

CHAPTER-5

Execution of Works and Procurement of Supplies

DAKSHIN DINAJPUR ZILLA PARISHAD

5.1 Idle investment of Rs 12.75 crore on irrigation works

Irrigation tube-wells remained incomplete even after incurring Rs 12.75 crore

To provide irrigation water to 2,452 hectare of land, Dakshin Dinajpur ZP undertook (November 2001) sinking and installation of three types⁵⁰ of irrigation tube wells at a total cost of Rs 15.27 crore out of Rural Infrastructure Development Fund (RIDF-VII).

Audit scrutiny revealed that the ZP had completed only one category, i.e. diesel operated shallow tube wells at Rs 63.06 lakh, and not even a single tube well of the other two categories was completed, although more than seven years had passed and an expenditure of Rs 12.75 crore was incurred as of February 2009. The progress of work is shown below.

(Rupees in crore)

Sl. No.	Item of work	Target		Achievement	
		Number	No. of units taken up	No. of units partially completed	Amount spent
(1)	Sinking and Installation of Light duty tube well	275	275	143	5.71
(2)	Sinking and Installation of Shallow tube well (E)	354	354	102	7.04

When pointed out, the ZP stated (February 2009) that all ancillary works had been completed except energisation which was to be provided by the West Bengal State Electricity Distribution Company Ltd. (WBSEDCL). There was no documentary evidence to show that the ZP had persuaded the WBSEDCL for prompt energisation.

Thus, inability of the ZP to get the irrigation tube wells become operational even after lapse of seven years deprived the community of the benefit of irrigation and an expenditure of Rs 12.75 crore, on the incomplete works had remained idle and unfruitful.

MURSHIDABAD ZILLA PARISHAD

5.2 Minor irrigation schemes remained defunct due to non energisation

Thirty six deep tube wells costing Rs 2.39 crore remained defunct due to non-energisation

Murshidabad ZP had undertaken 251 minor irrigation schemes (installation of different type of deep tube wells) for irrigation during 1999-02 and incurred an expenditure of Rs 15.60 crore, as of January 2009.

Scrutiny of records revealed that of the 251 schemes, 36 schemes⁵¹ meant for cultivators of 33 mouzas and costing Rs 2.39 crore were lying

⁵⁰ 1. Diesel operated shallow tube wells; 2. Light duty tube wells & 3. Shallow tube wells

Year	No. of schemes taken up which remained incomplete as of January 2009
1999-00	3
2000-01	9
2001-02	24
Total	36

defunct for seven years for want of funds, energisation and non-completion of items like internal wiring, pump house, pump line etc. The ZP did not take effective action to take up the matter with line department for timely completion of the works as well as with the WBSEDCL to energise the scheme.

The matter of energisation of tube wells could not be resolved with the WBSEDCL

The matter relating to cost escalation of energisation of those deep tube wells and non co-operation of the West Bengal State Electricity Board (WBSEB) was discussed in a meeting of the ZP's *Krishi Sech O Samabaya Sthayee Samiti* in December 2005 but the position remained unresolved as of January 2009. There was nothing on record to substantiate that the ZP had taken up the matter with the WBSEDCL since December 2005.

The ZP admitted (January 2009) the fact and stated that the schemes could not be completed partly due to delay in execution of works by line department and the WBSEDCL and partly due to scarcity of fund.

Thus, 36 irrigation schemes could not be utilised even after spending Rs 2.39 crore and thereby depriving irrigational benefits to 33 mouzas of the ZP due to inertia on the part of the ZP to take effective action to energise the schemes.

HOOGLY ZILLA PARISHAD

5.3 Bridge constructed at a cost of Rs 4.43 crore remained non-functional due to non-completion of approach roads

The Government guidelines (2002) provide that the funds under Rural Infrastructure Development Fund (RIDF) are meant for development of infrastructure in rural areas and should be restricted to common facilities which are of direct use for economically gainful activities of local people, but road connectivity works should be taken up under Pradhan Mantri Gram Sadak Yojana (PMGSY).

