

**10th STATE LEVEL HIGH POWERED STEERING
COMMITTEE (SHPSC)**

AGENDA NOTES



Date: 14th July 2017, 12 noon

Venue: Committee Room of the Chief Secretary

Local Self Government Department, Government of Kerala

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Agenda No.1: APPROVAL OF MINUTES OF THE 9th MEETING OF SHPSC.

The minutes of the 9th SHPSC meeting of AMRUT held on 9th May 2017 is enclosed as *Annexure - I*

Decision to be taken

The Committee may take note of the minutes and approve the same.

Agenda No. 2: ACTION TAKEN REPORT ON THE DECISIONS OF THE 9th MEETING OF SHPSC

AGENDA & DECISION 2.1: Seeking financial support of the State in assisting the ULBs.

It was decided by the SHPSC to seek the State's support in financially assisting the Mission cities to meet the ULB share for the projects under the priority sectors - Water Supply & Sewerage. A joint meeting of the Ministers of LSGD, Water Resources Department and Finance to be convened to finalise the State assistance to Mission cities. The last SHPSC instructed the Mission Director to follow up with Minsiter's office and convene the meeting.

Action taken:

The joint meeting of the Hon. Minister of Finance, Hon. Minister of Water Resources and Hon. Minister of Local Self Government Department was convened on 16th May 2017. Considering the financial instability of the ULBs and their inability to meet 20% of the project share in AMRUT projects, the Ministers jointly decided to extend State Support for meeting the cost of projects in priority sectors. Two options were worked out -1) Long term loan for 20 years from KURDFC/KIIFB to ULBs with state bearing the interest and

2) State contributing 15% upfront and ULB's contributing the remaining 5% of their share.

Finally, it was decided that, out of the 20% ULB share of the project cost of water supply (Rs.214.23 Cr) and sewerage / septage management (Rs. 124.95 Cr) projects of the AMRUT mission cities for the mission period, the State government shall contribute 15% of ULB share upfront and the ULBs have to meet only 5% of the project cost. The amount contributed by the State will be deducted from the annual Plan fund Allocation to the ULBs over a period of 10 years.

AGENDA & DECISION 3: State Annual Action Plan 2017-18

The Committee directed the Mission Director to submit a list of the projects under SAAP 2017-18 which were not approved in the 8th SHPSC .

Action taken:

Mission Director has submitted the list of projects to the Chairman. (*Annexure – II*)

AGENDA & DECISION 5 : AMRUT Reforms 2016-17

The SHPSC discussed the 11 mandatory reforms under AMRUT and each reform components in detail and the Committee suggested the Director, Urban Affairs to submit a note on the status of State level administrative reforms including the creation Municipal Cadre as envisaged under AMRUT. The committee also directed the Director of Urban Affairs to develop a system to monitor the reform achievements and sustenance in mission cities.

Action taken:

The details will be discussed under Agenda 9

AGENDA & DECISION 7.2 : Administrative sanction of DPRs

The SHPSC reviewed the roles and responsibilities of the SHPSC and SLTC envisaged as per the AMRUT guidelines and mechanisms for Administrative and Technical sanction. The Committee directed the Mission Director to present the details of the institutional arrangements adopted in Kerala for AMRUT projects and its functions in the next SHPSC.

Action taken:

Detailed operational guidelines has been drafted and the same will be discussed under Agenda 4

AGENDA & DECISION 8 : Energy Audit for Water Systems

A tripartite agreement between the Mission Directorate, EESL and KWA has to be signed to conduct IGEA. According to EESL, if the IGEA report recommends a replacement of pumps and the work of the same is assigned to EESL, the auditing will be done free of cost.

The SHPSC discussed the matter in detail and pointed that the assets of water supply systems is owned by KWA hence the energy audit has to be initiated by KWA. The Committee decided to engage EESL and conduct the Energy Audit initially using AMRUT A&OE funds.

Action taken:

The contract agreement among KWA, Mission Directorate and EESL being finalized. KWA is requested to share the city-wise scope of work and relevant information to be included in the agreement and the audit process is expected to start by 1st week of August.

Decision to be taken

The SHPSC may take note of the action taken report of 9th SHPSC meeting.

Agenda No. 3 : STATUS OF AMRUT MISSION

Three State Annual Action Plans have been prepared and submitted by the State Mission Directorate under AMRUT Scheme since the launch of AMRUT in June 2015. The project has a total outlay of Rs. 2357 Cr (379 projects) for the State.

