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<th>Full Form</th>
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<tbody>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
</tr>
<tr>
<td>AFS</td>
<td>Annual Financial Statements</td>
</tr>
<tr>
<td>AMC</td>
<td>Ahmedabad Municipal Corporation / Ajmer Municipal Council</td>
</tr>
<tr>
<td>APs</td>
<td>Affected Persons</td>
</tr>
<tr>
<td>APDSS</td>
<td>Andhra Pradesh Detailed Standards and Specification</td>
</tr>
<tr>
<td>APWDD</td>
<td>Andhra Pradesh Watershed Development Department</td>
</tr>
<tr>
<td>ASRTU</td>
<td>Association of State Road Undertakings</td>
</tr>
<tr>
<td>BMTC</td>
<td>Bangalore Metropolitan Transport Corporation</td>
</tr>
<tr>
<td>BPMC</td>
<td>Bombay Provincial Municipal Corporation</td>
</tr>
<tr>
<td>BOQ</td>
<td>Bill of Quantities</td>
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<tr>
<td>BPL</td>
<td>Below Poverty Line (India)</td>
</tr>
<tr>
<td>BRTS</td>
<td>Bus Rapid Transit System</td>
</tr>
<tr>
<td>BSR</td>
<td>Basic Schedule of Rates</td>
</tr>
<tr>
<td>CA</td>
<td>Chartered Accountant</td>
</tr>
<tr>
<td>CAAA</td>
<td>Controller of Aids, Account and Audit</td>
</tr>
<tr>
<td>CAD</td>
<td>Computer Aided Design</td>
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<tr>
<td>CBOs</td>
<td>Community Based Organisation</td>
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<tr>
<td>CCA</td>
<td>Classification and Central Appeal</td>
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<tr>
<td>CDP</td>
<td>City Development Plan</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>CG</td>
<td>Chhatisgarh</td>
</tr>
<tr>
<td>CIRT</td>
<td>Central Institute of Road Transport</td>
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<tr>
<td>CM</td>
<td>Chief Minister</td>
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<tr>
<td>CMP</td>
<td>Comprehensive Mobility Plan</td>
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<tr>
<td>CoSP</td>
<td>Controller of Store and Purchases</td>
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<td>CPC</td>
<td>Central Purchase Committee</td>
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<tr>
<td>CPCB</td>
<td>Central Pollution Control Board</td>
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<tr>
<td>CPSC</td>
<td>Central Purchase Sub Committee</td>
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<tr>
<td>CPWD</td>
<td>Central Public Works Department</td>
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<tr>
<td>CRRI</td>
<td>Central Road Research Institute</td>
</tr>
<tr>
<td>CRRID</td>
<td>Centre for Research in Rural and Industrial Development</td>
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<tr>
<td>CSD</td>
<td>Central Supply Department</td>
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<tr>
<td>CSMC</td>
<td>Central Sanctioning and Monitoring Committee</td>
</tr>
<tr>
<td>CV</td>
<td>Curriculum Vitae</td>
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<tr>
<td>CVC</td>
<td>Central Vigilance Committee</td>
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<tr>
<td>CVO</td>
<td>Central Vigilance Officer</td>
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<tr>
<td>DC</td>
<td>District Collector</td>
</tr>
<tr>
<td>DEA</td>
<td>Department of Economic Affairs</td>
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<tr>
<td>DGS &amp; D</td>
<td>Directorate General of Supplies and Disposals</td>
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<tr>
<td>DLP</td>
<td>Defects Liability Period</td>
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<tr>
<td>DPR</td>
<td>Detailed Project Report</td>
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<tr>
<td>DY. MC</td>
<td>Deputy Municipal Commissioner</td>
</tr>
</tbody>
</table>
GEF–Sustainable Urban Transport Project, India

Contents

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EA Environmental Assessment
EDP Electronic Data Processing
EE Executive Engineer
EIA Environment Impact Assessment
EMD Earnest Money Deposit
EMP Environment Management Plan
EOI Expression of Interest
EOT Extension of Time
EPC Engineering Procurement Construction
ERR Economic Rate of Return
ESMF Environment Social Management Framework
FAO Food and Agriculture Organisation
FAR Fixed Asset Register
FBS Fixed Budget Selection
FGD Focus Group Discussions
FM Financial Management
FMC Financial Management Committee
FMM Financial Management Manual
GEF Global Environment Facility
GF & AR General Financial and Accounts Rules
GHG Greenhouse Gas
GHMC Greater Hyderabad Municipal Corporation
GM General Manager
GoAP Government of Andhra Pradesh
GoI Government of India
G.O.M’s Government Orders and Memorandums
GPN General Procurement Notice
GPRS General Packet Radio Service
HoD Head of Department
HUDCO Housing and Urban Development Company
IA Implementing Agency
I & CAD Irrigation and Command Area Development
ICB International Competitive Bidding
ICT Information and Communication Technology
ICTSL Indore City Transport Services Ltd.
IDA Indore Development Authority
IEC Information Education & Communication
IFB Invitation for Bid
IIPA Indian Institute of Public Administration
IMC Indore Municipal Corporation
IP Indigenous People
IPC Interim Payment Certificate
IRILMM Indian Railways Institute of Logistics & Materials Management
IRR Internal Rate of Return
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Definition</th>
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<tbody>
<tr>
<td>PCS</td>
<td>Public Commission Services</td>
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<tr>
<td>PDO</td>
<td>Project's/Program's Development Objective</td>
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<tr>
<td>PERT</td>
<td>Project Evaluation and Review Technique</td>
</tr>
<tr>
<td>PID</td>
<td>Project Information Document</td>
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<tr>
<td>PIO</td>
<td>Project Information Officer</td>
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<tr>
<td>PIP</td>
<td>Project Implementation Plan</td>
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<tr>
<td>PIU</td>
<td>Project Implementation Unit</td>
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<tr>
<td>PM</td>
<td>Project Manager</td>
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<tr>
<td>PMC</td>
<td>Pune Municipal Corporation</td>
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<td>PMU</td>
<td>Project Management Unit</td>
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<tr>
<td>POL</td>
<td>Petrol Oil Lubricants</td>
</tr>
<tr>
<td>PPP</td>
<td>Public Private Partnership</td>
</tr>
<tr>
<td>PR &amp;RD</td>
<td>Panchayati Raj and Rural Development</td>
</tr>
<tr>
<td>PUC</td>
<td>Pollution Under Control</td>
</tr>
<tr>
<td>PVC</td>
<td>Price Variation Clause</td>
</tr>
<tr>
<td>PW</td>
<td>Planning and Works</td>
</tr>
<tr>
<td>PWD</td>
<td>Public Works Department</td>
</tr>
<tr>
<td>PWF &amp;AR</td>
<td>Public Works Financial &amp; Accounts Rules</td>
</tr>
<tr>
<td>QBS</td>
<td>Quality Based Selection</td>
</tr>
<tr>
<td>QCBS</td>
<td>Quality and Cost Based Selection</td>
</tr>
<tr>
<td>QCS</td>
<td>Consultant's Qualification based Selection</td>
</tr>
<tr>
<td>RAP</td>
<td>Resettlement Action Plan</td>
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<tr>
<td>RFP</td>
<td>Request For Proposal</td>
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<td>ROB</td>
<td>Road Over Bridge</td>
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<tr>
<td>RP</td>
<td>Resettlement Plan</td>
</tr>
<tr>
<td>R &amp; R</td>
<td>Resettlement and Rehabilitation</td>
</tr>
<tr>
<td>RTI</td>
<td>Right To Information</td>
</tr>
<tr>
<td>RUB</td>
<td>Road Under Bridge</td>
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<tr>
<td>SA</td>
<td>Social Assessment</td>
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<tr>
<td>SBD</td>
<td>Standard Bidding Document</td>
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<tr>
<td>SC</td>
<td>Schedule Caste</td>
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<tr>
<td>SE</td>
<td>Superintending Engineer</td>
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<tr>
<td>SIA</td>
<td>Social Impact Assessment</td>
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<tr>
<td>SLNA</td>
<td>State Level Nodal Agency</td>
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<td>SoP</td>
<td>Schedule of Power</td>
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<td>SoR</td>
<td>Schedule of Rates</td>
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<tr>
<td>SPN</td>
<td>Specific Procurement Notice</td>
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<td>SPV</td>
<td>Special Purpose Vehicle</td>
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<td>SSR</td>
<td>Standard Schedule of Rates</td>
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<tr>
<td>SSS</td>
<td>Single Source Selection</td>
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<td>SUTP</td>
<td>Sustainable Urban Transport Project</td>
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<tr>
<td>ST</td>
<td>Schedule Tribe</td>
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<tr>
<td>TA</td>
<td>Technical Assistance</td>
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<tr>
<td>TEC</td>
<td>Tender Evaluation Committee</td>
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<tr>
<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>TMC</td>
<td>Thiruvanthapuram Municipal Corporation</td>
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<tr>
<td>TOC</td>
<td>Taking-Over Certificate</td>
</tr>
<tr>
<td>TOR</td>
<td>Terms Of Reference</td>
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<tr>
<td>TPI</td>
<td>Town Planning Institutes</td>
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<tr>
<td>TSU</td>
<td>Technical Support Unit</td>
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<tr>
<td>UIT</td>
<td>Urban Improvement Trust</td>
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<tr>
<td>ULB</td>
<td>Urban Local Body</td>
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<tr>
<td>UMTA</td>
<td>Urban Mass Transportation Administration</td>
</tr>
<tr>
<td>UNDB</td>
<td>United Nations’ Development Business</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>WB</td>
<td>World Bank</td>
</tr>
<tr>
<td>YASHADA</td>
<td>Yashwant Rao Chavan Academy for Development Administration</td>
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</table>
Chapter 1: Background
Chapter 1. Background

Achieving sustainable urban transport has become a primary objective with the adoption of National Urban Transport Policy (NUTP). Efforts to reduce or contain environmental risks form an important component of this objective.

A national policy needs to be reinforced by strong business-process mechanisms, which ensure its application across the length and breadth of the country in keeping with the constitutionally established rules of business and division of responsibilities.

This is a challenge as “Urban Transport” falls under the purview of State and local Government and the Government of India (GoI) needs to encourage them to adopt the national policy.

To foster a long-term partnership between GoI and state/local governments in the implementation of a greener environment under the ambit of the NUTP, GoI has initiated the Sustainable Urban Transport Project with the support of the Global Environment Facility (GEF). The total GEF grant proposed for the project is US$ 25 million, which will be complemented with a grant of US$ 150 million from GoI, State Governments, and Implementing Agencies (IA) along with US$ 200 million co-financing from the World Bank. The project is to be implemented over a four-year period starting from 2009.

Primary Stakeholders in this program are Ministry of Urban Development (MoUD), Ministry of Environment and Forest (MoEF), UNDP and World Bank. MoUD is the nodal agency for this program implementation. It is also the nodal agency responsible for selecting and approving urban transport projects for implementation under the 7 year US$12 billion National Urban Renewal Mission (NURM) of the GoI. A high-powered Urban Transport Steering committee chaired by the Secretary (Urban Development) has been established in MoUD in 2006 for this purpose. This Steering Committee will also coordinate the SUTP with other related programs/projects being implemented by the MoUD including co-financing of SUTP projects under the NURM program.
The MoEF, which is the GEF operational focal point in India, has been effectively coordinating the SUTP with other related initiatives undertaken by different government agencies and different GEF Implementation Agencies (IAs) through the GoI’s GEF Empowered Committee, consisting of representatives from various relevant national government agencies, such as MoEF and DEA (Department of Economic Affairs, Ministry of Finance).

A framework for coordination between the World Bank and UNDP has been developed, under which the World Bank will be the leading GEF agency for the Project and UNDP, a partnering agency. The Bank team and UNDP team have been making a joint effort to support MoUD to prepare and implement the project. To maximize the comparative advantages of the two agencies, it is envisaged that during implementation stage, the World Bank and the UNDP will separately appraise and manage different activities of the Project, in close collaboration with each other, under the leadership of MoUD. The Bank will also do due-diligence to ensure the quality of the entire project.

A Project Identification Form (PIF) was prepared and submitted by the World Bank to the GEF Council for Work Program Entry on September 14, 2007. This PIF was endorsed by GOI’s GEF Empowerment Committee on September 13, 2007 and approved by the GEF Council on September 26, 2007. The PIF gives the details of project objectives, components, roles and relationship among the various funding agencies and financing mechanisms and benefits to be achieved from the project (attached as Appendix 1.1).

Expected global environmental benefits at the end of the project are (i) reduction of the growth of GHG emissions from urban transport in Indian cities (compared to the business-as-usual scenario) in the immediate term; and (ii) in the longer term, a paradigm shift in the way India’s urban transport systems are planned and managed from unsustainable development patterns to sustainable low-GHG urban transport development.

The details of the GEF- SUTP, India and its components have been compiled in the four project information documents (PID). The volume one details out the background of the entire project, its objectives and components, project costs and funding plan along with the proposed implementation arrangements. The second details out the first component of National Capacity Development Initiatives – its objectives, sub-components, cost and funding plan, implementation and procurement plan. The third volume is compilation of the projects and city profiles of the demonstration cities. The document outlines the identified sub-projects, their cost and funding plan, and a brief assessment of the DPRs prepared by the various IAs. The last and the fourth volume outline the entire project management structure and strengthening the management capabilities of the PMU.

The present report Volume 1 – GEF-SUTP, India, has been divided into ten chapters. The first gives a background about GEF- SUTP, second details out its objectives and projects components. The implementation arrangement proposed has been discussed in the third chapter. Chapters 4 to 6 detail out the financial management, procurement and governance and accountability capability assessment of the ten demonstration cities respectively. An environmental and social monitoring framework has also been prepared for implementation of the demonstration transport and has been presented in chapter seven. Chapters eight and nine discuss the costs of the project, the envisaged funding plan and the fund flow mechanism respectively. The last chapter (10) gives the monitoring and evaluation framework formulated for the entire project implementation.
Chapter 2: SUTP Objectives & Components
Chapter 2. SUTP Objectives & Components

The present chapter outlines the project objectives and the components under SUTP. The first section lists the objectives of the project. The section from two to five detail out the three project components.

2.1 OBJECTIVES OF THE GEF- SUTP

To encourage application of the National Urban Transport Policy and achieve a paradigm shift in India’s urban transport systems in favour of sustainable development, the GOI has applied to the Global Environmental Facility (GEF) with the following objectives:

i) to strengthen capacity of GoI, and participating states and cities in planning, financing, operating and managing sustainable urban transport systems; and

ii) to assist states and cities in preparing and implementing demonstration “Green Transport” or “GEF-supportable Transport” projects (GT projects).

The total GEF grant proposed for the project is US$ 25.575 million\(^1\), which will be complemented with a grant of US$ 150 million from GOI, State Governments, and Implementing Agencies (IA) along with US$ 200 million co-financing from the World Bank. The project will be implemented over a four-year period, starting from 2009. In keeping with the objectives, the project will focus on implementing the two components as described in subsequent sections.

2.2 COMPONENTS OF THE GEF- SUTP

SUTP in India has been planned to be implemented through two initiatives that of national capacity development and GEF Demonstration projects. These two components have been detailed out in the following sections.

2.2.1. Component 1: National Capacity Development Initiatives

The primary objective of this component is to explore options and carry out preparatory work towards establishing and institutionalizing the NUTP. This component supports outputs and activities focussed on (i) Institutional capacity development for government agencies/ institutions already engaged in urban transport planning and implementation such as MoUD, national and state urban and/or transport departments, municipal corporations in identified cities (ii) Individual capacity development for transport experts, training programmes for top and mid-level officials, strengthening academic programs; (iii) Systemic capacity development related to legal and regulatory frameworks for urban transport; (iv) Development of a series of Manuals, standards, and toolkits to help implementation of the NUTP; and (v) Development of an E-Portal and a national database. The Component will include technical assistance to the MoUD for implementation of the NUTP and NURM. Implementation of the Component 1 will be supported mainly by UNDP with the World Bank providing technical support to some activities.

The scope of Component I includes the below listed sub-components:

- **Sub-Component 1**: Institutional capacity development, focusing on strengthening the IUT (Institute of

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\(^1\) This grant includes US $ 575,000, US $ 22,500,000 and US $ 2,500,000 amount for project preparation, project cost and agency fee respectively.
Urban Transport) where the PMU is embedded;

- **Sub-Component 2**: Individual capacity development, to train trainers and a group of 500-600 professionals at national, state and local levels;

- **Sub-Component 3**: 10 manuals and toolkits oriented towards energy efficient modes of sustainable urban transport have been proposed to be developed to complement those toolkits and manuals already being developed under other projects. These manuals have been grouped into 4 broad blocks according to the different stages and categories of planning/design activities and different users. The various blocks and the suggested manuals and tool kits in each have been listed in the Table 2-1.

Table 2-1: Blocks and constituent Manual and Toolkits

<table>
<thead>
<tr>
<th>BLOCKS</th>
<th>MANUALS &amp; TOOL KITS</th>
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<tbody>
<tr>
<td>Block 1: Comprehensive Mobility Planning</td>
<td>Land-use and Transport: Macro Planning</td>
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<td>Environmental Considerations in Urban Transport Planning,</td>
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<td>Block 2: Detailed Project Reports</td>
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<td>Urban Street Design for Promoting Public and Non-Motorized Transport</td>
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<td>Block 4: Operations Management</td>
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<td>Intelligent Traffic System (ITS) for Public Transport</td>
</tr>
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<td></td>
<td>Travel Demand Management</td>
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</tbody>
</table>

- **Sub-Component 4**: Promotion, raising-awareness, and dissemination activities, to expand and enhance the impacts of this GEF-supported project; and

- **Sub-Component 5**: Capacity development assistance for cities participating in Component 2, to assist them in preparing and implementing their demonstration projects.

2.2.2. **Component 2: Demonstration Sustainable Urban Transport Projects**

The World Bank supports this component of SUTP. It comprises technical assistance, institutional development and demonstration of climate friendly investments in 9 selected cities. This component will support identification, preparation, and implementation of a package of demonstration projects in the selected cities through a comprehensive and integrated planning, preparation, and appraisal process. The demonstration package will consist of both institutional strengthening and capacity building in participating states and substantial investments in environmentally friendly transport measures, which could be co-financed by a combination of funds from GoI, State Governments, and the World Bank. The expected contributions are likely to be GEF: US$17.75 million; GOI and states/cities: US$145 million; World Bank: US$200 million. The profile of cities selected for implementing demonstration projects is along with their projects have been detailed out in the PID volume 3.

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2 The Steering Committee endorsed the selection process and the list of 9 selected cities: Ajmer-Pushkar (Rajasthan), Hyderabad (Andhra Pradesh), Indore (Madhya Pradesh), Jalandhar (Punjab), Mysore (Karnataka), Naya Raipur (Chattisgarh), Pune/ Pimpri-Chinchwad (Maharashtra) and Trivandrum (Kerala). Pimpri Chinchwad was added to the list in December 2008.

3 Aide Memoir of World Bank GEF SUTP Preparatory Mission of Jan 7, 2008

May 2009
To mitigate any negative impacts of the implementation of the demonstration projects an environment and social management framework has been drafted. The IAs have to follow all the guidelines laid out in the document and minimise or prevent any negative environment and social impacts.

2.2.3. Component 3 Project Management

This component is intended to support the PMU to (i) implement the national capacity development initiatives component; (ii) supervise and support the demonstration cities component; and (iii) monitor and evaluate progress and results of the entire project.

The Ministry of Urban Development (MoUD) is the nodal ministry for implementing the SUTP on behalf of the Government of India. A Project Steering Committee under the chairmanship of the Secretary, MoUD, GoI has been constituted and consists of members from MoEF, DEA, MoUD. Representatives from the World Bank and UNDP may be invited to these meetings as and when required. The Steering Committee would guide and oversee the work to be taken up under the project. The SUTP is to be managed through a Project Management Unit (PMU) headed by OSD (MRTS) who will also be the Project Director.

The PMU will be supported by a team of technical experts and Project Management Consultants, whose activities would be coordinated and managed by a National Project Manager. MoUD has designated the Institute of Urban Transport (IUT) to provide logistic and service support to the PMU.

Implementing Agencies (IA) in each of the participating cities, shall constitute a Project Implementation Unit (PIU) to manage and monitor the day to day work programs and schedules during the course of executing the various components and subcomponents of the project. The PIU will be guided and monitored by the PMU. The project management team at the PIU level will be headed by a Project Manager and will have the following technical staff:

- Project Manager
- Finance Officer
- Procurement Officer
- Social Safeguard Officer
- Environmental Safeguard Officer
- Transport Specialist
Chapter 3: Implementation Arrangements
Chapter 3. Implementation Arrangements

This chapter briefly outlines the project management setup proposed at the national and city level to implement the components under SUTP and discusses the tasks and staffing requirements of these establishments. Component 1 of SUTP which deals with national capacity building initiatives is to be implemented exclusively by the PMU. Component 2 which deals with the implementation of demonstration projects in participating cities is to be implemented primarily by the local implementing agency in the respective cities with the support of the PMU.

3.1 PROJECT MANAGEMENT SETUP

The project management structure has been envisaged to enable effective communication and distribution of responsibilities amongst the three primary stakeholders namely the GoI, State Government and the individual Implementing Agency. Figure 3-1 gives the proposed structure of the SUTP project management and the flow of execution and reporting system.

![Figure 3-1: Overall Program Management Structure](image)

3.2 STEERING COMMITTEE SUTP

A Project Steering Committee under the chairmanship of the Secretary, MoUD, GoI has been constituted and consists of members from MoEF, DEA, MoUD. Representatives from the World Bank and UNDP may be invited to these meetings as and when required. The Steering Committee would be the approving authority for all policies and executive decisions. It would also provide overall directions and guidance to the national and city level implementing agencies and monitor the progress of the project.
3.3 PROJECT MANAGEMENT UNIT

The Ministry of Urban Development (MoUD) is the nodal ministry for implementing the SUTP on behalf of the Government of India. The SUTP is to be managed by a dedicated Project Management Unit (PMU) constituted by the MoUD. This would be the executive agency of the MoUD which would operate under the overall directions and guidance of the Steering Committee.

Main tasks of PMU would be to:

- Plan, program and execute the three components of SUTP and provide advisory support to the participating cities.
- Evaluate and appraise the projects submitted by the participating implementing agencies and advice the GoI to take decisions and accord approvals.
- Coordinate the activities among the many implementing agencies, the State Government and other Ministries of GoI to ensure on-time implementation.
- Monitor the progress of project activities during the project period and take necessary actions where ever required.
- Evaluate the outcomes of the projects being implemented under the three components and suggest how these can be formalized in the urban transport planning process in India.
- Complete the processes required for closing the project after its implementation at the end of project period.

As shown in Figure 3-2, the PMU will be headed by a National Project Director (NPD) who will be a senior official of MoUD. The NPD will be supported by a team of technical experts whose activities would be coordinated and managed by a National Project Manager. MoUD has designated the Institute of Urban Transport (IUT) to provide logistic and service support to the PMU.

![Figure 3-2: Project Management Structure at the National Level](image-url)
National Project Director (NPD)

OSD (MRTS) of MoUD has been designated as the National Project Director and is also a member of the Steering Committee. As the executive head of the PMU, the NPD has the responsibility to implement all components of SUTP under the directions and guidance of the Steering Committee of MoUD. The NPD would be supported by a team of technical experts who would provide technical support for planning, preparation, procurement, execution, monitoring, evaluation, fund management and reporting required as part of the overall project management activity.

National Project Manager (NPM)

PMU will have a team of Specialists who would provide technical support in their respective area of expertise. Activities of all of these experts are to be coordinated and managed by a National Project Manager (NPM). In addition, the NPM will assist the NPD in the day to day management of the SUTP.

Technical Specialists

To implement the three components of SUTP, the PMU will need to handle tasks which relate to project management, transport planning, institutional development, training, procurement, environment, social, finance, and information technology. Consequently, the following specialists will constitute the technical team of PMU.

- Finance Specialist
- Training Specialist
- Institutional Specialist
- Transport Specialist
- Procurement Specialist
- Environmental Specialist
- Social Specialist
- Information Technology Specialist
- Internal and Statutory Auditors

The PMU would require the services of a Finance Specialist, Institutional Specialist, Training Specialist and a Transport Specialist on an individual basis. To handle tasks related to providing technical support services to the local implementing agencies in participating cities and to assist the PMU in the overall project management tasks, the services of a team of experts are proposed to be obtained through a Project Management Consultant Service.

3.4 PROJECT MANAGEMENT CONSULTANT

The PMC will be appointed to assist the PMU in implementation and monitoring of the SUTP. It will be appointed, managed and monitored by the PMU and shall report to the NPM. The PMC will consist of a team of experts from all the required disciplines namely; Transportation, Procurement, Environmental, Social, Information Technology, Institutional Strengthening and Training. One of these experts will also be the Team Leader who will coordinate the activities of the experts and be the official representative of the PMC.
3.5 PROJECT IMPLEMENTATION UNIT (PIU)

Implementing Agencies (IA) in each of the participating cities, shall constitute a Project Implementation Unit (PIU) to manage and monitor the day to day work programs and schedules during the course of executing the various components and subcomponents of the project. The PIU will be guided and monitored by the PMU. The project management team at the PIU level will be headed by a Project Manager and will have the following technical staff:

- Project Manager
- Finance Officer
- Procurement Officer
- Social Safeguard Officer
- Environmental Safeguard Officer
- Transport Specialist

3.6 PARTICIPATION AGREEMENT

To implement the program according to the agreed terms and conditions, a formal agreement has been signed by the MoUD, State Governments and the Implementing Agencies outlining the tasks, responsibilities, schedules, procedures, deliverables etc., required for preparation and implementation of the approved projects. The final draft of the agreement as prepared is attached as Appendix 3.1.
Chapter 4: Financial Management
Chapter 4. Financial Management Assessment

4.1 INTRODUCTION

The present chapter details out the financial management capabilities of the participating demonstration cities. The financial assessment was done to ascertain the budgeting, accounting and auditing processes followed by the cities and the competency and availability of the staff.

4.2 METHODOLOGY OF THE STUDY

The assessment was carried out with the help of a structured questionnaire (attached as Appendix 4) and visits to the cities. The questionnaires targeted at the budgeting, accounting, staffing, and auditing of the IAs. The secondary data was collected in the form of budget, statistical report, annual report, financial statement, balance sheet, and profit& loss account.

4.3 CAPACITY ASSESSMENT OF CITIES

4.3.1. Ajmer

a) Budgeting

Ajmer city has a budgeting system in place which is maintained on an annual basis. The budget for the developmental works are made on the basis of the DPRs prepared. The budget approvals, variations, its reporting system and its approval are undertaken as defined in the municipal act.

b) Accounting

The current accounting system maintained in the AMC is partially computerized with customized software (ORACLE, M/s Oswal Data Processor for streamlining the novell developed system data) for accounting applications. The system of accounting in AMC is in the process of change to accrual system from cash accounting. Thus more comprehensive information would be possible with the accrual system adopting double entry book keeping system. A Chartered Account (CA) firm has been appointed as consultant for preparing the balance sheet for 2005-06 on the basis of accrual base accounts. A separate project wise accounting is available with the IA. Similarly, a separate bank account will be in place for the GEF-SUTP implementation. The accounting policies are defined in the balance sheet for the financial year 2005-06 and the municipal act. All the accounting system is complied with the accounting standards and accounting practices.

c) Staffing

There is a necessity of professional accountant to maintain the accrual based accounting system as the person in-charge is not fully conversant with the system. No formal organization structure is in place with specific job profiles.

d) Auditing

There is no system in place for the internal auditing purposes. Whereas an agency to conduct statutory audit is in place (local fund and AG audit). This audit has been completed up to the financial year 2005-06. In order to be in compliance with AMC legislation, a FAR is prepared
manually according to the formats given in the municipal corporation act. This was prepared by the accounts department to keep track of real value of assets, which in turn would be useful for computation of depreciation and for tax and insurance purposes. The reconciliation with accounts is being made up to 2005-06. For maintaining the accurate records of all stock transactions of AMC, the inventory records are being made manually by the accounts department in pre-decided formats as given in the municipal act. The reconciliation of accounts and adjustment vouchers are being prepared up to 2005-06 at the time of compiling accrual base accounts and balance sheet.

e) Summary of Findings

There are two agencies looking after urban development in Ajmer the MC and the Urban Improvement Trust (UIT) which is a trust set up by the Government. In terms of accounting systems and public accountability, MC is the stronger of the two being the designated Municipal Council of Ajmer with elected representatives at the helm of affairs and will be the IA for GEF-SUTP.

4.3.2. Hyderabad

a) Budgeting

Greater Hyderabad Municipal Corporation (GHMC) has an integrated budgeting system in place maintained on an annual basis. For GHMC, a delegation of power is in place that defines the aspects such as budget approval, variations reporting system, and approval of variations. The existing budget mechanism is operationally linked with the preparation of DPR.

b) Accounting

The current accounting system maintained in GHMC is totally computerized with customized software (ORACLE EBC) for accounting applications. The system of accounting is fully accrual based. Thus, allowing more comprehensive information with the accrual system adopting double entry bookkeeping system. A separate project wise accounting is not available with the Implementing Agency. The accounting policies are defined in the final balance sheet for the financial year 2003-04 and the Corporation act.

c) Staffing

As there is insufficiency of staff GHMC is in the process of recruiting five financial advisors and accounts officers. The restructuring of staff has been decided after the merger of Municipal Corporation of Hyderabad (MCH) with other 12 municipalities in the year 2007. A formal organization structure is in place with specific job profiles.

d) Auditing

The State Audit Department appoints a person in the municipal office on a permanent basis, normally for a 5 year period. As part of internal audit, pre-transaction audit for every income and expenditure (irrespective of the amount is being done by State Audit Department) is being carried out. The internal audit process is up to date.

An agency to conduct statutory audit is in place with Auditor General (AG), AP as the auditor. This audit is conducted once in every 5 years and the local fund audit is being done on an annual basis. Both these audits have been completed up to the financial year 2004-05. The final report of these audits for the year 2005-06 is yet to be received and 2006-07 is under progress. In order
to be in compliance with GHMC legislation, a FAR is under preparation by the accounts department to keep track of real value of assets, which in turn would be useful for computation of depreciation and for tax and insurance purposes. However, the reconciliation with accounts is not defined for GHMC. For maintaining the accurate records of all stock transactions of GHMC, the inventory records are being made manually by the accounts department and also booking of the consumption on monthly basis. The reconciliation of accounts is being prepared by the stores and accounts department. The internal control system for the authorization is well defined in the corporation act. But, no financial reporting system is in place except the internal reporting for day to day working.

4.3.3. Indore

a) **Budgeting**

The ICTSL does not have a budgeting system to list all planned expenses and revenues. Similarly, the company has not yet defined the budget variation reporting system and approval of variations. The company is expected to make GEF-SUTP related budget as needed and the frequency of this budgeting system would be decided accordingly. There is a board of directors’ body for this company to approve the future budgeting system. Further, the company’s budget mechanism will be operationally linked with the preparation of DPR and Procurement Plan preparation for the GEF-SUTP implementation.

b) **Accounting**

The current accounting system maintained in ICTSL is totally computerized with customized software (TALLY) for accounting applications and the system of accounting is accrual based. Thus, allowing more comprehensive information with the accrual system adopting double entry book keeping system. Although the company is new to utilize the separate project wise accounting mechanism, it is quite possible with the company. A separate bank account will be in place for the GEF-SUTP implementation. The accounting policies are defined in the final balance sheet for the financial year 2006-07.

c) **Staffing**

There is a need to recruit more accounting staff in ICTSL to supplement the existing staff. The day to day accounting is being assisted by the statutory auditors. No formal organization structure is in place with specific job profiles.

d) **Auditing**

There is no system in place for the internal auditing purposes. But, an agency to conduct statutory audit is in place (Gadnis & Gupta, Chartered Accountant). This statutory audit has been completed up to the financial year 2006-07. The audit has been conducted as per the Companies’ Act 1956. ICTSL does not have a FAR. The internal control system for the authorization has been delegated to the board of directors. But, no financial reporting system is in place except the internal reporting for day to day working.

4.3.4. Jalandhar

a) **Budgeting**
Jalandhar Municipal Corporation (JMC) has a budgeting system in place maintained on an annual basis. The budget for the developmental works are made on the basis of the DPRs prepared. The budget approvals, variations, its reporting system and its approval are undertaken as defined in the municipal act.

b) Accounting

The current accounting system maintained in JMC is totally computerized with customized software (Visual Basic) for accounting applications. The system of accounting in JMC is in the process of change to accrual system from cash based accounting. Thus more comprehensive information would be possible with the accrual system adopting double entry book keeping system. A consultant has already been appointed in this regard and balance sheet for the financial year 2008-09 will be made on the accrual basis. A separate project wise accounting is not available with the IA but a separate bank account will be in place for the GEF-SUTP implementation. The accounting policies are defined in the municipal act, but not defined with the statement of affairs.

c) Staffing

There is a necessity of professional accountant to maintain the accrual based accounting system as the person in-charge is not fully conversant with the system. No formal organization structure is in place with specific job profiles. For converting the accounts from cash basis to accrual basis a consultant is appointed.

d) Auditing

As part of internal auditing a pre-audit system for all expenditures is in place. This audit is being done by local auditor and is up to date. There is no system for statutory audit except for the grants received. In converse to the conformity with municipal legislation, JMC does not have a FAR. The stores department would be responsible for making the FAR. The internal control system for the authorization has been well defined in the corporation act. But, no financial reporting system is in place except the internal reporting for day to day working.

4.3.5. Mysore

a) Budgeting

The Karnataka State Road Transport Corporation (KSRTC) has a budgeting system in place maintained on an annual basis. The budget for the developmental works are made on the basis of the DPRs prepared. There is an authority that is defined in an applicable act to approve the budget. A separate provision that deals with the budget variations, its reporting system, and its approval is also defined in the municipal corporation act. The existing budget mechanism will be operationally linked with the preparation of DPR and Procurement Plan preparation for the GEF-SUTP implementation.

b) Accounting

The current accounting system maintained in the IA is totally computerized with customized software for accounting applications and the system of accounting is fully accrual based. Thus, allowing more comprehensive information with the accrual system adopting double entry book keeping system. Maintaining a separate project wise accounting is possible with the current system followed by the IA. The accounting policies and procedures are enumerated in the
c) **Staffing**

There is a potential staffing arrangement in the accounts department that is headed by the chief accounts officer cum financial advisor who is appointed by the state department as per the RTC act. This staff is adequately supported by the Electronic Data Processing (EDP) team. A formal organization structure is in place with specific job profiles.

d) **Auditing**

As part of internal auditing, an independent internal audit wing headed by chief accounts officer is in place. The internal auditor submits the reports to the chief accounts officer and he in turn submits the reviewed reports to vice chairman for a final review. In this way, the reports are being reviewed and corrective measures are initiated accordingly. This is totally found to be up to date. As far as statutory audit is concerned, the Comptroller and Auditor General of India as well as Principal Accountant General of Karnataka is the sole auditor. Further the Senior Resident Audit Officer being the representative of Principal Accountant General in Karnataka is stationed in the premises of the corporate office itself. The statutory audit is completed up to 2006-07.

In conformity with municipal legislation, the IA has a FAR. The accounts and EDP department would be responsible for making the FAR and it is found to be maintained to up to date standard with respect to reconciliation with accounts also. The internal control system for the authorization will be as per the accounting manual. But, no financial reporting system is in place except the internal reporting for day to day working. For maintaining the accurate records of all stock transactions of Implementing Agency, the inventory records are being maintained up to date by the depots and accounts department. The reconciliation of accounts is being prepared by the stores and accounts department.

4.3.6. **Naya Raipur**

a) **Budgeting**

Naya Raipur Development Authority (NRDA) has an integrated budgeting system in place maintained on an annual basis. For NRDA, a delegation of power is in place which defines the aspects such as budget approval, variations reporting system, and approval of variations. The existing budget mechanism is operationally linked with the preparation of Detailed Project Report (DPR) and Procurement Plan preparation for the GEF-SUTP implementation.

b) **Accounting**

The current accounting system maintained in NRDA is totally computerized with customized software (TALLY) for accounting applications and the system of accounting cash based. There is no system for separate project wise accounting with NRDA but a separate bank account will be in place for the GEF-SUTP implementation. The accounting policies are defined as per the existing act.

c) **Staffing**

The IA is in the process of appointing a CA to streamline the accounting process and thereby supplementing the adequacy of staff as presently there is no formal organizational structure with defined job profile.
d) Auditing

There is no system in place for the internal auditing purposes. The internal auditor is yet to be appointed but an agency to conduct statutory audit is in place (local fund auditors). This statutory audit has been completed up to the financial year 2006-07. NRDA does not have a FAR. The accounts department would be responsible for making the FAR. The internal control system for the authorization has been followed as per the act. But, no financial reporting system is in place except the internal reporting for day to day working.

4.3.7. Pune

a) Budgeting

The Pune Municipal Corporation (PMC) has an integrated budgeting system in place maintained on an annual basis. A separate provision that deals with the budget variations, its reporting system, and its approval as also defined in the PMC Act. The existing budget mechanism will be operationally linked with the preparation of DPR and Procurement Plan preparation for the GEF-SUTP implementation.

b) Accounting

The current accounting system maintained in PMC is totally computerized with customized software for accounting applications. The system of accounting is in the process of change to accrual system from cash accounting. Thus, more comprehensive information would be possible with the accrual system adopting double entry book keeping system. A consultant E &Y has been appointed for this conversion. A separate project wise accounting is not available with the IA but a separate bank account will be in place for the GEF-SUTP implementation. The accounting policies are defined in the municipal act.

c) Staffing

PMC has adequate and competent staff duly supported by the EDP team. A formal organization structure is in place with specific job profiles and responsibilities.

d) Auditing

There is a system in place for the internal auditing purposes, which is headed by a separate department in accounts section with the up to date maintenance. Similarly, for statutory audits the AG and chief auditor are the leading officials. A statutory report has been completed up to 2005-06. In conformity with municipal legislation, PMC has a FAR in place in the pre-decided formats of municipal act. The same has not been reconciled with the accounts department. For maintaining the accurate records of all stock transactions of PMC, the inventory records are being maintained up to date by the store department in pre-decided formats but the same has not been reconciled with the accounts department. For the stock ledgers, the stores department is responsible. The internal control system for the authorization has been delegated to the board of directors but no financial reporting system is in place except the internal reporting for day to day working.
4.3.8. Trivandrum

a) Budgeting

The IA for Thiruvananthapuram has an integrated budgeting system in place maintained on an annual basis. The Project Administration Manual (PAM) provides for the budget variations, its reporting system, and its approval is in place. The existing budget mechanism will be operationally linked with the preparation of DPR and Procurement Plan preparation for the GEF-SUTP implementation.

b) Accounting

The current accounting system is totally computerized with customized software (TALLY) for accounting applications and accrual based. Thus, allowing more comprehensive information with the accrual system adopting double entry book keeping system. Maintaining a separate project wise accounting is quite possible with the existing PAM and so a separate bank account for the GEF-SUTP will be opened. The accounting policies and procedures are being implemented by a professional CA.

c) Staffing

The IA has adequate and competent staff duly supported by the EDP team. A formal organization structure is in place with specific job profiles and responsibilities.

d) Auditing

There is no system in place for the internal auditing purposes. For statutory audits the AG is the leading official. The process of compilation of accounts is under process. In conformity with municipal legislation, a process is under progress for FAR. The same has not been reconciled with the accounts department. The accounts department would be responsible for making the FAR. The internal control system for the authorization would be as per the PAM but no financial reporting system is in place except the internal reporting for day to day working.

4.3.9. Pimpri Chinchwad

a) Budgeting

Pimpri Chinchwad city has a budgeting system in place which is maintained on an annual basis. The budget for the developmental works are made on the basis of the DPRs prepared. The budget approvals, variations, its reporting system and its approval are undertaken as defined in the Municipal Act.

b) Accounting

The accounting is being done on the basis of Cash basis in customized software. The Municipal Corporation is in the process of shifting the accounts on Double Entry System. For that purpose the Corporation has appointed a firm of Chartered Accountants. Thus more comprehensive information would be possible with the double entry book keeping system. A separate bank account will be opened for the GEF-SUTP Project and books of accounts will be made separately for the project. The accounting policies are defined in the Municipal Act.

c) Staffing
The Municipal Corporation has sufficient staff to maintain the accrual based accounts as the person in-charge (Chief Accountant) is fully conversant with the system. The Accounts Department’s organization structure is in place with specific job profiles.

d) Auditing

**Internal Audit:** A separate wing within the Accounts Department conducts the Internal Audit for the Bills on concurrent basis. The reports are submitted to Chief Accountant.

**Statutory Audit:** is done by AG Maharashtra: The audit has been completed up to 2006-07.

**Chief Auditor** submits the Annual Report to Standing Committee. The chief Auditor’s audit is completed up to 2004-05.

e) Summary of Findings

- **Fixed assets register:** The PCMC does not have proper system of preparation and reconciliation of the fixed assets register.

- **Weak system of Bank Reconciliation:**
  
  The major bank has not been reconciled from the last two years.

4.4 CONCLUSION

The findings of the assessment carried out have helped in identifying the strengths and weaknesses of all the IAs and provided input for the formulation of the Financial Management Manual. The provisions and guidelines of the manual have to be followed by the IAs for the sound implementation of the GEF-SUTP.
Chapter 5: Procurement Capacity Assessment
Chapter 5. Procurement Capacity Assessment

5.1 INTRODUCTION

The present chapter gives the details of the procurement capacities of all the ten participating cities. The procurement assessment was done to ascertain that the project is completed in the fixed time duration and budget without serious cost and time overruns.

5.2 METHODOLOGY OF THE STUDY

Copies of the questionnaire were sent to all the participating agencies with instructions to fill in the details asked for, enclosing the copies of relevant documents viz codes, manuals, various relevant Govt. orders issued to deal with the subject of public procurement activities. The information asked for in the questionnaire was also shared with the officials from the cities who were called to the office of MOUD in New Delhi during 25th, 26th & 27th June 2008 to discuss various issues pertaining to the Project preparation activities including the filling up of questionnaires. The visiting officers were also advised to create a Project Implementing Unit (PIU), comprising of a Project Manager, Procurement Officer, Social & Environment officer and a Finance officer to deal with the subjects relating to the relevant departments and to interact with PMU and the National Project Manager in the MOUD/New Delhi on day to day basis on issues arising in the implementation of the Project.

The present study is based on the assessment by responses to the questionnaire received from cities (attached as part of Appendix 5) and discussions held with the officials of PIU, procurement officials and business community.

5.3 CAPACITY ASSESSMENT OF CITIES

The Constitution of India, under Article 298, has authorized the Central and State governments to finalize Contracts for goods, equipments, work and services through its executive officers. The government officers have financial powers depending upon their status and position in the organization. The Ministry of Finance in the Centre and the department of finance in the states lay down broad principles of financial propriety in incurring government’s expenditure including expenditure in the procurement of goods and services. The individual departments make detailed rules and procedures keeping broad principles of procurement as laid down in the General Financial Rules 2005 of the Central Govt. Ministry of Finance and State governments, including schedule of powers for sanction and acceptance of procurement cases. Beyond these guidelines, there is no Central or State legislation on Public Procurement, except for two state governments viz., Tamil Nadu and Karnataka, which enacted Acts on ‘Transparency in Public Procurement’ during 1999/2000.

5.3.1. Ajmer (Rajasthan)

The Ajmer Municipal Council (AMC) will be the implementing agency for GEF-SUTP in the city of Ajmer. It is a unit of local self government/public body, engaged in supply of public utilities and facilities and is supervised by the Department of Local Self Government, Govt. of Rajasthan. The agency has been in existence since 1867 as a municipality and the affairs are governed by the
Rajasthan Municipality Act 1959. As a part of GEF/SUTP, it is envisaged to improve and enhance the Pedestrian Infrastructure and Environment in Ajmer- Pushkar.

a) Legal Framework for Public Procurement

Procurement is governed by the Rajasthan Municipalities (Purchase of materials and Contract) Rules, 1974 which deals in procurement and purchase and also by the General Financial and Accounts Rules (GF &AR) Part II & Public Works Financial & Accounts Rules (PWF&AR). The rules are updated and amended from time to time as per the requirement, by the Govt. of Rajasthan and are applicable to AMC. The hierarchy of sources of procurement rules is —

i) Finance Department
ii) Directorate of Local bodies, Government of Rajasthan and
iii) Resolutions of the Municipal Board.

The procurement functions are centralized with the council. Various departments send their demands to the Commissioner, Municipal council, where these are compiled and tendering process undertaken. The tender evaluation committees are nominated on case to case basis and they put up their recommendations as per the following schedule of powers:

<table>
<thead>
<tr>
<th>Authority</th>
<th>Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commissioner</td>
<td>Up to Rs. 1 lac</td>
</tr>
<tr>
<td>Chairman Municipal Council</td>
<td>Up to Rs. 10 lacs</td>
</tr>
<tr>
<td>Municipal Board consisting of elected members (councilors)</td>
<td>Up to Rs. 1 crore</td>
</tr>
<tr>
<td>State Govt. (Director Local bodies)</td>
<td>More than Rs. 1 crore</td>
</tr>
</tbody>
</table>

Composition of Evaluation Committees is given below:

- For large contracts (above Rs. 1 lac) — An evaluation committee consisting of Commissioner/CEO, Accounts Officer, Executive engineer put up their recommendations to be approved by the President / Chairman Municipal Council.

- For small contracts (less than Rs. 1 lac) — Committee consisting of Commissioner/secretary, Accounts officer, concerned officer in-charge put up recommendations to be approved by the Commissioner.

The employees are bound by the Rajasthan Civil Services (Conduct) Rules, 1971 and Rajasthan Classification Control and Appeal Rules (CCA) 1958 and the officials are punished if found guilty. The government has established a separate agency, viz., The Anti Corruption Bureau to prevent bribery. Rule 7 of Rajasthan Municipalities Rules (Purchase of materials and contracts) provides for blacklisting a firm if found to have used corrupt means and malpractices in supplies. With respect to anti-bribery and anti corruption, the bid documents have a provision of rejecting the bids of those tenderers who are found to be involved in any malpractice or instance of bribe.

Price Negotiations are conducted with the lowest bidder in line with Rule 59 of GF&AR part II which allows negotiations in exceptional cases, where parties form a pool or where the rates are considered very high compared to the prevailing marker prices. The negotiations are held with the lowest bidder. On failure of negotiations, counter offers are made to bidders.

There is a central grievance section in place, where the complaints are received and details including date of receipt, nature of complaint are entered in the mechanized data bank. The complaint register is personally watched by an official and complaints pertaining to particular departments are sent to the section in-charges for dealing with same and replying directly. The statements with action taken report are put up to CEO periodically with the reply sent to the complainant.
As per discussions held with the business representatives there is a general satisfaction with the process of complaints handling and redressal mechanism. It was explained that in case of contractual disputes, the contractor can put his dispute to COM/CEO/Chairman and his grievance is settled and still if he is not satisfied the contractor can take the matter for arbitration according to the provisions of Arbitration in GF&AR par II and PW&FR. The officers of the council stated that till now, there has been no case of arbitration proceedings invoked by any party.

b) Procurement Cycle Management

Procurement Planning and Cycle

Procurement plans are prepared based on the past experience of officers and spelled in the bid documents. Work orders are placed based on the plans and are reviewed periodically by the officials responsible for execution of the project. The chairman and CEO, AMC monitor the functioning of the Municipality which include monitoring of ongoing projects also. The agency is capable of network planning techniques though objects and services procured till now have not necessitated such detailed planning.

Bidding/packaging strategies for project procurement is governed by Rajasthan Municipalities (Purchase of Material and Contracts) Rules 1974 and where these Rules are silent, procurement is done on the basis of guidelines in GF &AR; Part II and PW &AR.

Basic schedule of Rates (BSR), which is prepared based on detailed market surveys and rate analysis of goods and services by the Government of Rajasthan, is used for cost estimates of goods, works and services. It is reviewed and updated on a regular basis and was last updated in March 2008. Table 5.2 shows the procurement cycle listing all the activities and department/level responsible for each activity.

<table>
<thead>
<tr>
<th>Procurement Tasks and Responsibilities</th>
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<tbody>
<tr>
<td>Bid Advertisement to receipt of bids</td>
</tr>
<tr>
<td>Opening of bids</td>
</tr>
<tr>
<td>Evaluation of technical bids</td>
</tr>
<tr>
<td>Opening of financial bids</td>
</tr>
<tr>
<td>Negotiation if required in exceptional cases</td>
</tr>
<tr>
<td>Approval of the bids</td>
</tr>
<tr>
<td>Award of the Contract</td>
</tr>
<tr>
<td>Entering into Agreement</td>
</tr>
</tbody>
</table>

Bidding cycle

Bid documents are mostly prepared in house and sometimes with help from consultants. AMC has not done any ICB yet, thus there is no separate document for NCB and ICB. Pre-bid conferences are being conducted in important cases such as multi storied parking consultancy services etc. Conclusions drawn on the basis of pre bid meeting are put up as addendum and become part of the bid documents.

Prequalification criteria pertains to net worth, turn over, experience for similar works, qualification and experience of key personnel. A list of registered/ qualified suppliers, contractors and consultants is maintained with the agency. There is a system of checking credentials before sale of bidding documents.
Usually, the two envelope system (technical bid and financial bid) is not followed. It is used in selected projects with contracts involving large amounts, requiring special technical capabilities like MSW, Multi storied parking etc. In case of purchase of material or goods when the value is less than Rs.1000, then as per Rajasthan Municipalities (Purchase of Material and Contracts) Rules, 1974 single tender system is adopted. Goods are purchased directly from the registered manufacturers of known reliability or rates approved by DGS & D. Limited tender system is adopted in the case of goods with estimated value of less than Rs.10, 000. Purchase order is issued to the lowest tenderer.

Threshold limits for public opening are 7 days for bids up to Rs.1 lakh, 10 days for bids up to 10 lakhs, 15 days for bids up to 100 lakhs and 30 days for more than 100 lakhs. Bid securities to the extent of 5% and 10% are called for, for procurement of goods and works respectively as per GF&AR and PWF&AR. Performance securities are however obtained in important cases only. Bids not received with security are rejected. Similarly bids with material deviations from standard bid conditions are rejected.

The Bid documents contain the technical and financial capability criteria and the same is followed rigidly without any relaxation. The bids are opened on the last day of the submission within a gap of couple of hours in the presence of the bidder’s representatives and the tender committee. Rates as mentioned in the tender and other details are read out.

There is a system for evaluation of the performance of firms/contractors and based on this system, new firms are added as well as deleted from the lists of regular suppliers. The MC had listed 45 firms till last year. 6 new firms have been added in the current year (2008-09). 2 Firms were blacklisted during 2007-08. Following Table shows the classification of firms as per the following thresholds:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Class of Contractors</th>
<th>Extent Upto which qualified to tender for any work</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>'AA' Class Contractors</td>
<td>Any Amount</td>
</tr>
<tr>
<td>2.</td>
<td>'A' Class Contractors</td>
<td>Upto 3.00 Crores</td>
</tr>
<tr>
<td>3.</td>
<td>'B' Class Contractors</td>
<td>Upto Rs. 1.50 Crores.</td>
</tr>
<tr>
<td>4.</td>
<td>'C' Class Contractors</td>
<td>Upto 50.00 Lac</td>
</tr>
<tr>
<td>5.</td>
<td>'D' Class Contractors</td>
<td>Upto 15.00 Lac</td>
</tr>
</tbody>
</table>

During the past 5 years the Agency has awarded 848 contracts valuing 50 crores through NCB only. They have not done any ICB.

Criteria for award of contract are the lowest responsive bidder and all the tenders except few, are settled within the initial validity period. The agency is fully authorized to enter into contracts up to the value of Rs.1 Crore beyond that it needs government approval before contract can be made effective. Lump sum, time based and percentage basis contracts are followed. PMIS is used as Contract Monitoring System. Payment is done within seven days on submission of invoices.
As per GF&AR part II rule no.60, purchase may be increased by 50% of the quantity originally ordered by repeat orders after recording reasons, and within a month of expiry of last date of supply and subject to condition that the prices have not reduced.

There is a Quality Control Lab in PWD for ensuring compliance to specifications and conformance to quality by the supplier/contractor. The delivery of goods and services is monitored by a regular review of timelines mentioned in the MoU/work order.

Non contract variations are allowed once the work order is given. However, 10% variation in sub heads is admitted in civil work but overall cost should not exceed the administrative and financial sanction.

Cases of non-performance or failure of a contract are handled as per provisions of contract, for instance, imposition of liquidated damages, execution of remaining work on the risk and cost of defaulter, initiating action as per standard code of contractor/suppliers. Inspection of goods is done by officer-in-charge of the concerned cell. External audit is done by Local Fund Audit Department (LFAD) and Auditor General every year. Internal Audit is done by the accounts section.

Suppliers’ and contractors’ claims are handled with a systematic mechanism. It examined by the officer in-charge and then referred to the accounts section for scrutiny as per rules and then put for payment to the competent authority.

Discussions with the officers of the agency have revealed that sometimes due to encroachments, litigations and disputes over land, there are delays in execution of works and the payments to the Contractors are also delayed. No interest is paid on delayed payments to the suppliers/contractors.

There is a formal system of contract closing existing in the department.

c) Implementation Arrangement

The PIU has been set up with the following officers:

Project Manager----------Mr. B.L. Soni, Exe. Eng. AMC.

Transport Specialist------(to be nominated)

Environment Officer------Ms. Babita Singh.

Social Officer------------Mr. Vivek Sharma.

Finance Officer----------Mr. J.P. Chejara

Procurement Officer------(to be nominated)

PIU will be responsible to get the procurement cases progressed by coordinating with various sections and officers and evaluation committees for award of contracts.

Organisation/ Officers engaged in Procurement Activities:

The staff and officers engaged in procurement activities is well qualified and there are no major turnovers. They are experienced in planning, preparation of bidding documents. However they are yet to be exposed to Standard Bidding Documents of the World Bank and public procurement procedures as per World Bank guidelines for which the procurement officials are required to
attend training programmes being conducted by reputed institutions such as, National Institute of Financial Management Faridabad, ASCI Hyderabad etc.

The number and level of officers for each activity in the procurement is given below:

<table>
<thead>
<tr>
<th>S .No.</th>
<th>Procurement Progress Level</th>
<th>No. of Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Preparation of DPR</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>1. CEO</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>2. Commissioner</td>
<td>- 1</td>
</tr>
<tr>
<td></td>
<td>3. XEN</td>
<td>- 1</td>
</tr>
<tr>
<td></td>
<td>4. AO</td>
<td>- 1</td>
</tr>
<tr>
<td></td>
<td>5. Consultant</td>
<td>- 1</td>
</tr>
<tr>
<td>2.</td>
<td>Invitation of Bid</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>1. CEO</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>2. Commissioner</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>3. XEN</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>4. AO</td>
<td>1</td>
</tr>
<tr>
<td>3.</td>
<td>Tender Opening &amp; Evaluation of BID</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>1. CEO</td>
<td>- 1</td>
</tr>
<tr>
<td></td>
<td>2. XEN</td>
<td>- 1</td>
</tr>
<tr>
<td></td>
<td>3. AO</td>
<td>- 1</td>
</tr>
<tr>
<td>4.</td>
<td>Financial Sanction</td>
<td>As per Schedule of Powers according to cost of work.</td>
</tr>
<tr>
<td></td>
<td>a. Upto 1.00 Lac</td>
<td>Commissioner</td>
</tr>
<tr>
<td></td>
<td>b. Upto 10.00 Lac</td>
<td>C.E.O.</td>
</tr>
<tr>
<td></td>
<td>c. Upto 25.00 Lac</td>
<td>Mayor</td>
</tr>
<tr>
<td></td>
<td>d. Upto 200 Lac</td>
<td>Corporation</td>
</tr>
<tr>
<td></td>
<td>e. Full Power</td>
<td>State Government</td>
</tr>
<tr>
<td>5.</td>
<td>Awarding work Order</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>1. CEO</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>2. Com.</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>3. AO</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>4. XEN</td>
<td>1</td>
</tr>
<tr>
<td>6.</td>
<td>Execution of Work</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>1. CEO</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>2. Com.</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>3. SE (DLB/UIT)</td>
<td>- 1</td>
</tr>
<tr>
<td></td>
<td>4. XEN</td>
<td>- 1</td>
</tr>
<tr>
<td></td>
<td>5. AEN</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>6. JEN</td>
<td>5</td>
</tr>
</tbody>
</table>

In order to access the available capacity of the Agency to undertake the procurements under GEF/SUTP, the agency was asked to indicate the number of projects in hand. They have replied that at present there are approximately 50 projects in hand and are being handled at the level of Chairman, CEO, Commissioner, Executive Engineer, Health officer, Assistant Engineer, Accounts officer and other Junior engineers. The committees are formed by the CEO according to the requirements of the projects for implementing various activities involved.

As discussed earlier the agency has a well documented procurement manual, which is updated on a regular basis by the state government.

So far as record keeping is concerned, all records such as Guard file, Public opening of tenders register, work order register, security deposit register, SoRs, payment details etc., are well maintained by the concerned departments.

**Staffing and Training**

The role of all functionaries is on the basis of Rajasthan Municipal Rules, 1959. The establishment section maintains the position of staff on yearly basis at the time of budget preparations. All staff recruitment is done by the state government. Higher level procurement staff is already trained from various government training schools. Refresher courses are organized by the officers on regular basis. The staff and officers responsible for procurement activities should be imparted training and exposed to formats approved by the World Bank for NCB, ICB and other standard formats used in the bidding and procurement activities.
d) Strength and Weaknesses

The institutional capacity of the Agency is good and the procurement officers and staff engaged in procurement activities need to be conversant with the Standard formats approved by the Bank and follow guidelines issued for procurements of Goods, Works and Consultancy services.

Weaknesses in the system and areas of improvement are:

- There is no system of publishing the awards of contracts in any journal or issue. The results of awards are not known to all the participants and as result of this no firm/contractor can get his grievance redressed. Publishing of awards will create confidence in the business community and transparency in the system.
- Discussions with the contractors’ representatives revealed that during the process of tender settlement the prices of products, especially POL products rise exorbitantly with the result that the industry is not able to take up the works as no price adjustments are allowed in the contracts.
- All procurement officials are not conversant with World Bank guidelines on procurement.
- Sale of bidding documents restricted and credentials verified at the time of sale.
- Price negotiations are being conducted.

e) Recommendations

- Regular training courses on the World Bank guidelines for procurement under GEF-SUTP needs to be organized and the concerned staff engaged in procurement activities to be deputed to attend such courses. There are institutions like NIFM/ Faridabad, ASCI/ Hyderabad and others which conduct regular courses on Public Procurement as per GOI and WB guidelines and using standard formats of the Bank.
- No price negotiations and counter offers are acceptable in the procurements funded by the World Bank. Even GOI guidelines provide for negotiations in exceptional circumstances only, that too with the lowest evaluated bidder.
- Results of the awards need to be published in journals or website of the department and for high value WB funded contracts in the UNDB on-line / dg market.
- Bid documents should contain PVC, to take care of adjustments due to variations in the prices of POL items including Bitumen and also variations in the steel prices.
- Delay in payments as per the schedule of payments indicated in the Bid documents, is to be discouraged. In case of delays, the payments to be released along with interest at the rate indicated in the Bid documents.
- There should be no filtration in the sale of bidding documents except for blacklisted firms and the firms which fall under primary boycotts.

5.3.2. Hyderabad (Andhra Pradesh)

The implementing agency for the GEF-SUTP demonstration project in Hyderabad is GHMC, which is an Urban Local Body under the State Government. As a part of GEF SUTP Hyderabad has proposed “Improvement in the pedestrian facilities for enabling better accessibility to the Multi Modal Transport System” with a total out lay of Rs. 64.27 Crores.

a) Legal Framework for Public Procurement

Procurement function of the agency is not centralized. Different departments such as water supply, sewerage, road works, electrical etc. carry out procurement, following HMC Act 1955 and orders of government issued on the subject, from time to time. Procurement is governed by order of State Government issued vide G.O. Ms Nos.94 dated 01-7-2003 of Irrigation and Command
Area Development (I&CAD) and other relevant procedures under chapter 5 of APDSS (Andhra Pradesh Detailed Standards and Specification) and AP Public Works Department provisions and general principles of Engineering Contracts shall be applicable to the contracts. A technical tender committee/evaluation committee is appointed, comprising of the Chief Engineer and higher officers, by the government of Andhra Pradesh for recommendations of contract awards for approval of the Commissioner, GHMC.

Transparency and accountability of the procurement process followed by the agency was also assessed as part of the exercise. The rules regarding bidder suspension and debarment are stringent and are as per G.O.Ms 94 & Chapter 5 of APDSS and the preliminary specifications of APDSS. Provisions for anti bribery and anti-corruption conditions are mentioned in the bid document itself. Anti bribery and anti-corruption rules and laws are applicable as per Prevention of Corruption Act 13(1) & 13(2) of 1988 to the staff. Officials are governed by the rules and regulations of A.P. Government Conduct Rules, AP classification Central and Appeal (CCA) Rules, for Ethics and Accountability in the procurement. Any close relatives of the department staff is not eligible to participate in tender to prevent conflict of interest between staff dealing with tenders and firm’s complaints who participate in the bidding. The schedule of powers for according technical sanctions is as follows:

<table>
<thead>
<tr>
<th>Executive Engineers</th>
<th>Up to Rs. 10 lacs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superintending Engineers</td>
<td>Up to Rs. 50 lacs</td>
</tr>
<tr>
<td>Chief Engineers</td>
<td>Up to the value of administrative approval.</td>
</tr>
</tbody>
</table>

Powers of acceptance for awards:

Executive Engineer-----Up to Rs. 10 lacs.
Superintending Engineer-----Up to Rs. 50 lacs.
Chief Engineer of the concerned department-----Up to Rs. 2 crores.
COT (Commissionerate of Tenders)--------For approvals more than Rs. 2 crores.

Agency’s stance on negotiations, solving disputes and communication with the bidders was evaluated. It was ascertained that contractual disputes are settled through Indian Arbitration Act 1940 and conciliation Act 1996 and by preliminary specification 73 of APDSS. Price negotiations are not allowed and regular meetings are held for procurement issues with registered contractors.

It was noted that bid and performance securities for all classes and values of contract is compulsory with one exemption. Exemptions are given to Labour Cooperative Societies and 15% of the works are reserved for such societies. The threshold limits for public notice for bid invitation is two weeks on e-procurement and four weeks for all major works. Summaries of information on public procurement are made available on the official website of the agency.

With respect to Grievance Redressal System, the bidders in case of dissatisfaction on the process of bidding or contract awards, can represent/ lodge complaints freely by approaching higher officials. In case of dissatisfaction they can go to court for any review/ Appeal for justice. The bidders can also take course to RTI Act and ask for documents and process adopted for approval by the competent officers. Discussions were held with registered contractors and it was revealed that the associations of the business community frequently holds formal discussions with the management of the agency comprising of officers at the highest level and all the issues are discussed and resolved immediately.
The Agency has developed software packages allowing citizens a user friendly access to the GHMC. The grievances can be lodged on this site (www.ghmc.gov.in), call centres, citizen service centre and in the commissioner’s office. The status of the grievances is also available and can be seen on the internet.

There is a need however, to depute an independent officer to deal with the complaints of the business community in regard to procurement aspects.

**b) Procurement Cycle Management**

**Procurement Planning and Cycle**

The planning for procurement activities is done ahead of the project implementation process. The overall planning is considered sufficient to achieve the targets and completion schedules are prepared after cost estimates are ready. Usually the projects are completed as per schedule and in rare cases delay occurs due to some genuine reason. The progress of the procurement plan is monitored by setting time lines for various stages and categories of work. Network planning techniques are used for major projects.

The agency’s project procurement strategy is based on the cost estimates, nature of procurement and priority of procurement. Higher value works are executed under turn key and EPC basis. GHMC conducts market surveys and cost estimates are updated as per common SSR of GoAP which is responsible for updating the rates for various items of works. The standard data which forms basis for preparation of estimates for all civil engineering works is updated taking improved construction technology into consideration. The Chairman, Board of Chief Engineers and Engineer-in-Chief (administration), I&C department is authorized to update the standard data. The preparation of SSR is finalized before June every year. The representatives of construction industry, National Academy of Construction and the Institution of Engineers, Andhra Pradesh are also involved in the finalization of rates so that the process is more transparent. Administrative approval to the estimates is accorded on certification by the Engineer-in-Chief/ Chief Engineer concerned, designs are finalized, detailed investigations completed, lands acquired and utilities are shifted for taking up the work without interruption.

E-procurement is being done and the normal completion schedule for various types of contracts is 15 days to 6 months depending upon the nature of the works contracts and cost estimates. **Table 5.4** shows the procurement cycle listing all the activities against departments responsible for each activity.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Duration</th>
<th>Department/official responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bid advertisement to Receipt of bids</td>
<td>14 days</td>
<td>EE/SE</td>
</tr>
<tr>
<td>Opening of bids</td>
<td>1 day</td>
<td>EE/SE</td>
</tr>
<tr>
<td>Evaluation of Technical bids</td>
<td>10 days</td>
<td>EE/SE/Tender Committee</td>
</tr>
<tr>
<td>Opening of financial bids</td>
<td>3 days</td>
<td>EE/SE</td>
</tr>
<tr>
<td>Approval of tender committee recommendations</td>
<td>5 days</td>
<td>Tender Committee/Commissioner.</td>
</tr>
<tr>
<td>Contract Award</td>
<td>1 day followed by signing of contract—15 days</td>
<td>EE/SE</td>
</tr>
<tr>
<td>Entering into Agreement</td>
<td>15 Days</td>
<td>EE/SE</td>
</tr>
</tbody>
</table>
Bidding Cycle

The bid documents are prepared both in house and through consultants. The agency is familiar with procurement policies of the World Bank and standard bidding documents. They have however, not done ICB so far.

The Agency does not have a standard purchase order form. Goods priced lower than Rs. 20000/- are procured from local shopping by inviting sealed quotations without resorting to tendering process. For the works up to Rs. 50 lakhs, the tender notice is published in district editions of two Telugu dailies and for works more than Rs. 50 lakhs, the notice is issued in one Telugu daily and English daily each having large circulation. The format of circulation is finalized by the Board of Chief Engineers.

Prequalification is not mandatory and post qualification follows GOMs 94 of A.P Dt 1-7-2003. Prequalification is done only for high value and specialized works. In such cases, the bidders’ eligibility for participating in the bidding process is adjudged based on their financial capabilities, their company’s profile, infrastructure available for executing the work in question and institutional capacities existing in the firm. The financial and technical bids are invited from such selected firms and their offers are evaluated for responsiveness. It is not compulsory for suppliers to have a local agent in order to qualify.

The agency reviews its list of suppliers and market prices regularly. It maintains lists of registered/ qualified suppliers, contractors and consultants. Their registration is reviewed annually at the time of renewal. The tenders are sold to the bidders after verifying their credentials. Market information on commonly procured goods is revised monthly, quarterly and annually.

The process of inviting bidders is through newspapers and e-procurement. SBDs are issued only after verification of credentials. The sale of tender documents is open till a day prior to the last day of receipt of bids. Since the agency has introduced e-procurement, the bid documents can be downloaded till the time of receipt of bids. The bids received prior to the deadline of opening are securely stored in e-procurement platform.

The practice of conducting pre bid conferences is also followed. In major EPC and services contracts clarification, minutes of pre-bid conference are communicated to the prospective bidders. One week time is allowed to the bidder to submit the bid after modification in the document.

Time gap between deadline for submission of bids and their opening is generally half an hour. Bids are opened in the presence of bidders or their authorized agents and all financial clauses of the bids read out and are entered into a register as well for records. Bids received without adequate bid security and also which are received late is returned unopened.

The time gap between deadline submission of bid and its opening is half an hour. The bid is opened in the presence of the bidders. Two envelope procedure is normally adopted. Both the technical and financial bids are received in a third cover. This procedure is followed for all contracts more than Rs.50 lakhs.

Bid evaluation is a very important part of the process. Bids are evaluated by the Evaluation Committee, comprising of Chief Engineer and above rank officers. First the technical bids are evaluated and based on their technical suitability; their financial bids are opened and evaluated
for considering their responsiveness. Tenders are finalised by the EEs/SEs for the works costing up to their powers to accord technical sanctions. The Chief Engineer of the concerned department has the powers of finalisation up to Rs. 2 crores. For more than Rs. 2 crores the evaluation reports are referred to COT for according approval or otherwise. Counter offer system is not followed.

**Contract Management**

Lowest evaluated bidders are awarded the contract. Tender committee is competent for recommending the contract and the same is approved by the Commissioner. Price negotiations are not permitted at any level as per G.O.Ms-94, Dt 1-7-2003. Performance security of two and half percent is required for concluding agreement.

The agency does not normally pay advances. The progress payments invoice can be submitted once in a month and final invoice after completion of the work. Sometimes there are delays in the payments but no interest is paid on delayed payments.

