



**PROJECT AUDIT REPORT
ON
EARTHQUAKE EMERGENCY ASSISTANCE
PROJECT (EEAP)**

**EARTHQUAKE RECONSTRUCTION &
REHABILITATION AUTHORITY
AUDIT YEAR 2012-13**

AUDITOR GENERAL OF PAKISTAN

PREFACE

The Auditor-General of Pakistan conducts audit subject to Articles 169 and 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. The audit of the project "Earthquake Emergency Assistance Project (EEAP)" of Earthquake Reconstruction & Rehabilitation Authority (ERRA) was carried out accordingly.

The Directorate General Audit (Climate Change & Environment), Islamabad conducted audit of the project during the year 2012-13 with a view to report significant findings to stakeholders. The Project Audit Report covers both Performance and Financial aspects. Audit examined the economy, efficiency and effectiveness aspects of the project. In addition, Audit also assessed, on test check basis, whether the management complied with applicable laws, rules and regulations in managing the project. The Audit Report indicates specific actions that, if taken, will help the management to realize the objectives of the project. Most of the observations included in this report have been finalized in the light of written responses and DAC discussion.

The Project Audit Report is submitted to the President of Pakistan in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan 1973.

Dated: 27th December, 2019

-S/d-
[Javaid Jehangir]
Auditor-General of Pakistan

TABLE OF CONTENTS

ABBREVIATIONS & ACRONYMS	i
EXECUTIVE SUMMARY	iv
1. INTRODUCTION	1
2. AUDIT OBJECTIVES	2
3. AUDIT SCOPE AND METHODOLOGY	2
3.1 Scope	2
3.2 Methodology	2
4. AUDIT FINDINGS AND RECOMMENDATIONS	3
4.1 Organization and Management	3
4.2 Financial Management	8
4.3 Procurement and Contract Management	31
4.4 Construction and Works	42
4.5 Asset Management	62
4.6 Monitoring and Evaluation	67
4.7 Compliance with Rules	71
4.8 Environment	77
4.9 Overall Assessment	80
5. CONCLUSION	82
ACKNOWLEDGEMENT	83
ANNEXURES	84

ABBREVIATIONS & ACRONYMS

AASHTO	American Association of State Highway and Transportation Officials
ADB	Asian Development Bank
ADF	Asian Development Fund
AGP	Auditor General of Pakistan
AJK/AJ&K	Azad Jammu and Kashmir
AKLAS	Azad Kashmir Logging and Saw Mill Corporation
APS	Army Public School
AWC	Asphaltic Wearing Course
AWP	Annual Work Plan
BHU	Basic Health Unit
BOQ	Bill of Quantities
C&W	Communication and Works
CDA	Capital Development Authority
CDWP	Central Development Working Party
CIF	Cost, Insurance and Freight
CIP	Carriage and Insurance Paid
CPC	Closing Payment Certificate
CSR	Composite Schedule of Rates
DAO	Divisional Accounts Officer
DG	Director General
DHQH	District Headquarter Hospital
DRAC	District Reconstruction Advisory Committee
DRU	District Reconstruction Unit
EA	Executing Agency
EAD	Economic Affairs Division
ECIL	Engineering Consultants International (Pvt.) Ltd.
ECNEC	Executive Committee of the National Economic Council
EEAP	Earthquake Emergency Assistance Project
EIA	Environmental Impact Assessment
EOT	Extension of Time
EPC	Escalation Payment Certificate
ERRA	Earthquake Reconstruction and Rehabilitation Authority
FA	Financing Agreement
FOB	Freight On Board
GCC	General Conditions of Contract
GFR	General Financial Rules
GGPS	Government Girls Primary School

GHS	Government High School
GI	Galvanized Iron
GMS	Government Middle School
GOP	Government of Pakistan
GPS	Government Primary School
GST	General Sales Tax
HQs	Headquarters
IA	Implementing Agency
ICB	International Competitive Bidding
IDA	International Development Association
INTOSAI	International Organization of Supreme Audit Institutions
IPC	Interim Payment Certificate
IPSAS	International Public Sector Accounting Standards
ITB	Instructions to Bidders
JV	Joint Venture
Km	Kilometer
KP	Khyber Pakhtunkhwa
LC	Letter of Credit
LD	Liquidated Damages
LGSS	Light Gauge Steel Structure
LGSSS	Light Gauge Steel Structure Schools
M&E	Monitoring and Evaluation
M/s	Messer's
MoF	Ministry of Finance
NESPAK	National Engineering Services of Pakistan
NGO	Non Governmental Organization
NOC	No Objection Certificate
NSL	Natural Surface Level
P&T	Planning and Technical
PCC	Particular Conditions of Contract
PC-I	Planning Commission Proforma-I (Cost)
PC-II	Planning Commission Proforma-II (Feasibility Study)
PC-III	Planning Commission Proforma-III (Annual Targets and Progress Reporting)
PC-IV	Planning Commission Proforma-IV (Project Completion Report)
PCU	Project Coordination Unit
PC-V	Planning Commission Proforma-V (Post-completion review)
PEC	Pakistan Engineering Council
PEF	Pakistan Earthquake Fund

PERRA	Provincial Earthquake Reconstruction and Rehabilitation Agency
PES	Pakistan Engineering Services
PIU	Project Implementation Unit
POL	Petrol Oil and Lubricant
RCC	Reinforced Cement Concrete
RHC	Rural Health Center
RW	Retaining Wall
SERRA	State Earthquake Reconstruction and Rehabilitation Agency
T&C	Transport and Communication
THQH	Tehsil Headquarter Hospital
TOR	Terms of Reference
TQT	Tajweed ul Quran Trust
TST	Triple Surface Treatment
UC	Union Council
Vol	Volume
WB	World Bank

EXECUTIVE SUMMARY

The Director General, Audit (Climate Change & Environment), Islamabad is mandated to conduct regularity (Financial Attest Audit and Compliance with Authority Audit) and performance / Project audit of projects / departments under its scope.

This report contains the result of Project Audit of “Earthquake Emergency Assistance Project (EEAP)”. The project was executed by ERRA. Director General Audit (Climate Change & Environment) conducted the audit of EEAP Project during Audit Year 2012-13. The Project Audit Report covers both Performance and Financial aspects. This office has carried out the activity of project auditing for the first time, also the accounts of various major projects / works are regularly audited during annual regularity audit. The report covers the period since inception of EEAP i.e. February 2006 to 30th June, 2012. The audit was conducted during May-June 2013 in accordance with the relevant provisions of the Performance Audit Manual and the International Standards of Supreme Audit Institutions (ISSAI’s 3000 to 3100). The original cost of project was Rs12,889.428 million which was revised to Rs 20,871.128 million. The EEAP was completed with a total cost of Rs 19,490.508 million.

The objectives of the Project Audit were to assess whether the resources have been utilized for the purposes for which they were provided, with due regard to economy, efficiency and effectiveness. The report not only aimed at enhancing the accountability process, but also intends to analyze the management decisions by highlighting the weaknesses in project performance with recommendations for improvements. As the projects have been completed, Audit recommends to include the lessons learnt from the projects audit in future planning so as to conclude the upcoming projects of same nature with efficiency, effectiveness and economy.

Audit Findings

Major issues highlighted in the report are:

- Project was split to small works to avoid approval of higher forum i.e. ECNEC¹

¹Para-4.1.5(iii), 4.2.1

- Rs 992.372 million has been paid in excess of approved PC-Is²
- Un-due favor has been extended to the contractor without observing contractual obligation³
- Rs 45.378 million has been paid to contractor on hypothetical measurement⁴
- Inadmissible payment of Rs 428.412 million has been made to the contractor on account of escalation charges⁵
- Education Cess and Tajweed-ul-Quran Trust amounting to Rs 76.474 million was not deducted from contractors⁶,
- Land acquired for Rs 98.982 million has not been mutated on the name of employer⁷
- Rs 324.924 million has been incurred on the construction of facilities beyond the approved scope of work⁸
- Re-construction of partially damaged health facilities - Rs 1,075.481 million⁹
- Overpayment of Rs 28.197 million has been made to the contractor without verification at site¹⁰
- Non-recovery of sale proceeds of trees¹¹

Audit recommends that:

- Revised PC-Is may be prepared and got approved from the competent forum i.e. ECNEC.
- PAO should take necessary steps to strengthen financial management system and internal controls regime.

²Para-4.2.1

³ Para-4.2.2

⁴ Para-4.2.9

⁵ Para-4.2.3

⁶ Para-4.2.7

⁷ Para-4.3.5

⁸ Para-4.3.1

⁹ Para-4.4.1

¹⁰ Para-4.8.1

¹¹ Para-4.5.5

- Inquiries on unauthorized and irregular payments should be conducted besides initiating recovery process as decided in the DAC meetings.
- Mutation of acquired land in the name of employer may be ensured and reconciliation of amounts released to Land Collectors and its payment may also be carried out so that balance amount could be ascertained and recovered.
- Proper measures for protection of environment as laid down in relevant PC-1 should be taken and the contractors/ consultant who have not observed those measures may be penalized.
- All projects under EEAP may be closed formally and Project Completion Report (PC-IV) required to be prepared as per guidelines of Planning Commission of Pakistan besides preparation of consolidated completion report of the project as per requirements of ADB.

1. INTRODUCTION

The Director General Audit (Climate Change & Environment), Islamabad conducted audit of the project “Earthquake Emergency Assistance Project (EEAP)” during the year 2012-13. The project was launched after the earthquake of 8th October 2005 rendering over three million people homeless and virtually destroying more than half a million houses. About 73,338 people died and 128,304 were severely injured. Never in history was the country confronted with such a catastrophe that resulted in human, physical infrastructure and economic losses.

To support the reconstruction efforts of Government of Pakistan (GoP) after the earthquake, the Asian Development Bank (ADB) approved the establishment of Pakistan Earthquake Fund (PEF) on 14th November, 2005 including an initial contribution of US\$ 80 million as grant. On 13th December 2005 ADB approved the Earthquake Emergency Assistance Project (EEAP) amounting to US\$ 300 million, consisting of US\$ 80 million grant (Grant No. 0029 PAK) from the PEF financing and a loan of US\$ 220 million (Loan No. 2213-PAK-SF) from the Asian Development Fund (ADF) resources. The total cost of the project was estimated to be US\$ 374.20 million i.e. ADB to finance 80% or US\$ 300 million and GoP to take on the remaining 20% or US\$ 74.20 million. During implementation, European Commission committed to co-finance the health and education sector with contribution of US\$ 37.5 million through ADB (Grant No. 0037-PAK).

The Financing Agreement (FA) for EEAP was declared effective on 14th February 2006 and the scheduled loan closing date was 30th June, 2009. The Project was expected to reverse the devastating impact of the earthquake, revive economic activity and enable people to resume their livelihoods and return to normal life. This was to be achieved by rehabilitating and constructing damaged and destroyed infrastructure in transport, power, health and education sectors. In addition to providing technical assistance and support for financial management and governance, rehabilitation has been undertaken by providing civil works, equipment and materials in these sectors. Accordingly PC-Is were prepared for each of the project under these sectors.

Project wise PC-Is costs, expenditure incurred and physical progress is as under:

(Rs in million)

Sector / Project	Total No. of PC-Is	Original PC-Is Cost	Revised PC-Is Cost	Expenditure (upto June 2013)	Physical Progress (%)
EEAP (Power) AJ&K	01	159.342	245.592	230.117	100
EEAP (Health) AJ&K	12	1,125.278	2,111.768	1,941.011	100
EEAP (Education) AJ&K	36	4,486.457	4,486.457	4,192.743	100
EEAP (T&C) AJ&K	22	5,322.623	8,121.482	7,262.403	99.36
EEAP (T&C) KP	57	561.130	4,656.580	4,651.670	100
EEAP (Education) KP	01	1,234.598	1,249.249	1,212.564	96
Total	129	12,889.428	20,871.128	19,490.508	--

2. AUDIT OBJECTIVES

The main objectives of the audit of project were to:

- i. Review project performance against intended objectives.
- ii. Assess whether project was managed with due regard to economy, efficiency, and effectiveness.
- iii. Review compliance with applicable rules, regulations and procedures.

3. AUDIT SCOPE AND METHODOLOGY

3.1 Scope

The audit scope included the examination of documents, record, accounts etc. relating to the Project from planning phase to completion. The Project Audit was part of the Audit Plan for the year 2012-13.

EEAP consists of 129 Projects / PC-Is, out of which 71 were in 05 Districts of AJK and 58 Projects in 05 District of KP respectively, where rehabilitation/reconstruction works were carried out. All projects were considered for the audit purpose as population, from which a sample of 5% on professional judgment and past practice basis was selected which consists of one project / contract for one sector.

3.2 Methodology

Audit methodology include data collection, analysis / consultation of record, discussion with staff, surveys, site visits, vouching, re-confirmation and interview with users.

4. AUDIT FINDINGS AND RECOMMENDATIONS

4.1 Organization and Management

4.1.1 Review of organizational structure

Before the earthquake of 2005, no precedent or organizational setup to deal with a disaster of this magnitude was available in Pakistan.

Government of Pakistan established Earthquake Reconstruction and Rehabilitation Authority (ERRA) as an autonomous organization through Ordinance issued on 24th October 2005 which was replaced afterwards with an Act of Parliament, for post disaster damage assessment, recovery, reconstruction and rehabilitation of the areas affected by the earthquake. The affairs of the Authority are regulated by ERRA Council headed by the Prime Minister of Pakistan as Chairman of the Council and ERRA Board headed by the Deputy Chairman, ERRA. PERRA and SERRA are the implementing agencies at Provincial and State level and District Reconstruction Units (DRUs) at the District level. ERRA prepared sectorial strategies for each of the affected sectors to determine the magnitude of total loss and also to build back better.

The Earthquake Emergency Assistance Project (EEAP) was launched in 2006 under the direct administrative control of ERRA. The Project was conceived to reverse the devastating impact of the earthquake and revive economic activity by rehabilitating and constructing damaged and destroyed infrastructure in transport, power, health and education sectors.

A Project Management Unit headed by Project Coordinator was established for supervision of construction under EEAP. Consultancy firms were also hired for designing, construction supervision and contract administration of the project. Project Management Unit hierarchy is given at Annexure-A.

4.1.2 Non-preparation of PC-IV and consolidated completion report of EEAP

According to Guidelines for Project Management (Para No. 3.33) of Planning Commission, Govt. of Pakistan, the project is considered to be completed / closed when all the funds have been utilized and objectives achieved, or abandoned due to various reasons. At this stage the project has to be closed formally, and reports to be prepared on its overall level of success, on a proforma PC-IV.

Audit observed that project management did not prepare the Project Completion Report (PC-IV) for each of the project as required under the guidelines of Planning Commission of Pakistan. The consolidated completion report of the project which was required under section 2.08(c) of Project Agreement (comprising of objectives of the project, outputs of the project and cost of the outputs) was not prepared by the management. The report was required to be submitted promptly after physical completion of the project and in any event not later than three months thereafter or such later date as ADB may agree. ERRA was required to ensure that each EA and IA shall prepare report on the execution and initial operation of the project including its cost, the performance of ERRA under this project agreement and the accomplishment of the objective of the loan and grant.

In DAC meeting held on 25.07.2016 it was decided that consolidated completion report would be provided to audit for verification. However, compliance to DAC directives was not produced till finalization of this report.

Audit recommends that all projects under EEAP may be closed formally and Project Completion Report (PC-IV) be prepared as per guidelines of Planning Commission of Pakistan besides preparation of consolidated completion report of the project as per requirements of ADB.

(OS-30)

4.1.3 Quality and periodicity of internal work plan

Under Clause-14 of the General Conditions of Contracts, the contractors were responsible to submit program of work within 28 days after acceptance of tender. The work was required to be completed by the contractors within 12 months, which was revised through EoT up to 36 months. This showed that the work programs submitted to consultant were not implemented efficiently.

4.1.4 Non-conducting of Internal Audit

Para 13 of GFR Vol-I provides that head of department/office should evolve internal control system to check, prevent and detect irregularities, waste and fraud of Government funds in an organization.

An Internal Audit Wing headed by a Director exists in ERRA. However, no internal audit reports/ internal check reports in respect of this project were provided to external audit, which envisaged that internal audit/ checks have not been conducted.

The major function of the Internal Audit Wing is to ensure compliance with prescribed plans, policies and procedures of Government/ ERRA. It conducts audit of the financial transactions of various projects being executed by ERRA.

Audit holds that internal audit/ check against irregularities was not conducted for installation of efficient and effective control system for financial disciplines and to provide safeguard against waste and fraud.

No DAC meeting was arranged till finalization of this report despite issuance of four reminders. The last reminder was issued on 02.10.2019.

Audit recommends that internal audit reports may be provided to audit.

(OS-60)

4.1.5 Weak planning and mismanagement in EEAP Education Battagram

Para No. 2.1, 2.7 & 2.9 of Guidelines for Project Management issued by Planning Commission of Pakistan provides that the objective of a project may be achieved only when development projects are planned and executed with vigilant management. For achievement of stipulated targets and tangible returns, it is imperative to entrust management and supervision of the project to capable and competent persons of required qualifications, experience and caliber. Project progress should be monitored on the basis of project implementation schedule/approved work plan. Approval of the competent authority should be taken as soon as change in scope of work or revision in cost is occurred. Sponsoring agencies should also anticipate likely delays and should fix responsibility for the delays beside taken them to task.

Deputy Director EEAP (Education) Battagram awarded a contract for construction of 64 LGSS Schools to M/s A&ACC Build Core PEB (JV) in February 2009. Later the scope of work was enhanced and 60 schools were added through Variation Order dated 20th June 2009. Total cost of the contract for 124 schools was Rs 1,234.249 million. The completion date of the project was 31st October 2009. Individual PC-I for each school was prepared. The project cost was revised and enhanced to Rs 1,249.598 million.

Audit observed the following irregularities:

- i. The management of project from top to bottom except DAO was entrusted to all contract employees having no public experience. Periodic evaluation of

performance of contract employees was not carried out. No regular Government officers especially Executive Engineer, Sub Divisional Officers and Sub Engineers from C&W Department were deputed to utilize their expertise. Resultantly, the project was left at the mercy of in-experienced contract employees.

- ii. Proper monitoring and evaluation of the project was not carried out which resulted into delay in completion of the project. The project was required to be completed upto 31st October 2009 but the contractor failed in timely completion of the project. It was decided in the meeting held on 06-05-2013 under the chairmanship of Secretary cum D.G PERRA to impose penalty on the contractor for non-completion of work within time and completion date of all balance work was fixed as 15-05-2013. However, till date of audit i.e. 14th June 2013, contractor handed over only 84 schools out of 124. LD was not imposed despite recommendations of NESPAK and Employer.
- iii. Individual PC-Is for 124 schools were prepared and approved by DRAC whereas contract for all school was awarded to a single contractor. Audit holds that one PC-I for all schools was required to be prepared and approved from competent forum i.e. ECNEC as the contract was awarded as one package for all the facilities. Project was split in 124 PC-Is to avoid the approval of higher forum.
- iv. Two Administrative Approvals were accorded for 121 schools vide DG PERRA letter dated 27.11.2007 (60-schools) and 23.10.2008 (61- schools). However, it was observed that further revised administrative approvals were accorded on 26.08.2011 and number of schools was increased from 121 to 124. In progress report 136 schools were reported to PERRA. Amount paid for topography survey and soil investigation on 136 schools was also reduced to 124 in IPC 84. This shows ambiguities in number of schools awarded in contract and constructed.
- v. Contract was enhanced through variation Order. Audit holds that addition of 60-schools in original awarded contract of 64-schools is unauthorized and the fairness and competitiveness of the tendering process was compromised.
- vi. PERRA team carried out a site visit of educational facilities and intimated that 5 schools were constructed in same vicinity (4 by EEAP & 01 by C&W). This

shows that EEAP management did not select the sites keeping in view the actual requirement of schools with number of enrollments.

- vii. As evident from DD EEAP Education Battagram letter No. 3890/1-A dated 29.04.2013 that GGPS Drab Kalan (not included in contract) was constructed instead of GGPS Hotel Batkool and ERRRA authorities were approached for replacement of the same. Further, the sites of many schools were also changed during execution of project without revision in PC-I.
- viii. IPCs were also not prepared on standard format to show school wise previous, current and upto date physical and financial progress.

Audit holds that due to hiring of inexperience contractual staff on critical positions and lack of supervision and monitoring, the project could not be completed in timely and efficient manner.

The matter was reported to management in August 2013. It was replied that PIU staff was hired as per Provincial Govt. recruitment policy. Further, the contract was enhanced due to short time left in the grant closing date i.e. 31.10.2009 after obtaining concurrence from ADB.

The reply is not satisfactory as the department has not properly addressed all the audit observations with documentary evidences.

The DAC in its meeting held on 25.07.2016 decided that relevant documents may be produced to Audit. However, DAC directives were not followed and record was not produced till finalization of this report.

Audit recommends to investigate the matter and fix responsibility on the persons(s) at fault.

(SO-20 & 52, EEAP-Edu-Btm)

4.2 Financial Management

Financial Management Findings

The regulatory audit of the project was annually conducted by this office since its inception i.e 2008 to 2012 and Paras relating to financial mis-management already stand printed in the Audit Reports of respective years, however, the issues taken during the project audit have been included in this report.

4.2.1 a. Payment made in excess of approved PC-Is - Rs 992.372 million

b. Splitting of PC-I – Rs 2,077.571 million

Para-14(2) & (4) of ERRA Operational Manual provides that Board may approve a project costing upto Rs 500 million. A project costing more than Rs 500 million will require approval of the ECNEC.

Para 4.12 & 13 of Manual of Development Project issued by Planning Commission of Pakistan provide that it has no authority to change and modify the main approved parameters of the project on its own, beyond permissible limit of 15%. However if change beyond 15% is imperative then project authorities should revise the project and get approval of the competent authority.

EEAP AJK divided the work of construction of Muzaffarabad-Athmuqam (76 Km) road into five PC-Is for roads and two PC-Is for bridges. The total cost of all PC-1 was Rs 2,077.571 million. The PCI-s were approved from State Steering Committee/ ERRA Board. However, the work was advertised for International Competitive Bidding as a single contract and was awarded to M/s Xinjaing Beixin-Matracon (JV) for a cost of Rs 2,054 million. The detail of PC-Is is as under:

(Rs in million)		
S. No.	PC-Is for Rehabilitation and Reconstruction of Muzaffarabad–Athmuqam Road in AJK	Cost of project
1	Km 00+00 to Km15+00 (15Km)	420.496
2	Km 15+00 to Km24+00 (9Km)	245.968
3	Km 24+00 to Km36+00 (12Km)	322.195
4	Km 36+00 to Km45+00 (9Km)	337.448
5	Km 45+00to Km76.606 +00 (31.606Km)	498.130
	Construction of bridges Muzaffarabad-Athmaqam road Package-Lot 1	120.307
7	Construction of bridges Muzaffarabad-Athmaqam road Package-Lot 2	133.027
	Total	2,077.571

Audit observed that an amount of Rs 3,069.943 million was paid to the contractor upto Closing Payment Certificate (CPC) against the approved PC-Is of Rs 2,077.571 million which resulted into payment of Rs 992.372 million over and above the approved cost. The amount is 47% above the approved PC-I cost i.e. Rs 2,077.571 million. The payment without revision of PC-I stands irregular.

Audit further observed that the project was split up into small works to avoid the approval of the higher forum i.e. ECNEC. However, the management advertised and awarded the project through a single contract agreement.

Audit is of the view that weak financial discipline and internal controls led to mis-procurement and excess payment over the approved cost.

The matter was pointed out in July 2013. It was replied that revised PC-Is have been approved separately. It was an emergency project financed through foreign funds, therefore, it was decided at higher level to save time and avoid lapse of funds.

The reply is not satisfactory as splitting of one projects into small PC-1s and payment made in excess of approved PC-1 is irregular.

The DAC in its meeting held on 25.07.2016 decided that fate of the Para will be decided by the PAC.

Audit recommends that matter may be investigated for relaxing / violation of rules and revised PC-I may be got approved from the competent forum i.e. ECNEC.

(OS-3)

4.2.2 Undue favor to the contractor without observing contract clause – Rs 996.467 million

Clause 14.6 of Particular condition of Contract provides that each IPC submitted by the contractor for making payment should have minimum amount of 5% of the accepted contract price.

EEAP AJK awarded a contract for construction of Muzaffarabad-Athmuqam road to M/s Xinjaing Beixin-Matracon (JV) at a cost of Rs 2,054 million. The minimum threshold limit for payment of any IPC was Rs 102.7 million (5% of Rs 2,054 million).

