

Circular

Sub:- Basic services – Urban Local Bodies – privatization of the basic services to the Public for effective implementation – guidelines prescribed - instructions issued – regarding.

Ref:- GO (Ms) No: 69 Municipal Administration & Water Supply Department, Dated: 04.05.98

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In the reference cited, Government had formulated guidelines for the privatization of the municipal basic services to the public for effective implementation, as follows:-

a. Primary Services:-

- 1) Solid Waste Management
- 2) Street Lights Maintenance
- 3) Roads and Bridges
- 4) Water Supply and Sanitation

b. Other Services:-

- 5) Parks maintenance
- 6) Shopping Complexes maintenance
- 7) Markets
- 8) Public toilet facilities

Accordingly, Government had prescribed the following procedures before the finalization of privatization of the above public services:-

a) The rates for the above services should be decided by the competitive bids for the effective implementation.

b) It should not affect the present strength of working employees at any cost.

c) Since, the basic parameter for the finalization of the contract should be similar for all contracts, obvious and understanding, the tender procedures easily and should be transparent.

Of late, it has come to know to this office that the Urban Local Bodies were not adhering to the above guidelines and instructions and there were several procedural lapses, as follows:-

i] The Urban Local Bodies have not prescribed the common basic rates.

ii] The rates were accepted as in the bids without any analysis and comparison with others.

iii] The rates vary highly from local body to local body.

iv] The Urban Local Bodies are not following uniform procedure

The reason for all these lapses were due to non-availability of technical expertise and institutional capacity in the Urban Local Bodies. The success of private sector participation lies in the ability of the municipal authority to enforce an effective contract agreement following due procedures of law.

Hence, a committee has been formed in this Commissionerate to analyse the privatisation projects to facilitate the local bodies to have a good contractor and healthy contract agreement.

State Level Committee:-

- 1] Additional Directors of Municipal Administration.
- 2] The concerned dealing officer of this Commissionerate.
- 3] Chief Engineer / Superintending Engineer.
- 4] Joint Director of Municipal Administration (Administration)
- 5] Joint Director of Municipal Administration (Corporation)
- 6] Financial Advisor

Hence, all the Commissioners are requested to obtain first in principal clearance of the Commissioner of Municipal Administration to take up any project, work on Public Private Partnership mode with proper funds tie up in order to have sustainability and not to have interruption in services abruptly in the middle of the agreement period.

Then after following "Transparency in Tender Rules' 2000" concurrence of the Commissioner of Municipal Administration shall be obtained for technical bid and price bid in order to have fair pricing and strong uniform agreement for all the Urban Local Bodies.

Hence, all the Commissioners are requested to follow the above procedure before taking up any Public Private Partnership project scheme or privatisation of services like solid waste management, cleaning of streets, toilets, water supply maintenance, parks, roads maintenance, markets, shandies etc.

All are requested to acknowledge this circular immediately by return of post as well as by E-Mail.


For Commissioner of Municipal Administration

To

- 1] The concerned Officers of this Commissionerate.
- 2] All the Corporation Commissioners
(except Chennai)
- 3] All the Municipal Commissioners
- 4] All the Regional Directors of Municipal Administration