

URBAN GOVERNANCE BILL, 2016

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PREAMBLE

A principles-based Act, neutral in its application to any specific city, to provide for the constitution, objectives, powers, functions and accountability of Urban Governance Agencies in conformity with the principles for self-governance, decentralisation, transparency and greater public participation in the decisions and affairs of the City Government.

Be it enacted by the State Legislature in this sixty-seventh year of the Republic of India, as follows:

CHAPTER 1: Preliminary

1. Short Title

This Act may be called the Urban Governance Act, 2016.

2. Extent

It extends to all cities of the State.

3. Commencement

It will come into force on such date as the State Government may, by notification in the Official Gazette, appoint.

4. Definitions of terms

In this Act, unless the context otherwise requires,—

1. “Act” means this Act.
2. “Annual Proposal” means a proposal developed by the Corporation, every Financial Year, for the development of the city, in accordance with section 38.
3. “Annual Financial Statement” means the statement prepared by the Corporation every Financial Year, under section 58.
4. “Annual Fiscal Plan” means the plan submitted by the Corporation and determined by the City Assembly, under section 59.
5. “Area” means an area as determined in the manner prescribed in subsection (6).

6. “Area Sabha” means, in relation to an Area, the body of all the persons registered in the electoral rolls pertaining to every two contiguous polling booth in the Area, in a Corporation.
7. “Chief Executive Officer” or “CEO” means the officer so appointed by the Mayor under section 8 of this Act.
8. “City Assembly” means the legislative body of the Corporation and it comprises all the Members of the City Assembly.
9. “Corporation Fiscal Manager” means a professional body appointed by the Corporation to assist in the management of its income, assets, expenditure, and liabilities, including contingent liabilities.
10. “Corporation” means the Municipal Corporation constituted under this Act, read with article 243Q of the Constitution of India, as an institution of self-governance for larger urban area, and comprises a Municipal City Assembly for a smaller urban area, and a Nagar Panchayat for a transitional area, as the case may be.
11. “Empanelled Auditor” means the auditors empanelled by the Corporation for the purpose of auditing its accounts, under section 58.
12. “Financial Year” means the period extending from the first of April of every calendar year to the thirty-first of March of the next calendar year.
13. “Legislative Instrument” means any law, plan, vision, or proposal.
14. “Long Term Vision” means a vision developed by Corporation for development of the city, for a period of not less than 20 years, in accordance with section 36.
15. “Mayor” means the Mayor of the Corporation so elected by the voters under section 7.
16. “Members of City Assembly” or “MCA” mean persons chosen by direct election from a Ward of the Corporation.
17. “Medium Term Plan” means a plan developed by the Corporation for development of the city, for the term for which the MCA are elected, in accordance with section 37.
18. “Prescribed” means prescribed by Legislative Instrument made under this Act.
19. “Public Services” means services required to be provided to the public, for achievement of targets mentioned in annual proposal, determined in accordance with section 42.

20. “Public Service Provider” means an entity with which a Corporation enters into a contract, for delivery of Public Services, in accordance with section 43.
21. “Stabilisation Funds” mean such funds created by the Corporation under section 61.
22. “State Election Commission” means the State Election Commission consisting the State Election Commissioner appointed in accordance with the provisions of Article 243-K(1) of the Constitution of India.
23. “Urban Governance Agency” means the Mayor, CEO, City Assembly, Ward Committee, Area Sabha Representative, Urban Utility Regulator, Urban Utility Tribunal, as the case may be.
24. “Urban Utility Regulator” means an entity constituted by the law passed by a City Assembly, for regulating the delivery of Public services in the city, in accordance with section 50.
25. “Urban Utility Tribunal” means an entity constituted by the law passed by a City Assembly, for adjudicating matters in relation to delivery of Public services in the city, in accordance with section 53.
26. “Vacancy” means vacancy in any office constituted under this Act caused by the resignation, removal or death of the holder of office or permanent inability of such person to discharge the powers and duties of the office.
27. “Ward” means an area whose voters elect a Member of the City Assembly to the City Assembly.

5. Governing principles

Every Urban Governance Agency must, to the extent possible:

1. Promote the convenience and welfare of public in the course of managing its affairs;
2. Not manage its affairs in violation of the State and Central legislations;
3. Meet the needs of current and future generations through an integration of sustainable development, social advancement and economic prosperity;
4. Decentralise decision-making and facilitate greater public participation;
5. Simplify and eliminate overlap or conflict in governance;
6. Enable and foster competition in the delivery of public services;
7. Follow a policy of non-discrimination, whether for employment opportunities or delivery of services;
8. Use technology to improve access to itself and to discharge its functions in an efficient manner; and

9. Manage its financial affairs responsibly.

CHAPTER 2: Urban Governance Agencies

6. Corporation

The Corporation will:

1. Be a body corporate;
2. Have perpetual succession and a common seal; and
3. By such name may sue and be sued.

7. Mayor

1. The city will have a Mayor.
2. The Mayor will be directly elected at Ward elections.
3. The tenure of the Mayor will be five years and co-terminus with the term of the elected MCAs and Area Sabha Representatives.
4. The Mayor may resign from his office at any time by reasonable advance notice in writing to the Speaker of the City Assembly.
5. In case of vacancy to the office of Mayor, the powers and duties of Mayor will devolve upon the Speaker of the City Assembly.
6. The Speaker, while acting in accordance with subsection (5), will ensure that the election process for the office of Mayor is completed as soon as possible.
7. The salaries, allowances and fees of the Mayor will be prescribed by the City Assembly.
8. The provisions of the disqualification of elected representatives under the Representation of People's Act, 1951 will apply to the Mayor.

