

Minutes of the 10th State Level High Powered Steering Committee (SHPSC) of Atal Mission for Rejuvenation and Urban Transformation (AMRUT) held on 14th July 2017 in the Committee Room of the Chief Secretary, Government of Kerala.

Members Present:

1. Dr. K. M. Abraham IAS, Additional Chief Secretary, Finance Department
2. Sri V. S. Senthil IAS, Additional Chief Secretary, Planning & Economic Affairs Department
3. Sri T K Jose IAS, Principal Secretary, LSG Department
4. Smt. Tinku Biswal IAS, Secretary, Water Resources Department
5. Sri. P S Mohammed Sagir IAS, Mission Director AMRUT
6. Sri. Biju Prabhakar IAS, Secretary, PWD
7. Smt. Haritha V Kumar IAS, Director, Urban Affairs Department
8. Sri. P. R. Saji Kumar, CE, LSGD
9. Sri. Shaji Joseph, Chief Town Planner (Planning)
10. Sri. Haris, Chief Engineer, Kerala Water Authority
11. Smt. Prasannakumary, AS, Planning and EA Department
12. Sri. C. V. Joy, Director (Operations), Suchitwa Mission

The meeting of the 9th State Level High Powered Steering Committee (SHPSC) of AMRUT chaired by Smt. Nalini Netto IAS, Chief Secretary, Government of Kerala, commenced at 12.00 noon.

Sri P S Mohammed Sagir, AMRUT Mission Director, presented the points in the agenda one by one and after detailed deliberations following decisions were made

Agenda Item No. 1. Approval of minutes of the 9th meeting of SHPSC.

The Committee approved the minutes of 9th meeting of SHPSC held on 9th May 2017

Agenda Item No. 2. Action taken report on the decisions of the 9th meeting of SHPSC held on 9th May 2017

The Committee noted the Action Taken Report on the decisions of the 9th SHPSC held on 9th May 2017.

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 Hon. Minister of Finance, Hon. Minister of Water Resources and Hon. Minister of Local Self Government Department was convened on 16th May 2017. 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. Minutes of the meeting is pending which needs to be expedited. Subsequently a note in this regard has to be submitted from LSGD to Finance department

Action by	Time Limit	Monitoring by
Sri. P.S Mohammed Sagir, Mission Director, AMRUT	25.07.2017	Sri. T.K.Jose, Principal Secretary, LSGD

2.2. SAAP 2017-18

The Chairman approved the list of projects under SAAP 2017-18 submitted by the Mission Director as directed in the 9th SHPSC.

In SAAP 2017 -18, Kerala had submitted 157 projects of 9 mission cities in five sectors amounting to Rs.973.64 Crs, the details are given .

#	ULB	SAAP 2017-18						
		WS	Sewerage	SWD	UT	Park	Total	
1	Trivandrum	No of Projects	3	14	2	3	1	23
		Cost in cr	25	75.47	24	14	3	141.5
2	Kollam	No of Projects	2	2	1	2	2	9
		Cost in cr	42.90	31.39	15	13.29	2.09	104.7
3	Alappuzha	No of Projects	1	1	1	1	2	6
		Cost in cr	58.13	6	25.97	4.25	1.94	96.29
4	Kochi	No of Projects	5	1	14	6	4	30
		Cost in cr	53.01	37.79	21.98	13.93	2.59	129.3
5	Thrissur	No of Projects	9	1	1	2	3	16
		Cost in cr	64.30	23.6	15.78	5	2.22	110.9

6	Guruvayur	<i>No of Projects</i>	3	0	1	1	2	7
		<i>Cost in cr</i>	80.86	0	0.64	6	1.78	89.28
7	Palakkad	<i>No of Projects</i>	8	0	27	9	7	51
		<i>Cost in cr</i>	67.33	0	17.61	7.98	1.91	94.83
8	Kozhikode	<i>No of Projects</i>	1	1	1	1	1	5
		<i>Cost in cr</i>	46.55	34.06	19.3	11.35	2.27	113.5
9	Kannur	<i>No of Projects</i>	3	1	1	1	4	10
		<i>Cost in cr</i>	38.27	28	15.87	9.34	1.89	93.37
	TOTAL	<i>No of Projects</i>	35	21	49	26	23	157
		<i>Cost in cr</i>	476.35	236.31	156.15	85.14	19.69	973.64