Hooghly ZP issued work order (January 2003) of Rs 4.43 crore for construction of Kanariaghat Bridge over River Damodar, including protective works and approach roads on either side of the river, under RIDF-VII, disregarding the directives of the Government to include road connectivity works under PMGSY. The work was to be completed by January 2005. During execution, some items of works were required to be revised. The ZP decided (September 2004) to utilise the amount estimated for the approach road (Rs 0.72 crore) towards the revised items so as to complete the bridge only. While accepting the decision of the ZP, the P&RDD discharged its responsibility merely by stating that excess cost should not exceed the sanctioned amount (Rs 4.66 crore), without considering the actual requirement of funds for construction of approach roads. However, the ZP invited a separate tender later (September 2005) for construction of approach roads at an estimated cost of Rs 1.27 crore against available sanctioned funds of Rs 0.23 crore⁵², this time under RIDF-X. This work was to be completed within six months but the same remained incomplete. Only the bridge was completed in July 2006, after incurring an expenditure of Rs 4.43 crore. As a

Bridge constructed at a cost of Rs 4.43 crore could not be opened for traffic due to non-completion of approach roads

⁵² Sanctioned fund : Rs 4.66 crore *minus* cost of construction of bridge only : Rs 4.43 crore.

result, the bridge could not be opened to traffic even after a lapse of two and half years as of January 2009.

The ZP stated (November 2007) that all efforts were being taken to ensure quick execution of the approach roads so that the bridge could be used. When it was pointed out by Audit in January 2009, the ZP failed to furnish the present status of the bridge and gave the same response as earlier.

Thus, the ZP twice provisioned RIDF funds for road-connectivity work in spite of State Government's advisory to the contrary. Further, the P&RDD did not enlighten the ZP regarding the additional funds for completion of approach roads while being aware of the fact that funds were insufficient for completing the same. The lapse on the part of the ZP and the P&RDD ensured that the bridge remained non-functional for two and half years⁵³ with no sign of its being put to use soon, leading to blocking up of the entire expenditure of Rs 4.43 crore.

JALPAIGURI ZILLA PARISHAD

5.4 Blocking up of Rs 18.50 lakh due to non-preparation of project report

Lapse in preparing project report resulted in non-completion of super market since 2003 rendering blocking of funds of Rs 18.50 lakh

Jalpaiguri ZP undertook construction of “Vertical extension of Moynaguri super market” at an estimated cost of Rs 25 lakh in March 2003 to mobilise own resources without preparation of project report. The work was scheduled to be completed in July 2003, but continued at a very slow pace, and despite extension of time upto December 2004, could not be completed even by April 2005. Finally, the ZP cancelled the work (April 2005) with order for forfeiture of earnest money. The ZP incurred a total expenditure of Rs 18.50 lakh including payment of Rs 13.90 lakh to the contractor (last payment of Rs 7.21 lakh in June 2006). However, the *Artha, Sanstha, Unnayan O Parikalpana Sthayee Samiti* terminated (April 2007) the tender agreement without forfeiting earnest money of Rs 0.25 lakh. The remaining work was again taken up to be completed by July 2008 but remained incomplete as of February 2009.

The ZP admitted (February 2009) the fact and stated that the delay in construction was due to non-preparation of project report which led to confusion regarding stalls/shops.

Thus, due to non-preparation of the project report, the ZP failed to mobilise any resource even after incurring Rs 18.50 lakh on the market complex.

PANCHAYAT SAMITIS

5.5 Unfruitful expenditure of Rs 1.30 crore on incomplete development works

According to Rule 19(2) of the West Bengal Panchayat (ZP & PS) Accounts & Financial Rules, 2003, PS should not take up any development work without identifying the funds for meeting the liability for the work. Test

⁵³ August 2006, i.e., following month of completion of only bridge (July 2006) to January 2009.