Assurance for quality of the goods supplied and works done in case of engineering contracts is assured by verification and inspection by the department officers. Third party (external agency) inspection is also done in case of stage inspections and also on completion of works. The external agency conducts quality control tests as per the standards and prescribed procedures in the presence of construction and quality control engineers. The observations are recorded and signatures of all present, obtained as a token of acceptance of the observations. The contractors are liable for the quality of works executed till the expiry of defect liability period (2 years). The delivery of goods and services are monitored through regular contact with the suppliers. Store and inventory management system related to project activities is done through half yearly and annual verification.

Large contract variations are not allowed and in cases where variations in the works are called for, during execution, prior approval of competent authorities is taken before allowing further activities.

The Agency handles cases of non-performance or failure of a contract as per the condition of SBD and nature of work executed. Examiner of accounts does pre-Audit before payments. LFAD conducts the audit once a year. The contract closing is defined in the agreement. Works for the completion period is settled with final payments in accordance with agreement conditions.

**c) Implementation Arrangements**

**Organization**

**PIU:** The Project Implementation Unit has been set up comprising following officers:

Project Manager-------Mr. G.V. Ramesh Kumar
Transport Specialist---Mr. M.A.Sukur
Env./Social Officer----Mr. G. Krishna Murthy
Finance Officer-------Mr. Partha Sarathy
Procurement Officer---Mr. D. Anand Rao
The PIU will be the nodal agency to coordinate with various officers and the committees in the GHMC to obtain sanctions and approvals for finalization of contracts according to their schedule of powers.

There are 5 zones viz., Eastern, Western, Northern, Southern and Central zones and more than 20 divisions and the procurement units are spread over whole city of Hyderabad and surrounding areas. A Zonal Commissioner is the administrative head and Superintending Engineer is the Technical head of each zone. About 400 to 500 employees work under each circle Every zone of the GHMC has a procurement unit. A Zonal Commissioner is the administrative head and Superintending Engineer is the Technical head of each zone. The procurement staff has technical background equivalent to a diploma or degree in engineering and some of them have undergone training in public procurement to enhance their skills and technical knowledge and practices of engineering works. All the procurement officers however need to have exposure to the GoI guidelines as well as World Bank Guidelines. The procurement department officers have the financial powers delegated to the extent of contracts awarded. These powers were last updated as per orders issued on 1.7.2003.

The agency conducts audit for all works by the State Government Audit Department. The Internal audit is being done by EA. Observations of the audit are adopted by the concerned departmental officers for implementation of suggestions and closure of the objections. The agency also has a dedicated legal section in place for advising and guidance on legal matters.

All records pertaining to the process from Invitation of bids to the closing of contract are maintained with the concerned employees. Data and rates are prepared on quarterly and annual basis for the works to prepare cost estimates. The contract prices record is also maintained. It is suggested that since all such records are needed for post review of cases and audit purposes and in some cases involving legal implications, these should be kept in a central record section under the control of an official.

**Staffing and Training**

There are around 400 engineering staff in GHMC. The role directory of various levels of staff is defined as per APPWD Code and Financial Code of GoAP. The administrative department assesses the need for more staff and the procurement staff is further recruited through PCS and through employment. Both in-house and external training is imparted at reputed institutes for training the staff.

d) **Weaknesses and Areas of Improvement**

- Reservations, purchase/ price preference ,exemptions in bid security, absence of credible appeal mechanism (against award decisions) are the main weaknesses in the system; and
- The staff dealing with procurement cases has not dealt with externally funded projects. Since SUTP is being funded by GEF/World Bank/and GoI/State Government, they need to be familiarised with the World Bank’s guidelines for procurement.

e) **Recommendations**

- During discussions with the officials, it was revealed that there will be two different departments dealing with the procurement of civil works and components pertaining to Pedestrians improvement work and BRTS. It is recommended that a single nodal agency may be nominated to deal with the works related with GEF- SUTP so that monitoring by the PIU is easy.
- Introduction of appeal/challenge mechanism to the Independent body so that the grievances of the
business community are addressed suitably and to their satisfaction.

- Elimination of purchase, price and other preferences so that all the suppliers/contractors are at par for consideration of their responsiveness to tender requirements.
- Introduction of set of model tender and contract documents issued by the World Bank.
- The officials need to be exposed to QCBS methods for selection of consultants and other methods such as QBS, SSS, FB, and LCS etc. depending on the nature of consultancy, availability of budget and urgency.
- Training of procurement staff on public procurement and for externally aided project on World Bank guidelines.
- Creation of a dedicated team to undertake procurement work.
- Have more frequent and regular meetings with business community and benefit by feedback.

5.3.3. Indore (Madhya Pradesh)

The GEF-SUTP will be implemented by the Indore City Transport Services Limited (ICTSL) in Indore City. With a view to improve the usage of public transport, and minimization of scheduled delays by coordination of traffic signals, Traffic Signal Prioritization and Automatic Fair Collection are the two envisaged project components.

a) Legal Framework of Public Procurement

Procurement functions of goods, works and consulting services are carried out by ICTSL in Indore. It is a Public Limited Company formed in December, 2005 and constituted under the provisions of Indian Company’s Act, 1956. Indore Municipal Corporation (IMC) and Indore Development Authority (IDA) are 50% each shareholders of the company. Board of Directors are from IMC and IDA as given below:

Mayor IMC Indore is the Chairperson of the company and Chairman IDA Indore is the Vice Chairperson. The Directors are: CEO-IDA, M.C. Indore Municipal Corporation, District Collector-Indore, S.P. Indore, Joint Collector-CEO and Road Transport Authority-Member.

National and state laws and regulations apply to this agency. The agency has been incorporated as a special purpose vehicle (SPV) to operate and manage the public transport system in Indore city with private sector participation. All powers of procurement vest with the Board of Directors.

The rules and regulations are defined in the IMC and IDA Codes and these coupled with various executive and administrative orders issued by the state government describe all the aspects of Procurement viz., tendering, evaluations, SoP, and award of contracts etc. Contractual disputes are settled through the Indian Arbitration and Conciliation Act, 1996. The officials engaged in procurement activities keep the various records and the same are available to the general public and they can approach the authorities and access the records under RTI Act, 2005.

The employees are governed by the published code of conduct according to which, offering or accepting bribe is considered a criminal activity and severe punishments are liable to be imposed if the officials are involved in such activities. The government has established a special agency named lokayukts to attend to only corruption cases. An aggrieved party, who alleges that a public servant has resorted to acts of bribery or corruption in the award of contract, can make a complaint under criminal law to the police, lokayukts and economic offence wing. The complaints can also be made to higher authorities in the department. During discussions with the officials of the agency, it was brought out that the meeting of the Board of Directors is held periodically and
all the operators of ongoing projects are also invited as “Invitee members” and participate in the proceedings. Any issues or problems being faced by the business community are discussed and sorted out at the highest level with the Mayor of IMC who is Chairperson of the Board and Chairman IDA who is Vice Chairman of the Board. Discussions were also held separately with the representatives of major ongoing project operators. The business personnel were found to be generally satisfied with the arrangements of getting their issues heard and sorted out.

b) Procurement Cycle Management

Procurement Planning and Cycle

At present ICTSL is not doing any procurement. However Indore Development Authority is handling the BRTS Corridor Project under JnNURM and arranging procurements under the project. As per existing procedures, before starting the procurement process, procurement plans are prepared wherein all the steps involved in the process of procurement are scheduled and estimates prepared based on SoR, which are updated periodically. Market surveys are also conducted periodically to update SoRs. Time required for all the activities, is thereafter marked in the statement, based on past experience of the staff and realistic plans are prepared to perform the various activities. Experience of the project staff shall be utilized while preparing procurement plans so that achievable targets are stipulated in the plans. Multiple inter related procurement activities are planned using the critical path method.

All sanctions of works, nomination of tender evaluation committees and approval of tenders are done by the Board of Directors, comprising the following officers:

<table>
<thead>
<tr>
<th>Chairperson of the Board</th>
<th>Mayor (IMC).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vice Chairman</td>
<td>Chairman (IDA)</td>
</tr>
<tr>
<td>Municipal Commissioner (IMC)</td>
<td>Director</td>
</tr>
<tr>
<td>Chief Executive Officer (CEO), IDA.</td>
<td>Director</td>
</tr>
<tr>
<td>Regional Transport Officer (RTO).</td>
<td>Member</td>
</tr>
<tr>
<td>Executive Director</td>
<td>District Collector</td>
</tr>
<tr>
<td>Invitee Director</td>
<td>Superintendent of Police (SP)</td>
</tr>
<tr>
<td>Invitee Directors</td>
<td>All Operators (Business community)</td>
</tr>
</tbody>
</table>

For procurements above Rs. 15000, the tenders are published in regional and national newspapers and on departmental website. Procurements up to Rs. 15000 are done through local shopping by obtaining minimum three quotations. Table 5.5 shows the time period generally adopted for the procurement activities.

Table 5-3: Procurement Cycle-Activity & their duration

<table>
<thead>
<tr>
<th>Activity</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bid advertisement to receipt of bids</td>
<td>21 days</td>
</tr>
<tr>
<td>Opening of bids</td>
<td>1 day</td>
</tr>
<tr>
<td>Evaluation of technical bids</td>
<td>10 days</td>
</tr>
<tr>
<td>Opening of financial bid</td>
<td>1 day</td>
</tr>
<tr>
<td>Evaluation of financial bid</td>
<td>5 days</td>
</tr>
<tr>
<td>Approval of tender committee recommendations</td>
<td>7 days</td>
</tr>
<tr>
<td>Contract award</td>
<td>1 day</td>
</tr>
<tr>
<td>Entering into agreement</td>
<td>15 days</td>
</tr>
</tbody>
</table>

Government orders exist on the size and volume of packages for procurement purposes. G.O.M’s order number 195, PR&RD dt.10-05-99 stipulates packaging into viable financial units of Rs. 100 lakhs and above. The packaging for procurements is accordingly made and procurements plans prepared.
The completion schedules are generally met with proper monitoring except when there are any natural calamities. There is however no fund related issues as all works are initiated after ensuring availability of adequate funds. Similarly there are no site related problems and the site is acquired and is free from any encumbrances before start of the work. After finalizing the procurement packages and the procurement plans, the process of preparation of bid documents starts.

Transparency and accountability in public procurement also require that the summaries of information about procurement activities (number of bids received, number of contracts awarded, names of successful bidders etc.) should be published in the journals, and on the website so that any bidders who have complaints on the process of bid processing and decisions made, can approach the agency for clarifications etc. However the details are not published by the agency but the records are being maintained in the registers and are made available to the public and audit department on demand.

**Bidding cycle**

ICTSL is not doing any procurement at present and therefore the various aspects of procurement planning and procurement cycle management can not be defined. However the Agency envisages appointment of consultants to handle all the procurement activities.

**BASED ON FEEDBACK RECEIVED FROM ICTSL, THEY HAVE NOT UNDERTAKEN ANY PROCUREMENT SO FAR AND HAVE NO SET UP FOR THE SAME; THEREFORE, NO ASSESSMENT OF THE PROCUREMENT CAPACITY CAN BE MADE.**

**IMPLEMENTATION ARRANGEMENT**

Indore city Transport Services Limited (ICTSL) is the nodal Implementation agency for BRTS in the City of Indore. Civil contracts procurement and execution of BRTS project is being carried out by Indore Development Authority and Indore Municipal Corporation. As such ICTSL is not involved in procurement and execution of contracts for works/ Goods etc. and also do not have the separate set of rules/ Manual for above activities. If required, the services are out sourced.

However, ICTSL will be carrying out the activities of proposed GEF project for Automatic fare collection and Signal Prioritization i.e. ITS. The project implementation unit is being established as per requirement which will be staffed by experienced personals. In addition procurement of Project Management consultant shall be done as per bank guidelines. Project management consultant shall prepare functional / technical specification/ performance indicators, procurement documents for vender consortium etc. as per World Bank Procurement guidelines and will also assist ICTSL in overall planning executing and monitoring the project.

**Staffing and training**

The available skeleton staff is dedicated, qualified and experienced in planning, preparation of bidding documents, evaluations and contract preparation for which manuals are available for guidance of the staff. The staff is deputed regularly to attend training courses and seminars in institutions like CRRI and workshops are organized.

**d) Strength, Weaknesses, Shortcomings and Areas of improvement**

The strengths are:
• ICTSL has set new benchmarks in mass urban transit system running an acquiring buses and fleet of Metro Taxi service, by adopting Public Private Partnership Model. GPRS has also been set up to monitor the position of buses along the routes, their working condition and their running schedule, the entire system has been set up on PPP Model and is running efficiently. The experience gained by the organization is planned to be used in planning various modules of the GEF SUTP.

The present systems of procurement by the IDA have the following drawbacks:

• Lack of a system for publishing summaries of information of the bidding process hindering transparency in the system. Publishing of such information is required so that the bidders who are not satisfied with the awards can approach the organization and can get their grievances addressed.

• The Agency has not undertaken ICB so far and has done all the procurements by advertised tendering in the national newspapers only. Procurement under SUTP may involve global tendering for which the staff needs to get conversant with the ICB procedures, SBDs, evaluation methods etc. as per WB guidelines.

• Price negotiations are being conducted in almost all the procurement cases by the agency. World Bank procurement guidelines do not permit price negotiations.

• Delays in payments to business community and no interest being paid on delayed payments.

e) Recommendations

• The PIU need to be established immediately with adequate number of procurement staff before starting the Project work. In addition following important provisions should be made in the systems so that procurements are carried out as per World Bank guidelines.

• The agency publishes journals and brochures for disseminating of the information on running of ICTSL buses and fleet of Metro Taxis. The same can be used to disseminate summaries of the bidding process to the business community.

• No price negotiations should be conducted for tenders involving procurement of goods and works.

• Sufficient time should be given preferably 30 to 45 days to the bidders for submitting their bids in NCB and 45 to 90 days in case of ICB.

• Staff already engaged in the ongoing projects funded by GoI need to be exposed to externally funded projects, SBDs, evaluations methods etc., so that they can take up the work on proposed GEF-SUTP. They should therefore be deputed for undergoing training in the World Bank procurement guidelines being conducted by some institutions like ASCI Hyderabad, NIFM Faridabad etc.

All efforts should be made to make timely payments to the suppliers, contractors and others as per terms of the contract. However in case of delays in payments, interest at the rate prescribed in the bid documents should be paid along with the invoice payments.

5.3.4. Jalandhar (Punjab)

The Jalandhar Municipal Corporation (JMC) will be the implementing agency for GEF-SUTP in the city of Jalandhar. It is a unit of local self government/public body, engaged in supply of public utilities and facilities and is supervised by the Department of Local Self Government, Govt. of Punjab. As a part of GEF/SUTP, it is envisaged to improve modernize the public transport operations by providing dedicated cycle tracks, improving Footpaths with proper lighting arrangements and providing adequate street furniture.
**a) Legal Framework of Public Procurement**

The provisions of Punjab Municipal Corporation Act 1976 and Municipal Account Code 1930 coupled with state govt. orders are applicable laws for carrying out procurement. The delegation of administrative powers including those of procurement as given in the Act is applicable and these powers are vested with the Commissioner, Municipal Corporation and the Corporation House. The resolutions of the House are further sent to the government for approval of the proceedings for awards of the contracts.

All sanctions up to Rs. 25000 are accorded by the Commissioner, JMC who is the head of the Corporation. Proposals beyond Rs. 25000 are put up through the commissioner to the Finance and Contract Committee headed by the Mayor, Municipal Corporation. This committee comprises Mayor, Commissioner, Senior Deputy Mayor and two elected members of the House. The resolutions of the Corporation HOUSE are further sent to Local Govt., Punjab for the final approval.

All Contract disputes are settled through the Indian Arbitration and Conciliation Act, 1996 and the Commissioner JMC is the nominated sole Arbitrator in settlement of the dispute. However in major contracts where, the commissioner is one of the agreements executing party, the Principal Secretary acts as the arbitrator. Since the powers of acceptance of the commissioner is up to Rs. 25000 only and beyond this, the acceptance is taken from the Finance and Contract committee, it will be prudent to nominate an independent officer as the arbitrator in case of sole arbitrator and two arbitrators (one nominated by each party) and a third arbitrator to be appointed by the two arbitrators for deciding the case as per provisions of the Arbitration Act.

Punjab Govt. Employees (conduct) Rules, 1966 read with Punjab municipal corporation act 1976 stipulate that no close relative of any employee and elected member of the house can participate in the tendering process. All employees are governed by Punjab CSR, punishment and conduct rules.

Transparency and accountability of the procurement process followed by the agency was also assessed as part of the exercise. The transparency was judged on the basis of the price negotiations carried out, ascertaining of threshold limits of public notice and information dissemination regarding public procurement.

**b) Procurement Cycle Management**

**Procurement Planning and Cycle**

Procurement Plans of the DPR are followed in case previous procurement plans are not available. These Plans are prepared by the Consultants/Technical staff. Mayor JMC regularly takes the review meeting with the Engineers to monitor the progress of Works as per the Plans. Network planning techniques are not used in procurement planning. Bidding/Packaging strategies for project procurement is decided on supply-cum-erection basis.

The procurement cycle comprises of the following:

- a. Publishing of DNIT by Superintending Engineer
- b. Evaluation of Bids by Corporation Engineer through Drawing Branch
- c. Acceptance of Bids-Finance and Contract Committee after recommendation of Commissioner, Municipal Corporation
d. Issue of Award Letter by Corporation Engineer.

Purchases up to Rs. 5000, are made directly against quotations and beyond Rs. 5000, tendering is done on the standard tender forms. Purchases are made after issuing purchase order.

**Bidding cycle**

Bid documents are prepared in-house except in the case of a major project where services of a consultant are taken for technical details. The sale of Bid documents starts from the day the sale is to start till the date of receipt of bids. Bid Documents are only issued to those who fulfill the published criteria. 21 days of public notice is given for bid invitation. As per guidelines, a minimum of 30 and 45 days time is required to enable the bidders to send their bids in case of National Competitive Bidding (NBC) and International Competitive Bidding (ICB) respectively. Estimates of work are framed on the basis of Punjab PWD (B&R), CSR 1987 for scheduled items and for non schedule items these are prepared on the prevailing rates as stipulated in the schedule of rates maintained and updated by the state PWD. The SOR is updated periodically based on market rates. Pre-Bid conference is also held in the case of major projects. A period of 2-3 weeks is given to prospective bidders to submit the bids following modification in the document.

Criteria of Pre-qualification are used, depending on the nature and cost of the projects. Whether a successful bidder continues to meet the pre-qualification requirements is verified prior to contract award. A list of suppliers and contractors is maintained which is regularly updated. At present 257 Contracts/Firms are enlisted. In the last 2 years, 38 firms were added and 2 were deleted. As per government instructions, there are 5 categories defined for qualification of bidders i.e. Class I, Class II, Class III, Class IV & Class V for executing the works more than 50 lakhs, up to 50 lakhs, up to 20 lakhs, up to 5 lakhs and up to 1 lakhs respectively and is strictly followed and in case of registered Co-op L/C Societies the criteria of financial capacity fixed by the Co-op. Societies, Department of Punjab is followed.

There is no exemption to any category of contractors with respect to furnishing bid securities of 5% and 2% respectively for works and goods and all bidders have to submit bid security for consideration of their bids. Price negotiations are held with the lowest evaluated bidder as per guidelines and provisions of the Municipal Accounts code. No relaxation of qualification criteria while awarding, particularly in cases of lowest quoted offer is given. Updated market information on commonly procured goods is not kept, however at the time of contract, the market rates are verified.

Bids are opened in the presence of committee nominated by the commissioner and financial clauses are read out in the presence of bidders or their authorized agents, who are invited to attend the opening of bids. All financial details are entered in the tender register. Bids received without earnest money and after dead line for submission are rejected and returned un-opened. The agency is following two/three envelop bidding procedure – one containing technical portion and the other commercial details and financial bid and both envelopes sealed in a third envelop.

Technical evaluation is done by the superintending engineer. In certain cases of high value or works involving special design, a subcommittee is nominated for the evaluation. For better results, it is suggested that a regular evaluation committee be nominated and the case put up directly to the accepting authority. This will bring efficiency and transparency in the system.
There is no system, however, of publishing summaries of information on public procurement in any journal or issue. The information of contract awards and rejection of bids etc. needs to be disseminated to the business industry as means of transparency. This can best be achieved by putting the details on website and this information should be indicated in the bid documents.

With regard to the setting up a complaint redressal mechanism in the Corporation, the present system is that the complaints of the bidders, contractors/ suppliers received by the department are handled by the Commissioner, MC and the Chief Vigilance Officer (CVO).

**Contract Management**

In general works, the criteria of lowest price is adopted, whereas in case of major project execution works or in case of hiring the consultants, the criteria of lowest evaluated responsive bid of the qualified bidders is adopted. The agency has to obtain government approvals before making the contracts effective. In selection of the consultants, quality as well as cost is considered and depending upon the nature of project, type of contracts may be lump sum or item wise.

The average time for preparation of the bills for progress payment as well as final payment is 15 days. Normally monthly payments are made to the agencies and at present there is a back log of six months. Discussions with the contractors revealed that the payments are being delayed in many cases and no interest is paid on delayed payments. The officials admitted the delays and mentioned that most of the time the payments are delayed due to non availability of funds. Release of funds from the government is a time consuming process.

Qualified technical staff headed by an officer of Chief Engineer rank working as a CVO is recruited to ensure compliance to specification and conformance to quality by the supplier/contractor. The municipal corporation staff monitors the delivery of goods and services. As far as, variations in the quantum of works is concerned, the works are executed as per the DPR, thus need of contract variations does not arise normally. However, variations if needed are permitted up to the limits prescribed in the contracts only.

Supplier's/ contractor's claims are looked into by a team of technical staff headed by the Superintending Engineer under over all control of an IAS Officer Commissioner, Municipal Corporation, Jalandhar.

c) Implementation Arrangement

**PIU (Project Implementation Unit):**

Presently the PIU consists of only the Project Manager. The posts of the remaining team are proposed to be filled by appointing a Project Management Consultant.

**Organisation of Procurement Unit**

The head of the procurement unit in JMC is the Commissioner who is an IAS officer. Joint Commissioner is a PCS Officer supported by a technical staff headed by the Superintending Engineer with a minimum qualification of Bachelor in Engineering.

The power for the sanctions for all works vests with the Commissioner or the Corporation House in the Municipal Corporation. All cases of procurement are put up to Finance and Contract Committee comprising of Mayor, Senior Deputy Mayor, Commissioner and two elected members
of the House for approval of the award. The resolutions of the Corporation HOUSE are further sent to Local Govt., Punjab for the final approval

Thresholds for contracting power get regularly updated. The last revision was done at the government level in 2000.

The institutional capacity of the agency is good as at present there are 134 general civil works worth Rs. 14 crores and three major civil works amounting to Rs. 50 crores, which are in progress and being handled by the procurement staff. However the agency is not doing any externally funded project and therefore the staff is not exposed to WB guidelines on procurement. The formats for various activities in the procurement process are also different than those of standard World Bank formats.

Internal audit of procurement cases and other departments is carried out by the audit department of the corporation. Audit paras as well as requisitions if any are imposed by the local audit and the same are cleared by the officers/officials of Municipal Corporation.

There is a law branch headed by Legal Advisor as well as Pre-audit staff headed by Deputy Controller, local audit in the Municipal Corporation, Jalandhar. Moreover, local government has a panel of Advocates at District Level for giving legal advice where ever needed.

As far as record keeping is concerned, all record pertaining to procurement such as estimates, NIT- published, received, tender forms from all the bidders, award letters, agreement and record of payments and extension notices are maintained as per Punjab Municipal Act, 1976/Municipal Account Code, 1930.

**Staffing and Training**

The recruitments and promotions are made according to the Recruit Rules 1978/1995 which gives the qualification and experience for each and every provincial cadre posts. Requirement of posts are assessed keeping in mind the PWD norms. Municipal Corporation House is entitled to resolve recruitment cases of non-provincial category and local government is responsible for the provincial posts. All vacant posts, especially in procurement cadre need to be filled up immediately and officials with public procurement background inducted.

There is no training programme for the staff at the entry level but service officers normally attend the various external workshops conducted by the state government/GoI Agencies such as CRRID, HUDCO etc.

**d) Weaknesses and areas of improvement**

The overall institutional capacity of the procurement organization is inadequate in terms of following World Bank guidelines on procurement and also exposure to WB formats. In addition, there are various stages and levels involved in the settlement of tenders followed by approvals at Government level which result in delays.

Following are the major differences in the procedures being followed than those in the WB systems:

- Independent grievance redressal system is not in place in the organization.
- Results of contract awards not being published in any journal, bulletin or issue.
- Filtration at the time of sale of bidding documents.
- Non availability of a well documented Purchase Manual.
- Criteria of lowest bid and not lowest evaluated bid being followed in general.
- Negotiations on price being conducted.
- Payments to contractors getting delayed and no interest paid. Such activities result in the jacking of prices by the business community.

e) Recommendations

- An independent grievance redressal mechanism to be set up.
- Minimum 30 / 45 days bidding time to be given to bidders for submitting their bids in response to NCB/ICB.
- Training in public procurement courses and World Bank guidelines on procurement to be given to staff engaged in procurement activities. There are various institutions in the country such as, ASCI Hyderabad, NIFM Faridabad who impart training in the W.B. procedures of procurement and financial management, where the officers and staff engaged in procurement activities is required to be deputed before actually starting GEF/SUTP activities.
- Vacancies in procurement staff to be filled up early.
- To bring transparency and efficiency system of putting the awards on departmental website to be started immediately.
- Price negotiations should be avoided even with the lowest bidder as this breeds corruption and inefficiency in the system.
- Payments should not be delayed and time schedule mentioned in the bid documents should be adhered. It is suggested that contracts should only be released against certification and availability of required funds. In case the payments are delayed due to administrative reasons and due to paucity of funds, interest at the rate mentioned in bid documents must be given to the suppliers.

5.3.5. Mysore (Karnataka)

The implementation of the GEF-SUTP demonstration project will be undertaken by Karnataka State Road Transport (KSRTC). It is a government of Karnataka undertaking formed under the Road Transport Corporation Act in 1950. Is has been functioning for the last 48 years. As part of the GEF SUTP, it is envisaged to improve and modernize the public transport operations with the introduction of Intelligent Transport System and Retrofitting of Bus Fleet with Diesel Particulate Filters in the city with a total project outlay of RS. 27.26 crores.

a) Legal Framework for Public Procurement

The public procurement process in the state of Karnataka is governed by ‘The Karnataka Transparency in Public Procurement Act 1999’ (KTPP), which is applicable and binding on all procurement activities carried out by the KSRTC.

KSRTC also has its own Stores and Purchase Manual based on the provisions of the Act and the decisions taken by its board. The manual states all the procurement policy/delegation of powers, rules for evaluation of the bid document, award of contract are well defined.
The procurement process in KSRTC is centralized for all the other transport corporations under its purview viz. Bangalore Metropolitan Transport Corporation (BMTC), North-West Karnataka Road Transport Corporation (NWKTRC), and North-East Karnataka Road Transport Corporation (NEKRTC). However, individual divisions are authorized to procure up to 10% of the allotted budget in case of emergency, duly following the purchase procedures laid down as per the provisions of KTPP Act.

The tenders at KSRTC is evaluated by two committees namely, the Central Purchase Committee (CPC) and Central Purchase Sub Committee (CPSC) comprising 12 to 14 members, which includes the Managing Director, Directors and Heads of the Departments. They have financial powers for sanction and procurement of goods, works and consulting services and the aforesaid committees approve the proposals. Composition of the Committees and their schedule of power (SoP) have been given below.

a) Central Purchase Committee: For all purchase schedules of annual value of Rs 2 crores and above, the purchase orders is decided by this committee, with the following members:

| Vice Chairman and Managing Director, KSRTC | Chairman |
| Managing Director, BMTC | Member |
| Managing Director, NWRTC | Member |
| Managing Director, NEKRTC | Member |
| Director, (P&E) | Member |
| Director, (S&V) | Member |
| Director, (Technical) | Member |
| Chief Accounts Officer cum FA, KSRTC | Member |
| Chief Mechanical Engineer, KSRTC | Member |
| Chief Mechanical Engineer (Production), KRSTC | Member |
| Chief Accounts Officer and Internal Auditor, KSRTC | Member |
| Controller of Stores and Purchases (CoSP), KSRTC | Member Secretary |

b) Central Purchase Sub-Committee: All purchase schedules and procurement between Rs 20 Lakhs and Rs 2 crores is decided by this committee, with the following members:

| Managing Director, BMTC | Chairman |
| Managing Director, NWRTC | Member |
| Managing Director, NEKRTC | Member |
| Director, (Technical) | Member |
| Chief Accounts Officer cum FA, KSRTC | Member |
| Chief Mechanical Engineer, KSRTC | Member |
| Chief Mechanical Engineer (Production), KRSTC | Member |
| Controller of Stores and Purchases (CoSP), KSRTC | Member Secretary |

The bidders can also be suspended or debarred in case of non supply of material as per the delivery schedule, supply of poor quality material, non commitment to the terms of the agreement, which can lead to vehicle off road and cause financial loss to the corporations. The bidder is issued show cause notice for seeking their explanation for the default and after receipt of the same and based on the facts, the bidder is blacklisted.

For resolving of contractual disputes the MD, KSRTC is the arbitrator and his decision is final and biding on both parties However, discussions with the agency officers indicated that the system is working satisfactorily and there are no issues with the business community. Provisions of Arbitration Act 1996 however, provide for appointment of independent arbitrator as a sole arbitrator acceptable to either the parties or three arbitrators—one each from either party or a third as a presiding arbitrator to be appointed by the two arbitrators.
Transparency and accountability of the procurement process followed by the agency was also assessed as part of the exercise. The transparency was judged on the basis of the price negotiations carried out, ascertaining of threshold limits of public notice and information dissemination regarding public procurement.

As per provisions of the KTPP Act, price negotiations for procurement of goods, works and consultancy is done only with the lowest evaluated bidder. The threshold limit for public notice for bid invitation is 30 days before the opening of the tender of value less than Rs. 100 Lakhs and 60 days for tender value more than Rs. 100 Lakhs. It also insists for 5 to 10 % of the purchase order value as the performance security for all classes and value of contract from all the bidders.

KSRTC undertakes vendor development exhibition cum meetings to broaden the tender participation but does not publish the summaries of information on public procurement.

It has a citizen charter which describes the responsibilities of the agency. All complaints of bidders, contractors and suppliers are investigated by the Security Department / team of officers and reports are presented to the CPC and MD who takes final decision.

**b) Procurement Cycle Management**

**Procurement Planning and Cycle**

The agency has designed a product catalogue containing details of tender cycle, specifications, pre qualification criteria, tender value etc as it purchases items worth Rs. 250 crores annually. For monitoring of the procurement which is based on the consumption period the user has been instructed to send their bulk indents on yearly basis. Then it is monitored by the CoSP with the co-ordination of stores officers. Strict adherence to the procurement cycle the timely award of contract is ensured and the CoSP intervenes in case of delays. KSRTC has submitted lists of the procurements finalized during the last 5 years. The items procured are mainly auto parts, stationary items, consumables for computers etc.

The numbers of tenders finalized are as under:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of tenders</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003-04</td>
<td>153</td>
</tr>
<tr>
<td>2004-05</td>
<td>320</td>
</tr>
<tr>
<td>2005-06</td>
<td>354</td>
</tr>
<tr>
<td>2006-07</td>
<td>308</td>
</tr>
<tr>
<td>2007-08</td>
<td>280</td>
</tr>
</tbody>
</table>

The Agency usually follows 2 cover system i.e., pre-qualification and commercial but in case of GEF–SUTP procurements, the tenders are being called in 3 stages i.e., Pre-qualification, Technical presentation / demonstration and commercial offer. The technical presentation / demonstration are evaluated by the committee comprising members from reputed institutions, govt. departments and HoDs of KSRTC.

The procurement of goods and services is carried out in 2 cycles i.e., half yearly tender for tender value more than Rs 2 crores and yearly cycle for tender value less than Rs 2 crores. The civil
works are entrusted as per Govt. schedules of rates issued by PWD and are updated periodically. As per the CoSP, KSRTC the completion of activities of each cycle is carried out as laid out in the manual. Table 5.6 gives the procurement schedule for various stages involved in the procurement process.

**Table 5-6**

<table>
<thead>
<tr>
<th>Procurement Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publication of Tender</td>
</tr>
<tr>
<td>Opening of Bids</td>
</tr>
<tr>
<td>Evaluation of technical bids</td>
</tr>
<tr>
<td>Opening of commercial bids</td>
</tr>
<tr>
<td>Preparation of Commercial Chart</td>
</tr>
<tr>
<td>Approval of Tender Accepting Authority</td>
</tr>
<tr>
<td>Award of Contract</td>
</tr>
<tr>
<td>Entering into Agreement</td>
</tr>
</tbody>
</table>

The prequalification is on the basis of experience and past performance in similar contracts, capabilities with respect to personnel, equipments, manufacturing facilities and financial status and capacity.

**Bidding Cycle**

The bid document with specifications for goods/works are prepared in-house based on the IS and ASRTU specifications and in some cases with the help of consultants. There are separate bidding documents for ICB and NCB both for procurements of goods and works. KSRTC has a standard purchase order form. No joint venture participation in the tender is accepted.

There is a clause in the Bid documents that the competent authority reserves the right to accept or reject any or all tenders without assigning any reason. This is an arbitrary clause. The bid documents also do not contain any provisions regarding anti-bribery and anti-corruption conditions.

Pre-qualification terms are used for tenders worth more than Rs 50 lakhs with the help of a standard pre-qualification document. The Pre-qualification and evaluation criteria are formed by the contract management group headed by MD, BMTC (IAS officer). The Pre-qualification criteria and Evaluation Criteria is based on the provisions of KTPP ACT. The agency allows any firm meeting the prequalification criteria to enter the bid process even the ones that do not have a local agent. The contractors and suppliers are also evaluated on the basis of supply and quality. Discussions with the CoSP indicated that as per policy of the KSRTC, the agency is giving purchase as well as price preference to SSI units to the extent of 15% and 75% respectively.

The bid documents are available on the agency’s website from the day date of sale as previously notified till a day prior to the last day of receipt of bids. Pre-bid meetings are held only in case of critical items like IT enabled projects/chassis procurement/bus procurement/high-tech equipments etc and bidders are given a period of 15 days to submit the modified document.

The bid is opened within 30 minutes gap between deadlines of submission as the agency has e-tendering. It opened in the presence of representatives from Accounts, Security and Purchase departments and representatives of the agency. The details of pre-qualification criteria and the commercial offer are read out during the bid opening. Minutes are drawn along with the signatures of the participating bidders/agents along with committee members. Only the pre-qualified bidders are invited for the process. The final evaluation is carried out by the CPC and CPSC.
**Contract Management**

The lowest evaluated price is the criteria adopted for award of contract by the agency and negotiations, if any are conducted only on price and scope of work. The agency does accept conditional and inadequate performance securities. For selection of consultancy services if necessary it is also based on quality and lump sum amount is paid. The agency also follows repeat-order system as per the provisions of the KTPP act to the extent of 25 % of tender quantity.

The monitoring of the contract is done by the CoSP and the delivery of goods and services is monitored by the stores officer or the user departments. Payments to the suppliers/contractors are done as per following schedule:

- Advances within 3 days;
- Progress payment within a week’s time; and
- Final payment within 30 days.

However no interest is paid in case of delay in payments.

To ensure quality, third party inspection is being carried out by CIRT Pune, Sriram Institute of Industrial Research Bangalore and Geological and Metallurgical Laboratory Bangalore.

Contract changes or variations are also entertained by the agency and any dispute regarding the contract execution is resolved by the management team of KSRTC. Supplier's or contractor's claims are settled based on terms and conditions described in the Purchase Order. Under the provision of the act any non-performing agency can be blacklisted and security deposit is forfeited. The agency has a formal system of contract closing.

c) **Implementation Arrangement**

**Organisation of Procurement Unit**

**PIU:** The Project Implementation Unit has been set up comprising following officers:

Project Manager-------Mr. Anand, CME/KSRTC

Transport Specialist---Mr. ( to be nominated)

Env./Social Officer----Mr. P.S.Anandrao M.E.(Env.)

Finance Officer---------Ms. M.N. Gayatri, A.O.

Procurement Officer---Mr. Mahadev Prasad, Stores Officer.

The PIU will coordinate with various agencies and procurement officers in expediting procurement activities in GEF/SUTP.

The Stores and Purchase Manual of the agency has laid out the organisational chart and responsibilities, which is being followed in totality by the agency. Vice Chairman/MD is the Head of Organization assisted by COS&P, Dy. COS&P, Assistant Purchase Officers, Assistant Stores Officers and the Depot Officers. The manual is updated from time to time as per requirement. The financial powers of the procurement unit are limited to paying of bills of procurement order.

The agency has good institutional capacities and organizational arrangements for effective implementation of projects. The functions of pre-award work are handled by Stores Department.
and that of the post-award work by user departments. PIU will be the nodal agency to coordinate with various departments/committees in the implementation of procurement activities.

To maintain transparency of the accounting and financial management regular auditing is carried out. Internal audit is carried out by separate internal department with the officers representing Corporation. External audit is carried out through government nominated resident audit officer from AG’s department. Their recommendations are taken into consideration during the next tender finalization. KSRTC also has a law department for providing all legal advice and if required external legal advice is also sought.

The agency maintains a list of records on procurement starting from the process of public advertisement to bidding, evaluation, signing of contract, furnishing of performance securities till selection of the successful bidder. The data base on current market prices of commonly needed items is regularly updated by the CoSP. It also has a materials management and inventory control application software to monitor the procurement system.

**Staffing and Training**

The procurement staff is selected as per the provisions of Cadre and Regulations, of the KSRTC and as per the annual appraisal reports of the individual. The agency has adequate number of staff as per the Stores Manual but lacks staff with adequate experience in procurement.

KSRTC has its own 3 training centres exclusively for its staff where regularly training programmes are carried out after assessing the staff needs by user departments and depending on growth, origin or increase in volume of work. Programmes are organized both-in-house and external by HRD department. The training institutes can also carry out course in public procurement procedures as per the WB to enhance the knowledge of World Bank guidelines on procurement as it has never carried out a World Bank funded project.

d) **Strength and Weaknesses**

The strengths of the organization are as follows:

- It has the experience of handling project of large amount and also with external funding.
- E- Tendering has been introduced and the Purchase Catalogue and Stores Manual available with the agency provide necessary guidance for settlement of tenders.
- The CPC and the CSPC have full powers to accept or reject the offers and no further acceptance of government is required.
- Agency is fully authorized to enter into contracts, thus reducing the avoidable delays in approaching other govt. officers for approvals etc.
- The procurement staff in the organization has adequate technical skills and is being trained periodically for procurement activities regularly for capacity enhancement.

The weaknesses in the tendering processes are as follows:

- The agency does not permit joint venture participation in tenders. This prohibits enhancement of quality of bids by inducting specialized consultants to form a joint venture.
- The accepting authority’s arbitrariness to accept or reject a bid without assigning any reasons and no redresser systems in place.

e) **Recommendations**

- Staff engaged in procurement activities need to be trained in procedures and systems of World Bank including Standard Bidding Documents.
• No price negotiations should be carried out.
• No arbitrary rejection of bids without assigning any reasons. In fact a debriefing mechanism is needed to be put in place to satisfy the unsuccessful bidders by explaining them the reasons for the rejection of their bids.
• Joint ventures should not be discouraged
• Bid securities / performance securities to be insisted from all bidders and no exemptions.
• Independent complaint redressal mechanism to be introduced for the satisfaction of business community.
• No purchase/price preference is to be given to any class of bidders except in ICB where price preference is allowed to domestic industry.

5.3.6. Naya Raipur

The GEF-SUTP will be implemented by the Naya Raipur Development Authority (NRDA). The transport project envisaged for the new capital of Chhattisgarh is for development of BRTS.

NRDA is responsible for procurement of goods, works and consulting services. The Agency was constituted by the Government of Chhattisgarh under the provisions of Chhattisgarh Town and Country Planning Act 1973 and national and state government laws apply to it. It has been vested with powers to make rules and regulations for procurements under the Act. The system allows introduction of new and innovative techniques within the basic legal framework. The codes and manuals followed by the agency in the procurement activities are: a) CG Works Department manual, 1983 for civil engineering construction works; and b) CG Bhandar Kraya (stores purchases) rules 2002, for procurement of Goods and Equipments.

All sanctions of work, goods and consulting services are put up to Chairman, NRDA through CEO, NRDA. All procurement proposals are also put up through the nominated evaluation committee (nominated on case to case basis) comprising of:

CEO/NRDA- Chairman of the Committee-Member

Subject Expert such as Representative of CIDCO Navi Mumbai, NIT, PWD, CSEB-Member

Representative of Architect/Technical consultant-Member

General Manager PWD/Project-Member

Manager Finance-Member

Section Officer- Secretary

The recommendations are put up to CEO and Chairman for approval. Rules and regulations for sanctions and approval are framed by Board of Directors comprising Additional Chief Secretary (Chairman), Principal Secretary to CM (vice chairman), Secretaries of various departments and Commissioner (Forest). The procurement decision making process is independent from politics.

Schedule of Powers for Administrative sanction of Construction Works and Acceptance of proposals for award are as under:

Chief Executive Officer-------Up to Rs. 1 crore.

Chairman----------------------From Rs. 1 crore to Rs. 3 crores.

Board---------------------------More than Rs. 3 crores.
Similarly CEO has the powers to appoint consultants up to Rs. 25 lacs, Chairman up to Rs. 50 lacs and the Board for more than Rs. 50 lacs.

The procurement functions are carried out section wise. The HOD of a particular section obtains administrative approval, technical approval and approval of bid documents from the competitive authorities as explained above followed by approvals for awards.

Transparency and accountability of the agency was also assessed as part of the exercise. It was revealed that any member of the public can access any information under the RTI Act, 2005. Negotiations are usually avoided as per G.O No.94 Dt 01-07-2003 of Irrigation and CAD Department, but in case required and considered necessary, these are held with all the bidders to obtain lower rates. The negotiations are done in a transparent manner from all the bidders by obtaining the revised price bids in closed envelopes that are opened in the presence of the bidders. The agency has clear and well defined conditions for use of various procurement methods. Open competitive bidding is the preferred method.

The agency revealed that the bid and contract securities are clear and appropriate. The summary of information is recorded and the records are maintained and open for inspection by higher authorities and members of public. The agency does not have any discretionary powers for officials. Communication between the agency and the bidders at the initial level involve holding of pre bid meetings before bid to the procurement is issued. Contractual disputes are settled though a) Departmental redressal system as laid down in the contract b) Arbitration Act 1996.

Stringent laws on anti-corruption are followed by the agency. As per CG CCA Rules of 1961, the officials are punished if involved in bribery. There is an independent agency – Anti Corruption Bureau to prevent the corruption in terms of Prevention of Corruption Act 1988 under section 13(1) and 13(2). The bidding documents contain all these details. An aggrieved party who alleges that public officials resorted to acts of bribery in the award of procurement contract can lodge a complaint under criminal law to the police or Anti-Corruption Bureau for disciplinary action. The bidders can also approach higher authorities for the same. The complaints are dealt by the CEO and an enquiry officer is nominated to deal with same. Decisions are taken as per the results of the enquiry. The standard form of agreement set out in the C.G.Works Department Manual, the clause no. 25 interalia, provides for anti corruption conditions.

b) Procurement Cycle Management

Procurement Planning and Cycle

The agency prepares procurement plans and budget estimates before starting procurement processes and has competent staff for these activities. It was noted that to a large extent, these plans are detailed and realistic to produce achievable completion schedules and accurate cost estimates. Some project works are also out sourced to consultants.

Appropriate methodologies are used to plan multiple inter related procurement activities on large projects. The individual project components are packaged into viable financial units. These help in meeting the completion schedules.

The agency has adequate procedures and methodologies for planning procurement of recurrent items. It conducts market surveys regularly to update the prices for goods, works and services and prepares SoR. Table 5.7 gives the procurement schedule for various stages involved in the procurement process.
Table 5-5: Procurement cycle

<table>
<thead>
<tr>
<th>Activity</th>
<th>Duration (Days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bid advertisement to receipt of bids</td>
<td>30</td>
</tr>
<tr>
<td>Opening of technical bids</td>
<td>1</td>
</tr>
<tr>
<td>Evaluation of technical bids</td>
<td>15</td>
</tr>
<tr>
<td>Opening of financial bids</td>
<td>10</td>
</tr>
<tr>
<td>Evaluation and recommendations of the bids by the Committee</td>
<td>15</td>
</tr>
<tr>
<td>Approval by the Competent Authority</td>
<td>15</td>
</tr>
<tr>
<td>Award of contract</td>
<td>7</td>
</tr>
<tr>
<td>Entering into agreement</td>
<td>7</td>
</tr>
</tbody>
</table>

Bidding Cycle

**NRDA has so far not done any** WB funded project and have a skeleton procurement staff. During the last 2/3 years the agency has finalised 16 nos. Consultancy Contracts only, through QCBS and Single Source Selection methods. However the Procurement Officer, designated for this project, is familiar with the Bank Procurement Policies, Guidelines and the Standard Bidding Documents.

The agency has competent staff for preparation of bidding documents. However services of external consultant are also utilised for the preparation of specifications for goods/works including bid documents and bid process management.

The agency has standard bidding documents for goods and works and the staff is conversant with modifications in bid data sheets and special conditions of contract to suit varying requirements of the project. Instruction to Bidders Document contains all information necessary to prepare responsive bids. There are no separate documents for ICB and NCB. For small works percentage rate tenders based on SOR are invited where as for medium and large works, item rate tenders are invited. For GEF/SUTP purchases, the WB has specified use of Item Rate documents and have issued the Standard Bid Documents to the cities for such procurements.

The agency has made it mandatory for all bidders to provide bid security. As per guidelines; there are no exemptions to any class of bidders. Presently they take 2.5 % bid security in all the tenders and all bidders are required to furnish Bid Security without any exceptions. World Bank guidelines provide for 1-3 % for works and 2-5 % for goods as the bid security.

During the discussion, it emerged that bid documents provide adequate coverage for important commercial and legal issues and provide adequate protection to the government without putting undue risk on the bidders. Bid documents for Works contain Price Adjustment clause. The required materials are procured by the contractors as per the prescribed specification under the supervision of the department.

There is no prequalification procedure in the department and Works are awarded through competitive bidding only. The suppliers are not required to have a local agent in order to qualify to bid.

Communication is initially in the form of advertisement. The contracts are publicly advertised in newspapers. 30 days time is allowed to obtain documents and prepare bids. Later, pre bid
meetings are held and the clarifications/amendments are promptly forwarded to all the bidders to enable them to send their bids in time. Bidders are offered sufficient time to revise their bids following modification of documents.

A standard procedure is followed for receipt and opening of bids. Bids are opened in the presence of bidders or their authorised agents. Evaluation is done by qualified evaluating committee comprising Project officer, one officer each from concerned department, planning department and an accounts officer. The responsiveness is determined on the basis of the documentary requirements described in the documents. Evaluations are generally completed within the original validity period. Bid evaluation reports contain all essential information.

**Contract Management**

Contracts are awarded to the lowest evaluated responsive bidder. The agency has appropriate contract monitoring system. Suppliers and Contractors are generally paid within 2 weeks of submission of invoice. Delivery of goods and services is also watched over. Contract changes or variations are handled promptly in accordance with the contract conditions.

The agency follows an appropriate mechanism for resolving disagreements between the agency and the supplier. Initially attempt is made to resolve disputes through informal negotiations through management committee meetings. If the informal negotiations fail, the disputes are handled in accordance with the contract condition. The claims of supplier, contractor and consultant are handled fairly based on a clear recognition of both parties’ obligation under the contract.

The agency revealed that the contracts are generally completed on schedule. In some cases, the work was getting delayed due to non-availability of land for construction work as the land could not be vacated from the owners. This resulted in leaving out some patches on which construction could not be carried out. It was further told by the contractor that the payments against their bills generally get delayed due to delay in passing the bills by the PMC who normally take a month. Enquiries with the PMC revealed that the invoices being submitted are usually deficient, with the result that these are returned for resubmission with corrections at present no interest is paid to the contractors.

Liquidated Damages are imposed as per terms of contract, for slippages in the fulfilment of important milestones of the work. Both, in house and third party inspections are carried out. Audits are conducted regularly by the staff of Accountant General.

c) **Implementation Arrangements**

**Organisation**

All procurement proposals are prepared and put up to the chairman through CEO for approval. The staff is qualified and experienced in planning, preparation of bidding documents, bidding process management. However, services of expert consultants are utilised for preparation of bid documents and bid process management.

The Project Implementation Unit (PIU) has been set up and consists of the following officers:

- **Project Manager**—Mr. L.K.Panigrahi (GM,Project).
- **Transport Specialist**—(yet to be appointed)
Env./Social Officer-----Mr. J.P.Sharma(Manager, Env.)

Finance Officer----------Mr. P.C.Jain(Manager Finance)

Procurement Officer-----Mr. A.R.Gupta(Asst. Engineer)

The PMU will coordinate with the concerned competent authorities for obtaining various sanctions in respect of procurements under GEF/SUTP and approvals for awards and ensure that all the activities in the process of procurement are carried out according to WB guidelines. Procedural manuals are followed by the staff which include i) CG PWD Code which defines the scope of administration and executive functions of the officers. ii) CG Accounts code describes the functions of the CAG of India in relation to government accounts. iii) CG Financial Code contains the financial rules and delegating financial powers to the Officers. iv) CG CCA Rules relate to conduct rules of Government employees. Auditing of all Works and Accounts is carried out by the Local Fund Audit and Accountant General Audit. LFAD is an independent organization functioning under the finance department of GOCG. The audit is conducted for effective implementation of programmes and to ensure a) government accounts are properly kept b) Rules and procedures framed and applied are sufficient to provide an effective check on the assessment, collection and proper allocation of revenues and receipts of government c) All the money expended and charged to an account has been used strictly according to the provision made. d) Essential records are maintained, rules and procedures framed and applied sufficiently safeguard the control of government property.

The agency disseminates information on procurement adequately. Procurement staff is aware of updated rules and other aspects related to their assigned responsibility. The procurement and supply management functions are clearly distinguished. The contracting authority is reasonably delegated. Procurement agents are not used. All records pertaining to procurement processes are maintained properly for auditing purposes. Periodic reports concerning procurement activities are prepared by the concerned engineers for scrutiny by the higher officers.

**Staffing and Training**

Job description for the staff is mentioned in the departmental manual of the agency and staff skills match the requirements of the job. Staffs are selected based on their qualifications and experience.

NRDA does not have permanently appointed staff. It has a policy to hire experienced officers and employees on deputation from other departments/agencies of the state government from time to time. For specialized jobs, experienced and expert consultants are hired”.

There are some vacancies in the department that need to be filled up by the staff with procurement background immediately as NRDA has not implemented any Bank funded project.

**d) Weaknesses and Areas of improvement**

The agency has skeleton staff with no procurement experience and has not done any externally funded project so far. How ever the procurement officer nominated for the PMU has undergone training in procurement imparted by ASCI Hyderabad and also has more than three years experience of World Bank procurement process on Chhattisgarh World Bank Poverty Reduction Project. The systems presently being followed in the agency are not in line with the World Bank Procurement guidelines. Main deviations are:

- Price negotiations are conducted with all the bidders.
• There is no system of publishing summaries of information viz., number of bids received, names of successful bidders, number of contracts awarded in a given period etc.

• Project work started without handing over the entire land to the contractor. The land should be free from all encumbrances. Handing over part land results in delays and at most occasion’s results into litigations and hampers the project work.

• Payments to contractors delayed due to stoppages of work and delay in processing of invoices. Delay in payments results in jacking up the prices by the bidders.

• The agency is not doing any contract with pre-qualification method. Such system is considered better in highly sophisticated works involving complicated design of structures.

• The staff is not exposed to SBD for ICB and NCB. They have not done any World Bank funded project.

e) Recommendations

Procurement cell is required to be created with adequate number of staff with procurement background.

• An independent grievance redressal section to deal with the issues arising out of implementation of the Project should be set up and this information should be indicated in the bid documents as well as on the departmental website.

• Summaries of the number of contracts awarded, number of bids received, details of works commenced etc, should be published in a journal of the agency or published in the website of NRDA. The names of successful bidders can also be published. This will inculcate transparency and confidence in the business community.

• Debriefing of the unsuccessful bidders also creates sense of confidence and doubts amongst bidders.

• The SOR should be updated periodically to match with current market prices.

• No price negotiations should be conducted.

• Payments to be made in time as per the schedule indicated in the bid documents.

• Interest at the rate mentioned in bid documents should be paid for delayed payments.

• Training to the procurement staff in line with the training undergone by the nominated Procurement Officer in the PIU, on World Bank procedures and standard formats and bidding documents issued by the World Bank, evaluations of bids etc. needs to be imparted.

• All preparatory work with regard to handing over of site should be completed before award and start of contract work.

The system of monitoring the performance of contractor’s work and performance should be mechanized for upgrading or downgrading their class needs to be introduced.

5.3.7. Pune (Maharashtra)

The GEF- SUTP will be implemented by the Pune Municipal Corporation (PMC) in the city of Pune. The demonstration project is for improving pedestrian infrastructure by providing street furniture and reconditioning the footpaths and construction of cycle tracks at city level as feeder network for BRT and overall improving the infrastructure of cycle tracks.

a) Legal Framework for Public Procurement

PMC was established in 1950 under the Mumbai Provincial Municipal Corporation (MPMC) Act 1949. The provisions of MPMC Act and the State Government’s PWD rules and regulations are applicable to all procurement activities. Maharashtra State Government Public Works Department manual (MPWD) is the source for procurement rules apart from MPMC Act.
Chapter-5: Procurement Capacity Assessment

All procurements for civil works are done by engineering departments of the PMC. The Estimates Committee scrutinises estimates put up by the nominated project officer and the bids received and the Standing Committee decides the allocation of works to contracting firms. The Estimates Committee consists of City Engineer, who is the head of the technical wing of the corporation, and other technical heads (usually 9 members) and the Standing Committee consists of 16 members (Municipal Commissioner/ Additional Municipal Commissioner and elected members of the House).

There is a Central Tender Cell in place which is responsible for issuing and receiving bids and for opening the same as per laid down procedures. The tender cell then forwards the tender batch to the concerned nominated Project Officer or to the Consultant (if appointed for the Project). In case no consultant has been appointed, the report is prepared by the Project Officer and forwarded to the Estimates Committee which is composed of HODs of various departments (usually 9 members). Estimates for works up to Rs. 50 lacs individual HODs of the departments are competent to approve and beyond Rs. 50 lacs the Estimates Committee approves. The proposal is thereafter forwarded to the MC/Adl.MC after passing it through audit and vigilance department and then to the Standing Committee for their decision for award and forwarded to the Municipal Commissioner for administrative orders. The following is the Schedule of Powers vested to various officers in the department:

Assistant Engineer up to Rs. 1 lac.
Deputy City Engineer/ Zonal Officer -- From Rs. 1 lac and up to Rs. 3 lacs.
Zonal Commissioner – From Rs. 3 lacs and up to Rs. 10 lacs.
HODs of the concerned department – Up to Rs. 10 lacs.
Ward Committee (HODs of various departments) -- From Rs. 10 lacs and up to Rs. 25 lacs.
Standing Committee* – Full Powers beyond Rs. 10 lacs (for purchases centrally by the PMC) and beyond Rs. 25 lacs for Zonal Purchases.

*The Mayor and all the elected members of the House.

The PWD manual of the state government defines rules and procedure for bidder’s suspension and debarment apart from rules and regulations under the MPMC Act 1949. Firms are blacklisted for 3 years and this leads to termination of current works and if required, penalty is also imposed in addition. The decision for such punitive action is taken by the MC after following the process of giving opportunity to the defaulting bidder for explanation etc.

The complaints of bidders and contractual disputes are referred, as per tender condition, to the following:

- Project Head (1st Level)
- Administrative Head, Municipal Commissioner (2nd. Level)
- Judicial Jurisdiction (Last Resort)
- A tender document for a Road Over Bridge was examined. Clause 58 of the General Conditions of Contract stipulates as under:

  “All disputes and differences of any kind in connection with the contract shall be referred to and settled by the engineer-in-charge. In case of disagreement with the decision of the engineer-in-charge, the matter shall be referred to the Commissioner PMC whose decision shall be final and binding.”

  **Arbitration is not allowed.**
There is no independent grievance redressal cell in place.

Bids for all cases of procurement above Rs.10000 are being called through advertisement. In case the prices obtained during bidding process are found higher by the estimates committee, the tenders are recalled or price negotiations are conducted. At the time of submitting bids, 1% EMD is called for and the bids without EMD are rejected straightway and balance 4% is recovered from successful bidder against work order to form security deposit of 5% for all classes and values of contract. These are exempted from deposit of security: exemption certificate holders of PWD, specific bidders as resolved by the general body or standing committee, charitable organizations registered with charity commissioner.

b) Procurement Cycle Management

Procurement Planning and Process

The steps involved in the procurement cycle are mentioned below:

- Floating of tender by the Tender Cell.
- Opening of the Bids, inspection and identifying the Bidders for suitability as per tender conditions and forwarding with the report to the concerned department is also carried out by the Tender Cell.
- Short listing the bidders and forwarding the case for approval to the concerned authority (Standing committee for > Rs. 1 million), by the Concerned Department.
- After approval by the concerned authority, for issuing work order after obtaining security deposit from the bidder—by concerned department.

Duration of each step involved in the procurement process is decided by the departmental head in consultation with the consultant appointed for the project and is thereafter monitored by HoD or the project-in-charge.

Bidding Cycle

For most of the works technical specifications for the bid document are prepared in house but for special and major projects, consultants are involved. Similarly pre qualifications of bidders are done only for major and special works.

Every individual department has a list of registered/approved suppliers and is reviewed at the time of renewal after evaluating their performance. About 800 firms are registered in all the departments of the corporation. The credentials of the bidders are checked at the time of selling bid documents. The agency has introduced e-bidding and during discussions with the officers, it was advised that passwords for downloading the bid documents are given only to those with proper credentials. Pre-bid conferences are also held for major works and normally 10 days are given to submit bids after pre-bid meeting. It is compulsory for suppliers to have local agents for qualifying for bids for goods or services. During discussions with the officers, it was also revealed that consultants for the projects are appointed from the available lists of empanelled (agency has about 20 consultants on their panel) consultants without resorting to selection of consultants as per guidelines in each case.

The SoR is prepared department wise and updated every year as per the prevailing market conditions. Cost estimates for the bid document are based on these SoR and the data is used for all civil works related activities. The PMC follows two packet systems for specialised works and project works of above Rs. 1 crore. There are no standard quotation forms.
The gap between the deadline for submission of bid and its opening is normally 10 days and bids are opened in the presence of representative of bidder and personnel of the Tender Cell. In case of invalid bid in two packet system the financial bid is not opened and returned to the bidder. The bids are evaluated by the HoDs, project officer of large value contracts and by the project officer and staff for small value contracts.

The bidder’s qualification are based on the data submitted by the bidder like, work orders, project completion certificates received, income tax returns etc. Sometimes relaxation is given to technically qualified bidders for financial bid after taking into consideration its past performance.

Bribery is a criminal offence and if any officer is caught, a severe punishment is imposed. Government has established a special court to attend to complaint cases only.

**Contract Management**

The contract is awarded to the lowest price bidder and PMC enters into a contract with due permission of the government.

The progress of performance of contracts is reviewed periodically and MIS is prepared by each department and put up to HoD and Additional Municipal Commissioner. Major causes of slippage in the completion schedule of the project are: Natural calamities, acquisition issues and site related disputes.

Generally it takes about a week’s time for arranging payments from the date of submission of invoice. However sometimes there are delays due to inadequate budget amount which is met by transfer from other budgetary provisions but no interest is paid on delayed payments.

Sanction of concerned authority is taken before starting any additional work involved due to variations in the requirements. However in exceptional conditions the work is undertaken prior to issuing formal change order.

For works below the threshold of Rs. 1 million, in house inspections are carried out and beyond 1 million third party inspection are resorted to. If a problem arises in third party inspections and also on the samples collection for inspections then involvement and opinion of HoD of the department is taken to resolve the issues.

Internal audit department carries out the audit of procurement cases every year and action taken to clear the objections and if considered necessary, arranging recovery from the defaulting agency.

The agency has a formal system of contract closing and the final payment amounts to completion of the project.

c) **Implementation Arrangements**

**PIU:** PIU has been formed and consists of the following officers:

Project Manager---- Mr. Vivek Khadwadkar, Adl. City Engineer (Roads).
Finance Officer -----Mr. Virendra Jhadavrao, Chief Accountant.
Transport Specialist--- Mr. Shrinivas Bonala, Adl.City Engineer (Project)
Environment Officer--- Mr. Mangesh Dhige
Procurement Officer--- Mr. Madhav Latkar, Development Engineer (Roads)

The PIU so formed will coordinate with various sanctioning authorities and committees involved in the process of sanctioning of estimates and related procurement activities for settlement of tenders and awards of contracts.

**Organization:**

The organization set up for Procurement is as under:

![Organization Diagram]

A code of conduct for government servants is available and is updated regularly by several govt. circulars. All the departments of the corporation have adequate number of qualified staff. Procurement functions are handled by several Additional City Engineers and Development Engineer with the help of their subordinate engineers. In addition, consultants are engaged for major projects who prepare bid documents, assist in evaluation of bids and contract preparation and it’s subsequent management followed by quality control and inspection. In order to access the present available procurement capacity of the organization, the agency has stated the following figures in reply to question no. B 8.9 of the questionnaire:

<table>
<thead>
<tr>
<th>Year</th>
<th>No.of works</th>
<th>Tender Amount(lakhs)</th>
<th>Expenditure(lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>286</td>
<td>19499</td>
<td>7408.3</td>
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<tr>
<td>2006-07</td>
<td>310</td>
<td>20827</td>
<td>13238</td>
</tr>
<tr>
<td>2007-08</td>
<td>494</td>
<td>26393</td>
<td>21466</td>
</tr>
</tbody>
</table>

Average time taken from date of bid opening to award of work---2 months.

Number of contracts awarded under each category.
Within initial validity period—95%

Delay of 60 days after bid validity---5%

Delay beyond 60 days—Nil

The figures indicate reasonably good available institutional capacity.

d) Weaknesses and areas of improvement

- There is no independent grievance redress system in the department. All complaints of the bidders should be received and handled by a separate cell headed by an officer who is not involved in the decision making process.
- There is no arbitration clause in the Bid documents.
- There are exemptions to certain categories of bidders in submitting the bids with adequate earnest or bid money.
- There is a system of filtration at the time of selling bid documents and the firm’s credentials are verified at this time.
- The agency insists requirement of local agents for considering qualification of a firm for a work.
- The agency has not undertaken any externally funded project so far. The staff is not exposed to SBD for ICB / NCB of the World Bank funded projects.

e) Recommendations

- Unless the entire site has been acquired and the land available is without encumbrances, the award should not be finalized to avoid further complications in regard to delay in completion, delayed payments to contractors followed by further disputes.
- Payments to contractors are sometimes delayed due to inadequate budget which is met by transfer of funds from other provisions. No interest is paid on delayed payments. It is suggested to release the orders only on availability of adequate funds and in case the payments are still delayed, interest at the rate mentioned in bid documents should be paid.
- An independent grievance redressal system should be put in place.
- Standard Arbitration Clause needs to be put in the Bid documents and all the disputes related to the Contract Award and management of contracts, if not settled through the process of independent grievance redresser or reconciliation, may be referred to and settled through Indian Arbitration Act 1996 and its detailed procedure/clause should be mentioned in the Special Conditions of Contract.
- No filtration of perspective bidders at the time of selling bid documents.
- Local agents should not be insisted for considering responsiveness of the bidders.
- No price negotiations should be conducted.
- There should be no exemptions to any category of bidders for submitting bids with adequate Bid Security.
- Consultants should be appointed by following the procedure laid down for selection and appointment of consultants as per World Bank or GoI guidelines as the case may be.
- The staff and officers engaged in procurement activities should be deputed to attend workshops and training courses in public procurement being organized by some reputed institutions.

5.3.8. Thiruvanathapuram (Kerala)

In the city of Thiruvanathapuram, KSUDP will be the implementing agency for the GEF- SUTP. It is the PMU, set up by the LSGUD for the implementation of the ADB funded project in Kerala. It is also the state level nodal agency of the State Government.
a) Legal Status of Public Procurement

As discussed KSUDP is the PMU with PIUs set up in all the five project cities. This PIU is housed at the respective municipal bodies in the project cities. The procurement functions are decentralized and are carried out by individual PIUs attached with respective corporations. The procurement under GEF- SUTP will be handled by the PIU located at the Thiruvananthapuram Municipal Corporation. The Project Administration Manual (PAM) and Stores Purchase Manual of Kerala define the rules and regulations applicable to procurement of Goods, Works and Consultants services.

The PIUs consist of a Project Manager, a Technical Officer (procurement), a technical officer of the concerned department and a Tender Evaluation Committee, (TEC) which is nominated on case to case basis. The composition of TEC is as follows:

<table>
<thead>
<tr>
<th>Project Manager, PIU</th>
<th>Chairperson</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical Officer(procurement),PIU</td>
<td>Member</td>
</tr>
<tr>
<td>Corporation Engineer, TMC</td>
<td>Member</td>
</tr>
<tr>
<td>Municipal Finance Officer, PIU,</td>
<td>Member</td>
</tr>
<tr>
<td>Technical Expert, KSUDP</td>
<td>Member</td>
</tr>
</tbody>
</table>

The bidders can also be suspended or debarred in case of non supply of material as per the delivery schedule, supply of poor quality material and non commitment to the terms of the agreement. The bidder is blacklisted as per the PAM and KPWD rules.

Transparency and accountability of the procurement process followed by the agency was also assessed as part of the exercise. The transparency was judged on the basis of the price negotiations carried out, ascertaining of threshold limits of public notice and information dissemination regarding public procurement.

Price negotiations for procurement of goods, works and consultancy are done as per Government of Kerala rules and the guidelines of the funding agency. The threshold limit for public notice for bid invitation is 30days for NCB.

Bids and performance securities are insisted from all bidders without any exceptions. The summaries of information regarding number of bids received, number of contracts awarded in a particular period, names of successful bidders etc. are published on the departmental website of KSUDP.org, Thiruvananthapuram corporation website and also in news letters of KSUDP. Regular meetings with the business community are being held to discuss procurement issues and gain from their experience.

The bid documents have provision of anti bribery and anti corruption conditions as outlined in the PAM. Contractual disputes are settled as per provisions in the PAM and KPWD rules. The complaints of bidders / contractors received are forwarded to the tender evaluation committee to review and take decisions. The guidelines however suggest that the complaints should be dealt with by an independent authority so that unbiased view can be taken. The agency therefore, needs to put in place, an independent grievance redressal mechanism to deal with the contractor’s complaints.

KSUDP has a published code of ethics with the basic features of public disclosure law and RTI Act 2005. The provisions of anti bribery and anti corruptions conditions are detailed in the PAM.

b) Procurement Cycle Management
Procurement Cycle and Planning

As part of the project preparation KSUDP prepares a DPR that includes procurement plans for goods, works, and consulting services, as mentioned in the DPR, for an initial period of 18 months and updated annually or as and when required. The monitoring of the procurement plan is carried out by preparing work schedules and fixing deadlines for each activity. In case of delays, the PMU intervenes for assistance and guidelines. Network planning techniques such as critical path method are also used for deciding the schedules for parallel activities in the procurement plan. After deciding schedules for procurement activities, the bidding packages are prepared as per the guidelines indicated in the PAM. KPWD maintain the data bank for schedule of rates for civil engineering works and the data is used in preparation of budget estimates. These rates are periodically updated based on current market prices of various components and items in the works. The procurement activities and departments responsible to carry out the same have detailed out in the Table 5.8.

<table>
<thead>
<tr>
<th>Table 5-6: Procurement Activities and Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Activity</strong></td>
</tr>
<tr>
<td>Bid Advertisement</td>
</tr>
<tr>
<td>Issue of bid documents</td>
</tr>
<tr>
<td>Receipt of bid documents</td>
</tr>
<tr>
<td>Opening of bids</td>
</tr>
<tr>
<td>Evaluation of technical bids</td>
</tr>
<tr>
<td>Opening of financial bids of technically acceptable bidders</td>
</tr>
<tr>
<td>Evaluation of financial bids</td>
</tr>
<tr>
<td>Award of Contract</td>
</tr>
</tbody>
</table>

Bidding Cycle

The bid document with specifications for goods/works is prepared with the help of consultants. There are separate bidding documents for ICB and NCB both for procurements of goods and works. KSUDP has a standard purchase order form and they also have a standard quotation form.

Pre-qualification terms are used for both NCB and ICB and even after award of contract award verification is carried out to check if the successful bidder meets the prequalification requirements. The agency does not maintain any lists of registered / qualified suppliers contractors or consultants and awards are decided based on the participation of bidders and selection of the lowest responsive bidder. It is also not mandatory for the bidders to have a local agent for considering responsiveness of their bid.

