

Savitribai Phule Pune University
Inward No. 2735
31 AUG 2018
FAO
FINANCE DEPT.

सावित्रीबाई फुले पुणे विद्यापीठ

प्रधान महालेखाकर का कार्यालय (लेखापरीक्षा)-I, महाराष्ट्र

पुणे विभागीय कार्यालय, नयी मध्यवर्ती इमारत, पहली मंजिल, पुणे-411007

दिनांक

30 AUG 2018

दूरध्वनी: 020 26122288

आगत क्रमांक वहीरी 6828
जावक दिनांक 31/8/18

क्र. सा.क्षे.॥ व सा.क्षे./पु.वि.का./प्रभार III /पी201718045/ 1180

दिनांक: 28/8/18

सेवा मे,

कुलगुरु

सावित्रीबाई फुले पुणे विद्यापीठ,

पुणे- 411007.

FAO

28/8/18

विषय:- 01/04/2012 से 31/03/2016 अवधि तक की आपके कार्यालय के लेखाओं का पूरक निरीक्षण अहवाल।

महोदय / महोदया,

उपरोक्त लेखाओं का पूरक निरीक्षण अहवाल इसके साथ भेज रहा हूँ / रही हूँ जिसका निरीक्षण स्थानीय लेखापरीक्षा दल द्वारा दिनांक 09/04/2018 से 04/05/2018 तक किया गया था एवं आपसे निवेदन है की इसमें शामिल किए गए सभी परिच्छेदों का पूर्ण रूप से दस्तावेजों सहित उत्तर इस कार्यालय में शीघ्र भेज दिया जाए और आपके कार्यालय में इस अहवाल के मिलने की तारीख से किसी भी परिस्थिति में एक माह से अधिक विलंब नहीं हो जैसा की वित्त विभाग के सरकारी अधिसूचना सं. बी.जी.एल.1161 / 91 दिनांक 20/05/1981 में निर्धारित किया गया है।

लेखापरीक्षा अधिकारी / पु.वि.का. पुणे

Smt Shaikh

Gayatri
3/8

Supplementary Inspection Report on the accounts of the Vice Chancellor, Savitribai Phule Pune University, Pune. for the period from 01/04/2012 to 31/03/2016 under Section 14 (2) of the CAG's (DPC) Act, 1971.

PART I: Introduction

The University of Pune was established in the year 1949 under the Poona University Act. The University was renamed as Savitribai Phule Pune University (SPPU) with effect from 31st July, 2014 (Maharashtra Ordinance No. 16 of 2014). The University houses 46 academic departments and has about 307 recognized research institutes. In order to provide a unified pattern for the constitution and administration of Non-agricultural and Non-technological universities in the State of Maharashtra, an act known as Maharashtra Universities Act, 1994 was enacted by State Legislatures which came into force from 21 July 1994. As per Section 115 (1) of the Act of 1994, the Pune University Act, 1974 (Maharashtra Act no. XXIII of 1974) stood repealed at the commencement of Maharashtra University Act, 1994. In the year 2016, to provide for academic autonomy to non-agricultural and non-medical universities in the State of Maharashtra and to make better provisions the State Government enacted the Maharashtra Public Universities Act, 2016 (w.e.f 1st March 2017) repealing the Maharashtra Universities Act, 1994.

The jurisdiction of SPPU extends over the districts of Pune, Ahmednagar, Nashik [Section 3(1) and 6(1) Maharashtra Public Universities Act, 2016, Part I of Schedule. The SPPU, being a State University, is eligible to receive Central assistance under Section 12 (B) of the UGC Act, 1956. Although development of State Universities is primarily the concern of State Governments, development grants, including grants under special schemes, are provided to all eligible state universities by the UGC. Such grants facilitate the creation, augmentation and up-gradation of infrastructural facilities that are not normally available from the State government or other sources of funds.

Audit Scope and Objectives

A test check of the accounts and records of the Savitribai Phule Pune University (SPPU), Pune for the period 2012-16 under Section 14(2) of the CAG's (DPC) Act, 1971 was conducted locally from 14/08/2017 to 30/09/2017 by Shri G.S. Sunthankar (14/08/2017 to 12/09/2017), Smt S.P. Dhone, AAOs, Shri A.A. Sheikh, Sr. Auditor under the supervision of Shri S.R. Sapkal,

Sr. Audit Officer with a view to ascertain whether the University was complying with all the Rules, Regulations, Manuals, Resolutions, Instructions, Circulars issued by the Government from time to time and to see that all sanctions and grants were issued after following proper procedures and the implementation of schemes were properly monitored.

Further detailed scrutiny of ongoing works of Estate Department, financial management at the University w.r.t various grants, the purchases made and project implementation by various Departments which could not be done at that time was done from 09/04/2018 to 04/05/2018 by Shri G.S. Sunthankar, AAO; Smt S.P.Dhone, AAO; Smt. R. A. Patki (24/04/2018 to 04/05/2018), Shri A. B. Jadhav, Sr. Auditor under the supervision of Smt. U. A. Dhekne, Audit Officer.

The audit was conducted based on the provisions of Maharashtra Universities Act, 1994, Maharashtra Budget Manual, General Financial Rules, Bombay Financial Rules, Government Orders, Circulars, Instructions, etc. issued from time to time. The audit findings have been incorporated in Part II of this Report.