Contrary to above management paid nineteen (19) IPCs as detailed below to the contractor which were less than the threshold limit of 5%):

Sr. No	Date	IPC No.	Amount (Rs in million)	Percentage of contract cost i.e. Rs 2,054(m)
1	26.06.2009	1	85.56	4.17 %
2	12.08.2009	2	41.767	2.03 %
3	14.09.2009	3	36.974	1.80 %
4	14.11.2009	4	74.822	3.64 %
5	10.12.2009	5	60.008	2.92 %
6	15.12.2009	6	50.118	2.44 %
7	22.02.2010	7	63.303	3.08 %
8	23.04.2010	8	58.534	2.85 %
9	22.07.2010	10	25.044	1.22 %
10	09.09.2010	11	30.649	1.49 %
11	09.09.2010	12	29.789	1.45 %
12	24.12.2010	14	89.983	4.38 %
13	27.01.2011	16	62.538	3.04 %
14	12.04.2011	17	43.69	2.13 %
15	07.05.2011	17-A	74.825	3.64 %
16	21.05.2011	18	7.268	0.35 %
17	18.06.2011	19	71.049	3.46 %
18	17.08.2011	20	89.152	4.34 %
19	22.11.2011	22	1.394	0.07 %
Total			996.467	--

From the position tabulated above it is evident that in all the above referred cases the amount of IPCs was much below from the threshold point of 5% of the accepted contract amount. Therefore, the contractor was unduly benefited by making payments contrary to the payment schedule given in the contract. This mode of payment is not only irregular but has jeopardized the transparency in award.

The matter for not following the contractual obligations and extending undue favor to the contractor was brought to the notice of the management in July, 2013 so as to fix the responsibility. It was replied that this was done only to ease the cash flow of the contractor. This matter was also discussed with ADB, as payments were made through withdrawal so sometimes it took a lot of time in transferring of funds from Manila.

Reply is not satisfactory as the payment of IPCs less than threshold limit is against the provisions of contract.

The DAC in its meeting held on 25.07.2016 decided that inquiry may be conducted at ERRA level to ascertain the facts.

Compliance to DAC directives was not produced till finalization of this report.

Audit recommends that inquiry may be conducted to ascertain the facts leading to payment of IPCs below the threshold limit and results thereof may be intimated to audit.

(OS-02)

4.2.3 Unauthorized payment of Escalation Charges - Rs 428.412 million

The contract agreement section 8 provides that particular conditions of contract (PCC) shall modify or supplement the General Condition of Contract (GCC) and whenever there is a conflict, the provisions of PCC shall prevail over those in GCC.

As per clause 13.8 of General Conditions of Contract, price escalation was allowed as per the stipulated methods. However, in the Particular Conditions of Contract (PCC) the said GCC clause is over-ridden. It is stated in the PCC that adjustment for changes in cost (table of adjustment data) as given in clause 13.8 of GCC is not applicable". Further clause 3.1 of GCC provides that the engineer shall have no authority to amend the contract.

Audit observed that contrary to above mentioned clause, an amount of Rs 428.412 million was paid to the contractor M/s Xinjaing Beixin Matracon (JV) as escalation charge (for changes in cost). Audit further noticed that contrary to clause 3.1 of GCC, the PCC clause of the contract agreement was changed and the consultant on 7th May 2008 intimated to all bidders regarding the change. However, the record revealed that the contract agreement was signed with contractor on 27th November 2008, after the date of change in clause but contain the same PCC clause which states that adjustment for change in cost (escalation) is not applicable.

Besides, above, an amount of Rs. 298.228 million was paid to the contractor on account of escalation charges on non BOQ items (non BOQ cost * price adjustment factor = Rs 968,901,803 x 1.3078 = 1,267,129,778 - 968,901,803). Audit holds that as the rates of Non BOQ items were analyzed and fixed on market rates, for which escalation was in-admissible ab-initio.

The matter was pointed out in July, 2013. The management replied that the Employer or the Engineer has not made amendment in the contract but Chief Resident Engineer clarified it to all bidders during the Pre-Bid Meeting. Furthermore, the pre-Bid meeting is always for the clarification of bidding/ tender documents. Sometime some items are missed or not clear so during the Pre-Bid Meeting, these deficiencies, ambiguities are clarified to the bidders and afterwards these Pre-Bid meeting minutes become integral parts of the contract documents.

Audit is of the view that pre bid meetings etc. were arranged prior to award of contract and lost its utility after award of contract, if it is not made a part of contract. A contract agreement is the only binding document to govern the terms and conditions of the contract. Furthermore as per Para 02 of the contract agreement the Pre Bid Meeting minutes/ decisions has not been made a part of contract agreement. So the contention of the management is beyond the perview of the contract agreement and the amount paid was totally in-admissible. As regard payment of escalation of Non BOQ item rate is concerned, the same also comes under prohibitions as is evident from GCC clause 13.8 which inter alia states that, “No adjustment is to be applied to work valued on the basis of cost or current prices”.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends that inadmissible payment may be recovered from the contractor.

(OS-58)

4.2.4 Non-imposition of liquidated damages - Rs 123.424 million

As per clause 26-2 (Completion Time Guarantee) of contract, if the contractor fails to attain completion of the facilities within given Time frame for completion , the contractor shall pay to the Employer liquidated damages @ 0.5 % of contract price per week upto maximum 10 % of contract price.

Contract for construction of 124-light gauge steel structure school buildings was awarded to M/s AC&ACC for a bid cost of Rs 1,234.424 million in February 2009 with completion period upto 31st October 2009. Several extensions were granted to the contractor for completion of these schools but the contractor failed to complete the work. A meeting regarding slow progress of EEAP education was held on 06-05-2013

under the chairmanship of Secretary cum D.G PERRA. It was decided in the meeting to impose penalty on the contractor for non-completion of work within time. Request of the contractor for further extension up to 30-06-2013 was also not accorded. Completion date of all balance work was fixed as 15-05-2013. However, till date of audit i.e. 14th June 2013, contractor hand over only 84 schools out of 124.

Further, DG PERRA, Chief Engineer, Deputy Director EEAP (Education) and NESPAK have also recommended imposition of LD as summarized below but till date of audit no liquidated damages were imposed and recovered.

Minutes of meeting held in DG PERRA office Abbottabad dated 10 th October 2009	DG PERRA directed for imposing maximum liquidated damages on contractor. 1 st Notice for termination of contract be issued by the employer.
NESPAK letter 3023/ KR/ CD (04)/ 71 Dated 15 th October 2009	Proposed L.D is being worked out and shall be submitted for approval of Client
NESPAK letter 3023/33/KR/ CD2/48 Dated 10 th February 2010	The progress of contractor revealed non-seriousness towards accomplishment of set targets by Deputy Chairman ERRA.
NESPAK letter No. 3023/ DR/ CD (4)/ 89 dated 8 th March 2010	Seeing no serious efforts made so far by contractor, this office was left with no other option but to recommend required action as per relevant contract clause.
Deputy Director EEAP (Edu) Battagram office note dated 23 rd November 2011	Liquidated damages to the maximum of 10% shall be imposed.

Audit holds that liquidated damages Rs 123.424 million (Rs 1,234.200 million x 10/100) were required to be imposed and recovered from contractor which was not done despite clear instructions/recommendations and poor performance of the contractor. This shows undue favor to the contractor and negligence on the part of concerned officials.

The matter was reported to management in August 2013. It was replied that Para has already been discussed in DAC Audit Report 2011-12.

The reply was not acceptable because LD was not imposed and recovered despite recommendations of NESPAK and Minutes of meeting held in DG PERRA office Abbottabad dated 10th October 2009.

The DAC in its meeting held on 25.07.2016 decided that EOT along with revised reply and relevant record may be provided to audit. However, DAC directives were not followed and record was not produced till finalization of this report.

Audit recommends that LD may be recovered besides investigating the matter and fixing the responsibility for non-imposition of LD.

(S.O-05, EEAP-Edu-Btm)

4.2.5 Unauthorized payment of duties and taxes - Rs 121.425 million

Schedule II of contract agreement specify the items to be supplied from with the employer country that includes supply of prefabricated structure and structural parts of the buildings including roofing, cladding, insulation, false ceiling with their connections and accessories on covered area basis for single and double storey.

As per clause 14.1 (GCC) the contractor shall bear and pay all taxes, duties, Levis and charges assessed on the contractor. As per clause 14.2 (GCC) all the duties and taxes on goods imported under schedule-I will be borne by employer. These payments should be restricted to the items described in schedule-I of bid.

Payment record of EEAP (Education) Battagram showed that Rs 121.425 million was paid against duties and taxes for goods imported. It was observed that the imported material was not covered under Schedule-I. This resulted into unauthorized payment on account of duties and taxes for goods imported but not covered under Schedule-I. The detail is given as under:

S. #	L.C. No.	Country name	Bill of lading	Invoice value US \$	Description	Quantity	Duties / taxes Rs
1	0387-40-ADB	Thailand	MKRBKKH10012 A	592,196	Cladding and false ceiling	74,952 kg	27.621 27.753 0.450
2	0387-40-ADB 01-2009	Thailand	MKRBKKKH0012	888,302	--do--	112 429 kg	41.630
3	1010/10/02/0015	Bangladesh	SJYK002151	67,112	Glass wool	37 750 kg	2.257
4	1010/10/02/0021	Singapore	ASEKH1110365	16,300 11,302	Expansion bolt	20,000 pcs	0.676
5	1010/10/02/0013	Australia	80002014	44,159.80	Self-drilling screws	8,847 kg	2.189
6	0387-40-ADB-02/2009	China XINGANG	NGLASZ300	61,152	Glass wools 2500 rolls	29,500 kg 45,500 kg	1.898
7	0387-40-ADB-02/01/2009	Singapore	VTSE-80000994	233,049.27	Self-drilling screws	35 056.60 kg (7,787,000)	10.876
8	1010/09/02/2021	Singapore	SGSING101900562	129,755	--do--	145,000	6.075
Total				423,956.27	---	---	121.425

Payment of duties / taxes on the import of items not covered in Schedule-I of contract is unauthorized.

The matter was reported to management in August 2013. It was replied that the Para has already been discussed in DAC for Audit Report 2011-12.

The reply is not acceptable because no record as to refund of duties and taxes was produced to audit.

The DAC in its meeting held on 25.07.2016 recommended that reply may be revised and produced to Audit. However, DAC directives were not followed till finalization of this report.

Audit recommends that unauthorized payment may be recovered under intimation to audit.

(S.O-14, EEAP-Edu-Btm)

4.2.6 Opening of letter of credit without provision in bidding documents and approval from Finance Division - US \$ 4.850 million

Para 4.14 of Manual of Development Projects issued by Planning Commission provides that the cost estimates of a project have to be prepared with a lot of care so that these are not revised again and again and implementation is not delayed due to non-availability of provision of funds and revised sanction of the competent authority. The cost details have to be given according to the requirements of the PC-I of each sector. However, the following guidelines will generally apply to all:

- (a) The local and foreign exchange costs have to be shown separately.
- (b) The cost of imported items available in the local market should be reflected in the local component and not in the foreign exchange component.

Para 4.16 provides that the sponsoring agency has to indicate the financial plan of the project in the appropriate column of the PC-I. The position in this regard has to be indicated in specific terms so that there remains no ambiguity or confusion in getting the necessary funds from the sources indicated.

PERRA opened two Letters of Credits (LCs) on the request of PCU with National Bank of Pakistan for US\$ 4.850 million (LC No. 387-40-ADB-01/09 for US\$ 3,163,000 and LC No. 387-40-ADB-02/09 for US\$ 1,713,000). It was observed that:

- i. Foreign component was neither part of PC-I nor bidding documents and opening of LC by the department was also not mentioned in the contract/bidding documents.
- ii. Approval of opening of LC from Finance Division Govt. of Pakistan was not obtained.

It was further observed that terms of payment provided in the LC were different from those provided in ADB commitment letter. The terms of payment mentioned in LC are as:

- i. 10% of total CIP as advance payment
- ii. 70% of total of FCA amount upon incoterm FOB or FCA within 45-days after receipt of invoice and shipping documents.
- iii. 20% of total or prorate upon completion.

Whereas, the letter of commitment provides that the 94% payment of value of LC by ADB as:

- i. 77.7% upon incoterm after receipt of invoice and shipping documents.
- ii. 22.3% upon completion.

Audit is of the view that due to difference in terms of payment provided in the LC and commitment letter, chances of excess payment cannot be over ruled.

The matter was reported to management in August 2013. It was replied that opening of LC is requirement of contract agreement. Ex-post facto sanction may be obtained from Finance Division if necessary. An amount of US \$ 619,498.46 has been paid by ADB against LC No. 387-40-ADB-01/09 in excess of the terms of LC and commitment letter. The matter has already been taken up with ADB and contractor vide DG PERRA letter dated 16.03.2010 to scrutinize the said payment terms. However, in spite of this ADB has made further payment of US \$ 1,075,944. The payment made by ADB against LC No. 2 (No.387-40-ADB-02/09) is in accordance with terms of LC and commitment letter.

The reply is not satisfactory as the opening of LC is against the provisions of PC-1, bidding documents and contract agreement. Terms of payment provided in the LC and commitment letter are different which resulted in excess payment of US\$ 619,498.46 as admitted by department.

The DAC in its meeting held on 25.07.2016 decided that revised reply along with complete relevant documents may be produced. However, DAC directives were not followed and no reply along with documentary evidences was produced to audit till finalization of this report.

Audit recommends that responsibility may be fixed for opening of LC in violation of rules besides recovery of excess payment.

(S.O-06, EEAP-Edu-Btm)

4.2.7 Loss to Government due to less deduction of income tax - Rs 78.118 million

Section 152 (1A) of the Income Tax Ordinance 2001 provides that every person making a payment in full or part to a Non-resident person on the execution of a contract or sub-contract under a construction, assembly or installation project in Pakistan, shall deduct tax from the gross amount payable under the contract at the rate specified in division II of part III of the first schedule.

As per Deputy Commissioner Income Tax Circle -10 Muzaffarabad letter No. TAX / DCET-10/235-236 dated 23rd February 2005; deduction of income tax from payments made to Nonresident persons on execution of turnkey contracts is 8%. Further, it is also clarified that any person, who has no permanent establishment in AJK, shall be treated as Nonresident.

EEAP AJK paid an amount of Rs 3,905.939 million to different contractors for construction of middle schools (Pre-engineered Light Gauge Cold Formed Galvanized Steel Structure) in AJK. All these contracts were turnkey i.e. Design, Supply and install-Turnkey contracts. Further, these contractors have no permanent establishment in AJK, hence fall in the category of Non-resident. Income tax was required to be deducted @ 8%, but contrary to the above, tax from all the contractors was deducted @ 6% which resulted into less deduction of income tax amounting to Rs 78.119 million as detailed below:

(Rs in million)

S. No.	Contractor	Amount	Income Tax Deducted	Income Tax to be Deducted	Difference
1	Winthrop Meridian	507.105	30.426	40.568	10.142
2	Winthrop Meridian	577.154	34.629	46.172	11.543
3	PEB-HMA JV	309.610	18.577	24.769	6.192
4	Shahzaman PEB JV	452.662	27.160	36.213	9.053
5	PEB-HMA JV	465.745	27.945	37.260	9.314
6	PEB-HMA JV	520.960	31.258	41.676	10.419
	PEB-HMA JV	385.248	23.115	30.820	7.705
7	A&ACC-Build core PEB JV	333.197	19.992	26.656	6.664
8	Shahzaman PEB JV	354.258	21.255	28.341	7.086
	Total	3,905.939	234.357	312.475	78.118

The matter was pointed out in July, 2013. The management replied that contracts in Education Sector EEAP-AJK, were under the category of “procurement of plant, design, supply and install” and have a value more than Rs 30 million and fall

under the category of “other contracts” in the letter referred in observation. Amount of Income Tax deducted is in line with the directions of the letter referred above and no less Income Tax has been deducted.

The reply is not satisfactory as contract agreement / bidding documents clearly stipulates that all the contracts in education sector were awarded as turnkey contracts i.e. Design, Supply and install-Turnkey Contracts.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends that the less deducted amount of income tax may be recovered from the contractors under intimation to audit.

(OS-39)

4.2.8 Loss to Government due to non-deduction of Education Cess and Tajweed-ul-Quran Trust fee - Rs 47.38 million

As per Section 2(3) of Education Cess Act 1975, Education Cess @ 5% on the amount of income tax as defined under clause (63) of section 2 of Income Tax Ordinance 2001, has been levied and enforced in AJK w.e.f July 2006 onwards. Further, as per notification issued by the Services and General Administration Department, Government of AJK vide No. Admin/Sec-1/H-10/(16)/90 dated 17th June 1991 (reproduced in SERRA letter dated 13th March 2012), deduction of Tajweed-ul-Quran Trust (T.Q.T) @ Rs 2/1,000 is required to be made on the total value of the bid allotted including supplier.

EEAP AJK paid an amount of Rs 14,456.369 million to different contractors who executed different works under EEAP upto 31st May 2012. Contrary to the above, Education Cess and Tajweed-ul-Quran Trust were not deducted from the payments made to contractors. ERRRA also instructed the management of EEAP vide letter dated 14.06.2012 that the said Education Cess / Tajweed ul Quran Trust is to be deducted from the pending bills of the contractors in accordance with the laws. However, despite clear instruction, no deduction was made from the contractors. This resulted into undue favor to the contractor and loss of Rs 76.474 million to Govt. as detailed below:

(Rs in million)

S. No.	Description	Total Amount	Income Tax	Education Cess 5%	TQT @ 2/1000	G. Total
1.	Payment upto June, 2012	14,371.145	856.801	42.840	28.742	71.582
2	Payment from July, 2012 to date	85.223	58.702	2.935	1.957	4.892
	Total	14,456.368	915.503	45.775	30.699	76.474

* Contractor detail attached at Annexure-B

The matter was pointed out in July, 2013. The management replied that in education sector all the bills were finalized in June 2011 and all the deductions were made as per prevailing instructions at that time.

During verification of record, the management accepted the audit point of view and recovered Rs 29.091 million from contractors. However the balance amount of Rs 47.38 million has to be recovered.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends that the responsibility may be fixed on the persons at fault for not observing the Govt. rules beside recovery of remaining amount from the contractors under intimation to audit.

(OS-45)

4.2.9 Undue benefit extended to the contractor - Rs 45.324 million

As per specification given for BOQ items 104 & 106, a mechanism for measurement and payment has been stipulated which inter alia provides that “unsuitable or surplus material shall be measured in its original position and its volume shall be calculated in cubic meters using end area method”. The quantities determined as provided above shall be paid for at the contract unit price respectively for each of the particular pay item and the payment shall constitute full compensation for all costs involved in the proper completion of the work prescribed in the item.

Audit observed that in closing payment certificate (CPC) of the contract Muzaffarabad to Attmuqam road an amount of Rs 45.324 million as per detail given in Annexure-C was deducted from the bill due to decrease in the quantities already measured and paid in previous bills. This revealed that the amount was over paid on the basis of hypothetical measurement instead of actual measurement. This is evident from the fact that the quantitative account of BOQ item Nos. 104, 106c, 106di, 106dii

shown a declining trend whereas, as a normal practice observed, progressive figure of a measured item always has an ascending trend.

Audit holds that measurement made in contravention of the contractual provision and that of the natural sequence of occurrence resulted into undue favor and temporary overpayment of Rs 45.324 million.

The matter was pointed out in July 2013. The management vide their reply dated 2nd August 2013 stated that clarification has been sought from M/s ECIL and will be scrutinize in the final bill and in case of over payment recovery will be effected from the concerned.

The DAC in its meeting held on 25.07.2016 decided that inquiry may be conducted at ERRA level and report be submitted to Audit. However, DAC directives were not followed till finalization of this report.

Audit recommends that cost impact of temporary overpayment may be worked out and recovered from the beneficiary besides fixing the responsibility on person at fault.

(OS-8)

4.2.10 Unknown whereabouts of retention money of contractor- Rs 27.435 million and US \$ 323,195

As per Appendix-1 (Section-9 of the contract), retention money @ 5% shall be deducted from each IPC of the contractor subject to maximum 20% of the total contract price and shall be paid upon issuance of completion certificate.

In EEAP Education Battagram, it was noticed that retention money of Rs 27.435 million and US \$ 323,195 was shown deducted from the IPCs of contractor M/s AC &ACC (JV) for construction of 124 LGSS schools from ADB grant/loan. However, the whereabouts of this amount was not made known to audit.

Audit observed that no separate account was maintained to deposit the retention money which was being deducted from each IPC of the contractor. Audit holds that department was required to claim the retention money from donor through withdrawal application and deposit it in separate account for payment of the same to contractor at completion of the project. Due to non-observance of the procedures, the burden of retention money payments to the contractor was shifted on GoP.

The matter was reported to management in August 2013. It was replied that retention money has been deducted from contractor IPCs @ 5%. An amount of Rs 6.598 million deducted in IPC No. 83 was claimed in IPC No. 84 at the time of withdrawal application to ADB, so that no overburden left to GOP.

The reply is not acceptable as status of retention money already deducted was not produced. Further no evidence of deduction of Rs 6.598 million was produced.

The DAC in its meeting held on 25.07.2016 recommended the Para for settlement subject to verification. However, DAC directives were not followed and record was not produced till finalization of this report.

Audit recommends that responsibility may be fixed for not claiming of retention money from donor and its deposition in separate bank account besides provision of current status of retention money with regard to its recovery and payment.

(S.O-34, EEAP-Edu-Btm)

4.2.11 Unauthorized payment for imported items not covered under schedule-I of contract - US Dollar 1.977 million

According to bidding documents of 124 LGSS schools buildings, Schedule –I includes “Supply of selected portion of prefabricated, steel structural parts and non-structural parts of the buildings including roofing, cladding, insulation, false ceiling with patent connections and accessories not locally available on covered area basis for single and double storey structures.” Schedule II of the bidding documents specify the items to be supplied from with the employer country /locally available.

In EEAP (Education) Battagram, two Letters of Credit (LCs) were opened for import of plant from Bangladesh for construction of 124 LGSS schools. An amount of \$ 1,977,400 was paid against imported material, however it was observed that these item were not covered under schedule-I. Further, the rates quoted by contractor were based on covered area i.e. per sft. of steel structure, which include all accessories. Following payments were made for imported material:

S. No.	Invoice No.	Item Name	Quantity	Amount (US \$)
1	PSAL/ERRA/1.1-47/06/10	Cladding & False Ceiling	160,000 Nos.	947,520
2	PSAL/ERRA/1.1-47/05/09	Self Drilling Screws	145,000 Nos.	16,300
3	PSAL/ERRA/1.1-47/03/09	Expansion bolts	20,000 Nos.	127,185
4	PSAL/ERRA/1.1-48/05/10	Cladding & False Ceiling	90,000 sft	592,196
5	PSAL/ERRA/1.8b/03/2010	Glass wool	2,500 rolls	61,152
6	PSAL/ERRA/1.1-47/04/09	Self drilling screws	7,787,000 Pcs	233,048
Total				1,977,400

The matter was reported to management in August 2013. It was replied that the items describing false ceiling in the price schedule is similar in Schedule I and II, the difference is however regarding the origin of supply from either abroad or within the Employer country and corresponding payment of any duties is to be made by the Employer and contractor respectively.

The reply is not acceptable because item imported were not covered under schedule-I. The rates quoted by contractor were based on covered area which includes all accessories.

The DAC in its meeting held on 25.07.2016 decided that record may be verified. However, DAC directives were not followed and record was not produced till finalization of this report.

Audit recommends that unauthorized payment because of import of items not covered under contract may be recovered and investigation to fix responsibly on the person(s) at fault.

(S.O-41, EEAP-Edu-Btm)

4.2.12 Loss to the Government due to non-deposit of en-cashed performance guarantee – Rs 18.691 million

Para 26 of ERRRA accounting procedure provides that the receipts if any generated by ERRRA shall be the receipts of the Federal Government and would be deposited into Federal Government treasury.

EEAP AJK awarded a contract No. NCB-AJK-EEAP-01(lot No.1, 2, 3) for construction of Abutments for steel bridges on 31st December 2007 to M/s Techno Engineering Services (Pvt.) Ltd. Islamabad at a cost of Rs 186.907 million. The contractor failed to start the work, which resulted into forfeiture of performance guarantee amounting to Rs 18.691 million. The forfeited amount was deposited into AJK treasury instead of Federal Government treasury.

The matter was pointed out in July, 2013. The management replied that the matter regarding forfeiture of amounts has been resolved as per ERRRA directives to deposit the forfeited amount in AJK treasury.

Reply is not satisfactory as the receipt of ERRRA was required to be deposited into Federal Treasury.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends the transfer of forfeited amount into Federal treasury under intimation to audit.

(OS-26)

4.2.13 Overpayment payment out of provisional sum for items not executed - Rs 13.722 million

According to Schedule 5 (Grand Summary of Costs) of bidding documents, payments out of provisional sum will be regulated as per the employer’s orders issued through change orders. Clause 39.1.1, 1.2 & 2.4 of GCC provides that any change in the scope of the contract may be proposed by the Employer or the contractor however, such change will be effective after approval of the Employer. The price of any change shall be calculated in accordance with rate and prices included in the contract.

Further, as per Appendix-I (B) the contractor will submit his invoices to the Project Manager who will certify the payable amounts and recommend the undisputed amount to the Employer.