KSUDP does not restrict the sale of bid documents by checking credentials of the bidders and bid documents are sold to all who desire to buy without any filtration. It is suggested that the blacklisted firms and those appearing on the primary boycott list should not be given the bidding documents.

Pre bid meetings are held in all the cases involving NCB and ICB. A minimum of 15 day period is allowed to bidders to submit their bids after the pre bid conferences and advising them the changes if any related to technical aspect. The bid documents are available for sale as previously notified till a day prior to the last day of receipt of bids.

Bids are opened in the presence of bidders and their authorized agents and the gap between closing time and opening of bids is generally one and half hour. Bids received prior to dead line
of opening, are kept safe in the custody of Project Manager. All financial aspects of the bids are read out and the details are entered in a register maintained by the bid opening officials. Two envelop bidding procedure is followed. However, bids not accompanied by a bid security or of inadequate value are not opened. The bid opening procedures are same for works, goods and services.

Tenders are evaluated by the TEC and all officers evaluate the bids and then their recommendations/evaluations are combined. The evaluation criteria are defined in the PAM of the corporation.

**Contract Management**

The officers of the corporation are not fully competent and have to obtain governments approvals on the recommendations of the evaluation committee, for award of the contracts.

The lowest evaluated responsive bid of the qualified bidder is selected for award of contract by the agency. No price negotiations or counter offers are made. The agency does accept conditional and inadequate performance securities.

Contract changes or variations are also entertained by the agency as per the PAM. Payments to suppliers and contractors are made within a period of 30 days and there are no delays. Delivery of goods and services is monitored by periodic evaluation. Supplier’s/Contractor’s claims are handled by a team comprising of Design and Supervision Consultants, Technical Support Unit (TSU), PMU, and PIU Thiruvananthapuram corporation.

Audit of procurement cases is being done by TSU and PMU and no external independent audit. To ensure quality, third party inspection is being carried out for inspection of goods and works. The agency has a formal system of contract closing.

c) **Implementation Arrangements**

Project Implementation Unit (PIU) has been set up for implementation of GEF/SUTP/INDIA and consists of following officers:

- **Project Manager**
  - Ms. Lalithambica, Project Superintending Engineer (Corporation).

- **Transport Specialist**
  - To be appointed.

- **Environment Officer**
  - Ms. P.Geena Prasad, Tech. Officer (env.).

- **Social Officer**
  - Ms. P.Indu, Social Development Officer.

- **Finance Officer**
  - Ms. R.Rajit, Accounts Manager.

- **Procurement Officer**
  - Mr. S. Krishnakumar, Technical Officer.

The PIU (Procurement Officer) shall coordinate with the Bid Opening, Evaluation and sanctioning authorities (committees) for processing the procurements in the GEF/SUTP and awards of the contracts. The PIU will also liaise with PMC and other authorities in the MoUD to get the processes expedited.

The PAM of the agency has laid out the organisational chart and responsibilities, which is being followed in totality by the agency. The agency has good institutional capacities and organizational arrangements for effective implementation of projects. All the PIUs of the KSUDP have technical officers carrying out the procurement functions with a graduate degree in civil engineering.
engineering. All the pre-award and post award work is handled by the same procurement unit. The manual is updated from time to time as per requirement. The financial powers of the procurement unit are defined in the PAM.

To maintain transparency of the accounting and financial management regular auditing is carried out. Internal audit is carried out by an internal audit system and external audit is carried out as per government procedures. Their recommendations are taken into consideration and implemented as per the PAM. KSUDP receives all legal advice from the TMC.

The agency maintains a list of records on procurement starting from the process of public advertisement to bidding, evaluation, signing of contract, furnishing of performance securities till selection of the successful bidder as listed in their PAM. The data base on current market prices of commonly needed items is regularly maintained. Similarly records of contract prices are also being maintained for utilization in the preparation of budget estimates and contract decisions. A report on overall procurement activities are also prepared by the technical officers.

**Staffing and Training**

The roles and the responsibilities of staff and their recruitment is carried out as per the provisions of the PAM. The needs of the staff are assessed by periodic reviews and regular training programmes are conducted both in house and through external agencies like YASHADA. The Agency has competent staff to handle externally aided projects as it is presently doing a project with ADB’s funding.

d) **Weaknesses and Areas of Improvement**

- There is no Independent grievance redressal system existing in the department as complaints handled by an independent authority assure satisfaction of the business community.
- The issue of bids, monitoring of the processes involved, and management of the contracts is being done manually. All such systems should be mechanized and e-procurement should be introduced gradually.
- Price Negotiations should not be carried out.
- Multiple layers of tender evaluations and requirement of government’s approval consume much longer time for decisions. The systems should be set right so that a single tender committee should be empowered to evaluate and put up recommendations to a competent authority in the Agency for approval of contract award. The process will improve efficiency of the system.

e) **Recommendations**

- No price negotiations should be held. The price negotiations make mockery of the tendering process and once the business community comes to know of the fact that negotiations will be necessarily held, they jack up the prices in the first instance.
- The delays of contract awards on account of multiple layers of evaluations and approvals should be avoided by suitably drafting schedule of powers.
- E-procurement should be introduced gradually.
- Independent grievance redressal system should be put in place immediately.

**5.3.9. Pimpri Chinchwad (Maharashtra)**

In the city of Pimpri Chinchwad, PCMC will be the implementing agency for the GEF- SUTP. The demonstration project is for development of BRTS.

a) **Legal Status of Public Procurement**
PCMC is constituted under the provisions of Bombay Provincial Municipal Corporation Act 1949 in the year 1982 and will be a nodal agency for arranging procurements under the project. The provisions of section 73 of BPMC Act 1949 and State Govt. PWD manual and orders of the state govt. issued from time to time will be applicable for procurement activities.

All sanctions of works are accorded by the Corporation House consisting of Commissioner, Mayor and elected members and reviewed by the Standing Committee formed of 16 elected members. There are two committees for Bid opening---One lower level for works below Rs.50 lakhs and the other higher level committee for works above Rs. 50 lakhs. All Procurements are approved by the Commissioner.

Publication of NIT is done by different departments. The sale of forms and receipt is done at one place i.e. Common Facilitation Centre. The receipt of tenders is done at central place in the office of Asst. Commissioner, Stores.

Following is the composition and schedule of thresholds of Tender Committee:

<table>
<thead>
<tr>
<th>Composition</th>
<th>Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant Commissioner (stores)</td>
<td></td>
</tr>
<tr>
<td>Chief Auditor</td>
<td></td>
</tr>
<tr>
<td>Chief Accountant</td>
<td>Above Rs. 50 lakhs</td>
</tr>
<tr>
<td>Concerned H.O.D.</td>
<td></td>
</tr>
<tr>
<td><strong>Accounts/ Stores Officer</strong></td>
<td></td>
</tr>
<tr>
<td>Dy. Chief Auditor</td>
<td></td>
</tr>
<tr>
<td>Accounts Officer</td>
<td>Below Rs. 50 lakhs</td>
</tr>
<tr>
<td>Ex. Engg. of concerned deptt.</td>
<td></td>
</tr>
<tr>
<td>Ward Officer</td>
<td></td>
</tr>
<tr>
<td>Accounts Officer</td>
<td>Up to Rs. 5 lakhs</td>
</tr>
<tr>
<td>Ex. Engg/HOD</td>
<td></td>
</tr>
</tbody>
</table>

Commissioner approves the tender.

Punitive action for failure of execution of contracts by the contractors is done as per the terms of contract and there are no separate rules and procedures for it. Commissioner is the final authority for imposing penalty.

Any dispute is resolved under Clause 58 of the conditions of contract. The provisions of this clause are as under:

All disputes and differences of any kind arising out of or in connection with the Contract or the carrying out the work shall be referred to and settled the City Engineer. In case of dissatisfaction of the contractor with the decision of the city engineer, the matter shall be referred to Committee consisting of the Commissioner (PCMC), the Architect, the Chief Engineer, Public Works Region, Pune and Chief Auditor of PCMC. The decision of the
Committee will be final and binding on both the parties. W.B. guidelines on procurement and Standard Bidding Documents provide for Arbitration Clause according to which the disputes shall be referred to arbitration and settled in terms of Indian Arbitration Act 1996.

The aspect of transparency in the tenders was examined in the light of price negotiations for goods, works and consultancy services and it has been brought out that the price negotiations are being conducted in almost all the cases with the lowest bidder. WB guidelines however prohibit negotiations on price.

Price quotations are being obtained for purchases up to Rs. 3000 for which the Commissioner is empowered to accept and beyond this the tenders are advertised and minimum 21 days notice is given for submission of bids. WB guidelines provide for a minimum of 30 days for NCB and 45 days for ICB notice for submission of Bids.

Bid and Performance securities are being insisted from all the bidders for considering responsiveness of the bids and there are no relaxations to any class of bidders.

There is no system of publishing summaries of information on procurement cases in any journal or issue.

b) Procurement Cycle Management

Procurement Planning and Process

All activities right from the publishing of NIT up to the award of contract are being monitored at the level of HOD of the concerned departments. The staff however has not done any externally funded project and are therefore not conversant with World Bank procedures and Standard Bidding documents. They have not even done international bidding so far.

Procurement Plans are made for first 18 months of the project and reviewed annually for next 18 months and are being monitored at the level of city engineer. Bidding packages will be formed as per geographic location and nature of work. Schedule of rates are formed and updated by the state PWD.

Post qualification criteria only are presently being followed in the settlement of tenders as per PWD rules although earlier about 2 years ago they were also doing pre qualification for specialized works.

In so far as maintaining lists of registered or qualified contractors is concerned, the agency have stated that no such lists are maintained and only those bidders who are registered with CPWD or State PWD are authorized to participate in the bidding.

Bidding Cycle

Prebid conferences are held for all procurements above Rs. 50 lakhs and normally these are held 10 days before bid opening.

The bids are opened by the Committee which is nominated by the commissioner on case to case basis. All financial aspects are read out in the presence of bidders or their representatives and the bids without adequate bid security are rejected. There are two different committees for bid evaluations—one for purchases below Rs. 50 lakhs and the second committee for purchases above Rs. 50 lakhs. Lowest evaluated criteria are followed for acceptance and award of contract.
In the matter of appointing Consultants, the agency is not adopting any tendering procedure but are appointing directly from the panel of consultants maintained by the agency. The appointment of consultants should be done as per laid down procedures of the World Bank guidelines by properly advertising the requirements and calling Expressions of Interest followed by short listing as per laid down criteria and issuing Request For Proposals (RFP) and evaluating the proposals based on either Quality and Cost or only Cost or only Quality or on the basis of Single Source Selection etc. etc. depending on the terms of requirements of consultancy and as agreed between the WB and the Govt./MoUD in the Procurement Plan.

The bidding / packaging strategies are decided as per geographic location and nature of work. It will include all electrical, water supply and other related works. No ICB is being done. Only NCB is followed.

**Contract Management**

The contracts are monitored at the level of Ex. Engineer. There are no manuals as such for monitoring the execution. Technical/ Quality assurance and inspection to ensure compliance to specifications and conformance to quality are being done by the Project Management Consultants. In the absence of PMC, committees are nominated to ensure compliance.

Variations in the bill of quantities or specifications during the course of execution are being allowed as per terms of the contract and in case of large variations these are allowed only after obtaining approval of the General Body.

Payments against invoices submitted by the contractor are allowed only after verification by the Project Management Consultants and it takes about 15 days after submission of invoices. Sometimes payments are delayed due to administrative reasons but no interest is paid.

In the case of non-performance or failure of a contractor to work as per contract provisions, the contractors are penalised by not awarding them future contracts and works are carried out at the risk and cost of the failed contractor.

So far as auditing of the procurement cases is concerned, there is a system available in the PCMC of conducting internal pre auditing by the audit department Chief Auditor appointed by Govt. and external audit is carried out through Govt. nominated resident audit officer from AG’s department.

Monitoring of Procurement is done at City Engineer level and it has not been computerized yet. However tendering has been computerized and e-tendering introduced.

c) Implementation Arrangements

**PIU:** PIU has been formed and consists of the following officers:

Project Manager--------Mr. Ugile Eknath, City Engineer

Transport Expert--------Mr. Karche Ajiz, Joint M.D.

Social Expert-----------Mr. Joshi Sudhir, Assistant Commissioner

Environment Expert-----Dr. Nag Kumar Kuchnagi, Chief Health and Medical Officer

Finance Officer--------Mr. Londhe Nilkanth, Chief Accounts Officer

Procurement Expert ----Mr. Kamble Mhaveer, Executive Engineer
The Project Manager and the Procurement Officer in the PIU will coordinate and follow up with the bid opening committees, Evaluation Committees and Competent authorities in the process of settling the procurement cases in line with W.B. guidelines.

**Organization:**

**The organization of Procurement set up is as under**

There is no separate procurement organization as such. Procurement officers are Civil Engineers and are a part of various evaluation committees. There are various departments under the control of City Engineer, Additional City Engineer, Additional Superintending Engineer, Development Engineer (Electrical) and Deputy Director (Town Planning). The City Engineer heads the Technical, Accounts, and Administration departments. All sanctions of works and further procurement activities are part of technical, account and administration departments and officers at various levels are nominated to form committees for progressing procurement cases.

In order to access the capacity of the organization for procurement, following details have been presented in the table below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of orders</th>
<th>Value/crore</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-05</td>
<td>148</td>
<td>41.94</td>
</tr>
<tr>
<td>2005-06</td>
<td>408</td>
<td>123.86</td>
</tr>
<tr>
<td>2006-07</td>
<td>359</td>
<td>192.05</td>
</tr>
<tr>
<td>2007-08</td>
<td>403</td>
<td>516.34</td>
</tr>
<tr>
<td>2008-09</td>
<td>198</td>
<td>409.17</td>
</tr>
<tr>
<td>upto 31/12/08</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Institutional Capacity of the organization is good as the officers in the procurement are mostly civil engineers. However, they need to be exposed to World Bank guidelines on procurement of Goods, Works and Consultancy services and the Standard formats generated by the Bank involving GOI task force. The standard documents have been given to the agency and to their project consultants.

**d) Weaknesses, areas of improvement and suggestions:**

During discussions with the Procurement Officers and Project Management consultants it was advised that the % age rate PWD formats(B1) are being used in the bidding documents whereas the Bank has issued individual “item- rate” formats(equivalent to B2 format of PWD) in the Standard NCB documents. The reason to stick to % rate formats was advised that the procurement officials and the business community are well conversant with these formats since they are using these for many years. They were however advised to switch over to Standard W.B. documents.

Other areas which are different than the WB guidelines and are prevailing in the PCMC systems are as under:
• There is no Arbitration Clause in the documents. Disputes if any are resolved as per clause 58 of
  the GCC according to which the decision of the City Engineer or the Committee nominated for the
  same, shall be final and binding on both the parties. W.B. guidelines on procurement and Standard
  Bidding Documents provide for Arbitration Clause according to which the disputes shall be referred
to arbitration and settled in terms of Indian Arbitration Act 1996.

• Price negotiations are being done with the lowest bidder. W.B. guidelines do not provide for price
  negotiations and should be done away with.

• Summaries of information on public procurement and number of contracts finalized, names of
  unsuccessful bidders etc. should be published either in a journal or issue or on the website of the
  PCMC and the grievances of the public or contractors should be addressed and resolved and de-
  briefing mechanism introduced in the system. This will bring more satisfaction to the business
  community and transparency in the system.

• The procurement officials of the PCMC and the PMC who are handling procurement activities
  should be exposed to World Bank Standard Bidding documents and procurement guidelines. They
  need to attend training courses on Public Procurement with W.B. funded projects, being organized
  by some institutions like NIFM, Faridabad, ASCI, Hyderabad etc etc.

• The Agency has not done any procurement with International Competitive Bidding so far. Since
  procurement under GEF/SUTP may involve ICB, the procurement officials and the PMC need to
  be conversant with ICB procedures and formats.

• The procurement of Consultants is not being done by advertising the requirements and calling EOIs
  etc. They are being engaged from the available panel without resorting to any standard procedure.
  They need to follow WB guidelines on procurement of consultants viz. QCBS,CQS, SSS etc.

• Payments to contractors should not be delayed and if delay occurs on account of administration
  without any fault of contractors, interest should be paid at a pre advised rate indicated in the Bid
  documents. The bidders generally jack up the prices in their bids where the payments are in
general delayed.

• A purchase manual should be prepared in terms of relevant clauses of Bombay Provincial Municipal
  Corporation Act 1949, State Govt. PWD manual and orders of the state govt. issued from time to
time for procurement activities.

5.4 SUMMARY OF FINDINGS

5.4.1. Legal Framework

All the nine Implementing agencies have varied legal status and follow a series of procurement
guidelines. Some of the IAs are municipal local bodies, few are transport authorities and some
are state level PMUs. The multiplicities of the guidelines can make the monitoring of the
procurement process difficult.

Some agencies do have experience of externally funded projects. However most of the cities
have not done any World Bank funded project and are therefore yet to be exposed to the

5.4.2. Implementation Arrangements

All the nine demonstration cities have different types of organisations and departments carrying
out the procurement function, therefore, for the proper implementation of GEF-SUTP the cities
have been advised to form PIUs comprising a Project Manager, transport specialist, social
&environment officer, procurement officer and a finance officer. The PIU, through the Project Manager, can directly interact with PMU at the MoUD for obtaining clearances or approvals required and for troubleshooting. Among the nine only Jalandhar has not formed the PIU. However, some of the other cities have also nominated the Project Managers and are in the process of nominating/appointing other officers to form the PIUs.

5.4.3. Weaknesses of the Procurement System

a) Lack of Grievance Redressal Mechanism

All cities except Ajmer and Indore lack a credible system of handling complaints of the business community. Some cities have nominated department officers to look into the grievances for a satisfactory redressal, but the officers, who have participated in the decision making, can not be expected to be impartial and the bidders generally are not satisfied with their replies.

b) Negotiations with Bidders

Negotiations with the bidders for offering reduction in quoted prices, without introducing any change in the specifications of goods or works, are being carried out by all the cities are required to be avoided as far as possible and can be allowed only in exceptional circumstances, that too with the lowest bidder. This is however not the case with majority of cities.

In some of the agencies counter offering of rates is prevalent. The awards are distributed amongst many bidders by counter offering the lowest rates. Such practices are counter productive and promote corruption and raise doubts in the business community.

Discussions with some of the officers in the cities indicated that audit department feels satisfaction when contracts are awarded after a round of price negotiations is held. It is a universal fact that no business entity shall sell the goods by incurring losses and they will include a cushion in their quoted price to give up a part of this cushion when called for negotiations. Such practices therefore, not only result in settling tenders at higher prices but also are a possible source of corruption and even lose the sanctity of tendering. If all the bidders are sure that no negotiations will be held, they will quote the lowest price in the first place to be considered for award. Holding of negotiations and Counter offering the rates followed by distribution of tendered quantities amongst various firms amounts to making a mockery of the tendering process and often results in paying higher prices. World Bank guidelines on procurement prohibit any price negotiations.

c) Reservations, Purchase/Price Preferences

In the earlier years, price preferences up to 15% over the large scale industry, were considered to be allowed to small scale units of the public sector. However in the present scenario of liberalization of economy, the price preferences are no longer available and all firms are at par in so far as prices are concerned. Some cities viz., are still giving price preference up to 15% to SSI units of the state. Although all these price preferences etc. were allowed earlier for an initial period of gestation only, these special treatments still continue.

d) Incompetent Staff

The quality of procurement depends also on the qualifications and competence of officers who handle procurement activities. Although general level of education of the key procurement officers and staff is high, yet most of them are not well conversant with laws, rules and
procurement procedures including standard bidding and contract documents etc. The subject of ‘Public Procurement’ is not taught in many educational institutions and there are no specified degrees/diplomas on the subject. The staff and officers mainly acquire the know how on the job only.

e) Absence of e-Procurement:

Electronic tendering reduces the time cycle of issue and receipt of bids ensuring no delays and losses in the postal dispatches as compared to the conventional procurement process. Introduction of e-procurement will ensure transparency, economy and timely settlement of tenders.

f) Drawbacks in Works Contracting

The works contracting in the cities have certain drawbacks that act as impediments to the implementation of the identified developmental works. The first is that for the use of outdated SoRs of the PWD which results in departmental estimates getting unreliable and large variations in the final contract values.

The second drawback in the system is that sometimes works are taken up without adequate funding and complete land acquisition this result in delay of the completion of the work.

Advertised tenders are open only to registered contractors in some cities whose qualifications and capacity has been verified. The registration process has also become a vehicle for political patronage and once a contractor is registered he is automatically deemed qualified. As a result of this good and efficient but unregistered contractors are left out from consideration for awards as their capability is not examined.

A Price Variation Formula must be introduced in the tenders for allowing variations in the prices of Bitumen, which is an important ingredient in all the construction activities, and on prices of petrol, oil and lubricants.

5.5 RECOMMENDATIONS

Based on the assessments of the nine IAs the following recommendations are being outlined to achieve a sound and efficient procurement process for the implementation of the GEF-SUTP.

5.5.1. Public Procurement Regulations

Public Procurement procedural requirements need to be introduced in all the cities and PMU MoUD should set up minimum requirements in the system to make it more transparent. It can include debriefing of unsuccessful bidders, publication of contract awards and an appeal/challenge mechanism. The system should also take care of observing the post award issues such as release of securities, timely payments, penalties and damages, dispute resolution and termination of contract for default etc.

5.5.2. A credible grievance redressal mechanism

In order to build public confidence in the system, an independent, quick, effective and credible challenge/appeal procedure needs to be introduced in all the agencies. This will result in good ethical approach in procurements and general satisfaction to the public.
A Public Procurement Law on the lines of Transparency in Tenders Act introduced in the states of Karnataka and Tamilnadu shall go a long way in weeding out corruption and malpractices in the system. Ajmer Municipal Council has a central grievance redressal section in place, where complaints are received and entered in the mechanized system and dealt with in order of priority. ICTSL has a different system of addressing the complaints of business community. The operators of the ongoing projects in the city are also called as invitee “Directors”, in the meeting of Board of Directors of the company and the complaints/suggestions of the business community are looked into and discussed at the highest level and possible solutions worked out.

5.5.3. Debriefing of Unsuccessful Bidder

The unsuccessful bidders should be allowed to know the reasons as to why their bids were not considered for acceptance. On request, say, within 10 days of contract award notification-the purchaser should provide a debriefing essentially to help the bidder understand the evaluation process and prepare more responsive bids in future. The action will build confidence of business community in the system.

5.5.4. Publication of Contract Award

The results of contract award should be published in official gazette, bulletins, and departmental website and in case of WB funded projects on UNDB online and dg market website. This will result in increased transparency and vendor’s satisfaction.

5.5.5. Regular/Periodic Training

The staff and officers engaged in procurement activities should be deputed to attend training programmes and workshops on procurement. Courses on public procurement procedures on GoI and WB procedures should be made mandatory and the procurement personnel should be deputed to attend the same. The subject of “Public Procurement” should be included in their curriculum and the procurement staff be deputed to attend the courses.

There are some institutions like, National Institute of Business Management, Chennai; Materials and Supply Chain Management Institute, Ranchi; National Institute of Financial Management Faridabad; Administrative Staff College, Hyderabad; National Academy, Mussorie; Public Procurement Group New Delhi; IRILMM New Delhi; CRRRI, New Delhi; IIPA Hyderabad etc., who impart training on the subject including World Bank Guidelines on procurement.

5.5.6. Electronic Procurement

Some cities have already introduced e-tendering and this has resulted in increased efficiency in the system and evolved confidence in business community. It is therefore recommended that e-tendering followed by e-procurement should be introduced in all the cities. This will to some extent result in elimination of mal-practices and corruption from the system.

5.5.7. Public Private Partnership Model

ICTSL Indore, has set new benchmarks in mass urban transit system and a large number of ICSTL buses and Metro Taxi service, have been acquired and put in place by adopting Public Private Partnership Model, for designing, building and management of the system. This example can be considered by other cities also, depending on their local conditions and requirements.
5.5.8. **Other Recommendation**

- Bids and Performance securities should be insisted uniformly from all bidders without any exceptions.
- Negotiations and Counter offering the rates and placement of repeat orders should be prohibited and only in exceptional circumstances these should be allowed, that too only after obtaining competent authority’s approval.
- Purchase/Price preferences should be done away with, and all bidders should be placed at par.
- In view of exorbitant variations in the prices of petroleum products in recent past, a Price Variation Formula must be introduced in the tenders for allowing variations in the prices of Bitumen, which is an important ingredient in all the construction activities, and on prices of POL.
- Works should be taken up only on complete acquisition of land free from all encumbrances and after accessing adequate funds so that there are no delays in payments to contractors and suppliers due to non availability of funds. Still if the payments are delayed, interest should be paid to the contractors at the rate mentioned in the bid documents.
- No arbitrariness in the process of evaluation and rejection of bids without assigning any reasons. Some cities have put in such conditions in the tender documents which should be done away with for the sake of transparency.
- The Tender documents should be issued without filtration to all except blacklisted firms and the firms who are under primary boycotts etc.
- Joint Ventures for enhancement in the quality of goods and services should not be discouraged.
- Primary Boycotts should be applicable only if:
  
  (i) as a matter of law or official regulations, the Government of India prohibits commercial relations with the consultant’s country; or

  (ii) where ever considered expedient in National interest and in cases where sufficient expertise is available in the country, the selection may be restricted to the domestic consultants only.
Chapter 6. Governance and Accountability
Mechanism Assessment

6.1 INTRODUCTION

Sound governance and accountability mechanism in a city ensures a clean system with the absence of fraud and complaint and better informed citizens. It gives the understanding of project execution capabilities of the implementing agencies and their line departments. With this aim a structure questionnaire was shared with all the ten demonstration project cities. Their capabilities were assessed with specific relevance to information disclosure, complaints handling, independent monitoring and community participation along with their procurement and financial management processes. The present chapter has been divided into three sections. The first introduces the chapter, the second lists the finding of the city level assessments and the last section give a conclusion to assessment study.

6.2 CITY LEVEL ASSESSMENTS

The areas for assessment selected were information disclosure, complaint handling, quality monitoring mechanisms, procurement and financial management.

6.2.1. Information Disclosure

Level of information disclosure to the general public about the developmental works taken up by the concerned organisations enhances public participation in the planning process and lessens chances of fraud and corruption. This can be done by press releases, public consultations, involvement of NGOs and CBOs, display boards, adopting RTIA and publishing of progress reports at regular intervals.

Press tender notice is the most commonly used method for information disclosure about proposed developmental works. The IAs also have their own websites, where these information is posted regularly. Cities like Jalandhar, Hyderabad, Pimpri-Chinchwad and Pune also make use of display boards and ITCSL. Indore holds public consultations to disseminate information about projects. The citizens/ community has access to all project related information in all the cities.

All the IAs have also appointed Project Information Officers (PIOs) to provide all required details about projects to the general public. As per the RTIA information about the organisational structure and the duties and responsibilities have been put up on the website by the cities and is updated as and when required. However, Jalandhar takes updation biannually and it is done every quarter by Trivandrum.

Involvement of civil society is ensured by holding public consultations at three stages of project viz. feasibility, DPR preparation and project implementation by all the project cities except for Hyderabad. NGOs and CBOs in the urban transport sector are present only in some cities in very less numbers.

Other processes for information disclosure followed by the cities include press conferences and publishing of reports. Press notes are released regularly. Trivandrum also uses other media sources like TV and radio to inform the people about the proposed developmental works. All
6.2.2. Complaints Handling

The mechanism followed for handling of complaints and grievances shows the accountability of the organisation. The mechanisms followed by the cities are varied. Complaints in Pune, Pimpri-Chinchwad Ajmer and Jalandhar can be submitted online and also by hand to the respective department heads. PCMC has also fixed every Monday of the month for hearing to the all citizen's complaints directly. Complaints can only be submitted manually in Hyderabad, Mysore and Indore. Ajmer also has a help line centre for addressing to people's complaints. Trivandrum follows the legal redressal system through courts and also has a grievance cell along with online facility. However, names of persons whom to address the complaints are put on display boards only in Jalandhar and Pune. The holding back of such information leads to delays in redressal and unnecessary harassment of the complainant.

Anonymous complaints are entertained only by Jalandhar and Pune. Hyderabad takes up such complaints only after due verification and it is case specific in Trivandrum.

Grievance redressal of unsuccessful bidders is taken up only in Ajmer, Pimpri-Chinchwad, Pune and Jalandhar and only for large projects in Trivandrum that by judicial courts.

All the demonstration cities except Pimpri-Chinchwad have a vigilance mechanism headed mostly by an officer of IPS level except for Jalandhar, where chief engineer is the head of the vigilance department and Ajmer has a common district level committee.

6.2.3. Third Party Quality Monitoring

Third party quality monitoring is required to maintain the quality assurance during the implementation of projects. Amongst all the cities Pune and Pimpri-Chinchwad takes up both an internal and third party quality monitoring. For the internal process a group of designated officials take up the task and a PMC is hired for third party monitoring. In Ajmer and Jalandhar no third party monitoring is carried out. The remaining all project cities, Mysore, Hyderabad, Trivandrum and Indore appoint PMCs for third party monitoring.

6.2.4. Procurement Management

Out of the nine project cities only Mysore, Hyderabad, Trivandrum, Pimpri-Chinchwad and Pune have the facility e-procurement. The procurement notices are given by press tender notice and is also put on the IAs websites. Information about the tender is available at multiple places but submission is centralised except for Mysore and Hyderabad as they allow online submission of bids.

All contractors meeting the qualification criteria can bid irrespective of the fact whether are registered with the IA or not and even outside contractors can bid but in Pimpri-Chinchwad and Hyderabad only registered contractors are allowed to bid. However, for the short listing of contractors all cities except Hyderabad and Pimpri-Chinchwad have prequalification criteria. This limits competition and fair selection.

The bids in all the cities are opened on last day of submission after the deadline and then evaluated by a tender evaluation committee.
To check corruption and fraud on part of the contractor all the IAs follow the system of debarring and blacklisting of contractors. They have procedures outlines in their procurement manuals. The contractors are blacklisted after they fail to perform as per the set standards and their security deposit is forfeited.

6.2.5. Financial Management

The financial management in the IAs was assessed on the basis of their publishing regular financial reports, time taken to process payment of contractors, assets management and audit of works and accounts auditing.

As discussed earlier regular financial progress reports are published by Trivandrum, Pimpri-Chinchwad, Indore, Ajmer and Hyderabad. Updation is done every quarter in Hyderabad and monthly in Indore, Pimpri-Chinchwad and Trivandrum. Budgeting for urban transport is dependent on the need of the city and proposed projects in the various development plans.

The time taken to process payments for various works carried out by contractors ranges from one week (Ajmer) to four weeks (Trivandrum). Payments are made after due verification by concerned authorities and in the form cheques, pay orders or Electronic Clearance Scheme.

Asset management is carried out by regular maintenance and updation of inventory registers internal control is exercised by physical verification. The financial instruments like cheques controlled by means of bank authorisation are used.

Audit of works is carried out manually on post payment in Pimpri-Chinchwad, Indore and Mysore by the internal audit departments. External auditing is not carried out in Pune, Jalandhar and Mysore. In Trivandrum an external auditor is used for preparation of final financial statement and in Indore only for preparation of balance sheet.

6.3 CONCLUSION

Based on assessment and its finding a Governance and Accountability Action Plan (GAAP) has been prepared and included as part of the Operations Manual. The action plan has to be followed by each IA to ensure the fair and proper project implementation.
7.4.1. Involuntary Resettlement

Transport infrastructure and facilities have to be planned so as to have least adverse impact on the community. If a particular location is suitable for all factors except for limited resettlement, necessary safeguards as per the resettlement framework shall to be adopted. Resettlement impacts due to these interventions would be managed through appropriate compensation and rehabilitation measures as per the entitlements of the PAP. All R&R activities should be
Chapter 7: Environmental and Social Management Framework
Chapter 7. Environmental and Social Management Framework

7.1 INTRODUCTION

This Environmental and Social Management Framework (ESMF) lays down the principles and guidelines for addressing environment and social impacts due to the implementation of the demonstration projects in the selected cities. Key objectives of ESMF are:

- Provide a framework for the integration of social and environmental aspects at all stages of project planning, design, execution and operation.
- Ensuring positive social and environmental impacts and avoiding/minimizing any potential adverse impacts

The environmental and social safeguards policies shall be applied to all projects to be taken up under GEF-SUTP. Adoption of this framework shall ensure that the projects meet the national and state level environmental and social safeguards and are also consistent with the applicable safeguards policies and provisions of the World Bank.

7.2 APPLICATION OF THE ESMF

The ESMF shall be applied to all stages of the project as illustrated in Figure 7-1. Projects triggering significant environmental / social impacts, i.e. projects with potential to trigger impacts on environmental sensitive areas, or large scale resettlement activities are not envisaged under GEF-SUTP. However, in the event of such projects, being critical to the GEF priorities, the projects shall be included after undertaking the necessary environmental and social assessments, as mandated by the GoI / state governments and conforming to the safeguard policies of the World Bank.

7.3 APPLICABLE POLICIES

National Resettlement and Rehabilitation Policy, 2007 and the Land Acquisition Act 1894 (as amended in 1984) are the applicable legislations at the centre and these would be applicable for all components of the project. While at the state level, respective state governments have formulated a resettlement policy for various multilaterally funded projects being undertaken in the states and these would be applicable.

In addition, the World Bank policies such as Environmental Assessment OP 4.01⁴, Cultural Properties OP 4.11, and Involuntary Resettlement OP 4.12 will be applicable in sub-projects involving civil construction activities and removal of squatters / encroachers.

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⁴ As per the OP 4.10, the EA evaluates the project's potential environmental risks and impacts in its area of influence; examines project alternatives; identifies ways of improving project selection, siting, planning, design, and implementation by preventing, minimizing, mitigating, or compensating for adverse environmental impacts and enhancing positive impacts; and includes the process of mitigating and managing adverse environmental impacts throughout project implementation. It also takes into account the variations in project and country conditions; the findings of country environmental studies; national environmental action plans; the country's overall policy framework, national legislation, and institutional capabilities related to the environment and social aspects; and obligations of the country, pertaining to project activities, under relevant international environmental treaties and agreements.
7.4 POTENTIAL IMPACTS & MANAGEMENT MEASURES

This section details out the potential environmental impacts of the projects funded by GEF under the SUTP. The environmental impacts identified at this stage are preliminary in nature and will need to be further elaborated and potential for occurrence has to be ascertained during further stages of project design and implementation. The management measures for identified impacts are worked out which are to be elaborated and suitable for implementation during the course of the project design. The impacts and management measures are presented in the Appendix 7.1.
completed before the construction activity starts, on any project. The impacts and corresponding entitlements considered in such cases have been presented in Appendix 7.2.

7.4.2. Cultural Property Resources

Cultural properties within the right-of-way whose structure is likely to get affected should be relocated to suitable locations, as desired by the community before construction starts in the particular section of the project area. Local community need to be contacted and discuss relocation aspects, siting as well as their maintenance. All necessary and adequate care shall be taken to minimize impact on cultural properties (which includes cultural sites and remains, places of worship including temples, mosques, churches and shrines, etc., graveyards, monuments and any other important structures as identified during project preparation and all properties/sites/remains notified under the Ancient Sites and Remains Act). No work shall spill over to these properties, premises and precincts.

Civil works that involve earth excavation are likely to involve “Chance Find” of archaeological properties and remains. It should be ensured that required care is taken from the crew to not damage these relics or remains that are found eg. an idol, ancient implements, fossils etc. The local authority needs to be notified and work will progress only after the directions issued by such authority have been implemented.

7.4.3. Indigenous Peoples

“Indigenous Peoples” as defined for the purposes of the OP 4.10, are members of distinct indigenous cultural group, collective attachment to geographically distinct habitats or ancestral territories, customary cultural, economic, social or political institutions that are separate from those of dominant society and culture and have an indigenous language different from the official language of the country or the region. Under Article 342 of the Indian Constitution, the following characteristics define indigenous peoples [Scheduled Tribes (STs)], (i) tribes’ primitive traits; (ii) distinctive culture; (iii) shyness with the public at large; (iv) geographical isolation; and (v) social and economic backwardness before notifying them as an ST. IPs have a social and cultural identity distinct from the ‘mainstream’ society that makes them vulnerable to being overlooked or marginalized in the development processes.

All sub-projects are being implemented in the urban areas which consist of SC / ST population. However, these population groups have got absorbed into the mainstream population and do not have distinct practices and customs that qualify them to be classified as indigenous population. Hence, no specific management measures as IPDP is required. However impacts on these groups would be addressed through the entitlement framework specified for the project inline with the ESMF requirements.

7.5 PHASING OF PROJECTS

Projects that have minimal or no environmental and social impacts may thus be considered for implementation on priority while projects that require more rigorous environmental or social assessments should be taken up for implementation only after fully addressing the E&S issues.

At the stage of detailed project preparation, any significant environmental and social issues that may arise should be addressed and mitigated through an EMP / RAP. The environmental and social management measures should be included as part of the specifications and included as a work item in the bidding documents to ensure implementation.
7.6 PARTICIPATION / CONSULTATION DURING PROJECT PREPARATION AND IMPLEMENTATION

The ESMF recommends conduct of project preparation and implementation activities to be community inclusive. The Community participation shall be undertaken at the following stages:

- Selection Stage - to sensitize the community about the project and their role;
- Preparation Stage - for disseminating information pertaining to the project, work schedule and the procedures involved; finalisation of project components with identification of impacts, entitled persons, mitigation measures; and Grievance Redressal; and
- Implementation Stage - for addressing temporary impacts during construction and monitoring for transparency in the project implementation.

7.6.1 Information Disclosure

Disclosure Policy is intended to ensure that information concerning the SUTP activities will be made available to the public in the absence of a compelling reason for confidentiality. Information shall be provided in a timely and regular manner to all stakeholders, affected parties, and the general public. Access by the public to information and documentation held or generated by MoUD and implementing agencies will facilitate the transparency, accountability, and legitimacy as well as operations overseen by it. As a part of its disclosure policy, all documents shall be made available to the public in accordance with relevant provisions of the RTI Act, except when otherwise warranted by legal requirements. A designated Information Officer shall be responsible for ensuring timely and complete dissemination in accordance with this policy. A computer based information management systems shall be employed to disseminate information pertaining to the project on the MoUD/SUTP and various IA’s website.

The following Project specific information shall be displayed / disseminated for all the GEF-SUTP projects wherever applicable:

- Project Information brochures shall be made available at all the construction sites as well as the office of implementation agency and the office of Engineer in charge.
- Reports and publications, as deemed fit, shall be expressly prepared for public dissemination e.g., English versions of the EA, EMP, SA, RAP, Executive Summary of project documents, Executive summary of the project documents in local language etc.,

7.7 MONITORING AND REPORTING

Implementing agency in each of the states where there is a single project and the corresponding agency for each project in case of multiple projects will be responsible for monitoring and reporting at project level to the state level implementing agency or the Project Implementation Unit. The PIU would in turn report to the PMU at the centre.

An officer in PIU shall be designated as the Environment & Social Safeguards officer to ensure compliance of the project activities with the World Bank safeguards as well as oversee implementation of environment and social provisions as per the ESMF, EMP and RAP where applicable. The objectives of Monitoring and Evaluation include:

- Project management and timely completion;
- Successful completion of Environmental management, R&R activities identified in the EMP and R&R plan as per the implementation schedule;
- Compliance with the Environmental policy, R&R policy and entitlement framework.
The safeguards officer shall play a key role in reporting the progress of implementation as well as compliance to the PIU, PMU and the World Bank. Reporting system recommended in the ESMF needs to be adopted with due modifications specific to the project. The aspects to be monitored are presented below:

- For R&R activities: Notification of Land Acquisition, Land Value Assessment, Census Survey Notification, Socio-economic profile, Relocation plan for common property resources & cultural property and Grievance Redressal

- For EA activities: Air Quality at Sensitive Receptors, Noise Levels at Sensitive Receptors, Surface Water Quality Rivers in the vicinity of project areas, Benefits and Survival Rate of Plantation

### 7.8 GRIEVANCE REDRESSAL MECHANISM

Grievance redressal mechanism is an important aspect in projects involving land acquisition. The redressal of grievance is important to avoid unnecessary legal delays and cost overrun of the project. Also, this is a forum for people to express their dissatisfaction over compensation and R&R provisions.

A Rehabilitation and Resettlement Committee shall be constituted within the PIU to monitor and review the progress of implementation of the scheme or plan of rehabilitation and resettlement of the affected families and to carry out post implementation social audits wherever resettlement activities are to be undertaken. The committee shall be formed including the following members:

- Municipal Commissioner as the Chairman
- Social officer of the PIU;
- Environment and social officer in PMU;
- A representative of a voluntary organization;
- Representative/s of the affected community(or communities)

The functions of the Rehabilitation and Resettlement Committee are:

- to publicize within the District the list of affected persons and the functioning of the grievance redressal procedure established hereby;
- to evaluate grievances from affected persons concerning the application to them of the Entitlement Policy;
- to recommend to the Social Officer, PIU as the case may be, solutions to such grievances from affected persons;
- to communicate the decisions to the Claimants;
- to hear appeals from persons, households or groups who, not being affected persons, believe that they are qualified to be recognized as affected persons, to recommend to the PIU whether such persons should be recognized as affected persons, and to communicate the decision of the PIU in that regard to the Claimants;
- To ensure that all notices, forms, and other documentation required by Claimants are made available in Local language.

The Grievance Redressal Mechanism devised is applicable for all the project cities considered under the GEF-SUTP. The committees are to be set up at city level with the representatives as mentioned above. In case of cities where no major environmental and social impacts as in Indore and Mysore, the PIU itself will handle the grievances if any instead of the Grievance Redressal Mechanism.
7.9 CAPACITY BUILDING AND TRAINING

The Environmental and Social Officers involved in the project need to be provided the basic training required for environmental awareness followed by specific aspects of Urban Sector Projects along with Environmental implications in the project. Specific modules customized for the available skill set would need to be devised after assessing the capabilities of the members of the Training Programme and the requirements of the project. The entire training would cover basic principles of environmental assessment and management; mitigation plans and programmes, implementation techniques, monitoring methods and tools. Specific issues of Urban Environmental Management would need to be undertaken in separate sessions. Typical modules that would be present for the training session are:

- Sensitization of the project implementing agencies on environment and social aspects
- Introduction to Environment, Social and Resettlement Aspects
- Environment, social and resettlement Considerations in Urban Development Projects
- Review of EIA/IEE/EMP & SIA/RAP/LAP and Integration into Design
- Improved co-ordination within Nodal Departments
- Special Issues in SUTP
- Role during construction
- Monitoring & Reporting System

Target groups for training would be the environment and social officers of PMU and PIU for all the sessions and engineers / planners / managers for orientation sessions. The training sessions should be followed with site visits to have a ‘hands on’ approach to the program. Suggested modules for the training sessions the mode of training and duration is presented in the ESMF.

7.10 UPDATION AND REVISION OF ESMF

The ESMF would be utilized for screening of projects as well as implementation of the specified environmental and social provisions in the sub-projects of SUTP and is considered to be a ‘living document’ enabling revision where necessary. During the course of its preparation also the document has been reviewed by the MoUD, the participating Implementing Agencies, The World Bank and various other stakeholders including the public. Comments issued on the draft document have been addressed appropriately in the document and accordingly finalised. The comments received and have been addressed in the document. It is imminent that certain factors that would have been overlooked or not considered due to the preparation of this document upstream in the project cycle, with minimum ground verification would crop up during project implementation. The factors that would have implications on compliance to World Bank, Government of India or respective state government environmental regulations would be addressed through updation of the ESMF.
Chapter 8: Project Cost and Funding Plan
Chapter 8. Project Cost and Funding Plan

The component wise project cost has been detailed in the ensuing sections of the present chapter. The first gives the cost and funding sources for all the three components and the second details out the cost and funding plan for all the demonstration projects.

8.1 PROJECT COST AND FUNDING PLAN

Component 1 of the GEF-SUTP will be funded by UNDP, World Bank and GoI. The share of UNDP and the World Bank would comprise the GEF grant. The funds for this component will be entirely a grant component. Out of the total fund of USD 15.2 million, 9.9 USD will be from GEF and the remaining will be GoI’s share (Table: 8.1).

The funding agencies under the component 2 are the GoI, the state governments, GEF and the World Bank. The total fund requirement of the demonstration projects is USD 346.28 million. The component will be funded by the GoI and the respective state governments as per the JnNURM guidelines. The total amount to be funded by the GoI and the state governments will be USD 103 millions. This also includes 80% of the cost of the TAs as a grant form the MoUD. Nearly USD 11.42 million will be distributed amongst the cities as the GEF grant. The share of the Implementing Agencies would be USD 39.1 million the World Bank loan will be USD 200 million.

Component 3, which has the scope for strengthening project management capabilities, will be funded by the GoI and the GEF through the UNDP. The total cost of the components in USD 2.45millions. Out of this USD 2 million will be given by the GoI and the share of UNDP will be USD 0.45 millions.

<table>
<thead>
<tr>
<th>Table 8-1: Project Cost and Funding Plan</th>
<th>(In US $ Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component: National Urban Transport Capacity Development</td>
<td></td>
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<tr>
<td>Sub-component 1A:</td>
<td></td>
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<tr>
<td>Strengthening of Institute of Urban Transport</td>
<td>1.62</td>
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<tr>
<td>Training and Skill Development Program</td>
<td>1.44</td>
</tr>
<tr>
<td>Manuals, Standards and Toolkits</td>
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<td>Promotion and Dissemination Activities of GEF Project Impacts</td>
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<tr>
<td>Sub-component 1B: Capacity Development Assistance to Participating Cities</td>
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<tr>
<td>Contingencies</td>
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<tr>
<td>TOTAL</td>
<td>9.99</td>
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<tr>
<td>Component II: Pilot Demonstration Projects in 9 cities</td>
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<tr>
<td>Demonstration Projects</td>
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<tr>
<td>Component III: Project Management</td>
<td>0.45</td>
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<tr>
<td>Total Project</td>
<td>21.86</td>
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8.2 FUNDING PLAN FOR DEMONSTRATION PROJECTS

The component 2 will account for nearly 95% of the cost of the GEF-SUTP and Pimpri-Chinchwad accounts for nearly 40% of the total project cost under this component (Table 8.2).

Amongst the nine project cities, based on their preparedness they have been divided into phases for implementation. Pimpri-Chinchwad, Mysore and Indore will comprise the phase I cities. The fund required to implement their demonstration project is nearly 45% of the total components cost.

<table>
<thead>
<tr>
<th>Sl</th>
<th>City</th>
<th>NURM City Category</th>
<th>Total Project Cost a</th>
<th>GoI Grant b</th>
<th>State Grant c</th>
<th>80% Grant for TAs from MoUD</th>
<th>GEF Grant b</th>
<th>IA</th>
<th>World Bank Loan</th>
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<tr>
<td>1</td>
<td>Ajmer</td>
<td>C</td>
<td>391.33</td>
<td>258.0</td>
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<td>8.0</td>
<td>95.5</td>
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<tr>
<td>2</td>
<td>Pimpri-Chinchwad</td>
<td>B</td>
<td>7085.96</td>
<td>1704.2</td>
<td>852.1</td>
<td>48</td>
<td>92</td>
<td>680.18</td>
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<td>3</td>
<td>Pune a</td>
<td>B</td>
<td>3742.83</td>
<td>570</td>
<td>228</td>
<td>141.36</td>
<td>90.82</td>
<td>440.22</td>
<td>2271.75</td>
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<td>Hyderabad</td>
<td>A</td>
<td>642.7</td>
<td>210.0</td>
<td>82.0</td>
<td>16.0</td>
<td>334.8</td>
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<td>5</td>
<td>Indore</td>
<td>B</td>
<td>491.9</td>
<td>286</td>
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<td>Jalandhar</td>
<td>Non-NURM city</td>
<td>2636.36</td>
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<td>7</td>
<td>Mysore</td>
<td>C</td>
<td>272.6</td>
<td>118.22</td>
<td>20</td>
<td>8.05</td>
<td>90.79</td>
<td>35.6</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Naya Raipur</td>
<td>C</td>
<td>1794.33</td>
<td>336</td>
<td>37</td>
<td>8</td>
<td>91.2</td>
<td>653.13</td>
<td>669.0</td>
</tr>
<tr>
<td>9</td>
<td>Trivandrum f</td>
<td>C</td>
<td>465.5</td>
<td>310.4</td>
<td>36.3</td>
<td>12.8</td>
<td>106.1</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total in Rs. Millions</td>
<td></td>
<td>16623.96</td>
<td>3014.39</td>
<td>1172.60</td>
<td>406.14</td>
<td>549.58</td>
<td>1878.46</td>
<td>9602.17</td>
</tr>
<tr>
<td></td>
<td>Total in USD million</td>
<td></td>
<td>346.3</td>
<td>62.8</td>
<td>24.4</td>
<td>8.5</td>
<td>11.4</td>
<td>39.1</td>
<td>200.0</td>
</tr>
</tbody>
</table>

- Includes the project preparation and implementation expenses for each project
- No GEF Grant available for Ajmer, Hyderabad and Trivandrum
- Based on JNNURM funding guideline for particular category of city.
- Mandatory contribution required by State Governments for JNNURM projects
- In case of Pune, the JNNURM fund is available only for BRTS component.
- In the case of Trivandrum the available limit of JNNURM fund is 130 crores.

Limitations mentioned in e and f was indicated by the SUTP Review Committee of MoUD in their meeting held on February 15, 2008.

Cost of 1US$ = Rs.48
Chapter 9: Fund Flow Mechanism
Chapter 9. Fund Flow Mechanism

A component wise fund flow mechanism has been devised for better understanding due to the multiplicity of funding agencies in the project and also due to the nature of the funds as some amount would be a grant and some would be a loan component.

9.1 FUND FLOW FOR COMPONENT 1

Funds for undertaking activities under the component 1 will be sourced from three agencies namely, GoI, GEF grant through UNDP and World Bank. The sub-component 1& 2 will be jointly funded by the UNDP and GoI, sub-component 3 & 4 will be entirely funded by the UNDP and the sub-component 5 will be jointly funded by the World Bank and GoI. The figure 9.1 shows the fund flow mechanism to be followed for accessing funds from the various agencies.
9.1.1. GoI Funds

The MoUD has already allocated some funds for Capacity Building activity under its own budget. The PMU will send an application to MoUD requesting funds for specific activities as identified under Component 1. MoUD will in turn retrieve the funds from the allocated budget and will directly undertake the procurement and disbursement for the proposed activity as per its own procurement process. The MoUD may allocate certain funds to IUT for providing services and logistic support to the PMU, using IUT’s internal procedures (as decided by the Steering Committee).

9.1.2. GEF Grant – UNDP Component

The GEF grant for sub-component 1 to 4 are to be sourced through UNDP. A Standing Committee under the chairmanship of the NPD has been setup for activities for which the UNDP is the implementing agency. The PMU will submit the request for funds to this committee. The committee will meet at a prescribed date and time and decide upon the request and after its approval the request will be forwarded to the UNDP. It will then carry out the requested procurement and disbursement activities as per its prescribed guidelines and seek the funds directly from GEF.

9.1.3. GEF Grant – World Bank Component

The GEF grant for sub-component 5 is to be sourced through World Bank. The IA will submit a request to MoUD to undertake a specific activity under this component. The MoUD will carry out the procurement and disbursement as per its prescribed guidelines using the upfront budget provision created for the project. It will then submit a request for reimbursement against the expenditure incurred to CAAA after taking the clearance from World Bank. CAAA will submit a reimbursement request to World Bank, which after review will reimburse the amount to CAAA. The World Bank will seek the funds directly from GEF.
9.2 FUND FLOW FOR COMPONENT 2

The component 2 of the SUTP consists of nine demonstration cities. As decided by the Planning Commission and DEA, this component will be under state sector, i.e. after receiving endorsement for the proposed projects from the SLNA and CSMC the funds will be transferred directly to the state government. The proposed fund flow for the component is through three sources:

- GoI – NURM Funds
- GEF grant through World Bank
- World Bank Loan

9.2.1. GoI – NURM Funds

All the cities selected under Component 2 are JnNURM cities except for Jalandhar. Therefore, major source of funding for these cities would be from JnNURM as per its prescribed norms and procedures. As per the JnNURM guidelines, the implementing agency will submit the request to the State Level Nodal Agency (SLNA) for funding. The SLNA reviews the request and forwards it to MoUD. MoUD then puts it up to the Central Sanctioning and Monitoring Committee (CSMC). Once endorsed by CSMC, the request for release of fund is sent to Ministry of Finance which directly transfers the funds to SLNA, which then in turn passes it on to the Implementing Agency (Figure 9.2).

9.2.2. GEF Grant – World Bank/ World Bank Loan

To seek the GEF grant or World Bank loan, the IA will have to send a request to the state government which would forward it to MoUD. The Ministry would review the request and forward it to CAAA after receiving clearance from Task Team Leader of the World Bank. After scrutiny of the same the CAAA will forward it to the World Bank for release of money. The CAAA will receive and then release the funds to the PF1through ACA, which would then forward the funds to the state government, which will pass it on to the IA. The Figure 9.2 shows the fund flow mechanism to be followed for accessing funds under the component 2 from the various agencies.
Chapter-9: Fund Flow Mechanism

GoI – NURM Funds

GEF Grant – World Bank Component & Loan
9.3 FUND FLOW FOR COMPONENT 3

Funds for undertaking activities under the component 3 will be sourced from two agencies namely, GoI and GEF grant through UNDP. The fund flow mechanism under this component would be same as discussed above for GEF grant through UNDP and GOI grants.
Chapter 10: Monitoring and Evaluation
Framework
Chapter 10. Monitoring and Evaluation Framework

Monitoring and Evaluation (M&E) of projects provides funding agencies, implementing agencies, governments and civil society with a means for learning from past experience which in turn would enable better performance, improve quality, plan and allocate resources in a cost effective manner and get better results.

Monitoring could be defined as: “A continuing function that uses systematic collection of data on specified indicators to provide management and the main stakeholders of an ongoing development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds”

Evaluation could be defined as: “The systematic and objective assessment of an on-going or completed project, program or policy, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, development efficiency, effectiveness, impact and sustainability. An evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision–making process of both recipients and donors”.

M&E is required for two purposes. The first is for the M&E of project implementation while the second is for the M&E of project outcomes. In either case, M&E has to be done using a set of performance indicators.

10.1 PERFORMANCE INDICATORS

Performance indicators are measures of inputs, processes, outputs, outcomes, and impacts for projects and programs. When supported with sound data collection—perhaps involving formal surveys—analysis and reporting, indicators enable project managers to track progress, demonstrate results, and take corrective action to improve service delivery. Involvement of key stakeholders in defining indicators is important because they are then more likely to understand and use indicators for management decision-making.

10.2 M&E OF PROJECT IMPLEMENTATION

During implementation, each PIU shall monitor and evaluate progress and results against a work plan and results framework. The PIU team members should meet at least once every month to review the progress in implementing the detailed work plan developed at the commencement of the project/program. The specific aims of these meetings would be to monitor timelines and expenditures in the completion and delivery of scheduled activities and outputs respectively, and highlight exceptions. At these meetings Managers of ongoing contracts awarded to implement various components, should submit a report on all relevant aspects, including:

- Proportion of scheduled activities that were commenced and completed on time.
- Proportion of scheduled expenditure incurred for the activities undertaken
- Details of activities that were started or finished late
- Problems that were experienced or are anticipated and proposed remedial actions
- Major activities planned for the next month.
Each PIU shall send a monthly progress report to the PMU summarizing the above aspects. In addition, it shall prepare a composite quarterly report on project implementation, and submit it to the PMU within 3 weeks from the end of the quarter covered.

10.3 M&E OF PROJECT OUTCOMES

A simplified results framework for this project which sets out the expected linkages between project/program interventions, and the Project’s/Program’s Development Objective (PDO) has been given PID Volume 3. This framework delineates outcome and output indicators for each PDO and associated intermediate outcomes. PIUs shall use the identified indicators to monitor and evaluate the project outcomes. To avoid collecting redundant, or, an excessive volume of under utilized data, indicators should:

- Correspond to the PDO/intermediate outcome/output
- Be credible
- Be derived from reliable data that is currently or can be easily collected
- Be straightforward.

Each indicator should have a baseline and target values. A baseline value represents the value of the indicator prior to implementation of a project/program. All PIUs should establish the baseline values prior to project implementation. Target values as expected in the PDO shall be the basis for monitoring, evaluating and reporting performance over time through the collection of time series data. The PIU should periodically review targets for reasonableness, and where necessary revise them in consultation with the PMU.

Baseline and time series data can be collected through a variety of methods including mining existing data repositories, rapid appraisal methods, surveys, expert panels, key informant interviews, extraction from other data sources, ad hoc studies etc. Each method has its advantages and disadvantages with respect to data quality and collection cost. Formal data collection methods (e.g., large-scale random sample surveys) typically deliver excellent quality data, but, the cost of data collection is high. Informal methods (e.g. key informant interviews) typically produce low quality data but also cost much less.

10.4 DATA COLLECTION AND REPORTING

Each PIU shall identify appropriate indicators for monitoring and evaluation of the project implementation. It can also procure the services of a competent agency through appropriate procurement process to monitor and evaluate the outcomes of the project, if required. It would be necessary for the PIU to provide the terms of reference for such services. This would specify how, where and when baseline and time series data is to be collected, collated, analyzed and presented. A sample term of reference for such M&E service is given in PID Volume 3.

10.5 PUBLIC PARTICIPATION IN M&E

The PIU should prepare quarterly reports which narrate the activities completed, and outputs and outcomes delivered by the program highlighting successes; constraints; and whether planned targets were achieved or otherwise. This should be presented on a component-by-component basis. The reports are to be submitted to the PMU within 3 weeks from the end of the quarter covered. In addition to its own findings, the PIU could also rely on external evaluators to mitigate
any risks associated with not meeting the PDO. Such independent evaluators could advise on such aspects as:

- Whether the project’s/program’s essential elements are in place
- Whether the PDO and other targets are likely to be met
- The impacts of any unexpected developments that have taken place since project initiation
- Impact on project/program beneficiaries and whether positive impacts can be sustained
- Steps to be taken to enhance the project/program benefits as implementation progresses.

The PIU should establish a Management Information System (MIS) - preferably a computerized system - which can be used to store baseline and time series data, and generate reports. Such reports should be available for public access on a website created for this project and feedback received should also be published.

10.6 REPORTING BY THE PMU

The PMU will prepare composite quarterly project reports to describe the physical progress in all project cities, as well as outputs and outcomes delivered by the program highlighting successes; constraints; and whether planned targets were achieved or otherwise. These project reports will be sent to the World Bank not later than 45 days after the end of the quarter covered by such report.

10.7 MONITORING AND REPORTING OF ESMF

Implementing agency in each of the states where there is a single project and the corresponding agency for each project in case of multiple projects will be responsible for monitoring and reporting at project level to the state level implementing agency or the Project Implementation Unit. The PIU would in turn report to the PMU at the centre.

An officer in PIU shall be designated as the Environment & Social Safeguards officer to ensure compliance of the project activities with the World Bank safeguards as well as oversee implementation of environment and social provisions as per the ESMF, EMP and RAP where applicable. The objectives of Monitoring and Evaluation include:

- Successful completion of Environmental management, R&R activities identified in the EMP and R&R plan as per the implementation schedule; and
- Compliance with the Environmental policy, R&R policy and entitlement framework.

The safeguards officer shall play a key role in reporting the progress of implementation as well as compliance to the PIU, PMU and the World Bank. Reporting system recommended in the ESMF needs to be adopted with due modifications specific to the project. The aspects to be monitored are presented below:

- For R&R activities: - Notification of Land Acquisition, Land Value Assessment, Census Survey Notification, Socio-economic profile, Relocation plan for common property resources & cultural property and Grievance Redressal
- For EA activities: - Air Quality at Sensitive Receptors, Noise Levels at Sensitive Receptors, Surface Water Quality Rivers in the vicinity of project areas, Benefits and Survival Rate of Plantation.
PART I: PROJECT IDENTIFICATION

GEFSEC PROJECT ID : 3241
GEF AGENCY PROJECT ID: WB: P100589; UNDP: 3214
COUNTRY (IES): India
PROJECT TITLE: Sustainable Urban Transport Program
GEF AGENCY (IES): World Bank, UNDP, (select)
OTHER EXECUTING PARTNER(S): Ministry of Urban Development (MoUD), Government of India
GEF FOCAL AREA (S): Climate Change,(select), (select)

GEF-4 STRATEGIC PROGRAM(S): CC-SP5: Promoting sustainable innovative systems for urban transport

NAME OF PARENT PROGRAM/UMBRELLA PROJECT: NA

A. PROJECT FRAMEWORK (Expand table as necessary)

<table>
<thead>
<tr>
<th>INDICATIVE CALENDAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milestones</td>
</tr>
<tr>
<td>Work Program (for FSP)</td>
</tr>
<tr>
<td>CEO Endorsement/Approval</td>
</tr>
<tr>
<td>GEF Agency Approval</td>
</tr>
<tr>
<td>Implementation Start</td>
</tr>
<tr>
<td>Mid-term Review (if planned)</td>
</tr>
<tr>
<td>Implementation Completion</td>
</tr>
</tbody>
</table>
### Project Objective

**Strengthening capacity in planning, financing, implementing, operating, and managing climate friendly and sustainable urban transport interventions at national, state and at city levels.**

<table>
<thead>
<tr>
<th>Project Components</th>
<th>Indicate whether Investment, TA, or STA**</th>
<th>Expected Outcomes</th>
<th>Expected Outputs</th>
<th>Indicative GEF Financing*</th>
<th>Indicative Co-financing*</th>
<th>Total ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Urban Transport Capacity Development Initiatives</td>
<td>TA</td>
<td>National capacity for planning and managing sustainable urban transport development strengthened.</td>
<td>(i) Institutional capacity development for government agencies/ institutions already engaged in urban transport planning and implementation to (a) appreciate full gamut of urban mobility issues (b) coordinate research/knowledge data and support of institutions for certification of safety (ii) Individual capacity development for transport experts, training programs for top and mid-level officials, strengthening academic programs; (iii) Systemic capacity development related to legal and regulatory frameworks for urban transport; (iv) A series of training programs, learning kits, conferences, journals/manuals, standards, online learning websites, national database, E-portal, promotional events and toolkits to help implementation of the NUTP</td>
<td>4,300,000 (incl. UNDP: 3,600,000 and WB: 700,000)</td>
<td>5,150,000</td>
<td>9,450,000</td>
</tr>
<tr>
<td>Demonstration Sustainable Urban Transport Projects</td>
<td>Investment and TA</td>
<td>Environmentally friendly urban transport measures/ projects demonstrated</td>
<td>(i) 5-10 demonstration projects. (ii) action plans for implementing NUTP in participating states and cities. (iii) proposals from 10 other cities for participating in the Project</td>
<td>17,750,000 (all WB supported)</td>
<td>345,000,000</td>
<td>362,750,000</td>
</tr>
<tr>
<td>Total project costs</td>
<td></td>
<td></td>
<td></td>
<td>22,500,000</td>
<td>352,150,000</td>
<td>374,650,000</td>
</tr>
</tbody>
</table>

* List the $ by project components. The percentage is the share of GEF and Co-financing respectively to the total amount for the component.

** TA = Technical Assistance; STA = Scientific & technical analysis.

**B. Indicative Financing Plan Summary For The Project ($)**
### Project Preparation

<table>
<thead>
<tr>
<th>Project</th>
<th>Agency Fee</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>GEF</td>
<td>575,000*</td>
<td>25,575,000</td>
</tr>
<tr>
<td>Co-financing</td>
<td>575,000**</td>
<td>352,725,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,150,000</td>
<td>378,300,000</td>
</tr>
</tbody>
</table>

* Including a PPG of US$350,000 approved by GEF SEC in April 2007 and a PDF B of US$225,000 from GEF.
** Including US$275,000 from GOI and US$ 300,000 from WB.
*** Agency fee is calculated based on 10% of US$25 million which is requested for the project, excluding the PPG and PDF B grant.

### C. Indicative Co-financing for the Project (including project preparation amount) by Source and by Name (in parenthesis) if available, ($) 

<table>
<thead>
<tr>
<th>Sources of Co-financing</th>
<th>Type of Co-financing</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Government Contribution</td>
<td>Grant</td>
<td>150,000,000</td>
</tr>
<tr>
<td>Project Government Contribution</td>
<td>In-kind</td>
<td>275,000</td>
</tr>
<tr>
<td>GEF Agency- World Bank</td>
<td>In-kind</td>
<td>300,000</td>
</tr>
<tr>
<td>GEF Agency- World Bank</td>
<td>Hard Loan</td>
<td>200,000,000</td>
</tr>
<tr>
<td>GEF Agency- World Bank</td>
<td>Grant</td>
<td>2,000,000</td>
</tr>
<tr>
<td>GEF Agency- UNDP</td>
<td>Grant</td>
<td>150,000</td>
</tr>
<tr>
<td><strong>Total co-financing</strong></td>
<td></td>
<td>352,725,000</td>
</tr>
</tbody>
</table>

### D. GEF Resources Requested by Focal Area(s), Agency (ies) Share and Country (ies)*

<table>
<thead>
<tr>
<th>GEF Agency</th>
<th>Focal Area</th>
<th>Country Name/ (in $)</th>
<th>Project Preparation</th>
<th>Agency</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Global</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>India</td>
<td>350,000</td>
<td>18,450,000</td>
<td>2,060,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>India</td>
<td>225,000</td>
<td>4,050,000</td>
<td>440,000</td>
</tr>
<tr>
<td><strong>Total GEF Resources</strong></td>
<td></td>
<td></td>
<td>575,000</td>
<td>22,500,000</td>
<td>2,500,000</td>
</tr>
</tbody>
</table>

* No need to provide information for this table if it is a single focal area, single country and single GEF Agency project.
PART II: PROJECT JUSTIFICATION

A. STATE THE ISSUE, HOW THE PROJECT SEEKS TO ADDRESS IT, AND THE EXPECTED GLOBAL ENVIRONMENTAL BENEFITS TO BE DELIVERED: Transport demand in Indian cities have increased dramatically in the past decade due to the fast and stable urban-led economic growth. With transport consumption already accounting for more than 9% of the Indian total GHG emissions (2006 data), continuation of the urbanization and motorization trends is making urban transport the fastest growing sector in India in terms of contribution to climate change. The consequential increase in GHG emissions from urban transport would also negate much of the effort being made in other sectors in India and in the rest of the world to reduce GHG emissions. Government of India (GOI) has recognized the need to tackle this issue and has made great efforts to address it. Both National Urban Transport Policy (NUTP, 2006) and National Environment Policy (2006) call for preparing and implementing action plans for major cities to reduce global and local urban transport emissions, and urban transport has also been given priority in the National Urban Renewal Mission through which GoI would finance up to 50% of the total cost for urban infrastructure investment projects. However, implementation of these national policies/priorities in Indian cities has been slow mainly because of the following capacity barriers identified by Ministry of Urban Development (MoUD): (i) both national and local governments have inadequate institutional and financing capacity for addressing urban transport issues in an effective, efficient, and sustainable manner; (ii) government agencies involved in urban transport lack technical expertise in urban transport planning and management and decision-making has often been in an ad-hoc manner, which often led to preference for environmentally unfriendly transport interventions; and (iii) absence of quality projects and locally generated good practices to demonstrate benefits of environmentally sustainable urban transport and to help catalyze/cultivate change in the manner of urban transport planning and management.
The proposed Project aims at addressing the above capacity barriers through the following two components:

**Component 1: National Urban Transport Capacity Development Initiatives.** This component will support outputs and activities focussed on (i) Institutional capacity development for government agencies/ institutions already engaged in urban transport planning and implementation such as MoUD, national and state urban and/or transport departments, municipal corporations in identified cities (ii) Individual capacity development for transport experts, training programmes for top and mid-level officials, strengthening academic programs; (iii) Systemic capacity development related to legal and regulatory frameworks for urban transport; and (iv) A series of Manuals, standards, and toolkits to help implementation of the NUTP (v) Development of an E-Portal and a national database. The Component will include technical assistance to the MoUD for implementation of the NUTP and NURM. Implementation of the Component 1 will be supported mainly by UNDP with the World Bank providing technical support to some activities.

**Component 2: Demonstration Sustainable Urban Transport Projects.** This component will support identification, preparation, and implementation of a package of demonstration projects in selected cities, through a comprehensive and integrated planning, preparation, and appraisal process. The demonstration package will consist of both institutional and financing improvements required by NUTP and substantial investments in environmentally friendly transport measures, which could be co-financed by a combination of funds from GoI, local governments, and the World Bank. The Component 2 will also provide technical assistance (TA) to participating states in developing state-wide action plans for the implementation of NUTP. The Component will aim to develop and institutionalize a national Partnership program for sustainable urban transport between GoI and states/cities and national institutions. Implementation of the Component 2 will be supported mainly by the World Bank.

