Finance Department for scrutiny/standardization.

Project Director, Metro Bus Project, (MDA) Multan, measured incorrect quantities of item “*Pre-stressing steel wire strand 0.6 inch dia for (pre-cast pre-stressed inverted T.I and L girder Box girders) grade 270 KSI grade 1860 complete in all respect etc*” by taking excess weight 1.102 kg per meter instead of actual weight of 0.98 kg per meter as per technical sanctioned estimate. Hence, due to excess measurement of steel weight of 0.122 kg per meter, the excess payment was made to the contractors.

Due to incorrect measurements the contractor was made overpayment of Rs 73.654 million. **(Annex-39)**

Audit pointed out overpayment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority explained to the Committee that the samples of pre-stressing wires brought at site were got tested from University of Engineering and Technology Lahore showing result as factor of 1.102kg per meter. Audit informed the Committee that Authority did not get the technical sanction estimate approved keeping in view the factor of 1.102 Kg per meter. The committee directed to revise of technical sanction estimate. No compliance of committee’s directives was reported till finalization of this report.

Audit recommends early recovery from the contractor.

(Para No. 402, 415, 429, 442, 457, 471)

#### **4.4.8 Overpayment due to arithmetical mistake in rate analysis of item wire strand – Rs 54.413 million**

As per para 4.5(5) of B&R Department Code read with instructions on preface of measurement book, the measurement should be recorded clearly, accurately and the officer making or ordering payment should satisfy himself that the work had been actually done in accordance with the bill submitted for payment. He should also check that the measurements made by his subordinate were as correct as per scale laid by the competent authority.

Project Director, Metro Bus Project, MDA Multan got approved the rate analysis for item “*Pre-stressing steel wire strand 0.6 inch dia for (pre-cast pre-stressed inverted T.I and L girder Box girders) grade 270 KSI grade 1860 complete in all respect etc*” by dividing the total rate with unit of 1.4533 instead of actual unit of 1.5696. Hence, due to application of wrong dividing factor excess payment was made.

Weak technical and financial controls resulted in overpayment due to arithmetical mistake in rate analysis of item wire strand for an amount of Rs 54.413 million. (**Annex-40**)

Audit pointed out overpayment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the unit rate was calculated after the deduction of wastage of 8% which was more authentic and realistic. The unit rate of 1.5696 referred by Audit was not applicable and the rate of 1.4533 was rightly applied. Audit informed the Committee that when total weight of the wire strand was calculated with addition of 8% wastage then the total cost was required to be divided by 1.5696 ton instead of 1.4533 ton to work out the per unit cost whereas the Authority

calculated the rate with 1.4533 ton i.e. without considering the wastage, which was undue financial benefit to contractor and loss to Government. The Committee directed the Administrative Department to conduct a technical probe by constituting a technical committee and submit report within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and verification.

**(Para No. 410, 423, 437, 450, 465, 479)**

**4.4.9 Overpayment due to taking of less weight of girder per meter than technical sanctioned estimate in rate analysis of launching of girders – Rs 54.045 million**

According to item No.405 (b) of technical sanctioned estimate of Metro Bus Project Multan, 2.40 ton weight per meter was taken and accordingly rate analysis was required to be worked out by the Consultant.

Project Director, Metro Bus Project, MDA Multan got the rate analysis approved for item "*Launching of Pre-stressed girders complete in all respect etc*" for an amount of Rs 1,088 per ton of 30 meter long girder by taking the weight of girder as 48 ton instead of actual weight of 72 ton (2.40tonx30Meter) in the light of criteria *ibid*. Moreover, the more weight than that of TSE was taken in measurement sheets/MBs.

Weak technical and financial controls resulted in overpayment of Rs 54.045 million due to taking of less weight of girder per meter than that of technical sanctioned estimate in rate analysis of launching of girders. **(Annex-41)**

Audit pointed out overpayment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the provision made in the original estimate were tentative. The work at site was executed according to the requirement and construction drawings submitted by the

consultants. Audit informed the Committee that the weight of 30 meter long girder was not calculated according to provision provided in technical sanctioned estimate. The Committee directed the Authority to re-calculate the rate analysis by applying weight of 30 meter long girder with 72 tons and 110 tons and by correcting the rate of carriage as provided in MRS of relevant bi-annual, effect overpayment on account of difference of rate and produce the record for re-verification within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 411, 424, 438, 451, 466, 480)**

#### **4.4.10 Irregular execution of rich items at costly rate involving overpayment – Rs 50.485 million**

As per clause No. 41 of contract agreement, if any altered, additional or substituted work for which no rate is specified in the contract and the contractor may be directed to do, shall be carried out by the contractor on the same condition in all respect on which he agreed to do the main work and at the same rate as were applicable at the time of tender (bid schedule for the main work). The agreed premium (below/above) is only admissible. Also as per Finance Department, Government of the Punjab letter No.FD(D-II)10(3)90 dated 30<sup>th</sup>June, 1991 and No.FD(FR)II-2/89 dated 27<sup>th</sup> March, 1990, no change in specification/scope of work during execution of work can be made without approval of the competent authority who accorded the administrative approval/technically sanctioned estimate.

Project Director Metro Bus Project, (MDA) Multan got executed a Non-BOQ item, "*pre-cast planks*" instead of a BOQ item "*wooden planks*". The estimated rate of item "*wooden planks*" was Rs 12,538 per cm and contractors quoted 90%, 60% & 07% below the estimated rates in three different packages. During execution, the Authority/Consultant changed the item without getting the approval from competent forum. Further, the Authority/Consultant measured and paid this item as Concrete class A-II and Reinforcement–Steel Grade-60 instead of working out rate for the new item. Payment was made at full

rate instead of reduced rate as quoted by contractors for the item being replaced (wooden planks). Execution of this item without provision in revised PC-I & revised TSE and at costly rate was un-due financial benefit to contractor and violation of above mentioned rules.

Weak technical, financial and supervisory controls resulted in irregular execution of rich item at costly rate involving loss of Rs 50.485 million. **(Annex-42)**

Audit pointed out irregularity involving in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the provision of wooden planks was substituted with RCC planks for achieving more perfection and strength for RCC work. Audit informed the Committee that Authority got executed a non BOQ items instead of a BOQ items against which contractor quoted below rates @ 90%, 60% and 7%. During execution, in three packages the Authority/Consultant changed the item without getting the approval from competent forum i.e. PDWP & P&D department which accord the approval of PC-I/AA. Audit intimated that the same work was got executed in two other packages with the wooden planks which were quite cheaper and also provided in TSE. Further, the Authority/Consultant measured and paid this item as Concrete class A-II and Reinforcement–Steel Grade-60 instead of working out rate for new item. Payment was made at full rate instead of reduced rate as quoted by contractors for the item being replaced (wooden planks). Execution of this item without provision in revised PC-I & revised TSE and at costly rate was un-due financial benefit to contractor and violation of above mentioned rules. The Committee directed that irregularity be condoned from competent forum and overpayment be recovered within 30 days and get it verified from Audit. No compliance of committee’s directives was reported till finalization of this report.

Audit recommends early recovery of loss.

**(Para No. 179, 236, 250)**



#### 4.4.11 Irregular payment due to execution of Non-BOQ/items without approval of rate analysis – Rs 39.288 million

According to the instructions issued by the Finance Department, vide No. RO(Tech)FD-18-23/2004 and RO(Tech)FD-2-3/2004, dated 21.09.2004 and 02.08.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer/Deputy Director, clearly giving the specifications of the material used and approved by the competent authority not below the rank of Superintending Engineer/Director on the basis of input rate/MRS of relevant quarter and placed on their website and send a copy to Finance Department for scrutiny/standardization.

Project Director, Metro Bus Project (MDA) Multan got executed the following non-BOQ items under Bill No.4.1 (Under Pass) without preparation and approval of rates analysis in violation of FD's instructions.

Sr. No.	Name of item	Quantity	Rate (Rs)	Amount (Rs)
1	Providing and applying short crate concrete having cylindrical strength 3000 psi @ 28 days 2 inch thick etc	2,188.954	1075	2,353,125
2	Providing and applying approved quality combination crystal lining on Kg/SM on concrete surface etc	3,287.320	645	2,120,321
			<b>Total</b>	<b>4,473,446</b>

Weak technical financial and supervisory controls resulted in irregular payment due to execution of items without approval of rates amounting to Rs 4,473,446.

Audit pointed out irregularity in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the analysis of rate of both the items was approved by the Competent Authority. Audit informed the

Committee that Authority did not produce any record in support of reply. The Committee directed the Authority to produce the complete record for re-verification within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early approval and production of rates analysis for scrutiny.

(Para No. 485)

**4.4.12 Loss due to sanction of higher rates by adding inadmissible machinery in item of sub base and base course – Rs 37.949 million**

As per provision of PC-I, the Authority was required to sanction and pay the rate of cost of carriage of stone aggregate for sub-base and base course as per item No. 1 under Chapter 01 (Carriage) of MRS, based on 1<sup>st</sup> Bi Annual 2015, district Multan. The rates included loading and unloading of material from the conveyance and stacking as directed and cost of dumper/trucks were included in the composite rates.

Project Director, Metro Bus Project, (MDA) Multan got the item, “*granular sub base and base course*” executed and paid as non-standardized item. The rates were calculated by adding extra “*Dumper truck*” 2 Nos. for six hours for 100 cubic meters. The dumper truck charges was already included in at site composite rate. Hence inclusion of the cost of dumper was inadmissible and loss to the Government.

Weak technical, financial and supervisory controls resulted in loss of Rs 37.949 million due to sanction of higher rates. (Annex-43)

Audit pointed out loss in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the carriage was taken to load the material from Quarry to site of work (store). As per requirement at site, this material had to be loaded and unloaded at

different reaches during different phases of construction. Therefore the provision of dumper truck 18 ton was rightly incorporated in the analysis of the rate to load the material from store to site of execution. Audit informed the Committee that cost of carriage of stone aggregate for sub-base and base course as per item No.01 under Chapter 01 (carriage) of MRS based on 1<sup>st</sup> bi-annual 2015, District Multan was inclusive of loading and unloading of material from the Quarry and stacking. Furthermore, the lead of 147 Km from Sakhi Sarwar (Quarry side) to site of works also included average lead of 9 Km to accommodate short carriage. Hence, the short carriage was responsibility of the contractor. The Committee directed the case to Finance Department for clarification of short carriage. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

(Para No. 17,18,52,53,112,113,153,154,206,207,279,280,368,369,388,389)

#### **4.4.13 Less recovery of cost of shuttering used in the item Concrete Class D1 cast in situ girders – Rs 36.949 million**

According to para No.510.2 read with para 510.2.2 of Specifications-Technical Provisions (Bidding Documents Vol-II), unless otherwise directed all pipes shall be carefully removed and every precaution taken to avoid breaking or damaging the pipes/sheets. The contractor shall be held responsible for the satisfactory removal of such structures in a usable condition and the dismantled material is the property of the project/client. It should be reused on the project or its cost may be recovered as credit of dismantled material.

Project Director, Metro Bus Project (MDA) Multan approved the rate analysis of item “Concrete class D1 (5000 psi, 1:1:2) for box girders cast in situ etc” on higher side @ Rs 33,514 per cubic meters in estimate. The Authority deducted cost of shuttering @ Rs 282/sqm instead of Rs 1,500/sqm (Rs 3,750x40%).

Weak technical and financial controls resulted in less recovery of cost of shuttering used in the item Concrete Class D1 cast in situ girders for an amount of Rs 36.949 million.

Audit pointed out non-recovery in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the cost of shuttering of Rs 3,750 was sanctioned in the analysis of rate. The said rate comprised of MS Plates including angle, fillets, Pipes, Joints, fabrication, erection, removal, etc. The said shuttering remained in position for more than three months. As per detailed design provided by the consultant during execution stage estimated cost of shuttering based on design was on much higher side than that provided in rate analysis. Audit informed the Committee that rate of item was sanctioned on higher side by providing less rate on account of deduction of cost of old material @ Rs282 per sqm instead of actual rate @ Rs 1500 per sqm (3,750X 40%). The Committee directed the Authority to obtain technical advice from Finance Department within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery from the contractor.

**(Para No. 455)**

#### **4.4.14 Overpayment due to allowing excessive steel in piles – Rs 36.019 million**

As per approved Bar binding Schedule, the required steel for piles of 30 M was 4.505 Ton.

Project Director Metro Bus Project, (MDA) Multan measured the length of steel billet as 34.325 meter. After deduction of overlapping of top and bottom bend i.e. 120m+0.150m+0.300m+1.600m, the length of steel becomes 32.80m. The excess 2.80 meter steel above the concrete 30 meter pile was overpayment.

Weak technical, financial and supervisory controls resulted in overpayment due to allowing excessive steel in piles valuing Rs 36,018,980.

Audit pointed out overpayment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the length of one steel bar was 12m long. For height exceeding 12 meters additional length of steel bar was required, therefore overlapping/jointing with existing length was mandatory and subsequently for the use of 3<sup>rd</sup> length of 12 meters the same overlapping/jointing was required. This overlapped length of main steel bars of piles was clearly shown on the construction drawings issued from Consultant showing the fabrication of steel cages in 3 segments. If length of any pile was 30 meter the length of steel bar be in excess of 30 meters according to its constructional design. Audit informed the Committee that Authority did not produce the record in support of reply. The Committee directed that complete record including record of bore log be produced to Audit for verification within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 87, 302)**

#### **4.4.15 Non-recovery on account of less use of bitumen – Rs 28.157 million**

As per condition No.6 of Finance Department notification No.RO (TECH) FD2-3/2004 dated 02.08.2004, rate for an item of carpeting shall be fixed by the Chief Engineer on the basis of different percentages of bitumen ranging from 3% to 6%, and payment will be made to contractor as per Job Mix Formula or actual bitumen used in the work. Furthermore, as per JMF prepared and approved by the Osmani & Co. (Pvt.) Ltd. for Package-I regarding Asphaltting Base Course (ABC) and Asphaltting

Wearing Course (AWC), the contents of bitumen were 3.30% and 4.10% respectively.

Project Director Metro Bus Project, (MDA) Multan got the item of work “carpeting” executed as non-standardized items on the basis of rate analysis prepared by the consultant on the input rate of Finance Department. As per approved rate analysis and Technical Sanctioned Estimate, the ratio of bitumen contents for Asphaltic Base Course was 3.6% and for Asphaltic Wearing Course 4.2%, and paid accordingly. Whereas, in JMF, the contents of bitumen for Asphaltic Base Course (ABC) and Asphaltic Wearing Course (AWC), were approved 3.30% and 4.10% respectively. Hence excess payment was made to the contractor. The Project Director neither recovered the quantity of less use of bitumen on the basis of JMF nor reduced the rate.

Weak technical, financial and supervisory controls resulted in non-recovery on account of less use of bitumen amounting to Rs 28.157 million. (**Annex-44**)

Audit pointed out non-recovery in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that recovery would be effected in next running bill of the contractors. The Committee directed that recovery on account of less use of bitumen upto final bill or execution of complete item of carpeting be effected within 30 days. No compliance of committee’s directives was reported till finalization of this report.

Audit recommends early recovery of the amount involved.

(**Para No. 01, 47, 100, 138, 191, 266**)

#### **4.4.16 Non-recovery due to use of bulk bitumen in ABC & AWC – Rs 25.547 million**

As per Finance Department letter issued on 2<sup>nd</sup> August, 2004, in case unpacked (bulk) bitumen from the market was used in work then rate shall be reduced @ Rs.4.50 per kilogram.

Project Director, Metro Bus Project, (MDA) Multan got executed the items “*Asphaltic Base Course, Asphaltic Wearing Course, Prime Coat and Tack Coat*” by using bulk bitumen as evident from rate analysis of these items, but the recovery @ Rs 4.5 per kg was not made on account of use of bulk bitumen. This was undue financial favour to the contractor.

