

## **CONTRACT FOR CONSULTANT'S SERVICES**

**Lump-Sum**

**Project Name** Uttarakhand Water Supply Program for Peri-urban Areas

**Loan No.** 8805 IN

**Contract No.** 06/2018-19

**between**

**State Program Support Unit, Uttarakhand**

**and**

**KPMG Advisory Services Private Limited**

**Dated: 04/12/2018**



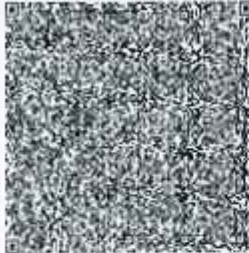


सत्यमेव जयते

## Government of Uttarakhand

## e-Stamp

Certificate No.	: IN-UK92455924743206Q
Certificate Issued Date	: 26-Nov-2018 10:58 AM
Account Reference	: NONACC (SV)/ uk1276504/ DEHRADUN/ UK-DH
Unique Doc. Reference	: SUBIN-UKUK127650486448774492933Q
Purchased by	: K P M G
Description of Document	: Article Miscellaneous
Property Description	: NA
Consideration Price (Rs.)	: 0 (Zero)
First Party	: K P M G
Second Party	: NA
Stamp Duty Paid By	: K P M G
Stamp Duty Amount(Rs.)	: 100 (One Hundred only)



Neeta  
26-11-18  
**NEETA BHATIA**  
STAMP VENDOR  
Court Compound, Dehradun.

Please write or type below this line.....

This CONTRACT (hereinafter called the "Contract") is made the 04<sup>th</sup> day of the month of **December, 2018**, between, on the one hand, **Program Director, State Program Support Unit, Uttarakhand** (hereinafter called the "Client") and, on the other hand, **KPMG Advisory Services Private Limited** (hereinafter called the "Consultant").

## WHEREAS

- The Client has requested the Consultant to provide certain consulting services as defined in this Contract (hereinafter called the "Services");
- the Consultant, having represented to the Client that it has the required professional skills, expertise and technical resources, has agreed to provide the Services on the terms and conditions set forth in this Contract;

## Statutory Alert:

- The authenticity of this Stamp Certificate should be verified at [www.echestamp.gov.in](http://www.echestamp.gov.in). Any discrepancy in the details in this Certificate available on the website renders it invalid.
- The price of checking the legitimacy is on the users of the certificate.
- In case of any discrepancy please inform the Competent Authority.



राज सिंह  
संयुक्त अधिवर्ती अधिकारी,  
एस० डब्ल्यू० एस० एम०



- (c) the Client has received a loan from the *International Bank for Reconstruction and Development (IBRD)* toward the cost of the Services and intends to apply a portion of the proceeds of this loan to eligible payments under this Contract

NOW THEREFORE the parties hereto hereby agree as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this Contract:
  - (a) The General Conditions of Contract (including Attachment 1 "Bank Policy – Corrupt and Fraudulent Practices);
  - (b) The Special Conditions of Contract;
  - (c) Appendices:
    - Appendix A: Terms of Reference
    - Appendix B: Key Experts
    - Appendix C: Breakdown of Contract Price
- In the event of any inconsistency between the documents, the following order of precedence shall prevail: the Special Conditions of Contract; the General Conditions of Contract, including Attachment 1; Appendix A; Appendix B; Appendix C; Appendix D. Any reference to this Contract shall include, where the context permits, a reference to its Appendices.
2. The mutual rights and obligations of the Client and the Consultant shall be as set forth in the Contract, in particular:
  - (a) the Consultant shall carry out the Services in accordance with the provisions of the Contract; and
  - (b) the Client shall make payments to the Consultant in accordance with the provisions of the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names as of the day and year first above written.

For and on behalf of *State Program Support Unit, Uttarakhand*

Uday Raj Singh, Program Director

उदय राज सिंह  
संयुक्त अधिशासी अधिकारी,  
एसओ एम्सओ एमओ

For and on behalf of *KPMG Advisory Services Private Limited*

Nilachal Mishra, Partner





NOT USED

## II. General Conditions of Contract

### A. GENERAL PROVISIONS

#### 1. Definitions

1.1. Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:

- (a) "Applicable Guidelines" means Guidelines for Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers, dated January 2011.
- (b) "Applicable Law" means the laws and any other instruments having the force of law in the Client's country, or in such other country as may be specified in the **Special Conditions of Contract (SCC)**, as they may be issued and in force from time to time.
- (c) "Bank" means the International Bank for Reconstruction and Development (IBRD) or the International Development Association (IDA).
- (d) "Borrower" means the Government, Government agency or other entity that signs the financing agreement with the Bank.
- (e) "Client" means the implementing agency that signs the Contract for the Services with the Selected Consultant.
- (f) "Consultant" means a legally-established professional consulting firm or entity selected by the Client to provide the Services under the signed Contract.
- (g) "Contract" means the legally binding written agreement signed between the Client and the Consultant and which includes all the attached documents listed in its paragraph 1 of the Form of Contract (the General Conditions (GCC), the Special Conditions (SCC), and the Appendices).
- (h) "Day" means a working day unless indicated otherwise.
- (i) "Effective Date" means the date on which this Contract comes into force and effect pursuant to Clause GCC 11.
- (j) "Experts" means, collectively, Key Experts, Non-Key Experts, or any other personnel of the Consultant, Sub-consultant or JV member(s) assigned by the Consultant to perform the Services or any part thereof under the Contract.



Handwritten signature in blue ink: राज सिंह  
Below the signature, the text 'राज सिंह' and '10/1/2020' are written in blue ink.

- (k) "Foreign Currency" means any currency other than the currency of the Client's country.
- (l) "GCC" means these General Conditions of Contract.
- (m) "Government" means the government of the Client's country.
- (n) "Joint Venture (JV)" means an association with or without a legal personality distinct from that of its members, of more than one entity where one member has the authority to conduct all businesses for and on behalf of any and all the members of the JV, and where the members of the JV are jointly and severally liable to the Client for the performance of the Contract.
- (o) "Key Expert(s)" means an individual professional whose skills, qualifications, knowledge and experience are critical to the performance of the Services under the Contract and whose Curricula Vitae (CV) was taken into account in the technical evaluation of the Consultant's proposal.
- (p) "Local Currency" means the currency of the Client's country.
- (q) "Non-Key Expert(s)" means an individual professional provided by the Consultant or its Sub-consultant to perform the Services or any part thereof under the Contract.
- (r) "Party" means the Client or the Consultant, as the case may be, and "Parties" means both of them.
- (s) "SCC" means the Special Conditions of Contract by which the GCC may be amended or supplemented but not over-written.
- (t) "Services" means the work to be performed by the Consultant pursuant to this Contract, as described in Appendix A hereto.
- (u) "Sub-consultants" means an entity to whom/which the Consultant subcontracts any part of the Services while remaining solely liable for the execution of the Contract.
- (v) "Third Party" means any person or entity other than the Government, the Client, the Consultant or a Sub-consultant.

## 2. Relationship between the Parties

2.1. Nothing contained herein shall be construed as establishing a relationship of master and servant or of principal and agent as between the Client and the Consultant. The Consultant, subject to this Contract, has complete charge of the Experts and Sub-consultants, if any, performing the Services and shall be fully responsible for the Services performed by them or on their behalf hereunder.





3. **Law Governing Contract** 3.1. This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable Law.
4. **Language** 4.1. This Contract has been executed in the language specified in the SCC, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.
5. **Headings** 5.1. The headings shall not limit, alter or affect the meaning of this Contract.
6. **Communications** 6.1. Any communication required or permitted to be given or made pursuant to this Contract shall be in writing in the language specified in Clause GCC 4. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent to such Party at the address specified in the SCC.
- 6.2. A Party may change its address for notice hereunder by giving the other Party any communication of such change to the address specified in the SCC.
7. **Location** 7.1. The Services shall be performed at such locations as are specified in **Appendix A** hereto and, where the location of a particular task is not so specified, at such locations, whether in the Government's country or elsewhere, as the Client may approve.
8. **Authority of Member in Charge** 8.1. In case the Consultant is a Joint Venture, the members hereby authorize the member specified in the SCC to act on their behalf in exercising all the Consultant's rights and obligations towards the Client under this Contract, including without limitation the receiving of instructions and payments from the Client.
9. **Authorized Representatives** 9.1. Any action required or permitted to be taken, and any document required or permitted to be executed under this Contract by the Client or the Consultant may be taken or executed by the officials specified in the SCC.
10. **Corrupt and Fraudulent Practices** 10.1. The Bank requires compliance with its policy in regard to corrupt and fraudulent practices as set forth in **Attachment 1** to the GCC.
- a. **Commissions and Fees** 10.2. The Client requires the Consultant to disclose any commissions, gratuities or fees that may have been paid or are to be paid to agents or any other party with respect to the selection process or execution of the Contract. The information disclosed must include at least the name and address of the agent or other party, the amount and currency, and the purpose of the commission, gratuity or



fee. Failure to disclose such commissions, gratuities or fees may result in termination of the Contract and/or sanctions by the Bank.

## **B. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF CONTRACT**

- 11. Effectiveness of Contract** 11.1. This Contract shall come into force and effect on the date (the "Effective Date") of the Client's notice to the Consultant instructing the Consultant to begin carrying out the Services. This notice shall confirm that the effectiveness conditions, if any, listed in the SCC have been met.
- 12. Termination of Contract for Failure to Become Effective** 12.1. If this Contract has not become effective within such time period after the date of Contract signature as specified in the SCC, either Party may, by not less than twenty two (22) days written notice to the other Party, declare this Contract to be null and void, and in the event of such a declaration by either Party, neither Party shall have any claim against the other Party with respect hereto.
- 13. Commencement of Services** 13.1. The Consultant shall confirm availability of Key Experts and begin carrying out the Services not later than the number of days after the Effective Date specified in the SCC.
- 14. Expiration of Contract** 14.1. Unless terminated earlier pursuant to Clause GCC 19 hereof, this Contract shall expire at the end of such time period after the Effective Date as specified in the SCC.
- 15. Entire Agreement** 15.1. This Contract contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for, any statement, representation, promise or agreement not set forth herein.
- 16. Modifications or Variations** 16.1. Any modification or variation of the terms and conditions of this Contract, including any modification or variation of the scope of the Services, may only be made by written agreement between the Parties. However, each Party shall give due consideration to any proposals for modification or variation made by the other Party.
- 16.2. In cases of substantial modifications or variations, the prior written consent of the Bank is required.
- 17. Force Majeure**
- a. Definition** 17.1. For the purposes of this Contract, "Force Majeure" means an event which is beyond the reasonable control of a Party, is not foreseeable, is unavoidable, and makes a Party's performance of its obligations hereunder impossible or so impractical as reasonably to





be considered impossible under the circumstances, and subject to those requirements, includes, but is not limited to, war, riots, civil disorder, earthquake, fire, explosion, storm, flood or other adverse weather conditions, strikes, lockouts or other industrial action confiscation or any other action by Government agencies.

17.2. Force Majeure shall not include (i) any event which is caused by the negligence or intentional action of a Party or such Party's Experts, Sub-consultants or agents or employees, nor (ii) any event which a diligent Party could reasonably have been expected to both take into account at the time of the conclusion of this Contract, and avoid or overcome in the carrying out of its obligations hereunder.

17.3. Force Majeure shall not include insufficiency of funds or failure to make any payment required hereunder.

**b. No Breach of Contract**

17.4. The failure of a Party to fulfill any of its obligations hereunder shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of this Contract.

**c. Measures to be Taken**

17.5. A Party affected by an event of Force Majeure shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall take all reasonable measures to minimize the consequences of any event of Force Majeure.

17.6. A Party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, and in any case not later than fourteen (14) calendar days following the occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give written notice of the restoration of normal conditions as soon as possible.

17.7. Any period within which a Party shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

17.8. During the period of their inability to perform the Services as a result of an event of Force Majeure, the Consultant, upon instructions by the Client, shall either:

- (a) demobilize, in which case the Consultant shall be reimbursed for additional costs they reasonably and



necessarily incurred, and, if required by the Client, in reactivating the Services; or

- (b) Continue with the Services to the extent reasonably possible, in which case the Consultant shall continue to be paid under the terms of this Contract and be reimbursed for additional costs reasonably and necessarily incurred.

17.9. In the case of disagreement between the Parties as to the existence or extent of Force Majeure, the matter shall be settled according to Clauses GCC 44 & 45.

## 18. Penalty & Suspension

18.1. The Consultant shall pay penalty for delay to the Client at the rate of **0.05%** for each week against deliverables subject to maximum of **5%** of the Contract value. The Client may deduct penalty from payments due to the Consultant. Payment of penalty shall not affect the Consultant's liabilities.

