

SOUTH EASTERN RAILWAY

Office of the
General Manager (Engg.)
Garden Reach, Calcutta –43

No.PL/WP/GENL/2000-2001

Dated : 22-11-2000
6 Agrahayana, 1407 Saka

CE's CIRCULAR NO.217 of NOVEMBER 2000.

Sub: Works Programme Proposals.

1. **PREAMBLE:** The system of getting the works sanctioned through Works Programme each year is a well-known and established procedure as laid down vide Chapter VI of the Engineering Code. Investment decisions relating to the creation, acquisition and replacement of assets on the Railways are processed through the annual “Works, Machinery and Rolling Stock Programme”. Instructions regarding the preparation of the Machinery and Rolling Stock programme are contained in Chapter XV of the Indian Railways Code for Mechanical Department (Workshops). Detailed instructions regarding the financial appraisal of Railway Projects are contained in Chapter II of the Indian Railways Financial Code. Detailed instructions relating to Demand No. 16- Assets – Acquisition, Construction and Replacement, have been brought out in the paragraphs 601 to 625 of Chapter VI of the Engineering Code.
2. **CO-ORDINATION:** Chief Engineer is to co-ordinate with other departments and ensure that the proposals prepared by various departments are compiled in the form of Works Programme booklets. The over-all priorities of works within the ceiling given by the Board will be fixed by the General Manager in consultation with Heads of the Departments. However, while in respect of Plan Head 41 – Plant and Machinery, CME is the Nodal Officer, CSTE is the Nodal Officer for Plan Head 17- Computerisation and CPO is the Nodal Officer for staff quarters. In respect of Plan Head - 29 Road Safety Works - Level Crossings, interlocking works are dealt with by CSTE and works relating to manning of unmanned level crossings, provision of lifting barriers etc. are dealt with by CE.
3. **PREPARATION OF PRELIMINARY WORKS PROGRAMME:** As brought out vide Para 610E, in or about June/July each year, the Railway Board convey to each Railway, the total outlay in respect of each Plan Head, within which the Works Programme should be framed by the Railway. On receipt of this financial ceiling, Railway Administration is required to take stock of the schemes already framed and those under consideration and select for inclusion in the Works Programme within the financial ceiling such works as are expected to yield the maximum benefit to the Railway and its users.

4. **ADVANCE PLANNING:** The preparation of the Annual Works Programme is not an isolated exercise for the year, but is a part of a continuous planning process from the level of the Divisions and upward. Works Programme Proposals are submitted for the approval of the Board in 3 stages as under:-
 - i) Advance list of proposals costing Rs.5 crores and above each is normally required to be submitted to the Board during June/July for their prior approval for inclusion in PWP.
 - ii) PWP consisting of works costing below Rs.5 crore each and lumpsum cost of works falling under GM's power for sanction are normally due in Board's Office during August.
 - iii) FWP : Such of those works included in PWP and approved by Board are submitted after Works Programme meeting with Board, which are normally due during November/December.
5. **TARGET DATE FOR SUBMISSION OF PROPOSALS:** The target dates for receipt of proposals from the Divisions, sponsoring PHODs and processing the same for Works Programme are circulated to all concerned in such a manner that the Preliminary Works Programme of the following year is submitted to the Railway Board by first week of September or such earlier date as may be laid down by the Board. Proper financial appraisal of each of the work is required to be given in the Preliminary Works Programme together with the comments of the FA & CAO.
6. **SPONSORING OF PROPOSALS:** The proposals from the Divisions for inclusion in the Works Programme should emanate from the sponsoring departments, which depending on the nature of proposal, inter-alia, will (a.) arrange to obtain the estimated cost from Sr.DEN/ Sr.DSTE/ Sr.DME/ Sr.DEE concerned, (b.) have the proposals concurred in by Sr.DAO and obtain approval of DRM for inclusion in the PWP.
7. **SELECTION OF THE PROPOSAL FOR WORKS PROGRAMME :** While selecting proposals, it should be kept in view that these proposals are financially viable, provide adequate returns, remove operational bottlenecks and/or are essentially required for providing/upgrading rail users' amenities and provide staff satisfaction. For prioritising various proposals, requests from people's representatives (MPs and MLAs), various Rail Users' Committees such as ZRUCC, DRUCC etc. and Rail Users' Associations, Central and State Governments, Local Administrative Bodies, Gram Panchayats etc. should be considered. Instructions issued vide various Inspection Notes of Board's Officials, GM, PHODs and other Railway Officers should be given adequate attention.
8. **DEFICIENCIES/SHORTCOMINGS IN THE WORKS PROGRAMME PROPOSALS:** A study of the Works Programme proposals submitted by various sponsoring units in the past few years has revealed that there are certain deficiencies /shortcomings in framing the proposals by the sponsoring units, resulting in back references, delay in finalisation of the works programme and sometimes acceptance of underestimated /immature /incomplete /technically unsound proposals. A few of such deficiencies which are noticed generally are indicated below:-

