

Reconstruction of Earthquake Damaged Rural Houses (REDRH) Project

Coordination Meeting with STCS, SIMFED and Districts / Blocks

21st Oct, 2013, 2pm at RM&DD head office

Minutes of the Meeting

A coordination meeting was held in RM&DD head office under the chairmanship of Shri D. R. Nepal, Secretary RM&DD to sort out the various issues pertaining to the supply of stock material (cement and TMT bar) under the REDRH Project which is funded under the PM's Special Relief Package for Sikkim. The Secretary in his opening remarks indicated that the REDRH was a priority project of the Government and being funded from the PM's Package is constantly under the scanner. He indicated that the main complaint about the project is delay in construction, and we need to accelerate the project as now the monsoons are withdrawing and the working season has started. We need to make full use of this working season and show considerable progress in the coming six months.

He provided a target of 250 houses to be completed per month by every district, so that we inaugurate 1,000 houses on the 18th of every month. Hence, this meeting was called with an objective to ensure an assured stock material supply of 60 trucks per day to make full use of the working season from Oct 2013 onwards.

The following issues were discussed in this meeting:

1. Action taken on previous meetings that is pending

The action points of the meeting held on 17th April, 2013 was read out and pending items were read out. These are as follows:

- Provide the official documents that form the basis for selection of manufacturers i.e. for Cement (Jaypee and Lafarge) and TMT Bar (Elegant/Adhunik).
- Provide quality testing reports of quality of stock material in accredited labs
- Provide surprise check reports fo quality and quantity of stock material while in transit within the State
- Daily Delivery Reports need to be provided over email regularly

Both STCS and SIMFED agreed to expedite the above action points at the earliest

2. Settlement of outstanding advances at the earliest (in crores):

Status of Advances under REDRH									
SI No	Particulars	Agency	Advance amount	Drawn Vr No/Date	Amount Adjusted	Vr No/Date	To be adjusted	Amount paid after adjustment	District
1	Cement	STCS	232895250	1437/09.10.2012	173088380	Jul-13	59806870		
2	TMT Bars	STCS	150000000		158961428	Sep-13	0	8961428	
3	Cement	SIMFED	7611600	77/25.06.13			7611600		South

4	Cement	SIMFED	18165600	80/25.06.2013			18165600		North
5	TMT Bars	SIMFED	10188493	79/25.06.2013			10188493		South
6	TMT Bars	SIMFED	51208844	78/25.06.2013			51208844		North
7	TMT Bars	STCS	60000000	12/10.07.2013			60000000		
8	TMT Bars	STCS	34329464	57/03.09.2013			34329464		
9	Cement	SIMFED	1902900	26/23.06.2013			1902900		South
10	Cement	SIMFED	4541400	27/23.09.2013			4541400		North
11	TMT Bars	SIMFED	12802211	29/23.09.2013			12802211		North
12	TMT Bars	SIMFED	2547123	28/23.09.2013			2547123		South
			586192885				263104505		

13	TMT Bars	STCS	200000000	2011-12 from LR/DM	224495705			24495705	
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a) STCS

Total Advance released to STCS	677224714
Advance adjusted as on date	523088380
Advances yet to be adjusted	154136334

b) SIMFED*

Total Advance released to SIMFED	108968171
Advance adjusted as on date	0
Advances yet to be adjusted	108968171

* SIMFED representative informed that against this advance they have already submitted bills to the tune of Rs 8.4 crore to RMDD head office

3. How to ensure an assured stock material supply of 60 trucks per day. 30 from STCS and 30 from SIMFED every day for the next 6 months

- SS-I informed that the Blocks can send the indents directly to DE-Stores with a copy for information to the concerned ADC(Dev) in order to expedite this process. Also, the Districts and Blocks need to provide advance requisitions since it takes about 2 weeks to service the same, as the stock material is sourced from the manufacturers only after the requisition is received.
- ADC Gangtok, informed that we need to step up the stock material supply, if we need to complete the project within the stipulated deadline, otherwise it will not be possible to meet this deadline.
- ADC Soreng requested for 5000 truck loads of cement immediately for Soreng Block for them to take up all the houses to which STCS provided the assurance that they will be providing immediately.
- Reghu Block informed that he was facing shortage of 300 MT of TMT Bars to which STCS assured that they will be providing immediately.

