

## SECTION - B

### EXECUTION OF WORKS

#### 1. Starting of works:

248. No work shall be taken up for execution unless the details plan and the estimate have been sanctioned by the appropriate authority and adequate financial provision is provided in the Annual Financial Statement (Board's Budget).

#### 249. Exceptional cases:

(a) In cases of emergency or urgency or where the safety of the power lines, plant or electrical machinery is suspected to be in danger, works may be taken up immediately for execution, without waiting for the preparation of the estimates and getting them sanctioned by the appropriate authorities.

(b) In all such cases the procedure prescribed hereunder shall be followed:-

1) The Divisional Officer should report the case to his Superintending Engineer, and formal approval to carry out the work should be obtained;

2) The following are the types of works which are to be undertaken on "Tentative Work Orders":

a) Failure of distribution transformer or other equipments in a station needing immediate replacements and repairs to resume power supply;

(b) Break downs on lines due to heavy wind, gale, lightning etc., breakage of wooden poles, failure of transmission towers, snapping of conductors, decapping of insulators etc.

**NOTE :** Under no circumstances, tentative work orders be issued to the works other than those mentioned above.

(B19/7709/84-85,dt.24-8-1984)

(3) On completion of the work, the estimate based on actuals should be prepared and got sanctioned by the appropriate authority within four

(7) Revenue Expenditure Works are:-

- (a) Replacement of a faulty transformer ;
- (b) Replacement of damaged insulators, cutouts, group operating switches and deteriorated service mains;
- (c) Replacement of damaged line supports, other equipments and other maintenance works;
- (d) Shifting of assets from one place to another place within the same division.
- (e) Replacements of faulty equipments;
- (f) Dismantling or Decommissioning of an asset;
- (g) Repairs to electrical equipments and buildings.

weeks from the date of issue of tentative work order and the expenditure regularised.

- (4) Divisional Officers may be held responsible for any inordinate delay in getting the estimates sanctioned and for non-regularisation of the expenditure incurred;
- 250.** Items of work not specifically provided for in the sanctioned estimate should not be executed under any circumstances until a revised estimate or supplementary estimate is got sanctioned.
- 251.** (1) It is a fundamental principle that no work shall be taken up or authorised to be taken up by any authority, for the advantage of any individual or body of private persons unless it is in accordance with the declared policy of the Board and **NO AUTHORITY SHALL** exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.
- (2) It is the duty of the Financial Adviser and Chief Accounts Officer/Chief Controller of Accounts (Internal Audit) at all times to challenge any infringement of the principle.

## **2. Estimates**

### **GENERAL PRINCIPLES :**

- 252.** (1) No estimate shall be prepared and submitted for sanction, if the expenditure cannot be met out of the financial provision in the year's Budget for that class of work, unless it is specifically called for.
- (2) Estimates are strictly confidential. Hence, it is forbidden to communicate any information relating thereto except to the extent permitted by the competent authority to any contractor or prospective tenderer or prospective consumer.
- (3) To facilitate the preparation of estimates a schedule of rates for each kind of work commonly executed should be prepared annually in each division and the rates entered in an estimate should generally agree with the schedule of rates, but wherefrom any cause these are considered not sufficient or in excess detailed statement must be

given in the data sheet showing the manner in which the rate used in the estimate is arrived at.

- (4) The schedule of rates should be prepared on the basis of rates prevailing in the locality and as it is used for the important purposes of preparing estimates and is also used as a guide in settling the rates in contract agreements, necessary analysis of rates of each descriptions thereof should be given as far as practicable.
- (5) In working out the rates to be adopted for the schedule of rates, the tenders accepted for works in the division during the twelve months preceding the date on which their preparation is due to begin and the tendency of rates and prices to rise or fall should be taken into account. In the data accompanying the schedule of rates for works, the contractor's profit should not be added as a separate item.
- (6) Important designs should, as far as possible, be prepared in the planning and technical branches of Chief Engineer Electricity, (General)'s office together with the schedule of quantities of materials and the remaining designing work should be concentrated in the divisional offices. The responsibility for the technical features of a design lies with the office of the origin. Divisional officers will be responsible, however, for settling locally questions connected with foundations and other similar matters. Subordinate officers should always bring to the notice of their authorities any unsuitability or technical defect in design.

#### PREPARATION OF ESTIMATES:

**253.** (1) The estimates in respect of electrical works shall be prepared in the revised formats as indicated hereunder:-

(B19/345/85-86, dt.16-9-86)

- a) FORM No. 34: to be used in respect of Minor Capital Works, to be executed by the O&M Divisions;
- (b) FORM No. 35: to be used in respect of Major Capital Works, to be executed by Major Works Divisions;
- (c) FORM No. 36: to be used in respect of Rural Electrification Works;

- (d) FORM No. 37: to be used in respect of De-commissioning of an Asset;
- (e) FORM No. 38: to be used in respect of Deposit Contribution Works;
- (f) FORM No. 39: to be used in respect of works relating to Repairs and Maintenance.
- (2) Cost of materials should be worked out on the basis of standard rates. The data sheet, to be enclosed with the estimate, should contain the name of the material, material code number, quantity required, rate and total cost.
- (3) Cost of labour should be worked out on the basis of schedule of rates and should be supported by a data sheet.
- (4) Other provisions to be made in the estimates for various works are indicated hereunder:-

<b>Estimates in respect of</b>	<b>Provision towards</b>
(a) Minor Capital Works of O&M Divisions.	<p>Employees cost at 60% of the cost of labour.</p> <p>Contingencies at 3%</p> <p>Government Electrical Inspectorate Charges.</p>
(b) Major Capital Works.	<p>Employees cost and other expenses at 10% of the sum total of the first three items in the estimate.</p> <p>Contingencies at 3%.</p> <p>Government Electrical Inspectorate charges.</p>
(c) R.E.Works	<p>Employees cost at 100% of the cost of labour.</p> <p>R.E. Zone charges at 1% of the total cost of materials and labour.</p>

<b>Estimates in respect of</b>	<b>Provision towards</b>
	Depreciation charges at 0.5 per cent of the materials cost.
	Contingencies at 3% of the sum total of the first five items.
	Government Electrical Inspectorate charges
(d) Deposit Contribution Works	Employees cost at 20% of the total cost of materials and labour.
	Contingencies at 3%.
	Government Electrical Inspectorate charges.
(e) Repairs and Maintenance	Contingencies at 3%
(f) De-commissioning of an Asset	Only cost of labour for dismantling.

**NOTE :** 20% employees cost to be excluded in "self execution" estimates for the purpose of calculation of supervision charges in case of new estimates sanctioned after 15-9-96.

(B.O.No. B11/B10/6948/90-91/Vol II/dt.5-10-96)

**254.** On every estimate the following certificate shall be recorded by the executive subordinate, who has prepared it, in his own hand writing and should be countersigned by the Sub- Division Officer/Assistant Executive Engineer/Divisional Officer:

"Certified that I have personally visited the spot and prepared the estimate using the sanctioned schedule of rates and providing for the most economical and safe way of executing the work".

**255. Every estimate should be accompanied by a report and an abstract:**

(A) The report should contain the following details:-

- (1) HISTORY: A brief review of the circumstances leading to the necessity for undertaking the work.
- (2) SCOPE: Enumerating the extent of the work involved.
- (3) Specifications  
and  
Drawings } To be enclosed
- (4) COST: Indicating cost of work and allocation of charges under proper heads of accounts.
- (5) FINANCIAL PROVISION: Existence of provision and the grant for the expenditure to be indicated.
- (6) DATA SHEETS: Data sheets in respect of cost of materials and labour are to be enclosed.

[See para 252 - (3), (4) and (5)]

- (7) LOAD DATA: Loading capacity of apparatus, feeder, transformer centre with the existing load and expected additional load.
- (8) REVENUE: Expected revenue with reference to the required minimum.
- (9) AGREEMENTS/DEPOSITS: Whether the required agreements have been obtained from the prospective consumers, or whether the cost of work has been deposited, etc.
- (10) EXECUTION: Proposed method of execution of the work; either departmentally or by contract agency with or without tenders.
- (11) ESTABLISHMENT: Whether the regular staff will do for the work or any extra staff required.
- (12) MAINTENANCE ESTABLISHMENT: Whether the permanent maintenance establishment will do for the work or any temporary/ casual labour is required.

- (13) MATERIALS POSITION: A list of all the materials required for the execution of the work giving particulars as to the materials available in stores and those to be procured.
- (14) TIME: When the work is expected to be commenced and completed.
- (15) Any other relevant information.
- (16) Approximate period during which the materials/equipment now proposed to be replaced was in service
- (17) Normal or guaranteed life of the material/equipment
- (18) Reasons for its deterioration earlier than the expected time;
- (19) Whether the materials to be replaced could be made use of elsewhere;
- (20) The latest date by which the replacement is considered necessary;

To be furnished in respect of estimates for renewals and replacements.

(B) The abstract should contain the following details:

- (1) The total grant allotted under the particular head of account under which the estimate is proposed to be sanctioned;
- (2) The total amount of the estimate already sanctioned thereunder during the current year;
- (3) The amount required in respect of the works in progress, under that particular head of account;
- (4) The amount of estimates that are pending sanction;
- (5) The amount of expenditure during the current year upto date; and
- (6) The balance of grant available.



## SECTION - C

### RURAL ELECTRIFICATION SCHEMES

#### INTRODUCTORY:

- (1) There are 26,826 villages and 24,974 hamlets in our state, out of which 26,826 villages and 8,022 hamlets have been electrified to end of 31-3-1990 besides energising 6,73,907 I.P. sets and electrifying 5,201 Harijan Basthies.
  - (2) As a part of socio-economic development of the rural areas of our State, K.E.B. has been playing a significant and vital role in "Rural Electrification Programmes" from the year 1970-71, with financial assistance from Rural Electrification Corporation, New Delhi, and Commercial Banks.
  - (3) Rural Electrification Programme envisages:
    - (a) Electrification of Villages, Hamlets, Harijan Basties and Tribal Colonies.
    - (b) Energisation of Irrigation Pumpsets;
    - (c) Electrification of Rural House Holds; and
    - (d) System Improvement Schemes.
  - (4) Board has also undertaken 'Bhagya Jyothi' scheme with the approval of the State Government.
  - (5) To achieve the targets and for availing loan assistance from R.E.C. Ltd., and Commercial Banks, under the various categories of the schemes, Rural Electrification Zone headed by a Chief Engineer, has been created. His main function is to formulate new schemes under various categories covering villages and pumpsets and to get them accepted and sanctioned by R.E.C.Ltd.
- 256.** There are two categories of R.E.schemes, one directly financed by R.E.C. Ltd., and the other by both R.E.C Ltd., and participating commercial Banks.

257. The categories of R.E.schemes and their broad features are as follows:-

(1) **O.A. ( Ordinarily Advanced):**

It is called Area or Normal Scheme and is meant for intensive electrification of areas already electrified, un-electrified villages in close proximity can also be included for electrification incidental to the villages included in the scheme for administrative convenience.

(2) **O.B.( Ordinarily Backward):**

It is also Area or Normal Scheme but is designed for extensive electrification of unelectrified villages in backward area. Villages already electrified within or adjoining areas may be included for further intensive load development by additional electrification but the number of electrified villages to be covered should not exceed TEN percent of unelectrified villages included in the scheme.

(3) **S.U. ( Specially Under-developed):**

It is also an Area Scheme meant for very backward area (specially under-developed) both for unelectrified areas as well as intensive electrification in the area already electrified. Normally Hilly Tribal and Desert areas qualify for being classified for this type of schemes and the terms of loan are specially liberal in as much as the cost of 11 KV lines and transformers are not considered for calculating revenue returns.

(4) **S.P.A ( Special Project Agricultural):**

This category of scheme provides intensive energisation of irrigation pump sets in an area. Some villages can also be included for electrification only if incidental and not exceeding TEN percent of load in this type of schemes. S.P.A. schemes are jointly financed by R.E.C.Ltd., and Commercial Banks.

(5) **H.B. ( Harijan Basties):**

This scheme provides exclusively electrifying Harijan Basties near or around the villages.

**(6) S.I. ( System Improvement) Scheme:**

This scheme provides improvement in system efficiency and power factor and also reduction in line losses.