Developmental works remained incomplete for two to seven years due to paucity of funds

check in audit during May 2007 to March 2008 revealed that eight PSs⁵⁴ had undertaken eight works for rural infrastructural development without ensuring adequate funds for the works. Consequently, the works on which Rs 1.30 crore was spent during April 2000 to May 2005 remained incomplete for two to seven years, blocking Rs 1.30 crore, which remained unfruitful.

All PSs admitted (between May 2007 and March 2008) the facts and added that the works could not progress due to paucity of funds.

MATHABHANGA-I PANCHAYAT SAMITI

5.6 Unfruitful Expenditure of Rs 25.43 lakh

Flood rescue centres and primary schools remained incomplete since 2001-02 rendering expenditure of Rs 25.43 lakh unfruitful

To address the acute need of having rescue centres for flood victims and accommodation for primary schools, Cooch Behar ZP allotted Rs 2.18 crore to Mathabhanga-I PS for construction of 60 Anganwadi Centres, 18 Primary Schools and eight Flood Rescue Centres cum Primary Schools (FRCPSs) between 2001-02 and 2008-09. The PS had spent Rs 1.80 crore as of November 2008 leaving Rs 38.20 lakh un-spent due to non-completion of nine⁵⁵ Primary Schools and six FRCPSs⁵⁶ which were discontinued by contractors after incurring an expenditure of Rs 25.43 lakh between December 2002 and 2003.

Audit scrutiny of the records of the 15 incomplete works revealed that the PS had issued (February 2004) fresh work order through re-tender for only one work and cancelled the work orders of the other works in October 2004 without imposing any penalty on the defaulting contractors. The PS could issue fresh work orders for another three works only in October 2008. As of February 2009, none of the 15 unfinished works was completed. The PS stated (February 2009) that the works could not be completed due to non-availability of funds and revision of estimates. The reply was not acceptable as Rs 38.20 lakh had remained unspent.

Thus, the inability of the PS to manage the works and take appropriate action against the contractors in time resulted in works remaining incomplete even after lapse of six and half years, rendering the expenditure of Rs 25.43 lakh incurred on the incomplete works unfruitful and depriving the people of the benefits of schools and FRCPSs.

⁵⁴ Habra-I (Rs 9.84 lakh for flood rescue centres at Rudrapur kashipur IP School, Saula Bonagachi IP School and Kuchlia IP School); Harischandrapur-II (Rs 22.24 lakh for Construction of Community Hall); Jhargram (Rs 9.90 lakh for Construction of Community Hall); Kulpi (Rs 4.24 lakh for Construction of market complex); Mayureswar-I (Rs 9.61 lakh for Construction of Community Hall); Mejia (Rs 12.90 lakh for bridge); Patashpur-I (Rs 8.88 lakh for Construction of Community Hall) and Taldangra (Rs 51.92 lakh for Construction of Community Hall) = **Rs 129.53 lakh, say, Rs 1.30 crore.**

⁵⁵ Bhangamore No-II AP school (Rs 2.36 lakh); Khaterbari GP school (Rs 2.36 lakh); Goribpur 4th plan PS (Rs 2.36 lakh); Ichhaganj GP school (Rs 1.34 lakh); Giladanga GP school (Rs 1.33 lakh); Choto Kesharibari GP school (Rs 1.38 lakh); Satgaon AP school; Kalirhat 4th PS & Barakhalishamari newly set up PS (Rs 2.37 lakh).