8. Chief Executive Officer

1. The Administrative head of the Corporation will be the CEO.
2. The Mayor will appoint any person as the CEO from time to time, through an open and transparent process.
3. The Mayor's choice for the position of CEO will be approved by the City Assembly.
4. The Mayor and the City Assembly will decide by consensus, the maximum number of times City Assembly can reject the choice of Mayor for the office of CEO.

5. In case no consensus under subsection (3) is achieved:
 - a. The Mayor and the City Assembly will publish the reasons for inability to reach consensus.
 - b. The City Assembly will not be able to reject the Mayor's choice more than two times.
6. The Mayor, before appointing the CEO, will give due consideration to individual's qualifications, expertise, experience, past achievements and reputation.
7. The CEO will not have any interest (financial or otherwise) that is in conflict with that of the Corporation.
8. The CEO will report to the Mayor.
9. The CEO may be removed by the Mayor.
10. The terms and conditions of service of the CEO will be as decided between the Mayor and CEO.

9. City Assembly and its Members

1. A City Assembly will comprise persons elected at Ward elections.
2. Each Member of City Assembly will represent one Ward.
3. Any person who has the right to elect Members of the City Assembly will be eligible to be elected as a Member of City Assembly for five years from the date of induction of such Member to the City Assembly, subject to the qualifications as provided under this Act.
4. The provisions for disqualifications of elected representatives under the Representation of People's Act, 1951 will apply to the Member of City Assembly.
5. No person will perform functions of more than one Public Office. If a person becomes eligible to perform functions of more than one Public Office, such person will have to choose to occupy one Public Office, and vacate other Public Offices.
6. For the purpose of this section, Public Office means MCA, member of Lok Sabha, Rajya Sabha, Legislative Assembly of the State, a member of Panchayat, Mukhia or Sarpanch.
7. In case of vacancy for the office of the MCA, the State Election Commission will conduct by-elections for the concerned Ward.

10. Recall of MCA and Mayor

1. Every MCA will be deemed to have vacated his office with immediate effect, if he is recalled by means of secret ballot by a majority of the total number of voters of the concerned Ward of the municipal area casting the vote in accordance with such procedure as may be prescribed.
2. The Mayor will be deemed to have vacated his office with immediate effect, if he is recalled by means of secret ballot by a majority of the total number of voters of the city casting the vote in accordance with such procedure as may be prescribed.
3. No process of recall will be initiated unless a proposal in this behalf is consented by one-fifth:
 - a. Of the total number of electors of the MCA's Ward and presented to the Mayor, in case of the MCA.
 - b. Of the total number of electors of the city and presented to the Speaker, in case of the Mayor.
4. On receipt of the proposal of recall of MCA, the Mayor will send the proposal to the State Election Commission, whereupon, the State Election Commission, will arrange for voting on the proposal of recall, in such manner, as may be prescribed.
5. On receipt of the proposal of recall of Mayor, the Speaker will send the proposal to the State Election Commission, whereupon, the State Election Commission, will arrange for voting on the proposal of recall, in such manner, as may be prescribed.

11. Selection of the Speaker, Leader of the City Assembly and Leader of the Opposition

Selection of all posts and positions necessary for the efficient functioning of the Corporation such as the Speaker, the Leader of the City Assembly and the Leader of the Opposition will be done as provided under the law made for this purpose by the City Assembly.

12. Ward Committee

1. The Mayor will constitute a Ward Committee for every Ward in the city.
2. Each Ward Committee will comprise:
 - a. The MCA representing the electoral Ward who will be the *ex-officio* Chairperson of the Ward Committee; and

- b. The Area Sabha Representatives representing the electoral Area Sabhas within that Ward.

13. Area Sabha Representative

Each Area Sabha within a Ward will elect an Area Sabha Representative whose tenure will be co-terminus with the term of the office of the elected MCAs. Every voter in an Area Sabha within a Ward will be a member of the Area Sabha.

14. Urban Utility Regulator

1. The Urban Utility Regulator will be constituted by law passed by the City Assembly.
2. The law made under subsection (1), must provide for the management of Urban Utility Regulator by competent persons. Such law will ensure that:
 - a. Due consideration is given to qualifications, expertise, experience, past achievements, reputation, and independence, in determining competence.
 - b. No person can act as a competent person, if such person's interests conflict with the functions of the Urban Utility Regulator.

15. Urban Utility Tribunal

1. The Urban Utility Tribunal will be constituted by a law passed by the City Assembly.
2. The law made under subsection (1), must provide that Urban Utility Tribunal will be presided by competent persons. Such law will ensure that:
 - a. Due consideration is given to qualifications, expertise, experience, past achievements, reputation, and independence, in determining competence.
 - b. No person can act as a competent person, if such person's interests conflict with the functions of the Tribunal.

CHAPTER 3: Duties and powers of the Municipal Authorities

16. Non-discrimination

The Corporation will not discriminate between persons on the basis on religion, caste, ethnicity, language, age, gender, region or any other social or economic factor in granting employment, providing delivery of services and benefits to the public.

17. Powers of the Mayor

1. The executive powers of the Corporation will vest in the Mayor which will extend to the whole or part of the territory of the Corporation, in accordance with the Constitution of India.
2. The Mayor may appoint Committees of MCAs or such persons as the Mayor may deem fit.
3. The Mayor will prepare the Long Term Vision, the Medium Term Plan and the Annual Proposal, which will be approved by the City Assembly, on behalf of the Corporation.
4. The Mayor will implement all the Legislative Instrument of the Corporation.