Time is the essence of the contract and payment or deduction of penalty shall not relieve the consultant from his obligation to complete the assignment as per agreed completion schedule or from any of the Consultant's other obligations and liabilities under the contract.

18.2. The Client may, by written notice of suspension to the Consultant, suspend all payments to the Consultant hereunder if the Consultant fails to perform any of its obligations under this Contract, including the carrying out of the Services, provided that such notice of suspension (i) shall specify the nature of the failure, and (ii) shall request the Consultant to remedy such failure within a period not exceeding thirty (30) calendar days after receipt by the Consultant of such notice of suspension.

## 19. Termination

19.1. This Contract may be terminated by either Party as per provisions set up below:

### a. By the Client

19.1.1. The Client may terminate this Contract in case of the occurrence of any of the events specified in paragraphs (a) through (f) of this Clause. In such an occurrence the Client shall give at least thirty (30) calendar days' written notice of termination to the Consultant in case of the events referred to in (a) through (d); at least sixty (60) calendar days' written notice in case of the event referred to in (e); and at least five (5) calendar days' written notice in case of the event referred to in (f):

- (a) If the Consultant fails to remedy a failure in the performance of its obligations hereunder, as specified in a





notice of suspension pursuant to Clause GCC 18;

- (b) If the Consultant becomes (or, if the Consultant consists of more than one entity, if any of its members becomes) insolvent or bankrupt or enter into any agreements with their creditors for relief of debt or take advantage of any law for the benefit of debtors or go into liquidation or receivership whether compulsory or voluntary;
- (c) If the Consultant fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause GCC 45.1;
- (d) If, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) calendar days;
- (e) If the Client, in its sole discretion and for any reason whatsoever, decides to terminate this Contract;
- (f) If the Consultant fails to confirm availability of Key Experts as required in Clause GCC 13.

19.1.2. Furthermore, if the Client determines that the Consultant has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices, in competing for or in executing the Contract, then the Client may, after giving fourteen (14) calendar days written notice to the Consultant, terminate the Consultant's employment under the Contract.

**b. By the  
Consultant**

19.1.3. The Consultant may terminate this Contract, by not less than thirty (30) calendar days' written notice to the Client, in case of the occurrence of any of the events specified in paragraphs (a) through (d) of this Clause.

- (a) If the Client fails to pay any money due to the Consultant pursuant to this Contract and not subject to dispute pursuant to Clause GCC 45.1 within forty-five (45) calendar days after receiving written notice from the Consultant that such payment is overdue.
- (b) If, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) calendar days.
- (c) If the Client fails to comply with any final decision reached as a result of arbitration pursuant to Clause GCC 45.1.



- (d) If the Client is in material breach of its obligations pursuant to this Contract and has not remedied the same within forty-five (45) days (or such longer period as the Consultant may have subsequently approved in writing) following the receipt by the Client of the Consultant's notice specifying such breach.

**c. Cessation of Rights and Obligations**

19.1.4. Upon termination of this Contract pursuant to Clauses GCC 12 or GCC 19 hereof, or upon expiration of this Contract pursuant to Clause GCC 14, all rights and obligations of the Parties hereunder shall cease, except (i) such rights and obligations as may have accrued on the date of termination or expiration, (ii) the obligation of confidentiality set forth in Clause GCC 22, (iii) the Consultant's obligation to permit inspection, copying and auditing of their accounts and records set forth in Clause GCC 25, and (iv) any right which a Party may have under the Applicable Law.

**d. Cessation of Services**

19.1.5. Upon termination of this Contract by notice of either Party to the other pursuant to Clauses GCC 19a or GCC 19b, the Consultant shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum. With respect to documents prepared by the Consultant and equipment and materials furnished by the Client, the Consultant shall proceed as provided, respectively, by Clauses GCC 27 or GCC 28.

**e. Payment upon Termination**

19.1.6. Upon termination of this Contract, the Client shall make the following payments to the Consultant:

- (a) payment for Services satisfactorily performed prior to the effective date of termination; and
- (b) in the case of termination pursuant to paragraphs (d) and (e) of Clause GCC 19.1.1, reimbursement of any reasonable cost incidental to the prompt and orderly termination of this Contract, including the cost of the return travel of the Experts.

## C. OBLIGATIONS OF THE CONSULTANT

### 20. General

**a. Standard of Performance**

20.1 The Consultant shall perform the Services and carry out the Services with all due diligence, efficiency and economy, in





accordance with generally accepted professional standards and practices, and shall observe sound management practices, and employ appropriate technology and safe and effective equipment, machinery, materials and methods. The Consultant shall always act, in respect of any matter relating to this Contract or to the Services, as a faithful adviser to the Client, and shall at all times support and safeguard the Client's legitimate interests in any dealings with the third parties.

20.2. The Consultant shall employ and provide such qualified and experienced Experts and Sub-consultants as are required to carry out the Services.

20.3. The Consultant may subcontract part of the Services to an extent and with such Key Experts and Sub-consultants as may be approved in advance by the Client. Notwithstanding such approval, the Consultant shall retain full responsibility for the Services.

**b. Law  
Applicable to  
Services**

20.4. The Consultant shall perform the Services in accordance with the Contract and the Applicable Law and shall take all practicable steps to ensure that any of its Experts and Sub-consultants, comply with the Applicable Law.

20.5. Throughout the execution of the Contract, the Consultant shall comply with the import of goods and services prohibitions in the Client's country when

- (a) as a matter of law or official regulations, the Borrower's country prohibits commercial relations with that country; or
- (b) by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the Borrower's Country prohibits any import of goods from that country or any payments to any country, person, or entity in that country.

20.6. The Client shall notify the Consultant in writing of relevant local customs, and the Consultant shall, after such notification, respect such customs.

**21. Conflict of  
Interests**

21.1. The Consultant shall hold the Client's interests paramount, without any consideration for future work, and strictly avoid conflict with other assignments or their own corporate interests.

**a. Consultant  
Not to Benefit  
from  
Commissions,  
Discounts, etc.**

21.1.1 The payment of the Consultant pursuant to GCC F (Clauses GCC 38 through 42) shall constitute the Consultant's only payment in connection with this Contract and, subject to Clause GCC 21.1.3, the Consultant shall not accept for its own benefit any trade commission, discount or similar payment in



connection with activities pursuant to this Contract or in the discharge of its obligations hereunder, and the Consultant shall use its best efforts to ensure that any Sub-consultants, as well as the Experts and agents of either of them, similarly shall not receive any such additional payment.

21.1.2 Furthermore, if the Consultant, as part of the Services, has the responsibility of advising the Client on the procurement of goods, works or services, the Consultant shall comply with the Bank's Applicable Guidelines, and shall at all times exercise such responsibility in the best interest of the Client. Any discounts or commissions obtained by the Consultant in the exercise of such procurement responsibility shall be for the account of the Client.

**b. Consultant and Affiliates Not to Engage in Certain Activities**

21.1.3 The Consultant agrees that, during the term of this Contract and after its termination, the Consultant and any entity affiliated with the Consultant, as well as any Sub-consultants and any entity affiliated with such Sub-consultants, shall be disqualified from providing goods, works or non-consulting services resulting from or directly related to the Consultant's Services for the preparation or implementation of the project, unless otherwise indicated in the SCC.

**c. Prohibition of Conflicting Activities**

21.1.4 The Consultant shall not engage, and shall cause its Experts as well as its Sub-consultants not to engage, either directly or indirectly, in any business or professional activities that would conflict with the activities assigned to them under this Contract.

**d. Strict Duty to Disclose Conflicting Activities**

21.1.5 The Consultant has an obligation and shall ensure that its Experts and Sub-consultants shall have an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interest of their Client, or that may reasonably be perceived as having this effect. Failure to disclose said situations may lead to the disqualification of the Consultant or the termination of its Contract.

**22. Confidentiality**

22.1 Except with the prior written consent of the Client, the Consultant and the Experts shall not at any time communicate to any person or entity any confidential information acquired in the course of the Services, nor shall the Consultant and the Experts make public the recommendations formulated in the course of, or as a result of, the Services.

**23. Liability of the**

23.1 Subject to additional provisions, if any, set forth in the SCC, the Consultant's liability under this Contract shall be provided by the





- | <b>Consultant</b>  | <b>Applicable Law.</b>   |
|--|--|
| <b>24. Insurance to be Taken out by the Consultant</b>             | <p>24.1 The Consultant (i) shall take out and maintain, and shall cause any Sub-consultants to take out and maintain, at its (or the Sub-consultants', as the case may be) own cost but on terms and conditions approved by the Client, insurance against the risks, and for the coverage specified in the SCC, and (ii) at the Client's request, shall provide evidence to the Client showing that such insurance has been taken out and maintained and that the current premiums therefore have been paid. The Consultant shall ensure that such insurance is in place prior to commencing the Services as stated in Clause GCC 13.</p>  |
| <b>25. Accounting, Inspection and Auditing</b>                     | <p>25.1 The Consultant shall keep, and shall make all reasonable efforts to cause its Sub-consultants to keep, accurate and systematic accounts and records in respect of the Services and in such form and detail as will clearly identify relevant time changes and costs.</p> <p>25.2 The Consultant shall permit and shall cause its Sub-consultants to permit, the Bank and/or persons appointed by the Bank to inspect the Site and/or all accounts and records relating to the performance of the Contract and the submission of the Proposal to provide the Services, and to have such accounts and records audited by auditors appointed by the Bank if requested by the Bank. The Consultant's attention is drawn to Clause GCC 10 which provides, inter alia, that acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for under this Clause GCC25.2 constitute a prohibited practice subject to contract termination (as well as to a determination of ineligibility under the Bank's prevailing sanctions procedures.)</p> |
| <b>26. Reporting Obligations</b>                                   | <p>26.1 The Consultant shall submit to the Client the reports and documents specified in <b>Appendix A</b>, in the form, in the numbers and within the time periods set forth in the said Appendix.</p>  |
| <b>27. Proprietary Rights of the Client in Reports and Records</b> | <p>27.1 Unless otherwise indicated in the SCC, all reports and relevant data and information such as maps, diagrams, plans, databases, other documents and software, supporting records or material compiled or prepared by the Consultant for the Client in the course of the Services shall be confidential and become and remain the absolute property of the Client. The Consultant shall, not later than upon termination or expiration of this Contract, deliver all such documents to the Client, together with a detailed inventory thereof. The Consultant may retain a copy of such documents, data and/or software but shall not use the same for purposes unrelated to this Contract without prior written approval of the Client.</p> <p>27.2 If license agreements are necessary or appropriate between the</p>  |





Consultant and third parties for purposes of development of the plans, drawings, specifications, designs, databases, other documents and software, the Consultant shall obtain the Client's prior written approval to such agreements, and the Client shall be entitled at its discretion to require recovering the expenses related to the development of the program(s) concerned. Other restrictions about the future use of these documents and software, if any, shall be specified in the SCC.

**28. Equipment,  
Vehicles and  
Materials**

28.1 Equipment, vehicles and materials made available to the Consultant by the Client, or purchased by the Consultant wholly or partly with funds provided by the Client, shall be the property of the Client and shall be marked accordingly. Upon termination or expiration of this Contract, the Consultant shall make available to the Client an inventory of such equipment, vehicles and materials and shall dispose of such equipment, vehicles and materials in accordance with the Client's instructions. While in possession of such equipment, vehicles and materials, the Consultant, unless otherwise instructed by the Client in writing, shall insure them at the expense of the Client in an amount equal to their full replacement value.

28.2 Any equipment or materials brought by the Consultant or its Experts into the Client's country for the use either for the project or personal use shall remain the property of the Consultant or the Experts concerned, as applicable.

**D. CONSULTANT'S EXPERTS AND SUB-CONSULTANTS**

**29. Description of Key  
Experts**

29.1 The title, agreed job description, minimum qualification and estimated period of engagement to carry out the Services of each of the Consultant's Key Experts are described in **Appendix B**.

**30. Replacement of Key  
Experts**

30.1 Except as the Client may otherwise agree in writing, no changes shall be made in the Key Experts.

30.2 Notwithstanding the above, the substitution of Key Experts during Contract execution may be considered only based on the Consultant's written request and due to circumstances outside the reasonable control of the Consultant, including but not limited to death or medical incapacity. In such case, the Consultant shall forthwith provide as a replacement, a person of equivalent or better qualifications and experience, and at the same rate of remuneration.

**31. Removal of Experts  
or Sub-consultants**

31.1 If the Client finds that any of the Experts or Sub-consultant has committed serious misconduct or has been charged with having committed a criminal action, or shall the Client determine that



Consultant's Expert or Sub-consultant have engaged in corrupt, fraudulent, collusive, coercive or obstructive practice while performing the Services, the Consultant shall, at the Client's written request, provide a replacement.

31.2 In the event that any of Key Experts, Non-Key Experts or Sub-consultants is found by the Client to be incompetent or incapable in discharging assigned duties, the Client, specifying the grounds therefore, may request the Consultant to provide a replacement.

