

# **CHAPTER V**

## **MATERIAL MANAGEMENT AND EXECUTION OF WORKS**

## CHAPTER V

### MATERIAL MANAGEMENT AND EXECUTION OF WORKS

ULBs are responsible for maintenance of infrastructure, which enables the provision of services to the people, and also execution of various developmental works. For this, material required, for maintenance and developmental works, are to be assessed in advance for procurement and to be managed as per the prescribed procedures. The works are also to be executed according to the stipulated rules and codal provisions.

Irregularities noticed during the test check of 68 ULBs are enumerated below:

#### 5.1 Tender procedures not followed

##### 5.1.1 Execution of work without ensuring competitive environment

In terms of Rule 158 of the West Bengal Municipal (Finance and Accounting) Rules, 1999, open competitive tenders shall be called for from the public whenever the estimated cost of general works exceed the stipulated financial limit of ₹ five lakh (other than plumbing and electrical materials). However, six ULBs<sup>27</sup> either executed works or purchased material worth ₹ 9.45 crore without inviting open tender. Further in Kalyani municipality, the estimate of work ‘Annex building cum commercial complex along with necessary facilities’ was revised from ₹ 183.42 lakh to ₹ 251.69 lakh but the work order was issued to the same contractor without inviting fresh tender for additional work amounting to ₹ 68.27 lakh.

As per rule 157 (3) of the West Bengal Municipal (Finance & Accounting) Rules, 1999, a single tender should not be accepted ordinarily and a fresh tender should be called for without delay. But in Asansol Municipal Corporation and Kalyani Municipality, single tenders were accepted and work orders for ₹ 1.86 crore and ₹ 8.80 crore respectively were issued to single tenderer in violation of the above rule.

Thus, the basic rule of inviting tender for procurement of materials was violated by the ULBs.

---

<sup>27</sup> Barrackpore (₹ 31.14 lakh during 2010-12), Balurghat (₹ 6.86 lakh during 2010-11), Berhampore (₹ 77.81 lakh during 2009-11), Chandernagore (₹ 542.43 lakh during 2008-09), Dum Dum (₹ 276 lakh during 2011-12) and Murshidabad (₹ 10.41 lakh during 2011-12).

### 5.1.2 Irregular expenditure on works

As per section 73A of the West Bengal Municipal Act 1993, if the estimated cost of work or purchase of material exceeds ₹ 25 lakh, then approval of the State Government shall be obtained.

Kalyani municipality did not obtain approval of the Government before taking up the above work valuing as ₹ 183.42 lakh project as mentioned in para 5.1.1 of which was subsequently revised to ₹ 251.69 lakh.

Rishra municipality split the work 'construction of concrete pavement' of ₹ 76.38 lakh into 14 identical parts keeping each estimate below ₹ five lakh to avoid vetting of estimates by the appropriate authority.

### 5.2 Incomplete works

Works were started without assessing the availability of fund position or the available fund was exhausted before completion of work resulting in works remaining incomplete for years as detailed in Table 15 below:

**Table 15: Details of incomplete works**

Name of ULB	Brief description of work	Date of Commencement	Expenditure (₹ in lakh)	Present status
Bashirhat	Construction of central bus stand	April 2008	14.99	The estimated cost of the project was ₹ 24.97 lakh but municipality abandoned the work in October 2009 after incurring an expenditure of ₹ 14.99 lakh. Project remained incomplete till June 2012.
Coopers' Camp	Construction of marriage hall	February 2005	10.97	As per DPR, project cost of marriage hall was ₹ 19 lakh and project was to be completed within one and half years. The work, however, was abandoned in July 2008 after incurring expenditure of ₹ 10.97 lakh.
Chandernagore	Construction of indoor stadium	1992	92.39	Corporation started construction of indoor stadium in 1992 but even after incurring expenditure of ₹ 92.39 lakh, work remained incomplete till date. Though additional ₹ 203 lakh was required to complete the work, the Corporation had not taken any initiative to complete the work.
Dhupguri	Construction of bus stand	2003	25.28	The municipality started construction of a bus stand and purchased land at a cost of ₹ 16.75 lakh and further incurred expenditure of ₹ 8.53 lakh for development work. The work was, however, abandoned (September 2008) without completion.
<b>Total</b>			<b>143.63</b>	

These indicates lack of planning in taking up the works.

