

**GOVERNMENT OF INDIA
MINISTRY OF HEALTH AND FAMILY WELFARE
DEPARTMENT OF HEALTH AND FAMILY WELFARE**

**LOK SABHA
UNSTARRED QUESTION NO. 2891
TO BE ANSWERED ON 28TH DECEMBER, 2018**

COST AND TIME OVERRUNS IN CONSTRUCTION OF NEW AIIMS

**2891. SHRIMATI SUPRIYA SULE:
SHRI SATAV RAJEEV:
SHRI DHANANJAY MAHADIK:
SHRI P.R. SUNDARAM:
DR. J. JAYAVARDHAN:
DR. HEENA VIJAYKUMAR GAVIT:
SHRI MOHITE PATIL VIJAYSINH SHANKARRAO:**

Will the Minister of **HEALTH AND FAMILY WELFARE** be pleased to state:

- (a) whether the cost of construction of six new AIIMS has escalated by Rs. 2,928 crore, if so, the project-wise details thereof and the reasons therefor;
- (b) whether there is time overrun in completing the six new AIIMS, if so, the institution-wise details thereof and reasons therefor;
- (c) whether the Government has conducted any assessment regarding construction of new AIIMS in the last four years, if so, the details thereof and if not, the reasons therefor; and
- (d) the details of the steps taken/being taken by the Government to reduce time and cost overruns of such projects in the country since 2014, year, State and project wise?

**ANSWER
THE MINISTER OF STATE IN THE MINISTRY OF HEALTH AND
FAMILY WELFARE
(SHRI ASHWINI KUMAR CHOUBEY)**

(a): As per initial Cabinet Committee on Economic Affairs (CCEA) approval in March, 2006 the construction cost for six AIIMS was estimated as Rs. 1,992.00 cr. However, this was revised by CCEA to Rs. 4,920.00 cr on February, 2010 resulting in escalation of cost estimation by Rs. 2,928 cr. The reasons cited for this cost escalation in CCEA note 2010 and project wise details is given in Annexure.

(b): There has been time overrun in the implementation of the Project, due to following factors like non-availability of land at appropriate time, failure on part of Design DPR Consultants, Project Consultants, construction agencies and delay in finalization of revised cost estimates, inadequate bid responses in some cases etc.

However at present all the six AIIMS are functional with all Specialities and majority of the Super Specialities.

(c): The Ministry has been monitoring the progress of construction at six AIIMS periodically through monthly reports, progress meetings at senior level, online monitoring through dashboard etc.

(d): Following steps have been taken by the Union Government to ensure proper implementation of PMSSY :

- I. The system of assigning the construction work to executing agencies on turnkey basis with empowerment to handle all contractual matters at their end has been introduced.
- II. The functional AIIMS have been empowered with greater delegation of powers in construction, procurement and administrative matters.
- III. The procedure for procurement of medical equipment has been simplified and made more efficient with greater delegation and empowerment of the Procurement Support Agency (PSA).
- IV. Several measures have also been taken to improve the faculty availability at National level.
- V. An online dash board has been created to facilitate closer monitoring of the progress of all PMSSY projects.

FACTORS RESPONSIBLE FOR INCREASE IN COST OF SIX AIIMS

As per the Revised Cost Estimates (RCE) approved by CCEA in 2010 the reasons for cost escalation provided for is tabulated below :

Sl.	Items considered for cost escalation	Justification for escalation
(i)	Increase in cost index over cost approved by EFC in 2004	Increase in cost index resulted in an additional impact of approximately Rs. 70 cr
(ii)	Change of Scope	Increase in bed strength from 850 to 960 and area requirement per bed from 60-65 sq.m. to 100 sq. m. resulting in an additional financial implication of approximately Rs. 175 cr
(iii)	Adoption of best practices in green building concept and compliance of Energy Conservation Building Codes (ECBC)	Additional financial implication is approximately Rs. 45 cr. However this will be offset within 3-4 years by energy savings of 15-20% per annum
(iv)	Addition of items not envisaged in earlier EFC	Additional impact on inclusion of additional items which were not envisaged in the earlier EFC is approximately Rs. 145 cr
(v)	Work Contract Tax	Work contract Tax was not considered in the earlier EFC proposal. At 4%, the financial implications will be approximately Rs. 23 cr per site
(vi)	Upgradation of medical equipments	As per EFC / CCEA, the cost of medical equipments was Rs. 104.50 cr. Subsequently medical experts of AIIMS, New Delhi / PGIMER (Chandigarh) worked out minimum requirement of medical equipments including other service equipments, required for each institution, cost of which is estimated at Rs. 200 cr
(vii)	Contingencies @3%	Due to the cost impact on the above aspects contingency expenses will increase by approximately Rs. 9 cr.

REVISED COST APPROXIMATION IN CABINET NOTE AS ON 2010

Sl.	Description	Total Area Revised (sq.m)	Residence & Hostel (Rs. cr)	Hospital & College (Rs. cr)	Cost of Medical Equipment (Rs. cr)	Total Cost (Rs. cr)
1	Bhopal	175052	110.342	507.28	200.00	817.70
2	Bhubaneswar	191457	103.05	497.44	200.00	800.49
3	Jodhpur	167188	67.70	488.88	200.00	756.58
4	Patna	179839	125.28	513.15	200.00	838.43
5	Raipur	184219	111.58	458.90	200.00	770.48
6	Rishikesh	178737	103.05	480.10	200.00	783.15
			621.002	2945.75	1200.00	4766.83

Plus Rs. 25 cr consultancy fee per institute amounts to Rs. 4766 + (25X6)150 = Rs. 4916crapproxRs. 820 cr per institute