

F.N. Pr-12013/15/2018-Tech Construction NMCG

National Mission for Clean Ganga

Ministry of Water Resources, River Development & Ganga Rejuvenation
Government of India

1st Floor, Major Dhyan Chand
National Stadium New Delhi – 110002

Dated: 05 March 2018

To,

Project Director

SPMG West Bengal

Unnayan Bhavan, DJ-11, Sector-II,

3rd floor Block A, Salt Lake,

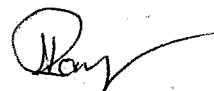
Kolkata-700091

Sub: Rehabilitation of Garden Reach STP, 57 MLD capacity and Keorapukur STP, 45 MLD capacity including 15 years O&M under Hybrid Annuity based PPP mode at Kolkata city in the state of West Bengal.

Sir,

I am directed to convey the Administrative Approval and Expenditure Sanction (AA&ES) for the **Rehabilitation of Garden Reach STP, 57 MLD capacity and Keorapukur STP, 45 MLD capacity including 15 years Operation & Maintenance(O&M) under Hybrid Annuity based PPP mode at Kolkata city in the state of West Bengal** for an estimated cost of Rs 165.16 Crores with 100% funding under the Central assistance, with following components:

- De-silting of existing sewer line, LSs, MPS, Sludge Pump House.
 - Rehabilitation works.
 - SCADA system for STP, LS & MPS for real time monitoring
 - O& M for 15 years period for STP and LS/PS
2. Executive Committee (EC) of NMCG has approved this project in its 9th meeting held on 20th February 2018. Kolkata Municipal Corporation (KMC), in accordance with this AA&ES may invite the tenders on hybrid annuity based PPP model under NGP funded project. This project shall be integrated with the already approved STP projects for Kolkata city under Hybrid Annuity based PPP mode.
3. The project will be implemented on hybrid annuity based PPP mode. For implementing the project, the Selected Bidder shall incorporate a Special Purpose Vehicle (SPV) – the Concessionaire under Indian Companies Act 2013. The Concession Agreement shall be entered between Kolkata Municipal Corporation (KMC), NMCG and the Concessionaire.



4. The summary of project cost is given below.

Sl. No	Description of Work	Estimated Cost (₹ in Crs)
A	Costs to be borne by Central Government	
1	Capital Works Cost	20.44
	Total Capital Cost - Subtotal (1)	20.44
3	15 Year's O & M Cost	144.72
	Total Project Cost	165.16

5. The capital works costs are on current prices exclusive of the applicable interest payable on the balance capital payment to be made post commissioning as per Concession Agreement. The O&M and power costs are as per current prices, and actual payments to be made may vary based on indexation, actual sewage treated etc. in accordance with the concession agreement.

6. Administrative Approval and Expenditure Sanction for the project is granted subjected to the conditions as per Annexure -I.

7. The period of completion of the project is 24 (Twenty Four) months from the date of issuance of AA&ES, including bidding process, and award of work followed by 15 years Operation & Maintenance.

8. Consortium of AT Kearney Limited UK (India Branch office) and Mahindra Consulting Engineers Limited has been appointed as Transaction Advisor (TA) for implementing the project under Hybrid Annuity based PPP mode. KMC shall avail the services of TA for successful implementation of the project. The fee for the services provided by TA in accordance with the Contract Agreement shall be paid from the Project Preparation & Supervision charges payable to KMC.

9. NMCG shall appoint a Project Engineer (Owner's Engineer) for supervision and certification of project progress during construction and operation period. Fees Charges for availing the services of the Project Engineer shall be paid from the Project Preparation & Supervision charges payable to KMC.

10. The grantee institution i.e. State Programme Management Group (SPMG), is an agency of the State Government constituted with the objective of serving as the dedicated institution for effective implementation of the Namami Gange Programme/NGRBA programme activities at the State level, and the State is responsible in the long term for the conservation and health of the State's stretch of the river Ganga.

11. The 'KMC' Executing Agency for the project to take up the STP Works pertaining to pollution abatement of the River Ganga in the identified areas of Kolkata, West Bengal along river Ganga on hybrid annuity based PPP model.

