

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

Aasim Mansuri

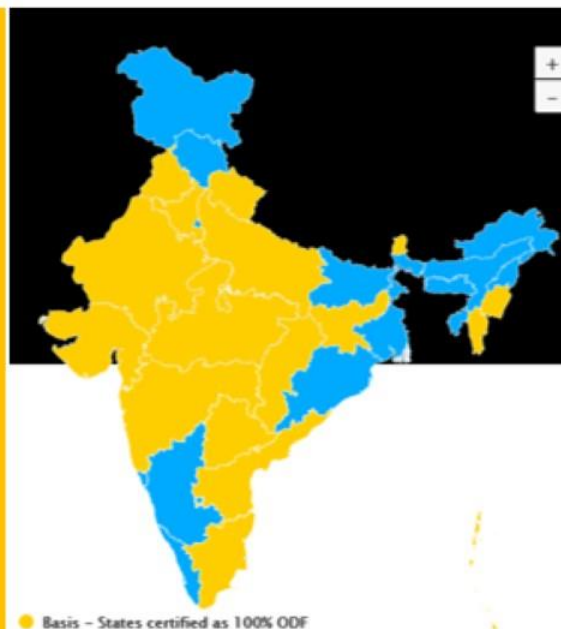
Dr. Meera Mehta, Dr. Dinesh Mehta, Aditi Dwivedi

Center for Water and Sanitation, CEPT University

# 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



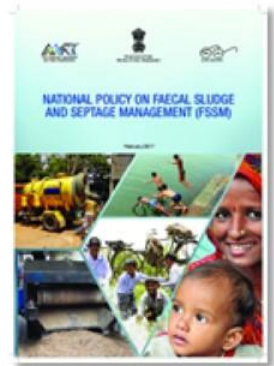
Open Defecation  
free

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

## 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*



## Focus on FSSM by Government of Maharashtra . . .

- Increased focus on moving ODF cities towards ODF+ after declaring **Urban Maharashtra ODF on 2<sup>nd</sup> Oct. 2017**
- Maharashtra Government has passed **resolutions**, directing to move towards ODF+/++ and to utilize Incentive grant and 14th FC funds for ODF++ activities