**258.** The following procedure, in connection with initiating and implementation of Rural Electrification schemes, has to be followed:-

- (1) At the beginning of every official year, the Board or the Chief Engineer Electricity (R.E.Zone) will notify the names of the villages, hamlets, harijan basties and tribal colonies to be electrified and the number of I.P. Sets to be energised under R.E. schemes during the year.
- (2) Rural Electrification work in respect of such notified villages, hamlets, harijan basties and tribal colonies and the number of I.P. sets to be energised as notified, should only be undertaken by the Divisional Officers.
- (3) Proposals for electrification of villages, hamlets, harijan basties, tribal colonies, energisation of I.P. sets or for intensive electrification of villages already electrified should be sent to the Chief Engineer Electricity, R.E.Zone, by the jurisdictional Divisional Officers.
- (4) The proposal should cover:
  - (a) Technical feasibility duly indicating the proximity of H.T. lines;
  - (b) Economical viability;
  - (c) Future load development;
  - (d) Approximate cost;
  - (e) Revenue forecast;
  - (f) Proposed category of R.E.Scheme;
  - (g) Any other relevant particulars.
- (5) The Chief Engineer Electricity, R.E. Zone shall prepare the schemes in accordance with the norms set by the R.E.C Ltd. The project report in respect of the Schemes, finalised shall be sent to R.E.C. Ltd., with a request to accept the scheme and to sanction the loan.
- (6) The schemes that are approved by the R.E.C.Ltd., are then referred to Board for according administrative approval for implementation.

- (7) Sanction to the estimates shall be accorded by the competent authorities of the Board ONLY after the receipt of Board's approval for implementation of the schemes.
- (8) Board Secretariat shall finalise the following documents (called as loan documents) within a month and send them to Government with a request to forward them to R.E.C.Ltd., together with Guarantee Deed duly executed by the Government;
  - (i) Memorandum of Agreement duly completed and executed by the Board on a stamped paper;
  - (ii) Authenticated copies of Board's resolution;
  - (iii) Duplicate copies of sanction letter duly authenticated by the executant.

**NOTE :** Secretary or the Additional Secretary, K.E.B., have been empowered to sign the documents, on behalf of the Board.

- (9) One copy of the loan documents would be received duly signed by all the other concerned parties, from the R.E.C.Ltd., with an advice releasing the first instalment of the loan.
- (10) The loan documents should be filed in the relevant file.
- (11) The Financial Adviser and Chief Accounts Officer, will arrange to draw the amount of loan, on receipt of an advice from R.E.C.Ltd., and/or Commercial Banks.
- (12) Subsequent instalments of loan will be drawn by the Financial Adviser and Chief Accounts Officer, in the manner set out in the Memorandum of Agreement in each case.
- (13) The payment of interest on the loan, and the repayment of principal shall be arranged by the Financial Adviser and Chief Accounts Officer, on the due dates, in the manner as set out in the Memorandum of Agreement in respect of each loan.
- (14) Physical progress achieved in respect of all the categories of schemes should be reported in the prescribed forms every month by the Divisional Officer, duly allocating them between the AREA and S.P.A. Schemes.

- (15) Half yearly statements in the prescribed forms showing the actual field progress together with financial outlay in respect of each scheme shall be sent to Financial Adviser and Chief Accounts Officer, by the Divisional Officers.

**NOTE** : Rendering performance reports is most essential, as the drawal of subsequent instalments of loan from R.E.C.Ltd., and Commercial Banks is dependent upon the actual field progress report achieved and the financial outlay booked.

**CLOSURE OF THE SCHEME:**

259. (1) Closure of a scheme requires the approval of the Board. State Government, as a Guarantor of the loan, has to approve and recommend the closure of the scheme. Finally it has to be accepted and approved by the R.E.C.Ltd.
- (2) As soon as the electrification work under a R.E. scheme is completed and the completion report in respect of that work has been approved by the competent authority, the Divisional Officers should send a report on the closure of the scheme to the Chief Engineer, Electy. (R.E.Zone), duly furnishing the following information:
- (i) Name of the Division.
  - (ii) Name of the scheme.
  - (iii) Date of commencement of the scheme.
  - (iv) Date of completion of the scheme.
  - (v) Final outlay of the scheme.
  - (vi) Physical progress of infra-structure and services upto the date of closure.
  - (vii) List of villages/Hamlets/Harijan Basties/Tribal Colonies electrified under the scheme duly indicating the dates of electrification against each
  - (viii) Number of I.P.Sets energised under S.P.A. scheme.

- (3) The Chief Engineer, Electy, (R.E.Zone), will consolidate after due scrutiny and forward those reports scheme-wise to the Board, for approval.
- (4) Board Secretariat, after obtaining Board's approval, shall send the report to the Government with a request to accord approval and for onward transmission to R.E.C.Ltd., together with recommendation for the closure of the scheme.

The following additional information shall also be furnished in the report:-

- (i) The amount of loan drawn.
  - (ii) Whether the amount drawn has been properly utilised;
  - (iii) All targets in respect of infrastructure and services achieved;
  - (iv) The works of the scheme for extending the benefits as contemplated are taken into account or not.
- (5) Letter communicating approval for the closure of the scheme, when received from the R.E.C.Ltd., should be filed in the relevant file, after endorsing copies thereof to the Financial Adviser and Chief Accounts Officer, Chief Engineer, Electy.(R.E.Zone), and the concerned Division.

**260.** Even though a scheme has been approved to be closed the annual progress in respect of services in the area of the scheme (Area Schemes only) shall be reported by the Divisional Officers by 10th March of every year for a period of 15 years for purposes of assessing the benefits accrued on account of infrastructure provided by the scheme.

## SECTION - D

### BHAGYA JYOTHI SCHEME

#### INTRODUCTORY:

- (1) To benefit the poorest of poor, residing in an electrified village, Board with the approval of the State Government has introduced Bhagya Jyothi Scheme in the year 1979.
- (2) The object of the scheme is to provide ONE BULB connection to the houses of the people belonging to scheduled caste, scheduled tribes and other weaker sections of the society in all the electrified villages.
- (3) The expenditure on this scheme is initially met out of Board's funds. Twenty per cent of the expenditure would be subsidised by the State Government and the balance is treated as loan recoverable from the beneficiaries in monthly instalments over a period of 15 years.
- (4) To end of 31-3-90 - 3,52,957 house-holds have been given electrical connections under "Bhagya Jyothi Scheme".

**261.** The following procedure, in connection with the implementation of 'Bhagya Jyothi Scheme' has to be followed:-

- (1) The beneficiaries under Bhagya Jyothi Scheme are to be identified and selected by the Zilla Parishat/Mandal Panchayats, in the electrified villages.
- (2) After the receipt of the list of the selected beneficiaries, the field officers of the Board will visit the villages and check up the viability in each case.
- (3) Technical criteria: Only those houses of the prospective beneficiaries which are within 'SIXTEEN METRES' from the nearest Low Tension distribution pole are to be considered as eligible.
- (4) A combined, estimate for 'Service Connection' and internal wiring of the house-hold is then prepared in the prescribed form, for each village, using the schedule of rates.

- (5) The estimates are to be sanctioned village-wise by the Divisional Officers of O&M Divisions, subject to the condition that the number of house-holds fixed for each village is not exceeded

**NOTE :** The cost per house-hold should not exceed

\* Rs.471/- wef 1-2-93.

\*\* Rs.511/- wef 13-1-98

\* Circular No. B19/1682/90-91/Vol II/3-6-94

\*\* Circular No. B19/1682/90-91/dated 13-1-98.

- (6) The Chief Engineer, Electy. (General), will notify the programme besides fixing the targets for the year.
- (7) The internal wiring and the service mains work shall be got carried out through the Licensed Electrical Contractors.
- (8) The Divisional Officers are empowered to award the works to the licensed electrical contractors.
- (9) The Electrical Contractors, to whom the work under this scheme are awarded, are required to execute an agreement on Rupees five stamped paper and to pay Rs.100/-(Rupees one hundred only) towards security deposit.
- (10) The contractors should carry out and complete the work using standard materials and according to the specifications, within two weeks from the date of award of the work.
- (11) The time limit may be extended upto a maximum of two weeks by the Divisional Officers in deserving cases.
- (12) Penalty at 5% of the estimated cost of the work may be levied for the delay in executing the work.
- (13) Board staff will check the work carried out by the Electrical Contractors, record the measurements as per actuals in the measurement books and service the installations after test.
- (14) The Divisional Officers should ensure that the bills of the contractors are paid and accounted for in the accounts of the year and not allowed to be carried over to the accounts of the following year.



- (15) Twenty per cent of the cost of the wiring work done would be subsidised by the State Government, and the balance 80% as loan with a differential interest rate scheme is to be paid by the beneficiaries, in monthly instalments, over a period of 15 years.
- (16) The Divisional Officers should send a list of installations serviced under Bhagya Jyothi Scheme to the Financial Adviser and Chief Accounts Officer, every month, in the following form:

**NAME OF THE VILLAGE:**

Sl. No.	Name of the beneficiary	Actual cost of work		Date of servicing the installation
		Rs.	Ps.	
1.				
2.				
3.				
<b>TOTAL</b>				

- (17) The Divisional Officers should also send the progress reports, in the prescribed form to Chief Engineer Electricity (General) by 5th of every month.
- (18) Divisional Officers, while furnishing the progress reports, should ensure that there is agreement between the physical progress and the corresponding financial outlay.
- (19) The Financial Adviser & Chief Accounts Officer, will prepare a consolidated statement and lodge a claim with the State Government, for the payment of subsidy at 20% of the total cost of the works completed.
- (20) Beneficiaries are required to pay every month Rs.2.50 towards energy charges, plus

Rs.2.20 } towards repayment of principal & interest  
or } respectively in respect of installations serviced  
Rs.2.60 } prior to 4.9.1986.  
(B11/1892/87-88/17.10.87)

Rs.2.60 } towards repayment of principal and interest  
or } respectively in respect of installations serviced  
Rs.2.80 } from 04-09-1986 to 03-06-1992 and from  
04-06-1992 and onwards  
(B19/1682/90-91 dt.12-08-1992)

Rs. 3.05 towards repayment of principal and interest in  
respect of installations serviced from 1-02-1993  
and onwards.  
(B19/1682/90-91 dt.30-1-1993)

Revised to } towards repayment of principal and interest in  
Rs.3.50 } respect of installations serviced from 1-02-1993  
and onwards.

(Ltr.No.CCA/A.O.(A/cs) / SnIV / cys - 51/95-96 dt.28-7-95)

- (21) No installation should be disconnected for non-payment of energy bills but every effort should be made to collect the arrears.
- (22) Only in cases, where the beneficiaries fail to pay the energy bills inspite of the best efforts on the part of Board, Government have agreed to reimburse the difference between the amount of actual energy charges and the amount collected from the beneficiaries.
- (23) In order to obtain the re-imbusement, the Divisional Officers should send quarterly statements of arrears exclusively in respect of the installations serviced under this scheme to the Financial Adviser and Chief Accounts Officer.
- (24) The Financial Adviser and Chief Accounts Officer will prepare a consolidated statement of arrears of energy charges and lodge a claim for reimbursement with the State Government.
- (25) In case the beneficiary has sold the house, then the installation shall be billed at normal tariff and at the same time ensuring that the new consumer agrees to repay the loan amount with interest in one lumpsum or in monthly instalments.

## SECTION - E

### SERVICE CONNECTIONS

262 Deleted

**262-A.** The following revised procedure is introduced for the execution of service connection works.

(B11/B10/2195/84-85/8-5-1987)

- (1) The estimate in respect of service connection work shall be prepared in quadruplicate in the prescribed form. (Revised Format - Estimate-cum-completion Report and Bill form for overhead/underground service connection works) and submitted to the sanctioning authority.
- (2) The estimate has to be sanctioned under Account Code 14.400 - C.W.I.P. - service connections.
- (3) Copies of the sanctioned estimate are to be sent as detailed hereunder:
  - One copy to the consumer.
  - One copy to the accounts section.
  - Two copies to the O&M unit.(To be returned after servicing the installation-one for completion report and one for the R.R.Docket).
- (4) The service line works from the terminal pole upto meter board, whether overhead or underground including fixing up of meter board and sealable cut outs shall be got done by the consumer through a Licensed Electrical Contractor.
- (5) The contractor shall make use of quality materials conforming to the relevant I.S.I. as prescribed. Wherever materials with I.S.I. markings are available, the same shall be used. The contractor should ensure good workmanship.
- (6) The energy meter, aerial board and cutouts will be provided by the Board.
- (7) In the cities of Bangalore, Mysore, Mangalore, Hubli- Dharwad Corporation limits and such other places as may be notified by the Board from time to time, the service main shall be laid by underground cable only.

