



## **ABSTRACT**

TNUDP III – Implementation of Under Ground Sewerage Scheme in Vellore Corporation – Revised administrative sanction and sanction of additional Grant – Orders – issued.

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## **MUNICIPAL ADMINISTRATION AND WATER SUPPLY (MA2) DEPARTMENT**

**G.O.(D).No. 555**

**Dated: 30.12.2009**

**Read:**

1. G.O (D) No.19, MAWS (MA3) Dept dated 19.10.2005.
2. Letter from the Director of Municipal Administration Letter Roc. No.57321/2000/ UGSS1, dated 14.12.2009

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### **ORDER:**

In the G.O first read above, administrative sanction has been accorded for implementation of Under Ground Sewerage Scheme to Vellore Corporation at an estimated cost of Rs. 30.00 crore.

2. In the letter second read above, the Director of Municipal Administration has stated that the Under Ground Sewerage Scheme for Vellore Corporation was taken up for implementation with the Administrative Sanction of the Government accorded in G.O.(D) No.19 MA&WS Department Dated. 24.01.2006 at an estimated cost of Rs. 30.00 crore. The Scheme was taken up for implementation by the ULB itself by appointing Project Implementation Unit separately. The work was taken up for implementation in 3 Packages i.e., 2 Packages for Collection System and the Package 3 for STP with Activated Sludge Process (ASP) instead of the Waste Stabilization pond Technology (WSP) sanctioned originally. He has furnished the following reasons for escalation of project cost:

1. There was no response for the first two calls invited by the Municipality and the bids received in the 3<sup>rd</sup> call was with higher percentage over the departmental value so it was rejected by the Tender Award Committee.
2. As the estimate was prepared based on the 2004 – 2005 schedule of rates and revision was warranted because of the revision of further period of three years which resulted in enhanced project cost.
3. Due to change in location of the STP the design and estimate was revised.

4. Due to tender excess in Collection System and Sewerage Treatment Plant bids.
5. Due to the increase in payment to the Highways Department and Road Restoration charges.
6. To include the claim of the contractor based on the price variation clause provided in the agreement.

3. The Director of Municipal Administration has also stated that the proposed scheme is to be implemented under the TNUDP-III with the revised financial tie up as follows:

	(Rs. in crore)	Percentage
TNUDP III Grant	9.00	22.91%
Local body's contribution & Public contribution	8.93	22.73%
Additional Grant	9.87	25.12%
Loan – TNUDP III	11.47	29.24%
Interest During Construction	1.22	
<b>Total project cost</b>	<b>40.49</b>	<b>100%</b>

4. The Director of Municipal Administration has also stated that the Municipal Council has resolved in its Resolution No.846 dated. 30.11.2009 for the revised funding pattern as above . After completion of the scheme the local body will maintain the scheme. The possibility for privatization will be explored including recycling of treated wastewater for industrial use.

5. In the above circumstances, the Director of Municipal Administration has stated that the recommended the revised proposal for the implementation of comprehensive sewerage scheme for Vellore Corporation at an estimated cost of Rs.39.28 crore to install and Rs.1.15 crore to maintain annually for the present population and decided to go in for the revised financial assistance as recommended by the TNUDF. The proposal has been approved by the 7<sup>th</sup> meeting of the State Level Project Sanctioning Committee (SLPSC) held on 17.11.2009 and recommended to the Government for according Revised Administrative Sanction with the above funding pattern and Financial Operating Plan (FOP).

6.The Director of Municipal Administration has requested the Government to accord the Revised Administrative Sanction for the implementation of Under Ground Sewerage project in Vellore Corporation at an estimated cost of Rs. 39.28 crore to install and Rs.1.15 crore to maintain annually and to sanction an additional grant of Rs.9.87 crore in relaxation of Grant Fund guidelines considering the poor financial status of the Municipality.

7. The Government have carefully examined the proposal of the Director of Municipal Administration and the recommendation of the 7<sup>th</sup> State Level Project Sanctioning Committee (SLPSC) and hereby accord the Revised Administrative Sanction for the implementation of the Under Ground Sewerage project in Vellore Corporation at an estimated cost of Rs. 39.28 crore to install and Rs.1.15 crore to maintain annually and also sanction an additional grant of Rs.9.87 crore under Grant Fund I of TNUDP III in relaxation of Grant Fund I Guidelines.

**(BY ORDER OF THE GOVERNOR)**

**NIRANJAN MARDI,  
SECRETARY TO GOVERNMENT.**

To

The Director of Municipal Administration, Chennai – 600 005.

The Managing Director and Chief Executive Officer,

Tamil Nadu Urban Infrastructure Financial Services Limited, T. Nagar, Chennai – 17.

The Managing Director, Tamil Nadu Water Supply and Drainage Board, Chennai – 600 005.

The Commissioner, Vellore Corporation. (Through Director of Municipal Administration)

The Pay and Accounts Officer, Chennai – 9/35.

The Accountant General Officer (Audit) Chennai – 18/35.

The Resident Audit Officer, PAO, Chennai -9

**Copy to:**

The Finance Department, Chennai -9

The Senior Personal Assistant to Minister(Fin) Chennai-9

The Senior Personal Assistant to Deputy Chief Minister, Chennai -9

The Personal Secretary to Secretary, MA&WS, Dept., Chennai -9

SF/SC

**/ Forwarded by Order/**

**SECTION OFFICER**