

**9th STATE LEVEL HIGH POWERED STEERING
COMMITTEE (SHpsc)**

AGENDA NOTES



Date: 9th May 2017, 11.30 AM

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 8TH MEETING OF SHPSC.

The minutes of the 8th SHPSC meeting of AMRUT held on 24th January 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 8TH MEETING OF SHPSC

Agenda & Decision 3 : State Annual Action Plan 2017-18

The SHPSC reviewed the projects proposed by the Mission cities under State Annual Action Plan (SAAP) 2017-18. The Committee approved the projects proposed under the sectors namely Water Supply, Storm water Drainage, Urban Transport and Open spaces. Also it was directed to revisit the projects under Sewerage sector.

“The SHPSC decided to relook into the projects proposed under SAAP 2017-18 amounting to Rs 796.06 Cr and recommended to submit the SAAP for the consideration of the Apex Committee.” Consolidation of SAAP 2017-18 to be initiated by the Mission Directorate

Action taken:

The State Level Technical Committee (SLTC) held on 23.02.2017 reviewed projects under Sewerage and further Mission Director reviewed the individual projects. The topic will be discussed further under agenda 3

Agenda & Decision 3.4 : Seeking financial support of the State in assisting the ULBs.

Total share of the Urban Local Bodies (ULB) for the projects proposed under SAAP 2017-18 is around Rs.194.06 Cr. In this context, the SHPSC decided to bring this matter to the notice of the Cabinet and to seek the State's support in financially assisting the Mission cities to meet the ULB share for the projects under the priority sector - 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.

Action taken:

The note was submitted to the Minister LSGD on 30.01.2017 for convening the meeting. Further details regarding the project cost and ULB share were sought by the concerned section on 7.04.2017 and the same have been submitted to the government on 15.04.2017 for further action

Agenda & Decision 4: Appointment of Independent Monitoring & Review Agency (IRMA) for project under JNnURM

The Committee decided to seek willingness of College of Engineering, Trivandrum (CET) to act as Independent Review and Monitoring Agency (IRMA) for the water supply project in Kochi,

Action taken:

Mission Director, submitted a request letter to the Principal, CET seeking the willingness of CET to act as IRMA on 10.2.2017, along with the details of previous IRMA report for references.

Decision to be taken

The SHPSC may take note of the action taken report of 8th SHPSC meeting

Agenda No. 3 : STATE ANNUAL ACTION PLAN 2017-18

The total Central Allocation (CA) to the State under AMRUT during the Mission period (2015-16 to 2019-20) is Rs.1161.20 Cr. The State and the Mission cities together have to put in a matching share. Hence the total outlay under AMRUT mission is Rs.2333.92 Cr over a period of 5 years.

Table 1. Central Allocation under AMRUT

Period	2015-16		2016-17		2017-18		Mission Period	
	ACA	SAAP	CA	SAAP	CA	SAAP	CA	SAAP
Amount in Rs Cr	287.98	587.48	386.40	796.1	486.82	973.64	1161.20	2357.7

Table 2. City-wise total allocation under AMRUT

SNo	ULB	2015-16	2016-17	2017-18	TOTAL
		Amnt in Rs Cr			
1	Thiruvananthapuram	103.7	112.3	141.5	357.5
2	Kollam	65.7	83.1	104.7	253.5
3	Alappuzha	50.0	76.4	96.3	222.7
4	Kochi	75.9	123.6	129.3	328.8
5	Thrissur	71.0	88.0	110.9	269.9
6	Guruvayoor	41.8	72.1	89.3	203.1
7	Palakkad	50.5	76.4	94.8	221.8
8	Kozhikode	71.1	90.1	113.5	274.8
9	Kannur	58.3	74.1	93.4	225.7
	TOTAL	588.0	796.1	973.6	2357.7

All projects except the projects under Sewerage / Septage Management Sector has been approved by 8th SHPSC held on 24.01.2017. It was directed to revisit projects under Sewerage sector. Considering the suggestions of the 8th SHPSC, the projects proposed under sewerage sector were reviewed by the SLTC on 23.02.2017 and projects were finalized by the Mission Director

After detailed rework, list of prioritized projects (*List of Projects Annexure –ii*) has been prepared and submitted to MoUD for an amount worth Rs 973.64 Cr on 29th March 2017 with the approval of the Chairman SHPSC

Decision to be taken

The SHPSC may consider to ratify the revised list of prioritized projects submitted to MoUD and approve the submission of SAAP 2017-18.