A contract for the construction of 40 middle schools in District Bagh was awarded to M/s Winthrop Meridian JV vides Package No.1.2 on 22nd October 2007 at a cost of Rs 582.363 million on turnkey basis. There existed a provision of Provisional sum of Rs 29.600 million in the contract. Management paid an amount of Rs 13.722 million to the contractor in final bill out of the provisional sum for items detailed below:

S. No.	Item	Quantity	Rate (Rs)	Amount (Rs in million)
1	Tiles difference (Terrazzo and Ceramic)	184,900	28.36	5.244
2	Plinth protection (1:4:8)	17,742	268.75	4.767
3	Plinth protection (PCC 1:4:8)	13,271	279.6	3.711
Total				13.722

The supporting bill of above items (Bill No.4 provisional sum extra work) showed that the consultant (Project Manager) canceled all the quantities and clearly recommended that no quantities are payable under this bill for above-mentioned items. This showed that the contractor executed no such work. Moreover, the procedure as laid down in contract agreement for incurrence of expenditure out of provisional sums

i.e. preparation of change order and its approval was not followed. Hence, payment of Rs 13.722 million under provisional sum is unauthorized.

Management replied that bill for contract was finalized by the consultant for amount of Rs 577.154 million after making all necessary deductions and the same amount was paid in the final bill.

The reply is not acceptable as it is quite evident from the measurement sheet that payment was disallowed by the Project Manager.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends that inquiry may be conducted as to how payment once disallowed was made to contractor and fix responsibility beside recovery.

(OS-31)

4.2.14 Unjustified payment for soil investigation and topographic survey - Rs 12.800 million

EEAP Education Battagram made payment of Rs 6.800 million to contractor for soil investigation of 136 schools @ Rs 50,000 for construction purpose. Audit observed that these school building were specially constructed with new concept of light gauge having no such heavy weight as obvious from bidding documents and can be easily tolerated by this soil. These areas were not declared neither Red Zone nor it was much affected by earth quake. The soil investigation, especially in this area was not required.

Audit is of the view that payment was made just to give undue financial benefits to the contractor.

S. No	Item	Total No. of schools	Rate (Rs)	Total amount (Rs in million)
1	Soil investigation	136	50,000	6.800
2	Topographic survey	135	----	6.000
Total				12.800

Audit further observed that 124 schools were to be constructed according to the contract whereas work on 136 schools was carried out, as such there was an excess payment of Rs 1.133 million [(136 – 124 = 12 x Rs 94,444 i.e. Rs 50,000 for soil investigation & Rs 44,444 (Rs 6,000,000/ 135 for survey))] was made.

The matter was reported to management in August 2013. It was replied that geotechnical / soil investigation is covered in Schedule III for which contractor had quoted rates and was paid accordingly upon conducting soil investigation of each specific school site.

The reply is not acceptable because these school building were constructed with light gauge having no heavy component which can be easily tolerated by the soil. Further, no reply as to incurrence of expenditure on 12 additional schools sites was produced.

The DAC in its meeting held on 25.07.2016 decided that reply may be revised and recovery may be verified from Audit. However, DAC directives were not followed till finalization of this report.

Audit recommends that matter may be investigated to fix responsibility on the person(s) at fault.

(S.O-23, EEAP-Edu-Btm)

4.2.15 Loss to Government due to over payment - Rs 8.008 million

Rule 23 of GFR Vol-I provides that every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and on part of other Government officer.

EEAP AJK paid an amount of Rs 3,069.943 million in Closing Payment Certificate (CPC) to M/s Xinjaing Beixin Matracon (JV) whereas the accounts record i.e. contractor ledger revealed that an amount of Rs 3,061.935 million was payable for progressive work done upto CPC. This resulted into excess payment of Rs 8.008 million.

The matter was pointed out in July, 2013. The management replied that excess amount, if any, will be reconciled and recovered as per contract provision at the time of final bill.

The DAC in its meeting held on 25.07.2016 decided that reconciled figure may be verified from audit.

During verification of record, the management failed to produce the reconciled figure.

Audit recommends that reconciliation may be carried out and excess payment if any, may be recovered.

(OS-15)

4.2.16 Loss to Govt. exchequer due to double payment of steel structure - US \$ 157,160

Rule 23 of GFR Vol-I provides that every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and on part of other Government officer.

In EEAP Education Battagram, it was observed that the contractor was paid US \$ 197,616 vide IPC No. 13 dated 04.12.2009 and US \$ 157,160 vide IPC No. 17 dated 07.01.2010 for Schedule-I items. The perusal of IPC 17 revealed that a quantity of 39,290sft for seven (07) schools mentioned below was already measured and paid in IPC -13 which resulted into double payment of \$ 157,160.

It was further observed that the quantities of designed / covered area of these schools were reduced in IPC 84. This revealed that excess quantities were imported than quantities required for covered /designed area. No justification as to decrease in designed / covered area was produced. The detail is tabulated below:

S. No.	Lot No.	Category	Name of School	Qty. Paid in IPC 13 (Sft)	Qty. Paid in IPC 17 (Sft)	Qty. shown in IPC 84 (Sft)
1	I-C	H 1-A	GHS Nelishang	9,913.33	9,913.33	9,512
2	I-C	H 1-A	GHS Hill	9,913.33	9,913.33	9,520
3	I-C	H 1-A	GHS Pirhari	9,552.40	9,913.33	9,204
4	I-C	M 1-B	GMS Kaktai	3,274.67	122.16	3,144
5	I-C	M 1-B	GMS Rajmera	3,274.67	3,274.67	3,144
6	I-C	M 1-A	GMS Mirza Banda	3,266.44	3,266.44	3,144
7	I-C	M 1-B	GMS Asherban	3,274.67	2,886.74	3,144
Total				--	39,290	--

The matter was reported to management in August 2013. It was replied that M/s NESPAK has verified the IPCs as per actual work done at sites and the same were processed for release of payment to the contractor. As such no overpayment has been made.

The reply was not acceptable as same work has been measured and paid twice in IPC No. 13 & 17. No reply as to decrease in area was provided.

The DAC meeting held on 25.07.2016 decided that record may be produced to Audit. However, DAC directives were not followed and record was not produced till finalization of this report.

Audit recommends that double payment may be recovered from contractor beside recovery for excess imported material.

(S.O-10, EEAP-Edu-Btm)

4.2.17 Loss due to non-encashment of performance guarantee - Rs 5.563 million

According to Para 26 of ERRRA Accounting Procedure, the receipts, if any, generated by ERRRA shall be the receipts of the Federal Government and would be deposited into Federal Government treasury.

EEAP AJK awarded a contract for procurement of HT 40 feet, 34-8 feet and LT 30-8 feet steel structure for Power sector to M/s Pakistan Engineering Company Lahore at a cost of Rs 55.629 million. As per Central Purchase Committee meeting, the firm failed to supply the material and the contract was terminated. Audit holds that the performance guarantee amounting to Rs 5.563 million was required to be forfeited and deposited into Government treasury but the organization failed to provide any record relating to forfeiture and deposit of performance guarantee into Federal Treasury.

The matter was pointed out in July, 2013. The management replied that the Electricity Department of Government of AJ&K did the procurement of electrical equipment / fixtures and observation has been forwarded to Electricity Department for their reply, which will be communicated to audit when received.

Reply is not satisfactory as the contractor failed to supply the material and the contract was terminated. Hence, performance guarantee was required to be forfeited.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends that responsibility for non-forfeiting the performance guarantee may be fixed on the person at fault.

(OS-44)

4.2.18 Loss to Government due to payment for work not done – Rs 4.258 million

As per Para 315 of Central Public Works Department Code, the works are required to be executed in accordance with the prescribed specification, plans and drawings.

A comparison of “As Built Drawings” and Closing Payment Certificate (CPC) revealed that an amount Rs 4.258 million was paid to the contractor M/s Xinjaing Beixin Matracon (JV) for construction of culvert on different chain-age, whereas, the existence of the said culvert is not evident/ witnessed from the “As Built Drawings” (the prime document to determine the existence of work done). The detailed break up of differential quantities and that of the amount is tabulated at Annexure-D.

Audit is of the view that payment for structure not shown in as built drawing is unauthorized and would be recovered from the contractor.

The matter was pointed out in July, 2013. The management replied that the matter was forwarded to the contractor M/s XB for the correction in the “As Built Drawings”. If any structure found missing on site will be deducted/recovered from Final bill as per contract provisions.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends that third party inquiry about the existence of the works in question be carried out and recovery of unauthorized payment may be made from the contractor under intimation to audit.

(OS-33)

4.2.19 Excess payment of advance and non-adjustment thereof - Rs 2.893 million

According to Appendix-I of the Contract Agreement, 10% advance payment of the amount of respective schedule was to be paid to contractor against invoice and irrevocable advance payment security.

Deputy Director EEAP (Education) Battagram paid advance of Rs 14.964 million to M/s AC&ACC Build Core PEB (JV) for lot 1-D of turnkey contracts. The total amount of contract No. 48 (lot 1-D) for schedule III – IV was Rs 120.715 million (local component). Hence, 10 % advance payment amounts to Rs 12,071,500 (Rs

120,715,000 x 10% = Rs 12,071,500) was admissible. This resulted into overpayment of advance Rs 2.893 million (i.e. Rs 12,071,500 – Rs 14,964,220).

Further, adjustment for Rs 12.072 million was made in IPCs No. 24 & 28. No recovery / adjustment for excess amount of Rs 2.893 was made.

The matter was reported to management in August 2013. It was replied that IPCs are processed after certification by NESPAK and deficiencies if any were adjusted in the subsequent IPCs, as such no excess payment has been left for recovery.

The reply is not satisfactory because no evidence as to adjustment of excess payment was produced in support of reply.

The DAC meeting held on 25.07.2016 recommended the Para for settlement subject to verification of recovery. However, DAC directives were not followed till finalization of this report.

Audit recommends that excess payment may be recovered beside inquiry may be conducted to fix responsibility on the person(s) at fault.

(S.O-11, EEAP-Edu-Btm)

4.2.20 Doubtful expenditure on installation of tents - Rs 2.800 million

As per GFR 148, “All materials received should be examined, counted, measured or weighed as the case may be, when delivery is taken, and they should be taken in charge by a responsible Government officer who should see that the quantities are correct and their quality good, and record a certificate to that effect. The officer receiving the stores should also be required to give a certificate that he has actually received the materials and recorded them in the appropriate stock register”.

ADB provided 300 tents on 22 December 2008 and 376 tents on 24 December 2008 to EEAP Education Battagram through the contractor M/s AC&ACC Build Core JV as shown in stock register. The contractor claimed installing of tents at all 124 schools and an amount of Rs 2.800 million was paid to him during October 2011 including installation, transportation and warehousing charges. The claim was processed after closing date of ADB grant (009) on 30th June 2011. The work was verified by the Deputy Director EEAP and payment released to contractor without supporting evidences i.e. certificate from head teacher of concerned school.

Audit is of the view that payment made after closing date of ADB grant and without supporting evidences, is undue favor to the contractor and held as doubtful.

The matter was reported to management in August 2013. It was replied that Para has already been discussed in DAC for Audit Report 2011-12. Certificates of all tents from head teachers have been provided to audit for verification.

The reply is not acceptable because no record was produced for verification.

The DAC in its meeting held on 25.07.2016 recommended the Para for settlement subject to verification. However, DAC directives were not followed and record was not produced till finalization of this report.

Audit recommends that the matter may be investigated to fix responsibility on the person(s) at fault for making payment without supporting evidences.

(S.O-25, EEAP-Edu-Btm)

4.2.21 Loss to Government due to less deduction of income tax - Rs 0.612 million

Section 152 (1A) of the Income Tax Ordinance 2001 provides that every person making a payment in full or part to a Non-resident person on the execution of a contract or sub-contract under a construction, assembly or installation project in Pakistan, shall deduct tax from the gross amount payable under the contract at the rate specified in division II of part III of the first schedule.

A contract for construction of 40 middle schools in District Bagh was awarded to M/s Winthrop Meridian JV vide Package No. 1.2 on 22 October 2007 at a cost of Rs 582.363 million. Income tax in final bill was deducted as detailed below:

(Rs in million)	
Amount of work done	577.154
Less: Liquidated Damages amount	10.203
Balance amount	566.951
Income Tax 6% on balance amount	34.017
Income Tax on Rs 10.203 million @ 6%	0.612

Income Tax was required to be deducted on total amount of work done without deducting liquidated damages. The deduction of income tax on less amount (after excluding L.D) resulted into excess payment of Rs 612,206 (6% on 10.203 million) to the contractor, which needs to be recovered from the contractor.

The matter was pointed in July, 2013. The management replied that Liquidated Damages (LD) is a penalty to the contractor and it is not an income to the contractor. Income Tax from the contractor is being deducted on the amount that is the income to him and not on the amount of penalties or deducted expenditure, if any.

Reply is not satisfactory as income tax is required to be deducted on Gross amount of work done and LD charges are not deductible expenditures for the purpose of income tax.

The DAC in its meeting held on 25.07.2016 directed for verification of recovery. However, DAC directives were not followed till finalization of this report.

Audit recommends that less deducted amount of income tax may be recovered from contractor under intimation to audit.

(OS-23)

4.3 Procurement and Contract Management

Contract management relates to implementation of contract clauses, and compliance with the procedures for the award and completion of works. Issues observed relating to non-observance of contractual obligations/rules and regulations are as under:

4.3.1 Un-authorized expenditure on account of construction of facilities beyond the scope-Rs 324.924 million

As per guidelines for project management of Planning Commission, Project implementation agencies/departments should seek the approval of the competent authority as soon as they consider change in scope of work or revision in cost.

Audit observed that construction of 33 schools were claimed and paid to M/s Shahzaman-PEB JV under contract No.1.8B. Out of these schools detailed below serial No.01 to 08 were neither included in PC-I nor awarded to the contractor on which an expenditure of Rs 140.384 million was incurred. Further, schools mentioned at serial No.9 to 19 were not part of PC-Is on which an amount of Rs 184.540 million was spent for reconstruction.

S. No.	School	Covered Area (Sft.)	Avg. Rate (per Sft)	Amount (Rs in million)	Remarks
1	GMS Kapa Butt	4,639	3,492.754	16.203	Not provided in PC-I / Award
2	GMS Utrasi	4,655	3,492.754	16.258	Not provided in PC-I / Award
3	GMS Shawai	2,254	3,492.754	7.873	Not provided in PC-I / Award
4	BMS Raj Putti	5,231	3,492.754	18.271	Not provided in PC-I / Award
5	GMS Bugna Khairabad	7,083	3,492.754	24.738	Not provided in PC-I / Award
6	GMS Pursacha	5,231	3,492.754	18.271	Not provided in PC-I / Award
7	BMS Davi	5,231	3,492.754	18.271	Not provided in PC-I / Award
8	BMS Sarar	5,869	3,492.754	20.498	Not provided in PC-I / Award
9	GMS Alrha	5,231	3,492.754	18.271	Not provided in PC-I
10	BMS Hassan Gallian	4,639	3,492.754	16.203	Not provided in PC-I
11	BMS Sherwan	5,231	3,492.754	18.271	Not provided in PC-I
12	GMS Hassan Abad	5,231	3,492.754	18.271	Not provided in PC-I
13	BMS Dani MahiSahiba	4,639	3,492.754	16.203	Not provided in PC-I
14	BMS Sand Bun	3,455	3,492.754	12.067	Not provided in PC-I
15	GMS Gagu Tarcon	5,261	3,492.754	18.375	Not provided in PC-I
16	GMS Kandar	4,639	3,492.754	16.203	Not provided in PC-I
17	BMS Phagnal Bandi	4,639	3,492.754	16.203	Not provided in PC-I
18	GMS Rajwain	4,639	3,492.754	16.203	Not provided in PC-I
19	BMS Kail Gran	5,231	3,492.754	18.271	Not provided in PC-I
Total				324.924	---

Total Cost=Rs 354,258,309+Rs 247,456,000 (US\$2,960,000*83.6)=601,714,309/172,275=3492.754

The matter was pointed out in July, 2013. The management replied that these Schools were present in the Annual Work Plan (AWP) for the subject contract and as per change clause they were constructed.

The management viewpoint is not cogent as the AWP should have to follow the PC-1 and contract agreement. The matter of construction of schools neither included in PC-I nor in contract agreement is un-justified as the scope of the work was changed and payment was made without revision of PC-I.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends inquiry in the matter and fixing responsibility on person(s) at fault.

(OS-50)

4.3.2 Expenditure without provision in PC-I - Rs 322.035 million

Para 4.14 of Manual of Development Projects issued by Planning Commission provides that the cost estimates of a project have to be prepared with a lot of care so that these are not revised again and again and implementation is not delayed due to non-availability of provision of funds and revised sanction of the competent authority. The cost details have to be given according to the requirements of the PC-I of each sector. However, the following guidelines will generally apply to all:

- (a) The local and foreign exchange costs have to be shown separately.
- (b) The cost of imported items available in the local market should be reflected in the local component and not in the foreign exchange component.

Para 4.16 provides that the sponsoring agency has to indicate the financial plan of the project in the appropriate column of the PC-I. The position in this regard has to be indicated in specific terms so that there remains no ambiguity or confusion in getting the necessary funds from the sources indicated.

An amount of Rs 1,231.005 million was expended under contract No.1.8b and 1.4 awarded to M/s Shahzaman PEB JV. The final bill revealed that besides the Rupees portion, huge sum out of Dollar portion was also expended for imported material / structure whereas no provision was found in the PC-I for dollar portion. Hence, non-inclusion of the Dollar portion amount in PC-I resulted into expenditure of Rs 322.035million over and above the approved cost which stands irregular. The detail is as under:

Pkg.	Contractor	Expenditure			PC-I Cost (Rs)	Difference (Rs)
		US\$ Portion	PKR Portion	Total		
1.4	M/s Shahzaman PEB-JV	(\$ 2,112,800 x 83.6) Or Rs 176.630 million	452.661	629.291	555.082 (Rs 203.801+ Rs 179.486+ Rs 171.435)*	74.579
1.8b	M/s Shahzaman PEB-JV	247,456,000 Or 247.456 million	354.258	601.714	267.389 (Rs 131.524+ Rs 135.865)*	247.456
Total				1,231.005	--	322.035

*Consist of three and two IPCs

Further the scope of work was divided into small PC-Is to avoid approval from competent forum.

The matter was pointed out in July, 2013. The management replied that PC-I could not be prepared taking currency as dollar. Bids of contractors were compared by converting dollar portion with a conversion factor and then evaluating a contract price/value. Expenditures of these contracts are less than their contract price.

Audit holds that reply is without any supporting evidence and payment without provision in PC-I is a serious lapse, which requires revision of PC-I and approval of competent authority.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends investigation of the matter and fixing responsibility on person(s) at fault beside revision of PC-I.

(OS-54)

4.3.3 Irregular award of contract to the 2nd ranking firm - Rs 257.951 million

As per clause 4(d) of ADB Financing Agreement with Government of Pakistan, after financial proposals have been evaluated and scored, the ranking of the technical and financial proposals shall be made. Before negotiations are started with the first ranked consultant, approval of ADB shall be obtained to the evaluation and scoring of the financial proposal and ranking of the technical and financial proposals.

Audit observed that during meeting held on 16-17 April 2007, M/s ECIL was appointed consultant for construction of facilities under EEAP (T&C). From the meeting record it revealed that ECIL was 2nd ranking consultant firm and M/s NESPAK was the 1st ranking consultant firm. Hence entering in negotiation with 2nd ranking firm without any reason for eliminating the 1st ranking firm needs to be justified.

The matter was pointed out in July, 2013. The management replied that as per credit agreement between ADB and GOP, and ADB Disaster & Emergency Policy for the selection/ appointment of consultant, following three requirements were prerequisite:

- i. Appropriate expertise for assignment.
- ii. Capacity for immediate mobilization.
- iii. Satisfactory Performance in previous works.

M/s Engineering Consultant International (ECIL) was also grade one consultant working in private as well as Government sector. The mentioned consultant was also hired by ERRA with the consent of ADB to design and supervise earthquake affected roads and RCC Bridges infrastructure in North Region of Pakistan and AJK.

The reply is not satisfactory as the first ranking firm i.e. NESPAK also have the same expertise. Further M/S NESPAK had also been working as a general consultant of ERRA.

The DAC in its meeting held on 25.07.2016 discussed the Para in detail and decided that Para stands for PAC.

Audit recommends that irregular award of contract to 2nd ranking firm may be investigated to fix responsibility on the persons at fault.

(OS-4)

4.3.4 Loss to Govt. exchequer due to mis-management - Rs 112.231 million

In accordance with Rule-10 of GFR, every officer incurring or authorizing expenditure from public funds should be guided by high standards of financial propriety. Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.

A contract for construction of 40 middle schools in District Bagh, AJK bearing No.1.2 was awarded to M/s WINTHROP-Meridian JV. The covered area of the schools was 203,130.82sft. The contract was completed with a cost of Rs 577.154 million on 11th December 2010 with locally fabricated imported material. Hence, per Sft. cost comes to Rs 2,841.292 (Rs 577,154,042/203,130.82 Sft.). Another contract for construction of 30 Middle Schools was concluded and signed with M/s Shahzaman PEB JV vide contract No.1.8B on the same terms and conditions for material and erection. The covered area of the Middle Schools was 172,275 Sft. and the contract was completed at a cost of Rs 601.714 million (Rs 354,258,309 + Rs 247,456,000 (US\$2,960,000 x Rs 83.6) with per Sft. cost of Rs 3,492.754 with imported material.

Comparison of rate of the two awards revealed that contractor who have supplied material from abroad resulted into excess expenditure of Rs 112.231 million (172,275Sft. x Rs 2841.292)-(172,275Sft. x Rs 3492.754) on construction of facilities.

Hence, utilization of imported material despite availability of local material resulted into loss of Rs 112.231 million to state in one contract.

The matter was pointed out in July, 2013. The management replied that the procurement could not be limited to the national bidding only as the contracts in Education Sector EEAP-AJK were through International Competitive Bidding (ICB), and according to terms and conditions of credit agreement, this competition could not have been limited to the national bidding.

Audit is of the view that since the same galvanized steel structure material was available locally then utilization of imported material at higher rates was uneconomical and unjustified. The matter needs to be justified and excess payment for all 07 contracts wherein utilization of imported material was allowed needs to be calculated and responsibility may be fixed on the person(s) for encouraging import of material from abroad despite its availability locally with same specification.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends that an inquiry to be conducted into the matter to determine whether the competitiveness of the bid rates was checked in bids evaluation exercise, if it was so then how the economy of the locally manufactured/ assembled items were ignored. Matter needs to be investigated thoroughly to unearthing the opportunities by pass cost.

(OS-56)

4.3.5 Non mutation of land - Rs 98.982 million

According Rule 10 of GFR, every public servant is expected to exercise the same vigilance in respect of expenditure from public money, as a person of ordinary prudence would exercise in respect of expenditure of his own money. Rule 23 provides that every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and on part of other Government officer.

Audit observed that the EEAP transferred an amount of Rs 98.982 million to the collector land acquisition Muzaffarabad for acquiring land and payment of compensation thereof. Audit observed that mutation of acquired land was not

materialized by the EEAP to secure the interest of the Government. Further, the department has not reconciled/ adjusted the amount so transferred to the collector.

Audit held that non-mutation of land and non-adjustment of advance occurred due to misuse of authority and weak internal controls, which needs to be justified.

The matter was pointed out to the management during July 2013. The management replied that the amount was paid to the Collectors as per the rules of Revenue Board. Furthermore, no misuse or weak control has occurred.

The DAC meeting held on 25.07.2016 decided that the record of mutation and adjustment of payment to collector land may be got verified.

During verification of record, the management could produce only adjustment record of Rs 13.856 million against Rs 98.982 million. No record as to mutation of land was produced.

Audit recommends that mutation of acquired land in the name of employer may be ensured and reconciliation of amounts released to Land Collectors and its payment may also be carried out so that balance amount could be ascertained and recovered.

(OS-06)

4.3.6 Loss to Government due to non- awarding of contract to lowest bidder - Rs 24.98 million

According to Rule 4 of PPRA, the procuring agencies while engaging in procurements shall ensure that the procurements are conducted in a fair and transparent manner, the object of procurement brings value for money to the agency and the procurement process is efficient and economical.

EEAP AJK awarded a contract for procurement of HT, 40 feet, 34-8 feet and LT 30-8 feet steel structure to M/s Pakistan Engineering Company Lahore for Rs 64.621 million and agreement was signed on 20th March 2009.

Audit observed that the procurement opportunity was first advertised on 27th March 2007. The bids were opened on 10.05.2007 wherein M/s Lion Steel Industries stands lowest with following quoted rates:

S. No.	Item	Qty.	Unit price (Rs)	Amount (Rs in million)
1	HT 40 feet	110	25,850	2.844

2	HT 34-8 feet	1538	12,650	19.455
3	LT 30-8 feet	3,993	7,850	31.345
Total				53.644

The Central Purchase Committee also recommended procurement from lowest bidder. However purchases were not made and later on EEAP vide letter dated 29th September 2007 re-called the bids. The bids were opened on 11th October 2007 wherein 4 bidders participated and offered following rates:

Sr. No	Supplier Name	Total Bid Price (Rs in million)
1	M/s Lion Steel Industries Lahore	54.185
2	M/s AM Associates Lahore	55.244
3	M/s Pakistan Engineering Company	55.624
4	M/s Vision Engineering Pvt. Ltd Lahore	57.216

M/s Lion Industries Ltd. was again lowest but no Bid Evaluation Report was found on record. Contract was awarded to 3rd lowest bidder M/s Pakistan Engineering Company Lahore for Rs 55,624,290. Contract agreement was signed on 15th January 2008 and the contractor submitted the performance guarantee of Rs 5.563 million. However, according to minutes of CPC meeting held on 18th November 2008 the contractor could not supply the material, contract was terminated and performance guarantee was forfeited.