(3) Disclaimer Certificate

The Report has been prepared on the basis of information furnished and the records made available by SPPU, Pune. The office of the Principal Accountant General (Audit)-I, Maharashtra, Mumbai disclaims any responsibility for any non-information and/or misinformation on the part of the auditee.

Part II: Audit under Section 14 (2) of the CAG's (DPC) Act, 1971.

Part II A: Significant Audit findings

Part II B

Other Irregularities

Para 1 : Construction of compound wall around the land acquired for Ahmednagar campus of University of Pune at Baburdi, Ahmednagar.

The SPPU's students facilitation centre at Ahmednagar functions from a rented accommodation belonging to a District Maratha Vidya Prasarak Samaj.

The SPPU requested the collector to allocate the land at Baburdi Ghumat in Ahmednagar for setting up of sub centre at Ahmednagar. The said land was handed over to SPPU on 14/9/2012.

In the meeting of the Building works committee held on 29/10/2013 it was resolved to construct a RCC compound wall around the land acquired for Ahmednagar sub centre at the estimated cost of Rs 4.61 crore.

The work was awarded to M/s Sai construction vide order no 85 dated 5/2/2014 at 16.47 percent below the tendered cost of Rs 3.85 crore with a stipulated date of completion of nine months i.e.19/11/2014.

The extension of time limit was given to contractor due to non execution of work in gat no 344/2-87 and 344/2 as the area was encroached before the construction was started.

The contractor has made several request to foreclose the work after incurring an expenditure of Rs 3.93 crore which includes escalation amounting to Rs 0.07 crore and extra items amounting to Rs 0.13 crore as the encroachment was not removed.

The BWC resolved vide its meeting W-6 dated 14/6/2017 to foreclose the work and make final payment to the contractor as the work was withheld for very long period due to encroachment. And the letter to written to District Administration to remove the encroachment.

SPPU authorities have failed to remove the encroachment before the construction of compound wall.

In reply department stated that Director of Ahmednagar sub centre has requested Tahasildar of Ahmednagar to remove the said encroachment.

The reply is not acceptable as no concrete effort have been made by the University authority to clear the encroachment before starting the work of construction of wall even though the said land was handed over to them in 2012. The construction started in 2014 was still incomplete after incurring the expenditure of (Rs 3.93 crore which includes the escalation bill of 0.07 crore and the extra item of Rs 0.13 crore.) The matter of encroachment was said to be taken up with the Tahasildar Ahmednagar only after the foreclosure of work. For which there was no evidence on records.

Progress of removal of encroachment and construction of remaining portion the compound wall may be intimated to audit.

Para2: Excess expenditure Incurred due to change in Scope of work after execution of Tender indicating improper planning of work.

A scrutiny of records pertaining to estate department there was excess expenditure of Rs 3.13 crore in respect of following 3 works due to lack of proper planning

A) Excess expenditure amounting to Rs. 0.32 crore- incurred due to absence of proper planning on the Construction of Academic Staff College Guest House (Phase I) at the University of Pune.

The Construction of Academic Staff College Guest House (Phase I) of the University at the estimated cost of Rs 2.50 crore and the tendered work was 2.47 crore (below 1.06%) commenced on 1/10/2012 and the time limit was 18 months and the work was awarded to M/s B.K. Khose, Pune vide work order no 7 dated 10/10/2012.

The contractor had requested for extension of time limit with a revised estimate of Rs 3.47 crore to which the BWC meeting dated 188/5/2016 granted extension upto 31/7/2015 with the revised estimate of Rs 3.47 crore with escalation due to the fact that site was relocated in view of the thick vegetation at the earlier site and the difference in the level of new site.

The total value of the completed work was 2.55 crore with the extra item of civil work like clearing debris in new site, dewatering, transportation of soil and other misc work amounting to Rs 0.32 crore

In reply department stated the work was relocated after calling of tender as the foot print of the building could not be fitted at the proposed site due to thick vegetation and the extra item cropped up since the site was relocated and also due to electrical and plumbing.

As per the reply furnished the site was relocated after calling of tender and the extra items cropped up amounting to Rs.0.32 crore .due to relocation being one of the reason. It shows that inability of the architect to anticipate the shortcoming before preparing the estimates and drawings.

Action taken proposed in this matter may be furnished to audit.

B) Construction of Canteen Building and Administrative + Inter Disciplinary School (IDS) in Centre for Social Science and Humanities (CSSH) building at Social Science Complex-II at SPPU.

The proposal for construction of Administrative +IDS(CSSH) building at Social Science Complex-II at SSPU campus was approved by Building Working Committee on 25.05.2014. The tender for the same was called for and the tender was awarded to M/s Suyog Constructions Pvt. Ltd at 4.5 % above the estimated value of work (Rs.4.97crore) amounting to i.e. Rs.5.20 crore and work order no. 43 was issued on 03.07.2015 with date of commencement on 15.07.2015 and 18 months i.e. stipulated date of completion on 14.01.2017.

Similarly, the proposal for canteen building was approved by BWC on the basis of drawings submitted by architect M/s Narendra Dengle and associates. The tender was called for vide tender notice no. 51 for 2014-15 for estimated expenditure of Rs.2.60 crore on 14.10.2014. The tender was opened on 28.11.2014 and the work was awarded to M/s SUYOG constructions at 4.5 % above the estimated value amounting to Rs.2.72 crore The work order for the construction of Canteen building bearing number 44 was issued to M/s Suyog Constructions on 03.07.2015 with stipulated date of construction of 12 months i.e. on 14.07.2017.