Expected global environmental benefits at the end of the project are (i) reduction of the growth of GHG emissions from urban transport in Indian cities (compared to the business-as-usual scenario) in the immediate term; and (ii) in the longer term, a paradigm shift in the way India's urban transport systems are planned and managed from unsustainable development patterns to sustainable low-GHG urban transport development.

**B. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH NATIONAL PRIORITIES/PLANS:** The Project is fully consistent with national priorities/plans. Need to tackle GHG emissions from urban transport are widely acknowledged in national government policies/plans. Reducing GHG emissions from urban transport is one of the priority areas of the National Environment Policy (2006), and establishing sustainable urban transport systems in Indian cities is also the priorities of the National Urban Transport Policy (2006). The Project is in coherence to the working group report on urban transport for the 11th Five Year Plan as part of the MoUD's efforts to implement the NUTP and is included in the implementation strategy of National Urban renewal Mission (NURM).

**C. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH GEF STRATEGIES AND STRATEGIC PROGRAMS:** This project is consistent with the objectives of the Global Environment Facility Operational Program CC-SP5 - Promoting sustainable innovative systems for urban transport under the GEF climate change focal area. Specifically, the project would support pilot interventions to (a) integrate urban land-use and transport planning; (b) induce sustainable transport policies and programs in Indian cities that contribute to a long-term modal shift to more efficient modes of transport; (c) support training for environmental assessment
(both local and global) of urban transport measures; (d) pursue political dialogue engaging different actors dealing with transport, land-use, and environment matters at all levels of government; (e) foster a common approach to sustainable transport, articulating land-use planning, and air quality policies; (f) demonstrate benefits of a wide range of low-cost climate-friendly urban transport measures as alternative to the current unsustainable urban transport development patterns; and (g) enhance the analytical tools available at the institutional level, and make them available to all interested cities.

D. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES: The GEF operational focal point in India is based in the Ministry of Environment and Forests (MoEF). The MoEF has been coordinating the Project with other related initiatives undertaken by different government agencies and different GEF IAs through the GoI’s GEF Empowered Committee. It consists of representatives from various relevant national government agencies, such as MoEF, DEA (Department of Economic Affairs, Ministry of Finance). The Ministry of Urban Development (MoUD) is the lead agency for the Project. A steering committee chaired by the Secretary (Urban Development) has been established in MoUD to coordinate the Project with other related programs/projects carried out by the ministry. The Project has been given high priority. A framework for coordination between the World Bank and UNDP has been tentatively developed, under which the World Bank will be the leading GEF agency for the Project while UNDP a partnering agency. Preparation of the Project has been a joint effort aiming at developing one integrated program. To maximize the comparative advantages of the two agencies, it is envisaged that the World Bank and the UNDP will separately manage different activities of the Project, in close collaboration with each other, under the leadership of MoUD. Detailed implementation arrangements will be worked out during the further preparation of the project.
E. DISCUSS THE VALUE-ADDED OF GEF INVOLVEMENT IN THE PROJECT DEMONSTRATED THROUGH INCREMENTAL REASONING: The Project has two components: a national capacity building initiatives component and a demonstration projects component. Both are critical for affecting a paradigm shift from reactive to proactive transport and land-use planning. The former is intended to facilitate an appropriate enabling environment, while the latter intends to implant catalytic examples in a variety of Indian cities throughout the country.

The baseline scenario assumes that governments at both the national and local levels will need to address conditions that will increasingly be perceived as a “crisis” – worsening congestion and air pollution, lost productivity in urban areas, and loss of access for marginalized populations. At the national level, response to the urban transport problems would be piecemeal and ineffectual as urban transport by India Constitution is local affairs and the national government does not have adequate policy tools to effectively implement the National Urban Transport Policy in states and cities. At the local level (state and city level), efforts to address urban transport would continue to occur in a reactive mode – that is, in response to observed levels of congestion and deteriorating air quality. High-cost investments such as roads and fly-overs will continue to obtain high priority in the government plans. In terms of public transport development, high-cost new metro lines will be more favored than improvements of bus services and improvements of non-motorized transport facilities. Effectiveness of attempts to coordinate land-use and transport planning would be hindered as the ad-hoc manner of urban transport planning continues. These local efforts may meet with some modest successes in the short-run, but their long-run effectiveness or sustainability would be questionable. As a result, private-vehicle led motorization will speed up, low-density suburban development will continue to drive urban transport trends, and GHG emissions from urban transport will be tripled by 2025.

The GEF scenario aims to shift the paradigm of how governments at the national and local levels approach urban transport policy, in order to move from a reactive to a proactive mode that is better able to incorporate global climate and other long-term strategic concerns. At the national level, the GEF scenario is expected to lead to: (i) Changes in the manner urban transport investments are planned, programmed and financed to reflect global and local sustainability concerns; (ii) Development of more effective mechanisms to facilitate government oversight of urban transport investments to ensure that local actions are consistent with national priorities; (iii) Development of technical expertise in sustainable urban transport at national institutions, and improve knowledge base of concerned government agencies. At the local level, the GEF scenario will lead to (i) successful completion of demonstration projects, (ii) introduction and dessemination of international and local good practices, and (iii) wide replication of the demonstration projects in Indian cities. Last but not least, the GEF scenario will strongly support interventions for institutional and individual capacity building along with urban governance through the UNDP, and enhance strategic focus for future Bank's role in financing urban transport in India. The preparation of the Project in the past year has already transformed and elevated the Bank's intervention in the sector. That process has provided a platform for policy dialogue with all relevant national agencies and state/city governments. It has provided an opportunity for both the Bank and the GoI to shift the focus of the Bank intervention in the sector towards more support for environmentally-friendly transport. Further, the demonstration cities (and others interested in replication) provide a pipeline of future public-transport oriented investment projects that would support this strategic objective.

F. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS, THAT MIGHT PREVENT THE PROJECT OBJECTIVE(S) FROM BEING ACHIEVED, AND IF POSSIBLE INCLUDING RISK MEASURES THAT WILL BE TAKEN: Three major risks and corresponding mitigation measures have been identified as the following:
(i) Risk in continued government’s commitment to implementation of policy and institutional reforms promoted by the Project. This risk will be substantially mitigated through: (a) utilizing and strengthening existing institutional settings to the extent possible, through building of consensus and ownership among concerned stakeholders; (b) institutionalizing urban transport related knowledge formulation and dissemination responsibilities by involving Indian academic and research institutions; (c) carefully selecting participating states/cities which have committed to and have good track records in implementing policy and institutional reforms; (d) clearly defining the outcome targets for capacity building in the project design; and (e) setting up intermediate performance indicators to monitor and evaluate project outcome.

(ii) Risk in co-financing to and sustainability of demonstration projects under Component 2. State and city governments who participated in the project might not be able to mobilize adequate funds to implement those demonstration projects of component 2 due to financial and institutional constraints. After implementation, funding may not continue for a long enough period to support operation and maintenance and thus sustain the outcome of the demonstration projects. This risk will be substantially mitigated through: (a) carefully selecting demonstration projects which should be included in an overall strategic transport plan aiming at sustainable transport systems for the city; (b) improving financial viability of the project through technical assistance; (c) ensuring that the activity supported by Component 2 produce other additional local benefits, e.g., reduction of congestion and pollution; (d) developing close collaboration with NURM (National Urban Renewal Mission) through which GoI provides grants to cover up to 50% of total investment costs of eligible urban infrastructure project in major cities; (e) providing additional Bank financing as needed and requested by GoI and local governments; (f) the ongoing urban governance project of the UNDP with the MoUD could provide support to the urban local bodies and evolve suitable urban governance strategies, enhance institutional and human capacities and bring about good urban governance by supporting the urban reform process pioneered by MoUD through financial and legislative initiatives.

(iii) Risk in protecting local communities and local environment. Component 2 of the Project may involve civil works, such as building pedestrian paths, dedicated non motorized vehicle lanes or bus lanes on the existing roads, access for physically challenged, renovating bus stops, improving existing road infrastructure (modal segregation, traffic signals) etc. which might require some land acquisition and relocation of residents, houses, trees, etc. A Social and Environmental Assessment thus will be carried out during the course of project preparation to assess social and environmental risks. The assessment will propose appropriate measures to avoid, minimize, or mitigate any negative impacts identified.

G. DESCRIBE, IF POSSIBLE, THE EXPECTED COST-EFFECTIVENESS OF THE PROJECT: The Project will finance a series of technical assistance and capacity development activities through the two components as described above. These activities are essential to successfully implementing the National Urban Transport Policy. However, despite extremely low cost compared to capital investments in the sector, these activities usually will not receive priority in the government budget planning because they will not generate immediate economic returns. The GEF support will help overcome the institutional, individual and systemic capacity barriers by providing financing support and leveraging funds from the government and other sources such as institutions, private sector, etc.

In the case of demonstration projects, the Project will support the development of Bus Rapid Transit corridors, improvement of public transport operations and maintenance, integrated public transport and non-motorized...
transport development plans, pedestrianization schemes, transport demand management measures, plans for transit-oriented development, and/or ITS application in traffic management etc. International experience and the Bank’s experience in other countries suggest that all of these investments have high returns with desirable distributional benefits. That said, all of the technical assistance activities will integrate economic and financial analysis into the planning process.

H. JUSTIFY THE COMPARATIVE ADVANTAGE OF GEF AGENCY: The World Bank and UNDP are ideally positioned to complement each other in supporting this Project.

The World Bank has strong ability to mobilize both technical and financial resources to support the project, especially the implementation of demonstration projects at the state/city levels. On the technical side, the Bank has extensive international experience with the development of activities proposed for GEF co-financing: institutional mechanisms and policies to obtain desired outcomes, energy-efficient solutions in urban transport, particularly development of Bus Rapid Transit (BRT) systems, integration of non-motorized modes into the transport system, integrated transport and land use planning, and travel demand management approaches. It also brings substantial expertise in evaluation and analysis of impacts, as well as opportunities to learn best practices from, and disseminate to, a wide network of partners in Asia, including the Clean Air Initiative for Asian Cities. The Bank has also extensive Indian experience in preparing and implementing investment projects, institutional reforms, and capacity building programs at state and city levels. The Bank has a long history of working with Indian national and local authorities on urban transport issues. It has provided over US$1 billion, in several separate operations, including the on-going Mumbai Urban Transport Project, Tamil Nadu Urban Development Projects, Karnataka Municipal Services Project, through the Bank is co-financing promotion of some activities proposed in this operation. In addition, several more urban transport investment projects are under preparation or identification, which would co-finance some of the activities proposed in this operation if approved by Government of India and the Bank. This project would also provide a strategic focus of well-defined national policy objectives for future Bank involvement in the sector. The demonstration projects also promise a self-selected stream of sustainable demonstration projects framed within the context of the agreed national priorities, for future investments.

The UNDP has extensive experience in providing technical assistance and capacity development programmes in India in the GEF climate change focal area. 14 UNDP supported CC projects are currently either under implementation or in the pipeline. UNDP’s conceptual and practical expertise in designing and implementing complex capacity development programmes addressing simultaneously capacity barriers at the institutional, individual and systemic level complements the World Bank expertise. Furthermore, UNDP is currently the lead agency on approx. 20 sustainable transport projects both in Asia and other regions and brings a wealth of experiences and lessons which will benefit this project.
PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY (IES)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT(S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the country endorsement letter(s) or regional endorsement letter(s) with this template).

Sudhir Mital, Joint Secretary, Ministry of Environment and Forest, India
Date: September 14, 2007

(Enter Name, Position, Ministry)
Date: (Month, day, year)

B. GEF AGENCY (IES) CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for project identification and preparation.

<table>
<thead>
<tr>
<th>Name &amp; Signature</th>
<th>Project Contact Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>GEF Agency Coordinator</td>
<td>Tel. and Email:</td>
</tr>
<tr>
<td>Date: (Month, Day, Year)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
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<td>Tel. and Email:</td>
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<tr>
<td>Date: (Month, Day, Year)</td>
<td></td>
</tr>
</tbody>
</table>
**PROJECT IDENTIFICATION FORM (PIF)**

**PROJECT TYPE:** Full-sized Project
**THE GEF TRUST FUND**

---

**PART I: PROJECT IDENTIFICATION**

- **GEFSEC Project ID**: 3241
- **GEF Agency Project ID**: WB: P106589; UNDP: 3214
- **Country (ies)**: India
- **Project Title**: Sustainable Urban Transport Program
- **GEF Agency (ies)**: World Bank, UNDP, (select)
- **Other Executing Partner(s)**: Ministry of Urban Development (MoUD), Government of India
- **GEF Focal Area(s)**: Climate Change, (select), (select)
- **GEF-4 Strategic Program(s)**: CC-SP5: Promoting sustainable innovative systems for urban transport
- **Name of Parent Program/Umberella Project**: NA

**Submission Date**: October 20, 2006
**Re-submission Date**: September 14, 2007

---

**A. PROJECT FRAMEWORK**

(Expand table as necessary)

<table>
<thead>
<tr>
<th>Project Components</th>
<th>Indicate whether Investment, TA, or STA**</th>
<th>Expected Outcomes</th>
<th>Expected Outputs</th>
<th>Indicative GEF Financing*</th>
<th>Indicative Co-financing**</th>
<th>Total ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. National Urban Transport Capacity Development Initiatives</td>
<td>TA**</td>
<td>A comprehensive national urban transport capacity development program established and functioning, which includes knowledge system/database development, awareness/dissemination of good practices, local knowledge sharing, professional training, research, and technical guidance development.</td>
<td>(i) Institutional capacity development for 8-10 key government agencies/institutions already engaged in urban transport planning and implementation to (a) appreciate full gamut of urban mobility issues (b) coordinate policy making, investment planning and implementation, and research/knowledge data. (ii) Individual capacity development for about 100 transport experts, training programs for about 100 top and mid-level officials, strengthening academic programs; (iii) Systemic capacity</td>
<td>4,300,000 (incl. UNDP 3,000,000 and WB 700,000)</td>
<td>5,150,000</td>
<td>1.5 9,450,000</td>
</tr>
</tbody>
</table>

---

1 Project ID number will be assigned initially by GEFSEC.

PIF Template, August 30, 2007
APPENDIX–4: Financial Management Assessment Questionnaires
Appendix 4: FINANCIAL MANAGEMENT ASSESSMENT QUESTIONNAIRE

Project:
Self-Assessment completed by:  
Bank Review/Assessment completed by:  
Note: If there is more than one implementing entity, a Questionnaire should be completed for each entity

<table>
<thead>
<tr>
<th>1. BUDGET</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
<th>Review2</th>
<th>Remarks/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Are the project plans and budgets realistic, based on valid assumptions and developed by knowledgeable individuals?</td>
<td>yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2 Are procedures in place to plan project activities and prepare related budgets, and to collect information from the units in charge of the different components?</td>
<td>yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3 Are budgets prepared for all significant activities in sufficient detail to provide a meaningful tool with which to monitor subsequent performance?</td>
<td>yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.4 Are approvals for variations from the budget required in advance?</td>
<td>yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. ACCOUNTING</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 Does the entity adopt acceptable national/international accounting standards?</td>
<td>yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2 Are there written policies and procedures covering all routine accounting and related administrative activities?</td>
<td>yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3 Is the accounting function staffed adequately with experienced and qualified persons? (Attach organizational chart, job descriptions etc.)</td>
<td>yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4 Is the chart of accounts adequate, or can it be adapted to properly account for, and report on, all project activities?</td>
<td>yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.5 Is the accounting/reporting system computerized? If not, are the manual systems adequate to account for project activities in a timely manner?</td>
<td>yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. INTERNAL CONTROLS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1 Are approval and authorization controls in place and properly documented?</td>
<td>yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.2 Do policies and procedures clearly define conflict of interest and related party transactions (real and apparent) and provide safeguards to protect the organization from them?</td>
<td>yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.3 Are bank reconciliations prepared by someone other than those who process or approve payments? Are all unusual items on the bank reconciliation reviewed and approved by a responsible official?</td>
<td>yes</td>
<td></td>
<td></td>
<td></td>
<td>it is part of our e-governance package.</td>
</tr>
<tr>
<td>3.4 Are memorandum records of fixed assets and stocks kept up to date and reconciled with</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>memorandum records of</td>
</tr>
</tbody>
</table>
### 4. FUNDS FLOW

#### 4.1 Does the entity have any previous experience of Bank’s disbursement procedures?

Yes

#### 4.2 Are the arrangements to transfer the proceeds of the loan (from the government / ministry of finance) to the entity and from the entity to each of the implementing units satisfactory and in compliance with the Bank’s disbursement policies and procedures?

Yes

#### 4.3 Are the beneficiaries required to contribute to project costs? If beneficiaries have an option to contribute in kind (in the form of labor), are proper guidelines formulated to record and value the labor contribution?

Yes

### 5. FINANCIAL REPORTING

#### 5.1 Has the project established & documented financial reporting responsibilities that specify what reports are to be prepared, when they are to be prepared, periodicity of preparation and content?

Not yet

#### 5.2 Are financial reports used by management?

Yes

#### 5.3 Do the financial reports compare actual expenditures with budgeted and programmed allocations?

Yes

### 6. EXTERNAL AUDIT

#### 6.1. Is the entity financial statement audited regularly by an independent auditor? Who appoints the auditor?

Yes

#### 6.2 Are the audit reports up to date?

Yes

#### 6.3 Is the audit of the entity conducted in accordance with international standards on auditing or other acceptable standards?

Yes

#### 6.4 Were any major accountability issues identified in the audit report of the past three years?

No

#### 6.5 Has the project prepared acceptable terms of reference for an annual audit?

Yes

---

**Notes:**

1. Borrower staffing issues are not separately identified as Bank FM staff are expected to address this area as an integral part of each of the six FM elements set out in the FMQ.
2. If the FMQ has been completed as a self-assessment, then Bank FM staff should review and document the findings.
### Appendix 4.2 Hyderabad

Project:  
Self-Assessment completed by:  
Bank Review/Assessment completed by:  
Date:  
Date:  

*Note: If there is more than one implementing entity, a Questionnaire should be completed for each entity*

<table>
<thead>
<tr>
<th>1. BUDGET</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
<th>Review</th>
<th>Remarks/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Are the project plans and budgets realistic, based on valid assumptions and developed by knowledgeable individuals?</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2 Are procedures in place to plan project activities and prepare related budgets, and to collect information from the units in charge of the different components?</td>
<td>✓</td>
<td></td>
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</tr>
<tr>
<td>1.3 Are budgets prepared for all significant activities in sufficient detail to provide a meaningful tool with which to monitor subsequent performance?</td>
<td>✓</td>
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</tr>
<tr>
<td>1.4 Are approvals for variations from the budget required in advance?</td>
<td>✓</td>
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<tr>
<td>2. ACCOUNTING</td>
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<td>2.1 Does the entity adopt acceptable national/international accounting standards?</td>
<td>✓</td>
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<tr>
<td>2.2 Are there written policies and procedures covering all routine accounting and related administrative activities?</td>
<td>✓</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>2.3 Is the accounting function staffed adequately with experienced and qualified persons? (Attach organizational chart, job descriptions etc.)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>GHMC – Accounting wing organizational chart enclosed</td>
</tr>
<tr>
<td>2.4 Is the chart of accounts adequate, or can it be adapted to properly account for, and report on, all project activities?</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.5 Is the accounting/reporting system computerized? If not, are the manual systems adequate to account for project activities in a timely manner?</td>
<td>✓</td>
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<td></td>
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<tr>
<td>3. INTERNAL CONTROLS</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.4</td>
<td>Are memorandum records of fixed assets and stocks kept up to date and reconciled with control accounts? Are assets sufficiently covered by insurance policies?</td>
<td>Yes</td>
<td>N/A</td>
<td>Review2</td>
<td>Remarks/Comments</td>
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<tr>
<td>-----</td>
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</tr>
<tr>
<td>3.5</td>
<td>Is the internal audit function effective – are actions taken on the audit findings?</td>
<td>Yes</td>
<td>N/A</td>
<td>Review2</td>
<td>Remarks/Comments</td>
</tr>
</tbody>
</table>

### 4. FUNDS FLOW

4.1 Does the entity have any previous experience of Bank’s disbursement procedures?  
4.2 Are the arrangements to transfer the proceeds of the loan (from the government / ministry of finance) to the entity and from the entity to each of the implementing units satisfactory and in compliance with the Bank’s disbursement policies and procedures?  
4.3 Are the beneficiaries required to contribute to project costs? If beneficiaries have an option to contribute in kind (in the form of labor), are proper guidelines formulated to record and value the labor contribution?  

### 5. FINANCIAL REPORTING

5.1 Has the project established & documented financial reporting responsibilities that specify what reports are to be prepared, when they are to be prepared, periodicity of preparation and content?  
5.2 Are financial reports used by management?  
5.3 Do the financial reports compare actual expenditures with budgeted and programmed allocations?  

### 6. EXTERNAL AUDIT

6.1 Is the entity financial statement audited regularly by an independent auditor? Who appoints the auditor?  
6.2 Are the audit reports up to date?  
6.3 Is the audit of the entity conducted in accordance with international standards on auditing or other acceptable standards?  
6.4 Were any major accountability issues identified in the audit report of the past three years?  
6.5 Has the project prepared acceptable terms of reference for an annual audit?  

**Notes:**  
i) Borrower staffing issues are not separately identified as Bank FM staff are expected to address this area as an integral part of each of the six FM elements set out in the FMQ.  
ii) If the FMQ has been completed as a self-assessment, then Bank FM staff should review and document the findings.
Project: Indore City Transport Services Ltd
Self-Assessment completed by: Indore City Transport Services Ltd
Bank Review/Assessment completed by: Indore City Transport Services Ltd
Date: 06-05-2008

Note: If there is more than one implementing entity, a Questionnaire should be completed for each entity

### 1. BUDGET

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
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<th>Review2</th>
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<td>√</td>
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<td></td>
<td></td>
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<tr>
<td>1.3 Are budgets prepared for all significant activities in sufficient detail to provide a meaningful tool with which to monitor subsequent performance?</td>
<td>√</td>
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### 2. ACCOUNTING

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<td></td>
</tr>
<tr>
<td>2.4 Is the chart of accounts adequate, or can it be adapted to properly account for, and report on, all project activities?</td>
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<td></td>
</tr>
<tr>
<td>2.5 Is the accounting/reporting system computerized? If not, are the manual systems adequate to account for project activities in a timely manner?</td>
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<td></td>
</tr>
</tbody>
</table>

### 3. INTERNAL CONTROLS

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
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<tbody>
<tr>
<td>3.1 Are approval and authorization controls in place and properly documented?</td>
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<td>3.2 Do policies and procedures clearly define conflict of interest and related party transactions (real and apparent) and provide safeguards to protect the organization from them?</td>
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</tr>
<tr>
<td>3.3 Are bank reconciliations prepared by someone other than those who process or approve payments? Are all unusual items on the bank reconciliation reviewed and approved by a responsible official?</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Question</td>
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<td>No</td>
<td>N/A</td>
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<td>Remarks/Comments</td>
</tr>
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</tr>
<tr>
<td>3.4 Are memorandum records of fixed assets and stocks kept up to date and reconciled with control accounts? Are assets sufficiently covered by insurance policies?</td>
<td>√</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>3.5 Is the internal audit function effective – are actions taken on the audit findings?</td>
<td>√</td>
<td></td>
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<tr>
<td><strong>4. FUNDS FLOW</strong></td>
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</tr>
<tr>
<td>4.1 Does the entity have any previous experience of Bank’s disbursement procedures?</td>
<td>√</td>
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<tr>
<td>4.2 Are the arrangements to transfer the proceeds of the loan (from the government / ministry of finance) to the entity and from the entity to each of the implementing units satisfactory and in compliance with the Bank’s disbursement policies and procedures?</td>
<td>√</td>
<td></td>
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</tr>
<tr>
<td>4.3 Are the beneficiaries required to contribute to project costs? If beneficiaries have an option to contribute in kind (in the form of labor), are proper guidelines formulated to record and value the labor contribution?</td>
<td>√</td>
<td></td>
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<tr>
<td><strong>5. FINANCIAL REPORTING</strong></td>
<td></td>
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</tr>
<tr>
<td>5.1 Has the project established &amp; documented financial reporting responsibilities that specify what reports are to be prepared, when they are to be prepared, periodicity of preparation and content?</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.2 Are financial reports used by management?</td>
<td>√</td>
<td></td>
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</tr>
<tr>
<td>5.3 Do the financial reports compare actual expenditures with budgeted and programmed allocations?</td>
<td>√</td>
<td></td>
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</tr>
<tr>
<td><strong>6. EXTERNAL AUDIT</strong></td>
<td></td>
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</tr>
<tr>
<td>6.1. Is the entity financial statement audited regularly by an independent auditor? Who appoints the auditor?</td>
<td>√</td>
<td></td>
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</tr>
<tr>
<td>6.2 Are the audit reports up to date?</td>
<td>√</td>
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<tr>
<td>6.3 Is the audit of the entity conducted in accordance with international standards on auditing or other acceptable standards?</td>
<td>√</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>6.4 Were any major accountability issues identified in the audit report of the past three years?</td>
<td>√</td>
<td></td>
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</tr>
<tr>
<td>6.5 Has the project prepared acceptable terms of reference for an annual audit?</td>
<td>√</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**Notes:**

i) Borrower staffing issues are not separately identified as Bank FM staff are expected to address this area as an integral part of each of the six FM elements set out in the FMQ.

ii) If the FMQ has been completed as a self-assessment, then Bank FM staff should review and document the findings.
<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
<th>Review2</th>
<th>Remarks/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. BUDGET</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 Are the project plans and budgets realistic, based on valid assumptions and developed by knowledgeable individuals?</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2 Are procedures in place to plan project activities and prepare related budgets, and to collect information from the units in charge of the different components?</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3 Are budgets prepared for all significant activities in sufficient detail to provide a meaningful tool with which to monitor subsequent performance?</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.4 Are approvals for variations from the budget required in advance?</td>
<td>No</td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>2. ACCOUNTING</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 Does the entity adopt acceptable national/international accounting standards?</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2 Are there written policies and procedures covering all routine accounting and related administrative activities?</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3 Is the accounting function staffed adequately with experienced and qualified persons? (Attach organizational chart, job descriptions etc.)</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4 Is the chart of accounts adequate, or can it be adapted to properly account for, and report on, all project activities?</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.5 Is the accounting/reporting system computerized? If not, are the manual systems adequate to account for project activities in a timely manner?</td>
<td>Partly</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3. INTERNAL CONTROLS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1 Are approval and authorization controls in place and properly documented?</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.2 Do policies and procedures clearly define conflict of interest and related party transactions (real and apparent) and provide safeguards to protect the organization from them?</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.3 Are bank reconciliations prepared by someone other than those who process or approve payments? Are all unusual items on the bank reconciliation reviewed and approved by a responsible official?</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.4 Are memorandum records of fixed assets and stocks kept up to date and reconciled with control accounts? Are assets sufficiently covered by insurance policies?</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.5 Is the internal audit function effective – are actions taken on the audit findings?</td>
<td>Yes</td>
<td></td>
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</tr>
</tbody>
</table>

**4. FUNDS FLOW**

4.1 Does the entity have any previous experience of Bank’s disbursement procedures? | No |
4.2 Are the arrangements to transfer the proceeds of the loan (from the government/ministry of finance) to the entity and from the entity to each of the implementing units satisfactory and in compliance with the Bank’s disbursement policies and procedures? | No |
4.3 Are the beneficiaries required to contribute to project costs? If beneficiaries have an option to contribute in kind (in the form of labor), are proper guidelines formulated to record and value the labor contribution? |

**5. FINANCIAL REPORTING**

5.1 Has the project established & documented financial reporting responsibilities that specify what reports are to be prepared, when they are to be prepared, periodicity of preparation and content? | Yes |
5.2 Are financial reports used by management? | Yes |
5.3 Do the financial reports compare actual expenditures with budgeted and programmed allocations? | Yes |

**6. EXTERNAL AUDIT**

6.1. Is the entity financial statement audited regularly by an independent auditor? Who appoints the auditor? | Yes | Govt. |
6.2 Are the audit reports up to date? | Yes |
6.3 Is the audit of the entity conducted in accordance with international standards on auditing or other acceptable standards? | No |
6.4 Were any major accountability issues identified in the audit report of the past three years? | No |
6.5 Has the project prepared acceptable terms of reference for an annual audit? |

**Notes:**

i) Borrower staffing issues are not separately identified as Bank FM staff are expected to address this area as an integral part of each of the six FM elements set out in the FMQ.

ii) If the FMQ has been completed as a self-assessment, then Bank FM staff should review and document the findings.
### Appendix 4.5-Mysore

<table>
<thead>
<tr>
<th>Query</th>
<th>Reply/document</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Budget</strong></td>
<td></td>
</tr>
</tbody>
</table>
| 1.1 Are the project plans and budgets realistic, based on valid assumptions and developed by knowledgeable individuals? | 1. Draft DPR is prepared  
2. Yes  
3. DPR contains summary of final budget |
| 1.2 Are procedures in place to plan project activities and prepare related Budgets, end to collect information from the units in-charge of the different components? | Yes |
| 1.3 Are Budgets prepared for all significant activities in sufficient details to provide a meaningful tool with which to monitor subsequent performance? | Yes |
| 1.4 Are approvals for variations from the budget required in advance? | - |
| **2. ACCOUNTING**                                                    |                                                                                |
| 2.1 Does the entity adopt acceptable national/ international accounting standards? | The Corporation is maintaining accounts as per the guidelines issued in Section 33 of RTC Act 1950, in due consultation with Comptroller and Auditor General of India as well as Principal Accountant General in Karnataka. |
| 2.2 Are there written policies and procedures covering all routine accounting and related administrative activities? | The Accounting policies/ procedures covering all accounting and administrative activities are enumerated in the Accounts Manual of the Corporation. |
| 2.3 Is the accounting function staffed adequately with experienced and qualified persons? (Attach organizational chart job descriptions etc.) | Accounts department is staffed and headed by the Chief Accounts Officer cum Financial Adviser, who is appointed by the State Government as per the procedures laid down in Section 14 of the RTC Act 1950. |
| 2.4 Is the chart of accounts adequate or can it be adopted to properly account for, and report on, all project activities? | The Accounts of the Corporation are maintained as per the chart of Accounts prepared for the purpose in the year 2003 and the same is adequate to properly account for and report on project activities. |
| 2.5 Is the accounting/reporting system computerized? If not, are the manual systems adequate to account for project activities in a timely manner? | Accounts of the Corporation have been computerized. Oracle Financials, an Enterprise Resource Planning (ERP) package has been installed with effect from 01-02-2000. |
| **3. INTERNAL CONTROLS**                                             |                                                                                |
| 3.1 Are approval and authorization controls in place and properly documented? | Approvals and authorization controls together with policies and procedures are clearly defined in the Accounts Manual |
| 3.2 Do policies and procedures clearly define conflict of interest and related party transaction (real and apparent) and provide safeguards protect the organization from them? | - |
### Query | Reply/document
--- | ---
3.3 Are bank reconciliations prepared by someone other than those who process or approve payments? Are all unusual items on the bank reconciliation reviewed and approved by a responsible official? | The Bank reconciliation is being attended on the monthly basis in a separate section of Accounts Department. The payments are approved by the authorized officers whereas; the Bank reconciliation is taken care separately which is being monitored by Accounts Officer/Deputy Chief Accounts Officer.

3.4 Are memorandum records of fixed assets and stocks kept up date and reconciled with control accounts? Are assets sufficiently covered by insurance policies? | The records of fixed assets have been kept up to date and are being reconciled from time to time. They are covered by insurance as per the circular instructions issued in this behalf. Further, the Assets of the Corporation are monitored through the Fixed Assets module of Oracle Financials.

3.5 Is the internal audit function effective- are actions taken on the audit findings? | A concurrent internal audit wing headed by Chief Accounts officer (Internal Audit) is functioning independently. The records maintained at the Divisional office/Depot level are being regularly checked through Internal Auditor. Internal audit reports are being submitted to the Chief Accounts Officer (Internal Audit) through Accounts Officer/Assistant Accounts officer. The Chief Accounts officer (Internal Audit) in turn submits them to the Chief Executive i.e. Vice Chairman & Managing Director of the Corporation. The reports are reviewed and corrective measures are initiated.

### 4. FUNDS FLOW

4.1 Does the entity have any previous experience of Bank’s disbursement procedures? | The Corporation is availing the term loan from Nationalized Banks every year for implementation of Capital expenditure programme as envisaged in the Budget estimates with due approval from the State Government without Government guarantee.

4.2 Are the arrangements to transfer the proceeds of the loan (from the Government/ministry of finance) to the entity and from the entity to each of the implementing units satisfactory and in compliance with the Bank’s disbursement policies and procedures? | The disbursement of the said term loan from the Bank is exclusively utilized for incurring Capital expenditure i.e. procurement of chassis and building buses on them.

4.3 Are the beneficiaries required to contribute to project costs? If beneficiaries have an option to contribute in kind (in the form of labor), are proper guidelines formulated to record and value the labor contribution? | N.A

### 5. FINANCING REPORTING

5.1 Has the project established & documented financial reporting responsibilities that specify what reports are to be prepared, when they are to be prepared, periodicity of preparation and content? | Not applicable. However the Annual Accounts of the Corporation are drawn soon after the completion of the financial period i.e. from 1st of April to 31st March every year. After adoption of Annual Accounts by the Corporation Board, they are submitted to the Senior Resident Audit Officer being the representative of Principal Accountant General in Karnataka for
<table>
<thead>
<tr>
<th>Query</th>
<th>Reply/document</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.2 Are financial reports used by management?</td>
<td>The Budget estimates for the subsequent year and revised Budget estimates for the current year are prepared based upon the financial reports.</td>
</tr>
<tr>
<td>5.3 Do the financial reports compare actual expenditures with budgeted and programmed allocations?</td>
<td>The financial reports are compared internally with budget allocations.</td>
</tr>
<tr>
<td><strong>6. EXTERNAL AUDIT</strong></td>
<td></td>
</tr>
<tr>
<td>6.1 Is the entity financial statement audited regularly by an independent auditor? Who appoints the auditor?</td>
<td>The sole Auditor of the Corporation is Comptroller and Auditor General of India as well as Principal Accountant General in Karnataka. Further the Senior Resident Audit Officer being the representative of Principal Accountant General in Karnataka is stationed in the premises of the corporate office itself.</td>
</tr>
<tr>
<td>6.2 Are the audit reports up to date?</td>
<td>The issuance of Audit report Annual Accounts of the Corporation is up to date and the Audit Certificate on Annual Accounts of the Corporation up to 2006-07 has been issued.</td>
</tr>
<tr>
<td>6.3 Is the audit of the entity conducted in accordance with international standards on auditing or other acceptable standards?</td>
<td>The Principal Accountant General in Karnataka is conducting the Audit of Annual Accounts of the Corporation. The Audit is being conducted as per the guidelines issued in RTC Act in due consultation with office of Accountant General</td>
</tr>
<tr>
<td>6.4 Were any major accountability issues identified in the audit report of the past three years?</td>
<td>No</td>
</tr>
<tr>
<td>6.5 Has the project prepared acceptable terms of reference for an annual audit?</td>
<td>N.A</td>
</tr>
</tbody>
</table>
Appendix 4.6 – Naya Raipur

Project:  
Self-Assessment completed by: Indore City Transport Services ltd  
Bank Review/Assessment completed by:  
Date: 06-05-2008

Note: If there is more than one implementing entity, a Questionnaire should be completed for each entity

<table>
<thead>
<tr>
<th>1. BUDGET</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
<th>Review2</th>
<th>Remarks/Comments</th>
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</thead>
<tbody>
<tr>
<td>1.1 Are the project plans and budgets realistic, based on valid assumptions and developed by knowledgeable individuals?</td>
<td>✓</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>1.2 Are procedures in place to plan project activities and prepare related budgets, and to collect information from the units in charge of the different components?</td>
<td>✓</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>1.3 Are budgets prepared for all significant activities in sufficient detail to provide a meaningful tool with which to monitor subsequent performance?</td>
<td>✓</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>1.4 Are approvals for variations from the budget required in advance?</td>
<td>✓</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>2. ACCOUNTING</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
<th>Review2</th>
<th>Remarks/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Does the entity adopt acceptable national/international accounting standards?</td>
<td>✓</td>
<td></td>
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</tr>
<tr>
<td>2.2 Are there written policies and procedures covering all routine accounting and related administrative activities?</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3 Is the accounting function staffed adequately with experienced and qualified persons? (Attach organizational chart, job descriptions etc.)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4 Is the chart of accounts adequate, or can it be adapted to properly account for, and report on, all project activities?</td>
<td>✓</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>2.5 Is the accounting/reporting system computerized? If not, are the manual systems adequate to account for project activities in a timely manner?</td>
<td>✓</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>3. INTERNAL CONTROLS</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
<th>Review2</th>
<th>Remarks/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Are approval and authorization controls in place and properly documented?</td>
<td>✓</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>3.2 Do policies and procedures clearly define conflict of interest and related party transactions (real and apparent) and provide safeguards to protect the organization from them?</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.3 Are bank reconciliations prepared by someone other than those who process or approve payments? Are all unusual items on the bank reconciliation reviewed and approved by a responsible official?</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.4 Are memorandum records of fixed assets and stocks kept up to date and reconciled with control accounts? Are assets sufficiently covered by insurance policies?</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td>Under Process</td>
</tr>
</tbody>
</table>
### 3.5 Is the internal audit function effective – are actions taken on the audit findings?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
<th>Review2</th>
<th>Remarks/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>√</td>
<td></td>
<td></td>
<td></td>
<td>Under Process</td>
</tr>
</tbody>
</table>

#### 4. FUNDS FLOW

4.1 Does the entity have any previous experience of Bank’s disbursement procedures?  √

4.2 Are the arrangements to transfer the proceeds of the loan (from the government / ministry of finance) to the entity and from the entity to each of the implementing units satisfactory and in compliance with the Bank’s disbursement policies and procedures?  √

4.3 Are the beneficiaries required to contribute to project costs? If beneficiaries have an option to contribute in kind (in the form of labor), are proper guidelines formulated to record and value the labor contribution?  √

#### 5. FINANCIAL REPORTING

5.1 Has the project established & documented financial reporting responsibilities that specify what reports are to be prepared, when they are to be prepared, periodicity of preparation and content?  √

5.2 Are financial reports used by management?  √

5.3 Do the financial reports compare actual expenditures with budgeted and programmed allocations?  √

#### 6. EXTERNAL AUDIT

6.1. Is the entity financial statement audited regularly by an independent auditor? Who appoints the auditor?  √

6.2 Are the audit reports up to date?  √

6.3 Is the audit of the entity conducted in accordance with international standards on auditing or other acceptable standards?  √

6.4 Were any major accountability issues identified in the audit report of the past three years?  √  √

6.5 Has the project prepared acceptable terms of reference for an annual audit?  √

### Notes:

i) Borrower staffing issues are not separately identified as Bank FM staff are expected to address this area as an integral part of each of the six FM elements set out in the FMQ.

ii) If the FMQ has been completed as a self-assessment, then Bank FM staff should review and document the findings.
<table>
<thead>
<tr>
<th><strong>1. BUDGET</strong></th>
<th><strong>Documents Required</strong></th>
<th><strong>Remarks</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Are the project plans and budgets realistic, based on valid assumptions and developed by knowledgeable individuals?</td>
<td>• DPR (Detailed Project Report)</td>
<td>• DPR under preparation</td>
</tr>
<tr>
<td></td>
<td>• Whether the professionals appointed for the same or not.</td>
<td>• Professional appointed</td>
</tr>
<tr>
<td></td>
<td>• Summary of the final budgets.</td>
<td>• DPR under preparation</td>
</tr>
<tr>
<td>1.2 Are procedures in place to plan project activities and prepare related budgets, and to collect information from the units in charge of the different components?</td>
<td>• Copies of the Final DPR.</td>
<td>• DPR under preparation</td>
</tr>
<tr>
<td></td>
<td>• Municipal procedures in place.</td>
<td></td>
</tr>
<tr>
<td>1.3 Are budgets prepared for all significant activities in sufficient detail to provide a meaningful tool with which to monitor subsequent performance?</td>
<td>• Copies of the DPR.</td>
<td>• DPR under preparation</td>
</tr>
<tr>
<td>1.4 Are approvals for variations from the budget required in advance?</td>
<td>• Existing policies in the Municipal corporations. Copy of the same is required.</td>
<td>Not necessarily in advance.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>2. ACCOUNTING</strong></th>
<th><strong>Documents Required</strong></th>
<th><strong>Remarks</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Does the entity adopt acceptable national/international accounting standards?</td>
<td>• Last audited balance sheet with Notes to the accounts.</td>
<td>Yes, Municipal Accounting Code.</td>
</tr>
<tr>
<td>2.2 Are there written policies and procedures covering all routine accounting and related administrative activities?</td>
<td>• Summary of the written policies &amp; procedures or the bylaws of the Municipal Corporation. Copy of such by laws or polices required.</td>
<td>Yes, Municipal Accounting Code &amp; Mumbai Provincial Municipal Corporations Act, 1949 and Rules &amp; Regulations thereunder.</td>
</tr>
<tr>
<td>2.3 Is the accounting function staffed adequately with experienced and qualified persons? (Attach organizational chart, job descriptions etc.)</td>
<td>• Attach organizational chart, job descriptions etc.</td>
<td>Yes. Accounting function staffed adequately with experienced and qualified persons.</td>
</tr>
<tr>
<td>2.4 Is the chart of accounts adequate, or can it be adapted to properly account for, and report on, all project activities?</td>
<td>• To be assessed after telephonic discussion or physical visit.</td>
<td></td>
</tr>
<tr>
<td>2.5 Is the accounting/reporting system computerized? If not, are the manual systems adequate to account for project activities in a timely manner?</td>
<td>• Name of the Accounting package.</td>
<td>Yes. Accounting/reporting systems adequate to account for project activities in a timely manner.</td>
</tr>
<tr>
<td></td>
<td>• Date of installation of the Computer package.</td>
<td></td>
</tr>
</tbody>
</table>
### 3. INTERNAL CONTROLS

<table>
<thead>
<tr>
<th>Q.</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Are approval and authorization controls in place and properly documented?</td>
<td>Yes. Approval and authorization controls in place.</td>
</tr>
<tr>
<td>3.2 Do policies and procedures clearly define conflict of interest and related party transactions (real and apparent) and provide safeguards to protect the organization from them?</td>
<td>Yes. The Mumbai Provincial Municipal Corporations Act, 1949 and Rules &amp; Regulations thereunder contain adequate safeguards.</td>
</tr>
<tr>
<td>3.3 Are bank reconciliations prepared by someone other than those who process or approve payments? Are all unusual items on the bank reconciliation reviewed and approved by a responsible official?</td>
<td>???</td>
</tr>
<tr>
<td>3.4 Are memorandum records of fixed assets and stocks kept up to date and reconciled with control accounts? Are assets sufficiently covered by insurance policies?</td>
<td>Yes.</td>
</tr>
<tr>
<td>3.5 Is the internal audit function effective – are actions taken on the audit findings?</td>
<td>Yes</td>
</tr>
</tbody>
</table>

### 4. FUNDS FLOW

<table>
<thead>
<tr>
<th>Q.</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 Does the entity have any previous experience of Bank’s disbursement procedures?</td>
<td>Confirmation required from entity.</td>
</tr>
<tr>
<td>4.2 Are the arrangements to transfer the proceeds of the loan (from the government / ministry of finance) to the entity and from the entity to each of the implementing units satisfactory and in compliance with the Bank’s disbursement policies and procedures?</td>
<td>Confirmation required from entity. Yes</td>
</tr>
<tr>
<td>4.3 Are the beneficiaries required to contribute to project costs? If beneficiaries have an option to contribute in kind (in the form of labor), are proper guidelines formulated to record and value the labor contribution?</td>
<td>Confirmation required from entity. As the Project is of a promotional nature with global benefits of GHG reduction, the ostensible beneficiaries like cyclists or pedestrians will, in fact, be benefactors &amp; therefore, will not be expected to contribute to the cost of this project.</td>
</tr>
</tbody>
</table>

### 5. FINANCIAL REPORTING
| 5.1 Has the project established & documented financial reporting responsibilities that specify what reports are to be prepared, when they are to be prepared, periodicity of preparation and content? | Financial reporting responsibilities.  
Name of reports to be prepared, time frame, periodicity and content. | DPR under preparation will include these. |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5.2 Are financial reports used by management?</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>5.3 Do the financial reports compare actual expenditures with budgeted and programmed allocations?</td>
<td>Statement of comparison of actual vs. budgeted expenditure.</td>
<td></td>
</tr>
</tbody>
</table>

### 6. EXTERNAL AUDIT

<table>
<thead>
<tr>
<th>6.1. Is the entity financial statement audited regularly by an independent auditor? Who appoints the auditor?</th>
<th>Annual report.</th>
<th>???</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.2 Are the audit reports up to date?</td>
<td>Recent Audit report.</td>
<td>???</td>
</tr>
<tr>
<td>6.3 Is the audit of the entity conducted in accordance with international standards on auditing or other acceptable standards?</td>
<td>Annual report.</td>
<td>Yes.</td>
</tr>
<tr>
<td>6.4 Were any major accountability issues identified in the audit report of the past three years?</td>
<td>Recent Audit report.</td>
<td>???</td>
</tr>
<tr>
<td>6.5 Has the project prepared acceptable terms of reference for an annual audit?</td>
<td>DPR under preparation will include these.</td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

i) Borrower staffing issues are not separately identified as Bank FM staff are expected to address this area as an integral part of each of the six FM elements set out in the FMQ.

ii) If the FMQ has been completed as a self-assessment, then Bank FM staff should review and document the findings.
## Appendix 4.8-Trivandrum

### 1. BUDGET

<table>
<thead>
<tr>
<th>Question</th>
<th>Documents Required</th>
</tr>
</thead>
</table>
| 1.1 Are the project plans and budgets realistic, based on valid assumptions and developed by knowledgeable individuals? Yes | • DPR (Detailed Project Report) – prepared  
• Whether the professionals appointed for the same or not - Yes  
• Summary of the final budgets – Available in the DPR |
| 1.2 Are procedures in place to plan project activities and prepare related budgets, and to collect information from the units in charge of the different components? Yes | • Copies of the Final DPR. |
| 1.3 Are budgets prepared for all significant activities in sufficient detail to provide a meaningful tool with which to monitor subsequent performance? Yes | • DPR |
| 1.4 Are approvals for variations from the budget required in advance? Yes | • Existing policies in the Municipal corporations. |

### 2. ACCOUNTING

<table>
<thead>
<tr>
<th>Question</th>
<th>Documents Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Does the entity adopt acceptable national/ international accounting standards? National Standards</td>
<td>• Last audited balance sheet with Notes to the accounts Financial Year 2006-07 Available at Thiruvananthapuram Corporation</td>
</tr>
<tr>
<td>2.2 Are there written policies and procedures covering all routine accounting and related administrative activities? Yes</td>
<td>• Summary of the written policies &amp; procedures or the bylaws of the Municipal Corporation. Copy of such by laws or polices required. Available at Thiruvananthapuram Corporation</td>
</tr>
<tr>
<td>2.3 Is the accounting function staffed adequately with experienced and qualified persons? Experienced Accounts personnel is available</td>
<td>• Attach organizational chart, job descriptions etc Available at Thiruvananthapuram Corporation</td>
</tr>
<tr>
<td>2.4 Is the chart of accounts adequate, or can it be adapted to properly account for, and report on, all project activities? Yes</td>
<td>• To be assessed after telephonic discussion or physical visit.</td>
</tr>
</tbody>
</table>
| 2.5 Is the accounting/reporting system computerized? Yes If not, are the manual systems adequate to account for project activities in a timely manner? Yes | • Name of the Accounting package. – Kerala Municipal Accounting System  
• Date of installation of the Computer package – June 2007 |

### 3. INTERNAL CONTROLS
3.1 Are approval and authorization controls in place and properly documented?  **Yes**  
- Summary of approvals & authorizations chart duly a approved by the competent authority.  
  **Available at Thiruvananthapuram Corporation**

3.2 Do policies and procedures clearly define conflict of interest and related party transactions (real and apparent) and provide safeguards to protect the organization from them?  **Yes**  
- Policies or the by laws for the related party transactions.  
  **Available at Thiruvananthapuram Corporation**

3.3 Are bank reconciliations prepared by someone other than those who process or approve payments? Are all unusual items on the bank reconciliation reviewed and *** by responsible official?  **Yes**  
- Copy of latest BRS.  
  **Available at Thiruvananthapuram Corporation**

3.4 Are memorandum records of fixed assets and stocks kept up to date and reconciled with control accounts?  
  **Fixed assets and stocks register available, no reconciliation**  
- Are assets sufficiently covered by insurance policies?  **No**  
  - Is the format for making the fixed assets register given in the Accounting manual – **Yes**  
  - Statement of reconciliation of fixed assets & stocks records with control accounts – **No**  
  - Insurance adequacy statement of assets. (Value to be taken) - **No**  

3.5 Is the internal audit function effective - are actions taken on the audit findings?  **No**  
- Recent Internal Audit Report – **No**  
- TOR of the internal audit

4 FUNDS FLOW  

4.1 Does the entity have any previous experience of Bank's disbursement procedures?  **Yes**  
- Confirmation required from entity  
  **ADB Loan**

4.2 Are the arrangements to transfer the proceeds of the loan (from the government / ministry of finance) to the entity and from the entity to each of the implementing units satisfactory and in compliance with the Bank's disbursement policies and procedures?  **Yes**  
- Confirmation required from entity  
  **(Government to Project Management Unit and then to Project Implementation Unit)**

4.3 Are the beneficiaries required to contribute to project costs? If beneficiaries have an option to contribute in kind (in the form of labor), are proper guidelines formulated to record and value the labor contribution?  **No**  
- Confirmation required from entity  
  **NA**
5  **FINANCIAL REPORTING**

5.1 Has the project established & documented financial reporting responsibilities that specify what reports are to be prepared, when they are to be prepared, periodicity of preparation and content?

   **Yes**

   - Financial reporting responsibilities
     Reports to be placed before Council and Standing Committee for Approval
     Name of reports to be prepared, time frame, periodicity and content
     Income and Expenditure Account and Balance Sheet - prepared Monthly

5.2 Are financial reports used by management?

   **Yes**

5.3 Do the financial reports compare actual expenditures with budgeted and programmed allocations?

   **Yes**

   (from Financial year 2007-08 onwards)

   - Statement of comparison of actual vs. budgeted expenditure
     (from Financial year 2007-08 onwards)

6  **EXTERNAL AUDIT**

6.1 Is the entity financial statement audited regularly by an independent auditor? Who appoints the auditor?

   **Yes**

   - AG Audit and Local Fund Audit (by Government of Kerala)

6.2 Are the audit reports up to date?

   **No**

   - Recent Audit report
     AG Audit up to date Local Fund Audit up to 2004-05 (reports available at Thiruvananthapuram Corporation)

6.3 Is the audit of the entity conducted in accordance with international standards on auditing or other acceptable standards?

   **As per National Standard**

   - Annual Report
     AG Audit up to date Local Fund Audit up to 2004-05 (reports available at Thiruvananthapuram Corporation)

6.4 Were any major accountability issues identified in the audit report of the past three years?

   **No**

   - Recent Audit report
     Reports available at Thiruvananthapuram Corporation

6.5 Has the project prepared acceptable terms of reference for an annual audit?

   **Yes**

**Notes:**

i) Borrower staffing issues are not separately identified as Bank FM staffs are expected to address this area as an integral part of each of the six FM elements set out in the FMQ.

ii) If the FMQ has been completed as a self-assessment, then Bank FM staff should review and documents and findings.
Appendix 4.9-Pimpri Chinchwad

Project: Pimpri Chinchwad Municipal Corporation
Self-Assessment completed by: Pimpri Chinchwad Municipal Corporation Date: 06.01.2009
Bank Review/Assessment completed by: Date: 06.01.2009
Note: If there is more than one implementing entity, a Questionnaire should be completed for each entity

<table>
<thead>
<tr>
<th>Element</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
<th>Review</th>
<th>Remarks/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. BUDGET</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 Are the project plans and budgets realistic, based on valid assumptions and developed by knowledgeable individuals?</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2 Are procedures in place to plan project activities and prepare related budgets, and to collect information from the units in charge of the different components?</td>
<td></td>
<td>√</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3 Are budgets prepared for all significant activities in sufficient detail to provide a meaningful tool with which to monitor subsequent performance?</td>
<td></td>
<td></td>
<td>√</td>
<td></td>
<td>The overall utilization of budgeted funds is about 60 to 85% depending on the nature.</td>
</tr>
<tr>
<td>1.4 Are approvals for variations from the budget required in advance?</td>
<td></td>
<td>√</td>
<td></td>
<td></td>
<td>Prior permission is required from the standing committee.</td>
</tr>
<tr>
<td><strong>2. ACCOUNTING</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 Does the entity adopt acceptable national/international accounting standards?</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2 Are there written policies and procedures covering all routine accounting and related administrative activities?</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3 Is the accounting function staffed adequately with experienced and qualified persons? (Attach organizational chart, job descriptions etc.)</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4 Is the chart of accounts adequate, or can it be adapted to properly account for, and report on, all project activities?</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.5 Is the accounting/reporting system computerized? If not, are the manual systems adequate to account for project activities in a timely manner?</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3. INTERNAL CONTROLS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1 Are approval and authorization controls in place and properly documented?</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
<td>As defined in the Municipal act.</td>
</tr>
<tr>
<td>3.2 Do policies and procedures clearly define conflict of interest and related party transactions (real and apparent) and provide safeguards to protect the organization from them?</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 3.3 Are bank reconciliations prepared by someone other than those who process or approve payments? Are all unusual items on the bank reconciliation reviewed and approved by a responsible official?

| | | Total Number of Banks -3
Reconciled – 2
One major Bank of Baroda 07-8 and 080-09 is still pending. |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>√</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 3.4 Are memorandum records of fixed assets and stocks kept up to date and reconciled with control accounts? Are assets sufficiently covered by insurance policies?

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>The Fixed assets records are being made by the other department and the same has not been reconciled with the financial records</th>
</tr>
</thead>
<tbody>
<tr>
<td>√</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 3.5 Is the internal audit function effective – are actions taken on the audit findings?

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>The Internal Audit is being pending from the last three years.</th>
</tr>
</thead>
<tbody>
<tr>
<td>√</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 4. FUNDS FLOW

#### 4.1 Does the entity have any previous experience of Bank’s disbursement procedures?

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>√</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 4.2 Are the arrangements to transfer the proceeds of the loan (from the government / ministry of finance) to the entity and from the entity to each of the implementing units satisfactory and in compliance with the Bank’s disbursement policies and procedures?

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>√</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 4.3 Are the beneficiaries required to contribute to project costs? If beneficiaries have an option to contribute in kind (in the form of labor), are proper guidelines formulated to record and value the labor contribution?

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>√</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 5. FINANCIAL REPORTING

#### 5.1 Has the project established & documented financial reporting responsibilities that specify what reports are to be prepared, when they are to be prepared, periodicity of preparation and content?

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Only on yearly basis.</th>
</tr>
</thead>
<tbody>
<tr>
<td>√</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 5.2 Are financial reports used by management?

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>√</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 5.3 Do the financial reports compare actual expenditures with budgeted and programmed allocations?

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>√</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 6. EXTERNAL AUDIT

#### 6.1. Is the entity financial statement audited regularly by an independent auditor? Who appoints the auditor?

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>AG Mharasta has completed the Audit uoto 2006-07.</th>
</tr>
</thead>
<tbody>
<tr>
<td>√</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 6.2 Are the audit reports up to date?

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>√</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 6.3 Is the audit of the entity conducted in accordance with international standards on auditing or other acceptable standards?

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>√</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6.4 Were any major accountability issues identified in the audit report of the past three years?  √

6.5 Has the project prepared acceptable terms of reference for an annual audit?  √

Notes:

i) Borrower staffing issues are not separately identified as Bank FM staff are expected to address this area as an integral part of each of the six FM elements set out in the FMQ.

ii) If the FMQ has been completed as a self-assessment, then Bank FM staff should review and document the findings.
<table>
<thead>
<tr>
<th>Name of the City</th>
<th>AJMER</th>
<th>Indore</th>
<th>PUNE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Informations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name of Person Visited</td>
<td>Mr. SA Khan</td>
<td>Mr. SC Garg</td>
<td>Mr. Virender Jadav Rao</td>
</tr>
<tr>
<td>Designation</td>
<td>Commissioner Municipal Corporation</td>
<td>Technical advisor</td>
<td>Chief Accountant</td>
</tr>
<tr>
<td>Contact No</td>
<td>9929607605</td>
<td>9425060744</td>
<td>9923757001</td>
</tr>
<tr>
<td>Implementing agency</td>
<td>Rajasthan Municipalities Act 1949</td>
<td>Indore City Transport Services ltd</td>
<td>Pune municipal Corporation</td>
</tr>
<tr>
<td>Entity</td>
<td>Corporation registered Under Municipal Corporation Act</td>
<td>Company with authorized capital of Rs, 25,00,000 Corporation</td>
<td></td>
</tr>
<tr>
<td>Date of Visit</td>
<td>24th April 2008</td>
<td>6th May 2008</td>
<td>7th June 2008</td>
</tr>
</tbody>
</table>

**BUDGETING**

- The company was incorporated in 2005-06 financial year.
- DPR’S of the 1st phase is ready, The company will made budgets accordingly. DPR’S still to be prepared ( A concept report has been submitted.
- Frequency Yearly Not yet decided Yearly basis
- Budget approval Authority defined in Applicable Act. By board of Directors. Authority defined in Applicable Act.
- Variations Reporting System Yes, defined in the Municipal corporation act. Not yet defined, the company does not have any experience for handling the projects. Yes defined in the Municipal corporation act.
- Approval of Variations Yes, defined in corporation act not yet defined, Yes, defined in corporation act
- Linkage of Budget with DPR, Procurement Plan Yes, Will be maintained . Yes, the linkage will be maintained

**ACCOUNTING**

- Computerised or Manual Computerized as well as manual. The manual will be discontinued once computerised implemented fully. Computerized Computrised
- System used ORACLA based developed accounting software. M/S Oswal Data processor has been engaged for streamlining data feeding in newly developed system. TALLY Customized software
- Cash/Accrual Basis Accrual based accounting system. A CA firm has been appointed as consultant for preparing the balance sheet for 2005-06 on the basis of accrual base accounts. Accrual Cash basis of accounting. The corporation is in the process of shifting to accrual base of accounting. The Consultant (E & Y) has been appointed for the same.
<table>
<thead>
<tr>
<th>Name of the City</th>
<th>AJMER</th>
<th>Indore</th>
<th>PUNE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Separate Project wise accountancy</td>
<td>Yes project wise accounting is possible in system.</td>
<td>Not yet defined,</td>
<td>No system for the project wise accounting.</td>
</tr>
<tr>
<td>Separate Bank Accounts</td>
<td>A separate account will be open for GEF project.</td>
<td>A separate account will be open for GEF project.</td>
<td>A separate account will be open for GEF project.</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STAFFING</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adequacy of staff</td>
<td>The accounts head does not have the over all understanding of systems. A professional accountant is required for maintaining the affairs in the Accrual base accounting system.</td>
<td>Only one accounts officer in accounts department. As informed to us that the Statutory auditors are assisting in day to day accounting.</td>
<td>Yes the staff is adequate.</td>
</tr>
<tr>
<td>Organisations Structure/Job Profile</td>
<td>No formal organization structure is being made by corporation.</td>
<td>No formal organization structure is being made by corporation.</td>
<td>Formal organisation structure in place having specific job profiles.</td>
</tr>
<tr>
<td>Any consultant's appointed</td>
<td>Yes, the consultants are appointed for conversion from cash basis accounting to accrual basis of accounting.</td>
<td>No. The statutory auditor should not be appointed as the consultants of accounts department as basic principle.</td>
<td>Yes the consultant is being appointed for converting accounts from cash basis to accrual basis.</td>
</tr>
<tr>
<td>Overall conclusions</td>
<td>More professional accountants required to handel the job as per desired standards.</td>
<td>More professional accountants required to handel the job as per desired standards.</td>
<td>Staff is competent and adequate. Adequately supported by the EDP team.</td>
</tr>
<tr>
<td>AUDITING</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal Audit</td>
<td>No internal audit system</td>
<td>No internal audit system.</td>
<td>Yes, All bills are passed through Internal audit department.</td>
</tr>
<tr>
<td>Name of the City</td>
<td>AJMER</td>
<td>Indore</td>
<td>PUNE</td>
</tr>
<tr>
<td>-----------------</td>
<td>-------</td>
<td>--------</td>
<td>------</td>
</tr>
<tr>
<td>Agency</td>
<td>NA</td>
<td>NA</td>
<td>A separate wing in Accounts department. Reporting to Chief accountant</td>
</tr>
<tr>
<td>Completed Upto</td>
<td>NA</td>
<td>NA</td>
<td>Upto date</td>
</tr>
</tbody>
</table>

**Statutory Audit:**

<table>
<thead>
<tr>
<th>Agency</th>
<th>Local fund and AG Audit in place</th>
<th>Gadnis &amp; Gupte, Chartered accountant</th>
<th>AG Maharashtra and Chief Auditor. Chief auditor issues report to Standing committee (consist of 12 cooperators) of Corporation. Reports is being made only in Marathi.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed Upto</td>
<td>Audit completed upto 2005-06</td>
<td>Audit completed upto 2006-07, the audit has been conducted as per Companies act 1956.</td>
<td>Completed up to 2005-06</td>
</tr>
</tbody>
</table>

**MISCELLANEOUS**

**Fixed asset Register:**

<table>
<thead>
<tr>
<th>Completed upto</th>
<th>Fixed assets register is being made manually as per formats give in the Municipal corporation act.</th>
<th>No fixed assets register is being made.</th>
<th>Fixed assets register is being made by State and Property department in pre decided formats.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconciliation with accounts</td>
<td>Yes reconciliation is being made upto 2005-06.</td>
<td>N0</td>
<td>The same has not been reconciled with accounts department.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Responsible Department</th>
<th>Accounts</th>
<th>Accounts</th>
<th>State and Property.</th>
</tr>
</thead>
</table>

**Stock Ledgers:**

<table>
<thead>
<tr>
<th>Completed upto</th>
<th>Inventory records are register is being made manually as per formats give in the Municipal corporation act.</th>
<th>NA</th>
<th>Inventory records is being made by Store Department in pre decided formats.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconciliation with accounts</td>
<td>Yes the reconciliation is being made upto 2005-06 at the time of compiling accrual/balance sheets.</td>
<td>NA</td>
<td>The same has not been reconciled with accounts department.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Responsible Department</th>
<th>Accounts</th>
<th>Accounts</th>
<th>Stores</th>
</tr>
</thead>
</table>

**Internal control system for the authorisation controls:**

| Well defined in the Corporation act. | As delegated by the Board of directors | Well defined in the Corporation act. |

**Financial reporting system:**

| No such financial reporting systems except internal reporting for day to day working. | No such financial reporting systems except internal reporting for day to day working. | No such financial reporting systems except internal reporting for day to day working. |

**Others**
<table>
<thead>
<tr>
<th>Name of the City</th>
<th>AJMER</th>
<th>Indore</th>
<th>PUNE</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>UIT is a Trust set up by the Government, while NP (municipal corporation) is the designated Urban Local Body governed by the NP Act of Ajmer. It is as yet not clear which of these will be implementing the project. It is important that one of the two agencies should be designated as the implementing agency. In terms of accounting systems and public accountability, NP is the stronger of the two being the designated Municipal Council of Ajmer with elected representatives at the helm of affairs.</td>
<td>CTSL is a government company which is jointly owned by Indore Municipal Corporation (IMC) and Indore Development Authority (IDA).</td>
<td></td>
</tr>
<tr>
<td>Name of the City</td>
<td>MYSORE (BANGALORE)</td>
<td>TRIVENDARUM</td>
<td>HYDERABAD</td>
</tr>
<tr>
<td>--------------------------</td>
<td>--------------------</td>
<td>-------------</td>
<td>-----------</td>
</tr>
<tr>
<td>General Informations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name of Person Visited</td>
<td>Mr. M A Salim (IPS)</td>
<td>Mr. Anand Singh</td>
<td>Mr. Vijay Sagar</td>
</tr>
<tr>
<td>Designation</td>
<td>DIGP and Director (S&amp;V)</td>
<td>Project Director</td>
<td>Financial Consultant</td>
</tr>
<tr>
<td>Contact No</td>
<td>22221321</td>
<td></td>
<td>994687900</td>
</tr>
<tr>
<td>Implementing agency</td>
<td>Karnataka Staate Road Transport Corporation</td>
<td>Kerla Sustanable Urban Development Project, Formed in 2004</td>
<td>Greater Hydreabad Municipal Corporation</td>
</tr>
<tr>
<td>Entity</td>
<td>Registered under RTC ACT 1950</td>
<td>Local Self Government Department ( It is a department of the Kelra Department)</td>
<td>Corporation</td>
</tr>
<tr>
<td>Under (act)</td>
<td>Corporation Act</td>
<td>Local Self Government Department ( It is a department of the Kelra Department)</td>
<td>Muncipal corporation Act 1955</td>
</tr>
<tr>
<td>Date of Visit</td>
<td>9th une 2008</td>
<td>10th June 2008</td>
<td>16th June 2008</td>
</tr>
<tr>
<td>Name of Person Visited</td>
<td>Mr. Ram Murti (Procurement officer)</td>
<td>Mr. Vijay Kumar (deputy Project Director Finance) and Mr. Tomy</td>
<td>Mr. Malikaarjun (Executive Engineer)</td>
</tr>
<tr>
<td>BUDGETING</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System</td>
<td>Draft DPR's prepared, Yes</td>
<td>DPR of 1st Phase prepared. Summary of the final bugets are avialable in the DPR's itself.</td>
<td>DPR's in Process and will be completed by 30th June 2008. Yes the corprations have integrated system for making the bugets.</td>
</tr>
<tr>
<td>Frequence</td>
<td>Yearly basis</td>
<td>Yearly</td>
<td>Yearly</td>
</tr>
<tr>
<td>Budget approval</td>
<td>Authority defined in Applicable Act.</td>
<td>As defined in Project Administration Manual</td>
<td>Yes defined in the deligation of power.</td>
</tr>
<tr>
<td>Variations Reporting System</td>
<td>Authority defined in Applicable Act.</td>
<td>All the policies procedures relating to accounts and other departments are defined in the Project Administration Manual(PAM).</td>
<td>Yes defined in the deligation of power.</td>
</tr>
<tr>
<td>Approval of Variations</td>
<td>Authority defined in Applicable Act.</td>
<td>Approval procedures are also given in the PAM.</td>
<td>Yes defined in the deligation of power.</td>
</tr>
<tr>
<td>Linkage of Budget with DPR, Procurement Plan</td>
<td>Yes, the linkage will be maintained</td>
<td>Yes it is avialable.</td>
<td>Yes it is avialable.</td>
</tr>
<tr>
<td>ACCOUNTING</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computerised or Manual</td>
<td>Computerised</td>
<td>Computerised</td>
<td>Computerised</td>
</tr>
<tr>
<td>System used</td>
<td>Customized software</td>
<td>Tally</td>
<td>Oracle EBC</td>
</tr>
<tr>
<td>Cash/Accrual Basis</td>
<td>Accrual basesaccounts system, All the accounting policies are defined in Policy Manual.</td>
<td>Accrual basis of accounting.</td>
<td>Accrual base accounting..</td>
</tr>
<tr>
<td>Name of the City</td>
<td>MYSORE (BANGALORE)</td>
<td>TRIVENDARUM</td>
<td>HYDERABAD</td>
</tr>
<tr>
<td>-------------------</td>
<td>-------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Separate Project wise accountancy</td>
<td>Yes system has facility to maintain project wise accounts.</td>
<td>The accounting will be done as per PAM, which can give us project wise details.</td>
<td>Separate project wise accounting is not possible in the existing system.</td>
</tr>
<tr>
<td>Separate Bank Accounts</td>
<td>A separate account will be open for GEF project.</td>
<td>A separate account will be open for GEF project.</td>
<td>A separate account will be open for GEF project.</td>
</tr>
<tr>
<td>Accounting policies</td>
<td>Accounting policies and procedures are enumerated in accounting manual of corporation</td>
<td>In the process of framing accounting policies, financial statements for the year 31st March 2007 has been prepared by a professional (Chartered Accountant). Notes to the accounts and audit reports are still pending. As informed to us that CA is in the process of compiling the Accounting policies, Notes to accounts and the audit report.</td>
<td>All the accounting policies are defined in the final balance sheet issues 2003-04 and Corporation act.</td>
</tr>
</tbody>
</table>

**Miscellaneous**

| Compliance of the Accounting standards and accounting practices | Yes complied with general accounting practices. | No reference given in the final accounts. | No reference given in the final accounts. |