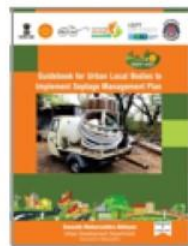
GR on ODF, ODF+,  
ODF++ framework



GR on use of 14th FC  
& Incentive Funds



Septage Management  
Guidelines



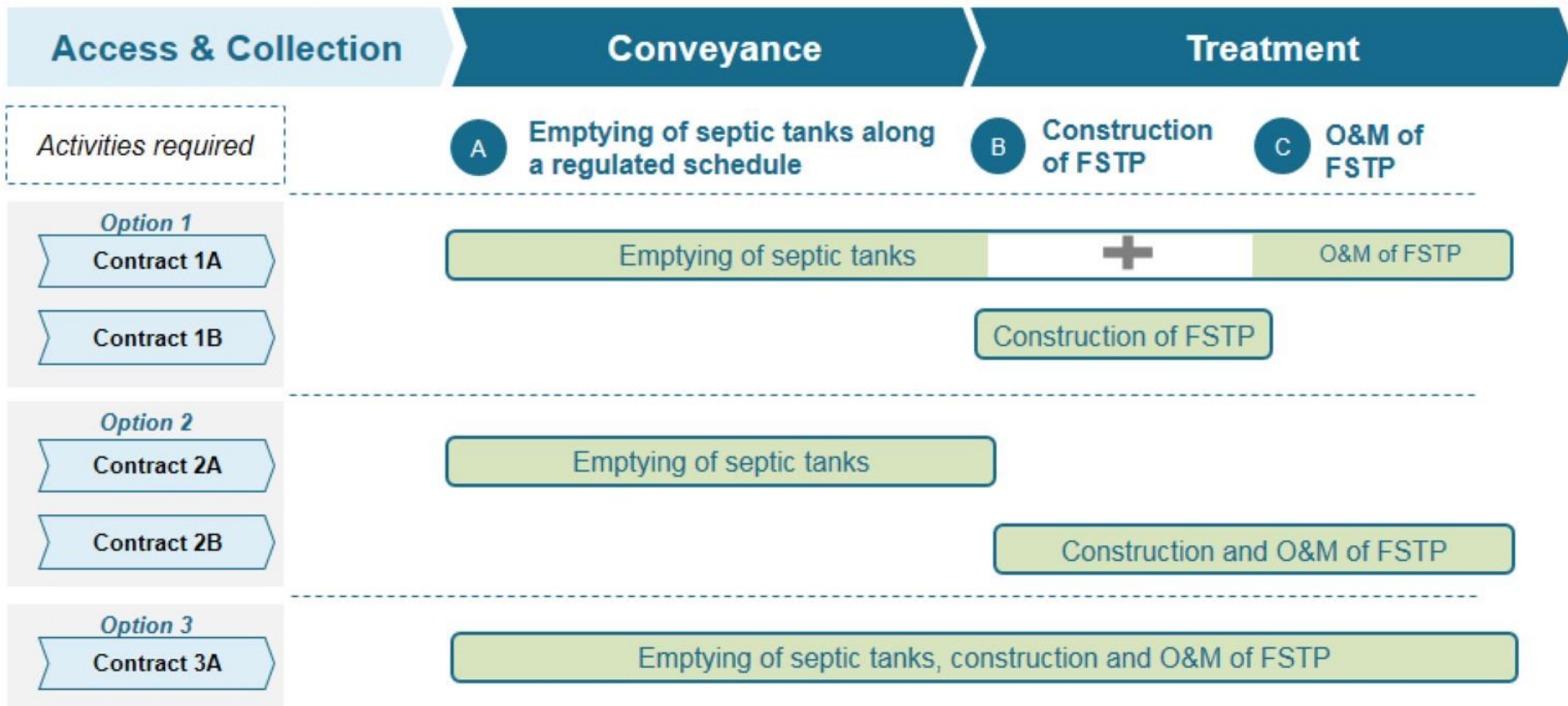
Step by Step Guide  
for ODF++



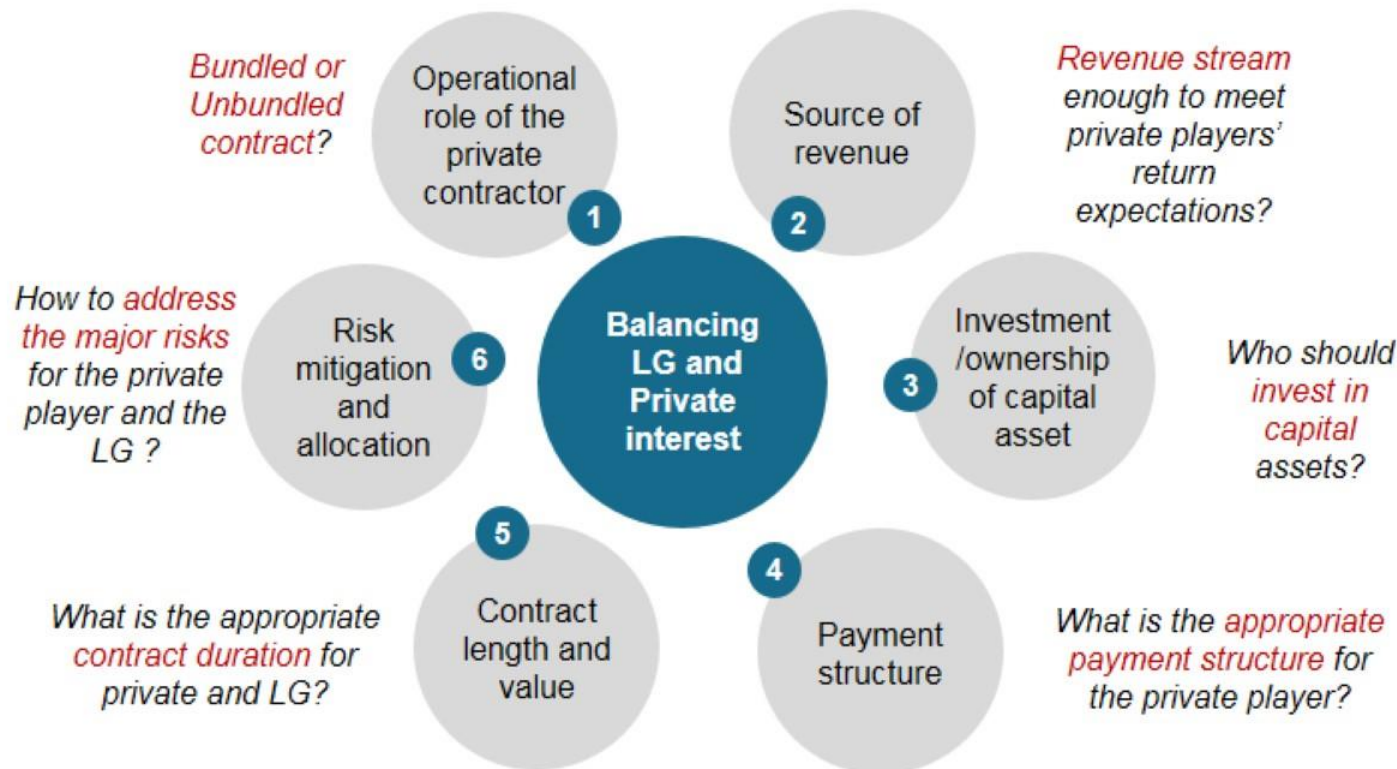
Chief Minister's Speech on occasion of declaring  
Urban Maharashtra ODF on 2<sup>nd</sup> October 2017

