Performance based Contracts for Private Sector in FSSM services in Maharashtra, India

Aasim Mansuri

Dr. Meera Mehta, Dr. Dinesh Mehta, Aditi Dwivedi

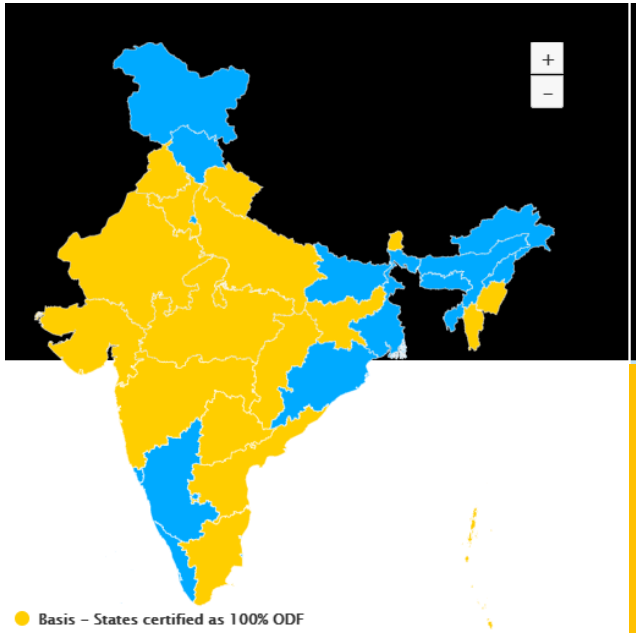
Center for Water and Sanitation, CEPT University

CWAS CENTER FOR WATER AND SANITATION | CEPT UNIVERSITY

AfricaSan5 FSM5

Achievements under Swachh Bharat Mission (Urban) – A flagship programme

Focus has been largely on toilet construction



54,64,727
Constructions Achieved
Individual Toilets

4,64,250
Constructions Achieved
Community & Public Toilets

3,461
No. of Cities
Open Defecation free

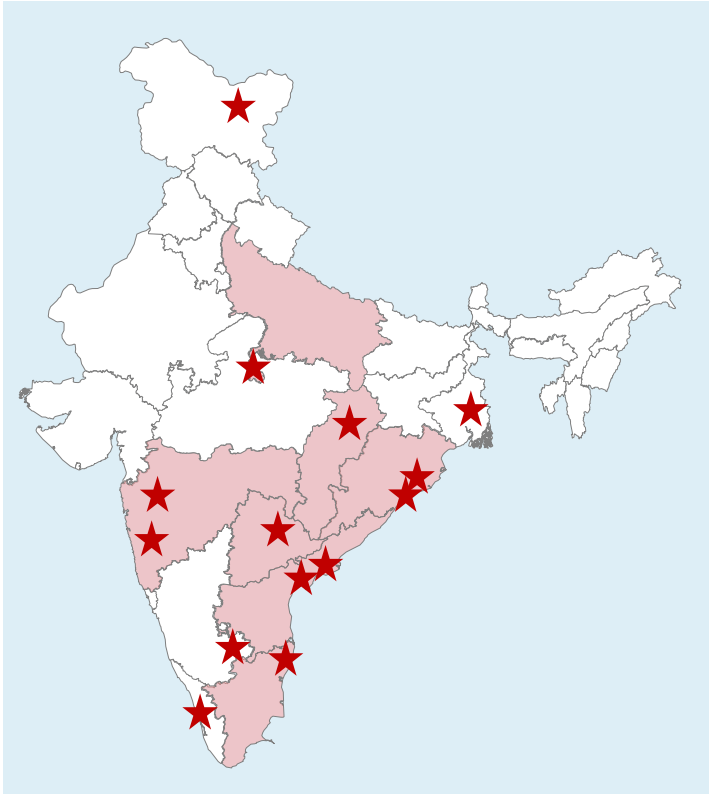
The focus has now moved beyond toilets to ODF +/++ . . .

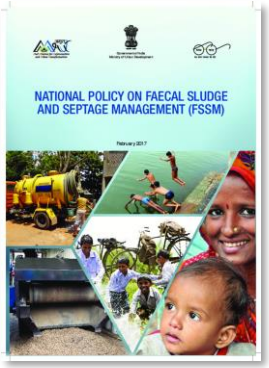
Source: SBM website (Dated – 27.9.2018)

National level experience on ODF++ (FSSM) in India . . .

