

रक्षा लेखा प्रधान नियंत्रक (सीमा सडक) सीमा सडक भवन, रिंग रोड, नारायणा,
दिल्ली छावनी- 110010

The Principal Controller of Defence Accounts (Border Roads) Seema
Sadak Bhawan, Ring road, Naraina, Delhi Cantt. - 110010

No. Insp/BR/1638/SR/HQ19BRTF/2013-14

Dt.: 28.04.2014

To

All AO (P)/TFs

Sub: Important points of Super Review.

Copies of important points raised during Super Review of HQ 19 BRTF are forwarded herewith. Irregularities pointed out at item no 1-5, 8, 19, 21 & 22 are of serious nature and requires personal attention. Special emphasis should be paid at item no 3 of Super Review Report under which a contract for supply & stacking of stone chips have been concluded after completion of final surfacing work on the same job which is irregular. It is requested to ensure that such types of irregularities are not being practiced/noticed in your respective Projects/task forces, if so it should be bring in the notice of this office.

Nil report is also required.


(Sanjay Sandotra)

Accounts Officer (Insp.)

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SERIOUS IRREGULARITIES NOTICED DURING SUPER REVIEW OF HQr. 19 BRTE

Part II (B)

Item No 01: - Preparation of DPR for proposed Re-alignment of Road Damchu-Chukha between 82.40 Km to 131 Km on PT Road (Job No 607/419): Phuentosholing-Thimpu Road: Phase II

CE (P) Dantak has been entrusted with the responsibility for improvement of Road to double lane standards, for sub-sector Damchu-Chukha (re-alignment portion on Phuentosholing- ThimpuRoad) inside Royal Kingdom of Bhutan i.e. Thimpu.

- BRDB vide their letter No BRDB-4/612/DTK/2006/Wks dated 02nd Feb 2007, accorded Adm Approval for Rs 74.46 lakh, for Survey, Investigation & preparation of Project Report for improvement of stretch of Damchu-Chukha road to NH double lane.
- Based on Adm Approval, CE (P) Dantak invited technical & financial bids for prequalified consultants. CA was concluded with **M/s Holtec Consulting Pvt Ltd**, for Rs 73.00 lakh, vide CA No CE (P) DK/35 of 2007-08, which was subsequently amended to Rs 82.50 lakh, vide Amendment No 01 DATED 18/12/2008, **but no reasons in support of such amendment has been placed in the file.**
- As per Work order No 01, the period of completion of job was 90 days from the date of issue of work order, as per detail mentioned below: -

Date of commencement of work: - 01/03/2008

Date of completion of work: - 29/05/2008

However, the date of completion was further extended up to 15/08/08, vide DO no 02 dated 12/07/08, on the plea of the continuous rainfall and landslides. **The date of completion was further extended up to 31/10/2009 vide DO No 07 dated 25/08/2008, with the reasons that:**

- **Final DPR has been submitted to MEA & DGBR for approval which is still awaited.**

- **Documents for obtaining environmental clearance were submitted to NEC, which is still awaited.**

However, 60 RCC vide their letter No 878/DTK-35/2007-08/64/E8 dated 05/01/10 intimated that DPR had already been approved by MEA & NEC clearance from RGOB have been received.

- **Finally, the contractor was granted extension up to 31/03/2010.**
- Contractor M/s Holtec Consulting Pvt Ltd vide their letter dated 12/05/2010, intimated CE (P) Dantak to close the contract by deleting the provisions of item I of Schedule 'A' to the contract. However, HQ 19 BRTF refuted the proposal and directed contractor to either complete the work otherwise compensation would be claimed from the contractor. **Finally, the contract was cancelled by CE(P) Dantak vide letter dated 18/01/11 and it was communicated to the contractor that the balance work will be carried out through another contractor at the Risk & Cost of the earlier contractor.** BOO was convened to assess the completed work & incomplete work.

- **BOO assessed that balance work for Rs 10.50 lakh was to be executed at Risk & cost of M/s Holtec Pvt Ltd, which has not yet been executed.**
- **The percentage of work completed was 87.42%.**
- **During the intervening period, the RAR payments to the tune of Rs 61.67 lakh was made to the contractor & total booking in the job was effected Rs 73.00 lakh.**
- **In MER for the month of Feb 2014, the total booking has been shown as Rs 63.21 lakh, which needs reconciliation.**

Audit comments:

- a. As per Work order no 01, the PDC of the job was 90 days, whereas the contractor was given extension up to 31/03/2010, for one reason or another. This implies that un-due benefit was given to the contractor. The executives did not take

notice of the work performed by the contractor at the site and payment to the tune of Rs 61.67 lakh has been paid to the contractor, which is an infructuous expenditure and needs to be regularized under the powers of CFA.

