

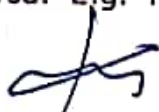
**Government of Jammu & Kashmir
Housing & Urban Development Department
Civil Secretariat, Srinagar/Jammu**

Circular No. 05 -JKUT(HUD) of 2023
Dated 13.11.2023

Subject: Expeditious Implementation of Capex Works under UT Capex, PMDP, Centrally Sponsored Schemes (CSS) and Central Sector Schemes.

1. As emphasised by the Finance Department, Government of J&K in the Budget 2023-24 RE discussions, there is a critical need for HUDD to boost the expenditure under the UT Capex, CSS, and other Capital Expenditure schemes. Accordingly, the following instructions are issued for meticulous compliance by HUDD and its Parastatal Agencies/Boards/Authorities:

- i. **DPR Preparation:** Unless a HOD determines that the Department/agency has in-house expertise, well-experienced consultants shall be involved in the DPR preparation since adequate diligence at this stage ensures a realistic and accurate assessment of the scope of work as well as accurate cost and time estimation. This ensures quality execution, while also avoiding deviation from the administratively approved cost, and avoiding subsequent delays in the execution of projects.
- ii. **Mandatory Budget Approval:** No entity shall spend any money, whether on capex or revex, without the prior approval of its budget, and no ex-post facto approval shall be presumed/sought. The Director Finance, HUDD, shall monitor this for HUDD agencies, such as LCMA, which seek funding support from the UT Government, and the internal FA & AO of an agency shall ensure this for entities, such as JDA/SDA/JKHB, which do not take any funding support from the UT Government.
- iii. **Small Size of Projects:** The funds made available should not be split too thin for tiny-sized projects, such as being frequently done by ULBs/Municipal Corporations, since such sized projects are unlikely to create a tangible impact on the ground, and also create monitoring challenges for the limited machinery at the overall UT level. To begin with, the minimum threshold shall be kept at ₹ 5 lakhs for a capex project. If the ULBs or any other entity still feel a need for such tiny projects, they are encouraged to raise their own resources to finance such tiny projects, since the use of their own funds is likely to create self-policing measures at the local level.
- iv. **Project Duration:** All the spillover and ongoing works/activities which are expected to be completed during the year 2023-24, or at the most in the succeeding year, shall be the first charge on Capex Budget 2023-24. Only rarely a project involving more than two financial years should be undertaken, and if felt necessary, due justification for the same be furnished with the proposal. The focus should be on the completion of ongoing projects rather than spreading resources thinly over a number of years.
- v. **Rational Breakup of Fund Demand:** The funds for a Scheme/Project should not be demanded on BEAMS against microbreakup into sub-components/activities, since it creates rigidities - resulting in funds available where not required and vice versa. E.g. For CSS, details submitted on



BEAMS should be against the GOI's approved components of a Scheme and not be demanded against activities/ sub-components under these components. In order to retain flexibility, funds under the matching UT share in a CSS should be reflected in BEAMS as a lump sum figure instead of against each of the approved scheme components or its subcomponents for their utilisation strictly on approved scheme components.

- vi. **Details Uploading on BEAMS:** All the instructions of the Finance Department need to be scrupulously followed by the HUDD Implementing Agencies while formulating their Annual Action Plans, including in the context of submitting exact nomenclature of the project, uploading project cost as per the administrative approval and not as per the estimated cost, etc. Besides, proposals must be submitted after conforming to the availability of undisputed land sites, etc., to avoid subsequent delays. Often, casual submissions create a need to rectify errors in the uploaded details on the BEAMS portal or even a need to re-appropriate funds. This is possible only at the end of the Finance Department and delays are inevitable. The responsibility on this account shall squarely lie on Implementing Agencies.
- vii. **Availing funds under Central Share and Matching UT Share under CSS:** The HODs/MDs handling a CSS should target to secure at least 4 instalments of Central Share in a year by actively pursuing such matters with MoHUA/ MoWR/ other Central Ministries involved. However, in case of delay in the release of Central Share even after submitting the proposal with requisite UCs, HODs may submit the proposal for the upfront release of matching UT share without waiting for the prior release of Central Share.
- viii. **Inviting of Bids In Parallel:** Once a Scheme/Project is approved for inclusion in the work plan by the Competent Authority, GOI (for Central Sector Scheme/CSS) or UT Government (for UT Capex), as the case may be, the tender for the same may be invited, even pending fund release by the Finance Department, and bid evaluation completed. However, no work shall be awarded before the Finance Department releases the funds against that work. This parallel processing of tender will avoid time delays post-fund availability and associated cost escalations.
- ix. **Well-publicised Tendering:** To ensure adequate competition to avoid cases of single or no bids, besides following e-tendering mode, tenders should be publicised sufficiently on Departmental websites, and also through publication of abridged tender notices in prominent local and national dailies to avoid cases of single or no bids, as also ensure adequate competition.
- x. **Single Bid:** A single bid, if received, shall be considered as per Rule 173(xx) of GFR.
- xi. **Timely Bill Submission:** Implementing agencies under HUDD are encouraged to go ahead with the physical completion of the work to the extent of allocation for the financial year and not to restrict the physical progress of works to the funds released by the FD at the start of the FY. Even in circumstances where it is felt by the IAs that certain works can be completed during the financial year, the IAs in due consultation with HUDD, should go ahead with the physical completion of the works beyond allocation for the financial year restricting themselves to the overall allocation under the Head. Also, small Contractors, even if work is completed, are reluctant to submit bills since, as per the Finance Department's instructions, they have to upload all relevant documents for the claim of a bill each time (even