- Over the past two years FSSM has received increasing attention and a national FSSM policy has been adopted.
- Government of India has undertaken several policy and programme initiatives, AMRUT FSSM sub-mission
- Many states have undertaken FSSM projects in their cities

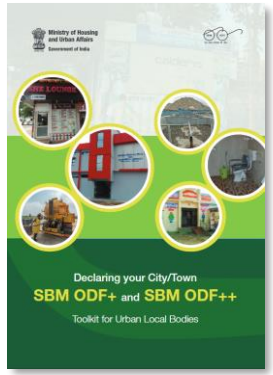
~400+ FSTPs at planning or implementation phase





SWACHH SURVEKSHAN 2018

SWACHH SURVEKSHAN 2019



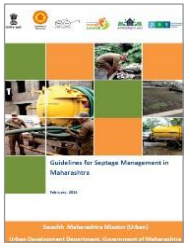
Focus on FSSM by Government of Maharashtra . . .

- Increased focus on moving ODF cities towards ODF+ after declaring Urban Maharashtra ODF on 2nd Oct. 2017

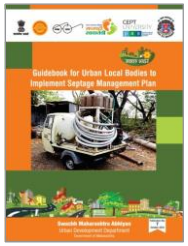
- Maharashtra Government has passed resolutions, directing to move towards ODF+/++ and to utilize Incentive grant and 14th FC funds for ODF++ activities

