

Project Concept Note

Project Name	Public Conveniences Toilet Lounges in Pilot locations (Zone 5, 6 & 9) of Chennai City
Sponsoring Agency	Greater Chennai Corporation
Sponsoring Department	Municipal Administration and Water Supply Department, Government of Tamil Nadu

Contact Details	Single Point Contact for the Project –	
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Introduction	Sponsoring Agency – Greater Chennai Corporation <p>The Greater Chennai Corporation is the civic body that governs the city of Chennai. It is the largest municipal corporation in Tamil Nadu with an area of 426 km². It is headed by a mayor, who presides over 200 councillors, each of whom represents one of the 200 wards of the city.</p> <p>The corporation maintains roads, streetlights, and flyovers across the city and also the city's cleanliness and hygiene levels. It maintains 1,160 roads measuring a total of 370 km and storm water drain measuring 962 km and has 213,045 streetlights. The corporation has 260 parks and maintains 113 community halls for public use. The corporation also runs an abattoir.</p> <p>Need for the proposed project:</p> <p>Within the city borders of Chennai, there are currently 800+ public convenience toilets with 8,000+ seats. The Greater Chennai Corporation (GCC) is responsible for the upkeep of public convenience toilets.</p> <p>Unfortunately, users of these public toilets, without exception to the location of these toilets, often experience poor upkeep, filth and odour, unsafe and unhygienic conditions etc. Against this backdrop, and with a clear vision to enhance current service levels of operations and improve public experience with the usage of Public Conveniences Toilets, the Authority has decided to select a private party who shall be responsible for repair, renovate, revamp, refurbishment etc., of existing toilets and for building new toilets and for operating and maintaining all of these facilities and to get all of these under a centralized control and monitoring system.</p>	

Scope of the project:

The Scope of work will include Design, Build, Finance, Operate, Maintain and Transfer of Public Convenience Toilets (PCTs), Standalone Urinals, Standalone Modular Toilets, Bathrooms and other special facilities and getting them covered under a centralized monitoring system, in identified locations in Zones 5, 6 and 9 (Marina only) of Greater Chennai Corporation.

Necessary capital cost and operating expenses for this shall be undertaken by the Concessionaire. The Concessionaire shall be responsible for maintaining the restrooms during the concession period and their success shall be monitored by KPI compliance.

Project Details

As part of the proposed project, Zone-5 and Zone-6 along with part of Zone-9 (Marina Beach area) of GCC have been taken as a pilot project and made as a single package for retrofitting, remodeling, demolition & reconstruction and also, for construction of new toilets.

Zone-5 area is mostly commercial and residential area. The locations with high public footfall such as Chennai Central, Egmore Railway Station, Secretariat, Beach, Parrys Bus terminal, Government General Hospitals, Nehru Sports Stadium and other important commercial areas are located in this zone. Zone-6 is also mostly residential area which is adjacent to Zone-5. All the second level offices and commercial institutions are located in this zone. Marina Beach, which is a big tourist spot, is located in Zone-9.

Considering the importance of the above places, these locations have been clubbed as a single package containing 252 locations with 2624 toilet seats under the following categories of improvements:

Particulars	No of PCT locations				No of PCT seats				
	Zone	Z-5	Z-6	Z-9	Total	Z-5	Z-6	Z-9	Total
a. Refurbishment (Major) of Toilets		26	3	0	29	104	12	0	116
b. Refurbishment (Minor) of Toilets		89	66	8	163	1262	539	80	1881
c. Demolition & reconstruction of Toilets		22	17	3	42	312	187	20	519
d. New construction of Toilets		5	13	0	18	30	78	0	108
Total		142	99	11	252	1708	816	100	2624

All the above works are to be taken up as capital expenditure before handing over for regular operation and maintenance of the toilets. In addition to the refurbishment, in order to improve and monitor the O&M, the following additional features are to be added in each location:

1. Camera Monitoring
2. Customer feedback
3. Biometric attendance

After completing all the above works, the toilets are required to be maintained in good condition. The bidder should follow the following KPIs for the maintenance which are also linked with the payments.

Outcome indicators	Output	Output indicators	
KRAs	ASPECTS	KPIs	
Accessibility	Accessible with a range of different needs as per the age lesser group	Access to use all toilets and urinals is provided to everyone including all genders, physically challenged, and children	
		Fee not collected from all users for using the facility	
Functioning	Cleanliness	No visible human excreta within the toilets and premises, and exfiltrating to adjoining property	
		Vermin, Flies, and Insects	
		Smell / Odour + Ventilation	
		Solid waste disposal bin	
		Site (exterior as defined in the design)	
		Drainage/ Outlet	
		Human excreta waste containment and disposal	
		Walls (interior)	
		Floor	
	Design		Sex disaggregated entrances
			Barrier free access
			Landscape
	Fittings		Commode/ Urinal
			Flush / Bucket + Mug
			Wash basin
Soap/ operational dispenser			
Door			
Illumination/ Lights			
Management	Personnel	Housekeeping staff	
	Operational hours	Toilets are available for users as per the operational hours	
	Supplies		Supplies
			Information
			User experience
Suggestion/ Feedback		Complaints	
		Safety and Security	
Function	Cleanliness	Smell / Odour + Ventilation	
		Solid waste disposal facilities	
Management	Fittings	Vending machine	
		Hand dryer/ paper napkins	
	Maintenance	Cleaning frequency	
Periodic Replacement of physical as per Scope	Compulsory replacement	As per specifications	

