

TOWARDS HOUSING FOR ALL: Recommendations for improving PMAY Beneficiary Led Construction (BLC) in Maharashtra

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EXECUTIVE SUMMARY

Rapid urbanization has given rise to a huge migrant population and at present, up to 40 percent of India's urban population lives in slums or slum-like conditions. They lack access to essential services and infrastructure and this negatively hampers their health, productivity, and overall well-being.

The Government through its Pradhan Mantri Awas Yojana – Urban (PMAY-U) scheme has been supporting affordable houses for families belonging to Economically Weaker Sections (EWS) and from Low Income Groups (LIG) from urban areas. Under the Beneficiary-Led Construction (BLC) vertical of the scheme, the Government provides financial assistance to individual eligible families belonging to EWS of the societies to construct new houses on their own available vacant land. In the case of landless beneficiaries, there is a provision for ensuring land rights (pattas) by States/UTs.

While the PMAY-U ensures affordable all-weather houses in urban areas does focus on slum-dwellers, there are some lacunae in implementing the scheme at the ground level in Maharashtra, especially with regards to the Beneficiary Led Construction (BLC) vertical of the scheme. The scheme is riddled with challenges such as administrative delays, incorrect land records, land ownership issues and ambiguous guidelines. Additionally, while individual EWS families have availed subsidies under the BLC vertical, there are almost no examples of co-operative housing societies of slum-dwellers availing subsidies under the vertical.

Using the experience of working within the Beneficiary Led Construction (BLC) vertical of PMAY-U, where the NGO, Shelter Associates (SA) has facilitated the rehabilitation of an entire slum settlement on government land. SA also helped the slum community form a Co-operative Housing Society that could avail subsidies for the housing society under the BLC vertical of PMAY. This paper has been prepared to articulate the issues at the policy and administrative level that make it difficult for the slum dwellers to form Co-operative Housing Societies to avail the subsidy under the BLC vertical. These recommendations can help plan tangible projects with meaningful impact and offer practical solutions.

The government has recently announced PMAY-U 2.0 to meet the housing requirements arising out of an increase in the number of eligible families. It is encouraging to see the provision for the transfer of land rights to eligible EWS category beneficiaries by States/UTs along with the Technology & Innovation Sub-Mission (TISM) for promoting faster and higher quality construction of houses using innovative technologies.

This paper attempts to provide recommendations in line with PMAY-U 2.0 to address the issues of: (1) programme management/technical expertise; (2) limited lands; (3) bureaucratic processes; and (4) financing. Some of the recommendations like creating spatial data for city-wide approach, developing a mobile app for tracking status of projects and appointing NGOs/consultants to assist with communication with beneficiaries are in line with PMAY-U 2.0 and can help in efficient implementation and monitoring of PMAY-U projects in the state.

The range of responses to the mentioned issues should be infused with executive authority to accelerate the BLC vertical and enable it to achieve its desired impact with efficiency, equity and transparency.

