

कार्यालय, रक्षा लेखा महानियंत्रक, उलान बटार मार्ग, पालम, दिल्ली छावनी-10
CONTROLLER GENERAL OF DEFENCE ACCOUNTS,
Ulan Batar Road, Palam, Delhi Cantt – 10

No. AN/XII/18009/Cir/2016-17

Dated: 24.06.2016


To

All PCsDA/CsDA/PCA of Fys/CIA

Subject: Guidelines regarding fixing responsibility for Cost and Time Overrun in the Projects/Schemes

A copy of NITI Aayog (Project Appraisal & Management Division) Office Memorandum No. O-14015/02/2015-PAMD dated 29.03.2016 together with its Appendix on the above mentioned subject for information and compliance. In this context, a copy of HQrs Office letter No. AN/XVIII/18001/1/Vol.III dated 18.04.1991 regarding monitoring system after accepting necessity for DAD projects is also forwarded for information and strict compliance of time schedule prescribed therein.

Encls: As above.


(Mustaq Ahmad)
Dy. CGDA (AN)
24/6

No. O-14015/02/2015-PAMD

भारत सरकार / Government of India

नीति आयोग / NITI Aayog

(Project Appraisal & Management Division)

संसद मार्ग, नई दिल्ली-110001

Dated 29th March, 2016

Office Memorandum

Subject: Guidelines regarding fixing responsibility for Cost and Time Overrun in the Projects/ Schemes.

In pursuance of decision of the CCEA meeting held on 25.6.1998 and as per directions of the CCEA, the Project Appraisal & Management Division of erstwhile Planning Commission had devised mechanism for fixing responsibility for Cost and Time Overrun in the projects /programmes and issued guidelines vide DO No. O-14-15/2/98-PAMD dated August 19, 1998 to Secretaries/Financial Advisers of all Departments/Ministries. In view of replacement of the Planning Commission by NITI Aayog with a changed mandate, it has been considered necessary to issue revised guidelines.

2. In supersession of earlier guidelines, the following mechanism for fixing responsibility of cost and time overrun has been devised:

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- Each Ministry/Department would set up a Standing Committee to be headed by Additional Secretary or Joint Secretary and with representatives from Department of Expenditure and Ministry of Statistics and Programme Implementation to examine cost and time overrun for fixing responsibility. The Administrative Ministry /Department would act as Secretariat and would be responsible for providing documents/ information as may be required by the Committee.
 - In case of PIB/EFC cases, Report of Standing Committee to fix the responsibility for cost and time overrun, duly signed by all members, along with action taken report on its recommendations would be appended with the RCE memo. Recommendations made by the Committee and action taken thereon by the concerned Ministry/ Department would be placed before the Cabinet/ CCEA.
 - In case of non-PIB/EFC cases in respect of projects costing above Rs. 1000 crore, the recommendations made by the Standing Committee and action taken thereon would be submitted by the Ministry/Department directly to the Cabinet/ CCEA.
 - The background note circulated for the Standing Committee should, inter-alia, include (i) a comprehensive and self-explanatory note on the reasons for cost and time overrun, (ii) a detailed chronology of events, starting from the date of approval, and (iii) the dully filed in check list (appended with guidelines).

3. The above mechanism for fixation of responsibility would be applicable to all revised cost estimate proposals being posed to the Cabinet/ CCEA (presently >Rs. 1000 crore).

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4. In cases where Administrative Ministries/Departments are competent to sanction increase in project cost within the delegated powers, it would be for them to fix the responsibility for cost and time overruns.

5. It is requested that Ministry/ Department may set up the Standing Committee as mentioned above and ensure that revised cost estimate proposals, which require fixing responsibility, are brought before the Standing Committee invariably.