	<p>The estimated Capital Cost of the Project is approximately Rs.72.50 Crores and the estimated O&M expenses for first full year of operations is Rs.34 crores.</p> <p>The entire implementation is expected to be completed within a period of 1 year from date of contract signing with the selected concessionaire.</p> <p>The Concessionaire shall not be permitted to charge any user fee for any of the Project Facilities. However, the Concessionaire would have the right, but not an obligation, to utilize the designated area in the PCT location for commercial exploitation by way of advertisements. The payments towards costs and expenses by the Authority under the HAM construct shall not reckon costs and expenses related to the advertisements.</p>
<p>Project Land Details</p>	<p><i>Please mention the following details pertaining to the project land:</i></p> <ul style="list-style-type: none"> • <i>Land extent required for project.</i> • <i>Land ownership (Own or to be taken up on lease, in which case, details of lease arrangements are to be provided)</i> • <i>Land value as per Guideline value and as per market value/ Land lease values</i> • <i>Current land classification</i> • <i>Any other details</i>
<p>Financial Analysis of the project</p>	<p>The Authority shall pay the Concessionaire 40% of the Project Capital Costs for the Project Facilities during the construction period, periodically, but linked to stagewise completion and certification of the works, corresponding to specified completion and payment milestones spelt out in the Draft Concession Agreement. The balance 60% of the Project Capital Costs for the Project Facilities shall be paid during the O&M period (of 8 years), together with interest compensation at a rate equal to the prevailing SBI MCLR (for a tenor of 1 year) plus 2.25%.</p> <p>The Concessionaire shall bear the entire O&M Charges. The Authority shall make quarterly payments, as O&M charges, for operating and maintaining the Project and Project Facilities. The year-over-year O&M Charges during the O&M phase shall be derived by using the Bidder's O&M quote for the first year of commercial operations and escalating the same for each relevant period of payment using a Price Index Multiple.</p> <p>The estimated project payments to be made by GCC are proposed from the following sources:</p> <ul style="list-style-type: none"> • Rs.7.85 crore from Swachh Bharat Mission • Balance amount from GCC's funds viz. its own Sources of Revenue and grants from State Finance Commission and Central Finance Commission towards sanitation. <p>Considering the above and various assumptions as provided in the attached financial model, the project is expected to generate –</p>

	<p>Project IRR – 15.69% and NPV – Rs.14.57 crores @ 12% discount factor</p> <p><i>(The above values are to be indicated based on the Financial Analysis Template.)</i></p>																																																									
Project Implementation Structure	<p>The Authority, GCC, shall select a private operator for <u>Design, Build, Finance, Operate and Transfer (DBFOT) framework</u> of Concession with GCC for construction of Public Conveniences Toilets in locations under Zone 5, 6 and 9 (Marina only) of GCC on a Hybrid Annuity Model (HAM) for a concession period of 9 years (including the construction period of a year).</p> <p><u>Bid Evaluation parameter shall be the levelized cost comprising both the Capital Cost and O&M Charges.</u> The Project is proposed to be awarded to the Bidder quoting the lowest assessed Commercial quote i.e., to the Bidder with the lowest levelized cost.</p>																																																									
Risk Assessment	<table border="1"> <thead> <tr> <th>Aspect</th> <th>Public</th> <th>Private</th> </tr> </thead> <tbody> <tr> <td>Ownership</td> <td>✓</td> <td></td> </tr> <tr> <td>Design</td> <td></td> <td>✓</td> </tr> <tr> <td>Construction</td> <td></td> <td>✓</td> </tr> <tr> <td>Finance</td> <td></td> <td>✓</td> </tr> <tr> <td>Operation</td> <td></td> <td>✓</td> </tr> <tr> <td>Maintenance</td> <td></td> <td>✓</td> </tr> <tr> <td>Cost escalation in construction</td> <td></td> <td></td> </tr> <tr> <td>Cost escalation in O&M</td> <td></td> <td></td> </tr> <tr> <td>Time overrun</td> <td></td> <td>✓</td> </tr> <tr> <td>Statutory Clearances</td> <td>✓</td> <td></td> </tr> <tr> <td>Force majeure</td> <td></td> <td></td> </tr> <tr> <td>Change in law</td> <td></td> <td></td> </tr> <tr> <td>Revenue Fluctuation – upside</td> <td></td> <td></td> </tr> <tr> <td>Revenue Fluctuation – downside</td> <td></td> <td></td> </tr> <tr> <td>Extension of Timelines</td> <td></td> <td></td> </tr> <tr> <td>Extension in Concession Period</td> <td></td> <td>✓</td> </tr> <tr> <td>Independent Engineer</td> <td></td> <td>✓</td> </tr> <tr> <td>Termination</td> <td></td> <td></td> </tr> </tbody> </table> <p><i>(Please indicate the party responsible for each activity pertaining to the project.)</i></p>	Aspect	Public	Private	Ownership	✓		Design		✓	Construction		✓	Finance		✓	Operation		✓	Maintenance		✓	Cost escalation in construction			Cost escalation in O&M			Time overrun		✓	Statutory Clearances	✓		Force majeure			Change in law			Revenue Fluctuation – upside			Revenue Fluctuation – downside			Extension of Timelines			Extension in Concession Period		✓	Independent Engineer		✓	Termination		
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