- (8) If the consumer wishes to have power supply by means of underground cables at any place other than the places specified in para (7) above, the consumer has to bear the entire cost of service line from the point of tap off.
- (9) For any defect in the service connection work arising during the first year of servicing the installation, the cost of repairs and/or replacements shall be borne by the consumer. In case of non-rectification of the defects by the consumer, Board has the right to enforce discontinuance of power supply until the defects are rectified, if the installation is in service.
- (10) In case there were to be any fault in the underground cable, during the first year of the servicing the installation, it shall be got rectified by the consumer.
- (11) The entire service line will become the property of the Board notwithstanding the fact that the cost of service line has been met by the consumer.
- (12) Supervision charges - The prospective consumer shall pay supervision charges as indicated hereunder:

(A) Overhead service lines - for each installation:

	Amount of Supervision Charges
(i) Bhagya Jyothi installation	Nil
(ii) Other single phase installation	Rs.50/-
(iii) Three phase installations	Rs.100/-

(B) Underground cable service lines - for each installation:

(i) Single phase installation	Rs.100/-
(ii) Three phase installation	Rs.150/-

(13) Refund of Service Line Cost:

- (a) In respect of installations serviced by overhead lines, there will be no refund of the service lines cost since the amount of supervision charges has been fixed after taking into consideration the amount that would have been refundable in the normal course.
  - (b) In respect of installations serviced by underground cables, in places specified by the Board, the amounts refundable shall be regulated in accordance with Regulation number 4.33 of Electricity Supply Regulations 1988.
  - (c) There will be no refund if it is a case of replacement of service mains due to conversion or sub-service or additional load.
  - (d) The amount of refund will be adjusted towards power supply bills along with the first energy bill to be issued. Refund adjustment will be done by the revenue section based on the entries in the sanctioned estimate. No separate order of the Divisional Officer is required for this purpose.
  - (e) No entries in the Measurement Book are required for the refund by adjustment against energy bills.
- (14) The consumer shall obtain and furnish road cutting permission in original from the corporation of city of Bangalore, Bangalore Development Authority or Local Authority as the case may be in the case of underground cable service mains, before issue of work order.

(15) Completion Report and Test Report:

- (1) Soon after the receipt of the report of the completion of service connection work, from the consumer / contractor, the service mains and the installation will be tested and serviced by the field staff besides ensuring that materials of quality and specification have been used. Any defect noticed, shall be intimated to the consumer, for rectification.

- (2) Within ten days from the date of servicing the installation, the completion report shall be sent to the Divisional Office and the test report shall be sent to the concerned Revenue Accounting Unit for opening the consumer's ledger account, together with a copy of the estimate-cum- completion report-cum-bill forms duly filled in.
- (3) Delay and inconveniences to the consumer and consequential loss of revenue should be avoided.

#### ACCOUNTING:

- (a) The entire cost of service connection work met by the consumer shall be credited to 'Account Code 55.1 - Consumers' contribution towards cost of capital Assets' by debit to 'Account Code 14.400 - C.W.I.P. Service Connections'.

**NOTE :** The actual cost will have to be ascertained from the consumer or assessed based on schedule of rates for purposes of valuation of assets.

- (b) The amount of refund by way of adjustment shall be debited to:  
Account Code 55.1 -Consumers' contribution towards cost of capital assets'. By credit to 'Revenue from sale of power' (Account Group 61).
- (c) The cost of meter, aerial fuse board cutout and any other materials drawn and used by the field staff are debited to Account Code 14.400 - C.W.I.P. Service Connections.
- (d) The work accounts shall be closed by transferring the cost of Meters/Metering Equipments to Account Code 10.631 - Metering Equipment and the balance to Account Code 10.621 - Service Connections' by credit to Account Code 14.400 - C.W.I.P - Service Connections.
- (e) The amount collected towards supervision charges should be credited to Account Code 61.904 - Service Connection (Supervision Charges).

## SECTION - F

### REPAIRS AND MAINTENANCE WORKS AND REPLACEMENTS

263. (1) The estimate for repairs or for maintenance works or for replacements shall be prepared in prescribed form.
- (2) Provision towards cost of labour shall be made in the estimate, notwithstanding with the fact that all such works are to be got done by the Regular and Maintenance staff.
- (3) Provision for contingencies at three per cent shall be made.
- (4) Estimates are to be sanctioned under the appropriate account code under the Account Group No.74.
- (5) The expenditure on repairs and maintenance works is chargeable to 'REVENUE'.
- (6) The expenditure on replacements is chargeable either to 'REVENUE' or 'CAPITAL' depending upon the type of replacements.

**NOTE:** For classification of expenditure (Capital or Revenue) refer the relevant clauses of Accounts Manual Volume - III.

- (7) The estimate in respect of replacements should be accompanied with all the particulars which are required to be furnished under para 255 - (Item nos. 16 to 20 in particular).

**NOTE:** Repairs to :-

- (i) Meters and Metering Equipments;
- (ii) Transformers;
- (iii) Oil Circuit Breakers, etc., are dealt with separately.

## SECTION - G

### DISMANTLING OF IDLE POWER LINES AND DE-COMMISSIONING OF ASSETS

264. (1) Power and lighting installations which are remaining idle for over six months should generally be disconnected and the service lines in respect of such installations should be dismantled and the materials dismantled returned to stores.
- (2) A list of power and lighting installations remaining idle for over six months should be sent by the Divisional Officers of O&M Divisions to their Superintending Engineers by 1st October and 1st March of every year, with reasons for not dismantling the power and service lines. The Superintending Engineers should review the lists and issue orders for dismantling of such lines, which are not likely to be of any use.
- (3) The estimate for dismantling of service lines, in respect of idle installations which are under dis-connection for over six months or for the de-commissioning of any other asset shall be prepared in the prescribed form.
- (4) Only the cost of labour for dismantling has to be provided in the estimate.
- (5) The following particulars shall be furnished by the field staff:
- (a) Particulars of asset proposed to be dismantled;
  - (b) Year of commission - as per records or as assessed;
  - (c) Proposed date of undertaking the dismantling work;
  - (d) List of materials, likely to be -released and returnable to stores;
  - (e) Approximate cost of any foundation or supports likely to be abandoned as not useful, after dismantling.
- (6) The following particulars shall be furnished by the Accounts Section:
- (a) Original cost of the asset proposed to be dismantled, with reference to works register or assessed value based on standard rates or any other available date;



- (b) Depreciation earned by the asset;
  - (c) Written down value of the asset proposed to be dismantled;
- (7) The estimate has to be sanctioned under the appropriate account code under the Account Group Code 77.5 - Asset Decommissioning costs.

**265. ACCOUNTING PROCEDURE:**

- (1) Cost of labour for dismantling by Board's staff is to be accounted under Account Group 75.
- (2) All other expenses incurred in connection with the dismantling of an asset is to be accounted under Group 77.5. Where the dismantling work is got done by contract agency, the cost of labour is debit to 77.5.
- (3) Released materials shall be returned to stores with return invoice.
- (4) A separate stock ledger shall be maintained in the store and in the pricing section for recording the dismantled assets returned to stores.
- (5) The written down value of the dismantled assets will be worked out and furnished by the pricing section and that value will have to be accounted under the Account Group 16.2.

**265-A.** The following detailed procedure for dismantling of assets should be followed:-

(B19/345/85-86, dt. 18-6-87)

**DETAILED PROCEDURE FOR DISMANTLING OF ASSETS:**

**DATE OF EFFECT: 1ST OF APRIL 1985**

(B.O.No. B19/345/85-86/18-6-87)

**Preamble:**

- 1.1: With the introduction of Uniform Commercial Accounting System, the existing procedure for dismantling of assets and accountal thereof, in the connected account records requires modifications. Existing procedure in this regard suffers from several deficiencies, such as:-

- (i) Proper distinction is not made between Revenue and Capital.
- (ii) Dismantled Asset is taken to stock at original book value, thus inflating gross assets.
- (iii) Loss or gain in disposal of assets is not reflected in the accounts.
- (iv) Due to incomplete particulars in the estimates, value of released assets along with accumulated depreciation is often not removed from the gross assets etc.

- 1.2 : In order to eliminate the above deficiencies, a revised procedure in supersession of paras 252 to 261 and 486 to 495 prescribed in the following paragraphs shall come into force with effect from 1-4-1985.
- 1.3 : Consequent on adoption of Commercial Accounting System with effect from 1-4-1985, the asset accounts will be maintained at Divisional level.
- 1.4 : Assets may be decommissioned or dismantled for various reasons, e.g. frequent break-down, obsolescence, assets becoming surplus for certain reasons etc. In any of these cases, the assets decommissioned, may be replaced by new equipments.
- 1.5 : Replacements may be classified into two categories, i.e., major and minor. expenditure on major replacements will be treated as 'Capital' expenditure, while expenditure on minor replacements will be charged off to the revenue of the year. Broadly, if any, "replacement" results in prolonging the life of the assets or increase the earning capacity/productivity, such a replacement, may be treated as major replacement and expenditure incurred there on may be capitalised. With effect from 1-4-1985, separate fixed asset records are maintained for 'Individual Assets' in certain categories and for 'Group Assets' in other categories. In general, replacement of any Individual Asset or part of a Group Asset which will have the effect of extending the life of the group asset, shall be considered as major replacement. eg. replacement of faulty/burnt out transformer/ equipment by new transformer/equipment of the same capacity. All other replacements of parts of assets, required to be carried out in the course of normal operations, shall be treated as minor replacements and charges off to the revenue of the concerned year.

- 1.6 : Expenditure on major replacements may be booked in the capital section under the head of account 14.150 -CWIP - Improvement, while the expenditure on 'Minor Replacement' may be charged off to the revenue under the Account group 74 - Repairs and Maintenance.
- 1.7 : This revised procedure may be read in conjunction with Board Order No. KEB/B19/345/85-86 dated 28-6-85, in which a new procedure for preparation of estimates for decommissioning of assets has been prescribed.
- 2.0 : DISMANTLING OF ASSETS:**
- 2.1 : Dismantling of an asset involves removal of the asset from use. Dismantling of an existing asset i.e., line/ equipment may become necessary for its replacement before the normal prescribed life of the asset, for some reasons or for discarding the asset after prescribed period.
- 3.0 : REPLACEMENT OF ASSETS:**
- 3.1 : Replacement of an asset means substitution of one fixed asset by another. Replacement may be a major replacement or a minor replacement.
- 3.1.1 : MAJOR REPLACEMENT:**
- In the light of the principles enunciated in the preamble, a few examples of major replacements are given below for guidance:-
- (i) Replacement of faulty/burnt out transformer/equipment by new transformer/equipment of the same capacity.
  - (ii) Replacement of lower capacity transformer/equipment by higher capacity transformer/equipment or vice-versa.
  - (iii) Replacement of an existing line by another line for improvement of its capacity.
  - (iv) Replacement of an existing line by another line of the same or higher capacity in its place by changing its present location.
  - (v) Replacement of any component of a large equipment.

### **3.1.2 : MINOR REPLACEMENT:**

Replacement of a part of any asset is a minor replacement such as:

- (i) Replacement of poles, pole supports, insulators cut-outs, cross-arms, bolts and nuts etc.
- (ii) Reconditioning of snapped conductors.
- (iii) Replacement of insulating oil.