- ADC Ravangla informed of shortage of TMT Bars in most of the Blocks of South District due to which construction was suffering. GM SIMFED informed that the stock material for all the Blocks has been dispatched on 17th Oct, 2013 and will be reaching shortly.
- ADC Mangan informed of shortage of TMT bars in North Sikkim, for which SIMFED replied that they have received the requisition only in Oct-2013, and they will be supplying the same shortly.
- Parkha GVA informed that the over all the stock material supply was satisfactory due to which 70% houses have crossed the slab level. But he still faces problems since the TMT Bars of the right size have to reach, and not only of one size in large quantity.
- Many GVAs informed that they have been unable to take up new house construction as the current stock material supply was only sufficient to meet the demand of the ongoing houses.
- It was also informed that monthly GRC was mandatory and needs to be continued by all the Blocks on a monthly basis.
- STCS/SIMFED requested that in the current financial system being followed, after supplying 100% of the stock materials as per the advance, they do not have funds to finance the stock materials in the intervening period before the next advance is released to them. Since Rs 8-10 crores is needed to fund one month of stock material supply. Also, they requested for revolving fund to ensure that stock material supply is continued uninterrupted during the intervening period when reconciliation takes place. This will ensure a regular supply of stock material without any breaks. This revolving fund is needed along with the advance in order to ensure that the stock material supply is continued in the time gap between settling an advance and obtaining next advance. Currently, the stock material supply in this intervening period (which is typically of a month's duration) switches to emergency mode with only critical Blocks being serviced which adversely affects the stock material supply and the house construction. They also provided commitment that if revolving fund is provided, which is a one-time dispensation; it will help them in supplying the stock materials without any interruptions.

4. How to reduce the time taken for settlement of advances?

- a. Obtaining bills / indents from the manufacturers**
- b. Settlement in STCS/SIMFED**
- c. Settlement in RMDD**
- d. Settlement in PAO**

It was decided that the Goods Received Report from the MIS be used as basis for reconciliation, since it has consignment wise (challan based) details, it will be authentic. The STCS/SIMFED need to provide the challans along with this report. The following standard operating procedure was finalized upon:

- Hard copy Challans and Bills will be provided by STCS/SIMFED. This will be supported by the Goods Received Report from REDRH MIS. The hard copy challans should match with the Challan details indicated in the MIS report.
- This will entail faster reconciliation by RMDD since, it will be based on the same Goods Received Report from the MIS.
- This Goods Received Report of the MIS will be also certified by the concerned AE/GVA and will function as an evidence that the stock material has been delivered in the Block Level Stores.

- Consignments in the MIS Report for which hard copy Challans are not available with STCS/SIMFED need to be struck out from the hard copy of the Goods Received Report of the MIS. This will ensure quick settlement of the available challans, as they need not wait for these delayed challans.
- The current system of obtaining monthly GRC from the Blocks will be continued.
- The ADC/GVA agreed to ensure that the Goods Received Details are entered online in the MIS within 2 weeks delay, as this will ensure that this system of generating the Goods Received Details from the MIS becomes functional.
- It was found especially in the North and South Districts that the stock material supplied by SIMFED, was booked to STCS in the MIS. This needs to be corrected by the concerned Blocks immediately, since it will affect the material reconciliation process.

5. How to ensure that funds released by RMDD reaches the manufacturers without delay?

STCS/SIMFED informed that during Emergency mode they are starved of cash and it is not possible for them to meet the total demand of stock material. During this period, they shift to emergency mode and only critical areas are serviced.

6. Submission of Monthly Progress Reports and Daily Delivery Reports of goods supplied

STCS/SIMFED assured that they will provide us the daily delivery reports regularly over email now

7. Periodic testing of quality of stock material being supplied in accredited laboratories

STCS/SIMFED assured that they are doing this and will provide RMDD with the reports regularly now

8. Surprise checks on quantity and quality of stock material being supplied

STCS/SIMFED assured that they are doing this and will provide RMDD with the reports regularly now

9. Completing the beneficiary selection process latest by 31st Oct, 2013

As per the date uploaded in the MIS it was found that North still has to identify 20 beneficiaries, East 38 beneficiaries, South 750 beneficiaries and West 198 beneficiaries. All districts need to complete the uploading of the beneficiaries in the REDRH website latest by 31st Oct, 2013 positively. The concerned ADCs need to personally take responsibility of this activity and ensure that this task is completed latest by 31st Oct, 2013. This will ensure that the construction of these houses also picks up.

10. Other issues with permission of the Chair

- **Planning Department** representative Shri Passang Bhutia AD, informed that the total sanction for REDRH Project was Rs 389.83 crore and not Rs 391 crore. He was informed that the balance Rs 1.17 crore was earmarked for meeting the administrative / operational costs i.e. bearing rent of Block Level Stores, Stationary, TA/DA, Evaluation Studies, Trainings and other Misc costs. He informed that this administrative costs of Rs 1.17 crore may be met from the State Plan and a suitable proposal in this regard may be framed by the Department. He also informed that the Rs 107 crore have been

sanctioned by Planning Department under the REDRH Project for 2013-14. Also, RM&DD should utilize this years funds at the earliest and try to access the balance funds of this project in this financial year itself.

- **Transport Dept** representative Shri Raju Basnet CE, informed that SNT is providing trucks only during strikes, road blocks etc and also they have provided exemption of supervision costs not only for TMT Bars and Cement but also for Bricks as well.
- **ADC(Mangan)** was requested to expedite the construction of the REDRH houses of the households relocated from Bay being taken up at Chandey.

In the end, the Secretary-RMDD thanked all the participants and requested STCS/SIMFED to accelerate the stock material supply and the Districts/Blocks to work in mission mode to inaugurate 250 houses per district per month on the 18th of every month in order to complete this project in a time bound manner.



Secretary-RMDD