⁵⁶ Rangapani Balashi PS (Rs 0.94 lakh); Uttar Daibhangi Spl. Cader PS (Rs 2.41 lakh); Belta Para PS (Rs 1.40 lakh); Barodola Khaterbari GP School (Rs 2.41 lakh); Fakirerkuthi 4th plan PS (Rs 3.59 lakh) & Barakhalishamari AP school (Rs 1.18 lakh) = **Rs 25.43 lakh.**

MURSHIDABAD ZILLA PARISHAD**5.7. Gross inefficiency in allotment and rent collections from stalls at Murshidabad**

Murshidabad ZP constructed 74 stalls in two market complexes at Kandi (58) and Panchanantala (16) in November 2002 and July 2004 respectively at a total cost of Rs 59.07 lakh out of Tenth Finance Commission Grants.

Thirty nine out of 74 stalls could not be leased out

Audit scrutiny revealed that the ZP was able to lease out only 35 stalls (30 in November 2002 and subsequently five stalls) at Kandi and 23 stalls could not be leased out despite several attempts. In respect of 16 stalls at Panchanantala, several steps by the ZP to allot the stalls were in vain. It was also not evident from the available record that the ZP had conducted any demand survey before initialising the project.

Rent of Rs 12.11 lakh from leased out stalls could not be realised due to conflicting clauses in lease agreement

The ZP collected Rs 10.15 lakh as one-time deposit from stall holders at Kandi but could not realise any rent from them due to high rate of rent and also dispute on the lease agreement which contained conflicting clauses – one stating that the deposit paid by the lessee was non-refundable while the other stated that the amount was refundable through deduction of the monthly rent. The ZP has not been able to resolve the matter since then. The unrealised rent from November 2002 to December 2008 amounted to Rs 12.11 lakh.

Thus, due to gross inefficiency in allotment and rent collection in respect of the stalls even after incurring expenditure of Rs 59.07 lakh, the ZP failed to augment its own fund. Besides, rent of Rs 12.11 lakh remained outstanding from the stall holders.

UTTAR DINAJPUR ZILLA PARISHAD**5.8 Injudicious purchase of Pre-stressed Cement Concrete Poles**

Procurement of PCC poles without assessment of requirements resulted in non-utilisation of huge PCC poles valuing Rs 58.67 lakh for two and half years

For implementation of rural electrification schemes funded by the West Bengal Rural Energy Development Corporation Ltd. (WBREDCL), Uttar Dinajpur ZP placed work orders in February 2006 to two contractors for manufacture and delivery of 3,000 Pre-stressed Cement Concrete (PCC) poles at a total cost of Rs 37.07 lakh each with the stipulation to complete delivery of materials within two months from the date of starting production in February 2006.

The ZP placed the work orders without assessing the requirement of poles based on the number of mouzas to be electrified, and the extent of electrification. Consequently, the ZP could not utilise all the 5,940 poles purchased for Rs 99.36 lakh between April and December 2006. The Stock Balance statement revealed that the ZP had not even lifted 3,856 poles from the Stock Yard of the manufacturers as of August 2006.

In July 2007, the WBREDCL requested the ZP to close the pending works and transfer the excess materials to the newly constituted West Bengal State Electricity Distribution Company Ltd (WBSEDCL). As of December 2008, the ZP had utilised 1,989 poles and was left with a balance of 3,466 poles excluding 485 poles that were lifted by the WBSEDCL.

Thus, injudicious decision of the ZP for manufacturing PCC poles without assessing the requirement resulted in non-utilisation of PCC poles for more than two and half years as of December 2008 and blocking of Rs 58.67 lakh towards cost of 3,466 PCC poles.

While admitting (January 2009) the fact, the ZP could not provide the details of the mouzas or the beneficiaries proposed to be benefited, indicating that the purchase had been made in an irresponsible manner without a proper plan of implementation.

KEDARCHANDPUR-II GRAM PANCHAYAT

5.9 Avoidable excess expenditure of Rs 20.45 lakh

Kedarchandpur-II GP under Nowda PS of Murshidabad District incurred expenditure of Rs 27.92 lakh during 2006-07 for plantation of 3,907 fruit bearing plants covering 14.1048 hectare under NREGS.