**STAFFING**

| Adequacy of staff | Yes, staff is adequate. | The staff is not adequate. The department is in the process of recruiting 5 more Financial Advisor and Accounts offices. The restructuring of staff has been done after merger of Municipal Corporation HYD and 12 municipalities in 2007. |
|-------------------|------------------------|----------------------------------------|----------------------------------------|
| Any consultant(s) appointed | Yes a firm of Chartered Accountant has been hired for finalisation of the accounts and preparation of Financial Statement. | No |
| Overall conclusions | Staff is competent and adequate. Adequately supported by the EDP team. | Staff is competent and adequate. Adequately supported by the EDP team. | After recruitment staff it will be sufficient. |

**AUDITING**

<p>| Internal Audit: | A concurrent internal audit wing headed by Chief Accounts officer (Internal Audit) is functioning independently. The records maintained at the Divisional office/Depot level are being regularly checked through Internal Auditor. Internal audit reports are being submitted to the Chief Accounts Officer (Internal Audit) through Accounts Officer/Assistant Accounts officer. The Chief Accounts officer (Internal Audit) in turn submit them to the Chief Executive i.e. Vice Chairman &amp; Managing Director of the Corporation. The reports are reviewed and corrective measures are initiated | No internal audit system | Pre transaction audit for every income and expenditure irrespective of the amount is being done by State Audit department. The state audit department has appointed a person permanently. Normally the appointment will be made for 5 years. |</p>
<table>
<thead>
<tr>
<th>Name of the City</th>
<th>MYSORE (BANGALORE)</th>
<th>TRIVENDARUM</th>
<th>HYDERABAD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency</td>
<td>Internal under Chief accountant.</td>
<td>NA</td>
<td>Person appointed by the state department.</td>
</tr>
<tr>
<td>Completed Upto</td>
<td>Upto date</td>
<td>NA</td>
<td>Upto date</td>
</tr>
<tr>
<td><strong>Statutory Audit:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agency</td>
<td>The sole Auditor of the Corporation is Comptroller and Auditor General of India as well as Principal Accountant General in Karnataka. Further the Senior Resident Audit Officer being the representative of Principal Accountant General in Karnataka is stationed in the premises of the corporate office itself.</td>
<td>AG Kerla.,</td>
<td>AG (AP) will do the audit once in 5 years. Local Fund auditor in every year.</td>
</tr>
<tr>
<td>Completed Upto</td>
<td>Completed up to 2006-07</td>
<td>The 1st Audit of the KSUDP 2006-07 is yet to be started. The completion will take about 6 months. Consultant is in process on compilation of the accounts. The audit will be started after preparation of financial statement,</td>
<td>AG (AP) completed up to 2004-05. Local Fund audit completed up to 04-05. Audit for the year 04-05 done but final report not yet received. 05-06 and 06-07 is in progress.</td>
</tr>
<tr>
<td><strong>MISCELLANEOUS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fixed asset Register:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Completed upto</td>
<td>Upto date</td>
<td>Not completed, the consultant is process of compilation.</td>
<td>Not completed, compilation process is in progress.</td>
</tr>
<tr>
<td>Reconciliation with accounts</td>
<td>The records of fixed assets have been kept up to date and are being reconciled from time to time. They are covered by insurance as per the circular instructions issued in this behalf. Further, the Assets of the Corporation are monitored through the Fixed Assets module of Oracle Financials</td>
<td>Not completed</td>
<td>No</td>
</tr>
<tr>
<td>Responsible Department</td>
<td>Accounts and EDP department</td>
<td>Accounts</td>
<td>Accounts</td>
</tr>
<tr>
<td><strong>Stock Ledgers:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Completed upto</td>
<td>Upto date</td>
<td>NA</td>
<td>Inventory records made manually and booking of the consumption on monthly basis.</td>
</tr>
<tr>
<td>Reconciliation with accounts</td>
<td>Inventory records are not maintained in ERP package. Inventory registers are maintained at depot level. Month end details incorporated in the accounts department.</td>
<td>Stores</td>
<td></td>
</tr>
<tr>
<td>Responsible Department</td>
<td>Depot and Accounts</td>
<td>Accounts</td>
<td></td>
</tr>
<tr>
<td><strong>Internal control system for the authorisation controls.</strong></td>
<td>As per the accounting manual.</td>
<td>As per Project Administration Manual</td>
<td>Well defined in the Corporation act.</td>
</tr>
<tr>
<td><strong>Financial reporting system</strong></td>
<td>No such financial reporting systems except internal reporting for day to day working.</td>
<td>No such financial reporting systems except internal reporting for day to day working.</td>
<td>No such financial reporting systems except internal reporting for day to day working.</td>
</tr>
<tr>
<td>Name of the City</td>
<td>MYSORE (BANGALORE)</td>
<td>TRIVENDARUM</td>
<td>HYDERABAD</td>
</tr>
<tr>
<td>-----------------</td>
<td>-------------------</td>
<td>-------------</td>
<td>-----------</td>
</tr>
<tr>
<td>General</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name of the City</td>
<td>NEW RAIPUR</td>
<td>Ahemdabad</td>
<td>Jalandhar</td>
</tr>
<tr>
<td>-----------------</td>
<td>-------------</td>
<td>------------</td>
<td>-----------</td>
</tr>
<tr>
<td>Name of Person Visited</td>
<td>Mr. SS Bajaj</td>
<td>Mr. Janak Dave</td>
<td>Mr. Amar Jeet Syal</td>
</tr>
<tr>
<td>Designation</td>
<td>CEO (New Raipur Development authority)</td>
<td>Chief Accountant</td>
<td>DCFA(Deputy Commissioner Finance and Accounts)</td>
</tr>
<tr>
<td>Contact No</td>
<td>9425287021</td>
<td>Ahemdabad Muncipal Corporation</td>
<td>Jalandhar Muncipal Corporation</td>
</tr>
<tr>
<td>Implementing agency</td>
<td>NRDA</td>
<td>Authority registered under Chatisghar Nagar Thha Gram Nives Act</td>
<td>Corporation</td>
</tr>
<tr>
<td>Entity</td>
<td>Corporation</td>
<td>Bombay Provisional Corporation Act 1949</td>
<td>Punjab Muncipal Act 1976</td>
</tr>
<tr>
<td>date of Visit</td>
<td>19th June 2008</td>
<td>1st July 2008</td>
<td>4th July 2008</td>
</tr>
<tr>
<td>BUDGETING</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System</td>
<td>DPR’s Ready, Chairmen final approval required. Yes</td>
<td>DPR’S still to be prepared (A concept report has been submitted. Yes</td>
<td>DPR’S still to be prepared (A concept report has been submitted.) Yes</td>
</tr>
<tr>
<td>Frequency</td>
<td>Yearly basis</td>
<td>Yearly basis</td>
<td></td>
</tr>
<tr>
<td>Budget approval</td>
<td>Authority defined in Applicable Act.</td>
<td>Authority defined in Applicable Act.</td>
<td>Authority defined in Applicable Act.</td>
</tr>
<tr>
<td>Variations Reporting System</td>
<td>Yes defined in the deligation of power.</td>
<td>Yes defined in the Muncipal corporation act.</td>
<td>Yes defined in the Muncipal corporation act.</td>
</tr>
<tr>
<td>Approval of Variations</td>
<td>Yes defined in the deligation of power.</td>
<td>Yes, defined in corporation act</td>
<td>Yes, defined in corporation act</td>
</tr>
<tr>
<td>Linkage of Budget with DPR , Procurement Plan</td>
<td>DPR’s contains summary of final budgets.</td>
<td>Yes, the linkage will be maintained</td>
<td>Yes, the linkage will be maintained</td>
</tr>
<tr>
<td>ACCOUNTING</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computrised or Manual</td>
<td>Computrised</td>
<td>Computrised</td>
<td>Computrised</td>
</tr>
<tr>
<td>System used</td>
<td>Tally</td>
<td>Customized software</td>
<td>Computrised self developed package on visual basiscs</td>
</tr>
<tr>
<td>Cash/Accrual Basis</td>
<td>Cash basis of accounting.</td>
<td>Cash basis( double entry System) of accounting. The corporation is in the process of shifting to accrual base of accounting. The Consultant has been appointed for the same. The balance sheet for the year 2004-05 has been made as accrual system.</td>
<td>Cash basis( double entry System) of accounting. The corporation is in the process of shifting to accrual base of accounting. The Consultant has been appointed for the same. The balance sheet for the year 2008-09 will be made on the accrual basis. Now the feeding is being done on both the systems.</td>
</tr>
<tr>
<td>Name of the City</td>
<td>NEW RAIPUR</td>
<td>Ahmedabad</td>
<td>Jalandhar</td>
</tr>
<tr>
<td>-----------------</td>
<td>------------</td>
<td>-----------</td>
<td>-----------</td>
</tr>
<tr>
<td>Separate Project wise accountancy</td>
<td>No system for the project wise accounting.</td>
<td>Yes, corporation has the cost centre system and project wise accounts is already available in system.</td>
<td>No, The grant accounts are being maintained manually. In case of GEF project the Grant will also be made computised.</td>
</tr>
<tr>
<td>Separate Bank Accounts</td>
<td>A separate account will be open for GEF project.</td>
<td>A separate account will be open for GEF project.</td>
<td>A separate account will be open for GEF project.</td>
</tr>
<tr>
<td>Accounting policies</td>
<td>All accounting policies were defined as per the existing act.</td>
<td>Defined in the Muncipal Act. Not defined with the statement of affairs.</td>
<td>Defined in the Muncipal Act. Not defined with the statement of affairs.</td>
</tr>
</tbody>
</table>

**Miscellaneous**

| Compliance of the Accounting standards and accounting practices | No reference given in the final accounts. | No reference given in the final accounts. | No reference given in the final accounts. |

**STAFFING**

<table>
<thead>
<tr>
<th>Adequacy of staff</th>
<th>No, the accounts head does not have the over all understanding of systems. The Unit is in the process of appointing a firm of Chartered Account to streamline the accounting process.</th>
<th>Yes the staff is adequate. About 6 to 7 professional hired in corporation.</th>
<th>No the staff is not adequate and well conversent with the double entry system.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisations Structure/Job Profile</td>
<td>Not avilable</td>
<td>Formal organisation structure in place having specific job profiles.</td>
<td>No formal structure is being defined.</td>
</tr>
<tr>
<td>Any consultant's appointed</td>
<td>No</td>
<td>Yes the consultant is being appointed for converting accounts from cash basis to accrual basis.</td>
<td>Yes the consultant is being appointed for converting accounts from cash basis to accrual basis.</td>
</tr>
<tr>
<td>Overall conclusions</td>
<td>More professional accountants required to handel the job as per desired standards.</td>
<td>Staff is competent and adequate. Adequately supported by the EDP team.</td>
<td>More professional accountants required to handel the job as per desired standards.</td>
</tr>
</tbody>
</table>

**AUDITING**

<table>
<thead>
<tr>
<th>Internal Audit:</th>
<th>No, in the process of appointing the internal auditor.</th>
<th>Chief auditor, appointed as per BPMC act.</th>
<th>Pre audit system for all expenditures, The audit is being done by local audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of the City</td>
<td>NEW RAIPUR</td>
<td>Ahemdabad</td>
<td>Jalandhar</td>
</tr>
<tr>
<td>-----------------</td>
<td>------------</td>
<td>-----------</td>
<td>-----------</td>
</tr>
<tr>
<td>Agency</td>
<td>NA</td>
<td>Chief auditor, appointed as per BPMC act.</td>
<td>DCLA</td>
</tr>
<tr>
<td>Completed Upto</td>
<td>NA</td>
<td>Upto date</td>
<td>Upto date</td>
</tr>
</tbody>
</table>

**Statutory Audit:**

<table>
<thead>
<tr>
<th>Agency</th>
<th>Local fund auditors</th>
<th>no</th>
<th>No, only audit for the grant received.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed Upto</td>
<td>Audit completed upto 0607 but the reports for the 05-06 has not been received.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**MISCELLANEOUS**

**Fixed asset Register:**

<table>
<thead>
<tr>
<th>Completed upto</th>
<th>Not completed</th>
<th>Fixed assets register preparation is in process. Reconciliation with accounts is still pending.</th>
<th>Not maintained</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconciliation with accounts</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Responsible Department</th>
<th>Accounts</th>
<th>Accounts and stores</th>
<th>Different user departments.</th>
</tr>
</thead>
</table>

**Stock Ledgers:**

<table>
<thead>
<tr>
<th>Completed upto</th>
<th>NA</th>
<th>Inventory records is being made by Store Department pre decided formats.</th>
<th>By Different user departments.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconciliation with accounts</td>
<td>NA</td>
<td>Monthly reconciliation is being made and adjustments vouchers made on monthly basis.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Responsible Department</th>
<th>NA</th>
<th>Stores</th>
<th>Stores</th>
</tr>
</thead>
</table>

| Internal control system for the authorisation controls. | As per the act | Well defined in the Corporation act. | Well defined in the Corporation act. |

| Financial reporting system | No such financial reporting systems except internal reporting for day to day working. | No such financial reporting systems except internal reporting for day to day working. | No such financial reporting systems except internal reporting for day to day working. |

<table>
<thead>
<tr>
<th>Others</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Name of the City</th>
<th>NEW RAIPUR</th>
<th>Ahmedabad</th>
<th>Jalandhar</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td></td>
<td>Major issues: Banks not reconciliated since June 2007. Some issues with the format of information. Opening balances of some accounts still unreconciled. The management has to take a decision on the above mentioned issues.</td>
<td>Major issues: Banks not reconciliated since June 2007. Some issues with the format of information. Opening balances of some accounts still unreconciled. The management has to take a decision on the above mentioned issues.</td>
</tr>
</tbody>
</table>
APPENDIX-5: PROCUREMENT CAPABILITY ASSESSMENT
APPENDIX 5: PROCUREMENT CAPACITY ASSESSMENT QUESTIONNAIRE

Appendix 5.1 Ajmer

PART A - LEGAL FRAMEWORK

A 1. GENERAL

A 1.1 What is the legal corporate status of your Agency (i.e. a government department, a state corporation, a para-statal enterprise)? Who are the owners? Kindly furnish the Memorandum/Articles of Association and list of Board of Directors. How long has the Agency existed?

Municipal Council Ajmer is a body corporate which has perpetual succession, and a common seal, and may sue and be sued in its corporate name (Section 8 of Rajasthan Municipalities Act 1959)
It is a unit of local self government/public body, engaged in the business of supply of public utilities and facilities and is supervised by the Department of Local self Government, Government of Rajasthan.
It has been in existence since 1867 as a municipality.

A 1.2 (a) What are the applicable laws/regulations/government orders to the procurement envisaged in the operations? Have you got any manual/rules prescribed by your Agency? Furnish documents or furnish reference, issuing authority and date of last revision.

These Rules have been framed by the government of Rajasthan we do not have separate rules.
The above rules are updated/amended from time to time as per requirement.


The hierarchy of sources of procurement rules is:-
1. Finance Department, Government of Rajasthan.
2. Directorate of Local Bodies, Government of Rajasthan.
3. Resolutions of the Municipal Board.

A 1.3 Is the procurement function of the Agency centralized or carried out by individual departments at different locations? If so, describe the basic structure of procurement organization, name of the procuring entities, their role, responsibilities and delegation available to them.

The procurement function is centralized.
Various departments within the municipal council send their requirement to commissioner who can procure up to 1 lac himself. Send the demand to Chairman municipal council for procurements upto 10 lacs and send to the municipal board for procurement upto 1 crore and beyond 1 crore to the state government (Director Local Bodies).

A 1.4 Is there a Central Tender Board/Committee or similar set-up or is there Tender Evaluation Committee on a case to case basis? Give details. Who approves the award recommendations of the Committee? What is the average time taken to get their approval?
GEF - Sustainable Urban Transport Project, India

Tender Evaluation Committee is formed on a case to case basis, the members are appointed, depending on the nature, quantum & value of work.

COMMISSIONER /CEO /Chairman /Municipal Board/state government approves the recommendations of the committee as per their competence described at A 1.3 and average time taken to get their approval is 1 week.

A 1.5 What are the rules/procedures regarding Bidder suspension and debarment (Black listing)?

Rule 7 of Rajasthan Municipalities (Purchase of Material and Contracts) Rules 1974 defines that any firm/person as are found to have used corrupt means and malpractices in supply of goods to any board shall be black listed and no board shall issue tender or make any purchase of any kind what so ever from such firm.

The municipality can black list any firm/contractor if it is found to be involved in corrupt and fraudulent practices under Appendix XVI section VIII.4 of Public Works Financial & Accounts Rules (PWF&AR).

A 1.6 What are the procedures for the settlement of contractual disputes? Describe with details.

In case of contractual disputes the bid document, agreement and work order is the basis of settlement. The contractor can put his dispute to COM/CEO/Chairman and his grievance is settled and still if he is not satisfied the contractor can take the matter for arbitration according to the provisions of Arbitration in GF&AR part- II and PW&FR.

Even after this if he is not satisfied then he can go to a court of law.

A 2. TRANSPARENCY

A 2.1 What are the rules of the Agency in the matter of price negotiations for goods, works, and consultancy? Give examples.

Rule 59 of General Financial and Accounts Rules (GF&AR) part II allows negotiation in exceptional cases only. For instance where parties form a pool or where the rates quoted vary considerably and considered much higher than the prevailing market rates, negotiations can be taken up.

e.g. Negotiation to get lower down the rates is done with the lowest bidder.

In case of non satisfactory achievement of rates from lowest Bidder the committee may choose to make a written counter offer to the lowest Bidder and if this is not accepted by him the committee may decide to reject and re-invite tenders or to make the counter offer to second lowest and so on.

A 2.2 What is the threshold limits for public notice (open/advertised tenders) for bid invitation?

According to of Rajasthan Municipalities (Purchase of Material and Contracts) Rules 1974, the threshold limits for public notice are as under:-

- Up to 1 lac 7 days.
- Up to 10 lac 20 days.
- Up to 100 lacs 45 days.
- Exceeding 100 lacs 30 days.

A 2.3 Do you insist for bid and performance securities for all classes and values of contract and from all Bidders/Suppliers/Contractors? Or are there exempted categories? Give examples. What are the approved preferences you are now applying as per your regulation? Give details.

Yes. Bid security to the tune 5% is demanded in every case in GF&AR purchase rules.
Bid security to the tune 10% is demanded in every case in works in PWF&AR rules. 
In some important projects Performance security is also obtained.

A.2.4 Do you publish summaries of information on public procurement in any journal or issue (e.g. number of bids received, number of contracts awarded, and names of successful Bidders etc.). If so, describe the scope and frequency.

No

A 2.5 Do you hold regular meetings with the business community to discuss the procurement issues? Give details. What follow up actions are taken on such meetings?

No

A 2.6 What are your rules for prevention of conflict of interest in case of staff who deal with tenders as well as Firm/Consultants complaints who participate in the bidding? Describe its essential features with copies of orders.

No there is no such conflict.

A 2.7 Have you any provisions in your bid documents and contracts regarding anti-bribery and anti-corruption conditions? Give details.

In every bid document it is mentioned that if the tenderer is found to be involved in any malpractice or instance of bribe the contract or proposal shall be rejected.

A 3. ACCOUNTABILITY

A 3.1 Do you have a published code of ethics? If so, describe its basic features.

Yes.
All the employees should follow the Rajasthan Civil Services (Conduct) Rules, 1971 and if the conduct rules are violated then departmental action is taken under Rajasthan Classification Control and Appeal (CCA) Rules 1958. The officials are punished if they are found guilty.
The Government has established a separate Agency, namely, The Anti corruption Bureau to prevent bribery.

A 3.2 What is the system in your organization to handle Bidder’s/Contractor’s/Supplier’s representations/complaints before contract award / after award of work?

There is Pre Bid Meeting and conclusions drawn on the basis of pre-bid meeting are put as addendum and become part of the bid document and if the complaint is made after the award of work order then administrative enquiry is done and action is taken according to the facts collected in the enquiry.

PART B : PROCUREMENT CYCLE MANAGEMENT

B 1. PROCUREMENT PLANNING

B 1.1 Kindly furnish a copy of procurement plan followed by your organization for a typical project. How is the duration for the various stages estimated? Who prepares these plans? What is your experience in adhering to these plans?

The procurement plan is spelled in the bid document itself. 
The duration are estimated on calculation based on the experience of the officials of department involved, coupled with the guidelines published by Government from time to time like PWF&AR, BSR, MSW rules etc.
The experience has been quite up to the estimations projected in the contract and work order.
B 1.2 How do you monitor procurement plan? How do you ensure, timely award of the contract? Who intervenes in case of delays?

The timelines are spelt out in the contract and then work order of the successful bidder. The officials responsible for the said project review the progress from time to time and Municipal Council Ajmer has a PMIS for its Ongoing projects. The Chairman and CEO, AMC hold regular meetings to appraise the functioning of Municipality which includes monitoring of ongoing projects procurement plan.

B 1.3 Do you use network planning techniques (such as Critical Path Method) in procurement planning?

Not yet. The objects and services procured till now have not necessitated such detailed planning but the agency is quite capable of such techniques.

B 1.4 How do you decide bidding/packaging strategies for project procurement (such as item basis, supply, supply-cum-erection, turnkey etc.)? Do you have any written rules for guidance?


B 1.5 For civil works what data-bank (analysis) you use? When was it compiled? When was it reviewed and updated? Do you have a system of conducting market surveys to update cost estimates for goods, works and services? If not, what is the basis of forming cost estimates before inviting the bids? Give details.

Basic Schedule of rates (BSR) is used for cost estimates of goods, works and services. It is reviewed and updated on regular basis. It was last updated in March 2008. The BSR is prepared on detailed market surveys and rate analysis of goods and services by the government of Rajasthan.

B 1.6 What is the normal project completion schedule for various types of goods, works, and consultant services contracts? What are the major causes for slippages as perceived by you? Give data and explain what steps are taken/contemplated to reduce these slippages?

The project completion schedule is different for different projects and it depends on the nature, quantity and urgency of the project. No such experience of slippages.

B 2. PROCUREMENT CYCLE

B 2.1 Give listing of all activities from bid advertisement to award with department/level responsible for each activity.
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bid advertisement to receipt of bids</td>
<td>CEO/COM</td>
</tr>
<tr>
<td>2</td>
<td>Opening of bids</td>
<td>tender Committee</td>
</tr>
<tr>
<td>3</td>
<td>Evaluation of technical bids</td>
<td>tender Committee</td>
</tr>
<tr>
<td>4</td>
<td>Opening of financial bids</td>
<td>tender Committee</td>
</tr>
<tr>
<td>5</td>
<td>Negotiation if Required in exceptional cases</td>
<td>tender Committee</td>
</tr>
<tr>
<td>6</td>
<td>Approval of the bids</td>
<td>CEO/COM/Chairman/board/Govt.</td>
</tr>
<tr>
<td>7</td>
<td>Award of contract</td>
<td>CEO/COM</td>
</tr>
<tr>
<td>8</td>
<td>Entering into Agreement</td>
<td>CEO/COM/Chairman</td>
</tr>
</tbody>
</table>
B 3. BIDDING DOCUMENT

B 3.1 Are your procurement staff familiar with the Bank Procurement Policies, Guidelines, and the Standard Bidding Documents (SBDs) to be used in Bank financed projects? What is their experience of correctly filling Bid Data Sheet and drafting Special Conditions of Contract? Give details.

Not all the staff but, some of our officers have attended the world bank’s workshop on procurement and the agency has downloaded the world bank procurement guidelines/policies from the net and has distributed it to all responsible officers.

B 3.2 Are technical specifications for goods/works prepared in-house or through consultants?

Generally in house, sometimes through consultants.

B 3.3 Do you have separate documents for International and National Competitive bidding (both for goods/works) not financed by the Bank?

We have not done international Competitive bidding.

B 3.4 What are the principles you follow in determination of pre or post qualification criteria? Do you have a formal system of framing and approving such criteria in your organization?

We prescribe criteria for prequalification which pertains to net worth, turn over, experience for similar works, qualification and experience of key personnel etc. No post qualification criteria are being followed.

B 3.5 Furnish a copy of bidding documents/conditions of contract generally adopted in your organization for various categories of work (goods, works, services).

Attachment 1 for works (MSW)
Attachment 2 for services(Multi storied parking consultant)
Attachment 3 for goods
Attachment 4 conditions of contract

B 3.6 Do you have a standard purchase order form? Furnish a copy.

Annexed purchase order

B 3.7 What rules do you follow for shopping? Is there any standard quotation form? Do you issue any Purchase order or do you pay cash and carry goods?

Rajasthan Municipalities (Purchase of Material and Contracts) Rules 1974 single tender system is adopted in case of purchase of material or goods when the estimated value thereof does not exceed Rs.1000, when the material or goods required are of proprietary character and competition is not considered not necessary or material or goods required are purchased directly from the registered manufacturers of known reliability or rates approved by the DGS&D. In this case we pay cash and carry goods.
Limited tender system is adopted in the case of all orders estimated value of which is less than Rs.10,000. For the purpose of limited tender a list of firms of known reliability is maintained, who have been able to satisfy that they possess the necessary equipment and facilities for the supply of stores which they offer. We issue Purchase order to lowest tenderer.

B 4. PREQUALIFICATIONS
B 4.1 What are the types of contract for which you use pre-qualification? Attach a copy of standard pre-qualification document used in your organization?

Pre-qualification system is adopted in important contracts containing major amount. There is no standard prequalification document. Sample document is enclosed as per attachment 1 in B 3.5.

B 4.2 Do you verify prior to contract award, if a successful Bidder continues to meet the pre-qualification requirements?

Contract is awarded only after the bidder meets the prequalification requirements as published in the bid.

B 4.3 Is it mandatory for Suppliers to have a local agent in order to qualify to bid for goods or services?

No, it is not necessary for the bidder to have a local agent as prequalification requirement but he is required to ensure a local agent after the award of contract.

B 4.4 Do you maintain lists of registered/qualified Suppliers, Contractors and consultants? How often do you update this and when did you update last? Does your updation covers review of their participation and performance?

Yes. We maintain a list of registered/qualified Suppliers, Contractors and consultants. It is updated regularly it was last updated in May 08. Up-dating covers review of their participation and performance.

B 4.5 Do you maintain updated market information on commonly procured goods, including spares and consumables?

We rely on BSR but definitely we keep a watch on market prices before finalizing any contract.

B 4.6 Do you have a system of evaluating performance of Supplier, Contractor consultant on a routine basis?

We have a system of PMIS which clearly spells the performance of, Contractor/consultant on a routine basis.

B 4.7 During the last two years how many firms are added and how many are deleted or temporarily debarred from participating?

Total 45 firms were enlisted with the agency till F.Y. 2007-08
In F.Y. 2008-09, 6 new firms were added.
In F.Y. 2007-08 Two firms were blacklisted.

B 5. ADVERTISEMENT

B 5.1 Do you have a system of checking credentials before sale of bid document or do you issue bid document without any filtration?

Yes, there is a system of checking credentials before sale of bid document, where two envelope system (technical bids & financial bid) is not followed.

B 5.2 Are bid documents available for sale on the date the sale is to start as per the notice?

Yes
B 5.3 Do you restrict sale of bid document to a definite number of days or do you keep it open till a day prior to the last date of receipt of the bids?

Generally we keep it open till a day prior to the last date of receipt of the bids.

B 6. COMMUNICATIONS DURING BIDDING PROCESS

B 6.1 Do you follow the practice of pre-bid conference? If so, in what type of contracts?

Yes. Contracts involving large amounts, requiring special technical capabilities like MSW, Multi storied Parking, Consultancy services etc.

B 6.2 How much time do you normally allow to the prospective Bidders to submit the bids following modification in the document?

Normally modification is done, prior to submission of bids so no extra time is provided.
But, if bidders request extension of time after pre-bid meeting which results in such modification which justify the extension, then it is allowed, and the time duration of extension depends on the kind of modification.

B 6.3 Is asking clarification on a bid routine or exception? What is the nature of clarification normally asked (Is it on the qualification or on the substance of the bid)?

It is exceptional and it has been, on both, qualification and substance of bid.

B 7. RECEIPT OF BID AND OPENING

B 7.1 How do you handle/store bids received prior to the deadline? Give details.

If a bid is received prior to the deadline, we store it in a sealed and signed envelope, and the entry is made in a register, maintained for this purpose and keep it in a sealed tender box.

B 7.2 What is the time gap between deadline for submission of bid and its opening?

The bids are opened on the last day of submission, within a gap of a couple of hours.

B 7.3 Who are invited/permittted to attend bid opening (both from the Bidder’s and Agency’s side)?

Bidders or their representatives and the tender committee are invited/permittted to attend bid opening.

B 7.4 What is your bid opening procedure? What information is read out during the bid opening? Are minutes separately drawn or do you maintain only a register? What information is recorded?

Name of firms and their authorized representative are read out. A list of representative present is prepared and attached with the proceedings. Rates as mentioned in tender and other details are read out. Each Tender and schedules are signed with date by the persons opening the tender. We only maintain a register. Financial offers and any conditions attached are recorded.
B 7.5 Are all bids received, opened and read out at the time of bid opening? Or is there a system in which bids not accompanied by a bid security or of inadequate value not opened at all?

Bids not accompanied by a bid security or of inadequate value are not considered.

B 7.6 What happens to bids (a) received after the deadline for submission (b) received by the Agency but not opened?

Recorded as such and not opened in case of consultancy contracts we return the bids unopened.

B 7.7 Do the bid opening procedure for goods, works, consultancy contracts differ? How?

They are the same.

B 7.8 Do you follow two/three envelope bidding procedure? For what types of contracts do you follow these? Do you have a system of receiving, both un-priced technical proposal and priced bids together or separately at two stages?

We use Twin Bid system in selected projects. Contracts involving large amounts, requiring special technical capabilities like MSW, Multi storied Parking, Consultancy services etc. It is done on different dates.

B 8. BID EVALUATION

B 8.1 What is the composition of Evaluation (Tender) Committee for a typical (a) large value contract (b) small value contract? Give details indicating their powers.

For large contracts
For small contracts

B 8.2 Are tender evaluation carried out in the allocated tender evaluation rooms by the committee or separately by each department and then compiled?

Tender evaluation is carried out in the allocated tender evaluation room.

B 8.3 Furnish a copy of a format of the bid evaluation report.

Copy enclosed

B 8.4 Furnish a typical example of evaluation criteria followed in your organization for (a) goods; (b) works; and (c) consultancy.

Copy enclosed as evaluation report msw for work
Copy enclosed

B 8.5 Based on your experience of evaluation, furnish examples of (a) non material deviations or reservations; (b) material deviation or reservations; for various types of contract say goods, works, consultancy etc. Give examples where the bids are treated as non-responsive for each type.

In non material deviation or reservation the agency does not have any experience of treating the bid non responsive.

In material deviation or reservation example of experience is as under:-

As per conditions of bid document, municipal machinery equipments and vehicles to be provided to the bidder with hire charges where as bidder desired the same
without hire charges, so this was considered material deviation & the bid was considered to be non-responsive.

B 8.6 How do you verify and determine Bidder’s qualification to perform the contract? How rigidly do you enforce this? Are there instances of relaxation of qualification criteria, while recommending for award particularly in cases of lowest quoted offer? Give examples.

We verify and determine bidder’s qualification to perform the contract on the basis of technical & financial eligibility criteria pre decided in the bid document viz. previous experience to perform contract of similar nature & value, availability of resources with the bidder, net worth, turnover of previous several financial years, etc. We enforce this quite rigidly. There are no instances of relaxation of qualification criteria.

B 8.7 Are there instances when all the participating bids are declared as non-responsive or all Bidders do not meet specified qualification criteria? Give examples.

There is no such instance.

B 8.8 Do you have a counter-offer system? What are the rules for such counter-offers?

Yes. Rule 59 of GF&AR part-II. In case of non satisfactory achievement of rates from lowest tenderer the committee may choose to make a written counter offer to the lowest tenderer and if this is not accepted by him the committee may decide to reject and re-invite tenders or to make the counter offer to second lowest and so on.

B 8.9 Furnish:

(i) cumulative number and value of contracts awarded in the past five years by the Agency through ICB and NCB (separately), with break-up under categories of (a) goods plus supply and erection; (b) works; and (c) hiring of consultants;

Through ICB : NIL.
Through NCB : Number 848 Value Rs. 50 crores app. in all categories in last five years.

(ii) what was the average time from date of bid opening to award of work for each category; and

(iii) One week to one month.

(iv) furnish number of contract awarded under each category (a) within initial validity period; (b) delay of 60 days after initial bid validity; and (c) delay beyond 60 days after initial bid validity?

(v) Except few negligible cases all the contract have been awarded within initial validity period.

B.9 CONTRACT AWARD

B 9.1 What is the criteria generally adopted for award of contract. Is it the lowest price or the lowest evaluated responsive bid of the qualified Bidder?

Criteria generally adopted for award of contract is the lowest of responsive bids.
B 9.2 Do you conduct negotiations with Bidders on (a) price; (b) technical terms and conditions; and (c) scope of work/services before or after selection? If so, give examples.
Generally negotiation is conducted only on price e.g. contract pertaining to Management of Solid Waste in city, Supply & fixing of various road furniture on BOT basis.

B 9.3 Is the Agency fully authorized to enter into contracts or they need government approvals before contract can be made effective?
The Agency is fully authorized to enter into contracts upto the value of Rs. 1 Crore beyond that it needs government approval before contract can be made effective.

B 9.4 Furnish a copy of format used for submission of performance security in contracts for (a) goods (b) works. Do you accept conditional and inadequate performance securities? If so, give instances
No we do not accept inadequate and conditional performance securities. Annexed : performance Guarantee draft

B 9.5 What are the major differences in the method of evaluation and requirement of performance securities between goods and works?
We do not differentiate.

B 9.6 In selection of Consultants what process and steps (say quality and cost-based selection etc.) and type of contracts (say lump-sum etc.) do you follow? Give examples of some typical consultancy contracts being handled or envisaged for the operations.
We follow lump-sum, time based and percentage basis contracts. e.g bids for appointment of consultants for development of multi-storied parking at various places and several other infrastructure projects are under process on percentage basis on success fee model.
The appointment of consultant for development of Modern Slaughter House was done on Lump sum basis.

B 9.7 Do you follow repeat-order system? If so, what are the rules?
Although, as per GF&AR part-II rule no. 60 purchase may be increased by 50% of the quantity originally ordered by repeat orders after recording reason provided that such order shall not be given for a period exceeding one month from the date of expiry of the last supply made and subject to condition that prices have since not reduced but we do not go for repeat orders.

B 10. CONTRACT ADMINISTRATION

B 10.1 Do you have manual or computerized procurement and/or contract monitoring systems? Submit sample report / output.
PMIS for contract monitoring system. For procurement there is manual monitoring system.
Copy enclosed for PMIS

B 10.2 What is the average time from invoice submission to payment for (a) advances; (b) progress payment; and (c) final payment. Are there delays? If so, what steps are being taken to minimize these.
Seven days on submission of invoices in each case. Delays are not common.
B 10.3 For delayed due payments does the contract provide for payment of interest? Are there instances of interest being paid?

There is no provision for payment of interest in case of delay. We have not paid any interest.

B 10.4 What is your set-up for Technical/Quality Assurance and Inspection to ensure compliance to specification and conformance to quality by the Supplier/Contractor?

There is Quality Control Lab in PWD. There is Executive Engineer in-charge of the lab. For quality control measures Quality control apparatus are available at plant site in AMC/UIT(urban improvement trust)/PWD Road and civil works and engineers of the concerned departments can conduct quality control tests at site also, it is a pre-condition of all major works. Engineers of AMC collect samples from sites on regular basis.

B 10.5 How is delivery of goods and services monitored?

On a regular review of time lines mentioned in the MOU/work order.

B 10.6 Who manages transportation of goods to project store? Is it normally the responsibility of the Supplier?

Yes.

B 10.7 Furnish brief detail on your stores and inventory management system relating to project activities.

Stock registers are maintained for inventory and regular physical verification is done.

B 10.8 What is the procedure for handling contract changes/variation? Is work undertaken by the Contractor prior to issue of formal change order?

No change is done once the work order is given.

B 10.9 Are there instances when work stops due to delays in issue of formal change order?

No change is done once the work order is given.

B 10.10 Are there instances of large variations in quantity beyond the limits envisaged in the contract? How do you handle such situations? Give examples. In civil works do you have problems in dealing with variations? If so, how do you track them?

10% variation in sub heads is admitted/allowed in civil work but over all cost shall not exceed the administrative and financial sanction. It is tracked by regular monitoring. Say a CC road or Drains the quantity increases as per site requirement.

B 10.11 Are there instances of contract execution getting delayed due to (a) late release of inputs from the Agency; or (b) unforeseen problems faced by the Supplier or the Contractor? How do you resolve such disputes? Give instances.

No

B 10.12 Are Contractor’s/Supplier’s disputes generally resolved through amicable settlement or through the process of adjudication/arbitration?
Yes, it is generally resolved through amicable settlement. In rare cases party goes to the competent courts.

B 10.13 How many contracts were awarded during the last five years and how many arbitration cases reported? Was the award generally in favour of the Supplier/Contractor?
848 Contracts were awarded during the last five years and no case for Arbitration was reported.

B 10.14 How do you handle cases of nonperformance or failure of a contract? Give examples where with timely and skilful intervention you retrieved the situation. In how many cases during the last few years, have you enforced liquidated damages, and forfeited performance security?

Cases of non performance or failure of a contract are handled as per provisions of contract e.g. imposition of liquidated damages, execution of remaining work on the risk & cost of defaulter, initiating action as per standard code of contractors/suppliers.
In 53 cases liquidated damages have been enforced & in 23 Cases performance security has been forfeited.

B 10.15 What is your set-up for inspection of goods? Is it in-house or third party?
It is in-house. Officer in charge of the concerned cell does the inspection.

B 10.16 Are there instances of complaint by the Supplier on (a) delays in carrying out inspection; (b) over inspection; or (c) improper rejection of goods and services? Give examples.
No, there are no such instances.

B 10.17 What is the mechanism for handling Supplier’s/Contractor’s claims?
Supplier’s/Contractor’s claims are handled with a systematic mechanism. It is examined by concerned officer In-charge keeping in view the site conditions & requirements as well as conditions of the contract first of all, then it is referred to the Accounts section for scrutiny as per accounts rules, then it is passed for payment by the competent authority then it is sent to cashier for issuing cheques.

B 10.18 Furnish data on original project time/cost vs. actual time/cost for projects completed by the Agency in the last five years and reasons for large variations in case of time/cost overruns?
There is no cost overrun as the contractor has to work on the cost agreed as per tender. So far as time overrun is concerned in exceptional cases, liquidated damages as per provisions of contract is recovered.

B 10.19 Who carries out audit of procurement cases and how frequently? What remedial actions are taken on their findings?
External audit is done by LFAD(Local fund audit department) & Auditor General(AG). Every year.
Internal audit is done by the accounts section, in every file before payment.

B 10.20 Do you have a formal system of contract closing? Give data for the last five years as to (a) no. of contracts completed; (b) no. of cases where all amendments including on-time extensions, if any, are issued; and (c) no. of contracts for which final payments were released.
Yes, there is formal system of contract closing.
No. of contracts completed 782 app.
No. of cases where all amendments including on-time extensions issued 80
No. of contracts for which final payments were released 700 app.

PART C. ORGANIZATION

C 1.1 Describe general organization of procurement unit. Furnish project procurement organization chart including the number of staff at each line.

For small contracts 1.commissioner/secretary 2. Accounts officials 3 Concerned officer incharge

C 1.2 Furnish academic qualifications of key procurement staffs. Has there been major staff turnover in the past five years? Give details.

IIT, B.tech, B.A. M.COM, LLB LLM, BSc. MBBS,
No major turnover in last five years but transfers keep happening in the Organization.

C 1.3 Are functions of pre-award work and post-award handled by the same procurement unit?

YES

C 1.4 Furnish projects/tasks in hand and details on number and level of staff handling activities relating to planning – preparation of bidding documents – advertising, printing and publication, responses to questions/clarifications, pre-bid conferences – bid opening, bid evaluation – contract preparation – contract management – quality control and inspection – transport, insurance – custom clearance and expediting etc.

There are 50 approx. Project/task in hand.
No. & level of staff handling these activities is as under ;-
1. Chairman, Municipal Council Ajmer
2. C.E.O. Municipal Council Ajmer
3. Commissioner, Municipal Council Ajmer
4. Executive Engineer, Municipal Council Ajmer
5. Health Officer, Municipal Council Ajmer
6. Assistant Engineer, Municipal Council Ajmer
7. Accounts Officer, Municipal Council Ajmer
8. Junior Engineer(5), Municipal Council Ajmer
Committee is formed by the C.E.O. out of above officers according to requirement and importance of various activities e.g. planning – preparation of bidding documents – advertising, printing and publication, responses to questions/clarifications, pre-bid conferences – bid opening, bid evaluation – contract preparation – contract management – quality control and inspection – transport, insurance – custom clearance and expediting etc.

C 1.5 Does the Agency has a well-documented Procurement Manual? Furnish details or copy.

Yes. Rajasthan Municipalities (Purchase of Material and Contracts) Rules 1974 deals in procurement and purchase and where these rules are silent procurement General Financial and Accounts Rules (GF&AR) Part II& Public Works Financial & Accounts Rules (PWF&AR) are applicable. These Rules have been framed by
the government of Rajasthan we do not have separate rules. The above rules are updated/amended on regular interval.

C 1.6 How often is the procurement manual updated? Who is responsible for this task?

It is done on a regular basis and it is being done by the state government.

C 1.7 How do you ensure that all your staff handling procurement activities are aware of rules and regulations pertaining to their areas of work?

They constantly refer to the rules, the accounts section goes through their files and ensures compliance of the rules.

C 1.8 Is your set-up for materials/stores management part of project procurement setup or separate? Give details.

Part of project procurement set up

C 1.9 What are the financial powers available to the procurement unit? How do the award recommendations get processed? Are there review committees?

Commissioner who can procure up to 1 lac himself. Send the demand to Chairman municipal council for procurements up to 10 lacs and sends to the municipal board for procurement up to 1 crore and beyond 1 crore to the state government(director Local Bodies).

There are no review committees

C 1.10 Are there instances of noting / cross noting at various levels of approval?

It is a part of procedure.

C 1.11 Do you have system by which thresholds for contracting powers get regularly updated? When was the last revision carried out?

It has not changed for quite some time now.

C 1.12 Has the Agency handled Bank financed or internationally funded procurement in the past? When? What value? Give details.

No.

C 1.13 Have you used procurement agents for Bank financed procurement in the past? What was the method of selection used?

NO

PART D. SUPPORT AND CONTROL

D 1.1 What entities carry out audit functions both internal and external?

External audit is done by LFAD(Local fund audit department) & Auditor General(AG). Internal audit is done by the accounts section.

D 1.2 What is the mechanism for implementation of their recommendations?

The recommendations are taken note of and if found correct and justifiable they are complied with otherwise a note dissent with reasons is sent for approval to government/audit department for dropping the recommendation.

D 1.3 What is the source of legal advice available to the procurement unit (both internal and external)?
PART E. RECORD KEEPING

E 1.1 What records are maintained by the procurement unit starting from the process of public advertisement to bidding, evaluation, signing of contract, furnishing of performance securities etc.? Describe.
Guard file, bid opening register, work order register, security deposit register, payment details are maintained in cash book, and stock register.

E 1.2 What records are kept on change orders, progress reports, inspection, claims etc.? Describe.
We do not issue change, orders.
Progress report and inspections are maintained on file for individual work.

E 1.3 Do you have updated data/data-base on the current market price of commonly needed item?
No.

E 1.4 Do you prepare a report on overall procurement activities? Who prepares it?
It is maintained on files.
The concerned officer in-charge.

E 1.5 Do you maintain a record of contract prices as awarded and amendment thereof? How is it used?
Yes. Sometimes when the rates seems unreasonable we refer to old prices for comparisons.

E 1.6 Do you have a computerized monitoring system for procurement? If so, give details.
No, but we have PMIS for projects and procurement is taken care with in this programme.

PART F. STAFFING

F 1.1 Do you have a role directory for various levels of staff as also the qualifications required? Describe.
Yes. The role all functionaries is defined in Rajasthan municipal rules1959

F 1.2 How are the staff needs assessed? Who does it? How frequently? Do you have current gaps on staffing needs?
Yes.
Establishment section maintains the position of staff on yearly basis at the time of budget preparations.

F 1.3 How do you recruit or select procurement staff? Is there a cadre or sufficient number of staff with long experience in procurement? What is the experience requirement at various levels? Describe.
All staff recruitment is done by the state government.
We have sufficient number of staff with long experience in procurement.
F 1.4 How do you train your entry and higher-level procurement staff? How many training programmers were conducted for them? Who conducted these programmers? Were they in-house or external?

They come already trained from various government training schools and they are external. Refresher courses are organized by the officers training institutes on regular intervals.

F 1.5 What was the average time taken from bid opening to recommendation and from then on to award for various categories goods, works, and consultancy during the last five years?

From bid opening to Award of work the average time taken has been from 7 days to one month.

PART G. MISPROCUREMENT

G 1.1 In Bank funded procurement was any contract, processed by the Agency, declared as 'misprocurement'. Give details.

Not applicable

PART H. BIDDERS/SUPPLIERS/CONTRACTORS

H 1.1 Who are the major participating Bidders/Suppliers/Contractors for the Agency. Kindly furnish their contact with address/fax/telephone.

1. Tetra Tech India Ltd.
   809, 8th Floor Padma Tower-II
   Rajendra Place, New Delhi 110008
   +91 11 4500 7500, 8500, 4506 4736-38, 40 Direct 4500 7501-2
   Fax +91 11 4500 7599 www.tetratechindia.com

2. M/s Mukesh G. Goyal AA Class (PWD)
   9414004633
   13 First Floor, JLN Shopping Complex Ajmer

3. M/s Ajaymeru Infrastructure Pvt. Ltd. Ajmer AA Class (PWD)
   9414005000

4. M/s Jain constriction, Aklank House, AA Class (PWD)
   9414002912
   Near Railway Godown Tikam Ganj Ajmer

5. Sh. Asudo Basandani C Class (PWD)
   9414252703
   Satguru Colony Ajay Nagar Ajmer

6. Fortress, Infrastructure Advisory Service,
   Daryanagar House, 2nd Floor,
   69 Maharshi Karve Road Marine Lines,
   Mumbai 400 002 India, +91 22 2200 7973 Fax +91 22 2203 1609
   www.fortress.co.in

7. PDCOR Ltd.
   LIC Jivan Nidhi Building Ambedkar Circle Jaipur.
   0141 2747012 Fax 0141 2747045
   www.pdcor.com

8. Gherzi Eastern Ltd.
   Engineers, Architects And Consultant
   AB-16 1st Floor Community Cense
   Safdarjung Enclave New Delhi
   011 41651408-09 41653450

9. MSJ Construction Pvt. Ltd.
   MSJ House South Tukoganj Indore

10. Sand Dunes Construction Pvt. Ltd.
    JV A-8 Shyam Nagar Jaipur

11. Shiva Construction Pvt. Ltd.
381 Naya Bazar Ajmer
0145 2420375

12. M/s Mosaic Architecture,
Planning Restoration
53 New Rajdhani Enclave
Vikas Marg New Delhi
+91 11 22430214, 982912 00510

12. Ramky Enviro Engineers Ltd.
Ramky House Gulmohar Avenue
Rajbhavan Road Somajiguda,
Hyderabad 500 082 Andhra Pradesh India
+91 40 2330 8996/2331 0091/2332 8305
Fax +91 40 2330 2353
## PART A – LEGAL FRAMEWORK -

### A 1. GENERAL

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>A 1.1 What is the legal corporate status of your agency (i.e. a government department, a state corporation, a parastatal enterprise)? Who are the owners? Kindly furnish the Memorandum/ Articles of Association and list of Board of Directors. How long has the Agency existed?</td>
<td>Greater Hyderabad Municipal Corporation, (GHMC), Hyd. is an Urban Local Body All National /State/ Local Municipal laws &amp; regulations apply.</td>
</tr>
<tr>
<td>A1.2(a) What are the applicable laws/regulations/government orders to the procurement envisaged in the operations? Have you got any manual/rules prescribed by your Agency? Furnish documents or furnish reference, issuing authority and date of last revision.</td>
<td>The procurement is governed by order of Govt. of AP issued vide G.O.Ms Nos. 94 Dt. 1-7-2003 of Irrigation and Command Area Development(I&amp;CAD) and other relevant procedures under Chapter 5 of Andhra Pradesh Detailed Standards and Specification (APDSS), APPWD Code and General Principles of Engineering contracts.</td>
</tr>
<tr>
<td>A 1.3 Is the procurement function of the Agency centralized or carried out by individual departments at different locations? If so, describe the basic structure of procurement organization, name of the procuring entities, their role, responsibilities and delegation available to them.</td>
<td>No.</td>
</tr>
<tr>
<td>A 1.4 Is there a Central Tender Board/Committee or similar set-up or is there Tender Evaluation Committee on a case to case basis? Give details. Who approves the award recommendations of the Committee? What is the average time taken to get their approval?</td>
<td>Tender Evaluation Committee is the authority for recommendation and approval of the procurement. A technical tender committee is appointed by the Govt. of AP for recommendation of contract awards. Commissioner, GHMC approves the award.</td>
</tr>
<tr>
<td>A 1.5 What are the rules/procedures regarding Bidder suspension and debarment (Black listing)?</td>
<td>The rules &amp; procedures adopted as per G.O.Ms 94 &amp; Chapter 5 of APDSS &amp; preliminary specifications of APDSS</td>
</tr>
<tr>
<td>A 1.6 What are the procedures for the settlement of contractual disputes? Describe with details.</td>
<td>The contractual disputes are settled through Indian Arbitration Act 1940 and through Conciliation Act 1996 and by preliminary specification 73 of APDSS.</td>
</tr>
<tr>
<td>A 2.1 What are the rules of the Agency in the matter of price negotiations for goods, works, and consultancy? Give examples.</td>
<td>The negotiations are not allowed as per G.O.Ms No. 94 Dt. 1-7-2003.</td>
</tr>
<tr>
<td>A 2.2 What is the threshold limits for public notice (open/advertised tenders) for bid invitation?</td>
<td>2 (Two) weeks, on e-procurement 4 weeks for all major works.</td>
</tr>
<tr>
<td>A 2.3 Do you insist for bid and performance securities for all classes and values of contract and from all Bidders/ Suppliers/ Contractors? Or are there exempted categories? Give examples. What are</td>
<td>Yes.</td>
</tr>
<tr>
<td></td>
<td>The exemptions are given to Labour Cooperative Societies (LCS) towards payment of EMD and 15% of the works are reserved for such societies.</td>
</tr>
</tbody>
</table>
the approved preferences you are now applying as per your regulation? Give details.

A 2.4 Do you publish summaries of information on public procurement in any journal or issue (e.g. number of bids received, number of contracts awarded, names of successful Bidders etc.). If so, describe the scope and frequency.

Yes. The information is made available on the web site www.ghmc.gov.in

A 2.5 Do you hold regular meetings with the business community to discuss the procurement issues? Give details. What follow-up actions are taken on such meetings?

Regular meetings are held for procurement issues with registered contractors.

A 2.6 What are your rules for prevention of conflict of interest in case of staff who deal with tenders as well as Firm/Consultants complaints who participate in the bidding? Describe its essential features with copies of orders.

As per tender document any close relatives of the department staff are not eligible to participate in tender.

A 2.7 Have you any provisions in your bid documents and contracts regarding anti-bribery and anti-corruption conditions? Give details.

Yes. The procurement will be based on SBD. The Anti-Bribery and Anti-Corruption rules and laws are applicable as per prevention of corruption act 13(1) & 13(2) of 1988 to the Staff.

A 3. ACCOUNTABILITY

A 3.1 Do you have a published code of ethics? If so, describe its basic features.

Yes. The staff is governed by the rules & regulations of AP Conduct rules, AP Classification Control and Appeal (CCA) Rules of 1991.

A 3.2 What is the system in your organization to handle Bidder's/Contractor's/ Supplier's representations/ complaints before contract award / after award of work.

The bidders can represent/lodge complaint freely by approaching higher officials or court for any review/Appeal in case of injustice.

PART B : PROCUREMENT CYCLE MANAGEMENT

B 1. PROCUREMENT PLANNING

B 1.1 Kindly furnish a copy of procurement plan followed by your organization for a typical project. How is the duration for the various stages estimated? Who prepares these plans? What is your experience in adhering to these plans?

The plan will be prepared ahead of the project for implementation. The overall planning is sufficient to achieve the targets and completion schedules are prepared after cost estimates are ready. Generally the projects are completed as per schedule and in some cases time over run is observed due to some genuine reasons for the delay in project implementation.

B 1.2 How do you monitor procurement plan? How do you ensure, timely award of the contract? Who intervenes in case of delays?

The schedule of Project implementation and Time line is fixed for various stages and categories of works.

B 1.3 Do you use network planning techniques (such as Critical Path Method) in procurement planning?

Yes. For major projects.
| B 1.4 | How do you decide bidding/packaging strategies for project procurement (such as item basis, supply, supply-cum-erection, turnkey etc.)? Do you have any written rules for guidance? | The project procurement strategy is based on the cost estimates, nature of procurement & priority of procurement. Generally higher value works are executed under turnkey and EPC basis. |
| B 1.5 | For civil works what data-bank (analysis) you use? When was it compiled? When was it reviewed and updated? Do you have a system of conducting market surveys to update cost estimates for goods, works and services? If not, what is the basis of forming cost estimates before inviting the bids? Give details. | Yes. Market Survey is conducted and cost estimates are updated as per common SSR of Govt. A.P. which is updating the procurement rates for various works. The cost estimates are prepared on the basis of the common SSR of Govt. A.P. |
| B1.6 | What is the normal project completion schedule for various types of goods, works, and consultant services contracts? What are the major causes for slippages as perceived by you? Give data and explain what steps are taken/contemplated to reduce these slippages? | The normal completion Schedule for various works range from 15 days to 6 months depending on the nature of work & cost estimates of project. |

**B 2. PROCUREMENT CYCLE**

| B 2.1 | Give listing of all activities from bid advertisement to award with department/level responsible for each activity. | 1. Bid advertisement to receipt of bids-14 days --- EE/SE.  
2. Opening of bids-14 days --- EE/SE.  
3. Evaluation of technical bids 10 days --- EE/SE/Tender Committee.  
4. Opening of financial bids 3 days --- EE/SE.  
5. Approval of the bids by the Tender Committee 5 days --- Tender Committee/Commissioner.  
6. Award of contract 1 day --- EE/SE.  
7. Entering into Agreement 15 days --- EE/SE. |

**B 3. BIDDING DOCUMENT**

| B 3.1 | Are your procurement staff familiar with the Bank Procurement Policies, Guidelines, and the Standard Bidding Documents (SBDs) to be used in Bank financed projects? What is their experience of correctly filling Bid Data Sheet and drafting Special Conditions of Contract? Give details. | Yes. The agency is familiar with procurement policies with bank and SBDs. |
| B 3.2 | Are technical specifications for goods/works prepared in-house or through consultants? | Both the methods are adopted. |
| B 3.3 | Do you have separate documents for International and National Competitive bidding (both for goods/works) not financed by the Bank? | No, usually not going for international bidding. |
| B 3.4 | What are the principles you follow in determination of pre or post qualification criteria? Do you have a formal system of framing and approving such criteria in | G.O.Ms 94 of A.P. Dt. 1-7-2003 is the guideline for post qualification method. |
### B 3.5 Furnish a copy of bidding documents/conditions of contract generally adopted in your organization for various categories of work (goods, works, services).

**Copy Enclosed**

### B 3.6 Do you have a standard purchase order form? Furnish a copy.

No.

### B 3.7 What rules do you follow for shopping? Is there any standard quotation form? Do you issue any Purchase order or do you pay cash and carry goods?

Goods costing less than Rs.20,000/- is procured from local shopping by inviting sealed quotations. No payments are made through cash.

### B 4. PREQUALIFICATIONS

#### B 4.1 What are the types of contract for which you use pre-qualification? Attach a copy of standard pre-qualification document used in your organization?

Prequalification tender are taken up for specialized works with high Contract Value and technical significance.

#### B 4.2 Do you verify prior to contract award, if a successful Bidder continues to meet the pre-qualification requirements?

Yes.

#### B 4.3 Is it mandatory for Suppliers to have a local agent in order to qualify to bid for goods or services?

Not necessary.

#### B 4.4 Do you maintain lists of registered/qualified Suppliers, Contractors and consultants? How often do you update this and when did you update last? Does your updation covers review of their participation and performance?

Yes. The suppliers, contractors and consultants have to renew their registration annually. The updation is based on their performance.

#### B 4.5 Do you maintain updated market information on commonly procured goods, including spares and consumables?

Yes. The market information of the goods is revised monthly, quarterly and annually.

#### B 4.6 Do you have a system of evaluating performance of Supplier, Contractor consultant on a routine basis?

The performance is evaluated through the experience and feedback of the works taken up earlier.

#### B 4.7 During the last two years how many firms are added and how many are deleted or temporarily debarred from participating?

Details are available in the web site www.eprocurement.gov.in

### B 5. ADVERTISEMENT

#### B 5.1 Do you have a system of checking credentials before sale of bid document or do you issue bid document without any filtration?

The process of inviting bidders is through news papers & e-procurement. SBDs will be issued only after verification of credentials.

#### B 5.2 Are bid documents available for sale on the date the sale is to start as per the notice?

Yes.

#### B 5.3 Do you restrict sale of bid document to a definite number of days or do you keep it open till a day prior to the last date of receipt of the bids?

Yes. The sale of the document is open till a day prior to the last day of receipt of bids in normal method. The e-procurement permits uploading upto the time of receipt of bids.
## B 6. COMMUNICATIONS DURING BIDDING PROCESS

<table>
<thead>
<tr>
<th>B 6.1</th>
<th>Do you follow the practice of pre-bid conference? If so, in what type of contracts?</th>
<th>Yes. In major EPC and services contracts clarification, minutes of pre-bid conference are communicated to the prospective bidders.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B 6.2</td>
<td>How much time do you normally allow to the prospective Bidders to submit the bids following modification in the document?</td>
<td>From one week after modification in the document.</td>
</tr>
<tr>
<td>B 6.3</td>
<td>Is asking clarification on a bid routine or exception? What is the nature of clarification normally asked (is it on the qualification or on the substance of the bid)?</td>
<td>Bid process is a routine and procedure is followed as per GOMS – 94.</td>
</tr>
</tbody>
</table>

## B 7. RECEIPT OF BID AND OPENING

<table>
<thead>
<tr>
<th>B 7.1</th>
<th>How do you handle/store bids received prior to the deadline? Give details.</th>
<th>The e-procurement method is being adopted &amp; bids are being securely stored in e-procurement platform.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B 7.2</td>
<td>What is the time gap between deadline for submission of bid and its opening?</td>
<td>Yes. Half-an-hour.</td>
</tr>
<tr>
<td>B 7.3</td>
<td>Who are invited/permited to attend bid opening (both from the Bidder's and Agency's side)?</td>
<td>Bidders are permitted to attend bid opening in the presence of officials.</td>
</tr>
<tr>
<td>B 7.4</td>
<td>What is your bid opening procedure? What information is read out during the bid opening? Are minutes separately drawn or do you maintain only a register? What information is recorded?</td>
<td>Bids are opened in the presence of all the bidders. The rates are read out loudly if the technical evaluation is not required. Bid opening registered is maintained. All the information is recorded.</td>
</tr>
<tr>
<td>B 7.5</td>
<td>Are all bids received, opened and read out at the time of bid opening? Or is there a system in which bids not accompanied by a bid security or of inadequate value not opened at all?</td>
<td>Yes. Bids not accompanied by bid security are rejected without reading their offer.</td>
</tr>
<tr>
<td>B 7.6</td>
<td>What happens to bids (a) received after the deadline for submission (b) received by the Agency but not opened?</td>
<td>Not accepted.</td>
</tr>
<tr>
<td>B 7.7</td>
<td>Do the bid opening procedure for goods, works, consultancy contracts differ? How?</td>
<td>No.</td>
</tr>
<tr>
<td>B 7.8</td>
<td>Do you follow two/three envelope bidding procedure? For what types of contracts do you follow these? Do you have a system of receiving, both unpriced technical proposal and priced bids together or separately at two stages?</td>
<td>Yes. Two envelop procedure is normally adopted. Both the technical and financial bids are received in a third cover. This procedure is followed for all contracts more than Rs.50.00 lakhs.</td>
</tr>
</tbody>
</table>

## B 8. BID EVALUATION

<table>
<thead>
<tr>
<th>B 8.1</th>
<th>What is the composition of Evaluation (Tender) Committee for a typical (a) large value contract (b) small value contract? Give details indicating their powers.</th>
<th>Chief Engineer and above rank officers will be members of the tender evaluation committee. Details of the structure of Various Committees &amp; Guidelines are available in the enclosed G.O.No.94</th>
</tr>
</thead>
<tbody>
<tr>
<td>B 8.2</td>
<td>Are tender evaluation carried out in the allocated tender evaluation rooms by the committee or separately by each</td>
<td>Yes.</td>
</tr>
<tr>
<td>B 8.3</td>
<td>Furnish a copy of a format of the bid evaluation report.</td>
<td>Details of Guidelines for evaluation and relevant formats are available in the enclosed G.O.No.94</td>
</tr>
<tr>
<td>B 8.4</td>
<td>Furnish a typical example of evaluation criteria followed in your organization for (a) goods; (b) works; and (c) consultancy.</td>
<td>Same procedure is followed for evaluation for goods, works and consultancy.</td>
</tr>
<tr>
<td>B 8.5</td>
<td>Based on your experience of evaluation, furnish examples of (a) non material deviations or reservations; (b) material deviation or reservations; for various types of contract say goods, works, consultancy etc. Give examples where the bids are treated as non-responsive for each type.</td>
<td>NA</td>
</tr>
<tr>
<td>B 8.6</td>
<td>How do you verify and determine Bidder’s qualification to perform the contract? How rigidly do you enforce this? Are there instances of relaxation of qualification criteria, while recommending for award particularly in cases of lowest quoted offer? Give examples.</td>
<td>The SBD specifies the qualification and conditions for various type of works. The conditions of the contract are followed.</td>
</tr>
<tr>
<td>B 8.7</td>
<td>Are there instances when all the participating bids are declared as non-responsive or all Bidders do not meet specified qualification criteria? Give examples.</td>
<td>Yes</td>
</tr>
<tr>
<td>B 8.8</td>
<td>Do you have a counter-offer system? What are the rules for such counter-offers?</td>
<td>No.</td>
</tr>
<tr>
<td>B 8.9</td>
<td>Furnish: (i) cumulative number and value of contracts awarded in the past five years by the Agency through ICB and NCB (separately), with break-up under categories of (a) goods plus supply and erection; (b) works; and (c) hiring of consultants; (ii) what was the average time from date of bid opening to award of work for each category; and (iii) furnish number of contract awarded under each category (a) within initial validity period; (b) delay of 60 days after initial bid validity; and (c) delay beyond 60 days after initial bid validity?</td>
<td>Details are available in the web site <a href="http://www.ghmc.gov.in">www.ghmc.gov.in</a></td>
</tr>
</tbody>
</table>

**B.9 CONTRACT AWARD**

| B 9.1 | What is the criteria generally adopted for award of contract. Is it the lowest price or the lowest evaluated responsive bid of the qualified Bidder? | Lowest evaluated Bidders are awarded the contract. |
| B 9.2 | Do you conduct negotiations with Bidders on (a) price; (b) technical terms and conditions; and (c) scope of work/services before or after selection? If so, give examples. | Negotiations are not permitted at any level as per G.O.Ms – 94, Dt. 1-7-2003 |
**B 9.3** Is the Agency fully authorized to enter into contracts or they need government approvals before contract can be made effective?

Tender committee is competent for recommending the contract and the same is approved by Commissioner.

**B 9.4** Furnish a copy of format used for submission of performance security in contracts for (a) goods (b) works. Do you accept conditional and inadequate performance securities? If so, give instances

Performance security of 2½ % is required for concluding agreement.

- No -

**B 9.5** What are the major differences in the method of evaluation and requirement of performance securities between goods and works?

There is no major difference in the method of evaluation and requirement of performance securities between goods and works.

**B 9.6** In selection of Consultants what process and steps (say quality and cost-based selection etc.) and type of contracts (say lumpsum etc.) do you follow? Give examples of some typical consultancy contracts being handled or envisaged for the operations.

Consultants are given with the contract for different type of works to the experienced and on performance basis. For Small Projects Lump sum type of Contracts procedure is followed & For Larger Projects wherein the Consultancy charges Exceed 5 Rupees lakhs quality and cost-based selection Procedure is adopted

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**B 10. CONTRACT ADMINISTRATION**

**B 10.1** Do you have manual or computerized procurement and/or contract monitoring systems? Submit sample report / output.

The e-procurement system is followed in the organization. Details are available in the web site www.eprocurement.gov.in

**B 10.2** What is the average time from invoice submission to payment for (a) advances; (b) progress payment; and (c) final payment? Are there delays? If so, what steps are being taken to minimize these?

Normally advances are not paid. The progress payment invoice can be submitted once in a month and final invoice after completion.

**B 10.3** For delayed due payments does the contract provide for payment of interest? Are there instances of interest being paid?

No. Interest is not paid on the contract awarded and payment delayed.

**B 10.4** What is your set-up for Technical/Quality Assurance and Inspection to ensure compliance to specification and conformance to quality by the Supplier/Contractor?

The QA is adopted through the Departmental Verification & also third party inspection for the works carried out during the progress & after completion of the work.

**B 10.5** How is delivery of goods and services monitored?

The delivery of goods & services are monitored through regular contact with the supplier/consultants.

**B 10.6** Who manages transportation of goods to project store? Is it normally the responsibility of the Supplier?

Yes – Supplier is responsible for the delivery of goods.

**B 10.7** Furnish brief detail on your stores and inventory management system relating to project activities.

Half yearly & Annual verification is conducted for assessment of inventory management.

