

**14th State Level Technical
Committee**

**Atal Mission for Rejuvenation
and Urban Transformation
(AMRUT)**

AGENDA NOTE

Date: 5th December 2017

Time: 10.30 A.M.

Venue: Chamber of the Principal Secretary, LSGD

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Agenda Item No. 1: APPROVAL OF THE MINUTES OF THE 13th MEETING OF STATE LEVEL TECHNICAL COMMITTEE (SLTC)

The minutes of meeting of the 13th meeting of SLTC held on 14.11.2017 is enclosed as *Annexure 1*

Decision to be taken:

The SLTC may take note of the minutes of the 13th SLTC held on 14.11.2017 and approve the same.

Agenda Item No. 2: ACTION TAKEN REPORT ON THE DECISIONS OF 13th MEETING OF SLTC HELD ON 14.11.2017

Agenda Item No. 3 and Decision:

TRIPARTITE AGREEMENT WITH KMRL FOR URBAN TRANSPORT & PARKS PROJECT IN KOCHI AND KOZHIKODE CORPORATIONS.

In the 7th SHPSC held on 14.07.2017, it was decided to formalize Tripartite agreements between the Secretaries of Corporations of Kochi & Kozhikode – Kochi Metro Rail Limited (KMRL) – The Mission Director, AMRUT towards the implementation of Urban Transport & Park Projects in Kochi and Kozhikode Corporations.

The draft tripartite agreements are prepared and submitted by KMRL for the final approval from SLTC and signing with ULBs and Mission Directorate, for the initiation of projects. However, three financial conditions proposed by KMRL, (1) *Advance payment on contractor's project cost*, (2) *Interim payment scheduling of Centage Charges*, (3) *Centage charges payable to KMRL*, are against the pre-agreed norms, therefore mission directorate has presented these to the SLTC.

SLTC has deliberated on these financial conditions proposed by KMRL and decided to obtain final approval from next SHPSC.

Action Taken: The Mission Directorate has included this item in the draft Agenda of the upcoming SHPSC, for final approval.

Agenda Item No. 4 and Decision :

Approval of DPRs for recommendation to SHPSC

The Mission Directorate received 21 projects amounting to Rs. 114.46 Cr from four mission cities viz. Palakkad, Thrissur, Kochi and Kannur.

SLTC decided to recommend 15 projects amounting to Rs. 58.11 Cr to SHPSC for the consideration of issuing AS.

Action Taken: The 15 projects amounting to Rs. 58.11 Cr. has been included in the draft agenda of the upcoming SHPSC for obtaining AS.

Decision to be taken:

The Committee may take note on the Action Taken Report of the 13th SLTC meeting.

Agenda Item No. 3:

CONTINUATION OF EXISTING CONDITIONS IN THE DPR CONSULTANCY AGREEMENT WITH M/S. KITCO IN KOLLAM MUNICIPAL CORPORATION, UNDER SECTORS - STORM WATER DRAINAGE, URBAN TRANSPORT, GREEN SPACES & PARKS.

The Secretary (LSGD) vide letter No. DC2/235/2017/LSGD dated 29.06.2017 has directed the Secretary of Kollam Municipal Corporation (KMC) to negotiate with the consultant, KITCO and to fix the Consultancy charges as 0.5% of the project cost works of Rs. 20 lakhs whichever is less.

In response of the above, the Secretary of Kollam Corporation has forwarded a letter (Ref. CSSSSI/PW13/51637/16 dated 17/11/17) to the Government Secretary, LSGD (through the Director, Urban Affairs) with a copy to the Mission Director requesting permission from the Government to continue with the existing terms and conditions in the DPR consultancy agreement, already in force between M/s. KITCO and Kollam Municipal Corporation (*Annexure 2*).

In the reference letter, KMC states the following:

The existing agreement with KITCO, as approved by the Corporation Council in its 53rd resolution, amounting to Rs. 60.0 lakhs consultancy fee (total remuneration) for DPR preparation of projects under sectors storm water drainage, urban transport and parks, at a total project cost of Rs.60.67 Cr which is less than 1%. This percentage is in conformance with the Government Order (G.O. 421/13/LSGD dated 15.02.2013 and in abidance with the 4th SLTC decision (Agenda Item No. 5.1 C, 5.2) held on 14.12.2016 at the Chamber of the Principal Secretary.

