

Chapter A-4

Private Sector Primary Collection in Rajkot

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A-4.1 INTRODUCTION

Much emphasis is laid these days on the role of the private sector. In Rajkot, Gujarat, three systems of street sweeping and primary collection are in operation in parallel - (i) direct labour (municipal workforce), (ii) private sector contractors and (iii) a system of subsidising housing associations. These three systems are compared and discussed in this chapter.

The Bombay Municipal Corporation Act, 1949 (BPMC Act) is followed by municipal corporations of Gujarat State. This Act has laid down the rules and regulations for local bodies. The Act has specified obligatory functions. Conservancy and sanitation are amongst these basic obligatory duties to be performed by municipal corporations. All the local bodies have adopted different systems to maintain hygienic conditions for their citizens by employing sweepers and various forms of transport to collect the solid waste and take it for disposal. It is often observed that the collection and disposal services are inefficient and unsatisfactory. Public and press usually have negative impressions of these services.

Rajkot Municipal Corporation has sought to improve its delivery of these services by engaging the private sector to undertake some of this work. This chapter describes how contractors have been involved in primary collection and street sweeping.

In 1995 Rajkot Municipal Corporation (RMC) had a budget of about Rs. 120 crores, of which Rs. 8.5 crores was allotted to the Health Department, which was responsible for solid waste management. The Health Department spent about Rs. 6.5 crores (over 75%) on conservancy and sanitation functions. More details of the budget and workforce of the Health Department are given in appendix AA-4.1. The RMC employed about 4000 staff, of which about 2530 (63%) were employed in solid waste management. The population of Rajkot was about six lakhs (0.6 million).

The rapid growth of the urban area created a demand for sanitation services that the RMC was not able to meet with its own workforce and financial resources. So the RMC introduced a scheme of subsidising housing societies to provide their own services in 1989, and then introduced contract sweeping in 1990, so that now there are three systems operating in parallel. The demand for contracted sweeping emerged as a result of

- ♦ Increasing establishment costs,
- ♦ Labour problems,
- ♦ Indiscipline among workers, and
- ♦ Decreasing levels of performance.

Each ward has been divided up into a number of sweeping units or beats by the RMC. The area of each unit is based on a strip on each side of each street - the centre of the street is not included because the passage of vehicles keeps this part reasonably clean and prevents the sweeping of this part. The area of each unit is nominally 30 000 ft² (2800m²).

A-4.2 DESCRIPTION OF THE SYSTEMS

a) Municipal system

In each ward where the primary collection and sweeping services are still provided by the municipal labourers, there is one Sanitary Inspector (SI) and one Sanitary Sub-Inspector (SSI). The SI and the SSI concentrate their efforts on sanitation and conservancy work. Above them, the Chief Sanitary Inspector, Zonal Officer and Medical Officer of Health also inspect the sanitation work from time to

time, and they are also responsible for food and water sanitation, immunisation and control of epidemics. Below the SSI are peons, each of whom is in charge of 20 to 25 sweepers.

The SSI is responsible for:

- ◇ Attendance of sweepers at 6.30 am, 10.30 am, 3.00 pm and 6.00 pm;
- ◇ Arranging for daily waged sweepers to cover leave vacancies and absentees;
- ◇ Attendance of part-time sweepers;
- ◇ Maintenance of sanitary and conservancy stores, and issuing implements and uniforms to workers;
- ◇ Preparation of the muster list;
- ◇ Supervision of payment of salaries;
- ◇ Receiving and attending to complaints from the public;
- ◇ Supervision of the work of the sweepers; and
- ◇ Arranging vehicles for the collection of the solid waste

The RMC provides the following implements to its sweepers:

- ◆ Hand broom - made from coconut leaves, about 80 to 100 cm long and weighing about 300g. These are provided at the rate of one a month. (Municipal sweepers usually are obliged to purchase extra hand brooms themselves from the market at a cost of Rs. 8 to 10 each, because the life of such brooms is less than one month.)
- ◆ Cycle fan - this is a part of a bicycle mudguard and is used for scooping up silt from open drains. One is provided every three months; they cost about Rs.5 in the market.
- ◆ Scoop - this is made from a tin container and provided with a handle to facilitate picking up waste from the ground.
- ◆ Handcart or wheel barrow - either the old two-wheel design (photograph 1) or the six-bin design (photograph 2).