31.3 Any replacement of the removed Experts or Sub-consultants shall possess better qualifications and experience and shall be acceptable to the Client.

31.4 The Consultant shall bear all costs arising out of or incidental to any removal and/or replacement of such Experts.

#### **E. OBLIGATIONS OF THE CLIENT**

##### **32. Assistance and Exemptions**

32.1 Unless otherwise specified in the SCC, the Client shall use its best efforts to:

- (a) Assist the Consultant with obtaining work permits and such other documents as shall be necessary to enable the Consultant to perform the Services.
- (b) Assist the Consultant with promptly obtaining, for the Experts and, if appropriate, their eligible dependents, all necessary entry and exit visas, residence permits, exchange permits and any other documents required for their stay in the Client's country while carrying out the Services under the Contract.
- (c) Facilitate prompt clearance through customs of any property required for the Services and of the personal effects of the Experts and their eligible dependents.
- (c) Issue to officials, agents and representatives of the Government all such instructions and information as may be necessary or appropriate for the prompt and effective implementation of the Services.
- (d) Assist the Consultant and the Experts and any Sub-consultants employed by the Consultant for the Services with obtaining exemption from any requirement to register or obtain any permit to practice their profession or to establish themselves either individually or as a corporate entity in the Client's country according to the applicable law in the Client's country.





- (e) Assist the Consultant, any Sub-consultants and the Experts of either of them with obtaining the privilege, pursuant to the applicable law in the Client's country, of bringing into the Client's country reasonable amounts of foreign currency for the purposes of the Services or for the personal use of the Experts and of withdrawing any such amounts as may be earned therein by the Experts in the execution of the Services.
- (f) Provide to the Consultant any such other assistance as may be specified in the SCC.

**33. Access to Project Site**

33.1 The Client warrants that the Consultant shall have, free of charge, unimpeded access to the project site in respect of which access is required for the performance of the Services. The Client will be responsible for any damage to the project site or any property thereon resulting from such access and will indemnify the Consultant and each of the experts in respect of liability for any such damage, unless such damage is caused by the willful default or negligence of the Consultant or any Sub-consultants or the Experts of either of them.

**34. Change in the Applicable Law Related to Taxes and Duties**

34.1 If, after the date of this Contract, there is any change in the applicable law in the Client's country with respect to taxes and duties which increases or decreases the cost incurred by the Consultant in performing the Services, then the remuneration and reimbursable expenses otherwise payable to the Consultant under this Contract shall be increased or decreased accordingly by agreement between the Parties hereto, and corresponding adjustments shall be made to the Contract price amount specified in Clause GCC 38.1

**35. Services, Facilities and Property of the Client**

35.1 The Client shall make available to the Consultant and the Experts, for the purposes of the Services and free of any charge, the services, facilities and property described in the Terms of Reference (**Appendix A**) at the times and in the manner specified in said **Appendix A**.

**36. Counterpart Personnel**

36.1 The Client shall make available to the Consultant free of charge such professional and support counterpart personnel, to be nominated by the Client with the Consultant's advice, if specified in **Appendix A**.

36.2 Professional and support counterpart personnel, excluding Client's liaison personnel, shall work under the exclusive direction of the Consultant. If any member of the counterpart personnel fails to perform adequately any work assigned to such member by the Consultant that is consistent with the position occupied by such member, the Consultant may request the replacement of such member, and the Client shall not unreasonably refuse to act upon





such request.

**37. Payment  
Obligation**

37.1 In consideration of the Services performed by the Consultant under this Contract, the Client shall make such payments to the Consultant for the deliverables specified in **Appendix A** and in such manner as is provided by GCC F below.

**F. PAYMENTS TO THE CONSULTANT**

**38. Contract Price**

38.1 The Contract price is fixed and is set forth in the SCC. The Contract price breakdown is provided in **Appendix C**.

38.2 Any change to the Contract price specified in Clause 38.1 can be made only if the Parties have agreed to the revised scope of Services pursuant to Clause GCC 16 and have amended in writing the Terms of Reference in **Appendix A**.

**39. Taxes and Duties**

39.1 The Consultant, Sub-consultants and Experts are responsible for meeting any and all tax liabilities arising out of the Contract unless it is stated otherwise in the SCC.

39.2 As an exception to the above and as stated in the SCC, all local identifiable indirect taxes (itemized and finalized at Contract negotiations) are reimbursed to the Consultant or are paid by the Client on behalf of the Consultant.

**40. Currency of  
Payment**

40.1 Any payment under this Contract shall be made in the currency(ies) of the Contract.

**41. Mode of Billing and  
Payment**

41.1 The total payments under this Contract shall not exceed the Contract price set forth in Clause GCC 38.1.

41.2 The payments under this Contract shall be made in lump-sum installments against deliverables specified in **Appendix A**. The payments will be made according to the payment schedule stated in the SCC.

41.2.1 Advance payment: Unless otherwise indicated in the SCC, an advance payment shall be made against an advance payment bank guarantee acceptable to the Client in an amount (or amounts) and in a currency (or currencies) specified in the SCC. Such guarantee (i) is to remain effective until the advance payment has been fully set off, and (ii) is to be in the form set forth in **Appendix D**, or in such other form as the Client shall have approved in writing. The advance payments will be set off by the Client in equal portions against the lump-sum installments specified in the SCC until said advance payments have been fully set off.



41.2.2 *The Lump-Sum Installment Payments.* The Client shall pay the Consultant within sixty (60) days after the receipt by the Client of the deliverable(s) and the cover invoice for the related lump-sum installment payment. The payment can be withheld if the Client does not approve the submitted deliverable(s) as satisfactory in which case the Client shall provide comments to the Consultant within the same sixty (60) days period. The Consultant shall thereupon promptly make any necessary corrections, and thereafter the foregoing process shall be repeated.

41.2.3 *The Final Payment.* The final payment under this Clause shall be made only after the final report have been submitted by the Consultant and approved as satisfactory by the Client. The Services shall then be deemed completed and finally accepted by the Client. The last lump-sum installment shall be deemed approved for payment by the Client within ninety (90) calendar days after receipt of the final report by the Client unless the Client, within such ninety (90) calendar day period, gives written notice to the Consultant specifying in detail deficiencies in the Services, the final report. The Consultant shall thereupon promptly make any necessary corrections, and thereafter the foregoing process shall be repeated. 41.2.4 All payments under this Contract shall be made to the accounts of the Consultant specified in the SCC.

41.2.4 With the exception of the final payment under 41.2.3 above, payments do not constitute acceptance of the whole Services nor relieve the Consultant of any obligations hereunder.

#### 42. Interest on Delayed Payments

42.1 If the Client had delayed payments beyond fifteen (15) days after the due date stated in Clause GCC 41.2.2, interest shall be paid to the Consultant on any amount due by, not paid on, such due date for each day of delay at the annual rate stated in the SCC.

### G. FAIRNESS AND GOOD FAITH

#### 43. Good Faith

43.1 The Parties undertake to act in good faith with respect to each other's rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

### H. SETTLEMENT OF DISPUTES

#### 44. Amicable Settlement

44.1 The Parties shall seek to resolve any dispute amicably by mutual consultation.

44.2 If either Party objects to any action or inaction of the other Party, the objecting Party may file a written Notice of Dispute to the





other Party providing in detail the basis of the dispute. The Party receiving the Notice of Dispute will consider it and respond in writing within fourteen (14) days after receipt. If that Party fails to respond within fourteen (14) days, or the dispute cannot be amicably settled within fourteen (14) days following the response of that Party, Clause GCC 45.1 shall apply.

**45. Dispute Resolution**

45.1 Any dispute between the Parties arising under or related to this Contract that cannot be settled amicably may be referred to by either Party to the adjudication/arbitration in accordance with the provisions specified in the SCC.



NOT USED



## II. General Conditions

### Attachment 1: Bank's Policy – Corrupt and Fraudulent Practices

(the text in this Attachment 1 shall not be modified)

**Guidelines for Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers, dated January 2011:**

#### **"Fraud and Corruption**

1.23 It is the Bank's policy to require that Borrowers (including beneficiaries of Bank loans), consultants, and their agents (whether declared or not), sub-contractors, sub-consultants, service providers, or suppliers, and any personnel thereof, observe the highest standard of ethics during the selection and execution of Bank-financed contracts [footnote: In this context, any action taken by a consultant or any of its personnel, or its agents, or its sub-consultants, sub-contractors, services providers, suppliers, and/or their employees, to influence the selection process or contract execution for undue advantage is improper.]. In pursuance of this policy, the Bank:

(a) defines, for the purposes of this provision, the terms set forth below as follows:

- (i) "corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party<sup>1</sup>;
- (ii) "fraudulent practice" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation<sup>2</sup>;
- (iii) "collusive practices" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party<sup>3</sup>;
- (iv) "coercive practices" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party<sup>4</sup>;

<sup>1</sup> For the purpose of this sub-paragraph, "another party" refers to a public official acting in relation to the selection process or contract execution. In this context "public official" includes World Bank staff and employees of other organizations taking or reviewing selection decisions.

<sup>2</sup> For the purpose of this sub-paragraph, "party" refers to a public official; the terms "benefit" and "obligation" relate to the selection process or contract execution; and the "act or omission" is intended to influence the selection process or contract execution.

<sup>3</sup> For the purpose of this sub-paragraph, "parties" refers to participants in the procurement or selection process (including public officials) attempting either themselves, or through another person or entity not participating in the procurement or selection process, to simulate competition or to establish prices at artificial, non-competitive levels, or are privy to each other's bid prices or other conditions.





- (v) "obstructive practice" is
- (aa) deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or
  - (bb) acts intended to materially impede the exercise of the Bank's inspection and audit rights;
- (b) will reject a proposal for award if it determines that the consultant recommended for award or any of its personnel, or its agents, or its sub-consultants, sub-contractors, services providers, suppliers, and/or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;
- (c) will declare misprocurement and cancel the portion of the Loan allocated to a contract if it determines at any time that representatives of the Borrower or of a recipient of any part of the proceeds of the Loan were engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices during the selection process or the implementation of the contract in question, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur, including by failing to inform the Bank in a timely manner they knew of the practices;
- (d) will sanction a firm or an individual at any time, in accordance with prevailing Bank's sanctions procedures<sup>5</sup>, including by publicly declaring such firm or an ineligible, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract, and (ii) to be a nominated<sup>6</sup> sub-consultant, supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract.

<sup>4</sup> For the purpose of this sub-paragraph, "party" refers to a participant in the selection process or contract execution.

<sup>5</sup> A firm or an individual may be declared ineligible to be awarded a Bank-financed contract upon (i) completion of the Bank's sanctions proceedings as per its sanctions procedures, including inter alia: cross-debarment as agreed with other International Financial Institutions, including Multilateral Development Banks, and through the application of the World Bank Group corporate administrative procurement sanctions procedures for fraud and corruption; and (ii) as a result of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceedings. See footnote 12 and paragraph 8 of Appendix 1 of these Guidelines.

<sup>6</sup> A nominated sub-consultant, supplier, or service provider is one which has been either (i) included by the consultant in its proposal because it brings specific and critical experience and know-how that are accounted for in the technical evaluation of the consultant's proposal for the particular services; or (ii) appointed by the Borrower.