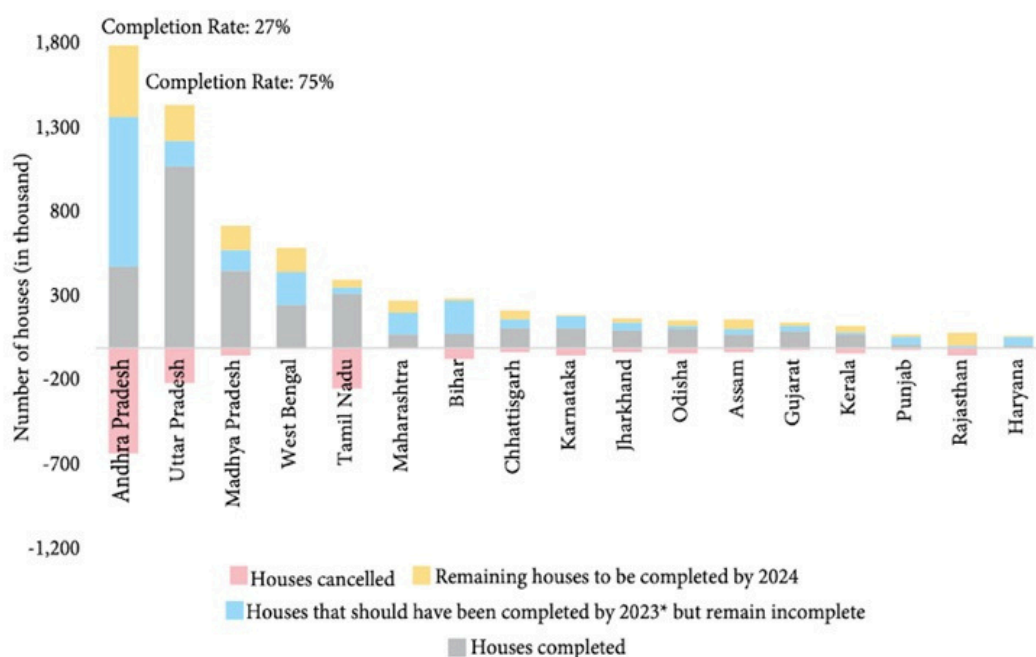
THE PROBLEM

While the implementers facilitating affordable housing projects under the BLC vertical of PMAY-U cite a lack of clear guidelines as the biggest impediment, the underserved communities are also hesitant or unable to avail subsidies under the scheme due to inordinate delays in approvals and lack of access to credit.

Most of the BLC projects so far benefitted only those individual families where these families already had legal ownership of land. Most informal settlements get left out of this vertical as they are encroachments and lack tenure security. Often housing stocks created under the Affordable housing vertical of the PMAY-U are beyond the affordability of families residing in informal settlements outside the ambit of tenured housing.

Given the relative size of Maharashtra to other states, both in terms of area and population, it occupies a very poor position in terms of its BLC performance. The Government of Maharashtra's performance in sanctioning houses under the BLC vertical of PMAY-U leaves much room for improvement. Additionally, when the small number of sanctioned houses is analysed, it can be seen that the majority of them should have been completed in 2023 or need to be completed in 2024. Only 25% (approximately) of the sanctioned houses have actually been completed.

Figure 5: BLC Cancellations, Completions, Delayed Houses Across States (as of May 2023)



Analysis based on PMAY's dashboard data of May 2023.

Source: Deconstructing PMAY-U: What numbers reveal

Though slums are a priority for PMAY-U, currently of the 12 million PMAY-U beneficiary households, only 1.4 million are from slums. This equates to only approximately 12% of the number of slum households recorded within Census 2011, and this low figure of 12% is likely to in reality be lower since it is calculated based on the 2011 census.

While PMAY-U has facilitated affordable housing for some citizens living within informal settlements by providing financial assistance, resettlement on government-allocated land, or creating opportunities for public-private partnership developments, the impact of the scheme has been restricted in the following aspects: (1) Programme Management; (2) Land; (3) Bureaucracy; and (4) Finance.

RECOMMENDATIONS

The following recommendations are for improving the implementation of BLC projects under PMAY-U in Maharashtra.

a) PROGRAMME MANAGEMENT

Issue: Lack of administrative framework for managing the delivery of BLC projects

Recommendations:

1. Progress meetings should be mandated at the state level to enable the State government to review the progress of all of the ULBs and also at the ULB level with the purpose of identifying and resolving implementation issues with BLC projects under their ambit.

Rationale: Regular meetings with all stakeholders at the ULB level chaired by the Municipal Commissioner/CEO will help address bottlenecks and streamline the process.

2. Training and capacity building of the PMAY team in order to enable them to provide technical support to communities like tender documents, selection of contractors, monitoring quality of construction etc.

Rationale: Capacity building of the PMAY team is necessary in order to sensitize them to the issues faced by local communities so that they can resolve the issues faced by the communities and expedite the execution of the projects.

3. There should be a provision for including representatives of all stakeholders including NGO/ consultants who are overseeing projects in the decision making and implementation processes.