**Huge market for Private Sector in FSSM !!!**

# Possible engagement models with Private sector in FSSM . . .

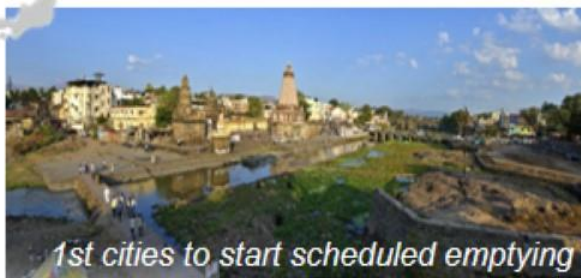


## Creating a **balanced performance based contract** . . .



Using these stages... **Cities engaged with Private sector**

## Wai & Sinnar cities



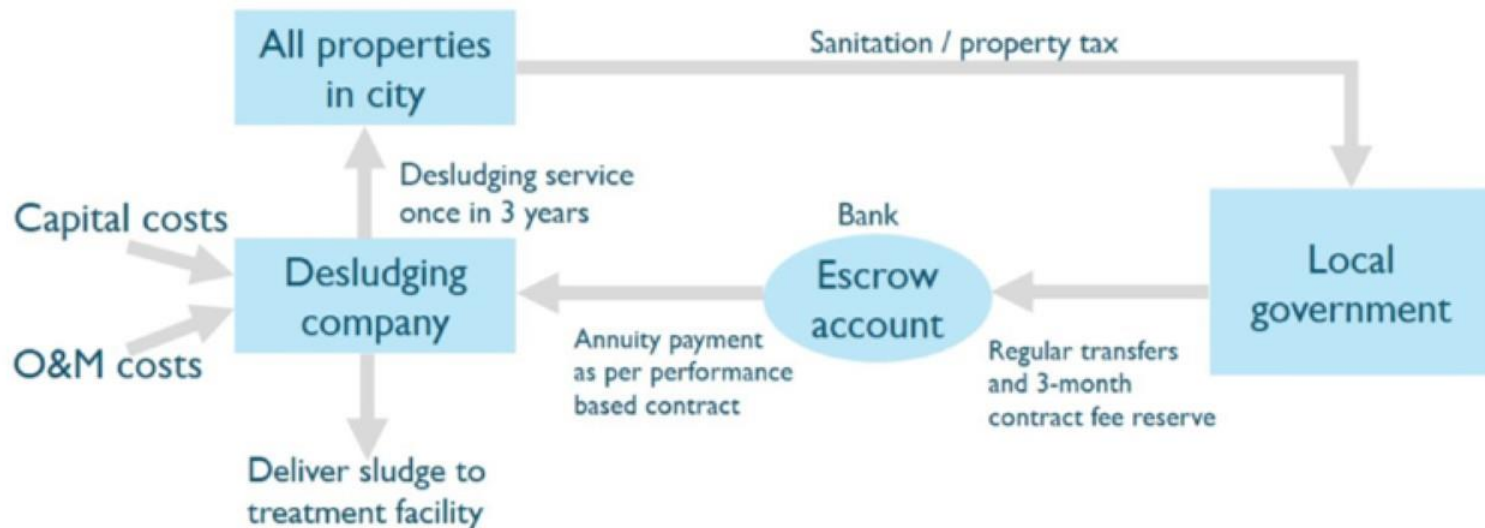
*1st cities to start scheduled emptying of septic tanks*