b) Subsidies to housing societies

Sweeping within the areas owned by the housing societies is not technically the responsibility of the Municipal Corporation, but if waste is scattered indiscriminately in these areas it is difficult for the municipal employees to collect and remove the waste. For this reason the housing societies have been urged to engage their own sweepers. To encourage this the RMC started giving subsidies of Rs.600 per sweeping unit - the actual subsidy depending on an assessment of the size of the area to be swept. (In the 13 societies that receive this benefit, the subsidy payable varies from Rs. 300 to Rs. 1600.) The RMC also provides a handcart at no cost., and undertakes to repair it. A list of the grants made to different housing societies is given in appendix AA-4.3

The RMC does not supervise the work of sweepers employed in this way by the housing societies, though a Health Department supervisor checks from time to time that the area is being kept clean. The housing societies are responsible for paying the sweepers and providing the necessary implements. This system provides a direct benefit to the municipality in that solid waste is taken by the sweeper to the appointed collection point or container, so that the work of the collection labourers working with the trucks is reduced.

c) Contract sweeping

A pilot scheme for contract sweeping was introduced in 1990 when 25 sweepers were engaged. An evaluation was conducted after 3 months by sending out a questionnaire to the residents of the areas where these sweepers had been working. More than 90% expressed approval of the new scheme. This led to the implementation of the scheme in Wards 7 and 10 - wards that are on the outskirts of the city. The numbers of sweepers needed for each ward was assessed in terms of the 30000 ft² sweeping unit, and the RMC invited separate tenders for each ward. Initially only two or three tenders were received, but in 1994-5 RMC received six tender quotations. In the first year, the rate for one unit was Rs. 1200, and in 1995 it was Rs 1396 for Ward 7 as Rs 1390 for Ward 10. The contractor for Ward 7 was Hetal Construction, with 89 sweepers, and Ward 10 was served by Krishna Construction with 64 sweepers. Both contractors had held the contracts for five years.

Under this arrangement the RMC supervisors are no longer concerned with supervision of labour, but are only responsible to monitor the contractors' performance, and report on it to their superiors. The contractors engage their own staff to supervise the sweepers, record attendance etc.. The municipal supervisors in these wards have more time to devote to other public health duties.

The contractors claimed that they supplied handbrooms, cycle fans and scoops, but the sweepers themselves said that they were obliged to buy their own implements.

According to the terms and conditions of the contracts (appendix AA-4.2) the contractor is responsible for providing implements (and the Municipality should provide the handcarts), and the sweepers should be paid at least the official minimum wage. Each employee should be a member of the Provident Fund, and have an ESI (Employees State Insurance) number. The contractor is responsible for providing a service every day, including holidays.

The conditions of contract also specify that a penalty of Rs. 100 per day is payable if any area is found not cleaned. The penalty for non-attendance of a sweeper is Rs. 50 per day. If the performance of the contractor is found to be below standard, the contractor is to be issued a written warning, and the contract can be terminated and the deposit paid by the contractor is forfeit. The decision of the Municipal Commissioner is to be final in any dispute.

d) Further comments about the provision of implements

Since the life of a handbroom in such conditions is less than a month, new brooms should be provided more frequently. Brooms with long handles or broomsticks [figure A-1.1 (ii)] are not issued because the sweepers are not accustomed to them. As mentioned in chapter A-1, longer handled brooms can reduce back complaints and exposure to dust.

A deduction is made from the wages of the sweepers for the purchase of equipment. This practice should stop since the wages of the sweepers are already low.

Twelve of the sweepers working for housing societies refused to use the handcarts provided because they were concerned that the handcarts would be stolen and they would be held responsible. Those without handcarts either carried the waste to the containers in very small quantities - an inefficient practice - or they burned the waste in small piles, causing air pollution. The RMC should compel the societies to solve the problem of security of the carts or provide an alternative method of carrying the waste that is hygienic and effective.