Procurement opportunity was re-advertised on 9th September 2008. No bid evaluation report was produced to audit. However according to minutes of CPC meeting, M/s Pakistan Engineering Company was lowest bidder with the following rates and purchases were made from this bidder:

S. No.	Item	Qty (No.)	Unit price (Rs)	Amount (Rs in million)
1	Ht 40 feet	110	42,310	4.654
2	Ht 34- feet	1,038	20,100	20.864
3	Lt 30-8 feet	2,993	13,065	39.104
Total				64.622

Audit is of the view that due to non-procurement of steel structure from the first lowest bidder and rejection of his bid without assigning any reason, the department suffered a loss of Rs 24.988 million as detailed below:

S. No.	Item Purchased	Qty. (Nos.)	Rate Paid (Rs)	Initial rate Offered (Rs)	Diff. (Rs)	Loss (Rs in million)
1	Ht 40 feet	100	42,310	25,850	16,460	1.646

2	Ht 34-8 feet	1,038	20,100	12,650	7,450	7.733
3	Lt 30-8 feet	2,993	13,065	7,850	5,215	15.608
Total						24.987

It is also astonishing that contract was awarded again to a bidder who had already failed to supply the material and whose performance guarantee had also been forfeited.

The matter was pointed out in July, 2013. The management replied that the procurement of Electrical Equipment/Fixtures was done by the Electricity Department of Government of AJK. Observation is forwarded to them for reply.

No proper reply received from the management till finalization of this report.

DAC meeting was not arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends that inquiry may be conducted to fix the responsibility against the person at fault and loss may be made good from the responsible.

(OS-43)

4.3.7 Un-authorized expenditure on account of construction of facilities beyond the scope-Rs 17.614 million

As per guidelines for project management of Planning Commission, Project implementation agencies/departments should seek the approval of the competent authority as soon as they consider change in scope of work or revision in cost.

Audit observed that construction of 37 schools was claimed and paid to M/s Winthrop Meridian-JV under contract No.1.2. Out of these the Government Girls Middle School Mori Farman Shah was constructed having covered area of 6,200.15 Sft which was neither included in PC-I nor awarded to the contractor. The construction of school beyond scope resulted into an unauthorized expenditure of Rs 17.615 million (Rs 577,154,042/ 203,130.82Sft = Rs 2,841 x 6,200.15Sft.) and needs to be justified.

Moreover, initially 40 schools were awarded to the contractor but the scope was reduced by decreasing the number of schools from 40 to 37 without any documentary evidence/ revision of PC-I which also needs to be justified.

The matter was pointed out in July, 2013. The management replied that GMS Mori Farman Shah was present in the Annual Work Plan for the subject contract and hence the school was constructed. Contractor has to construct 37 Middle Schools, which he has constructed.

During verification, amendment in contract agreement and clauses of contract related to amendment and copy of strategy was provided.

Audit holds that the amendment in contract agreement only indicates the reduction in number of schools without any justification, further documents for inclusion of schools constructed at Mori Farman Shah pointed out by Audit have not been provided.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends that construction of school without approval stands unauthorized and needs to be investigated.

(OS-52)

4.3.8 Un-authorized expenditure on account of construction without provision in PC-I and Contract Agreement - Rs 14.755 million

According to ERRA Education Strategy, 216 Middle Schools in District Muzaffarabad were damaged by earthquake. To reconstruct these schools 08 PC-1s were prepared and approved. Further as per ADB Aid Memoire, Para 04 of Appendix 02 in Education Sector ADB will finance partly and completely damaged Government Middle School Buildings.

A contract for construction of 30 schools was awarded to M/s Shahzaman-PEB JV at a cost of Rs 519.952 million. An amount of Rs 14.755 million was incurred on construction of Army Public School (APS), Muzaffarabad. Audit holds that APS was neither included in ERRA Strategy and PC-1 nor in the list of 30 schools awarded to the contractor. Hence, the expenditure so incurred is unauthorized. Detail is as under:

S. No.	Description	Unit	Rate	Quantity	Amount (Rs in million)
1	Supply of selected portion of pre-fabricated structure (schedule-1)	Sft	US\$ 16.5*	4,639	6.339
1	Topographic survey(schedule-3)	each	Rs 60,000	01	0.060
2	Complete Design services(schedule-3)	Sft	US\$ 02*	4,639	0.776

3	Dismantle/construction/installation (Schedule-04)	Sft	Rs 1,634	4,639	7.580
Total					14.755

*US\$ 01=Rs 83.6

The matter was pointed out in July 2013. It was replied that pre-engineered light weight galvanized steel structure was imported for 309 Middle Schools. The contractor brought material for 309 Schools and in addition, he imported some extra material to cover the wastage of material. At the end, some of these materials remained saved/un-utilized. APS was constructed from the saving of this extra material with the approval of competent authority.

Audit holds that stance of management is not true as the contractor has claimed the amount for this school. Hence execution of facility beyond strategy ambit stands unauthorized.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends inquiry in the matter and fixing responsibility on person(s) at fault.

(OS-49)

4.3.9 Loss to Government due to excess payment beyond scope of work - Rs 12.754 million

As per clause 1.7 of contract agreement with M/S ECIL read with appendix A, consultancy services shall be performed at location mentioned in Appendix-I. Appendix-1 contain abutments of bailey bridges at serial No. 9 (Bailey Bridges 21 No.) and at serial No.14 (Bailey Bridges 13 No.).

M/s ECIL was appointed as consultant for supervision of all road/ bridges work of EEAP. However, the Interim Payment Certificates and drawings revealed that abutments of Bailey Bridges were supervised/ verified by consultant M/s Halcrow. In discussion with officers/ staff it was informed that the consultant M/s Halcrow was engaged for supervision directly by ADB. Audit holds that the Bailey Bridges were part of ECIL contract and upon transferring/shifting of this work to other consultant, the payment/contract price was also required to be reduced proportionately to the extent of bailey bridges. But the detail of staff in Variance Orders No.7 (final) revealed

that no such measure was taken which resulted into excess payment of Rs 12.754 to the consultant M/s ECIL as detailed below:

Total work cost to be supervised:

Rs 4,813.86 million = consultancy charges Rs 257.951 million

(Less: Cost of Abutments of Bailey Bridges 13 Nos. = Rs 238.00 million
(Rs 147.00 million + Rs 91.00 million)

Revised work to be supervised:

Rs 4,575.86 million = consultancy charges Rs 245.197 million

Excess Payment = Rs 12.754 million

Management replied that the payments to the consultant were made on actual personnel/ staff available at site. Therefore, no excess payments were made. Further, M/s ECIL have been directed to submit comments regarding this matter, which will be conveyed to audit.

The DAC in its meeting held on 25.07.2016 decided that record may be got verified from Audit.

The deviation request provided to Audit during verification does not reveal that the work done by consultant M/s Halcrow was reduced from the scope of the work of M/s ECIL.

Audit recommends that payment beyond scope of work may be recovered under intimation to audit.

(OS-11)

4.4 Construction and Works

Proper planning, estimation, approval and execution are the benchmarks to ensure economical and sustainable execution of works. Audit, however, noticed the following irregularities:

4.4.1 Irrational construction of health facilities without considering the preliminary damage & needs assessment survey and ERRA Health strategy

As per Para 19(B) of ERRA strategy for health facilities, the service package and size of health facilities and hospitals will be rationalized in light of population size and past performance of health facilities. This would include geographical

rationalization and up-gradation of health facilities. Care will be taken to avoid inequities in service provision within affected areas.

It was observed that total 33 Nos. of health facilities (BHUs, THQH, and DHQH) were re-constructed under the project EEAP Health AJK. The facilities reconstructed revealed that rational distribution of health facilities in each district was not considered. The health units were reconstructed without observing existing population needs and facilities damaged during earthquake. All the BHUs were constructed in District Rawalakot while the other Districts i.e. Bagh, Neelum and Muzaffarabad were ignored. The detail of damage and reconstruction in each affected District is as under:

District	BHUs/RHCs		THQH		DHQHs/residences	
	Damaged	Reconstructed	Damaged	Reconstructed	Damaged	Reconstructed
Muzaffarabad & Neelum	55	0	2	01	2	01
Bagh	20	0	1	0	01	01
Rawalakot	20	27	01	01	01	02

The earthquake funds were granted to cope with the emergency situation and to revive the life in all affected districts. Utilization of these funds in only one District and depriving the other population needs justification. Further as per ERRRA strategy (Table 2 page 4) only 20 BHUs/ RHCs were shown as damaged whereas against these 20 BHUs/RHCs, 27 have been reconstructed which resulted into construction of 07 new facilities, which is against the provision of Para 46(g) of ERRRA strategy.

The matter was pointed out in July, 2013. The management replied that Health Sector EEAP Portfolio was designed and prepared by SERRA Authorities with the consultation of Department of Health (Government of AJK). Under that, the maximum health facilities were provided in District Rawalakot, because in District Muzaffarabad, Neelum and Bagh many other countries and their NGOs were working in Rehabilitation & Reconstruction work, like China, Saudi Arabia, Kuwait, Abu Dhabi, Turkey, European Union, US Aid, Japan, World Bank etc.

The DAC in its meeting held on 25.07.2016 decided that record to be get verified from Audit.

During verification, no relevant record was provided to audit.

Audit recommends that the matter may be investigated to fix the responsibility on person(s) at fault.

4.4.2 Irregular expenditure on construction of 124 buildings without technical sanction - Rs 1,204.027 million

As per Para-56 of CPWD Code each individual work proposed to be carried out, a properly detailed estimate must be prepared for the sanction of the competent authority; this sanction is known as the technical sanction and must be obtained before the construction of the work is commenced.

During the course of project audit of the Deputy Director EEAP Education, Battagram it was observed that a contract for the construction of 124 school buildings was awarded to M/s AC&ACC Build Core PEB (JV). It was found that expenses of Rs 885.998 million were incurred on this work since 2008, but no technical sanction was obtained. Technical sanction being pre-requisite was required to be obtained in advance i.e. prior to commencement of civil works, but in the instant case technical sanction was kept pending from the past several years.

Audit holds that non-obtaining of technical sanctions prior to commencement of civil work is a clear violation of rules and instructions.

The matter was reported in August 2013. IT was replied that Para has already been discussed in DAC for Audit Report 2011-12. TS has already been provided to Audit for verification.

The reply is not acceptable as TS was not produced to audit.

The DAC in its meeting held on 25.07.2016 recommended the Para for settlement subject to provision of Technical Sanction. However, DAC directives were not followed and record was not produced till finalization of this report.

Audit recommends that matter may be investigated and responsibility may be fixed on person(s) at fault.

(S.O-04, EEAP-Edu-Btm)

4.4.3 Unjustified expenditure on execution of excess quantities than approved- Rs 1,124.949 million

As per Para 3 of Appendix-I to ADB Review of Procurement Discussion of Procurement Guidelines, in the case of contracts subject to prior review, before granting a material extension of the stipulated time for performance of a contract,

agreeing to any modification or waiver of the conditions of such contract including issuing any change order or orders under such contract (except in cases of extreme urgency) which would in aggregate increase the original amount of the contract by more than 15 percent of the original price, the borrower shall seek ADB's no objection to the proposed extension, modification, or change order.

Audit observed from the record of Contract No. ICB-01 awarded to M/s Xinjaing Beixin Matracon (JV) that certain items as detailed at Annexure-E were measured and paid to contractor over and above the quantities provided in Variation Order (V.O)/Revised BOQ. This resulted into excess expenditure of Rs 1,124.949 million on account of execution of items beyond approved quantity of work.

Audit is of the view that execution of quantities over & above the approved quantities needs to be regularized from the competent authority.

The matter was pointed out in July, 2013. The management replied that the matter will be resolved through VO-2 and revise technical sanction as per contract provisions, if required, in the final bill.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends regularization of the matter with the approval of competent authority.

(OS-48)

4.4.4 Un-authorized expenditure on Re-Construction of partially damaged health facilities - Rs 1,075.481 million

According to Para 10 of ERRRA health strategy total 796 health facilities were existed in the eight affected districts of NWFP and AJK. Out of that 48.7% (388) of health outlets have been completely destroyed during the earthquake whereas 24.8% (197) required only retrofitting. Remaining 26.5% (211) health facilities which have no obvious damage also need to be assessed for safety because of possible future seismic activity in the area.

Audit observed that the 22 facilities as detailed below were partially damaged and required to be retrofitted/ repaired. But contrary to above partially damaged facilities were completely reconstructed.

Facility	(Rs in millions)	
	No of partially Damaged Facilities	Cost incurred on complete Reconstructions
DHQH Neelum	01	416.961
BHUs in Rawalakot	20	588.050
Rural Health Center Paniola Rawalakot	01	70.47
Total	22	1,075.481

Complete reconstruction of partially damage health facilities resulted into not only irregular expenditure of Rs 1,075.481 million but also deviation from the milestone set in policy paper approved by ERRA council. Further, the grant was utilized in the least priorities areas which could have been utilized in the most prudent way keeping in view the fixed priorities. Moreover, the accountal for, of the retrieved material is not forthcoming from the record made available.

The matter was pointed out in July, 2013. The management replied that after earthquake 2005, it was decided in principle jointly by the Planning & Development Department AJ&K, Public Works Department, NESPAK (General Consultant for AJK), Asian Development Bank, ERRA and SERRA that, in future for the purpose of Rehabilitation & Reconstruction no stone masonry will be used in the building construction. Before earthquake, 2005 most of the existing facilities were stone masonry structure. All these health facilities, which were completely as well as partially destroyed/ damaged, have been constructed in RCC and block masonry specifications, as per new building code having intensity of more than eight points on rector scale against earthquake.

Moreover, retrieved materials from damaged buildings were handed over to representative of Department of Health, Government of AJK.

The DAC in its meeting held on 25.07.2016 decided that relevant record may be provided for verification.

During verification, no relevant documents were provided to audit.

Audit recommends that matter may be investigated and responsibility may be fixed for unauthorized expenditure in violation of the strategy besides disposal of the dismantled/retrieved material may be made known with all the documentary evidences.

(OS-1)

4.4.5 Irregular payment on account of land sliding - Rs 249.595 million

GFR 19 provides that the terms of a contract must be precise and definite and there must be no room or ambiguity or misconstruction therein. The terms of a contract once entered into should not be materially varied without the previous consent of the authority competent to enter into the contract as so varied. No payments to contractors by way of compensation, or otherwise, outside the strict terms of the contract or in excess of the contract rates may be authorized without the previous approval of the Ministry of Finance.

During audit it was observed from Closing Payment Certificate that a payment of Rs 249.595 million was made to M/s Xinjaing Beixin Matracon (JV) as extra item for removal of landslides which was not included in original BOQ and contract. Rates of the said work were approved based on analysis and recommendation of consultant.

Audit noticed the following irregularities:

- i. The variation for new items/landslide is for a huge work involving payment of 249.595 million which is 12% of the contract price initially agreed upon. This was not included in the original BOQ and contract and later on inclusion through VO leads to change of scope of the contract, which questioned the openness, and fairness of the tendering and award process.
- ii. The rates of extra item were required to be analyzed based on quotations or the material, labour and the overhead charges duly enshrine in the schedule of rates prevalent in the area. But no such exercise was made in this case. So the rate proposed and approved were in violation of contractual clauses.
- iii. The measurement made is for loose earth whereas the rates applied are for compacted earth. As a matter of fact, 15% of the quantity determined was to be deducted as void which in the case worked out to be Rs 37.44 million thus the overpayment sum on account of void deduction needs to be recovered.
- iv. Working made for determination of rate for extra item/removal of landslides is not clear. CSR item include the activities of excavation, disposal at certain lead in certain manner whereas in the disposal of slides only removal from sites was required. So the item of work picked from CSR for making a payment rate of removal of slides is quite irrational.

- v. The activity of removal of slide material is stated to have been occurred in 2010 whereas its rates have been stated to be approved in 2011 and payment was also made in November, 2011. Audit is of the view that how such huge payment remains pending for such indefinite period.

The matter was pointed out in July, 2013. The management replied that the matter will be resolved in the final bill and overpayment made, if any, will be recovered as per contract provisions.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends that matter may be investigated and over payment may be recovered.

(OS-37)

4.4.6 Irregular payment of provisional sum -Rs 141.571 million

According to Schedule 5 (Grand Summary of Costs) of bidding documents, payments out of provisional sum will be regulated as per the employer's orders issued through change orders. As per clause 39.1 of GCC, the employer shall have the right to make any change, modification and addition or deletion to in or from the facilities hereinafter called "change". Provided that such change falls within the general scope of the facilities and does not constitute unrelated work and that it is technically practicable. However, such change will be effective after approval of the Employer.

The management of EEAP paid an amount of Rs 141.571 million out of provisional sum as detailed below:

S. No.	Package #	Contractor	Amount (Rs in million)
1.	1.2	M/s Wintrop Meridian JV	72.995
2.	1.8b	M/s Shahzaman-PEB JV	68.576
Total			141.571

Provisional sum was expended without observing the procedure laid down in the contract agreement. Approval of employer, detailed estimates and its impact on the project was not provided. Further as per existing procedure only additional work could be performed out of provisional sum whereas in case of EEAP Education Sector, schedule items/ BOQ items were also paid out of the provisional sum. Initially an amount of Rs 32.00 million and 24.00 million was provided for package No.1.2 and

1.8b respectively, which increased manifold. The matter needs justification. The amount spent out of provisional sum in other contract executed under EEAP Education may also be provided along with documentary evidence of procedure to be followed as per contract agreement.

Management replied that all payments out of provisional sum were made with the approval of the employer. So far as the impact on the project is concerned, it is to mention here that due to use of this provisional sum, project was completed and was made functional in a better way.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends that matter may be inquired in detail to fix the responsibility on the person(s) at fault besides provision of record to audit for verification.

(OS-53)

4.4.7 Loss to government due to payment for work not done - Rs 98.388 million

As per Technical Specification of the items of works it was provided that the works completed in all respect will be measured, certified and accepted will be considered for payment at specified unit rates.

Audit observed from comparison of as built drawing duly signed/ verified by contractor and consultant with Closing Payment Certificate (CPC) that an amount of Rs 98.388 million was paid to the contractor M/s Xinjaing Beixin-Matracon (JV) for construction of retaining wall/breast wall on different chain-ages in the CPC. However, the same was not available in the as built drawings, which revealed that the structures were not constructed. The payment made without construction of structure at site resulted into overpayment of Rs 98.388 million. The quantities measured/ paid for the structure are provided in Annexure-F.

Audit is of the view that payment for structure not available in as built drawing is unauthorized and needs to be recovered from the contractor.

The matter was pointed out in July, 2013. It was replied that the matter is forwarded to the contractor M/s XB for the correction in the As Built Drawings. If any structure found missing on site it will be deducted from final bill as per contract provisions.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends that matter may be probed and overpayment (if any) be recovered from the contractor.

(OS-62)

4.4.8 Un-authorized Payment for execution of item without rate analysis - Rs 64.832 million

Clause 12.3(a)(i-iii) of GCC provides that for each item of work, the appropriate rate or price for the item shall be the rate specified for the such item in the contract or, if there is no such item, specified for similar work. However a new rate or price shall be appropriate for an item of work if the measured quantity of the item is changed by more than 25% from the quantity of this item in the BOQ or other schedule and this change in quantity multiplied by such specified rate for this item exceeds 0.25% of the accepted contract amount and this change in quantity directly change the cost per unit quantity of this item by more than 1%.

Audit observed that an amount of Rs 64.833 million was expended on the execution of items mentioned below in Bill No.07 (variation) related to construction of breast and retaining walls at different chain-ages.

Item No.	Description	Unit	Rate (Rs)	Qty.	Amount (Rs in million)
507a	Steel Wire Mesh	Kg	157	132,449.754	20.795
507b	Rock Fill in Gabion	Cu.m	1,808	24,357.259	44.037
Total					64.832

The rate for items was initially quoted for carrying out in bridges (Bill No.4A). From the BOQ it also transpired that different rates were quoted for same items for execution in different areas of the project.

Hence, instead of applying the same rate for execution of item No. 507a and 507b in other areas, new rates were required to be obtained by rate analysis and approval of employer but the matter was not observed. The payment on same rates without observing change in execution area needs to be justified. Besides, the quantities of the items were not provided in revised BOQ/ variation issued vide EEAP letter No. EEAP/CE/1605-06/2011 dated 11th June 2011. It is further pointed out that shop drawing of gabion walls were not provided for verification/ certification of

quantities measured/ paid. The payment of Rs 64.832 million without provision in approved VO and relevant record stand unauthorized.

The management replied that GCC Clause 12.3.2 states that, “for each item of work, the appropriate rate or price for the item shall be the rate or price specified for such item in the Contract or, if there is no such item, specified for similar work”. Contractor had quoted rate for the Steel wire mesh and rock fill in gabion. Now as per mentioned clause 12.3 (a) (i-iii) of GCC, it also relates to Clause GCC 3.5 (determination). GCC 12.3 (1stpara) states that “Except as otherwise stated in the Contract, the Engineer shall proceed in accordance with Sub-Clause 3.5 [Determinations] to agree or determine the Contract Price by evaluating each item of work.” No such request had been made by contractor for the determination of the rate. The matter will be resolved in the final bill and any overpayment made, if any, will be recovered as per contract provisions.

Reply is not satisfactory. The aspect of BOQ manipulation needs to be unearthed rate with reference to rate analysis on that juncture of time.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends that matter may be inquired in detail with a view to fix responsibility and recovery, if any.

(OS-63)

4.4.9 Unjustified payment on account of Guard Rail and Traffic Signs - Rs 39.867 million

As per Clause 12.2(a) of the contract, measurement shall be made of the net actual quantity of each item of the permanent works.

A contract for the construction of Muzaffarabad-Athmuqam Road was awarded to M/s Xinjaing Beixin Matracon (JV). An amount of 39.867 million was paid to the contractor in the CPC for installation of traffic signboards/ guard rail on different chain-ages as detailed below:

Item No.	Description	Unit	Rate (Rs)	Qty.	Amount (Rs in million)
607a	Traffic road sign C-I	Each	10,450	405	4.232
607b	Traffic road sign C-2	Each	14,491	27	0.391
607c	Traffic road sign C-3a	Each	17,604	14	0.246
604a	Metal Guard rail	Meter	2,433	8,263	20.104
604b	Guard Rail end Pieces	Each	1,450	330	0.479
604d	Steel post for Guard rail	Each	5,544	2,600	14.415
Total					39.867

Installation of sign board/ guard rail was not shown on as built drawings duly prepared by contractor and approved by the consultant. Hence, quantity of paid items could not be verified whereas during site visit of road, it was observed that the number of sign boards claimed in the closing payment certificate were in excess as compared to actual quantity executed. Audit is of the view that the site may be revisited and actual quantities be measured/ counted and excess payment be recovered from the contractor.

The matter was pointed out in July, 2013. The management replied that the matter was forwarded to the contractor M/s Xinjaing Beixin Matracon (JV) for the correction in the As Built Drawings. If any Traffic Sign Board found missing on site will be deducted/recovered from final bill as per contract provisions.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends that matter may be investigated and excess amount may be recovered from the contractor.

(OS-64)

4.4.10 Non-imposition of liquidated damages - Rs 29.164 million

Contract agreement provides that if the contractor fails to complete the work within stipulated time frame, liquidity damages charges will be imposed on the contractor @ 10% of the contract price.

As per variation orders issued for rehabilitation and reconstruction of two major bridges in District Bagh Package NCB 4-A by EEAP office vide letter No. EEAP/CE/1146-50/2011 dated 30th June 2011, the actual completion date of contract was mentioned as 30th June 2011.

The record revealed that the contractor M/s Shoukat Khan & Co submitted pre final bill of Rs 32.834 million on 28th May 2013. This revealed that contractor failed to complete the work on site without any justification. It also revealed from the pre final bill that work of approach roads was still to be completed even after lapse of two years from date of completion mentioned in Variation/ revised BOQ.

Audit recommends that liquidated damages amounting to Rs 29.165 million (i.e. Rs 291,645,304 x 10%) may be recovered from the contractor for non-completion of work within stipulated time and deposited into Government treasury.

The matter was pointed out in July, 2013. The management replied that the matter will be resolved as per contract provisions.

No DAC meeting was arranged till finalization of the report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends that LD charges may be imposed and recovered from the contractor.

(OS-65)

4.4.11 Excess provision of provisional sum in contract agreement - Rs 28.800 million

As per clause 36.1 of Instructions to Bidders (ITB), during evaluation of price bids, the employer shall correct arithmetical errors in the bids on the following basis:

- a. Where there are errors between the total of the amounts given under the column for the price breakdown and the amount given under the total price, the former shall prevail and the later will be corrected accordingly.
- b. Where there are errors between the total of the amounts of schedule Nos.01 to 04 and the amount given in schedule No.5 (Grand Summary) the former shall prevail and the later will be corrected accordingly; and
- c. If there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to a mathematical error, in which case the amount in figures shall prevail subject to (a) and (b) above.