- As the initial focus was on state annual action plan preparation, the nine mission cities started the preparation of Detailed Project Reports in full swing only after plan approvals.
- The State has entrusted Kerala Water Authority to render end-to-end support (from project conception onwards) in the implementation of water supply projects (41% of the approved projects under AMRUT). KWA is also supporting in the implementation of Sewerage projects (31% of AMRUT) wherever there are existing sewerage schemes of KWA, which amount to another.
- Regarding the remaining three sectors – Storm water drainage, Urban transport and Open spaces & Parks, the mission cities are preparing the DPRs using their Engineering wing or with the support of external consultants.
- ULBs / Parastatals / Consultants are preparing DPRs in full swing Kerala has now prepared 155 DPRs out of the 379 projects to be implemented by 2020.
- Technical Expert Committees constituted sectorwise have started vetting and according sanction for DPRs
- The Mission Director and the State Mission Management Unit are monitoring the work on a weekly basis and supporting the ULBs to expedite the work.
- The State Level High Powered Steering Committee headed by the Chief Secretary, GoK and State Level Technical Committee headed by the Principal Secretary, LSGD are convened at regular intervals to ensure interdepartmental coordination in resolving the bottlenecks..

3.1. PROJECT PROGRESS

Amount (In Cr)

SAAP	No of projects	Amount	DPR prepared		AS accorded		TS accorded		Work awarded	
			No of projects	Total cost	No of project	Total cost	No of project	Total cost	No of project	Total cost
2015-2018	379	2357.69	155	904.39	63	580.89	36	220.67	20	16.41

3.2. Status of DPR preparations

City Name	Water Supply		Sewerage/ Septage Management		Storm Water Drainage		Urban Transport		Open Space /Parks		City Wise Total	
	Total	Pending	Total	Pending	Total	Pending	Total	Pending	Total	Pending	Total	Pending
Trivandrum	7	3	23	14	11	3	8	7	4	2	53	29
Kollam	9	3	6	6	4	0	9	2	6	2	34	13
Alappuzha	3	1	3	3	3	3	5	5	7	3	21	15
Kochi	19	5	4	4	18	16	10	8	9	8	60	41
Thrissur	21	12	4	4	3	3	5	5	5	4	38	28
Guruvayoor	6	1	2	2	3	3	3	1	6	0	20	7
Palakkad	14	8	2	2	56	27	21	16	18	4	111	57
Kozhikode	4	2	3	3	5	5	2	2	5	4	19	16
Kannur	9	4	2	2	3	3	2	2	7	7	23	18
Total	92	39	49	40	106	64	65	49	67	34	379	224

An action plan to expedite for implementation has been charted out as follows

	Activities to be done	2017-18											2018-19	2019-20
		JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR			
1	Pending DPR Preparation	█	█	█	█									
2	AS and TS		█	█	█	█	█							
3	Tendering Process			█	█	█	█	█						
4	Implementation			█	█	█	█	█	█	█	█	█	█	█
5	Third Party Monitoring			█	█	█	█	█	█	█	█	█	█	█

- Kerala has received the 20% advance of central assistance for SAAP-I (on 16th Dec 2015) and SAAP-II (on 28th Sep 2016) following the approval of the action plans. Fund sharing between Central –State –ULB is 50:30:20. The Central funds along with the matching state share(30%) has been transferred to the State Mission Directorate.

SAAP	Central Assistance released to State (50%)	State share due (30%)	Fund released from State to Mission Directorate (Central +State)	Date of release(s)
2015-16	57.60	34.560	92.160	26.07.2016 & 27.3.2017
2016-17	77.28	46.368	123.648	
Total	134.88	80.928	215.808	

Decision to be taken

The SHPSC may review the progress and decide on the strategies to be adopted in fast tracking the project management, implementation and monitoring.

Agenda No. 4: OPERATIONAL GUIDELINES FOR AMRUT PROJECTS

The Mission Directorate has prepared an operational guidelines for the approval of projects (Administrative and Technical Sanction) proposed under AMRUT. The guideline will be presented in the SHPSC.

Decision to be taken

The SHPSC may discuss and finalise the strategies to expedite the mission.

Agenda No. 5 : ADMINISTRATIVE SANCTION OF DPRS

In the 7th SLTC held on 16.06.2017, 16 DPRs amounting to Rs. 120.54 Cr, and in the 8th SLTC held on 28.06.2017, 4 DPRs amounting to Rs 23.16 Cr were reviewed and recommended to be placed before the SHPSC to accord Administrative Sanction (AS). The 9th SLTC is scheduled to be held on 12.7.2017 and projects approved during the SLTC will be placed as additional agenda for the consideration of the SHPSC.

