

No. NHI-46 (5)/70

Dated the 28th July, 1970

Subject : Information to be furnished while referring works estimates to the Ministry of Finance (T&P Division) for their concurrence

In their U.O. No. 1229-TGSII/70, dated 10th April, 1970 the Ministry of Finance (T&P Division) desired that the Roads Wing should furnish to them the information detailed in the enclosed proforma in respect of each works estimate referred to them for their concurrence. They also desired that a plan of the area in which the work in question is proposed to be executed as also a plan to a larger scale should also be sent along with the case.

2. In regard to items (e), (f) & (h) of the proforma it was explained to the Ministry of Finance that the information may not prove useful and at times it may even cause confusion and prove misleading. In this connection, the following points were brought to the notice of the Ministry of Finance.

Items (e) & (f) :

Duration of execution of a project and the phasing of the expenditure and the physical progress is dependent on various factors such as availability of funds for works in different years, the capacity of the executing agencies to execute the works to certain stipulated time schedule which would in turn depend on labour conditions and potential of contractual agencies in the States, the States' ability to acquire land where necessary, climatic and other seasonal factors for the project location and finally on the political and law and order situation in the different regions. The targetted time of completion can be roughly indicated but our experience has been that in a large number of cases the time schedule is exceeded due to various factors mentioned above which it is difficult to foresee and provide for. Phasing of expenditure and physical progress of a work depends upon factors like the availability of funds for work in different years and the physical performance in a particular year and if the progress of a work slows down in a particular year, the requirement of funds in the subsequent years is likely to be affected as the whole physical programme of the work will have to be re-scheduled.

Item (h) :

As regards particulars for comparison of similar works carried out in the same region, the various factors which effect the cost of a project dependent on the nature of the project scope can be :

- (i) traffic intensity present and projected with traffic composition, axle loads, etc.
- (ii) the terrain, climatic, soil and water-table conditions in which the project lies.
- (iii) in case of improvement of an existing road, the present state of highway pavement and allied structures in the matter of sub-grade type, pavement composition and its present state and extent of deficiencies therein.
- (iv) in case of improvement of an existing highway the present standard of existing geometrics and the deficiencies required to be made up to improve it to specified standards.
- (v) the scope of work under the project and the specifications decided upon dependent on the traffic and terrain requirements.
- (vi) the types of material proposed to be used and their unit cost which vary from region to region and project to project dependent on the wage structure in the locality, nature of material in the matter of toughness etc. of stone material and the haulage involved from the quarry source and other sources to the work site and also the rate of transportation cost, which in many areas has been known to fluctuate seasonally dependent on synchronisation of road materials being transported in one direction and other commodities being available for transportation in the other direction bringing down the transportation costs by road.

3. In the light of the foregoing it was explained to the Ministry of Finance that it would be difficult to furnish the required information and it will have no relevance as no two schemes are identical or even similar in terms of the cost and qualities since :

- (i) rates are based on schedule and/or analysis.
- (ii) quantities are arithmetical and
- (iii) specifications are purely technical matters dependent on requirement of individual cases.

4. It has, however, been decided to furnish all the information required by the Ministry of Finance (T&P) Division), in the enclosed proforma in duplicate in case of each estimate referred to them for their concurrence. Instructions have been issued separately to all State authorities/Union Administrations to furnish the required information with each estimate forwarded hereafter to this Ministry. All Officers and Works Section in the Roads Wing are requested to keep in view the points mentioned in paras 2 & 3 above while furnishing detailed information in regard to items (e), (f) and (h) of the proforma.

5. Technical officers are requested to ensure that for all projects to be referred to the Ministry of Finance, the required complete information for all items of the enclosed proforma and the plans are invariably furnished in duplicate.

To

All Technical Officers and Secretariat Sections except services sections.

Note : For proforma See Code No. 121.2