Weak technical, financial and supervisory controls resulted in non-recovery due to use of bulk bitumen in carpeting for Rs 25.547 million. **(Annex-45)**

Audit pointed out non-recovery in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the rate of bulk bitumen was incorporated in the analysis of rate. Therefore, the question of deduction of Rs 4.50 per kg did not arise. Audit informed the Committee that Authority violated the standing instruction of Finance Department dated 02.08.2004. The Committee directed the Authority to seek clarification from Finance Department within 30 days. No compliance of committee’s directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 35, 71,126,167,223,294)**

#### **4.4.17 Loss due to sanction of higher rates by wrong calculation in rate analysis – Rs 22.748 million**

According to the instructions issued by the Finance Department, vide No. RO(Tech)FD-18-23/2004 and RO(Tech)FD-2-3/2004, dated 21.09.2004 and 02.08.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer/Deputy Director, clearly giving the specifications of the material used and approved by the competent authority not below the rank of Superintending Engineer/Director on the basis of input rate/MRS of relevant quarter and placed on their website and send a copy to Finance Department for

scrutiny/standardization. Further, as per para No.2&3 of covering memo regarding TS estimate, the Chief Engineer clarified that (approval of) the TS estimate does not confer any approval to the payment of rates provided in the estimate.

Project Director, Metro Bus Project, (MDA) Multan got the item “*Providing and fixing of BRTS railing*” executed and paid as non-standardized item on the basis of rate analysis prepared by the consultant based on input rate of Finance Department. In the rate analysis of 10 meters the quantity of steel was wrongly calculated under sub items (a,b,c). In this way excess rate of Rs 2,207.5 per meter was got approved and paid which was undue financial benefit to the contractor and loss to Government.

Weak technical, financial and supervisory controls resulted in loss due to sanction of higher rates of Rs 22.748 million. **(Annex-46)**

Audit pointed out loss in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the rate of BRTS railing had already been corrected by re-calculating the quantities of sub-items and overpayment would be recovered in next running bill of the contractor by applying the reduced rates. The Committee directed the Authority to effect the recovery and to get it verified from Audit within 30 days. No compliance of committee’s directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 43, 300)**

#### **4.4.18 Overpayment due to double payment of admixture in concrete class A-2 and A-3 – Rs 21.589 million**

As per rate analysis of concrete class A-2 A-3 “super Plasticizer” was provided as per recommendations of consultant defined in Design Mix formula.



Project Director, Metro Bus Project, (MDA) Multan got the item “*Admixture plasticizer/accelerators in concrete*” executed in excess over the provision of Design Mix Formula of concrete A-2 & A-3 approved by the Consultant. The excess quantity of admixture resulted in loss of Government.

Weak technical, financial and supervisory controls resulted in loss of Rs 21.589 million due to excess addition of admixture for quantity of concrete class A-2 and A-3. **(Annex-47)**

Audit pointed out over payment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that overpayment would be recovered in next bill of the contractor. The Committee directed the Authority to effect the recovery within 30 days. No compliance of committee’s directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 28, 81, 89, 177, 239, 288)**

**4.4.19 Loss due to non-use of dismantled road pavement, non-credit of cost of old material and cost of disposal of dismantled material – Rs 18.613 million**

As per provision of approved original technical sanctioned estimate regarding Bill. No. 02 , item 209-a and 201-a, in Grade portion, the dismantled quantity of existing broken road pavement would be 100% re-used as Granular Sub base Course at labour rate and in revised technical sanctioned estimate, it was reduced to 26% for re-use as Granular Sub base Course at labour rate. Also as per Clause No.510.2 of Technical Specification applied in Metro Bus Project, Multan, the dismantled material is the property of the project/client. It should be re-used on the project or its cost may be recovered as credit of dismantled material.

Project Director, Metro Bus Project, (MDA) Multan got the items “*Breaking of existing road pavement*” executed as non-standardized items by making the rate analysis based on input rate of Finance Department Govt. of the Punjab. As per provisions of original and revised technical sanctioned estimate, dismantled quantity was required to be re-used as Granular Sub base Course at labour rate. But all the dismantled quantity was disposed of and the item Granular Sub base Course was paid at full rate. The dismantled quantity as per provision of estimates was not re-used. In this way provisions of technically sanctioned estimate (original & revised) were violated.

Weak technical, financial and supervisory controls resulted in loss due to less or non-use of dismantled road pavement and non-credit of cost of old material amounting to Rs18.613 million. **(Annex-48)**

Audit pointed out loss in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the dismantled material was declared unsuitable as certified by the consultant of the project. Audit informed the Committee that Executive Engineer declared dismantled material as unsuitable after 1 year of execution of the items. No test report of any government laboratory was made available for verification. The Committee directed the Authority either to effect the recovery or produce the laboratory test reports of government institute for verification within 30 days. No compliance of committee’s directives was reported till finalization of this report.

Audit recommends early due recovery.

**(Para No. 15, 56, 94, 277)**

#### **4.4.20 Loss on account of repairing of RCC Sewer line damaged by the contractor – Rs 10.550 million**

As per Clause 20 of Contract Agreement, the contractor shall indemnify & keep indemnified the Government/Agency against all losses

& claims for injuries or damage caused to any person or any property, whatsoever.

Project Director, Metro Bus Project, (MDA) made payment to Managing Director WASA (MDA) Multan for an amount of Rs9.5 million on account of repair of damaged water lines, sewer line, manholes and crosses of streets through contractors whereas sewer lines were damaged by civil works contractors. This repair was the responsibility of civil works contractors. This payment to other agency was loss to the Government.

Weak financial & supervisory controls resulted in loss of Rs 10.550 million. **(Annex-49)**

Audit pointed out loss in April 2017. The Authority did not reply.

The para was not discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017 due to non-submission of working paper by the Authority.

Audit recommends early recovery and its verification.

**(Para No. 352, 353, 355, 356, 366)**

#### **4.4.21 Non-recovery of dismantled material – Rs 8.591 million**

As per Clause No.510.2 of Technical Specification applied used in Metro Bus Project, Multan, the dismantled material is the property of the project/client. As per clause No. 404.4.1, when laps are made for splices, other than those shown on the Drawings or required by Engineer and for convenience of the contractor, the extra steel shall not be measured nor paid for. Also as per rate analysis of item of work *“Providing, laying, fabricating, arranging, fixing/assembling at any height, mild structure, steel conforming to ASTM A-36 for pedestrian bridge, 5% wastage was added for item structural steel A-36”*.

**4.4.21.1** Project Director Metro Bus Project, (MDA) Multan got executed and paid the item “*Fabricating, arranging fixing, assembling at any height, mild structure, steel conforming to ASTM A-36 etc. complete in all respect*” as non-standardized item. In rate analysis under material component 5% wastage for sub item structure steel A-36 was added but credit @ Rs 42 per kg (50% of original cost of steel Rs 84) of this salvaged/dismantled material was neither taken in estimate of works nor its credit was recovered from contractors.

Weak technical financial and supervisory controls resulted in non-recovery of dismantled material Rs 6.594 million. **(Annex-50)**

Audit pointed out non-recovery in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the cost of wastage was always borne by the contractors/indenters which is scrap material and not useable. Audit informed the Committee that Authority itself admitted in its reply that cost of wastage was always born by the contractors whereas, in this case the Authority allowed wastage of 05% on one side and did not make recovery of wastage on other side. The committee directed the Authority to seek clarification from Finance Department within 30 days. No compliance of committee’s directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 33, 69, 560, 166, 222, 293)**

**4.4.21.2** Project Director Metro Bus Project, (MDA) Multan got executed and paid the item “*Cold milling (0-50 mm)*” as non-standardized item on the basis of rate analysis prepared by the consultant based on the input rate of Finance Department. The dismantled material i.e. crush received from cold milling was neither used in the project nor its recovery was made from contractor. In this way undue favour was given to contractors.

Weak technical, financial and supervisory controls resulted in non-recovery of retrieved material/bajri from cold milling amounting to Rs 1.997 million. **(Annex-51)**

Audit pointed out non-recovery in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the dismantled asphaltic bajri could not be reused due to the facts that the dismantled bajri still contained bitumen contents. Therefore without the removal of 100% bitumen contents from the bajri it could not be reused. Audit informed the Committee that with the help of cold milling asphaltic bajri could be made re-useable. As per Clause No. 510.2 of technical specification applied in Metro Bus Project Multan, the dismantled material was the property of the project/client. Hence, its recovery needs to be effected. The Committee directed the Administrative Department to conduct a technical probe by constituting a technical committee and to submit report within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 8, 106, 234)**

#### **4.4.22 Non-recovery due to non-execution of items having low rates – Rs 6.840 million**

As per clause-10 of contract agreement “the contractor shall execute the whole and every part of the works in the most substantial and workman like manner and both as regards material and otherwise in every respect in strict accordance with the specifications, design/drawing & scope.

Project Director Metro Bus Project,(MDA) Multan awarded the work of Package-II for an amount of Rs 4,341,900,994 after receiving an under taking from the bidder in which he reduced the rates of certain items i.e. No. SP- 11, 438, 439, 443 and 444, 467 to be used in elevated flyover

and elevated rotary. The bidder won the contract at 3.50% above the T.S. cost. The contractor had offered rebate for an amount of Rs 14,729,970. Audit observed that said items were neither executed by the Authority nor any justification was recorded. Recovery of said items as per undertaking was required to be made. The detail of non-executed items is as under:

Item No.	T.S. Quantity	Reduced rate (Rs)	Amount (Rs)
SP-011	5 Each	119,946	599,730
SP-438 (Flyover)	101 RM	5,000	505,000
SP-439 (Flyover)	22 RM	10,000	220,000
SP-444 (Flyover)	242 M	15,000	3,630,000
SP-438 (Rotary)	50 RM	5,000	250,000
SP-439 (Rotary)	11 RM	10,000	110,000
SP-443 (Rotary)	776 SM	1,800	1,396,800
SP-467 (Rotary)	16 Each	8,000	128,000
<b>Total</b>			<b>6,839,530</b>

Weak technical, financial and supervisory controls resulted in non-recovery due to non-execution of items for Rs 6,839,530.

Audit pointed out non-recovery in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the pointed out items were not required to be executed at site as per direction of consultant of the project. Audit informed the Committee that on the basis of reduced rate and rebate against pointed out items the work was awarded to the contractor and due to non-execution of these items undue financial favour was given to contractor.

The Committee directed the Authority to prepare comparative/financial statement and recover the amount within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery or execution of items as per T.S. provision.

**(Para No. 91)**

#### **4.4.23 Overpayment due to application of higher input rates for item water lorry 4000 litre tow type – Rs 4.515 million**

According to Finance Department's Input rates of Equipment vide item No.EQ-16 based on 1<sup>st</sup> bi-annual 2015 Multan, the rate of water lorry is Rs 616/hr for 12000 litre. Thus, for 4000 litre water lorry comes to Rs 200 per hour (rounded of).

Project Director, Metro Bus Project, (MDA) Multan got the rates of different items of works approved at a higher rate by taking the input rate of equipment Water Lorry 4000 ltr capacity @ Rs 475 per hour instead of admissible rate vide item No.EQ-16 @ Rs 200 per hour. Hence, due to application of excess input rate the items were sanctioned on higher side and resulted in loss to the Government.

Weak financial and technical controls resulted in over payment for Rs. 4.515 million. **(Annex-52)**

Audit pointed out overpayment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the rate sanctioned in Engineer estimate was based on market rate. Audit informed the Committee that higher rates were applied and no justification of applied rate was provided for verification. The Committee directed the Authority to re-visit and re-calculate the rate analysis, effect the overpayment on account of difference of rate and get it verified from Audit within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery from the contractor or person(s) responsible for this lapse.

**(Para No. 397, 407, 420, 434, 447, 462, 476)**

**4.4.24 Overpayment due to inclusion of excess quantity of Asphalt (Bulk) in rate analysis of Prime Coat – Rs 4.166 million**

As per specification No. 302.3.2 (Specifications-Technical Provision part of Agreement), the rate for application of asphaltic material (cut back/emulsified) on type of surface under Bridge, Wearing Surfaces, Concrete Pavement shall be 0.15 minimum and 0.4 maximum liters per square meter and rate analysis was to be prepared accordingly.

Project Director, Metro Bus Project, MDA Multan got the rates analysis of item “*Cut-Back Asphalt Bituminous Prime Coat under elevated flyover/bridge*” approved by adding the quantity of 3.09 ton bitumen instead of admissible quantity of 2.40 ton as per specifications referred above. Due to use of excessive quantity, the rate was enhanced, which was loss to Government.

Weak technical and financial controls resulted in overpayment of Rs 4.166 million due to inclusion of excess quantity of Asphalt (Bulk) in rate analysis of Prime Coat.

Audit pointed out overpayment in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the competent authority rightly allowed cut back asphalt for 3.09 Ton to be used in prime coat for elevated flyover bridge keeping in view climatic condition and nature of project. Audit informed the Committee that Authority did not produce the spray test report of prime coat for verification of actual use of bitumen in item asphalt bituminous prime coat. The committee settled the paras subject to verification of spray test reports of concerned items by approved government laboratory. No compliance of committee’s directives was reported till finalization of this report.



Audit recommends early recovery because the technical specification of the project were violated.

(Para No. 409,422,436,449,464,478)

**4.4.25 Overpayment due to double inclusion of carriage charges – Rs 2.913 million**

According to the instructions issued by the Finance Department, vide No. RO(Tech)FD-18-23/2004 and RO(Tech)FD-2-3/2004, dated 21.09.2004 and 02.08.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer/Deputy Director, clearly giving the specifications of the material used and approved by the competent authority not below the rank of Superintending Engineer/Director on the basis of input rate/MRS of relevant quarter and placed on their website and send a copy to Finance Department for scrutiny/standardization. Further, as per para No.2 of covering memo regarding TS estimate, the Chief Engineer clarified that (approval of) the TS estimate does not confer any approval to the payment of rates provided in the estimate.

Project Director Metro Bus Project (MDA) Multan awarded the contract of “*Supply, Installation, Testing, Commissioning of LED Road lights etc at MBS Multan*” at MBS Multan to the contractor M/s Philips Pakistan Ltd and got approved rates analysis of different items by taking quotation of M/s Philips dated 10.02.2016 (inclusive of FOR carriage at site) but Authority again allowed carriage in rate analysis, which resulted in loss to government.

Sr	Name of items	Excess Rates	Qty Paid	Overpayment
1	802(a) LED Bulbs of M/s PHILIPS 90 watts etc	1200	1082	1,298,400
2	802(b) LED Bulbs of M/s PHILIPS 150 watts etc	1200	435	522,000
3	802(c) LED Bulbs of M/s PHILIPS 120 watts etc	1200	911	1,093,200
			<b>Total</b>	<b>2,913,600</b>

Payment of carriage twice resulted in overpayment of Rs 2,913,600 to the contractor.

Audit pointed out overpayment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the overpayment would be recovered in the next bill of the contractor. The Committee directed that recovery be effected within 30 days and got verified from Audit. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery from the contractor.

**(Para No. 347)**

**4.4.26 Overpayment due to application of wrong conversion factor for item Asphalt base course Asphaltic wearing course plant mix – Rs 2.576 million**

As per approved PC-1, for Construction of Metro Bus Multan Project, the Authority was required to prepare estimate for Civil Work on the basis of market rates displayed on Finance Department's website for 1<sup>st</sup> Bi-Annual 2015 for District Multan.

Project Director, Metro Bus Project, (MDA) Multan got the rate analysis of item "*Asphaltic Base/Leveling Course Plant Mix and Asphaltic Wearing Course*" approved for an amount of Rs 14,998 per cubic meter and Rs 16,270 per cubic meter respectively in the estimate. The rate was sanctioned on higher side by application of wrong conversion factor i.e. 187.50 instead of actual factor 188.00 cubic meter, which was loss to government.

Weak technical and financial controls resulted in Overpayment of Rs 2.576 million due to application of wrong conversion factor for item

Asphalt base course Asphaltic wearing course plant mix.  
(Annex-53)

Audit pointed out overpayment in April 2017. The Authority did not reply.

The para were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that actual recovery would be effected in next bill of the contractor. The Committee directed the Authority to effect the actual recovery within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

(Para No. 403,404,416,417,430,431,443,444,458,459,472,473)

#### **4.4.27 Loss to government due to non-deduction of rate in disposal of earth – Rs 2.150 million**

As per standard specification, 1/3<sup>rd</sup> earth obtained as a result of excavation of building is used for refilling of trenches and balance 2/3<sup>rd</sup> is used under the floors.