Rationale: NGO/ Consultants can help simplify the process for the beneficiaries and aid the agencies too by bringing their expertise in development communications, social housing and community development.

4. A mobile application (App) under PMAY-U 2.0 Technology & Innovation Sub-Mission (TISM) is a part of the Pradhan should be developed. TISM's purpose is to help states adopt modern, green, and innovative technologies and building materials for faster and higher quality construction. The app should have all required information on PMAY schemes, process guidelines to be followed to avail the subsidy separately listed for an individual beneficiary and cooperative societies. This app should have a friendly user interface and be available in the local language along with a provision to register grievances.

Rationale: This app will help beneficiaries and consultants to understand the project processes and also to track the progress of individual projects ensuring faster grievance redressal resulting in improved convenience for the beneficiaries by showing the status of their projects. This app can also help the PMAY team in efficient project monitoring.

b) LAND

Issue: Land available for LIG and EWS housing is limited in supply

Recommendations:

1. Preparation of spatial information using a Geographical Information Software (GIS) platform.

2. Articulation of a city-wide vision informed by spatial information.

Rationale: Spatial data can aid in creating land surveys (mojani) of all tenable slums in order to determine the exact extent of land that is available for development. This will help identify tenable slums that can be redeveloped to create extra housing stock. Vacant parcels of land should also be identified that could be available for affordable housing projects. In this way spatial data can help in creating city-wide developmental plans. It can also improve resource allocation, identification of abandoned and derelict building plots for future use, delivery of common infrastructure and monitoring of PMAY-U projects.

c) BUREAUCRACY

Issues: Ambiguous guidelines and lack of bureaucratic will or understaffed departments causes delay with respect to (1) files moving slowly between departments (2) the cost/funds required for preparation of survey maps; (3) the time required for decisions and approvals (4) time to make site visits (5) the template of the registration form required to be submitted by the beneficiaries .

Recommendations:

1. Developing proper documentation along with the creation and dissemination of simplified and accurate guidelines explaining the process to be followed and associated costs to the beneficiaries at all stages. The guidelines should clearly mention the responsible authority at all stages of the process and also allocate time for PMAY-U and KMC staff to make site visits.

Rationale: Clear communication regarding paperwork, registration processes and financial liabilities is crucial between the PMAY department and the beneficiaries in order to minimize ambiguity and to inspire confidence of the beneficiaries. Regular site visits by the officials will help addresses issues in a timely manner.

2. The Local Government and the Cooperative Housing Society to appoint NGOs/consultants to assist with communication between the project beneficiaries and the bureaucratic processes. The cost for which can be born jointly by both parties.

Rationale: PMAY cell/NGOs/ Consultants experienced in implementing affordable housing projects can help in demystifying the process for the beneficiaries and can act as a link between the authorities and beneficiaries helping in fast-tracking and smooth implementation of PMAY-U projects.

3. The PMAY department should stipulate definite timelines for completion of bureaucratic processes like preparing mojani map, sanctioning of proposed layout, completing online land registration etc.

Rationale: definite timelines for completion of various processes will ensure accountability and timely completion of the projects.

d) FINANCE

Issues:

- Various bank processes are unclear, take time, and cause delay.
- Procedure for grievance redressal unclear.
- Gap funding options available are limited

Recommendations:

Appoint NGOs/consultants to help the beneficiaries to navigate the various bank processes and to assist with initiatives to change the beneficiary's behavior from recipients of government aid to agents working to improve their own credit rating.

Rationale: NGOs/ Consultants experienced in implementing affordable housing projects can help in demystifying the banking/micro-loan process for the beneficiaries that can solve their doubts and confusion.

