

Gangtok Tour Report

By Mr. P. Kapur (Team Leader, PMMC) 17th to 20th July 2013

A visit was made to Gangtok with the following objectives:

- To visit the site for Project of Tr-I, with special emphasis on PE/GI pipe work.
- To discuss the progress of award of Tr-II projects and commencement of work.
- To discuss the SIPMIU's plan for procurement of household bins.
- To follow up on the action points agreed during the ADB review mission, especially in terms of expenditure.
- To discuss the semi-annual monitoring reports for social safeguards and Environment.
- To discuss the QPR for June Quarter.

The visit report is based on discussions with DSMC, since the PD (Project Director) could not be present due to a sudden bereavement in his family.

1. **General:** For reasons explained above, most of the interactions during the visit were with the DSMC (Consultants). It was observed that the DSMC was not fully aware of the project status and there was a communication gap between SIPMIU and DSMC. This is resulting in sub-optimal use of the consultants and could explain the slow response from SIPMIU in several areas. Some of the areas of slow responses are:
 - a. Monthly progress report is not sent. Even the format was not available with DSMC.
 - b. Monthly SoE not received. It was agreed during ADB's review that monthly claims would be sent by 10th of every month. SoE's received up to February 2013 only.
 - c. DSMC is not measuring the work done by contractor, nor signing the MB. This is being done solely by the SIPMIU.
 - d. DSMC was not following up on the expenditure commitments given by SIPMIU to ADB, in order to speed up execution of work.
 - e. The revised format of QPR had not been communicated to DSMC, and the obsolete format was still being used.

It is suggested that SIPMIU should use the DSMC more effectively, both for work supervision and for assistance in MIS and in reporting progress.

2. **Progress of Tr-I Project (WS for Burtuk and Chandmari):** The project was scheduled for completion in end March 2013. We understand that SIPMIU has agreed to extend the date of completion to 31-08-13. However, looking at the progress to date, it is unlikely to be finished before December 2013. The list of tasks still to be completed is:

S. No	Item	Remaining work
1	Pump House at Selep	-Civil: Doors, windows, and toilet to be completed. -Electrical: Power Supply, Distribution board, wiring to be

		completed. - Pumps to be received and installed, including suction connections.
2	Construction of reservoir (GLSR) of 1.12 Million Liter at Bulbuley	-Hydraulic testing and leak repairs to be done. -Retaining wall to be completed -Valves to be fixed, Outlet pipes to be connected -Bulk flow meters to be procured and fixed
3	Break pressure tanks	-Out of 7 BPTs, 2 are still to be constructed
4	Laying of DI pipes	Total 22.45 Km of which 20.39 Km completed, balance 2 Km to be completed
5	Laying of PE pipes	Total 9.25 Km, 2 Km completed, balance 7.25 Km to be completed
6	Laying of GI pipes	Total 8.64 Km, work yet to start
7	Commissioning	Yet to start

It is suggested that intensive follow up be maintained with the contractor. He should be warned that for delay beyond the revised completion date of 31st August 2013, penalties as specified in the contract would be imposed.

3. **Award of already approved Tr-II contracts:** SIPMIU has issued LoAs for 3 packages. However, we were surprised to learn that it is proposed to issue the contracts for these 3 packages in September 2013 only, coinciding with the end of monsoon. Our experience shows that the contractors take 3-4 months for preparatory work, approval of design, finalization of alignments, obtaining material etc. Hence it is suggested that the contracts be issued immediately.
4. **Financial evaluation of package for construction of SWM landfill site:** The financial bid of lone successful bidder M/s UPL Environmental Engineers Ltd. was opened on 2nd July 2013. The bid is at Rs 12.05 cr vs revised estimate of Rs 10.42 cr i.e. +15.65%. The itemized analysis shows that two items are accounting for major variation (i) Supply and fixing of impervious liners +Rs 1.1 cr and (ii) RCC retaining wall +0.9 cr. SIPMIU is advised to complete the evaluation quickly and based on variance analysis either recommend negotiation or if the variance is justified, then recommend acceptance.
5. **Rebidding of two packages:**
The following two packages are to be rebid. It is suggested that the rebidding be expedited. Before rebidding, if necessary, a fresh cost estimate should be prepared based on latest market price/SOR and submitted to MoUD for approval.
 - a. Procurement of household bins:
 - b. Procurement of mini-garbage tippers
6. **Submission of half-yearly and quarterly reports:** The semi-annual monitoring reports both for environment and social safeguards appear to be OK and should be

submitted as soon as possible. The QPR should be filled in the new format and submitted.

Action Points:

1. SIPMIU should use the DSMC more effectively, both for work supervision/measurements and for assistance in MIS and in reporting progress
2. Execution of Tr-I package should be expedited. The contractor should be warned that delay beyond the revised completion date of 31st August 2013, would attract penalties as specified in the contract.
3. Contracts for the three Tr-II packages already approved should be issued immediately and not delayed. .
4. Rebidding of the package for household bins and mini-tipper trucks for SWM should be expedited. If necessary, a fresh cost estimate should be prepared based on latest market price/SOR and submitted to MoUD for approval.

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