During the scrutiny of records it was observed that

- 1) The Architect M/s Narendra Dengle and Associates vide his letter no 314-06/2016/016 dated 18.02.2016 had stated that after the preparation of all working drawings and tender document the University authorities had told the Architect to change the design of Administrative + IDS(CSSH) building at Social Science Complex-II and these changes were carried out in all working, structural, sanitary and electrical drawings post tender stage. The details of the drawings at the time of tender and revised drawings of actual construction after the tender (about the actually built structure) is as under:

Area of Administrative + IDS(CSSH) building in Tender (Sq.Mts)		Administrative + IDS(CSSH) building after opening of Tender (as Actually Built Structure in Sq.Mts)	
Ground floor	991.25	Ground floor	1025.04
First floor	971.49	First floor	1017.96
Second floor	965.67	Second floor	1017.96
Total Area	2928.41	Total Area	3060.96
Difference in Area (3060.96-2928.41) Sq.Mts =132.55 Sq.mts			

The Architect had forwarded revised estimate for approval which clearly brought out the excess expenditure amounting to **Rs.0.62 crore** incurred as a result of **change in the scope of work**

- 2) Similarly, in case of Canteen Building it was observed that the location of canteen building was relocated twice due to objection from university staff residing in university campus and The Architect submitted drawings to estate department on 03.08.2015(after the finalization of tender) and to contractor on 06.08.2015 (one month after issue of work order).The architect brought to the notice of Estate department that these changes would alter the plans, structural drawings, electrical and sanitary plumbing drawings and coordination thereof. He further stated that these changes had been done after tender stage and award of the work to the contractor, and hence the revised estimate of cost for increase in areas and changes would be submitted to Estate Department in due course.

The details of the drawings at the time of tender and revised drawings of actual construction after the tender (about the actually built structure) is as under:

Area of Canteen building in Tender (Sq.Mts)		Area of Canteen building after opening of Tender (as Actually Built structure)Sq.Mts)	
Ground floor	641.26	Ground floor	674.34
First floor	524.29	First floor	627.78
Total Area	1165.55	Total Area	1302.12
Difference in Area (1302.12-1165.55) Sq.Mts =136.57 Sq.mts			

The Architect had forwarded revised estimate for approval before the BWC to be held on 04.05.2018 which clearly brings out the excess expenditure amounting to Rs. **0.51 crore** - incurred as a result of **change in the scope of work** which resulted in increase of Area of building by 136.57 Sq.Mts. (The details are enclosed separately in and this change of scope was not approved by Building Works Committee.

Thus, it was observed that in both cases i.e. construction of Administrative + Inter Disciplinary School (IDS) and Canteen Building in CSSH building at Social Science Complex-II of SPPU due to altering of plans, structural drawings, electrical and sanitary plumbing drawings and

coordination after tender stage and award of work to contractor resulted in creation of extra items, which further resulted in excess expenditure of **Rs.1.13 crore. (6187073 + 5103039)**

Furthermore as the tender for construction of building of IDS was for estimated cost of Rs.4.97 crore and acceptance of tender for 4.5% above would amount to Rs.5.20 crore and as per the SPPU's Estate Ordinance number 30 of 01/06/2013 approval of the tender costing more than Rs 5 crore requires the approval of Management Council who was authorized to accord administrative approvals and expenditure sanction for works costing more than Rs 5 crore. The approval of the Management council has not been taken

In reply, the Department stated that in case of Admn+IDS building the plan of the building was redesigned which resulted in excess built-up and in case of Canteen Building the change in design was due to change in locality. The modification in plan of the Canteen building was carried out which resulted in increase in the area and the cost of building which further resulted in extra items as per the site conditions. Further, the Executive Engineer (Projects) at SPPU had called for explanations from the concerned Architect, Consultants for carrying out extra expenditure without the approval of competent authority.

The reply is not tenable as the change in design and change in location was done immediately within few days of opening the tender. The above changes should have been included in the tender during the negotiation stage. Failure to include the changes in location before calling for tender resulted in additional burden to the extent of Rs.1.13 Crore to the University.

C Excess Expenditure of Rs. 1.68 crore in case of Construction of Library Building.

The work of Construction of Library Building (Social Sciences-II Complex) at Savitribai Phule Pune University was awarded to M/s Suyog Constructions Pune and the Work order No.24 was issued dated 04/06/2014. Estimated value of work was Rs. 3.18 crore (3,17,83,613) and the percentage quoted by the contractor was 4.5% below thus Value of work became Rs.3.04 crore.

The work commenced from 2nd June 2014 and it has to be completed within 18 months on or before 30th Nov. 2015

From the records made available to audit it was observed that besides extra items cost, the work was completed at a cost of Rs. 4.47 crore. Since contractor quoted 4.5% below he had to be paid

4.28 crore. Thus contractor was paid Rs. (4.28-3.04) crore =1.24 crore more as compared to tendered cost.

Uptill now 9 RA Bills amounting to Rs. 4.28 crore was paid. The final bill is yet to be paid.

15 extra items have been executed at a cost of Rs. 0.44 crore. Thus total cost higher than estimated cost was Rs(1.24 crore+0.44crore)=1.68 crore. **The reasons for execution of 15 extra items costing 0.44 crore was asked in audit . Why those items could not be foreseen at the time of preparation of estimates? There was no approval of Building works committee for execution of these extra items.**

The contractor was not made available the working drawings , RCC drawings and all service drawings within reasonable time and there was also changes in roof slab design without drawings and construction of extra floor which had implication of not only additional costs but also unsuitable/improper changes in the design of library building.