18. Power of the Mayor to veto laws

1. The Mayor will have the power to veto any law passed by the City Assembly.
2. The Mayor and City Assembly will decide by consensus, the majority required in the City Assembly to overrule the veto of the Mayor.
3. In case no such consensus is achieved:
 - a. The Corporation will publish the reasons for inability to reach consensus; and
 - b. The City Assembly will be able to overrule the veto of the Mayor by passing such laws by a majority of two-thirds.
4. When such legislation is passed by the City Assembly under this section, the Mayor must, as soon as possible, bring the laws into force in accordance with section 33.

19. Publication of laws

1. Laws passed by the City Assembly will come into force:
 - a. Only after the Mayor publishes the laws in the Gazette; and
 - b. On such date specified in that law.
2. No law will come into force with retrospective effect.

20. Functions on behalf of Central or State Government

Any functions being carried out by the Corporation, on behalf of the Central Government or the State Government, will be financed by the respective Government, as the case may be.

21. Powers and Functions of the CEO

1. The CEO will:
 - a. Advise the Mayor and the Corporation to enable them to take informed decisions;
 - b. Implement decisions of the Corporation;
 - c. Manage the day-to-day operations of the Corporation;
 - d. Appoint such persons, either on a permanent or contractual basis, to enable the Corporation to perform its functions in an economical, effective, efficient and accountable manner;
 - e. Design a performance monitoring and evaluation system for persons appointed by the Corporation, based on key performance indicators and outcomes, identified in accordance with the Corporation's objectives and functions; and
 - f. Periodically monitor and evaluate the performance of persons appointed by the Corporation.
2. The CEO may delegate any of its powers to such persons appointed for that purpose.

22. Powers and Functions of the City Assembly

1. The City Assembly will make laws for the whole or part of the territory of the Corporation with respect to any matter under the Constitution of India.
2. The City Assembly will not make law that is repugnant to any law made by the Legislature of a State, without the consent of the Governor of the State.
3. The City Assembly may impeach the Mayor by following the procedure below:
 - a. On receiving the proposal by a majority of MCAs, the Speaker will constitute an Impeachment Committee of MCAs, comprising the Leader of the House, Leader of the Opposition and such other MCAs as the Speaker may deem fit;
 - b. The Impeachment Committee will examine the allegations against the Mayor, after giving due opportunity to the Mayor to be heard, and may make recommendations for impeachment, if the Impeachment Committee is satisfied that the Mayor is guilty of:
 - i) gross misconduct, or
 - ii) gross violation of the duties and responsibilities of the Mayor;
 - c. On receipt of the recommendation for impeachment of the Mayor by the Impeachment Committee, the Speaker will put the proposal for impeachment

for vote by the City Assembly at a special meeting convened by the Speaker for this purpose, if necessary.

- d. If four-fifth of the City Assembly votes in favour of the impeachment of the Mayor, the Speaker will declare the Mayor to be impeached, and the Mayor will be deemed to have vacated the office of the Mayor immediately after such a declaration.
- e. If the Impeachment Committee rejects the proposal for impeachment of the Mayor, the Speaker will declare the proposal to be rejected at a special meeting of the City Assembly convened by the Speaker for this purpose, if necessary, and this will terminate the impeachment proceedings.

23. Powers and Functions of MCA

1. Every MCA will have a vote on matters placed before the City Assembly.
2. An MCA may participate in such Committees as the Mayor constitutes, as and when called upon by the Mayor to do so.
3. An MCA, when the City Assembly is in session, may call upon the Mayor to provide any information concerning the administration of the Act or the Corporation.
4. The MCA must draw the attention of the Mayor towards any loss to the Corporation property, or any shortcomings in the administration of the Act or the Corporation.
5. An MCA will execute functions as the *ex-officio* Chairperson of the respective Ward Committee.

24. Works in the Wards

1. The Mayor will allocate funds to every Ward for works to be executed within the Ward.
2. The Ward Committee Chairperson will inform, in writing, the Mayor of the works to be executed in its Ward out of the funds allocated to the Ward.
3. The Ward Committee will supervise and monitor such works in its Ward in consultation with the Urban Utility Regulator.
4. No work will be regarded as complete by the Corporation unless certified to be so by the Ward Committee.

25. Functions and Powers of a Ward Committee

1. The Ward Committee may obtain information from the Mayor on any matter or revenue items relating to its Ward.
2. The Ward Committees will play active role in decentralized urban planning and participatory budgeting.

26. Power of State Government to give directions to the Mayor

1. The State Government may direct the Mayor and after recording reasons, in writing, only in the following situations:
 - a. State-wide natural calamity,
 - b. Public health emergency in the states.
2. Directions issued under this section will expire within four weeks, unless re-issued in writing with reasons recorded in writing, and in any case, may not be renewed more than three times under any circumstances.

CHAPTER 4: Practice and Procedures

27. Administration of City Assembly

The practice and procedures for conducting the business of the City Assembly, including City Assembly and committee meetings, quorum and voting procedures will be prescribed by the City Assembly.

28. Power of Mayor to convene a Meeting

1. The Mayor can convene a meeting of the City Assembly by giving each MCA at least 72 hours-notice of the date, time and place of the meeting and an agenda for the meeting.
2. The Mayor will preside meetings of the City Assembly, convened under subsection (1).

29. City Assembly and Committee meetings generally open to public

The meetings of the City Assembly and Committees will be generally open to the members of the public and agenda and the minutes of the meeting will be made available to the public. The proceedings of the City Assembly meetings will be made accessible to the public via electronic and digital media, which will be deemed to be information under the Right to Information Act, 2005.