Project Director Metro Bus Project, (MDA) Multan, got executed an item of work "*Excavation in foundation of building and other structure, including dagbelling, dressing, refilling around structure with excavated earth, watering and ramming lead upto one chain 100ft and lift upto 5ft. in ordinary soil*" at MRS rate of Rs 224 per cm. During site visit, Audit observed that total earth was not available at site and disposed off being un-useable but rate on account of watering, ramming, refilling around structure and dressing was not deducted. Hence, non-deduction of rates was loss to the government.

Weak technical, financial and supervisory controls resulted in loss of Rs 2.150 million to government due to non-deduction of rate in disposal of earth.

Audit pointed out loss in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. In one case (para No. 525) the Authority stated that difference of rate would be recovered in the next bill of the contractor. The Committee directed that actual recovery be effected within 30 days. In second case (para No. 561) the Authority stated that work at site had been executed according to the nomenclature of the item and had duly been checked. Audit informed the Committee that complete work was not executed at site. The Committee directed DG MDA to probe the matter and submit his report within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 525,561)**

#### **4.4.28 Overpayment due to non-deduction of area of LED poles – Rs 1.058 million**

As per summery of cost of package-1, group-1, length of track at grade (on ground) portion was 2.5km. The deductions of gaps and LED Poles was required to be made from the concrete item.

Project Director, Metro Bus Project, (MDA) Multan did not deduct the area of LED poles and gaps/U-turn as the item "*Providing and fixing of BRTS railing*" was executed for quantity of 4,607.75 LM and paid @ Rs 14,900 per LM. This measurement was made for full length of 2.5 km. Another item of work i.e. pole for LED lights of 6 inches dia was also got executed with the distance of 24 meter or 78.72 feet from each other. During physical inspection of Metro Bus route by Audit, it was observed that there was 100 feet cut (50x2) at Beacon House U-turn and 100 feet at Bus Depot Morr. The area of LED poles and gaps/U-turns was not deducted from the measured quantity of item of work providing and fixing of BRTS railing.

Weak technical, financial and supervisory controls resulted in loss due to non-deduction of area of poles and U-turn amounting to Rs 1,050,897.

Audit pointed out overpayment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that overpayment due to non-deduction of LED pole would be recovered in next bill of the contractor. The Committee directed the Authority that upto-date recovery be effected within 15 days and got it verified from Audit. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 06)**

**4.4.29 Overpayment due to non-execution of item at site –  
Rs 638,256**

According to Rule 7.17 (b) of Departmental Financial Rules, “all payments for work are based on the quantities recorded in measurement book, it is incumbent upon the person taking the measurement to record the quantities clearly and accurately”.

Project Director Metro Bus Project, (MDA) Multan made payment of an item “*Polyurethane paint with Zink phosphate primer including surface preparation with sand blasting*” under bill No. 4.4(Fuel station) 980.424 SM @ Rs 651 per SM amounting to Rs 638,256. Audit noticed during site visit of Bus Depot that only red oxide paint was applied on the surface of mild steel structure in “Fuel station” area. It is pertinent to mention that red oxide paint was included in the analysis of rate of fabrication of mild steel structure. The payment of Polyurethane paint with Zink phosphate primer was made without its execution. This was un-due financial benefit to contractors.

Weak technical and supervisory controls resulted in overpayment of Rs 638,256.

Audit pointed out overpayment in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that work at site had been executed according to the nomenclature of the item and has duly been checked. Audit informed the Committee that complete work was not executed at site whereas the payment for the complete item was made. The Committee directed the DG MDA to probe the matter and submit his report within 30 days. No compliance of committee's directives was reported till finalization of this report.

Audit recommends early recovery from the contractor/person(s) responsible.

**(Para No. 530)**

## **4.5 Asset Management**

### **4.5.1 Un-authorized expenditure due to non-accountal of tree guards – Rs 17.615 million**

According to rule 15.4 of Punjab Financial Rules Volume-I and rule 6.9 of Departmental Financial Rules the purchased store should be accounted for on the stock register.

The Director, Parks & Horticulture Authority Multan awarded three contracts of providing and fixing of Tree Guards in Metro Bus Route Multan during June 2016 and expenditure was charged to Metro Bus Project Multan. The Authority purchased 2516 tree guards for an amount of Rs 17,614,734 but proper accountal as per rule 6.46 of Departmental Financial Rules was not available. The payment to contractors was released without obtaining certificates of PHA Multan regarding completion of works. The detail is as under:

Sr. No.	Name of works & contractors	Name of items	Rate Approved/ Paid (Rs Each)	Qty Paid P. No.	Payment (Rs)
1	Providing and fixing of Tree Guard in Metro Bus route Zone-II Multan M/s Mian Muhammad Ishfaq	Providing and fixing Tree Guard Square (1-1/2 inchx 1-1/2 inch x 3/16 inch) etc	8,007	958	7,670,706
2	Providing and fixing of Tree Guard in Metro Bus route Zone-III BCG Chowk to Kumharanwala Chowk Multan M/s Muhammad Yousaf	Providing and fixing Tree Guard Square (1-1/2 inchx 1-1/2 inch x 3/16 inch) etc	7,800	958	7,472,400
3	Providing and fixing of Tree Guard in Metro Bus route BZU to Qasim Fort Zone-I Multan M/s Abdul Majeed Khan Sithari	Providing and fixing Tree Guard Square (1-1/2 inchx 1-1/2 inch x 3/16 inch) etc	6,688	100	668,800
		Providing and fixing Tree Guard Square (1-1/2 inchx 1-1/2 inch x 3/16 inch) etc	7,423	212	1,573,676
		Providing and fixing Tree Guard Square (1-1/2 inchx 1-1/2 inch x 1/8 inch) etc	4,774	48	229,152
			<b>Total</b>	<b>2516</b>	<b>17,614,734</b>

The weak managerial and supervisory controls resulted in unauthorized expenditure of Rs. 17,614,734.

Audit pointed out non-recovery in April 2017. The Authority did not reply.

The para was not discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017 due to non-submission of working paper by the Authority.

Audit recommends early accountal of tree guards and its verification.

**(Para No. 509)**

#### **4.5.2 Non-accountal of equipment and T&P articles – Rs 17.489 million**

According to para 6.9 of Departmental Financial Rules, all material should be examined, counted and measured. The receiving

government servant should record item in appropriate stock register. Moreover, as per instructions of the Finance Department issued vide No.F.D (M-U) 1-6/2001 dated 11.02.2010, the material will be handed over to the store section for recording its receipts and issuance in stock register and its safe custody.

Project Director Metro Bus Project,(MDA) Multan procured the “*water and heat proof Containers, Computers, laser jet printers/scanners, LED 55” TVs, Diesel Generator set 250 KVA*” and furniture through civil work contractor in January 2017 for temporary Command & Control Centre but accountal thereof, on T&P register was not made.

Weak supervisory and financial controls resulted in non-accountal of equipment and T&P articles amounting to Rs 17,488,726.

Audit pointed out the irregularity in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that all items involved in the payment had been taken in the T&P/Stock Register. Audit informed the Committee that Authority did not produce any record in support of reply. The Committee directed the Authority that Stock/T&P register be produced for verification within 15 days. No compliance of the Committee’s directives was reported till finalization of this report.

Audit recommends early accountal of total items in departmental record and its verification from Audit.

**(Para No. 524)**

#### **4.5.3 Non-accountal of Equipment of Engineer & Client Office, Survey and Laboratory Equipment and Engineer and Client office – Rs 4.904 million**

As per clause No.701.3.2 of Book of Specification (Technical Specification) used/applied in Metro Bus Project Multan regarding



provision of survey items and instruments, “if survey instruments/laboratory instruments are supplied against provisional sums items then these will become property of client at the end of project”. Further, as per clause No.702.4.2 of same specifications regarding office facility for client and engineer office “if furnishings are supplied against provisional sum item then these will become property of the client at the end of the project”.

Project Director Metro Bus Project, (MDA) Multan made payment for items under bill No.7 (general items) against provisional sums items to contractors. Neither any stock/T&P register showing the accountal of these items was available nor produced to Audit. In the absence of stock/T&P register chances of misuse of above mentioned items could not be ruled out. This showed negligence on the part of consultant and client also.

Weak technical, supervisory and financial controls resulted in non-accountal of Equipment of Engineer & Client Office, Survey and Laboratory Equipment and Engineer and Client office amounting to Rs 4,904,000.

Audit pointed out the irregularity in April 2017. The Authority did not reply.

The paras were discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that all items involved in the payment had been taken in the T&P/Stock Register. Audit informed the Committee that Authority did not produce any record in support of reply. The Committee directed the Authority that Stock/T&P register be produced for verification within 15 days. No compliance of the Committee’s directives was reported till finalization of this report.

Audit recommends early production of stock/T&P register regarding accountal and handing over/taking over of these T&P items.

**(Para No 235,309)**

#### **4.5.4 Non-recovery/non-accountal of dismantled material – Rs 3.990 million**

As per Clause No.510.2 of Technical Specification applied/used in Metro Bus Project, Multan, the dismantled material is the property of the project/client. It should be reused on the project or its cost may be recovered as credit of dismantled material.

Project Director, Metro Bus Project,(MDA) Multan executed the item “*dismantling, removal and stock piling of kerb stones*” “*removal of street light*” “*dismantling of boundary wall*”, but neither the recovery of dismantled material was made nor its accountal was on record.

Weak technical, financial and supervisory controls resulted in non-recovery/non-accountal of dismantled material amounting to Rs 3,990,373.

Audit pointed out non-recovery in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that the dismantled kerb stones were considered as unsuitable and disposed off. The removed street light poles were lying in the MDA store. The item dismantling of boundary wall was not executed at site. Audit informed the Committee that as per specification of the project all demolished material was the property of the project. Auction of dismantled street light pole was not conducted by the Authority. The test report of laboratory regarding dismantled kerb stone was not produced for verification. The Committee directed settled the para subject to auction of dismantled street light pole and production of lab test report of dismantled kerb stone. No compliance of the Committee’s directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 96)**

#### **4.5.5 Non-recovery of dismantled material – Rs 3.554 million**

As per Clause No.510.2 of Technical Specification applied/used in Metro Bus Project, Multan, the dismantled material is the property of the project/client. It should be reused on the project or its cost may be recovered as credit of dismantled material.

Project Director, Metro Bus Project, (MDA) Multan got executed, measured and paid the items “*dismantling of kerb stone, tuff paving and light poles*” under bill No.6 but dismantled material was neither re-used nor its cost was recovered from the contractor.

Weak supervisory and financial controls resulted in non-recovery of dismantled material valuing Rs 3,553,780.

Audit pointed out non-recovery in April 2017. The Authority did not reply.

The para was discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017. The Authority stated that all the dismantled material had been handed over to NHA being the incharge of the road N-5. Audit informed the Committee that Authority did not provide the complete record regarding handing over of dismantled material. The Committee settled the para with subject to verification of complete record. No compliance of the Committee’s directives was reported till finalization of this report.

Audit recommends early recovery and its verification.

**(Para No. 248)**

#### **4.5.6 Non-accountal of IT equipments–Rs 1.752 million**

According to rules 15.4 and 15.5 of Punjab Financial Rules Volume-I and rule 6.9 of Departmental Financial Rules, “all materials received should be examined, counted and measured. The receiving government servant should record items in appropriate stock register and items should be issued on written request as per requirement of work and obtain acknowledgment.

Project Director, Metro Bus Project, (MDA) Multan, made procurement of “*IT equipment*” items through M/s Global Business from the contingency head @ 2% of Metro Bus Fund Project Multan but T&P Register showing the accountal/handing over taken over of these T&P/electronic items & IT equipments was neither available in record nor produced to Audit for verification. In the absence of T&P/stock Register, chances of misuse of these items could not be ruled out. The detail is as follows:

S.#	Description of items	Vr No.	Date	Quantity	Rate	Amount Rs
1	Desk top computers	103	23.06.15	03	57,540	172,620
2	Laptops	-do-	-do-	10	87,406	874,060
3	Multimedia projector	-do-	-do-	01	293,180	293,180
4	Ups for Desktops	-do-	-do-	03	14,659	57,540
6	Split Air Conditioner	107	-do-	06	53,076	318,456
<b>Total</b>						<b>1,751,856</b>

Weak technical, financial and supervisory controls resulted in non-accountal of T&P items and IT equipments amounting to Rs 1,751,856.

Audit pointed out irregularity in April 2017. The Authority did not reply.

The para was not discussed in the SDAC meeting held on 28.11.2017 to 30.11.2017 due to non-submission of working paper by the Authority.

Audit recommends early verification of T&P register showing accountal and handing over/taken over of T&P/electronic items & IT equipments.

**(Para No.535)**

## **4.6 Monitoring and Evaluation**

**4.6.1** Subject to the irregularities, losses and overpayments pointed out in Special Audit Report, internal checks such as inspections, regular

monitoring & supervision by field engineers and material testing and laboratory test reports of the executed works were being carried out. M/s Osmani & Company was the consultant for design and supervision. The progress of the scheme under execution was being reviewed by the Chief Engineer and Director General MDA Multan. However, the advances granted for shifting of utilities need to be adjusted.

#### **4.7 Environment**

- 4.7.1** In violation of Section 12 of Pakistan Environmental Protection Act, Initial Environmental Examination and Environmental Impact Assessment (EIA) was not carried out.
- 4.7.2** Despite the fact that it had been indicated in the PC-I that the project may be having an environmental impact, the environmental data was not compiled by the project authorities. Hence, environmental impact of the project could not be assessed. Environmental aspect should have been given top priority keeping in view the rising levels of pollutants in the atmosphere and poisonous smog in winter.

#### **4.8 Sustainability**

- 4.8.1** Sustainability of a project depends mainly upon the sufficient flow of financial resources both during implementation and operation phases. Thus, sustainability of this project is subject to provision of huge amount of annual subsidy by the Provincial Government during operational phase. However, number of passengers commuting on the MBS Multan was reported to be far less than envisaged in the PC-I.

#### **4.9 Overall Assessment**

- 4.9.1 Relevance:** MDA, Multan aims to provide smooth and efficient traffic flow to the benefit of public.
- 4.9.2 Efficiency:** Audit was not in a position to comment on the efficiency aspect due to non-availability of complete data.

- 4.9.3 Economy:** Contracts were awarded after competitive bidding. However, it was observed that the Authority got estimates approved at exorbitantly high rates in contravention of para 6 of PC-I, FD's composite MRS rates, project specifications and P&D Department instructions. Therefore, the estimates could not serve a valid bench mark for evaluation of bids. Technical sanction estimates were much higher than MRS which gave the contractor a cushion to quote higher rates against the actual rates. Had the TS estimates been correctly prepared, the bids would have been much lower than the bids finally accepted in this project.
- 4.9.4 Effectiveness:** Although the scheme was completed and bus service was operational and providing transportation facility to the general public but in the absence of the relevant data, Audit was not in a position to comment on achievement of the envisaged targets.
- 4.9.5 Compliance with Rules:** Issues of poor financial management, procurement & contract management and construction & works depicting losses, overpayments and irregularities of Rs 47,912.166 million were noticed. Non-adherence to financial management rules/practices, as highlighted by Audit, is the critical area which needs to be considered seriously by the Principal Accounting Officers.
- 4.9.6 Performance Rating:** Satisfactory.
- 4.9.7 Risk Rating:** High risk, as its operation and maintenance depends upon provision of subsidy by the Government of the Punjab.

## **5 CONCLUSION**

- 5.1 Key Issues for the Future:** Increase in operational, repair & maintenance cost and subsidy coupled with inadequate funding may limit project's performance and achievement of envisaged objectives.
- 5.2 Lesson Learnt:** Non-compliance of contractual obligations and violation of rules are critical areas to be improved.

- i. Proper vigilance is required to be exercised while sanctioning rate analysis and TS estimates for the future projects.
- ii. Internal controls like test check measurements/periodic inspections of work by supervisory officers need to be implemented / strengthened.
- iii. The lapses on part of project management during execution and over-estimation of project cost should not be repeated in future projects keeping in view audit observation.