- b. The contract has been cancelled on 18/1/2011, no contract has been executed till date for balance of the work, which is also a matter of concern as the defaulting contractor may get un due benefit of the circumstances. Moreover, the contractor is an unregistered contractor, as he was provisionally registered for the ibid job.
- c. Further amendment to the contract has been carried out and the value of the contract has been enhanced from Rs 73.00 lakh to 82.50 lakh, but the same has not been got concurred by the finance.
- d. As per clause 3.42.1 of contract deed, the contractor has to execute Performance Guarantee with 10% of the contract value i.e. Rs 8.25 lakh, in favour of CE (P) Dantak, which shall remain valid till the end of defect liability period. Further, as per clause 3.42.2 of contract deed, the Govt reserves right to recover all the compensation or other sums of money value payable by the contractor to the client from the said performance Guarantee. Further, it has been observed that the PBG amounting to Rs 7.50 lakh had already expired on March 2011. The reasons for non-deduction of compensation from the defaulted contractor from PBG may be intimated to the audit.
- e. Action taken for black listing the contractor has been taken or not, the same may also be intimated to the contractor.
- f. Job is still incomplete despite lapse of 06 years, which shows defective planning of the contract.
- g. In terms of Para-737 of BR Regulation, the matter regarding this to be reported to DGBR for settlement in consultation with BRDB and the Min. of Finance (Defence), but no such action seems to be have taken as no correspondence has been found placed in the file.

Item-02: - Construction of 55 Meter Span Major Bridge at KM 285 on Pasakha-Monitor Road in Bhutan (Job No 607/405)

- HQR. DGBR accorded Administrative approval for Rs 220.80 lakh in May 2006, for construction of 55 mtr span major permanent steel super structure bridge over the river Sungi Chu at KM 285 on Pasakha-Monitor Road, vide Job No 607/405. Adm Approval was further revised up to Rs 394.19 lakh, vide DGBR letter dated 10/03/2010. HQR. CE (P) Dantak issued a Technical Sanction for Rs 220.80 in September 2006 and contract was concluded vide CA No CE (P) DTK/14 of 2006-07, with M/s Lakhanpal Fabricators, Jammu for Rs 230.00 lakh which was subsequently revised to Rs 248.00 lakh. The PDC of the work was 12 months from the date of placing of the work order.
- The work order was placed by 102 RCC on 05/12/06 and the site was handed over to the contractor on 04/01/07, hence the work was to be completed by 03/01/08. **As on 03/01/2008, the progress of work done was only 0.75% and the work is still incomplete.**
- However, the date of completion was further extended up to 31/10/08, vide DO no 02 dated 12/07/08, on the plea of the continuous rainfall and landslides. The date of completion was further extended up to 31/10/2009 vide DO No 07 dated 25/08/2008. In spite of the same, the work could not be completed on due date.
- **Further, HQR. CE (P) Dantak, vide their letter dated 18/03/2011, intimated to the Contractor, certain defects in the apropos bridge, which needs rectification and cautioned him to rectify the defects immediately.**
- Despite written assurance from the contractor for completion of the work by Dec 2009, the contractor did not complete the work and the contractor applied for extension up to 31/03/2011 for 100% completion of work, although the work has been progressed only up to 79.25%. In the meantime the 07th RAR amounting to Rs 28.90 lakh was also paid to the contractor.
- HQR 19 BRTF through CE (P) Dantak, intimated the matter to HQR. DGBR and detailed inspection of the site was carried out by the BOO on 19/09/2011 & the

BOO notified defects and shortcomings in the execution of contracts by the Contractor and intimated to HQr 19 BRTF for action.