A-4.3 ADVANTAGES OF THE PRIVATE SECTOR SYSTEMS

The following advantages apply to the contracting system, and also in most cases, to the subsidy system:

- ◊ **Administrative burden reduced** - The RMC is not responsible for payment of salaries, issuing implements and uniforms, and other administrative functions. All the supervisors with whom this was discussed mentioned the reduction of administration with great relief.
- ◊ **Other functions benefit** - Health Department supervisors were able to devote more time to other public health functions.
- ◊ **Financial savings**. A municipal sweeper in 1995 was paid between Rs 1700 and Rs 1800 per month, and there are many other expenditures relating to municipal employees such as the provision of implements, chemicals and uniforms, and the payment of benefits such as leave travel concessions, medical benefits, housing etc. [In appendix AA-2.1 there is a summary of the benefits payable to municipal employees in Mumbai.] Thus there is a considerable saving if the total payment to the contractor is only Rs. 1390 per month for each sweeper's beat.
- ◊ **Reliability** - The contractor was required to pay a security deposit of Rs 30 000 and provide a solvency certificate before he could start work. This discouraged the contractor from unilaterally terminating the contract.
- ◊ **Advantages to labourers** - Sweepers working for contractors said that they would prefer to work for the Municipal Corporation because of the better job security, wages, and benefits. Many contract sweepers expressed the belief that the position as a contract worker was a way in to a municipal job. (It is not known whether there is any substance in this belief, or whether perhaps it is a story circulated by the contractors to help recruitment and retention of their workers.) The contractors provided some assistance to individuals in their workforces in the form of emergency loans.
- ◊ **Effect on municipal sweepers** - The RMC sweepers saw the contract system as a potential threat to their own jobs and so were motivated to work harder.

- ◇ **Disciplinary action** - The lengthy procedures for taking disciplinary action against a municipal employee are avoided in the contract system, so reducing the load on the municipal labour officer and other management staff. An example of a common disciplinary problem is given in a box below.
- ◇ **Financial simplicity** - The calculation of individual salaries with their different increments is avoided, so the work of the finance section of the Municipal Corporation is much simpler
- ◇ **Control of recruitment** - Labour laws require that a person who has worked for 90 days on a daily wage basis is entitled to an establishment post. This requirement is no longer of any concern under the contract system, so there is no need to monitor the employment records of casual workers, as in the past.
- ◇ **Reduction of complaints** - Municipal supervisors in contracted wards estimated that there had been a 80 to 90% reduction in complaints from residents, so that their work had become considerably easier.
- ◇ **Political acceptance** - Municipal councillors expressed approval of the contractor system and wished to see it extended to other parts of the city. Cost savings that reduce the need to increase taxes are always welcomed by politicians.

A common labour dispute among sweepers

It has often been observed that a sweeper posted permanently to a particular beat (or sweeping unit) claims that it is his right to continue at the same place, resisting attempts to change the location of his working place. In some cities sweepers have made informal arrangements with householders to carry their waste to the storage point or sweep their private premises. The income from such informal arrangements is often considerably more than the wage from the municipality. If a sweeper is ordered to move he may enlist the help of his labour union, and fight to keep his present location.

A-4.4 DISADVANTAGES OF THE PRIVATE SECTOR SYSTEMS

a) Disadvantages to the Administration

- ◆ If the contract system were extended to other wards, a situation may arise in which the contractor had sufficient power that he could dictate the terms of the contract and demand an increase in the fees.
- ◆ If a proper balance is not maintained between the contract system and the municipal system, a dispute may paralyse the sanitation work.
- ◆ If the labour laws are modified, it could become obligatory for the Corporation to absorb the private sector contract sweepers since, by its nature, the work they do is permanent (that is, it is not just meeting a temporary need).