**3.2 :** Pursuant to the introduction of Commercial Accounting System and procedures, the original cost and the accumulated depreciation of the old replaced assets should be withdrawn from Gross Block and accounted, under "16.2 WDV of dismantled or faulty assets" and the expenditure on the new asset be capitalised. In the case of assets discarded permanently as well, the cost of the assets and the depreciation of the assets dismantled should be transferred to Account Group "16.2 WDV of dismantled/faulty assets" and the cost of dismantling should be charged to the revenue account. In view of this, the Board has issued a simplified form of estimate and guidelines vide Board Order No. KEB/B19/345/85-86 dtd. 28th June 1985. The implications of the new procedure in the preparation and sanction of estimates in respect of assets dismantled either for replacement or for discarding permanently are outlined below.

### **3.3 : ESTIMATE :**

**3.3.1:** In the case of major replacements, estimates shall be prepared separately for erection of new assets and dismantling of the existing assets, assigning separate work orders with cross references in the estimate. In the case of minor replacements, a single estimate for the net amount is sufficient.

#### **3.3.2: ESTIMATE FOR ERECTION OF AN ASSET:**

An estimate for erection of a new asset shall be sanctioned under the budget head 'Improvement' in the capital section. The net expenditure on minor replacement shall be charged to revenue under the Account Group '74-Repairs & Maintenance'.

### 3.3.3: ESTIMATE FOR DISMANTLING OF AN ASSET :

- (i) Estimates for dismantling of assets shall be sanctioned under the Account Group '77.5 Asset - De-Commissioning Cost' irrespective of whether the dismantling of asset is due to replacement or otherwise.
- (ii) The labour charges included in amount of the estimate is debitable to 'employee cost' under the appropriate head of account under the group head '75 other charges like transportation charges etc., are debitable to the Account Group '77.5 - Asset De-Commissioning cost'. In cases where the works are entrusted to an outside agency, the labour charges payable to the outside agency should be booked under the Account Group '77.5 Asset De-Commissioning Cost' (Category-wise).
- (iii) Particulars of assets dismantled, year of commissioning and month/year of dismantling of assets shall be furnished in the estimate. If the year of commissioning is not known it should be assessed and the basis for assessment recorded jointly by Executive Engineer, (EI) and Accounts Officer of the Division in the estimate.
- (iv) The Accounts Section in the Division Office shall furnish in the estimate the following particulars:-
  - (1) Original cost/assessed value of the assets to be dismantled.
  - (2) Depreciation earned.
  - (3) Written down value of the assets dismantled.
- (v) If the original cost is not available, the cost shall be assessed on the basis of the standard rate / purchase rate of the year or any other data available after adding estimated labour and indirect charges.
- (vi) The report of the estimate should contain the following particulars in addition to the usual particulars as are required under relevant clauses.
  1. Spot Inspection certificate.
  2. Reasons for the deterioration of asset earlier than the expected time.
  3. Circumstances related to failure.

4. Whether the materials released now could be used elsewhere for temporary and other works.
5. Failure report in the case of faulty transformers.

#### **4.0 : ACCOUNTING PROCEDURES OF DISMANTLING ASSET :**

- 4.1 : On dismantling of an asset, it shall be returned to stores with a regular return invoice.
- 4.2 : On receipt of the dismantled asset at stores, whether it is good/faulty/scrap, the store keeper shall acknowledge the receipt of the dismantled asset and draw a receipt voucher and take the item to stock.
- 4.3 : On drawing a voucher, the details shall be entered in a separate dismantled asset store ledger, and sent to the division office, along with other store receipt vouchers and Issue invoices. The existing ledger form may be utilised for this purpose.
- 4.4 : On receipt of the voucher, the pricing ledger section shall furnish the written-down value of the asset and enter the amount and other particulars in the dismantled asset pricing ledger, which is to be maintained separately in future.
- 4.5 : The Accounts Section will transfer the original asset cost and accumulated depreciation to the Account Group "16.2 written-down value of faulty/dismantled assets".
- 4.6 : The Accounts Section shall maintain a register for dismantled assets in the form as given in the Annexure-I which contains the details of original asset cost, depreciation till date, written down value of asset and the manner of disposal of the asset.

**NOTE :** In Board Order No. KEB/B7/1969/81-82 dated 1-4-1985 vide Annexure-8 a proforma for entering the details of such dismantled assets has been prescribed vide Annexure-III to the Annexure-8. This form has been slightly modified and re-numbered as Annexure-I.

**5.0 : RELEASED ASSETS FOUND USEFUL/REPAIRABLE/NOT USEFUL:**

**5.1 : RELEASED ASSETS FOUND USEFUL:**

The released assets which could be used elsewhere without carrying out any repairs shall be kept along with the other fresh materials. Whenever such materials are drawn for works such released good materials of the asset are expected to be drawn first, for use in other works and hence the materials in the dismantled asset store ledger should be charges off first till the materials in that ledger are cleared. The issue invoice shall be valued in such cases at written-down value and entered in the pricing ledger in the Division Office.

**5.2 : RELEASED ASSETS FOUND REPAIRABLE :**

5.2.1: The released assets such as distribution/power transformers, circuit breakers and other equipments found faulty and repairable shall be sent to the Meter Testing Division through a regular invoice and advice of transfer with written down value giving details of asset description, serial number year of installation, original cost, depreciation till date.

**NOTE :** Released assets such as 220 KV breakers, 11 KV breakers and certain 66/33 KV transformers repairable at the Division need not be sent to M.T.Division, Bangalore. But M.T.Division shall arrange for repair of these released assets at the Division. The released assets shall be issued to the Officer-in-charge of repair on numerical account. The repair shall be carried out on a separate estimate sanctioned under Account Group "74.101 - Repairs and Maintenance to P&M - M.T.". After repair, the repaired asset shall be returned to the concerned store on numerical account.

5.2.2 : The M.T.Division will acknowledge the invoice and accept the advice of transfer in the usual manner and record the particulars of the transferred assets in their respective dismantled asset registers and also debit the value to the respective account heads in the general ledger.

5.2.3: The M.T.Division will do necessary test and a report will be furnished in respect of the oil level of the transformers, condition of winding, condition of the bushings etc. Further, the assets such as transformers/equipments received at M.T. Division which could be repaired, shall be retained for reconditioning departmental or repairs by a private agency. Other transformers/equipments which are not repairable, will be sent to the Central Stores Division at the written down value, with all the particulars and report through regular invoice under Inter Unit Account.

5.2.4: After effecting necessary repairs the M.T. Division will allocate the cost of repair to the repairs and maintenance head of account i.e., '74.101 Repairs and Maintenance to Plant and Machinery M.T.'.

5.2.5: If the repairs are carried out by an outside agency or department the expenses will be debited to '74.110 R&M to P&M - others'.

5.2.6: These repaired transformers/equipments will have to be issued to various divisions under allotment from the Superintending Engineer,(EI). Material Management Cell.

5.2.7: The transformers/equipments returned to the Central Stores Division as irreparable will have to be disposed of by auction after draining out the transformer oil. The transformer oil drained out from the transformer should be taken under a separate head "used transformer oil" at nil value and stored in tankers and will be issued for filtering/reclaiming as the case may be at M.T.Division. The released transformer oil has to be accounted for.

(a) at M.T.Division in respect of transformers retained for reconditioning:

(b) at Central Stores Division in respect of transformers received for disposal by auction.

### **5.3 : RELEASED ASSETS FOUND NOT USEFUL :**

Released assets found not useful will be treated as scrap.

#### **5.3.1: SCRAPING OF ASSETS :**

Upon scrapping of assets (returned to stores as dismantled assets) by the field officers, a "certificate for scrapping of assets" shall be prepared in



triplicate by the officer concerned and two copies given to stores. This procedure applies in the case of dismantled assets classified as scrap by the M.T.Divisions and sent to C.S.D. for disposal.

5.3.2 : The Accounts Section on receipt of the above document and store invoice will transfer the written down value of the asset from the Account Group "16.2 Written down value of faulty/ dismantled asset" account to the Account Group "16.1 written down value of obsolete/scrapped asset" account and also transfer the particulars and value of the asset from the dismantled asset register (Annexure-I) to the scrapped asset register (Annexure-II).

**5.3.3 : DISPOSAL OF SCRAPPED ASSETS:**

- (a) The items appearing in the scrapped asset register will be placed before the competent authority for approving the scrapping of the assets.
- (b) On approval, the scrapped assets which are not disposed at Division shall be sent for disposal to the Central Stores Division, K.E.B., Bangalore, through regular invoice under Account Group "32.703 Inter Unit Account - Capital expenditure and fixed assets with written down value.
- (c) On receipt of scrapped assets, the C.S.D. shall account the same by drawing a regular receipt voucher, posting the details of transactions to the scrapped asset ledger and sending the voucher in the usual manner to the Accounts Section.
- (d) On receipt of receipt voucher the Accounts Section shall value the receipts at the written down value as indicated in the invoice of the sending division.
- (e) On sale of scrapped assets the same shall be invoiced to the concerned purchaser under the Account Group "16.1 written down value of obsolete scrapped asset".
- (f) Sale proceeds of scrapped assets shall be credited to "28.105 Sundry Debtors for other miscellaneous income".

- (g) The gain or loss on sale of scrapped assets shall be treated as revenue. However, gain, if any, in excess of the accumulated depreciation shall be treated as a capital gain and credited to capital reserve.
- (h) The scrapped assets for which no scrap/salvage value is realised (loss on sale) the written down value of such assets shall be charged to "77.710 Written down value of assets scrapped".

5.4 : As far as meters are concerned, the present practice is to be continued as laid down in the relevant clauses of this Manual and circular instructions that are issued in separate Board Orders.

The total of the amount in the dismantled assets or scrapped assets registers shall be tallied with the respective accounts in the general ledger at the end of each quarter.

**6.0 : SHIFTING AN ASSET TO ANOTHER PLACE :**

Any expenditure incurred on shifting assets from one place to another place will regardless of the amount of expenditure, be charged to revenue in the year in which the expenditure is incurred.

Accounting entries are furnished in the Annexure - III.

# KARNATAKA ELECTRICITY BOARD

ANNEXURE - I

## NAME OF ASSET / BLOCKWISE ASSET

### DISMANTLED ASSETS REGISTER

#### ASSET CATEGORY

Receipt voucher No.	Asset ledger ref.	Year of commissioning	Original cost	Depreciation	Written down value	J.E. ref.	Whether scrapped sent to M.T./ issued afresh	Tech. Cert. No. for scrapping	M.T. Div. to CSD	M.T. Dvn. Transfer document ref.	Issue invoice ref.	Balance	Remarks	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Qty.	Rs.	Rs.	Rs.	Rs.	Qty.	Qty.	WDV Rs.	Qty.	Qty.	Qty.	Qty.	Qty.	WDV Rs.

# KARNATAKA ELECTRICITY BOARD

ANNEXURE - II

## SCRAPPED ASSETS REGISTER

ASSET DESCRIPTION/CATEGORY											
Sl. No.	J.E. ref.	Asset	Disman- tled Asset Register ref.	Technical Certifi- cate no.	Original cost	Deprecia- tion	Written down value	Disposal	Balance	Issue Invoice reference	Remarks
1	2	3	4	5	6	7	8	9	10	11	12
			Qty.		Rs.	Rs.	Rs.	Qty.	Rs.	Qty.	Rs.

## ACCOUNTING ENTRIES

When an asset is dismantled it should be invariably sent to the nearest store where its condition should be examined. If it does not require any repairs, it may be issued to any other work undertaken in the same division either immediately or in future. However, if the asset requires repairs it should be sent to the M.T. Division for repairs. After repairs, it may be sent back either to the original division or to any other division requiring the asset.

On the other hand, if the asset is not repairable it may be sent to the Central Stores Division where it should be declared as scrap and disposed of.

The accounting entries should be passed under each of the situations mentioned above are set out below.

Sl. No.	Date	Head of Account	L.F.	Debit	Credit
1	2	3	4	5	6

ENTRY TO BE PASSED AT DIVISION  
ON RELEASING OF ASSETS :

16.202 } written down value of  
to } faulty dismantled assets  
16 / 209 } (Category-wise)

12.1 } provision for depreciation on  
to } fixed assets (category-wise)  
12.9 }

10.101 } Fixed assets  
to } (category-wise)  
10.904 }

(Entry to be passed for removing the value of an asset from the asset account and the depreciation thereon are transferred to a new account entitled WDV of faulty/dismantled assets).

