

## Improving sustainability of assets created under NRCP through appointment of private contractors for long terms

**Problem statement:** In many cases, the operational efficiency of the STPs created under NRCP is low and some STPs have become defunct due to lack of operations and maintenance (O&M) primarily owing to lack of funds and technical expertise. Hence, there is a need to involve private contractors for long term O&M to improve sustainability of the assets being created.

**Intervention:** The Kolhapur Municipal Corporation has appointed a private contractor for a period of 15 years on Design, Build, Operate and Transfer (DBOT) mode. The contractor is responsible both for construction and O&M post construction. The contractor is made quarterly payments only during the O&M period. There is no fixed construction period. The contractor is incentivized to complete construction early and start operation so that they can get paid early.

**Impact:** The involvement of the private contractor has ensured smooth running of the 76 MLD STP in Kolhapur on River Panchganga. The STP is currently operating at 95% capacity. This has also ensured regular upgradation, retrofitting and modernization of sewage treatment technology to meet extant NGT discharge standards.

**Sustainability:** The involvement of private contractors has helped improved sustainability of the assets created under NRCP scheme and incentives such as renewal of contract based on contractor performance can also ensure that desired performance levels are achieved.

*(Reference: KII with Kolhapur Municipal Corporation)*