b) Disadvantages relating to supervision

- ◆ There may be a lack of flexibility in the contract system. In the past, when there had been an emergency - such as a crash programme to clean an area of the slums and other nuisance points during the plague epidemic - it had been possible to divert municipal sweepers from other areas. Such moves might be difficult if all of the sweepers are working under contracts which do not allow for this kind of flexibility.
- ◆ Supervisors cannot instruct the sweepers directly, but must pass requests through the contractor.

c) Disadvantage affecting residents

The only disadvantage appears to be the lack of rapport between the residents and the sweeper working in a particular area. Under the municipal or direct labour system, residents would get to know the sweeper working in the area, and this relationship would assist co-operation and satisfaction in the service. For example, in the past, if there was a complaint related to some other department (such as roads, water, electricity etc.) the sweeper would pass on the complaint to the local ward office. The contractors frequently changed their staff to avoid the legal commitments to pay

provident fund and insurance benefits to their staff, and so there was little time for any relationship to be built up between sweepers and residents.

d) Disadvantages to the labourers

- ♦ The contractor was required to pay his labourers as per the Minimum Wage Act at a daily rate of Rs 42. In interviews only two of the labourers admitted that they were being paid less than this, but it was possible that the others were told to say that they were being paid the minimum wage, and did so because they were afraid of losing their jobs - if the contractor discovered that they had said this or if the contractor was obliged to face legal action. Perhaps some simple arithmetic is appropriate here:

Contract rate per sweeping unit		Rs 1390
Monthly pay according to minimum wage (30.4 days/month)	Rs 30.4 x 42	<u>1277</u>
Balance to pay for supervision and tools and to provide profit		<u>113</u> or 8%

- ♦ There was some evidence that the sweepers were required to purchase the implements they needed for the work from their own salaries.
- ♦ There was no security for the labourers, so they were always under the fear of losing their jobs.
- ♦ The contract sweepers did not receive the benefits that were given to the municipal workforce, such as quarters, uniforms, medical benefit, travel allowances, and even the obligations for Provident Fund and insurance payments were not being met by the contractors.

A-4.5 DISCUSSION

A permanent sweeper employed by the Municipal Corporation earned about Rs 1800 per month in 1995. In addition to this (s)he was eligible for a number of benefits such as paid leave, medical leave, medical expenses reimbursement, quarters, death and disability benefits, and uniforms. (The total cost of a municipal labourer in Mumbai was estimated in appendix AA-2.1.2 to be Rs 3520 per month.) In contrast, the contractors were being paid about Rs 1390 per month for each labourer, and out of this amount, in addition to paying the sweeper's salary, the contractor was supposed to pay for implements, social insurance, provident fund contributions, and to pay the wages of supervisors (at about Rs 1700 to 2000 per month). Some sources indicated that contract sweepers were being paid at the rate of only Rs 30 to 35 per day, and there was the suggestion that provident fund contributions were made in fictitious names so that the entitled person never received the amount due to him or her.

The Rajkot Municipal Corporation paid its employees through a bank, and it is suggested that contractors be required to do the same so that it would be possible to verify that all relevant laws are being complied with. It would be possible to prevent other abuses by modifying the terms and conditions of the contract. This would lead to an increase in the rate quoted, but it would be of great help to the people who are engaged in this type of work.

An alternative view of this situation is that there was no shortage of workers to do the work of contract sweeping, so such a position must be attractive to an unskilled person in the face of alternatives. This view leads to the conclusion that the labourers who were working for the RMC were being paid too much, and that recruitment should be frozen and no further increments paid until there is some form of parity between the public and private sector. Alternatively, an investigation could be carried out as to how productivity could be raised, perhaps by providing more efficient tools or by a concerted campaign to reduce the depositing of waste on the ground so that daily sweeping in most areas was no longer necessary.

The privatisation experiment of Rajkot Municipal Corporation over its first five years is a success story because satisfactory services have been provided at lower public cost. (Or it could be argued that municipal administrations over a long time had failed to keep the costs of municipal labour within reasonable bounds, and so the failure of one sector led to the success of the other.) A balance needs to be struck between economy and avoiding exploitation, and labour laws should be respected. The RMC system should be replicated after taking new precautions to avoid exploitation.

