



GOVERNMENT OF KERALA

Abstract

Local Self Government Department- Tipping Fee offered (after negotiation) by M/s. Zonta Infratech Pvt. Ltd, the concessionaire for the setting up of Waste-to-Energy plant at Njeliamparambu, Kozhikkode - Approved - Orders issued.

LOCAL SELF GOVERNMENT (DC) DEPARTMENT

G.O.(Ms)No.50/2019/LSGD Dated,Thiruvananthapuram, 14/05/2019

- Read 1 GO(Rt) No. 3122/2017/LSGD dated 23.09.2017
2 GO(Rt) No. 499/2018/LSGD dated 21.02.2018
3 GO(Ms)No.82/2018/LSGD dated 11.06.2018
4 GO(Rt) No. 2353/2018/LSGD dated 04.09.2018.
5 Minutes of 15th meeting of State Level Advisory Committee held on 18.09.2018
6 Minutes of 16th meeting of State Level Advisory Committee held on 29.09.2018
7 GO(Ms) No.174/2018/LSGD dated 22.11.2018
8 Minutes of 22nd meeting of State Level Advisory Committee held on 5.02.2019
9 Minutes of 24th meeting of State Level Advisory Committee held on 23.03.2019

ORDER

As per G.O read as 1st and 2nd paper above, Government have constituted a State Level Advisory Committee (SLAC) chaired by Chief Secretary for taking decision on establishing Integrated Solid Waste Management Plants in the State and related matters.

2. As per G.O read as 3rd paper above Government have taken a policy decision for the setting up of Waste-to-Energy (WtE) Plants at 7 sites in the State, one each in Thiruvananthapuram, Kollam, Thrissur, Palakkad, Malappuram, Kozhikkode and Kannur District on Design, Build, Finance, Operate and Transfer (DBFOT) basis in Public Private Partnership (PPP) mode. Kerala State Industrial Development Corporation (KSIDC) was designated as the Nodal Agency for the setting up of WtE Plants in collaboration with the Concessionaires & Local Bodies, to float RFP, to

select the Concessionaire and to execute the Concession Agreement. Njaliamparambu in Kozhikode District is one of the seven sites identified for the setting up of Waste-to-Energy Plant.

3. KSIDC has floated RFP in Government e-tender portal for identifying suitable Concessionaire for the setting up of Waste-to-Energy Plant at Njaliamparambu in Kozhikode. Since no bids were received even after extending the last date of submission of bids, as per the minutes read as 5th paper above State Level Advisory Committee has resolved to revise the project structure and to bring in corresponding revision in the relevant clauses of the RFP document. Accordingly KSIDC has prepared a revised project structure based on the feed back received from several prospective bidders. The revised project structure and the corresponding changes in the relevant clauses of the RFP document were presented in SLAC by the Project Director, KSIDC and as per the minutes read as 6th paper above, the SLAC resolved to approve the revised project structure and changes proposed in the RFP document. Accordingly as per G.O read as 7th paper above sanction was accorded for the revised project structure and the corresponding changes in the relevant clauses of RFP document by modifying G.O read as 3rd paper above

4. The revised RFP for Kozhikode Waste-to-Energy project was then re-tendered in Government e-tender portal. Even though the date of submission of bid was extended further, the KSIDC received only one bid submitted by M/s. Zonta Infratech Pvt. Ltd. Bangalore. Subsequently as per the minutes read as 8th paper above SLAC has resolved to proceed with the evaluation of bid submitted by M/s. Zonta Infratech Pvt. Ltd.

5. Accordingly the Bid Evaluation Committee constituted as per G.O read as 4th paper above has done the technical evaluation of the bid. The technical committee reviewed the technical plan in detail and resolved that the consortium lead by M/s. Zonta Infratech Pvt. Ltd. is technically qualified and recommended that the financial bid submitted by M/s. Zonta Infratech Pvt. Ltd. be opened. Accordingly the financial bid submitted by M/s. Zonta Infratech Pvt. Ltd. was opened and as per the financial bid submitted, M/s. Zonta Infratech Pvt. Ltd. lead consortium has quoted an amount of Rs. 3863 /tone as Tipping Fee. Subsequently it has been decided to negotiate with M/s. Zonta Infratech Pvt. Ltd. for fixing a reasonable amount as Tipping Fee for Waste-to-Energy project at Njaliamparambu, Kozhikkode. Based on the deliberation held in the negotiation meetings held with the representatives of M/s. Zonta Infratech Pvt. Ltd. they have taken a high level board approval to reduce the tipping fee to Rs.3500/tone and informed Government accordingly.

