

## North Eastern Region Urban Development Programme (NERUDP)

**Thirteenth Meeting of National Steering Committee  
28<sup>th</sup> April 2014, 10:00 AM  
(Nirman Bhawan, New Delhi)**

### **AGENDA**

This meeting would review the following:

1. Status of contracts & execution for Tranche-II project packages
2. Status of execution of Tranche-I project
3. Status of Fund Flows to States
4. Status of reforms
5. Preparations for Tr-III
6. Current Issues
7. Any other issue with the permission of the chair.

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## 1. Tranche- II – Status of procurement & execution

City	No. of Packages Sanctioned	No. of Packages Still to be Awarded	Status of execution in %
Agartala	8	1	25%
Aizawl	10	Nil	20%
Gangtok	9	4	10%
Kohima	2	1	5%
Shillong	3	0	20%
Total	32	6	19%

### Tripura

Water supply project (WS): Out of 8 packages, 7 have been awarded. Remaining one package for laying of new primary mains (rising mains) has been finalized and will be awarded after the elections in May 2014. Of the packages awarded, construction of 5 out of 7 ground water treatment plants (GWTP) has commenced. Column/piling work has commenced for 6 out of 14 over head reservoirs (OHR). In respect of distribution network of North Zone, design verification has been completed and laying of pipes has commenced and 50 km of pipes out of 232 km have been laid.

### Mizoram

Water supply project (WS) : All of 5 packages have been awarded. Booster pumps installed on 2 locations. Construction of 3 reservoirs completed. 20,000 water meters have been procured out of which 10,000 meters have already been installed. Pipes required for distribution system have been received and physical work to commence.

Sewerage project (S&S): All of 5 packages have been awarded. 5 Cesspool cleaners received. Construction of 3 out of 10 community toilet blocks has commenced. SIPMIU is evaluating a proposal to partially replace the RCC pipes for sewerage network by DWC HDPE pipes. Work will commence after technical clearance by CPHEEO. The proposed alignment of the STP approach road has to be changed due to objection from forest department. The proposed new alignment which involves acquisition of land needs clearance of IEE and RP from ADB before finalization.

### Sikkim

Water supply project (WS): Out of 3 packages, 2 for distribution network have been awarded, 1 package for water meters to be bid later (when distribution network is at advanced stage). Construction of reservoirs has started. Laying of pipes to start shortly.

Solid Waste Management project (SWM): Out of 6 packages, procurement of excavator completed. 2 contracts (land fill and vehicles) awarded and work to start. Evaluation of financial bids for 2 packages of mini garbage tipper trucks and household bins is in hand. Protective equipment is yet to be ordered.

### Nagaland

Water supply project (WS): Out of 2 packages, contract for distribution network awarded. Pipes have been ordered and partially received. Laying of pipes has started. Package of water meters is to be bid later.

## Meghalaya

Solid Waste Management project (SWM): All the 3 packages have been awarded. Revised DPR for Phase-II of existing Marten site together with Shillong's overall perspective plan for SWM has been received in February 2014 and preliminary observations have been sent to SIPMIU. Although Shillong has requested this project to be considered under Tr-2, it may have to be deferred to Tr-3 as funds under Tr-2 have exhausted.

**PDs may please apprise the NSC of the current status and timelines for execution in the following format :**

Sl. No.	Name of Packages Tranche-I and II	Date of Commencement of Work	Original Completion date	Cumulative Progress	% progress	Latest estimated date of Completion
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## 2. Status of execution of Tranche-I projects:

### % progress of Tranche-I Projects during 2013-14

S.No	State	April 2013	March 2014
1	Agartala	36%	85%
2	Aizawl	100%	100%
3	Gangtok	56%	95%
4	Kohima	35%	55%
5	Shillong	7%	40%

## Tripura

Water Supply projects in South and Central Zones, Agartala – Rehabilitation of 22 tubewells

- Lot 1: replacement of 6 tube wells. Work completed.
- Lot 2 & 3: replacement of 16 tube wells. Drilling of 13 TWs completed, others are under progress. Work to be completed by June 2014.
- Lot 4: Construction of 16 pump houses. Construction of 9 pump houses under progress. Work to be completed by June 2014.

## Mizoram

Water Supply project in Aizawl city - replacement of 7 reservoirs, 2 chlorinators, and 16000 domestic water meters

- The works have been completed and handed over to PHE.

## Sikkim

Water Supply project in Chandmari and Burtuk areas of Gangtok - laying of 1.14 km of primary mains, 44.84 km of secondary distribution pipeline, installation of two bulk flow water meters, construction of a reservoir and a pump house for the reservoir.

- The water supply project is nearly complete. However, connections to residents have still to be provided and to be undertaken through PHED, after which the full commissioning of the project and its testing will take place. SIPMIU to submit a plan and target dates.