- Total payment of Rs 163.41 lakh has been paid to the contractor against the cost of work done to Rs 196.33 lakh and over all expenditure of the job is 392.37 lakh
- **Finally, Statement of case has been initiated on 11/03/14, by HQr. 19 BRTF and forwarded to the CE (P) Dantak, duly recommended for cancellation of contract.**

Audit comments:

- a. The work was sanctioned in May 2006, but has not been completed till March 2014 **i.e. even after lapse of 7 years and in spite of that expenditure to the tune of Rs 3.92 crores has been incurred.** Although, the possibility of heavy expenditure on the maintenance of the incomplete bridge due to climatic conditions in Bhutan cannot be ruled out, **but non-completion of job even after lapse of 07 years, leads to in-fructuous expenditure to the tune of Rs 3.92 crores and needs to be regularized under the powers of CFA, after convening a Court of Enquiry by the Independent Officers.**
- b. HQr. 19 BRTF during the site visit on 13/09/11 & 10/04/13 noticed serious defects and the same were highlighted to the contractor. But the contractor did not adhere to those defects. **This implies poor workman ship of the contractor and even CE (P) Dantak admitted that the bridge even after completion would not be taken over by Royal Govt of Bhutan (RGOB). Moreover, the improper monitoring of works, abnormal delay in ordering a Technical Board by higher authorities and therefore, providing un-due benefit to the contractor cannot be ruled out.**
- c. The recommendations for cancellation of contract at the Risk & cost of the defaulting contractor has been carried out on 11/03/14 i.e. after lapse of 07 years, whereas the same should be initiated way back in 31/10/2008, when the contractor had stopped the work and defects were noticed in the apropos work.
 - a. In spite of non-completion of work by the contractor, he has been paid RAR at the regular intervals of time without deducting any compensation

on delayed work. The reasons of the same may please be furnished to Audit for scrutiny.

- d. **In terms of Para-737 of BR Regulation, the matter regarding this to be reported to DGBR for settlement in consultation with BRDB and the Min. of Finance (Defence), but the matter has been reported to DGBR on 04/11/2011, vide CE(P) Dantak letter No 8023/SINGHI CHU/94/E8 dated 04/11/2011. Further, the matter has not been taken by HQr DGBR with BRDB, which is a violation of Para-737 of BR Regulation.**
- e. **The reasons for releasing payment to the contractor amounting to Rs 163.41 lakh despite poor workman ship of the contractor, may be intimated to the audit, as not even a single occasion the OI/C of the work pointed out these aspects, which implies that un-due benefit has been extended to the contractor.**
- f. **Further as per protracted correspondence made by the contractor since 2008, requesting for time extension, why the matter was not reported to the next higher engineer authority in terms of condition-11 of IAFW-2249.**
- g. **Action taken for black listing the contractor has been taken or not, the same may also be intimated to the audit.**

Item No 03: - Improvement of Phuentosholing-Thimpu Road to NHDL Specification between KM 70.00 to KM 82.400 (Net length 12.40 Kms), for formation, Permanent and Surfacing works (Job No 607/434).

- **HQr. DGBR vide their letter No 30204/DGBR/Dtk/12024/RAE/WP Dte dated 10/03/2010 accorded RevisedAdm Approval for Rs 4029.57 lakhs. Based on RAA, HQr. CE (P), Dantak, issued revised Technical Sanction for Rs 4258.96 lakhs.**
- **CE (P) Dantak had concluded a contract Agreement bearing No CE(P) DTK/03 of 2009-10, for Rs 11,37,63,876.00 with M/s Himalayan Constructions Co, Siliguri on providing and laying WET Mix Macadam 75MM & 100MM compacted thick, dense bituminous macadam 75MM, compacted thick & asphalt concrete 40mm compacted thick including prime/tack coat rolling/compaction and transportation to work site as per MOSR&TH specifications between KM 70.00 to KM 82.400 on road Phuentsholing Thimpu under Project Dantak inside RGOB (Job No 607/434)**
- **The Date of acceptance of contract was 01/07/2009**