CONCLUSION

India's urban areas are growing rapidly, outer boundaries are extending, urban fabric is densifying, and open spaces are being encroached upon. This transition has not been managed and many of the built environments generated are suboptimal habitation solutions that exist outside of the formal development sector. They fail to provide tenure rights, shelter, or sanitation adequately enough to protect their residents against exploitation, eviction, health issues, and safety hazards. This means that many of India's citizens live within informal settlements without security of tenure, robust homes, or essential services. They are places that guarantee the vulnerability of all who dwell within them. Projects are being drafted and implemented by ULBs to address this situation, but their efficacy is limited, and their objectives remain unmet. The reason for the failure of these projects is because they are implemented in accordance with a top-down methodology where projects are conceived from far away and lack detailed understanding of the context within which they are situated. What is required is the adoption of a methodology that ensures that the projects are founded in accurate information, are conceived within a broad contextual vision, and are implemented with the support of the stakeholders. This would enable security of tenure and access to essential services to be extended to India's most vulnerable citizens in the quickest time and at the best value. This paper advocates for the adoption of the aforementioned recommendations under the new provisions of PMAY U 2.0. This will ensure that 'Housing for All' does not remain just a goal for the Government and an unrealized dream for the underprivileged slum-dwellers of Maharashtra.

DETAILED EXPLANATION OF ISSUES, SOLUTIONS AND WAY FORWARD FOR IMPROVING THE BLC VERTICAL OF PMAY-U

A: ISSUES RELATED TO BLC PROJECTS

1. Policy implementation problems

A) LIMITED LAND

Land is one of the most critical components of any housing scheme, and land that is owned by the Government and reserved in the Development Plan (DP) for Low-Income Group (LIG) and Economically Weaker Section (EWS) housing is limited in supply. In addition to this, temporary transition sites, where project beneficiaries can reside while their new homes are being constructed, are also limited in supply and can be difficult to utilize.

B) UNCLEAR GUIDELINES

i) The preparation of a Mojani map/survey map

A mojani map/survey map showing the site boundary and the reductions required due to land reservations within the DP and byelaws is prepared by the Land Records Department (LRD) of the ULB with inputs of the Town Planning Department (TPD). These base maps are the prerequisites for the proposed layouts of rehabilitation schemes and associated Detailed Project Reports (DPRs) as they establish the land available for development.

The issues associated with the preparation of Mojani maps relate to:

- Lack of clarity regarding the authority/ department responsible for preparing the map
- Lack of clarity on funds available to cover the cost of preparation of the map and also on the bearer of the cost
- The time allowed for preparation of the map is unclear
- The stakeholders and their responsibilities for resolving issues with the map are unclear

The Mojani map/survey map is a critical document since it is a prerequisite for subsequent bureaucratic processes listed below.

ii) Sanctioning the proposed layout

Once a housing design is prepared it is required to be reviewed by multiple stakeholder departments within the ULB and either 'approved' or 'rejected with comments' so that a revised design can be submitted.

The issues associated with sanctioning the proposed layout are in relation to:

- The proposed layouts are sometimes being rejected by the Town Planning Department (TPD) without the reasons for the rejection being stated
- The time taken for a single physical document to travel between all stakeholder departments who are required to review the proposal extends the process.
- The delays caused by the file moving between stakeholder departments are compounded if key officials within the stakeholder departments are transferred since the project and the design need to be presented to the new official.
- Recently the entire process has been shifted to online mode. While it makes it more convenient for all stakeholders, the following issues have to be resolved
 - Gaps in awareness and training amongst the local PMAY staff about the online processes.

This forces architects, engineers, and contractors to hire expensive external agencies to complete the online process adding to their expenses and causing delays in approval due to frequent server crashes .

iii) Land Transfer

The beneficiary is allotted a piece of land within the scheme. This allocation is authorized by the TPD of the ULB. The land is transferred to the beneficiary with terms and conditions. This process involves different levels of government depending on the legal ownership of the land.

The beneficiary becomes the legal owner of the land following payment of stamp duty. This process is carried out by the Registrars within the Registration and Stamps Department (RSD) of the ULB.

The beneficiary's name is added to the Title Deed to prove that the legal title to the property is owned by the beneficiary. The 7/12 is a critical document for providing security of tenure to the project beneficiary and is required if the beneficiary intends to apply for a bank loan to part fund the cost to construct their new home.

