

Minutes of the meeting convened by Chief Principal Secretary to Chief Minister on 02.04.2024 to review Kerala State Solid Waste Management Project with regard to relaxations required from prevailing LSGD Regulations for ULB-level Works

1. The meeting chaired by Dr. K M Abraham, Chief Principal Secretary to Chief Minister, started at 3.00 PM.
2. List of participants annexed.
3. Chief Principal Secretary to CM welcomed the participants and explained that the meeting was called to sort out the issues with respect to relaxations required from prevailing LSGD Regulations for ULB-level Works for the World Bank funded KSWMP. The main issues are about Exemption from fully adopting PRICE – 3 and Inclusion of Arbitration Clause in the ULB level works. These are mandatory requirements for the World Bank loan.
4. Chief Technical Examiner informed the meeting that the organizational strength of LSGD engineering may not be enough to handle the arbitration cases that might come up while implementing the project.
5. Project Director, KSWMP informed that they have included the clause of arbitration in the State Level Tenders, but not in the ULB level tenders and hence the engineers were reluctant to handle it without a proper Government Order.
6. Principal Secretary, Finance inquired about the engagement with World Bank to give relaxations regarding the same. Project Director, KSWMP informed that the World Bank officials has informed that they would get back if a threshold project cost can be worked, which can be exempted from arbitration.
7. CPS to CM suggested whether sanction can be accorded with certain conditions which would improve the organizational mechanism of LSG engineers to handle future arbitrations effectively. Specific clauses wherein responsibility is placed on the concerned Engineer to ensure proper response to any notices given by the Contractor which might potentially eventually end in Arbitration. Further the Engineer shall be held personally responsible for any deliberate lapses in all the cases which result in Arbitration. An Arbitration and Claim handling cell shall be created at the District Level under the direct responsibility of the District Collector. A register of all such references shall be kept.
8. Chief Technical Examiner suggested that LSGD can send a proposal in this regard over mail and the exemption regarding PRICE-3 can be given as done in other projects. He also enquired clarity regarding tender excess and single bidder acceptance.
9. Project Director, KSWMP informed that tender excess would come to the Finance Department for approval as in any other projects. Single bidder shall be accepted based on certain conditions that have already been set.
10. Principal Secretary, Finance suggested that the proposal shall also state that all the State level tenders for the project that have been already tendered shall have all the said conditions about arbitration clause and PRICE-3 that have already been incorporated.

After detailed discussions, the following decisions were taken.

1. A proposal shall be sent to Government incorporating the need for including the arbitration clause with certain threshold, which shall be arrived based on the discussion with World Bank and the exemption regarding PRICE-3 can be given as done in other projects.
2. Proper mechanism at the organizational level shall be put in place for ensuring response to any notice given by the Contractor which eventually can potentially end in Arbitration. An Arbitration and Claim handling cell shall be created at the District Level under the direct responsibility of the District Collector. A register of all such references shall be kept. Further the Engineer shall be held personally responsible for any deliberate lapses in the cases which ended in Arbitration.
3. The proposal shall also state that all the State level tenders for the project that have been already tendered shall have all the said conditions with regard to arbitration clause and PRICE-3 that have already been incorporated.

(Action: Project Director, KSWMP)

The meeting concluded at 4:00 PM.

**Sd/-
Dr.KM Abraham
CPS to Chief Minister.**

List of Participants.

SI No.	Name	Designation
1	Shri. Rabindra Kumar Agarwal	Pri.Secretary, Finance Department
2	Shri. Hari Kumar	Chief Technical Examiner
3	Smt. Sreelatha Sukumar	Additional Secretary, Finance Department
4	Dr. Divya S. Iyer	Project Director, KSWMP
5	Shri. Subodh S.	Deputy Project Director, KSWMP
6	Shri. Renju R. Pillai	AD, SWM. KSWMP
7	Shri. Hiran Krishna	M & E Expert, KSWMP