12. The compliance with the observations of TPA and NMCG will be ensured by KMC. Further, KMC may ensure that there are no overlaps with the works being undertaken by GOWB and obtain necessary NOCs, including land availability, from the State required for the project before awarding the contract.

13. Any procurement of goods, works and consultancy if required by KMC as part of implementing the project proposal shall be made strictly as per the prevailing procurement guidelines of Govt. of India/NGRBA framework.

14. The funds for expenditure on the schemes would be debitable to the NGP account of the NMCG. The NMCG/Government of India reserves the right to withdraw the sanction at any stage, if it is convinced that the fund has not been properly utilized or appropriate progress is not being made.

15. In case of violation of any of the conditions of the letter of award or in case of closure or dissolution of the executing agency, the Government shall take possession of all the assets of the organization acquired out of the Government funds and use them in any manner deemed appropriate or to recover from the organization the value of such assets at its discretion.

16. This AA&ES is issued based on approval of the Executive Committee (EC) vide its 9th EC meeting held on 20th February, 2018, with the approval of Director General, National Mission for Clean Ganga and concurrence of Executive Director (Finance) vide Dy. No 695 dated 28/02/2018.

Yours faithfully,




(Nityananda Ray)
Deputy Secretary, SMD

Copy forwarded for information & compliance of below mentioned conditions to:-

- 1) The Chief Secretary, Government of West Bengal, Nabanna ,13th Floor, 325,Sarat Chatterjee Road, Mandirtala Shibpur,Howrah-711102
- 2) The Secretary, Department of Municipal Affairs, Government of West Bengal, Pura - Prasasan Bhavan, Block DD 1, Sector 1, Salt Lake City, Bidhannagar, Kolkata - 700064
- 3) The Commissioner, Kolkata Municipal Corporation (KMC), 5, S.N.Banerjee Road, Kolkata 700 013, India
- 4) Joint Commissioner, Kolkata Municipal Corporation, 5, S.N. Banerjee Road, Kolkata- 700 013

Copy forwarded for information to:-

- 1) PS to Hon'ble Minister (WR,RD&GR), Shram Shakti Bhawan, N. Delhi-110001
- 2) PPS to Secretary, MoWR,RD&GR, Shram Shakti Bhawan, New Delhi-110001
- 3) PS to Director General, NMCG
- 4) Executive Director (Projects, Finance, Technical, Admin), NMCG, N. Delhi
- 5) NMCG Officials / Sanction Folder /Guard File/Computer Cell, MIS/ NMCG.




(Nityananda Ray)
Deputy Secretary, SMD

Rehabilitation of Garden Reach STP, 57 MLD capacity and Keorapukur STP, 45 MLD capacity including 15 years O&M under Hybrid Annuity based PPP mode at Kolkata city in the state of West Bengal.