## **ACKNOWLEDGEMENT**

We wish to express our appreciation and gratitude to the Management & staff of Chief Engineer, Director Finance of MDA, Multan for the assistance and cooperation extended to the auditors during this assignment.



## ANNEXURES

### Annexure-01

#### Para No.4.2.4

**Un-justified payments at commercial rates for building structures not declared as commercial by MDA–Rs 644.259 million**

Rs in millions

Sr#	Award No.	Amount
1	Award No.11 Part-I	249.013
2	Award No.11 Part-II	104.037
3	Award No.12	221.409
4	Award No. 16	69.800
<b>Total</b>		<b>644.259</b>

### Annexure-02

#### Para No. 4.2.5

**Undue financial benefit because of non-revalidation of expired bank guarantee against 30% mobilization advance for equipment–Rs 299.951 million**

Para No	Name of contractor	Date of Issue	Date of Expiry	Date of Completion of Work	Amount (Rs)
328	M/s Merin Pvt Ltd	13.10.2015	18.07.2016	19.06.2017	180,480,000
329	M/s Greaves Pvt Ltd	12.10.2015	31.01.2017	19.06.2017	93,102,000
339	M/s Pak German Engineering Pvt Ltd	02.04.2016	30.10.2016	29.03.2017	26,369,437
<b>Total</b>					<b>299,951,437</b>

### Annexure-03

#### Para No. 4.2.6.1

**Non-recovery on account of price de-escalation of diesel, bitumen and steel – Rs 197.371 million**

Para No	Base price (Rs. Per Litre)	Current price (Rs. Per Litre)	Difference	Percentage Below	Amount (Rs)
13	83.61	72.52	11.09	13.26%	23,310,426
78	83.61	72.52	11.09	13.26%	20,804,054
109	83.61	72.52	11.09	13.26%	36,537,762
149	83.61	72.52	11.09	13.26%	29,332,488
197	83.61	72.52	11.09	13.26%	21,688,802
275	83.61	72.52	11.09	13.26%	39,379,480
376	82.04	72.52	9.52	11.60%	24,716,000
514	83.79	72.52	11.27	13.45%	1,602,304
<b>Total</b>					<b>197,371,316</b>

**Annexure-04**

**Para No. 4.2.6.2**  
**Non-recovery on account of de-escalation of diesel, bitumen and steel**  
**- Rs 30.359 million**

Para No	Base price (Rs. Per Ton)	Current price (Rs. Per Ton)	Difference	Percentage Below	Amount (Rs)
14	59,933	55,441	4492	7.50%	3,496,791
79	59,933	55,441	4492	7.50%	2,525,721
110	59,933	55,441	4492	7.50%	3,456,802
136	59,933	55,441	4492	7.50%	836,769
150	59,933	55,441	4492	7.50%	2,394,245
203	59,933	55,441	4492	7.50%	3,786,092
276	59,933	55,441	4492	7.50%	13,313,555
377	72,992	57,977	15015	20.57%	822,972
<b>Total</b>					<b>30,632,947</b>

**Annexure-05**

**Para No. 4.2.6.3**  
**Non-recovery on account of de-escalation of diesel, bitumen and steel- Rs 26.862 million**

Para No	Base price (Rs. Per Ton)	Current price (Rs. Per Ton)	Difference	Percentage Below	Amount (Rs)
183	84,070	75,320	8,750	10.41%	5,766,250
241	84,070	75,320	8,750	10.41%	5,250,000
381	82,620	74,570	8,050	9.74%	4,375,146
382	82,620	75,320	7,300	8.84%	5,840,000
513	81,820	74,070	7,750	9.47%	5,631,250
<b>Total</b>					<b>26,862,646</b>

**Annexure-06**

**Para No. 4.2.7**  
**Excess payment and above the agreed tender percentage - Rs 247.100 million**

Para No	Name of contractor	Payment made upto Last/final bill (in Rs)	Payment was required to be made (in Rs)	Excess payment (in Rs)
9	M/S ESER-SMC(JV)	2,593,418,795	2,564,641,532	28,777,263
80	M/S Qalandar Bux Abro	2,083,138,530	1,958,547,929	124,590,601
107	M/s Zahir Khan & Brothers	4,286,680,442	4,280,406,831	6,273,611
151	M/S CRFG-HRL-MATRA CON JV	2,652,093,389	2,621,773,783	30,319,606
204	M/S MAQBOOL – CALSON (J.V)	3,168,375,575	3,160,281,503	8,094,072
272	M/s Habib Construction Services (Pvt.) Ltd	3,875,865,651	3,856,887,005	18,978,646
387	M/S DINSONS (Pvt) LTD	609,355,014	579,288,362	30,066,652
<b>Total</b>				<b>247,100,451</b>

**Annexure-07****Para No. 4.2.12****Overpayment due to allowing 27% duties on local material and labour and then 20% contractors' profit & overhead thereon – Rs 53.783 million.**

<b>Para No</b>	<b>Item</b>	<b>Amount Rs</b>
34	(i)Supply and installation of corrugated polyurethane foam sandwich panel 50 mm with pre painted Alu Zinc sheet 07. Mm thick, approved color on the outside and 0.50 mm approved color on the inside etc complete in all respect 1.5 TR and (ii) Supply and installation of Fabricated aluminum lover panels made from 2.2 mm thick Z louvers Section 58mm x 21mm x 2.2mm with Frame complete as per drawing, design & direction of the Engineer etc complete in all respect	3,172,640
45	Do	11,448,000
70	Do	1,269,056
82	Do	4,579,308
97	Do	2,198,980
145	Do	1,478,774
147	Do	5,602,397
148	Do	1,082,265
199	Do	917,026
201	Do	3,022,272
202	Do	820,667
306	Do	8,278,925
307	Do	9,912,419
<b>Total</b>		<b>53,782,729</b>

**Annexure-08**

**Para No. 4.2.17**

**Violation of financial discipline and non-credit of markup/profit to the Metro Bus System accounts–Rs 18.882 million**

<b>Para No</b>	<b>Date of release</b>	<b>Amount released</b>	<b>No.of days</b>	<b>Amount (Rs)</b>
37	8/23/2016	85,667,942	56	1,051,486
	9/3/2016	52,763,637	67	774,830
	10/14/2016	41,820,796	108	989,950
	11/2/2016	34,795,990	127	965,568
	12/15/2016	35,538,915	170	1,324,190
95	16.08.2016	84,097,259	49	903,182
	03.09.2016	81,627,793	68	1,216,590
	01.10.2016	39,004,457	96	820,697
	19.10.2016	38,532,352	114	962,781
	02.11.2016	23,896,115	126	659,926
	09.12.2016	17,293,550	164	621,620
534	10/8/2016	3,187,725	95	66,374
	1/9/2017	13,822,466	195	590,768
	8/2/2016	34,233,097	26	195,082
	8/31/2016	13,231,494	65	188,503
	8/23/2016	37,500,000	57	468,493
	9/23/2016	21,412,960	88	413,006
	12/29/2016	13,841,345	184	558,204
	Yet laying	-	278	1,786,270
536	1/26/2017	75,821,914	68	1,130,058
73	08/16/2016	41,155,267	49	3,195,403
	09/29/2016	41,388,477	96	870,860
	10/28/2016	40,699,535	122	1,088,294
	10/09/2016	22,930,833	164	824,253
<b>Total</b>				<b>18,882,981</b>

**Annexure-09**

**Para No. 4.2.21**

**Unjustified payment of secured advance due to allowing excess rate–Rs 9.478 million**

Para No	Item of work	Rate admissible Rs/rft	Rate applied Rs/rft	Excess Rate Rs/rft	Qty Kg	Loss Rs
380	Secured advance on MS Bars deformed grade 60	56,490	60,750	4,260	800	3,408,000
511	Secured advance on MS Bars deformed grade 60	56,115	60,750	4,635	500	3,746,400
512	Sand	27.75	39.37	11.62	2000 cft	2,324,000
<b>Total</b>						<b>9,478,400</b>

**Annexure-10**

**Para No. 4.2.27**

**Overpayment due to allowing contractors profit/overheads on GST–Rs 5.643 million**

Para No	Name of items	Rate Approved	Rate required to be approved	Excess Rates	Qty Paid	Overpayment
343	804(a) 4 Core 10 mm sq 650/1000 volt Copper cable	900 (Rs 550x17%=94 +20%=Rs19)	881	19	75,389 RM	1,432,391
	804(b) Single core 16 mm sq 450/750 volt copper cable	370 (Rs 248x17%=42 +20%=Rs8.4)	361.60	8.4	46,282 RM	388,768
	804(c) 4 Core 35 mm sq 600/1000 volt copper cable	2,500 (Rs 1782x17%=303 +20%=Rs61)		61	635 RM	38,735
	804(e) 3 Core 2.5 mm sq 450/750 volt copper cable	300 (Rs 195x17%=33 +20%=Rs7)		7	18,468 RM	129,276

	804(f) 3 Core 2.5 mm sq 450/750 volt copper cable	350 (Rs 140x17%=24 +20%=Rs5)		5	6,780.75 RM	33,905
	807(a) Singe Core 70 mm sq 450/750 volt copper cable	1,265 (Rs 994x17%=169 +20%=Rs34)		34	4,593 RM	156,162
346	802(a) LED Bulbs of M/s PHILIPS 90 watts etc	55,000 (Rs 42,800x17%= 7,276 +20%=Rs1455)	53,545	1455	1,082	1,574,310
	802(b) LED Bulbs of M/s PHILIPS 150 watts etc	70,000 (Rs 55,300 x17%= 9,469 +20%=Rs1894)	68,106	1894	435	823,890
	802(c) LED Bulbs of M/s PHILIPS 120 watts etc	45,000 (Rs 34,400 x17%= 5848 +20%=Rs 1170)	43,830	1170	911	1,065,870
<b>Total</b>						<b>5,643,307</b>



**Annexure-11****Para No. 4.2.34  
Non-recovery of General Sales Tax–Rs 1.534 million**

Para No	Total amount of GST	1/5th amount
83	2,718,547	543,709
521	3,293,750	658,750
522	1,148,180	229,636
523	508,300	101,660
<b>Total</b>		<b>1,533,755</b>

**Annexure-12****Para No. 4.3.1  
Irregular procurement of bitumen from sources other than NRL Karachi– Rs  
904.184 million**

Para No	Name of items	Quantity		Rate	Amount
182	Asphaltic Base Course (ABC)	1535.198	Cm	18,225	27,978,983.55
	Asphaltic Base Course (ABC)	773.03	Cm	17,313.75	13,384,048.16
	Asphaltic Wearing Course (AWC)	2204.473	Cm	19,524.45	43,080,803.37
	Bituminous Prime Coat	32935.203	Sm	121	3,864,159.56
	Bituminous Tack Coat	44089.473	Sm	65	2,856,815.74
231	Asphaltic Base Course (ABC)	3558.75	Cm	18,194.29	64,748,929
	Asphaltic Wearing Course (AWC)	3204.715	Cm	19739.4	63,259,151
	Bituminous Prime Coat	49613.44	Sm	110	5,457,479
	Bituminous Tack Coat	65875.23	Sm	46.75	3,079,667
312	Asphaltic Base Course (ABC)	24798.789	Cm	18,225	451,957,929
	Asphaltic Wearing Course (AWC)	11625.678	Cm	19,524.45	226,984,968
	Bituminous Prime Coat	210935	Sm	121	25,523,135
	Bituminous Tack Coat	232135	Sm	65	15,088,775
<b>Total</b>					<b>904,184,040</b>

### Annexure-13

#### Para No. 4.3.2.5

#### Double payment on account of installation, civil work and remote monitoring control work in escalators and elevators SOP-2 work–Rs 36.350 million

Para No	Details	Cost	Non-recovery
318	Supply, installation and commissioning of 3 drain, pumps etc	21 nos x Rs 400000	8,400,000
	Remote monitoring control work including gateway for escalators etc	1 no x Rs 8300000	8,300,000
	Civil and allied works relevant to necessary adjustment etc	1 no x Rs 2250000	2,250,000
	Electrical and ancillary works relevant to necessary adjustment etc	1 no x Rs 7800000	7,800,000
332	Remote monitoring control work including gateway for escalators etc for 63 elevators	1 no x Rs 5200000	5,200,000
	Civil and allied works relevant to necessary adjustment Etc for 63 elevators	1 no x Rs 2200000	2,200,000
	Electrical and ancillary works relevant to necessary adjustment Etc for 63 elevators	1 no x Rs 2200000	2,200,000
<b>Total</b>			<b>36,350,000</b>

### Annexure-14

#### Para No. 4.3.2.7

#### Non-recovery of pre-shipment inspection and TA/DA charges from the contractor for Escalators–Rs 5.632 million

Para No	Details	Cost	Amount Rs
317	Pre-shipment charges of four persons cost of travel, visa, boarding and lodging	Rs.300,000x4=Rs 1,200,000	1,200,000
	TA/DA cost	\$100 (Rs104) per dayx4 personsx5 days=Rs 208,000	208,000
330	Pre-shipment charges of four persons cost of travel, visa, boarding and lodging	Rs.300,000x4=Rs 1,200,000	1,200,000
	TA/DA cost	\$100 (Rs104) per dayx4 persons x 5 days = Rs 208,000	208,000
337	Pre-shipment charges of four persons cost of travel, visa, boarding and lodging	Rs.300000x4=Rs 1,200,000	1,200,000
	TA/DA cost	\$100 (Rs104) per dayx4 personsx5days=Rs 208,000	208,000
342	Pre-shipment charges of four persons cost of travel, visa, boarding and lodging	Rs.300,000x4=Rs 1,200,000	1,200,000
	TA/DA cost	\$100 (Rs104) per dayx4 personsx5 days=Rs 208,000	208,000
<b>Total</b>			<b>5,632,000</b>

**Annexure-15**

**Para No. 4.3.5**  
**Irregular allotment of works without open tender in violation of PPRA rules–Rs**  
**84.434 million**

<b>Para No</b>	<b>Name of work</b>	<b>Amount Rs</b>
358	Replacement of 40 inch dia force main for Chungi No.9 Disposal station WASA Multan	15,363,000
359	Providing and laying of Water Supply Lines on Bosan Road WASA Multan	9,042,000
361	Relocation of Water Supply Lines in the route of Metro Bus from Chungi No.9 to Ashar Chowk WASA Multan	35,810,000
362	Relocation of Crosses of RCC Sewer & Plugging of Manholes from Khaiyam Cinema to Fish Market Multan	1,295,972
365	Relocation of Crosses of RCC Sewer & Plugging of Manholes from Chungi No.9 to Khaiyam Cinema to Multan	2,300,150
491	Supply of plants for Median from BZU Station to Qasim Fort Station Multan	10,311,285
494	Supply and filling of earth in Median from BZU Station to Qasim Fort Station Multan	4,798,375
505	Providing and fixing of trees 6 feet to 8 feet height at Metro Bus Route Multan	2,866,500
506	Providing and installing of ½ cusic KSB Turbine pump with HP electric Motor Siemens 350 boring including MS blind pipe casing strainer complete in all respect etc at Metro Bus Route Multan	2,649,093
<b>Total</b>		<b>84,436,375</b>

**Annexure-16**

**Para No. 4.3.9**  
**Payment to contractors for graduate engineer and operating staff not**  
**engaged during maintenance period–**  
**Rs 8.640 million.**

<b>Para No</b>	<b>Package</b>	<b>Name of contractor</b>	<b>Average pay Rs</b>	<b>No of engineer Nos</b>	<b>Period months</b>	<b>Amount Rs</b>
316	Package-7 (Group-1)	M/s Merin Pvt Ltd	30,000	3.00	24	2,160,000
331	Package-7 (Group-2)	M/s Greaves Pvt Ltd	30,000	3.00	24	2,160,000
336	Package-8 (Group-1)	M/s Pak German Engineering Pvt Ltd	30,000	3.00	24	2,160,000
341	Package-7 (Group-1)	M/s Greaves Pvt Ltd	30,000	3.00	24	2,160,000
<b>Total</b>						<b>8,640,000</b>