### III. Special Conditions of Contract

*[Notes in brackets are for guidance purposes only and should be deleted in the final text of the signed contract]*

Number of GC Clause	Amendments of, and Supplements to, Clauses in the General Conditions of Contract
1.1(b) and 3.1	The Contract shall be construed in accordance with the law of India.
4.1	The language is: English
6.1 and 6.2	<p>The addresses are:</p> <p>Client :Mr. Uday Raj Singh, Program Director, State Program Support Unit, Near ISBT, First Floor , The Institution of Engineers Building, Saharanpur Road, Majra, Dehradun,</p> <p>Attention : Superintending Engineer, State Program Support Unit E-mail : <a href="mailto:swsm.uttarakhand@gmail.com">swsm.uttarakhand@gmail.com</a></p> <p>Consultant : Nilachal Mishra, Partner, KPMG Advisory Services Private Limited, Lodha Excellus, 4<sup>th</sup> Floor, Apollo Mills Compound, NM Joshi Marg, Mahalaxmi, Mumbai-400011 Attention : Nilachal Mishra E-mail : <a href="mailto:nilachalmishra@kpmg.com">nilachalmishra@kpmg.com</a></p>
8.1	<i>Not Applicable</i>
9.1	<p>The Authorized Representatives are:</p> <p>For the Client: Mr. Uday Raj Singh, Program Director</p> <p>For the Consultant: Nilachal Mishra, Partner</p>
11.1	Within ten (10) days of the receipt of notification of award from the Client, the successful Firm, shall furnish the Performance Security of 5% Rs. 11,26,250/- (Elven Lakh Twenty Six Thousand Two Hundred Fifty Only) in the name of Uttarakhand Water Supply Program, SWSM, Dehradun in accordance with the percentage specified. Failure of the successful Firm to submit the above-mentioned

M



12

	Performance Security or sign the Contract shall constitute sufficient grounds for the annulment of the award. In that event the Client may award the Contract to the next lowest evaluated Firm, whose offer is substantially responsive and is determined by the Client to be qualified to perform the Consultancy services satisfactorily.
12.1	<b>Termination of Contract for Failure to Become Effective:</b>  <b>The time period shall be : <i>four months</i>].</b>
13.1	<b>Commencement of Services:</b>  <b>The number of days shall be : Fifteen days</b>  Confirmation of Key Experts' availability to start the Assignment shall be submitted to the Client in writing as a written statement signed by each Key Expert.
14.1	<b>Expiration of Contract:</b>  <b>The time period shall be : Sixty (60) months.</b>
21 b.	<b>The Client reserves the right to determine on a case-by-case basis whether the Consultant should be disqualified from providing goods, works or non-consulting services due to a conflict of a nature described in Clause GCC 21.1.3</b>  : Yes





23.1	<p>No additional provisions.</p> <p><i>[OR]</i></p> <p>The following limitation of the Consultant's Liability towards the Client can be subject to the Contract's negotiations:</p> <p><b>"Limitation of the Consultant's Liability towards the Client:</b></p> <p>(a) Except in the case of gross negligence or willful misconduct on the part of the Consultant or on the part of any person or a firm acting on behalf of the Consultant in carrying out the Services, the Consultant, with respect to damage caused by the Consultant to the Client's property, shall not be liable to the Client:</p> <p>(i) for any indirect or consequential loss or damage; and</p> <p>(ii) for any direct loss or damage that exceeds one times the total value of the Contract;</p> <p>(b) This limitation of liability shall not</p> <p>(i) affect the Consultant's liability, if any, for damage to Third Parties caused by the Consultant or any person or firm acting on behalf of the Consultant in carrying out the Services;</p> <p>(ii) be construed as providing the Consultant with any limitation or exclusion from liability which is prohibited by the "law of land".</p>
24.1	<p>The insurance coverage against the risks shall be as follows:</p> <p>(a) Professional liability insurance, with a minimum coverage of Rs. 2.25 Crore</p> <p>(b) Third Party motor vehicle liability insurance in respect of motor vehicles operated in the Client's country by the Consultant or its Experts or Sub-consultants, with a minimum coverage of "in accordance with the applicable law in India";</p> <p>(c) Third Party liability insurance, with a minimum coverage of "in accordance with the applicable law in India";</p> <p>(d) employer's liability and workers' compensation insurance in respect of the experts and Sub-consultants in accordance with the relevant provisions of the applicable law in the Client's country,</p>

W



✓

	as well as, with respect to such Experts, any such life, health, accident, travel or other insurance as may be appropriate; and  (e) insurance against loss of or damage to (i) equipment purchased in whole or in part with funds provided under this Contract, (ii) the Consultant's property used in the performance of the Services, and (iii) any documents prepared by the Consultant in the performance of the Services.																
27.1	No other condition																
27.2	Deleted																
32.1 (a) through (e)	Deleted																
32.1(f)	Deleted																
38.1	The Contract price is: INR 2,25,25,000/- Two Crore, Twenty Five Lakh Twenty Five Thousand only) plus GST as applicable.																
39.1 and 39.2	Not applicable																
41.2	<table><tr><th colspan="4">The payment schedule:</th></tr><tr><th>Deliverables</th><th>Time line</th><th>Payment Percentage excluding sub key professionals fee</th><th>Amount</th></tr><tr><td>Inception Report presenting the preliminary findings from review of the Program documents and interactions with the SWSM/SPSU officials</td><td>Within 8 weeks from the date of signing the Contract</td><td>10%</td><td>22,52,500/- plus GST as applicable</td></tr><tr><td>Report containing detailed methodology for DLI# 1,2,3 and 4</td><td>Within 3 months from the date of signing the Contract</td><td>10%</td><td>22,52,500/- plus GST as applicable</td></tr></table>	The payment schedule:				Deliverables	Time line	Payment Percentage excluding sub key professionals fee	Amount	Inception Report presenting the preliminary findings from review of the Program documents and interactions with the SWSM/SPSU officials	Within 8 weeks from the date of signing the Contract	10%	22,52,500/- plus GST as applicable	Report containing detailed methodology for DLI# 1,2,3 and 4	Within 3 months from the date of signing the Contract	10%	22,52,500/- plus GST as applicable
The payment schedule:																	
Deliverables	Time line	Payment Percentage excluding sub key professionals fee	Amount														
Inception Report presenting the preliminary findings from review of the Program documents and interactions with the SWSM/SPSU officials	Within 8 weeks from the date of signing the Contract	10%	22,52,500/- plus GST as applicable														
Report containing detailed methodology for DLI# 1,2,3 and 4	Within 3 months from the date of signing the Contract	10%	22,52,500/- plus GST as applicable														





	and verification plan etc.			
	Annual Verification Reports outlining the findings of the IVA on the DLIs # 1,2,3 and 4 and incorporating comments, if any of the SWSM/SPSU	February every year*	14% each year for 5 years i.e. 70%	<p>At the end of <b>Year#1:</b> 31,53,500/- plus GST as applicable.</p> <p>At the end of <b>Year#2:</b> 31,53,500/- plus GST as applicable.</p> <p>At the end of <b>Year#3:</b> 31,53,500/- plus GST as applicable.</p> <p>At the end of <b>Year#4:</b> 31,53,500/- plus GST as applicable.</p> <p>At the end of <b>Year#5:</b> 31,53,500/- plus GST as applicable</p>
	Assignment Completion Report	On closure of the assignment	10%	22,52,500/- plus GST as applicable
	Total		100%	2,25,25,000/- plus GST as applicable
41.2.1	Deleted			



41.2.4	Deleted
42.1	Not Applicable
45.1	<p>Disputes shall be settled by arbitration in accordance with the following provisions:</p> <ol style="list-style-type: none"><li>1. In case of dispute or difference arising between the Client and Consultants relating to any matter arising out of or connected with the Contract, such dispute, the arbitrator shall be Secretary, Department of Drinking Water &amp; Sanitation, Govt. of Uttarakhand</li><li>2. <u>Any of the dispute proceedings will be attended at the Jurisdiction of Dehradun.</u></li></ol> <p>The decision of the Secretary, Department of Drinking Water &amp; Sanitation, Govt. of Uttarakhand shall be final and binding and shall be enforceable in any court of competent jurisdiction.</p>





## IV. Appendices

### APPENDIX A – TERMS OF REFERENCE

#### **Terms of Reference (ToR) for Independent Verification Agency (IVA)**

##### **1. Introduction**

- 1.1 The Government of Uttarakhand (GoUK) has received funding from the World Bank to support the **Uttarakhand Water Supply Program for Peri-Urban Areas (the 'Program')**, and intends to apply part of the proceeds for consultancy services for independent verification of results under the Program.
- 1.2 The Program is designed using the new World Bank lending instrument (Program-for-Results) in which disbursements are linked to achievement of pre-agreed results (hereinafter called disbursement-linked results or DLRs) against pre agreed Disbursement Linked Indicators (or DLIs). GoUK intends to hire a reputable company/entity/firm or consortium with expertise in performance/technical auditing to act as an Independent Verification Agent (IVA) for the Program.
- 1.3 This document should be read in conjunction with the Program Appraisal Document (PAD) and Program Operations Manual (POM) for the Program and other documents that have been prepared and finalized by the Bank and GoUK.

##### **2. Objective of the Program:**

The Program Development Objective (PDO) is to "increase access to improved water supply services in the peri-urban areas in Uttarakhand".

##### **3. Description: Uttarakhand Water Supply Program for Peri-Urban Areas**

- 3.1 The proposed Program worth USD 150 million (World Bank share: USD 120 million and Govt. of Uttarakhand share: USD 30 million) will support the GoUK Water Supply Program for Peri-Urban Areas over a six year period (2018-23). This amount will not only be spent for water supply service delivery improvements but also policy formulation, enhancing planning capabilities, and M&E using the Program for Results (PforR) financing instrument, in which disbursements are linked to achievement of pre-agreed Disbursement Linked Indicators (or DLIs) under Program.
- 3.2 Thirty-five (35) peri-urban areas have been selected for the Program interventions, the list of which is provided in **Appendix-3**. The infrastructure components will be implemented by the Uttarakhand Peyjal Nigam (UJN) and Uttarakhand Jal Sansthan (UJS) and/or through private operators and other components through State Water & Sanitation Mission (SWSM)/State Program Support Unit (SPSU).

##### **4. Program Results Framework:**

- 4.1 There are two types of result indicators in the Program: those that are linked to disbursements, referred to as 'Disbursement Linked Indicators (DLIs)', and those that are not linked to disbursements, referred to as 'other Results Indicators'. Achievement of DLIs triggers Bank disbursements to the Program. The results framework for the Program along with the DLIs are presented in the Program Appraisal Document (PAD) for the Program.



4.2 There are five DLIs have been agreed by the GoUK and the Bank. Definitions of the DLIs, funding allocations and World Bank disbursements are presented in PAD.

- *DLI#1: Number of water connections providing improved water services in peri-urban Areas*
- *DLI#2: Sustainability of water supply service delivery in peri-Urban Areas*
- *DLI#3: Improved policy for water supply program in peri-urban areas*
- *DLI#4: Strengthened M&E systems for water supply program in peri-urban areas*
- *DLI#5: Number of approved master-plans for water supply in peri-urban areas*

From the above, DLIs#1 and 2 will be verified fully and parts of DLIs#3 and 4 will be verified by the IVA. For DLI#3 the IVA would verify consistent application of the key policy actions in the peri-urban areas including cross check of data provided by the operator on the MIS web-site of DDWS. For DLI#4 the IVA would verify minimum indicators by cross checks on MIS web-site of DDWS. DLI#5 will not need to be verified by the IVA.

## 5. Objectives of the Consultancy Assignment

5.1 Since PforR Program fund disbursements are linked to the achievements of the DLIs, their verification by an independent agency – **Independent Verification Agency (IVA)** is critical to ensure that the outcomes achieved under the Program are recorded and verified based on a protocol agreed by the GoUK.

The objective of the consultancy services of the Independent Verification Agency (IVA) is to verify the achievement of DLI# 1, DLI# 2, and part of DLI# 3 and DLI# 4. In order to do so, the IVA will (i) carry out Annual independent verification of achievement of the DLI# 1, DLI# 2, and part of DLI# 3 and DLI# 4 reported by GoUK through SWSM/SPSU for each disbursement claim under the Program, based on the Verification Protocol agreed between GoUK and the World Bank (ii) Carry out an independent verification of achievement of the other Result Indicators related to DLI# 1, DLI# 2, and part of DLI# 3 and DLI# 4 (For DLI#3 the IVA would verify consistent application of the key policy actions in the peri-urban areas including cross check of data provided by the operator on the MIS web-site of DDWS. For DLI#4 the IVA would verify minimum indicators by cross checks on MIS web-site of DDWS) reported by GoUK under the Program based on a methodology agreed with GoUK and (iii) Prepare and submit comprehensive verification reports as agreed with the GoUK.

## 6. Scope of Work:

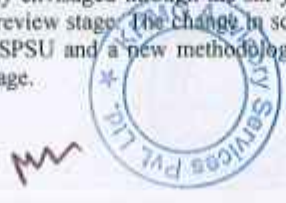
The scope of services<sup>7</sup> of the IVA will cover the following:

The IVA will verify the following four DLIs and their sub DLIs

### ❖ *DLI#1: Number of water connections providing improved water services in peri-urban Areas*

- Sub-DLI#1.1: Duration of water supply: Minimum of 16-hours per day
- Sub-DLI#1.2: Meeting GoI water quality standards
- Sub-DLI#1.3: Pressure head of water supply: An average of 12m
- Sub-DLI#1.4: Water Supply days in a year: No less than 300 days in a year, unless the service area is declared a disaster affected area.

<sup>7</sup> The Scope of work for the IVA is currently envisaged through the six year tenure of the Program. However, the results matrix is subject to revision at the mid-term review stage. The change in scope of work of IVA with regard to the same will need to be agreed by the IVA and SWSM/SPSU and a new methodology, if required, needs to be prepared and agreed between the IVA and SWSM/SPSU at that stage.





The UJN/UJS will provide information on the above sub indicators prior to visit of IVA. The IVA shall verify the data reported by UJN and UJS including the timeliness, completeness, and quality of data collection, analysis, and dissemination. The verification methodology and minimum reporting standards have been provided in the latter part of the ToR. The IVA will carry out a physical inspection to verify the reported number of connections based on a sample of 1% of reported connections per peri-urban system.