30. Question time for public before the City Assembly

Time is to be allocated for questions to be raised by members of the public and responded to at:

1. Every ordinary meeting of a City Assembly; and
2. Such other meetings of City Assembly as may be prescribed.

31. Electors' Special Meetings with the Mayor

There will be a quarterly special electors meeting wherein questions can be raised to the Mayor, with such questions to be submitted in advance. The priority of the question will be decided as per the size of the electorate voting for the question, and as per the procedure prescribed.

CHAPTER 5: Regulation and Licensing

32. Application of this part

The provisions of this Part must be followed if an Urban Governance Agency makes any Legislative Instrument.

33. Process of making Legislative Instruments

1. If an Urban Governance Agency proposes to make any Legislative Instrument, it must publish a draft of the proposed Legislative Instrument, which must be accompanied by:
 - a. A statement of objectives of the proposed Legislative Instrument;
 - b. A statement of the problem that the proposed Legislative Instrument seeks to address, and the expected outcome of the proposed Legislative Instrument;

- c. A statement explaining the principles under this Act relevant to the proposed Legislative Instrument;
 - d. The alternatives to the proposed Legislative Instrument;
 - e. An analysis of costs and benefits of the proposed Legislative Instrument and its alternatives; and
 - f. A notice setting out the process by which any person from the public may make a representation in relation to the proposed Legislative Instrument.
2. To make a Legislative Instrument, the Urban Governance Agency must publish all the representations received by it under sub-section (1)(f), and a general account of the response of the Urban Governance Agency to the representations.
 3. If the Legislative Instrument substantially differs from that which was proposed and published, the Urban Governance Agency must publish:
 - a. The details and reasons for such difference; and
 - b. An analysis of costs and benefits of the differing provisions.
 4. An analysis of costs and benefits must consider the probable costs that will be borne by, and the benefits that will accrue to:
 - a. The public in complying with the Legislative Instrument, both directly and indirectly;
 - b. The Urban Governance Agency, in enforcing the Legislative Instrument; and
 - c. Any other persons affected by the Legislative Instrument.
 5. The Urban Governance Agency must use the best available data, and wherever not available, reasonable estimates, and the best method available to carry out the analysis of costs and benefits.
 6. Every Legislative Instrument made must provide for the lifespan of its validity, and will expire automatically after five years, unless it is renewed.
 7. A Legislative Instrument may be renewed only if it has been reviewed by the Urban Governance Agency, in the same manner as if it were a proposed Legislative Instrument, in accordance with the provisions of this section.

34. Emergency Legislative Instrument

1. An Urban Governance Agency may dispense with the procedure for making a Legislative Instrument under section 33, if the time taken to comply with that provision has the potential to cause considerable losses to the public.

2. If an Urban Governance Agency makes a Legislative Instrument under this section, it must:
 - a. Publish the reasons for invoking this section; and
 - b. Submit a report to the City Assembly within reasonable time and to the Mayor in case the City Assembly intends to legislate.
3. The Legislative Instrument must be accompanied by the documents mentioned in subsection 1(a) to (e) of section 33.
4. Legislative instruments made under this section will cease to have effect after a period of one hundred and eighty days from the date on which the Legislative Instruments are notified under this Act.

35. System of licenses

1. The City Assembly may prescribe, by law, for a system of licenses with respect to a service or activity being undertaken in the City, for matters under the Constitution of India.
2. A service or activity is deemed to be permitted unless the City Assembly has either expressly denied that specific service or activity, or prescribed, by law, for a system of licenses with respect to such service or activity.
3. The system of licenses may include provisions:
 - a. To prohibit the carrying on of a service or activity without a licence;
 - b. To refuse to grant a licence, or to revoke or suspend a licence;
 - c. To impose conditions as a requirement for obtaining, or renewing a licence, or continuing to hold a license; and
 - d. To require a person to pay a fine if the CEO is satisfied, that the person has failed to comply with any part of a system of licences so provided.
4. Any provision under subsection (3) may be made only after persons affected by such provision are given an opportunity to be heard.
5. The CEO may suspend a license under this provision only if:
 - a. Before suspending the licence, the CEO provides the licensee with the reasons for the suspension, in writing, and an opportunity to respond to them;
 - b. The suspension applies only for a defined period of time; and
 - c. In case of wrongful suspension, the licensee is provided with due compensation for any losses that may have been caused.
6. In providing for a system of licenses, the City assembly must seek to ensure that:

- a. System of licenses is, to the extent possible, simple and transparent; and
- b. The number of licenses that a person needs to apply for to meet their needs are minimised; and
- c. The system of licenses is easy to access for prospective applicants, and time-bound, including with regard to the application process, the payment of fees, and the grant and renewal process.

CHAPTER 6: Urban Planning

36. Long Term Vision

1. The Corporation will prepare a Long Term Vision for sustainable development of the city.
2. The vision will not be for a period of less than 20 years.
3. The vision will take into account:
 - a. The long term vision for development of state, as might be laid out by the state government.
 - b. The prevailing and potential economic, human, and environmental needs of the city.
 - c. The commercial, social and technological developments, at local, national and global level.
4. The vision will be developed, and will be subject to amendment, through the process mentioned under section 33.

