

## 7.1 Works - Panchayats and Town Panchayats - Invitation and acceptance of Tenders - Supply of materials, goods etc. – Monetary limit – Enhancement – Orders – Issued.

### RURAL DEVELOPMENT (P.IV) DEPARTMENT

G.O. (Ms) No.198

Dated : 21.09.1992

Read :

1. G.O. (Ms) No.1402, Rural Development and Local Administration, dated 16.7.76.
2. From the President, Town Panchayat Executive Officers' Association representation dt.10.4.91.

#### ORDER

In the Government Order first read above, orders have been issued by the Government in respect of acceptance of tenders and purchase of materials, goods etc., as follows:-

- i) Tenders shall be called for in respects of every work which is to be executed on contract and the estimated cost of the work put on tender which exceeds Rs.500/- in respect of Panchayats and Town Panchayats and
- ii) In respect of supply of materials, goods, or services other than those for the execution of works the Panchayat may determine upto what limit of cost not exceeding Rs.500/- tenders may be dispensed with.

2. Based on the representation made by the President, Town Panchayat Executive Officers' Association, the Director of Town Panchayats has sent proposal to enhance the above monetary limit from Rs.500/- to Rs.2,000/-. In this connection, he has stated that the above monetary limit was fixed long back and the prices of materials have gone up several fold. He has, therefore, requested the Government to enhance the monetary limit from Rs.500/- to Rs.2,000/- for carrying out various works in Panchayats/Town Panchayats. The Government have examined the proposal in consultation with the Examiner of Local Fund Accounts and the Director of Rural Development. The Minister for Local Administration has also announced during the conference of Executive Officers of Town Panchayats held on 1.6.92 that the monetary limit fixed long back may be raised to Rs.2,000/-.

3. The Government after careful examination accept the proposal of the Director of Town Panchayats and direct as follows:-

- i) Tenders shall be called for in respect of every work which is to be executed on contract and the estimated cost of the work put on tender of which exceeds Rs.2,000/- in respect of Panchayats subject to the condition that there should be no splitting of works.

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- ii) In respect of supply of materials, goods or services other than those for the execution of works the Panchayat/Town Panchayat may determine upto what limit of cost not exceeding Rs.2,000/- tenders shall be dispensed with, subject to the condition that there should be an annual ceiling in respect of the materials supply of the same kind so that there is no splitting in this regard.

4. This order issues with the concurrence of Finance Department – vide its U.O.Note No.103459/RDMAWS/92-1, dated 16.9.92.

(By order of the Governor)

**V.MADHAVAN NAIR,**  
Secretary to Government