❖ **DLI#2: Sustainability of water supply service delivery in Peri-Urban Areas**

- Sub-DLI#2.1: Performance agreements
- Sub-DLI#2.2: Metering
- Sub-DLI#2.3: O&M cost recovery
- Sub-DLI#2.4: Household survey for ascertaining customer satisfaction

❖ **DLI#3: Improved policy for water supply program in peri-urban areas**

The IVA shall verify consistent application of the key policy actions i.e. adoption of improved policy for water supply services in peri-urban areas by GoUK, demonstrates consistent implementation of water connections policy and volumetric tariff policy in targeted peri-urban areas including cross check of data provided by the operator on the MIS web-site of DDWS.

❖ **DLI#4: Strengthened M&E systems for water supply program in peri-urban areas**

The IVA shall verify minimum indicators by cross checks on MIS web-site of DDWS.

- Prepare detailed procedures for the conduct of verification mission for each of components of the each four DLIs i.e. **DLI# 1, DLI# 2, and part of DLI# 3 and DLI# 4** (For DLI#3 the IVA would verify consistent application of the key policy actions in the peri-urban areas including cross check of data provided by the operator on the MIS web-site of DDWS. For DLI#4 the IVA would verify minimum indicators by cross checks on MIS web-site of DDWS) as per PAD which are approved by SWSM/SPSU.
- Design the survey questionnaire (household survey) and other measurement tools/ protocols for measuring pressure of water supply, duration of water supply, O&M cost recovery, Performance agreements and any others and finalizing the same with the SWSM/SPSU. Translate the household survey questionnaire into Hindi. An indicative questionnaire is attached herewith (**Appendix 4**) which may be modified if necessary to fulfill the objective of the assignment.
- Facilitate workshops to share the methodology with SWSM/SPSU and other stakeholders
- Prepare a detailed list of documents/reports/records/statements to be examined as a part of desk research prior to the conduct of the verification of the DLIs
- Review all the relevant documentation, monitoring reports and data pertaining to the DLIs submitted by the UJS/UJN/operators//SWSM/SPSU before each Annual assessment mission.
- Conduct Annual verification mission (staffed with experts as required) to measure the **DLI# 1, DLI# 2, and part of DLI# 3 and DLI# 4** (For DLI#3 the IVA would verify consistent application of the key policy actions in the peri-urban areas including cross check of data provided by the operator on the MIS web-site of DDWS. For DLI#4 the IVA would verify minimum indicators by cross checks on MIS web-site of DDWS) and determine the accuracy of the reports. The review must capture the detailed processes





followed by the agencies in achieving the **DLI# 1, DLI# 2, DLI# 3 and DLI# 4** targets and reporting on them.

- Seek clarifications and report factual errors, respond to any questions of clarification from either party. Record the comments of the SWSM/SPSU on observations made by the IVA
- Provide a final view on whether the **DLI# 1, DLI# 2, DLI# 3 and DLI# 4** have been achieved or not, with detailed reasoning for the conclusion.
- Incorporate actionable feedback on key next steps to be taken, and provide recommendations for improving the quality of monitoring reports and measurement.

**Specific activities to be undertaken by the IVA**

- Carry out a desk review of operational performance reports and data maintained by the operator on the MIS web-site of the Department of Drinking Water & Sanitation (DDWS): SWSM/SPSU.
- Test the robustness and reliability of operator data through physical inspection of a random sample of connections per peri-urban system to verify hours of supply and pressure as defined in latter part of the ToR.
- The IVA shall verify the data reported by UJN and UJS including the timeliness, completeness, and quality of data collection, analysis, and dissemination. *That the verification methodology and minimum reporting standards will be as per Appendix 1: Verification Protocol (Part of POM) as part of ToR.* The IVA will, carry out a physical inspection to verify the reported number of connections based on a sample of 1% of reported connections per peri-urban system for DLI#1.
- Review and confirm the existence of performance agreement between GoUK and UJN or UJS, or between UJN/UJS and a private operator.
- Carry out a desk review of operational performance reports and data maintained by the operator relating to metering level and O&M cost recovery,
- Carry out physical inspection of a sample of 2% of connections per water supply system to confirm metering level (%),
- Conduct an annual customer satisfaction survey for each system to confirm level of customer satisfaction, based on five service attributes: (i) supply reliability; (ii) sufficient supply pressure; (iii) quality of water; (iv) responsiveness in approving new connections; and (v) convenience of bill payment process.
- Design a survey, including a questionnaire (based on a Likert-scale of 1 to 7) to assess (i) the importance customers attach to the above five attributes; and (ii) customers' level of satisfaction with each attribute. The sample size shall be a minimum of 2% of customers. In addition, the sample size should be sufficient to yield reliable information to obtain the required number of completed questionnaires.
- Based on survey data, the customer satisfaction (CS) score shall be calculated in six (6) steps as follows:
  - (i) Average of importance scores for each service attribute (I)
  - (ii) Average of satisfaction scores for each service attribute (S)
  - (iii) Average importance scores for all service attributes ( $I_{all}$ )





- (iv) Calculate weights (W) for each attribute by dividing the average of importance score for each attribute by the average for all attributes, i.e.  $W = I / I_{all}$
- (v) Calculated weighted satisfaction scores (i.e. satisfaction scores that take into account the importance ratings) =  $S * W$
- (vi) CS= average of  $S * W$  for all service attributes expressed as a percentage.

*The IVA shall adhere to a strict time schedule of no more than [12] weeks (elapsed time) for completion of Annual verification cycle. The IVA may plan its resources accordingly.*

## **7. Suggested Approach**

7.1 Since the DLIs involve a wide range data sets and skill requirements, the IVA may have separate teams that undertake each of the following streams:

- Household level- Customer satisfaction survey.
- Water Supply System/Scheme level- Measurement of pressure at pre-determined points, and measurement of duration of water supply.
- Operator level-Verification of O&M cost recovery vs. revenues/subsidies, verification of customer meter records, connection records, performance agreements.

7.2 The methodology for undertaking the survey, sampling and other parameters is outlined in the Appendix 2 of the ToR. The IVA may, further refine the methodology of surveys and sampling, keeping in view the requirement of verification of DLIs. The method of collection and processing of data, and measurement for verification of results should be in line with the methodology presented in **Appendix 2**. Alterations in measurement protocol for verification of progress, including sampling procedure, survey design will be approved by the SWSM/SPSU. The responsibility for selection, training, supervision and co-ordination of activities of the survey teams, institution of quality checks including validation shall rest with the IVA.

7.3 Beginning with the baseline round in FY 2018-19 followed with 05 Annual survey rounds up till 2023-24, the IVAs will clearly measure the achievement of DLIs and other related Result Indicators outlined in the results framework. There will be Annual surveys conducted each year to measure the performance of the state and each round of survey will have components that will generate information on the outlined indicators. Based on this, the IVA shall present verification reports to SWSM/SPSU that will form the basis of disbursements.

7.4 The IVA shall refer to the following:

- Program Appraisal Document and in particular the Program Results Framework.
- Verification Protocol agreed between GoUK and the World Bank as contained in PAD
- Program Operations Manual
- Program Monitoring Reports
- Any contracts entered between any of the Program implementing entities and third parties.
- Performance Agreement between GoUK and Agencies- UJN/UJS, or between UJN/UJS and a private operator
- DDWS: SWSM/SPSU MIS web-site
- Other relevant document, records, reports etc. provided by SWSM/SPSU, UJS, UJN, operators from time to time.



7.5 The IVA has to develop verification mission templates for verification of each of the DLI for each of the Annual verification cycle. These templates may cover at least the following:

- DLI Description and Measurement – in qualitative or quantitative terms
- Targets for the period of verification
- List of activities related to
  - Pre-verification
  - Verification
  - Post verification
- Support/data required from the SWSM/SPSU/Implementing agencies
- Issues and challenges in achieving of DLI # 1,2,3 and 4
- Suggested actions, if any
- Recommendations of the IVA on the DLI # 1,2,3 and 4

#### 8. Sampling Plan and measurement of indicators

8.1 The frequency/periodicity of IVA verification mission will be October 31 each year from 2018/19 to 2023/24.

8.2 The DLI sub-indicator, the unit of measurement, the information to be provided by GoUK agencies (SWSM/SPSU, UJS, UJN, operators) prior to the visit of the IVA, sample size and type and the measurement guidelines for IVA are presented below

**Table 2: DLI indicator, unit of measurement, information, sampling size/type, measurement guidelines:**

DLI	Measurement unit	Information to be provided by SWSM/SPSU, UJN, UJS (prior to the visit of IVA)*	Sample size for IVA	Measurement guidelines for IVA
<b>DLI#1: Number of water connections providing improved water supply services in peri-urban areas</b>	<ul style="list-style-type: none"> <li>• A minimum of 16-hours per day of continuous water supply</li> <li>• Meeting GoI water quality standards</li> <li>• Supplied at an average pressure of 12m</li> <li>• Provided for no less than 300 days in a year, unless the service area is declared a disaster-affected area.</li> </ul>	MIS reports from UJN, UJS and SPSU/SWSM	Physical inspection to verify the reported number of connections based on a sample of 1% of reported connections per peri-urban system.	The IVA shall verify the data reported by UJN and UJS including the timeliness, completeness, and quality of data collection, analysis, and dissemination.
<b>DLI#2:Sustainability of water supply service delivery in peri-urban areas</b>	<ul style="list-style-type: none"> <li>(a) Performance agreements</li> <li>(b) Metering</li> <li>(c) O&amp;M cost-recovery</li> <li>(d) Household survey for ascertaining customer satisfaction</li> </ul>	MIS reports from UJN, UJS and SPSU/SWSM	Desk review and Physical inspection of a sample of 2% of connections to confirm metering level and adequate sample size to yield reliable information	<p>The IVA would verify the TSI scores using two mechanism:</p> <ul style="list-style-type: none"> <li>• The IVA shall carry out a review of the robustness of the operator data on indicators (a) (b) (c) and (d).</li> <li>• The IVA shall</li> </ul>





			regarding customer satisfaction.	conduct an annual customer satisfaction survey for each system to confirm level of customer satisfaction.
<b>DLI#3:Improved Policy for GoUK's Water Supply Program for Peri-Urban Areas</b>	Policy document	GO issued on the policy	Policy GO	The IVA would verify consistent application of the key policy actions in the peri-urban areas including cross check of data provided by the operator on the MIS web-site of DDWS.
<b>DLI#4:Strengthened Monitoring and Evaluation Systems for GoUK's Water Supply Program for Peri-Urban Areas</b>	M&E system	The documents prepared for the M&E system (needs document/implementation plan), data on the team deployed for M&E system operations, Annual Service Performance Reports	Development of M&E system & implementation	The IVA would verify minimum indicators by cross checks on MIS web-site of DDWS: SWSM/SPSU.

\*The above information to be provided by UJS/UJN to SWSM/SPSU by at least a month prior to the visit of the IVA (November).

### 8.3 Household level Survey Methodology

#### Planning

- The minimum data required to be collected will include
  - Customer satisfaction perception
    - Water supply reliability
    - sufficient water supply pressure
    - quality of water
    - responsiveness in approving new connections
    - convenience of bill payment process
- Designing the survey methodology based on the minimum guideline protocols is specified in subsequent paragraphs
  - The IVA should use a Stratified Random Sampling approach for the same. If the IVA suggests any other sampling methodology, it needs to justify the same based on a strong rationale for doing so. The sample size is mentioned in Table 2.
  - The IVA will ensure that the selection of samples must be from all the targeted peri-urban areas and within these covering different wards/zones/areas



including representation of households/customers from different categories and incomes

- The IVA should use a structured questionnaire which should at a minimum capture availability of water connections, service delivery parameters (outlined in the DLI verification protocol of the PAD) and **Appendix -1**
- The IVA will endeavor that the respondent of the survey is the Head of the Household, or a Major.
- The IVA should have a training manual of the enumerators that should detail out the process of the survey. The IVA should ensure that all enumerators are adequately trained before the field work begins
- The methodology of the IVA should include a provision of a pilot survey, the findings of which can be discussed with the SWSM/SPSU and revised, if necessary
- IVA shall hold workshops to share the methodology with SWSM/SPSU and other stakeholders after each verification mission.
- IVA shall finalize the sample selection and framework, questionnaires, formats, tools etc. in consultation with the SWSM/SPSU.
- The IVA may either choose to carry out the survey by themselves or engage survey agencies to do the same. However, the complete responsibility of the survey will be with the IVA. The IVA will be responsible for providing for logistical support (transport, per-diem, etc.) to their field teams during the field survey work. The IVA will provide all necessary instruments and equipment to the team at field to conduct the assessment as required for verification of the DLIs.