2. ENTRY FOR DRAWAL OF RELEASED ASSETS FOUND USEFUL FOR WORKS :

14 Capital work-in-progress  
(category-wise)

To 16.202 } written down value of  
to } faulty / dismantled  
16.209 } assets (category-wise)

(On drawal of released assets for works, the Accounts Section will pass this entry on the basis of a store invoice to clear the items in the written down value of faulty/ dismantled asset a/c.)

---

3. RELEASED ASSETS FOUND REPAIRABLE :

(a) 32 (L.C.) I.U.A. Capital Expenditure and Fixed Assets.

To 16.202 } written down value of  
to } faulty / dismantled  
16.209 } assets a/c

(Entry to be passed for for sending assets for repairs to M.T. Division)

(b) 16.202 } written down value of  
to } faulty / dismantled  
16.209 } assets a/c.

To 32 L.C. I.U.A. - Capital Expenditure & Fixed Asset A/c.

(Entry to be passed by M.T. Division on receipt of assets for repairs).

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4. SENDING OF ASSET BACK EITHER TO THE ORIGINAL DIVISION OR TO ANY OTHER DIVISION REQUIRING THE ASSET.

32. (L.C.) I.U.A. - Capital Expenditure & Fixed Assets A/c.

To 16.202 } Written down value of  
to } faulty / dismantled  
16.209 } assets a/c

(Entry to be passed at M.T. Division for sending the assets to the needy division)

---

5. SENDING OF RELEASED ASSET FOUND IRREPARABLE TO CENTRAL STORES DIVISION.

32.703 I.U.A. Capital Expenditure & Fixed Assets A/c.

To 16.202 } Written down value of  
to } faulty / dismantled  
16.209 } assets a/c

(Entry to be passed for sending assets irreparable to the Central Stores Division).

#### SCRAPPING OF ASSETS

16.102 } Written down value  
to } of obsolete /  
16.109 } scrapped assets

To 16.202 } Written down value  
to } of dismantled /  
16.209 } faulty assets.

(Entry to be passed for scrapping of assets when they are certified as obsolete or scrap by the specified authorities at O&M Division / Central Stores Division).

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6. WRITE OFF OF SCRAPPED ASSETS

77.710 Written down value of scrapped  
assets.

To 16.102 Written down value  
to of obsolete /  
16.109 scrapped assets.

(Entry to be passed to write off the written  
down value of scrapped assets found to  
have nil scrap / salvage value).

SALE OF SCRAPPED OR OBSOLETE ASSETS

(a) TO ACCOUNT LOSS

28.105 Sundry Debtors for other  
Misc. Income.

77.730 Loss on sale of Fixed  
to Assets (category - wise)

77.734

To 16.102 Written down value of  
to obsolete / scrapped  
16.109 assets (category-wise)

(Entry to be passed to bring into account  
the loss on sale of scrapped or obsolete  
assets).

(b) TO ACCOUNT GAIN

28.105 Sundry Debtors for other  
Misc. Income.

To 62.4 Gain on sale of Fixed Asset.  
to  
56.2 Capital Reserve



To 16.102      Written down value of  
to                obsolete / scrapped  
16.109           assets (category-wise)

(Entry to be passed to bring into account the gain on sale of scrapping or obsolete assets). If the amount realised from the sale is more than the written down value of the asset, there is a gain, other wise a loss on fixed asset. On realisation of the amount due, the sundry debtors account (28.105 will be cleared by corresponding debit to Cash/Bank.) If the sale value is more than the acumulated depreciation such difference will be credited to capital reserve (56.2) and the balance of depreciation will be taken as gain on sale of fixed assets (62.4).

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PROCEDURE FOR DISMANTLING AND REPLACEMENT OF ASSETS

MAJOR REPLACEMENT

Administrative Procedure

Accounting Procedure

Estimate

Accounting at Division

Dismantling

Re-erection

Dismantled  
Assets

Re-erection  
Assets

Sanctioned under Account Group 77.5 Asset Decommissioning costs/ 75 - Employees cost.

Sanctioned under 14.150 CWIP - Improvement

Draw receipt voucher & enter into Dismantled Asset Stores Ledger at Store House

Draw material and incur labour charges

Assign WDV. in the pricing section.

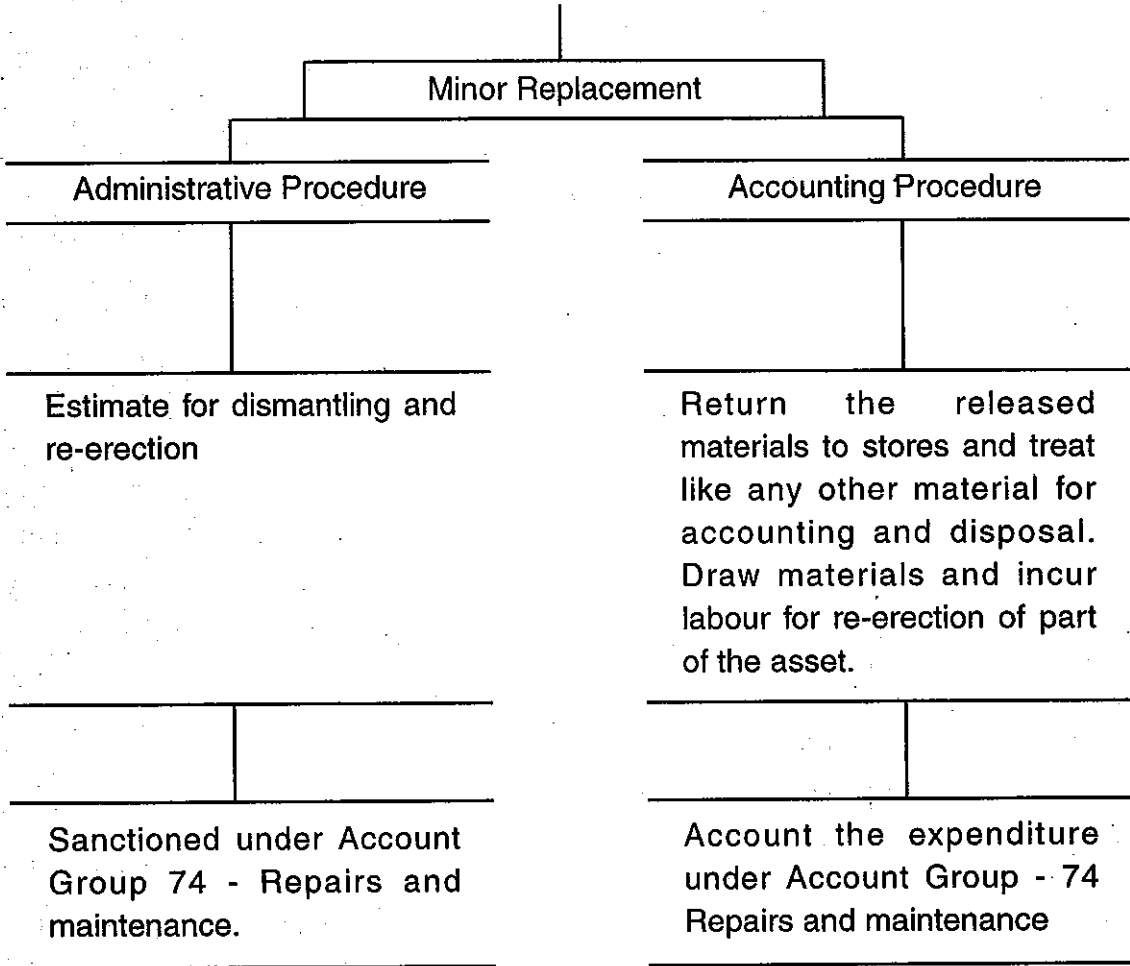
Accounting expenditure under 14.150 CWIP - Improvements and enter into 'C' Register.

Transfer the original cost of asset & accumulated depreciation to Account Group 16.2-WDV. faulty/dismantled assets and enter into the Dismantled Assets Register.

Assets found useful in present condition	Assets found useful after repairs	Scrap
Draw from store house through invoice	Send to M.T. Division under Account Group 32 I.U.A. - C.E. & F.A.	Transfer the asset from dismantled asset ledger to scrapped asset ledger. Draw invoice at store house
Value the invoice at WDV. in pricing section,	Accounting procedure at M.T. Division - See Exhibit 'A'	Transfer the WDV. of the asset from Account Group 16.2 WDV of faulty / dismantled asset to 16.1 WDV of obsolete / scrapped asset.
Enter the details in the dismantled asset register in accounts Section with entry to transfer from Account Group 16.2 WDV of faulty / dismantled asset to account group 14-CWIP.	Disposal at Division	Sent to CSD under Account Group 32 - IUA. C.E. & F.A. if not disposed in the Division.
Enter into 'C' register		Accounting procedure at CSD - see Exhibit 'B'

## FLOW CHART - 2

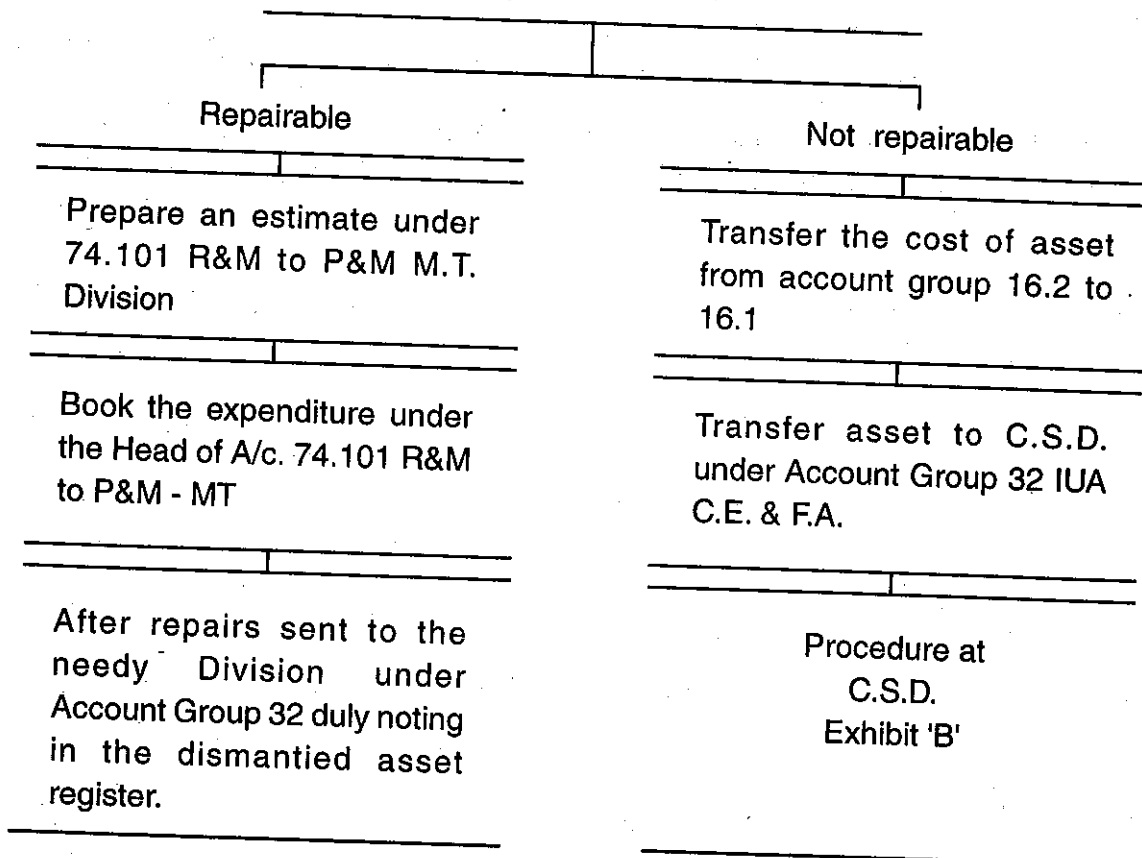
### PROCEDURE FOR DISMANTLING AND REPLACEMENT OF ASSETS



## EXHIBIT 'A'

### Accounting Procedure at M.T. Division.

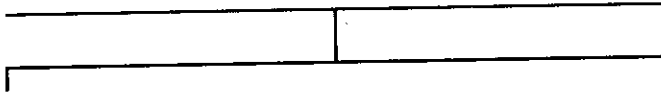
On receipt of materials from the Divisions draw receipt voucher & enter into dismantled assets store ledger at store house and account under 16.2 WDV of faulty / dismantled assets at Accounts Section.