2.3 Energy Audit for Water Systems

9th SHPSC held on 9th May 2017 has directed KWA to do energy audit of pumping systems with the support of Energy Efficiency Services Ltd. (EESL) in the nine AMRUT cities. The contract agreement among KWA, Mission Directorate and EESL being finalized. KWA informed that legal vetting of the document is ongoing. Mission Directorate has requested KWA to share the city-wise scope of work and relevant information to be included in the agreement. The SHPSC observed that the last energy audit was done by KWA in nineties and the technology has advanced much since then. The SHPSC pointed that the assets of water supply systems is owned by KWA hence the energy audit of the pumping systems of the nine AMRUT cities has to be steered by KWA. The expenditure in this regard may be met from the AMRUT A&OE fund. KWA will take necessary steps to initiate the speedy work of the project. Signing of the agreement to be done by last week of July and audit process to start by 1st week of August.

Action by	Time Limit	Monitoring by
Sri. Haris, Chief Engineer, KWA	25th July 2017	Sri. P.S Mohammed Sagir, Mission Director, AMRUT

Agenda Item No. 3. Status of AMRUT Mission

The committee deliberated in detail about the present status of the Mission. Since all three SAAPs are approved, the target for the mission period (2015-2020) is well defined now.

3.1 PROJECT PROGRESS

SAAP	No of projects	Amount	DPR prepared		AS accorded		TS accorded		Work awarded		Amount (In Cr)
			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

So to fast track the implementation, the prime focus now has to be on DPR preparation and issuing administrative sanction and technical approvals.

DPR preparation

Sectorwise progress in DPR preparation was discussed and the timelines were assigned for completion of DPRs.

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

The SHPSC discussed on the DPR preparation progress and the following decisions were taken

Water Supply Sector

No. of DPRs pending : 39

Proposed Completion date : 60 days from 14.7.2017

Action By : Managing Director, KWA

Monitoring by : Mission Director, AMRUT

Remarks : If topographical survey etc. is required, KWA may engage multiple agencies for the work and stick to the timelines.

Sewerage / Septage management Sector

No. of DPRs pending : 40

Proposed Completion date : 60 days from 14.7.2017

Action By : MD, KWA for Trivandrum &

Secretaries of AMRUT mission cities except Thiruvananthapuram

Monitoring by : Mission Director, AMRUT

Remarks: Regarding the sewerage projects, DPR preparation for Thiruvananthapuram corporation will be taken up by KWA. In all other 8 mission cities, concerned ULB secretary will invite appropriate consultants / accredited agency approved by the Finance Dept, LSGD, Suchitwa Mission through competitive bidding process.

Sri.Haris, Chief Engineer KWA, requested if KWA could continue with rehabilitation work of existing treatment plant at Elamkulam at Kochi. After deliberation, SHPSC decided to entrust the rehabilitation of 5mld STP plant at Elamkulam to KWA. On further discussion, SHPSC decided that all sewerage projects approved in SAAP where there is an existing sewerage setup of KWA, the work may be entrusted to KWA. Secretary Water Resources opined that there has to be more clarity on who will be responsible for which all sewerage projects in mission cities.

Finally, the Chairman concluded that a detailed meeting may be convened by Principal Secretary for micro level planning, regarding the remaining mission cities where KWA itself will take up DPR preparation of sewerage projects or whether external consultant / EPC contractors have to be depended. KWA at present is entrusted only sewerage projects of Thiruvananthapuram and rehabilitation of STP project at Elamkulam, Kochi.

Storm water Drainage Sector

No. of DPRs pending : 64

Proposed Completion date : Kochi and Palakkad in 45 days.
Remaining cities in 30 days from 14.7.2017

Action By : Secretaries of AMRUT mission cities

Monitoring by : Mission Director, AMRUT

Remarks: Final discharge and connectivity to main drain network to be ensured.

Urban Transport and Open Spaces & Parks Sectors

No. of DPRs pending : 49 in UT and 34 in Parks

Proposed Completion date : 60 days from 14.7.2017

Action By : Secretaries of AMRUT mission cities

Monitoring by : Mission Director, AMRUT

Remarks: DPRs may be prepared by KMRL / consultants as per ULB's willingness. Rates for end to end support to be negotiated in line with the GO for centage charges issued by Finance (Infrastructure) Department for projects under KIIFB (GO (P)No.61/2017/Fin. Dated 09.05.2017)

The Mission Director raised a concern if e-Tendering process is required for bidding process during consultant selection for DPR preparation and Principal Secretary, LSGD sought clarification on this from the Additional Chief Secretary(Finance). ACS (Fin)replied that e-tendering is not mandatory in bidding process for selection of consultants from government empanelled list for DPR preparation

3.2 Administrative sanction (AS)

Following the DPR preparation, the SLTC will review the DPRs and recommend the same to the SHPSC. SHPSC decided that Administrative Sanction of projects shall be accorded by the SHPSC itself, as officials of Finance and planning are members in the Committee, like in case of other Centrally Sponsored schemes. The projects need not be placed further in the working group mechanism for issuing of AS.