#### **Conducting the survey**

- **Use of latest survey tools/IT devices:** The IVA should use suitable latest survey tools/IT devices for field surveys/verification. Features including geo-referencing location of the surveyed houses/premises, daily database updation and preliminary quality checks of the collected data may also be built into the system.
- **Data Management:** Suitable software/application for field level survey/verification (wherein the information from the questionnaire is fed into) should be prepared and if required translated into Hindi. The software/application should include all the necessary features such as quality checks, skip logics etc. enabling the proper integration of questionnaire. The various features in the software application used for survey should be discussed with the SWSM/SPSU and corresponding approval is also to be obtained. The software/application should also be pretested for the field situation through the pilot surveys.
- The software/application should be designed in such a way that the data collected by each enumerator should be sent to the database on a daily basis by the corresponding supervisor. Apart from the various data points to be captured through the survey, software/application should be built in such a way that each houses/premises data should be time-stamped, geo-tagged and mapped against the corresponding enumerator and the supervisor who have been involved.

#### **Data Reporting**





- **Data analysis and interpretation:** Data analysis and interpretation should be carried out for the entire sample. While the IVA may choose any software to carry out the data analysis, outputs have to be submitted to Client in MS Excel formats. Maps of the surveyed GPs/peri-urban areas should also be generated showing the spatial distribution of the surveyed houses/premises.
- Facilitate workshops to share the results/inferences with SWSM/SPSU and other stakeholders.

### **Minimum Quality Assurance Procedures to be adopted**

#### **Conduct of Field Survey**

- Each survey team should prepare a survey implementation plan and a work plan in which the details of the survey logistics are laid out clearly. This plan should identify how many interviewers are needed to cover an identified portion of the sample in a given peri urban area. Accordingly, it should take into account the anticipated non-response rate and incomplete interviews, and the survey team's presence in a location;
- Each survey team should have a supervisor who oversees and coordinates the work of the interviewers, as well as provides on-site training and support. The supervisor interviewer ratio should be at least 1:10 and with gender balance.
- Supervisors should set out the daily schedule at the beginning of the day with the enumerators/interviewers and review the results at the end of the day. In this review, interviewers will brief their supervisors about their interviews and results. Supervisors must examine the completed interviews to make sure that the interviewers' selection of the respondents in the household has been done correctly and that the questionnaire is both complete and accurately coded
- A daily logbook should be kept to monitor the progress of the survey work in every targeted peri-urban area. The elements to be recorded are:
  - The number of respondents approached, interviews completed and incomplete interviews
  - The response, refusal and non-contact rates
- The IVA should conduct a pilot survey at the beginning of the verification mission which should last a week. Fifty per cent of the pilot sample would then be re-interviewed by another interviewer to demonstrate the stability of application of the interview. The pilot period should be evaluated critically and discussed with SWSM/SPSU.
- 10 per cent of the respondents should be randomly checked again by supervisors or other teams. This check can be done by phone or in person, and is structured to ensure that the initial interview has been conducted properly. The recheck interview should cover the basic demographic information and any information not collected at the initial interview.
- Response rates should be monitored continuously and each centre (at a Peri urban areas level) should employ a combination of various strategies to increase participation in the survey and reduce non- response. SWSM/SPSU will support in publicizing the importance of the survey amongst the general public.

#### **Data Quality**

- Data entry should be carried out done using a data entry software, which provides quality check features.





- The completed interview forms should be checked by the supervisor on a random basis
- Certain rules are applied to maintain the integrity and accuracy of data involving; for example, checking to determine whether the same respondent is used twice and the extent of missing data
- Security of data during transfer over the Internet is ensured through encryption.
- An appropriate backend computerized data collection and storage system should also be set up using appropriate software ensuring the quality of data collected.
- Daily back up of the collected data should also be carried out so as to minimize risks of data loss. Access to this system and the collected data should also be provided to the SWSM/SPSU so that regular monitoring and random quality control checks will be carried out.

### 9. IVA Outputs and Schedules

9.1 The IVA shall submit the following deliverables:

**Table 3: schedule of deliverables**

Deliverables	Time line	Payment Percentage excluding sub key professionals fee
Inception Report presenting the preliminary findings from review of the Program documents and interactions with the SWSM/SPSU officials	Within 8 weeks from the date of signing the Contract	10%
Report containing detailed methodology for DLI# 1,2,3 and 4 and verification plan etc.	Within 3 months from the date of signing the Contract	10%
Annual Verification Reports outlining the findings of the IVA on the DLIs # 1,2,3 and 4 and incorporating comments, if any of the SWSM/SPSU	February every year*	14% each year for 5 years i.e. 70%
Assignment Completion Report	On closure of the assignment	10%

\*To be finalized at the stage of contracting

9.2 Annual DLI achievement claims have to be verified by the IVA against DLI # 1, 2,3 and 4. The expected schedule for verification requests by the SWSM/SPSU is 1<sup>st</sup> of November in each year beginning 2018-19 to 2023-24

9.3 Reporting: The IVA shall carry out the assignment under the overall guidance of the Program Director/ Joint Chief Executive Officer, State Water and Sanitation Mission (SWSM). The IVA shall submit the DLI Verification Reports (in hard and soft copies) to the Joint Chief Executive Officer, State Water and Sanitation Mission (SWSM). The IVA shall ensure that Verification Reports are timely, accurate, objective and are backed-up by evidence and a clear rationale. The IVA will be required to make presentations as needed in Dehradun and clarify, in a timely manner, any issues and questions raised by SWSM/SPSU

**Table 4: Verification Mission Cycle timelines**

DLI#	Time line for achievement	GoUK information collation through SWSM/SPSU	IVA verification Missions	IVA verification reports and clarifications





1: Water Connections	Continuous and through the Program period	1 <sup>st</sup> October in each year	1 <sup>st</sup> November in each year	15 <sup>th</sup> February in each year
2: Water Supply Systems	Continuous and through the Program period	1 <sup>st</sup> October in each year	1 <sup>st</sup> November in each year	15 <sup>th</sup> February in each year
3: Policy	Policy prepared by year 1 and implementation of policy statements from year 2.	1 <sup>st</sup> October in each year	1 <sup>st</sup> November in each year	15 <sup>th</sup> February in each year
4: M&E System	M&E system needs document prepared by year 1 and M&E system designed and tested in year 2 and implementation of M&E system in select peri-urban areas from year 3 onwards M&E system review in year 6	1 <sup>st</sup> October in each year	1 <sup>st</sup> November in each year	15 <sup>th</sup> February in each year

## 10. Resources requirement

10.1 The IVA shall engage a multi-disciplinary team comprising of professionals covering at least the following disciplines for this assignment:

- a. **Team Leader** with at least 15 years' experience in the water sector with experience in performance improvement and monitoring of service delivery. He/she should hold at least a Bachelor's degree in Engineering with preferably a post-graduation qualification in Management. He/she will be responsible for the coordination, overall deliverables and quality assurance.
- b. **Household Survey Expert** with at least 15 years' experience in designing and overseeing large scale surveys. He/she should hold a post graduate degree in the field of statistics/economics/anthropology or social fields. Experience in water and sanitation fields will be an added advantage. He/she will be responsible for designing of the survey instruments, methodologies, supervising of the surveys and deploying tools etc.
- c. **Water Engineer** with at least 10 years' experience in the water sector. He or she should hold at least a post graduate degree in Civil/environmental Engineering. He/she will be responsible for conducting the survey including field level technical assessment of the water supply schemes, including collection of water samples for checking water quality
- d. **Finance Specialist** with at least 7 years' experience in financial accounting, cost accounting, cost management preferably with experience in utilities. The specialist will be responsible for verifying the basis on each costs allocated to each scheme to arrive at the O&M costs, amongst others
- e. In addition, the IVA will deploy support staff giving due weightage to gender balance comprising of technical supervisors, field technical staff, staff for household survey, support accountants/finance personnel, and any other as required for carrying out the mandate.

10.2 The IVA will make his own arrangements for all the activities it has to perform in meeting the scope of services under this consultancy. This will include all travel and logistic arrangements required for its team for desk review and for field verification for each disbursement claim and for each type of DLI verification activity.

10.3 Computing equipment, mobile telephones, internet access, communication and office expenses required to perform the assignment shall be arranged and paid for by the IVA.





**11. Role of SWSM/SPSU**

- The SWSM/SPSU will facilitate the survey, any meetings, provide all records/document i.e. PAD, POM, World Bank Aide Memoire, Government Orders, Notification regarding Water Policy, M&E system, Annual Progress Report, etc. access to systems as required by the IVA to perform its tasks. The data to be provided by UJN/UJS and SWSM to IVA includes (i) Duration of water supply hours; (ii) Pressure at pre determined points (ii) water quality test reports (iv) performance agreement; (v) O&M related data; (vi) household connection details and (vii) Metered connection details
- SWSM/SPSU will issue necessary letters to concerned offices and institutions for making available/ share the secondary data required to be collected. Also all necessary co-operation would be facilitated from the field level offices of implementing agencies.
- SWSM/SPSU will approve the questionnaire and other tools/protocols submitted by the IVA
- SWSM/SPSU will approve the sampling plan prepared by the IVA
- SWSM/SPSU will provide the IVA with relevant data and documents outlined in the verification protocols to verify DLI # 1, 2, 3 and 4 achievements.
- SWSM/SPSU will make arrangements to ensure that the IVA's staff and consultants have access to all Program documents/data, sites and locations.
- SWSM/SPSU will review of the draft report submitted by the IVA, with suggestions and comments to the IVA

**12. Ownership of Data and Study Output**

- The data obtained in the survey would be the property of GoUK/SWSM/SPSU and the Consultant should not use this data or any other associated information for any other assignment without the prior written consent of GoUK/SWSM/SPSU under any circumstances.

**13. Review Committee and arrangement for review of outputs**

- The Joint Executive Officer, State Water & Sanitation Mission/ Program Director, SPSU or his nominee will be the chairperson of the Review Committee comprising of (i) Chief Engineer, SWSM, (ii) Finance Controller, SWSM (iii) Representative of Uttarakhand Peyjal Nigam and (iv) Representative of Uttarakhand Jal Sansthan. The committee may also seek review of the deliverables by the World Bank specialists and other experts as appropriate. The Review Committee will monitor the work of the consultant on a periodical basis and as agreed upon, and depending on the progress of the work done by the consultant.





## Appendix – 1: DLI Verification Protocols

## Part of the PAD Annex – 3: Disbursement Linked Indicators, Verification Protocols (Table A3.2)

Protocol to evaluate achievement of the DLI and verification						
#	DLI	Definition/Description of Achievement	Scalability of Disbursements (Yes/No)	Protocol to evaluate achievement of the DLI and verification		
				Data Source	Verification Entity	Procedure
1	Number of water connections providing improved water supply services in peri-urban areas	<p>A water connection would count toward achievement of the DLI in any year if it provides improved water service to customers (a single or multiple households, commercial and institutional customers). The DLI is calculated using two sub-indicators: (a) number of new water connections that provide at least three months of improved water service, and (b) number of water connections counted in the previous year that continue to provide improved water service.</p> <p><i>Improved service</i> is defined as:</p> <ul style="list-style-type: none"><li>• a minimum of 16-hours per day of continuous water supply</li><li>• meeting GoI water quality standards</li><li>• supplied at an average pressure of 12m</li><li>• provided for no less than 300 days in a year, unless the service area is declared a disaster-affected area.</li></ul>	Yes	MIS Reports from UJN and UJS	IVA	<p>The targeted (35) peri-urban areas in Uttarakhand will be considered for DLI #1.</p> <p>Operators (UJN and UJS) would be responsible for data collection in a timely and quality manner. This includes recording daily data on hours of service and pressure using data loggers installed at a minimum of 5-6 pre-determined points in the distribution network (depending on the size of system). Data logs shall be stored in an appropriate format for verification purposes and shall be made publicly available on the web-site of DDWS. Operators shall monitor physical, chemical and bacteriological quality of water at (i) source, (ii) distribution network and (iii) customer end in conformity with the standards of drinking water quality prescribed in IS 10500:2012, following guidelines provided in the Manual of Water Supply and Treatment, Ministry of Urban Development, Govt. Operator shall prepare operational performance reports on the number of water connections receiving an improved water supply service in any given year and the number of water connections continuing to receive improved water services in the subsequent year.</p> <p>The IVA shall verify the data reported by UJN and UJS including the timeliness, completeness, and quality of data collection, analysis, and dissemination. The verification methodology and minimum reporting standards would be determined in the POM. The IVA would, among others, carry out a physical inspection to verify the reported number of connections based on a sample of 1% of reported connections per peri-urban system.</p>
2	Sustainability of water supply service delivery in peri-urban areas	<p>This DLI shall be measured as year-on-year increase of system sustainability using a composite index called the Total System Improvement (TSI) score. The TSI is the total of scores for each system ranging between 0 and 3.7, equivalent to the sum of scores of four sub-indicators: performance agreement, metering, O&amp;M cost recovery, and customer satisfaction.</p>	Yes	MIS Reports from UJS and UJN	IVA	<p>26 peri-urban areas in Uttarakhand would be considered for DLI #2. A peri-urban area can comprise one or more water supply systems.</p> <p>Scores for the sub-indicators would be assessed as follows:</p> <p>(a) A system would receive a score of 1 for the performance review if (i) a performance agreement between GoUK and UJN or UJS, or between UJN/UJS and a private operator exist, and (ii) a report on progress against the performance agreement is available by end-October each year.</p> <p>(b) A system would receive a positive score for metering equivalent</p>