**B 10.8** What is the procedure for handling contract changes/variation? Is work undertaken by the Contractor prior to

Prior approval is taken for the changes and variations. The work is executed after the approval.
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>B 10.9 Are there instances when work stops due to delays in issue of formal change order?</td>
<td>No.</td>
</tr>
<tr>
<td>B 10.10 Are there instances of large variations in quantity beyond the limits envisaged in the contract? How do you handle such situations? Give examples. In civil works do you have problems in dealing with variations? If so, how do you track them?</td>
<td>No. Large variations are not allowed. Except in the cases where the necessary &amp; relevant changes are accepted after proposals are received. The changes and variations can be affected only after approval from the concerned authority.</td>
</tr>
<tr>
<td>B10.11 Are there instances of contract execution getting delayed due to (a) late release of inputs from the Agency; or (b) unforeseen problems faced by the Supplier or the Contractor? How do you resolve such disputes? Give instances.</td>
<td>No. But on some occasions due to unforeseen problems the execution is delayed.</td>
</tr>
<tr>
<td>B10.12 Are contractor’s/Supplier’s disputes generally resolved through amicable settlement or through the process of adjudication/arbitration?</td>
<td>The Contractor/Supplier disputes are generally resolved through negotiations.</td>
</tr>
<tr>
<td>B 10.13 How many contracts were awarded during the last five years and how many arbitration cases reported? Was the award generally in favour of the Supplier/Contractor?</td>
<td>Several works were awarded for the suppliers &amp; contractor for various types of works.</td>
</tr>
<tr>
<td>B 10.14 How do you handle cases of nonperformance or failure of a contract? Give examples where with timely and skillful intervention you retrieved the situation. In how many cases during the last few years, have you enforced liquidated damages, and forfeited performance security?</td>
<td>The non performance is viewed as per the condition of SBD &amp; nature of work executed.</td>
</tr>
<tr>
<td>B 10.15 What is your set-up for inspection of goods? Is it in-house or third party?</td>
<td>Both types of inspections are conducted for assessing the quality.</td>
</tr>
<tr>
<td>B 10.16 Are there instances of complaint by the Supplier on (a) delays in carrying out inspection; (b) over inspection; or (c) improper rejection of goods and services? Give examples.</td>
<td>No. Very less instances of complaints observed.</td>
</tr>
<tr>
<td>B 10.17 What is the mechanism for handling Supplier’s/Contractor’s claims?</td>
<td>The Supplier claims will be settled as per the conditions of the contract.</td>
</tr>
<tr>
<td>B 10.18 Furnish data on original project time/cost vs. actual time/cost for projects completed by the Agency in the last five years and reasons for large variations in case of time/cost overruns?</td>
<td>No. Large variations are not allowed in the contracts. Even, if some are observed the same will be approved prior to the execution &amp; after approval the variations are executed.</td>
</tr>
<tr>
<td>B10.19 Who carries out audit of procurement cases and how frequently? What remedial actions are taken on their findings?</td>
<td>There is an Examiner of Accounts doing pre-audit before payments. Once a year local fund audit conducts the audit.</td>
</tr>
<tr>
<td>B 10.20 Do you have a formal system of contract closing? Give data for the last five years as to (a) no. of contracts completed; (b) no. of cases where all amendments including on-time extensions, if any, are issued; and (c) no. of contracts for which final payments were released.</td>
<td>The contract closing generally is defined in the agreement. Works for the completion period adhered will be settled with Final payments in accordance with agreement conditions.</td>
</tr>
</tbody>
</table>
## PART C. ORGANIZATION

<table>
<thead>
<tr>
<th>C 1.1</th>
<th>Describe general organization of procurement unit. Furnish project procurement organization chart including the number of staff at each line.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The procurement units are spread over whole city of Hyderabad &amp; surrounding areas. About 400 to 500 employees work under each circle.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C 1.2</th>
<th>Furnish academic qualifications of key procurement staffs. Has there been major staff turnover in the past five years? Give details.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The procurement staff is qualified with the background of Technical Education like Diploma to Master's degree in Engineering sections.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C 1.3</th>
<th>Are functions of pre-award work and post-award handled by the same procurement unit?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C 1.4</th>
<th>Furnish projects/tasks in hand and details on number and level of staff handling activities relating to planning – preparation of bidding documents – advertising, printing and publication, responses to questions/clarifications, prebid conferences – bid opening, bid evaluation – contract preparation – contract management – quality control and inspection – transport, insurance – custom clearance and expediting etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The Total No. of Engineering Staff in GHMC is around 400 No.s Other details are available in the web site <a href="http://www.ghmc.gov.in">www.ghmc.gov.in</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C 1.5</th>
<th>Does the Agency have a well documented Procurement Manual? Furnish details or copy.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes – Standard documents for the procurement and verification of works are available. Copy Enclosed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C 1.6</th>
<th>How often the procurement is manually updated? Who is responsible for this task?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Annually.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C 1.7</th>
<th>How do you ensure that all your staff handling procurement activities are aware of rules and regulations pertaining to their areas of work?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The training is imparted to the staff to enhance the Technical knowledge &amp; practices of engineering works.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C 1.8</th>
<th>Is your set-up for materials/stores management part of project procurement setup or separate? Give details.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes – Stores dept. is existing in the organization. Details are available in the web site <a href="http://www.ghmc.gov.in">www.ghmc.gov.in</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C 1.9</th>
<th>What are the financial powers available to the procurement unit? How do the award recommendations get processed? Are there review committees?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The procurement unit has the financial powers delegated to the extent of the contracts awarded. Details of Guidelines for financial powers are available in the enclosed G.O.No.94</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C 1.10</th>
<th>Are there instances of noting / cross noting at various levels of approval?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No – The noting is followed from &amp; through the lower level to higher level of authority.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C 1.11</th>
<th>Do you have system by which thresholds for contracting powers get regularly updated? When was the last revision carried out?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes. The Govt. orders are normally followed. The latest order was issued on 1.7.2003. Copy Enclosed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C 1.12</th>
<th>Has the Agency handled Bank financed or internationally funded procurement in the past? When? What value? Give details.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. ODA of UK funded Hyderabad Slum Improvement Program was completed in 1994.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C 1.13</th>
<th>Have you used procurement agents for Bank financed procurement in the past? What was the method of selection used?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
</tr>
</tbody>
</table>
### PART D. SUPPORT AND CONTROL

<table>
<thead>
<tr>
<th>D 1.1</th>
<th>What entities carry out audit functions both internal and external?</th>
<th>The audit is conducted for all works by the state audit, after the closing of Financial year. The internal audit is done by EA.</th>
</tr>
</thead>
<tbody>
<tr>
<td>D 1.2</td>
<td>What is the mechanism for implementation of their recommendations?</td>
<td>Recommendations are adopted after observations are made by the Audit Department.</td>
</tr>
<tr>
<td>D 1.3</td>
<td>What is the source of legal advice available to the procurement unit (both internal and external)?</td>
<td>Appointed legal Advisors are available to the Department.</td>
</tr>
</tbody>
</table>

### PART E. RECORD KEEPING

<table>
<thead>
<tr>
<th>E 1.1</th>
<th>What records are maintained by the procurement unit starting from the process of public advertisement to bidding, evaluation, signing of contract, furnishing of performance securities etc.? Describe.</th>
<th>All records pertaining to the process from Invitation of Bids to the Closing of contract are maintained with all the concerned employees.</th>
</tr>
</thead>
<tbody>
<tr>
<td>E 1.2</td>
<td>What records are kept on change orders, progress reports, inspection, claims etc.? Describe.</td>
<td>All relevant records are kept under the custody of the concerned.</td>
</tr>
<tr>
<td>E 1.3</td>
<td>Do you have updated data/data-base on the current market price of commonly needed item?</td>
<td>Yes – Data &amp; Rates are prepared on the Quarterly &amp; Annual Basis for the works to prepare cost estimates.</td>
</tr>
<tr>
<td>E 1.4</td>
<td>Do you prepare a report on overall procurement activities? Who prepares it?</td>
<td>-Yes-</td>
</tr>
<tr>
<td>E 1.5</td>
<td>Do you maintain a record of contract prices as awarded and amendment thereof? How is it used?</td>
<td>The contract prices record is maintained.</td>
</tr>
<tr>
<td>E 1.6</td>
<td>Do you have a computerized monitoring system for procurement? If so, give details.</td>
<td>Yes. E-procurement is being adopted.</td>
</tr>
</tbody>
</table>

### PART F. STAFFING

<table>
<thead>
<tr>
<th>F 1.1</th>
<th>Do you have a role directory for various levels of staff as also the qualifications required? Describe.</th>
<th>Defined as per APPWD Code &amp; Financial Code of GoAP.</th>
</tr>
</thead>
<tbody>
<tr>
<td>F 1.2</td>
<td>How are the staff needs assessed? Who does it? How frequently? Do you have current gaps on staffing needs?</td>
<td>Yes. Administration Department. Assessed &amp; considered.</td>
</tr>
<tr>
<td>F 1.3</td>
<td>How do you recruit or select procurement staff? Is there a cadre or sufficient number of staff with long experience in procurement? What is the experience requirement at various levels? Describe.</td>
<td>Through Public Service Commission &amp; through employment.</td>
</tr>
<tr>
<td>F 1.4</td>
<td>How do you train your entry and higher level procurement staff? How many training programmes were conducted for them? Who conducted these programmes? Were they in-house or external?</td>
<td>Both in-house and external training is imparted at reputed institutes for training the staff.</td>
</tr>
<tr>
<td>F 1.5</td>
<td>What was the average time taken from bid opening to recommendation and from then on to award for various categories goods, works and consultancy during the</td>
<td>15 days to 30 days.</td>
</tr>
</tbody>
</table>
last five years?

**PART G. MISPROCUREMENT**

<table>
<thead>
<tr>
<th>G 1.1</th>
<th>In Bank funded procurement was any contract, processed by the Agency, declared as ‘misprocurement’. Give details.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-No-</td>
</tr>
</tbody>
</table>

**PART H. BIDDERS/SUPPLIERS/CONTRACTORS**

<table>
<thead>
<tr>
<th>H 1.1</th>
<th>Who are the major participating Bidders/Suppliers/Contractors for the Agency? Kindly furnish their contact with address/fax/telephone.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Details are available in the web site <a href="http://www.eprocurement.gov.in">www.eprocurement.gov.in</a> &amp; <a href="http://www.ghmc.gov.in">www.ghmc.gov.in</a></td>
</tr>
</tbody>
</table>
GENERAL NOTE

Indore City Transport Services Limited is a Public Limited Company constituted under the provision of the company Act, 1956. The Company came into existence in December, 2005. ICTSL operates different modes of Transport in city of Indore.

Indore city Transport Services Limited (ICTSL) is the nodal Implementation agency for BRTS in the City of Indore. Civil contracts procurement and execution of BRTS project is being carried out by Indore Development Authority and Indore Municipal Corporation. As such ICTSL is not involved in procurement and execution of contracts for works/ Goods etc. and also do not have the separate set of rules/ Manual for above activities. If required, the services are outsourced.

However, ICTSL will be carrying out the activities of proposed GEF project for Automatic fare collection and Signal Prioritization i.e. ITS. The project implementation unit is being established as per requirement which will be staffed by experienced personals. In addition procurement of project Management consultant shall be done as per bank guidelines. Project management consultant shall prepare functional / technical specification/ performance measures procurement documents for vendor consortium etc. as per range guidelines and will also assist ICTSL in overall planning executing and monitoring the project.

PART A – LEGAL FRAMEWORK

A 1. GENERAL

A 1.1 What is the legal corporate status of your Agency (i.e. a government department, a state corporation, a parastatal enterprise)? Who are the owners? Kindly furnish the Memorandum/Articles of Association and list of Board of Directors. How long has the Agency existed?

Indore City Transport Services Limited, Indore is a public Limited Company Constituted Under the Provision of the Companies Act 1956. Indore Municipal Corporation and Indore Development Authority are 50% each Share holders of company. ICTSL was formed in Dec. 2005, Board of Directors are as below.

1. Mayor IMC Indore, – Chairperson.
2. Chairman IDA, Indore – Vice Chairperson
3. CEO, IDA, Indore – Director
4. Indore Municipal Commissioner, –Director
5. District Collector, Indore –Executive Director
6. Superintendent of Police -Ex.-office Nominate
7. Joint Collector, – Chief Executive Officer
8. Road Transport Authority, – Member

A 1.2 (a) What are the applicable laws/regulations/government orders to the procurement envisaged in the operations? Have you got any manual/rules prescribed by your Agency? Furnish documents or furnish reference, issuing authority and date of last revision.

National as well as Madhya Pradesh Sate Government laws and regulations apply to ICTSL.

A 1.2 (b) What is the hierarchy of sources of procurement rules? Furnish documents

Guidelines as laid down in operation manual of ministry of Urban Development, Govt. of India are followed for
| A 1.3 | Is the procurement function of the Agency centralized or carried out by individual departments at different locations? If so, describe the basic structure of procurement organization, name of the procuring entities, their role, responsibilities and delegation available to them. | The procurement functions are carried out by project manager on behalf of and under the director /orders of Board of Directors of ICTSL. |
| A 1.4 | Is there a Central Tender Board/Committee or similar set-up or is there Tender Evaluation Committee on a case to case basis? Give details. Who approves the award recommendations of the Committee? What is the average time taken to get their approval? | Tender Evaluation is done by the committee constituted under the orders of Board of Directors of ICTSL. There has been no occasion of award / approval of tender hence time taken to get the approval can not be stated. |
| A 1.5 | What are the rules/procedures regarding Bidder suspension and debarment (Black listing)? | Guide lines as laid down in Madhya Pradesh state Govt. laws/ work manual of Madhya Pradesh Govt. are followed for bidder Suspension and debarment. |
| A 1.6 | What are the procedures for the settlement of contractual disputes? Describe with details. | Arbitration and conciliation Act 1996 is the basis of settlement of contractual disputes. Specific provisions are made in bid documents by executive agency. |

A 2. TRANSPARENCY

| A 2.1 | What are the rules of the Agency in the matter of price negotiations for goods, works, and consultancy? Give examples. | Guide lines as laid down in operation manual of ministry of Urban Development Govt. of India and State Govt. are followed. |
| A 2.2 | What is the threshold limits for public notice (open/advertised tenders) for bid invitation? | Minimum bidding period for NCB 30 days and ICB 45 days from the date of publication of IFB in press /UNBD. |
| A 2.3 | Do you insist for bid and performance securities for all classes and values of contract and from all Bidders/Suppliers/Contractors? Or are there exempted categories? Give examples. What are the approved preferences you are now applying as per your regulation? Give details. | Yes, At present there are no exempted categories. There are no approved preferences. |
| A 2.4 | Do you publish summaries of information on public procurement in any journal or issue (e.g. number of bids received, number of contracts awarded and names of successful Bidders etc.). If so, describe the scope and frequency. | At present there has no such occasion. In future will be done if required. |
| A 2.5 | Do you hold regular meetings with the business community to discuss the procurement issues? Give details. What follow-up actions are taken on such meetings? | Regular preliminary meeting with the business Community are hold to discuss the procurement issues by the executive agency. |
| A 2.6 | What are your rules for prevention of conflict of interest in case of staff who deal with tenders as well as Firm/Consultants complaints who participate in the bidding? Describe its essential features with copies of orders. | At present there has been no stage of conflict of interest. Law of the land shall be followed in this regard. |
| A 2.7 | Have you any provisions in your bid documents and contracts regarding anti-bribery and anti-corruption conditions? Give details. | Standard bid documents contains specific provisions regarding anti-bribery and anti corruption conditions. |

A 3. ACCOUNTABILITY

| A 3.1 | Do you have a published code of ethics? If so, describe its basic features. | At present there is no published code of ethics, but standard norms of ethics like loyalty to the company, honestly, impartiality are made know to the member of organization. |
| A 3.2 | What is the system in your organization to handle Bidder's/Contractor's/Supplier's representations/complaints before contract award / after award of work? | Representation / complaints before contract award/ after award of work will be settled ac per world same guidelines. |
### PART B : PROCUREMENT CYCLE MANAGEMENT

#### B 1. PROCUREMENT PLANNING

| B 1.1 Kindly furnish a copy of procurement plan followed by your organization for a typical project. How is the duration for the various stages estimated? Who prepares these plans? What is your experience in adhering to these plans? | ICTSL is not doing procurement. |
| B 1.2 How do you monitor procurement plan? How do you ensure, timely award of the contract? Who intervenes in case of delays? | At present no such monitoring is being done. |
| B 1.3 Do you use network planning techniques (such as Critical Path Method) in procurement planning? | This will be done as bank guidelines and bid documents. |
| B 1.4 How do you decide bidding/packaging strategies for project procurement (such as item basis, supply, supply-cum-erection, turnkey etc.)? Do you have any written rules for guidance? | No such rules at present. |
| B 1.5 For civil works what data-bank (analysis) you use? When was it compiled? When was it reviewed and updated? Do you have a system of conducting market surveys to update cost estimates for goods, works and services? If not, what is the basis of forming cost estimates before inviting the bids? Give details. | Present ICTSL is not engaged in civil contracts. |
| B 1.6 What is the normal project completion schedule for various types of goods, works, and consultant services contracts? What are the major causes for slippages as perceived by you? Give data and explain what steps are taken/contemplated to reduce these slippages? | No such stage has arisen so far. |

#### B 2. PROCUREMENT CYCLE

| B 2.1 Give listing of all activities from bid advertisement to award with department/level responsible for each activity. | Bank Guide lines shall be followed. |

#### B 3. BIDDING DOCUMENT

| B 3.1 Are your procurement staff familiar with the Bank Procurement Policies, Guidelines, and the Standard Bidding Documents (SBDs) to be used in Bank financed projects? What is their experience of correctly filling Bid Data Sheet and drafting Special Conditions of Contract? Give details. | Procurement staff familiar with Bank Procurement Policies, Guidelines, and Standard Bidding Documents (SBDs). Procurement staff is experienced central state Govt. officers. |
| B 3.2 Are technical specifications for goods/works prepared in-house or through consultants? | Through consultants. |
| B 3.3 Do you have separate documents for International and National Competitive bidding (both for goods/works) not financed by the Bank? | Not applicable |
| B 3.4 What are the principles you follow in determination of pre or post qualification criteria? Do you have a formal system of framing and approving such criteria in your organization? | Bank guidelines shall be followed in this regard. |
| B 3.5 Furnish a copy of bidding documents/conditions of contract generally adopted in your organization for various categories of work (goods, works and services). | ICTSL is not undertaking contract at present |
| B 3.6 Do you have a standard purchase order form? Furnish a copy. | No. |
| B 3.7 What rules do you follow for shopping? Is there any standard quotation form? Do you issue any Purchase order or do you pay cash and carry goods? | Rules of MP. Works department manual are considered as standard guide lines. Formal purchase order is issued. Cash and carry system is not resorted. |

#### B 4. PREQUALIFICATIONS
| B 4.1 | What are the types of contract for which you use pre-qualification? Attach a copy of standard pre-qualification document used in your organization? | Not applicable so far |
| B 4.2 | Do you verify prior to contract award, if a successful Bidder continues to meet the pre-qualification requirements? | Not applicable so far |
| B 4.3 | Is it mandatory for Suppliers to have a local agent in order to qualify to bid for goods or services? | No. |
| B 4.4 | Do you maintain lists of registered/qualified Suppliers, Contractors and consultants? How often do you update this and when did you update last? Does your updation covers review of their participation and performance? | No. |
| B 4.5 | Do you maintain updated market information on commonly procured goods, including spares and consumables? | No. |
| B 4.6 | Do you have a system of evaluating performance of Supplier, Contractor consultant on a routine basis? | No. |
| B 4.7 | During the last two years how many firms are added and how many are deleted or temporarily debarred from participating? | Not applicable so far. |

**B 5. ADVERTISEMENT**

| B 5.1 | Do you have a system of checking credentials before sale of bid document or do you issue bid document without any filtration? | No. |
| B 5.2 | Are bid documents available for sale on the date the sale is to start as per the notice? | Yes. |
| B 5.3 | Do you restrict sale of bid document to a definite number of days or do you keep it open till a day prior to the last date of receipt of the bids? | Sale of bid document bid is restricted to a week before day prior to the last date of receipt of bids. |

**B 6. COMMUNICATIONS DURING BIDDING PROCESS**

| B 6.1 | Do you follow the practice of pre-bid conference? If so, in what type of contracts? | Yes pre bid conference is held for civil contracts. |
| B 6.2 | How much time do you normally allow to the prospective Bidders to submit the bids following modification in the document? | No fixed norms. |
| B 6.3 | Is asking clarification on a bid routine or exception? What is the nature of clarification normally asked (Is it on the qualification or on the substance of the bid)? | Not applicable so far |

**B 7. RECEIPT OF BID AND OPENING**

<p>| B 7.1 | How do you handle/store bids received prior to the deadline? Give details. | Bid received prior to the deadline are kept in safe custody |
| B 7.2 | What is the time gap between deadline for submission of bid and its opening? | Normally one day time. |
| B 7.3 | Who are invited/permittted to attend bid opening (both from the Bidder’s and Agency’s side)? | Bidder himself or his authorized agents are permitted to attend bid opening. |
| B 7.4 | What is your bid opening procedure? What information is read out during the bid opening? Are minutes separately drawn or do you maintain only a register? What information is recorded? | Bids are opened in presence of bidders who attended the opening. The bids received are loudly read and signed by authority that opened it. The minutes are simultaneously recorded in authenticated reregister. The rates, special condition if any amount is noted in tender opening register. |
| B 7.5 | Are all bids received, opened and read out at the time of bid opening? Or is there a system in which bids not accompanied by a bid security or of inadequate value not opened at all? | Only valid bids are per notice inviting bids are opened &amp; read. |
| B 7.6 | What happens to bids (a) received after the deadline for submission (b) received by the Agency but not opened? | Bids received after the dead line of submission are returned to the bidder unopened |
| B 7.7 | Do the bid opening procedure for Normally the procedure is same incase of goods works, |</p>
<table>
<thead>
<tr>
<th>Q&amp;A</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>B.7.8 What are the differences in goods, works, consultancy contracts? How?</td>
<td>Not applicable so far</td>
</tr>
<tr>
<td>B.8.1 What is the composition of Evaluation (Tender) Committee for a typical (a) large value contract (b) small value contract? Give details indicating their powers.</td>
<td>Generally a technical/financial committee is constituted for the purposes. But so far no such occasion has arisen.</td>
</tr>
<tr>
<td>B.8.2 Are tender evaluation carried out in the allocated tender evaluation rooms by the committee or separately by each department and then compiled?</td>
<td>Tender evolution is done by a committee in closed room by different committee &amp; then compiled. However at present there is no such occasion.</td>
</tr>
<tr>
<td>B.8.3 Furnish a copy of a format of the bid evaluation report.</td>
<td>Not applicable so far</td>
</tr>
<tr>
<td>B.8.4 Furnish a typical example of evaluation criteria followed in your organization for (a) goods; (b) works; and (c) consultancy.</td>
<td>Not applicable so far</td>
</tr>
<tr>
<td>B.8.5 Based on your experience of evaluation, furnish examples of (a) non material deviations or reservations; (b) material deviation or reservations; for various types of contract say goods, works, consultancy etc. Give examples where the bids are treated as non-responsive for each type.</td>
<td>Not applicable so far</td>
</tr>
<tr>
<td>B.8.6 How do you verify and determine Bidder’s qualification to perform the contract? How rigidly do you enforce this? Are there instances of relaxation of qualification criteria, while recommending for award particularly in cases of lowest quoted offer? Give examples.</td>
<td>Not applicable so far</td>
</tr>
<tr>
<td>B.8.7 Are there instances when all the participating bids are declared as non-responsive or all Bidders do not meet specified qualification criteria? Give examples.</td>
<td>There has been no such case so far</td>
</tr>
<tr>
<td>B.8.8 Do you have a counter-offer system? What are the rules for such counter-offers?</td>
<td>So far rules do not provide for counter offer system.</td>
</tr>
<tr>
<td>B.8.9 Furnish:</td>
<td>Not Applicable so far</td>
</tr>
<tr>
<td>(i) cumulative number and value of contracts awarded in the past five years by the Agency through ICB and NCB (separately), with break-up under categories of (a) goods plus supply and erection; (b) works; and (c) hiring of consultants;</td>
<td>Not Applicable so far</td>
</tr>
<tr>
<td>(ii) what was the average time from date of bid opening to award of work for each category; and</td>
<td>Not Applicable so far</td>
</tr>
<tr>
<td>(iii) furnish number of contracts awarded under each category (a) within initial validity period; (b) delay of 60 days after initial bid validity; and (c) delay beyond 60 days after initial bid validity?</td>
<td>Not Applicable so far</td>
</tr>
<tr>
<td>B.9.1 What is the criteria generally adopted for award of contract. Is it the lowest price or the lowest evaluated responsive bid of the qualified Bidder?</td>
<td>Normally lowest valid responsive bid is awarded a contract</td>
</tr>
<tr>
<td>B.9.2 Do you conduct negotiations with Bidders on (a) price; (b) technical terms and conditions; and (c) scope of work/services before or after selection? If so, give examples.</td>
<td>Not Applicable so far</td>
</tr>
<tr>
<td>B.9.3 Is the Agency fully authorized to enter into contracts or they need government approvals</td>
<td>The agency fully authorized to enter into contract.</td>
</tr>
<tr>
<td>B 9.4</td>
<td>Furnish a copy of format used for submission of performance security in contracts for (a) goods (b) works. Do you accept conditional and inadequate performance securities? If so, give instances.</td>
</tr>
<tr>
<td>B 9.5</td>
<td>What are the major differences in the method of evaluation and requirement of performance securities between goods and works?</td>
</tr>
<tr>
<td>B 9.6</td>
<td>In selection of Consultants what process and steps (say quality and cost-based selection etc.) and type of contracts (say lump sum etc.) do you follow? Give examples of some typical consultancy contracts being handled or envisaged for the operations.</td>
</tr>
<tr>
<td>B 9.7</td>
<td>Do you follow repeat-order system? If so, what are the rules?</td>
</tr>
</tbody>
</table>

**B 10. CONTRACT ADMINISTRATION**

| B 10.1 | Do you have manual or computerized procurement and/or contract monitoring systems? Submit sample report / output. | Manual and computerized procumbent contract monitoring can be operated but so far no such case. |
| B 10.2 | What is the average time from invoice submission to payment for (a) advances; (b) progress payment; and (c) final payment? Are there delays? If so, what steps are being taken to minimize these? | Not Applicable so far |
| B 10.3 | For delayed due payments does the contract provide for payment of interest? Are there instances of interest being bid? | Not Applicable so far |
| B 10.4 | What is your set-up for Technical/Quality Assurance and Inspection to ensure compliance to specification and conformance to quality by the Supplier/Contractor? | Technical / quality assurance is done through consultants. |
| B 10.5 | How is delivery of goods and services monitored? | Not Applicable so far |
| B 10.6 | Who manages transportation of goods to project store? Is it normally the responsibility of the Supplier? | It should normally be responsibility of the supplier |
| B 10.7 | Furnish brief detail on your stores and inventory management system relating to project activities. | Not Applicable so far |
| B 10.8 | What is the procedure for handling contract changes/variation? Is work undertaken by the Contractor prior to issue of formal change order? | Not Applicable so far |
| B 10.9 | Are there instances when work stops due to delays in issue of formal change order? | No such a case so far |
| B 10.10 | Are there instances of large variations in quantity beyond the limits envisaged in the contract? How do you handle such situations? Give examples. In civil works do you have problems in dealing with variations? If so, how do you track them? | No such a case so far |
| B 10.11 | Are there instances of contract execution getting delayed due to (a) late release of inputs from the Agency; or (b) unforeseen problems faced by the Supplier or the Contractor? How do you resolve such disputes? Give instances. | No such a case so far |
| B 10.12 | Are Contractor’s/Supplier’s disputes generally resolved through amicable settlement or through the process of adjudication/arbitration? | Normally process of adjudication / arbitration should be the last resort |
| B 10.13 | How many contracts were awarded during the last five years and how many arbitration cases reported? Was the award generally in favour of the Supplier/Contractor? | The company has come in to existence only in Dec, 2005, question does not arise |
| B 10.14 | How do you handle cases of | No such case so far |
nonperformance or failure of a contract? Give examples where with timely and skillful intervention you retrieved the situation. In how many cases during the last few years, have you enforced liquidated damages, and forfeited performance security?

<table>
<thead>
<tr>
<th>B 10.15</th>
<th>What is your set-up for inspection of goods? Is it in-house or third party?</th>
<th>No such case so far</th>
</tr>
</thead>
<tbody>
<tr>
<td>B 10.16</td>
<td>Are there instances of complaint by the Supplier on (a) delays in carrying out inspection; (b) over inspection; or (c) improper rejection of goods and services? Give examples.</td>
<td>No such case so far</td>
</tr>
<tr>
<td>B 10.17</td>
<td>What is the mechanism for handling Supplier’s/Contractor’s claims?</td>
<td>No such case so far</td>
</tr>
<tr>
<td>B 10.18</td>
<td>Furnish data on original project time/cost vs. actual time/cost for projects completed by the Agency in the last five years and reasons for large variations in case of time/cost overruns?</td>
<td>No such case so far</td>
</tr>
<tr>
<td>B 10.19</td>
<td>Who carries out audit of procurement cases and how frequently? What remedial actions are taken on their findings?</td>
<td>No such case so far</td>
</tr>
<tr>
<td>B 10.20</td>
<td>Do you have a formal system of contract closing? Give data for the last five years as to (a) no. of contracts completed; (b) no. of cases where all amendments including on-time extensions, if any, are issued; and (c) no. of contracts for which final payments were released.</td>
<td>No such a case so far.</td>
</tr>
</tbody>
</table>

**PART C. ORGANIZATION**

<p>| C 1.1 | Describe general organization of procurement unit. Furnish project procurement organization chart including the number of staff at each line. | Project implementation unit (PIU) is being established for procurement and implementation unit, which will be assisted by the project Management consultant to be procured as per bank guidelines |
| C 1.2 | Furnish academic qualifications of key procurement staffs. Has there been major staff turnover in the past five years? Give details. | No. |
| C 1.3 | Are functions of pre-award work and post-award handled by the same procurement unit? | Not applicable so far |
| C 1.4 | Furnish projects/tasks in hand and details on number and level of staff handling activities relating to planning – preparation of bidding documents – advertising, printing and publication, responses to questions/clarifications, prebid conferences – bid opening, bid evaluation – contract preparation – contract management – quality control and inspection – transport, insurance – custom clearance and expediting etc. | Not applicable so far |
| C 1.5 | Does the Agency have a well documented Procurement Manual? Furnish details or copy. | No. |
| C 1.6 | How often the procurement is manual updated? Who is responsible for this task? | Not applicable as yet |
| C 1.7 | How do you ensure that all your staff handling procurement activities are aware of rules and regulations pertaining to their areas of work? | Not applicable as yet |
| C 1.8 | Is your set-up for materials/stores management part of project procurement setup or separate? Give details. | Not Applicable so far |
| C 1.9 | What are the financial powers available to the procurement unit? How do the award recommendations get processed? Are there review committees? | Not applicable so far. |
| C 1.10 | Are there instances of noting / cross noting at various levels of approval? | No case so far |
| C 1.11 | Do you have system by which thresholds for contracting powers get regularly updated? When was the last revision carried out? | No case so far |
| C 1.12 | Has the Agency handled Bank financed | No case so far |</p>
<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
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<tbody>
<tr>
<td>Have you used procurement agents for Bank financed procurement in the past?</td>
<td>No case so far</td>
</tr>
<tr>
<td>What was the method of selection used?</td>
<td></td>
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<tr>
<td><strong>PART D. SUPPORT AND CONTROL</strong></td>
<td></td>
</tr>
<tr>
<td>D 1.1 What entities carry out audit functions both internal and external?</td>
<td>Audits are being carried out by independent auditors, chartered Accountants appointed yearly.</td>
</tr>
<tr>
<td>D 1.2 What is the mechanism for implementation of their recommendations?</td>
<td>The recommendations are examined and implemented if needed.</td>
</tr>
<tr>
<td>D 1.3 What is the source of legal advice available to the procurement unit (both internal and external)?</td>
<td>Expert legal advice is obtained from open market.</td>
</tr>
<tr>
<td><strong>PART E. RECORD KEEPING</strong></td>
<td></td>
</tr>
<tr>
<td>E 1.1 What records are maintained by the procurement unit starting from the process of public advertisement to bidding, evaluation, signing of contract, furnishing of performance securities etc.? Describe.</td>
<td>No such occasion so far</td>
</tr>
<tr>
<td>E 1.2 What records are kept on change orders, progress reports, inspection, claims etc.? Describe.</td>
<td>No such occasion so far</td>
</tr>
<tr>
<td>E 1.3 Do you have updated data/data-base on the current market price of commonly needed item?</td>
<td>No such occasion so far</td>
</tr>
<tr>
<td>E 1.4 Do you prepare a report on overall procurement activities? Who prepares it?</td>
<td>Not yet required</td>
</tr>
<tr>
<td>E 1.5 Do you maintain a record of contract prices as awarded and amendment thereof? How is it used?</td>
<td>Not yet required</td>
</tr>
<tr>
<td>E 1.6 Do you have a computerized monitoring system for procurement? If so, give details.</td>
<td>Not yet required</td>
</tr>
<tr>
<td><strong>PART F. STAFFING</strong></td>
<td></td>
</tr>
<tr>
<td>F 1.1 Do you have a role directory for various levels of staff as also the qualifications required? Describe.</td>
<td>No.</td>
</tr>
<tr>
<td>F 1.2 How are the staff needs assessed? Who does it? How frequently? Do you have current gaps on staffing needs?</td>
<td>Assessment is done regularly by the CEO.</td>
</tr>
<tr>
<td>F 1.3 How do you recruit or select procurement staff? Is there a cadre or sufficient number of staff with long experience in procurement? What is the experience requirement at various levels? Describe.</td>
<td>Not applicable so far</td>
</tr>
<tr>
<td>F 1.4 How do you train your entry and higher level procurement staff? How many training programmes were conducted for them? Who conducted these programmes? Were they in-house or external?</td>
<td>Not applicable so far</td>
</tr>
<tr>
<td>F 1.5 What was the average time taken from bid opening to recommendation and from then on to award for various categories goods, works and consultancy during the last five years?</td>
<td>Not applicable so far</td>
</tr>
<tr>
<td><strong>PART G. MISPROCUREMENT</strong></td>
<td></td>
</tr>
<tr>
<td>G 1.1 In Bank funded procurement was any contract, processed by the Agency, declared as ‘misprocurement’. Give details.</td>
<td>No.</td>
</tr>
<tr>
<td><strong>PART H. BIDDERS/SUPPLIERS/CONTRACTORS</strong></td>
<td></td>
</tr>
<tr>
<td>H 1.1 Who are the major participating Bidders/Suppliers/Contractors for the Agency? Kindly furnish their contact with address/fax/telephone.</td>
<td>There is no such a occasion so far</td>
</tr>
</tbody>
</table>
### PART A - LEGAL FRAMEWORK

#### A 1. GENERAL

1. **What is the legal corporate status of your Agency (i.e. a government department, a state corporation, a parastatal enterprise)? Who are the owners?** Kindly furnish the Memorandum/Articles of Association and list of Board of Directors. How long has the Agency existed?

   - **Jalandhar Municipal Corporation** is working under the Local Government, Punjab. Local Government, Pb. is owner of this department. All the State / Local Government laws and regulations apply to this agency.

2. **(a) What are the applicable laws/ regulations/ government orders to the procurement envisaged in the operations? Have you got any manual/rules prescribed by your Agency? Furnish documents or furnish reference, issuing authority and date of last revision.**

   - Yes, there is a Punjab Municipal Corporation Act 1976 and Municipal Account Code 1930/State Government rules are applicable for all procurements (copy of MW3 & MW4 enclosed as Annexure A-I and A-II). The applicable rules for procurement of goods and works are given in MW3 & MW4. All sanctions up to 25000/- are accorded by Commissioner Municipal Corporation, and beyond that, all the cases sent to the Corporation HOUSE. The resolutions of the Corporation HOUSE are further sent to Local Govt., Punjab for the final approval.

   - **(b) What is the hierarchy of sources of procurement rules? Furnish documents regarding Procurement Policy and delegation of Powers.**

     - All the delegation of power are mentioned in Punjab Municipal Corporation Act 1976 and vests with the Commissioner Municipal Corporation/Municipal Corporation House.

3. **Is the procurement function of the Agency centralized or carried out by individual departments at different locations? If so, describe the basic structure of procurement organization, name of the procuring entities, their role, responsibilities and delegation available to them.**

   - All procurement functions are being carried out in the office of the Municipal Corporation Jalandhar headed by Commissioner. All the works are put up in the Finance & Contract Committee headed by Worthy Mayor Municipal Corporation, Jalandhar.

4. **Is there a Central Tender Board/Committee or similar set-up or is there Tender Evaluation Committee on a case to case basis? Give details. Who approves the award recommendations of the Committee? What is the average time taken to get their approval?**

   - Finance & Contract Committee consisting of Mayor, Commissioner, Senior Deputy Mayor, Deputy Mayor & two elected members, is fully empowered to accept or reject any of the tender case submitted through the Commissioner Municipal Corporation. The approval process takes about a month time.

5. **What are the rules/procedures regarding Bidder suspension and debarment (Black listing)?**

   - As mentioned in the MW-3 & MW4 (copy enclosed at Annexure A-I and A-II).

6. **What are the procedures for the settlement of contractual disputes? Describe with details.**

   - All the contract disputes are settled under the arbitration act 1996 and Commissioner Municipal Corporation is the arbitrator in the settlement of such disputes. But in major project, where Commissioner Municipal Corporation is one of the agreements executing party, then Principal Secretary of Local Government acts as a arbitrator.

### A2 - BASIS OF TRANSPARENCY

1. **What are the rules of the Agency in the matter of price negotiations for goods, works, and consultancy? Give examples.**

   - Negotiations are held with the lowest evaluated bidder, if required.

2. **What is the threshold limits for public notice (open/advertised tenders) for bid invitation?**

   - 21 days public notice
3. Do you insist for bid and performance securities for all classes and values of contract and from all Bidders/Suppliers/Contractors? Or are there exempted categories? Give examples. What are the approved preferences you are now applying as per your regulation? Give details.

Bid security equal to 5% & 2% respectively are called for all the works & goods from bidder & L/C Co-op. Societies. There is no exempted category.

4. Do you publish summaries of information on public procurement in any journal or issue (e.g. number of bids received, number of contracts awarded, and names of successful Bidders etc.). If so, describe the scope and frequency.

No.

5. Do you hold regular meetings with the business community to discuss the procurement issues? Give details. What follow-up actions are taken on such meetings?

Yes, Regular meetings with Contractors are held and problems are sorted out.

6. What are your rules for prevention of conflict of interest in case of staff who deal with tenders as well as Firm/Consultants complaints who participate in the bidding? Describe its essential features with copies of orders.

As per rule 4(3) of the Govt. Employees (Conduct) rules 1966 read with Punjab Municipal Corporation Act 1976 rule 73(1) & (2) that no any close relative of any employee and elected member can participates in the tendering process.


Dealt, as per State Government rules.

A3 - BASIS OF ACCOUNTABILITY OF PROCUREMENT OFFICIALS

1. Do you have a published code of ethics? If so, describe its basic features.

As per Pb. C.S.R, Punishment & Appeal rules.

2. What is the system in your organization to handle Bidder’s/Contractor’s/Supplier’s representations/complaints before contract award/after award of work.

All the complaints are handled by Commissioner Municipal Corporation, as well as Chief Vigilance Officer, Local Government Department Punjab.

B - PROCUREMENT CYCLE MANAGEMENT

B1 - PROCUREMENT PLANNING

1. Kindly furnish a copy of procurement plan followed by your organization for a typical project. How is the duration for the various stages estimated? Who prepares these plans? What is your experience in adhering to these plans?

Procurement plans of the DPR are followed whereas previous procurements plans are not available. It is embroidered in the over all stipulated time of the project. These plans are prepared by the Consultants/Technical Staff. As on date, Municipal Corporation Jalandhar has not executed any project, of the world Bank.


Municipal Corporation Jalandhar takes every care in over all monitoring of the projects .To ensure timely award of the Mayor MCJ regularly takes the Review meetings wherein the delays are taken seriously.

3. Do you use network planning techniques (such as Critical Path Method) in procurement planning?

No

4. How do you decide bidding/packaging strategies for project procurement (such as item basis, supply, supply-cum-erection, turnkey etc.)? Do you have any written rules for guidance?

Normally on supply-cum-erection basis.

5. For civil works what data-bank (analysis) you use? When was it compiled? When was it reviewed and updated? Do you have a system of conducting market surveys to update cost estimates for

Estimates are framed on the basis of Pb. PWD (B&R), C.S.R 1987, carrying the latest Ceiling premium on it. Analyses for the non-scheduled item are prepared on the prevailing market rates.
 goods, works and services? If not, what is the basis of forming cost estimates before inviting the bids? Give details.

| 6. What is the normal project completion schedule for various types of goods, works, and consultant services contracts? What are the major causes for slippages as perceived by you? Give data and explain what steps are taken/contemplated to reduce these slippages? | Normal project completion period of work depends upon the cost of the work, nature of work & availability of funds. Major causes for slippages in the work are normally due to paucity of funds with the Municipal Corporation, Jalandhar and time to time requests to the State Govt are made for grants. |

**B2 - PROCUREMENT CYCLE**

| 1. Give listing of all activities from bid advertisement to award with department/level responsible for each activity. | 1. Publishing of DNIT by Superintending Engineer  
2. Evaluation of Bids by Corporation Engineer through Drawing Branch  
4. Issue of Award Letter by Corporation Engineer |

**B3 - BIDDING DOCUMENTS**

<table>
<thead>
<tr>
<th>1. Are your procurement staff familiar with the Bank Procurement Policies, Guidelines, and the Standard Bidding Documents (SBDs) to be used in Bank financed projects? What is their experience of correctly filling Bid Data Sheet and drafting Special Conditions of Contract? Give details.</th>
<th>No. As on date, Municipal Corporation Jalandhar has not executed any project, of the world Bank. Moreover staff is well familiar with the correctly filling of local Bid data sheets and drafting special condition of contract.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Are technical specifications for goods/works prepared in-house or through consultants?</td>
<td>Both the systems are prevailing, but services of the consultant for technical details are used in major projects.</td>
</tr>
<tr>
<td>3. Do you have separate documents for International and National Competitive bidding (both for goods/works) not financed by the Bank?</td>
<td>Yes</td>
</tr>
<tr>
<td>4. What are the principles you follow in determination of pre or post qualification criteria? Do you have a formal system of framing and approving such criteria in your organization?</td>
<td>In major projects, we follow the prequalification criteria.</td>
</tr>
<tr>
<td>5. Furnish a copy of bidding documents/conditions of contract generally adopted in your organization for various categories of work (goods, works, services).</td>
<td>Copies of bidding documents generally adopted are enclosed at Annexure A-I and A-II.</td>
</tr>
<tr>
<td>6. Do you have a standard purchase order form? Furnish a copy.</td>
<td>Yes. There is a copy enclosed G-33 at Annexure B.</td>
</tr>
<tr>
<td>7. What rules do you follow for shopping? Is there any standard quotation form? Do you issue any Purchase order or do you pay cash and carry goods?</td>
<td>Purchases up to Rs. 5000/- are made through quotations from the local market and beyond that purchases are made after calling the tender. There is no standard quotation form, but there is a standard tender form. Purchases are made after issuing purchase order.</td>
</tr>
</tbody>
</table>

**B4 - PRE-QUALIFICATION**

| 1. What are the types of contract for which you use pre-qualification? Attach a copy of standard pre-qualification document used in your organization? | For the major Civil Engg. Works, criteria of prequalification is used, depending upon the nature and cost of the projects. |
2. Do you verify prior to contract award, if a successful Bidder continues to meet the pre-qualification requirements? | Yes
---|---
3. Is it mandatory for Suppliers to have a local agent in order to qualify to bid for goods or services? | No
4. Do you maintain lists of registered/qualified Suppliers, Contractors and consultants? How often do you update this and when did you update last? Does your updation covers review of their participation and performance? | Yes, the process of registration of contractor is continuous process and at the time of updation the participation and performance of agency is reviewed.
5. Do you maintain updated market information on commonly procured goods, including spares and consumables? | No. However, at the time of contract, the market rates are verified.
6. Do you have a system of evaluating performance of Supplier, Contractor consultant on a routine basis? | No
7. During the last two years how many firms are added and how many are deleted or temporarily debarred from participating? | At present 257 Contracts/Firms are enlisted. In the last 2 years 38 firms are added and 2 are deleted. However no firm is debarred.

**B5 – ADVERTISEMENT**

1. Do you have a system of checking credentials before sale of bid document or do you issue bid document without any filtration? | Bid documents are only issue to those who fulfill the published criteria.
2. Are bid documents available for sale on the date the sale is to start as per the notice? | Yes
3. Do you restrict sale of bid document to a definite number of days or do you keep it open till a day prior to the last date of receipt of the bids? | Sale of Bid documents kept opened till the date of receipt of Bids

**B6 - COMMUNICATIONS BETWEEN BIDDERS AND THE PROCURING AGENCY**

1. Do you follow the practice of pre-bid conference? If so, in what type of contracts? | In the major projects, it is followed.
2. How much time do you normally allow to the prospective Bidders to submit the bids following modification in the document? | A period of 2 or 3 weeks.
3. Is asking clarification on a bid routine or exception? What is the nature of clarification normally asked (Is it on the qualification or on the substance of the bid)? | In the case of calling of Bids for a M.S. Plate girder over the Railway Tracks, in Domoria Pul Project, amounting to Rs. 7.50 Crore, tenders were called on 30.04.2007. A pre-bid meeting was held on 08.05.2007 with the agencies and replies of queries were made. A pre-bid meeting queries, generally relates with time period to complete the job, mobilization advance, shut down times of trains, construction methodology and approval of drawings and designs from Railway Department etc. etc. Thus, mostly the queries were on the substance of the bid.

**B7 - RECEIPT OF BIDS AND OPENING**

1. How do you handle/store bids received prior to the deadline? Give details. | Bids of the projects received prior to the deadline are kept in the safe custody of the responsible officer.
2. What is the time gap between deadline for submission of bid and its opening? | Normally from one to two hour.
3. Who are invited/permitted to attend bid opening (both the bidders or their authorized representative). | The bidders or their authorized representative.
GEF - Sustainable Urban Transport Project, India

4. What is your bid opening procedure? What information is read out during the bid opening? Are minutes separately drawn or do you maintain only a register? What information is recorded?

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<tbody>
<tr>
<td>Bids are opened in the presence of nominated committee/officials by the Commissioner Municipal Corporation. All financial conditions are read out during the bid opening in the presence of the bidders at the time of opening is recorded. All Financial details are recorded in a Tender Register.</td>
<td></td>
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</tbody>
</table>

5. Are all bids received, opened and read out at the time of bid opening? Or is there a system in which bids not accompanied by a bid security or of inadequate value not opened at all?

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<tbody>
<tr>
<td>The bids without Earnest Money are not opened and are out rightly rejected.</td>
<td></td>
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</table>

6. What happens to bids (a) received after the deadline for submission (b) received by the Agency but not opened?

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<tr>
<td>The bids received after the deadlines are not entertained.</td>
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7. Do the bid opening procedure for goods, works, and consultancy contracts differ? How?

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<tbody>
<tr>
<td>The procedure is the same for all.</td>
<td></td>
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</table>

8. Do you follow two/three envelope bidding procedure? For what types of contracts do you follow these? Do you have a system of receiving, both unpriced technical proposal and priced bids together or separately at two stages?

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<tr>
<td>Two/Three envelop bidding procedure is followed for the major projects whether it may be an execution or having the consultancy.</td>
<td></td>
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**B8 - BID EXAMINATION AND EVALUATION**

1. What is the composition of Evaluation (Tender) Committee for a typical (a) large value contract (b) small value contract? Give details indicating their powers.

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<tbody>
<tr>
<td>Evaluation is done by the technical officer/officials headed by Superintending Engineer. However in certain cases a special Sub Committee is nominated for the purposes. In both the cases, the cases are finalized by Mayor, Commissioner Municipal Corporation and Finance &amp; Contract Committee.</td>
<td></td>
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</table>

2. Are tender evaluation carried out in the allocated tender evaluation rooms by the committee or separately by each department and then compiled?

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<tbody>
<tr>
<td>Tender Evaluation is carried out by the concerned wing of the department.</td>
<td></td>
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</table>

3. Furnish a copy of a format of the bid evaluation report.

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<tbody>
<tr>
<td>Bid evaluation form for general work is enclosed at Annexure C.</td>
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</table>

4. Furnish a typical example of evaluation criteria followed in your organization for (a) goods; (b) works; and (c) consultancy.

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<tbody>
<tr>
<td>For (a) &amp; (b) evaluation is done in Performa as per Annexure C, regarding (c) it is submitted that consultants are hired only for the major projects, where normally two bid envelopes system is adopted &amp; evaluation varies from the project to project.</td>
<td></td>
</tr>
</tbody>
</table>

5. Based on your experience of evaluation, furnish examples of (a) non material deviations or reservations; (b) material deviation or reservations; for various types of contract say goods, works, consultancy etc. Give examples where the bids are treated as non-responsive for each type.

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<thead>
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<tbody>
<tr>
<td>NIT followed for (a), and no such example where bids are treated as non –responsive.</td>
<td></td>
</tr>
</tbody>
</table>

6. How do you verify and determine Bidder’s qualification to perform the contract? How rigidly do you enforce this? Are there instances of relaxation of qualification criteria, while recommending for award particularly in cases of lowest quoted offer? Give examples.

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<tbody>
<tr>
<td>As per government instructions, there are 5 categories i.e. Class I, Class II, Class III, Class IV &amp; Class V for the executing the works more than 50 lacs, upto 50 lacs, upto 20 lacs, upto 5 lacs and upto 1 lacs respectively, is strictly followed and in case of registered Co-op L/C Societies the creataria of financial capacity fixed by the Co-op. Societies, Department of Punjab is followed. No relaxation of qualification criteria while awarding, particularly in cases of lowest quoted offer is given.</td>
<td></td>
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</table>

7. Are there instances when all the participating bids from the Bidder’s and Agency’s side)?

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td></td>
</tr>
</tbody>
</table>
are declared as non-responsive or all Bidders do not meet specified qualification criteria? Give examples.

8. Do you have a counter-offer system? What are the rules for such counter-offers?  

<table>
<thead>
<tr>
<th>Are declared as non-responsive or all Bidders do not meet specified qualification criteria? Give examples.</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
</tr>
</tbody>
</table>

9. Furnish: (i) cumulative number and value of contracts awarded in the past five years by the Agency through ICB and NCB (separately), with break-up under categories of (a) goods plus supply and erection; (b) works; and (c) hiring of consultants; (ii) what was the average time from date of bid opening to award of work for each category; and (iii) furnish number of contract awarded under each category (a) within initial validity period; (b) delay of 60 days after initial bid validity; and (c) delay beyond 60 days after initial bid validity?

<table>
<thead>
<tr>
<th>Furnish: (i) cumulative number and value of contracts awarded in the past five years by the Agency through ICB and NCB (separately), with break-up under categories of (a) goods plus supply and erection; (b) works; and (c) hiring of consultants; (ii) what was the average time from date of bid opening to award of work for each category; and (iii) furnish number of contract awarded under each category (a) within initial validity period; (b) delay of 60 days after initial bid validity; and (c) delay beyond 60 days after initial bid validity?</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) In the last five years 1167 No. of contracts for the Civil works were awarded through NCB only. Out of which four number major works are for hiring the Consultants. (ii) Two Months approximately. About 50% works are awarded within a validity period and balance 20% works are awarded within 60 days after initial bid validity period.</td>
</tr>
</tbody>
</table>

**B9 - CONTRACT AWARD AND EFFECTIVENESS**

1. What is the criteria generally adopted for award of contract. Is it the lowest price or the lowest evaluated responsive bid of the qualified Bidder?

<table>
<thead>
<tr>
<th>What is the criteria generally adopted for award of contract. Is it the lowest price or the lowest evaluated responsive bid of the qualified Bidder?</th>
</tr>
</thead>
<tbody>
<tr>
<td>In General works the criteria of lowest price is adopted, whereas in case of major project execution works or in case of hiring the consultants, the criteria of lowest evaluated responsive bid of the qualified bidders is adopted.</td>
</tr>
</tbody>
</table>

2. Do you conduct negotiations with Bidders on (a) price; (b) technical terms and conditions; and (c) scope of work/services before or after selection? If so, give examples.

<table>
<thead>
<tr>
<th>Do you conduct negotiations with Bidders on (a) price; (b) technical terms and conditions; and (c) scope of work/services before or after selection? If so, give examples.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negotiations with the bidders on price before selection is carried out if required.</td>
</tr>
</tbody>
</table>

3. Is the Agency fully authorized to enter into contracts or they need government approvals before contract can be made effective?

<table>
<thead>
<tr>
<th>Is the Agency fully authorized to enter into contracts or they need government approvals before contract can be made effective?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before making the contract effective the Government approvals is required.</td>
</tr>
</tbody>
</table>

4. Furnish a copy of format used for submission of performance security in contracts for (a) goods (b) works. Do you accept conditional and inadequate performance securities? If so, give instances.

<table>
<thead>
<tr>
<th>Furnish a copy of format used for submission of performance security in contracts for (a) goods (b) works. Do you accept conditional and inadequate performance securities? If so, give instances.</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is no standard format for performance security and conditional and inadequate performance securities are not accepted</td>
</tr>
</tbody>
</table>

5. What are the major differences in the method of evaluation and requirement of performance securities between goods and works?

<table>
<thead>
<tr>
<th>What are the major differences in the method of evaluation and requirement of performance securities between goods and works?</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
</tr>
</tbody>
</table>

6. In selection of Consultants what process and steps (say quality and cost-based selection etc.) and type of contracts (say lumpsum etc.) do you follow? Give examples of some typical consultancy contracts being handled or envisaged for the operations.

<table>
<thead>
<tr>
<th>In selection of Consultants what process and steps (say quality and cost-based selection etc.) and type of contracts (say lumpsum etc.) do you follow? Give examples of some typical consultancy contracts being handled or envisaged for the operations.</th>
</tr>
</thead>
<tbody>
<tr>
<td>In selection of the consultants, qualities as well as cost are considered and depending upon the nature of project, type of contracts may be lump sum or item wise. Recently a work of hiring a consultant for feasibility study of a ROB/ RUB, at Railway Line Crossing at Chandan Nagar/ Brij Nagar amounting Rs. 13.00 Lacs + Applicable Service Tax is awarded after opening of the Technical and Financial bid.</td>
</tr>
</tbody>
</table>

7. Do you follow repeat-order system? If so, what are the rules?

<table>
<thead>
<tr>
<th>Do you follow repeat-order system? If so, what are the rules?</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
</tr>
</tbody>
</table>

**B10 - CONTRACT ADMINISTRATION**

1. Do you have manual or computerized procurement and/or contract monitoring systems? Submit sample report / output.

<table>
<thead>
<tr>
<th>Do you have manual or computerized procurement and/or contract monitoring systems? Submit sample report / output.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manual. The process of computerization in the Municipal Corporation, Jalandhar is under process and after that the computerized procurement will be adopted. However as per the directions of the Government, the third party monitoring for the projects</td>
</tr>
</tbody>
</table>

May 2009
2. What is the average time from invoice submission to payment for (a) advances; (b) progress payment; and (c) final payment? Are there delays? If so, what steps are being taken to minimize these?

- The average time for preparation of the bills for progress payment as well as final payment is 15 days. Normally monthly payments are made to the agencies and at present there is back log of 6 months approximately. Time to time requests are made to the State Government for financial aids.

3. For delayed due payments does the contract provide for payment of interest? Are there instances of interest being paid?

- No.

4. What is your set-up for Technical/Quality Assurance and Inspection to ensure compliance to specification and conformance to quality by the Supplier/Contractor?

- Local Govt. has its qualified technical staff headed by an officer of Chief Engineer rank working as a Chief Vigilance Officer.

5. How is delivery of goods and services monitored?

- By doing monitoring by the Municipal Corporation Staff.

6. Who manages transportation of goods to project store? Is it normally the responsibility of the Supplier?

- F.O.R for all supply of good is Municipal Corporation Jalandhar Stores.

7. Furnish brief detail on your stores and inventory management system relating to project activities.

- In the project executed on through rates, it is the duty of the concerned agency to maintain the stores.

8. What is the procedure for handling contract changes/variation? Is work undertaken by the Contractor prior to issue of formal change order?

- In the projects the work is executed as per the DPR, thus need of contract changes variation normally not arises.

9. Are there instances when work stops due to delays in issue of formal change order?

- No.

10. Are there instances of large variations in quantity beyond the limits envisaged in the contract? How do you handle such situations? Give examples. In civil works do you have problems in dealing with variations? If so, how do you track them?

- Variations beyond the prescribed limits are not allowed.

11. Are there instances of contract execution getting delayed due to (a) late release of inputs from the Agency; or (b) unforeseen problems faced by the Supplier or the Contractor? How do you resolve such disputes? Give instances.

- In such cases action is taken as per clauses of the MW-3 and MW-4.

12. Are Contractor’s/Supplier’s disputes generally resolved through amicable settlement or through the process of adjudication/arbitration?

- Normally amicably

13. How many contracts were awarded during the last five years and how many arbitration cases reported? Was the award generally in favour of the Supplier/Contractor?

- 1167 No of Cases were awarded during the last 5 years out of these One Agency approached the Arbitrator. Award was of mixed nature.

14. How do you handle cases of nonperformance or failure of a contract? Give examples where with timely and skillful intervention you retrieved the situation. In how many cases during the last few years, have you enforced liquidated damages, and forfeited performance security?

- Cases of non performance of failure of contracts are dealt with the persuasion as well as per the clauses of MW4.

15. What is your set-up for inspection of goods? Is it in-house or third party?

- Inspection of goods is done by the Municipal Corporation Staff.

16. Are there instances of complaint by the Supplier on (a) delays in carrying out inspection; (b) over inspection; or (c) improper rejection of goods and services? Give examples.

- No, such cases arise.

17. What is the mechanism for handling Supplier’s/Contractor’s claims?

- A team of technical staff headed by the Superintending Engineer under over all control of an IAS Officer Commissioner, Municipal Corporation, Jalandhar.

18. Furnish data on original project time/cost vs. actual

- Not applicable.
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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<tbody>
<tr>
<td>time/cost for projects completed by the Agency in the last five years and reasons for large variations in case of time/cost overruns?</td>
<td>Govt. Pre-audit system wing is established in Municipal Corporation, Jalandhar. Any directions issued by the audit department are strictly followed.</td>
</tr>
<tr>
<td>19. Who carries out audit of procurement cases and how frequently? What remedial actions are taken on their findings?</td>
<td>Whenever any firm do not follow the clauses of the MW form or specifications then the contracts are closed as per rules. 1167 No. of works completed in the last 5 years, and payments are released to all. Time extension is granted only in unavoidable circumstances.</td>
</tr>
<tr>
<td>20. Do you have a formal system of contract closing? Give data for the last five years as to (a) no. of contracts completed; (b) no. of cases where all amendments including on-time extensions, if any, are issued; and (c) no. of contracts for which final payments were released.</td>
<td>Whenever any firm do not follow the clauses of the MW form or specifications then the contracts are closed as per rules. 1167 No. of works completed in the last 5 years, and payments are released to all. Time extension is granted only in unavoidable circumstances.</td>
</tr>
</tbody>
</table>

**PART C. ORGANIZATION AND FUNCTIONS**

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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<tbody>
<tr>
<td>1. Describe general organization of procurement unit. Furnish project procurement organization chart including the number of staff at each line.</td>
<td>Organization Chart is enclosed and the detail of staff is at Annexure G-1.</td>
</tr>
<tr>
<td>2. Furnish Academic Qualification of key procurement staffs. Has there been major staff turnover in the past five years? Give details</td>
<td>The Head of the Procurement unit in MCJ is a Commissioner who is an IAS Officer. Further Joint Commissioner is a PCS officer supported by a Technical Staff headed by the Superintending Engineer with a minimum qualification of Bachelor in Engineering.</td>
</tr>
<tr>
<td>3. Are functions of pre-award work and post-award handled by the same procurement unit?</td>
<td>Yes.</td>
</tr>
<tr>
<td>4. Furnish projects/task in hand and details on number and level of staff handling activities relating to planning, preparation of bidding documents, advertising, printing and publication, responses to questions/clarifications, pre bid conferences, bid opening, bid evaluation, contract preparation, contract management, quality control and inspection, transport, insurance, custom clearance and expediting etc.</td>
<td>At present 134 general civil works amounting to Rs. 14.00 Crore approximately and three major civil projects amounting to Rs. 50.00 Crore are in progress which are being looked after by a staff as per detail given in the Annexure G-I.</td>
</tr>
<tr>
<td>5. Does the Agency has a well documented Procurement Manual? Furnish details or copy.</td>
<td>No</td>
</tr>
<tr>
<td>6. How often is the procurement manual updated? Who is responsible for this task?</td>
<td>NA</td>
</tr>
<tr>
<td>7. How do you ensure that all your staff handling procurement activities are aware of rules and regulations pertaining to their areas of work?</td>
<td>Municipal Corporation Jalandhar has well qualified technical staff and oftenly they also attend the workshop held by the Govt. time to time.</td>
</tr>
<tr>
<td>8. Is your set up for materials/stores management part of project procurement set up or separate? Give details.</td>
<td>Part of the project.</td>
</tr>
<tr>
<td>9. What are the Financial Powers available to the procurement Unit? How do the award recommendations get processed? Are there review committees?</td>
<td>All the procurement unit powers up to any amount vests with the Commissioner/Corporation HOUSE in Municipal Corporation, Jalandhar. After calling the tenders, Finance and Contract Committee consisting of Mayor, Senior Deputy Mayor, Commissioner and two elected members is fully empowered to review/approve all the cases of procurement.</td>
</tr>
<tr>
<td>10. Are there instances of noting/cross noting at various levels of approval?</td>
<td>Yes</td>
</tr>
<tr>
<td>11. Do you have system by which thresholds for contracting powers get regularly updated? When was the last revision carried out?</td>
<td>Yes, last revision at Govt. level was issued in 2000, where in five classes from Class I to Class V were fixed.</td>
</tr>
<tr>
<td>12. Has the agency handled Bank Financed or</td>
<td>No</td>
</tr>
<tr>
<td>Question</td>
<td>Answer</td>
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<td>------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
</tr>
<tr>
<td>13. Have you used procurement agents for Bank Financed Procurement in the past? What was the method of selection used?</td>
<td>No</td>
</tr>
</tbody>
</table>

**PART D. SUPPORT AND CONTROL**

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. What entities carry out audit functions both internal and external?</td>
<td>There is an internal Punjab Govt. pre-audit system in Municipal Corporation, Jalandhar.</td>
</tr>
<tr>
<td>2. What is the mechanism for implementation of their recommendations?</td>
<td>Audit paras as well as requisitions if any are imposed by the Local Audit and the same are cleared by the Officers/Officials of Municipal Corporation, Jalandhar.</td>
</tr>
<tr>
<td>3. What is the source of Legal Advice available to the procurement unit (both internal and external)?</td>
<td>There is a Law Branch headed by Legal Advisor as well as Punjab Govt., Pre-Audit wing headed by Deputy Controller, Local Audit exists in the Municipal Corporation, Jalandhar. Moreover, Local Govt. have a paneled Advocates at District Level as well as for at the level of Hon’ble High Court/Supreme Court. Depending upon the gravity of case, Legal Advice of concerned quarter is obtained.</td>
</tr>
</tbody>
</table>

**PART E. RECORD KEEPING**

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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</thead>
<tbody>
<tr>
<td>1. What records are maintained by the procurement unit starting from the process of public advertisement to bidding, evaluation, signing of contract, furnishing of performance securities etc.? Describe.</td>
<td>A proper file work for procurement such as estimates, NIT- Published, received Tender Forms from all the bidders, Award Letter, Agreement and Record of payments and extension notices if any is being maintained as per Punjab Municipal Act, 1976/Municipal Account Code, 1930.</td>
</tr>
<tr>
<td>2. What records are kept on change order, progress report, inspection, claims etc.? Describe.</td>
<td>It is reiterated that there is no change order system in the Municipal Corporation Jalandhar. However, for each work separate works file with a specific RE No. is maintained for all the reports, such as Progress Report, Inspection, Reports and Claim etc. etc.</td>
</tr>
<tr>
<td>3. Do you have updated data/data-base on the current market price of commonly needed item?</td>
<td>Yes</td>
</tr>
<tr>
<td>4. Do you prepare a report on overall procurement activities? Who prepares it?</td>
<td>No</td>
</tr>
<tr>
<td>5. Do you maintain a record of contract prices as awarded and amendment thereof? How is it used?</td>
<td>A separate tender register of works is maintained for the record of Contract Prices which are not amended later.</td>
</tr>
<tr>
<td>6. Do you have a Computerized Monitoring System for procurement? If so, give details.</td>
<td>No. The work of computerization of the branches is under consideration and in the near future the work of procurement will also be computerized.</td>
</tr>
</tbody>
</table>

**PART F. STAFFING**

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Do you have a role directory for various levels of staff as also the qualifications required? Describe</td>
<td>Yes, Local Govt. has framed and circulated a Recruit Rules 1978/1995 where in the qualification and experience etc. for the each and every Provincial Cadre posts, the recruitment &amp; promotions are made accordingly.</td>
</tr>
<tr>
<td>2. How are the staff needs assessed? Who does it? How frequently? Do you have current gaps on staffing needs?</td>
<td>Keeping in view, the urgency of posts, necessities of posts are assessed, keeping in view the PWD norms. Municipal Corporation House is entitled to resolve recruitment cases of non-Provincial category and Local Govt. Punjab is competent for the Provincial cadre</td>
</tr>
</tbody>
</table>
3. How do you recruit or select procurement staff? Is there a cadre or sufficient number of staff with long experience in procurement? What is the experience requirement at various levels? Describe.

The recruitment of Provincial and non-Provincial cadre is done at the level of Local Govt., Department of Punjab and Municipal Corporation, Jalandhar respectively. Yes, sufficient number of staff with experience in procurement exists. Punjab Govt. has issuing & amending the recruitment rules Punjab and the same are followed in the process of recruitment and promotions. As per existing recruitment rules for the promotion for the post of a Superintending Engineer a minimum qualification of Bachelor in Engineering in appropriate discipline with a experience of 7 years as Corporation Engineer is required. Similarly, for the post of a Corporation Engineer a minimum qualification of Diploma in Engineering in appropriate discipline with an experience of 8 years as an Assistant Corporation Engineer is required etc. etc.

4. How do you train your entry and higher level procurement staff? How many training programs were conducted for them? Who conducted the programs? Were they in-house or external?

There is no training program for the staff at the entry level but in service officers/officials normally attend the various external workshops conducted by the State Govt/ GOI agencies such as CRRID, HUDCO etc.

5. What was the average time taken from bid opening to recommendations and from then on to award for various categories goods, works, and consultancy during the last five years?

Two Months.

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**PART G. MIS-PROCUREMENT**

1. In Bank funded procurement was any contract, processed by the agency, declared as ‘mis-procurement’? Give details

No

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**PART-H BIDDERS/SUPPLIERS/CONTRACTORS**

1. Who are the major participating Bidders/Suppliers/Contractors for the agency. Kindly furnish their contact with address/fax/telephone?