**EXHIBIT 'B'**

**Accounting Procedure at CSD**

On receipt of scrapped assets from divisions and/or M.T. Division: Draw receipt voucher at store house and allocate to Account Group 16.1 at Accounts Section in CSD.



Loss to be accounted under 77.7 losses relating to fixed assets.

Gain to be accounted under Head of Account 62.4 gain on sale of fixed assets and 56.2 capital reserve.

## SECTION - H

### P.L.C.C. WORKS

266. The following is the procedure for the preparation of estimates and carrying out tele-communication and power line carrier communication.

- (1) The estimates in respect of telecommunication and power line carrier communication works shall be got prepared and sanctioned by the Zonal Chief Engineers.
- (2) The required materials shall be drawn and installed by the staff of Major Works Divisions in co-ordination with the Telecommunication Divisions.
- (3) Planning, procurement, co-ordination in regard to installation and commissioning of PLCC equipments will be done by the Chief Engineer, Electy, (General)/Chief Engineer, Electy. (MM&P). The Superintending Engineer, Elecl., Load Despatch will co-ordinate the various activities.
- (4) The responsibility for commissioning and operation of P.L.C.C. equipments lies with the Telecommunication Divisions.

(B19/B9/5544/83-84, dt. 2-5-1984)

## SECTION - I

### CIVIL ENGINEERING WORKS

267. The following is the procedure for the execution, supervision and inspection of Civil Engineering Works.

- (1) Civil Engineer Works of capital nature shall not be taken up for execution unless they are administratively approved by the Board and included in the programme of Civil Engineering Works for the year and the estimates are sanctioned by the competent authorities.
- (2) The term 'Original Works' indicates new construction or of additions and alteration to existing buildings.
- (3) The Divisional Officers and the Superintending Engineers are empowered to sanction estimates for original Civil Engineering Works upto the financial limits prescribed in the Manual of Delegation of Powers.
- (4) Estimates in respect of original works shall be prepared in prescribed form.
- (5) The site of every building should be definitely settled before the detailed designs and estimates are prepared. Local authorities must be consulted in all cases as to convenience of the site.
- (6) The term 'Repairs' indicates primarily operations undertaken for the maintenance of Board's buildings, roads in colonies, station yards etc., in proper condition.
- (7) Repairs are ordinarily of THREE kinds :

First, those which as a matter of regulation are carried out periodically and which are usually of the same quantity from time to time, such as, painting and the white washing of a building or a new coating of metal on a road.

Second, those which are not done as a matter of regulation periodically but which it is convenient to carry out so far as may be necessary at the time of periodical repairs, and



Third, such occasional or petty repairs as might become necessary from time to time and which may have to be carried out between the times of periodical repair.

- (8) Estimates in respect of repairs to buildings, road, etc., shall be prepared in prescribed form.
- (9) A separate estimate should be prepared for the maintenance of each building or each class of building in every division. Separate estimates shall be prepared in respect of other civil works in each division.

**NOTE :** Attention to this point is necessary for in the principal accounts the total outlay against each estimate being posted it is only by recording the outlay year after year on the maintenance of each set of buildings or works that useful comparison can be made.

- (10) Each estimate will include the whole expenditure considered requisite during the year on the maintenance of the work concerned. Should any additional expenditure be needed for its maintenance during the year beyond what has been provided for, the outlay should be met by a supplementary estimate.
- (11) To minimise the time and labour spent in the preparation of annual repair estimates, every Divisional Officer should keep in his office, standard measurements book showing detailed measurements for repairs to each building in his division. From these standard measurements, the annual repair estimates can be easily prepared.
- (12) Special repair estimates for roads and river channels should be framed only for such amounts as can be spent most economically within the year and closed like the annual repair estimates every year. They should never be treated as incomplete works and taken forward to the succeeding official year.,
- (13) Powers of officers to sanction estimates towards repairs to Buildings are as follows :-

In respect of	PERCENTAGE OF THE CAPITAL COST OF THE BUILDING		
	CEEs	SEEs	EEEs
(a) Buildings which are in existence for more than twenty years	20%	10%	5%
(b) Buildings which are in existence for twenty years and less	10%	5%	3%

(B9/5405/83-84. dt. 25-1-84)

In respect of	Percentage of the capital cost of the Building		
	CEE (General) & All CEEs	All SEEs	All EEEs
(a) Buildings which are in existence for more than 30 years	5%	25%	10%
(b) Buildings which are in existence for more than 20 years but upto 30 years	20%	10%	5%
(c) Buildings which are in existence for 20 years and less	10%	5%	3%

(B.O. No. KEB/B5/3410/77-78. dt : 16-10-1997)

(14) Before the estimates are sanctioned, they should be checked with reference to the schedule of rates obtaining in the public works department of the State Government.

(15) All original works as well as all repairs works will be executed by the Divisional Officers with the assistance of civil engineers of the Board.

(16) After an estimate is sanctioned, tenders should be called for in the case of all works proposed to be carried out by the Board by contract agency and the lowest of the tenders should be accepted. If, however,

any tender other than the lowest has to be accepted, the reasons therefor should be clearly specified and recorded.

- (17) The repair works will be supervised by the Assistant Engineer (Civil) or by the Junior Engineer (Civil) who will also take measurements.
- (18) Measurements of all civil works and repairs to buildings carried out by contract agency should be recorded by the Junior Engineer (Civil) or Assistant Engineer (Civil).
- (19) The Assistant Executive Engineer (Civil)/(Electrical) can check measure the works costing not more than Rs. 2,500/- in each case.

## SECTION - J

### ESTIMATES

#### SCRUTINY OF ESTIMATES

268. Estimates received by the Divisional Officer shall be referred to the technical section, for registering them in the register of estimates and for technical scrutiny.
269. After technical scrutiny the estimates shall be sent to the Accounts Officer for scrutiny and for furnishing the certificate relating to availability of funds in the year's budget and allocation of expenditure, under the appropriate heads of accounts. All cases of doubts and difficulty shall be discussed with the Divisional Officer and got cleared. The estimates should be as closely approximate to probable actuals as possible.

#### SANCTIONS TO THE ESTIMATES :

270. The Divisional Officer will accord sanction to such estimates which are within his powers of sanction.

(Present monetary limits of powers of sanction of the Divisional Officers).

\* Revised w.e.f.

16-10-1997.

Extensions and Improvements	..	Rs. 1,00,000/-	* Rs. 3,00,000/-
Service Connections	..	Rs. 1,00,000/-	Rs. 2,00,000/-
Rural Electrification	..	Rs. 1,00,000/-	Rs. 2,00,000/-
Power Supply to I.P. Sets	..	Rs. 75,000/-	Rs. 1,50,000/-
Civil Engineering Works inclusive of connected electrical works.	..	Rs. 50,000/-	Rs. 1,00,000/-

**NOTE :** Sub-Divisional Officers are empowered to sanction estimates in respect of service connection works and I.P. Set works upto Rs. 20,000/-, \*Rs. 30,000/- & Rs. 15,000/-, \*Rs. 25,000/- respectively \*wef 16-10-1997. The estimates sanctioned by the sub-divisional officers shall be scrutinised by the Divisional Officers.

\* B.O. B5/3410/77-78/Dt. 16-10-1997.

**271.** Where the estimates require the sanction of a higher authority such estimates with facing sheets furnishing all the required particulars shall be submitted by the Divisional Officer to the competent authority for according sanction.

**272.** Copies of sanctions to estimates, duly indicating the mode of execution of work, shall be sent to :-

- i) Executive subordinates entrusted with the execution of the works;
- ii) Divisional Accounts branch ;
- iii) Internal Audit ;
- iv) Technical Section.

**ISSUE OF WORK ORDERS :**

**273.** Work Orders shall be issued asset-wise to facilitate control and record of expenditure and for proper categorisation of the assets. One work order should pertain to one asset only.

**CURRENCY OF SANCTIONS TO ESTIMATES :**

**274.** The period of currency of sanctions to estimates both in respect of electrical and civil engineering works (original works) shall be as follows :-

<b>Amount of Estimate</b>	<b>Period of Currency</b>	
(i) Below Rs. 10,000/-	ONE year	} From the date of sanction
(ii) From Rs. 10,000/- to Rs. 25,000/-	TWO years	
(iii) From Rs. 25,000/- to Rs. 1,00,000/-	THREE years	
(iv) From Rs. 1,00,000/- and above	To be fixed by the sanctioning authority.	

**275.** At the end of the period fixed, the estimate should be regarded as lapsed and any outlay incurred thereafter should be treated as without sanction and brought under objection and regularised by renewal of sanction by the competent authority.

**NOTE :** Renewal of sanction is not necessary when closed work account is re-opened merely for rectification of errors.

**REPAIRS TO BUILDINGS :**

**276.** The currency of sanction to an ordinary repair estimate lapses on the last day of the financial year, i.e. 31st March.

**NOTE :** If however, inconvenience would arise in any exceptional case from the stoppage of the work on the fixed date, the repairs may be carried on to completion, the expenditure after that date being treated as expenditure against a fresh repair estimate for the next working year.

**277.** Estimate for special repairs like re-roofing a building, replacing of beams or renewal of flooring etc., remain current till the completion of the repairs in the same manner as estimates for original works.

**278.** In cases of urgency the Superintending Engineers may authorise repair works pending sanction to estimates.

**279.** Divisional Officers may purchase local materials such as sand, jelly, lime etc., upto a limit of Rs. 500/- in each case, subject to the condition that the price of materials does not exceed the PWD schedule or rates existing in the area.

**280.** When building materials such as sand, stone, jelly, lime etc., which cannot be stored in the store houses, are purchased the following procedure should be strictly followed :

The contractor or supplier should properly stock the materials at the spot designated by the officer or the executive subordinate in-charge of the work and when ready, measurement should be made by the officer incharge of the stores, together with the store keeper. A bill should then be prepared by the contractor or supplier in the prescribed form and the same verified as for all other classes of materials, the articles being taken to stock and issued then and there to the officer or the executive subordinate incharge of the work on an indent. This class of material should be treated in exactly the same way as all other articles.

- 281.** (a) The expenditure towards repairs to buildings, cost of maintenance of buildings and the municipal taxes shall be debited to the appropriate account code under Account Group 74.2.
- (b) The expenditure towards repairs and maintenance to civil works shall be debited to the appropriate account code under Account Group 74.3.
- 282.** All works of civil engineering natures shall be got done through registered P.W.D. contractors only, either by piece work contract or by regular contract.

## **SECTION - K**

### **MISCELLANEOUS RULES FOR THE EXECUTION OF WORKS**

- 283.** (1) In the execution of works, every care should be taken so that the safety and convenience of the public are fully attended to and that all operations are carried on in such a manner as to interfere as little as possible with the traffic or ordinary pursuits of the people. Temporary roads, bridges, lights and barriers, wherever necessary, should be provided, and the occupation of agricultural lands when practicable be so limited as not to lead the destruction of standing crops.
- (2) No religious edifice should be destroyed or injured in the course of execution of works without the full and free consent of the persons interested in it nor without the concurrence of the principal civil or political authority on the spot unless under the orders of the Government.
- (3) All interruptions of large works in progress should be reported immediately to the next higher authority duly explaining the causes and probable duration of such interruptions.
- (4) Any reasonable outlay for temporary accommodation for workmen (persons engaged on the work) and for entertaining temporary establishment for the purposes of security, sanitation or temporary hospitals, may be authorised as part of contingent outlay on works.
- (5) Every workman, who is working on an electric supply line or apparatus or both shall be provided with tools and devices, such as Gloves, Rubber Shoes, Safety belts, Ladders, Earthing devices, Helmets, Line testers and the like for protecting him from mechanical or electrical injury. Such tools and devices shall always be maintained in sound and efficient working conditions.
- (Rule 36 I.E. Rules 1956)
- (6) Divisional Officers and their executive subordinates incharge of the works should ensure that safety precautions are duly observed by the workmen while executing the work. They will be held responsible for



any fatal / non-fatal accident to a workman or to any other person due to non-observance of the safety precautions and/or negligence in proper supervision, while executing the work.