3.3 Technical Sanction (TS)

- a) Water Supply projects: SHPSC decided to permit KWA to issue TS to all water supply projects.

- b) Sewerage Projects: For project reports prepared by KWA, KWA itself can accord the TS while for projects for which the DPRs are prepared by external consultants, TS is to be issued by the Technical Expert Committee.
- c) For Storm Water Drainage: TS to be accorded by LSGD Engineering wing itself as per the prevailing norms.
- d) For Urban Transport and Parks sectors: The Projects reports to be vetted and TS to be accorded by the Technical Expert committee.

Following the Sectoral review of projects, the SLTC will appraise and approve the projects, which is mandatory as per the AMRUT Guide lines.

3.4 The SHPSC directed the following:

- Since the targets, responsibilities and process for approvals have been clearly decided, strict follow up actions have to be taken by the Mission Director AMRUT and will be monitored by the Principal Secretary (LSGD) regularly.
- Kerala Water Authority to prepare city-wise plans to expedite their activities. Timelines to be adhered to by KWA are as follows.
 - DPR preparation : Latest within 60 days from 14/07/2017
 - AS :Latest within 75 days from 14/07/2017
 - TS : Latest within 80 days from 14/07/2017.
- The Urban Local Bodies to own up the AMRUT projects of all sectors including water supply and conduct periodic monitoring of progress of DPR preparation and implementation.

	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														

Agenda Item No. 4.OPERATIONAL GUIDELINES FOR AMRUT PROJECTS

The Mission Directorate has prepared an operational guidelines for the institutional building and timely implementation of projects, reforms and capacity building activities proposed under AMRUT. The guidelines prepared were circulated in the SHPSC.

Since the operational guidelines need a closer look by all members and comments from major stakeholder departments. The members will present their views/comments in the next SHPSC for approval.

Agenda Item 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).

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	Thiruvanantha puram	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	Thiruvanantha puram	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	Thiruvanantha puram	Park in Nanthencode ward	0.30
12	Guruvayur	Development of parks & playground at Bhagat Singh ground	1.00
13		Development of parks & playground at Pookode Samskarika Nilayam	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

As the above listed 20 projects have been appraised, at the SLTC prior to recommendation, the SHPSC decided to accord Administrative Sanction to the projects. Immediate steps to be taken to expedite technical sanction for the projects based on today's decision no.3.3 regarding TS.

Action by	Time Limit	Monitoring by
Sri. P.S Mohammed Sagir, Mission Director, AMRUT	30.07.2017	Sri. T.K.Jose, Principal Secretary, LSGD

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

Since 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, the SHPSC decided to authorize Kerala Water Authority to accord technical sanction (TS) for projects:

- (1) All Water Supply projects
- (2) Sewerage projects for which DPRs are prepared by KWA .

Agenda Item No.7. ENGAGING KOCHI METRO RAIL LIMITED IN URBAN TRANSPORT

The SHPSC deliberated on the earlier meetings of the Mission Director with KMRL. SHPSC decided that DPRs may be prepared by KMRL / empanelled consultants as per ULB's choice. Rates for end to end support and related expenses for projects in urban transport and parks sector under AMRUT to be negotiated in line with the percentage rates prescribed in the GO issued by the Finance (infrastructure) Department under GO (P)No.61/2017/Fin. Dated 09-07-2017. In case the cost of a project in the DPR exceeds the amount sanctioned in the SAAP for the same, it may be brought before the SHPSC for case to case approval.

Agenda Item No.8. AMRUT REFORMS

The Committee discussed on the mandatory reforms to be achieved under AMRUT and the year wise targets and the incentives received in the previous years.

8.1 Reform Incentive 2015-16

SHPSC decided that the incentive amount of Rs. 15 cr received for the year 2015-16 will be distributed to the mission cities based

on their performance in achieving the reform milestones(40%), population (30%) and project allocation (30%) as follows after retaining Rs. 3 Cr at the State.