Audit observed that a sum of Rs 3.2 million was provided in the tender documents as provisional sum while space was left blank in other columns for the bidders to quote. Accordingly M/s Winthrop Meridian quoted their bid worth Rs 550.363 million excluding provisional sum and with the provisional sum it was

Rs 553.563 million (Rs 550,362,960 + 3,200,000). While preparing the bid evaluation report, the employer took the provisional sum as Rs 32.000 million with an increased sum of Rs 28.800 million. Thus, the employer increased the rate of provisional sum from Rs 3.2 million to 32.00 million claiming it as arithmetical error in light of above-mentioned clause. All the base rates were correctly brought forward and had no difference in words and figures. Further, the amount of Rs 3.200 million was entered in the bidding documents as provisional sum. The contractor agreed to complete the work for Rs 553.563 million (550.363 million + Provisional sum 3.200 million) earlier. Afterwards, the department increased the sum from Rs 3.200 million to Rs 32.000 million due to which contract cost increase from 553.563 million to 582.363 million. Increase in quoted contract cost/ provisional sum without assigning any reason was doubtful which needs to be justified. It is also worth mentioning here that unilateral change in rates on the pretext of bid evaluation has badly jeopardized the tendering procedure also.

The matter was pointed out in July, 2013. The management replied that provisional sum was written as Rs 3.200 million in bidding documents instead of Rs 32.000 million erroneously by the consultant and bidder took the same amount of Rs 3.200 million as provisional sum in the bid. Later on, the evaluation committee headed by DG (M&E), ERRRA, made the correction.

Audit is of view that clause quoted for obtaining the correction of rate was not appropriate as the said clause pertaining to arithmetic correction and not change of the rate.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends that matter may be inquired in detail to fix the responsibility besides recovery of over payment if any.

(OS-36)

4.4.12 Inadmissible payment on account of additional cost of carriage for asphalt - Rs 25.848 million

In accordance with item 305.4.2 of bidding document volume-II (Specification), the quantity determined as provided above shall be paid for at the contract unit price respectively for each of the particular pay items listed below and

shown in the Bill of Quantities, which prices and payment shall constitute full compensation for all the costs necessary for the proper completion of the work prescribed in this item.

The Bill No. 3 of Closing payment certificate (CPC) revealed that an amount of Rs 25.849 million was paid to the contractor for quantity of 21,594.406 Cu.m @ Rs 1,197 per Cu.m for additional cost of carriage of asphalt from Km 36+000 to 76+600 whereas quantity of asphalt paid was 21,356.006 Cu.m which was measured/ paid for the Km 0+000 to 76+600. Audit holds that cost of lead/ lift was included in the quoted rates. Further the PC-I for Km36+000 to 45+000 and 45+00 to 76+605 was also separate. Hence separate/additional payment for carriage is unauthorized.

Further payment for carriage of asphalt was made for a quantity of 21,594.406 Cu.m whereas total quantity of 10,960.66 Cu.m was measured/ paid for the chainages from Km 36+00 to 76+600 as detailed below:

Chainage	Length	Quantity(m³)
36 + 44	08 Km	2,242.20
44 + 58	14 Km	3,701.54
58 + 76	18 Km	5,016.92
Total		10,960.66

This resulted in to excess payment of Rs. 12.729 million (21,594.406 Cu.m – 10,960.66 Cu.m = 10,633.746 Cu.m x Rs 1,197).

The matter was pointed in July, 2013. The management replied that the final bill of contractor is not finalized yet and all these considerations will be taken care off by the consultant, as per contract provisions. Payments will be finalized only on the recommendation of the consultant.

The DAC in its meeting held on 25.07.2016 decided that recovery may be affected and get verified.

The audit verified a recovery of Rs 12.391 million against 25.848 million.

Audit recommends the recovery of balance amount from contractor under intimation to Audit besides fixing the responsibility on the person at fault.

(OS-9)

4.4.13 Unauthorized payment on account of sub-standard work - Rs 25.760 million

Contract agreement (specification) provides that items of work complete in all respect were to be measured and paid on the approved rates

Audit observed that in the contract for Rehabilitation and Reconstruction of Muzaffarabad-Attmuqam road, an amount of Rs25.760 million was paid to M/s Xinjaing Beixin Matracon (JV) against item of work“V-6A Plum concrete” for a quantity of 5,284.416 Cu.m @ Rs 4,874.80/Cu.m being 30% less than approved rates of Rs 6,964.00 due to poor quality of work at site. Thus, a substandard and incomplete work was accepted for payment with 30% reduction in rates.

The matter was pointed out in July, 2013. The management replied that the work done was satisfactory and supervised by M/s ECIL according to specification. But due to some deficiencies such as alignment, improper shuttering etc. contractor was warned and directed to improve but he failed to comply with the instruction of the Engineer so rates were reduced. The structure is still intact and any type of damage has not occurred so far.

Reply is not satisfactory. The rate of the item was reduced due to some deficiencies in the work and this fact is also admitted by management.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends that payment on account of substandard work needs to be recovered.

(OS-38)

4.4.14 Un-authorized payment for item not provided in final variation orders / PC-I - Rs 13.210 million

In accordance with approved Variation Orders (Revised BOQ) and PC-I, item No. 304b–Triple Surface Treatment (TST) having quantity of 70,000 Sq.m @ Rs 341 per Sq.m amounting to Rs 23.870 million was provided for execution.

Audit observed that a quantity of 6,892.293 Cu.m of item No. 401b-Concrete Class-B at shoulders was measured/ paid to M/s Xinjaing Beixin-Matracon (JV) without provision in Variation Orders and revised PC-I instead of item no 304b. This

resulted in execution of item beyond scope of work and resulted into loss of Rs 13.211 million (6,892.293 Cu.m x Rs 5,380= Rs 37,080,536 – Rs 23,870,000). Audit holds that payment without provision in Variation Order & PC-I is un-authorized.

The matter was pointed out in July, 2013. The management replied that TST provided in PC-1 was not feasible for that climatic conditions and site requirements. Therefore, instead of applying TST the AWC concrete class B was provided. The matter will be resolved by getting approval of revise technical sanction from competent authority at the time of final bill.

The DAC in its meeting held on 25.07.2016 decided that documents to be provided to audit for verification. However, DAC directives were not followed and record was not produced till finalization of this report.

Audit recommends that un-authorized payment for item not provided in final variation orders / PC-I may be investigated and responsibility may be fixed on the persons at fault.

(OS-10)

4.4.15 Loss to Government due to excess payment by applying higher rates - Rs 6.975 million

In accordance with BOQ agreed rates item No.401.b (concrete class B) was offered/ quoted by the contractor as Rs 5,380 per Cu.m (Bill No. 03) for shoulder of the carriage way and Rs 6,392 per Cu.m (Bill No. 4-D) for retaining/ breast walls.

During scrutiny of record pertaining to Muzaffarabad-Athmuqam Road audit observed that item No.401 b was measured and paid for quantity of 8,296.012 Cu.m under Bill No 4-D–Retaining/ breast walls and drains which include quantity of 6,892.293 Cu.m executed at shoulders and paid @ Rs 6,392 per Cu.m instead of Rs 5,380/ Cu.m. This resulted into an overpayment of Rs 6.975 million (6,892.293 Cu.m x Rs 1,012/ Cu.m) to the contractor as detailed at Annexure-G which may be recovered from the contractor.

The matter was pointed out in July, 2013. The management replied that matter has been shared with consultant and will be resolved in the Final Bill. Any overpayment made, will be recovered as per contract provisions.

The DAC in its meeting held on 25.07.2016 decided that recovery may be verified from Audit. However, DAC directives were not followed till finalization of this report.

Audit recommends that excess payment may be recovered beside fixing the responsibility on the person(s) at fault.

(OS-12)

4.4.16 Double payment for same work measured twice - Rs 2.921 million

According to the GFR-10, every public servant is expected to exercise the same vigilance in respect of expenditure from public money, as a person of ordinary prudence would exercise in respect of expenditure of his own money. Para 23 provides that every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and on part of other Government officer.

During scrutiny of Closing Payment Certificate, audit observed from the measurement sheet of Bill No.03 and 04 that same items for chainages mentioned at Annexure-H were measured and paid twice. This resulted into double/excess payment of Rs 2.921 million to contractor M/s Xinjaing Beixin Matracon (JV) as detailed below:

S. No.	Description	Qty.	Rate (Rs)	Amount (Rs in million)
1	Sub Base Course	268.02	650	0.174
2	Aggregate Base Course	793.80	915	0.726
3	Bituminous Prime Coat	3,245.00	58	0.188
4	Asphaltic Concrete for Wearing Course	151.25	12,115	1.832
Total				2.921

Double Payment for the same work stands unauthorized and needs to be recovered from the contractor.

The matter was pointed out in July, 2013. The management replied that the matter will be resolved in the final bill and any overpayment made, will be recovered as per contract provisions.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends that double payment may be recovered under intimation to audit.

(OS-47)

4.4.17 Un-authorized payment without execution of work - Rs 2.873 million

As per Technical Specification of the items of works, the works completed in all respect will be measured, certified and accepted will be considered for payment at specified unit rates.

As per M/s EA Consultants (Pvt.) Ltd. letter No. RE/EA/EEAP/2011/1915 dated 17th September 2011 completion certificate of package II of Maira Rehmat Khan Road (17.700-Km) was issued. Completion date was mentioned as 30 June 2011 and punch list for outstanding work was attached.

Analysis of final bill for Package-II of Maira Rehmat Khan showed that Rs 2.873 million were paid for work yet to be done. These works (including breast wall, retaining wall) were also identified in punch list with completion certificate. But completion/execution of the work after that could not be ascertained. Thus, payment of Rs 2.873 million without execution of work was un-authorized.

The matter was reported in August 2013. The department replied that payment was made for work done and final bill was based on the quantities of items executed.

The reply is not acceptable as the work was not carried out as per punch list.

The DAC in its meeting held on 25.07.2016 decided that relevant record may be verified from Audit. However, DAC directives were not followed and record was not produced till finalization of this report.

Audit recommends that payment made without execution of work be recovered from the contractor.

(S.O-09, EEAP-Roads-ATD)

4.4.18 Loss to Government due to excess payment by non-deducting areas of Baily and RCC bridges - Rs 2.841 million

According to the GFR-10, every public servant is expected to exercise the same vigilance in respect of expenditure from public money, as a person of ordinary prudence would exercise in respect of expenditure of his own money.

Para 23 of GFR Vol-I provides that every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and on part of other Government officer.

The management of EEAP measured and paid the following items during construction of carriage way but areas of existing structure i.e. Bialy and RCC bridges as mentioned at Annexure-I was not deducted. This caused an overpayment of Rs 2.841 million to the contractor.

Audit desired that non-deduction of areas of existing structure during measurement may be justified and excess payment be recovered from the contractor.

The matter was pointed out in July, 2013. The management replied that the matter will be resolved in the final bill and overpayment made, if any, will be recovered as per contract provisions.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends that over payment may be recovered from the contractor under intimation to audit.

(OS-69)

4.4.19 Un-authorized payment to the contractor for repair in violation of contract agreement-Rs 1.355 million

As per clause 4.1 (d) of General Condition of Contract, the contractor shall be responsible for repair of defective work.

Management of EEAP paid an amount of Rs 1.355 million (314.026 Cu.m x Rs 4,316) to contractor M/s Xinjaing Beixin Matracon (JV) under contract ICB-01 for repair of damaged breast walls/ retaining walls (as per Annexure-J. As per clause mentioned above the contractor was responsible for repair work/ defects hence the payment made to the contractor stands unauthorized and needs to be recovered from the contractor.

The matter was pointed out in July, 2013. The management replied that the matter will be resolved in the final bill and any overpayment made will be recovered as per contract provisions.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends that unauthorized payment may be recovered under intimation to audit.

(OS-34)

4.4.20 Loss to Government due to excess measurement of Asphaltic Concrete - Rs 1.147 million

As per X-Section of Muzaffarabad to Athmuqam Road, carriage way (as built drawing) prepared by the contractor and approved by the consultant, the thickness of asphaltic concrete has provided as 5 cm.

Audit observed that asphaltic concrete for carriageway of Muzaffarabad Attmuqam road was measured and paid to the contractor M/s Xinjaing Beixin Matracon (JV) as 6cm on chainages mentioned at Annex-K, instead of 5 cm provided/approved. This resulted into over measurement of quantities of 94.65Cu.m having monetary value of Rs 1,146,685. Hence payment of Rs 1.147 million (94.65Cum Rs12,115) for excess measurement needs to be recovered and deposited into Government treasury.

The matter was pointed out during July, 2013. The management replied that matter will be resolved in the final bill and any overpayment made, will be recovered as per contract provisions.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends that excess payment may be recovered.

(OS-46)

4.4.21 Excess payment due to non- deduction of length of Cause Ways - Rs 1.115 million

As per Technical Specification of the items of works read in conjunction with the BOQ, it was provided that the works completed in all respect will be measured, certified and accepted will be considered for payment at the rates specified in the BOQ.

Audit observed that on chainages mentioned at Annexure-L of Muzaffarabad to Athmuqam road, PCC and RCC work was executed for construction of Cause Ways.

But during payment of items of Asphalts mentioned below, the measurement of Cause Ways was not deducted as the same was paid separately, which resulted into excess payment of Rs 1.115 million.

Item No.	Description	Unit	Qty.	Rate (Rs)	Amount (Rs in million)
201	Sub Base Course	Cu.m	98.16	650	0.064
202	Aggregate Base Course	Cu.m	424.20	915	0.388
302	Bituminous Prime Coat	Sq.m	1064.65	58	0.061
305b	Asphaltic Concrete for Wearing Course	Cu.m	49.71	12,115	0.602
Total					1.115

The matter was pointed out in July, 2013. The management replied that the matter will be resolved in the final bill and any overpayment made will be recovered as per contract provisions.

The DAC in its meeting held on 25.07.2016 decided that recovery may be verified from Audit. However, DAC directives were not followed till finalization of this report.

Audit recommends that excess payment may be recovered besides fixing the responsibility on the person(s) at fault.

(OS-29)

4.5 Asset Management

4.5.1 Non maintenance of inventory of imported material by employer through obtaining its custody – US \$ 4.876 million

As per GFR 148, “All materials received should be examined, counted, measured or weighed as the case may be, when delivery is taken, and they should be taken in charge by a responsible Government officer who should see that the quantities are correct and their quality good, and record a certificate to that effect. The officer receiving the stores should also be required to give a certificate that he has actually received the materials and recorded them in the appropriate stock register”.

Deputy Director EEAP (Education) Battagram vide its letter No. 1008/I-A.A&ACC dated 3rd June 2010 demanded record of warehouse inventory from contractor for contract of 124 LGSS schools.

Audit observed that contract for 124 LGSS schools was awarded to M/s A&ACC JV. The contractor imported plants under schedule 1 & 2 of the contract and

payment was made through two LCs opened by PERRA office. Duties and taxes on these imports were also paid by the department. Audit noticed that inventory record was neither maintained by M/s NESPAK nor Deputy Director EEAP (Education) Battagram.

Further, the contractor is still holding the material in a store controlled by him at Battagram. No clause of inventory was included in bidding documents and agreement with contractor. It was also observed that contractor transferred material from Battagram to AJK illegally.

Moreover M/s PEB has also joint venture in District Shangla for construction of light gauge schools in a contract awarded by Reconstruction PERRA.

Deputy Director Education Battagram provided and paid four (4) watchmen at warehouse of contractor and deputed various officials for collection of material from Karachi Shipyard but no record of inward/outward inventory/material was maintained. No amendment to the contract was made to the effect thus undue favor was extended to the contractor.

The matter was reported to management in August 2013. It was replied that complete inventory record of imported material is available with contractor M/s PEB and PIU office for audit verification.

The reply is not acceptable as no record was produced during audit as well as with reply.

The DAC in its meeting held on 25.07.2016 decided that a committee for the disposal of the surplus material has already been constituted at ERRA level. Recommendation of the committee may be provided to audit. However, DAC directives were not followed till finalization of this report.

Audit recommends that complete record of inventory i.e. inward / outward, may be produced to audit beside fixing responsibility on the person(s) at fault for non-maintenance of record.

(S.O-13, EEAP-Edu-Btm)

4.5.2 Loss to government due to missing quantity of steel structure valuing US \$ 91,868 and discrepancies in import of material

In EEAP (Education) Battagram steel structure of 285,398 sft. was imported through two LCs opened for the purpose. Following shortcomings were noticed:

- i. Discrepancies in quantity imported were observed e.g. commercial invoices showed that 143,937 Sft material was imported but NESPAK reported 131,844 Sft. Thus 12,093 Sft material was missing. The department clarified that discrepant quantity is 5,404 Sft not 12,093 Sft and therefore US \$ 91,868 needs to be recovered/ deducted from contractor. No further action/ recovery of \$ 91,868 was forthcoming from record.
- ii. Two LCs were opened for total steel structure of 317,000 Sft for 124 schools but total 285,398 Sft was imported which showed that department and consultant did not determine the actual requirement. The installation and balance material could not be ascertained because contractor transferred the material to AJK.
- iii. Structure drawings were not provided to ascertain the actual requirement for the project.
- iv. No stock register/ inventory record was maintained by the department.

It is clear from above that no proper assessment for actual requirement of steel structure was worked out, proper inward and outward record of material from store was not maintained. This resulted into loss of US \$ 91,868

The matter was reported to management in August 2013. It was replied that all the record i.e. LCs detail, structural drawings, stock / inventory register is available in office for audit verification.

The reply is not satisfactory as no records was produced during audit as well as with reply.

The DAC in its meeting held on 25.07.2016 decided that a committee for the disposal of the surplus material has already been constituted at ERRA level. Recommendation of the committee may be provided to audit. However, DAC directives were not followed till finalization of this report.

Audit recommends that the loss due to missing quantity of steel structure needs recovery besides investigation to fix responsibility on the person(s) at fault for non-

determination of actual requirement before import of material, non-maintenance of inventory record and non-production of record to audit.

(S.O-42, EEAP-Edu-Btm)

4.5.3 Non retrieval of material from dismantled structures -Rs 10.223 million

In accordance with item 510.2 of bidding document volume-II (specification), Salvaged pipe, culverts or other structures shall be stored at designated and accessible points on the project as approved by the Engineer and shall be the property of the client. Dismantling shall be carried out either manually or with approved equipment. Structures to be dismantled may include plain or reinforced concrete, brick, stone masonry or any other such construction item.

An amount of Rs 10.223 million was paid to M/s Xinjaing Beixin Matracon (JV) for dismantling of existing structure as detailed below:

S. No.	Bill No.	Dismantled Structure	Rate (Rs)	Quantity (Cu.m)	Amount (Rs in million)
1	4-A	Abutment at Develian Bridge, Deck slab & Barrier of Kahori Bridge, Breast walls and Gabion	1,209	2,066.99	2.499
2	4-B	Old culverts, Breast walls, Retaining Walls, Gabion and Abutment of Develian and Patika Bridge	1,207	6,399.28	7.724
Total					10.223

Audit is of the view that payment to contractor of Rs 10.223 million without retrieval of existing material i.e. steel, stones, and wire mesh stands unjustified. The non-recovery/ adjustment of usable items need to be justified. Further, the dismantling of abutment of Develian Bridge was claimed twice in Bill No.4-A and 4-B under item No.510: Dismantling of Structures & Obstructions. This also resulted into excess payment of Rs 35,199 (29.163 Cu.m x Rs 1,207).

The matter was pointed out in July, 2013. The management replied that the Salvage materials such as steel and wire mesh etc. has been given to the PWD Highways. Overpayments, if any, will be recovered in final bill.

The DAC in its meeting held on 25.07.2016 decided that recovery may be got verified from Audit. However, DAC directives were not followed till finalization of this report.

Audit recommends the matter may be investigated to fix responsibility beside recovery under intimation to audit.

(OS-13)

4.5.4 Excess payment of duties /taxes for imported material – Rs 1.491 million

Para 23 of GFR provides that every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and on part of other Government officer.

Deputy Director EEAP (Education) Battagram paid duties and taxes of Rs 5.313 million to M/s Manzoor & Co (custom agent) for clearance of bill of lading (shipment) bearing No. UPS 1040310 dated 15th March 2010. The quantity of 6,689 Sft of steel structure was shown on custom goods declaration No. 1-HC-141725/200510. (Rate per sft. $5,313,295/6689 = \text{Rs.}794.33$).

However, as per commercial invoice No. PSAL/ERRA/1.1-47-2/03/10 dated 11th March 2010, issued by M/S PEB Steel Bangladesh for the said shipment, pre-engineered steel structure of 4,812 Sft. was imported. This shows that a quantity of 4812 Sft was imported whereas custom duties/taxes was paid for a quantity of 6689 sft. Hence, excess payment of Rs 1.491 million ($6,689 - 4,812=1,877\text{sft} *794.33 = 1,490,957$) was paid on account of duties / taxes.

The matter was reported to management in August 2013. It was replied that a quantity of 4812 sft was imported vide commercial invoice dated 11.03.2010 whereas quantity of 1877sft pertains to liability of previous invoice, hence no overpayment has been made.

The reply is not acceptable as no documentary evidence in support of reply was produced.

The DAC in its meeting held on 25.07.2016 decided that the record may be verified from audit. However, DAC directives were not followed and record was not produced till finalization of this report.

Audit recommends that overcharged amount of USD \$ 31,909 may be recovered besides investigation to fix responsibility.

(S.O-12, EEAP-Edu-Btm)

4.5.5 Non recovery of sale proceed of trees

As per item No.102.2 of specification, trees to be removed shall be counted and an inventory prepared showing girth of the trees stem.

Audit observed that trees as detailed below were removed by the contractor from site for which an amount of Rs 0.610 million was paid to the contractor but contrary to the above neither inventory for removal of trees was prepared nor sale proceed of the trees was deposited into Government treasury:

S. No.	Item No.	Description	Rate (Rs)	Qty.	Amount (Rs in million)
1.	102a	Removal of trees 150-300 mm girth	270	298.500	0.081
2.	102b	Removal of trees 301-600 mm girth	350	498.000	0.174
3.	102c	Removal of trees 601mm or over girth	450	789.500	0.355
Total					0.610

Further the No. of trees shown in BOQ having girth of 601 mm or over was 351 based on site survey but during actual execution the number become double which needs to be justified.

The matter was pointed in July, 2013. The management replied that payment was made to the contractor as per actual removal of trees. Due to shifting of centerline as per site requirement or during slide occurrence the number of trees removed was increased. Further, Government of AJK has a Forest Department which caters for forest/trees, so removal of trees occurred in the presence of their representatives who collected removed material. EEAP can't auction/sale those trees because another department of Government of AJK i.e. AKLAS has the responsibility for sale/ auction etc.

The DAC in its meeting held on 25.07.2016 decided that the matter may be investigated at ERRA level. However, DAC directives were not followed till finalization of this report.

Audit recommends the inquiry may be conducted to probe the factual position under intimation to audit.

(OS-24)

4.6 Monitoring and Evaluation

Internal checks such as inspection, monitoring, supervision, mechanized testing/laboratory test reports of executed works are also vital to ensure proper execution of works.

The Consultant was responsible for exercising qualitative and quantitative checks, including laboratory tests, to ensure proper execution of the project. Overall

supervision of contractor's work rested with the Consultant. EEAP was completely dependent upon the Consultant for construction supervision. EEAP hired/ obtained services on deputation of technical staff to ensure quality, but as per record no periodical inspections were carried out.

4.6.1 Non implementation of recommendations of inquiry report of PERRA regarding poor performance and mis-reporting

According to letter No. 41/166/PERRA/EEAP-Edu/2013/01-A dated 1st January 2013, DG PERRA forwarded an inspection report to Chief Engineer and Deputy Director EEAP for compliance.

PERRA monitoring team comprising of Director (P&T), Deputy Director (Technical) and Assistant Director (Technical) along with Deputy Director EEAP, Assistant Directors EEAP and Site Engineers of contractor conducted a site visit educational facilities being constructed by EEAP Education Battagram. The team randomly visited five (05) schools on 26-28th December 2012 and pointed out following shortcomings:

- i. GPS Ser Dandai was shown handed over but school was not actually handed over.
- ii. Progress of GHS Pirhari was found at 50%. The building was required to be completed till 31st December 2012 as per Deputy Director EEAP and contractor commitments.
- iii. Progress on GPS Baray Muhammad Jan was 48.75%. DRU Battagram reported that this school was included in GOP portfolio. Status of GGPS Amar Shahabad was also included in GOP portfolio. This overlapping needs clarification.

The monitoring team observed following shortcomings:

- i. Schools shown completed were not actually completed.
- ii. Project is running slow due to lack of interest of EEAP staff, rare stay at station, non-verification of school sites.
- iii. Non availability of data regarding how much punch lists have been verified.
- iv. Non provision of external electrification to any school.

- v. Scope and extent of external water supply were not known with progress.

The team declared Deputy Director EEAP and contractor responsible for delay etc. Director (P&T) recommended strict action including recovery of last six months salary from EEAP staff. EEAP staff be terminated forth with and project be executed through DRU at the expense of contractor. The Director General PERRA approved the recommendation but no action was intimated by any quarter.