GR on ODF,ODF+, ODF++ framework

GR on use of 14th FC & Incentive Funds



Septage Management Guidelines

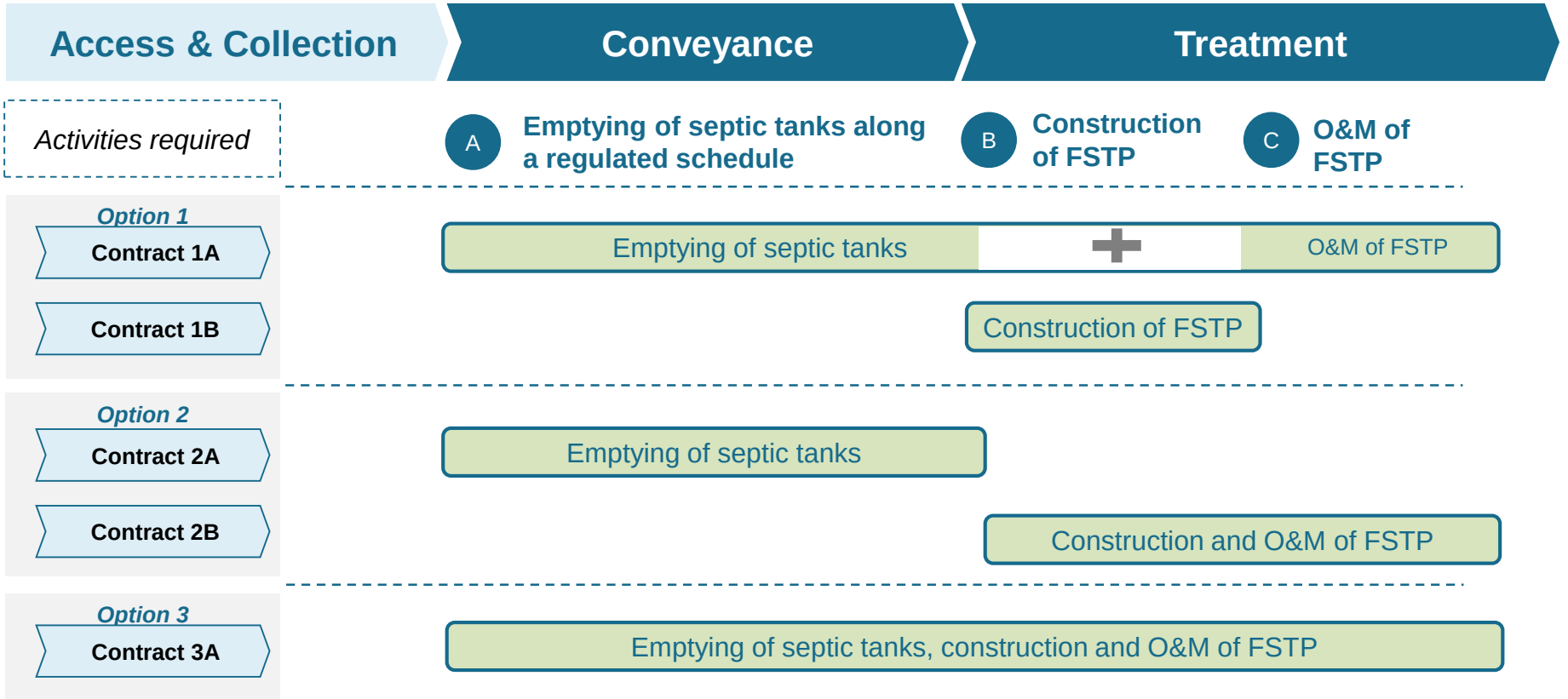


Step by Step Guide for ODF++

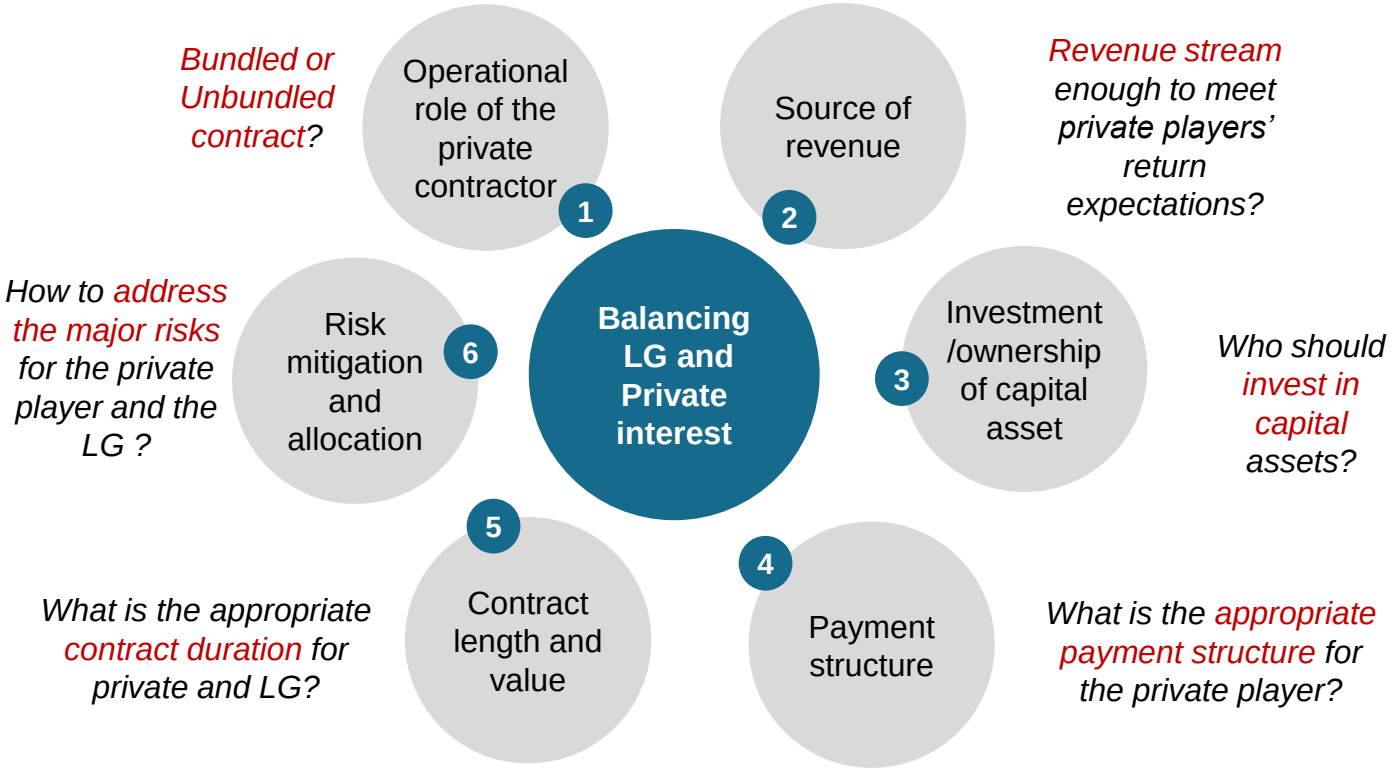
Chief Minister's Speech on occasion of declaring Urban Maharashtra ODF on 2nd October 2017

Huge market for Private Sector in FSSM !!!