- 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 deslugged 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

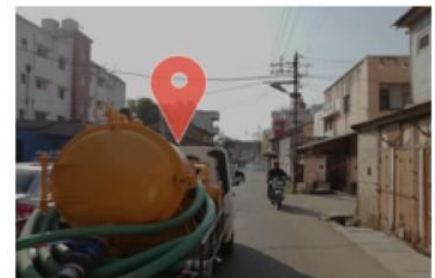
## Performance linked annuity for scheduled desludging . . .





## 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 Generators

- Name :
- Phone Number :
- Address :
- Property Fax Number :
- Type of building : Individual house / Apartment / Commercial complex / Other (specify)
- Was the Septic tank cover open ( Yes / No )

II. Description of Waste:

- Volume : \_\_\_\_\_ liters
- Type : \_\_\_\_\_ Septic tank \_\_\_\_\_ Others
- Source : Residential/Commercial/Institutional/Other
- Septic tank cover placed back on Septic tank : Yes / No
- Septic tank emptied : Yes / No
- Any kind of deficiencies, missing pipes or fittings, improper manholes or access covers, any other checks 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 Successful Facilities Operator

- Name of Driver :
- Phone No. :
- Vehicle License no. :
- Truck Capacity : \_\_\_\_\_
- Temp Out Date :
- 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 Waste Receiving Facility's authorized FTP.

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 kind of waste: YES / No

Details (If yes) : \_\_\_\_\_

No. of trips received at the FTP for this form: \_\_\_\_\_

Septage received at treatment plant: Date: \_\_\_\_\_ Time : \_\_\_\_\_ Volume : \_\_\_\_\_ liters

Name and Signature of authorized treatment plant operator (signature and title): \_\_\_\_\_

NOTE: SUBJECT TO THE TERMS AND CONDITIONS OF WASTE MUNICIPALITY

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

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

विषय क्रमांक ५) सिन्धर नगरपरिषद तर्फे आकारण्यात येणारा स्वधमता कर, घनकचरा व्यवस्थापन कर व मैला व्यवस्थापन कर यांची पुर्न:रचना करणेबाबत घर्चा करून निर्णय घेणे.

प्रस्तावाचा मजकूर - कार्यालयीन टिपणीचे समागृहात घर्चा होतून सिन्धर नगरपरिषदे तर्फे सद्या आकारण्यात येणारे विशेष स्वधमता कर, विशेष घनकचरा कर व मैला व्यवस्थापन कर यांची पुर्न:रचना करून चापुडे सन २०१७-१८ या आर्थिक वर्षापासून खालील प्रमाणे मैला व्यवस्थापन कर व घनकचरा कर म्हणून आकारण्यात यावेत व त्याप्रमाणे विल तयार करून मालमता धारकांना देण्यात यावेत.