**Annexure-17**

**Para No. 4.4.1.1  
Overpayment due to sanction of higher rates–Rs 271.451million**

Para No	Name and detail of specification used in the work	Rate approved (in Rs/cubcm)	Rate admissible (in Rs/cubcm)	Diff. (in Rs/cubcm)	Qty paid (in cubcm)	Amount (in Rs)
4	Elastomeric bearing pads of specified size and requisite standard (western European, USA Origin)	16.46	12.63	3.83	11136000	42,650,880
50	Do	16.46	12.63	3.83	14198400	54,379,872
103	Do	16.46	15.12	1.34	22618260	30,308,468
141	Do	16.46	14.02	2.44	15889680	38,770,819
194	Do	16.46	14.02	2.44	14215800	34,686,552
269	Do	16.46	11.32	5.14	13746000	70,654,440
<b>Total</b>						<b>271,451,032</b>

**Annexure-18**

**Para No. 4.4.1.2  
Overpayment due to sanction of higher rates–Rs 129.526 million**

Para No	Name of item	Quantity paid CM	Excess Rate paid Rs/CM	Amount (in Rs)
26	Construction of cast in place concrete piles 1200 mm dia including concrete class A3(4000 PSI) excluding steel reinforcement	7,170.000	2,037	14,605,290
64	Construction of cast in place concrete piles 1200 mm dia including concrete class A3(4000 PSI) excluding steel reinforcement	10,260.000	2,037	23,669,820
161	Construction of cast in place concrete piles 1200 mm dia including concrete class A3(4000 PSI) excluding steel reinforcement	11,338.440	2,037	23,096,402
217	Construction of cast in place concrete piles 1200 mm dia including concrete class A3(4000 PSI) excluding steel reinforcement	14,955.300	2,037	30,463,946
304		104,101	3,620.67	37,691,174
<b>Total</b>				<b>129,526,632</b>

## Annexure-19

### Para No. 4.4.1.3 Overpayment due to sanction of higher rates–Rs 96.944 million

Para No	Name of item	Rate paid Rs/Meter	Rate to be paid Rs/Meter	excess rate Rs/Meter	Qty paid Meter	Amount Rs.
32	Manufactured trade mark expansion joints strip seal/finger type for bridges movement upto 80mm (Western Europe and USA)	82,000	34,800	47,200	265.000	12,508,000
68	Do	82,000	34,800	47,200	270.000	12,744,000
125	Do	70,000	34,800	35,200	509.850	17,946,720
165	Do	82,000	34,800	47,200	478.154	22,568,869
221	Do	82,000	34,800	47,200	320.395	12,910,201
292	Do	82,000	34,800	47,200	371.545	18,266,460
<b>Total</b>						<b>96,944,250</b>

## Annexure-20

### Para No. 4.4.1.6 Overpayment due to sanction of higher rates–Rs 28.172 million

Para No	Name of item	Quantity paid	Rate paid Rs	Rate to be paid	Excess rate Rs	Amount Rs
5	Pre-cast Kerb stone – Non mountable	7,600(5,100+250) meter	1,200	Rs.517.61 (labourRs.6498.75+ EquipmentRs.4702.50=Rs.11201.25/120 Rs.93.34+ 20% +material rate Rs.374.30=Rs.486.308	713.692	5,424,059
51	Pre-cast Kerb stone – Non mountable	3,948.920 meter	1,400	Rs.517.61 (labourRs.6498.75+ EquipmentRs.4702.50=Rs.11201.25/120 Rs.93.34+ 20% +material rate Rs.374.30=Rs.486.308	913.692	3,608,097
104	Pre-cast Kerb stone – Non mountable	7,459 meter	1,200	Rs 517.61 (labour Rs 6,498.75 + Equipment Rs 4,702.50 = Rs 11,201.25 / 120 Rs 93.34 + material rate Rs 338 = Rs 431.34 x 20%.	682.39	5,089,947
142	Pre-cast Kerb stone – Non mountable	6,192.300 meter	1,174	Rs.517.61 (labourRs.6498.75+ EquipmentRs.4702.50=Rs.11201.25/120 Rs.93.34+ 20% +material rate Rs.374.30=Rs.486.308	687.692	4,258,395
195	Pre-cast Kerb stone – Non mountable	6,931.463 Meter (5,605+1326.463)	1,200	Rs 517.61 (labourRs6498.75+ Equipment Rs 4702.50 = Rs 11201.25/120 Rs93.34+ 20% +material rate Rs374.30=Rs486.308	713.692	4,946,930

270	Pre-cast Kerb stone – Non mountable	7,600(5100+2,500) meter 5802 (1,582.208 + 4,219.625)	1,161.60	Rs.517.61 (labourRs.6498.75+ EquipmentRs.4702.50=Rs.11 201.25/120 Rs.93.34+ 20% +material rate Rs.374.30=Rs. 486.308	713.692	4,140,841
367	Pre-cast Kerb stone – Non mountable	2,901.004 meter	484	Rs.241.16 (Rs 553 *56.39% below contractor's quoted rate against this item)	242.84	704,480
<b>Total</b>						<b>28,172,749</b>

## Annexure-21

### Para No. 4.4.1.7

#### Overpayment due to sanction of higher rates–Rs 25.142 million

Para No	Name of item	Quantity paid Meter	Rate provided in TSE Rs/meter	Rate admissible Rs/meter	Excess rate Rs/meter	Amount Rs
36	Pavement marking in Thermoplastic paint for lines of 15 cm wide	79,000	199	89	110	8,690,000
72	Pavement marking in Thermoplastic paint for lines of 15 cm wide	17,760	199	89	166	2,948,160
127	Pavement marking in Thermoplastic paint for lines of 15 cm wide	34,640	199	89	110	3,810,400
168	Pavement marking in Thermoplastic paint for lines of 15 cm wide	13,876	199	89	100	1,387,600
224	Pavement marking in Thermoplastic paint for lines of 15 cm wide	21,744.000	199	89	110	2,391,840
295	Pavement marking in Thermoplastic paint for lines of 15 cm wide	51,618.221	199	89	110	5,914,209
<b>Total</b>						<b>25,142,209</b>

**Annexure-22**

**Para No. 4.4.1.8**

**Overpayment due to sanction of higher rates–Rs 23.567 million**

Para No	Name of item	Quantity paid CM	Excess Rate paid Rs/CM	Amount
27	Pre-stressing Steel wire strand (pre-cast/pre-stressed inverted T,I,L-girder,box girder) grade 270 KSI,grade 1860 complete in all respect	322.824	9,446	3,049,396
65	Pre-stressing Steel wire strand (pre-cast/pre-stressed inverted T,I,L-girder,box girder) grade 270 KSI,grade 1860 complete in all respect	399.208	10,615	4,237,593
122	Pre-stressing Steel wire strand (pre-cast/pre-stressed inverted T,I,L-girder,box girder) grade 270 KSI,grade 1860 complete in all respect	630.116	7,058	4,447,621
162	Pre-stressing Steel wire strand (pre-cast/pre-stressed inverted T,I,L-girder,box girder) grade 270 KSI,grade 1860 complete in all respect	407.953	10,049	4,099,520
218	Pre-stressing Steel wire strand (pre-cast/pre-stressed inverted T,I,L-girder,box girder) grade 270 KSI,grade 1860 complete in all respect	393.540	10,049	3,954,724
287	Pre-stressing Steel wire strand (pre-cast/pre-stressed inverted T,I,L-girder,box girder) grade 270 KSI,grade 1860 complete in all respect	366.175	9,907	3,778,607
<b>Total</b>				<b>23,567,461</b>

**Annexure-23**

**Para No. 4.4.1.10**

**Overpayment due to sanction of higher rates–Rs 14.431 million**

Para No	Name of item	Quantity paid Cm	Excess Rate paid		Amount Rs
			Rs/cm		
16	Granular back fill with sand	40,529.699	169	Rs.2820 ÷ 50x20%+150% item premium)	6,849,519
54	Granular back fill with sand	5,125.815	68	Rs.2820 ÷ 50x20%	348,555
111	Granular back fill with sand	9,653.423	194.58	Rs 2,820 ÷ 50 x 20% + 187.50% item premium	1,878,363
152	Granular back fill with sand	17,581.000	142	Rs.142+2820= 2996 ÷ 50x20%+100% item premium	2,496,502
205	Granular back fill with sand	17,474.000	126	Rs142+2820= 2996 ÷ 50x20%+75% item premium	2,201,724
278	Granular back fill with sand	8,553.000	73.68	Rs 2,820 ÷ 50 x 20% + 8.87% item premium	656,428
<b>Total</b>					<b>14,431,091</b>

**Annexure-24****Para No. 4.4.1.11****Overpayment due to sanction of higher rates–Rs 12.751 million**

Para No	Name of item	Rate paid Rs/Meter	Rate to be paid Rs/Meter	Excess rate Rs/Meter	Qty paid Meter	Amount Rs.
31	PVC Pipe 12" dia class-D	9,500.000	4,245	5,255	1,258.2	6,611,841
291	PVC Pipe 12" dia class-D	9,680.000	4,245	5,435	1,084.52	6,139,555
<b>Total</b>						<b>12,751,396</b>

**Annexure-25****Para No. 4.4.1.12****Overpayment due to sanction of higher rates–Rs 11.870 million**

Para No	Item of work	Rate admissible Rs/rft	Approved rate Rs/rft	Excess Rate Rs/rft	Qty in TS Rft	Loss Rs
351	Providing, laying, cutting, jointing, testing and disinfecting HDPE (PN-8) pipe line 315mm dia in trenches complete in all respect etc	1,469	2,199	730	2417	1,764,410
360		1,469	2,496	1,027	9840	10,105,680
<b>Total</b>						<b>11,870,090</b>

**Annexure-26****Para No. 4.4.1.13****Overpayment due to application of higher rate–Rs 10.289 million**

Para No	Name and detail of specification used in the work	Admissible rate Rs/Sqm	Rate approved	Excess rate	Qt Paid Sqm	Payment Rs
428	Perforated dumba ceiling with installation of curved perforate aluminium dumba ceiling including aluminium frame etc	4782	8,200	3,418	776	2,652,368
456	Do	4782	8,200	3,418	355.018	1,213,451
470	Do	4782	8,200	3,418	1879.36	6,423,652
<b>Total</b>						<b>10,289,471</b>



**Annexure-27**

**Para No. 4.4.1.14**

**Overpayment due to sanction of higher rates–Rs 9.659 million**

Para No	Name of items	Admissible Rate as per MRS	Rate Approved/Paid Rs	Excess Rate	Qty Paid	Overpayment
486	Cement Plaster 25 mm thick	273/sqmx25/20 =Rs.341.25	550/sqm	208.75	4,533.259	946,317
490	Supply and filling earth borrowed from outside with lead etc (item no.15(ii) Chap-3 Earthwork)	4299.80/%ocft	9083.6/%ocft	9719.27	4,783.8	41,790
	Supply and filling sweet/good earth borrowed from outside with lead 15 km etc (Item SP118 of Metro Bus project Multan)	10705/%ocft	22500/%ocft	1030	11,795/%ocft	11,026
	PCC 1:4:8(item no.3(b) Chap-6 Concrete)	3417.20/%cft	14719.45	656.938	11,302.25 %cft	22,416
	PCC 1:6:12(item no.3(d) Chap-6 Concrete)	52.80/%cft	9539.55	656.938	9,486.75% cft	3,468
	Pacca Brick work upto 10 feet height (Item 7(i) Chap-3 Brickwork)	334.70/%cft	17076.7	Ok	16,742%cft	0
493	Supply and filling earth borrowed from outside with lead etc (item no.15(ii) Chap-3 Earthwork)	4299.80/%ocft	9083.6/%ocft	197,408.54 Cft	4,783.8/%ocft	848,817
	Supply and filling sweet/good earth borrowed from outside with lead 15 km etc (Item SP118 of Metro Bus project Multan)	10705/%ocft	22,500/%ocft	128,649 Cft	11,795/%ocft	1,377,188
510	Providing and fixing of Tree Guard in Metro Bus route Zone-II Multan M/s Mian Muhammad Ishfaq (Providing and fixing Tree Guard Square (1-1/2 inchx 1-1/2 inch x 3/16 inch) etc)	7000	8,007 each	1007	958 Nos	964,706

	Providing and fixing of Tree Guard in Metro Bus route Zone-III BCG Chowk to Kumharanwala Chowk Multan M/s Muhammad Yousaf (Providing and fixing Tree Guard Square (1-1/2 inchx 1-1/2 inch x 3/16 inch) etc)	7000	7,800 each	800	958 Nos	766,400
	Providing and fixing of Tree Guard in Metro Bus route BZU to Qasim Fort Zone-I Multan M/s Abdul Majeed Khan Sithari( Providing and fixing Tree Guard Square (1-1/2 inchx 1-1/2 inch x 3/16 inch) etc)	7000	7423 each	423	212 Nos	89,676
495	Filling of earth	4783.8	9083.6	4,299.8	201,050.6	864,477.37
	Filling panna/sweet earth	11795	22500	10,705	93,923.13	1,005,447.11
496	Filling of earth	4783.8	9083.6	4,299.8	43,669.25	187,769.04
	Filling panna/sweet earth	11795	22500	10,705	17,482	187,144.81
497	Filling of earth	4783.8	9083.6	4,299.8	25,609	110,113.58
	Filling panna/seet earth	11795	22500	10,705	15,768	168796.44
498	Filling panna/sweet earth	11795	22500	10,705	40,261	430,994.00
	Pacca Brick work upto 10 feet height (Item 7(i) Chap-3 Brickwork)	16742%cft	17076.7	334.70% s ft	7,472.57	25,010
499	Filling of earth	4783.8	9083.6	4,299.8	33,413	143,669.22
	Panna/ seet earth	11795	22500	10,705	30,679	328,418.70
500	Filling of earth	4783.8	9083.6	4,299.8	19,041	81872.49
501	Panna/ sweet earth	11795	22500	10,705	39,821	426,283.81
502	Panna earth	11795	22500	10,705	25,504	273,020.32
<b>Total</b>						<b>9,659,987</b>

**Annexure-28**

**Para No. 4.4.1.15  
Overpayment due to sanction of higher rates–9.690 million**

Para No	Quantity of cement provided in analysis of 50 cubic meter (bags)	Quantity of cement to be provided in analysis of 50 cubic meter (bags)	Difference (bags)	Quantity of cement per cubic meter (59/50) (bags)	Quantity of cement excess paid			Amount (Rs)
10								1,727,201
134	484	425	59	1.18	2732	2315.766 cm x 1.18 bag per cm	2732 bags x Rs 499 + 20% + 4.16% item premium	1,703,975
176	484	425	59	1.18	1195	1013.068 cm x 1.18 bag per cm	1195 x Rs 499 + 20% + 8.25% item premium	775,340
238	484	430	54	1.18	1284	1189.575 cm x 1.08 bag per cm	1285 x Rs 499 + 20%	769,458
273	484	425	59	1.18	5781	4899.28 cm x 1.18 bags per cm	5781 bags x Rs 499	2,884,794
386					43.2	166.20-1620		1,829,797
<b>Total</b>								<b>9,690,565</b>

**Annexure-29**

**Para No. 4.4.1.16  
Overpayment due to application of higher rate–Rs 7.584 million**

Para No	Name of item	Rate provided in the Estimate Rs/Meter	rate to be provided in TSE Rs/Meter	Excess rate Rs/Meter	Qty Meter	Amount Rs.
29	UPVC pipe 100 mm dia	752.000	689.064	62.94	24800.53	1,971,942
66		752.000	689.064	62.94	4154.089	261,458
123		752.000	689.06	62.94	16,471.28	1,930,029
163		752.000	689.06	62.94	11,832.34	744,727
219		752.000	689.06	62.94	11,795.76	742,425
289		752.000	689.06	62.94	29,496.00	1,933,707
<b>Total</b>						<b>7,584,288</b>

## Annexure-30

### Para No. 4.4.1.18 Overpayment due to application of higher rate–Rs 6.630 million

(Amount in Rs)