- Date of commencement of work was 31/07/2009
- Date of completion of contract was Phase I 28/10/09 & Phase II 26/01/2010
- However, the contractor did not complete the work in time. Moreover, he also did not apply for extension of time. In the meantime, he submitted his 03rd RAR, which was received in HQr. 19 BRTF on Jan 2011. The 03rd RAR was paid, after deduction of compensation of Rs 25.00 lakh and net amount of Rs 90.40 lakh was paid to the contractor.
- Finally the work under Phase I of CA was completed by the contractor on 21/11/2011 & Phase II on 09/03/2012, as per 60 RCC letter dated 30/11/2011 & 12/03/12, placed in the file. Accordingly, the 8th RAR amounting to Rs 125.00 lakh was paid to the contractor on 17/02/2012.
- The final bill to the contractor amounting to Rs 50.31 lakh was paid to the contractor with the recovery of compensation of Rs 25.00 lakh. Further, bitumen 650135.00 Kg & 443042.00 Kg issued to the contractor was consumed in full in the job.
- **Although the work in job was fully completed, HQr. 19 BRTF concluded another contract, bearing No CA No 19 BRTF/01 of 2012-13 for Rs 13,15,361.00 with M/s Jaigaon Transport Co, in the same job, for supply & stacking of stone chips 26.50 MM, Stone chips 13.20MM, Stone chips & stone dust at KM 106.00 (HMP Site) on PT Road for surfacing works DBM 75MM & AC 44 MM thick between KM 81.00 to 82.40 road on Phuentsholing Thimpu road.**
- The date of acceptance of the contract was 17/09/2012
- Date of commencement of the contract was 24/09/2012
- Date of completion of job was 22/12/2012 and the job was completed on the due date i.e. 22/12/2012.

Following audit comments are offered: -

- a. When the final laying of dense Bituminous Macadam 75 MM compacted thick & asphalt sheet work, was already completed vide CA No CE(P) DTK/03 of 2009-10 on 11/03/2012 on Phuentsholing Thimpu road between KM 70.00 to KM 82.400, then what is the necessity of concluding one more contract for supply & stacking of stone chips etc between KM 81.00 to KM 82.40 on the same road, for which final laying of dense bituminous work was already completed on 09/03/2012, vide CA No CE(P)DTK/03 of 2009-10. Hence, the conclusion of one more contract of supply on the same stretch is highly irregular and requires Enquiry by the Independent authority.
- b. Further Bitumen 80/100 650135.00 Kg @ 34.26 per Kg & Bitumen 60/70 443042.00 Kg @ 35.17 per Kg was issued to the contractor M/s Himalayan Constn Co in above CA. As per final bill, complete bitumen has been consumed in the job, where as calculation/consumption of bitumen statement duly technically checked by the E8 Section, has not been found enclosed. Moreover, the contract is based on estimated quantity of schedules of quantities; the consumption of Bitumen to the full extent is impossible and needs personal attention, as there might be mis-utilization of Govt funds.

Item No 04: IRMD at KM 96.060 and KM 96.150 on P.T.Road, p-560/60 RCC/P-T/02/2010-11.

- In terms of Para-560 of BR Regulation, in case of emergency owing to natural calamities, items of works to be commenced urgently before issue of the Adm. Approval/Expenditure Sanction. In such circumstances, local engineering authority, if opined that the delay in commencement of the work may endanger life, property or cause traffic blockades or further deterioration of roads, work may be commenced in anticipation of Adm. Approval/Expenditure Sanction.
- Due to incessant & heavy rains during monsoons from April 2010 to Oct 2010 & 29th Nov 2010, portion of formations between KM 96.0 & 97.00 on P.T.Road, repeatedly sunk resulting in disruption of traffic. Restricted plying of traffic was made possible by filling affected locations with boulders/earth, as a temporary measure. However, Chukha Dzongkhag administration vide letter dated 09/11/2010, requested Project Dantak to come up with permanent solution in maintaining this portion of the road to avoid further inconvenience to road users.

- Accordingly, the subject work was taken up under provisions of Para-560 of BR Regulation on 29/11/2010, after prior intimation to the concerned offices in chain and work was completed on 11/06/2011 i.e. after lapse of more than 6 months. The total expenditure incurred on the apropos job is 89.13 lakhs.
- Initially the PDC of the job was 27/02/11, but only 23% progress was achieved during that period. The reasons furnished for poor progress of the job was non-availability of Inter Linked Chain (ILC). Finally the job was completed on 11/06/2011. Being a new work, the provisional Job No P-560/60RCC/PT/02/2010-11 was allotted to ibid job.
- Accordingly, the A.E. of the project amounting to Rs 89.13 lakh was initiated on 29/12/2010 and submitted to HQr. DGBR on 18/02/2011 and same was returned un-actioned with some observations on 26/02/2011. Work done AE was again submitted on 22/06/11.
- As per protracted correspondence placed in the file, it has been observed that the said IRMD work has not yet been sanctioned till date, as AE in question is still shuttling from HQr. DGBR to IFA (BR) to HQr DGBR to CE(P) Dantak to HQr. 19 BRTF & vice versa.