### 5.3 Procured items were not utilized properly

Eight ULBs spent ₹ 78.80 lakh on development works / procurement of goods for various welfare purposes. Test check of records revealed that following works were completed / materials were procured (**Table 16**) by the ULBs but remained unutilized for years making the expenditure non-productive.

**Table 16**

Name of ULB	Brief of works / equipment	Expenditure (₹ in lakh)	Brief description
Bally	Purchase of equipment	3.72	Equipment worth ₹ 3.72 lakh was purchased and installed at Bally Kedar Nath Arogya Bhawan for neonatal section in 2005. The section was, however, not made functional and equipment remained unutilized.
	Purchase of Allengers Gemini-A-DX TM Machine	2.13	The municipality purchased Allengers Gemini-A-DX TM Machine worth ₹ 2.13 lakh in February 2010 and installed in Patit Paban Arogya Niketan, Belur. But the machine was lying idle since the date of installation as the same was purchased without assessing the actual need and ensuring proper operation by expert hand.
Balurghat	Construction of solid waste management project	22.10	A solid waste management project was handed over to municipality in July 2008 by Municipal Engineering Directorate, Malda Division after construction at the cost of ₹ 22.10 lakh from the municipal fund. But the project remained unutilized till June 2012.
Berhampore	Purchase of bin	3.22	Municipality procured 1000 nos. of bins worth ₹ 4.50 lakh (₹ 450 each) in January 2011 but 715 bins worth ₹ 3.22 lakh remained idle in the stock till September 2012.
Darjeeling	Procurement of bucket	1.00	The municipality procured 10000 buckets in July 2007 for collection of domestic waste but 2668 buckets worth ₹ one lakh were lying idle in municipal store.
Gayeshpur	Procurement of garbage tricycle bin	9.66	The municipality procured 142 garbage tricycle bins at a cost of ₹ 9.66 lakh in May-November 2008 but the same could not be utilized till April 2012. Even the records of physical existence of 121 bins were not found in the municipality.
Jalpaiguri	Purchase of road sweeping machine	5.00	The municipality purchased a road sweeping machine at a cost of ₹ five lakh in July 2009 but it could not be utilized due to unsuitable condition of the road.
Uluberia	Purchase of medical instruments / equipment	15.43	The municipality purchased medical instruments / equipment worth ₹ 15.43 lakh in December 2010 for strengthening of health project services at ESOPD and maternity home but these could not be utilised due to non-availability of experts to operate these equipment.
Uttarpara-Kotrung	Purchase of drain cleaner and mosquito oil sprayer	16.54	The municipality purchased an Ace HT vehicle costing ₹ 3.08 lakh in December 2009 and converted it into D'Silt Machine at the cost of ₹ 6.76 lakh in January 2010. The municipality also purchased a mosquito oil sprayer at a cost of ₹ 6.70 lakh in January 2010. Both machines remained idle as of April 2012.
<b>Total</b>		<b>78.80</b>	

#### 5.4 Excess payment / issuance of material

Eight ULBs paid an excess amount of ₹ 38.26 lakh to contractors / suppliers during 2010-12 as shown in Table 17 below:

