FOURTH DELHI FINANCE COMMISSION
Fourth FLOOR, B-WING, VIKAS BHAWAN-II
UPPER BELA ROAD, NEAR METCALF HOUSE,
DELHI- 110054

NOTICE INVITING TENDER

The Fourth Delhi Finance Commission, within its Terms of Reference, proposes to commission a study by subject matter experts to assess performance of Municipal Corporation of Chandigarh (MCC) in the background of the requirements of Chapter IXA of the Constitution of India and the municipal functions listed in the Twelfth Schedule thereof and statutes regulating, enabling or restricting the work of aforesaid corporation.

Organizations/ Professionals/consultants (including retired government/ municipal officers who have dealt with municipal functions for 10 years or so) and are willing to provide their services to this commission are requested to apply to the Member Secretary, Fourth Delhi Finance Commission for being considered for assignment of a study, giving their past experience in handling the type of work involved with a financial outlay required for completing the study in a time bound manner.

The proposal should contain the methodology as well as the financial outlay required for the study. The study will have to be completed in three months from the date of the award of the study.

The Terms of Reference for the proposed study can be obtained from the office of Fourth Delhi Finance Commission and can also be seen at

http://etenders.chd.nic.in/nicgep/app

or

http://govtprocurement.delhi.gov.in/nicgep/app

Decision on the bids shall be taken following the Combined Quality-cum-Cost Based System prescribed in para 3.12 of the Manual of Policies and Procedure of Employment of Consultants issued by the Government of India Planning Commission.

The last date of receiving the bids is 01.01.2013 upto 12:00 noon. The Tenders will be opened at 4:00 P.M. the same day i.e. 01.01.2013.

Sd/
(K.S.WAHI)
Member Secretary,
Fourth DelhiFinance Commission

Terms of Reference

Subject: Proposal to award study Subject: Proposal to award study for examining financial position of the Municipal Corporation of Chandigarh

1. Introduction

The Constitution (Seventy Fourth Amendment) Act, 1992 got commenced with effect from 1st June 1993. The Fourth Delhi Finance Commission constituted under section 107A of the Delhi Municipal Corporation Act, 1957; by virtue of the provisions contained in section 84-A of the "Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994", has to discharge the duties of the state finance commission required to be established under article 243Y of the Constitution of India.

This commission after going through the "Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994", observed that this law contains several provisions providing for responsibilities, powers and authorities extending not only to the municipal functions (listed in Twelfth Schedule of the Constitution of India) but also in regard to levying, assessing, collecting and appropriating taxes, duties, tolls and fees (falling within the legislative domain of the State Legislature) besides vesting of certain properties in the Municipal Corporation of Chandigarh. Accordingly, this Commission proposes to look at adequacy of current statutory devolution of financial authority of the Municipal Corporation of Chandigarh in the background of its responsibilities keeping in mind the benchmarks fixed for rating the municipal services in the Union Territory of Chandigarh.

For determining the share of the Municipal Corporation of Chandigarh in the remaining revenues of the Union Territory of Chandigarh, this commission has to, per necessity, look at the projected resource gap and the efforts made by Municipal Corporation of Chandigarh in making use of sources of revenues (may it be in the form of taxes, duties, tolls, fees and cesses or remunerative assets assigned to it). As regard the principles that should govern the grants-in-aid from the Consolidated Fund of the India, we propose to look at the resources and development plans of the Union Territory as a whole.

2. TASKS:

The Consultants will examine the financial accounts of the Union Territory Administration and the Municipal Corporation of Chandigarh for last five financial years and based on the analysis of the data

1. Ascertain revenue deficit of the Municipal Corporation of Chandigarh in each of financial year under review keeping in view the functional responsibilities of the Municipal Corporation of Chandigarh (MCC) under the "Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994 clearly bringing out functional overload, if any.
2. Classify the list of taxes, duties, tolls and fees, assigned in favour of the Municipal Corporation of Chandigarh, in two segments, namely those: 1) effectively exploited; and 2) full potential of assigned resource is yet to be achieved; by the MCC with full details.
3. To report proportion of total expenditure (incurred by the Municipal Corporation of Chandigarh) in maintaining establishment required for each category of municipal service (s) rendered by it and compare the same with municipalities in neighboring states in respect of a) collection and disposal of solid-waste; b) management of water (covering not only water-supply as also collection of sewerage or water-returns); c) right of way of human and vehicular traffic after sunset, street lighting systems; and d) slums and urban amenities etc
4. To prepare a list of the debts indicating the details as regard their dates of repayment in next five years
5. Profiling the sundry debtors of the Municipal Corporation of Chandigarh and to list debts which have become bad debts owing to failure for not taking timely action in the matter.

3. Methodology

The consultants will examine the final accounts of the Union Territory Administration and the Municipal Corporation of Chandigarh in close cooperation with the functionaries in the respective account department and the officers under whose over all supervision, direction and control the accounts have been compiled.

The consultants will assess the requirements of funds of the Municipal Corporation of Chandigarh keeping in view the economic and social development plans for each of the next five years and make projections in regard to anticipated deficit and potential for increasing revenue collections by widening the tax base particularly in the areas where the Municipal Corporation is by law compelled to levy, assess and collect taxes or revenues from the properties vested in it or remunerative assets created or that can be created to improve the financial health of the corporation. This will be done in close cooperation with the finance commission.

4. Deliverables

The consultant shall draw tentative conclusions as per standard accepted accounting practices and share the tentative conclusions with officers of the concerned institutions so that the institutions get a right to put forward their view point before the commission stakeholders.

This commission reserves a right to alter the proposed Terms of Reference of this study. However, the changes proposed and the cost/time implications would be negotiated with consultant

The reports will include an executive summary or abstract. The consultant will submit one hard copy and one soft copy.

5. Schedule

The study shall be completed within three months from the date of award of the study.