Table 5.1. List of Projects placed for AS

A. Projects reviewed in 7th SLTC held on 16th July 2017			
SN	City Name	Project Name	Project Cost (Rs in Cr)
A	WATER SUPPLY		
1	Thiruvananthapuram	Supplying and installation of smart meters	2.29
2	Kochi	Construction of 10LL OHSR at Thevara	5.60
3		Construction of 17LL OHSR and CWR at Pachalam	7.75
4		Construction of 15LL OHSR and 2LL CWR at Vadathode, Cherunalloor	7.75
B	STORM WATER DRAINAGE		
5	Thiruvananthapuram	Storm Water drainage projects (33 projects)in 21 Divisions	15.88
6	Kochi	Rejuvenation of Thevara – Perandur Canal	22.18
7	Guruvayur	SAAP 2015-16, 2016-17, 2017-18 Package 1 - Covering and repair of minor drains in 16 different locations of the municipal area	13.85
C	URBAN TRANSPORT		
8	Kochi	Construction and Renovation of Foot Path at MG road(Atlantis to Thevara)Subash Chandra Bose Road & KP Vallon Road	5.46
9	Guruvayur	Construction of Multi Level Car Parking	25.81
10		Construction of Foot Paths in 4 Locations in Temple Circle Areas	8.17
D	PARKS		
11	Thiruvananthapuram	Park in Nanthencode ward	0.30
12	Guruvayur	Development of parks & playground at Bhagat Singh ground	1.00
13		Development of parks & playground at PookodeSamskarikaNilayam	1.58
14		Development of parks & playground at Brahmakulam	0.62

15		Development of parks & playground at Pookode	0.63
16		Development of ground at Chavakkad High School	1.67
		TOTAL	120.54
B. Projects reviewed in 8th SLTC held on 28th June 2017			
	URBAN TRANSPORT -PALAKKAD		
17	Bus terminal yard near Stadium bus stand		3.18
18	Bus shelters in 22 locations		0.78
19	Elevated foot path at various locations and escalator for rail foot over bridge		3.86
20	Pedestrian walkway and bicycle track		15.34
		TOTAL	23.16
		TOTAL PROJECT COST	143.70

Project summaries will be circulated during the meeting.

Decision to be taken

The SHPSC may review the 20 projects worth Rs 143.7 Cr and recommend for Administrative Sanction. SHPSC may also direct the Technical Committee for Technical Sanction.

Agenda No. 6 : TECHNICAL SANCTION OF DPRS PREPARED BY KERALA WATER AUTHORITY

KWA has requested to adopt the ongoing procedures of KWA to issue Technical Sanction for water supply projects under AMRUT. Smt Tinku Biswal, Secretary (Water Resources) expressed her concern over the process delay and time delay in obtaining TS through Technical committee during the 7th SLTC meeting held on 16.06.2017.

SLTC had deliberations on various procedures adopted to issue TS in projects entrusted to KWA. KWA already has an established mechanism to scrutinize project proposals and the Chief engineers of KWA are having unlimited powers for issuing TS in respect of projects taken up under various funding agencies. Hence it was decided in the 7th SLTC to follow the ongoing procedures of KWA for issuing the TS for all projects under Water supply and Sewerage sector under AMRUT for which DPRs are prepared by KWA .

Decision to be taken

The SHPSC may consider approving the decision of the 7th SLTC authorizing Kerala Water Authority to accord technical sanction for all projects under

Water supply and Sewerage sector under AMRUT for which DPRs are prepared by KWA.

Agenda No 7: ENGAGING KOCHI METRO RAIL LIMITED IN URBAN TRANSPORT

The 7th SHPSC held on 21.12.2016, decided to seek the support of Kochi Metro Rail Ltd (KMRL) to be the handholding agency for development and implementation of the projects under Non Motorised Transport (NMT) and Open spaces/ parks. Further, the Mission Director convened a preliminary meeting with KMRL to know their willingness to take up the design & implementation of Urban Transport Sector projects (end to end support) in all Mission cities. KMRL has agreed to the same in principle and vide letter KMRL/PRJ/AMRUT/320/2017 dtd 23/02/2017 (*Annexure- III*) informed that the consultancy fee shall be as per the GO (P) No 408/2007/Fin dated 7th Sept 2007. Also, actual expenses on travel, accommodation, boarding and advertisement cost of tenders would be additional to the consultancy charge.