Possible engagement models with Private sector in FSSM . . .

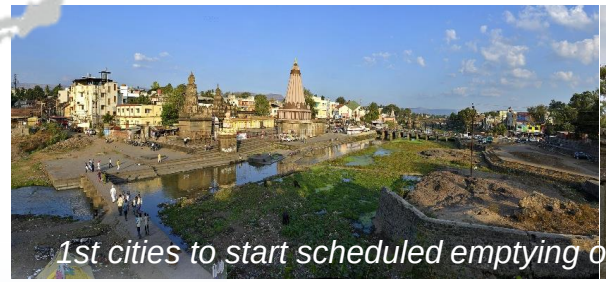


Creating a balanced performance based contract . . .



Using these stages... Cities engaged with Private sector

Wai & Sinnar cities



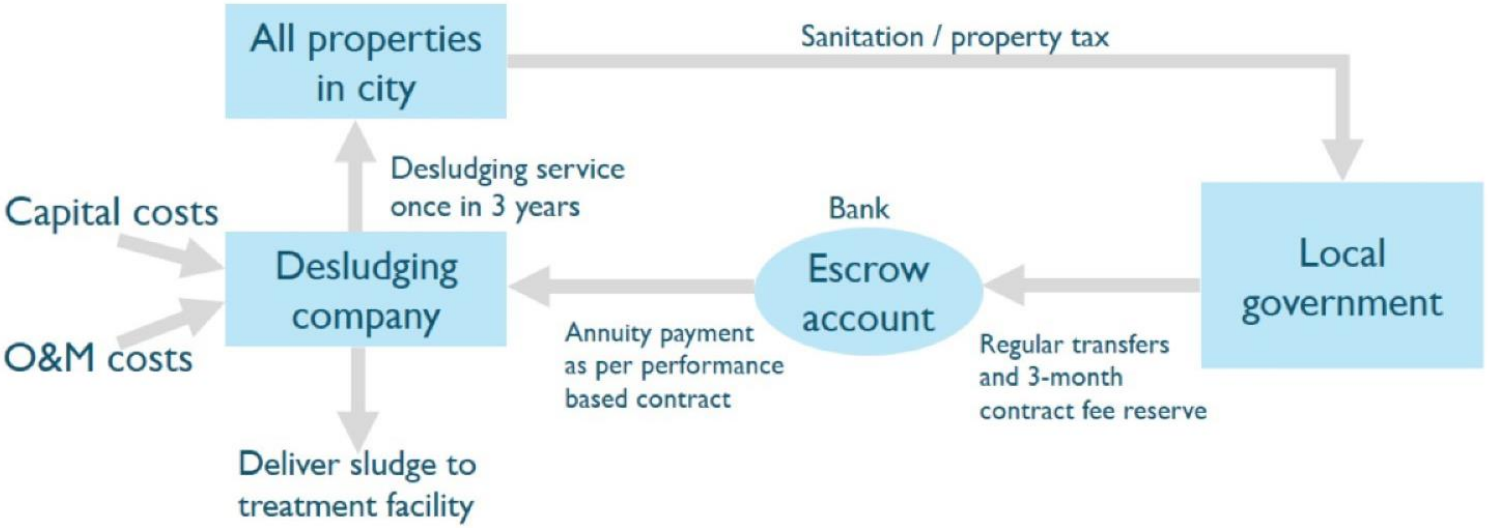
1st cities to start scheduled emptying of septic tanks

- Cities of Wai and Sinnar – both within 200 km from Pune and Mumbai respectively
- 1st cities to start scheduled emptying of septic tanks
  - Wai became first city in India to start such a service on May 30,2018
  - Sinnar set to start similar service
- 2-3 trucks to desludge ~2000 septic tanks annually in Wai and 3-4 trucks to desludge 4000 septic tanks annually in Sinnar for a 3 year cleaning cycle.