1.0 General Conditions:

- i. 'West Bengal, State Programme Management Group (SPMG), which is a registered society, shall be responsible for coordination with the KMC, and other State level Institutions for overall planning, management and effective implementation of the project at state level.
- ii. The Kolkata Municipal Corporation(KMC) shall be the Executing Agency (EA) for the project to be implemented under Hybrid Annuity based PPP mode, as the per provisions laid down in the NGRBA programme framework, under the guidance of the SPMG, and overall monitoring of the National Mission for Clean Ganga (NMCG).
- iii. The project will be executed in Hybrid Annuity based PPP model and needs to be suitably aligned with the 'Strategic Sanitation Plan'/ 'City Sanitation Plan'/ 'Master Plan' for Kolkata city. Also, synergy shall be ensured with other Central/State sponsored programme like JnNURM, UIDSSMT,AMRUT etc. in the city of Kolkata to avoid any overlap / duplication.
- iv. The cost towards 15 years Operation and Maintenance (O & M) has been included in the project cost. However, Operation and Maintenance (O & M) of the project for the period beyond 15 years will be responsibility of the State Government/ Urban Local Body. Sustainable revenue generation from beneficiaries, re-use of treated effluent and waste to energy etc. shall be encouraged.
- v. The project is to be implemented within 24 months including bidding period.
- vi. SPMG, KMC and ULB shall not carry out the foundation stone lying/ inaugural function of the said project without consent of NMCG as its 100% central funding and requires many formalities to be observed prior to foundation stone lying / inaugural functions.
- vii. State Government/ Executing Agency shall follow the applicable procurement procedures.
- viii. The land for the STP will need to be provided by the State Government of West Bengal.
- ix. State Government/ Executing Agency shall comply with all the observations of TPA/ NMCG before bidding and during implementation wherever possible.
- x. State Government/ Executing Agency shall generate wastewater flow data (drain), wastewater characteristics and river water quality monitoring through actual monitoring and analysis at regular intervals (at-least monthly basis).
- xi. No untreated municipal wastewater should be allowed to fall in the Ganga river in Kolkata, Kolkata Municipal Corporation area. Further State need to explore the alternatives for the recycling of treated waste water in local settings to reduce fresh water demand.
- xii. The activities proposed under the project shall conform to all Environmental Legislations, any judicial orders in force at the site of work and the NGRBA programme framework.
- xiii. KMC shall ensure that the concessionaire shall commence detailed design & implementation of the works based on extensive survey. Proper investigation, should



- be carried out before execution to achieve economy in the proposal as well as to avoid any shortfall in the design as per CPHEEO manual.
- xiv. Standard procedure as indicated in the CPHEEO manual on Sewerage & Sewage Treatment and codes of practice of BIS will be strictly followed.
 - xv. The Executing Agency would take "Consent to Establish" and "Consent to Operate for STPs from the State Pollution Control Board.
 - xvi. Progress of implementation of the project shall be closely monitored by the State Government of West Bengal /SPMG so as to ensure that the project is completed within the stipulated period of time.
 - xvii. All components of the project shall be completed within specified time limits and the resources and outputs and outcomes are to be ensured as envisaged in the approved project. Completion Report shall be submitted to NMCG on completion of the project.
 - xviii. Any additional component relevant for project or any component require modification or deletion, may be added or modified or deleted as the case may be, only with the prior approval of the Competent Authority.
 - xix. Staffs that may be employed for preparation, execution or operation of the project by the EA are not to be treated as employees of the SPMG/ NMCG/Concessionaire. The deployment of such staff at the time of completion or termination of the project will not be the concern or responsibility of the SPMG/ NMCG.
 - xx. Optimal utilization of the assets relating to the project and created under Ganga Action Plan or any other Central/ State Plan shall also be ensured by the SPMG/ EA/ ULB.
 - xxi. All data, records, documents and material related to the project shall be stored properly and catalogued by the SPMG/ EA for reference and retrieval including regular uploading/ disclosure/ updating of such data on website.
 - xxii. The State/ SPMG/ EA shall ensure that all provisions of the RTI Act 2005 are adhered to as far as information pertaining to the project is concerned.
 - xxiii. The State/ SPMG/ ULB shall ensure that public is informed in the State/ city of Kolkata regarding implementation of the project and soliciting their co-operation and views as applicable.
 - xxiv. For the provisions made under IEC activities, the SPMG shall make suitable arrangements with HMC for executing the 'Communication and Public Outreach' programme under its supervision towards sensitization of people for abatement of pollution and conservation of river Ganga.
 - xxv. Conditions/ commitments indicated in this Approval, Executive Committee Memorandum, Minutes and other documents including those to be fulfilled before finalizing the bid document(s) shall be strictly adhered to in the project implementation and management. The SPMG will ensure fulfillment of such conditions before finalizing the bid(s) by the EA. Copies of EC Memorandum, Minutes, appraisal reports, observations and other related documents are already circulated.
 - xxvi. KMC shall be responsible for ensuring commitment to ownership, commitment to reforms for sustainable O & M, and community involvement.