The subsidy system that encourages housing societies to make their own arrangements for sweeping is an excellent idea since it encourages the housing societies to take responsibility, and the feedback loop for complaints is very small - if residents are unhappy the sweeper hears about it very soon and action can be taken quickly. In such situations supervisors have little to do.

**APPENDIX AA-4.1 BUDGET AND STAFFING OF RAJKOT
MUNICIPAL CORPORATION**

a) Budgetary provision for solid waste management 1995-6

	<u>Lakhs Rs</u>
General Conservancy salary expenditure	550
Equipment, uniforms etc.	7
Special conservancy	
Special conservancy staff salary	65
Equipment, and maintenance of community bins	1.5
Contract base removal of solid waste	30
Contract base cleaning of toilets	5
Housing society grant for sweeping	3
Cleaning of urinals	0.5
	<u>662</u>

b) Conservancy staff

General conservancy	
Medical Officer of Health	1
Deputy Medical Officer of Health	1
Zonal Officer	3
Chief Sanitary Inspector	1
Sanitary Inspector	24
Sanitary Sub-Inspector	20
Peon	35
Sweepers	1554
Daily waged sweeper	142
Part-time daily waged sweeper	580
Establishment clerk	10
	<u>2371</u>
Special conservancy	
Conservancy inspector	1
Clerk	2
Medical supervisor	1
Driver	42
Helper	104
Cleaner	5
Peon	1
	<u>156</u>

APPENDIX AA-4.2 TENDER DOCUMENTS FOR SWEEPING CONTRACTS

RAJKOT MUNICIPAL CORPORATION

(HEALTH BRANCH)

TENDER

Tender fees Rs. 150/-

Sweeping of Roads, Open Drains. etc. in Ward No. 7, 9 and 10. In response to above I/We quote the rates as below for cleaning of Streets as decided by the Corporation, in Ward No., as per the Terms and Conditions attached herewith.

SrNo.	Particulars of work	Ward No.	Monthly Rate For One Street
	Rate for cleaning of 30,000 Sq. Ft. of Areas of Roads, Roads, Gutters, etc. and all types of Cleaning and Collecting the Solid Waste in the Stand (Dust- Bin) as per the Terms and Conditions of this work		

Contractor shall have to submit the following Details:-

- 1) Registration No. Of The Contractor
- 2) Provident Fund No.
- 3) ESI No.
- 4) Copy of Income-Tax Completion Certificate
- 5) Experience Certificates
- 6) Copy of Solvency Certificates
- 7) Demand Draft amounting to Rs. 4000/- in favour of
Rajkot Municipal Corporation, along with the Tender.

Name of the Contractor

Address

Date : / / 1995

Place:

Signature of Contractor

Administrative Officer
Rajkot Municipal Corporation

Medical Officer of Health
Rajkot Municipal Corporation

RAJKOT MUNICIPAL CORPORATION
HEALTH DEPARTMENT
YEAR 1995-6

Terms and Conditions for Cleaning Works on Contract base in ward No. 7, 9 and 10.

