

**MINUTES OF 11TH STATE STEERING COMMITTEE (SSC) OF NORTH EASTERN REGION
CAPITAL CITIES DEVELOPMENT INVESTMENT PROGRAM (NERCCDIP) HELD ON 23RD
MAY, 2013 AT 1: 30 PM. IN THE CHIEF SECRETARY'S CONFERENCE ROOM**

Members/Representatives Present:

1. Mrs. L Tochhong, Chief Secretary, Government of Mizoram & Chairman
2. Mr. R.L. Rinawma, Principal Secretary, UD&PA Department & Convener
3. Mr. Lalringliana, Additional Secretary, Finance Department **& representative of Secretary, Finance Department**
4. Mr. R. Lalfanliana, Engineer in Chief, PHED
5. Mr. C. Chawngnuna, Jt. Secretary, PHED **& representative of Secretary, PHED**
6. Mr. Lianenga, Senior Research Officer, State Planning Board **& representative of Principal Adviser, State Planning Board**

Special Invitees:

1. Mr. Valbuanga, Project Director, SIPMIU, Aizawl

The Chairman welcome members attending the 11th State Steering Committee meeting. She invited Pu R.L.Rinawma, Principal Secretary, UD&PA Department to give brief highlight of the agenda. Thereafter, Er. Valbuanga, Project Director, SIPMIU was invited to elaborate and describe about the implementation status of Project-2. A power-point presentation was made.

I. Overview of Status of Project-2 implementations:

There are 10 contract packages under Tranche 2 (5 under Water Supply and 5 under Sewerage & Sanitation). Out of the 10 contract packages, 5-contract packages had been awarded after obtaining ADB and MoUD, GoI approval and works are on-going. The meeting expressed satisfaction with the progress presented by the Project Director. **The Chairman and Members congratulates PHE Department in deriving benefit of 62.63 % rise in revenue collection during the last financial year through revision of Water Tariffs and metering**

from the Projects. Details of contracts already awarded are given in the **Attachment-2.** Out of the remaining contract award, price bid evaluation on one of the Power Supply contracts is in the process while 2-contracts such as Community Toilet Blocks and Water Supply Networks are ready for granting award. One Contract of STP is still pending with MoUD for approval as updating of the estimated cost is required and the Sewerage networks is in the process of re-bid as desired by MoUD and ADB as this contract bid price is substantially high.

The meeting was appraised that there are numbers of issues in the process of contract award on account of updating estimates as per market prices and the lowest evaluated bid prices of the bidders in particular to 4-Contract packages such as (i) Community Toilet Blocks (ii) Water Supply Networks (iii) Sewerage networks and (iv) STP, resulting major risks in the high market prices variations and tender's premium. MoUD, GoI and the Projects concerned are to keep the contracts amount within the cap of Periodic Financing Request (PFR) while making their approvals by MoUD and thereby delayed the contract award process for almost 7-months.

All the 4-Contracts has been updated as per new SoR 2013 of PWD/PHED and market prices out of which the MoUD, GoI approved 3-contracts detaining STP on account of synchronization with Sewerage networks. The Contract Amount projection has been made by the Project and is given in the **Attachment-1.** The cap of PFR amount for all the contract under Project-2 is **Rs. 12,640.00 lakh** while the final contract projection is **Rs. 12,512.79 lakh** only, However, there is high risk in meeting cost on market prices variations, tender's premium and price adjustments during construction periods and as per the existing guidelines, is to be addressed by State Government and Ministry of Urban Development, GoI in order to proceed the program implementation. The issues are placed, for further discussion, records and decisions by the meeting.

II. Appraisal of Market Prices Variations and Tenders' premium:

There are total probable market price variations of Rs. 22.23 crores in overall contracts under Project-2 out of which the MoUD already approved and amount of Rs. 12.20 crores with details given in the **Attachment-1.** Considering the urgency of project implementation in avoiding loss of public interest and public confidence to the Government if further delay of implementation takes place. The meeting approved in principle to support the project even at the worst case scenario in view of extreme need of the project. The committee agreed to meet all additional costs arising out from market price variations, tenders' premiums and prices

adjustments during constructions period should such eventuality has arisen. The Ministry of Urban Development, Government of India may be further approached in appraising the balance updated cost estimates.