37. Medium Term Plan

1. The Mayor will prepare a Medium term plan for the development of the city.
2. The medium term plan will be developed immediately after the MCAs are elected, for the term of their office.
3. The medium term plan will:
 - a. Describe the progress expected to be made during its term for achievement of long term vision, as prepared under section 36;
 - b. Describe how the promises made during the elections as laid down in the manifesto, if any, are expected to be fulfilled;

- c. Lay out the priorities for the city for the period of the plan;
 - d. Define the targets to be achieved during the period of the plan; and
 - e. Take into account the factors mentioned in section 36(3).
4. The medium term plan will be developed, and will be subject to amendment, through the process mentioned under section 33.

38. Annual Proposal

1. The Mayor will prepare a proposal for every Financial Year, to achieve the targets, as laid down in the medium term plan, prepared under section 37.
2. The annual proposal will describe:
 - a. The existing socio-economic scenario of the city;
 - b. The targets to be achieved during the year;
 - c. The public services required to be delivered for achievement of the targets;
 - d. The strategy to ensure delivery of such public services; and
 - e. The performance of the Corporation during the previous year, highlighting the difference, if any, between the targets set and achieved during the previous year the justification thereof, and its impact of subsequent years.
3. The annual proposal will be consistent with such year's budget, as prepared in accordance with the section 58.
4. The annual proposal will be developed and presented to the City Assembly, along with the annual budget.
5. The annual proposal will be developed through the process mentioned under section 33.

CHAPTER 7: Service Delivery

39. Preparation for procurement of Public Service Providers

1. The Corporation will determine the:
 - a. Method for procuring Public Service Provider, and will record the justification in writing for using such method; and
 - b. Eligibility criteria, if any, for service providers, and will record the justification in writing for such eligibility criteria.

2. In determining the method of procurement and eligibility criteria for bidders, the Corporation will be guided by:
 - a. Annual targets to be achieved, and the public services to be provided as provided in annual proposal under section 38;
 - b. Need to encourage competition, efficiency and transparency in the procurement of public services; and
 - c. Need to prevent exclusivity and monopoly in delivery of public services, to the extent possible.
3. The contracts for delivery of public services may be awarded for more than one year, in the interests of maintaining efficiency and containing costs of public service delivery.
4. The term of contract will not affect the annual review of targets by the Corporation.
5. The Corporation will ordinarily use competitive bidding for procurement of Public Service Provider.
6. The details and justifications mentioned in subsection (1) above will be released in public domain.
7. The Corporation will estimate, record and release in public domain, the cost of procurement process.
8. The Corporation may engage an expert agency to estimate the cost of procurement process, as required under subsection (7) above.

40. Initiating procurement of Public Service Providers

1. The Corporation will initiate the procurement process by inviting bids from interested parties through disseminating relevant information in public domain.
2. The information as provided in subsection (1) will include:
 - a. Broad terms of the contract, including the service delivery targets and the corresponding time period to achieve them, which should be in pursuance of the annual targets set out in section 38;
 - b. Minimum quality standards expected from the Public Service Providers;
 - c. The payment model, including the source and terms of payment, which should be linked to performance of Public Service Provider; and
 - d. The details of procurement method and eligibility criteria for bidders, along with respective justifications, as mentioned in section 39.
3. All persons will have equal access to information released in subsection (2).

4. There will be no requirement for a particular trade mark, trade name or a brand.
5. The Corporation will prescribe the proforma for bidding and other details with respect to bidding mechanism.

41. Governance structure of bidders

1. The Corporation will promote competition in the bidding for procurement of Public Service Provider.
2. The bidders will be provided fair and equitable treatment.
3. No bidder will be differently treated only because of its governance structure.
4. More than one interested parties will be allowed to jointly bid for delivery of public services, subject to:
 - a. The need to prevent anti-competitive practices.
 - b. Clear allocation of risks between proposed partners.
5. All bidders will be required to disclose their governance structures, including any relation they may have with the Corporation, other Corporations, State governments, Government of India or any other bidder.

42. Selection of Public Service Provider

1. The Corporation, in consultation with the Urban Utility Regulator, will prescribe:
 - a. A transparent and objective criterion for the selection of the Service Providers; and
 - b. The process to be followed for the selection of Service Providers.
2. The criteria, as provided under subsection (1) will take into account following factors:
 - a. The proposed quality of service, in terms of accessibility, timeliness and service levels;
 - b. The proposed cost of delivery of service;
 - c. The price proposed to be charged;
 - d. The suitability of proposed service delivery channels for relevant customer segments;
 - e. The value for money involved, in terms of proposed quality of services, proposed cost and price involved in providing such services; and
 - f. The allocative efficiency involved, in terms of proposed use of resources to provide the same services.

3. The Corporation may engage services of an expert agency for assistance in technical analysis required, under subsection (2) above, for selection of service provider.

43. Execution of contract

1. As soon as the Corporation decides to accept a bid, it will:
 - a. Inform the same to all the bidders; and
 - b. Release the information in public domain.
2. The Corporation and the service provider will enter into a contract detailing the terms and conditions of delivery of public service.
3. The contract between Corporation and Public Service Provider should include clear description of:
 - a. Public services required to be performed by the Public Service Provider;
 - b. The quality and performance standards to be maintained by the Public Service Provider;
 - c. The cost of public services and the payment model, including rights, if any, of Public Service Provider to increase the price;
 - d. Duties of Public Service Provider, including grievance redress of consumers;
 - e. Dispute resolution through arbitration or any other means and redress of grievances of Public Service Provider; and
 - f. Mechanism to ensure uninterrupted supply of services to consumers in extraordinary circumstances, including breach of contract, difference of opinion and emergency situations.