The contractor asked for extension of time limit to complete the project till 31st March 2018. This means the work was delayed by 2years and 4months from the date of completion of work i.e 30th Nov.2015**The reasons for not making available the drawings in time to the contractor and subsequent changes/ modifications in the design of Library building was asked in audit. The approval of building works committee for construction of extra floor was also not on record.**

In reply Department stated that the estimate is prepared by the Architect and submitted to Estate Department. As per tender agreement he has to prepare estimates, designs and drawings. Taking trial pits/bores at some locations could not serve purpose. Because nobody could ascertain the type of material below the ground. A strata below the ground is also varies within a distance of 1m. Secondly the original design of RCC structure was made for G+2 ; however later as per requirement , it was made for G+3 because of which quantities and amount of tender is exceeded. It was also noticed that one floor of building is increased and it is get executed through the same contractor and in same agreement. Hence cost of work is increased. The excess work is get executed from the same contractor so as to save time and also the tender is below , it was beneficial to Pune University. Pune University got one floor extra.

The reply of the Department is not acceptable to audit because it could not be understood why the requirement of additional floor could not be anticipated earlier. Had the requirement been assessed properly by the Department at the time of preparation of estimates, the excess cost on account of extra items as well as exceeded quantities could have been avoided. Moreover the Department did not take prior approval for execution of extra items. Moreover contractor was not made available requisite drawings to carry out his work in time limit as per contract and also due to frequent change in design which lead to unnecessary delay in work by 2 years and 4 months as of March 2018 and still the civil work is not completed.

Para 3:- Delay in construction of Buildings

Due to insufficient planning there was a delay of 30 to 72 months resulting in deprivement of facilities to stake holders in respect of five works

A) Delay of 72 months in construction of Psychology Department resulted in deprivation of facilities

The proposal for construction of new building for Psychology Department in University campus was forwarded to Estate Department on 31.12.2011. The Architect for this proposed construction was appointed by Building Working Committee in the meeting held on 10.07.2013. The proposal was approved by BWC on 21.11.2014. The tender for the same was called vide tender notice no 2014-15/28 dated 05.12.2014 and the tender was opened on 02.02.2015.

The tender was awarded to M/s Harsh Constructions Pvt.Ltd.at 2.5 % above the estimated value of work amounting to Rs.4.98 crore i.e.Rs.5.10 crore and work order no 67 was issued on 12.09.2015 with date of commencement on 01.09.2015 for 18 months i.e. the stipulated date of completion was 28.02.2017.

During the scrutiny of records produced to audit it was observed that there was a delay of 72 months as detailed below.

- 1) There was a delay of more than one year and six months from the date of submission of proposal from Psychology department (31.12.2011) and according approval of Architect for the proposed construction of Psychology department in BWC (10.7.2013). The proposal was approved in BWC on 21.11.2014 i.e. **after a period of 34 months and 20**

days from the date of receipt of proposal for construction of new building of Psychology Department.

- 2) The tender was opened on 02.02.2015 and work order was issued on 12.09.2015 i.e. **after a delay of more than seven months.**
- 3) During Scrutiny of first RA bill, it was observed that the date of measurement was 01.02.2017 i.e. the stipulated date of completion (28.2.2017) for which work till plinth level was only completed. **Thus, there was a delay of 17 months (01.9.2015 to 01.02.2017).**
- 4) There was a delay of 14 months after the stipulated date of completion i.e.28.2.17 to 01.05.2018)

In reply, the Department stated that extension has been given to complete the work till 31.05.2018

The reply is not tenable as the delay in work in various stages as mentioned above resulted in delay of 72 months there by delay in creation of facilities and non availability of facilities to the benefit of stakeholders.

B) Delay in construction of Education Extension department.

The construction of Education and Extension Department building commenced on 1/9/2013 at an estimated cost of Rs 2.50 crore (Tendered cost being 2.66 crore) with a stipulated date of completion being 28/2/2015, and the work was entrusted to Sai construction. The revised estimate amounting to Rs 3.31 crore was approved in BWC meeting dated 18/5/2015 due to change in scope which includes 6 extra items of work.

The work was stopped for 8 months as the decision for the extra item was to be taken by the competent authority. third extension was given on 30/12/2016 and the. Subsequently, a decision was taken in BWC meeting dated 26/10/2016 to foreclose the tender. However, the contractor was not informed about the foreclosure. Hence, contractor continued his work even after the decision of foreclosing of tender was taken. Due to lack of communication with the contractor by University authorities, fourth extension upto 30/6/2018 was given as the calling of fresh tender would take more time and money.

This shows the lackadaisical attitude of the University authority due to which there was delay of **3 ½ years** which resulted in deprivation of facilities to the students.

In reply, Department stated that the work would be completed by 30/6/2018.

The reply regarding completion of the construction is awaited.