Action: *Principal Secretary, UD&PAD/Project Director, SIPMIU with MoUD, GoI*

III. Approval of Award of Contracts:

After deliberate discussion following contract award proposal placed by the Project are approved:

- (i) **Water Supply Networks amounting to Rs. 3943.84 lakh (inclusive of provisional sum)**
- (ii) **Community Toilet Blocks amounting to Rs. 176.94 lakh (inclusive of provisional sum)**

Details are indicated in the *Attachment-3*

Action: *Project Director, SIPMIU with ADB.*

IV. Rebidding of Sewerage Networks:

The Project Director informed the meeting that the Contract amount is 16.83 % higher from the updated cost estimate in the Contract. The meeting have no objection resorting re-bidding of the contract package as advised by MoUD, GoI and ADB.

Action: *Project Director, SIPMIU with ADB*

V. Construction of Sewerage Treatment Plant (STP): The meeting was convinced on technical advice of the Project and resolves to synchronise commencement of Construction of STP and Sewerage Networks and award the contract after getting approval for synchronization of commencement from the Ministry of Urban Development (MoUD), Government of India (GoI). In a hilly terrain of Aizawl, such synchronisation is found to be workable without carrying any costs of O & M.

Action: *Principal Secretary, UD&PA Department & Project Director, SIPMIU.*

VI Re-construction of Laipuitlang Water Reservoir by RCC:

The recent landslides disaster 11-May, 2013 caused 17-loss of life and numbers of properties at Laipuitlang shocked public of Aizawl. Members from PHE Department requests the meeting to consider and approve for reconstruction of the leaky Reservoir at Laipuitlang, on urgent basis under ADB funded NERCCDIP-Aizawl by resorting to **Repeated Order/Direct Contracting Method** of ADB Procurement Guidelines. After deliberate discussion the meeting agreed to include the said works under Project-2 and provide fund from the project.

Action: **Project Director, SIPMIU with ADB.**

VII Project-2 Coverage areas:

In response the request of some members, Project Director, SIPMIU has conveyed the areas of Aizawl covered by sub-projects under Project 2 as given below table:

Sl/No	Sub-project heads	Coverage areas
A. Water Supply sub-projects:		
1	3-Reservoirs	Mualpui, South Hlimen, Tanhril
2	Extension of Feeder Mains	TV Centre to Sihphir Zonal Tank, Booster to Chandmari Zonal Tank, Booster to Tanhril, Sakawrtuichhun and Central Jail
3	Rehabilitation of Existing Distribution Networks	Mission Veng Distribution System, Luangmual Govt. Complex Distribution System, 7 th Day Tlang Distribution System, Laipuitlang I Distribution System, Bawngkawn Distribution System
4	Extension of Distribution Networks	Zemabawk I&II Distribution System, Zuangtui Distribution System, Luangmual Distribution System
B. Sewerage & Sanitations sub-project:		
5	Community Toilet Blocks	Bethlehem Vengthlang, AMC Office, Bawngkawn, Hunthar, Electric Veng, New Market, Zarkawt, Zemabawk, Mission Veng Bazar, Sikulpuikawn.
6	Sewerage Networks	Laipuitlang, Aizawl Venglai, Ramthar Veng, Ramhlun North, Part of Ramhlun South, Tuithiang Veng, Chite

		Veng, Part of Republic Veng, Part of Upper Republic Veng, Part of College Veng, Part of Venghlui, Saron Veng, Dawrpui Veng, Electric Veng, Chhinga Veng
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The Chairman thanked all the Members and concludes the meeting.

Sd/-
(L TOCHHONG)
Chief Secretary & Chairman
State Steering Committee (NERCCDIP), Aizawl

Memo No.

Copy to:

COMPARISON OF PFR BUDGET AND FINAL CONTRACT AMOUNT								
Name of Contract Package	PFR Amount	Original Contract Amount	Market Prices varies Amount (4-2)	Total Updated Contract Amount (2+3)	Evaluated Contract Amount	Contractor's Premium (5-4)	Provisional Sum	Total Contract Amount (5+7)
	1	2	3	4	5	6	7	8
Total for WS and S&S	12,640.10	9,691.51	2,223.11	11,914.62	12,174.47	259.85	338.32	12,512.79
Water Supply								
Construction of 3 nos. Water Reservoirs		244.64	0.00	244.64	272.37	27.73	13.62	285.99
Rehabilitation & Extension of Feeder Mains & Distribution networks		3,099.79	429.21	3,529.00	3,828.97	299.97	114.87	3,943.84
Supply, Installation & Commissioning of 2 sets of Booster Pumps		66.34	0.00	66.34	50.64	15.70	0.00	50.64
Purchase & Installation of 85 Bulk & 20000 Domestic Water Meters		644.00	0.00	644.00	638.82	5.18	0.00	638.82
Purchase & Installation of Dedicated Power Supply		2,200.00	0.00	2,200.00	1,594.20	605.80	47.83	1,642.03
Total		6,254.77	429.21	6,683.98	6,385.00	298.98	176.32	6,561.32
Sewerage & Sanitation								
Construction of Community 10 nos. of Toilet Blocks		55.00	102.04	157.04	171.79	14.75	5.15	176.94
Providing, Laying, Jointing & Commissioning of Sewerage Networks		2049.94	689.06	2739.00	3200.97	461.97	92.19	3293.16
Construction of Sewerage Treatment Plan		1100.00	1002.80	2102.80	2191.27	88.47	56.66	2247.93
Supply, Installation & Commissioning of 5 nos. of Cess Pool Cleaner		100.00	0.00	100.00	87.57	12.43	0.00	87.57
Approach Road and Land Development for STP		131.80	0.00	131.80	137.87	6.07	8.00	145.87
Total		3436.74	1793.90	5230.64	5789.47	558.83	162.00	5951.47
Grand Total	12,640.10	9,691.51	2,223.11	11,914.62	12,174.47	259.85	338.32	12,512.79

DETAILS OF CONTRACT ALREADY AWARD*Amount in Rs. Lacs*

Sl. No.	Description	DPR Cost	Contract Price	Difference of Contract from Revised Cost (Column 4-3)		Remarks, if any
				Amount	%	
1	2	3	4	5		6
A. Water Supply:						
1	Construction of 3 nos. Water Reservoirs (Contract Package No: GLR/WS/AIZ/T2/NCB-3)	244.64	285.99	41.35	16.9%	Inclusive of Rs. 13.62 lacs Provisional Sum
2	Supply, Installation & Commissioning of 2 sets of Booster Pumps (Contract Package No: EM&S/WS/AIZ/T2/NCB-1)	66.34	50.64	-15.70	-23.7%	
3	Purchase & Installation of 85 Bulk & 20000 Domestic Water Meters (Contract Package No: WM2/WS/AIZ/T2/ICB-1)	644.00	638.82	-5.18	-0.8%	
	Total A	954.98	975.45	20.47	2.1%	

Sl. No.	Description	DPR/Original Cost	Contract Price	Difference of Contract from Revised Cost (Column 4-3)		Remarks, if any
				Amount	%	
1	2	3	4	5		6
B Sewerage & Sanitation:						
1	Supply, Installation & Commissioning of 5 nos. of Cess Pool Cleaner (Contract Package No: SCM/SEW/AIZ/T2/NCB-2)	100.00	87.57	-12.43	-12.4%	
2	Approach Road and Land Development for STP (Contract Package No: AR&LD/SEW/AIZ/T2/NCB-6)	153.00	145.87	14.07	10.7%	Inclusive of Rs. 8 lacs Provisional Sum
	Total B	231.80	233.44	1.64	0.7%	
	G. Total (A+B)	1186.78	1208.89	22.11	1.86%	

DETAILS OF PROPOSED CONTRACT AWARD

Sl. No.	Description	Approved Revise Cost	Contract/Proposed Contract Price	Cost variation/Tender Premium (Column 4-3)		Remarks, if any
				Amount	%	
1	2	3	4	5		6
1	Rehabilitation & Extension of Feeder Mains & Distribution networks (Contract Package No: P&SN/WS/AIZ/T2/ICB-2)	3529	3,943.84	414.84	11.80%	Inclusive of Rs. 114.87 lacs Provisional Sum
B. Sewerage & Sanitation						
Sl. No.	Description	Approved Revise Cost	Contract/Proposed Contract Price	Cost variation/Tender Premium (Column 4-3)		Remarks, if any
				Amount	%	
1	2	3	4	5		6
2	Construction of Community 10 nos. of Toilet Blocks (Contract Package No: CT/SEW/AIZ/T2/NCB-4)	157.04	176.94	19.9	12.70%	Inclusive of Rs. 5.15 lacs Provisional Sum
	G. Total (A+B)	3686.04	4120.78	434.74	11.79%	