6. This issues with approval of competent authority.

Praveen Mahto

(Praveen Mahto)
Adviser (PAMD)
Tel: 23096538

Encl.: As above

Secretaries/Financial Advisers
All Ministries / Departments

Copy to:

1. Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
2. Joint Secretary (PF-II) Department of Expenditure, North Block, New Delhi.
3. PS to VCH/ Member (BD)/ Member (VKS)/Member (RC)/ CEO, NITI Aayog

**CHECK LIST FOR DETERMINING THE RESPONSIBILITY
FOR TIME AND COST OVER-RUNS.**

(OM No.O-14015/02/2015-PAMD dt. 29th March, 2016)

A-ADMINISTRATIVE AND PROCEDURAL DELAYS

Failures	Agency/person responsible
Sanction letter > Delayed issue > Not defining PTC, cost, accountability etc. > Others (Specify)	> > >
Processing of RCE:- > Delay in submission > Delay in Pre-PIB meeting > Delay in circulation > Delay in appraisal > Delay in PIB/EFC meeting > Others (Specify)	> > > > > >

B - LAND ACQUISITION

Failures	Agency/person responsible
Assessment of requirement/suitability > Not assessed > Area of land not indicated > Site location not surveyed > Inspection/soil testing not done > Inspection/testing not professional > Others (Specify)	> > > > > >
Acquisition process: > Advance action not taken > Action taken not no possession > Possession not on time > Possessed but with encroachment > Forest land clearance not obtained > Rehabilitation of displaced not done > Others (Specify)	> > > > > > >

C - FUND CONSTRAINTS

Failures	Agency/person responsible
General > Requirement not properly assessed > Sanctioned without adequate funds > Late request for release > Delayed release of funds > Additional projects taken up affecting fund availability for this project > Other (Specify)	> > > > > >
Foreign loan/grant > Not tied up on time > Tied up but delay at DEA > Alternative funding not identified	> > >

➤ Others (Specify)	➤
Internal Resources	
➤ Inadequately assessed	➤
➤ New projects taken up affecting funding of the project	➤
➤ Others (Specify)	➤
Domestic borrowing	
➤ Over-estimation of ability to borrow	➤
➤ Advance action not taken	➤
➤ Others (Specify)	➤
Matching resources from States etc.	
➤ Due consent of contributors not obtained	➤
➤ Funds not released on time	➤
➤ Released but partly	➤
➤ Others (Specify)	➤

D - TECHNICAL/DESIGN PROBLEMS

Failures	Agency/person responsible
Faulty Technical Parameters	
➤ 1 st stage clearance required but not obtained	➤
➤ Poor quality of DFR	➤
➤ Short-listing of Consultants not done	➤
➤ Alternatives not adequately defined	➤
➤ Lay out Plans/designs not got approved from Competent authorities	➤
➤ Others (Specify)	➤
Change in Scope/Quantity/Technology	
➤ Inadequacy of investigations/surveys	➤
➤ Change in size/scale	➤
➤ Additions foreseeable but not foreseen	➤
➤ Additions not foreseeable (new regulations environmental etc.)	➤
➤ Under-estimation	➤
➤ Wrong choice of technology	➤
➤ Non identification of alternative technologies in advance	➤
➤ Non identification of suitable vendors	➤
➤ Others (Specify)	➤
State of preparedness of the PSU/Project Authority	
➤ Project team not appointed on time	➤
➤ Statutory clearance not obtained in advance	➤
➤ Lay-out plans/design not prepared on time	➤
➤ Basic engineering not done on time	➤
➤ Delay in technical clearance	➤
➤ Others (Specify)	➤

E - TENDERING/CONTRACTING

Failures	Agency/person responsible
Advance action	
➤ Size/specifications etc. not finalized	➤
➤ Contractors/suppliers not identified	➤

<ul style="list-style-type: none"> ➤ Contract terms not formulated properly ➤ Job packages unprofessionally made ➤ Others (Specify) 	<ul style="list-style-type: none"> ➤ ➤ ➤
Time schedule for tendering <ul style="list-style-type: none"> ➤ Not drawn up ➤ Delay: preparation of tender documents ➤ Delay in issuing tender notice ➤ Delay in opening and evaluation of tenders. ➤ Delay in awarding the contract ➤ Others (Specify) 	<ul style="list-style-type: none"> ➤ ➤ ➤ ➤ ➤ ➤
Ineffectiveness of contractual clauses: <ul style="list-style-type: none"> ➤ Liquidity Damages Clause not included ➤ Liquidity Damages Clause not invoked ➤ Liquidity Damage Clause not adequate ➤ Poor performance of the contractor ➤ Contractors' failure due to missing Linkages ➤ Others (Specify) 	<ul style="list-style-type: none"> ➤ ➤ ➤ ➤ ➤ ➤