Achievements so far

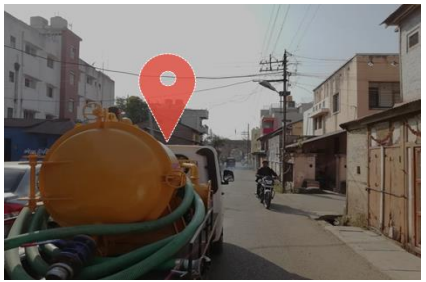
- 500+ septic tanks covered by scheduled desludging done in 8 months
- Since last 2-3 months…
  - 7-8 septic tanks desludged per day as compared to 7-8 per month in 2017 with demand desludging
  - 2.5 million liter septage delivered to treatment facility
  - 90%+ acceptance rate from HHs
- Sanitation workers now wear safety gear regularly
- Households pay sanitation tax instead of high user charges for desludging

Performance linked annuity for scheduled desludging . . .



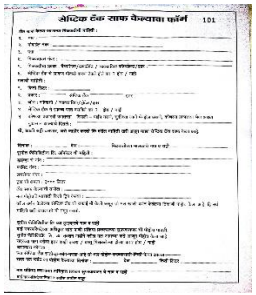
SafeGuard for LG : Performance linked payments. . .

- Payments based on achieving agreed targets of septic tanks emptied
  - *Payment deduction for non-achievement of targets*
- Clauses to ensure safety standards - use of PPE and vigilance against manual scavenging
- Clauses to ensure safe disposal of septage and non - spillage
- Emergency emptying's also included in contract

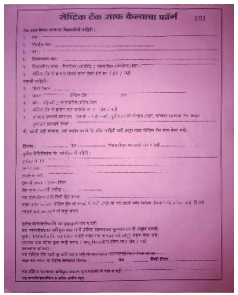


Performance linked Monitoring Mechanism of emptying service

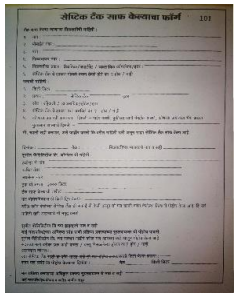
Daily report on septic tanks emptied by private operator to LG



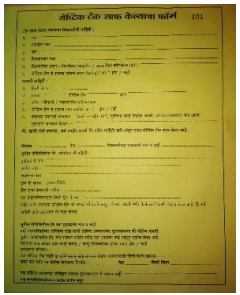
LG's copy



Property owner's copy



Treatment plant's copy



Private operator's copy

Collection and transport record form Serial No: _____

i. **Details of Waste Generator**

a) Name :
b) Phone Number:
c) Address :
d) Property Tax Number :
e) Type of building : Individual house / Apartment / Commercial complex / Other (specify)____
f) Was the Septic tank cover open (Yes / No)

ii. **Identification of Waste:**

a) Volume _____ liters
b) Type : _____ Septic Tank _____ Others
c) Source : Residential/Commercial/Restaurant/Others _____
d) Septic tank cover placed back on Septic tank : Yes / No
e) Septic tank emptied : Yes / No
f) Any kind of deficiencies, missing pipes or fittings, improper manholes or access covers, any other cracks or damage observed : _____

The undersigned being duly authorized does hereby certify to the accuracy of the source and type of Fecal Sludge and septage collected and transported.

Date: _____, Time: _____, Name and Signature – Property owner: _____

iii) **Details of Sumeet Facilities Operator**

a) Name of Driver :
b) Permit :
c) Vehicle License no :
d) Truck Capacity :
e) Pump Out Date :
f) No. of trips taken to empty the septic tank:

The above described wastewater was picked up and hauled by me to the disposal facility named below and was discharged. I certify that the foregoing is true and correct:

Name and Signature of authorized transport agent and title: _____

iv) **Acceptance by Wai Municipality's authorized FSTP**

The above transporter delivered the described Fecal sludge and Septage to this treatment facility and it was accepted.