Para No	Name of item	Rate of item approved in TSE	Rate required to be approved	Difference	Quantity paid Ton	Amount
398	Reinforcement as per AASHTO M-31 Grade-60	109,170	106,522	2,648.16	682.899	1,772,475
401	Do	109,170	106,522	2,648.16	826.16	2,185,883
484	Do	109170	106,521.84	2648.16	748.122	2,063,562
529	Do	109,170	106,522	2,648	99.351	608,442
<b>Total</b>						<b>6,630,362</b>

## Annexure-31

### Para No. 4.4.1.19 Overpayment due to sanction of higher rates–Rs 5.734 million

Para No	Name of item	Quantity paid	Rate provided in TSE	Rate to be provided in TSE	Excess	Amount Rs.
7	Cold milling (0-50 mm)	38417.13 sm	Rs. 177	Rs 147,000 - (3000+42000)=Rs.102,000 /1000 =Rs.102 x20%= Rs.122.4	54.6 +64.6% premium of item	3,452,598
105	Cold milling (0-50 mm)	13597.527 sm	Rs 177	Rs 147,000 - (3000+42000)=Rs 102,000 / 1000 = Rs 102 x 20% = Rs 122.4	54.6+69.49% = 92.54 premium of item	1,258,336
233	Cold milling (0-50 mm)	3650 sm	Rs 177	Rs 147,000 - (3000+42000)=Rs102,000 /1000 =Rs102 x20%= Rs122.4	54.6 +13% premium of item	225,198
271	Cold milling (0-50 mm)	14138.159 sm	Rs 177	Rs 147,000 - (3000+42000)=Rs 102,000 /1000 = Rs 102 x20%= Rs 122.4	54.6 + 3.38 = 56.44 premium of item	798,035
<b>Total</b>						<b>5,734,167</b>

**Annexure-32**

**Para No. 4.4.1.22**

**Overpayment due to sanction of higher rates–Rs 4.285 million**

Para No	Name of item	Quantity paid (kg)	Rate of bitumen		Amount (Rs)
			Rs		
2	Free end support & Fix end support	53,513.89	14.432	(10+ 20% + 20.27% - premium of item)	772,334
49	Free end support & Fix end support	46,002	12	(10+ 20%)	552,024
101	Free end support & Fix end support	70,814.25	12	(10+ 20% + 20.27% - premium of item)	849,771
139	Free end support & Fix end support	54,781.538	13.81	(10+ 20% + 20.27% - premium of item)	756,533
192	Free end support & Fix end support	50,787.087	18.556	(10+ 20% + 20.27% - premium of item)	942,385
267	Free end support & Fix end support	39,682.73	10.379	(10+ 20% + 20.27% - premium of item)	411,859
<b>Total</b>					<b>4,284,906</b>

**Annexure-33**

**Para No. 4.4.1.23**

**Overpayment due to sanction of higher rates–Rs 4.029 million**

Para No	Name of item	Quantity paid CM	Excess Rate paid		Amount
			Rs		
3	Asphaltic Base Course	6,400.409	64.2	9,120/187.5 CM x 20% x 10% (item premium)	410,937
	Asphalting Wearing Course	6,222.000	62.6	9,120/187.5 CM x 20% x 7.25% (item premium)	389,495
48	Asphaltic Base Course	1,582.601	70	9,120/187.5 CM x 20% x 20% (item premium)	110,782
	Asphalting Wearing Course	3,890.905	68.29	9,120/187.5 CM x 20% x 17% (item premium)	265,709
102	Asphaltic Base Course	2,683.403	77.83	9,120/187.5CM x 20% x 33.35% (item premium)	208,859
	Asphalting Wearing Course	5,123.690	77.19	9,120/187.5CM x 20% x 32.25% (item premium)	395,506
140	Asphaltic Base Course	2,384.708	71.21	9,120/187.5 CM x 20% x 22% (item premium)	169,815
	Asphalting Wearing Course	2,204.793	73.54	9,120/187.5 CM x 20% x 26% (item premium)	162,140
193	Asphaltic Base Course	3,558.75	73.54	9,120/187.5 CM x 20% x 26% (item premium)	261,724
	Asphalting Wearing Course	32,04.715	71.79	9,120/187.5 CM x 20% x 23% (item premium)	230,075
268	Asphaltic Base Course	10,096.96	67.806	9,120/187.5 CM x 20% x 16.17% (item premium)	684,635
	Asphalting Wearing Course	10,867.57	68.05	9,120/187.5 CM x 20% x 16.60% (item premium)	739,615
<b>Total</b>					<b>4,029,292</b>

**Annexure-34**

**Para No. 4.4.1.26**

**Overpayment due to application of higher rate–Rs 2.382 million**

<b>Para No</b>	<b>Name of items</b>	<b>Admissible Rate as per (in Rs)</b>	<b>Rate Approved /Paid</b>	<b>Excess Rate</b>	<b>Qty Paid Nos</b>	<b>Overpayment</b>
492	Ficus Starlight 4 feet height Starlight etc	250 each	302.93 each	52.93	4556	241,149
	Ficus 4 feet height Huawaie etc	250 each	302.93 each	52.93	4550	240,831
	Bougain villea 3 feet height etc	90 each	123.09 each	33.09	2735	90,501
	Tocoma 3 feet height etc	90 each	123.09 each	33.09	2735	90,501
	Jasemine etc	40 each	86.04 each	46.04	2190	100,827
	Ribbon Grass	20 each	30.47 each	10.47	22780	238506
	Iresine etc	12 each	24.60 each	12.6	10935	137781
	Conocarpus 4 feet height	70 each	147.58 each	77.58	4556	353454
503	Ficus Starlight 4 feet height Starlight etc	250 each	302.93 each	52.93	1380	73043
	Ficus 4 feet height Huawaie etc	250 each	302.93 each	52.93	1380	73043
	Bougain villea 3 feet height etc	90 each	123.09 each	33.09	100	3309
	Tocoma 3 feet height etc	90 each	123.09 each	33.09	100	3309
	Jasemine etc	40 each	86.04 each	46.04	738	33977
	Ribbon Grass	20 each	30.47 each	10.47	1948	20395
	Iresine etc	12 each	24.60 each	12.6	22750	286650
	Conocarpus 4 feet height	70 each	147.58 each	77.58	2128	165090
504	Ficus Starlight 4 feet height Starlight etc	250 each	302.93 each	52.93	1850	97865
	Ficus 4 feet height Huawaie etc	250 each	302.93 each	52.93	2500	132325
	Bougain villea 3 feet height etc	90 each	123.09 each	33.09	----	----
	Tocoma 3 feet height etc	90 each	123.09 each	33.09	----	----
	Jasemine etc	40 each	86.04 each	46.04	----	----
	Ribbon Grass	20 each	30.47 each	10.47	----	----
	Conocarpus 4 feet height	70 each	147.58 each	77.58	----	----
<b>Total</b>						<b>2,382,556</b>

**Annexure-35**

**Para No. 4.4.1.28  
Overpayment due to sanction of higher rates –Rs 1.775 million**

<b>Para No</b>	<b>Name of items</b>	<b>Admissible Rate as per (in Rs)</b>	<b>Rate Approved /Paid</b>	<b>Excess Rate</b>	<b>Qty Paid</b>	<b>Overpayment</b>
515	Water proof and heat proof (12 X 40 ft) container including two baths complete with both sides MDF laminated sheet covered with aluminum beading, false ceiling with Gypsum board with LED ceiling lights, flooring and electrification	1,750,000	1,295,000	455,000	1	455,000
517	Water proof and heat proof (12 X 40 ft) container having 3 partitions complete with both sides MDF laminated sheet covered with Aluminum beading, False ceiling with Gypsum board with LED ceiling lights, flooring and electrification	1,550,000	1,185,000	365,000	1	365,000
518	Water proof and heat proof (12 X 40 ft) container having 1 partition complete with both sides MDF laminated sheet covered with Aluminum beading, False ceiling with Gypsum board with LED ceiling lights, flooring and electrification	1,450,000	1,145,000	305,000	1	305,000
519	Water proof and heat proof (12 X 40 ft) container complete with both sides MDF laminated sheet covered with aluminum beading, false ceiling with gypsum board with LED ceiling lights, flooring and electrification	1,400,000	1,135,000	265,000	1	265,000
520	Water proof and heat proof (10 X 26 ft) ablution container complete with both side MDF laminated sheet covered with Aluminum beading, LED ceiling lights, flooring and electrification	1250000	865,000	385,000	1	385,000
<b>Total</b>						<b>1,775,000</b>

**Annexure-36**

**Para No. 4.4.4**

**Loss due to sanction of higher rates by adding inadmissible carriage in concrete rates—Rs 235.577 million**

<b>Para No</b>	<b>Name of item</b>	<b>Quantity paid CM</b>	<b>Excess Rate paid Rs/CM</b>	<b>Amount (in Rs)</b>
21	Concrete Clause-A-I	3967.270	714.4	2,834,218
22	Lean Concrete	7033.667	1,052.26	7,401,232
23	Concrete Class A-II 4000 PSI	22306.000	681.921	15,210,930
24	Concrete Class D-II 6250 PSI	6475.190	625.75	4,051,850
25	Concrete ClassA III 4000 PSI	8105.000	681.93	5,527,043
60	Lean Concrete	365.096	982.10	358,563
61	Concrete Class A-II 4000 PSI	11849.609	681.921	11,509,463
62	Concrete Class D-II 6250 PSI	8171.038	625.75	5,113,027
63	Concrete ClassA III 4000 PSI	11598.000	681.93	7,909,024
116	Lean Concrete	650.846	808.05	525,883
117	Concrete Class A-II 4000 PSI	22801.740	789.256	17,996,410
118	Concrete Class D-II 6250 PSI	4630.000	625.75	2,897,222
119	Concrete Class D-II 6250 PSI	5268.652	447.69	2,358,772
120	Concrete Class D-II 6250 PSI	8579.278	366	3,140,518
121	Concrete ClassA III 4000 PSI	16401.000	1,151.14	18,879,847
157	Lean Concrete	1450.329	905.25	1,312,915
158	Concrete Class A-II 4000 PSI	24139.430	681.921	16,461,184
159	Concrete Class D-II 6250 PSI	9124.215	910.4	8,306,685
160	Concrete ClassA III 4000 PSI	12816.970	681.93	8,740,278
210	Lean Concrete	2466.170	964.96	2,379,755
211	Concrete Clause-A-I	2721.378	816.77	2,222,740
212	Concrete Class A-II 4000 PSI	19552.270	681.921	13,333,104
213	Concrete Class A-II 4000 PSI for NJB with slip form Paver	1189.574	625.081	743,580
215	Concrete Class D-II 6250 PSI	11894.470	625.75	7,442,965
216	Concrete ClassA III 4000 PSI	16893.036	681.93	11,519,868
283	Concrete Class-A-I	2412.000	913	2,293,765
284	Lean Concrete	4022.157	779.450	3,265,489



285	Concrete Class A-II 4000 PSI	25852.000	881	23,723,077
286	Concrete Class D-II 6250 PSI	8083.170	824	6,937,610
372	Lean Concrete	7482.171	841.4	6,295,499
373	Concrete Class A-II 4000 PSI	2201.110	476.11	1,047,970
374	Reinforcement concrete pavement class A3 (4000 PSI)	12947.680	762.78	9,876,231
390	Reinforced concrete pavement class A3,4000 PSI	12947.680	195.31	2,528,820
391	Lean concrete	7482.171	191.32	1,431,534
<b>Total</b>				<b>235,577,071</b>

### Annexure-37

#### Para No. 4.4.5

#### Irregular payment due applying fresh market rates for execution of Non-BOQ/Item – Rs 219.108 million

Para No	Name of item	Quantity	Rate Rs/meter	Amount Rs
12	Supply and installation of corrugated polyurethane foam sandwich panel 50 mm with pre painted Alu Zinc sheet 07. Mm thick, approved color on the outside and 0.50 mm approved color on the inside etc complete in all respect 1.5 TR	3,040 SM	12,317	37,443,680
	Supply and installation of Fabricated aluminum lover panels made from 2.2 mm thick Z louvers Section 58mm x 21mm x 2.2mm with Frame complete as per drawing, design & direction of the Engineer etc complete in all respect	2,250 SM	19,316	43,461,000
	Supplying and fixing of 5' x 2' pana flex steamier complete in all respect.	5,000 sft	567	2,835,000
55	Supply and installation of corrugated polyurethane foam sandwich panel 50 mm with pre painted Alu Zinc sheet 07. Mm thick, approved color on the outside and 0.50 mm approved color on the inside etc complete in all respect 1.5 TR	1,216 SM	12,317	14,977,472
	Supply and installation of Fabricated aluminum lover panels made from 2.2 mm thick Z louvers Section 58mm x 21mm x 2.2mm with Frame complete as per drawing, design & direction of the Engineer etc complete in all respect	900 SM	19,316	17,384,400

	Providing laying fabrication, driving, fixing of permanent steel lining of having 8mm thick complete in all respect adjacent to under ground sewer and utility lines at site complete in all respect	34.333 ton	142,079	4,877,998
	Providing cutting & jointing 200 mm dia UPVC pipe including carriage upto site & site to sites complete in all respect	1,080 LM	1,897	2,048,760
144	Supply and installation of corrugated polyurethane foam sandwich panel 50 mm with pre painted Alu Zinc sheet 07. Mm thick, approved color on the outside and 0.50 mm approved color on the inside etc complete in all respect 1.5 TR	325 SM	13,120	4,264,039
	Providing a laying, segregating steel lining of heavy steel	985.4	11,200	11,036,480
	Supply and installation of Fabricated aluminum lover panels made from 2.2 mm thick Z louvers Section 58mm x 21mm x 2.2mm with Frame complete as per drawing, design & direction of the Engineer etc complete in all respect	1,101.10 SM	17,500	19,269,250
	Dumpa ceiling including Aluminum frame paneling and all alied fixture complete in all respect.	776 sft	5,740	4,454,240
	Providing and laying fabricating , driving fixing of permanent steel lining of heavy steel liner complete in all respect	49.218 ton	142,079	6,992,844
198	Supply and installation of corrugated polyurethane foam sandwich panel 50 mm with pre painted Alu Zinc sheet 07. Mm thick, approved color on the outside and 0.50 mm approved color on the inside etc complete in all respect 1.5 TR	993.544 SM		13,909,616
	Supply and installation of Fabricated aluminum lover panels made from 2.2 mm thick Z louvers Section 58mm x 21mm x 2.2mm with Frame complete as per drawing, design & direction of the Engineer etc complete in all respect	594 SM	25,000	14,850,000
	Dumpa ceiling including Aluminum frame paneling and all alied fixture complete in all respect.	710 SM	8,200	5,822,000
	Providing and laying fabricating , driving fixing of permanent steel lining of heavy steel liner complete in all respect	35.664	142,079	5,067,105

	Providing and laying Of RCC pipe 610 mm dia	201.54 LM	4,000.55	806,271
	Electric panel	1.6 Nos	756,000	1,209,600
	Access door in cast in place box girder	15,649.42 kg	147	2,300,465
	Supply and installation of cable tray.	487.152 RM	3,398.83	1,655,747
	Providing and fixing pvc pipe 200 mm dia 8 inch i/d class D	2,341.6 rm	1,897	4,442,015
<b>Total</b>				<b>219,108,082</b>

### Annexure-38

#### Para No. 4.4.6

#### Loss due to sanction of higher rates by adding inadmissible carriage in ABC and AWC rates –Rs 117.246 million

Para No	Name of item	Quantity paid CM	Excess Rate paid Rs/CM	Amount
20	Asphalting Wearing Course	6222.000	1784.48	11,103,035
58	Asphalting Wearing Course	3890.905	1998.044	7,774,199
115	Asphalting Wearing Course	5123.690	2,143.65	10,983,420
156	Asphalting Wearing Course	2204.473	2,044.05	4,506,048
209	Asphalting Wearing Course	3204.175	1923.19	6,162,235
282	Asphalting Wearing Course	10867.570	1,952.37	22,100,166
371	Asphalting Wearing Course	219.358	2082.36	456,782
394	Asphalting Wearing Course	219.358	1097.3	240,702
19	Asphalting Base Course	6400.409	1784.48	11,421,402
57	Asphalting Base Course	1582.601	1946.712	3,080,868
114	Asphalting Base Course	2683.403	2163.28	5,804,962
155	Asphalting Base Course	2380.228	1979.16	4,710,845
208	Asphalting Base Course	3558.750	1962.93	6,985,577
281	Asphalting Base Course	10096.960	1,952.37	20,533,062
370	Asphalting Base Course	376.405	2101.49	791,015
392	Asphalting Base Course	376.405	305.05	114,822
	Asphaltic wearing Course	219.358	305.05	66,915
393	Asphalting Base Course	376.405	1097.3	413,029
<b>Total</b>				<b>117.246</b>