C) Delay in Construction of Auditorium Building at various stages resulted in Excess expenditure of Rs.0.80 Crore-

The proposal for construction of Auditorium Building at Social Sciences –II Complex at SPP University campus was approved vide Building Working Committee on 28.02.2014 and tender for the same was called for vide e- tender notice dated 03.03.2014. The tender was awarded to M/s Suyog Constructions Pvt.Ltd at 2.97% below the estimated value of work amounting to Rs.4.83 crore i.e Rs.4.68 crore. The work order was issued on 04.06.2014 with date of commencement on 02.06.2014 for 18 months i.e the stipulated date of completion on 30.11.2015

Although the proposal for the construction of Auditorium was approved by BWC on 28.2.14 the Estate Department wanted to make changes in drawings i.e. **change in Auditorium roof and additional Slab which was approved in BWC meeting held on 06.04.2015** This resulted in **change in scope** of work which had major implications on structure as the entire RCC structure right from the column below was required to be further strengthened by higher grade concrete

Thus change in scope of work suggested by Estate Department (University) which was due to improper monitoring of Estate Department (Projects) as it has not monitored nor questioned the Architect during the various aspect of preparation of drawings (As per Clause 2 & 3 of agreement between SPPU and Architect) the reason for using steel roof of Zinalume instead of RCC which has resulted in increasing the scope of project (more than 22%) $(10824738 * 100 / 48282309)$ (New tender at par for Construction of Roof Slab) $X 100 /$ (estimated value of work of Construction of Auditorium) PLUS (Expenditure on Extra Items to be paid to M/s Suyog Constructions Pvt. Ltd.

Further it was observed by audit that the work order for construction of auditorium was issued on 02/04/2014 with the stipulated date of completion was 30.11.2015. and the remaining work of Construction work of roof slab was also required to be completed by 15.02.2017. However the same is incomplete even after a period of Three years to four years thereby depriving the University of the Facility of Auditorium building.

In reply the department stated that the scope of work was changed i.e. RCC slab is provided in place of steel truss covered with sheeting roof .On the basis of BWC meeting dated 06.04.2015

the same was approved and on the basis of which the Architect prepared the modified drawings and submitted the drawings as per new scope of work which resulted in cancellation of some items from the tender which resulted in savings of Rs.0.56 crore. The SPPU authorities further clarified that due to change in scope an amount of Rs.0.80 crore has been incurred on Construction of Auditorium till date of audit and further stated that the tender for Acoustic and Interior was called for but no response from the bidder is received because of which progress of work was hampered. Thus, it was observed by audit that the work order for construction of auditoriums incomplete even after a period of Three years to four years.(stipulated date of completion 30.11.2015) thereby depriving the University of the Facility of Auditorium building in spite of incurring extra expenditure of Rs.0.80 crore.

D) Delay of 17 months in construction of Chemistry Annex building after incurring the expenditure of Rs 2.13 crore

The work of construction of Annex Building Phase II for Chemistry Department of Savitribai Phule Pune University was awarded to M/s Suyog Constructions Pune at an estimated cost of 4.98 crore. (4,98,07,000) at 2.5 % above the estimated cost vide work order no. 79 dt. 03/11/2015. The tendered cost of the work comes out to Rs. 5.19 crore.(5,19,52,175).

The site was handed over to the contractor on 05/11/2015 and Dt. Of commencement of work was 15/12/2015 . The work was to be completed on or before 15/06/2017.

From the scrutiny of records made available to Audit following observations have been made:

1. There was existing old building of chemistry department on the site where the construction was to be started. That has to be vacated first as the contractor was requested vacant possession of site. But the head of chemistry department showed his inability to move out of old building, citing practical difficulties even after repeated requests and written follow up of estate department. The estate department made arrangements for shifting of the department by converting existing dumping store area into labs as per requirement of chemistry department. This vacation of site caused a big delay and finally building was vacated in the month of April 2017 and contractor started the work in the month of April 2017 and therefore requested to consider 10th April 2017 as commencement of the work and 9th October 2018 as date of completion of the work

although he was ready to work with old DSR rates 2013-14 upon which the estimate was originally based since he quoted at 2.5% above the estimated cost.

2. contractor was not in the possession of All RCC drawing up to overhead tank, all working section and elevation drawings, details of doors and windows, details of flooring and finishing work, plumbing details and internal and external colouring scheme till March 2018 which had effect of causing delay in completion of project in time **As per clause 13 of the contract, contractor was to be given all drawings at the time of estimates only.**
3. The head of the chemistry department suggested 11 items/ facilities which were most important for them while performing their routine duties. **This implied that while preparing estimate for Chemistry Department, these facilities were not taken into account by the department. These items have to be executed as extra items and contractor will have to be paid extra cost as per DSR 2016-17.**
4. Scrutiny of fourth RA bill Showed that four extra item were executed up to 3rd RA bill For an amount of Rs. 88,862/-. From the records it was seen that **no prior approval for execution of these extra items were taken from the competent authority.**

In reply Department stated that it has its own Academic programs/ schedules like examination , PH D research programs, classes, functions, foreigners guest lectures, seminars and conferences. Therefore department could not vacate the building as expected by Estate Department It was also true that some running sophisticated instruments and equipments which have to be dissembled and assembled by expert technicians only as per their convenient time schedule which was beyond the control of the Department. The date of payment of secured advance as per date of measurement of 1st RA bill was 31/05/2017.

It was not true that as per clause number 13 of the contract, contractor was to be given all the drawings at the time of estimate only. However all tender drawings are uploaded at the time of E-tendering so that the contractor can judge the nature of work and quote the offer according to schedule B. The detailed working drawings issued to the contractor as

per progress of the work, site conditions and as per demand of the contractor. Therefore the RCC Drawings of terrace slab, RCC drawings of overhead water tank and lift machine room are issued to contractor immediately at the time casting of terrace slab. Rest of all drawings are already submitted and accordingly work is going at the site.