### III. Special Conditions of Contract

#### Lump-Sum

						<p>to percentage of metered connections, with a maximum score of 1.</p> <p>(c) A system would receive a positive score for O&amp;M cost recovery equivalent to percentage O&amp;M cost recovered, with a maximum score of 1.</p> <p>(d) A system would receive a score between 0 and 0.7 for customer satisfaction using five service attributes: (i) supply reliability; (ii) sufficient supply pressure; (iii) quality of water; (iv) responsiveness in approving new connections; and (v) convenience of bill payment process.</p> <p>Each operator shall collect and maintain data on sub-indicator (a), (b), and (c) and shall prepare annual operational performance reports for all water systems in targeted peri-urban areas. Reports shall be made publicly available on the DDWS MIS web-site within two months at the end of the year.</p> <p>The IVA would verify the TSI scores using two mechanisms:</p> <ul style="list-style-type: none"> <li>The IVA shall carry out a review of the robustness of the operator data on indicators (a), (b), and (c), including a desk review and a physical inspection of a sample of 2% of connections to confirm metering level.</li> <li>The IVA shall conduct an annual customer satisfaction survey for each system to confirm level of customer satisfaction. The sample size would be sufficient to yield reliable information.</li> </ul> <p>The sampling methodology and the questionnaire of the customer satisfaction survey is defined in the POM.</p>
3	Improved policy in peri-urban areas	This DLI shall be measured as the level of adaptation and implementation of set of policy actions measured against targets set for each year of the program. Policy implementation would be measured as the number of peri-urban areas in which water connections policies and volumetric tariff policies are consistently applied.	No	SWSM/SP SU	DDWS Program Advisory Committee (PAC) and IVA	<p>SWSM would prepare a policy that is consistent with the definition provided in Annex 2. The policy shall be considered adopted if the PAC approves it and it is published through a notification issued by DDWS. SWSM would prepare annual reports on application of key policy actions in the targeted peri-urban areas. The policy and annual reports shall be published through notification issued by DDWS.</p> <p>The consistent application of the water connections policy in a peri-urban area is defined as at least 80% of sanctioning and installation of connections are achieved within one month of request by the customers, and at least 80% of 'no water complaints' are redressed within 3 days of complaints filed by customers.</p> <p>The consistent application of the volumetric tariff policy in a peri-</p>





					<p>urban area is defined as 100% of issuance of customer bills as per latest notification of volumetric tariffs, and 100% of annual tariff increases are included in customer bills as per provisions of the policy.</p> <p>The Program Advisory Committee of DDWS would verify and approve the policy.</p> <p>The IVA would verify consistent application of the key policy actions in the peri-urban areas including cross check of data provided by the operator on the MIS web-site of DDWS.</p>
<b>4</b>	<b>Strengthened M&amp;E system for water supply program in peri-urban areas</b>	<p>This DLI shall be measured as the level of definition and implementation of monitoring and evaluation systems for water supply in peri-urban areas using the following yardsticks: (a) presence of an implementation plan for a strengthened M&amp;E system, (b) presence of information system to collect, analyze and report data, (c) number of peri-urban areas for which the M&amp;E system is implemented, and (d) presence of an evaluation of the implementation process for M&amp;E system through an annual report.</p>	No	<p>SWSM/SP SU</p> <p>DDWS: Program Advisory Committee (PAC) and IVA</p>	<p>SWSM would define the M&amp;E implementation plan, the design of the M&amp;E system, and the annual reporting on M&amp;E system implementation in the peri-urban areas. The requirements for the various reports and the minimum set of indicators to be used are defined in Annex 2. Annual Reports shall report on the minimum set of indicators and include a brief narrative on any performance shortfalls, lessons learned and an action plan to address the shortfalls and/or use the lessons to adjust GoUK's plans and approaches to peri-urban water supply</p> <p>The PAC would verify M&amp;E system implementation based on information provided by SWSM, annual report, and cross-checks on MIS web-site of DDWS.</p> <p>The IVA would verify minimum indicators by cross checks on MIS web-site of DDWS.</p>
<b>5</b>	<b>Number of approved master-plans for water supply in peri-urban areas</b>	<p>This DLI shall be measured as the number of strategic long-term master-plans for water supply available for three identified growth corridors of Dehradun-Rishikesh, Haldwani-Kathgodam and Haridwar-Roorkee. In order to meet the DLI, a master plan needs to be approved by the GoUK and published through a notification issued by DDWS or any other competent authority. A master plan should include: (i) a description and inventory of existing water systems; (ii) population projections, service area projections, present and planned land use, water demand and water supply quantity and quality projections needed to meet future water demand; (iii) hydraulic modelling to estimate long-term needs with documentation of each option; (iv) justification of selection of particular system improvement based on needs, cost effectiveness, constructability, reliability, operation, maintenance, etc.; (v) recommended water supply improvements, wastewater and septage management in the</p>	Yes	<p>SWSM</p> <p>DDWS: Program Advisory Committee (PAC)</p>	<p>SWSM would prepare master-plans to meet future demand for the year 2030.</p> <p>PAC would verify that the master-plans meet the requirements.</p>



## Lump-Sum





## Appendix 2: Methodology

The suggested methodology for independent verification of the DLIs is as presented below:

### A. DLI#1 – Number of water connections providing improved water supply services in peri-urban areas

#### (i) Definition /Description of achievement

A water connection will count toward achievement of the DLI in any year if it provides improved water service to customers (a single or multiple households, commercial and institutional customers). The DLI is calculated using two sub-indicators: (a) number of new water connections that provide at least three months of improved water service, and (b) number of water connections counted in the previous year that continue to provide improved water service.

*Improved service* is defined as:

- a minimum of 16-hours per day of continuous water supply
- meeting GoI water quality standards
- supplied at an average pressure of 12m
- meeting GoI water quality standards
- provided for no less than 300 days in a year, unless the service area is declared a disaster-affected area.

A 'water connection' shall count against this DLI based on the verification of the following criteria/Sub-DLIs:-

**Table A 2.1: Sub-DLIs/indicators under DLI#1**

Sub-DLI	IVA Verification through	
	Secondary sources	Primary sources/ surveys, if any
<b>Sub-DLI#1.1: Duration of water supply:</b> Minimum of 16-hours per day	MIS reports from UJN and /UJS	The IVA shall verify the data reported by UJN and UJS including the timeliness, completeness, and quality of data collection, analysis, and dissemination. The verification methodology and minimum reporting standards will be determined in the POM. The IVA will carry out a physical inspection to verify the reported number of connections based on a sample of 1% of reported connections per peri-urban system.
<b>Sub-DLI#1.2: meeting GoI water quality standards</b>		
<b>Sub-DLI#1.3: Pressure head of water supply:</b> An average of 12m		
<b>Sub-DLI#1.4: Water Supply days in a year:</b> No less than 300 days in a year, unless the service area is declared a disaster affected area.		

*Note: In case of any conflict between data set of secondary sources and primary sources, the IVA result will be final and binding.*

a) There are two components to this DLI:

- ✓ Number of new water connections installed in any year and providing at least three months of improved water services.
- ✓ Number of water connections installed in previous year(s) and providing improved water services during the entire previous year.



IVA needs to assess both these components as per the methodology outlined below

- b) A water connection means a connection from the pipeline laid/replaced under the program in peri-urban areas.
- c) A connection can be to a single or multiple households, commercial and institutional customers.
- d) For a connection serving multiple households, the number of households served by the connection shall count against the DLI target.
- e) Clarification on households/connections:
  - A water connection means a connection from the pipeline laid/replaced under the program in peri-urban areas. A connection can be to a single or multiple households, commercial and institutional customers. For a connection serving multiple households, the number of households served by the connection shall count against the DLI target (multiple households under a single connection are likely to be less than 10% of total connections).
  - The number of households, in a dwelling can be ascertained by checking a copy of one of the following documents:
    - Separate Ration card
    - Separate LPG connection
    - Separate entry in Parivar register (family register)/Urban Local Body (ULB) register
    - Or any other documents as accepted under 'The Uttaranchal Scheduled Commodities Distribution Order' gazette notification No. 305(A)/Food/2002 dated March 21, 2003 or gazette notification No. 6534-B/XXXIII-59-60 dated June 05, 1970 of the Panchayati Raj Department of Government of Uttar Pradesh as applicable in Uttarakhand

**(ii) Data**

- Operators (UJN and UJS) will be responsible for data collection in a timely and quality manner. This includes recording daily data on hours of service and pressure using data loggers installed at a minimum of 5-6 pre-determined points in the distribution network (depending on the size of system).
- Data logs shall be stored in an appropriate format for verification purposes and shall be made publicly available on the web-site of DDWS.
- Operator shall prepare operational performance reports on the number of water connections receiving an improved water supply service in any given year and the number of water connections continuing to receive improved water services in the subsequent year.
- Operators shall monitor physical, chemical and bacteriological quality of water at (i) source, (ii) distribution network and (iii) customer end in conformity with the standards of drinking water quality prescribed in IS 10500:2012, following guidelines provided in the Manual of Water Supply and Treatment, Ministry of Urban Development,
- Operator shall maintain a database of water connections, including number of households served by each connection.





- Operator data shall be available through MIS Reports on the web-site of DDWS: SWSM/SPSU.
- Operator shall record data of days of water supply in each of the scheme

**(iii) Data Sources**

- MIS reports from SWSM/SPSU, UJS, UJN; physical survey on sample basis

**(iv) Sample size and guidelines for measurement**

The IVA shall verify the data reported by UJN and UJS including the timeliness, completeness, and quality of data collection, analysis, and dissemination. The verification methodology and minimum reporting standards will be determined in the POM. The IVA will carry out a physical inspection to verify the reported number of connections based on a sample of 1% of reported connections per peri-urban system.

**(v) Methodology for the IVA**

- The IVA will conduct Annual independent verification missions to ascertain the achievement of DLIs.
- For each of the verification mission, the IVA will develop verification mission templates for verification of the DLIs for each of the Annual verification cycle. These templates may cover at least the following:
  - DLI Description and Measurement – in qualitative or quantitative terms
  - Targets for the year/period of verification
  - List of activities related to
    - Pre-verification
    - Verification
    - Post verification
  - Support/data required from the SWSM/SPSU/Implementing agencies
  - Issues and challenges in achieving of DLIs
  - Suggested actions, if any
  - Recommendations of the IVA on the DLIs

**During the conduct of the verification mission, the IVA will ascertain**

- IVA will carry out a desk review of operational performance reports and data maintained by the operator
- The IVA will carry out a physical inspection to verify the reported number of connections based on a sample of 1% of reported connections per peri-urban system.
- The IVA will check the records of the installed pressure loggers/flow meters in each of the water supply scheme. The records should show that water has been supplied for at least 16 hours in a day. *In case of any conflict between data set of secondary sources, primary sources, the IVA result will be final and binding.*
- Whether the services have been provided for at least 300 days in a year. If the period of verification is less than one year, then it could ascertain days of supply proportionally

- IVA should check whether the area has been declared as a disaster area by the government from the SWSM/SPSU. If so, the verification for this parameter may be skipped.
- From Year 2 onwards, the IVA will verify whether the water supply is meeting **sustainability** criteria as follows: For each water connection counted in the previous year/period that is found to be continuing to receive an improved water service (as defined in the DLI) in the subsequent year/period the connection will be treated as sustainable.