2.0 The release of funds is subject to the following terms and conditions:-

2.1 Annual Plan and Procurement Plan:

- i. The Annual Plan and yearly Procurement Plan shall be prepared by the month of November every year for the next financial year as per the provisions made in the NGRBA



programme framework and submitted by the SPMG to the NMCG for necessary approval and budget allocations.

- ii. The SPMG shall furnish to the NMCG annually a report of its work within three months from the closing of the respective financial year.

2.2 Financial Aspects:

- i. The SPMG/ ULB shall take all necessary legal and executive measures to ensure adequate resources available for operation & maintenance of the assets created under the Project to fulfill its mandate.
- ii. The SPMG/ EA are not permitted to seek or utilize funds for the same purpose from any other organization (Government, semi-Government, autonomous or private) without prior approval of the competent authority.
- iii. The sanctioned amount should be spent exclusively thereon as per the scope of the project and within the stipulated time. For carrying forward any work(s)/ activities beyond the specified time limit prior approval of the NMCG should be obtained.
- iv. It is the responsibility of the SPMG/ EA/ ULB to ensure that the assets are exclusively used for the purpose for which the grant is sanctioned and to maintain the assets and their records properly.
- v. All the assets acquired/created out of the grants shall not be disposed of, encumbered, or utilized for any purpose other than that for which sanctioned without prior approval of the Government.

2.3 Audit:

- i. The Comptroller & Auditor General of India (the External Auditor) at his discretion shall have the right of access to the project related documents and books of accounts (if applicable) of the SPMG/ EA for the purpose of Audit.
- ii. The project related documents and books of accounts (if applicable) of the grantee, relating to this grant, shall be open to Audit by the Internal Auditor of the SPMG and the External Auditor.
- iii. The overall auditing arrangements to cover both periodical internal and annual external audit of project shall be ensured as per the 'Financial Management Manual (FMM)' of the NGRBA programme framework.

2.4 Flow of Funds:

1. In accordance with the concession agreement, under Hybrid Annuity based PPP mode, 40% of the project capital cost after adjustment for change in price indices, will be paid during construction period in installments as and when the Construction milestones are achieved as per the construction plan submitted by the concessionaire. Balance 60% of the capital cost along with applicable interest as per concession agreement will be paid over the Concession Period of 15 years along with, power charges and Operation & Maintenance (O & M) charges. The concessionaire is entitled to receive quarterly payments of Annuity, Power charges and O & M charges during the concession period. While power charges are treated as pass-through (reimbursable on actual basis), the O & M charges shall be adjusted for variation in price indices as per concession agreement.



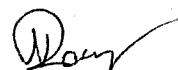
2. Funds for the project implementation will be released by GOI/NMCG in suitable installments and in accordance with the provisions of Concession Agreement through an Escrow Account opened by NMCG for the purpose. NMCG, Project Executing Agency (KMC), the Concessionaire and the Escrow Bank shall enter into an Escrow Agreement as per the provisions of Concession Agreement. Deposits and withdrawals from the Escrow account shall be in accordance with the provisions of the Escrow Agreement and the Concession Agreement only.
3. NMCG will deposit and maintain in the Escrow Account, a Minimum Escrow Balance as per the provisions of the Concession Agreement.
4. During the construction period, the Project Executing Agency shall issue certificate of payment to the Escrow Bank on achievement of construction milestones by the Concessionaire in accordance with the provisions of Concession Agreement.
5. During O & M period the Payment Certificate shall be issued by the Project Executing Agency to the Escrow Bank on achievement of Key Performance Indicators as per the provisions of the Concession Agreement.
6. Escrow Bank will release payments to the Concessionaire upon the receipt of the Payment certificate issued by the project Executing Agency.
7. The project Executing Agency/SPMG shall furnish to NMCG, a monthly report showing progress of work and payment made thereupon along with a copy of the Payment Certificate issued to the Escrow Bank during construction and O & M period. On completion of construction the project Executing Agency/SPMG shall submit a detailed report on the Completion Cost, total payments made during construction and balance Completion Cost reckoned to be paid as Annuity during the O & M period.