The issues associated with the land transfer process relate to the lack of clarity in relation to:

- The amount payable as stamp duty under the BLC vertical for EWS category is not specified
- There is no standard template document of land registration for BLC beneficiaries
- There is heavy dependence on the Tehsildar as without his/her presence the online land transfer process cannot be initiated.
- No clarity on conflict resolution procedure when there is conflict between the requirements of the Registrars and the Tehsildar
- There is a lack of clarity related to the land registration process and stages. For poor beneficiaries it is not possible to hire an advocate hence clear guidelines related to land registration and 7/12 extract should be made available to the beneficiaries.

- There is no provision to transfer the allotment of land/ house to deserving slum dwellers from other slums in case the beneficiary has expired and has no heirs or is absconding. This leads to unoccupied land/houses within the community.

iv) Cost

There is a lack of clarity regarding the cost for each of the processes like land registration, stamp duty, Mojani etc. There is also a lack of clarity on the person/agency responsible for bearing the cost at various stages.

v) Nodal agency

There is insufficient information on the procedural requirements related to many processes like systematic reallocation of the houses in cases where the beneficiary has either expired and has no nominee, or beneficiaries who abscond, or those who cannot complete the construction. Currently, the PMAY-U nodal agency within the ULB does not seem to be sufficiently equipped to provide guidance.

C) FINANCE

i) Financial entitlement

Under PMAY-U BLC vertical the beneficiaries are each entitled to Rs. 2.5 lakhs of financial assistance that is paid directly to them over the course of the rehabilitation project once pre-agreed milestones have been achieved. In Maharashtra the financial assistance is paid to the beneficiary in four tranches:

- Rs. 1,00,000 at the start of the project
- Rs. 60,000 once the plinth has been formed
- Rs. 60,000 once the first-floor slab has been formed
- Rs. 30,000 upon completion of the new home

Each payment, with the exception of the first, is paid once a PMAY-U official has visited the site, inspected the work, documented and geo-tagged the work, and is satisfied that the work required for the payment has been completed.

The funds are then released to the State Nodal Agency (SNA) which then transfers the money into the accounts of the individual project beneficiaries.

This financial arrangement imposes two responsibilities upon the beneficiaries:

- (1) they are required to raise the gap funds between the financial assistance and the construction cost of their new dwelling, in the case of Bondre Nagar the gap between the financial assistance and the cost of construction was approximately Rs. 3.5 lakhs; and
- (2) each beneficiary family is required to consolidate their financial assistance and their gap fund into one fund to pay for the construction of the project.

There are various issues associated with financial assistance:

- Despite clarity on no. of tranches and amount per tranche, it has been noticed that the local authorities release payments according to their discretion. When payments are not released it is not clear how this can be remedied, there is no clear and consistent process for grievance redressal.
- There are very few financial options available to the beneficiaries so the required gap funding is difficult to obtain.
- Consolidating the individual financial assistance into a single fund that can be used to pay the contractor can cause significant delay.

ii) Bank loans

There is a lack of willingness from the banks' side to offer loans to the beneficiaries owing to their low credit worthiness. This leaves them with very few options to cover the gap funding. Even where beneficiaries are considered eligible for a bank loan, they have to register a mortgage deed before the loan can be granted. To obtain the mortgage deed an advocate is required to prepare the legal draft, the beneficiary's details are required to be entered into the Registrars online portal, and the beneficiary is required to visit the registration office along with any co-applicants, two acquaintances, and two witnesses.

The issues with obtaining the mortgage deed are that:

- Access to the portal has to be granted by the Tehsildar on an individual basis to each beneficiary
- The portal may have restricted access outside of office hours
- Coordinating the visits to the registration office can be challenging

B: RECOMMENDATIONS WITH EXPLANATIONS

The political ambition to address the conditions within informal settlements is present, as is evident by multiple rehabilitation policies over the years, but the observed impact of the policies has not matched the need of the moment. If the issues associated with: (1) the availability of land; (2) the bureaucracy; and (3) the finance can be addressed then many of the obstacles restraining implementation and restricting impact could be removed, and the policies could facilitate the urban renewal desired.

a) LAND

Projects implemented by ULBs to address the conditions within informal settlements are typically devised and executed in accordance with a top-down methodology that lacks:

- (1) A detailed understanding of the context
- (2) A holistic plan for the urban area as a whole
- (3) The participation of the project beneficiaries. Under this procurement model the beneficiaries are passive recipients where they are excluded from the process of development. This can result in interventions that are inappropriate for the beneficiaries and therefore fail to achieve the desired impact of poverty alleviation.

