

Gist of news item in Eenadu Dt. 3rd December 2005.

THOUSAND CRORES 'FLY ASH'

30% substitution in Cement – Contractors obtained permission from CDO

This is another robbery. An attempt to hoodwink government with fly ash. If this attempt materializes, the drain out on exchequer is over 1000 crores. The contractors, who signed contracts agreeing to use total cement concrete in structures, have obtained permission from Central Designs Organisation (CDO) to blend 70% cement and 30% fly ash. Such permission is granted to two projects already. The remaining contractors are also trying to obtain permission from CDO in the similar lines. Though contractors use fly ash, the government has to pay for the total cement cost. This is because the contracts are signed on EPC basis and, thus, in the over all projects that the government is planning to execute, the drain out would be to the tune of Rs. 1000 crores.

Two packages worth of Rs. 500 crores are already permitted by CDO to use fly ash to the extent of 30%. Thereby in rest of the projects too the same procedure would be invariably adopted. According to a member in Designs Committee, 'Under the norms of EPC contract, as long as the designs are in compliance to the codes, they have to be permitted without any cost-reduction.' One of the Chief Engineers questioned about the quality for using fly ash and commented that unless strict quality control measure are taken, it would cost heavily in future. The government has so far finalized the works worth of over 31,000 crores out of which over 50% is the cost of concrete works that would go up to 70% in the case of dam constructions.

Under the norms of EPC, the design has to be provided by the Contractors that would be duly approved by the CDO after due evaluation. When estimates were prepared, the cost of cement was taken into consideration. For example, if 1000 tons of cement has to be used, the cost of the same is included in the estimates and the total tender document is finalized commensurately. The final decision on the Contractors' design is vested with CDO, but without any change in contract amount in accordance to the norms of EPC. Contractors have taken advantage of this system.

CDO engineers are upholding that there would be no problems by permitting fly ash because the same practices are prevailed internationally for various constructions. When questioned about the use of fly ash and commensurate reduction, the same engineers mentioned that it was outside their purview and they were responsible only to see that the designs were complied strictly. The permission granted by CDO to the proposals of the contractors for using 30% fly ash much before the government decision is only attracting criticisms.

Contractors are benefited as follows:

For compliance of strength codes such as M-10, M-15 and so on are already in vogue. Accordingly, if one of the mix designs of 1:2:4 is considered, 6.6 bags of cement need to

be used per cubic meter of concrete. When 30% fly ash is to be blended, over 2 bags of cement is reduced and replaced by fly ash. When it costs Rs. 270/- per two bags of cement, the cost of fly ash is only Rs. 70/-. Accordingly the contractor is benefited by Rs. 200 per cubic meter. Thus, out of the total projects, this savings would accrue to over 1000 crores. While there is considerable pressure from the contractors on government to recognise this procedure officially, it is to be observed that CDO has accomplished this task.

Response of Chief Minister reported in Eenadu of 4th Decemer, 2005.

STOP THE WORKS WITH FLY ASH

Enquiry on the permission accorded by CDO Response to the news item of Eenadu.

The Chief Minister, Rajasekhara Reddy has ordered that the permissions accorded to use fly ash in irrigation projects be withheld.

Government responded to a news item of Eenadu with regard to preparing the estimates with cement, and then according permission to use fly ash in two packages. The CM's office informed that the Secretary in Irrigation Department, Mr Satishchandra was asked to conduct an enquiry on the permission accorded by CDO for use of fly ash. When it was brought to the notice of CM that using fly ash was an international practice and hence the same was permitted in irrigation also, he observed that there ought to be commensurate reduction in costs. It is reported that the Secretary discussed on these issues with the officers of CDO. It is learnt that the Secretary expressed his anguish for permitting fly ash without bringing to the notice of the Government.

Officers checked the records:

It is learnt that the higher officials of Irrigation department have inspected the records of CDO pertaining to the permission issued on using fly ash. The contractor, L& T, has made an appeal for permitting them to use fly ash in Velugonda Project. As it requires technical evaluation, the opinions of CDO were sought. The CE and other experts of CDO have permitted the use. But it is learnt that the Chief Engineer has implemented the order for certain apprehensions and anticipating certain problems. It is opined that the decision taken by CDO as per the codes still does not appear to be proper. "The fly ash use is permitted by the code but the same fly ash is to be blended at the time of cement production but no at concrete preparation" as expressed by one of the senior officers.