## **Nagaland**

Water supply system in Kohima - replacement of 18 water reservoirs and refurbishment of existing water treatment plant

- Construction of 7 reservoirs is complete (3 handed over to PHE). Construction of another 10 is in progress. Work has been delayed due to site constraints and relocation. It is now likely to be completed by August 2014. Work on the remaining one tank not started due to location problem.
- Regarding refurbishment of the WTP, installation of machinery is in hand and power connection for chlorinator has been applied for. Likely to be completed by August 2014

Solid waste management in Kohima – development of sanitary land-fill site

- Machinery for compost plant has been procured. Plinth level PCC work for compost plant in hand. Prefabricated structure of compost plant building is still awaited. Prefabricated structure for garage has been received and the same is being installed. Progress is quite slow and needs to be expedited.

## **Meghalaya**

SWM in Shillong - development of existing land fill site at Marten

- Variation proposal for increasing the capacity and life of the landfill site was approved and contract revised. Work is now in progress and RCC retaining wall is under construction.

**PDs may please apprise the NSC of the current status and timelines for completion of the projects.**

### **3. Disbursement of Funds**

Release of funds to the SIPMIUs has been delayed since December 2013 as the budget for the year was exhausted and additional funds were not provided through RE/ supplementary demand and even through re-appropriation during 2013-14. Nearly Rs 30 cr of reimbursement is currently in the process of being cleared under the sanctioned budget for 2014-15. Provision has also been made for release of 10% imprest amount under the budget to provide sufficient cushion to the SIPMIUs.

### **4. Status of reforms:**

#### **Tripura**

The IDC consultants have completed their tasks under Tr-I. However, the state is still to implement some key reforms such as 'Property Tax' on unit area basis, transfer of WS function to ULB, etc. The state may provide targets for implementation of reforms.

#### **Mizoram:**

The State requested for extension of term of IDC by one year to April 2015 and provided targets for implementation of reforms. Most reforms will be implemented by April 2015, except ring fencing of WS which will be done by 2016. The extension proposal has been approved by the Ministry.

#### **Sikkim**

The State has requested for extension of term of its IDC by one year, but has yet to provide the target dates for implementation of reforms. They may submit the requisite details urgently for consideration.

## Nagaland

The IDC has submitted various reports and recommendations to the SIPMIU and the GoN. However, the State Government has to provide in principal agreement to the various reforms and submit targets for implementation of reforms.

## Meghalaya

The IDC has completed its tenure under Tr-I. SIPMIU has retained 3 individual consultants for handholding and implementation of reforms. However, the pace of implementation needs to be increased. The SIPMIU may submit target dates for implementation of reforms.

## 5. Preparations for Tr-III

The status of DPRs to be submitted under Tr-III is as follows:

State	Total estimated cost (Rs Cr)	No. of DPRs to be submitted	No. of DPRs submitted	Remarks
Tripura	109	3	Nil	Awaited
Mizoram	205	3	1 (SWM)	Comments sent
Sikkim	25	1	1 (sewerage)	Under scrutiny
Nagaland	345	4	1(SAR Bulk water)+1	SA R Under scrutiny The other received on 15-4-14
Meghalaya	95	2	1 (sewerage)	Comments sent
Total	779	13	5	

### Comments:

- Submission of DPRs needs to be expedited
- From the pace of progress, it appears unlikely that the target of loan negotiations by Septmeber 2014 could be achieved
- Progress of Tr-II too is much behind schedule. It may not be advisable to divert SIPMIU resources to preperation of Tr-III till atleast 50% progress of Tr-II is achieved.

## 6. Current Issues

### a. Accelerating execution of Tranche-II

Most of the packages under this Tranche have been awarded. However, the progress has been slow. Whereas nearly 40% of the time has elapsed, the progress is only 19%. Moreover, most of the large packages regarding overhauling of water and sewerage networks have yet to take off. SIPMIUs need to improve contractor management and undertake quarterly reviews with their senior management and proceedings be shared with MoUD. Payments should not get delayed. Orders for pipes, equipment etc. should be placed well in time. It may be noted that commencement of Tr-III is dependant on satisfactory progress of Tr-II (atleast 50%) and hence special attention needs to be paid to expediting Tr-II.

### b. Completion of Tranche-I packages

Aizawl has completed the Tr-I. Gangtok has completed the pipe work but house connections need to be provided for the benefits to reach the households. Agartala also needs to c

drilling of tubewells by June 2014 as targetted. Kohima is still trailing and needs to speed up its execution especially of the SWM project.