**Annexure-39**

**Para No. 4.4.7**

**Overpayment due to incorrect measurement of wire strand in MBs/Sheets in violation of the TSE – Rs 73.654 million**

Para No	Item of work	Details as per TS	Qty Measured by deptt	Qty to be measured	Rate Paid	Overpayment Rs
402	405a Pre-stressing steel wire strand 0.6 inch dia for (pre-cast pre-stressed inverted T.I and L girder Box girders) grade 270 KSI grade 1860 complete in all respect etc	As per TS =0.98 kg/m As per MB=0.102 kg/m Excess = 0.122 kg Percentage excess 11%	399.208 ton	355.208 ton (399.208 ton x11%=44 ton)	300000 per ton x 44 ton	13,200,000
415	Do	Do	322.824 ton	319.208 ton (322.824 ton x11%=36 ton)	265000 per ton x 36 ton	9,540,000
429	Do	Do	407.953 ton	362.953 ton (407.953 ton x11%=45 ton)	283500 per ton x 45 ton	12,757,500
442	Do	Do	630.116 ton	560.806 ton (630.116 ton x11%=69.31ton)	200000 per ton x 69.31 ton	13,862,000
457	Do	Do	393.544 ton	350.254 ton (393.544 ton x11%=43.29ton)	300000 per ton x 43.29 ton	12,987,000
471	Do	Do	366.175 ton	325.895 ton (366.175 ton x11%=40.28ton)	280720 per ton x 40.28 ton	11,307,401
<b>Total</b>						<b>73,653,901</b>

**Annexure-40**

**Para No. 4.4.8  
Overpayment due to arithmetical mistake in rate analysis of item wire strand–Rs  
54.413 million**

(Amounts in Rs)

Para No	Name and detail of specification used in the work	Rate Approved in TS (Rs/mtr)	Rate to be approved	Diff.	Qty paid Meter/ton	Amount
410	item No.405a “Pre-stressing steel wire strand 0.6 inch dia for (pre-cast pre-stressed inverted T.I and L girder Box girders) grade 270 KSI grade 1860 complete in all respect etc” (344865.11/1.5696=219715+20%=263658- Rs.284758=Rs21100+4.16%=Rs. 21978/ton)	284,758	262,780	21,978/ton	355.208	7,806,761
423	Do	284,758	262,780	21,978/ton	322.824	7,095,025
437	Do	284,758	262,780	21,978/ton	407.953	8,965,991
450	Do	284,758	262,780	21,978/ton	630.116	13,848,689
465	Do	284,758	262,780	21,978/ton	393.544	8,649,310
479	Do	284,758	262,780	21,978/ton	366.175	8,047,794
<b>Total</b>						<b>54,413,570</b>

**Annexure-41**

**Para No. 4.4.9  
Overpayment due to taking of less weight of girder per meter than technical sanctioned estimate in rate analysis of launching of girders–Rs 54.045 million**

Para No	Name and detail of specification used in the work	Rate allowed (Rs.)	Rate Admn. (Rs.)	Difference (Rs.)	Qty. Ton	Amount (Inclusive 4.16%)
411	item No.405b “Launching of Pre-stressed girders complete in all respect etc” (52203/72ton=Rs.725- Rs.10888=Rs.363/ton)	1088/ton	725	363/ton	22,556.64	8,528,684
424	Do	1088/ton	725	363/ton	17,310.164	6,544,986
438	Do	1088/ton	725	363/ton	24,411.212	9,229,898
451	Do	1088/ton	725	363/ton	35,745.547	13,515,419
466	Do	1088/ton	725	363/ton	20,536.341	7,764,806
480	Do	1088/ton	725	363/ton	23,308.191	8,460,873
<b>Total</b>						<b>54,044,666</b>

**Annexure-42**

**Para No. 4.4.10**

**Irregular execution of rich items at costly rate involving overpayment–Rs 50.485 million**

Para No	Measurement taken in item of works	Quantity paid	Rate paid	Rate to be paid	Excess rate paid	Amount
179	Concrete class A-2 for Pile cap – item No.401 b(i)	386.663 cm	13,331	1,271 (12706 estimated rate x 90% below)	12,060	4,663,156
	Reinforcement Steel grade-60 – item No. 404 b	89.425 ton	118,530	10,917(109,170 estimated rate x 90%)	107,613	9,623,292
236	Concrete class A-2 for Deck Slab – item No.401 b(ii-c)	649.140 cm	14,000	5082.4 (12,706,estimated rate-60% below)	8917.6 per CM	5,788,771
	Reinforcement Steel grade-60 – item No. 404 b	136.514 ton	125,000	43,948(109,870 estimated rate - 60%)	81,052	11,064,732
250	Qty of concrete used on planks					19,345,429
<b>Total</b>						<b>50,485,380</b>

**Annexure-43**

**Para No. 4.4.12**

**Loss due to sanction of higher rates by adding inadmissible machinery in item of sub base and base course–Rs 37.949 million**

Para No	Name of item	Quantity paid CM	Excess Rate paid		Amount
			Rs/CM		
17	granular sub base course	11267.718	283.73	Rs.23,644 ÷ 100x20%	3,196,967
18	water bound macdam base course aggregate class-B	19720.000	237	Rs.19,720 /100 x20%	4,673,640
52	granular sub base course	4625.811	283.73	Rs.23,644 ÷ 100x20%	1,312,481
53	water bound macdam base course aggregate class-B	4737.717	237	Rs.19,720 /100 x20%	1,122,839
112	granular sub base course	6835.260	283.73	Rs 23,644 ÷ 100x20%	1,939,369
113	water bound macdam base course aggregate class-B	7921.600	292.55	Rs 19,720 /100 x 20% + 23.65% premium	2,317,352
153	granular sub base course	5010.970	204.28	Rs.23,644 ÷ 100x20%= 283.728-28% item premium	1,023,641
154	water bound macdam base course aggregate class-B	6882.403	260.3	Rs.19,720 /100 x20%+ 10%)	1,791,490
206	granular sub base course	10211.440	283.74	Rs 23,644 ÷ 100x20%= 283.73	2,897,383
207	water bound macdam base course aggregate class-B	9952.422	289	Rs19,720 /100 x20%+ 22% item premium	2,876,250
279	granular sub base course	10710.740	283.73	Rs 23,644 ÷ 100 x 20%	3,165,378
280	water bound macdam base course aggregate class-B	23998.000	237	(Rs 19,720 /100 x 20%)	5,924,127
368	granular sub base course	9451.590	279.64	Rs.23,304 ÷ 100 x 20%	2,643,043
369	water bound macdam base course aggregate class-B	3789.931	233.04	Rs.19,420 /100 x20%	883,206
388	granular sub base course	Rs 9451.59	164.36		1,553,463
389	water bound macdam base course aggregate class-B	3789.931	167.1		633,297
<b>Total</b>					<b>37,953,926</b>

**Annexure-44**

**Para No. 4.4.15**

**Non-recovery on account of less use of bitumen—Rs 28.157 million**

Para No	Name of item	Quantity paid	Net quantity	Rate of bitumen (Rs)	Amount (Rs)
1	Asphaltic Base Course	6400.409 CM	$6400.409/0.05 \times 10.76 = 1377800 \text{ sft} \times 0.3\% \times 148 \times 2/2204 \times 12 = 46.26 \text{ ton}$	73,630 + 20%+10% (premium of item)	4,496,083
	Asphalting Wearing Course	6222.099 CM	$6222/0.05 = 124440 \times 10.764 = 1339472 \text{ sft} \times 0.1\% \times 148 \times 2 / 12 \times 2204 = 15 \text{ ton}$	73,630 + 20% + 7.25% (premium of item)	1,421,427
47	Asphaltic Base Course	1582.637 CM	$1582.637/0.05 \times 10.76 = 340,583 \text{ sft} \times 0.3\% \times 148 \times 2/2204 \times 12 = 11.435 \text{ ton}$	73,630 + 20% (premium of item)	1,212,421
	Asphalting Wearing Course	3890.905 CM	$3890.905/0.05 \times 10.764 = 837,322 \text{ sft} \times 0.1\% \times 148 \times 2 / 12 \times 2204 = 9.37 \text{ ton}$	73,630 + 20% + 17% (premium of item)	968,638
100	Asphaltic Base Course	2683.403 CM	$2683.403/0.05 \times 10.76 = 577468.32 \text{ sft} \times 0.3\% \times 148 \times 2/2204 \times 12 = 19.388 \text{ ton}$	73,630 + 20% + 33.35 % (premium of item)	2,284,347
	Asphalting Wearing Course	5123.69 CM	$5123.69/0.05 = 102473 \times 10.764 = 1102618 \text{ sft} \times 0.1\% \times 148 \times 2 / 12 \times 2204 = 12.34 \text{ ton}$	73,630 + 20% + 32.14 % (premium of item)	1,440,340
138	Asphaltic Base Course	2384.708 CM	$2384.708/0.05 \times 10.76 = 513189 \text{ sft} \times 0.3\% \times 148 \times 2/2204 \times 12 = 17.23 \text{ ton}$	73,630 + 20%+ 22% (premium of item)	1,857,296
	Asphalting Wearing Course	2204.793 CM	$2204.793/0.05 = 44096 \times 10.76 = 474471 \text{ sft} \times 0.1\% \times 148 \times 2 / 12 \times 2204 = 5.31 \text{ ton}$	73,630 + 20% + 26% (premium of item)	591,155
191	Asphaltic Base Course	3558.75 CM	$3558.75/0.05 \times 10.76 = 765843 \text{ sft} \times 0.3\% \times 148 \times 2/2204 \times 12 = 25.71 \text{ ton}$	73,630 + 20%+ 26% (premium of item)	2,862,257
	Asphalting Wearing Course	3204.715 CM	$3204.715/0.05 = 64094 \times 10.764 = 689655 \text{ sft} \times 0.1\% \times 148 \times 2 / 12 \times 2204 = 7.72 \text{ ton}$	73,630 + 20% + 23% (premium of item)	838,993
266	Asphaltic Base Course	10096.96 CM	$10096.96/0.05 \times 10.76 = 2172865.79 \text{ sft} \times 0.3\% \times 148 \times 2/2204 \times 12 = 72.95 \text{ ton}$	73,630 + 20%+ 16.17% = 102643 (premium of item)	7,487,818
	Asphalting Wearing Course	10867.57 CM	$10867.57/0.05 = 217351 \times 10.764 = 2338701 \text{ sft} \times 0.1\% \times 148 \times 2 / 12 \times 2204 = 26.17 \text{ ton}$	73,630 + 20% + 16.6% = 103023 (premium of item)	2,696,114
<b>Total</b>					<b>28,156,889</b>

## Annexure-45

## Para No. 4.4.16

## Non-recovery due to use of bulk bitumen in ABC &amp; AWC-Rs 25.547 million

Para No	Name of item	Quantity paid	Quantity KG		Rate of recovery Rs/kg	Amount Rs
35	Asphaltic Base Course	6400.409 CM	555000	$6400.409 / 0.05 \times 10.76 \times 3.6 \times 148 \times 2 / 100 \times 12 \times 2204 = 555 \times 1000$	4.5	2,497,500
	Asphaltic Wearing Course	6221.097 CM	629300	$6221.097 / 0.05 \times 10.76 \times 4.20 \times 148 \times 2 / 100 \times 12 \times 2204 = 629 \times 1000$	4.5	2,831,848
	Prime Coat	85231 SM	41533	$85231 \times 10\% / 2204 \times 10.76 = 41.53 \times 1000$	4.5	186,898
	Tack coat	115412 SM	33807	$115412 \times 6\% / 2204 \times 10.76 = 74509 \times 1000$	4.5	152,132
71	Asphaltic Base Course	1582.601 CM	134219	$1582.601 / 0.05 \times 10.76 \times 3.6 \times 148 \times 2 / 100 \times 12 \times 2204 = 137.21 \times 1000$	4.5	617,485
	Asphaltic Wearing Course	3890.905 CM	393590	$3890.905 / 0.05 \times 10.76 \times 4.20 \times 148 \times 2 / 100 \times 12 \times 2204 = 393.59 \times 1000$	4.5	1,771,115
	Priming coating	23688.585 SM	11565	$23688.585 \times 10.76 \times 10\% / 2204 = 11.565 \text{ ton} \times 1000$	4.5	52,043
	Tack coat	67941.616 CM	19900	$67941.616 \times 10.76 \times 6\% = 19.90 \times 1000$	4.5	89,550
126	Asphaltic Base Course	2683.403 CM	232,664.00	$2683.403 / 0.05 \times 10.76 \times 3.6 \times 148 \times 2 / 100 \times 12 \times 2204 = 232.664 \times 1000$	4.5	1,046,988
	Asphaltic Wearing Course	5123.69 CM	493610	$5123.69 / 0.05 \times 10.76 \times 4.20 \times 148 \times 2 / 100 \times 12 \times 2204 = 493.610 \times 1000$	4.5	2,221,245
	Prime Coat	40229.435 SM	1825.29	$40229.435 \times 10\% / 2204 = 1.825 \times 1000$	4.5	8,212
	Tack coat	80677.867 SM	2196.31	$80677.867 \times 6\% / 2204 = 2.196 \times 1000$	4.5	9,883
167	Asphaltic Base Course	2380.228 CM	206,377.00	$2380.228 / 0.05 \times 10.76 \times 3.6 \times 148 \times 2 / 100 \times 12 \times 2204 = 206 \times 1000$	4.5	928,696
	Asphaltic Wearing Course	2204.473 CM	223,000.00	$2204.473 / 0.05 \times 10.76 \times 4.20 \times 148 \times 2 / 100 \times 12 \times 2204 = 223 \times 1000$	4.5	1,003,500
	Prime Coat	31935.203 SM	15,600.00	$31935.203 \times 10\% \times 10.76 / 2204 = 15.60 \times 1000$	4.5	70,200
	Tack coat	44089 SM	12,910.00	$44089 \times 6\% / 2204 \times 10.76 = 12.91 \times 1000$	4.5	58,095
223	Asphaltic Base Course	3558.75 CM	309,000.00	$3558.75 / 0.05 \times 10.76 \times 3.6 \times 148 \times 2 / 100 \times 12 \times 2204 = 309 \times 1000$	4.5	1,390,500
	Asphaltic Wearing Course	3204.715 CM	324,000.00	$3204.715 / 0.05 \times 10.76 \times 4.20 \times 148 \times 2 / 100 \times 12 \times 2204 = 324 \times 1000$	4.5	1,458,000
	Prime Coat	49613.447 SM	24,210.00	$49613.447 \times 10\% / 2204 \times 10.76 = 2.25 \times 1000$	4.5	108,945
	Tack coat	65875.23 SM	19,260.00	$65875.23 \times 6\% / 2204 \times 10.76 = 19.26 \times 1000$	4.5	86,672
294	Asphaltic Base Course	10096.96 CM	875,456.00	$10096.96 / 0.05 \times 10.76 \times 3.6 \times 148 \times 2 / 100 \times 12 \times 2204 = 555 \times 1000$	4.5	3,939,551
	Asphaltic Wearing Course	10867.57 CM	1,099,316.00	$10867.57 / 0.05 \times 10.76 \times 4.20 \times 148 \times 2 / 100 \times 12 \times 2204 = 629 \times 1000$	4.5	4,946,925
	Prime Coat	210935 SM	9,570.00	$210935 \times 10\% / 2204 = 3.86 \times 1000$	4.5	43,067
	Tack coat	232135 SM	6,319.00	$232135 \times 6\% / 2204 = 3.14 \times 1000$	4.5	28,435
<b>Total</b>						<b>25,547,485</b>