## B. DLI#2 –Sustainability of water supply service delivery in Peri-Urban Areas

### (i) Definition /Description of achievement

- a) This DLI shall be measured as year-on-year increase of system sustainability using a composite index called the Total System Improvement (TSI) score.
- b) Of the total water supply systems, only 26 will be considered for achievement of the DLI
- c) These 26 systems will be agreed between the IVA and SWSM/SPSU. A peri-urban area can comprise one or more water supply systems.
- d) Addition/alteration of systems (beyond 26 agreed to) will not permissible, unless agreed between the GoUK and the Bank
- e) An 'improved water supply system' shall count against this DLI based on Total System Improvement (TSI) score.
- f) TSI score is a numeric value ranging between 0 and 3.7 that is equivalent to the sum of scores on 4 parameters that define an improved water supply system (see Table below).
- g) The IVA need to undertake measurement of TSI score in each of the system year on year

**Table A2.2: Sub-DLIs/indicators under DLI#2**

Sub-indicator of DLI	IVA Verification through	
	Secondary sources	Primary sources/ surveys, if any
<b>Sub-DLI#2.1: Performance agreement:</b> (Binary: Yes=1; No=0)	Copy of the performance agreement between GoUK and UJS/UJN or UJS/UJN with operator	-
<b>Sub-DLI#2.2: Metering level (%)</b> = No of meters/No of connections	Record on the metered connections under the scheme and total water connections under the scheme	Minimum of 2% with due diligence carried out by IVA on a confidence interval of 95% and a margin of error as appropriate
<b>Sub-DLI#2.3: O&amp;M cost recovery (%)</b> = (Tariffs + Subsidies)/ Expenditure on O&M	Record on annual financial data from the accounting software pertaining to revenues (tariffs, connection charges, other charges/fines and subsidy) and costs/expenditure (personnel, materials and consumables and works)	-
<b>Sub-DLI#2.4: Customer satisfaction (%)</b> = household with connections reporting satisfaction/ total no of	Record of water supply connections under each of the scheme	A household survey with a sample size of 2% based on a 95 percent confidence interval and a ±10 percent margin of error. In addition, a 50 percent response rate shall be assumed, implying that the IVA shall





households connections	with	target twice the required sample size to obtain the required number of completed questionnaires.
------------------------	------	--

h) There are four components to this DLI:

Scores for the sub-indicators will be assessed as follows:

- (a) A system will receive a score of 1 for the performance review if (i) a performance agreement between GoUK and UJN or UJS, or between UJN/UJS and a private operator exist, and (ii) a report on progress against the performance agreement is available by end October each year;
- (b) A system will receive a positive score for metering equivalent to percentage of metered connections, with a maximum score of 1.
- (c) A system will receive a positive score for O&M cost recovery equivalent to percentage O&M cost recovered, with a maximum score of 1.
- (d) A system will receive a score between 0 and 0.7 for customer satisfaction using five service attributes: (i) supply reliability; (ii) sufficient supply pressure; (iii) quality of water; (iv) responsiveness in approving new connections; and (v) convenience of bill payment process.

Each operator shall collect and maintain data on sub-indicator (a), (b), and (c) and shall prepare annual operational performance reports for all water systems in targeted peri-urban areas. Reports shall be made publicly available on the DDWS MIS web-site within two months at the end of the year.

IVA needs to measure these components and assign system improvement scores for each of the component and a Total System Improvement (TSI) score as per the methodology outlined below

i) Clarification on households/connections:

- o a water connection can be to a single household living in a dwelling or multiple households living in the same dwelling or multiple households being served by the same water connection
- o For a connection serving multiple households, the number of households served by the connection shall be considered as separate number of connections.
- o The number of households, in a dwelling can be ascertained by checking a copy of one of the following documents:
  - Separate Ration card
  - Separate LPG connection
  - Separate entry in Parivar register (family register)/Urban Local Body (ULB) register
  - Or any other documents as accepted under 'The Uttaranchal Scheduled Commodities Distribution Order' gazette notification No. 305 (A)/Food/2002 dated March 21, 2003 or gazette notification No. 6534-B/XXXIII-59-60 dated June 05, 1970 of the Panchayati Raj Department of Government of Uttar Pradesh as applicable in Uttarakhand



**(ii) Data**

- Operator shall maintain a database of water connections (including number of households served by each connection) within each scheme/system
- Operator shall also have a copy of the performance agreement applicable for the specific scheme(s)
- Operator shall collect and maintain a database of operational performance indicators which must include indicators in the TSI score – i.e. metering level (%); and O&M cost recovery (%)
- Operator shall prepare annual operational performance reports for all water systems in targeted peri-urban areas.

**(iii) Data Sources**

- MIS reports from SWSM/SPSU, UJS, UJN; physical survey on sample basis

**(iv) Sample size and guidelines for measurement**

- For **performance agreements** - Performance agreements covering targeted peri-urban areas
- For **metering** – the sample size will be a minimum of 2% with due diligence carried out by IVA.
- For **O&M Cost recovery** - Annual data on O&M cost recovery from Tally software for each of the water supply scheme.
- Household survey for ascertaining **customer satisfaction** - The sample size shall be a minimum of 2%. The sample size would be sufficient to yield reliable information. Representative samples from the functional schemes<sup>8</sup> as agreed between the IVA and SWSM/SPSU for each year for a maximum of 26 schemes/systems

**(v) Methodology for the IVA**

- For each of the verification mission, the IVA will develop verification mission templates for verification of each of the DLI for each of the annual verification cycle. These templates may cover at least the following:
  - DLI Description and Measurement – in qualitative or quantitative terms
  - Targets for the year/period of verification
  - List of activities related to
    - Pre-verification
    - Verification
    - Post verification
  - Support/data required from the SWSM/SPSU/Implementing agencies
  - Issues and challenges in achieving of DLI
  - Suggested actions, if any
  - Recommendations of the IVA on the DLI

<sup>8</sup> Representative sample would mean stratified random sample of households





**During the conduct of the verification mission, the IVA will:**

The "system"/scheme will be assessed for the entire peri-urban area. The IVA will ascertain whether the improved water supply system/scheme meets the following parameters (as per the definitions) and assign System Improvement Score. The IVA will verify

- IVA will ascertain whether a Performance Agreement between GoUK and the UJS/UJN or UJS/UJN and operator has been signed for the "system" under consideration (at least one agreement for the system in the peri-urban area or collectively for a number of peri-urban areas).
- In case, the operator has been contracted for more than 1 peri urban area, the IVA will verify if the same has been explicitly defined.
- The IVA will carry out a desk review and a physical inspection of a sample of 2% of connections to confirm metering level.
- Whether, the "system" generates revenue from water tariffs and/or government subsidy that is sufficient to cover at least the O&M costs of the system.
- For the purpose of calculation, O&M expenditure and income will cover at least the heads outlined the DLI definition
- The IVA will secure the information from the accounting software pertaining to revenues (tariffs/charges/fees etc.) and subsidies (either from the software or from SWSM/SPSU) and the costs/expenditures (on personnel/materials etc.)
- The IVA will prepare formats for the operator/implementing agency to present the cost/expenditure and revenue/income on annual basis. The accounting will be done based on existing practices of the implementing agencies for purposes of recognition of revenues and costs and subsidies provided by the government in a transparent manner

**Table A2.3: O&M Expenditure in the peri-urban area**

S.No	Expenditure/ Cost	Amount in Rupees (for the past one year)
1.	Pay & Allowances of dedicated staff including wages of contract workers responsible for O&M	
2.	Raw water charges	
3.	Electricity Charges	
4.	Water Supply Materials/ Chemicals and Consumables (Alum, Chlorine etc.)	
5.	Maintenance of and pipelines/distribution network	
6.	Maintenance of electro/mechanical works including pumping plants/ pump sets, power-line/sub-station etc.	
7.	Transportation/ Vehicles	
8.	Maintenance costs for treatment units, reservoirs, sumps and equipment	
9.	Miscellaneous and any other expenses (pl. specify)	

**Table A2.4: Income from various sources**

S.No	Income/ Revenue	Amount in Rupees (for the past one quarter)
1.	Water Charges/Tariff and rents– domestic and non-domestic	
2.	Tap connection Charges	
3.	Donations	
4.	Fines	
5.	Others, if any (pl. specify)	
6.	Subsidy, if any, from the Government – including maintenance grants, electricity grants etc.	

- Based on the same the IVA will assign a System Improvement Score:
- Of **1 point**, if expenditure  $\leq$  income (including subsidy)

If not – the proportion of the achievement (revenues/costs) will be multiplied by the max score permissible for this sub-DLI, 1 point

- IVA shall conduct an annual customer satisfaction survey for each system to confirm level of customer satisfaction. The sample size would be to yield reliable information.
- Customer satisfaction will be assessed on five service attributes:
  - supply reliability
  - sufficient supply pressure
  - quality of water
  - responsiveness in approving new connections; and
  - convenience of bill payment process
- Based on the questionnaire (**Appendix-4**), the customer will be asked to give an importance ranking rating between 1 (somewhat important) to 7 (Very important) for these attributes based on a Likert scale.
- Further the customer will be asked to give satisfaction rating between 1 (Not Satisfied) to 7 (Very Satisfied) for these attributes based on a Likert scale.
- Based on the data from the survey, customer satisfaction (CS) level shall be calculated as follows:
  - average of importance scores for each service attribute (I)
  - average of satisfaction scores for each service attribute (S)
  - average importance scores for all service attributes ( $I_{all}$ )
  - calculate weights (W) for each attribute by dividing the average of importance score for each attribute by the average for all attributes, i.e.  $W = I / I_{all}$
  - calculated weighted satisfaction scores (i.e. satisfaction scores that take into account the importance ratings) =  $S * W$
  - **CS= average of  $S * W$  for all service attributes expressed as a percentage.**





- Based on the same the IVA will assign a System Improvement Score:
  - Of **0.70 point**, if 70% of the enumerated houses/premises report satisfaction.
  - If not – the proportion of the achievement will be calculated by changing the percentage points of reported satisfaction as System Improvement Score in points, subject to a maximum of 0.70 point.

#### Calculation of TSI

The IVA will calculate the total of the System Improvement Scores for each of the parameters and arrive at a 'Total System Improvement (TSI)' Score for the "system". The minimum TSI score possible is 0 (for the first year only) and the maximum, 3.70 points. Up to 26 systems will be assessed.

**Table A2.5: Parameters for calculation of TSI score under DLI#2**

Parameter	Min score	Max score	Score obtained by the system
1 Performance agreement (Binary: Yes=1; No=0)	0	1	AA
2 Metering level %	0	1	BB
3 O&M cost recovery %	0	1	CC
4 Customer satisfaction %	0	0.70	DD
<b>TSI score (totals)</b>	<b>0</b>	<b>3.70</b>	<b>XX</b>

- Out of the 35-targeted peri-urban water supply systems, 26 are expected to achieve "improved" status as defined above.
- For any water supply system to qualify for disbursements in any given year (except for first year), TSI score must be greater than zero
- For any system to qualify for disbursements, TSI score in any given year must be higher or equal to the TSI in the previous year. This is to avoid rewarding slippages.

#### Other Result Indicators

For the other Result Indicators, the IVA will undertake the following methodology<sup>9</sup>:

**Table A2.7: Broad Methodology for Other Results Indicators**

Other Results Indicators	Methodology
Customer satisfaction with improved water supply services	Inputs from data collected as a part of DLI 1 and 2 verification
Annual report on water services performance in peri-urban areas	Desk review of the records of the operators/FIU, PIU, SPSU/SWSM

### C. DLI#3 – Improved Policy for GoUK's Water Supply Program for Peri-Urban Areas

#### (i) Definition/Description of achievement

<sup>9</sup> The methodology for verification of the other indicators have to be developed by the IVA and agreed with the SWSM/SPSU



- Policy document should be applicable for all targeted peri-urban areas and notifications/GOs to be issued separately for each of the policy statement (such as tariffs, connection etc.)
- The adoption of policy and implementation of the policy statements to be checked as envisaged in the DLI verification protocols

**(ii) Data**

- SWSM/SPSU will keep a copy of the policy document along with a copy of the GO notified by the GoUK

**(iii) Data Sources**

- DDWS: Program Advisory Committee (PAC)
- SWSM/SPSU supported by UJN and UJS.

**(iv) Sample size and guidelines for measurement**

- The achievement/ implementation needs to be checked in the number of pre-determined peri-urban areas in each of the year.
  - For Year 1: When DDWS adopts an improved policy for water supply services in peri-urban areas.
  - For Year 2: DDWS demonstrates consistent implementation of key policy actions for the water connections policy in at least five (5) targeted peri-urban areas;
  - For Year 3: DDWS demonstrates consistent implementation of key policy actions for volumetric tariff policy and water connections policy in at least five (5) targeted peri-urban areas
  - For Year 4: DDWS demonstrates consistent implementation of key policy actions for volumetric tariff policy and water connections policy in at least 10 targeted peri-urban areas
  - For Year 5: DDWS demonstrates consistent implementation of key policy actions for volumetric tariff policy and water connections policy in at least 15 targeted peri-urban areas
  - For Year 6: DDWS demonstrates consistent implementation of key policy actions for volumetric tariff policy and water connections policy in all targeted peri-urban areas.

**(v) Methodology for the IVA**

- The IVA will conduct Annual independent verification missions to ascertain the achievement of DLIs:
- For each of the verification mission, the IVA will develop verification mission templates for verification of each of the DLI for each of the periodical verification cycle. These templates may cover at least the following:
  - DLI Description and Measurement – in qualitative or quantitative terms
  - Targets for the year/period of verification
  - List of activities related to
    - Pre-verification
    - Verification