Agenda No. 4 : STATE ACTION PLAN (SAP) FOR GIS BASED MASTER PLANNING

Preparation of Geographic Information Systems (GIS) based master plans for all mission cities is one of the reforms to be achieved under AMRUT. Town and Country Planning Department(TCPD) is designated as the nodal agency for the foresaid reform. The Chief Town Planner, TCPD has prepared State Annual Plan (SAP) for the preparation of GIS based master plan and submitted to the Mission Director. The SAP was reviewed by the 5th SLTC held on 24.01.2017 and recommended for SHPSC's approval vide decision 6.3 However as per the direction of MoUD , the State Action Plan was submitted to the MoUD on 15th March 2017 subject to the ratification of the SHPSC. (*SAP – Annexure iii*)

Decision to be taken

The SHPSC may review the State Action Plan(SAP) and ratify the submission of SAP to MoUD

Agenda No. 5 : AMRUT REFORMS 2016-17

The Mission envisages improving governance through a set of Reforms. During the Mission period, **11 Reforms (Annexure iv)** 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 the National Mission Directorate. During 2015-16, the State has received an incentive of Rs 15 Crore for accomplishing the prescribed reforms.

For 2016-17, Mission Director, has forwarded the self assessed score card of Reform milestones (Annexure –v) along with all supporting documents on 29th April 2017.

Decision to be taken

The SHPSC may consider the reform scoring and ratify the reforms claims sent to MoUD .

Agenda No 6 : CREDIT RATING OF ULBs

Credit rating for all mission cities was one of the reforms to be accomplished under 2016-17. The Credit rating of the nine AMRUT cities were completed and the ratings are below.

Sl No	Mission City	Rating assigned	Definition	Rating Agency
1	Thiruvananthapuram	BWR BBB	Issuers with this rating are considered to offer moderate degree of safety and carry moderate credit risk.	M/s Brickwork Ratings India Pvt Limited
2	Kochi	BWR BBB		
3	Kollam	BWR BB+	Issuer with this rating are considered to offer moderate risk of default.	
4	Kozhikode	BWR BB+		
5	Thrissur	BWR BB		

6	Kannur	Ir BB+	Inadequate credit quality rating. Issuer with this rating carries high credit risk. Risk prone credit quality. Issuer with this rating carries very high credit risk.	M/s ICRA Limited
7	Guruvayoor	Ir BB-		
9	Palakkad	Ir B+		
8	Alappuzha	Ir B		

**For the Rating categories, through the sign +(plus) or -(minus) appended to the Rating symbols indicate their relative position within the rating categories concerned. Thus Rating of BB+ is one notch higher than BB while BB- is one notch lower than BB.*

Rating letters annexure –vi

Decision to be taken : *The SHPSC may take note of the ratings achieved by the Mission Cities.*

Agenda No. 7 : ADMINISTRATIVE SANCTION OF DPRS

In the 5th SLTC held on 24.01.2017, 21 DPRs of Water Supply sector amounting to Rs. 306.095 Cr, received from KWA/Mission Cities were reviewed and recommended to be placed before the SHPSC to accord Administrative Sanction (AS). The Committee may take note of the *following water supply projects*.

Sl.No	Name of Work	Project Cost in (Rs.in Cr).
1	Augmentation of Water Supply Scheme Kollam	78.35
2	Laying distribution network for improvement of coverage in Guruvayur and pookode Zone in Guruvayur Municipality	13.72
3	Rehabilitation of existing distribution networks ,valves ,house service connections and inter connections with existing lines of pallikunnu zones Kannur Corporation	15.00
4	Providing new water connection in kollam corporation	7.00
5	Construction of 20 MLD WTP Peechi,Thrissur Corporation	17.30
6	Construction of 10 L OHSR & Pumping main to Guruvayur Municipality	15.50
7	Water Supply System to Guruvayur Municipality – Package 2	77.18
8	Construction of 14 LL Capacity OHSR Thottada at Edakkad Zone 3 in Kannur Corporation	3.00
9	Laying of Gravity main from Water Supply System to Kannur at Melchovva to Sump at Avera to OHSR	6.80