An informed and neutral position should be adopted where projects are developed from the bottom-up and the top down concurrently and are guided by three principles:

- i) The preparation of spatial information
- ii) The adoption of a city-wide vision
- iii) A meaningful engagement between the ULB and the beneficiaries

i) The preparation of spatial information

Informal settlement level data and family level data should be collected and organised using a Geographic Information Systems (GIS) platform to link the data with its associated location. This process transforms the data set into spatial information that can be used to gain insight in the informal settlement.

ii) The adoption of a city-wide vision

Once the data for all informal settlements within an urban area has been collected and spatially organised it can be federated using a unifying base map, such as the satellite images available from Google Earth®, to form a city-wide profile. This profile can be used to interrogate the information at various scales:

- 1) City-wide
- 2) The administrative ward
- 3) The electoral ward
- 4) The individual informal settlement to facilitate holistic rehabilitation strategies

The spatial organisation of informal settlement level data is a prerequisite for planning appropriately for the urban poor as it allows an accurate profile of the urban area to be generated and used to formulate rehabilitation strategies that are context-specific and enable limited resources such as land, to be utilised efficiently.

The Government of India (GoI) slum rehabilitation policy, under Rajiv Gandhi Awas Yojana (RAY), states that a “whole city, all slums approach will be adopted, rather than a piecemeal, isolated approach, to ensure that all slums within a city, whether notified or non-notified are covered”. While this policy position has been established the uptake has been limited since a city-wide approach requires the preparation of spatial information as a foundation along with engagement with the project beneficiaries.

iii) A meaningful engagement with the ULB and the beneficiaries

Facilitators of rehabilitation projects should be working at all scales concurrently to adopt an informed and neutral position. From this platform, facilitators can act as mediators between the ULB and the project’s beneficiaries to facilitate impactful rehabilitation schemes where the interests of the various stakeholders have been balanced. Sometimes ULBs must concede to the requirements of the end-user, and sometimes beneficiaries must concede to the realities imposed by external factors (such as land-use reservations and financial constraints) to ensure their ascent from poverty in a timely, tangible, and permanent fashion.

b) BUREAUCRACY

Despite the availability of guidance regarding bureaucratic procedures, the stakeholders, especially the project beneficiaries, often misinterpret or fail to understand the guidance. This lack of understanding can frustrate the implementation of the project including the allocation of tenure rights to project beneficiaries.

NGOs/Consultants should be appointed to assist with communication between the project beneficiaries and the bureaucratic processes of the policy vertical. With an NGO or consultant acting as a mediator processes associated with the project can be actioned more efficiently, since the project beneficiaries will have a greater understanding of the process and their responsibilities, and grievance redressals can be progressed.

At the ULB level the municipal commissioner should convene a meeting once a month to review all projects under PMAY and also set aside a dedicated time slot for hearing out the grievances of beneficiaries.

The linkages between the state and the ULBs need to be strengthened. At the state level too, there should be regular reviews of the projects that are being undertaken with the ULBs.

Release of PMAY tranches should be more transparent and efficient. Many BLC projects get stuck due to funds not being released on time.

The PMAY department should stipulate definite timelines for completion of bureaucratic processes like preparing mojani map, sanctioning of proposed layout, completing online land registration etc.. There should be a process laid down to ensure accountability by concerned authorities for not abiding by the time lines.