Audit Comments:

- As per existing orders and practice, expenditure against IRMD works is being allowed for the period of three months initially, so that works can be started immediately, without waiting for regular sanction of IRMDs and beyond 03 months, sanction of CFA is required. It is seen that the subject work has not yet been sanctioned by DGBR and in the absence of requisite sanction, entire expenditure to the tune of Rs 89.13 lakh is in fructuous expenditure and needs to be regularized under the financial powers of CFA.**
- In case of works costing above Rs 20.00 lakh, where the DGBR is the CFA, the AEs should be initiated and approved within six months of declaring IRMD. In cases where the AEs cannot be adhered to and special permission are sought for, the SOC should invariably contain the up to date item wise expenditure booked vis-à-vis provisions of T.S. The expenditure in these cases cannot be incurred without the prior approval of PCDA (BR).

- c. As per existing orders, IRMD works should be sanctioned within the same financial year. Circumstances may arise where the works could not be completed within the same financial year not sanctioned within the same year, the same may be foreclosed and separate/fresh sanction may be obtained for balance work (Refer PCDA (BR), circular No 23 dated 15/01/14 addressed to HQr DGBR, WP Dte, refers please).

Item No-05: Revised Administrative Approval cases (RAA)

- In terms of Para-552 of BR Regulation, if during the execution of the project, it is anticipated that the scope of the project would change or if expenditure exceeds or appears likely to exceed the amount of the Adm approval/Expenditure sanction, beyond the permissible limit, a report will be made at once to the DGBR, explaining the reasons for the change in scope or for the excess of expenditure. A revised Adm approval will be obtained/Expenditure sanction obtained.

- **During Super Review, the following irregularities have been noticed in the jobs, while initiating Revised Adm Approval: -**

a) Job No 607/379- Strengthening of works at TalaJamja Road

CA No CE (P) Dantak/09 of 2004-05 was concluded for Rs 139.25 lakh. The Adm Approval of the job was Rs 193.17 lakh. The PDC of the job was 180 days from the date of first work order. Date of completion of the job (Phase –II) was 25/05/05, whereas Revised Adm Approval has been initiated on 07/06/2007 ie. After completion of the job.

b) Job No 607/44- Construction of IHE Complex

The construction of Indian House at Thimpu was sanctioned vide BRDB letter No F35/(13)/BRDB/Proj/69 DATED 16/07/74 for Phase I for Rs 36.34 lakh & phase II for Rs 53.62 lakh. Total Adm approval on job was 89.96 lakh, whereas per MER for the month of Feb 2014, expenditure to the tune of Rs 176.82 lakh have been incurred, due to increase in scope of work. RAE initiated on 4/06/77 by HQr. CE (P) Dantak, work was completed on 1978. Till no action towards finalization of RAE has been initiated even after lapse of 36 years.

c) Job No 610/23- Construction of Major Permanent Bridge Ishnuat KM 7.95 ON Confluence DUKEY-Dzong Road.

The job was initiated in January 1988 at the cost of Rs 55.31 lakh. The completion cost of the project was Rs 174.14 lakh and the RAE for the job was initiated in January 2000 and the case for regularization of RAE was submitted to DGBR in March 2003. The matter is pending as on date.

Item No 08: - Irregularity in procurement of Cement from M/s Penden Authority Cement Ltd other than DGS & D Rate contract vide Supply Order No 3015/19TF/SO/2012-13/35/E3 dated 24/08/12 for Rs 108.26 lakh & SO Order No 3015/SO/81/E3/2012-13 dated 27/01/2012 for Rs 94.50 lakh.

- Based on requirement of 2000 MT of Pozzalana Portland cement(PPC) in respect of HQr 19 BRTF, a proposal was placed for approval of CFA i.e. CE (P) Dantak.
- As per note-01 ante, indent was placed to DGS&D for placing of Supply Order to registered RC firm for supply of 2000 MT of cement vide 19 TF indent No 3015/MOU/RC 19TF/01/E3 DATED 19/07/2012. Accordingly DGS& D intimated lowest rate in NE/Western region vide their letter dated 20/07/2012, for making advance payment. The rate on RC was only ex factory rate and rest of the responsibilities are of consignee to receive the material at their own arrangement i.e. the transportation of cement from ex factory at Lumshong Meghalaya to the consignee station should be made extra.
- In order to obviate this, HQr 19 BRTF proposed to purchase the PPC cement from the local manufacturer M/s Penden Authority Cement Ltd, whose rates were although higher than RC Rates, but by adding transportation components, the rates were considered to be less than the DGS&D rates.
- Accordingly the AON to the proposal was accorded by CE(P) Dantak vide note-02 ante on 01/08/2012 and draft Supply Order was placed to the firm vide SO No 3015/19TF/2012-13/35/E3 dated 24/08/2012. Further the vendor increased the rate of cement from 5150 per MT to Rs 5300 per MT and the executives accepted the hiked rate and accepted the short supply of