Presently, M/s. KITCO has completed DPRs of Project cost Rs. 40.53 Cr. and AS has been obtained from SHPSC for projects amounting to Rs. 32.778 Cr. The remaining DPRs are under preparation by KITCO.

However, directions in the Government letter to negotiate with the consultant, KITCO and to re-fix the Consultancy charges as 0.5% of the project cost or Rs. 20 lakhs (whichever is less), appears conflicting with the present consultancy agreement clauses, the topic has been obligated to place on the 62nd Council held on 29.08.2017 which decided that since DPR preparations are nearing completion, the Government may re-consider its directions and provide permission to KMC for continuing with the existing agreement with Ms. KITCO, which is already in force.

Decision to be taken:

SLTC may review the matter and make an appropriate decision

Agenda Item No. 4: STAFF STRENGTHENING IN KERALA WATER AUTHORITY AND IN NINE URBAN LOCAL BODIES / LSGD CE, FOR AMRUT PROJECT IMPLEMENTATION PROCESS

In the recent SHPSC and SLTC meetings, KWA and ULB officials have expressed that one of the challenges in AMRUT Project implementation process, is the shortage of staffs in these departments to handle the AMRUT project issues exclusively. The officials informed that minimal staffs in these agencies is leading to retardation in DPR preparations, TS accordance, Tender preparation, Work Awarding process, Project Implementation etc.

In observance to the above, the SHPSC and SLTC have sought proposals for additional staffing as part of the strengthening of the implementation team exclusively for AMRUT Projects.

Based on that, the Managing Director, KWA has submitted their proposal vide reference No. KWA/JP/P-III/27/2017 Part I dated 28.11.2017 to the Mission Director, for additional staff required for the 111 water supply projects (1221.78 Cr) in 9 ULBs undertaken by KWA for speedy implementation of their projects in a time bound manner. The staff requirement comprises of 29 Nos of Project Engineers and 50 Nos. of Project Supervisors, totaling an amount of Rs.5.26 Cr., **i.e 0.46% of the total cost of the project (Annexure 3).**

Similarly, the Chief Engineer of LSGD vide Lr. Ref. No. DB5/12414/15/CE/LSGD dated 24.11.2017, copied to Mission Director, addressed to the Principal Secretary – LSGD, is also requesting additional staffing for the implementations of Storm Water Drainage, Urban Transport and Open Spaces & Park Sectors (Project Cost 643.13 Cr.) in 9 ULBs and CE office. The proposal is totaling an amount of 21.91 Cr. for 3 years (7.30 Cr. per year) comprising of various positions of 108 Nos additional staffs (SE -1, EE – 3, AEE – 13, AE – 23, Overseer 42, Accountant 2, AS 1, Clerk 10, Driver 3, OA – 10), **i.e 3.40% of the project cost (Annexure 4).**

The summary of both proposal is given below:

Department	AMRUT Project Amount (Cr)	Additional Staff requirement (Nos)	Additional Staff Cost (Cr)	% fee
KWA	1221.78 Cr	79 (for 2 years)	5.26	0.46 %
ULBs / CE - LSGD	643.13 Cr	108 (for 3 years)	21.9132	3.40 %
Total			27.1732	

The total additional fund requirement in this case will be 27.17 Cr. for both KWA and ULBs. The Mission Directorate has examined the above and considers that cost proposal submitted by CE, LSGD appears very high compared to the proposal submitted by KWA and seems non-viable.

Decision to be taken: .

SLTC may deliberate and take appropriate decision to strengthen the implementation team of AMRUT.

Agenda Item No. 5: DECISIONS TAKEN BY THE HON'BLE MINISTER OF LSGD IN THE AMRUT ACTION PLAN MEETING HELD ON 27.11.2017, 2:30PM AT HIS CHAMBER.

The Hon'ble Minister has convened a meeting on 27.11.2017 at 2.30 pm in his chamber to evaluate the present progress of AMRUT projects and its relative performance with other states in India.