TERMS AND CONDITIONS

- 1) The Contractor shall have to arrange at its own cost the materials related to cleaning i.e., Box, Brooms, Fan, Bamboo, Trikum, all sizes of shovels, Phenyle, Acid etc. All materials shall have to be provided by the Contractor. The Corporation shall provide B.H.C. Powder and Cost of the B.H.C. Powder will be deducted from the Bill of the Contractor.
- 2) The Contractor shall have the list of Sweepers.
- 3) The Sweepers shall be paid their Wages as per minimum Wages and as and when declared by The Labour Department of Government. The Contractor should have Provident Fund Number and E.S.I. Number.
- 4) The Contractor shall have to maintain, regularly, The Attendance Register and Attendance Card.
- 5) The Contractor have to get the work done for half day on Holidays declared for the Sweepers, i.e., on Thursdays and Sundays and on Holidays as and when declared or published by the Government.
- 6) The Contractor shall get done, the work of cleaning of areas as well as cleaning of gutters from each sweeper for not more than 30,000 Sq. Ft. area.
- 7) Daily, twice a day, cleaning of areas and gutters shall be carried out by the sweeper in the area distributed.
- 8) The solid waste shall be collected at prescribed places and solid waste box.
- 9) The Areas of cleaning shall be as decided by the Survey Deptt. of R.M.C.
- 10) Penalty of Rs. 100/- per day will be imposed for each area if any area is found uncleaned.
- 11) The Bill Of Sweeper shall be submitted by deducting Rs. 50/- per sweeper those found unattended.
- 12) The Contractor shall have to get the work done for cleaning on the days on which the Government declares holidays for Festivals and Public Holidays as and when declared by The Government.
- 13) The Rules and Regulations of Labour Department and the Rules related to Sweepers should be followed fully. The Rules and Regulations are subjected to change from time to time.
- 14) A daily Report of the daily taken attendance shall be submitted next day at 11.00 a.m. in the Health Department.
- 15) The Working hours and attendance of sweepers shall from 6.30 in the morning to 10.30 a.m. and from 3.00 p.m. to 6.00 p.m. respectively. The attendance timing for morning and afternoon shall be 6.30 a.m. and 3.00 p.m. to 3.15 p.m.
- 16) 20% more sweepers can be kept in addition to the total sweepers.
- 17) If the entrusted cleaning work is not found satisfactory or if not done properly as per the standards, the Contractor will be issued a Notice by the Competent Authority and the Contract will be terminated, as well as the deposit paid by the Contractor will be forfeited.
- 18) Cleaning of Manholes main gutter, closed gutters, as well as Public Toilets and Public Urinals in the entrusted area shall be carried out regularly.
- 19) Payment shall be made on submission of bill every month.
- 20) R.M.C. reserves the right to accept or reject the rates without assigning any reason thereof.
- 21) The decision and order of the Municipal Commissioner will be final in case any dispute arises.

- 22) An agreement shall have to be executed within 7 (seven) days and on amount of Rs...../- shall have to be deposited in the Accounts Department of R.M.C. against Security Deposit.
- 23) The Contractor shall have to arrange to lift the demised Dogs, Pigs, Goat, Cat, etc. whose weight is about 20 kg or below 20 kg.
- 24) The Competent employee of Corporation will Supervise the daily work and the instructions given by the employee shall have to be followed scrupulously.
- 25) The place for attendance shall be the respective ward.
- 26) The Rates shall be quoted for the period of one month for the work in question, and agreement shall be executed for one year on the basis of rates quoted for one month.
- 27) Earnest money deposit should be paid by way of Demand Draft amounting to Rs/- in favour of Rajkot Municipal Corporation and the said Demand Draft should be enclosed alongwith the Tender.
- 28) The copy of Registration Certificate registered for the respective class, Solvency Certificate, Income-Tax Completion Certificate as well as Experience certificates should be enclosed alongwith Tender.
- 29) The corporation shall arrange for Wheelbarrows.

Medical Officer of Health
Rajkot Muni. Corporation

APPENDIX AA-4.3 GRANTS TO HOUSING SOCIETIES

GRANT IN AID TO PRIVATE SOCIETIES FOR SWEEPING AND CLEANING OF SURFACE DRAINS

Sr. No.	Name of the co-operative housing society	No. of areas of 30000 sq.ft. to be swept	No. of sweepers to be employed	Amount of grant given by RMC Rs/month
1	Shree Colony	1	1	600
2	Chotunagar	2	2	1200
3	Rel Nagar	1.5	2	900
4	Shanti Niketan	1	1	600
5	Income tax	1	1	600
6	Anjani	0.5	1	300
7	Aviation	0.5	1	300
8	Sijitra Nagar	0.5	1	300
9	Mochinagar	1	1	600
10	Purnakutir	2	2	1200
11	Gunalit	2	2	1200
12	Anupama	1	1	600
13	Nutan	3	3	1600
14	Gramyalaxmi	0.5	1	300