Audit is of the view that recommendations of monitoring team as approved by PERRA may immediately be implemented for corrective actions proposed.

The matter was reported to management in August 2013. It was replied that subject matter was discussed with DG PERRA by Chief Engineer Reconstruction in length and was resolved smoothly.

The reply is not satisfactory as no documentary evidence in support of reply was produced.

The DAC in its meeting held on 25.07.2016 recommended the Para for settlement subject to provision of revised reply. However, DAC directives were not followed till finalization of this report.

Audit recommends that recommendations of inquiry committee may be implemented and responsibility may be fixed besides recovery.

(S.O-32, EEAP-Edu-Btm)

4.6.2 Non rectifications of defects identified in handed over schools

As per Clause 27.1 (Defect Liability) the contractor warrants that the facilities or any part thereof shall be free from defects in the design, engineering, material and work ship of the plant supplied and of the work executed.

Progress report of Deputy Director EEAP (Education) Battagram showed that out of 124 schools, only 84 were completed and handed over to Education Department till concluding of Audit. Handing over reports were demanded from management who provided only 13 punch lists instead of complete handing over reports. Punch lists provided by management showed various shortcomings/ defects. M/s NESPAK identified these defects on 8th May 2010 before handing over to Education Department.

The defects so identified were required to be rectified by the contractor when pointed out but not removed / rectified, till the close of audit

The most common defects/ shortcomings observed are summarized below:

- i. Incomplete Rain Harvesting System.
- ii. Electrical works like, two fans instead of 4 in each classroom, bulbs instead of tube lights, low ampere circuit breakers, no earthing, testing and commissioning.
- iii. External water supply not done. Not operational hand pumps.
- iv. Flag posts not installed.
- v. Missing underground tanks.
- vi. 5mm thick, glass was used in windows instead of 6mm.
- vii. Holes in cladding, bedding cement used in joints of cladding instead of polythene.
- viii. Joints between cladding and ceiling are visible.
- ix. Cladding sheets not fixed properly. Joints visible.
- x. Broken tiles.
- xi. Cracks found in wall cladding.
- xii. Leakage in super/ gutter.
- xiii. Fire extinguisher not provided, which was mandatory.
- xiv. Door not fixed properly, frame cracked, hardware of unapproved manufacturer, gap found in top and bottom more than the specification.
- xv. Painting work.
- xvi. Vent pipe not provided. External works like drains, walk ways, septic tanks, boundary wall, main gate etc.

The matter was reported to management in August 2013. It was replied that all the 124 schools have been completed, handed over and are functioning. Minor defects observed at the time of handing / taking over have been removed by the contractor duly verified by the line department.

The reply is not acceptable because no documentary evidence in support of reply was produced.

The DAC in its meeting held on 25th July 2016 decided that handing over/ taking over may be verified from audit. However, DAC directives were not followed and record was not produced till finalization of this report.

Audit recommends that either the defects may be got rectified or cost thereof may be recovered from the contractor under intimation to audit.

(S.O-33, EEAP-Edu-Btm)

4.7 Compliance with Rules

4.7.1 Un-authorized payment of mobilization advance without provision in contract agreement - Rs 62.007 million and US \$ 546,700

As per contract agreement, no provision for grant of mobilization advance to contractor was available.

Deputy Director EEAP Education Battagram paid mobilization advance of Rs 62.007 million and US \$ 546,700 to the contractor M/s AC&ACC Build Core JV in contravention of contract agreement. Moreover, no detail of recovery made from the contractor was forthcoming from record.

Audit holds that grant of mobilization advance without provision in contract agreement is unauthorized.

The matter was reported to management in August 2013 but no reply was received.

The DAC in its meeting held on 25.07.2016 recommended the Para for settlement subject to verification of recovery. However, DAC directives were not followed till finalization of this report.

Audit recommends that matter may be investigated to fix responsibility for making mobilization advance payment in contravention of contractual provision beside provision of evidence for recovery. (S.O-51, EEAP-Edu-Btm)

4.7.2 Fraudulent Release of bank guarantees - Rs 31.500 million

According to Clause 48.1 of the PCC, the contractor was liable to be paid advance payment of 15% of the contract price for rehabilitation and reconstruction of two major bridges in District Bagh (Package No.4-A) against a valid bank guarantee. As per clause 49.1, the contractor has to provide performance security equal to 5% of the contract price. Validity of the performance guarantees has to be ensured until a date 28 days from the date of issue of the certificate of completion in case of bank guarantee.

EEAP AJK made advance payment of Rs 31.500 million to the contractor M/s Shoukat Khan against two bank guarantees (No.006/2009 worth Rs 16.00 million and No. 007/2009 for Rs 15.500 million) dated 13th April 2009 from “The Bank of Khyber” valid upto 12.04.2010. The contractor could not comply with his obligations and Chief

Engineer vide letters dated 10.03.2010 and 19.03.2010 asked the contractor to revalidate bank guarantees and copies also endorsed to concerned bank. Chief Engineer again vide letter dated 24th March 2010 asked the bank about the validity and encashment of the bank guarantees. The bank vide letter dated 17th March 2010 intimated that the said bank guarantees have already been got redeemed on 16.11.2009 by the contractor under the endorsement of Chief Engineer. The banker also made it clear vide letter dated 25th March 2010 that redemption was made against vague endorsement.

The bank also intimated that the following four performance guarantees submitted by contractor to EEAP office which are still outstanding were also not original.

Sr. No.	Bank / P. Guarantee No.	Amount (Rs in million)
1	4/2010	14.537
2	3/2010	13.489
3	21/2008	11.500
4	24/2008	5.711
Total		45.237

Audit holds that the Govt. interest has been put at stake by fraudulent practice of the contractor. Further no action on the part of EEAP management against the contractor was forthcoming from record.

The matter was reported to management in July, 2013. It was replied that all the guarantees with EEAP authorities now are genuine and verified from concerned Banks. Furthermore, if these guarantees were not genuine then contractor would not have gone to the different courts for release/stay orders to the courts. EEAP is a Government Project and its representative will not act in an irresponsible manner to damage / stake the interest of Government.

The reply is not satisfactory as the bank guarantees were not original and also redeemed by contractor with fake endorsement. No action has so far been taken.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends that criminal investigation to be initiated and responsible to be punished under court of law.

(OS-35)

4.7.3 Unauthorized payment - Rs 3.15 million

As per specification/description given in Bidding Document volume-III, item 31 “earth filling from outside source” has been described as filling earth under floor with earth obtained from outside within 25.0 Km radius including breaking clods, dressing, watering, compaction etc. complete to obtain 95% AASHTO density complete.

In EEAP AJK, a contract for construction of 10 BHUs and 28 residential units in District Poonch, was awarded to M/s Shoukat Khan & Company for Rs 344.226 million. An amount of Rs 3.15 million was paid for item No. 31 “earth filling from outside source”. Audit holds that sufficient quantity of excavated material was available at site, hence utilization from borrowed source resulted into excess payment of Rs 3.15 million. The detail of quantity available and quantity borrowed from outside is given below:

S. No	Detail	Qty. Excavated	Qty. of Earth Filling	Rate (Rs)	Amount paid (Rs in million)
1	8 Residential Unit CMH Rawalakot	19,217.00	6,046.35	25	0.151,
2	BHU Khali Draman 1500 Sft Res	4,957.50	2,101.13	25	0.053
3	BHU Ghambir residence	5,196.25	2,101.18	25	0.053
4	BHU PothiChaprian ground Floor	14,687.00	4,515.34	25	0.113
5	BHU Devi Gali ground. Floor	13,834.00	4,394.05	25	0.110
6	BHU Devi Gali 1500 Sft Residence	4,438.00	2,101.16	25	0.053
7	BHU Devi Gali 1000 Sft Residence	2,527.00	1,375.81	25	0.034
8	BHU Tetri note G. Floor	12,959.00	4,515.34	25	0.113
9	BHU Tetrei note 1500 Sft Residence	4,669.14	2,047.11	25	0.051
10	BHU Tetrei note 1000 Sft Residence	2,511.00	1,375.70	25	0.034
11	BHU Sehra ground Floor	13,953.00	6,568.37	25	0.164
12	BHU Sehra 1500 Sft Residence	4,668.00	2,101.18	25	0.053
13	BHU Sehra 1000 Sft Residence	2,339.00	1,439.65	25	0.036
14	BHU Sarariground Floor	5,105.00	4076.00	25	0.102
15	BHU Sarari 1500 Sft Residence	5,313.00	2047.00	25	0.051
16	BHU Rakhar ground Floor	1,583.00	3,958.40	25	0.099
17	BHU Rakhar 1500 Sft Residence	4,437.00	2,101.16	800	1.681
18	BHU Mandholground Floor	13,908.00	4,394.05	25	0.110
19	BHU Mandhole 1500 Sft Residence	5,240.00	2,101.16	25	0.053
20	BHU Mandhole 1000 Sft Residence	2,961.00	1,439.60	25	0.036
Total					3.150

Thus an amount of Rs 3.15 million was paid in excess to the contractor.

The matter was reported to management in July 2013. It was replied that the filling paid to the contractor from outside source is correct and logical because cutting in all sites were done below the NSL (Natural Surface Level).

The reply is not acceptable because sufficient quantity was available at site which was neither utilized nor declared as unsuitable.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends that unauthorized payment may be recovered.

(OS-41)

4.7.4 Over payment of Rs 1.954 million

According to Contract Agreement, Schedule 4, the items mentioned in the schedule shall be paid at the rates quoted by the contractor.

EEAP AJK awarded a contract for construction of 40 middle schools in District Bagh to M/s Winthrop Meridian JV vides (Package No.1.2) on 22nd October 2007 at a cost of Rs 582.363 million. It was observed that an amount of Rs 1.954 million was over paid to the contractor due to application of higher rates than quoted in the price bid. The detail is as under:

S. No.	Item	Qty.	Rate paid	Rate quoted	Difference (Rs)	Overpayment (Rs in million)
1	Retaining wall Height 5-8 feet above NSL	1,576.75	1,976	1,800	176	0.278
2	Retaining wall Height 8-12 feet above NSL	1,182.5	3,017	1,600	1,417	1.676
Total						1.954

The matter was reported in July, 2013. Management replied that quoted rates were unrealistic. Contractor was asked for clarification which was submitted wherein contractor clarified that his rates and payment was made accordingly.

The reply is not acceptable because payment was required to be made as per rates quoted by the contractor. Further, the contractor has quoted the same rates in clarification as quoted in his bid.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends that recovery may be affected under intimation to audit.

(OS-32)

4.7.5 Non provision of Insurance Cover by the contractor

According to clause 13.1 of GCC, the contractor shall provide, in the joint name of the employer and the contractor, insurance cover from the start date to the end of the defect liability period, in the amount and deductibles stated in the PCC for the following events which are due to the contractor's risk:

- a) Loss of or damage to the works, plant, and material.
- b) Loss of or damage to equipment.
- c) Loss of or damage to property (except the works, plant, materials and equipment) in connection with the contract; and
- d) Personal injury or death.

Further Clause 13.2 states that the contractor shall deliver policies and certificates for insurance to the Project Manager for approval before the start date.

In EEAP AJK it was observed that insurance cover from the contractors before the start of work was not obtained as required under contract clauses.

Audit holds that non-obtaining of insurance cover is clear violation of contract clauses beside undue favor to the contractors.

The matter was reported in July, 2013. The management replied that insurance covers were provided by the contractors as per contract provisions.

The reply is not acceptable because no documentary evidence was produced.

No DAC meeting was arranged till finalization of this report despite repeated reminders. The last reminder was issued on 02.10.2019.

Audit recommends that matter may be investigated to fix responsibility for extending undue favor to the contractors.

(OS-67)

4.7.6 Non production of record

The section 14 of the Auditor General's ordinance 2001 read with articles 169 and 171 of the constitution of the Islamic Republic of Pakistan and Clause 18(1) of ERRAs ordinance 2007 provide the Auditor General of Pakistan with the mandate to

audit the Accounts of Earthquake Reconstruction & Rehabilitation Authority (ERRA). Further as per Rule 17 of GFR the auditable documents/ record/ data (as the case may be) is required to be prepared by the concerned department and furnished to the Auditor General for facilitation of its official assignment. The access to all auditable data/ record is the statutory right of the Auditor General of Pakistan for which no authority/ department has the power to withheld these documents.

Audit team requested to EEAP-AJK office for provision of record mentioned at Annex-M vide requisition dated 3rd June 2013, 5th June 2013, 7th June 2013, 11th June 2013 and 21st June 2013 to complete the audit assignment. On 2nd July 2013 final request for provision of data was served. The department failed to provide the record despite many written and verbal request.

The documents/ data related to EEAP Power-AJK procurement was also not provided and in response to audit requisition the electricity department vide their letter dated 2nd July 2013 informed that record was not properly handed over to their office. Audit request EEAP cell for reconciliation of the matter and provision of complete record but the matter could not be managed and no record was produced to audit which require justification.

Similarly the record mentioned at Annex-N was requisitioned from Deputy Director EEAP (Education) Battagram for successful completion of audit assignment vide requisition No. 1 dated 10th June 2013 and reminders dated 12th June 2013 and 14th June 2013 respectively. The department failed to provide the record despite repeated written and verbal requests:

The matter was reported to management in July & August, 2013 for AJK and KP offices respectively. The management of EEAP-AJK replied that all the available record was provided to the audit. However, matter regarding non-provision of record with respect to electricity department will be pursued with the concerned department. The management of EEAP-KP (Battagram) replied that the Para has been discussed in DAC for Audit Report 2011-12.

Reply is not satisfactory as no record was provided. Non-production of record is serious lapse on the part of management which needs justification and strict disciplinary action against the person(s) at fault.

No DAC meeting was arranged for Paras related to EEAP AJK despite repeated reminders. The last reminder was issued on 02.10.2019. The DAC meeting in respect of EEAP-KP (Battagram) was held on 25.07.2016 and decided that record may be produced to audit.

No record was produced for verification by EEAP KP (Battagram) till finalization of this report.

Audit recommends that the matter may be investigated to fix responsibility on the person(s) at fault for non-provision of record to audit.

(OS-66-AJK) (S.O-40, EEAP-Edu-Btm, S.O-10, EEAP-Roads-Man, S.O-11, EEAP-Roads-ATD)

4.8 Environment

According to the Environment Protection Act, 2000 of Azad Government of the State of Jammu & Kashmir states to provide for the protection, conservation, rehabilitation and improvement of the environment for the prevention and control of pollution and promotion of sustainable development.

4.8.1 Overpayment without verification at site - Rs 28.197 million

As per contract agreement with M/s Xinjaing Beixin Matracon (JV), an amount of Rs 78.482 million was provided for plantation. According to item No. 7 & 9 of the MoU signed between main contractor and subcontractors hired for plantation, sub-contractors are responsible for the maintenance / survival of the plants for a period of one year and should handover the plantation with 100% success.

EEAP AJK awarded a contract to M/s Xinjaing Beixin Matracon (JV) for construction of Muzaffarabad-Authmuqam Road. The main contractor sublet the work of Plantation to 15 sub-contractors. It was observed that in Closing Payment Certificate, an amount of Rs 35.247 million was paid to main contractor for bio engineering/ plantation after verification of consultant M/s ECIL.

Later on, M/S ECIL actually visited the sites for verification and observed from the work of 12 sub-contractors that an amount of Rs 5.3 million was paid in excess. As per Chief Engineer EEAP letter No. EEAP / CE/17191-92/2012 dated 12.10.2012, the matter was re-verified by a team of departmental officers who intimated that 70% to 80% of the work was not sprouted/ available at site and recommended recovery. However, no recovery was effected from the contractor.

Audit holds that an amount of Rs 28.197 million (Rs 35.247 million x 70%) was required to be recovered from contractor which was not done.

The matter was reported in July, 2013. The management replied that matter is sub judicious, as some sub-contractors have filed petitions against Contractor M/s XB and EEAP. However, M/s XB has been warned that any deficiency found at the time of taking over to the EEAP, that deficiency will be recovered from final bill.

The reply is not acceptable as recovery was not made despite recommendations.

The DAC in its meeting held on 25.07.2016 decided that inquiry may be conducted at ERRA level and report be submitted to Audit. However, DAC directives were not followed till finalization of this report.

Audit recommends that responsibility may be fixed for making overpayment besides recovery.

(OS-7)

4.8.2 Improper Disposal of road way excavation

Contract agreement provides that excess and unusable excavation shall be disposed off at the locations specified as dumping sites.

EEAP AJK, awarded a contract to M/s Xinjaing Beixin Matracon (JV) for construction of Muzaffarabad-Authmuqam Road. The record revealed that a penalty of Rs 400,000 was imposed on the contractor and deducted from the IPC#1 in June 2009 for improper disposal of roadway excavation. Audit requested to provide the breakup of the penalty amount i.e. total quantity disposed off, unit rate and actual dumping sites which was not provided. Audit further noticed that the sub-contractors engaged by M/s Xinjaing Beixin Matracon (JV) for plantation/ bio engineering complained in their letter dated 05.09.2012 addressed to ADB that the contractor is continuously disposing off the road way excavation on planned plantation sites instead of specified dumping sites.

The matter was reported in July, 2013. It was replied that the matter has been taken up with consultant and will be soon conveyed to the audit as per provisions of the contract agreement.

The DAC in its meeting held on 25.07.2016 decided that ERRA may depute a team to visit the sites where these disposals have occurred and to assess whether any environmental damage has been caused by such dumping.

Compliance to DAC directives was not produced till finalization of this report.

Audit recommends that proper measures for protection of environment as laid down in PC-1 should be taken and the contractors/ consultant who have not observed those measures may be penalized under intimation to audit.

(OS-27)

4.9 Overall Assessment, Time and Cost Over Run of EEAP

Asian Development Bank (ADB) on 13th December 2005 approved the Earthquake Emergency Assistance Project (EEAP). The Financing Agreement (FA) for EEAP was declared effective on 14th February 2006 and the scheduled loan closing date was 30th June, 2009. The EEAP was launched accordingly in 2006 under the direct administrative control of ERRA and closing date of the project was also 30th June 2009. The Project was conceived to reverse the devastating impact of the earthquake and revive economic activity life by rehabilitating and constructing damaged and destroyed infrastructure in transport, power, health and education sectors. Accordingly 129 PC-Is under the above mentioned four sectors were prepared for a total cost of Rs 12,889 million to be completed on or before the scheduled loan closing date of 30th June, 2009. However, the schemes under the project could not be completed on scheduled date but substantially completed on 30th June 2013. Due to delay in completion, the project cost has been revised and enhanced to Rs 20,871.13 million.

The overall cost overrun of EEAP is tabulated below:

(Rs in million)

Sr. No	Sector / Project	Total No. of PC-Is	Original PC-Is Cost	Revised PC-Is Cost	Expenditure (upto June 2013)	Increase in revised PC-1 cost	Expenditure in excess of original PC-1
1	EEAP (Power) AJ&K	1	159.34	245.59	230.12	86.25	70.77
2	EEAP (Health) AJ&K	12	1,125.28	2,111.77	1,941.01	986.49	815.73
3	EEAP (Edu.) AJ&K	36	4,486.46	4,486.46	4,192.74	0	(293.71)
4	EEAP (T&C) AJ&K	22	5,322.62	8,121.48	7,262.40	2,798.85	1,939.78
5	EEAP (T&C) KP	57	561.13	4,656.58	4,651.67	4,095.45	4,090.54
6	EEAP (Edu.) KP	1	1,234.60	1,249.25	1,212.56	14.651	(22.034)
Total		129	12,889.43	20,871.13	19,490.50	7,981.7	6,601.08

Due to a significant delay of four years in completion, the project cost was revised and enhanced for Rs 7,981.7 million and actual expenditure incurred was Rs 19,490.51 million which is Rs 6,601 million over and above the planned cost.

In addition to above, Audit noticed serious issues of contract management from planning to execution i.e. delay in start of work by the contractor, termination of contract, subsequent restoration on contractors' terms and conditions, revision of design, dismal performance of the contractor, non-observance of contract clauses / specifications, Public Procurement Rules etc. and lapses in land acquisition matters.

5. CONCLUSION

Proper planning and evaluation of contractor at the time of award should have been ensured for success of any project. The Earthquake Emergency Assistance Project (EEAP) was likely to be completed within three years but failed to complete due to weak planning/ mismanagement and lack of interest and ownership by the department. The delay in achieving the project objectives also delayed the desired benefits of public relief as envisaged by the government, resulting in the continuous hardship and grievances of the population affected by earthquake 2005.

The main causes of the delay include weak planning, poor performance of contractors and consultants, lack of monitoring and supervision by EEAP management, financial mis-management, violation of rules and to some extent the climatic conditions.

The management should take necessary steps to strengthen the financial management system through improving and implementing internal controls and internal audit.

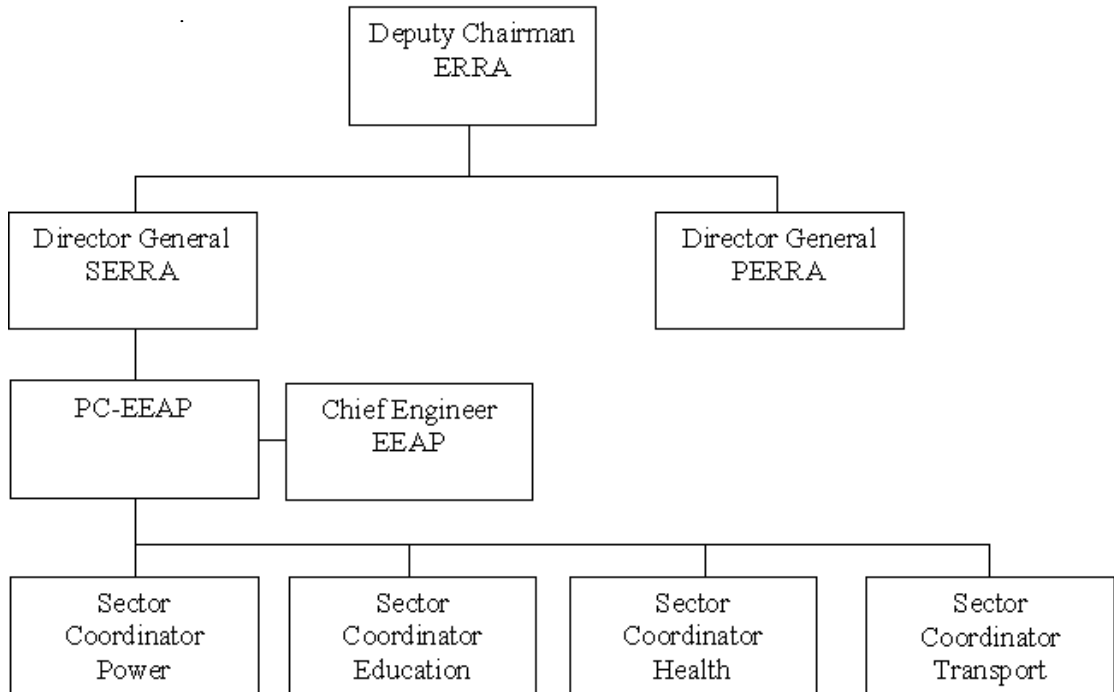
ACKNOWLEDGEMENT

We wish to express our appreciation to the few members of EEAP management who cooperated upto their level best with the audit team during this assignment even after the closure of project. However, audit faced problems in provision of record due to non-availability of support staff.

