

CHAPTER V

PROCUREMENT OF MATERIALS AND EXECUTION OF WORKS

5.1 Procurement/ execution of works without tender

Purchase of materials/equipment should be made after ascertaining competitive price through open tenders. However, seven ULBs¹² purchased materials worth Rs.1.86 crore without inviting any tender/ quotations during the periods from 2002-03 to 2004-05, in violation of the purchase procedure.

Further, seven other ULBs¹³ executed works for Rs.2.39 crore during the periods from 2001-02 to 2003-04 without ascertaining the reasonability of the rate through open competition.

Thus, the basic rules of inviting tender for execution of work and procurement of items were violated by the above ULBs.

5.2 Stock of materials not maintained

Chandannagar Municipal Corporation and Baruipur, Gushkara and Chandrakona municipalities procured materials worth Rs.13.21 lakh, Rs.19.39 lakh, Rs.7.04 lakh and Rs.16.37 lakh respectively during the year 2002-03. It was, however, noticed that the details of these materials were not entered in the stock books due to which the actual utilisation could not be verified in audit. As such the possibility of misuse, theft, defalcation of materials could not be ruled out.

During test check of records, it was revealed that bleaching powder valuing Rs.1.16 lakh was not traceable in Midnapur Municipality. Failure of

¹² Baduria Rs. 24.95 lakh, Berhampore Rs. 17.23 lakh, Bhatpara Rs. 1.70 lakh, Katwa Rs.27.52 lakh, Suri Rs.69.19 lakh, Uluberia Rs.39.85 lakh, and Uttarpara-Kotrang Rs.5.63 lakh.

¹³ Bansberia Rs.5.41 lakh, Bolpur Rs.11.32 lakh, Chakdah Rs.33.19 lakh, Chandannagar Rs.31.78 lakh, Dhuliyani Rs.14.24 lakh, Gobardanga Rs.136.91 lakh and Sreerampur Rs.6.47 lakh.

the controlling authority to exercise proper check over receipt and issue of materials had led to the loss of stores worth Rs.1.16 lakh. Action, if any, taken by the municipalities fixing responsibility for such loss was not intimated to audit.

5.3 Excess purchase of materials

It is essential to make proper assessment of requirement/estimate of consumption of materials before any procurement is made. But Midnapur, Bally and Nabadwip municipalities purchased electrical and other materials valued at Rs.1.53 lakh, Rs.0.37 lakh and Rs. 0.51 lakh respectively without assessing actual requirement. Consequently, the materials so purchased remained un-utilised for periods ranging from 6 months to 10 years.

5.4 Irregular execution of works

The estimate of a work is directly related to overall cost and also the individual items of works, which in turn regulate the soundness of the structure. Therefore, vetting of estimates by the appropriate authority is essential to ensure cost effectiveness and proper execution of the works. ULBs, without appropriate manpower in their engineering cell are required to get the estimates of work vetted from the Municipal Engineering Director (MED) before execution of works.

Test check of records of fifteen ULBs revealed that they executed works valued at Rs.17.37 crore during the period from 1999-2000 to 2003-04 without getting the estimates of works vetted from the MED as detailed below:

Sl. No.	Name of ULB	Year	Cost of work (Rupees in lakh)
1.	Taherpur	2003-04	38.47
2.	Bansberia	2000-01 and 2002-03	4.78
3.	Chakdah	2001-02 to 2003-04	140.74
4.	Sreerampur	2002-03 and 2003-04	6.47

5.	Durgapur	1999-2000 to 2003-04	398.52
6.	Arambag	1999-2000 to 2003-04	45.32
7.	Barrackpore	1999-2000 to 2002-03	146.38
8.	New Barrackpore	2001-02 to 2003-04	274.90
9.	Islampur	1999-2000 to 2002-03	49.89
10.	Rajpur Sonarpur	2002-03 to 2003-04	79.03
11.	Barasat	2002-03 to 2003-04	46.77
12.	Jangipur	2002-03 to 2003-04	50.00
13.	Chandannagar	2004-05	55.48
14.	Jhargram	2000-01 and 2001-02	7.99
15.	Coochbehar	2002-03 to 2003-04	391.80
	Total		1736.54

Barrackpore, New Barrackpore, Islampur, Rajpur–Sonarpur and Arambag municipalities failed to even obtain the approval of State Government for execution of above works

Due to execution of works without first getting the estimates vetted through the appropriate authority, cost effectiveness of the works could not be ensured. Further absence of Government approval in execution of the works has rendered the expenditure irregular.

