M.R.O. 1—77,000—6.8.37.

(1) Number of pages 8

(2) Date of repair

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 655 Press Mis.

27 23

Dated 20 11 1871.

5/6

27-28

Not to be folded or roughly handled

No. 27. Read the following Proceedings of the Board of Revenue, dated 31st October 1871, No. 4549 :—

Read the following letter from T. A. N. CHASE, Esq., President of the Local Fund Board, Kurnool, to the Secretary to the Board of Revenue, dated 28th September 1871, No. 34 :—

I have the honour to forward, for the Board's opinion, copy of correspondence noted in the margin with the Superintending Engineer, regarding contracts for works executed out of Local Funds.

1 Letter, No. 28, dated 15th September 1871, to the Superintending Engineer.
Letter, No 1155, dated 20th September 1871, from the Superintending Engineer.

2. I consider that the Public Works Officers act as mere agents of the Local Fund Board in respect of certain works like any other agency that may be employed by them, and should find no difficulty in carrying out the contracts entered into by the Board, as these contracts will be made with reference to plans and estimates passed by that Department.

3. I may also remark here that the appointment of Local Fund Overseers, who work under Range Officers, is by law vested in the Board as interpreted by Government in Rule 3, and the same rule of construction, I think, holds good in the case of contracts under Section 12.

From T. A. N. CHASE, Esq., President of the Local Fund Board, Kurnool, to the Superintending Engineer, 3rd Division, Bellary, dated 15th September 1871, No. 28.

With reference to advertisements in this District Gazette, dated 29th July and 12th August 1871, regarding contracts, I have the honour to call your attention to Section 12 of Act IV. of 1871 (The Madras Local Funds' Act), and to point out the illegality of contracts unless given in writing and sealed with the seal of the Board, or on their behalf in the presence of at least two members, of whom one shall be the President or Vice-President, &c.

From the Superintending Engineer, 3rd Division, to the President of the Local Fund Board, Kurnool, dated Bellary, 20th September 1871, No. 1155.

With reference to your letter, No. 28, dated 15th instant, I have the honour to observe that the advertisements referred to merely invite tenders for the execution of certain works in the Nundial Range. The word "contracts" in your letter under reply is, therefore, erroneous.

2. The reading of the Section (12) of Act IV. of 1871 does not appear to me to apply to works the execution of which is entrusted to the Public Works Department. The responsibility of executing fair work commensurate with the funds provided from Local Funds, I should say, rests entirely with this Department, and I hardly think that its arrangements for entering into engagements for the proper execution of such work is intended to be fettered by requiring the Local Fund Board's confirmation to every contract for sums exceeding *twenty* Rupees.

3. It must further appear obvious to you that contracts ranging from Rupees 20 upwards must be numerous in this Department, and this strengthens me in my opinion that it could not possibly have been intended that the several Range Officers should send up every bond they may execute for the Board's confirmation, which, I presume, can only be obtained after a deal of explanation of the details, &c., if Local Boards are disposed to insist on the same being furnished, and which, I may add, cannot be conveniently furnished.

4. Referring more particularly to the works on the Bampoor Pass road, I have to inform you that on this road as in most others the petty contract system prevails.

5. In entering into agreements for the execution, say, for one piece of work, it does not necessarily follow that the work is given to one firm or individual. In the case of a road, for instance the earth-work is let to one petty contractor, the metalling to another, and so on. Payments are only made on periodical measurements, and it is quite in the hands of the Range Officer to pass or reject bad materials and bad work. Further, to insure the proper performance of work, Range Officers generally enter into bonds, which provide for a deduction of 10 per cent. on every payment made. This serves as a sum held penal in case of non-performance of work, &c.

6. The "petty contract" system is in vogue in every range in this division; and, while it is found to work admirably, the cost of supervision necessary to overlook gangs, if works are carried out departmentally, is reduced to a minimum.

The Board do not concur with Mr. Chase. When funds have once been entrusted to the Superintending Engineer for the execution of any work, the Local Fund Board have nothing do with the subsidiary arrangements entered into by him.

(True Copies and Extract.)

(Signed) J. B. PENNINGTON,
Acting Secretary.

No. 28. ORDER THEREON, 20th November 1871, No. 655.

To be recorded.

(True Extract.)

R. S. ELLIS,
Chief Secretary.

Exd. J. Wright.

Govt of 1871 Madras.

FINANCIAL.

Dated November, 2nd.

Read

G. O., 20th November 1871, No. 665.

NOVEMBER.

Nos. 27,28.

Recording Proceedings, Board of Revenue, stating, with reference to certain works in the Kurnool District, that when once funds have been given to the Superintending Engineer for any work, the Local Fund Board have nothing to do with any contracts he may enter into for the execution of the work.

Exd. J. Tulloch.

Encl. 5

Encl. 1871.

Board of Revenue,

MADRAS.

PROCEEDINGS, 31ST OCTOBER 1871, No. 4,549.

Received.

OCTOBER.

No. 4,549.

Contracts for works executed from Local Funds.—President, Local Fund Board, Kurnool District, informed that local Board have nothing to do with subsidiary arrangements entered into by Superintending Engineer for execution of any work, after funds have once been entrusted to him for such work.

Recorded.

Govt. of 1871 Madras.

Financial

Dated 20 Nov. 20.

Rec'd 20 Nov. 65.

Nos. 27. 28.

Recording Proc. Board of Revenue stating, with reference to certain works in the Kurnool Dt. that when orders finally have been given to the Superg. Engr. for any work, the Local Fund Board have nothing to do with any Contract he may enter into for the execution of