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

8.2. Reform Incentive 2016-17

Achievement of category of 70% and 80% Kerala State has received an incentive amount of Rs.16.68 Cr from MoUD for reform milestones of 2016-17. The committee decided that the criteria to distribute the incentive to the Mission cities for the year 2016-17 should include their performance 60% weightage and 40% in implementing projects under AMRUT during 2016-17. The Committee directed the SLTC to work out a distribution pattern and present before the next SHPSC.

Agenda Item No. 9. STATUS OF ADMINISTRATIVE REFORMS

The Director Urban Affairs presented the status of the pending administrative reforms of 2016-17. The Committee deliberated on the same as below.

9.1 Establishment of Municipal Cadre

This reform suggests a minimum of three cadres to be established in each state. For each cadre, it is suggested that the State government should bear their salaries, recruitment should be based on State rules and the employees may be transferrable to other cities every three years.

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

Secretaries of Municipalities at present fall under the administrative cadre norms. Also, all other employees under ULBs are recruited by the State as per State recruitment rules. Only their salaries are disbursed by the respective local bodies.

The LSGD Engineering wing and town planning fall under the technical service cadre. But there is a clear absence of technical persons for e-governance (though partially fulfilled by IKM) and transportation services. Local bodies may appoint suitable professionals with Government approval and pay them from their own funds.

In Municipal Finance Cadre, there is need for specialized officers to be appointed. In line with the Finance Minister's budget speech to appoint a Chartered Accountant in all the six corporations, the SHPSC decided that a Chartered Accountant each should be appointed on contract in all the nine mission cities to comply with the reform. The Director (Urban Affairs) to submit a proposal regarding the appointment of CA in all Mission Cities and detailed proposal to create a municipal Finance cadre in the state to the Government.

Action by	Time Limit	Monitoring by
Smt. Haritha V Kumar Director, UA	21.07.2017	Sri.T.K.Jose, Principal Secretary LSGD

9.2. Appointment of Internal Auditor 2330103

One of the reforms remaining to be achieved under AMRUT for 2016-17 is '*appointment of Internal Auditor*' specially for the auditing of funds devolved to urban Local Governments through various schemes either Central or State. Director (Urban Affairs), during the SHPSC meeting presented the below facts regarding internal Auditor appointment..

There is already existing a system of Performance Audit of the Urban Self Government Institutions. State Government in 1997 brought about the Kerala Municipality (Manner of Inspections and Audit System) Rules 1997. Performance Audit, as per the above rules, is defined as:-

“Performance Audit means the inspection on the administration intended to evaluate whether the developmental and social welfare functions vested in a municipality and financial and controlling powers entrusted to that municipality are being executed and utilized effectively and efficiently in accordance with the Acts, Rules and directions and giving of timely directions to rectify the defects, if any, and includes the scrutiny of the accounts, records, proceedings and the assessment, demand and collection of tax and public works and the pointing out of defects, if any of the municipality or of an institution under the administrative control of the municipality and the giving of directions to comply with procedures in accordance with law”.

The Director concluded that, since the above conforms with the Internal Audit Mechanism as envisaged by the reforms in 1997, the State Government appointed the Regional Joint Directors as Performance Audit Officers for the Municipalities under their jurisdiction and the State Performance Audit Officer for the Corporations. **So the state may claim that ‘appointment of internal auditor’ reforms has already been accomplished in Kerala.**

Supporting staff have also been allocated and the audit mechanism has been functioning and the audit reports are being submitted periodically. But, for the last 2 years, the Performance Audit in Municipalities had not been functioning effectively due to

some technical reasons. Therefore, the system has to be re-energized by periodic monitoring and shall be brought into track with an year.

Agenda Item 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 from KWA / PWD or LSGD was requested to be appointed on deputation in State Mission Management Unit.

The SHPSC directed the Chief Engineer LSGD to depute an officer from LSGD Engineering wing not below the rank of Assistant Executive Engineer with M.tech/MBA as Deputy Director (Projects) in SMMU AMRUT.

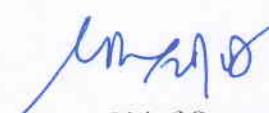
Action by	Time Limit	Monitoring by
Sri. P.S Mohammed Sagir Mission Director, AMRUT	14.08.2017	Sri.T.K.Jose, Principal Secretary, LSGD

The meeting concluded at 3 PM




Mission Director, AMRUT


State Mission Director
AMRUT Kerala
State Mission Management Unit
Thiruvananthapuram - 695 011


Chief Secretary
(Chairman SHPSC AMRUT)