



ABSTRACT

JICA – TNUIP – Water Supply – Water Supply Improvement Scheme to Tiruchirappalli City Municipal Corporation – Revised Administrative Sanction – Accorded – Orders issued.

MUNICIPAL ADMINISTRATION AND WATER SUPPLY (MA2) DEPARTMENT

G.O.(D) No.86

Dated: 21.02.2011

Read:

1. G.O. (Ms) No. 134, Municipal Administration and Water Supply Department, dated 25.9.2007.
2. From the Director of Municipal Administration Letter Roc.No. 2620/2007/Ws3, dated 28.12.2010.

Read also.

ORDER:

In the G.O. first read above, the Government accorded administrative sanction for Water Supply Improvement Scheme to the Tiruchirappalli Corporation at a cost of Rs. 144.86 crore.

2. In the letter second read above, the Commissioner of Municipal Administration, among others, has stated that the project cost for Tiruchirappalli Water Supply Improvement Scheme has been increased and the Cost of the project has been increased from Rs. 144.86 crore to Rs. 221.42 crore due to the following reasons:

- There was either no response or poor response to the first, second and third calls for the tender invited by the Corporation for the scheme.
- The estimates were prepared based on 2007-08 schedule of rates. Revision was warranted due to the revision in the schedule of rates over the past 3 years.
- Provision for comprehensive improvements to the distribution system.
- Tender premium

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- Provision for payment to be made to other departments such as NHAI, Railway etc.

In view of the above, there is a need to reappraise the project to arrive at the revised means of finance for the revised cost of the project.

The Tiruchirapalli City Corporation Council has also resolved to collect the increased tariff and deposits upon completion of the scheme vide its resolution No: 258, dated 20.9.2007 as indicated below.

(in Rs.)

Type of Connection	Existing Deposit	Proposed Deposit	Existing Tariff	Proposed Tariff
Domestic	3,000	5,000	85	160
Non Domestic	6,000	10,000	250	600

As per the JICA Grant Fund I Guidelines, the ULB will be eligible for grant of 20% of the project cost subject to satisfying the following conditions:

- More than 20% of project beneficiaries shall be the people living below the poverty line.
- 80% of property tax should have been collected in the past three years prior to the project investment year.
- The Urban Local Body should have repaid all loan dues for two years prior to the project investment year.

Based on the information furnished by the ULB, it was observed that Tiruchirapalli City Corporation fulfills only the above first and third conditions and not the second one. Though the project is financially viable with 20% grant, considering the financials of the ULB, which has to contribute an amount of Rs. 18.90 crore from its general fund to meet the cost escalation, a higher grant of 30% of the project cost has been considered. Hence, the additional grant amount of Rs. 41.43 crore over and above the grant already sanctioned for Rs. 25 crore has been considered. Accordingly, the revised means of finance has been worked out as follows:

Sl.No.	Particulars	Rs.in crore	Percentage (%)
(i)	JBIC Grant Fund I	66.43	30.00
(ii)	ULB Contribution	43.74	19.76

(iii)	TNUIP Loan	111.25	50.24
	Revised Project Cost	221.42	100.00

The issue of Revised Administrative Sanction was discussed by the Principal Secretary, MAWS Department during the review meeting held on 16.12.2010. The issue of according Revised Administrative Sanction with revised means of finance was approved by the Empowered Committee of JICA held on 22.12.2010. The Empowered Committee has resolved to recommend to approve the enhanced cost of the project with the revised means of finance as indicated above.

3. The Director of Municipal Administration has therefore requested the government to accord the Revised Administrative Sanction for the Tiruchirapalli water Supply Improvement Scheme under JICA, at a revised installation cost of Rs.221.42 crore with an annual maintenance cost of Rs.353.00 lakh.

4. The Government after careful examination accept the proposal of the Commissioner of Municipal Administration and accord Revised Administrative Sanction for the Tiruchirapalli water Supply Improvement Scheme under JICA, at a revised installation cost of Rs.221.42 crore with an annual maintenance cost of Rs.353.00 lakh and to ensure that the revised administrative sanction now accorded is as per JICA assistance guidelines.

5. This order issues with the concurrence of Finance Department vide its U.O. No. 13/JS (KK)/2011, dated 12.01.2011.

(BY ORDER OF THE GOVERNOR)

K. ASHOK VARDHAN SHETTY,  
PRINCIPAL SECRETARY TO GOVERNMENT.

To  
The Managing Director and Chief Executive Officer,  
Tamil Nadu Urban Infrastructure Financial Services Limited,  
Chennai - 17.

The Commissioner of Municipal Administration,  
Chennai - 5.

The Accountant General, Chennai-18.

The Accountant General (Audit), Chennai-18.

The Resident Audit Officer, Chennai - 5.

The Director of Local Fund Audit, Chennai - 108.

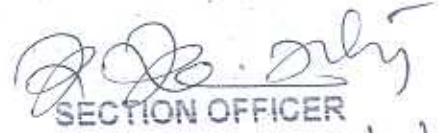
Copy to:

The Private Secretary to Principal Secretary, Municipal Administration and Water Supply Department, Chennai-9.

The Finance (MAWS) Department, Chennai-9.

The Municipal Administration and Water Supply (Budget / OP II) Department, Chennai - 9.

/ Forwarded by Order/

  
SECTION OFFICER

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