वार्षिक कराचे दर (रुपये)

अ.क्र.	कराचे नांव	निवासी मालमता		विगर निवासी मालमता	
		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	विगर 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. चौधरे प्र.झु.  
ठराव सर्वानुमते मंजूर

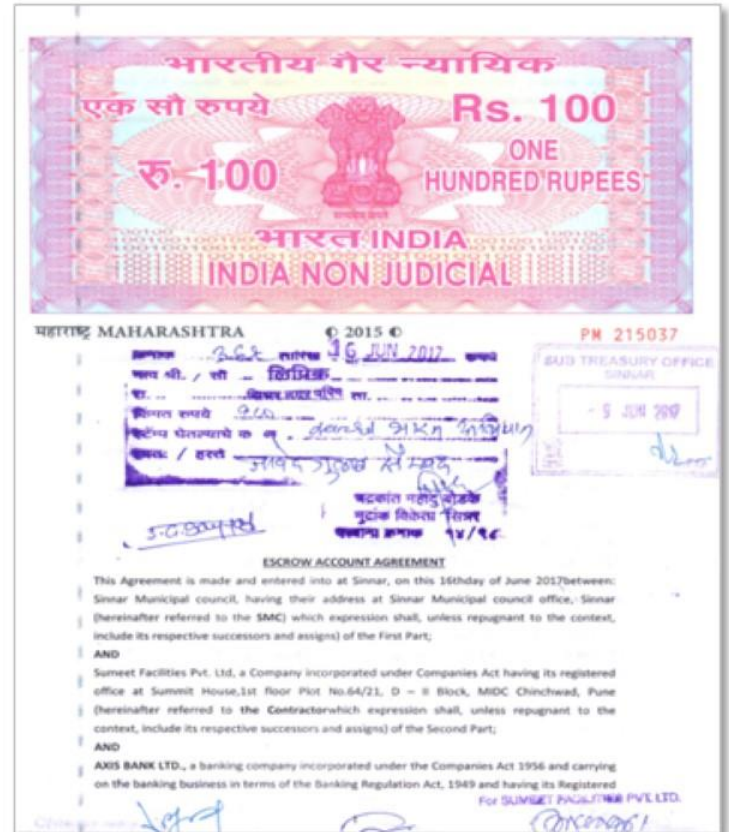


अध्यक्ष  
सिन्धर नगरपरिषद, सिन्धर

# 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**

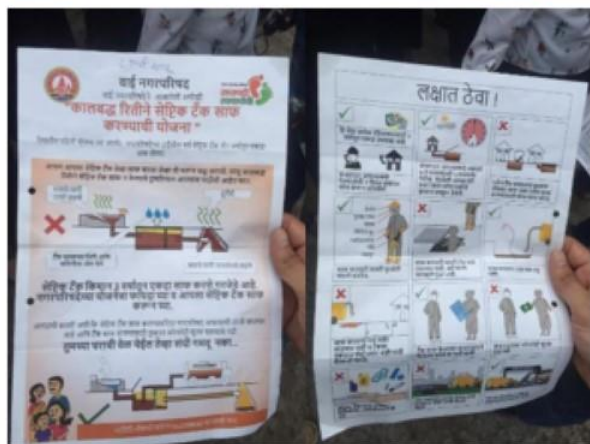


# Awareness generation to ensure success!

## Household visits with information leaflets



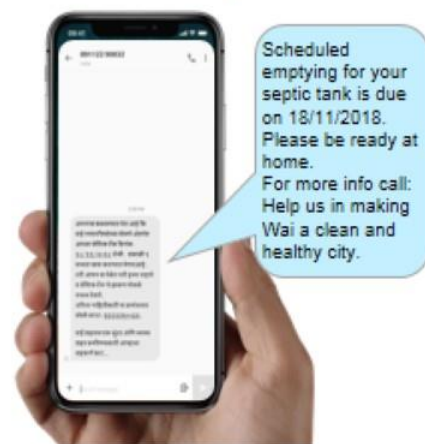
## Paintings / banners in the city



## Circulating small videos



## Intimation through SMS

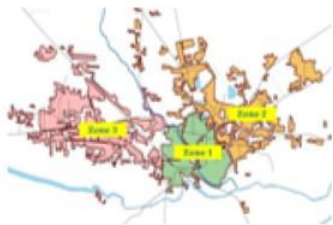


# Impact of work in these cities . . .

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

An aerial photograph of a paved road winding through a rural landscape. A yellow water truck is driving towards the viewer in the foreground. Further down the road, a bus and several motorcycles are visible. The surrounding area is green with some buildings in the distance under a cloudy sky.

[cwas@cept.ac.in](mailto:cwas@cept.ac.in)  
[cwas.org.in](http://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.