- i) Inordinate delay in preparation/ submission of the proposals resulting in some important ones not being included in the Works Programme/ or sometimes some proposals get included without proper examination/ checking due to lack of time.
- ii) The proposals for works when initiated are not well thought of.
- iii) Preliminary survey not done in adequate detail as per provisions of the Engineering Code resulting in inaccurate estimation of cost.
- iv) Lack of serious technical planning and application of mind in project formulation leading to heavy cost over runs even before the commencement of the work.
- v) Major deficiencies occurring at conceptual stage and then in the implementation phase.
- vi) The proposals are framed without site verification and ground realities are not taken into account, which pushes up the cost at a later stage.
- vii) The proposals are not technically feasible or deficient in respect of bringing out the scope of work in a proper manner.
- viii) The proposals are not self-contained and not supported by adequate justification. The supportive plans, layout, etc. are not enclosed to the proposal to facilitate examination of the feasibility of the same.
- ix) The proposals do not have sanction of the competent authority.
- x) The financial implications of the proposal are not properly spelt out/ examined, resulting back references from HQ/ Finance.
- xi) The requirement of fund not realistically assessed.
- xii) Large variation in cost in the abstract estimate vis-à-vis detailed estimate.
- xiii) The scope of work not properly examined resulting in material modification of high magnitude.
- xiv) The proposals are not correctly assigned to respective Plan Head to which the works relate.
- xv) The proposals are not submitted assigning their priorities, resulting in high priority works having been missed in some cases.
- xvi) The proposals for staff quarters and the selection of stations where staff quarters are proposed are not decided in consultation with the organised labour.
- xvii) Willful under estimation at the time of inclusion of works in Works Programme and later, at the time of detailed estimate, the costs getting considerably increased. In consequence, sanctioning of such estimates get delayed because of large unexplained variations.
- xviii) Proposals lacking qualitative improvement in 'abstract estimation' which is essential to give the sanctioning authority a reasonable overview of financial implications of the investment proposals.