The waste was contaminated with solid waste or other kinds of waste: YES / No

Details (If yes): _____

No of trips received at the FSTP for this form: ____

Septage received at treatment plant: Date: _____, Time : _____, Volume : _____ liters

Name and Signature of authorized treatment plant operator signatory and title:

_____

NOTE: SUBJECT TO THE TERMS AND CONDITIONS OF WAI MUNICIPALITY

DAILY REPORT FORMAT 1+3 COPIES

Paper based monitoring system to be soon replaced by online monitoring system

Dedicated source of Revenue : Levied differential tax on all properties for financing FSSM services

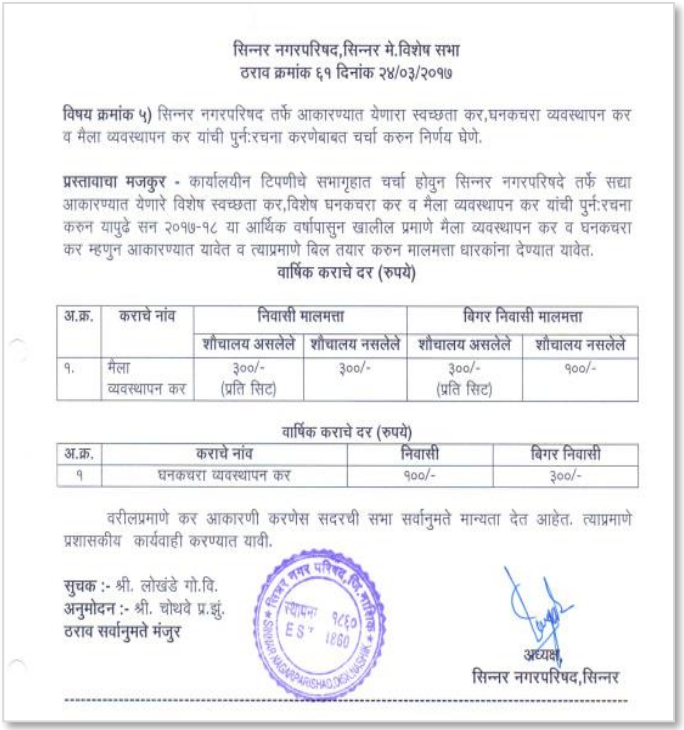
Differential taxation rates

Residential Properties **with / without toilets**–
$ 4 / annum

Non Residential Properties **with toilets** –
$ 4 / toilet seat

Non-residential properties **without toilets**–
$ 1.5 / annum

LG resolution for taxation



सिन्नर नगरपरिषद,सिन्नर मे.विशेष सभा
ठराव क्रमांक ६१ दिनांक २४/०३/२०१७

विषय क्रमांक ५) सिन्नर नगरपरिषद तर्फे आकारण्यात येणारा स्वच्छता कर,घनकचरा व्यवस्थापन कर व मैला व्यवस्थापन कर यांची पुर्न:रचना करणेबाबत चर्चा करुन निर्णय घेणे.

प्रस्तावाचा मजकुर - कार्यालयीन टिपणीचे सभागृहात चर्चा होवुन सिन्नर नगरपरिषदे तर्फे सद्या आकारण्यात येणारे विशेष स्वच्छता कर,विशेष घनकचरा कर व मैला व्यवस्थापन कर यांची पुर्न:रचना करुन यापुढे सन २०१७-१८ या आर्थिक वर्षापासुन खालील प्रमाणे मैला व्यवस्थापन कर व घनकचरा कर म्हणुन आकारण्यात यावेत व त्याप्रमाणे बिल तयार करुन मालमत्ता धारकांना देण्यात यावेत.

वार्षिक कराचे दर (रुपये)

अ.क्र.	कराचे नांव	निवासी मालमत्ता		बिगर निवासी मालमत्ता	
		शौचालय असलेले	शौचालय नसलेले	शौचालय असलेले	शौचालय नसलेले
१.	मैला व्यवस्थापन कर	३००/- (प्रति सिट)	३००/-	३००/- (प्रति सिट)	१००/-

वार्षिक कराचे दर (रुपये)

अ.क्र.	कराचे नांव	निवासी	बिगर निवासी
१	घनकचरा व्यवस्थापन कर	१००/-	३००/-

वरीलप्रमाणे कर आकारणी करणेस सदरची सभा सर्वानुमते मान्यता देत आहेत. त्याप्रमाणे प्रशासकीय कार्यवाही करण्यात यावी.