44. Emergency procurement

1. The Corporation will prescribe:
 - a. Constituents and indicators of the emergency situation; and
 - b. The procurement process to be followed in emergency situation.
2. While making provisions under subsection (1), the Corporation will be guided by the following:
 - a. Need to encourage competition, efficiency and transparency in the procurement of public services, to the extent practicable, and
 - b. The detailed procurement process will not be waived without necessary justification in writing, to be released in public domain;

3. The Corporation will not invoke emergency procurement process without recording the reasons in writing, to be released in public domain.

45. Persons found indulging in corrupt practices in procurement processes

1. No person involved in procurement process, whether representing the Corporation or bidder or otherwise, will indulge in corrupt practices.
2. Corrupt practices include:
 - a. Influencing the procurement process, as set out in section 39, in any manner.
 - b. Obtaining unfair financial benefit from the procurement process, whether before, during or after the procurement.
3. When any person is found guilty of indulging, or having indulged in corrupt practices, such person will be disassociated from the procurement process, after providing a reasonable opportunity of being heard, in accordance with the due process of law.
4. The Corporation will prescribe:
 - a. Scope of corrupt practices.
 - b. The process of disassociating persons indulged in corrupt practices.

46. Cooperation with other Municipal Corporations for procurement

1. The Corporation may enter into cooperation with other Municipal Corporations to jointly call for bids for public service delivery.
2. The objective for joint call for bids, as mentioned in subsection (1) will be to achieve economies of scale, and to:
 - a. Reduce the cost of procurement process.
 - b. Reduce the cost and price of public service delivery.
 - c. Attract expert and experienced public service delivery providers.
3. The Corporation will not enter into cooperation with other Municipal Corporations to jointly call for bids without recording the reasons in writing, to be released in public domain.

47. Service delivery by Corporation

1. The Corporation will not ordinarily be engaged in delivery of public services.
2. Corporation will engage in service delivery only after:

- a. Adequate justification is provided by the Mayor, in writing to the City Assembly, which will be released in public domain; and
- b. Prior approval has been obtained from the City Assembly.
3. The Corporation will deliver public services through an independent and professionally managed company registered under the Companies Act, 2013.
4. The Corporation may be shareholder in the company mentioned in subsection (3), it will not interfere with the day to day management of such company.
5. The Corporation will endeavour to periodically divest its shareholding in the company mentioned in subsection (3).
6. The company referred to in subsection (3), will be free to:
 - a. Bid for delivery of public services under section 40; and
 - b. Enter into partnerships with other service providers for delivery of public services.
7. In case the company referred in subsection (3) enters into a partnership for delivery of public services, it will ensure that the risks and benefits are clearly defined between partners.
8. The Corporation will ensure that if the company referred to in subsection (3) above, applies to bid for delivery of public services under section 40, whether individually or in partnership, it will be provided level playing field along with other bidders, and will not be preferentially treated.

48. Duties of Public Service Provider

1. Every Public Service Provider must ensure that it maintains the quality, continuity and reliability of public service delivered.
2. The price of accessing public service will be proportionate to the quality provided.
3. The price and quality standards will be transparently disclosed, and any concerns of the consumers will be redressed to the satisfaction of the consumer, in an efficient and time bound manner.
4. The Public Service Provider will submit periodic reports to the Urban Utility Regulator.
5. The Public Service Provider will cooperate with Urban Utility Regulator, to enable it to discharge its functions efficiently.
6. The Public Service Provider will not engage in corrupt activities.

49. Price of public services

1. The production, distribution, and supply of public services, as the case may be, should be conducted on commercial basis.
2. The production, distribution, and supply of public services, as the case may be, will ordinarily not be subsidized.
3. Subsidy, when necessary, will be:
 - a. Justified in clear terms, by highlighting that available alternatives are unfeasible;
 - b. Highlighted transparently, as soon as decision to provide subsidy is taken; and
 - c. Provided as a direct unconditional cash transfer rather than a reduction in user charges or cross-subsidization.

50. Urban Utility Regulator

1. The Urban Utility Regulator will continuously monitor the price and quality of public services delivered.
2. The objective of monitoring as provided in subsection (1) will be to ensure that services are being delivered to the citizens by the most efficient, productive and cost-effective means available.
3. The Urban Utility Regulator will develop transparent qualitative and quantitative standards to monitor quality and price, which will be periodically reviewed. The standards will take into account following principles:
 - a. The price progressively reflects the cost of supply of services at an adequate and improving level of efficiency, and economical use of resources,
 - b. The interests of the consumers of the public services are safeguarded and the consumers pay for availing of the public services in a reasonable manner based on the average cost of such services;
4. The Urban Utility Regulator will have the authority to require the service provider to submit information which it has not already submitted.
5. The information requested under subsection (4) will be requested to through a reasonable prior notice, which provides the justification for the request, including the importance of information requested.
6. The Urban Utility Regulator will treat all service providers fairly and provide reasonable opportunity of hearing to the service provider.

7. The Urban Utility Regulator will review the periodic reports submitted by the Public Service Providers and record its findings about the performance of the Public Service Providers, which will be submitted to the Mayor.
8. The Urban Utility Regulator will redress consumer grievances remaining unresolved with the Public Service Provider, efficiently and in a time bound manner.