9. **THE MANNER IN WHICH THE PROPOSALS ARE TO BE SUBMITTED:** With a view to avoiding above mentioned short-comings/deficiencies and for the purpose of framing a self-contained proposal in a proper manner, it is advised that the following aspects be kept in view while formulating the proposals:-
- i) The proposals for works costing above Rs.5 crores each which require Board's prior approval for its inclusion in the PWP, should be framed and submitted to the Head Quarter's office with associated account's concurrence/observations well in advance as per the schedule laid down by CE's office each year. Generally the vetted proposals mooted by the Division should reach the respective PHODs by the middle of May each year. These proposals, after examination and approval by the respective PHODs and vetting by FA & CAO should reach CE's office by first week of June. This time schedule has been framed to make adequate room for getting Board's prior approval for inclusion of the proposals of this category in the Works Programme which is required to be submitted to the Board's office by 1st week of September each year.
 - ii) As regards proposals costing below Rs.5 crores each, which require Board's acceptance for inclusion in the Works Programme, the time schedule for receipt of the same in the CE's office, duly concurred in by Head Quarters finance, is middle of August. The time schedule needs to be followed truthfully at all levels.
 - iii) While framing the proposals, it is very necessary that the field verification is carried out by the proposal framing authority and that the proposals are well thought of. It is very important that the plans are prepared and the estimated cost is worked out based on detailed field assessment, technical plans, proper layout, realistic assessment of quantity of works etc. and only then the proposals are processed for inclusion in Works Programme.
 - iv) While the abstract estimate forms a part of the proposal, it is of utmost importance to ensure that the scope of works and the cost aspects are given due consideration so that there is no large variation in the cost in the detailed estimate vis-à-vis the abstract estimate. The Board have expressed their serious concern in some cases where there had been wide variation in the anticipated cost shown at the time of sanctioning the proposals and that at the time of execution of works.
 - v) Apart from this, planning with involvement of all concerned departments will obviate frequent change of scope of work and avoid introduction of large number of material modifications, which are undesirable features and need to be controlled.
 - vi) Justification: All proposals should have proper justification supported by necessary drawings.
 - vii) Costing: While working out the cost, in addition to giving the overall Department-wise break up, details of cost should also be furnished. Provision made towards Departmental and General charges should not exceed the limits prescribed. Cost as likely to prevail on 1st April of Programme Year may be assessed to avoid any revision of cost while sanctioning detailed estimates.

- viii) Efforts should be made to complete the on going works as expeditiously as possible so as to reduce their throw forward liability. New works that are essentially required need only be proposed. Divisions should indicate their priority in respect of works emanating from them.
- ix) Departmental Heads at HQ's are required to critically scrutinise the proposals received from the Divisions with regard to its need, competing demands from other Divisions and limited availability of funds and priorities of the works and forward such of these proposals with modifications as found necessary to FA & CAO for concurrence endorsing a copy to CPDE. Prior to this, the various costs of sub-estimates of other Departments are to be got certified through them. They are also required to indicate priorities for works in respective Plan Heads. Cost of proposals sponsored at Head Quarter's level should be obtained from CE/CAO/CEE/CSTE/CME, as concerned, by the sponsoring PHODs and the same forwarded to FA & CAO for concurrence.
- x) The controlling PHOD at HQ should also arrange to reply any query raised by FA & CAO as expeditiously as possible in consultation with other Departments, where necessary, and obtain Finance concurrence. Final proposal as concurred in by FA & CAO may be sent to CPDE in time.
- xi) Details of costs (latest sanctioned/updated cost) , expenditure etc. of all works which are likely to appear as a Work in Progress in the Programme Year shall be furnished in the proforma as may be prescribed. In addition, progress of works in descriptive/quantitative terms should also be furnished. Any bottleneck /problem faced in progressing the works should also be brought out.

10. **DELEGATION OF POWERS :** The Board, vide their letter No.F(X)II- 2000/PW/2 dt.03-07-2000, have delegated powers to GM for sanctioning works costing not more than Rs.30 lakhs each and M&P items costing not more than Rs. 10 lakhs each, provided that the total lump sum provision made in the budget for such works is not exceeded. Further delegation of powers has been circulated vide GM/GRC's Memorandum No. W/47/Works/5735 dt 09-11-2000.

11. **OUT-OF-TURN PROPOSAL:** After the Pink Book is circulated and Budget Grant is communicated to the Railways by the Board, sometimes, during the year, occasion arises when a very urgent work is required to be taken up for execution which cannot pend for the regular Works Programme for the next year. In such cases, the proposals are mooted on out-of-turn basis with the finance concurrence and GM's sanction or with the sanction of the Board, as the case may be, depending on the anticipated cost of the work. In terms of the extant rules, as obtaining now, out-of-turn proposals costing upto Rs. 50 lakhs each in respect of line capacity works can be sanctioned by GM. As regards works falling under other categories (Plan Heads), GM's power is limited upto Rs.30 lakhs each for sanction on out-of-turn basis. However, in respect of existing Railway's Schools, Hospitals, Dispensaries and Institutes, GM is empowered to sanction out of turn works costing not more than Rs.10 Lakhs in each case subject to the provision that the funds required for such works as provided in the sanctioned budget for works in these categories are not exceeded.