Excess expenditure of Rs 20.45 lakh incurred due to inflated estimation of works

According to Schedule of Works for rural employment programmes issued by the P&RDD (December 1999), the required mandays for protection of plantation works and fencing to protect the seedlings against grazing should be 10 mandays and 44.6 mandays per hectare respectively. Audit scrutiny revealed that both the items as estimated by the GP were inflated and shown as 2,000 mandays and 186.5 mandays *per* hectare respectively. No technical vetting was done before commencement of the work. Further, the GP splitted the entire work into small parts in order to avoid technical vetting by the higher authority. As a result, the GP engaged 30,841 mandays⁵⁷ for the works against stipulation of 770 mandays⁵⁸ for both the items and incurred excess expenditure of Rs 20.45 lakh⁵⁹. In reply, the GP admitted the fact (February 2009).

Thus, in absence of technical vetting of the competent authority, the GP incurred an excess expenditure of Rs 20.45 lakh on plantation works under NREGS. Hence, the possibility of potential malpractice and undue favour cannot be ruled out.

PANCHAYAT SAMITIS

5.10 Works executed/materials procured valued Rs 3.86 crore without tenders

According to the West Bengal Panchayat (ZP & PS) Accounts and Financial Rules, 2003⁶⁰, PS should invite sealed tender when the estimated amount for the materials to be procured or work to be executed exceeds rupees twenty thousand.

⁵⁷ Area: 14.1048 hectare x 2,186.5 mandays (Protection of plantation: 2,000 mandays/ hectare *plus* fencing protection: 186.5 mandays/ hectare) = **30,841 mandays**.

⁵⁸ Protection of plantation: 141 mandays (10 mandays/ hectare x Area: 14.1048 hectare) *plus* fencing protection: 629 mandays (44.6 mandays/ hectare x 14.1048 hectare) = **770 mandays**.

⁵⁹ Calculated on the prevalent rate of wages of Rs 68 per mandays x excess mandays consumed i.e. (30,841-770) mandays i.e. 30,071 mandays = **Rs 20.45 lakh**.

⁶⁰ Rules 91(3) and 93.

Test check in audit revealed that in contravention of the aforesaid provision of Rules, eight PSs executed works and purchased materials valuing Rs 3.86 crore⁶¹ without floating tenders during the period from 2004-07.

Irregular purchase of material valuing Rs 3.86 crore without inviting tender

When pointed out, six PSs⁶² admitted the fact. Joynagar-I PS stated (March 2008) that no tender was required for purchase from Government approved manufacturer which was not acceptable as there was no such provision in the Rules. Bamangola PS did not furnish any reply.

Due to non-floating of tenders, these PSs could not get the benefit of competitive and the most economical rate in spending public money, besides rendering the process non-transparent.

5.11 Conclusion and Recommendations

Conclusion :

Schemes/works were undertaken without ensuring adequate funds, and without preparation of project reports. The PRIs failed to take timely action to complete the works. Stores were purchased without assessing requirement. The existing procedures for procurement of supplies were not followed. In some cases, assets created could not generate the intended benefit.

Recommendations :

- Compliance with the relevant rules should be effectively monitored and enforced through accountability.
- Steps should be taken to prevent irregularities in tendering and unnecessary purchases. Need based procurement and competitive prices should be ensured.

⁶¹ Suri-I (Rs 4.42 lakh); Diamond Harbour-I (Rs 9.32 lakh); Joynagar-I (Rs 3.69 lakh); Joynagar-II (Rs 4.20 lakh); Chanchal-I (Rs 32.87 lakh); Ratua-I (Rs 103.63 lakh); Bamangola (Rs 120.32 lakh) and Old Malda (Rs 107.55 lakh)=**Rs 386 lakh, say, Rs 3.86 crore.**

⁶² Suri-I, Diamond Harbour-I, Joynagar-II, Chanchal-I, Ratua-I and Old Malda.