ANNEXURES

Annexure-A

Organization Chart of EEAP:



Annexure-B

S. No.	Sector	Package No.	Contractor Name	Amount Paid upto June, 2012	Amount Paid after June, 2012	Total Amount (Rs)	Income Tax to be Deducted (Rs)	Education Cess (Rs)	T.Q.T (Rs)	Total recoverable (Rs)
39	Health	16	M/s Ittehad Engineering	72,908,012	20,872,988	93,781,000	5,626,860	281,343	187,562	468,905
47	T&C	NCB-7	M/s GRC	375,943,612	57,635,001	433,578,613	26,014,717	1,300,736	867,157	2,167,893
51	T&C	Consultancy	ECIL	444,297,849	6,715,482	451,013,331	27,060,800	1,353,040	902,027	2,255,067
			Total	893,149,473	85,223,471	978,372,944	58,702,377	2,935,119	1,956,746	4,891,865

Annexure-C

BOQ ITEM	ITEM DESCRIPTION	UNIT	RATE (Rs)	REVISED CONTRACT PRICE (Rs.)		EXECUTED QUANTITY			EXECUTED AMOUNT (Rs)		
				QUANTITY	AMOUNT (Rs)	PREVIOUS	THIS	UPTO DATE	PREVIOUS	THIS	UPTO DATE
104	Compaction of natural Ground	SM	60	55,600.00	3,336,000	42,474,640	(40,470,740)	2,003,900	2,548,478,400	(2,428,244,400)	120,234,000
106c	Excavation Surplus Common Material	CM	133	1,025,499.69	136,391,459	581,465,887	21,726,765	559,739,122	77,334,962,971	(2,889,659,745)	74,445,303,226
106di	Excavate Surplus Hard Rock material	CM	453	264,999.99	120,044,995	187,557,810	(18,316,570)	169,241,240	84,963,687,930	(8,297,406,210)	76,666,281,720
106dii	Excavate Surplus Medium Rock material	CM	368	510,900.01	188,011,204	494,220,963	(84,115,189)	410,105,774	181,873,314,384	(30,954,389,552)	150,918,924,832
109a	Sub Grade Preparation in Earth Cut	SM	67	189,731.00	12,711,977	216,017,450	(11,257,370)	204,760,080	14,473,169,150	(754,243,790)	13,718,925,360
				2,046,730.69	460,495,634.92	1,521,736.75	(132,433.10)	1,345,850.12	361,193,612.84	(45,323,943.70)	315,869,669.14

Annexure-D

Item No.	Description	Unit	Rate (Rs)	Qty*	Amount (Rs)
107a	Structural Excavation in common material	Cu.m	195	1,201.25	234,242.93
107d	Granular Backfill	Cu.m	537	257.75	138,413.18
201	Granular Sub Base	Cu.m	783	36.34	28,453.77
401a	Concrete Class "A1"	Cu.m	7,248	39.49	286,223.52
401f	Lean Concrete	Cu.m	5,105	106.97	546,082.15
404b	Steel Reinforcement as per AASHTO M 31 Grade 60	Ton	110,350	2.71	299,048.50
412a	Stone Masonry Dressed Coursed with Mortar	Cu.m	4,550	310.47	1,412,641.20
511b	Grouted Stone Pitching	Sq.m	1,237	48.07	59,465.06
401b	Concrete Class "B"	Cu.m	6,392	153.73	982,620.81
501d	RCC Pipe for Culvert (610mm Dia)	Meter	4,160	65.050	270,608.00
Total					4,257,799.13

Annexure-E

Item No.	Description	Unit	Rate	Qty Executed	Approved Qty	Excess Qty.	Amount (Rs)
109a	Sub Grade Preparation in earth cut	Sq.m	67.0	204,760.08	189.73	15,030.08	1,007,015.36
Non BOQ	Add: Cost of Carriage of Asphalt	m ³	1,197.0	21,594.41	-	21,594.41	25,848,503.98
107d	Granular Back Fill	m ³	647.0	808.66	640	168.66	109,124.96
401a (ii)-A	Concrete Class A-1 on ground	m ³	6,130.0	31.05	-	31.05	190,336.5
401a (ii)-B	Concrete Class A-3 on ground	m ³	7,319.0	630.26	385	245.26	1,795,043.3
401g1 (ii)	Precast concrete Class A-3	m ³	12,974.0	1.13	-	1.13	14,634.67
401f	Lean Concrete	m ³	5,224.0	83.39	61.000	22.39	116,960.14
404b	Steel Reinforcement as per AASTHTO M31 Grade 60	Ton	113,000.0	574.50	556	18.50	2,090,161
Non BOQ	Add: Cost of Girders due to change in design	No.	900,000.0	4	-	4	3,600,000
411b	Stone Masonry Random with Mortar	m ³	4,630.0	2,821.59	1,000	1,821.59	8,433,947.81
407d (iii)	Cast in place Concrete piles (Class A3) 1000 mm dia	M	16,721.0	14	-	14	234,094
SIW-15 (a)	Exploratory/ Confirmatory Boring Testing in Dry Areas	M	5,007.0	316	210	106	530,742
SIW-15 (b)	Geotechnical Report for bridges	Each	73,000.0	4	2	2	146,000
SIW-16	Bridge Deck Expansion joint N-65	M	13,609.0	60.8	53	7.8	106,150.2
107a	Structural Excavation in Common Material	m ³	195.0	26,261.13	13,849.12	12,412.01	2,420,341.37
107d	Granular Back Fill	m ³	537.0	7,384.69	2,473.25	4,911.44	2,637,442.74
201	Granular Sub Base	m ³	783.0	485.59	250	235.59	184,466.97
401f	Lean Concrete	m ³	5,105.0	2,126.29	1,119	1,007.29	5,142,210.35

412a	Stone Masonry Random with Mortar	m ³	4,550.0	6,230.45	2,700	3,530.45	16,063,547.5
201	Granular Sub Base	m ³	764.0	146.9	-	146.9	112,231.6
401a	Concrete Class A1	m ³	7,243.0	316.35	-	316.35	2,291,323.05
401f	Lean Concrete	m ³	5,150.0	1,716	-	1,716	8,837,400
404b	Steel Reinforcement as per AASTHTO M31 Grade 60	Ton	110,350.0	5.9	-	5.9	651,065
107a	Structural Excavation in Common Material	m ³	165.0	118,018.06	16,550	101,468.06	16,742,230.56
107e	Common Back fill	m ³	155.0	37,315.16	32,579	4,736.16	734,104.96
412a	Stone Masonry Dressed Coursed with Mortar	m ³	4,316.0	80,173.99	73,380	6,793.99	29,322,847.89
509h	Filter layer of Granular material	m ³	1,324.0	28.35	-	28.35	37,535.4
604b	Guardrail End Pieces	Each	1,450.0	330	164	166	240,700
604b	Steel Post for Guardrail	Each	5,544.0	2,600	660	1,940	10,755,360
V1 a	Clear Landslide in Common Material	m ³	103.0	629,977.48	-	629,977.48	64,887,680.64
V1 b	Clear Landslide in Soft Rock Material	m ³	195.5	324,583.2	-	324,583.2	63,468,999.77
V1 c	Clear Landslide in Medium Rock Material	m ³	208.4	482,669.7	-	482,669.7	100,578,712.6 2
V1 d	Clear Landslide in Hard Rock Material	m ³	212.9	97,046.47	-	97,046.47	20,660,222.83
V2	Excavate Surplus Soft Rock Material	m ³	318.00	146,659.9	-	146,659.9	46,637,848.2
V3	Pouring Concrete Class A3 at the Devellian Bridge	m ³	8,333.0	15.99	-	15.99	133,269.67
V4	Diameter 100mm PVC pipe for retaining/breast wall	M	130.0	20,470.93	-	20,470.93	2,661,220.24
V4a	Diameter 100mm PVC pipe for retaining/breast wall	m	286.0	508.73	-	508.73	145,497.35
V5	Stone Masonry Random Dry For check walls	m ³	1,060.0	16,991.62	-	16,991.62	18,011,111.51
V6	Plum Concrete	m ³	6,964.0	21,717.34	-	21,717.34	151,239,583.2
V6a	Plum Concrete (De Valued Due to poor quality of Work) Rate is 70% Of Plumb Rate	m ³	4,874.8	5,284.42	-	5,284.42	25,760,472.09
V7	1500mm diameter cast-in-place concrete pile (class A3)	M	43,671.0	345.87	-	345.87	15,104,488.77
V8	1200mm diameter cast-in-place concrete pile (class A3)	M	33,374.0	372.47	-	372.47	12,430,813.78
V9	Anchor eye drill machine drilling hole and inject mortar	T	16,000.0	5.7	-	5.7	91,200
V10	MP Check Post at Km0+500	Sft	1,248.0	519.92	-	519.92	648,860.16
501d	RCC Pipe for Culvert(610mm Dia)	M	4,160.0	88	-	88	366,080
501g	Rcc Pipe for Culvert (1070mm Dia)	M	9,302.0	344.93	-	344.93	3,208,538.86
507a	Steel Wire Mesh for Gabions	Kg	157.0	132,449.75	-	132,449.75	20,794,611.34

507b	Rock Fill in Gabions	m ³	1,808.0	24,357.26	-	24,357.26	44,037,923.37
V11	Pile Load Tests to 2 times the design load (Test Load 365 ton)	Each	750,000.0	1	-	1	750,000
V12	Steel casing for pile	Ton	146,848.0	10.64	-	10.64	1,562,609.57
V13	Precast Pre stressed Concrete Girders (30 meters long)	No.	1,200,000.0	3	-	3	3,600,000
V14	Lifting of Left Abutment to create space so that debris can be cleared including all jacking efforts for Kahori bridge	Job	2,160,000.0	1	-	1	2,160,000
V15	Placing of Left Abutment back in position including development of proving ring & temporary anchors to hold the box in position for Kahori bridge	Job	2,880,000.0	1	-	1	2,880,000
V16	Provision of Steel Anchors in Box at both Abutment locations by coring through the box into the abutment & inclusive of Epoxy / Cementitious Grouts for Kahori bridge	No.	3,161,620.0	1	-	1	3,161,620
V17	External pre stressing of box section on including development of jacking anchorages, Pre stressing Steel, etc. for Kahori bridge	Job	2,596,685.0	1	-	1	2,596,685
V18	Repair to the concrete of box Girder for Kahori bridge	Job	647,325.0	1	-	1	647,325
V19	LS-O: Study, Development of Techniques and methodology bridge repair and rehabilitation and retrofitting work.	Job	500,000.0	1	-	1	500,000
	Retrofitting of Kahori Bridge	Job			-	-	-
V20	Concrete Class D-2	m ³	64,586.6	30.34	-	30.34	1,959,558.35
V20A	Concrete Class D-1	m ³	10,593.0	61.83	-	61.83	654,986.38
V21	Pre stressing Steel	Ton	386,979.6	1.17	-	1.17	452,766.13
V24	Steel Bridge at k1+400 Dhani Mai Sahiba and k9+000 Chalpani	Job	340,102,011	1	-	1	340,102,011
V25	De Launching & Launching of Compact Steel Bridge	Job	350,000.0	1	-	1	350,000
V26	Patikka Lift	Job	1,132,585.0	1	-	1	1,132,585
V27	KundalShahi Bridge Claim	Job	948,000.0	1	-	1	948,000
V28	Sand Filling in Bridges Foot path	m ³	88.0	16.87	-	16.87	1,484.91
	Adding Deduction of Flood Tax					-	-
	Earthen Diversion Channel	m ³	242.0	2,065.92	-	2,065.92	499,951.91
	Barbed Wire Fencing	RM	489.0	2,693	-	2,693	1,316,877
	Planting of forest plants procurement, transportation etc.	No.	39.0	429,638	-	429,638	16,755,882

Planting of ornamental plants including etc.	No.	153.0	-	-	-	-
Grass tufting and sowing including procurement, transportation etc.	Sqm	62.0	25,190.5	-	25,190.5	1,561,811
Walling and layering of vegetating material/ cutting including procurement, transportation etc.	RM	97.0	79,397.2	-	79,397.2	7,701,528.4
Seed sowing of grass, shrubs, trees, and seasonal plants including procurement etc.	Sqm	74.0	32,309.25	-	32,309.25	2,390,884.5
Total						1,124,949,222

Annexure-F

Item No.	Description	Unit	Rate	Qty	Amount
107a	Structural Excavation in common material	Cu.m	165	26,309.563	4,341,077.94
107e	Common Backfill	Cu.m	155	7,380.110	1,143,917.09
401b	Concrete Class "B"	Cu.m	6392	98.432	629,179.09
401f	Lean concrete (bill No.4 D)	Cu.m	5108	676.884	3,457,525.29
412a	Stone Masonry Dressed Coursed with Mortar	Cu.m	4316	7,171.623	30,952,723.53
V6	Plum Concrete	Cu.m	6964	8,309.016	57,863,985.95
Total					98,388,408.88

Annexure-G

S. No.	Name of item (Concrete Class B for – RDs --)	Length (m)	Width (m)	Height (m)	Quantity (m ³)
1	Drain and Shoulder Km0+000 to Km0+026	60.000	2.000	0.100	12.000
2	Drain and Shoulder Km0+026 to Km0+056	30.000	1.200	0.250	9.000
3	Drain and Shoulder Km0+056 to Km0+260	204.000	2.620	0.100	53.448
4	Drain and Shoulder Km0+260 to Km0+280	20.000	0.950	0.100	1.900
5	Shoulder from Km0+280 to Km0+440	160.000	3.090	0.100	49.440
6	Drain and Shoulder from Km0+440 to Km0+450	10.000	3.183	0.100	3.183
7	Drain and Shoulder from Km0+450 to Km0+519	79.000	2.233	0.100	17.641
8	Shoulder from Km0+519 to Km0+540	21.000	2.330	0.100	4.893
9	Shoulder from Km0+540 to Km0+580	40.000	3.230	0.100	12.920
10	Drain and Shoulder from Km 0+580 to Km 0+630	50.000	3.100	0.100	15.500
11	Drain and Shoulder from Km 0+640 to Km 0+650	10.000	3.530	0.100	3.530
12	Drain and Shoulder from Km 0+630 to Km 0+640	10.000	3.110	0.100	3.110
13	Drain and Shoulder from Km 0+650 to Km 0+655	5.000	3.000	0.100	1.500
14	Drain and Shoulder from Km 0+655 to Km 0+660	5.000	2.000	0.100	1.000
15	Drain from Km0+660 to Km0+700	40.000	0.950	0.100	3.800
16	Drain and Shoulder from Km 0+700 to Km 0+830	130.000	1.500	0.100	19.500
17	Drain and Shoulder from Km 0+830 to Km 1+090	248.000	1.560	0.100	38.688
18	Drain and Shoulder from Km 1+090 to Km 1+220	130.000	3.120	0.100	40.560
19	Drain and Shoulder from Km1+220 to Km1+247	27.000	2.000	0.100	5.400
20	Drain from Km1+247 to Km1+330	83.000	0.950	0.100	7.885
21	Drain and Shoulder from Km1+330 to Km1+400	70.000	2.000	0.100	14.000

22	Drain and Shoulder from Km1+500 to Km1+783	283.000	2.000	0.100	56.600
23	Drain from Km1+783 to Km1+808.7	25.700	0.500	0.100	1.285
24	Drain and Shoulder from Km1+808.7 to Km1+812	3.300	2.000	0.100	0.660
25	Drain from Km1+812 to Km1+832	20.000	0.650	0.600	7.800
26	Drain and Shoulder from Km1+832 to Km1+853	21.000	2.000	0.100	4.200
27	Drain from Km1+853 to Km1+874.3	21.300	0.500	0.100	1.065
28	Drain and Shoulder from Km1+874.3 to Km2+000	125.700	2.000	0.100	25.140
29	Drain and Shoulder from Km 2+000 to Km2+300	300.000	2.000	0.100	60.000
30	Drain and Shoulder from Km 2+300 to Km 2+436	136.000	4.190	0.100	56.984
31	Drain and Shoulder from Km 2+436 to Km2+660	224.000	2.000	0.100	44.800
32	Drain and Shoulder from Km 2+660 to Km 2+740	80.000	3.790	0.100	30.320
33	Drain and Shoulder from Km 2+740 to Km2+842	102.000	2.000	0.100	20.400
34	Drain and Shoulder from Km 2+842 to Km 3+200	358.000	4.380	0.100	156.804
35	Drain and Shoulder from Km 3+200 to Km 3+350	150.000	3.660	0.100	54.900
36	Drain and Shoulder from Km 3+350 to Km4+000	650.000	2.000	0.100	130.000
37	Drain and Shoulder from Km 4+000 to Km4+200	200.000	2.000	0.100	40.000
38	Drain and Shoulder from Km 4+460 to Km4+660	200.000	2.000	0.100	40.000
39	Drain and Shoulder from Km 4+720 to Km4+800	80.000	2.000	0.100	16.000
40	Drain and Shoulder from Km 5+000 to Km5+810	810.000	2.000	0.100	162.000
41	Drain from Km5+810 to Km5+886	76.000	0.500	0.100	3.800
42	Drain and Shoulder from Km 5+886 to Km5+960	74.000	2.000	0.100	14.800
43	Drain from Km5+960 to Km6+072	112.000	0.500	0.100	5.600
44	Drain and Shoulder from Km 6+072 to Km6+200	127.000	2.000	0.100	25.400
45	Drain from Km6+200 to Km6+360	160.000	0.500	0.100	8.000
46	Drain and Shoulder from Km 6+360 to Km6+378	18.000	2.000	0.100	3.600
47	Drain from Km6+378 to Km6+470	92.000	0.500	0.100	4.600
48	Drain and Shoulder from Km 6+470 to Km6+840	370.000	2.000	0.100	74.000
49	Drain and Shoulder from Km 6+960 to Km7+365	405.000	2.000	0.100	81.000
50	Drain from Km7+365 to Km7+400	35.000	0.500	0.100	1.750
51	Drain from Km7+400 to Km+490	90.000	0.950	0.100	8.550
52	Drain and Shoulder from Km 7+490 to Km7+500	10.000	2.000	0.100	2.000
53	Drain from Km7+500 to Km7+540	40.000	0.950	0.100	3.800
54	Drain and Shoulder from Km 7+540 to Km7+565	25.000	2.000	0.100	5.000
55	Drain from Km7+565 to Km7+680	115.000	0.500	0.100	5.750
56	Drain and Shoulder from Km 7+680 to Km7+740	60.000	2.000	0.100	12.000
57	Drain from Km7+740 to Km7+780	40.000	0.500	0.100	2.000
58	Drain and Shoulder from Km 7+780 to Km8+100	320.000	2.000	0.100	64.000
59	Drain and Shoulder from Km 8+120 to Km8+223	13.000	2.000	0.100	2.600
60	Drain from Km8+223 to Km8+273	50.000	0.950	0.100	4.750
61	Drain and Shoulder from Km 8+273 to Km8+920	647.000	2.000	0.100	129.400
62	Drain and Shoulder from Km 9+020 to Km10+000	980.000	2.000	0.100	196.000
63	Drain and Shoulder from Km 10+000 to Km11+000	1000.000	2.000	0.100	200.000
64	Drain and Shoulder from Km 11+000 to Km11+110	110.000	2.000	0.100	22.000
65	Drain and Shoulder from Km 11+110 to Km 11+149	39.000	1.000	0.100	3.900
66	Drain and Shoulder from Km 11+119 to Km11+320	201.000	2.000	0.100	40.200
67	Drain and Shoulder from Km 11+320 to Km 11+467	147.000	2.000	0.100	29.400

68	Drain and Shoulder from Km 11+467 to Km11+520	53.000	2.000	0.100	10.600
69	Drain and Shoulder from Km 11+520 to Km 11+588	68.000	2.000	0.100	13.600
70	Drain and Shoulder from Km 11+588 to Km11+681	93.000	2.000	0.100	18.600
71	Drain from Km 11+681 to Km 11+709	28.700	1.400	0.100	4.018
72	Drain from Km 11+709 to Km 11+774	65.000	1.000	0.100	6.500
73	Drain and Shoulder from Km 11+774 to Km 11+782	8.000	2.000	0.100	1.600
74	Drain from Km 11+782 to Km 11+835	53.000	1.000	0.100	5.300
75	Drain and Shoulder from Km 11+835 to Km 11+939	104.000	2.000	0.100	20.800
76	Drain and Shoulder from Km 11+939 to Km 12+000	61.000	2.000	0.100	12.200
77	Drain from Km 12+060 to Km 12+270	210.000	0.850	0.100	17.850
78		210.000	0.100	0.300	6.300
79	Drain from Km 12+270 to Km 12+323	53.000	0.950	0.100	5.035
80	Drain from Km 12+323 to Km 12+538	215.000	0.850	0.100	18.275
81		215.000	0.100	0.300	6.450
82	Drain from Km 12+538 to Km 12+563	25.000	0.950	0.100	2.375
83	Drain and Shoulder from Km 12+563 to Km 12+577	14.000	2.000	0.100	2.800
84	Drain from Km 12+577 to Km 12+580	3.000	0.850	0.100	0.255
85	Drain from Km 12+580 to Km 12+620	40.000	0.850	0.100	3.400
86		40.000	0.100	0.300	1.200
87	Drain from Km 12+620 to Km 12+660	40.000	0.950	0.100	3.800
88	Drain from Km 12+660 to Km 12+784	24.000	0.950	0.100	2.280
89	Drain from Km 12+787 to Km 12+820	33.000	0.850	0.100	2.805
90		33.000	0.100	0.300	0.990
91	Drain from Km 12+820 to Km 12+855	35.000	0.950	0.100	3.325
93	Drain from Km 12+885 to Km 12+951	66.000	0.950	0.100	6.270
94	Drain from Km 12+951 to Km 12+980	29.000	0.850	0.100	2.465
95		29.000	0.100	0.300	0.870
96	Drain from Km 12+980 to Km 13+063	83.000	0.950	0.100	7.885
97	Drain from Km 13+063 to Km 13+080	17.000	0.950	0.100	1.615
98	Drain from Km 13+080 to Km 13+145	65.000	0.850	0.100	5.525
99		65.000	0.100	0.300	1.950
100	Drain from Km 13+120 to Km 13+420	300.000	0.300	0.300	27.000
92	Drain and Shoulder from Km 12+855 to Km12+885	30.000	2.000	0.100	6.000
101	Drain and Shoulder from Km 13+420 to Km13+960	540.000	2.000	0.100	108.000
102	Drain and Shoulder from Km 13+936 to Km 13+986	50.000	2.000	0.100	10.000
103	Drain from Km 13+981 to Km 14+026	45.000	1.000	0.100	4.500
104	Drain and Shoulder from Km 14+028 to Km 14+175	147.000	1.000	0.100	14.700
105	Drain and Shoulder from Km 14+175 to Km 14+200	25.000	1.000	0.100	2.500
106	Drain and Shoulder from Km 14+200 to Km14+290	90.000	2.000	0.100	18.000
107	Drain and Shoulder from Km 14+290 to Km 14+345	55.000	1.000	0.100	5.500
108	Drain and Shoulder from Km 14+345 to Km14+660	315.000	2.000	0.100	63.000
109	Drain and Shoulder from Km 14+660 to Km 14+860	200.000	2.000	0.100	40.000
110	Drain and Shoulder from Km 14+860 to Km14+996	136.000	2.000	0.100	27.200
111	Drain and Shoulder from Km 14+996 to Km 15+040	44.000	1.000	0.100	4.400
112	Drain and Shoulder from Km 15+040 to Km 15+107	67.000	1.000	0.100	6.700
113	Drain and Shoulder from Km 15+107 to Km 15+320	213.000	2.000	0.100	42.600

114	Drain and Shoulder from Km 15+320 to Km15+500	180.000	2.000	0.100	36.000
115	Drain and Shoulder from Km 15+500 to Km 15+540	40.000	2.000	0.100	8.000
116	Drain and Shoulder from Km 15+540 to Km16+000	460.000	2.000	0.100	92.000
117	Drain and Shoulder from Km 16+000 to Km17+000	1000.000	2.000	0.100	200.000
118	Drain and Shoulder from Km 17+000 to Km17+320	320.000	2.000	0.100	64.000
119	Drain and Shoulder from Km 17+380 to Km18+000	620.000	2.000	0.100	124.000
120	Drain and Shoulder from Km 18+000 to Km19+000	1000.000	2.000	0.100	200.000
121	Drain & Shoulder from Km 19+000 to Km 20+000	1000.000	2.000	0.100	200.000
122	Drain &Shoulder from Km 20+000 to Km 20+540	540.000	2.000	0.100	108.000
123	Drain & Shoulder from Km 20+600 to Km 21+000	400.000	2.000	0.100	80.000
124	Drain & Shoulder from Km 21+000 to Km 21+660	660.000	2.000	0.100	132.000
125	Drain & Shoulder from Km 21+690 to Km 22+000	310.000	2.000	0.100	62.000
126	Drain & Shoulder from Km 22+000 to Km 23+000	1000.000	2.000	0.100	200.000
127	Drain & Shoulder from Km 23+000 to Km 23+100	100.000	2.000	0.100	20.000
128	Drain & Shoulder from Km 23+900 to Km 24+000	100.000	2.000	0.100	20.000
129	Drain & Shoulder from Km 24+000 to Km 24+500	500.000	2.000	0.100	100.000
130	Drain & Shoulder from Km 24+600 to Km 25+070	470.000	2.000	0.100	94.000
131	Drain & Shoulder from Km 25+070 to Km 25+365	295.000	2.000	0.100	59.000
132	Drain & Shoulder from Km 25+365 to Km 25+380	15.000	3.300	0.100	4.950
133	Drain & Shoulder from Km 25+380 to Km 25+440	60.000	1.500	0.100	9.000
134	Drain & Shoulder from Km 25+440 to Km 25+480	40.000	2.100	0.100	8.400
135	Drain & Shoulder from Km 25+480 to Km 25+580	100.000	1.850	0.100	18.500
136	Drain & Shoulder from Km 25+580 to Km 25+600	20.000	1.950	0.100	3.900
137	Drain & Shoulder from Km 25+600 to Km 25+660	60.000	1.870	0.100	11.220
138	Drain & Shoulder from Km 25+660 to Km 25+700	40.000	2.025	0.100	8.100
139	Drain & Shoulder from Km 25+700 to Km 25+750	50.000	2.200	0.100	11.000
140	Drain & Shoulder from Km 25+750 to Km 25+790	40.000	1.800	0.100	7.200
141	Drain & Shoulder from Km 25+790 to Km 25+880	90.000	1.900	0.100	17.100
142	Drain & Shoulder from Km 25+880 to Km 25+929	49.000	1.525	0.100	7.473
143	Drain & Shoulder from Km 25+920 to Km 26+137	217.000	2.000	0.100	43.400
144	Drain & Shoulder from Km 26+137 to Km 26+186	49.000	1.533	0.100	7.512
145	Drain & Shoulder from Km 26+186 to Km 26+280	94.000	2.000	0.100	18.800
146	Drain & Shoulder from Km 26+280 to Km 26+320	40.000	2.100	0.100	8.400
147	Drain & Shoulder from Km 26+320 to Km 26+360	40.000	3.000	0.100	12.000
148	Drain & Shoulder from Km 26+360 to Km 26+380	20.000	1.900	0.100	3.800
149	Drain & Shoulder from Km 26+380 to Km 26+400	20.000	2.000	0.100	4.000
150	Drain & Shoulder from Km 26+400 to Km 26+420	20.000	2.550	0.100	5.100
151	Drain & Shoulder from Km 26+420 to Km 26+455	35.000	2.100	0.100	7.350
152	Drain & Shoulder from Km 26+455 to Km 26+529	74.000	2.000	0.100	14.800
153	Drain & Shoulder from Km 26+529 to Km 26+580	51.000	2.450	0.100	12.495
154	Drain & Shoulder from Km 26+580 to Km 26+640	60.000	2.000	0.100	12.000
155	Drain &Shoulder from Km 26+640 to Km 27+000	360.000	2.000	0.100	72.000
156	Drain & Shoulder from Km 27+000 to Km 28+000	1000.000	2.000	0.100	200.000
157	Drain & Shoulder from Km 28+000 to Km 29+000	1000.000	2.000	0.100	200.000
158	Drain & Shoulder from Km 29+000 to Km 30+000	1000.000	2.000	0.100	200.000
159	Drain & Shoulder from Km 30+000 to Km 31+000	1000.000	2.000	0.100	200.000