**c. Variation proposals**

A number of large variation proposals have been received by the ministry, totalling to Rs 40.19 cr. Details enclosed in **Annexure-I**. Tranche-II does not have any surplus funds available to accommodate these proposals. However, after scrutiny only those minor variation proposals could be authorised which are necessary for proper completion of the projects under execution e.g. retaining walls to avoid landslides or changes in alignment of pipe networks, etc. limited to maximum of 10% of contracted cost and subject to availability of funds under Tr-2. Variation beyond that may have to be borne by the state. Based on the above mentioned criterion, the only variation proposals that could be considered for approval are as given below:

Sl. No.	Proposal	Variance (Rs lakhs)	% of contract value	Amount to be borne by MoUD (10%) (Rs lakhs)	Amount to be borne by State (Rs lakhs)
1.	Kohima WS –Feeder lines from common storage tank	165.7	22.6%	73.3	92.4
2.	Kohima SWM- Retaining Walls and storm water drainage	424.9	10.86%	391.1	33.8
3.	Shillong SWM- Additional works for Garage cum workshop	35.0	25%	13.5	21.5
<b>4</b>	<b>Total</b>	<b>625.6</b>	<b>13.09%</b>	<b>477.9</b>	<b>147.7</b>

**d. Extension of completion time to contractors**

It has been noticed that time extension is being granted to the contractors by the PDs, without knowledge or approval of the ministry. The provision of liquidated damages has rarely been invoked. In order to bring more seriousness to the sanctity of completion time, it is proposed that any extension of time may be granted to the contractor only after concurrence of MoUD and ADB and if liquidated damages are not to be recovered, an explanation should be provided in the extension proposal itself.

**e. Audit certificates**

Audit Certificates were very much delayed last year. It needs to be ensured there is no delay this year. For this purpose, the annual accounts must be submitted in the prescribed forms to the AG by Mid May 2014 and the AG should be invited for audit by June itself so that the audit certificates are received by September 2014. The PDs may give their commitment in this regard.

**f. Internal Audit**

MoUD had requested SIPMIUs to get project accounts audited by State's internal audit entity. The status and expected date of submission of audit report may please be provided.

**g. Preparations for Tranche-III**

In the last NSC, it was proposed to start loan negotiations for Tr-III in second half of 2014. For this purpose, the PDs were to prepare the DPRs, IEEs and RPs by February 2014. However, so far only 5 out of 13 DPRs have been submitted which are yet to be finalized. Similarly, IEEs and RPs are still to be submitted and statutory clearances obtained. The PDs may ask DSMCs to complete this work within stipulated time.

**h. Delinking the States for commencement of Tr-III**

Since commencement of Tr-III is dependant upon (a) progress of Tr-II and (b) preparedness for Tr-III i.e. approved DPRs, IEEs and RPS and also on obtaining all statutory clearances, the ministry may consider statewise status and preparedness for commencement of Tr-III. Those states who meet the above mentioned criteria for Tr-III and are capable of finishing the Tranche within the stipulated time (i.e. no later than 2019) may be included under Tr-III.

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## Annexure-I

Variance Proposals Submitted by States (15.4.14)					
Sl. No	States	Proposals	Variance (Rs. Cr.)	% increase	Remarks
1	Gangtok WS	Laying of additional feeder mains at 10 locations included in the Tr-II WS			The proposal can be taken up under Tr-III as the capacity of feeder mains is sufficient for current population and will not affect performance of Lot-I or Lot-II.
		Lot-I	6.245	19.7%	
		Lot-II	1.445	4.5%	
		<b>Total Variance Proposal</b>	<b>7.690</b>	<b>24%</b>	
		Contract value of WS Network (Tr-II)	<b>31.63</b>		
2a	Kohima WS	Additional works under Tr-1			Feeder lines from common storage tank (Rs. 1.657cr) are necessary for commissioning of the common tank and has arisen due to change of location. All other reservoirs need to be justified & may be considered under Tr-III.
		RCC Storage reservoir near mental hospital	.649	8%	
		Repair of defunct clarifier at Minister Hill into an RCC storage reservoir	.143	1.9%	
		Feeder lines from Common Storage Tank at zoo compound to Distribution Tanks	1.657	22.6%	
		Common Storage Reservoir Near KMC office (for Assam Rifles HQ Zone, War Cemetery Zone & Local Ground Zone)	1.326	18.0%	
		<b>Total variance proposal</b>	<b>3.775</b>	<b>51%</b>	
		Contract value of WS draft Tr-I	7.33		
2b	Kohima SWM	Additional works under Tr-1			The retaining walls (Rs 3.574 cr) and storm water drain (Rs 0.675 cr) are necessary to make the approach road functional. Dry waste segregation is a part of the compost plant and should be provided by the contractor. Other items are not essential and cannot be approved.
		Retaining walls at SWM site	3.574	9.1%	
		Dry waste Segregation unit at SWM Site	3.130	8%	
		Basic amenities for O&M workers at SWM site	.922	2.3%	
		Storm water diversion drain & pipe culvert at SWM site	.675	1.7%	
		<b>Total variance proposal</b>	<b>8.301</b>	<b>21%</b>	
		Contract value of SWM draft Tr-I	39.11		
3	Shillong SWM	Contract Variation for construction of Garage cum workshop shed & staff rest room. Under Tr-2	.35	25%	Variation items are due to change in quantities and are needed to construct the garage.
		Contract value for Garage cum workshop	1.35		
		Expansion of Marten landfill site Ph-II	20.08	New	Not provided in Tr-II. Additional item. To be taken under Tr-III
		<b>Grand Total of all variance proposals</b>	<b>40.19</b>		