cement, which is against the provisions of SO, as there is no price variation clause in the contract. Moreover, the contract is a legal binding on the contractor M/s Penden Cement Pvt Ltd, to supply the cement @ 5150.00 per MT.

Following irregularities have been noticed and needs regularization: -

- a. Qty vetting has not been got vetted by IFA (DCDA (P) Dantak), which is against the provisions of Para-5.4.1 & 5.4.2 of DPM-2009.
- b. Placing of SO to un-registered contract in spite of existing Rate Contract of Cement in the area is not in order, as in terms of Para-8.1.4 of DPM-2009, the items required on regular basis and having clear specifications and is fast moving with limited life shelf, shall be procured under RC only. Further in terms of Para-8.1.5 of DPM-2009, no rate contract shall be concluded for the items in which DGS&D rate contract is already in place.
- c. Further, placing of Supply Order to M/s Penden Authority Cement Ltd, on single quotation is irregular, as the OTE has to be adapted in terms of Para-4.2.1 of DPM-2009.
- d. Placing of Supply Order to M/s Penden Authority Cement Ltd, against 100% advance payment amounting to Rs 108.26 lakh, is not in order, as there is no provision under delegated financial powers to allow 100% advance payments, in terms of Para-7.4.1 of DPM-2009.
- e. The SO was placed to the firm @5155 per MT plus 5% BST, where as the supplier had demanded increase in rates @5300 per MT, which is irregular practice on the part of the vendor, as the terms & conditions of SO are legal bindings on the vendor, in terms of Para-6.2.1 of DPM-2009. Moreover, there is no price variation clause in terms of Para-6.11.1 & 6.11.3 of DPM-2009. Hence, accepting the delivery at the enhanced rates @ 5300 MT against the SO placed @ 5155 per MT, resulting short supply of 16 MT of cement is irregular and the loss to the state to the tune of Rs 86604/- needs regularization, as cash loss, under the financial powers of CFA.

A similar case for supply of cement vide SO No. 3015/19TF/SO/2011-12/81/E3 dated 27/01/2012 has been noticed. The loss needs to be regularized as cash loss under the financial powers of CFA. This practice also needs to be stopped forthwith.

Item No 19: - Management of shopping complex on Defence Land: Revenue Generation:

- Lease Agreement has been executed between ShDilip Kumar Bansal and CdrHQr. 19 BRTF for eleven months, for running of WET Canteen at Jaigaon w.e.f 01/08/2012 to 30/06/2013, at the monthly rent of Rs 10450.00 PM. As per agreement, three months rebate as security deposit, amounting to Rs 31350.00 has to be paid to the leasee.
- However, further extension of lease agreement w.e.f 01/07/2013 onward is not available to audit.

Audit Comments:

As per instructions issued by MOD (Fin), vide their ID No 10(25)/201/D (Q&C) dated 13-06-2006, regarding management of shopping complexes on Defence Lands, 100% of the net revenue generated from Shopping complexes created by re-appropriation of Govt. Buildings will be credited to the Govt Accounts. Further, total revenue generated from the leasee for WET Canteen we.f. 01/08/2012 to 31/03/2014 comes Rs 2,09,000.00, whereas no such amount has been found credited to the Govt Accounts. Details of monthly deposit of the rent to Govt. Accounts may be produced to audit.

Item No 21: - Inviting of tenders/opening of tenders in spite of no Adm. Approval: -

- During Super Review, it has been observed that the following tenders have been published in the news papers and even the tender opening has also been carried out, although no Adm. Approval has been sanctioned by the HQr. DGBR. Since, the contract is a legal binding, hence execution of tender opening and publication of the same in news paper, may lead to legal implications. This practice should be stopped forthwith.