- 11.1 Such out-of-turn sanctions by GM are subject to budgetary ceiling limit of Rs.6 crores in a financial year provided that the sanctioned budget (other than lump sum) for works in these categories is not exceeded and also provided norms fixed for completion of works under different Plan Heads are followed. The out-of-turn proposals are also required to be formulated in the same manner as mentioned earlier.
- 11.2 Board's sanction is required in respect of works costing more than the above limits for out-of-turn sanction.
12. **GENERAL:** An important requirement for effective investment planning is the realistic estimation of the project cost. Full details of the scheme must be worked out and detailed plans and estimate duly prepared. In the case of yard remodelling, line capacity works, goods shed facilities and important buildings, the estimate should be based on plans approved and signed by the concerned department who should scrutinise the plan to avoid the need for making any substantial modification in the required facility at a subsequent stage (Para 604 E).
- 12.1 All schemes costing Rs.30 Lakhs and above each should be worked out comprehensively and sent to the Board along with other details of (i.) the technical features, (ii.) cost break up, (iii.) benefit expected to accrue, (iv.) financial implication.). A sketch map of each proposal should also be sent. The Railway should clearly bring out the purpose of each scheme and confirm that the proposal meets the objective fully and that the scope and cost of the project have been arrived at after the fullest possible investigation including assessment of the financial implications. After the schemes have been scrutinized by the Board, the Railway is advised of the acceptance, with or without any modifications for inclusion in the Works Programme. (Para 607 E)
- 12.2 While the sanctioned works costing more than Rs.50 lakhs each find places in the Pink Book, those costing above Rs.30 Lakhs and below Rs. 50 Lakhs each are included in the Railway's LAW Book after sanction by the Board.
- 12.3 Works once introduced, through Works Programme (including Track Renewal Programme) and taken up after the estimates have been sanctioned by the competent authority, should continue to be included every year till they are finally completed, except in cases where the works have reached the completion stage and where funds required, if meagre, could be found by re-appropriation.
- 13 **FINAL WORKS PROGRAMME:** After having examined the individual Railway's programme and discussions with the General Managers, the Railway Board decide the works which should be undertaken during the following year and which should be included in the final Works Programme. The Zonal Railway then modify their Preliminary Works Programme, if any, as a result of the Board's decision and send their Final Works Programme to the Railway Board by the stipulated date. (Para 623 E)

- 14 **CONCLUSION:** In view of the what has been brought out in the foregoing paragraphs, it is advised that utmost care be taken in framing the Works Programme proposals, taking into consideration of all aspects and judicious decision in prioritising the works Plan Headwise. The proposals need to be self-contained, well thought of, supported by adequate justification defining the scope of work fully and based on detailed field assessment, technical plans, proper layout, realistic assessment of quantity of works and estimated cost for the best investment planning. Works in progress also need a very careful consideration in respect of projection of requirement of fund based on actual progress and its priority. It is also equally necessary to ensure that the planning of proposals is started well in advance so that the really essential and important proposals are not missed. For this purpose the time schedule laid down need to be truthfully followed.

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for **GENERAL MANAGER (ENGG.)**

No.PL/ WP/ GENL/2000-2001

Dt. 22-11-2000

- 1) Secy. to GM for kind information of GM.
- 2) Secy. to CE for kind information of CE.
- 3) All PHODs.
- 4) All DRMs.
- 5) CAO(C)/GRC, CAO(C)/BBS.
- 6) CTE.
- 7) All THODs.
- 8) CE/East Coast Railway.
- 9) All Dy.HODs at HQ.
- 10) All Sr.DENs/(Co-ord)/S.E.Railway/ADA, BSP, CKP, KGP, KUR, NGP, SBP & WAT.
- 11) Principal/ZTC/SINI.
- 12) CVO (E)/GRC.
- 13) Sr. DEN/GRC.
- 14) OS/G-II for keeping in file.