Having found out that Kerala's performance drastically low, the Hon'ble Minister has expressed his displeasure and urged strongly to ULBs and KWA to adopt corrective plans and fast track approaches to recuperate the projects in appreciable status. Hon'ble Minister stated that the processes of issuing TS, Tender Preparations, Contract award, implementation etc... is very slow-moving in both KWA and the ULB Engineering Wing.

Therefore, the Hon. Minister suggested the following urgent steps to be implemented after discussions in upcoming SLTC and SHPSC meetings:

1. Compared to Kerala, other states show remarkable progress in implementing AMRUT projects. From the deliberations in the meeting, it is raised that this could be of other states having appointed PDMCs for supporting ULBs for planning and implementing projects at city levels.

Therefore, the role of project consultants is very crucial in implementing the skilled projects under sectors – sewerage, urban transport, parks etc.. Hence, appointment of project implementation consultants has to be re-examined in next SLTC and SHPSC meetings.

2. Alappuzha Chairman pointed out that there is considerable delay in according technical sanction through the Technical Expert Committee (TEC). Hon. Minister enquired whether the Guidelines of AMRUT has mandated for any TEC for technical sanction or not. The Mission Director clarified that it was decided at an earlier State Level High Powered Steering Committee to constitute Technical Expert Committee for each sector and State has the freedom to avail its services on need basis.

The Hon.Minister suggested that the current TS according system by TEC (Parks and Urban Transport projects) induces considerable delay and hence need to be changed. Therefore, in Municipalities, the technical Sanction shall be granted by the Executive Engineer level to Rs.50 lakhs and, in Corporations, the TS sanction shall be granted by the Superintending Engineer up to Rs.2 Crores. For projects above Rs.2 crores, the TS sanction shall be granted by the LSGD Chief Engineer. This shall apply to all SWD, UT and Parks projects.

3. Various ULB representatives pointed out that lesser participation has been observed from the empanelled list of consultants in sewerage and septage management sector for DPR preparation. To bring in better competition and professionalism, the Hon. Minister decided that consultants for DPR preparation may be chosen through open tender, in addition to the empanelled list.

4. There is lack of engineering and supporting staff in the mission cities and KWA for implementing AMRUT project. So proposals have to be taken from LSGD Engineering Wing and KWA regarding additional manpower required and explore whether the expenses for the same can be met from AMRUT funds.

Decision to be taken:

SLTC may issue sanctions to implement the Hon. Minister's decisions

Agenda Item No. 6: BREAK-DOWNS / SPLIT-UPS IN DPR CONSULTANTS' PAYMENTS.

In order to fulfill the professional liability of the DPR consultants, it is considered that the DPR consultant' obligations have to be ensured until project implementation to keep them accountable and professionally liable for the rendered services.

Therefore, in the review meeting of the AMRUT SMMU and CMMU staffs (held on 14.11.2017 at 4.30 pm), it was suggested by the Principal Secretary to amend the interim payment break-downs to consultants retaining a % fee until project execution, to indemnify the client from any outstanding services, during project implementation.

The DPR consultancy interim break-downs, accordingly, to be revised as per the following pattern and to be established across all sector projects, upcoming and existing if possible:-

- DPR approval by SHPSC – 50% of the remuneration
- Technical Sanction – 25% of the remuneration
- Project award – 5% of the remuneration
- Retention till project completion – 20% of the remuneration

Decision to be taken :

SLTC may review the revised breakdown of interim consultancy fees and finalise the same so as to incorporate the terms in all consultancy agreements for DPR preparation.

Agenda Item No. 7: APPROVAL OF DPRs FOR RECOMMENDATION TO SHPSC

The Mission Directorate has received 34 projects amounting to Rs 265.41 Cr. from seven mission cities viz. Palakkad, Thrissur, Kannur, Alapuzha, Kochi, Kollam, Gurvayur. The summary of projects is given below. Deatiled list of projects is enclosed as *Annexure 5*. Executive Summaries have been attached as *Annexure 6*.

SECTORWISE SUMMARY:

Sl No	Sector	No.of Projects	Amount (Cr)
1	Green space and parks	6	2.92
2	Urban transport	3	20.09
3	Water supply	10	88.31
4	Sewerage and septage	3	47.98
5	Storm water drainage	12	106.11
	Total	34	265.41


Mission Director 6/12/2017.