2.5 Submission of Monthly and Quarterly Physical Progress Report (MPPR / QPPR):

- i. The Monthly Physical Progress Reports (MPPRs) shall be submitted by the 5th day of every month regularly by the EA to the SPMG and by the 10th day of every month regularly by the SPMG to the NMCG. The Quarterly Physical Progress Reports (QPPRs) shall be submitted to the State Ganga Council and NMCG within 30 days from the end of each quarter.
- ii. The MPPRs in standard format, to be developed by the EA in consultation with SPMG, shall be signed by at least two designated officers of the EA, one of whom will be Chief Project Coordinator, KMC and also by at least two designated officers of the SPMG, one of whom will be the Programme/ Project Director.
- iii. The signing officers will indicate her/ his name and designation in full in capital letters and affix official seal under the signature. While MPPR submitted by fax will be acceptable for commencement of processing the case, ink-signed MPPR must follow by Post.
- iv. Consistency between physical progress and expenditure shall be maintained and reasons for substantial variations i.e., more than 10% shall be appropriately explained against each item.

2.6 Submission of Accounting and Financial Reports (AFR) by the EA:

- i. The EA shall furnish monthly 'Accounting and Financial reports (AFRs)' by the 10th day of every month with all relevant documents and materials as per the 'Financial



Management Manual (FMM)' of the NGRBA programme framework after commencement of the project to the SPMG and by the 20th day of every month regularly by the SPMG to the NMCG.

- ii. The 'Accounting and Financial Report (AFR)' in standard format, to be developed by the EA in consultation with SPMG, shall be signed and stamped by the Head of the Accounts Department and Head of the Organization, KMC.
- iii. The name and designation of the officers signing the AFR shall be clearly mentioned in full and in capital letters. While AFR submitted by fax will be acceptable for commencement of processing the case, ink-signed AFR must follow by Post.
- iv. As part of the AFR, the EA shall submit the followings to the SPMG:
- v. Invoices of suppliers/ contractors against which online payment instructions issued by the EA in the previous month.
- vi. A list of invoices received and not paid during the previous month.
- vii. A list of contracts signed during the previous month.

2.7 Submission of Utilization Certificates (UCs):

- i. The quarterly Utilization Certificates (UCs) in the prescribed format (GFR 19A & 19B) shall be furnished by the EA to the SPMG in respect of grant-in-aid received during the various quarters within 30 days from the end of quarter, duly signed and stamped by the Head of the Organization, Head of the Accounts Department and field level functionary at executive engineer level / Principal Investigator, as applicable.
- ii. The SPMG shall submit quarterly UCs, duly countersigned and stamped by the Head of the SPMG and the State authorities within 15 days on receipt of the same from the EA.

2.8 Inspection and Monitoring:

- i. The 'West Bengal State Ganga Council' shall ensure close monitoring and evaluation of progress of the project, and also monitor implementation performance of the EA.
- ii. City level Citizen's Monitoring Committees (CMC) shall be constituted in Kolkata city to serve as a transparency mechanism on flow of project /programme related information to citizens and key stakeholders and to garner their feedback on project /programme processes, as described in the NGRBA programme framework. Social audit will be conducted by the CMC as per the provisions of the NGRBA programme framework.
- iii. NMCG may depute any person to visit the SPMG/ EA for the purpose of monitoring its work and accounts of the SPMG. Full co-operation shall be provided by the EA to the persons deputed for inspection.
- iv. Time and cost overrun leading to delay in implementation of projects is viewed with serious concern by the Central Government and as per instructions contained in Cabinet Secretary's D.O. letter No. 261/1/10/2000-Cabinet, dated June 4, 2001 read with Planning Commission's D.O. letter No. O-14015/2/98-PAMD, dated 19.08.1998 (kindly visit NGRBA website/ 'Project Monitoring' for details). Mandatory review of the project must be carried out from time to time so as to assess the expenditure trend and time schedule of the project and appropriate action against those responsible for delay shall be taken, in accordance with the instructions.
- v. The Director General, NMCG may monitor overall progress of project periodically from time to time.