Also delay in vacation of site caused delay in the commencement of project by 1 year and 5 months. It shows that proper care has not been taken into account while preparing the estimates. The extra items were executed before prior approval of building works committee.

E) Delay of 9 months in Construction of Placement Cell building resulting in non creation of facility after incurring expenditure of Rs. 1.60 crore.

The work of construction of Building for Placement Cell, career counselling cell And Alumni Association at Savitribai Phule Pune University was awarded to Saurabh Constructions and the work order No.95 dt. 11th February 2016 was issued at the estimated cost of 4,99,88,948/ (4.99 Crore). The percentage quoted by the contractor was 7.5% below and the accepted tender amount was 4,62,39,777/-(4.62 crore). The site was handed to the contractor on 9th February 2016 and the work was to be completed on or before 8th Aug 2017.

As per the records made available to audit, following observations have been made.

1. 1st RA bill of the amount Rs. 0.36 crore (36.94 lakh) was paid on 22nd Jan 2017dt. Of measurement taken was 17thoct. 2016. The first RA bill includes extra item of Rs. 0.02 crore(2.90 lakh) incurred for the demolition of federal co-op consumer store which existed there on the land on which placement cell was to be constructed. It was closed since 1994. The building works committee decided to construct placement cell on that land only. Hence it was necessary to demolish that structure before the construction activity to be started.
2. It was to be completed on or before Aug 2017. It was already delayed by 09 months from the date of issue of work order February 2016. The reasons for the delay in work attributed to
 - i) Delay in supply of detailed structural and RCC drawings to the contractor by architects and RCC consultants, changes that has been made in given old drawings and all machinery and labour is being sitting idle, Substandard quality of concreting for all columns and lift wall at ground floor work, Segregation of concrete on column surfaces. Major honeycombing of concrete. Only

plinth work and ground floor columns work was completed till 15/05/17 in the span of 15 months.

- ii) The contractor continued the work without demolishing the columns. This was how the project delayed by 15-16 months. Contractor requested to grant extension of 15 months without fine and with tender conditions. The speed of work was reduced by the University on want of Pune Corporation permission. Hence during 6/16 to 3/17 only plinth work was done. As on date of Audit the RA bills of amount Rs. 1.60 crore were paid to the contractor.

In reply Department stated that original location of the building was at different location. However the said building was decided to construct at this location which necessitated the demolishing of the existing federal structure, Therefore the item of demolition was not considered in the original estimate. The extra item was paid as per terms and conditions of the contract.

Due to shifting of site it was necessary to change the drawing accordingly. It was necessary to vacate federal structure and shift the material in appropriate place. Due to this work was delayed by some months.

No significant changes were made in the drawings and no machinery and labour of contractor was sitting idle at site. Contractor could not mobilize machinery and labour without availability of drawings and site in hand.

The building permission of the said building was on hold due to issue of payment of development charges with Pune Municipal corporation. This issue is pending with Government of Maharashtra for decision. The sample of tiles and other materials were given to the contractor before its requirement. Therefore no issue of extension of time limit on account of the same. These are the tactics of the contractor to get the time limit extension for further period which will not be entertained by the University.

The reply of the Department was not acceptable because it was not clear why the site earlier identified was changed later. Reason for changing the site was not furnished. Delay in changing the site resulted in unnecessary delay in starting the work, changes in design and cropping up of extra item which resulted in delay due to improper planning of work and delay in creation of facilities and non availability of facilities to the benefit of stake holder.

Para 4 : Extra Avoidable Expenditure of Rs. 0.94 Crore on construction of CAP Bhavan due to splitting of work.

In the meeting of Management Council held on 18.6.2013, administrative approval was given for construction of CAP Bhavan for Exam department at estimated cost of Rs. 25.36 cr. Special permission from the Hon. Chancellor was also sought for.

The total work of ground plus 4 floor was split up in 3 phases viz;

- A) **Phase –I – Civil and Electrical work of Ground floor** : The tender was awarded to M/s S.S.Sathe (tender cost of Rs. 4.53 crore) at 7.29% below (at Rs. 4.20 crore) was accepted. The work order was given on 28.1.2014 with 28.7.2015 as stipulated date of completion. The bill for this work consisted of Rs. 0.27 crore on extra items and Rs.0.03 crore as escalation charges.
- B) **Phase – II – 1st, 2nd and 3rd floor:** -The tender was awarded to M/s. Saurabh Constructions (Tender amount was Rs. 4.87 crore) at 13.05% below (Rs. 4.23 crore) was accepted. The work order was issued on 11.9.2015 with 7.3.2017 as stipulated date of completion. . The work commenced on 8.9.2015.

A scrutiny of 3rd RA bill revealed that in respect of item 7 there was execution of extra quantity resulting in extra expenditure of Rs. 0.15 crore the details of which are as follows;

Item no.	Name of the item	Quantity as per tender Metric Ton	Actual Quantity as per RA Bill Metric Ton	Amount Due to extra quantity
7.	Providing and fixing in position TMT-FE-500 bar reinforcement of various diameters			
	First floor	70	78.499	487650.30
	Second floor	69	76.872	508794.47
	Third floor	68	75.660	536005.24

C) Phase – III – **Remaining work of ground floor and 4th floor:** The tender was awarded to M/s. Saurabh Constructions (Tender amount was Rs. 3.34 crore) at 0.80% below (Rs 3.31 crore) was accepted. The work order was issued on 30.06.2016 with 14.6.2017 as stipulated date of completion. . The work commenced on 15.6.2016.