	at Thottada including erection of pumpsets at AVERA in Kannur Corporation	
10	Rehabilitation of existing old distribution networks ,valves,House service connections and inter connections in Kannur Corporation	16.90
11	Replacement of 250mm CI pipe by 300mm D1 K9 pipe along Konthuruthi road of Kochi Corporation	0.405
12	Replacement of 100 mm AC pipe by laying rider line of 160mmPVC CL-5 along both side at PanditKurppan road of Kochi Corporation	1.61
13	Replacement of 100mm CI Pipe by laying 160mm &110mm PVC pipe from Valanjambalam to Ravipuram in Kochi Corporation	0.66
14	Replacement of 450mm D1 K9 pipe from Nort end of Aroor Edakochi bridge to KWA water tank site Edakochi Kochi Corporation	1.52
15	Laying pumping main of 500mm D1 pipe from JNNURM WTP at Maradu to pump house at Thammanam for additional pumping of water (up to 18MLD) to Kochi city in Kochi Corporation	16.50
16	Laying rider line from Kathrikkadavu to Elamkulam Chettichira ,Ponnuranni areas & distribution lines in Chakkarappambu Chalikkavattom areas Kochi corporation	0.90
17	Supplying and laying 600mm D1 K9 clear water pumping main from 45 MLD Water Treatment plant to Mattumantha OHSR and other Raw water & clear water pumping main linking works in Palakkad Municipality	6.25
18	Construction 45 MLD at Malampuzha KWA compound and Booster Station and demolishing of old Booster & Sump in Palakkad Municipality	22.25
19	Supply and erection of Electro Magnetic Flow Water in Palakkad Municipality	0.50
20	Construction 16 LL OHSR at Kalmandapam KWA & demolishing existing 15 LL OHSR Palakkad Municipality	3.00
21	Construction of Smart Office in Thiruvananthapuram- Kowdiar, Pongumood Vellayambalam	1.75
	TOTAL	306.095

Projects summary enclosed as **Annexure –vii.**

Decision to be taken

The SHPSC may consider according Administrative Sanction for the Rs.306.095 Cr projects and may direct the Technical Committee to review the DPRs for Technical Sanction.

Agenda No. 8 : ENERGY AUDIT OF WATER SYSTEM

To assist the States to initiate energy audit of water pumping system in Mission Cities, MoUD has signed an agreement with the Energy Efficiency Systems Limited (EESL), a Public Sector Unit of GoI...

MoUD has also shared a model agreement between the State, ULB and the EESL. However in Kerala, KWA is the nodal agency for the water sector. Hence, the Mission Director has initiated discussions with EESL and Kerala Water Authority to prepare Investment Grade Energy Audit (IGEA) report after conducting energy audit of the public water works and sewerage 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. However, in case the state decides to just do the audit alone, EESL will have to be paid for this activity which can be met from the A&OE cost of AMRUT. In this regard, HPSC may discuss and decide on the following

- 1. Conducting an IGEA on the water systems after entering into a tripartite agreement between Mission Director, KWA and EESL.*
- 2. Source of funding for the replacements of pumps if suggested in the IGEA report.*

Decision to be taken

The SHPSC may discuss the matter and decide upon the cost sharing strategy among the State and KWA.

Agenda 9 : UTILISATION OF REFORM INCENTIVE

The State of Kerala was awarded with an incentive for obtaining a score more than 70% for implementing mandatory reforms for FY 2015-16 under AMRUT. Vide MoUD OM No K-16012/3/2016- AMRUT II, the Ministry has released Rs 15.00 Cr for the achievement of the reform milestones. As per the general guidelines regarding reform incentive from MoUD, the SHPSC may decide upon the utilization of the incentive amount.

The 6th State Level Technical Committee held on 23rd Feb 2017 decided to retain an amount of Rs. 3.00 Cr at the State Mission Directorate and to utilize the amount for various feasibility studies. The remaining, Rs.12.00 Cr may 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

Decision to be taken

The SHPSC may note the decision of SLTC for utilizing the reform incentives.

Agenda No 10 : ENGAGING KOCHI METRO RAIL LIMITED IN URBAN TRANSPORT

As per the decision of 7th SHPSC held on 21.12.2016, the Mission Director convened a preliminary meeting with Kochi Metro Rail Limited (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. However, the KMRL has proposed a consultancy fee at an average of 7% of the total project cost for their end to end support.

In the 6th SLTC held on 23rd Feb 2017, representatives from the Mission cities opined that the rate quoted by the KMRL is on higher side. Further, the SLTC suggested that the prevailing government norms to be referred¹ and decided that the ULBs be given the freedom to select the agency for DPR preparation or both design and execution of the project. KMRL's support may be finalized only upon the willingness of both ULB and KMRL to take that particular assignment.

¹ Prevailing Government norms (GOs in Annexure viii)

- 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%

Decision to be taken

The SHPSC may consider the decision of SLTC and make appropriate strategy for preparing DPRs under Urban Transport.

Agenda 11 : REVIEW OF PROGRESS OF AMRUT

Three State Annual Action Plans have been prepared and submitted by the State Mission Directorate under AMRUT Scheme since the launch of ARUT in June 2015. The project has a total outlay of Rs. 2357Cr (375 projects) for the State.