As per GO (P) No. 408/2007/FIN dated 7.09.2007 (*Annexure -IV*), consultancy fee is

- For DPR preparation alone -2.3% total project cost
- For End to End support - <50 Lakhs - 8%, 50 Lakhs to 3 Cr -7%, 3-5 Cr -6% and 5 Cr & above -5%

In the 6th SLTC held on 23rd Feb 2017, representatives from the Municipalities opined that the total consultancy fee quoted by the KMRL is on higher side. However, Kochi Municipal Corporation (KMC) expressed interest to engage KMRL as the consultant for both projects under Urban Transport and Parks/ Open space while Kozhikode Municipal Corporation expressed interest to engage for projects under Urban Transport.

The SLTC decided that the mission cities may be given the freedom to select the agency for DPR preparation for projects under Urban Transport Urban Transport and Opens spaces/parks.

Decision to be taken

The SHPSC may consider the decision of SLTC and make appropriate strategy for preparing DPRs and implementation of projects under Urban Transport and Opens spaces/parks

Agenda No. 8: AMRUT REFORMS

AMRUT envisages improving governance through a set of Reforms. During the Mission period, set of specific reforms have to be implemented in the Mission cities. AMRUT incentivizes reform implementation by setting aside 10% of project funds as incentive for the States. The States have to do a self-assessment in the prescribed procedure and submit the same along with supporting documents to MoUD.

8.1 AMRUT reform 2015-16

In 2015-16, the State was awarded with an incentive of Rs 15.00 cr for achieving the reform milestone for the year. Vide MoUD OM No K-16012/3/2016-AMRUT II, the Ministry has released the incentive amount . As per the OM cited, the SHPSC may decide upon the utilization of the incentive amount.

The 6th SLTC held on 23rd Feb 2017 decided to retain an amount of Rs. 3.00 Cr at the State Mission Directorate for various feasibility studies. The remaining, Rs.12.00 Cr to be distributed among the Mission cities based on their performance in achieving the reform milestones(40%), population (30%) and project allocation (30%). Further, the amount was distributed among the mission cities as below:

SNO	Name of ULB	Allocation Rs in Cr
1	Thiruvananthapuram	2.09
2	Kollam	1.32
3	Alappuzha	1.08
4	Kochi	1.66
5	Thrissur	1.29
6	Guruvayur	0.97
7	Palakkad	0.98

8	Kozhikode	1.61
9	Kannur	1.00
	Total	12.00

The Mission Director has directed the mission cities to submit a proposal on how the incentive amount would be utilized.

8.2. AMRUT Reform 2016-17

For reform 2016-17, Mission Director submitted the claim along with supporting document to MoUD on 30th April 2017 (*Annexure-V*). Subsequently, Kerala State has received an incentive amount of Rs.16.68 Cr from MoUD.

Decision to be taken

The strategy for the utilization of reform incentive and distribution of the same among the mission cities will be placed before the 9th SLTC on 12.7.2017 and the decision taken in the meeting will be placed before the SHPSC.

Agenda No. 9: STATUS OF ADMINISTRATIVE REFORMS

One of the major reforms to be undertaken during AMRUT is establishment of Municipal Cadre in order to strengthen the organizational structure of ULB for better governance, financial management and service delivery. The MoUD has suggested the establishment of three major functional groups .

Municipal Functional Groups	Municipal Services under the Municipal Cadre
Municipal Administrative Service [MAS]	<ul style="list-style-type: none"> ▪ Municipal Executive Service ▪ Municipal Social Development Service ▪ Municipal Staff Services
Municipal Technical Service [MTS]	<ul style="list-style-type: none"> ▪ Urban Planning/Engineering/Transportation Service ▪ Municipal E-Governance Service
Municipal Finance Service [MFS]	<ul style="list-style-type: none"> ▪ Municipal Accounts Service ▪ Municipal Revenue & Financial Service ▪ Audit services

The Director, Urban Affairs will present the status of Administrative Reforms in SHPSC.

Decision to be taken

SHPSC may discuss and finalise the strategy to expedite the establishment of Municipal Administrative Services

Agenda No 10 : APPOINTMENT OF DEPUTY DIRECTOR (PROJECTS)

In order to guide the Mission Directorate regarding the governmental procedures, liaison with para-statal agencies and Independent Review and Monitoring Agencies and advice in tendering and technical inspection of projects and appraising the variations in tender from time to time, during the project implementation phase of AMRUT, a serving officer not below the rank of Superintending Engineer or Deputy Chief Engineer from KWA / PWD or LSGD may be appointed on deputation in State Mission Management Unit.

Decision to be taken

SHPSC may discuss and decide to appoint a suitable Official on deputation to the State Mission Directorate.

ANNEXURES

- i. Minutes of the 9th SHPSC meeting
- ii. List of projects in SAAP 17-18 submitted to Chairman, SHPSC
- iii. Letter from KMRL
- iv. GO – End to end support
- v. Reform Score Card