

Roc No. 39774/2006 /UGSS1

Dated.10.11.2009

CIRCULAR

Sub: TNUDP III/ JNNURM /UIDSSMT /JICA /KfW
Implementation of Water Supply and Under Ground
Sewerage Scheme – Co-ordination meeting of ULB with
TWAD Board / CMWSSB – Project implementation -
Payment to Implementing Agencies – Certain instruction
issued – Regarding

Ref : 1. This Office circular even no dated.18.09.2006.
2 Review meeting Conducted by the Secretary (MA&WS)
on 14.10.09

The ULBs have taken up a number of Water Supply/UGSS schemes which are being implemented through the Tamil Nadu Water Supply and Drainage Board (TWAD) / Chennai Metropolitan Water Supply Sewerage Board (CMWSSB).

In the reference 1st cited, clear instructions were given for the release of Payment to the implementing Agencies towards implementation of Water Supply and Sewerage Scheme taken up under various scheme and being implemented by TWAD Board/CMWSSB.

It is surprising to note that even after repeated instructions, still certain ULBs are not releasing the fund to the Implementing Agencies in time, even after they received the funds from the Financial Institutions such as TNUIFSL /TUFIDCO etc., which is hampering the progress of the works. It is also observed that are numbers of co-ordination issues between ULBs and the implementing agencies.

In order to avoid any delay, the following procedure for the disbursement of funds to the implementing Agency is furnished for follow up.

1. In order to sort out all outstanding issues the Commissioner/Executive Officer shall conduct weekly co-ordination meeting with the officials of TWAD Board / CMWSSB and the contractors on every Friday at 3.00 pm to sort out all the outstanding issues such as land issues, Pollution Control Board approvals, funding issues, selection of roads on priority execution, safety issues etc. This is a crucial step to achieve faster completion of the project.

2. The Commissioner shall obtain the copy of the work order & Agreement and 'mobilization advance' as per the bid condition may be released to the Implementing Agencies.
3. Commissioner shall obtain the quarterly fund requirement from the Implementation Agencies for implementation of the project with respect to milestone activities mentioned in the agreement.
4. Based on the above, (proposed physical and financial progress indicated by the Implementing Agencies), drawal of funds from the financial Institutions may be worked out and accordingly funds may be drawn and kept in the Municipal account.
5. The TNUIFSL / TUFIDCO may be approached for drawal of grant portion first and based on the above ie (2) & (3) the payment should be made to the Implementing Agency.
6. The Municipal Commissioners are instructed to verify whether the centage charges are as per the guidelines of the programme.
7. An amount Rs.1 crore must be made available with implementing Agency as a buffer fund till the completion of the project (Over and above the SOE)
8. It is also ensured that the Statement of Expenditure (SOE) for the expenditure incurred based on the Implementing Agencies with all necessary enclosure as prescribed by the Financial Institutions must be obtained periodically and submitted to the funding agency for drawal of further funds.
9. All the ULBs must ensure that sufficient fund is made available in the Municipal Account so that the progress of the work is not affected for want of funds (or) delay in payment to the contractors..
10. The concerned councils must be intimated periodically of the physical & financial progress of the scheme.

11. Early action must be taken to get the bye-law approved so as to mobilize public deposit and meet the ULB contribution towards the project. While all out efforts be made to collect public deposit, in cases where there are delays in getting next installment or mobilizing adequate deposit, 'bridge loan' may be arranged with the financial institutions, so as to ensure proper fund flow to the implementing agencies.
12. Delay in payment of funds to implementing agencies will be viewed seriously and must be avoided.

The receipt of the circular be acknowledged by return of post.

Sd/- P.Senthilkumar
Director of Municipal Administration

To.

1. All Corporation Commissioners
2. All RDMA's
3. All Municipal Commissioners / Executive Officers

Copy to

1. The Chairman and Managing Director, TWAD Board, Chennai-5
2. The Managing Director, CMWSSB, Chennai-2
3. The Chairman and Managing Director, TUFIDCO, Chennai
4. The Managing Director and Chief Executive Officer, TNUIFSL, Chennai-17.
5. All the officers O/o the DMA.
6. ITS, O/o the DMA
7. The Director, TNIUS.

// Forwarded by order//


11/11/09
For Director of Municipal Administration


11/11/09