**Annexure-46**

**Para No. 4.4.17**

**Loss due to sanction of higher rates by wrong calculation in rate analysis–Rs 22.748 million**

Para No	Name of item	Rate paid Rs/meter	Rate to be paid Rs/meter	Excess rate paid Rs/meter	Quantity Kg	Amount Rs
43	Providing and fixing of BRTS railing	14,900	12,692.5	2,207.50	4607.75	10,171,608
300	Providing and fixing of BRTS railing	7260	5,052.5	2,207.50	5470	12,577,346
<b>Total</b>						<b>22,748,954</b>

**Annexure-47**

**Para No. 4.4.18**

**Overpayment due to double payment of admixture in concrete class A-2 and A-3–Rs 21.589 million**

Para No	Name of item	Excess Quantity of concrete (in cm) Cm	Excess Quantity of concrete (in Kg) Kg		Excess Quantity of admixture		Rate Rs/litre	Amount
					Litres			
28	Admixture plasticizer / accelerators in concrete	3544.634	1506469	(3544.634 x 425)	18,078	1506469 kg x 1.20/100	200	3,615,600
81	Admixture plasticizer / accelerators in concrete	28309.7	776.990		3,846	776.99 x 4.95 litter per CM	80	307,688
89	Admixture plasticizer / accelerators in concrete				18,707	245087-226380	60	1,122,420
177	Admixture plasticizer / accelerators in concrete				50,352	217851.23 3 – 167498.84	243	12,235,631
239	Admixture plasticizer / accelerators in concrete				5,966	304853 – 298887	195	1,163,370
288	Admixture plasticizer / accelerators in concrete	4899.28	2082194	4899.28 x 425	24,986	2082194 kg x 1.20/100	126	3,144,238
<b>Total</b>								<b>21,588,948</b>

## Annexure-48

### Para No. 4.4.19

#### Loss due to non-use of dismantled road pavement, non-credit of cost of old material and cost of disposal of dismantled material—Rs 18.613 million

P. No	Name of item	Total quantity dismantled CM	26% of this quantity/ less use CM	Rate of item of Work Granular Sub base Course Rs/CM	Rate of item of work ,Re-use of broken pavement as sub.base course	Difference of rate Rs/CM	Amount of loss Rs	Add cost of disposal of dismantled quantity / 4.16% (Rs)	Amount Rs
15	breaking of existing road pavement		1,385.21	2,300	Rs.300 per CM	2,000	2,770,420	415,563	3,185,983
56		3,006.777	1,984	2,300	Rs.550 per CM	1750	3,472,000	595,200	4,067,200
94			2,554.5	2,300	Rs.400 per CM	1,900	4,853,550	201,907	5,055,457
277		12,386	2,842	2,516.80	Rs 387.20 per CM	2,129.60	6,052,323	251,776	6,304,099
<b>Total</b>									<b>18,612,739</b>

## Annexure-49

### Para No. 4.4.20

#### Loss on account of repairing of RCC Sewer line damaged by the contractor—Rs 10.550 million

Para No	Amount
352	<b>9,500,000</b>
353	100,000
355	250,000
356	350,000
366	350,000
<b>Total</b>	<b>10,550,000</b>

**Annexure-50****Para No. 4.4.21.1  
Non-recovery of dismantled material–Rs 6.594million**

Para No	Name of items	Total Quantity Kg	5% wastage Kg	Rate of salvaged/dismantle quantity Rs/kg	Amount Rs
33	Fabricating, arranging fixing, assembling at any height, mild structure, steel confirming to ASTM A-36 etc. complete in all respect	724,449.2	36,372	42	1,527,624
69	Do	269,979	13,490	42	566,580
560	Providing, laying, fabricating arranging, fixing/assembling at any height mild steel structure confirming to ASTM-36” under bill No. 4.3 Structure (Washing area)	54,404	2,720.186	194	527,716
166	Do	590,712	29,536	42	1,240,512
222	Do	269,167	13,458	42	565,236
293	Do	990,741	49,537	42	2,080,554
<b>Total</b>					<b>6,508,222</b>

**Annexure-51****Para No. 4.4.21.2  
Non-recovery of dismantled material–Rs 1.997 million**

Para No	Name of items	Total quantity dismantled	Quantity in sft	Quantity in cft	Rate	Amount Rs
8	Cold milling (0-50 mm)	38417.013 SM	413516 sft	68920 cft	Rs 2,000 per % cft	1,378,400
106	Cold milling (0-50 mm)	13597.527 SM	146309 sft	24385 cft	Rs 2,000 per % cft	487,700
234	(0-50 mm)	3650 SM	39274 sft	6546 cft	Rs 2,000 per % cft	130,920
<b>Total</b>						<b>1,997,020</b>

**Annexure-52**

**Para No. 4.4.23  
Overpayment due to application of higher input rates for item water lorry 4000 litre  
tow type–Rs 4.515 million**

<b>P. No</b>	<b>Name and detail of specification used in the work</b>	<b>Rate Approved in TS (Rs)</b>	<b>Rate to be approved (Rs)</b>	<b>Diff. (Rs)</b>	<b>Qty paid</b>	<b>Amount (Rs)</b>
397	item# 104 “Natural ground compaction” (Rs.475-200=275x8=2200/3500=0.62+20%=Rs.75+4.16%=Rs.0.79/cum)	15.15/cum	14.36	0.79cum	55,961cum	44,209
	item no.601d(i) “Pre cast kerb stone (Non mountable)” (Rs.475-200=275x3=825/120=6.88+20%=Rs8.25+4.16%=Rs.8.59/M)	1110/cum	1101.41	8.59 /M	2,901.004	24,920
	item no.401(f) “Lean concrete 1:4:8 etc” (Rs.475-200=275x8=2200/50=44+20%=Rs52.80+4.16%=Rs.55/cum)	6752/cum	6697	55/cum	7,482.171cum	411,519
407	item# 107a “Structural excavation in common material etc”(Rs.475-200=275x1.50=412.50/150=2.75+20%=Rs3.3+4.16%=Rs.3.44/cum)	126/cum	122.56	3.44/cum	2,633cum	9,058
	item no.107d(i) “Granular backfill with sand etc” (Rs.475-200=275x4=1100/50=22+20%=Rs26.40+4.16%=Rs.27.50/cum)	800/cum	772.5	27.50/cum	5,128.815cum	141,042
	item no.109b(i) “Sub-grade preparation in existing road without any fill etc”(Rs.475-200=275x3x6=4950/1450=3.41+20%=Rs4.10+4.16%=Rs.4.30/sqm)	49/sqm	44.7	4.30/sqm	7,863.879sqm	33,815
	item no.401(f) “Lean concrete 1:4:8 etc” (Rs.475-200=275x8=2200/50=44+20%=Rs52.80+4.16%=Rs.55/cum)	6752/cum	6697	55/cum	365.274cum	20,090
420	item# 107a “Structural excavation in common material etc”(Rs.475-200=275x1.50=412.50/150=2.75+20%=Rs3.3+4.16%=Rs.3.44/cum)	126/cum	122.56	3.44/cum	13,572.606cum	46,689
	item no.107d(i) “Granular backfill with sand etc” (Rs.475-200=275x4=1100/50=22+20%=Rs26.40+4.16%=Rs.27.50/cum)	800/cum	772.5	27.50/cum	40,537.678cum	1,114,786
	item no.109b(i) “Sub-grade preparation in existing road without any fill etc”(Rs.475-200=275x3x6=4950/1450=3.41+20%=Rs4.10+4.16%=Rs.4.30/sqm)	49/sqm	44.7	4.30/sqm	27,315.214sqm	117,455
	item no.401(f) “Lean concrete 1:4:8 etc” (Rs.475-200=275x8=2200/50=44+20%=Rs52.80+4.16%=Rs.55/cum)	6752/cum	6697	55/cum	7,033.98cum	386,868
434	item# 107a “Structural excavation in common material etc”(Rs.475-200=275x1.50=412.50/150=2.75+20%=Rs3.3+4.16%=Rs.3.44/cum)	126/cum	122.56	3.44/cum	2,723.037cum	9,367
	item no.107d(i) “Granular backfill with sand etc” (Rs.475-200=275x4=1100/50=22+20%=Rs26.40+4.16%=Rs.27.50/cum)	800/cum	772.5	27.50/cum	17,517.709cum	481,737

	item no.109b(i) "Sub-grade preparation in existing road without any fill etc"(Rs.475-200=275x3x6=4950/1450=3.41+20%=Rs4.10+4.16%=Rs.4.30/sqm)	49/sqm	44.7	4.30/sqm	Nil	0
	item no.401(f) "Lean concrete 1:4:8 etc" (Rs.475-200=275x8=2200/50=44+20%=Rs52.80+4.16%=Rs.55/cum)	6752/cum	6697	55/cum	1,450.329cum	79,768
447	item# 107a "Structural excavation in common material etc" (Rs.475-200=275x1.50=412.50/150=2.75+20%=Rs3.3+4.16%=Rs.3.44/cum)	126/cum	122.56	3.44/cum	20,416.472cum	70,232
	item no.107d(i) "Granular backfill with sand etc" (Rs.475-200=275x4=1100/50=22+20%=Rs26.40+4.16%=Rs.27.50/cum)	800/cum	772.5	27.50/cum	5,165cum	142,037
	item no.109b(i) "Sub-grade preparation in existing road without any fill etc"(Rs.475-200=275x3x6=4950/1450=3.41+20%=Rs4.10+4.16%=Rs.4.30/sqm)	49/sqm	44.7	4.30/sqm	-	0
	item no.401(f) "Lean concrete 1:4:8 etc" (Rs.475-200=275x8=2200/50=44+20%=Rs52.80+4.16%=Rs.55/cum)	6752/cum	6697	55/cum	641cum	35,255
462	item# 107a "Structural excavation in common material etc" (Rs.475-200=275x1.50=412.50/150=2.75+20%=Rs3.3+4.16%=Rs.3.44/cum)	126/cum	122.56	3.44/cum	30,792cum	105,924
	item no.107d(i) "Granular backfill with sand etc" (Rs.475-200=275x4=1100/50=22+20%=Rs26.40+4.16%=Rs.27.50/cum)	800/cum	772.5	27.50/cum	17,473.448cum	480,519
	item no.109b(i) "Sub-grade preparation in existing road without any fill etc" (Rs.475-200=275x3x6=4950/1450=3.41+20%=Rs4.10+4.16%=Rs.4.30/sqm)	49/sqm	44.7	4.30/sqm	-	0
	item no.401(f) "Lean concrete 1:4:8 etc" (Rs.475-200=275x8=2200/50=44+20%=Rs52.80+4.16%=Rs.55/cum)	6752/cum	6697	55/cum	2,467cum	135,685
476	item# 107a "Structural excavation in common material etc" (Rs.475-200=275x1.50=412.50/150=2.75+20%=Rs3.3+4.16%=Rs.3.44/cum)	126/cum	122.56	3.44/cum	37,500.417cum	129,001
	item no.107d(i) "Granular backfill with sand etc" (Rs.475-200=275x4=1100/50=22+20%=Rs26.40+4.16%=Rs.27.50/cum)	800/cum	772.5	27.50/cum	5,094.459cum	140,097
	item no.109b(i) "Sub-grade preparation in existing road without any fill etc"(Rs.475-200=275x3x6=4950/1450=3.41+20%=Rs4.10+4.16%=Rs.4.30/sqm)	49/sqm	44.7	4.30/sqm	26,352.084 sqm	113,313
	item no.401(f) "Lean concrete 1:4:8 etc" (Rs.475-200=275x8=2200/50=44+20%=Rs52.80+4.16%=Rs.55/cum)	6752/cum	6697	55/cum	4,389.562cum	241,425
<b>Total</b>						<b>4,514,811</b>

**Annexure-53**

**Para No. 4.4.26**

**Overpayment due to application of wrong conversion factor for item Asphalt base course Asphaltic wearing course plant mix–Rs 2.576 million**

<b>P. No</b>	<b>Name and detail of specification used in the work</b>	<b>Rate Approved Rs</b>	<b>Rate to be approved Rs</b>	<b>Diff. (Rs)</b>	<b>Qty paid (Cu.m)</b>	<b>Amount Rs</b>
403	item# 203a "Asphaltic Base/Levelling Course Plant Mix Class B 3.6% etc" Rs 2343426.82/187.50=12498.28 Rs 2343426.82/188=12465 Diff = Rs 33.28 per CM+20% =Rs 40+4.16%=Rs 42 per cum	14998	14956	42	1582.601	66469
404	item# 305 "Asphaltic Wearing Course Plant Mix Class A 4.20% etc" Rs 2542227.82/187.50=13558.55 Rs 2542227.82/188=13522 Diff = Rs 37 per cuM+20% =Rs 44.40+4.16%=Rs 46.25 per cum	16270	16223.75	46.25	3890.905	179954
416	item# 203a "Asphaltic Base/Levelling Course Plant Mix Class B 3.6% etc" Rs 2343426.82/187.50=12498.28 Rs 2343426.82/188=12465 Diff = Rs 33.28 per CM+20% =Rs 40+4.16%=Rs 42 per cum	14998	14956	42	6400.409	268817
417	item# 305 "Asphaltic Wearing Course Plant Mix Class A 4.20% etc" Rs 2542227.82/187.50=13558.55 Rs 2542227.82/188=13522 Diff = Rs 37 per cuM+20% =Rs 44.40+4.16%=Rs 46.25 per cum	16270	16223.75	46.25	6221.099	287725
430	item# 203a "Asphaltic Base/Levelling Course Plant Mix Class B 3.6% etc" Rs 2343426.82/187.50=12498.28 Rs 2343426.82/188=12465 Diff = Rs 33.28 per CM+20% =Rs 40+4.16%=Rs 42 per cum	14998	14956	42	2308.228	96945
431	item# 305 "Asphaltic Wearing Course Plant Mix Class A 4.20% etc" Rs 2542227.82/187.50=13558.55 Rs 2542227.82/188=13522 Diff = Rs 37 per cuM+20% =Rs 44.40+4.16%=Rs 46.25 per cum	16270	16223.75	46.25	2204.473	101956
443	item# 203a "Asphaltic Base/Levelling Course Plant Mix Class B 3.6% etc" Rs 2343426.82/187.50=12498.28	14998	14956	42	2683.403	112702

	Rs 2343426.82/188=12465 Diff = Rs 33.28 per CM+20% =Rs 40+4.16%=Rs 42 per cum					
444	item# 305 "Asphaltic Wearing Course Plant Mix Class A 4.20% etc" Rs 2542227.82/187.50=13558.55 Rs 2542227.82/188=13522 Diff = Rs 37 per cuM+20% =Rs 44.40+4.16%=Rs 46.25 per cum	16270	16223.75	46.25	5123.69	236970
458	item# 203a "Asphaltic Base/Levelling Course Plant Mix Class B 3.6% etc" Rs 2343426.82/187.50=12498.28 Rs 2343426.82/188=12465 Diff = Rs 33.28 per CM+20% =Rs 40+4.16%=Rs 42 per cum	14998	14956	42	3558.75	149467
459	item# 305 "Asphaltic Wearing Course Plant Mix Class A 4.20% etc" Rs 2542227.82/187.50=13558.55 Rs 2542227.82/188=13522 Diff = Rs 37 per cuM+20% =Rs 44.40+4.16%=Rs 46.25 per cum	16270	16223.75	46.25	3204.715	148218
472	item# 203a "Asphaltic Base/Levelling Course Plant Mix Class B 3.6% etc" Rs 2343426.82/187.50=12498.28 Rs 2343426.82/188=12465 Diff = Rs 33.28 per CM+20% =Rs 40+4.16%=Rs 42 per cum	14998	14956	42	10096.963	424072
473	item# 305 "Asphaltic Wearing Course Plant Mix Class A 4.20% etc" Rs 2542227.82/187.50=13558.55 Rs 2542227.82/188=13522 Diff = Rs 37 per cuM+20% =Rs 44.40+4.16%=Rs 46.25 per cum	16270	16223.75	46.25	10867.574	502625
<b>Total</b>						<b>2,575,920</b>