F - IMPLEMENTATION PLAN AND MONITORING MECHANISM

Failures	Agency/person responsible
Commissioning Schedule: <ul style="list-style-type: none"> ➤ Commissioning schedule not realistic ➤ Sequencing and scheduling of activities not professional ➤ No Bar Chart/PERT diagram prepared ➤ Others (Specify) 	<ul style="list-style-type: none"> ➤ ➤ ➤ ➤
Implementation Plan: <ul style="list-style-type: none"> ➤ Key personnel not placed on time ➤ Delay in finalization of modalities for execution ➤ Linkages not properly assessed ➤ Risk/uncertainties not identified ➤ Others (Specify) 	<ul style="list-style-type: none"> ➤ ➤ ➤ ➤ ➤
Monitoring Mechanism at Project Level <ul style="list-style-type: none"> ➤ Nodal Officer (Chief Executive) for the project not designated ➤ Periodical review was not done ➤ Progress reviewed but no corrective Actions taken ➤ Others (Specify) 	<ul style="list-style-type: none"> ➤ ➤ ➤ ➤
Monitoring Mechanism at Ministry level <ul style="list-style-type: none"> ➤ Not set-up ➤ Progress not monitored periodically ➤ Progress reviewed but no action taken ➤ Problems not brought before EC/QPR ➤ Brought before EC/QPR but not resolved ➤ Others (Specify) 	<ul style="list-style-type: none"> ➤ ➤ ➤ ➤ ➤ ➤

CIRCULAR

NO: AN/XVIII/13001/1/Vol.III
Office of the CGDA
W.Block V, RK Puram
New Delhi 110066

DT: 10-4-91

To

The CsDA

Sub : Monitoring system after accepting necessity for DAD office/
residential projects.

It has been experienced that issue of sanctions for transfer of land, issue of admin approval for construction of office/residential buildings and execution of work are delayed at various stages resulting in not only belated completion of works but also in escalation of costs. It is, therefore, considered essential that each stage of the project is monitored adequately and properly with a view to ensure completion of such stages within the time bound programme. As we are dependant on MES for ~~preparation~~ preparation of estimates, technical evaluation and execution of the DAD projects and on the Army for transfer of land free of cost, we are required to persue the concerned authorities more vigorously at each and appropriate level to ensure completion of work within the time frame. Therefore, a tentative time schedule has been framed and is enclosed as Annexure 'A'. CsDA are requested to ensure that each stage of the project(s), as and when taken up in their organisation, is completed within the time frame as given therein.

Tarsem Lal
(TARSEM LAL)
DY.C.G.D.A (AN)

Q

ANNEXURE 'A'

Monitoring system after accepting the necessity of the project

1. Transfer of land 6 months from the receipt of proposal
2. Constitution of Recce-cum-Siting Board Within one month from issue of Govt. letter regarding transfer of land
3. Submission of the Board Proceedings. Within three months after constitution of the Board by the CGDA.
4. Acceptance of the Board by the CGDA after its receipt Within two weeks after receipt of Board Proceedings
5. Submission of the AEs duly prepared by the MES authorities. Within three months after acceptance of the Board Proceedings by the CGDA.
6. Processing the case with the Ministry for issue of Admin approval on receipt of the AEs Within six months after receipt of
7. Communicating admin approval Within one week after receipt of the case from Ministry
8. Issue of tenders by MES AA. Within three weeks after receipt of
9. Finalisation of contract Four months after issue of tenders
10. Re-tendering, if required, and finalisation of contract two months after issue of tenders and finalisation of contract It takes around 18 months to 24 months.
11. Execution of work Progress of work watched through the MER/MPR