51. Breach of contract by the Public Service Provider

1. After its preliminary review, if the Urban Utility Regulator is of the opinion that the performance of a Public Service Provider has not been in accordance with the contract, it will issue a notice to the Public Service Provider, before taking any further action in this regard.
2. The notice will require Public Service Provider to provide an explanation for why adverse action against the Public Service Provider, under the contract, should not be recommended by the Urban Utility Regulator.
3. Before reaching its decision, the Urban Utility Regulator will provide adequate opportunity of hearing to the service provider.
4. The Urban Utility Regulator will record its recommendation in writing with adequate reasons for its decision.
5. The Urban Utility Regulator will submit its recommendations to the Mayor and release the same in public domain, along with its reasons.
6. The Mayor will take a decision in accordance with the terms and conditions of the contract after taking in account the recommendations of the Urban Utility Regulator.
7. The Mayor will record reasons for its decision which will be published in the public domain.
8. The Public Service Provider can challenge the decision of Mayor before the Urban Utility Tribunal.
9. The Corporation and Public Service Provider must ensure that the breach of contract causes no disruption to delivery of public services, and the agreed standards are maintained.

52. Dispute Resolution

1. Any difference of opinion between the Public Service Provider and Corporation, with respect to any term under the contract, will be amicably settled.

2. In case amicable settlement, as referred under subsection (1) is not possible, such difference of opinion will be settled by arbitration.
3. The Corporation and Public Service Provider must ensure that the difference of opinion under subsection (1), cause no disruption to delivery of public services, and the agreed standards are maintained.

53. Urban Utility Tribunal

1. The Urban Utility Tribunal will exercise jurisdiction in following matters:
 - a. Decision of Urban Utility Regulator with respect to consumer grievances;
 - b. Decision of Mayor in relation to breach of contract by Public Service Provider;
 - c. Decision of arbitrator(s) appointed to resolve difference of opinion between Public Service Provider and Corporation;
 - d. Grievance of any bidder with respect to the bidding process being non-compliant with this Act; and
 - e. Grievance of the service provider in case of a breach of contract by the Corporation.
2. The Urban Utility Tribunal will:
 - a. Provide reasonable opportunity of hearing to all the parties including consumers;
 - b. Consider economic impact of its decisions and provide reasons for its decision.
 - c. Encourage use of technology to save resources; and
 - d. Reach at a decision in a time bound manner.
3. Appeals from the Urban Utility Tribunal will lie with the High Court.
4. No authority will have the jurisdiction to entertain matter subject to the jurisdiction of Urban Utility Tribunal.

CHAPTER 8: Financial Management

54. Sources of revenue

1. The revenues of the Corporation will include:
 - a. Any grants received, including from the Central and State government; and
 - b. Revenues from taxes, non-tax revenues, and other receipts.

2. The revenues of the Corporation do not include any debt raised from any source.
3. In identifying and generating sources of revenue, the Corporation must ensure that there is efficient use of all available resources, including any unused assets of the Corporation.
4. No new source of revenue will be implemented without complying with the process under section 33.

55. Powers to finance affairs of the Corporation

1. The Corporation will have the power to finance its affairs, by:
 - a. Charging fees, including fees for services, licenses, servicing new or expanded developments;
 - b. Imposing surcharges on fees, and fines; and
 - c. To the extent authorised by Article 243X of the Constitution, other taxes, levies and duties, which may include property tax, octroi, and sales tax.
2. The Corporation cannot impose any fees, surcharge, taxes, levies or duties under this section without following the process laid down for making Legislative Instruments under section 33.
3. In addition to the requirements under process laid down for making Legislative Instruments under section 33, the Corporation, in determining and collecting any fees, surcharge, taxes, levies or duties under this section, must:
 - a. Provide the specific purpose and objective of such determination and collection in advance;
 - b. Ensure that such determination and collection is proportional to the cost of meeting the specific purpose and objective;
 - c. Ensure that such determination and collection is fair, clear and proportional for all members of the public, and that one segment of the public is not unfairly disadvantaged over another; and
 - d. Ensure, to the extent possible, that the determination and collection increases conservation and improves deterrence.

56. Power to raise funds

1. The Corporation will have the power to raise funds through public issue or private placement, in accordance with any laws made in this regard, and in accordance with the annual fiscal plan so laid out.

2. Before raising any funds under this section, the Corporation must ensure that all available resources, including any unused assets, have been optimally and efficiently utilised.
3. The Corporation must ensure that the funds raised under this section:
 - a. Are for specific purposes and in specific amounts;
 - b. Are in anticipation of the collection of the revenues for that year;
 - c. Have been identified after due consideration of existing resources; and
 - d. Are not for the purposes of consumption.

57. Corporation Fiscal Manager

1. The Mayor must appoint a professional body as the Corporation Fiscal Manager to assist in the management of its income, assets, expenditure, and liabilities, including contingent liabilities.
2. The Corporation Fiscal Manager may, in writing, call for such information or material as it determines necessary from the Corporation to carry out its functions under this section.

58. Annual Financial Statement and Audits

1. The Corporation must maintain proper accounts and other relevant records, and must prepare an annual financial statement within two months from the end of the financial year, in accordance with accounting practices prescribed by the Central Government.
2. The annual financial statement must include:
 - a. Receipts and Payments Account for the Financial Year;
 - b. Balance Sheet as on 31st March of the year;
 - c. Income and expenditure Account for the Financial Year;
 - d. Significant accounting policies followed in presentation of the financial statement; and
 - e. Notes to accounts which will disclose contingent liabilities, and such other information useful in understanding the financial statement clearly.
3. For the purpose of auditing its accounts, the Corporation must empanel, for a period of not less than three years, at least three auditors, who are Chartered Accountants holding certificates of practice and licenses as required under law.