List of few Contractors/Bidders/Suppliers enlisted with Municipal Corporation, Jalandhar is enclosed
<table>
<thead>
<tr>
<th>S.No</th>
<th>Name &amp; Address of the Agency</th>
<th>Class &amp; Time</th>
<th>Amount</th>
<th>G-8 No &amp; Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ashish Gupta El 488 Krishna Ng Chaman Lal Rattan</td>
<td>Class-II</td>
<td>Rs.2000/-</td>
<td>10/4076 dated 2004 to 2008</td>
</tr>
<tr>
<td>2</td>
<td>Sh. Avtar Singh S/o Sh. Bishan Singh 26, Shastri Nagar , Jalandhar 0181-2420256</td>
<td>Class-II</td>
<td>Rs.2000/-</td>
<td>5/7908 dated 26/05/04 29/1697 dated 21/12/05</td>
</tr>
<tr>
<td>3</td>
<td>M/s Ashna Const Co. WG-403, Suraj Ganj Jalandhar 0181-5088897</td>
<td>Class-II</td>
<td>Rs.2000/-</td>
<td>17/8018 dated 10/06/04</td>
</tr>
<tr>
<td>4</td>
<td>M/s Asha Electricals Prop. Surinder Bali S/o Sh. Tarsem Lal Bali Plot No.92 New Industrial Estate , Kotla Road, Jalandhar</td>
<td>Class-I</td>
<td>Rs.5000/-</td>
<td>48/4817 Dated 30.10.07</td>
</tr>
<tr>
<td>5</td>
<td>Sh. Avtar Singh 351, GTB Nagar Jalandhar 0181-2274630 0181-3103884</td>
<td>Class-I</td>
<td>Rs.2500/-</td>
<td>22/8018 dated 11/06/04 45/4818 dated 02/1494 dated 04/10/05</td>
</tr>
<tr>
<td>6</td>
<td>S. Amrik Singh B-C, Green Park Jalandhar 0181-2226340</td>
<td>Class-II</td>
<td>Rs.2000/-</td>
<td>43/8018 dated 17/06/04 30/526 dated 29/07/05</td>
</tr>
<tr>
<td>7</td>
<td>Sh. Arun Kumar Aggarwal C-103, 1st Floor, Chadha Complex Lajpat Nagar , Jalandhar 0181-5095238 98152-90604</td>
<td>Class-I</td>
<td>Rs.2500/-</td>
<td>50/8018 dated 23/06/04</td>
</tr>
<tr>
<td>8</td>
<td>M/s A.S. Enterprises 525/43, Sukhdev Nagar Hoshiarpur 01882-223988/2241988</td>
<td>Class-I</td>
<td>Rs.2500/-</td>
<td>14/7111 dated 21/12/04 8/5310 dated 24/08/07</td>
</tr>
<tr>
<td>9</td>
<td>Sh. Amit Sharma H.No-8, Makhdumpura Jalandhar 0181-2237598 98884-80201</td>
<td>Class-II</td>
<td>Rs.2000/-</td>
<td>15/1102 dated 05/09/05 29/1102 dated 07/09/05</td>
</tr>
<tr>
<td>10</td>
<td>M/s Aggarwal Const. Co Village Dyalpur Dist. Kapurthala 01822-2202225,236714 98140-62425</td>
<td>Class-I</td>
<td>Rs.2500/-</td>
<td>09/2009 dated 20/01/06 17/4817 Dated 17.08.07</td>
</tr>
<tr>
<td>11</td>
<td>M/s Buildwell Const Co. 14, Gopal Park C/o R.K. Mahajan Kapurthala 01822-395166 98552-12981 98140-12980</td>
<td>Class-I</td>
<td>Rs.5000/-</td>
<td>1/7908 dated 24/05/04</td>
</tr>
<tr>
<td>12</td>
<td>Sh. Bachan Singh S/o Sh. Nanak Singh R/o New Hargobind Colony Basti Sheikh Jalandhar 0181-2431818</td>
<td>Class-I</td>
<td>Rs.5000/-</td>
<td>32/7908 dated 02/06/04</td>
</tr>
<tr>
<td>No.</td>
<td>Name</td>
<td>Address</td>
<td>Class</td>
<td>Fee</td>
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<tr>
<td>13</td>
<td>Sh. Bakhshish Singh</td>
<td>WS-83, Basti Sheikh Jalandhar</td>
<td>Class-I</td>
<td>Rs.2500/-</td>
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<tr>
<td>14</td>
<td>Balwinder Singh</td>
<td>73 Joginder Nagar</td>
<td>Class-II</td>
<td>Rs.2500/-</td>
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<tr>
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<tr>
<td>15</td>
<td>Sh. Bhupinder Singh</td>
<td>S/o Sh. Kartar Singh Prop. Multani Engineers 18 Jyoti Nagar Jalandhar</td>
<td>Class-II</td>
<td>Rs.4000/-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Sh. Balram Rai Monga</td>
<td>136, New Green Model Town, Jalandhar</td>
<td>Class-I</td>
<td>Rs.5000/-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>M/s CMS Traffic System Ltd</td>
<td>New Delhi</td>
<td>Class-II</td>
<td>Rs.4000/-</td>
</tr>
<tr>
<td>18</td>
<td>Sh. Davinder Kumar</td>
<td>445, JP Nagar Jalandhar</td>
<td>Class-I</td>
<td>Rs.2500/-</td>
</tr>
<tr>
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<tr>
<td></td>
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<tr>
<td>19</td>
<td>Sh. Daljit Singh</td>
<td>No. 229, Harmamdass Pura Kapurthala Road Jalandhar</td>
<td>Class-I</td>
<td>Rs.2500/-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>M/s Dhir Const Co.</td>
<td>37, Jyoti Nagar Jalandhar</td>
<td>Class-I</td>
<td>Rs.2500/-</td>
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<tr>
<td>21</td>
<td>Daljeet Singh</td>
<td>Sh Santokh Singh 333 Model Town</td>
<td>Class-I</td>
<td>Rs. 500/-</td>
</tr>
<tr>
<td>22</td>
<td>Sh. Daljeet Singh &amp; Bros.</td>
<td>8-A Gate Bagh Amritsar</td>
<td>Class-I</td>
<td>Rs.5000/-</td>
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<tr>
<td>23</td>
<td>Sh. Gurvinder Singh</td>
<td>S/o Sh. Harbhajan Singh 26, Shakti Nagar Jalandhar</td>
<td>Class-II</td>
<td>Rs.2000/-</td>
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<tr>
<td>24</td>
<td>Sh. Gagandeep Singh</td>
<td>S/o Sh. Harbhajan Singh 26, Shakti Nagar Jalandhar</td>
<td>Class-II</td>
<td>Rs.2000/-</td>
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<td>No.</td>
<td>Name</td>
<td>Address</td>
<td>Class</td>
<td>Balance</td>
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<tr>
<td>25</td>
<td>Gulshan Kumar</td>
<td>s/o Shiv lal 114-B, New Guru Gobind Singh Nagar Jalandhar</td>
<td>Class-I</td>
<td>Rs.1000</td>
</tr>
<tr>
<td>26</td>
<td>Sh. Gurdeep Rai</td>
<td>H.No-EG-1039 Mohalla Gobind Garh Jalandhar 0181-2221049 0181-2232060</td>
<td>Class-II</td>
<td>Rs.2000/-</td>
</tr>
<tr>
<td>27</td>
<td>Sh. Gurdeep Singh Chhabra</td>
<td>125-2, Model Town Jalandhar 0181-2270477</td>
<td>Class-II</td>
<td>Rs.2000/-</td>
</tr>
<tr>
<td>28</td>
<td>Sh. Gaurav Sharma</td>
<td>9EK-22, Phagwara Gate Jalandhar 0181-2213333 94170-07783</td>
<td>Class-II</td>
<td>Rs.2000/-</td>
</tr>
<tr>
<td>29</td>
<td>Gupta Builders &amp; Contractors</td>
<td>El-488, Krishan Nagar Jalandhar 0181-3090317 98725-60088</td>
<td>Class-I</td>
<td>Rs.5000/-</td>
</tr>
<tr>
<td>30</td>
<td>Sh. Harminderjit Singh</td>
<td>431, Master Tara Singh Nagar , Jalandhar 0181-2457799 98156-54621</td>
<td>Class-II</td>
<td>Rs.2000/-</td>
</tr>
<tr>
<td>31</td>
<td>Sh. Harbhajan Singh</td>
<td>s/o Sh. Bishan Singh 26, Shanti Nagar Jalandhar 0181-2402526</td>
<td>Class-I</td>
<td>Rs.2500/-</td>
</tr>
<tr>
<td>32</td>
<td>Sh. Inderpal Singh Chabra</td>
<td>125 L Model Town Jalandhar</td>
<td>Class-I</td>
<td>Rs.2500/-</td>
</tr>
<tr>
<td>33</td>
<td>Sh. Inderjeet Bajaj</td>
<td>223, New Jawahar Nagar Jalandhar</td>
<td>Class-I</td>
<td>Rs.2500/-</td>
</tr>
<tr>
<td>34</td>
<td>Sh. Jatinderpal Singh</td>
<td>1094-A , Sant Nagar Ladowali Road Jalandhar 0181-2222467 98147-27542</td>
<td>Class-I</td>
<td>Rs.2500/-</td>
</tr>
<tr>
<td>No.</td>
<td>Name of the Contractor</td>
<td>Address</td>
<td>Amount</td>
<td>Date</td>
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<tr>
<td>36</td>
<td>Jagdish Elect Works</td>
<td>S/o DC Sharma 132 GT Rd. Jal 0181-2227971</td>
<td>Rs.2500/-</td>
<td>17/08/07 14/11/02 dated 02/09/05</td>
</tr>
<tr>
<td>37</td>
<td>Jubel Ent. 141 New Jawahar Nagar 9417219184</td>
<td>Class-I</td>
<td>Rs.2500</td>
<td>2005 to 2007 33/4817</td>
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<td>38</td>
<td>M/s Karachi Sales Corp. Mazitha Road, Amritsar 0183-243216, 221669, 223829</td>
<td>Class-II</td>
<td>Rs.4000/-</td>
<td>50/6884 dated 28/12/03</td>
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<tr>
<td>39</td>
<td>M/s Kapoor Builders (Prop. Sh. Vinod Kumar) S/o Sh. Late Gia Lal R/o 11, Kapoor Lane Model Town, Amritsar 0183-5060178, 98158-58966</td>
<td>Class-I</td>
<td>Rs.5000/-</td>
<td>32/8173 dated 14/07/04</td>
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<tr>
<td>40</td>
<td>Mahesh Kumar Singla S/o Nihal Chand 44 st. No. 8 Anand Nagar Patiala</td>
<td>Class-I</td>
<td>Rs.5000/-</td>
<td>224817 20/08/07 2005 to 2009</td>
</tr>
<tr>
<td>41</td>
<td>M/s Manddeep Constructions 472-L, Model Town Jalandhar 98140-93349</td>
<td>Class-I</td>
<td>Rs.5000/-</td>
<td>42/2104 dated 19/01/06</td>
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<tr>
<td>42</td>
<td>Sh. Nirmal Kumar Bansal 51/205-A, New Vijay Nagar Jalandhar 0181-2250152 94635-39830</td>
<td>Class-I</td>
<td>Rs.2500/-</td>
<td>16/908 dated 28/12/05</td>
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<tr>
<td>43</td>
<td>Sh. Naranrang Puri 303-Golden Avenue, Phase-II, Jalandhar 0181-2483772</td>
<td>Class-II</td>
<td>Rs.2000/-</td>
<td>47/908 dated 04/06/04</td>
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<tr>
<td>44</td>
<td>M/s Narang Sales Corp. 670, JP Nagar Jalandhar</td>
<td>Class-I</td>
<td>Rs.5000/-</td>
<td>41/1102 dated 16/09/05</td>
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<tr>
<td>45</td>
<td>M/s Manjit Sales Corporation Mai Hiran Gate Jalandhar</td>
<td>Class-I</td>
<td>Rs.5000/-</td>
<td>43/1102 dated 16/09/05</td>
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<tr>
<td>46</td>
<td>Narinder &amp; Co. Prop. Narinder Kumar Sharma S/o Sh. Gopi Nath Sharma 253 R, Model Town Jalandhar</td>
<td>Class-I</td>
<td>Rs.2500/-</td>
<td>41/1697 dated 21/12/05</td>
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<tr>
<td>47</td>
<td>Sh. Nanakjeet Singh 367, Mota Singh Nagar Jalandhar 2241373</td>
<td>Class-I</td>
<td>Rs.2500/-</td>
<td>46/1697 dated 23/12/05 10/5310 24/08/07</td>
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<tr>
<td>No.</td>
<td>Name of the Contractor</td>
<td>Address</td>
<td>Class</td>
<td>Rs.</td>
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<tr>
<td>48</td>
<td>M/s Nikhil Enterprises</td>
<td>Prop. Krishan Kumar S/o Sh. Late Ram Baksh EF-255 Mandi Road, Jalandhar</td>
<td>Class-I</td>
<td>Rs.5000/-</td>
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<tr>
<td>49</td>
<td>Sh. Prem Parkash</td>
<td>V.P.O Khusropur Jalandhar Cantt 0181-2630725 0181-3095804</td>
<td>Class-I</td>
<td>Rs.2500/-</td>
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<td>Rs.2500/-</td>
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<tr>
<td>50</td>
<td>S. Parminder Singh</td>
<td>S/o Sh. Avtar Singh WQ-9, Basti Sheikh Jalandhar 98142-38136 2432532</td>
<td>Class-II</td>
<td>Rs.2000/-</td>
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<td>Rs.2000/-</td>
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<tr>
<td>51</td>
<td>M/s P.S. Monga</td>
<td>298-R, Model Town ,Jalandhar 0181-5095444</td>
<td>Class-I</td>
<td>Rs.2500/-</td>
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<td>Rs.2500/-</td>
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<tr>
<td>52</td>
<td>M/s P.P Enterprises</td>
<td>95, Vijay Nagar Jalandhar</td>
<td>Class-I</td>
<td>Rs.5000/-</td>
</tr>
<tr>
<td>53</td>
<td>Rajesh Bansal</td>
<td>S/o Nirmal Kumar 51/205 A New Vijay Nagar Jal</td>
<td>Class-I</td>
<td>Rs.2500/-</td>
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<tr>
<td>54</td>
<td>Sh. Rajeev Kumar (Sonu)</td>
<td>1072, Sant Nagar Ladowali Road Jalandhar 0181-2236287,2230710</td>
<td>Class-I</td>
<td>Rs.2500/-</td>
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<td>55</td>
<td>Sham Beri</td>
<td>Sh. GauriShankar 346 Master Tara Singh Nagar Jal</td>
<td>Class-I</td>
<td>Rs.2500</td>
</tr>
<tr>
<td>56</td>
<td>Sh. Shiv Kumar Bansal</td>
<td>51/169, New Vijay Nagar Jalandhar 0181-2257095</td>
<td>Class-I</td>
<td>Rs.2500/-</td>
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<td>Rs.2500/-</td>
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<tr>
<td>57</td>
<td>M/s Sethi Enterprises</td>
<td>282, Shaheed Udham Singh Nagar , Jalandhar 0181-2402369 98150-24408</td>
<td>Class-I</td>
<td>Rs.2500/-</td>
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<tr>
<td>58</td>
<td>M/s Satish Aggarwal &amp; Co.</td>
<td>221, Lajpat Nagar Jalandhar</td>
<td>Class-I</td>
<td>Rs.2500/-</td>
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<tr>
<td>59</td>
<td>Tavinder Pal Singh</td>
<td>351 GTB NAGAR</td>
<td>Class-I</td>
<td>Rs.1000/-</td>
</tr>
<tr>
<td>60</td>
<td>M/s Taran Tam Electric Co.</td>
<td>Putli Ghar Chowk</td>
<td>Class-I</td>
<td>Rs.5000/-</td>
</tr>
<tr>
<td>No.</td>
<td>Name</td>
<td>Address</td>
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<tr>
<td>61</td>
<td>M/s Unix Transmission</td>
<td>373-CX Model Town Extn. Ludhiana O.o-C-61, Focal Point Ludhiana 0161-2672402</td>
<td>0181-5096754 (Jalandhar Off)</td>
<td></td>
</tr>
<tr>
<td>62</td>
<td>Sh. Vikas Bansal</td>
<td>51/205, New Vijay Nagar Jalandhar City 0181-2258069 98140-60502</td>
<td></td>
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</tr>
<tr>
<td>63</td>
<td>Sh. Vinod Gulati</td>
<td>95, Vijay Nagar Jalandhar 94172-22092</td>
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</tbody>
</table>
PART A - LEGAL FRAMEWORK

A 1. GENERAL

A 1.1 What is the legal corporate status of your Agency (i.e. a government department, a state corporation, a parastatal enterprise)? Who are the owners? Kindly furnish the Memorandum/Articles of Association and list of Board of Directors. How long has the Agency existed?

KSRTC is a Government of Karnataka Undertaking formed under the Road Transport Corporation Act 1950. Government of Karnataka is the owner of KSRTC. KSRTC is functioning since 48 years. Enclosed: List of Board of Directors.

A 1.2 (a) What are the applicable laws/regulations/government orders to the procurement envisaged in the operations? Have you got any manual/rules prescribed by your Agency? Furnish documents or furnish reference, issuing authority and date of last revision.

The Provisions of Karnataka Transparency in Public Procurement Act 1999 are applicable and binding on KSRTC procurement activity. KSRTC has its own Stores and Purchase Manual, based on the Board decisions and provisions of the Act. The Stores and Purchase manual is enclosed.


The hierarchy of sources of procurement rules, Procurement Policy and Delegation of Powers are clearly mentioned in the Stores and Purchase Manual.

A 1.3 Is the procurement function of the Agency centralized or carried out by individual departments at different locations? If so, describe the basic structure of procurement organization, name of the procuring entities, their role, responsibilities and delegation available to them.

Procurement in KSRTC is centralized for all the four Corporations. Individual divisions are authorized to procure up to 10% of the allotted budget in case of emergency duly following purchase procedure laid down as per the provisions of KTPP Act.

A 1.4 Is there a Central Tender Board /Committee or similar set-up or is there Tender Evaluation Committee on a case to case basis? Give details. Who approves the award recommendations of the Committee? What is the average time taken to get their approval?

The Central Purchase Committee and Central Purchase Sub Committee comprising of 12 to 14 members, which include the Managing Director, Directors and Head of Departments. The above committee approves all the purchases. The average time taken for approval is around 30 to 45 days from the date of tender opening.

A 1.5 What are the rules/procedures regarding Bidder suspension and debarment (Black listing)?

In case of non supply of material as per the delivery schedule, supply of poor quality material, non commitment to the terms of the agreement, which lead to vehicle off road and cause financial loss to the corporations will lead to issue of show cause notice to the bidders for seeking their explanation for the default. After receipt of the explanation and based on the facts, the bidder will be blacklisted.

A 1.6 What are the procedures for the settlement of contractual disputes? Describe with details.

The Managing Director, KSRTC is the arbitrator. His decision is final and binding on both the parties.
A 2. TRANSPARENCY

A 2.1 What are the rules of the Agency in the matter of price negotiations for goods, works, and consultancy? Give examples.
As per the provisions of the KTPP Act, price negotiation for procurement of goods, works and consultancy can be done only with the lowest evaluated bidder. The negotiation can be carried out if the rates offered by the lowest bidder is appeared to be high. A committee is formed to hold negotiations and the proposal of the committee is put up to the purchase committee to decide.

A 2.2 What is the threshold limits for public notice (open/advertised tenders) for bid invitation?
30 days before the opening of the tender for the Tenders floated for the purchase of items whose Tender value is less than Rs.100 Lakhs and 60 days for tender value more than Rs.100 Lakhs.

A 2.3 Do you insist for bid and performance securities for all classes and values of contract and from all Bidders/Suppliers/Contractors? Or are there exempted categories? Give examples. What are the approved preferences you are now applying as per your regulation? Give details.
KSRTC insist for 5 to 10% of the Purchase Order value as the performance securities for all classes and values of contract from all bidders.

A 2.4 Do you publish summaries of information on public procurement in any journal or issue (e.g. number of bids received, number of contracts awarded, names of successful Bidders etc.). If so, describe the scope and frequency.
No

A 2.5 Do you hold regular meetings with the business community to discuss the procurement issues? Give details. What follow-up actions are taken on such meetings?
KSRTC has undertaken Vendor Development exhibition cum meetings at three places viz… Hubli, Shimoga and Bangalore to broaden the tender participation. The Expression of Interest are being conducted for the tenders called for IT related Tenders and Pre-bid Meetings are called for the Tenders of critical items.

A 2.6 What are your rules for prevention of conflict of interest in case of staff who deal with tenders as well as Firm/Consultants complaints who participate in the bidding? Describe its essential features with copies of orders.
In such cases, the same staff, who deal with tenders, will not be entrusted with the Firm / Consultants complaints

A 2.7 Have you any provisions in your bid documents and contracts regarding anti-bribery and anti-corruption conditions? Give details.
There is no scope for this.

A 3. ACCOUNTABILITY

A 3.1 Do you have a published code of ethics? If so, describe its basic features.
KSRTC has published the Citizen Charter, which describes the responsibility of KSRTC. Copy of Citizen Charter is enclosed.

A 3.2 What is the system in your organization to handle Bidder’s/Contractor’s/Supplier’s representations/complaints before contract award / after award of work.
The Bidder’s / Contractor’s /Supplier’s representations/complaints are being verified / investigated in toto by the Security Department / team of officers and the reports are placed before CPC/ Managing Director for taking final decision.

PART B : PROCUREMENT CYCLE MANAGEMENT
B 1. PROCUREMENT PLANNING

B 1.1 Kindly furnish a copy of procurement plan followed by your organization for a typical project. How is the duration for the various stages estimated? Who prepares these plans? What is your experience in adhering to these plans? KSRTC purchases around 3000 items worth Rs. 250 Crores every year excluding High Speed Diesel (HSD). In order to have smooth flow of money procurement of materials are divided into schedules and scattered over the period of One year based on the consumption period. KSRTC has come out with Product catalogue, which consists about the details of Tender cycle, Specification, pre-qualification criteria, Tender Value, etc… The Controller of Stores and Purchases prepare these plans and the same has been put in to practice without any problem. Product catalogue is enclosed.

B 1.2 How do you monitor procurement plan? How do you ensure, timely award of the contract? Who intervenes in case of delays? Procurement is based on the consumption period. The user has been instructed to send their bulk indents on yearly basis. The same is monitored by the Controller of Stores and Purchases with the co-ordination of Stores Officers. By strictly following the Procurement cycle the timely award of contract is ensured. The Controller of Stores and Purchases, KSRTC intervenes in case of delays. The procurement cycle is as under
1. Publication of Tender – 30 days / 60 days
2. Opening of Bids – 1 day
3. Evaluation of Technical Bids – 4 days
4. Opening of commercial Bids – 1 day
5. Preparation of Comparative Chart – 15 days
6. Approval of Tender Accepting Authority – 1 day
7. Award of Contract – 1 day
8. Entering into Agreement – 7 days / soon after the submission of Security Deposit by the firm

B 1.3 Do you use network planning techniques (such as Critical Path Method) in procurement planning? Yes

B 1.4 How do you decide bidding/packaging strategies for project procurement (such as item basis, supply, supply-cum-erection, turnkey etc.)? Do you have any written rules for guidance? Usually, KSRTC procures by calling tenders based on 2 cover system i.e., Prequalification and commercial. But in case of project procurement, the tender is called under three stages i.e., Pre-qualification, Technical presentation / demonstration and commercial offer. The Technical Presentation / demonstration is evaluated by the committee comprising members from reputed institutions, Govt. departments and HODs of KSRTC.

B 1.5 For civil works what data-bank (analysis) you use? When was it compiled? When was it reviewed and updated? Do you have a system of conducting market surveys to update cost estimates for goods, works and services? If not, what is the basis of forming cost estimates before inviting the bids? Give details. Civil Works are entrusted as per Government schedules of rates issued by PWD, Government of Karnataka.

B 1.6 What is the normal project completion schedule for various types of goods, works, and consultant services contracts? What are the major causes for slippages as perceived by you? Give data and explain what steps are taken / contemplated to reduce these slippages? The procurement of goods / services by KSRTC is in 2 cycles i.e., Half yearly tender for the Tender value more than Rs. 2 Crores and Yearly cycle for Tender value less than Rs. 2 crores.
B 2. PROCUREMENT CYCLE

B 2.1 Give listing of all activities from bid advertisement to award with department/level responsible for each activity.

1. Publication of Tender – Stores and Purchase Department is responsible
2. Opening of Bids – Stores and Purchase Department is responsible with the help of Accounts and Security Department
3. Evaluation of Technical Bids – Tender Scrutiny Committee is responsible
4. Opening of commercial Bids – Stores and Purchase Department is responsible with the help of Accounts and Security Department
5. Preparation of Comparative Chart and Audit – Stores and Purchase and Accounts Department is responsible
6. Approval of Tender Accepting Authority – Tender Accepting Authority is responsible
7. Award of Contract – CPC/CPSC is responsible
8. Entering into Agreement – Stores and Purchase Department is responsible

B 3. BIDDING DOCUMENT

B 3.1 Are your procurement staff familiar with the Bank Procurement Policies, Guidelines, and the Standard Bidding Documents (SBDs) to be used in Bank financed projects? What is their experience of correctly filling Bid Data Sheet and drafting Special Conditions of Contract? Give details.

Our staff is familiar with the Bank Procurement Policies, Guidelines, and the Standard Bidding Documents (SBDs) to be used in Bank financed projects. KSRTC has handled one major project—'Mysore Road Satellite Bus Station', with KUIFDC financing the project worth Rs.23 crores. KSRTC has not taken up any bank financed projects with respect to any goods procurement.

B 3.2 Are technical specifications for goods/works prepared in-house or through consultants?

Specifications for goods/works prepared in-house based on the IS specifications / ASRTU specifications and in some cases with the help of consultants.

B 3.3 Do you have separate documents for International and National Competitive bidding (both for goods/works) not financed by the Bank?

Yes

B 3.4 What are the principles you follow in determination of pre or post qualification criteria? Do you have a formal system of framing and approving such criteria in your organization?

The Pre-qualification criteria and Evaluation Criteria is formed by the contract management group headed by MD, BMTC (IAS officer). The Pre-qualification criteria and Evaluation Criteria is based on the provisions of KTPP ACT under Chapter 6, para 27 (1) a,b,c.

B 3.5 Furnish a copy of bidding documents/conditions of contract generally adopted in your organization for various categories of work (goods, works, services).

A copy of KTTP Act is already submitted.

B 3.6 Do you have a standard purchase order form? Furnish a copy.

Yes, enclosed.

B 3.7 What rules do you follow for shopping? Is there any standard quotation form? Do you issue any Purchase order or do you pay cash and carry goods?

KSRTC follows tender procedures for procurement of goods. Standard quotation form enclosed.
B 4. PREQUALIFICATIONS

B 4.1 What are the types of contract for which you use pre-qualification? Attach a copy of standard pre-qualification document used in your organization?
Pre-qualification terms are used for tenders worth more than Rs 50 lakhs. Standard pre-qualification document is attached.

B 4.2 Do you verify prior to contract award, if a successful Bidder continues to meet the pre-qualification requirements?
Yes

B 4.3 Is it mandatory for Suppliers to have a local agent in order to qualify to bid for goods or services?
No

B 4.4 Do you maintain lists of registered/qualified Suppliers, Contractors and consultants? How often do you update this and when did you update last? Does your updation covers review of their participation and performance?
No. Any firm who meets the pre-qualification criteria is eligible for participation.

B 4.5 Do you maintain updated market information on commonly procured goods, including spares and consumables?
Yes. Market Intelligence Reports are considered for finalizing the rates.

B 4.6 Do you have a system of evaluating performance of Supplier, Contractor consultant on a routine basis?
Yes. Both supply and quality performances are evaluated.

B 4.7 During the last two years how many firms are added and how many are deleted or temporarily debarred from participating?
Not Applicable

B 5. ADVERTISEMENT

B 5.1 Do you have a system of checking credentials before sale of bid document or do you issue bid document without any filtration?
We issue documents without any filtration to all except for blacklisted agencies.

B 5.2 Are bid documents available for sale on the date the sale is to start as per the notice?
Yes

B 5.3 Do you restrict sale of bid document to a definite number of days or do you keep it open till a day prior to the last date of receipt of the bids?
We keep it open till a day prior to the last date of receipt of the bids

B 6. COMMUNICATION DURING BIDDING PROCESS

B 6.1 Do you follow the practice of pre-bid conference? If so, in what type of contracts?
Followed in case of critical items like IT enabled projects/chassis procurement/bus procurement/high-tech equipments etc.

B 6.2 How much time do you normally allow to the prospective Bidders to submit the bids following modification in the document?
Usually 15 days or as commonly decided by the pre-bid committee meeting.

B 6.3 Is asking clarification on a bid routine or exception? What is the nature of clarification normally asked (Is it on the qualification or on the substance of the bid)?
No, it is not routine.
B 7. RECEIPT OF BID AND OPENING

B 7.1 How do you handle/store bids received prior to the deadline? Give details.
KSRTC has introduced e-tending and all the details are online. Hence receipt of bid prior to deadline does not arise.

B 7.2 What is the time gap between deadline for submission of bid and its opening?
30 minutes

B 7.3 Who are invited/ permitted to attend bid opening (both from the Bidder's and Agency's side)?
Authorised signatory of the firm/agency or his representatives

B 7.4 What is your bid opening procedure? What information is read out during the bid opening? Are minutes separately drawn or do you maintain only a register? What information is recorded?
The bid is open in the presence of representatives from Accounts, Security and Purchase departments and representatives of the agency. The details of pre-qualification criteria and the commercial offer are read out during the bid opening. Minutes are drawn along with the signatures of the participating bidders/agents along with committee members.

B 7.5 Are all bids received, opened and read out at the time of bid opening? Or is there a system in which bids not accompanied by a bid security or of inadequate value not opened at all?
The offers of the bidders who fulfill the pre-qualification criteria are only opened and read out. The entire information is also on the website.

B 7.6 What happens to bids (a) received after the deadline for submission (b) received by the Agency but not opened?
Not considered/ case will not arise because it is e-tending.

B 7.7 Do the bid opening procedure for goods, works, consultancy contracts differ? How?
No

B 7.8 Do you follow two/three envelope bidding procedure? For what types of contracts do you follow these? Do you have a system of receiving, both unpriced technical proposal and priced bids together or separately at two stages?
Yes. KSRTC follows two cover system. Unpriced technical proposal and priced bids are received separately

B 8. BID EVALUATION

B 8.1 What is the composition of Evaluation (Tender) Committee for a typical (a) large value contract (b) small value contract? Give details indicating their powers.
(a) Large value contract-for tender value more than Rs 2 crores-Central Purchase Committee
(b) Small value contract-for tender value less than Rs 2 crores-Central Purchase Sub-committee
The composition of committee is in the stores manual.

B 8.2 Are tender evaluation carried out in the allocated tender evaluation rooms by the committee or separately by each department and then compiled?
Tender evaluation carried out in the allocated tender evaluation rooms by the committees-CPC/CPSC

B 8.3 Furnish a copy of a format of the bid evaluation report.
Enclosed.
B 8.4 Furnish a typical example of evaluation criteria followed in your organization for (a) goods; (b) works; and (c) consultancy. 
Based on lowest evaluated price for all categories. Copies enclosed.

B 8.5 Based on your experience of evaluation, furnish examples of (a) non material deviations or reservations; (b) material deviation or reservations; for various types of contract say goods, works, consultancy etc. Give examples where the bids are treated as non-responsive for each type.

Kindly clarify the meaning of the term ‘non-material deviations’ and material deviations. Then, we can answer this question.

B 8.6 How do you verify and determine Bidder’s qualification to perform the contract? How rigidly do you enforce this? Are there instances of relaxation of qualification criteria, while recommending for award particularly in cases of lowest quoted offer? Give examples.

Bidders’ qualification is verified based on the pre-qualifications laid down. This is enforced strictly. Since the commercial offer is opened after the technical evaluation, relaxation of pre-qualification criteria do not arise.

B 8.7 Are there instances when all the participating bids are declared as non-responsive or all Bidders do not meet specified qualification criteria? Give examples.

No instance of bids declared as non-responsive. There was a case wherein none of the bidders meeting the specified qualification criteria-Outsourcing of call centre services.

B 8.8 Do you have a counter-offer system? What are the rules for such counter-offers?
No

B 8.9 Furnish:

(i) cumulative number and value of contracts awarded in the past five years by the Agency through ICB and NCB (separately), with break-up under categories of (a) goods plus supply and erection; (b) works; and (c) hiring of consultants;

Furnished

(ii) what was the average time from date of bid opening to award of work for each category;

3 months

(iii) furnish number of contract awarded under each category (a) within initial validity period; (b) delay of 60 days after initial bid validity; and (c) delay beyond 60 days after initial bid validity?

All contracts are awarded within valid period

B.9 CONTRACT AWARD

B 9.1 What is the criteria generally adopted for award of contract. Is it the lowest price or the lowest evaluated responsive bid of the qualified Bidder?

Lowest evaluated price of the qualified bidder

B 9.2 Do you conduct negotiations with Bidders on (a) price; (b) technical terms and conditions; and (c) scope of work/services before or after selection? If so, give examples.

Negotiations are conducted only on price and scope of work.

Example: ERP implementation, Purchase of tyres, lubricants etc.

B 9.3 Is the Agency fully authorized to enter into contracts or they need government approvals before contract can be made effective?
Agencies are fully authorized to enter into contracts

B 9.4 Furnish a copy of format used for submission of performance security in contracts for (a) goods (b) works. Do you accept conditional and inadequate performance securities? If so, give instances.

Conditional and inadequate performance securities are accepted. For example, chassis supplied against the tender to achieve the average HSD KMPL and if the variation in the actual performance is less by 2% or more, compared to the average prescribed, bidder is liable for deduction of difference in cost of HSD from any pending bills with the Corporation.

B 9.5 What are the major differences in the method of evaluation and requirement of performance securities between goods and works?

No such differences

B 9.6 In selection of Consultants what process and steps (say quality and cost-based selection etc.) and type of contracts (say lumpsum etc.) do you follow? Give examples of some typical consultancy contracts being handled or envisaged for the operations.

Consultants if necessary are selected based on quality and lumpsum amount is paid.

Example: System Audit

B 9.7 Do you follow repeat-order system? If so, what are the rules?

As per the provisions of KTPP Act repeat orders can be placed only to the extent of 25% of tender quality under Chapter IV, Para 12 (5) of the KTPP Act.

B 10. CONTRACT ADMINISTRATION

B 10.1 Do you have manual or computerized procurement and/or contract monitoring systems? Submit sample report / output.

KSRTC has released Stores & Purchases Manual. The contract is monitored by the Controller of Stores and Purchases.

B 10.2 What is the average time from invoice submission to payment for (a) advances; (b) progress payment; and (c) final payment. Are there delays? If so, what steps are being taken to minimize these.

Advances-within 3 days, Progress Payment-within a week's time, Final Payment-within 30 days from the date of receipt and acceptance of materials.

B 10.3 For delayed due payments does the contract provide for payment of interest? Are there instances of interest being paid?

No

B 10.4 What is your set-up for Technical/Quality Assurance and Inspection to ensure compliance to specification and conformance to quality by the Supplier/Contractor?

Third Party inspection / Random Sample Inspection at CIRT Pune, Sriram Institute of Industrial Research, Bangalore and Geological and Metallurgical Laboratories, Bangalore. Items supplied are regularly sent to these institutes to check for conformity.

B 10.5 How is delivery of goods and services monitored?

Delivery of goods and services is monitored by the Stores Officer/User departments based on delivery schedule.

B 10.6 Who manages transportation of goods to project store? Is it normally the responsibility of the Supplier?

Yes
B 10.7 Furnish brief detail on your stores and inventory management system relating to project activities. 
*Project activities are directly dealt by the user departments after the issue of purchase order.*

B 10.8 What is the procedure for handling contract changes/variation? Is work undertaken by the Contractor prior to issue of formal change order? 
*Yes, The contract changes or variations are handled promptly in accordance with contract conditions incorporated in the agreement.*

B 10.9 Are there instances when work stops due to delays in issue of formal change order? 
*No*

B 10.10 Are there instances of large variations in quantity beyond the limits envisaged in the contract? How do you handle such situations? Give examples. In civil works do you have problems in dealing with variations? If so, how do you track them? 
*No*

B 10.11 Are there instances of contract execution getting delayed due to (a) late release of inputs from the Agency; or (b) unforeseen problems faced by the Supplier or the Contractor? How do you resolve such disputes? Give instances. 
*Decisions will be taken up by Management, KSRTC on case to case basis depending on severity.*

B 10.12 Are Contractor’s/Supplier’s disputes generally resolved through amicable settlement or through the process of adjudication/arbitration? 
*Usually by amicable settlement*

B 10.13 How many contracts were awarded during the last five years and how many arbitration cases reported? Was the award generally in favour of the Supplier/Contractor? 
*No such cases reported.*

B 10.14 How do you handle cases of nonperformance or failure of a contract? Give examples where with timely and skillful intervention you retrieved the situation. In how many cases during the last few years, have you enforced liquidated damages, and forfeited performance security? 
*Agency is blacklisted for non-performance or failure of a contract and security Deposit / EMD is forfeited.*

B 10.15 What is your set-up for inspection of goods? Is it in-house or third party? 
*Both in-house and third party.*

B 10.16 Are there instances of complaint by the Supplier on (a) delays in carrying out inspection; (b) over inspection; or (c) improper rejection of goods and services? Give examples. 
*No*

B 10.17 What is the mechanism for handling Supplier’s/Contractor’s claims? 
*Supplier’s/Contractor’s claims are settled based on terms and conditions described in the Purchase Order.*

B 10.18 Furnish data on original project time/cost vs. actual time/cost for projects completed by the Agency in the last five years and reasons for large variations in case of time/cost overruns? 
*Nil*

B 10.19 Who carries out audit of procurement cases and how frequently? What remedial actions are taken on their findings?
Internal Audit from KSRTC will initially audit the procurement cases and the Government audit later.

B 10.20 Do you have a formal system of contract closing? Give data for the last five years as to (a) no. of contracts completed; (b) no. of cases where all amendments including on-time extensions, if any, are issued; and (c) no. of contracts for which final payments were released.

We have a system of contract closing (full settlement). There are no amendments made so far.

PART C. ORGANIZATION

C 1.1 Describe general organization of procurement unit. Furnish project procurement organization chart including the number of staff at each line. The procurement organization/staff are excellent in project planning which results economic procurement. The organization is having good institutional capacities and organizational arrangements for effective implementation of projects. The organization is having good contractor performance, good record keeping track, excellent technical skills and good design capacities. The organization chart is in Stores Manual at page no.4.

C 1.2 Furnish academic qualifications of key procurement staffs. Has there been major staff turnover in the past five years? Give details.

As per Cadre and Regulations 1971, KSRTC and subsequent amendments thereof. No major staff turnover

C 1.3 Are functions of pre-award work and post-award handled by the same procurement unit? Pre-award work by Stores Department and Post-award work by user departments.

C 1.4 Furnish projects/tasks in hand and details on number and level of staff handling activities relating to planning – preparation of bidding documents – advertising, printing and publication, responses to questions/clarifications, prebid conferences – bid opening, bid evaluation – contract preparation – contract management – quality control and inspection – transport, insurance – custom clearance and expediting etc.

As per procurement plan.

C 1.5 Does the Agency has a well documented Procurement Manual? Furnish details or copy.

KSRTC has released Stores and Purchase Manual. Copy is enclosed.

C 1.6 How often is the procurement manual updated? Who is responsible for this task? If any subsequent changes are there, it is updated. Stores and Purchases Department is responsible for the task.

C 1.7 How do you ensure that all your staff handling procurement activities are aware of rules and regulations pertaining to their areas of work? By arranging regular training (in-house) and deputing staff for seminars and workshops.

C 1.8 Is your set-up for materials/stores management part of project procurement setup or separate? Give details. Materials/stores management is an integral part of project procurement setup.

C 1.9 What are the financial powers available to the procurement unit? How do the award recommendations get processed? Are there review committees?
Payment is made by procurement unit based on procurement order terms. Award recommendations are carried out at Corporate Office.

C 1.10 Are there instances of noting / cross noting at various levels of approval? Yes

C 1.11 Do you have system by which thresholds for contracting powers get regularly updated? When was the last revision carried out? No

C 1.12 Has the Agency handled Bank financed or internationally funded procurement in the past? When? What value? Give details. 
Handled one project of building bus station sponsored by KUIFDC worth Rs 23 crores. Currently handling few civil projects under JNNURM funding to the extent of Rs 80 Crores.

C 1.13 Have you used procurement agents for Bank financed procurement in the past? What was the method of selection used? No

PART D. SUPPORT AND CONTROL

D 1.1 What entities carry out audit functions both internal and external?
Internal Audit is carried out by separate internal department with the officers/officials representing Corporation. External audit is carried out through Govt. nominated resident audit officer from AG’s department.

D 1.2 What is the mechanism for implementation of their recommendations? Recommendations are taken into consideration during the next tender finalization.

D 1.3 What is the source of legal advice available to the procurement unit (both internal and external)? Legal advise is obtained through the Law department of KSRTC. In few cases, external legal advising is sought.

PART E. RECORD KEEPING

E 1.1 What records are maintained by the procurement unit starting from the process of public advertisement to bidding, evaluation, signing of contract, furnishing of performance securities etc.? Describe.
1. Consolidated Bulk indent
2. Pre-qualification and evaluation criteria formulated by the Contract Management Group
3. Tender Notification
4. State Tender Bulletin
5. Tender Document
6. Minutes of Tender Opening
7. Pre-qualification Offers
8. Minutes of Tender Scrutiny Committee proceedings
9. Minutes of Commercial Offer opening
10. Commercial Offers
11. Comparative Statement
12. Proposal
13. Proceedings of Tender Accepting committee meeting
14. Letter of Intent
15. Bank Guarantee
16. Purchase Order
17. Communications to the successful bidder
18. etc..., which are relevent
E 1.2 What records are kept on change orders, progress reports, inspection, claims etc.? Describe.
   a. Inspection report
   b. Discrepancy report
   c. Reminders
   d. Pro-rata Recovery statement etc.

E 1.3 Do you have updated data/data-base on the current market price of commonly needed item?
   Yes

E 1.4 Do you prepare a report on overall procurement activities? Who prepares it?
   Yes, Controller of Stores and Purchases

E 1.5 Do you maintain a record of contract prices as awarded and amendment thereof? How is it used?
   Yes, for payment, budget preparation and preparation of Balance Sheet

E 1.6 Do you have a computerized monitoring system for procurement? If so, give details.
   Yes, we have Materials Management and Inventory Control application software.

PART F. STAFFING

F 1.1 Do you have a role directory for various levels of staff as also the qualifications required? Describe.
   Yes, described clearly in Stores Manual.

F 1.2 How are the staff needs assessed? Who does it? How frequently? Do you have current gaps on staffing needs?
   Staff needs are assessed by user departments on need basis depending on growth of origin or increase in volume of work. We do not have current gaps on staffing needs.

F 1.3 How do you recruit or select procurement staff? Is there a cadre or sufficient number of staff with long experience in procurement? What is the experience requirement at various levels? Describe.
   As per the provisions of Cadre and Regulations, KSRTC. We do not have sufficient number of staff with adequate experience in procurement. Promotion policy and annual appraisal reports are followed.

F 1.4 How do you train your entry and higher level procurement staff? How many training programmes were conducted for them? Who conducted these programmes? Were they in-house or external?
   Regularly on need basis. Programmes are organized both-in-house and external by HRD department. KSRTC has its own 3 training centres exclusively for training KSRTC staff-at Bangalore, Hassan and Mysore.

F 1.5 What was the average time taken from bid opening to recommendation and from then on to award for various categories goods, works, consultancy during the last five years.
   30 to 50 days (on average)

PART G. MISPROCUREMENT

G 1.1 In Bank funded procurement was any contract, processed by the Agency, declared as ‘misprocurement’. Give details.
   No

PART H. BIDDERS/SUPPLIERS/CONTRACTORS
H 1.1 Who are the major participating Bidders/Suppliers/Contractors for the Agency. Kindly furnish their contact with address/fax/telephone.

i. Indian Oil Corporation,
ii. JK Tyres,
iii. Ceat Tyres,
iv. Exide Battery Industries
v. Ashok Leyland Limited
vi. Tata Motors etc.
Appendix 5.6 Naya Raipur

PART A - LEGAL FRAMEWORK

A 1. GENERAL

A 1.1 What is the legal corporate status of your Agency (i.e. a government department, a state corporation, a parastatal enterprise)? Who are the owners? Kindly furnish the Memorandum/Articles of Association and list of Board of Directors. How long has the Agency existed?

Ans- Naya Raipur Development Authority (NRDA) is a Special Area Development Authority constituted by Government of Chhattisgarh under the provision of the “Chhattisgarh Town and Country Planning Act, 1973.” It is a body corporate having perpetual succession and power to contract and sue and be sued in its name. A copy giving names of the Chairman, Vice Chairmen and the members is attached at Annexure-1.

The Authority was constituted as Capital Area Development Authority in the year 2002. Subsequently, it was renamed as Naya Raipur Development Authority (NRDA).

The Authority has mandate to prepare the Development Plan of Naya Raipur, as per the provisions of Chhattisgarh Town and Country Planning Act, 1973, to develop the satellite town and to take care of the Urban Governance of it, till a substantial population is in place and Urban Local Body is constituted.

The Development Plan has since been prepared and approved under due process of law. It has been notified vide Notification no. 1504/2382/32/07 Raipur dt 24-07-2008 in the Gazette of Chhattisgarh, by the State Government. The development activities have commenced in the month of January 2008.

A 1.2 (a) What are the applicable laws/regulations/government orders to the procurement envisaged in the operations? Have you got any manual/rules prescribed by your Agency? Furnish documents or furnish reference, issuing authority and date of last revision.

Ans- The Rules/manual followed by NRDA for its procurements, are -
(i) For the construction works, the CG Works Department Manual, 1983 is followed.
(ii) For the procurement of goods, plant and machineries, the CG Bhandar Kraya Niyam, 2002 (Store Purchases Rules, 2002) is followed.


Ans- The Rules/manual followed by NRDA for its procurements, are -
(i) For the construction works, the CG Public works Department Manual, 1983 prevails while for the procurement of goods, plant and machineries the CG Bhandar Kraya Niyam (Store purchases Rules, 2002) prevails.

B. NRDA is a board-managed "Authority". It has a Chairman, a Chief Executive Officer and Members appointed by the State Government from time to time. All the powers are vested in the "Authority" of Naya Raipur Development Authority. A copy of the Government Order giving delegation of powers in details is attached at Annexure-2.

The following powers delegated to the various officers, by the State Government by a Government Order, relate to works -

<p>| Administrative approval of Construction | 1. Up to Rs. One Crore | Chief Executive Officer |</p>
<table>
<thead>
<tr>
<th>Works</th>
<th>Chairman</th>
<th>Acceptance of lowest rates</th>
<th>Chief Executive Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. More than Rs. One Crore Up to Rs. Three Crores</td>
<td>Chairman</td>
<td>1. Up to Rs. One Crore</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>3. More than Rs. Three Crores</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acceptance of lowest rates</td>
<td></td>
<td>2. More than Rs. One Crore</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>1. Up to Rs. Twenty Five Lacs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. More than Rs. Twenty Five Lacs Up to Rs. Fifty lacs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. More than Rs. Fifty lacs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appointment of Consultant</td>
<td>Chairman</td>
<td>1. Up to Rs. Twenty Five Lacs</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>2. More than Rs. Twenty Five Lacs Up to Rs. Fifty lacs</td>
<td>Chairman</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. More than Rs. Fifty lacs</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A 1.3 Is the procurement function of the Agency centralized or carried out by individual departments at different locations? If so, describe the basic structure of procurement organization, name of the procuring entities, their role, responsibilities and delegation available to them.

Ans- The procurement function in the Authority is not centralized but carried out section wise, at central location. The Head of the Section concerned obtains administrative approval, technical approval and approval of the bid documents from the competent authorities, as described in A 1.2. After inviting the bids and evaluating it in under due process, sanction is accorded by the competent authority. The procurement is carried out according to the contract conditions. In the cases of work contract, a third party Project Management Consultant (PMC) is engaged. In the matter of procurement of goods, a third party inspection is envisaged.

A 1.4 Is there a Central Tender Board/Committee or similar set-up or is there Tender Evaluation Committee on a case to case basis? Give details. Who approves the award recommendations of the Committee? What is the average time taken to get their approval?

Ans- There is no Central Tender Board or Committee for Tender Evaluation. However, a committee is constituted for procurement, on case to case basis. The officer or the authority, depending on the delegation (as mentioned in A 1.2(b) above), approves the award recommendation of the committee.

A 1.5 What are the rules/procedures regarding Bidder suspension and debarment (Black listing)?

Ans- There is no rule/procedure specified for the debarment or suspension. However, in line with the principle of natural justice, opportunity to be heard is given whenever any action against any agency is taken.
A 1.6 What are the procedures for the settlement of contractual disputes? Describe with details.

Ans- Settlement of disputes are made as per the clauses in the contract which normally lays down that the dispute has to be raised within a given time (generally within 30 days) before the officer empowered to decide such disputes as specified. In case it is not satisfactory to the party raising the dispute, it may go for arbitration under the Arbitration Act, 1993.

A 2. TRANSPARENCY

A 2.1 What are the rules of the Agency in the matter of price negotiations for goods, works, and consultancy? Give examples.

Ans- Negotiations are made in the second call only with all the participants. All the bidders, qualified for the opening of the price bid are informed of the date, time and venue of negotiation and are invited to participate. After clarifying the purpose of the negotiation, the participants are advised to submit the revised bid in closed envelop. The revised bids are opened in the presence of the participants, who remain present for such opening.

A 2.2 What is the threshold limits for public notice (open/advertised tenders) for bid invitation?

Ans- The threshold limits for public notice is 30 days minimum.

A 2.3 Do you insist for bid and performance securities for all classes and values of contract and from all Bidders/Suppliers/Contractors? Or are there exempted categories? Give examples. What are the approved preferences you are now applying as per your regulation? Give details.

Ans- Yes. The following bid securities are prescribed. However, performance securities are asked from the successful bidder only. The bid and performance securities are set out in the bid document and generally are -

<table>
<thead>
<tr>
<th>Type</th>
<th>Bid Security (Earnest money Deposit)</th>
<th>Performance Security</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Works</td>
<td>0.75% to 2% of the value of work.</td>
<td>5% of the value of work.</td>
</tr>
<tr>
<td>2. Goods</td>
<td>3% of the value of supply</td>
<td>5% of the value of supply</td>
</tr>
<tr>
<td>3. Consultancy</td>
<td>Up to 0.50% of the value of Consultancy</td>
<td>Up to 5% of the value of Consultancy</td>
</tr>
</tbody>
</table>

A 2.4 Do you publish summaries of information on public procurement in any journal or issue (e.g. number of bids received, number of contracts awarded and names of successful Bidders etc.). If so, describe the scope and frequency.

Ans- No.

A 2.5 Do you hold regular meetings with the business community to discuss the procurement issues? Give details. What follow-up actions are taken on such meetings?

Ans- No.

A 2.6 What are your rules for prevention of conflict of interest in case of staff who deal with tenders as well as Firm/Consultants complaints who participate in the bidding? Describe its essential features with copies of orders.

Ans- As per the standard form of Agreement set out in the C.G. Works Department Manual, the clause no 25 inter alia, deals with the conflict of interest. The clause no 25 is reproduced below -

"The contract shall not be assigned or sublet without the written approval of the competent authority. and if the contractor shall assign or sublet his contract attempt so to do, or become insolvent, or commence any insolvency proceedings or make any composition with his creditors, or attempt so to do, or if any bribe gratuity, gift, loan perquisite, reward or advantage pecuniary or otherwise shall either directly or indirectly be given, promised or offered by the contractor, or any of his servants or agents to any public officer or person in the employ of Government in any way relating to his office or employment, or if any such officer or person shall become in any way directly or indirectly interested in the contract, the competent authority may thereupon by notice in writing rescind the contract, and the security deposit of the contractor shall thereupon stand
forfeited and the absolutely at the disposal of Government and the same consequences shall ensue as if the contract had been rescinded under clause 3 hereof and in addition the contractor shall not be entitled to recover or be paid for any work therefore performed under the contract.” (Italics provided)

A 2.7 Have you any provisions in your bid documents and contracts regarding anti-bribery and anti-corruption conditions? Give details.
Ans- Yes, as per the standard form of Agreement set out in the C.G. Works Department Manual, the clause no 25 inter alia, provides anti-corruption conditions. The clause no 25 has been reproduced under A 2.6 above.

A 3. ACCOUNTABILITY
A 3.1 Do you have a published code of ethics? If so, describe its basic features.
Ans- Yes. All the employees are required to follow the code of ethics laid down in the CG Classification control and Appeal (CCA) Rules of 1961. The officials are punished if found guilty of misconduct. The Government has, established a separate Agency namely “Anti-corruption Bureau” to deal with the cases of bribery and corruption.

A 3.2 What is the system in your organization to handle Bidder’s/Contractor’s/Supplier’s representations/complaints before contract award / after award of work?
Ans- The Bidder’s/Contractor’s/Supplier’s representations/ complaints are processed by the Chief Executive Officer and are enquired by an officer other than the officer dealing with the case. Decisions are taken as per the result of the inquiry.

PART B: PROCUREMENT CYCLE MANAGEMENT

B 1. PROCUREMENT PLANNING
B 1.1 Kindly furnish a copy of procurement plan followed by your organization for a typical project. How is the duration for the various stages estimated? Who prepares these plans? What is your experience in adhering to these plans?
Ans- The developmental activities of Naya Raipur Development Authority has commenced recently. No procurement plan has been prepared so far.

B 1.2 How do you monitor procurement plan? How do you ensure, timely award of the contract? Who intervenes in case of delays?
Ans- No occasion has come so far. However, coordination meeting is held periodically to monitor progress of procurement and works.

B 1.3 Do you use network planning techniques (such as Critical Path Method) in procurement planning?
Ans- No.

B 1.4 How do you decide bidding/packaging strategies for project procurement (such as item basis, supply, supply-cum-erection, turnkey etc.)? Do you have any written rules for guidance?
Ans- The Manual prescribes different forms of procurement. For small works generally Percentage Rate Tenders based on standard Schedule of Rates are invited. For medium and large works or supply and supply-cum-erection, Item Rate Tenders are invited. Normally lowest responsive bidder is selected for the award.

B 1.5 For civil works what data-bank (analysis) you use? When was it compiled? When was it reviewed and updated? Do you have a system of conducting market surveys to update cost estimates for goods, works and services? If not, what is the basis of forming cost estimates before inviting the bids? Give details.
Ans- The Schedule of Rates issued by Public Works Department and Public Health Engineering Department of the State Government are used. These are based on Unified Standard Rate of Analysis, issued by CPWD for building & issued by MORST, for road and bridge works respectively. The Schedules of Rates are up dated by the issuing Department from time to time as the need arises.
B 1.6 What is the normal project completion schedule for various types of goods, works, and consultant services contracts? What are the major causes for slippages as perceived by you? Give data and explain what steps are taken/contemplated to reduce these slippages?

Ans- The normal project completion schedule ranges from 6 months to 24 months depending upon the quantum of the works, type and cost of the works, availability of the resources. The slippages are due to non-availability of data, drawing, materials, technical manpower as well as skilled labour in time. Some times, interruption of the fund-flow causes delay. It will be ensured that complete details of data/drawings are provided to the contractors at the time of award of contract as far as possible.

B 2. PROCUREMENT CYCLE

B 2.1 Give listing of all activities from bid advertisement to award with department/level responsible for each activity.

Ans- Procurement cycle-

<table>
<thead>
<tr>
<th>SN</th>
<th>Activity</th>
<th>Time</th>
<th>department/level responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bid advertisement to receipt Of bids</td>
<td>30 days</td>
<td>Head of Section</td>
</tr>
<tr>
<td>2</td>
<td>Opening of Technical bids</td>
<td>1 day</td>
<td>Head of Section</td>
</tr>
<tr>
<td>3</td>
<td>Evaluation of technical bids</td>
<td>15 days</td>
<td>Evaluation Committee</td>
</tr>
<tr>
<td>4</td>
<td>Opening of financial bids</td>
<td>10 days</td>
<td>Head of Section</td>
</tr>
<tr>
<td>5</td>
<td>Evaluation and recommendations of the bids by the Committee</td>
<td>15 days</td>
<td>Evaluation Committee</td>
</tr>
<tr>
<td>6</td>
<td>Approval By the Competent Authority</td>
<td>15 days</td>
<td>Authority to approve</td>
</tr>
<tr>
<td>7</td>
<td>Award of contract</td>
<td>7 days</td>
<td>CEO</td>
</tr>
<tr>
<td>8</td>
<td>Entering into Agreement</td>
<td>7 days</td>
<td>CEO</td>
</tr>
</tbody>
</table>

B 3. BIDDING DOCUMENT

B 3.1 Are your procurement staff familiar with the Bank Procurement Policies, Guidelines, and the Standard Bidding Documents (SBDs) to be used in Bank financed projects? What is their experience of correctly filling Bid Data Sheet and drafting Special Conditions of Contract? Give details.

Ans- No, this is first World Bank project of NRDA. But the Procurement Officer, designated for this project, is familiar with the Bank Procurement Policies, Guidelines, and the Standard Bidding Documents (SBDs). He has experienced of World Bank procurement process in a World Bank project named "C.G. World Bank Poverty Reduction Project" during his previous posting.

B 3.2 Are technical specifications for goods/works prepared in-house or through consultants?

Ans-The technical specifications for goods/works are prepared through consultants.

B 3.3 Do you have separate documents for International and National Competitive bidding (both for goods/works) not financed by the Bank?

Ans- No.

B 3.4 What are the principles you follow in determination of pre or post qualification criteria? Do you have a formal system of framing and approving such criteria in your organization?

Ans- Generally post qualification procedure is adopted. The qualification criteria are set up as per the requirement of the procurement in question and is clearly described in bid document.

B 3.5 Furnish a copy of bidding documents/conditions of contract generally adopted in your organization for various categories of work (goods, works and services).

Ans- The bidding documents/conditions of contract for “Selection of Consultant for preparation of Comprehensive Village Development Plan” is attached at Annexure-3.

B 3.6 Do you have a standard purchase order form? Furnish a copy.

Ans- No.
B 3.7 What rules do you follow for shopping? Is there any standard quotation form? Do you issue any Purchase order or do you pay cash and carry goods?
Ans- Generally shopping is permissible for purchase up to Rs.5000/- only. Required materials are procured by inviting quotations as per the desired specification. There is no standard purchase order form.

B 4. PREQUALIFICATIONS

B 4.1 What are the types of contract for which you use pre-qualification? Attach a copy of standard pre-qualification document used in your organization?
Ans- Pre qualification is not carried out. There is no standard pre-qualification document.

B 4.2 Do you verify prior to contract award, if a successful Bidder continues to meet the pre-qualification requirements?
Ans- Yes.

B 4.3 Is it mandatory for Suppliers to have a local agent in order to qualify to bid for goods or services?
Ans- No, Suppliers are not required to have a local agent in order to Qualify to bid for goods and services.

B 4.4 Do you maintain lists of registered/qualified Suppliers, Contractors and consultants? How often do you update this and when did you update last? Do your updating covers review of their participation and performance?
Ans- No, post-qualification criterion is adopted for Procurement.

B 4.5 Do you maintain updated market information on commonly procured goods, including spares and consumables?
Ans- No.

B 4.6 Do you have a system of evaluating performance of Supplier, Contractor consultant on a routine basis?
Ans- Yes. It is periodically reviewed, on case to case basis.

B 4.7 During the last two years how many firms are added and how many are deleted or temporarily debarred from participating?
Ans- The list of firms who were awarded works/supplies or consultancy is attached at Annexure-4. There has not been any occasion of temporary debarment or deletion of any Supplier, Contractor or Consultant.

B 5. ADVERTISEMENT

B 5.1 Do you have a system of checking credentials before sale of bid document or do you issue bid document without any filtration?
Ans- The bid documents are issued without any filtration. It is the responsibility of the participant to check that he fulfills the Qualification. The participant has to demonstrate his qualification by supporting documents.

B 5.2 Are bid documents available for sale on the date the sale is to start as per the notice?
Ans- Yes.

B 5.3 Do you restrict sale of bid document to a definite number of days or do you keep it open till a day prior to the last date of receipt of the bids?
Ans- Yes. The bid document is available for sale within a definite period, which is specified in the advertisement. In some cases, where the bidder has to do preliminary investigation, survey and estimation, the last date of sale of bids is kept earlier than the bid submission date.

B 6. COMMUNICATIONS DURING BIDDING PROCESS

B 6.1 Do you follow the practice of pre-bid conference? If so, in what type of contracts?
Ans- The requests for clarifications are answered promptly and completely in written form. Pre-bid meetings are also held.

B 6.2 How much time do you normally allow to the prospective Bidders to submit the bids following modification in the document?

Ans- Minimum time of 21 days is provided to the prospective Bidders to submit the bids following modification in the document.

B 6.3 Is asking clarification on a bid routine or exception? What is the nature of clarification normally asked (Is it on the qualification or on the substance of the bid)?

Ans- Yes. Clarification on a bid is routinely asked. The nature of Clarification is normally on the qualification as well as on substance of the bid.

B 7. RECEIPT OF BID AND OPENING

B 7.1 How do you handle/store bids received prior to the deadline? Give details.

Ans- Bids received prior to the deadline are registered, sealed in another envelope and are securely stored in a locker. The head of the procurement department only has access to it. They are opened on the scheduled date and time only.

B 7.2 What is the time gap between deadline for submission of bid and its opening?

Ans- Bids are generally opened on the same day, in the presence of the tenderers or their Authorized agents who may choose to be present at the time of bid opening.

B 7.3 Who are invited/PERMITTED to attend bid opening (both from the Bidder’s and Agency’s side)?

Ans- The Chief Executive Officer of NRDA or any officer authorized by him, opens the bid in presence of at least one other officer and staff of concerning section of NRDA and in the presence of the bidders or their authorized agents, who may choose to be present at the time of bid opening.

B 7.4 What is your bid opening procedure? What information is read out during the bid opening? Are minutes separately drawn or do you maintain only a register? What information is recorded?

Ans- Bid opening is conducted at the time, date and place as specified in the bid document, generally on the same day of receipt of bids. The bids are opened and the summaries are recorded. All the bidders or authorized representatives can participate in the bid opening meeting. The procedure of Bid opening specified in the bid document is followed. The details of bid security, Qualification criteria, modification to the bid (if any) etc. are read out. The minutes are recorded.

B 7.5 Are all bids received, opened and read out at the time of bid opening? Or is there a system in which bids not accompanied by a bid security or of inadequate value not opened at all?

Ans- Bids not accompanied by a bid security or of inadequate value are not opened. Technical bids of all received bids are opened. The details of bid security, Qualification criteria, modification to the bid (if any) etc. are read out at the time of bid opening. After Technical evaluation the scores/pass fail as the case may be, are read out and the financial bid of only technically qualified bidders are opened.

B 7.6 What happens to bids (a) received after the deadline for submission (b) received by the Agency but not opened?

Ans- The bids received after dead line are not considered and are returned to the bidder. The bids received by the Agency but not opened are kept separately.

B 7.7 Do the bid opening procedure for goods, works, consultancy contracts differ? How?

Ans - No.

B 7.8 Do you follow two/three envelope bidding procedure? For what types of contracts do you follow these? Do you have a system of receiving, both unpriced technical proposal and priced bids together or separately at two stages?

Ans- Two - envelope bidding procedure is followed. But both envelopes are received in one outer sealed envelope. Normally QCBS/QBS or Thresholds System is followed. Single Source Selection is not preferred.
B 8. BID EVALUATION

B 8.1 What is the composition of Evaluation (Tender) Committee for a typical (a) large value contract (b) small value contract? Give details indicating their powers.

Ans- The composition of the Evaluation Committee for a large value contract -

- C.E.O.NRDA - Chairman of the committee - Member
- Subject Expert such as Representive of CIDCO Navi Mumbai, NIT, PWD, CSEB - Member
- Representative of Architect/ Technical consultant - Member
- General manager P.W.D/Project - Member
- Manager Finance - Member
- Officer of section - Member Secretary

For small value contract, the evaluation committee comprises of Middle level officers of NRDA, It is chaired by Chief Engineer P.W.D or Project.

B 8.2 Are tender evaluation carried out in the allocated tender evaluation rooms by the committee or separately by each department and then compiled?

Ans- Yes the tender evaluation is carried out by the committee in the allocated tender evaluation room.

B 8.3 Furnish a copy of a format of the bid evaluation report.

Ans- Copy attached at Annexure-5

B 8.4 Furnish a typical example of evaluation criteria followed in your organization for (a) goods; (b) works; and (c) consultancy.

Ans- Copy attached at Annexure-6.

B 8.5 Based on your experience of evaluation, furnish examples of (a) non material deviations or reservations; (b) material deviation or reservations; for various types of contract say goods, works, consultancy etc. Give examples where the bids are treated as non-responsive for each type.

Ans- Copy attached at Annexure-7.

B 8.6 How do you verify and determine Bidder’s qualification to perform the contract? How rigidly do you enforce this? Are there instances of relaxation of qualification criteria, while recommending for award particularly in cases of lowest quoted offer? Give examples.

Ans- The successful bidder’s qualification to perform the contract is determined on the basis of the certified copies of supporting documents submitted by him. The experience, the quality of performance etc. are verified, confidentially by telecon with previous clients.

Bid evaluation is carried out thoroughly on the basis of criteria specified in the documents. No, there is not any instance of relaxation of qualification criteria, while recommending for award.

B 8.7 Are there instances when all the participating bids are declared as non-Responsive or all Bidders do not meet specified qualification criteria? Give examples.

Ans- There is no such instance.

B 8.8 Do you have a counter-offer system? What are the rules for such counter-offers?

Ans- No. There is no counter-offer system.

B 8.9 Furnish (i) cumulative number and value of contracts awarded in the past five years by the Agency through ICB and NCB (separately), with break-up under categories of (a) goods plus supply and erection; (b) works; and (c) hiring of consultants;

(ii) What was the average time from date of bid opening to award of work for each category; and

(iii) furnish number of contract awarded under each category (a) within initial validity period; (b) delay of 60 days after initial bid validity; and (c) delay beyond 60 days after initial bid validity?

Ans- Details at Annexure-8
B.9 CONTRACT AWARD

B 9.1 What is the criteria generally adopted for award of contract. Is it the lowest price or the lowest evaluated responsive bid of the qualified Bidder?

*Ans*- Contracts are awarded to the lowest evaluated responsive bidders.

B 9.2 Do you conduct negotiations with Bidders on (a) price; (b) technical terms and conditions; and (c) scope of work/services before or after selection? If so, give examples.

*Ans*- Negotiations are permitted only after the second call in case of works.

1. Price - Negotiations are permitted
2. Technical terms and conditions; - Negotiation are permitted before submission of bid, during the pre-bid meeting
3. Scope of work/services before or after selection - negotiation is permitted, before selection.

B 9.3 Is the Agency fully authorized to enter into contracts or they need government approvals before contract can be made effective?

*Ans*- NRDA is empowered to enter into a contract.

B 9.4 Furnish a copy of format used for submission of performance security in contracts for (a) goods (b) works. Do you accept conditional and inadequate performance securities? If so, give instances.

*Ans*- Copy at Annexure - 9

Conditional or inadequate performance securities are not accepted.

B 9.5 What are the major differences in the method of evaluation and requirement of performance securities between goods and works?

*Ans*- There is no difference in performance security required between goods, works and consultants.

B 9.6 In selection of Consultants what process and steps (say quality and cost-based selection etc.) and type of contracts (say lump sum etc.) do you follow? Give examples of some typical consultancy contracts being handled or envisaged for the operations.

*Ans*- Normally QCBS/QBS/SINGLE SOURCE SELECTION and Thresholds system followed.

B 9.7 Do you follow repeat-order system? If so, what are the rules?

*Ans*- No. Repeat-order system is not preferred.

B 10. CONTRACT ADMINISTRATION

B 10.1 Do you have manual or computerized procurement and/or contract monitoring systems? Submit sample report / output.

*Ans*- No. There is no standard report form for monitoring of procurement and/or contract.

B 10.2 What is the average time from invoice submission to payment for (a) advances; (b) progress payment; and (c) final payment? Are there delays? If so, what steps are being taken to minimize these?

*Ans*- The suppliers and contractors are generally paid within 2 weeks from the date of submission of invoice for advances/progress payment and within 4-6 weeks in case of final payment.

B 10.3 For delayed due payments does the contract provide for payment of interest? Are there instances of interest being paid?

*Ans*- No.

B 10.4 What is your set-up for Technical/Quality Assurance and Inspection to ensure compliance to specification and conformance to quality by the Supplier/Contractor?

*Ans*- A Project Management Consultant is engaged in case of works contract. Third party inspection is envisaged in case of supplies.

B 10.5 How is delivery of goods and services monitored?

*Ans*- There are appropriate procedures to monitor delivery of goods and services to verify quality, quantity and timeliness.
B 10.6 Who manages transportation of goods to project store? Is it normally the responsibility of the Supplier?
Ans- Contractor/Supplier, manage the transportation of goods to project store itself. It is the normal responsibility of supplier.

B 10.7 Furnish brief detail on your stores and inventory management system relating to project activities.
Ans- NRDA does not supply any material/goods to the contractor for any project, therefore no stores is maintained.

B 10.8 What is the procedure for handling contract changes/variation? Is work undertaken by the Contractor prior to issue of formal change order?
Ans- The contract changes or variations are handled promptly in accordance with the contract condition. The work is undertaken by the Contractor after issue of formal change order.

B 10.9 Are there instances when work stops due to delays in issue of formal change order?
Ans- No.

B 10.10 Are there instances of large variations in quantity beyond the limits envisaged in the contract? How do you handle such situations? Give examples. In civil works do you have problems in dealing with variations? If so, how do you track them?
Ans- No.

B 10.11 Are there instances of contract execution getting delayed due to (a) late release of inputs from the Agency; or (b) unforeseen problems faced by the Supplier or the Contractor? How do you resolve such disputes? Give instances.
Ans- No. Time extension is granted with or without deduction depending on the cause of delay.

B 10.12 Are Contractor’s/Supplier’s disputes generally resolved through amicable settlement or through the process of adjudication/arbitration?
Ans- Yes. Contractor’s/Supplier’s disputes are generally resolved through amicable settlement.

B 10.13 How many contracts were awarded during the last five years and how many arbitration cases reported? Was the award generally in favour of the Supplier/Contractor?
Ans- Copy attached at Annexure -4

B 10.14 How do you handle cases of nonperformance or failure of a contract? Give examples where with timely and skillful intervention you retrieved the situation. In how many cases during the last few years, have you enforced liquidated damages, and forfeited performance security?
Ans- No occasion of non performance or failure has come up, as yet.

B 10.15 What is your set-up for inspection of goods? Is it in-house or third party?
Ans- It is through Project Management Consultant (Third Party).

B 10.16 Are there instances of complaint by the Supplier on (a) delays in carrying out inspection; (b) over inspection; or (c) improper rejection of goods and services? Give examples.
Ans- No.

B 10.17 What is the mechanism for handling Supplier’s/Contractor’s claims?
Ans- They are processed in accordance with the contract conditions.

B 10.18 Furnish data on original project time/cost vs. actual time/cost for projects completed by the Agency in the last five years and reasons for large variations in case of time/cost overruns?
Ans- Projects have commenced only and recently not matured up to the date of completion.

B 10.19 Who carries out audit of procurement cases and how frequently? What remedial actions are taken on their findings?
Ans- The Auditor General carries the audit procurement cases. The Audit is to be done on yearly basis. The remedial actions are taken as per audit observations.
Do you have a formal system of contract closing? Give data for the last five years as to (a) no. of contracts completed; (b) no. of cases where all amendments including on-time extensions, if any, are issued; and (c) no. of contracts for which final payments were released.

Ans- Copy attached at Annexure -4

PART C. ORGANIZATION

C 1.1 Describe general organization of procurement unit. Furnish project procurement organization chart including the number of staff at each line.

Ans- The Procurement organization/ staff are experienced in Project planning which results economic procurement.

C 1.2 Furnish academic qualifications of key procurement staffs. Has there been major staff turnover in the past five years? Give details.

Ans- B.E. (Civil). The developmental activities have commenced recently, as such there has not been major staff turnover in the past.

C 1.3 Are functions of pre-award work and post-award handled by the same procurement unit?

Ans- Yes.

C 1.4 Furnish projects/tasks in hand and details on number and level of staff handling activities relating to planning – preparation of bidding documents – advertising, printing and publication, responses to questions/clarifications, pre-bid conferences – bid opening, bid evaluation–contract preparation–contract management–quality control and inspection–transport, insurance–custom clearance and expediting etc.

Ans- Please refer to the answer to Q F 1.3.

C 1.5 Does the Agency has a well documented Procurement Manual? Furnish details or copy.

Ans- No.

C 1.6 how often is the procurement manual updated? Who is responsible for this task?

Ans- The procurement rules are amended from time to time by the State Government.

C 1.7 How do you ensure that all your staff handling procurement activities are aware of rules and regulations pertaining to their areas of work?

Ans- The amendments are circulated to the officers and the employees.

C 1.8 Is your set-up for materials/stores management part of project procurement setup or separate? Give details.

Ans- The developmental activities have recently, commenced. The setup would be decided as per the need.

C 1.9 What are the financial powers available to the procurement unit? How do the award recommendations get processed? Are there review committees?