5.5 **Infructuous/ unfruitful expenditure**

Sixteen ULBs undertook various developmental works during the year 1991 to 2004. Test check of records revealed that most of the works remained incomplete even after the lapse of considerable period beyond the scheduled date of completion (Appendix -16). The execution of the works was delayed mainly due to improper planning, constraint of funds and lack of monitoring.

Failure in completing the works within the stipulated dates not only deprived the local people from intended benefits but also caused blocking of fund to the tune of Rs. 9.92 crore.

5.6 Non utilisation of completed works

Five ULBs spent Rs.88.74 lakh on developmental works for various welfare purposes. Test check of records revealed that the works completed by the ULBs during the period 1999 to 2004 remained unutilized as detailed below:

Name of ULB	Brief of works	Expenditure (Rupees in lakh)
Baidyabati	Medical equipment purchased during 2000-01 and 2002-03 was not utilized upto 31 March 2005.	27.94
Baduria	Maternity Home Primary Health Care Centre lying idle from August 2002 till March 2005 due to failure in arranging manpower.	41.81
	Medical equipment procured during 2003 remained idle as of March 2005.	0.97
Taki	Municipal Matrisadan Hospital established for providing subsidized medical treatment to weaker sections of people given on lease to a doctor. The purpose of providing treatment at subsidized rate was thus frustrated.	13.84
Dhuliyani	The truck terminus completed in April 2000 was not utilized till February 2005 as the same was not handed over.	2.84
Islampur	Xerox machine installed in August 2002 remained idle till March 2005.	1.34
Total		88.74

Non utilisation of above facilities was due to poor planning and man power management.

Non utilization of equipment / building rendered the expenditure of Rs.88.74 lakh unfruitful besides blocking the capital fund for a period ranging from 2 to 4 years.

5.7 Excess payment to contractors/ suppliers

Thirteen ULBs paid an excess amount of Rs.34.64 lakh to contractors/ suppliers in finalisation of various bills during the period from 2001-02 to 2004-05 due to various reasons as detailed below:

Sl. No.	Name of ULB	Excess payment (Rupees in lakh)	Reasons
1.	Baidyabati	0.65	Non deduction of void space in aggregate while measuring the quantity.
2.	Raniganj	1.50	
3.	Chakdah	0.73	Allowing higher rate in excess of approved estimates.
4.	Kaliaganj	1.27	
5.	Chandannagar	0.31	Non deduction of 30 <i>per cent</i> less of estimated cost as per tender.
6.	Bhadreswar	10.06	Excess profit share paid to contractor.
7.	Bidhannagar	3.15	Deduction of cost of bitumen at lower rate than that of the SOR appended to agreement.
8.	Burdwan	2.96	
9.	Siliguri	2.19	Penalty was not imposed for delay in completion of work.
10.	Durgapur	5.50	
11.	Bally	0.11	Non deduction of Income Tax and Sales Tax.
12.	Durgapur	3.00	
13.	Chandannagar	0.26	
14.	Chandrakona	0.32	Non deduction of security deposit.
15.	Baduria	2.63	
Total		34.64	

Actions taken by the ULBs for recovery of the above irregular payments were not made available to audit.

5.8 Failure to monitor electrification work

Four ULBs¹⁴ advanced Rs.52.29 lakh to West Bengal Electricity Board during the year 2002 to 2005 for extension of street lighting and other electrification works. However, the progress of the work has not been monitored by the respective ULB till the date of audit. As such intended service aimed under those schemes could not reach the beneficiaries and the fund remained blocked with the executing authority.

5.9 Advance/ ad-hoc payment to contractors/ suppliers

Durgapur Municipal Corporation and Suri Municipality made advance/ ad-hoc payments of Rs. 1.43 crore and Rs.1.00 lakh respectively to contractors during the period from 2002-03 and 2003-04 for execution of works without actual measurement of works done by those contractors, which was irregular.

The reasons for deviation from rules were not made available to audit.

5.10 Extra expenditure

According to Government order all State Government departments/ undertaking/ municipalities had to procure cement only from the West Bengal Essential Commodities Supply Corporation Limited.

In contravention of the above provision, Cooch Behar Municipality procured 1846.5 tones cement from private agencies during the period 2002-03 and 2004-05 and had incurred extra expenditure of Rs.13.90 lakh due to procurement at a higher rate.

¹⁴ Alipurduar Rs.18.95 lakh, Durgapur Rs. 3.00 lakh, Kulti Rs. 25.77 lakh and Mathabhanga Rs.4.57 lakh.