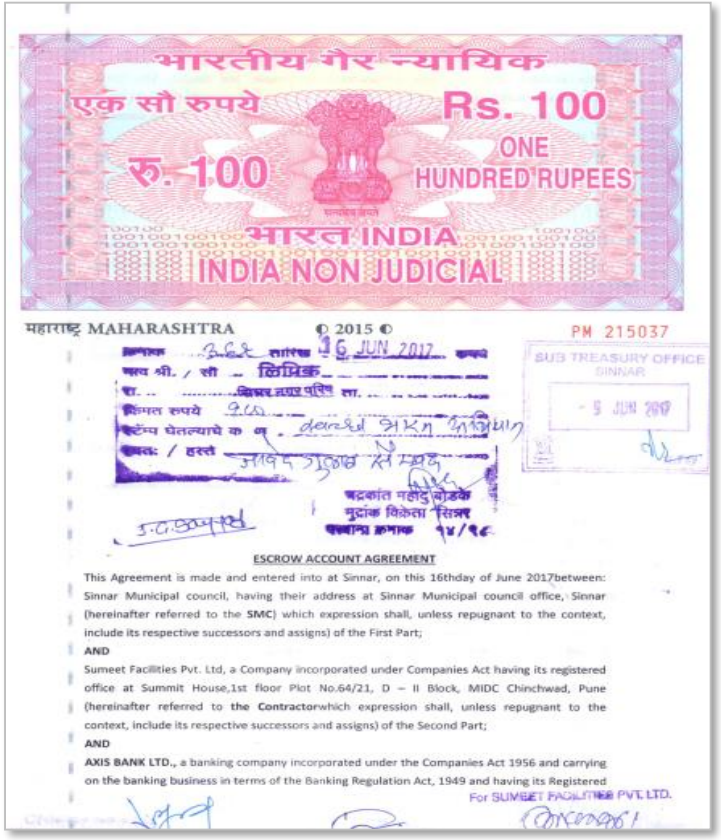
सुचक :- श्री. लोखंडे गो.वि.
अनुमोदन :- श्री. चोथवे प्र.झुं.
ठराव सर्वानुमते मंजुर

अध्यक्ष,
सिन्नर नगरपरिषद,सिन्नर

SafeGuard for Private sector : Escrow Mechanism for payment to contractor

Key Clauses :

- WMC and SMC has put funds in the Escrow Account to create a Contract Fees Reserve Fund (CFRF) at the start of the Escrow arrangement.
- Minimum balance of three months payment to the Private sector
- Transfers from property tax and sanitation tax every month to pay to the private sector
- Interest on delayed payment



भारतीय गैर न्यायिक
एक सौ रुपये
Rs. 100
रु. 100
ONE HUNDRED RUPEES
भारत INDIA
INDIA NON JUDICIAL

महाराष्ट्र MAHARASHTRA © 2015 ©

PM 215037

SUB TREASURY OFFICE SINNAR

ESCROW ACCOUNT AGREEMENT

This Agreement is made and entered into at Sinnar, on this 16thday of June 2017between: Sinnar Municipal council, having their address at Sinnar Municipal council office, Sinnar (hereinafter referred to the **SMC**) which expression shall, unless repugnant to the context, include its respective successors and assigns) of the First Part;

AND

Sumeet Facilities Pvt. Ltd, a Company incorporated under Companies Act having its registered office at Summit House,1st floor Plot No.64/21, D – II Block, MIDC Chinchwad, Pune (hereinafter referred to **the Contractor**which expression shall, unless repugnant to the context, include its respective successors and assigns) of the Second Part;

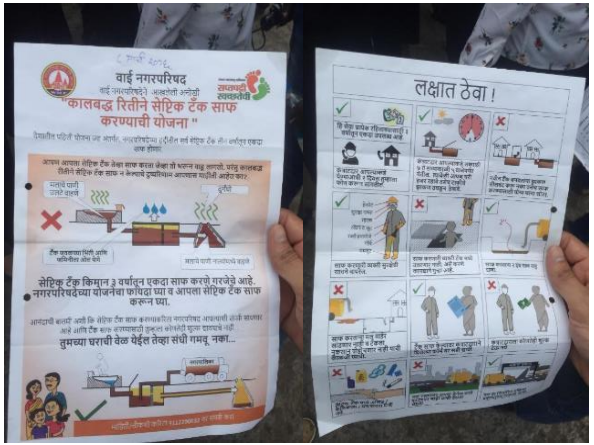
AND

AXIS BANK LTD., a banking company incorporated under the Companies Act 1956 and carrying on the banking business in terms of the Banking Regulation Act, 1949 and having its Registered

For SUMEET FACILITIES PVT. LTD.