when physical progress is more) and prefer to wait for full fund release by FD before submitting bills (FD releases money in instalments). In fact, queries have to be answered on delayed bill settlement even when the same is due to deficit fund release by FD. However, it has to be noted that FD also limits expenditure in the last quarter and last month – result, the bills can't be drawn even though FD may have released 100% of funds against a work. Hence, the Contractors may be encouraged to upload details for the full quantum of work done (even if the bill settlement can be done for a lesser amount). The same set of documents could then be uploaded for claiming the next installment, once the FD releases more amount against that work. Further, all cases where physical progress has exceeded the financial progress, the same should be brought to the specific notice of the Administrative Secretary by the HODs so that the fund shortage, if any, is expeditiously handled and stoppage of work is avoided. The work stoppage breaks the entire momentum, leading to delays in ramping up again once the funds are available.

- xii. **Deposit work with PHE and PDD:** The various entities of HUDD, such as JDA, SDA, JKHB, etc., deposit money with PHE and PDD for undertaking water supply and electricity distribution work, respectively, within their land under development. PHE and PDD have huge work of their own to handle and deposit works with them comes with significant delay. The matter has been discussed with the Chief Engineers of PHE and PDD, and they only insist on prior NOC from them since the external power supply, and water supply/underground supply needs to be tapped. Hence, the HUDD agencies may, for faster and more timely execution, after taking NOCs from PDD and PHE, proceed with tendering the complete scope of works, including that of drinking water and electricity distribution, within their work site, under the supervision of their inhouse engineers. Where really necessitated for big projects, a PMC/PMU may be hired by HUDD agencies for relevant technical expertise/supervision.
- xiii. **Correct Expenditure Booking:** Capital expenditure works are only those that result in the creation of a physical or a financial asset. However, certain expenditures, such as maintenance of capital expenditure works, other recurring expenditures, consultancy assignments (unless loaded on project cost of capex works), etc., are revenue expenditures and not capex. The concerned FA & AO shall be responsible for the correct booking of expenditure and claiming funds under the appropriate category through BEAMS.
- xiv. **Third-party Quality Monitoring (TPQM):** It is not only important to physically complete a work but also to ensure quality completion as per the defined scope of work. Hence, to begin with, all works (Civil works costing more than ₹2.5 Cr; and machinery and equipment costing more than ₹50 lakhs) shall be subject to mandatory TPQM by a reputed third-party agency to assess the quality. The associated expenditure shall be included in the proposed cost estimation of work.
- xv. **Plotting on PM Gati-Shakti Portal:** All the infrastructure works should be plotted on the PM Gati-Shakti portal, and the tender may specifically include that in the scope of the contractor. This shall be confirmed at the time of the final claim against a Bill.



2. Any challenges that are encountered in the timely execution of works, shall be brought to the immediate notice of the Administrative Secretary HUDD, for an expeditious resolution of the issues. The ULBs Jammu/ Kashmir may also contact the concerned CE(R&B) if there are any delays on the part of the PW(R&B) divisions in executing their work. However, applications for road cut permissions shall be submitted to PW(R&B)/ ULBs and road cut restoration charges deposited with them, so that delays are avoided in securing permission for road cutting.

3. Non-compliance with these instructions shall be viewed adversely, and the HODs/ other Concerned officers and FA & AOs shall be held accountable for non-compliance/ delayed compliance.

Sd/-
(Prashant Goyal, IAS)
Principal Secretary to Government
Housing & Urban Dev. Department

No. HUD-PLANOCAPX/10/2023(7170657)

Dated:13.11.2023

Copy for necessary action to:

1. Additional Chief Executive Officer, SMRDA/JMRDA
2. Commissioner, Municipal Corporation Jammu/Srinagar
3. Chief Executive Officer, Smart City Limited, Jammu/Srinagar
4. Vice Chairman, LC&MA, J&K
5. Managing Director, MRTC, Jammu/Kashmir
6. Director, Urban Local Bodies, Kashmir/Jammu
7. Vice Chairman, Development Authority, Jammu/Srinagar
8. Mission Director, SBM-U J&K
9. Mission Director, DAY-NULM J&K
10. Managing Director, J&K Housing Board
11. Chief Executive Officer, Urban Development Agency Kashmir/Jammu
12. Chief Engineer, J&K UEED
13. Chief Town Planner, Town Planning Organization, Kashmir/Jammu
14. Director Building Centre, Jammu/Kashmir
15. Project Officer, Charar-e-Sharief
16. Deputy Director (Planning), HUDD

Copy for information and advice/Suggestions/comments, if any, to:

1. The Principal Secretary (Finance), Government of J&K.
2. Director (Finance), HUDD


(Dr. Yodh Raj) JAKES
Deputy Director (Planning)
Housing & Urban Dev. Deptt. 13-11-23