A. PROJECT PROGRESS

Amount (In Cr)

SAAP	No of projects	Amount	DPR prepared		AS accorded		TS accorded		Work awarded		Work Started	
			No of projects	Total cost	No of project	Total cost	No of project	Total cost	No of project	Total cost	No of project	Total cost
2015-16	100	587.99	49	396.93	42	236.88	23	23.41	20	16.41	20	16.41
2016-17	121	796.06	19	144.29	2	38.85	-	-	-	-	-	-
2017-18	154	973.64	2	86.18	-	-	-	-	-	-	-	-
TOTAL	375	2357.69	70	627.40	44	275.73	23	23.41	20	16.41	20	16.41

- Contract awarded % against SAAP I - 2.8% (Target is 25%)
- DPR approved % against SAAP I & II – 20% (Target is 50%)

It is observed that the progress of implementation of AMRUT projects in Kerala is below 3% which is being repeatedly commented by MoUD during the monthly video conferences and review meetings.

1. 3rd SHPSC held on 4.07.2016 approved the appointment of M/s WAPCOS as PDMC. The agreement was subjected to legal vetting and the agency was asked to submit the list of experts they are engaging in their team in Mission cities.
2. Mission guidelines envisaged appointing a single agency as the Project Development and Management Consultant (PDMC) whose role is to provide end to end support including Preparation of Service Level Improvement Plans, State Annual Action Plans, project development, implementation and monitoring. In Kerala, within 6 months of approval of SAAP I, PDMC was shortlisted. M/s Wapcos Ltd obtained the highest score in the QCBS selection and LoI issued in May 2016. However elections

for State Assembly and change in key officials caused delay in appointment of M/s Wapcos Ltd as PDMC.

- Initially, the scope of work of PDMC was end to end support in all five sectors (Water Supply, Sewerage, Storm water drainage, Urban transport, Parks). But KWA was designated for end to end support of water supply and implementation of sewerage, the scope of work of PDMC became limited to only design of Sewerage and end to end support of Storm water drainage, Urban Transport and Parks.
- 4th SHPSC held on 11.08.2017 observed some changes in the Key personnel earlier committed and the new one and hence the Committee decided to reevaluate the new CVs against the specific qualification and experience stated in the Request for Proposal.
- Following the legal vetting, in October 2016, Government (vide Letter No. DC2/387/2016/LSGD dated 21.11.2016) decided not to appoint a single agency as PDMC stating that scope of consultancy had changed after the selection of consultant and also going for a retender following e-government procurement procedure might further delay the implementation. Also, it stated that as appointment of PDMC is optional Government may consider possibility of implementation through ULBs by appointing Engineering staff on contract basis under the control of the municipal Engineer of the ULB. Also, DPRs could be prepared by the Engineering department directly or by engaging consultants if required.

3. SHPSC held on 21.12.2017 decided not to have a single PDMC and to unbundle all the tasks as follows.

SNo	Task	Responsibility	Current status
Project development			
1	DPR preparation	ULB with the support of External consultants / CMMU	ULBs are selecting consultants for DPR preparation sectorwise through tendering process
Project Management			
2	Tendering Process	ULB with the support	

		of External consultants / CMMU	Ongoing for projects which have obtained TS
3	Project Implementation - execution , bill preparation and completion report	ULB with the support of External consultants	
4	Quality monitoring and Bill verification	ULB with the support of Academic Institutions	
5	Overall Project Monitoring	ULB with the support of Engineering department and CMMU	
6	Capacity Building activities	SMMU and CMMU with the support of Training institutions.	Ongoing

Strategies to expedite project implementation

1. Systems are gradually falling in place. ULBs / Parastatals / Consultants are preparing DPRs in full swing. Also, Technical Committees constituted sectorwise have started vetting and according TS for DPRs.
2. Status of the DPRs for the Mission period

SAAP	Total DPRs	DPRs received	DPRs Pending	Pending sector wise				
				Water Supply	Sewerage	Storm Water Drainage	Urban Transport	Parks
2015-16	100	49	51	4	11	11	14	10
2016-17	122	19	101	13	11	36	21	22
2017-18	154	2	152	33	21	49	26	23
Total Pending				50	43	96	61	55
Department responsible				KWA	ULB / KWA	ULB	ULB / KMRL	ULB / KMRL

3. In this context, timelines have to be fixed for the task of preparation of pending DPRs in consultation with the stakeholder departments.

4. Also, with the skeletal staff structure available at SMMU, there is a necessity for strengthening the SMMU by recruiting additional Project management experts to assist the Mission Director in fast tracking the implementation.
5. For quality monitoring of projects, although, the Mission Director sought the willingness of Engineering colleges to associate with AMRUT based on the decision of 7th SHPSC held on 21st Dec 2016, only 2 Engineering colleges (College of Engineering Thiruvananthapuram and TKM College, Kollam) expressed their willingness to associate with the mission cities.

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.

ANNEXURES

- i. Minutes of the 8th SHPSC meeting
- ii. SAAP 17-18 (List of projects)
- iii. SAP
- iv. AMRUT reforms
- v. Reform Score Card
- vi. Credit rating letters
- vii. Project Summary
- viii. GOs for DPR preparation and end-to-end support