There should be a mechanism or a mobile app in local language with a user-friendly interface for the beneficiaries to track the status of fund release online so that they are not always dependent on the local PMAY officials. The app can also have a provision for grievance redressal where beneficiaries can communicate their problems at the state level if they are not addressed at the ULB level.

c) FINANCE

The financial assistance available is not sufficient to cover the full cost of the new dwelling. Options exist in the form of donations from corporate entities through their Corporate Social Responsibility (CSR) and loans from commercial banks but neither option can be guaranteed and banks require a nominal amount to be provided by the applicant to avail the loan. The beneficiaries must understand their responsibility and capacity to save; their behavior must change from recipients of government aid to agents working to improve their credit rating, to gain access to the much needed credit, that will lift them out of poverty.

The PMAY-U policy should be updated, or guidance notes produced, to address the current implementation issues stated above and to guide the beneficiary community in relation to the preparation of a design and the tendering of the contract.

C: RECOMMENDED WAY FORWARD

a. REDRESSAL OF IMPLEMENTATION ISSUES

The policy should be updated, or guidance notes produced, to state:

Designated people within each stakeholder department of the ULB should be trained and equipped to become a single point of contact for PMAY-U related matters in relation to their department.

Since the mojani map is a prerequisite for planning any social housing project as it can help ascertain the feasibility of the project design. It should be prepared even before the DPR. The ULB should ensure that all slums that are under rehabilitation possibilities have the mojani map on the basis of which planning/DPR is then undertaken.

The method by which the Stamp Duty is required to be calculated should be stated within PMAY-U guidance. The content and format of all forms required for bureaucratic and financial processes should be standardised.

b. HIRING AN NGO/ CONSULTANT

Typically consultants are hired to prepare DPRs only but they can play a more comprehensive role by rendering their services to support the communities for implementing their projects. The policy should be updated to outline the key topics that the beneficiary community should consider when engaging the various consultants required to produce the design of a housing project and that the subjects that should be discussed during the commissioning a consultant are:

- The Site
- The Brief
- The Scope of Services
- The Fee
- The Payment
- The Terms of Engagement
- The Point of Contact
- The stages and associated deliverables

i) The site

The consultant should be made aware of the location of the project and a site visit could be arranged with the potential consultant so that they are aware of the context of the project and potential site specific issues that need to be discussed and form part of the engagement such as:

- 1) Existing buildings on the site
- 2) Existing services under/above the site
- 3) Existing infrastructure on the site
- 4) Existing trees and other flora on the site
- 5) Existing ecology on the site.

ii) The brief

The consultant should be made aware the goals of the project such as:

- The budget for the project;
- The timeframe that the project should be completed within;
- The uses that the building is required to accommodate;
- The uses around the project site in terms of hard and/or soft landscaping;
- The key relationships between the uses of the project; and
- Any aesthetic or environmental aspirations that the community may have for the project.

iii) The scope of services

The consultant should be made aware of the services that the community require in relation to the project and the role that the consultant is required to fulfil such as: (1) outline design; (2) detailed design; (3) final proposals; (4) liaising with statutory authorities to obtain the required approvals; (5) production information; (6) liaising with subcontractors as required; (7) tender documents; (8) the role they are required to fulfil to select a contractor; and (9) the role they are required to fulfil during prior to and during construction.

iv) The fee

The consultant should be made aware of the community's thoughts regarding the consultant's fee. The fee could be: (1) the payment of a percentage of the construction cost; (2) the payment of an hourly rate; or (3) a lump sum.

v) The payment

The consultant should be made aware of the communities thoughts regarding: (1) the frequency of when the fees will be paid; (2) the date when the fees will be paid; and (3) the method which will be used to determine the amount of the fee to be paid.

vi) The terms of engagement

The consultant should be made aware of the terms of engagement such as: (1) the parties of the contract; (2) the scope of services; (3) the fee; (4) the payment; (5) the responsibilities of each consultant along with any limitation of responsibility; (6) provisions for withholding payments, suspension of services, and cancellation of the agreement; (7) provisions for dispute resolution; (8) insurance cover; and (9) how the community can lodge a complaint about the service provided.

vii) The point of contact

The community and consultant should have a clear understanding of: (1) who the points of contact will be; (2) the preferred method of communication; (3) the frequency of progress meetings to discuss the development of the project and the evolution of the design.

vii) The stage gates and associated deliverables

The consultant should be made aware of the milestones where the design is required to achieve a particular level of maturity along with the deliverables (documents and drawings) that are required to be issued by the consultant to satisfy the required level of design maturity. An example of this would be the preparation of tender documents (drawings at 1:100 and 1:50, details, specifications, and bill of quantities) to enable a tendering contractor to understand the project and what is required to be built.