4. The Corporation must submit the financial statement, within two months from the end of the financial year, to an empanelled auditor, who is selected in a manner as prescribed.
5. The empanelled auditor must complete the audit of the financial statement within four months from the end of the financial year, and must place the same before the City Assembly for adoption.
6. No auditor may conduct such an audit in consecutive years.
7. Every empanelled auditor who certifies and submits an audit report under this section must be peer reviewed by the other empanelled auditors with regard to its accounting and auditing practice related to such audit.
8. The certified accounts, audit report and peer review reports, must be placed before the City Assembly, and the City Assembly must record its observations on the same.
9. The annual report of the Corporation must include the certified accounts and audit report, and the observations of the City Assembly, under this section.

59. Annual Fiscal Plan

1. The Mayor must submit to the City Assembly, at least one month before the end of every financial year, an annual fiscal plan, and the City Assembly must consider and finally determine such fiscal plan within three months of its submission.
2. The annual fiscal plan submitted by the Mayor must follow the principle of balanced budgeting, and ensure that the Corporation does not have a revenue deficit at the end of the coming financial year.
3. The Mayor must seek the advice and assistance of the Corporation Fiscal Manager in the preparation of the annual fiscal plan.
4. If the Annual Fiscal Plan proposes to increase expenditure in the coming financial year from the existing expenditure, the Mayor must propose new sources of revenue.
5. The Annual Fiscal Plan must specify:
 - a. The budgeted and revised estimates of revenue and expenditure;
 - b. A multi-year forecast of gross domestic product and inflation;
 - c. A multi-year forecast of revenues, and the impact of changes in rates of revenue collection;
 - d. A multi-year framework for expenditure, including committed expenditure on salaries and maintenance, and proposed capital expenditure, including any proposal to raise funds;

- e. Where the Mayor has proposed to raise funds, the repayment plan, the benefits that will accrue to the public, and the proposed burden on taxpayers;
 - f. Multi-year deficit targets; and
 - g. The quantifiable indicators under which expenditure can be temporarily increased.
6. The City Assembly, in considering and determining the final Annual Fiscal Plan, must:
- a. Evaluate alternatives to the proposed Annual Fiscal Plan;
 - b. Ensure that the final authorised expenditures do not exceed estimated revenues; and
 - c. Determine such final Annual Fiscal Plan that will support the services to be provided to the public.

60. Requirement for balanced budgeting waived in exceptional circumstances

The requirement to adhere to the principle of balanced budgeting may be waived only in exceptional circumstances, where it is determined that an expenditure is required in the financial year as a result of a natural or other disaster in the city that could not have been anticipated and affects the city or its neighbourhood in a manner that is of urgent public concern.

61. Stabilisation Funds

- 1. The Corporation must allot a percentage, which may not exceed such percentage as prescribed by the City Assembly, of the total preceding financial year's revenues from non-tax sources to one or more stabilisation funds.
- 2. The Corporation may invest, with the help of the Corporation Fiscal Manager, the Stabilisation Funds in such financial instruments as may be prescribed.
- 3. At the time of creating any stabilisation fund under this section, the Corporation must prescribe the purpose of the fund, and the process for any appropriation of funds into or out of such fund.

CHAPTER 9: Transparency and Disclosure by Corporation

62. Code of Conduct

1. The Mayor will prepare and publish a code of conduct stipulating services to be provided by the employees of the Corporation in a time bound manner, and consequences of non-compliance with the code of conduct.
2. The City Assembly will prepare and publish a code of conduct for MCAs, and consequences of non-compliance with the code of conduct.

63. Publication of information and use of technology

1. The Corporation will publish all information relevant to its functioning and administration, as soon as possible, unless expressly exempt under the Right to Information Act, 2005.
2. The Corporation must make use of technology to improve access to the Corporation and to enable it to discharge its functions in an efficient manner.
3. The Corporation must maintain a website or any other universally accessible repository of electronic information to record and publish all information that the Corporation is obligated to record or publish, including all laws enforced by the Corporation.
4. All information published on the website or other repository of the Corporation must be in an easily accessible and text-searchable format.
5. Any information not recorded or published on the website or other repository of the Corporation will be presumed to not have been recorded or published for the purposes of this Act.
6. The Corporation must review the quality of the website or other repository, based on international best practices, at least once every three years.
7. All meetings of the Corporation and Ward Committees must be video-recorded and made available to the public in electronic format.

64. Vigilance Committee

The Corporation will have a Vigilance Committee:

1. The Vigilance Committee will comprise of seven members who are not a part of the Corporation.
2. The Vigilance Committee must be appointed by the Leader of the House, Leader of the Opposition, the Speaker and two other MCAs.
3. The members of the Vigilance Committee will be experts in judicial or law enforcement procedures.
4. No compensation to be paid to the Vigilance Committee will be diminished by the City Assembly except at the time of appointment of the Chairperson or member.
5. The Vigilance Committee will conduct enquiry on basis of any complaint received or may take action *suo moto* and will have the powers to summon any elected representative or any official of the Corporation.
6. On finding of any criminal culpability by the Vigilance Committee on the part of the elected representative or official of the Corporation, the Vigilance Committee will initiate legal proceedings against the said elected representative or official before the police or Magistrate.
7. The Corporation will provide office and staff to the Vigilance Committee.

65. Monitoring Committee

1. A Monitoring Committee will be established by the Mayor comprising members of City Assembly.
2. The Monitoring Committee will have members from different political parties being represented at the City Assembly.
3. The Monitoring Committee will monitor the progress of achieving the long term vision, medium term plan and annual targets or any other tasks referred to it by the Mayor.
4. The Monitoring Committee will publish annual reports in public domain about the progress mentioned in subsection (3).