160	Drain & Shoulder from Km 31+000 to Km 32+000	1000.000	2.000	0.100	200.000
161	Drain & Shoulder from Km 32+000 to Km 33+000	1000.000	2.000	0.100	200.000
162	Drain & Shoulder from Km 33+000 to Km 34+000	1000.000	2.000	0.100	200.000
163	Drain & Shoulder from Km 34+000 to Km 34+630	630.000	2.000	0.100	126.000
164	Drain & Shoulder from Km 34+650 to Km 35+000	350.000	2.000	0.100	70.000
165	Drain & Shoulder from Km 35+000 to Km 36+000	350.000	2.000	0.100	70.000
166	Shoulder from Km 55+000 to Km 56+700	1700.000	2.000	0.100	340.000
				Total	6,892.293

Annexure-H

Chainage	Length	Item Name: Sub Base Course				Item Name: Aggregate Base Course					
		Width	Average width	Average thickness	Quantity (m ³)	Width	Average width	Average thickness	Quantity (m ³)		
66+300	20	5.59	6.84	0.10	13.68	5.50	6.75	0.30	40.50		
66+320	20	5.69	5.64	0.10	11.28	5.60	5.55	0.30	33.30		
66+340	20	7.09	6.39	0.10	12.78	7.00	6.30	0.30	37.80		
66+360	20	6.29	6.69	0.10	13.38	6.20	6.60	0.30	39.60		
66+380	20	6.29	6.29	0.10	12.58	6.20	6.20	0.30	37.20		
66+400	20	6.59	6.44	0.10	12.88	6.50	6.35	0.30	38.10		
66+420	20	7.49	7.04	0.10	14.08	7.40	6.95	0.30	41.70		
66+440	20	7.09	7.29	0.10	14.58	7.00	7.20	0.30	43.20		
66+460	20	7.49	7.29	0.10	14.58	7.40	7.20	0.30	43.20		
66+480	20	7.09	7.29	0.10	14.58	7.00	7.20	0.30	43.20		
66+500	20	7.09	7.09	0.10	14.18	7.00	7.00	0.30	42.00		
66+520	20	7.49	7.29	0.10	14.58	7.40	7.20	0.30	43.20		
66+540	20	7.59	7.54	0.10	15.08	7.50	7.45	0.30	44.70		
66+560	20	7.59	7.59	0.10	15.18	7.50	7.50	0.30	45.00		
66+580	20	7.49	7.54	0.10	15.08	7.40	7.45	0.30	44.70		
66+600	20	7.69	7.59	0.10	15.18	7.60	7.50	0.30	45.00		
66+620	20	7.49	7.59	0.10	15.18	7.40	7.50	0.30	45.00		
66+640	20	7.09	7.29	0.10	14.58	7.00	7.20	0.30	43.20		
66+660	20	7.49	7.29	0.10	14.58	7.40	7.20	0.30	43.20		
Total					268.02	Total					793.8

Chainage	Length	Item Name: Asphaltic Concrete for Wearing Course				Item Name: Bituminous Prime Coat		
		Asphalt width	Average width	Average thickness	Quantity (m ³)	Width	Avg. width	Quantity (m ²)
66+120	10	5.50	5.50	0.05	2.75	5.90	5.90	59.00
66+140	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
66+160	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
66+180	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
66+200	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
66+220	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
66+240	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
66+260	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00

66+280	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
66+300	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
66+320	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
66+340	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
66+360	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
66+380	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
66+400	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
66+420	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
66+440	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
66+460	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
66+480	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
66+500	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
66+520	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
66+540	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
66+560	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
66+580	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
66+600	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
66+620	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
66+640	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
66+660	20	5.50	5.50	0.05	5.50	5.90	5.90	118.00
Total					151.25	Total		3,245.00

Annexure-I

a. Calculation of Quantity of Bridge

S. No.	Location	Bridge length (M)	Approach Slab		Total length
			Abutment 1	Abutment 1	
1	Semari 1	90 (27.434)	3.125		30.555
2	Semari2	110(33.526)	5.76	5.975	45.26
3	Seri	90(27.43)	3.125	2.5	33.05
4	Rajwari 1	110(33.520)	4.7	4.71	42.93
5	Rajwari 2	130(39.62)	3	4.11	46.73
6	Barian	80(24.38)			24.38
7	Athmaqam Bazar	50(15.24)	4.71	4.925	24.87
8	KundalShahi	90(27.43)			27.43
9	Nosari	120			120
Total Length					395.205

b. Calculation of Total payment

Item No.	Description	Unit	Length of existing bridges (m)	Avg. width (m)	Thick ness	Qty.	Rate (Rs)	Amount (Rs)
201	Sub base course	Cu.m	395.205	7	0.125	345.8044	650	224,772.8
202	Aggregate base course	Cu.m	395.205	7	0.36	995.9166	915	911,263.7
302	Bituminous prime coat	SM	395.205	6.5	0	2,568.83	58	148,992.3
305 b	Asphaltic concrete for wearing course (class b)	Cu.m	395.205	6.5	0.05	128.4416	12,115	1,556,070.0

Total	2,841,098.8
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Annexure-J

S. No.	Description (Repair of damaged Retaining / Breast wall from km --)	Length (m)	Width		Height	Qty. (Cu.m)
			Top	Bottom		
1	Breast wall Km31+783~Km 31+790	7	0.55		1.033	3.977
2	Breast wall Km31+803~Km 31+805	2	0.525		0.75	0.788
3	Breast wall Km31+810~Km 31+819	8.1	0.575		0.85	3.959
4	Breast wall Km31+835.5~Km 31+853	17.3	0.6		1.43	14.843
5	Breast wall Km31+866.5~Km 31+870	0.5	0.625		1	0.313
6	Breast wall Km31+965~Km 32+036	3.5	0.45		0.225	0.354
7		15.5	0.6		1.4	13.020
8		4.9	0.475		0.45	1.047
9		4.7	0.5		0.7	1.645
10		14	0.525		1	7.350
11	Breast wall Km25+100~Km 25+140	5	0.45	1	2.1	7.613
12	Breast wall Km25+180~Km 25+240	1	0.45	0.53	0.3	0.147
13	Breast wall Km26+275~Km 26+480	6.5	0.45	0.581	0.5	1.675
14		7.5	0.45	1	2.1	11.419
15		21	0.45	1	2.1	31.973
16		5	0.45	0.7	1	2.875
17	Breast wall Km26+970~Km 27+005	11	0.45	1	1.9	15.153
18	Breast wall Km27+028~Km 27+056	28	0.45	1	2.1	42.630
19	Breast wall Km28+420~Km 28+437	1.8	0.45	0.843	1.5	1.746
20	Breast wall Km28+803~Km 28+858	19	0.45	0.7	1.6	17.480
21	Breast wall Km28+920~Km 29+000	5	0.45	0.5	0.2	0.475
22		2.5	0.45	0.5	0.2	0.238
23		3.5	0.45	0.581	0.5	0.902
24		4.3	0.45	0.69	0.9	2.210
25		0.9	0.45	0.712	1	0.530
26		1.5	0.45	0.633	0.7	0.569
27		5	0.45	0.581	0.5	1.290
28	Breast wall Km29+120~Km 29+173	1	0.45	1	1	0.725
29	Breast wall Km29+350~Km 29+466	1	0.45	0.66	0.8	0.444
30		3.4	0.45	0.66	0.8	1.887
31		0.7	0.45	0.61	0.6	0.230
32		2.5	0.45	0.843	1.5	2.424
33		7.3	0.45	0.843	1.5	7.079
34		5	0.45	0.843	1.5	4.849
35	Breast wall Km29+500~Km 29+653	4	0.45	0.686	0.9	2.045
36		1.1	0.45	0.738	1.1	0.719
37		1.9	0.45	0.607	0.6	0.602
38		1.8	0.45	0.843	1.5	1.746
39	Breast wall Km30+070~Km 30+110	0.7	0.45	0.77	1.2	0.512
40		1.5	0.45	0.634	0.7	0.569

41	Breast wall Km30+130~Km 30+184	0.6	0.45	0.581	0.5	0.155
42		2.9	0.45	0.607	0.6	0.920
43	Breast wall Km30+740~Km 30+880	8.4	0.45	1	2.1	12.789
44		5.4	0.45	0.516	0.25	0.652
45	Breast wall Km31+960~Km 32+075	1	0.45	1	2.1	1.523
46	Breast wall Km33+190~Km 33+300	2	0.45	0.76	1.2	1.452
47		8	0.45	0.76	1.2	5.808
48		0.7	0.45	0.581	0.5	0.180
49		0.2	0.45	0.05	0.2	0.010
50		1.1	0.45	0.61	0.25	0.146
51		1.6	0.45	0.52	0.25	0.194
52		2.6	0.45	0.82	1.4	2.311
53	Breast wall Km68+755~Km 68+780	7.6	0.54		1.1	4.514
54		11.5	0.6		1.7	11.730
55	Retaining wall Km9+420~Km 9+424	4	0.45		1.8	3.240
56	Retaining wall Km9+440~Km 9+444	4	0.45		0.7	1.260
57	Retaining wall Km41+454~Km 41+474	13.5	0.45		0.05	0.304
58	Retaining wall Km25+976~Km25+991.5	5.7	0.450	0.690	0.900	2.924
59	Retaining wall Km25+991.5~Km26+126.5	8	0.450	0.700	1.300	5.980
60	Retaining wall from Km28+595~Km28+615	1	0.450	0.581	0.500	0.258
61	Retaining wall from Km29+565~Km29+585	1.5	0.450	0.581	0.500	0.387
62	Retaining wall Km29+610~Km29+634.4	1	0.450	0.581	0.500	0.258
63	Retaining wall Km29+780~Km29+793	10	1.000	1.262	0.800	9.048
64	Retaining wall Km29+812.5~Km29+930	3.2	0.450	0.740	1.100	2.100
65		1.9	0.450	0.560	0.400	0.400
66		5	0.450	0.843	1.500	4.850
67	Retaining wall Km30+614~Km30+625	11	0.45	1.50	1.50	16.088
68	Retaining wall Km33+043~Km33+063	5	0.45	0.70	1.00	2.875
69	Retaining wall Km33+134~Km33+174	1	0.45	0.66	0.80	0.444
70	Retaining wall Km38+552~Km38+563	10.8	0.60		1.73	11.178
Total						314.026

Annexure-K

Chainage	Length	Asphalt Width	Avg. Width	Avg. thickness paid	Qty (m ³)	Avg. thickness to be paid	Qty to be paid	Excess Qty paid
57+860	20	5.50	5.5	0.06	6.6	0.05	5.50	1.10
57+880	20	5.50	5.5	0.06	6.6	0.05	5.50	1.10
57+900	20	5.50	5.5	0.06	6.6	0.05	5.50	1.10
57+920	20	5.50	5.5	0.06	6.6	0.05	5.50	1.10
57+940	20	5.50	5.5	0.06	6.6	0.05	5.50	1.10
57+960	20	5.50	5.5	0.06	6.6	0.05	5.50	1.10
57+980	20	5.50	5.5	0.06	6.6	0.05	5.50	1.10
58+000	20	5.50	5.5	0.06	6.6	0.05	5.50	1.10
58+040	20	5.40	5.30	0.06	6.36	0.05	5.30	1.06
58+060	20	6.00	5.70	0.06	6.84	0.05	5.70	1.14

58+080	20	5.00	5.50	0.06	6.60	0.05	5.50	1.10
58+100	20	5.90	5.45	0.06	6.54	0.05	5.45	1.09
58+120	20	5.40	5.65	0.06	6.78	0.05	5.65	1.13
58+140	20	5.90	5.65	0.06	6.78	0.05	5.65	1.13
58+160	20	5.30	5.60	0.06	6.72	0.05	5.60	1.12
58+180	20	5.00	5.15	0.06	6.18	0.05	5.15	1.03
58+200	20	5.00	5.00	0.06	6.00	0.05	5.00	1.00
58+220	20	5.00	5.00	0.06	6.00	0.05	5.00	1.00
58+240	20	5.30	5.15	0.06	6.18	0.05	5.15	1.03
58+260	20	5.80	5.55	0.06	6.66	0.05	5.55	1.11
58+280	20	6.20	6.00	0.06	7.20	0.05	6.00	1.20
58+300	20	6.10	6.15	0.06	7.38	0.05	6.15	1.23
58+320	20	5.60	5.85	0.06	7.02	0.05	5.85	1.17
58+340	20	6.50	6.05	0.06	7.26	0.05	6.05	1.21
58+360	20	6.40	6.45	0.06	7.74	0.05	6.45	1.29
58+380	20	6.40	6.40	0.06	7.68	0.05	6.40	1.28
58+400	20	5.50	5.95	0.06	7.14	0.05	5.95	1.19
58+420	20	5.70	5.60	0.06	6.72	0.05	5.60	1.12
58+440	20	6.00	5.85	0.06	7.02	0.05	5.85	1.17
58+460	20	6.10	6.05	0.06	7.26	0.05	6.05	1.21
58+480	20	5.00	5.55	0.06	6.66	0.05	5.55	1.11
58+500	20	3.65	4.33	0.06	5.19	0.05	4.33	0.86
66+000	20	5.30	5.25	0.06	6.30	0.05	5.25	1.05
66+020	20	5.50	5.40	0.06	6.48	0.05	5.40	1.08
66+040	20	5.50	5.50	0.06	6.60	0.05	5.50	1.10
66+060	20	5.50	5.50	0.06	6.60	0.05	5.50	1.10
66+080	20	5.50	5.50	0.06	6.60	0.05	5.50	1.10
66+100	20	5.50	5.50	0.06	6.60	0.05	5.50	1.10
66+120	20	5.50	5.50	0.06	6.60	0.05	5.50	1.10
66+140	20	5.50	5.50	0.06	6.60	0.05	5.50	1.10
66+160	20	5.50	5.50	0.06	6.60	0.05	5.50	1.10
66+180	20	5.50	5.50	0.06	6.60	0.05	5.50	1.10
66+200	20	5.50	5.50	0.06	6.60	0.05	5.50	1.10
66+220	20	5.50	5.50	0.06	6.60	0.05	5.50	1.10
66+240	20	5.50	5.50	0.06	6.60	0.05	5.50	1.10
66+260	20	5.50	5.50	0.06	6.60	0.05	5.50	1.10
66+280	20	5.50	5.50	0.06	6.60	0.05	5.50	1.10
66+300	20	6.00	5.75	0.06	6.90	0.05	5.75	1.15
66+320	20	6.00	6.00	0.06	7.20	0.05	6.00	1.20
66+340	20	6.00	6.00	0.06	7.20	0.05	6.00	1.20
66+360	20	6.00	6.00	0.06	7.20	0.05	6.00	1.20
66+380	20	6.00	6.00	0.06	7.20	0.05	6.00	1.20
66+400	20	6.00	6.00	0.06	7.20	0.05	6.00	1.20
66+420	20	6.00	6.00	0.06	7.20	0.05	6.00	1.20
66+440	20	6.00	6.00	0.06	7.20	0.05	6.00	1.20
66+460	20	6.00	6.00	0.06	7.20	0.05	6.00	1.20

66+480	20	6.00	6.00	0.06	7.20	0.05	6.00	1.20
66+500	20	6.00	6.00	0.06	7.20	0.05	6.00	1.20
66+520	20	6.00	6.00	0.06	7.20	0.05	6.00	1.20
66+540	20	6.00	6.00	0.06	7.20	0.05	6.00	1.20
66+560	20	6.00	6.00	0.06	7.20	0.05	6.00	1.20
66+580	20	6.00	6.00	0.06	7.20	0.05	6.00	1.20
66+600	20	6.00	6.00	0.06	7.20	0.05	6.00	1.20
66+620	20	6.00	6.00	0.06	7.20	0.05	6.00	1.20
66+640	20	6.00	6.00	0.06	7.20	0.05	6.00	1.20
66+660	20	6.00	6.00	0.06	7.20	0.05	6.00	1.20
75+320	20	5.14	5.32	0.06	6.38	0.05	5.32	1.06
75+340	20	5.45	5.30	0.06	6.35	0.05	5.30	1.06
75+360	20	6.12	5.78	0.06	6.94	0.05	5.78	1.16
75+380	20	5.84	5.98	0.06	7.17	0.05	5.98	1.20
75+400	20	5.65	5.74	0.06	6.89	0.05	5.74	1.15
75+420	20	6.50	6.08	0.06	7.29	0.05	6.08	1.22
75+440	20	7.42	6.96	0.06	8.35	0.05	6.96	1.39
75+460	20	10.98	9.20	0.06	11.04	0.05	9.20	1.84
75+480	20	11.48	11.23	0.06	13.48	0.05	11.23	2.25
75+500	20	10.98	11.23	0.06	13.48	0.05	11.23	2.25
75+520	20	10.69	10.83	0.06	13.00	0.05	10.83	2.17
75+540	20	7.86	9.27	0.06	11.13	0.05	9.27	1.85
75+580	20	5.50	5.50	0.06	6.60	0.05	5.50	1.10
Total								94.65

Annexure-L

Chainage	Length (m)	Pay item No. 201: Sub Base Course			Pay item No. 202: Aggregate Base Course		
		Average Width	Average Thickness	Quantity (m ³)	Average Width	Average Thickness	Quantity (m ³)
Km 36+700 to 740	40	0	0	0	7.3	0.36	105.120
Km 36+890 to 900	10	0	0	0	7.3	0.36	26.280
Km 50+715 to 725	10	7.19	0.10	7.190	7.30	0.3	21.900
Km 53+016 to 026	10	6.74	0.10	6.740	6.65	0.3	19.950
Km 61+640 to 650	10	8.74	0.10	8.740	8.65	0.3	25.950
Km 61+850 to 860	10	7.54	0.10	7.540	7.45	0.3	22.350
Km 61+973 to 978	5	6.369	0.10	3.185	6.30	0.3	9.450
Km 62+650 to 665	15	7.69	0.10	11.535	7.60	0.3	34.200
Km 62+580 to 590	10	7.54	0.10	7.540	7.85	0.3	23.550
Km 63+380 to 390	10	7.24	0.10	7.240	7.15	0.3	21.450
Km 66+930 to 955	25	7.69	0.10	19.225	7.6	0.30	57.000
Km 67+470 to 485	15	7.69	0.10	11.535	7.6	0.30	34.200
Km 68+395 to 405	10	7.69	0.10	7.690	7.6	0.30	22.800
Total				98.16	--	--	424.2

Chainage	Length (m)	Pay item No. 302: Bituminous Prime Coat		Pay item No. 305b: Asphaltic Concrete for Wearing Course		
		Average Width	Quantity (m3)	Average Width	Average Thickness	Quantity (m3)
Km 36+700 to 740	40	5.9	236.000	5.5	0.05	11.000
Km 36+890 to 900	10	5.9	59.000	5.5	0.05	2.750
Km 50+715 to 725	10	5.90	59.000	5.65	0.05	2.825
Km 53+016 to 026	10	5.93	59.300	5.53	0.05	2.765
Km 61+640 to 650	10	6.55	65.500	6.15	0.05	3.075
Km 61+850 to 860	10	6.55	65.500	6.15	0.05	3.075
Km 61+973 to 978	5	5.50	27.500	5.1	0.05	1.275
Km 62+650 to 665	15	5.35	80.250	4.95	0.05	3.713
Km 62+580 to 590	10	6.18	61.800	5.78	0.05	2.890
Km 63+380 to 390	10	5.58	55.800	5.18	0.05	2.590
Km 66+930 to 955	25	5.9	147.500	5.5	0.05	6.875
Km 67+470 to 485	15	5.9	88.500	5.5	0.05	4.125
Km 68+395 to 405	10	5.9	59.000	5.5	0.05	2.750
		Total	1,064.650	Total		49.708

Annexure-M

Following record was not produced by EEAP AJK:

- i. Damage Assessment Survey Reports
- ii. EEAP Working Plan (year wise)
- iii. ADB Ad memoirs (Complete of 06 visits)
- iv. Recommendations / proposals by the concerned department for construction of damage facilities through EEAP
- v. Feasibility Report for each facility (PC-II)
- vi. Special aspects of emergency included in the project for early completion
- vii. Area wise suitable season for constructions
- viii. Contractors bill submission and payment date/ time sheet (selected contracts)
- ix. Schedule of work plan
- x. Average Rain fall report before award of contract
- xi. Original Bidding Documents (selected contracts)
- xii. Register of Contracts
- xiii. As Built Drawings (Health)
- xiv. Environmental safeguard strategy
- xv. Consultancy Agreement (GTZ, Ace Art, Halcrow)
- xvi. Consultant invoices
- xvii. Detail of extension and its basis

- xviii. Detail of L.D charges imposed
- xix. Cash Books
- xx. Register of Assets
- xxi. Physical verification of assets and its current status
- xxii. Register of Advances
- xxiii. M.Bs
- xxiv. All Type Insurance Covers.
- xxv. Work site order book
- xxvi. Substantial Completion Certificate/Punch list
- xxvii. Defect Liability Certificate (if issued)
- xxviii. Handing / taking over of Project Assets
- xxix. PC-IV of Projects
- xxx. PEC grading of Consultants and Contractors at the time of award of contract
- xxxi. Final Expenditure statements (Capacity Building, Civil Work sector wise and source wise)
- xxxii. Bank Statement and reconciliation statements.

Annexure-N

Following record was not produced by EEAP (Edu.) Battagram, EEAP Transport Abbottabad & EEAP Transport Mansehra

- i. Notification for establishment of PMIU EEAP.
- ii. Planning documents of EEAP.
- iii. Damage assessment survey reports & ERRA Education strategy
- iv. Recommendation/ proposal by the departments for re-construction of schools through EEAP.
- v. ADB Survey and its strategy for selecting these schools under EEAP
- vi. ADB Loan/ Grant agreements, Inception report of ADB
- vii. Complete detail of mission visits and their reports
- viii. Feasibility report (PC-II)
- ix. Detailed engineer estimates
- x. Basic rates on which PC-Is were prepared
- xi. Basis of packaging
- xii. Performance guarantees (detailed/ statements)
- xiii. Variation orders
- xiv. Design provided by the consultant and approved by the department
- xv. As built drawings
- xvi. Special aspects of emergency included in the project for early completion

- xvii. Consultant hiring detail and their technical evaluation
- xviii. Area wise suitable season for construction
- xix. Assets purchased for consultant and their status
- xx. All progress reports
- xxi. Detail of advances, procurements, supply and store/ material
- xxii. Material at site/ store register
- xxiii. Priorities fixed for EEAP for reconstruction of facilities
- xxiv. Schedule of work plan by contractor
- xxv. Average rain fall reports before award of work, during execution / currency of contract
- xxvi. Detail of extensions and its basis.
- xxvii. Detail of L.D imposed and recovered
- xxviii. Physical verification of assets and current status
- xxix. All types of insurance covers
- xxx. Correspondence files
- xxxi. Substantial completion certificates, punch lists, handing/taking over certificates, defect liability certificate.
- xxxii. Internal Audit reports

Annexure-O

MFDAC

Sr. No.	OS No.	Name of Department	Subject
1	03	EEAP (Transport) Abbottabad	Delay in evaluation of financial bid and award of work resulted in increase of contract cost - Rs 63.00 million
2	03	EEAP (Education) Battagram	Signing of two contracts of consultancy with NESPAK for ERRRA activities
3	29	-do-	Use of substandard material in the construction of school buildings
4	05	EEAP AJK	Irregular award of contract to M/s Winthrop-Meridian JV - Rs 582.362 million
5	16	EEAP AJK	Irregular award of contract - Rs 484.28 million
6	28	EEAP AJK	Inadmissible Payment - Rs 277,440
7	57	EEAP AJK	Non rectification of defects at the cost of contractor
8	59	EEAP AJK	Physical verification of store/ stock items
9	61	EEAP AJK	Irregular award of contract-Rs 344.225 million
10	68	EEAP AJK	Short comings observed during site visit