C. TENDERING THE CONTRACT

The policy should be updated, or guidance notes produced, to outline the key topics that the community should consider when engaging a contractor to build the housing project.

The updated policy, or guidance note, should state that advice should be sought from the relevant regulatory bodies to identify potential contractors that can be invited to tender for the project and should outline the various stages leading to awarding the contract to a contractor.

- The preparation of a tender list
- The invitation to tender
- The release of tender information
- The opening of the tender returns
- The reporting on the tender returns
- The examination of the lowest tender
- The response to the tendering contractors

i) The preparation of a tender list

Contractors of a similar size should be selected for the tender list to ensure that the tenders, once received, will be comparable. It is beneficial if the contractors have a presence relatively near the project site since the distances involved in transporting labour and materials to the project site will have an impact on the cost of the project and therefore impact the price tendered by the contractor. Other pertinent factors that should inform the tender list include:

- A financial check of the contractor;
- The contractor's insurance details;
- The contractor's previous work; and
- The contractor's references.

ii) The invitation to tender

The contractors on the tender list should be contacted to determine their desire to tender for the project. This process finalises the list of contractors who will be invited to tender for the contract.

iii) The release of tender information

The design team sends each tendering contractor a copy of the tender documents under a covering letter which should:

- Confirm the Code of Practice that will govern the selection of a contractor
- List all the enclosed documents that constitute the tender documents
- Confirm the date and time when the contractor's tender must be received
- Confirm the address to which the contractor's tender must be delivered
- Confirm the protocol for the contractor to arrange a site visit
- Request confirmation that the tender documents have been received by the contractor.

Request that the contractor must return their tender with: (1) a copy of their priced bill; (2) the day rates for each trade; and (3) the protocol for changes to the design, to enable review by the design team · Request that the contractor must indicate in their tender the contract period required to construct the project · Request that the contractor must return their tender in a envelope clearly marked "TENDER FOR [insert project name]" so that it can be easily recognised and left unopened until the defined date and time has passed.

iv) The opening of the tender returns

Once the defined date and time has been reached the tender returns are all opened and the design team starts the process of reporting on each contractor's tender.

v) The reporting on the tender returns

Once opened the tenders should be listed according to price along with the contract period and any conditions attached to the tender amount such as:

1. The priced bill
2. The day rates
3. How changes to the design will be priced by the contractor
4. The contract period

vi) The examination of the lowest tender

Once the reporting has been concluded the priced bill of the lowest tender is reviewed by the design team to determine if any mistakes have been made within the tender. The method for addressing these mistakes will be dependent on the Code of Practice that governs the selection of a contractor.

vii) The response to the tendering contractors

Once the community has decided which contractor they would like to award the contract to, responses are sent to each tendering contractor to inform them in writing if they have been unsuccessful or if they are the successful contractor. Since confidentiality is required to tender a contract the responses should not include a list of all tendering contractors and the results of their tender.

APPENDIX

A: List of Abbreviations

BLC	Beneficiary Led Construction
BSUP	Basic Services for the Urban Poor
CSR	Corporate Social Responsibility
DPR	Detailed Project Report
EWS	Economically Weaker Section
Gol	Government of India
GIS	Geographic Information Systems
IAP	Indoor Air Pollution
IHSDP	Integrated Housing and Slum Development Program
LIG	Low Income Group
LRD.	Land Records Department
NGO	Non-Government Organisation
PMAY	Pradhan Mantri Awas Yojana
PMAY-U	Pradhan Mantri Awas Yojana – Urban
RSD	Registration and Stamps Department
SBA	Swachh Bharat Abhiyan
TISM	Technology and Innovation Sub-Mission
TPD	Town Planning Department
ULB	Urban Local Body

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