Awareness generation to ensure success!

Household visits with information leaflets



Paintings / banners in the city

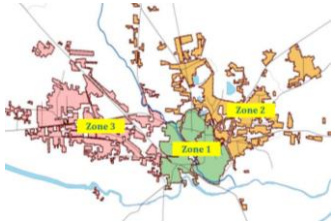
Circulating small videos

Intimation through SMS

Impact of work in these cities . . .

Balanced Engagement between LG & Private

Citywide Sanitation services through Private sector



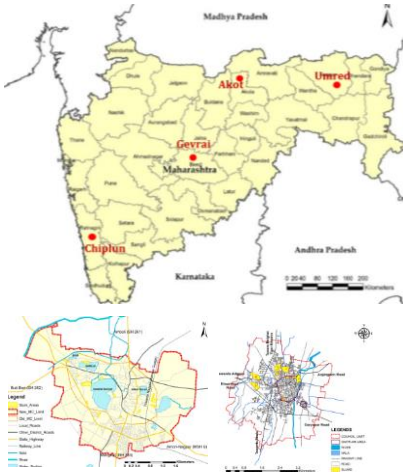
Behavior change

Inclusive – Equitable services to all HHs including Slums

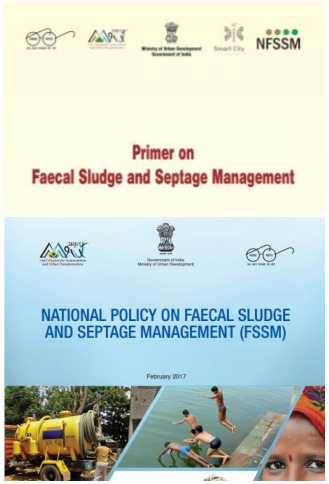
Price reduction for FSSM services

Removed need for manual labour

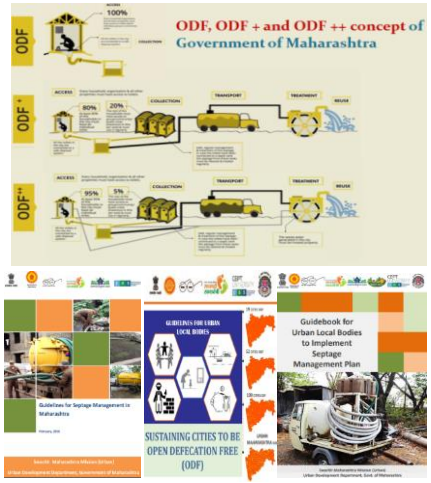
Scalability



Scaling up in other 10 LGs of Maharashtra

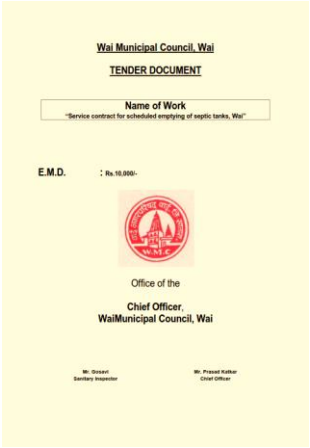


Influenced National Policies and guidelines



Lessons scaled up at State level through Policies and guidelines

Tools for training LGs across India



Model Tenders for emptying & Treatment used by LGs

Partnerships and Collaboration to attain Scale . . .

BILL & MELINDA GATES foundation

CWAS CENTER FOR WATER AND SANITATION | CEPT UNIVERSITY

Government of Maharashtra

NFSSM Alliance

HSBC

Points to Remember . . .

- Huge potential to engage with private sector in FSSM
- Create a Balanced Performance based contract by following the six stages
    - Safeguard LG Interest by performance linked payments
    - Safeguard Private interest for timely Payments through dedicated source of revenue stream and escrow mechanism
    - Performance linked monitoring and awareness activities
- Model performance based tenders for Emptying and Treatment services ready for use by other LGs

Thank you

cwas@cept.ac.in
cwas.org.in

About us

The Center for Water and Sanitation (C-WAS) at CEPT University carries out various activities – action research, training, advocacy to enable state and local governments to improve delivery of services.

CWAS CENTER FOR WATER AND SANITATION | CEPT UNIVERSITY