Thus the work at B and C above started prior to the date of work order which is irregular
In this connection, the following observations are made;

- 1) When the total work of construction of CAP Bhavan was approved for the cost of Rs. 25.36 crs, the splitting up of work in three phases needs justification. If the work was not split and tenders called for the entire work more competitive rates would have been obtained. Considering the lowest rate of M/s Saurabh constructions at 13.05% below, the entire work would have been competed at 13.05% below of total tender amount of Rs. 12.75 crore i.e. Rs. 11.08 crore. The actual accepted tender amount of entire work is Rs. 11.75 crore. This has resulted in extra avoidable expenditure of Rs. 0.67 crore
- 2) There was extra avoidable expenditure on extra items of Rs. 0.27 crore in phase I. when work order was issued for civil and electrical work of ground floor in phase I the reason for inclusion of electrical work in extra items was called for in audit. Thus, there is an extra avoidable expenditure of Rs.0.94 crore (6706041+2739046) which was not justified.

Thus it was observed that even after incurring huge amount of Rs.12.19 Crore 4.20+4.23+3.51+0.27+0.15+0.03 crore (Phase-I Rs.42040565+Phase-II Rs.42377740 + Phase-III.Rs. 33153655 +Extra Items of Phase-I &II Rs.2739046+1532450 +Escalation charges of Phase-I Rs.329489/-) on the construction work, the first Phase though completed in 2015 could not be put to use as the Phase-II and Phase-III building is not completed and could not be put to use even incurring extra avoidable expenditure of Rs.0.94 crore and depriving the students from the benefits.

In reply the department stated that the work of construction of CAP Bhavan was taken in three phases as per the instructions of authority so as not to have the major financial burden in starting the work. They further stated that the Extra items were as per need of the site condition and quantities of items executed as per design given by RCC consultant, field conditions and requirement of site.

The reply is not tenable as all the requirement should have been incorporated at the time of preparing of detailed estimates and should have been discussed beforehand at the time of

Building works committee, in absence of which has resulted in incurring extra avoidable expenditure of Rs.0.94 crore and depriving the students from the benefits.

Para 5: Undue favour to contractor for Landscape Development along the Main arterial Roads at University of Pune.

Landscape Development along the Main Arterial Roads in University of Pune campus was approved by the Building Works committee in its meeting dated 25.5.2014 for an amount of Rs. 1.54 crore with maintenance period of 3 years.

Accordingly, tenders were invited in which only Two agencies had bid for the tender. One of them, M/s Nisarg Landscape Services was disqualified during technical evaluation. Hence, the offer of other Bidder ,M/s. Hemang Construction Co. below the estimated cost was accepted at Rs. 1.53 crores by the committee in its meeting dated 20.8.2014.

Thus, it was observed that during calling of the tender of only one bidder was accepted. When only two bids were received and one bidder was rejected, retendering should have been done, whereas bid of only one bidder was opened which was irregular and is undue favour to contractor amounting to Rs.1.53 Crores furthermore the work is also not yet been completed even after a delay of four months.

In reply the department stated that the bid was accepted because it was below estimated cost and accepted by Building Works Committee who decided not to retender the work and further stated that as the delay in handing over the site to contractor.

Further progress is awaited.

Para 6: Undue favour to Architect.

A) Wasteful Expenditure amounting to Rs. 0.09 crore on account of cancelled works.

As per the terms and conditions pertaining to the contract with Architect (Clause 5, Schedule of fees paid),it states that in consideration of the services to be rendered by the Architect as in preparation of drawings, designs and plans detailed in clause 3,the university shall pay professional fees to the architect to 4 Percent of the total cost of construction of entire

project plus other charges and reimbursable expenses as agreed upon after deducting the taxes as per laws.

The Architect is required to prepare Plans in Concept stage, (Stage-I) Preliminary Design and drawings(Stage-2) in which the drawings requires statutory approval. During the working drawings and design (stage-3) the Architect is required to prepare Schedule of quantities sufficient to prepare estimates of cost and preparation of tender documents. Further, he is required to prepare the tender forms and appoint the contractors(Stage-4).The architect is paid his fees with the approval of each stage and by the time he reaches fourth stage he is paid the amount of 50% of total fees payable on Preliminary estimate.

It was observed that four works were cancelled during the period 2012-13 to 2015-16 in which fees paid amounted to Rs.0.9 crore (980924/-) . All the four works were cancelled after calling tender which made the amount paid to Architect wasteful.

In reply the department stated that payment is made to the Architect in phases for the work of preparation of plans, drawings, and estimate was given to Architect after approval of Building Works Committee (BWC). However, due to some unseen reasons the work gets cancelled and fees paid to architect cannot be reversed.

B) Undue favour to Architect in Construction of Class III Quarters (Phase I)

As per University's agreement with the Architect (M/s Nitin Bhalerao, Pune) for Construction of Class III Quarters (Phase I), Pune -

1.2 The Architect shall collect and record all required information as regards the said project from the University departments concerned or from outside departments such as Revenue Dept., City Survey, Town planning Dept. , P.M.C etc within a reasonable time.

1.3 The Architect shall obtain all permission, licenses etc. as are required to be obtained from the different authorities and fees/ charged to be paid to these authorities shall be paid by U.O.P.

