

CHAPTER V

MATERIAL MANAGEMENT AND EXECUTION OF WORKS

ULBs are responsible for maintenance of the infrastructure which enables the provision of services to the people and also execution of various developmental works. The deviations from prescribed procedure such as excess expenditure on procurement of material, incomplete works and non utilisation of assets noticed during test check of municipal accounts are described in the following paragraphs:

5.1 Avoidable expenditure on procurement of material – Rs 23.69 lakh

Coochbehar Municipality and Siliguri Municipal Corporation (SMC) procured 2428.5 MT and 1263 MT of cement respectively from local market instead of from the West Bengal Essential Commodity Supply Corporation (WBECSC), a Government undertaking. The difference in rate varied between Rs.193 to Rs.1420 per MT. This resulted in an avoidable expenditure of Rs.19.15 lakh at Coochbehar Municipality during 2002-07 and Rs.4.24 lakh at Siliguri Municipal Corporation during 2006-07 as detailed below:

(In rupees)

Name of ULB	Period	Quantity (MT)	Purchase rate	Rate of WBECSC	Difference in rate	Excess
Coochbehar	2002-03	93.5	3200	2884	316	29546
		283	3800	2947	853	241399
	2003-04	370	3800	2947	853	315610
	2004-05	600	4000	3335	665	399000
		500	4100	3292	808	404000
	2005-06	125	4000	3292	708	88500
		307	4100	3292	808	248056
	2006-07	40	4920	3500	1420	56800
110		4700	3500	1200	132000	
Siliguri	April - May 2006	550	4200	4007	193	106150
	June 2006-March 2007	713	4460	4014	446	317998
Total		3691.5				2339059

In reply, the Coochbehar Municipality stated (November 2007) that they had purchased the cement on credit from the local market due to financial crisis and the procurement of cement from the WBECSC took longer time. The reply was not tenable as it was observed that the dealer had been paid advance for supply of cement. The SMC stated (February 2008) that the WBECSC had refused to supply cement and the Mayor-in-Council had decided (24 April 2006) to purchase the cement from local market. However, from the delivery order

dated 11 August 2006 it was seen that the WBECSC had supplied 300 MT cement to SMC on credit.

5.2 Unproductive expenditure on completed/incomplete construction – Rs 3.55 crore

Six municipalities undertook various developmental works like construction of *Matri Sadan*, market complexes, bus terminus, auditorium and pathology centre during 2000-08. Test check of records revealed that the works remained incomplete for more than two to six years (**Appendix -10**). The execution of the works was delayed mainly due to non-arrangement of the required fund before execution of work, faulty selection of site, non-execution of register deed with land owners and lack of follow up with the Municipal Engineering Directorate for speedy completion of revenue generating asset.

The assets lying incomplete failed to generate expected revenue for the municipalities rendering the entire expenditure of Rs.3.55 crore unproductive.

Jalpaiguri Municipality constructed a *Matri Sadan* in June 2001. The State Urban Development Agency supplied medical equipment, furniture, X-ray machine and medicines valued at Rs.25 lakh and an ambulance in 2001-02. The Municipality stated that due to shortage of manpower, the *Matri Sadan* did not function properly and the medicines worth Rs.6 lakh had become time barred. The ambulance was also left unused for the last six years as it was very large and unsuitable to ply in the narrow street of Jalpaiguri. Thus, the acquisition of medicines and equipments without ensuring the scope of utilization resulted in loss of public fund besides deprival of intended benefits.

5.3 Conclusion

The purchase at higher rates in violation of the general procedures for purchase indicated deficient procurement practices.

Non completion of works / projects within the stipulated date blocked public funds Rs.3.55 crore in seven municipalities rendering the entire expenditure unproductive and caused undesirable delay in providing intended services to the beneficiaries. Non utilisation of created assets frustrated the very purpose of augmentation of revenue.

5.4 Recommendations

- Prescribed procurement should be adopted in respect of all purchases and execution of works;
- Works should be completed in time so as to provide intended services to the beneficiaries as per targeted schedule; and
- Remunerative assets should be put to use immediately on completion of works so that the objective of augmentation of revenue is fully achieved.