**Table 17: Details of excess payment / undue benefit to contractor / supplier**

Name of ULB	Brief of works	Extra Payment (₹ in lakh)	Remarks
Ashoknagar-Kalyangarh	Reconstruction of black top road	0.12	Excess payment of ₹ 0.12 lakh was made to contractor due to erroneous rate analysis of bitumen.
Barrackpore	Construction of market complex	0.29	Excess payment of ₹ 0.29 lakh was made to contractor due to allowing rate higher than the rate prescribed in schedule of rate for building.
Basirhat	Construction of market complex and masonry surface	15.98	Municipality issued excess quantity of 43.726 MT steel rods and 125.72 MT cement valuing ₹ 4.40 lakh and ₹ 11.59 lakh respectively in execution of IDSMT scheme but neither recovered the excess quantity nor its value from the contractor.
Gangarampur	Construction of drain and dwelling units	3.10	1485 bags of cement were issued to two contractors valuing ₹ 3.40 lakh (₹ 229 per bag) in excess of requirement. Neither the excess cement bags nor its value was recovered from the contractor.
Jiagunj-Azimgunj	Construction of dwelling units and cement concrete (CC) road	4.52	Municipality made excess payment of ₹ 2.88 lakh and ₹ 1.64 lakh to contractors towards construction of dwelling units and CC road respectively under IDSMT scheme. Municipality admitted the facts and figures and issued notice to the contractor for refund of the excess amount.
Kaliyagunj	Construction of overhead reservoir (OHR)	2.40	Contractor discontinued 'construction of 7.50 lakh litre OHR for Zone III', after executing the works valuing ₹ 57.44 lakh. But municipality paid ₹ 59.84 lakh resulting in excess payment of ₹ 2.40 lakh. Municipality admitted the fact and stated that excess amount would be recovered from the security deposit.
Mekhliganj	Construction of bituminous road	0.26	Municipality paid excess amount of ₹ 0.26 lakh to the contractor due to erroneous rate calculation. Municipality admitted the fact and figure and stated that step would be taken to recover the excess amount from the contractor.
Murshidabad	Construction of dwelling unit	11.59	Municipality issued 4803 bags of cement worth ₹ 12.34 lakh in excess of requirement to different contractors for the work related to construction of dwelling units under the Integrated Housing & Slum Development Programme without ascertaining the actual requirement of the same.
<b>Total</b>		<b>38.26</b>	

Recovery of excess payment from contractor by the above ULBs had not been intimated to Audit till date. However, in case of Jiagunj-Azimgunj municipality

excess amount of ₹ 50000 paid to the contractor, appointed for collection of organic and inorganic waste materials from house to house, was recovered after being pointed out by audit.

### **5.5 Payment without measurement**

In terms of Rule 152(b) of West Bengal Municipal (Finance and Accounting) Rules, 1999 read with West Bengal Financial Rules (Volume-I), before all payments for works executed or supplies received, detailed measurement of the work in the measurement book is to be checked by the municipal authority. But, five ULBs<sup>28</sup> made payment of ₹ 18.69 crore to the contractors / agency without detailed measurement.

### **5.6 Conclusion**

Procurement of material without observing tender procedure and the execution of works without approval of Government is violation of regulations and lack of transparency. Non-completion of works within the stipulated date and non-utilization of completed works / procured items blocked public funds and caused delay in providing intended services to the beneficiaries. Issue of materials in excess of the requirements and payments made to contractors over and above the admissible amount was indicative of absence of internal control in the ULBs.

### **5.7 Recommendations**

- To maintain transparency in all purchases and execution of works, prescribed procurement procedure needs to be followed.
- Works need to be completed in time so as to provide intended services to the beneficiaries as per targeted schedule.
- Remunerative assets may be put to use immediately on completion of works so that the objective of augmentation of revenue is fully achieved.
- Internal control be strengthened to ensure issue of material as per requirement and payments are as per the applicable rates.

---

<sup>28</sup> Alipurduar (₹ 4.20 crore), Chakdaha (₹ 11.85 crore), English Bazar (₹ 42.19 lakh), Gangarampur (₹ 55.97 lakh) and Haldibari (₹165.67 lakh).

---

---