6. The State Level Advisory Committee on Solid Waste Management in its 24th meeting has made detailed deliberations and comparison of Tipping Fee quoted for similar Waste-to-Energy projects being implemented else where in the country. The SLAC has noted that the Tipping Fee quoted for those projects, bidded out in 2014-15 period is lesser than the final negotiated amount offered by M/s. Zonta

Infratech Pvt. Ltd. for Waste-to-Energy project at Njeliamparambu, Kozhikkode. Since there is an annual escalation of 8 to 10% in the Tipping fee fixed for the those Waste to Energy projects, SLAC has opined that the tipping fee for those projects will surpass the tipping fee quoted by M/s. Zonta Infratech Pvt. Ltd. for Kozhikkode Waste-to-Energy Project by the year 2021, when the Project is commissioned. SLAC has also observed that the annual escalation of tipping fee for the Kozhikkode Waste-to-Energy project is linked to the Whole Sale Price Index which will be about 2 to 3% only. Therefore the SLAC after detailed deliberation as per the minutes read as 9th paper above has resolved to accept the negotiated tipping fee of Rs. 3500/tonne offered by M/s. Zonta Infratech Pvt. Ltd for Waste-to-Energy project at Njeliamparambu Kozhikkode.

7. As per the Guidelines (para 7.10) for Swatch Baharath Mission (Urban) issued by the Ministry of Housing and Urban Affairs, Government of India, Central Government incentive for the Solid Waste Management Projects will be in the form of a maximum of 35% Grant / Viability Gap Fund (VGF) for each project. The corresponding State share will be 23.3% and Urban Local Body (ULB) share 41.7%. As per DO No. Q-15014/2/2009-CPHEEO dated 09.04.2015, the Ministry of Urban Development has clarified that under Swatch Bharath Mission, Central Governments Assistance for Municipal Solid Waste Management project is Rs. 240/- per capita for the present population of each city/town. Hence the total VGF admissible for Solid Waste Management Project is as follows.

Central Share – Rs. 240/- per capita (35%)
State Share – Rs. 160/- per capita (23.3%)
ULB Share – Rs. 286/- per capita (41.7%)
Total VGF – Rs. 686/- per capita.

8. Based on the rate of increase in population as per 2001 and 2011 census, the projected population of Kohikkode cluster in 2019 will be 885751. Hence there is a probability of getting VGF under SBM(U) for the Waste-to-Energy project at Kozhikkode, if DPR is submitted by the successful bidder and recommended by the State Government. As the maximum possible VGF is Rs. 686 per capita; the maximum expected VGF for the Kozhikkode Waste to Energy Project is Rs.58 crore, considering the population of Kozhikkode Cluster as 8.5 lakhs in 2019, if accepted by Ministry of Housing and Urban Affairs (This Viability Gap Fund include 20.3 crore as Central Assistance, 13.5 crore as State share and 24.18 crore as ULB share as per Swatch Bharath Mission Guidelines). M/s. Zonta Infratech Pvt. Ltd. has reduced the tipping fee to Rs. 3500/tonne taking into account of this Grant as per Swatch Bharath Mission Guidelines.

9. Government have examined the matter in detail and are pleased to approve the tipping fee of Rs. 3500/tonne offered (after negotiation) by M/s. Zonta Infratech Pvt. Ltd, the concessionaire for the setting up of Waste-to-Energy Plant at

Njeliamparambu Kozhikode. The proposal for Viability Gap Fund/Grant support as admissible for the Project under Swacch Bharath Mission (Urban) shall be recommended to Ministry of Housing and Urban Affairs, Government of India, on submission of Detailed Project Report by the concessionaire (successful bidder).

(By order of the Governor)

TK JOSE

ADDITIONAL CHIEF SECRETARY

To:

The Director, M/s. Zonta Infratech Pvt. Ltd. Bangalore
The Managing Director, M/s. Zonta Infratech Pvt. Ltd. Bangalore.
The Managing Director, Kerala State Industrial Development Corporation.
The Director of Urban Affairs.
The Executive Director, Suchitwa Mission.
The Secretary, Kozhikkode Municipal Corporation.
The Secretaries of all Local Self Government Institutions under Kozhikkode Cluster (through the Managing Director KSIDC).
The General Administration (SC) Department (vide item No.3005 dated 02.05.2019).
The Finance Department (vide U.O.(Remarks)No.DEV-3/79/2019-FIN dated 13/5/2019
The Principal Accountant General (Audit),(A&E)/ (LBA&A) Kerala, Thiruvananthapuram.
The Executive Director, Information Kerala Mission.
The Director, I&PRD/Web&New Media.
Stock File/ Office Copy.

Forwarded /By order
Signature valid

Digitally signed by SMITHA B CHANDRA
Date: 2019.05.15 10:23:06 IST
Reason: Approved

Section Officer

Copy to:

Private Secretary to Hon'ble Chief Minister
Private Secretary to Hon'ble Minister for LSGD
Special Secretary to Chief Secretary
PA to Additional Chief Secretary, LSGD
PA to Secretary, LSGD
CA to Special Secretary, LSGD