- a. T.E. No 19 BRTF/01/2014-15 - Supply & stacking of stone chips of different sizes, crusher dust and sand proposed dumping etc within 20000 Km distance from Chuzoor, towards Phuentosholing or Thimpu on PT Road – Tender opened on 25/02/14
- b. T.E.No 19BRTF/02/2014-15 – Supply & stacking of stone chips and coarse sand, crusher dust for carrying out re-surfacing works for the year 2014-15, between 12.00KM to 15.519 KM on HAA-Gasekha-Damthanu road – Tender opened on 25/02/14
- c. T.E. No 19 BRTF/02/2014-15 – Supply & stacking of stone chips 13.20 mm stone and coarse sand between 12.00 KM to 15.519 on HAA GasekhaDamthang road – Tender opened on 06/03/14
- d. T.E. No 19BRTF/01 of 2014-15 – Supply & stacking of stone chips, crusher dust and crusher sand on PT road – Tender opened on 07/03/14

Item No 22: - Serious irregularity in Final Bill: CA No (i) 19 BRTF/05 of 2011-12 (ii) CA No 19 BRTF/07 of 2011-12

a) **M/s Penden Cement Authority Pvt Ltd, Challan No PCAL/Sales/L5/2012/GMTU/003592 dated 18/02/2012:** - As per delivery challan-cum-invoice No, vehicle No BP-2A-6479 (Driver Name Kinge), loaded with 15 MT Cement commenced the journey from M/s Penden Cement Authority Ltd, at 1225Hrs and reached at 504SS &TC, at 1630Hrs on 18/02/2012 and unloaded 15MT quantity of cement. However, vide convey Note No 15 dated 18/02/2012, it has been shown that the same vehicle i.e. BP-2A-6479 (Driver Name Kinge), carrying 25MT quantity of cement has commenced the journey on 18/02/2012 from 504SS &TC and reached at Dett Bunaga KM 103 at 1600 Hrs and unloaded 25MT quantity of cement. The Board of Officers, nominated to receive the stores has also certified that the stores have been received and taken on charge vis-à-vis entered in the Measurement Book. The following needs clarification in audit: -

- a. **The possibility of the same vehicle i.e. BP-2A-6479 transported/uploaded the stores on 18/02/2012 on different locations at same time i.e. from**

Penden Cement Authority Ltd to 504 SS &TC at 1630 Hrs and from 504 SS &TC to Dett. Bunago KM at 1600 Hrs may be clarified.

- b. The maximum quantity of stores that can be transported by one vehicle/truck to the mountain terrain is 12 to 15MT, where as 25 MT of stores have been shown as transported by vehicle No BP-2A-6479 vide Convey Note No 15 dated 18/02/2012.
- c. It is seen that vehicle has transported 15 MT of Cement at 504 SS&TC on 18/02/12. It is not understood how 25 MT of Cement has been transported from 504 SS&TC to Dett. Bunaga by the same vehicle on the same date.
- d. As per the contractor clause 12(b), the contractor has to submit the daily return to the OC that all mechanical transport engaged by him under the contract showing recorded weight carrying capacity of each vehicle. The certificate regarding maximum carrying capacity of vehicle No BP-2A-6479, may please be obtained from RTO Office of Royal Govt of Bhutan, for verification of audit.
- e. Photocopy of registration papers of vehicle No BP-2A-6479, may please be produced for verification of audit.

b) Convey Note No 14 dated 07/04/2012: -

- As per Convey Note vehicle NO BP-2A-3939, commenced the journey from 504SS&TC on 07/04/2012, carrying Bitumen VG-10,80/100 nad E/Bitumen and unloaded the same at Dett Damchu KM 137 ON 14/04/2012 at 1100Hrs, whereas the same vehicle i.e. BP-2A-3939 vide Convey Note-15 DATED 07/04/2012, carrying Bitumen VG-10,80/100 and E/Bitumen has been shown as reached at Dett Damchu KM-137 on 08/04/2012 at 1500 Hrs and unloaded the stores/Bitumen. The following needs clarification in audit:
 - a. When the vehicle No BP-2A-3939, commenced journey from 504SS &TC on 07/04/2012 and reached at Dett Damchu KM 137 on 14/04/2012, as per convey Note No 14 dated 07/04/2012, how the same vehicle (BP-2A-3939) has reached at Dett Damchu KM 137 on 08/04/2012.
- **These points have been raised by AO 19 BRTF vide their letter No AO/19TF/CA No 19 BRTF/07 of 2011-12 dated 27/07/2012. The reply in response to this office letter**

No has been received, but the same has not been found satisfactory. Hence, the irregularity is being reflected in Super Review Report.