- (7) Divisional Officers and other officers or the executive subordinate in charge of works should furnish immediate information to the proper civil authorities on the occasion of every serious accident and in the case of death on the spot, they should not allow the body to be removed till an enquiry has been held by the police.
- (8) All cases of accidents either to plant and machinery, buildings or injury to humans or animals or loss of life should be immediately reported to the higher authorities over telephone and a written report sent by the next post and a final report giving complete details of the accident should be sent as soon as the event has been thoroughly investigated.
- (9) Care should also be taken to ascertain the exact cause of the accident and full particulars as to the extent of the damage to the plant, machinery or building should be furnished.
- (10) In all cases of loss of property, injury to humans or animals or loss of life, detailed information placing the responsibility for such accidents should be clearly given in the report.
- (11) All cases of electrical accidents resulting in injury or death to human being or an animal shall be reported to the Government Electrical Inspector, within twenty-four hours of the knowledge of the occurrence of the accident and a written report in the prescribed form within forty-eight hours of the knowledge of the occurrence of the accident.

(Refer section 33 of the Indian Electricity Act 1910 and Rule 44A of the Indian Electricity Rules 1956).

(12) Failure to report the electrical accidents to the Government Electrical Inspector, will attract punishment by that authority under Rule 138A of the Indian Electricity Rules 1956.

(13) The cost of repairing the damages caused to Towers, Poles, Lamp Posts etc., by lorries or other vehicles should be debited to Account Code 28.749 - claims for loss/damage to capital assets - others. The amount of damages, if recovered, from the party/parties causing the loss/damage, shall be credited to the same head of account. In other cases, the cost of repairing the damages should be debited to O&M expenses. Any penalty, if recovered later, should be credited to 'Miscellaneous Recoveries'. Account Code 62.917.

**284.** All the executive subordinates incharge of works should maintain a separate book called 'Order Book' which should contain the following particulars :

- (i) Subject matter ;
- (ii) Orders issued by the higher officers during inspections;
- (iii) Confirmation obtained;
- (iv) Action taken.

**285.** (a) Whenever officers inspect Divisions/Sub-Divisions/Sections/Work-sites, the 'Order Book' shall be produced and written orders obtained on all matters referred to by the Inspecting Officers during the course of their inspections. All such orders should be got officially confirmed later on by sending the extracts to the officers. Prompt action should be taken on directions so issued, necessary record being made in that 'Order Book'.

(b) All inspecting officers should review the Inspection Books, Order Books, ascertain action taken on the instructions already given and note their observations.

## SECTION - L

### CONTRACTS

#### I. METHODS OF EXECUTION OF WORKS

**286.** After necessary sanction has been obtained for an estimate and an appropriation has been allotted for the work or a group of such works by the competent authority, the work may be executed in any of the following ways :-

- (i) Departmentally, all materials being purchased in accordance with purchase rules and employ its own labour under the system of time keeping ;
- (ii) By piece work agreement or by regular contract agreement.
- (iii) \* By total turn key contracts.

\* Notification KEB/B5/415/84-85 (b) Vol IV dated 27-5-1977.

**287.** (a) Piece Work Agreement : The piece worker agrees to execute a specified work at specified rates without reference to quantity or time. The Board or the piece worker may terminate the agreement at any time. The piece work system shall ordinarily be confined to petty works. The schedule of rates in the piece work agreements should show the rates either for the finished work or for labour and materials as the case may be even for items for which lumpsums have been provided in the sanctioned estimate.

**NOTE :** No work costing more than Rs. 10,000/- (Rupees Ten thousand) should be entrusted on piece work system. Entrustment of such works shall be on TENDER BASIS.

(B9/2579/81-82, dt. 12-9-1983)

\* No work costing more than Rs. 20,000/- (Rupees Twenty thousand) should be entrusted on piece work system. Entrustment of such works shall be on TENDER BASIS.

\* (B5/3410/77-78, dt. 16-10-1997)

- (b) Contract Agreement - The contractor agrees to execute the work in accordance with the terms and conditions of the contract.
- (c) Schedule Contracts are those in which the contractor undertakes to execute the work at fixed rates, the sum he is to receive depending on the quantities and kinds of work done or materials supplied.
- (d) Labour Contract - The materials are supplied by the Board to contractor who employs his own labour for the execution of works at the rates approved by the Board from time to time.
- (e) \* Total turn-key contracts - The contractor agrees to execute the entire project work as per the accepted bid documents and after completing the works exclusively by him, handover the works to the Board. As per the bid specifications, Board may or may not issue materials to the work. All Turn-key works costing more than Rs. 10,000/- shall be on tender basis only..

\* Notification : KEB/B5/415/84-85(b) Vol IV dt. 27/5/1997.

**287 A.** Divisional Officers, at their discretion may award the following works on labour contract upto Rs. 10,000/- for each work and upto Rs. 20,000 at any point of time in a Taluka Sub-Division for one contractor. The works shall be evenly awarded as far as possible :

- i) Departmental portion of village electrification works ;
- ii) Energisation of I.P. sets ;
- iii) Erection of express Lines ;
- iv) Extensions and Improvements works - only lines of length of not less than one KM.

(B8/1369/84-85, dt. 11-6-84/13-7-84/9-10-84)

## **II. CONTRACT DOCUMENTS AND ENFORCEMENT THEREOF**

**288.** Before a work is given out on contract, the Divisional Officer must prepare 'Contract Documents' to include :-

- i) A complete set of drawing showing the general dimensions of the proposed work and details of the various parts to the extent necessary ;

- ii) A detailed specification of the work to be done and of the materials to be used ; and
- iii) A set of "Conditions of Contract" to amplify to the extent necessary, the preliminary and other specifications.

**289.** The following fundamental principles shall be carefully observed by all the officers who have to enter into contracts on behalf of the Board.

- (1) The terms of a contract must be precise and definite and there must be no room for ambiguity of misconstruction therein.
- (2) The terms of a contract once entered into should not be materially varied without the previous consent of the Board.
- (3) No contract involving an uncertain or indefinite liability or any condition of an unusual character should be entered into without the previous consent of the Board.
- (4) Standard forms of contracts should be adopted, whenever possible, the terms being subjected to adequate scrutiny.
- (5) Where it is considered necessary to modify certain conditions of standard forms to suit the requirements of any particular case or for works of great magnitude, such case shall be referred to Board.
- (6) In framing contracts of any description, care should be taken to reserve to Board the right to supply materials of any description or to approve of the firm from which the materials should be bought and of the materials to be purchased.
- (7) Wherever practicable and advantageous contracts should be placed only after tenders have been openly invited and in cases where the lowest tender is not accepted reasons should be recorded.
- (8) Provision must be made in contracts for safeguarding Board's materials entrusted to a contractor.
- (9) In case the amount of contract is likely to exceed the powers of acceptance, or if the contract is to be of a very special nature, approval of

the competent authority should be obtained before publicly inviting tenders.

(10) Even in cases where a formal written contract is not made, nor order for supplies etc., should be placed without at least a written agreement as to price.

**290.** Divisional Officers and their subordinates are responsible to see that the terms of contract are strictly enforced and that no act is done tending to nullify or vitiate a contract.

### **III. TENDER FOR WORKS (CIVIL & ELECTRICAL)**

**291.** Tenders, which should always be sealed, should invariably be invited in the most open and public manner possible by advertisement in local newspapers or by notice, in Kannada and English and a copy thereof being put up on the notice board of the office. Copies of tender notice in respect of civil works shall be sent to the P.W.D. offices in the district, with a request for displaying them on their offices notice boards. The tenders should have free access to the contract documents. The tender notice should in all cases state :

- i) The place where and the time when the contract documents can be seen, the blank tender forms can be obtained and also the amount to be paid for such forms of tender and for each set of plans or other documents ;
- ii) When and where the tenders are to be submitted and opened,
- iii) The amount of earnest money to accompany the tender and the amount and nature of the security deposit required in the case of accepted tender;
- iv) With whom or what authority the acceptance of the contract will rest ;
- v) In case where it is decided that the department should supply certain materials to the contractor for use on the work, a description of every such material and the rate and place at which it will be supplied should be specified in the notice calling for tenders and also in the schedule forming part of the agreement.

292. Authority should always be reserved to reject any or all of the tenders so received without the assignment of any reason and this should be expressly stated in the advertisement.

293. The following time limits for the receipt of tenders and the media of advertisement for Electrical and Civil Works are fixed :

Tender for works	Time limit	Media
(i) Costing Rs. 10,000/- and below	15 days	Publication of Tender notice in the office notice Board.
(ii) Costing between Rs. 10,001/- and Rs. 25,000/-	15 days	ONE insertion in the Newspapers both in Kannada and English
(iii) Costing between Rs. 25,001/- and Rs. 1,00,000/-	21 days	TWO insertions in the Newspapers both in Kannada and English.
(iv) Costing above Rs. 1,00,000/-	ONE month	THREE insertions in the Newspapers both in Kannada and English.

**NOTE :** 1. Breif/abstract Tender Notices/Notifications shall be sent to the Public Relations Officer, K.E.B., Cauvery Bhavan, Bangalore - 560 009, for arranging publication in the Newspapers.

2. The cost of Tender Forms will be fixed by the authority inviting tenders.

#### **PROCEDURE FOR OPENING TENDERS :**

294. (1) All tenders that are received shall be registered in the 'Register of Tenders Received'.

(2) At the advertised time and place, all the tenders for the same contract should be opened by the Divisional Officer, in the presence of such of

the intending tenders or their authorised agents, as may choose to attend and their signature obtained in the register of tenders received. In case the tender opening date happens to be an unscheduled holiday, the tenders shall be opened on the next working day at the same time and the change shall be notified on the notice board of the concerned office. The officer, opening the tender should also initial all the corrections in each tender which have been initialled by the tenderers.

- (3) The officer opening the tenders should invariably date and initial not only the corrections in the schedule of quantities, schedule of materials to be issued, specifications and other essential parts of contract documents, but should invariably date and initial all the pages of the schedule of quantities irrespective of whether they contain or do not contain any correction, over-writings etc.
- (4) The officer concerned should mark all corrections and over-writings and number them and attest them in REDINK. In case of a number of corrections in any rate either in words or in figures, or in both, the number of corrections marked should indicate the corrections serially.
- (5) The number of such corrections and over writings must be clearly mentioned at the end of each page of the schedule attached to the tender paper and properly attested with date. Any omission observed should also be brought out clearly on each page of the schedule.
- (6) The corrections and over-writings should be allotted separate numbers, i.e., corrections should start from 1,2,3 etc., and over-writings should similarly start separately from 1,2,3 etc.
- (7) Any ambiguities in rates quoted by tenders in words or figures must be clearly indicated on each page of the schedule attached to the tender to which it concerns.
- (8) In cases where the contractor has quoted rate in Rupees and paise is mentioned, the word "only" should invariably be added after the words Rupees and the correction should be initialled and dated with suitable remarks at the end.



- (9) Where the contractors have omitted to quote the rates in figures or in words, the omission should be recorded by the officer opening the tender on each page of the schedule.
- (10) The officer opening the tenders should keep a personal note of the total number of tenders opened by him and verify therewith the number in the comparative statement of tenders before selection of the tender.
- 295.** (a) No tender should be received after the expiry of the time specified for receipt in the tender notice eventhough it is presented before the time fixed for opening of tenders.
- (b) No tender should be accepted from any person directly or indirectly connected with Board service.
- (c) No tender should be considered unless accompanied by a Board's receipt for payment of the prescribed amount of earnest money.
- 296.** Generally transport of materials will be arranged through Board's vehicles or Railway. In order to supplement Board's transport system, private lorry transport agencies may be engaged after calling for tenders for 'transport of Board materials including loading and unloading of materials'.
- 297.** The tenders received shall be scrutinised and a comparative statement prepared within a week from the date of opening tenders.
- [See also para 294 (10)]
- 298.** The comparative statement together with the tenders received and the recommendations shall be sent to 'Internal Audit' for audit checks and for furnishing audit-certificate.
- 299.** (a) The Divisional Officer shall take a dicision within seven days from the date of opening tenders, in respect of tenders which fall within his powers of acceptance. Tenders, which are beyond his powers of acceptance, shall be submitted to the next higher authority, within seven days from the date of opening of tenders.