1.20 The Architect shall prepare Bar chart/ PERT/ CPM network and shall get the work done from the contractor as per the time schedule.

1.17 On completion of the work, the Architect shall obtain completion certificate from the local civic authority.

Also, as per the University's Account code, the works shall be executed by the University under direct supervision of the Buildings and Works Committee through the Architect and R.C.C. Consultants appointed by the University. The approval to the detailed plans and estimates by the Buildings and Works Committee, submission of the detailed plans to the concerned Municipal Corporation for its approval and obtaining of the commencement certificate, occupation certificate and completion certificate, shall be carried out by the Architects as per the procedures of the University and concerned Municipal Corporation under the overall supervision of the University Engineer.

The details of Class III Quarters Building are as below :

Sr. No.	Name of work	Administrative /Technical Sanction& Scope of work	Architect	Structural consultant	Contractor allotted work (L1)	Accepted Tender cost
1	Class III quarters "A" Building	BWC 10/07/2013, Parking + 7 floor (28 Flats) 75 Sqm flat area	M/S NitinBhalerao, Pune	M/S Sunil Mutalik&Assso. Pune	M/s Harsh Constructions Nashik	48786205
2	Class III quarters "B" Building	BWC 10/07/2013, Parking + 7 floor (28 Flats) 75 Sqm flat area	M/S NitinBhalerao, Pune	M/S Sunil Mutalik&Assso. Pune	M/s Shriya Constructions Pune	46448583
3	Class III quarters "C" Building	BWC 21/01/2014, Parking + 7 floor (28 Flats) 75 Sqm flat area	M/S NitinBhalerao, Pune	M/S Sunil Mutalik&Assso. Pune	M/s Harsh Constructions Nashik	48250689
4	Class III quarters "D" Building	BWC 21/01/2014, Parking + 7 floor (28 Flats) 75 Sqm flat area	M/S NitinBhalerao, Pune	M/S Sunil Mutalik&Assso. Pune	M/s Shriya Constructions Pune	46678365

Scrutiny of records revealed that in respect of Class III quarters (Building A, B, C and D) revealed that the Architect had not obtained statutory approvals like Occupancy Certificate from PMC, Final fire NOC (No Objection Certificate) from PMC, NOC for Elevator operation from PMC, Permission to operate lift from the Lift Inspector, NOC from Water Supply and Garden Department of PMC.

Also, as per the terms of agreement, the Architect was expected to prepare Bar chart/ PERT/ CPM network and shall get the work done from the Contractor as per the time schedule. None of the progress reports were made available by the Architect.

The Department was asked to state the reasons for not enforcing the provisions mentioned in the agreement with the Architect. Also, the reasons for not seeking reasons from the Architect for non-submission of progress reports and statutory approvals were asked to be furnished to audit.

In reply, the Department stated that commencement certificate and provisional fire NOC have been received by SPPU. The proposal for lift operation had been submitted to Lift Inspector, Mumbai and was expected to be received within a week's period. Further, the proposal for NOC from Water supply and Garden Department of PMC was under progress. Also, as the buildings A and B have just been completed and w.r.t Building C and D, the work is in progress, the Architect has been instructed to submit proposal for Building A and B to get Occupancy Certificate/ Completion Certificate from PMC immediately.

The Department has accepted that the progress report, Bar chart were not submitted by the Architect and now it has instructed the Architects to submit the bar chart and progress report every month.

The reply of the Department is not tenable since it has failed to enforce the provisions in the Architect's agreement like submitting the bar chart and progress reports which was due to lack of monitoring on the part of SPPU authorities.

Para 7: Plantation of trees or recovery amounting to Rs.0.40 crore thereof from the RA bills of Contractor.

As per condition no 13 of the contract of special condition of contract. The contractor shall have to plant minimum following number of trees based on cost of project around the construction work during construction as directed by the Executive Engineer. Any additional number of trees that will have to be planted will be as per the directions of university engineer. The contractor shall obtain no objection certificate from the garden department of civic authority. The rates quoted in tender will deem to include all such expenses. If the contractor does not plant trees) 0.4% of the total cost of the work will be recovered from the payment due to the contractor.

Estimate cost of the project	No of Trees
Up to Rs.25.00 lakhs	25
Rs.25.00 Lakhs to 100 Lakhs	50
100 Lakhs and Above	100

During the consolidation of number of completed and ongoing works it was observed that in case of 30 construction works in SPPU campus as enclosed in annexure it was observed that no trees have been planted by the contractor nor the recovery at 0.4 percent is made from RA bill of the contractor .Thus, due to non-plantation of trees as enumerated in the tender condition recovery at 0.4 percent is required to be recovered from the contractor. The details is as per Annexure Enclosed and the amount of Recovery works out to Rs.0.40 crore (40,18,331/-)

In reply, the Department stated that as per clause 13 of the tender, out of a total of 30 ongoing works plantation of trees has been done in only 2 cases. The SPPU authorities have stated that if the contractor fails to plant the trees the recovery will be made from his final bill as per the tender conditions. The same may be done under intimation to audit.

Part V: Acknowledgement

The audit team acknowledged the co-operation extended by Smt. Vidya Gargote, Finance and Accounts Officer, Savitribai Phule Pune University (SPPU) and her team of staff in timely furnishing the records and replies for smooth conducting the audit within the schedule.

Part VI: Test Audit Note

NIL


Audit Officer
PZO/SSII&GS