- (b) The officers concerned should see that tenders are finally disposed of within a maximum period of three months from the date of tender and any delay beyond that date will unless satisfactorily explained, be seriously noticed.

**POWERS OF OFFICERS :**

Acceptance of tenders for execution of Civil/Electrical Works :

**EXECUTIVE ENGINEERS** : Rupees one lakh, each work, so long the cost of the work does not exceed the sanctioned amount by more than 10%.

**SUPERINTENDING ENGINEERS** : Rupees Three lakhs, each work, so long the cost of the work does not exceed the sanctioned estimated amount by more than 15%.

**CHIEF ENGINEERS** : Full powers, so long the cost of the work does not exceed the sanctioned estimated amount by more than 25%.

(B9/5405/83-84, dt. 17-5-1986)

- 300.** In selecting tenders, the financial status of the tenderers, their capability, the security offered by them and their record of execution of any works previously should be taken into consideration. Other conditions being equal, the lowest tender should be accepted. In cases where a tender other than the lowest is accepted, a record should be kept of the reasons for doing so. This record should be shown to the Inspecting Officers, if required.
- 301.** The acceptance or rejection of tenders is, however, left entirely to the discretion of the officer to whom the duty is entrusted and no tenderer can demand the cause of rejection of his offer. Such explanation may, however, be called for by a superior authority, if considered necessary.
- 302.** Internal Audit should examine the contracts and reports cases where competitive tenders have not been sought or where high tenders have been accepted or where other irregularities in procedure have come to light.

- 303.** The Divisional Officer is responsible for the safe custody of accepted tenders and contract agreements. He should keep a detailed record of such agreements in the Register of Agreements. He is authorised to issue certified copies of tenders and agreements to Sub-Divisional Officers for reference and for the enforcement of the terms and conditions of contract.
- 304.** The very object of entering into a contract agreement is that its terms should be binding on both the Board and the contractor. Even as a contractor cannot be expected to agree to his tendered rates being reduced after acceptance of his tender, Board also cannot be expected to enhance tender rate, or extend other concessions not strictly within the terms of the contract agreement or the rules on the subject.
- 305.** If any disputes arise between Sub-Divisional Officer and the contractor regarding work, the matter should be referred to the Divisional Officer, whose decision given in writing shall be final. Should any disputes arise between the contractor and the Divisional Officer, regarding the rate, quantity of work etc., the matter should be referred to the jurisdictional Superintending Engineer, whose decision in the matter shall be final.
- 306.** Rules for the conduct of negotiations for the award of Electrical/Civil Works.
- (1) Negotiations with contractors for the award of contracts for Electrical/Civil works/transportation can be conducted by the competent authorities, in the following special circumstances :-
- (a) When notification inviting tenders fails to receive any response and a second invitation does not improve the position;
  - (b) When any of the tenders received in response to a tender notification cannot be accepted owing to the rates quoted therein being too high and recourse to invitation for fresh tenders cannot be taken either for want of time or due to there being no prospect of getting lower/favourable rates.
  - (c) In case of emergency when there is no time to call for tenders.

- (2) Negotiations may be conducted by the competent authority with registered contractors so as to secure the best possible advantage to Board both in cost as well as in the matter of satisfactory and timely execution of the works.
- (3) The negotiations are subject to the main condition that they do not involve any deviations from the clauses of the standard contract agreement form.
- (4) The authority accepting a negotiated contract should record in writing briefly the circumstances in which recourse to negotiations was found necessary, the names of contractors with whom negotiations were conducted and the final rates as accepted and intimate the same to the Internal Audit.

#### IV. E.M.D. AND SECURITY DEPOSITS

##### EARNEST MONEY DEPOSIT OR TENDER DEPOSIT :

307. (1) Earnest Money Deposit or Tender Deposit is a guarantee of the tenderer to deposit the required security and to enter into the required agreement on intimation of acceptance of the tenders.
- (2). The amount of E.M.D. to be collected is as follows and shall be collected in cash or by demand draft.

ESTIMATED COST OF THE ELECTRICAL / CIVIL WORK PUT TO TENDER :	PERCENTAGE TO BE COLLECTED TOWARDS EMD.
(i) Less than Rs. Five Lakhs :	2½ %
(ii) Between Rs. Five lakhs and Rs. Ten lakhs. :	2 %
(iii) Between Rs. Ten Lakhs and Rs. Twenty Lakhs :	1½ %
(iv) Rs. Twenty lakhs & above :	1 %
* (v) Total Turn-Key Works :	1 %

\* (B5/415/84-85(b)/Vol IV/dt. 27-5-97)

- (3) However, in respect of transmission line and distribution line works carried out on labour contract basis (materials being supplied by the Board, excepting supply of locally available civil engineering materials like jelly, sand etc., by the Contractor) the E.M.D. shall be collected at ONE per cent of the estimated cost put to tender subject to a minimum of Rs. 1,000/-.

**NOTE :** In respect of distribution line works carried out on labour contract basis, without inviting tenders, at approved labour schedule of rates, E.M.D. of Rs. 500/- only is to be collected.

(B19/3076/82-83, dt. 23-7-1985)

- (4) There is no permanent E.M.D. or furnishing of Bank Guarantee in lieu of E.M.D.
- (5) Tenders not accompanied by the required E.M.D. shall not be accepted and shall be summarily rejected.
- (6) The E.M.D. shall be paid in cash or by Demand Draft and if paid by cash the original receipt shall be enclosed in a separate cover to accompany the tender documents.
- (B19/3076/82-83, dt. 5-2-85)
- (7) The Earnest Money may, in the case of accepted tenders, be converted into security deposits.
- (8) The Earnest Money is refundable on application after intimation of rejection of tenders or on application at the expiration of six months, whichever is earlier.

#### **SECURITY DEPOSITS FOR PERFORMANCE OF CONTRACTS :**

- 308.** (1) Security Deposit should be collected in all cases for the due and proper fulfilment of the contract. The amount of security deposit to be collected shall be as follows and the same shall be collected at the prescribed percentage from each and every running bills of the contractor.

AMOUNT OF ELECTRICAL / CIVIL WORK AWARDED IN CONTRACT	PERCENTAGE TO BE COLLECTED TOWARDS SECURITY DEPOSIT
(i) Less than Rs. Five Lakhs	: 5 %
(ii) Between Rs. Five lakhs and Rs. Ten lakhs.	: 5½ %
(iii) Between Rs. Ten lakhs and Rs. Twenty lakhs.	: 6 %
(iv) Between Rs. Twenty lakhs and above	: 6½ %

- \* (2) In respect of Total Turn-Key works the Security Deposit in the form of Bank Guarantee at the rate of 10%, on the total cost of works should be collected. The existing sub-para (2) shall be treated as sub-para (3).

\* Notification : KEB/B5/415/84-85 (b) / Vol IV / dt. 27-5-97.

- (3) However, in respect of transmission line and distribution line works carried out on labour contract basis (materials being supplied by the Board, excepting supply of locally available civil engineering materials like jelly sand etc., by the contractor) the amount of security deposit shall be five per cent of the value of the contract and this amount shall be collected at 5% from each of the running bills of the contractor.

(B19/3076/82-83, dt. 5-2-85)

**NOTE :** No security deposit need be collected in respect of distribution line works carried out on labour contract basis, since the payment is to be arranged only after the work is satisfactorily completed in all respects.

(B19/3076/82-83, dt. 23-7-85)

**309.** The E.M.D. and security deposit for works are distinct and separate from the E.M.D. and security deposits required to be paid in respect of tenders for supply of materials.

**310.** As soon as a tender for any work is accepted, an agreement should be got executed by the contractor specifying that he will undertake and complete

the work within the amount of the tender and at the schedule of rates specified therein for each kind of work. There should be a specific clause in the agreement to the effect that if for some reason or other, which the contractor could easily have avoided, he is unable to complete the work and the work has got to be completed by other private agency or by Board, he would undertake to make good to the Board any extra charge so incurred under each item for which he has separately tendered.

#### **V. OFFICERS EMPOWERED TO EXECUTE CONTRACTS**

- 311.** (a) Officers of the Board of and above the rank of Executive Engineers are empowered to accept tenders and to execute, on behalf of the Board, the different classes of deeds, contracts and other instruments.

(Refer Manual of Delegation of Powers)

- (b) It is permissible to give out different contractors a number of contracts relating to one work, eventhough such work may be estimated to cost more than the amount upto which the officers are empowered to accept the tenders. This splitting up of work should be resorted to only in exceptional cases in the interest of speedy execution of work or when the nature of work is such that it is difficult for a single agency to execute its various aspects, subject to obtaining prior approval of the authority who is competent to accept the tender for the work as a whole. In case more than one contract is awarded to the same contractor at the same time or one after the other, the sanction of the authority who is competent to accept the total of such tender with reference to value of each contract is to be obtained.

- (c) The officers, who accept the tenders of a contractor are also competent to give extension of time for the performance of the contract work according to the powers delegated to them subject to the following conditions :-

- (i) When there is delay on the part of the Board to supply certain materials and

- (ii) When the work is obstructed by natural calamity or by any action on the part of Board.
- (iii) The extension of time is granted without prejudice to the right of the Board to recover liquidated damages in accordance with the provisions of the contract.
- (d) In fixing the periods of time in respect of tenders, the period from 15th June to 15th October in South Kanara, North Kanara and Coorg Districts and the period from 15th June to 15th September in the other Districts of the State should be excluded.

**312.** The following rules must be carefully noted in connection with the execution of contracts :-

- (1) No authority may accept any contract for a work until an assurance has been received from the authority competent to provide funds for the same and that such funds will be allotted before the liability matures.
- (2) Tendered rates should not be enhanced by the tender accepting authority even when the cost of the estimate as revised on account of this enhancement is within the powers of sanction of such authority and if for any reason and increase in rates is found necessary, the case should be submitted for the orders of the next higher authority.
- (3) On no account should rates in excess of those provided in the agreement be paid as the payment of such rates which are not due would nullify the contract.
- (4) Ordinarily no work should be started without a formal agreement or contract.
- (5) When a contractor refuses to execute the work at the rates provided in his agreement, then the agreement should be terminated and the work measured up and paid for at the rates provided in the agreement, enforcing or not as the case may be the forfeiture of the amount with-held in the bills if any. The work would not then be given out at higher rates, unless open tenders have been called for and the most favourable rates are obtained.



- (6) If however, it is found necessary in any case to give out the balance of work at higher rates to another contractor without calling for open tenders, whether on account of urgency or any other reason, the previous approval of the competent authority for acceptance of such negotiated tenders should be obtained.
- (7) Agreements are to be executed by the contractors on stamped papers of appropriate value.

## SECTION - M

### EXECUTION OF TEMPORARY WORKS

- 313.** (1) Temporary power supply at High Tension or Low Tension required for short/long periods can be arranged subject to fulfilment of the terms and conditions stipulated in the Electricity Supply Regulations, 1988.
- (2) Executive Officers of the rank of Sub-Divisional Officer and above are empowered to sanction temporary power supply.  
(Refer Manual of Delegation of Powers)
- (3) All works connected with temporary connections for supply of power, shall be treated as Temporary Works.
- (4) Temporary works include :-
- (a) Laying of temporary power line for power supply ;
  - (b) Renewal or shifting or replacements or repairs to the power lines and equipment necessitated by accidents or other causes;
  - (c) Works involving charges of fuse boxes and meters for temporary power supply in the existing installations.

### PROCEDURE FOR EXECUTION OF WORKS :

- 314.** (1) After the receipt of sanction to temporary power supply, estimates in respect of the work should be prepared showing both debits and credits with reference to the period for which the power supply is required and sanctioned by the competent authority.
- (2) The consumer shall be intimated to deposit by cash the net amount of the estimate together with probable energy supply charges, on the basis of connected load for the entire period of temporary supply.
- (3) The temporary work shall be taken up for execution, only after the receipt of the requirement amount from the consumer.
- (4) Before servicing the installation, it should be ensured that earth leakage relay is provided.
- (5) The periods during which temporary service lines are expected to be maintained should be specified in the estimate.