Ans- No.

C 1.10 Are there instances of noting / cross noting at various levels of approval?

Ans- Yes. There is a system of open and free discussion in the decision making process. Officers are encouraged to express their free and fair opinion.

C 1.11 Do you have system by which thresholds for contracting powers get regularly updated? When was the last revision carried out?

Ans - No.

C 1.12 Has the Agency handled Bank financed or internationally funded procurement in the past? When? What value? Give details.

Ans- No,

C 1.13 Have you used procurement agents for Bank financed procurement in the past? What was the method of selection used?
PART D. SUPPORT AND CONTROL

D 1.1 What entities carry out audit functions both internal and external?
Ans- The audit functions are to be carried out by the Directorate, Local Fund Audit under the Finance Department of the State Government and the Accountant General (Audit) Government of India. A firm of Chartered Accountants has also been engaged for internal audit.

D 1.2 What is the mechanism for implementation of their recommendations?
Ans- Their recommendations are implemented promptly.

D 1.3 What is the source of legal advice available to the procurement unit (both internal and external)?
Ans- Legal advice is taken from Law Department of the State Government and Advocate General. If the need arises, advocates are engaged and services of experts are also taken.

PART E. RECORD KEEPING

E 1.1 What records are maintained by the procurement unit starting from the process of public advertisement to bidding, evaluation, signing of contract, furnishing of performance securities etc.? Describe.
Ans- Concerning section officer maintains complete record of the process of award of works. (From bid documentation Preparation to award & execution of works)

E 1.2 What records are kept on change orders, progress reports, inspection, claims etc.? Describe.
Ans- All records such as change orders, progress reports, progress payments, inspection, claims etc. are kept.

E 1.3 Do you have updated data/data-base on the current market price of commonly needed item?
Ans- No.

E 1.4 Do you prepare a report on overall procurement activities? Who prepares it?
Ans- No.

E 1.5 Do you maintain a record of contract prices as awarded and amendment thereof? How is it used?
Ans- Yes, the records are maintained. The information is used for analyzing and evaluating the bids that are received for the procurement.

E 1.6 Do you have a computerized monitoring system for procurement? If so, give details.
Ans- No.

PART F. STAFFING

F 1.1 Do you have a role directory for various levels of staff as also the qualifications required? Describe.
Ans- The role directory of the staff and the qualifications required are given in the Manual, 1983.

F 1.2 How are the staff needs assessed? Who does it? How frequently? Do you have current gaps on staffing needs?
Ans- NRDA does not have permanently appointed staff. It has a policy to hire experienced officers and employees on deputation from other departments/agencies of the State Government from time to time. For specialized jobs, experienced and expert consultants are hired on need basis. The Chief Executive officer assisted by the Head of Sections assesses the requirement from time to time and as the need arises. The gaps are filled up by appointing expert consultants.

F 1.3 How do you recruit or select procurement staff? Is there a cadre or sufficient number of staff with long experience in procurement? What is the experience requirement at various levels? Describe.
Ans-NRDA does not have permanently appointed staff other than a skeletal one. It has a policy to hire experienced officers and employees on deputation from other departments/agencies of the State Government from time to time. For specialized jobs, experienced and expert consultants are hired.

F 1.4 How do you train your entry and higher level procurement staff? How many training programmes were conducted for them? Who conducted these programmes? Were they in-house or external?

Ans- The procurement process has recently commenced. The officers at higher level are experienced in procurement. The officer designated as Procurement Officer for this project has more than three years experience of World Bank procurement process on Chhattisgarh World Bank Poverty Reduction Project. He has under gone training in procurement imparted by ASCI Hyderabad.

F 1.5 What was the average time taken from bid opening to recommendation and from then on to award for various categories goods, works and consultancy during the last five years?

Ans- The average time taken for the projects is from 30 to 75 days.

PART G. MISPROCUREMENT
G 1.1 In Bank funded procurement was any contract, processed by the Agency, declared as 'misprocurement'. Give details.

Ans- No. This will be first Bank funded project of NRDA.

PART H. BIDDERS/SUPPLIERS/CONTRACTORS
H 1.1 Who are the major participating Bidders/Suppliers/Contractors for the Agency. Kindly furnish their contact with address/fax/ telephone.

Ans- Copy attached at Annexure-4
### PART A - LEGAL FRAMEWORK

<table>
<thead>
<tr>
<th>Query</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A 1. GENERAL</strong></td>
<td></td>
</tr>
<tr>
<td>A 1.1</td>
<td>What is the legal corporate status of your Agency (i.e. a government department, a state corporation, a para-statal enterprise)? Who are the owners? Kindly furnish the Memorandum/Articles of Association and list of Board of Directors. How long has the Agency existed?</td>
</tr>
<tr>
<td>A 1.2 (a)</td>
<td>What are the applicable laws/regulations/government orders to the procurement envisaged in the operations? Have you got any manual/rules prescribed by your Agency? Furnish documents or furnish reference, issuing authority and date of last revision</td>
</tr>
<tr>
<td>A 1.3</td>
<td>Is the procurement function of the Agency centralized or carried out by individual departments at different locations? If so, describe the basic structure of procurement organization, name of the procuring entities, their role, responsibilities and delegation available to them.</td>
</tr>
<tr>
<td>A 1.4</td>
<td>Is there a Central Tender Board/Committee or similar set-up or is there Tender Evaluation Committee on a case to case basis? Give details. Who approves the award recommendations of the Committee? What is the average time taken to get their approval?</td>
</tr>
<tr>
<td>Query</td>
<td>Remarks</td>
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<tr>
<td>A 1.5 What are the rules/procedures regarding Bidder suspension and debarment (Black listing)?</td>
<td>The Maharashtra State Government Public Works Department Manual is the source for Bidder suspension and debarment (blacklisting) procedure apart from Rules &amp; Regulations under the Mumbai Provincial Municipal Corporations Act, 1949. Firms are blacklisted for three years &amp; the decision is communicated to the State P.W.D. for similar action. This leads to termination of current works and if required, penalization also. Further, the firm is debarred from tendering process. The decision to blacklist a firm is taken by the Municipal Commissioner after following a due process of giving opportunity to the firm for explanation.</td>
</tr>
<tr>
<td>A 1.6 What are the procedures for the settlement of contractual disputes? Describe with details.</td>
<td>Disputes can be referred, as per the tender condition, to the following: 1. Project head (the first level) 2. Administrative head (Municipal Commissioner) (the second level) 3. Judicial jurisdiction (the last resort)</td>
</tr>
<tr>
<td>A 2.1 What are the rules of the Agency in the matter of price negotiations for goods, works, and consultancy? Give examples</td>
<td>Negotiations are done only in cost / price but which are not affect quality of work.</td>
</tr>
<tr>
<td>A 2.2 What is the threshold limits for public notice (open/advertised tenders) for bid invitation?</td>
<td>Rs. 10,000/- is the limit for public notice for bid invitation.</td>
</tr>
<tr>
<td>A 2.3 Do you insist for bid and performance securities for all classes and values of contract and from all Bidders/Suppliers/Contractors? Or are there exempted categories? Give examples. What are the approved preferences you are now applying as per your regulation? Give details.</td>
<td>At the time of submitting bids, 1% EMD is compulsory. The same is converted into Security Deposit form, balance 4% is recovered from successful bidder through Running Bills to form Security Deposit of 5% for all classes &amp; values of contract.</td>
</tr>
<tr>
<td>A 2.4 Do you publish summaries of information on public procurement in any journal or issue (e.g. number of bids received, number of contracts awarded, names of successful Bidders etc.). If so, describe the scope and frequency.</td>
<td>No.</td>
</tr>
<tr>
<td>A 2.5 Do you hold regular meetings with the business community to discuss the procurement issues? Give details. What follow-up actions are taken on such meetings?</td>
<td>Yes, as and when necessary but usually every month. For example, when any shortage of quarry material is seen. Minutes are prepared and action is taken by the delegated person.</td>
</tr>
<tr>
<td>A 2.6 What are your rules for prevention of conflict of interest in case of staff who deal with tenders as well as Firm/Consultants complaints who participate in the bidding? Describe its essential features with copies of orders.</td>
<td>In cases of conflict the case is referred to the following 1. Project head (the first level) 2. Administrative head (Municipal Commissioner) (the second level) were the concerned association is invited for a open forum discussion</td>
</tr>
</tbody>
</table>
### A 2.7 Have you any provisions in your bid documents and contracts regarding anti-bribery and anti-corruption conditions? Give details.

**Query:** Have you any provisions in your bid documents and contracts regarding anti-bribery and anti-corruption conditions? Give details.

**Remarks:** Yes.

The bribery is a criminal case and if any officer is caught, a severe punishment is imposed. The Govt. has established a special court to attend to corruption cases only. The introduction and enactment of criminal law on corruption would help in promoting the climate for economic efficiency, competition and transparency in procurement and help in eliminating the breeding ground for corruption.

### A 3. ACCOUNTABILITY

#### A 3.1 Do you have a published code of ethics? If so, describe its basic features.

**Query:** Do you have a published code of ethics? If so, describe its basic features.

**Remarks:** A code of conduct for Government servants is applicable. Municipal Service Rule

#### A 3.2 What is the system in your organization to handle Bidder’s/Contractor’s/Supplier’s representations/complaints before contract award / after award of work.

**Query:** What is the system in your organization to handle Bidder’s/Contractor’s/Supplier’s representations/complaints before contract award / after award of work.

**Remarks:** A pre-bid meeting is invariably held for major projects. For issues related to award of contract, a meeting is held by HOD with bidder and concerned employees.

### PART B : PROCUREMENT CYCLE MANAGEMENT

#### B 1. PROCUREMENT PLANNING

#### B 1.1 Kindly furnish a copy of procurement plan followed by your organization for a typical project. How is the duration for the various stages estimated? Who prepares these plans? What is your experience in adhering to these plans?

**Query:** Kindly furnish a copy of procurement plan followed by your organization for a typical project. How is the duration for the various stages estimated? Who prepares these plans? What is your experience in adhering to these plans?

**Remarks:** Duration of stages is dependent on kind and scope of work. Duration is decided by the department along with consultant. Adherence is fair.

#### B 1.2 How do you monitor procurement plan? How do you ensure, timely award of the contract? Who intervenes in case of delays?

**Query:** How do you monitor procurement plan? How do you ensure, timely award of the contract? Who intervenes in case of delays?

**Remarks:** Depending upon the expenditure involved, it is the HOD or project in-charge who monitors the procurement plan. A monthly incurrence statement (MIS) is prepared by every Department and monitored by HOD and Addl. Municipal Commissioner who intervenes as per merits.

#### B 1.3 Do you use network planning techniques (such as Critical Path Method) in procurement planning?

**Query:** Do you use network planning techniques (such as Critical Path Method) in procurement planning?

**Remarks:** Yes, in major & important projects.

#### B 1.4 How do you decide bidding/packaging strategies for project procurement (such as item basis, supply, supply-cum-erection, turnkey etc.)? Do you have any written rules for guidance?

**Query:** How do you decide bidding/packaging strategies for project procurement (such as item basis, supply, supply-cum-erection, turnkey etc.)? Do you have any written rules for guidance?

**Remarks:** On the merits of the case. Normally percentage rate B1 type tender called.

#### B 1.5 For civil works what data-bank (analysis) you use? When was it compiled? When was it reviewed and updated? Do you have a system of conducting market surveys to update cost estimates for goods, works and services? If not, what is the basis of forming cost estimates before inviting the bids? Give details.

**Query:** For civil works what data-bank (analysis) you use? When was it compiled? When was it reviewed and updated? Do you have a system of conducting market surveys to update cost estimates for goods, works and services? If not, what is the basis of forming cost estimates before inviting the bids? Give details.

**Remarks:** Departmentwise data bank is prepared (Schedule of rate) and finalised for the current financial year which are then updated every year as per the prevailing market condition. Also for the variation in basic material cost star rates are fixed for every financial year and the escalation/recovery in the bill amount is done according to the rise/fall in material cost if a condition to that effect exists.
<table>
<thead>
<tr>
<th>Query</th>
<th>Remarks</th>
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<tbody>
<tr>
<td>B 1.6 What is the normal project completion schedule for various types of goods, works, and consultant services contracts? What are the major causes for slippages as perceived by you? Give data and explain what steps are taken/contemplated to reduce these slippages?</td>
<td>The project completion schedule varies casewise depending upon the type of work and is mentioned in the tender document Major clauses for slippages are natural calamities and acquisition issues and site related disputes. To reduce the slippages like acquisition before starting the project expedite the process to be taking the possession of required land.</td>
</tr>
<tr>
<td>B 2. PROCUREMENT CYCLE</td>
<td>Procurement Cycle:</td>
</tr>
</tbody>
</table>
| B 2.1 Give listing of all activities from bid advertisement to award with department/level responsible for each activity. | o Floating of the tender by the Tender Cell on web site & news papers – local/state/national level as per requirement.  
 o Receiving the tender documents submitted by the bidder: - Tender cell  
 o Scrutinize the Bid as per the tender condition by HOD or consultant and forwarding the case for approval of standing committee.  
 o After approval by the Standing Committee bidder has asked to deposit security deposit (if applicable) and work order is issued to the bidder followed by making an agreement between the Department and the bidder |
<p>| B 3. BIDDING DOCUMENT                                                | No, however, the agency has capable staff for preparation of bidding documents. Corporation has not undertake any World Bank financial project till now. For World Bank procurement procedure Pune Municipal Corporation is decided to appoint a particular person and to trained him. |
| B 3.1 Are your procurement staff familiar with the Bank Procurement Policies, Guidelines, and the Standard Bidding Documents (SBDs) to be used in Bank financed projects? What is their experience of correctly filling Bid Data Sheet and drafting Special Conditions of Contract? Give details. | For most of the works technical specifications are prepared in house but for special projects and major projects consultants are involved |
| B 3.2 Are technical specifications for goods/works prepared in-house or through consultants? | No |
| B 3.3 Do you have separate documents for International and National Competitive bidding (both for goods/works) not financed by the Bank? | Prequalification criteria is fixed according to size of package and type of work proposed as per rules of Govt. of Maharashtra and PWD. |
| B 3.4 What are the principles you follow in determination of pre or post qualification criteria? Do you have a formal system of framing and approving such criteria in your organization? | Yes |
| B 3.5 Furnish a copy of bidding documents/conditions of contract generally adopted in your organization for various categories of work (goods, works, services). | Enclosed. |
| B 3.6 Do you have a standard purchase order form? Furnish a copy. | No. |
| B 3.7 What rules do you follow for shopping? Is there any standard quotation form? Do you issue any Purchase order or do you pay cash and carry goods? | For petty purchases cash payment system and for purchases up to Rs.3000/- sealed quotation are invited. Standard quotation form does not exists. |</p>
<table>
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<tr>
<th>Query</th>
<th>Remarks</th>
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<tbody>
<tr>
<td><strong>B 4. PREQUALIFICATIONS</strong></td>
<td></td>
</tr>
<tr>
<td>B 4.1 What are the types of contract for which you use pre-qualification? Attach a copy of standard pre-qualification document used in your organization?</td>
<td>Only for major and special works, pre-qualification is used. Enclosed.</td>
</tr>
<tr>
<td>B 4.2 Do you verify prior to contract award, if a successful Bidder continues to meet the pre-qualification requirements?</td>
<td>Yes</td>
</tr>
<tr>
<td>B 4.3 Is it mandatory for Suppliers to have a local agent in order to qualify to bid for goods or services?</td>
<td>No.</td>
</tr>
<tr>
<td>B 4.4 Do you maintain lists of registered/qualified Suppliers, Contractors and consultants? How often do you update this and when did you update last? Does your updation covers review of their participation and performance?</td>
<td>Yes. Registration is for a fixed term and requires renewal. Review is taken at the time of evaluation.</td>
</tr>
<tr>
<td>B 4.5 Do you maintain updated market information on commonly procured goods, including spares and consumables?</td>
<td>Yes. Annually and whenever required (Star rates)</td>
</tr>
<tr>
<td>B 4.6 Do you have a system of evaluating performance of Supplier, Contractor consultant on a routine basis?</td>
<td>Yes, whenever required.</td>
</tr>
<tr>
<td>B 4.7 During the last two years how many firms are added and how many are deleted or temporarily debarred from participating?</td>
<td>In last year 150 new contractors added and 4 contractor debarred from participating.</td>
</tr>
<tr>
<td><strong>B 5. ADVERTISEMENT</strong></td>
<td></td>
</tr>
<tr>
<td>B 5.1 Do you have a system of checking credentials before sale of bid document or do you issue bid document without any filtration?</td>
<td>Yes</td>
</tr>
<tr>
<td>B 5.2 Are bid documents available for sale on the date the sale is to start as per the notice?</td>
<td>Yes</td>
</tr>
<tr>
<td>B 5.3 Do you restrict sale of bid document to a definite number of days or do you keep it open till a day prior to the last date of receipt of the bids?</td>
<td>Yes, as per NIT.</td>
</tr>
<tr>
<td><strong>B 6. COMMUNICATIONS DURING BIDDING PROCESS</strong></td>
<td></td>
</tr>
<tr>
<td>B 6.1 Do you follow the practice of pre-bid conference? If so, in what type of contracts?</td>
<td>Yes, only for major works.</td>
</tr>
<tr>
<td>B 6.2 How much time do you normally allow to the prospective Bidders to submit the bids following modification in the document?</td>
<td>Depending upon the intensity of deviation in NIT, &amp; issue of CSD allow Sufficient time normally 4 to 5 days.</td>
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<td>Query</td>
<td>Remarks</td>
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<tr>
<td>B 6.3</td>
<td>Is asking clarification on a bid routine or exception? What is the nature of clarification normally asked (Is it on the qualification or on the substance of the bid)?</td>
</tr>
</tbody>
</table>

**B 7. RECEIPT OF BID AND OPENING**

<table>
<thead>
<tr>
<th>B 7.1</th>
<th>How do you handle/store bids received prior to the deadline? Give details.</th>
<th>Kept in a sealed box and opened with others in the presence of concerned bidders only after last date for submission.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B 7.2</td>
<td>What is the time gap between deadline for submission of bid and its opening?</td>
<td>On the same day as far as possible</td>
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<td>-------------------------------------------------</td>
<td>--------------------------------------------------</td>
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<tr>
<td>B 7.3</td>
<td>Who are invited/ permitted to attend bid opening (both from the Bidder’s and Agency’s side)?</td>
<td>Any authorized representative of bidder and personnel of the Tender Cell.</td>
</tr>
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<td>-------</td>
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<td>--------------------------------------------------</td>
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<tr>
<td>B 7.4</td>
<td>What is your bid opening procedure? What information is read out during the bid opening? Are minutes separately drawn or do you maintain only a register? What information is recorded?</td>
<td>Opened in the presence of contractor’s representatives. A chart is prepared of bids detailing Name of bidder, qualifying criteria mentioned in tender document i.e. machinery, personnel, turnover, work done, bid capacity, ITC, conditions if any etc and rate quoted</td>
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<tr>
<td>B 7.5</td>
<td>Are all bids received, opened and read out at the time of bid opening? Or is there a system in which bids not accompanied by a bid security or of inadequate value not opened at all?</td>
<td>Yes. In case of invalid bidder for two packet system, financial bid is not opened.</td>
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<tr>
<td>B 7.6</td>
<td>What happens to bids (a) received after the deadline for submission (b) received by the Agency but not opened?</td>
<td>(a) Not accepted (b) returned to the bidder.</td>
</tr>
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<tr>
<td>B 7.7</td>
<td>Do the bid opening procedure for goods, works, consultancy contracts differ? How?</td>
<td>Yes, for goods and works bid opening procedure is more or less similar. However for consultancy contracts only. Prequalification is done on the criteria decided by the department.</td>
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<tr>
<td>B 7.8</td>
<td>Do you follow two/three envelope bidding procedure? For what types of contracts do you follow these? Do you have a system of receiving, both unpriced technical proposal and priced bids together or separately at two stages?</td>
<td>Yes, two envelopes system is adopt.</td>
</tr>
</tbody>
</table>

**B 8. BID EVALUATION**

<table>
<thead>
<tr>
<th>B 8.1</th>
<th>What is the composition of Evaluation (Tender) Committee for a typical (a) large value contract (b) small value contract? Give details indicating their powers.</th>
<th>(a) Evaluation is done by consultant and recommended to PIU in both cases recommendation is forwarded to standing committee for approval. (b) HOD, Project officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>B 8.2</td>
<td>Are tender evaluation carried out in the allocated tender evaluation rooms by the committee or separately by each department and then compiled?</td>
<td>Separately by each department.</td>
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<tr>
<td>B 8.3</td>
<td>Furnish a copy of a format of the bid evaluation report.</td>
<td>Enclosed.</td>
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<td>----------------------------------------------------------------------</td>
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<tr>
<td>B 8.4 Furnish a typical example of evaluation criteria followed in</td>
<td>Enclosed.</td>
<td></td>
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<tr>
<td>your organization for (a) goods; (b) works; and (c) consultancy.</td>
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<tr>
<td>B 8.5 Based on your experience of evaluation, furnish examples of</td>
<td>We have not come across such examples, all evaluation are done</td>
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<tr>
<td>(a) non material deviations or reservations; (b) material deviation</td>
<td>according to bid documents and conditions.</td>
<td></td>
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<tr>
<td>or reservations; for various types of contract say goods, works,</td>
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<td>consultancy etc. Give examples where the bids are treated as non-</td>
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<td>responsive for each type.</td>
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<tr>
<td>B 8.6 How do you verify and determine Bidder’s qualification to</td>
<td>Based on the data submitted by the bidder.</td>
<td></td>
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<tr>
<td>perform the contract? How rigidly do you enforce this? Are there</td>
<td>Work order, Project completion certificate, Income Tax Return and other</td>
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<tr>
<td>instances of relaxation of qualification criteria, while</td>
<td>asked documents.</td>
<td></td>
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<tr>
<td>recommending for award particularly in cases of lowest quoted offer?</td>
<td>Qualifying criteria has not relaxed.</td>
<td></td>
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<tr>
<td>Give examples.</td>
<td></td>
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<td></td>
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<tr>
<td>B 8.7 Are there instances when all the participating bids are</td>
<td>No.</td>
<td></td>
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<tr>
<td>declared as non-responsive or all Bidders do not meet specified</td>
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<td>qualification criteria? Give examples.</td>
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<tr>
<td>B 8.8 Do you have a counter-offer system? What are the rules for</td>
<td>No.</td>
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<td>such counter-offers?</td>
<td></td>
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<tr>
<td>B 8.9 Furnish:</td>
<td>Enclosed</td>
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<tr>
<td>(i) cumulative number and value of contracts awarded in the past</td>
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<tr>
<td>five years by the Agency through ICB and NCB (separately), with</td>
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<tr>
<td>break-up under categories of (a) goods plus supply and erection;</td>
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<tr>
<td>(b) works; and (c) hiring of consultants;</td>
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<tr>
<td>(ii) what was the average time from date of bid opening to award of</td>
<td>Average two months.</td>
<td></td>
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<tr>
<td>work for each category; and</td>
<td></td>
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<tr>
<td>(iii) Furnish number of contract awarded under each category (a)</td>
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<tr>
<td>within initial validity period; (b) delay of 60 days after initial</td>
<td></td>
<td></td>
</tr>
<tr>
<td>bid validity; and (c) delay beyond 60 days after initial bid</td>
<td></td>
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<tr>
<td>validity?</td>
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</tbody>
</table>

**B.9 CONTRACT AWARD**

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<table>
<thead>
<tr>
<th>Query</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>B 9.1 What are the criteria generally adopted for award of contract. Is it the lowest price or the lowest evaluated responsive bid of the qualified Bidder?</td>
<td>Generally the lowest price bidder is qualified.</td>
</tr>
<tr>
<td>B 9.2 Do you conduct negotiations with Bidders on (a) price; (b) technical terms and conditions; and (c) scope of work/services before or after selection? If so, give examples.</td>
<td>Yes. Only on price and not on technical forms &amp; conditions or scope of work. No conditional tender is accepted.</td>
</tr>
<tr>
<td>B 9.3 Is the Agency fully authorized to enter into contracts or they need government approvals before contract can be made effective?</td>
<td>Yes, local self Government.</td>
</tr>
<tr>
<td>B 9.4 Furnish a copy of format used for submission of performance security in contracts for (a) goods (b) works. Do you accept conditional and inadequate performance securities? If so, give instances.</td>
<td>Attached. Yes only for tender rates less than 15% of the estimated cost put to tender of equivalent amount in the form of Bank Guarantee.</td>
</tr>
<tr>
<td>B 9.5 What are the major differences in the method of evaluation and requirement of performance securities between goods and works?</td>
<td>No.</td>
</tr>
<tr>
<td>B 9.6 In selection of Consultants what process and steps (say quality and cost-based selection etc.) and type of contracts (say lump sum etc.) do you follow? Give examples of some typical consultancy contracts being handled or envisaged for the operations.</td>
<td>Consultants are selected from the panel of consultants pre-approved by the standing committee.</td>
</tr>
<tr>
<td>B 9.7 Do you follow repeat-order system? If so, what are the rules?</td>
<td>No.</td>
</tr>
</tbody>
</table>

### B 10. CONTRACT ADMINISTRATION

<p>| B 10.1 | Do you have manual or computerized procurement and/or contract monitoring systems? Submit sample report / output. | Manual. |
| B 10.2 | What is the average time from invoice submission to payment for (a) advances; (b) progress payment; and (c) final payment. Are there delays? If so, what steps are being taken to minimize these. | Generally a Weeks time. There are delays sometime due to inadequate budget amount which is met by transfer of funds from other budgetary provision. |
| B 10.3 | For delayed due payments does the contract provide for payment of interest? Are there instances of interest being paid? | No |</p>
<table>
<thead>
<tr>
<th>Query</th>
<th>Remarks</th>
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</thead>
<tbody>
<tr>
<td><strong>B 10.4</strong> What is your set-up for Technical/Quality Assurance and Inspection to ensure compliance to specification and conformance to quality by the Supplier/Contractor?</td>
<td>The regular inspection of the Project Management Consultant where appointed and else by third party assurance agency along with testing reports for material/work done wherever required.</td>
</tr>
<tr>
<td><strong>B 10.5</strong> How is delivery of goods and services monitored?</td>
<td>As above.</td>
</tr>
<tr>
<td><strong>B 10.6</strong> Who manages transportation of goods to project store? Is it normally the responsibility of the Supplier?</td>
<td>Normally responsibility of the supplier.</td>
</tr>
<tr>
<td><strong>B 10.7</strong> Furnish brief detail on your stores and inventory management system relating to project activities.</td>
<td>No inventory is kept since all material procurement &amp; storing is the responsibility of contractor.</td>
</tr>
<tr>
<td><strong>B 10.8</strong> What is the procedure for handling contract changes/variation? Is work undertaken by the Contractor prior to issue of formal change order?</td>
<td>Any changes in sanctioned frame of tender up to a variation of 15% are paid to the agency after soliciting approval of Engineer-In-Charge / HOD. All quantities up to 150% of the original item can be paid by similar procedure. However quantities of item beyond 150% of original tender item are treated as extra item and any other item not included in tender but is required for execution is paid at the current DSR rates sanctioned for that financial year.</td>
</tr>
<tr>
<td><strong>B 10.9</strong> Are there instances when work stops due to delays in issue of formal change order?</td>
<td>No.</td>
</tr>
<tr>
<td><strong>B 10.10</strong> Are there instances of large variations in quantity beyond the limits envisaged in the contract? How do you handle such situations? Give examples. In civil works do you have problems in dealing with variations? If so, how do you track them?</td>
<td>No.</td>
</tr>
<tr>
<td><strong>B 10.11</strong> Are there instances of contract execution getting delayed due to (a) late release of inputs from the Agency; or (b) unforeseen problems faced by the Supplier or the Contractor? How do you resolve such disputes? Give instances.</td>
<td>No.</td>
</tr>
<tr>
<td><strong>B 10.12</strong> Are Contractor’s/Supplier’s disputes generally resolved through amicable settlement or through the process of adjudication/arbitration?</td>
<td>Usually through amicable settlement. Arbitration is not allowed. The decision of Municipal Commissioner is final and binding upon the contractor.</td>
</tr>
<tr>
<td><strong>B 10.13</strong> How many contracts were awarded during the last five years and how many arbitration cases reported? Was the award generally in favor of the Supplier/Contractor?</td>
<td>Details annexed separately. No arbitration cases reported.</td>
</tr>
<tr>
<td>Query</td>
<td>Remarks</td>
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</tr>
<tr>
<td><strong>B</strong> 10.14</td>
<td>How do you handle cases of nonperformance or failure of a contract? Give examples where with timely and skillful intervention you retrieved the situation. In how many cases during the last few years, have you enforced liquidated damages, and forfeited performance security?</td>
</tr>
<tr>
<td><strong>B</strong> 10.15</td>
<td>What is your set-up for inspection of goods? Is it in-house or third party?</td>
</tr>
<tr>
<td><strong>B</strong> 10.16</td>
<td>Are there instances of complaint by the Supplier on (a) delays in carrying out inspection; (b) over inspection; or (c) improper rejection of goods and services? Give examples.</td>
</tr>
<tr>
<td><strong>B</strong> 10.17</td>
<td>What is the mechanism for handling Supplier’s/Contractor’s claims?</td>
</tr>
<tr>
<td><strong>B</strong> 10.18</td>
<td>Furnish data on original project time/cost vs. actual time/cost for projects completed by the Agency in the last five years and reasons for large variations in case of time/cost overruns?</td>
</tr>
<tr>
<td><strong>B</strong> 10.19</td>
<td>Who carries out audit of procurement cases and how frequently? What remedial actions are taken on their findings?</td>
</tr>
<tr>
<td><strong>B</strong> 10.20</td>
<td>Do you have a formal system of contract closing? Give data for the last five years as to (a) no. of contracts completed; (b) no. of cases where all amendments including on-time extensions, if any, are issued; and (c) no. of contracts for which final payments were released.</td>
</tr>
</tbody>
</table>

**PART C. ORGANIZATION**

<table>
<thead>
<tr>
<th>C 1.1</th>
<th>Describe general organization of procurement unit. Furnish project procurement organization chart including the number of staff at each line.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enclosed.</td>
<td>Engineering Departments are headed by an engineer who is minimum graduate in civil engineering and having an experience of 15 years in officer cadre either in class II / I. The ranks from Dy. CE to JE are eligible for an academic qualification of minimum 3 year diploma in civil engineering up to master degree in civil engineering. There had been 6 no. of appointment of junior engineers and 4 no. of promotion in the hierarchy of the engineers in Road Department.</td>
</tr>
<tr>
<td>C 1.2</td>
<td>Furnish academic qualifications of key procurement staffs. Has there been major staff turnover in the past five years? Give details.</td>
</tr>
<tr>
<td>Yes.</td>
<td>C 1.3 Are functions of pre-award work and post-award handled by the same procurement unit?</td>
</tr>
<tr>
<td>Yes.</td>
<td>C 1.4</td>
</tr>
<tr>
<td>Enclosed.</td>
<td>C 1.5</td>
</tr>
<tr>
<td>Yes.</td>
<td>C 1.6</td>
</tr>
<tr>
<td>Yes.</td>
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<td>Query</td>
<td>Remarks</td>
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</tr>
<tr>
<td>C 1.4</td>
<td>Furnish projects/tasks in hand and details on number and level of staff handling activities relating to planning – preparation of bidding documents – advertising, printing and publication, responses to questions/clarifications, pre-bid conferences – bid opening, bid evaluation – contract preparation – contract management – quality control and inspection – transport, insurance – custom clearance and expediting etc. Procurement functions of engineering projects are handled by several Addl. City Engineers and Development Engineers with the help of their subordinate engineers. The Pune Municipal Corporation also has Vigilance department. Consultants appointed for major projects prepare bid documents and manage printing of bid documents, help in evaluation of bids, contract preparation – contract management – quality control and inspection. The similar role is established by the in house staff of PMC engineers from junior engineer to Additional City Engineer along with the contribution of the tender cell for issuing a public notice in news papers / publishing on web site of PMC, sale of tender document on internet, receipt of tender document, bid opening and providing the valid tenders to the department. The rest of the procedures for bid evaluation, contract document preparation, quality control, inspection etc. is carried out by the same staff of the department.</td>
</tr>
<tr>
<td>C 1.6</td>
<td>How often the procurement is manual updated? Who is responsible for this task? Pune Municipal Corporation follows P.W.D. Manual of Government of Maharashtra.</td>
</tr>
<tr>
<td>C 1.7</td>
<td>How do you ensure that all your staff handling procurement activities are aware of rules and regulations pertaining to their areas of work? All the officers of the procurement activities are consciously reacting as per rules and regulations pertaining to their areas of work. On top of them the Audit Vigilance department is scrutinizing every proposal and then the proposals are recommended to Municipal Commissioner/ Additional Municipal Commissioner for perusal signature &amp; forwarding the same to standing committee for approval.</td>
</tr>
<tr>
<td>C 1.8</td>
<td>Is your set-up for materials/stores management part of project procurement setup or separate? Give details. Material / store management is done by contractor.</td>
</tr>
<tr>
<td>C 1.9</td>
<td>What are the financial powers available to the procurement unit? How do the award recommendations get processed? Are there review committees? All financial powers above 25 lakhs are with standing committee. PIU has power within his limits. Review of procurement done by internal audit &amp; vigilance department.</td>
</tr>
<tr>
<td>C 1.10</td>
<td>Are there instances of noting / cross noting at various levels of approval? Yes.</td>
</tr>
<tr>
<td>C 1.11</td>
<td>Do you have system by which thresholds for contracting powers get regularly updated? When was the last revision carried out? Yes. Last revision 17.07.08</td>
</tr>
<tr>
<td>C 1.12</td>
<td>Has the Agency handled Bank financed or internationally funded procurement in the past? When? What value? Give details. No.</td>
</tr>
<tr>
<td>C 1.13</td>
<td>Have you used procurement agents for Bank financed procurement in the past? What was the method of selection used? No.</td>
</tr>
</tbody>
</table>

**PART D. SUPPORT AND CONTROL**
<table>
<thead>
<tr>
<th>Query</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>D 1.1</strong> What entities carry out audit functions both internal and external?</td>
<td>Audit department of Pune Municipal Corporation and the Accountant General Maharashtra.</td>
</tr>
<tr>
<td><strong>D 1.2</strong> What is the mechanism for implementation of their recommendations?</td>
<td>Audit paragraphs are pursued &amp; complied.</td>
</tr>
<tr>
<td><strong>D 1.3</strong> What is the source of legal advice available to the procurement unit (both internal and external)?</td>
<td>Provisions in the Mumbai Provincial Municipal Corporations Act, 1949 legal department of PMC &amp; panel of advocates appointed by PMC.</td>
</tr>
<tr>
<td><strong>PART E. RECORD KEEPING</strong></td>
<td></td>
</tr>
<tr>
<td><strong>E 1.1</strong> What records are maintained by the procurement unit starting from the process of public advertisement to bidding, evaluation, signing of contract, furnishing of performance securities etc.? Describe.</td>
<td>All procurement records till bidding is maintained by tender cell department and further record are maintained work wise by head of department handling the project / work.</td>
</tr>
<tr>
<td><strong>E 1.2</strong> What records are kept on change orders, progress reports, inspection, claims etc.? Describe.</td>
<td>Work order books, inspection note, progress report are maintained by staff of PIU.</td>
</tr>
<tr>
<td><strong>E 1.3</strong> Do you have updated data/database on the current market price of commonly needed item?</td>
<td>Yes. Provision of star rate is in tender. Record of market price data is maintained.</td>
</tr>
<tr>
<td><strong>E 1.4</strong> Do you prepare a report on overall procurement activities? Who prepares it?</td>
<td>Yes, prepare by central tender cell and concerned department.</td>
</tr>
<tr>
<td><strong>E 1.5</strong> Do you maintain a record of contract prices as awarded and amendment thereof? How is it used?</td>
<td>Yes. The record is available case to case &amp; is referred to if ambitious case arise.</td>
</tr>
<tr>
<td><strong>E 1.6</strong> Do you have a computerized monitoring system for procurement? If so, give details.</td>
<td>Yes. All tender documents are available on web site and can be downloaded for bidding.</td>
</tr>
<tr>
<td><strong>PART F. STAFFING</strong></td>
<td></td>
</tr>
<tr>
<td><strong>F 1.1</strong> Do you have a role directory for various levels of staff as also the qualifications required? Describe.</td>
<td>All recruitments are being done as per qualifications and criteria of Govt. of Maharashtra in this regard and also Municipal service rules amended from time to time &amp; published by PMC.</td>
</tr>
<tr>
<td>Query</td>
<td>Remarks</td>
</tr>
<tr>
<td>-------</td>
<td>---------</td>
</tr>
<tr>
<td>F 1.5</td>
<td>What was the average time taken from bid opening to recommendation and from then on to award for various categories goods, works, consultancy during the last five years.</td>
</tr>
</tbody>
</table>

**PART G. MISPROCUREMENT**

| G 1.1 | In Bank funded procurement was any contract, processed by the Agency, declared as ‘misprocurement’. Give details. | There was no Bank funded procurement |

**PART H. BIDDERS/SUPPLIERS/CONTRACTORS**

| H 1.1 | Who are the major participating Bidders/Suppliers/Contractors for the Agency? Kindly furnish their contact with address/fax/telephone. | Enclosed |
PART A - LEGAL FRAMEWORK

A.1. GENERAL

A 1.1 What is the legal corporate status of your Agency (i.e. a government department, a state corporation, a parastatal enterprise)? Who are the owners? Kindly furnish the Memorandum/Articles of Association and list of Board of Directors. How long has the Agency existed?

GOVERNMENT DEPARTMENT
Government of Kerala
Available with the Municipal Corporation

A 1.2 (a) What are the applicable laws/regulations/government orders to the procurement envisaged in the operations? Have you got any manual/rules prescribed by your Agency? Furnish documents or furnish reference, issuing authority and date of last revision.

Project administration Manual (Copy attached)
Stores Purchase Manual Government of Kerala (Hard Copy attached)


Project administration Manual

A 1.3 Is the procurement function of the Agency centralized or carried out by individual departments at different locations? If so, describe the basic structure of procurement organization, name of the procuring entities, their role, responsibilities and delegation available to them.

Not Centralised. Procurement Function carried out at Project Implementation Units attached with respective corporations

Project manager
Technical Officer (procurement)
Tender Evaluation Committee

A 1.4 Is there a Central Tender Board/Committee or similar set-up or is there Tender Evaluation Committee on a case to case basis? Give details. Who approves the award recommendations of the Committee? What is the average time taken to get their approval?

Tender Evaluation Committee on a case to case basis

Tender Evaluation Committee comprises

- Project Manager, PIU, Thiruvananthapuram – Chairperson.
- Technical Officer (Procurement), PIU, Thiruvananthapuram – Member
- Corporation Engineer, Corporation of Thiruvananthapuram – Member.
- Municipal Finance Officer PIU, Thiruvananthapuram Member.
- Technical Expert, DSC 1, KSUDP –Member

A 1.5 What are the rules/procedures regarding Bidder suspension and debarment (Black listing)?

As per the PAM and Government of Kerala KPWD rules

A 1.6 What are the procedures for the settlement of contractual disputes? Describe with details.

As per the PAM and Government of Kerala KPWD rules

A 2. TRANSPARENCY

A 2.1 What are the rules of the Agency in the matter of price negotiations for goods, works, and consultancy? Give examples.

As per the Government of Kerala Rules & guidelines of funding agency

The Evaluation Committee when observes that in case of the bids received for the subject work some of the rates quoted by the bidders may be higher than the Engineer’s rate and some below also. The Committee therefore may feel that some of the rates quoted by the
bidder require justifications and want discussion with the bidder. The Committee hence decides to forward the analysis of the quoted rates with a detailed note to the PMU to get approval for the discussion with the lowest bidder and seek the permission of the funding agency for the same. A copy of the Asian Development Bank vide their fax dated 18-01-2008 granting permission for conducting negotiation with the bidder is enclosed for reference.

A 2.2 What is the threshold limits for public notice (open/advertised tenders) for bid invitation? Thirty days for NCB Works

A 2.3 Do you insist for bid and performance securities for all classes and values of contract and from all Bidders/Suppliers/Contractors? Or are there exempted categories? Give examples. What are the approved preferences you are now applying as per your regulation? Give details.
   Yes
   No categories are exempted
   No preferred preferences

A 2A Do you publish summaries of information on public procurement in any journal or issue (e.g. number of bids received, number of contracts awarded, names of successful Bidders etc.). If so, describe the scope and frequency.
Publishes in the web site of KSUDP.ORG, Thiruvananthapuram Corporation Website & News letter of KSUDP
   As and when the bids are finalized

A2.5 Do you hold regular meetings with the business community to discuss the procurement issues? Give details. What follow-up actions are taken on such meetings?
   Yes,
   Depending upon the suggestions receive, necessary modifications are introduced.

A2.6 What are your rules for prevention of conflict of interest in case of staff who deal with tenders as well as Firm/Consultants complaints who participate in the bidding? Describe its essential features with copies of orders.
   No such case reported.

A2.7 Have you any provisions in your bid documents and contracts regarding anti-bribery and anti-corruption conditions? Give details.
   Yes,
   Available In Project Administration Manual

A 3. ACCOUNTABILITY

A 3.1 Do you have a published code of ethics? If so, describe its basic features.
   Yes.
   Public disclosure law, Right to Information Act.

A3.2 What is the system in your organization to handle Bidder's/ Contractor's/ Supplier's representations/complaints before contract award / after award of work?
Complaints are recorded and forwarded to Tender Evaluation Committee.

PART B: PROCUREMENT CYCLE MANAGEMENT

B 1. PROCUREMENT PLANNING

B 1.1 Kindly furnish a copy of procurement plan followed by your organization for a typical project. How is the duration for the various stages estimated? Who prepares these plans? What is your experience in adhering to these plans?
As part of the preparation of the project KSUDP shall prepare DPR and, before loan negotiations, furnish, a procurement plan, for the approval of funding agency setting forth: (a) the particular contracts for the goods, works, and/or services required to carry out the project during the initial period of at least 18 months; (b) the proposed methods for
procurement of such contracts that are permitted under the financing agreement, KSUDP shall update the procurement plan annually or as needed throughout the duration of the project. KSUDP shall implement the procurement plan in the manner in which it has been approved.

B 1.2 How do you monitor procurement plan? How do you ensure, timely award of the contract? Who intervenes in case of delays?
Work schedule is prepared and deadlines are fixed for each activity.
Project Management Unit

B 1.3 Do you use network planning techniques (such as Critical Path Method) in procurement planning?
Yes

B 1.4 How do you decide bidding/packaging strategies for project procurement (such as item basis, supply, supply-cum-erection, turnkey etc.)? Do you have any written rules for guidance?
As per the procurement guidelines indicated in the Project Administration Manual.

B 1.5 For civil works what data-bank (analysis) you use? When was it compiled? When was it reviewed and updated? Do you have a system of conducting market surveys to update cost estimates for goods, works and services? If not, what is the basis of forming cost estimates before inviting the bids? Give details.
Kerala PWD Data bank

B 1.6 What is the normal project completion schedule for various types of goods, works, and consultant services contracts? What are the major causes for slippages as perceived by you? Give data and explain what steps are taken/ contemplated to reduce these slippages?
As necessitated by the nature of work
No such slippages encountered till now

B2. PROCUREMENT CYCLE

B 2.1 Give listing of all activities from bid advertisement to award with department/level responsible for each activity.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Level responsible for each activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bid advertisement</td>
<td>Project Manager/ Technical Officer (Procurement)</td>
</tr>
<tr>
<td>Issue of Bid documents either manually or electronically</td>
<td>-do-</td>
</tr>
<tr>
<td>Receipt of duly filled Bid documents</td>
<td>-do-</td>
</tr>
<tr>
<td>Opening of Tenders (i) Technical</td>
<td>Tender Evaluation Committee</td>
</tr>
<tr>
<td>Evaluation of tenders (i) Technical</td>
<td>Tender Evaluation Committee</td>
</tr>
<tr>
<td>Finalization of Technically competent Bids</td>
<td>Tender Evaluation Committee</td>
</tr>
<tr>
<td>Opening of Tenders (ii) Financial</td>
<td>Tender Evaluation Committee</td>
</tr>
<tr>
<td>Evaluation of tenders (ii) Financial</td>
<td>Tender Evaluation Committee</td>
</tr>
<tr>
<td>Finalisation of Financial Bid</td>
<td>Tender Evaluation Committee</td>
</tr>
<tr>
<td>Award of work</td>
<td>Project Manager</td>
</tr>
</tbody>
</table>
B 3. **BIDDING DOCUMENT**

B 3.1 Are your procurement staff familiar with the Bank Procurement Policies, Guidelines, and the Standard Bidding Documents (SBDs) to be used in Bank financed projects? What is their experience of correctly filling Bid Data Sheet and drafting Special Conditions of Contract? Give details.

Yes,
Prepared the Bid Data Sheet and drafting Special Conditions of Contract for ADB projects.

B 3.2 Are technical specifications for goods/works prepared in-house or through consultants?
Prepared through consultants

B 3.3 Do you have separate documents for International and National Competitive bidding (both for goods/works) not financed by the Bank?
Yes

B3.4 What are the principles you follow in determination of pre or post qualification criteria? Do you have a formal system of framing and approving such criteria in your organization? As directed by Project Administration Manual.

B 3.5 Furnish a copy of bidding documents/conditions of contract generally adopted in your organization for various categories of work (goods, works and services).
Attached.

B 3.6 Do you have a standard purchase order form? Furnish a copy.
Yes,

B 3.7 What rules do you follow for shopping? Is there any standard quotation form? Do you issue any Purchase order or do you pay cash and carry goods?
Yes

B 4. **PREQUALIFICATIONS**

B 4.1 What are the types of contract for which you use pre-qualification? Attach a copy of standard pre-qualification document used in your organization?
National Competitive Bidding/International Competitive Bidding

B 4.2 Do you verify prior to contract award, if a successful Bidder continues to meet the pre-qualification requirements?
Yes

B4.3 Is it mandatory for Suppliers to have a local agent in order to qualify to bid for goods or services?
No

B4.4 Do you maintain lists of registered/qualified Suppliers, Contractors and consultants? How often do you update this and when did you update last? Does your updation covers review of their participation and performance?
No

B 4.5 Do you maintain updated market information on commonly procured goods, including spares and consumables?
Yes

B 4.6 Do you have a system of evaluating performance of Supplier, Contractor consultant on a routine basis?
Yes (Copy of Evaluation form is furnished)

B 4.7 During the last two years how many firms are added and how many are deleted or temporarily debarred from participating?
One firm M/s Aswathy Constructions, Thiruvananthapuram has been temporarily debarred from bidding for one year, since they failed to produce the original certificate in support of their claim.

B 5. ADVERTISEMENT

B 5.1 Do you have a system of checking credentials before sale of bid document or do you issue bid document without any filtration?
Issue bid documents without any filtration

B 5.2 Are bid documents available for sale on the date the sale is to start as per the notice?
Yes

B 5.3 Do you restrict sale of bid document to a definite number of days or do you keep it open till a day prior to the last date of receipt of the bids?
Keep it open till a day prior to the last date of receipt of the bids

B 6. COMMUNICATIONS DURING BIDDING PROCESS

B 6.1 Do you follow the practice of pre-bid conference? If so, in what type of contracts?
Yes, in all NCB/ICB Tenders

B 6.2 How much time do you normally allow to the prospective Bidders to submit the bids following modification in the document?
Atleast Fifteen days

B 6.3 Is asking clarification on a bid routine or exception? What is the nature of clarification normally asked (Is it on the qualification or on the substance of the bid)?
Clarification is normally asked on the technical aspects of the bid

B 7. RECEIPT OF BID AND OPENING

B 7.1 How do you handle/store bids received prior to the deadline? Give details.
Keep it in safe custody of Project Manager

B 7.2 What is the time gap between deadline for submission of bid and its opening?
Normally One and Half hours

B 7.3 Who are invited/permitted to attend bid opening (both from the Bidder's and Agency's side)?
Authorised representative of Firms/ Individual Bidders

B 7.4 What is your bid opening procedure? What information is read out during the bid opening? Are minutes separately drawn or do you maintain only a register? What information is recorded?
All information regarding bids are read out during the bid opening. Minutes and are maintained. Record of Opening is prepared immediately after bid opening.

B 7.5 Are all bids received, opened and read out at the time of bid opening? Or is there a system in which bids not accompanied by a bid security or of inadequate value not opened at all?
Bids not accompanied by a bid security or of inadequate value are not opened

B 7.6 What happens to bids (a) received after the deadline for submission (b) received by the Agency but not opened?
Returned to the bidders

B 7.7 Do the bid opening procedure for goods, works, consultancy contracts differ? How?
No
B 7.8 Do you follow two/three envelope bidding procedure? For what types of contracts do you follow these? Do you have a system of receiving, both unpriced technical? Proposal and priced bids together or separately at two stages?
Follow two envelope bidding procedure
Follow a system of receiving, both unpriced technical proposal and priced bids together

B8. BIDEVALUATION

B 8.1 What is the composition of Evaluation (Tender) Committee for a typical (a) large value contract (b) small value contract? Give details indicating their powers.
Tender Evaluation Committee comprises
- Project Manager, PIU, Thiruvananthapuram – Chairperson.
- Technical Officer (Procurement), PIU, Thiruvananthapuram – Member
- Corporation Engineer, Corporation of Thiruvananthapuram – Member.
- Municipal Finance Officer PIU, Thiruvananthapuram Member.
- Technical Expert, DSC 1, KSUDP – Member

B 8.2 Are tender evaluation carried out in the allocated tender evaluation rooms by the committee or separately by each department and then compiled?
Individually and combined

B 8.3 Furnish a copy of a format of the bid evaluation report.
Attached

B8.4 Furnish a typical example of evaluation criteria followed in your organization for (a) goods; (b) works; and (c) consultancy.
As recommended in the Project Administration Manual

B 8.5 Based on your experience of evaluation, furnish examples of (a) non material deviations or reservations; (b) material deviation or reservations; for various types of contract say goods, works, consultancy etc. Give examples where the bids are treated as non-responsive for each type.

Problems with bid price

- Bidder did not submit firm bid price (instead submitted an estimate subject to variation).
- Bidder did not include all mandatory functionalities and services in the bid price for the entire 3-year period.
- Bid price did not include mandatory maintenance services for the three-year contract period.
- Bid price did not include all new equipment as required by bid specifications. Unless the bid specifications explicitly permit used or refurbished equipment, only new unused equipment is allowed.
- Bid price indicated “subject to change” and therefore was not a firm bid price.
- Bid price was not firm. It required annual price adjustments plus open-ended charge-backs for travel expenses.
- Bid price excluded certain mandatory services and was therefore incomplete.
- Bid price was not firm (an “estimate”) and also took exceptions to bid document’s terms and conditions.
- Bid price did not include all required items.

Other problems

- Bidder did not submit the bid on the District’s bid forms
- The Exhibit R references were not similar in size and function to FHDA.
- The bid response took exceptions to and did not comply with the bid document’s terms and conditions.
- The proposed solution did not comply with all mandatory functionality requirements.
- Bid indicated that it was not an offer for acceptance and that it was for discussion purposes only. It also was incomplete and did not incorporate the terms and conditions of the District’s bid document.
B 8.6 How do you verify and determine Bidder's qualification to perform the contract? How rigidly do you enforce this? Are there instances of relaxation of qualification criteria, while recommending for award particularly in cases of lowest quoted offer? Give examples. As recommended by Tender Evaluation Committee No relaxation of qualification criteria

B 8.7 Are there instances when all the participating bids are declared as non-responsive or all Bidders do not meet specified qualification criteria? Give examples. No

B 8.8 Do you have a counter-offer system? What are the rules for such counter-offers? No

B 8.9 Furnish:
(i) cumulative number and value of contracts awarded in the past five years by the Agency through ICB and NCB (separately), with break-up under categories of (a) goods plus supply and erection; (b) works; and (c) hiring of consultants;
(ii) what was the average time from date of bid opening to award of work for each category; and
(iii) furnish number of contract awarded under each category (a) within initial validity period; (b) delay of 60 days after initial bid validity; and (c) delay beyond 60 days after initial bid validity? Not applicable

B.9 CONTRACT AWARD

B 9.1 What are the criteria generally adopted for award of contract. Is it the lowest price or the lowest evaluated responsive bid of the qualified Bidder? The lowest evaluated responsive bid of the qualified Bidder

B 9.2 Do you conduct negotiations with Bidders on (a) price; (b) technical terms and conditions; and (c) scope of work/services before or after selection? If so, give examples. No

B 9.3 Is the Agency fully authorized to enter into contracts or they need government approvals before contract can be made effective? Need government approvals

B 9.4 Furnish a copy of format used for submission of performance security in contracts for (a) goods (b) works. Do you accept conditional and inadequate performance securities. If so, give instances. Do not accept conditional and inadequate performance

B 9.5 What are the major differences in the method of evaluation and requirement of performance securities between goods and works? Depending on the nature of goods

B 9.6 In selection of Consultants what process and steps (say quality and cost-based selection etc.) and type of contracts (say lumpsum etc.) do you follow? Give examples of some typical consultancy contracts being handled or envisaged for the operations. Relevant portion of PAM attached.

B 9.7 Do you follow repeat-order system? If so, what are the rules? No

B 10. CONTRACT ADMINISTRATION

B 10.1 Do you have manual or computerized procurement and/or contract monitoring systems? Submit sample report / output.
We are in the process of developing a system for computerized procurement and contract monitoring.

B 10.2 What is the average time from invoice submission to payment for (a) advances; (b) progress payment; and (c) final payment. Are there delays? If so, what steps are being taken to minimize these.
Thirty days, No delays

B 10.3 For delayed due payments does the contract provide for payment of interest? Are there instances of interest being paid?
No

B 10.4 What is your set-up for Technical/Quality Assurance and Inspection to ensure compliance to specification and conformance to quality by the Supplier/Contractor?
Technical Support Units are provided

B 10.5 How is delivery of goods and services monitored?
By periodic evaluation

B 10.6 Who manages transportation of goods to project store? Is it normally the responsibility of the Supplier?
It is the responsibility of the Bidder

B 10.7 Furnish brief detail on your stores and inventory management system relating to project activities.
Since the department does not procure materials and issue to the bidder there is no centralized / decentralized stores.

B 10.8 What is the procedure for handling contract changes/variation? Is work undertaken by the Contractor prior to issue of formal change order?
As directed by Project Administration Manual

B 10.9 Are there instances when work stops due to delays in issue of formal change order?
No

B 10.10 Are there instances of large variations in quantity beyond the limits envisaged in the contract? How do you handle such situations? Give examples. In civil works do you have problems in dealing with variations? If so, how do you track them?
Not Applicable

B 10.11 Are there instances of contract execution getting delayed due to (a) late release of inputs from the Agency; or (b) unforeseen problems faced by the Supplier or the Contractor? How do you resolve such disputes? Give instances.
Not Applicable

B 10.12 Are Contractor's/Supplier's disputes generally resolved through amicable settlement or through the process of adjudication/arbitration?
No such case has been reported so far.

B 10.13 How many contracts were awarded during the last five years and how many arbitration cases reported? Was the award generally in favour of the Supplier/Contractor?
No arbitration case has been reported so far.

B 10.14 How do you handle cases of nonperformance or failure of a contract? Give examples where with timely and skillful intervention you retrieved the situation. In how many cases during the last few years, have you enforced liquidated damages, and forfeited performance security?
Not Applicable

B 10.15 What is your set-up for inspection of goods? Is it in-house or third party?
Third party
B 10.16 Are there instances of complaint by the Supplier on (a) delays in carrying out inspection; (b) over inspection; or (c) improper rejection of goods and services? Give examples. Not Applicable

B 10.17 What is the mechanism for handling Supplier's/Contractor's claims? Team comprising of Design & Supervision Consultants, Technical Support Unit, Project Management Unit, Project implementation Unit & Thiruvananthapuram Corporation

B 10.18 Furnish data on original project time/cost vs. actual time/cost for projects completed by the Agency in the last five years and reasons for large variations in case of time/cost overruns? Not Applicable

B 10.19 Who carries out audit of procurement cases and how frequently? What remedial actions are taken on their findings? Technical Support Unit & Project Management Unit

B 10.20 Do you have a formal system of contract closing? Give data for the last five years as to (a) no. of contracts completed; (b) no. of cases where all amendments including on-time extensions, if any, are issued; and (c) no. of contracts for which final payments were released. Yes,

PART C. ORGANIZATION

C 1.1 Describe general organization of procurement unit. Furnish project procurement organization chart including the number of staff at each line. Project Manager Technical Officer(procurement) Technical Officer(Concerned) Design & Supervision Consultants

C 1.2 Furnish academic qualifications of key procurement staffs. Has there been major staff turnover in the past five years? Give details. Graduate in Civil Engineering with experience No

C 1.3 Are functions of pre-award work and post-award handled by the same procurement unit? Yes

C 1.4 Furnish projects/tasks in hand and details on number and level of staff handling activities relating to planning - preparation of bidding documents - advertising, printing and publication, responses to questions/clarifications, pre bid conferences- bid opening, bid evaluation - contract preparation - contract management - quality control and inspection - transport, insurance - custom clearance and expediting etc. Road Improvement Works for Thiruvananthapuram under ADB assistance Sewage Treatment Plant at Thiruvananthapuram under ADB assistance Solid Waste Management Unit at Thiruvananthapuram under JNNURM assistance Technical Officer Procurement, Programme Implementation Unit and Construction engineer, DSC1 are the procurement officers.

C 1.5 Does the Agency have a well documented Procurement Manual? Furnish details or copy. Yes, Copy attached.

C 1.6 How often the procurement is manual updated? Who is responsible for this task? Project Management Unit

C 1.7 How do you ensure that all your staff handling procurement activities are aware of rules and regulations pertaining to their areas of work? Periodic training is imparted to all staff
C 1.8  Is your set-up for materials/stores management part of project procurement setup or separate? Give details.
No

C 1.9  What are the financial powers available to the procurement unit? How do the award recommendations get processed? Are there review committees?
As per the Project administration Manual
1), Project Manager, PIU, Thiruvananthapuram – Chairperson.
2) Technical Officer (Procurement), PIU, Thiruvananthapuram – Member.
3), Municipal Finance Officer, PIU, Thiruvananthapuram – Member.
4), Subject Expert DSc –Member.
5), Corporation Engineer – Member.
The recommendations of the evaluation committee along with the approval of Worshipful Mayor is submitted to the approval of empowered committee.
No

C 1.10  Are there instances of noting / cross noting at various levels of approval?
No

C 1.11  Do you have system by which thresholds for contracting powers get regularly updated? When was the last revision carried out?
Not Applicable

C 1.12  Has the Agency handled Bank financed or internationally funded procurement in the past? When? What value? Give details.
Yes. Has been handling the procurement under ADB assistance.

C 1.13  Have you used procurement agents for Bank financed procurement in the past? What was the method of selection used?
No

PART D. SUPPORT AND CONTROL

D 1.1  What entities carry out audit functions both internal and external?
Internal Audit system,
External Audit as per government procedure

D 1.2  What is the mechanism for implementation of their recommendations?
As per PAM

D 1.3  What is the source of legal advice available to the procurement unit (both internal and external)?
As available with the Municipal Corporation.

PART E. RECORDKEEPING

E 1.1  What records are maintained by the procurement unit starting from the process of public advertisement to bidding, evaluation, signing of contract, furnishing of performance securities etc.? Describe.
As recommended by PAM

E 1.2  What records are kept on change orders, progress reports, inspection, claims etc.? Describe.
As per the PAM

E 1.3  Do you have updated data/data-base on the current market price of commonly needed item?
Yes

E 1.4  Do you prepare a report on overall procurement activities? Who prepares it?
Yes, Technical Officer concerned.
E 1.5 Do you maintain a record of contract prices as awarded and amendment thereof? How is it used? 
Yes

E 1.6 Do you have a computerized monitoring system for procurement? If so, give details 
Not Applicable.

PART F. STAFFING

F 1.1 Do you have a role directory for various levels of staff as also the qualifications required? Describe. 
Yes. Indicated in the PAM

F 1.2 How are the staff needs assessed? Who does it? How frequently? Do you have current gaps on staffing needs? 
By periodic review

F 1.3 How do you recruit or select procurement staff? Is there a cadre or sufficient number of staff with long experience in procurement? What is the experience requirement at various levels? Describe. 
As prescribed in the PAM

F 1.4 How do you train your entry and higher level procurement staff? How many training programmes were conducted for them? Who conducted these programmes? Were they in-house or external? 
By regular training imparted either in house or through external agencies like YASHADA.

F 1.5 What was the average time taken from bid opening to recommendation and from then on to award for various categories goods, works and consultancy during the last five years? 
One month.

PART G. MISPROCUREMENT

G 1.1 In Bank funded procurement was any contract, processed by the Agency, declared as ‘misprocurement’. Give details. 
No

PART H. BIDDERS/SUPPLIERS/CONTRACTORS

H 1.1 Who are the major participating Bidders/Suppliers/Contractors for the Agency? Kindly furnish their contact with address/fax/telephone. 
M/s RAMKEY LTD, Hyderabad, 
M/s VA TECH WABAG, Chennai. 
M/S SREEDHANYA CONSTRUCTIONS, Thiruvananthapuram
PART A - LEGAL FRAMEWORK

A 1. GENERAL

A 1.1 What is the legal corporate status of your Agency (i.e. a government department, a state corporation, a parastatal enterprise)? Who are the owners? Kindly furnish the Memorandum/Articles of Association and list of Board of Directors. How long has the Agency existed?

Ans: PCMC is constituted under the provisions of Bombay Provincial Corporation Act 1949 in the year 1982 and will be a nodal agency for arranging procurement funding project. The provisions of BPMC Act 1949 and State Govt. PWD manual will be applicable for procurement activities.

A 1.2 (a) What are the applicable laws/regulations/government orders to the procurement envisaged in the operations? Have you got any manual/rules prescribed by your Agency? Furnish documents or furnish reference, issuing authority and date of last revision.


Ans: As per the Section 73 of BPMC Act 1949 Procurement of goods is carried out. Xerox copy of both is enclosed herewith.

A 1.3 Is the procurement function of the Agency centralized or carried out by individual departments at different locations? If so, describe the basic structure of procurement organization, name of the procuring entities, their role, responsibilities and delegation available to them.

Ans: Publication of NIT is done by different departments. The sale of forms, receipt is done at one place i.e. Common Facilitation Centre. The receipt of tenders is done at central place in the office of Asst. Commissioner, Stores. The opening of post qualification criteria is done by Bid Opening Committee. For below 50 lakhs, Lower Officers Committee and above 50 lakhs Higher Officers Committee does the bid opening. All Procurements are approved by the Commissioner. Order of officials is enclosed herewith.

A 1.4 Is there a Central Tender Board/Committee or similar set-up or is there Tender Evaluation Committee on a case to case basis? Give details. Who approves the award recommendations of the Committee? What is the average time taken to get their approval?

Ans: Commissioner approves the tender. Sanction is given by the House and reviewed by Standing Committee formed of 16 elected members. Hierarchy of GB is enclosed. Brief information of sanction of work, approval of tender is enclosed.

A 1.5 What are the rules/procedures regarding Bidder suspension and debarment (Black listing)?

Ans: There are no rules as such. Suspension is done in failure of execution of works as per the terms of contract under the orders of Commissioner.

A 1.6 What are the procedures for the settlement of contractual disputes? Describe with details.

Ans: Commissioner is the final authority. Any dispute is resolved under Clause 58. Copy of Clause 58 enclosed.

A 2. TRANSPARENCY

A 2.1 What are the rules of the Agency in the matter of price negotiations for goods, works, and consultancy? Give examples.

Ans: Price negotiation is being done with the lowest bidder as per the rules.

A 2.2 What is the threshold limits for public notice (open/advertised tenders) for bid invitation?

Ans: Minimum 21 days period is given for bid invitation. For procurements, below Rs. 3000, quotations are invited. (Even if it is direct negotiations, Commissioner is empowered).
A 2.3 Do you insist for bid and performance securities for all classes and values of contract and from all Bidders/Suppliers/Contractors? Or are there exempted categories? Give examples. What are the approved preferences you are now applying as per your regulation? Give details.

Ans: Yes. No relaxation is given for submission of earnest money security.

A 2.4 Do you publish summaries of information on public procurement in any journal or issue (e.g. number of bids received, number of contracts awarded, and names of successful Bidders etc.). If so, describe the scope and frequency.

Ans: No

A 2.5 Do you hold regular meetings with the business community to discuss the procurement issues? Give details. What follow-up actions are taken on such meetings?

Ans: No

A 2.6 What are your rules for prevention of conflict of interest in case of staff who deal with tenders as well as Firm/Consultants complaints who participate in the bidding? Describe its essential features with copies of orders.

Ans: It is not allowed. BPMC Act describes about it specifically.

A 2.7 Have you any provisions in your bid documents and contracts regarding anti-bribery and anti-corruption conditions? Give details.

Ans: Yes. Bid documents copy to be enclosed.

A 3. ACCOUNTABILITY

A 3.1 Do you have a published code of ethics? If so, describe its basic features.

Ans: Citizens Charter copy is enclosed.

A 3.2 What is the system in your organization to handle Bidder’s/Contractor’s/Supplier’s representations/complaints before contract award / after award of work?

Ans: Before the contract is awarded if there is any problem, the contractor can address letter to Commissioner or concerned executive official. The complaint is received by concerned dept./Commissioner. In both events complaint is received by the evaluation committee and put up to Commissioner for final decision. It is not mandatory to approach the Committee. The Complainant can approach Commissioner.

PART B : PROCUREMENT CYCLE MANAGEMENT

B 1. PROCUREMENT PLANNING

B 1.1 Kindly furnish a copy of procurement plan followed by your organization for a typical project. How is the duration for the various stages estimated? Who prepares these plans? What is your experience in adhering to these plans?

Ans: Procurement plan is made for first 18 months of given project. Procurement schedule for various stages in the process of procurement is indicated in the procurement plan.

B 1.2 How do you monitor procurement plan? How do you ensure, timely award of the contract? Who intervenes in case of delays?

Ans: In charge of project implementation unit or city engineer will do it.

B 1.3 Do you use network planning techniques (such as Critical Path Method) in procurement planning?

Ans: Yes

B 1.4 How do you decide bidding/packaging strategies for project procurement (such as item basis, supply, supply-cum-erection, turnkey etc.)? Do you have any written rules for guidance?

Ans: bidding/packaging strategies will be done as per geographic location and nature of work. It will include all electrical, water supply bidding strategy. It will be depending on type of work i.e. bridge or road and project components will be same.

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B 1.5  For civil works what data-bank (analysis) you use? When was it compiled? When was it reviewed and updated? Do you have a system of conducting market surveys to update cost estimates for goods, works and services? If not, what is the basis of forming cost estimates before inviting the bids? Give details.

Ans: Schedule of rate is formed by state of PWD. They are being operated as per PWD, DSR, Govt of Maharashtra.

B 1.6  What is the normal project completion schedule for various types of goods, works, and consultant services contracts? What are the major causes for slippages as perceived by you? Give data and explain what steps are taken/contemplated to reduce these slippages?

Ans: For Project costing Rs. 50 crores for the road work, time period will be one and half yrs to two yrs and for higher value projects for 2 and half years. It depends on magnitude of work.

B 2. PROCUREMENT CYCLE

B 2.1  Give listing of all activities from bid advertisement to award with department/level responsible for each activity.

Ans. List attached.

B 3. BIDDING DOCUMENT

B 3.1  Are your procurement staff familiar with the Bank Procurement Policies, Guidelines, and the Standard Bidding Documents (SBDs) to be used in Bank financed projects? What is their experience of correctly filling Bid Data Sheet and drafting Special Conditions of Contract? Give details.

Ans: No staff is conversant with Bank procurement policies. We have not done bid data sheet.

B 3.2  Are technical specifications for goods/works prepared in-house or through consultants?

Ans: Basically technical qualifications for works are as per IRC specifications as well as these are entrusted to consultants.

B 3.3  Do you have separate documents for International and National Competitive bidding (both for goods/works) not financed by the Bank?

Ans: No. We have not done international competitive bidding for Aundh Ravet road. Tender copy is enclosed herewith.

B 3.4  What are the principles you follow in determination of pre or post qualification criteria? Do you have a formal system of framing and approving such criteria in your organization?

Ans: We had done pre qualification for certain works two and half years ago. We go by PWD rules. Normally we go for post qualification criteria as per PWD circular.

B 3.5  Furnish a copy of bidding documents/conditions of contract generally adopted in your organization for various categories of work (goods, works and services).

Ans: Copy attached.

B 3.6  Do you have a standard purchase order form? Furnish a copy.

Ans: Yes. Work order copy enclosed herewith.

B 3.7  What rules do you follow for shopping? Is there any standard quotation form? Do you issue any Purchase order or do you pay cash and carry goods?

Ans: We do call for quotations for works below Rs. 3000/- Standard quotation form is enclosed herewith.

B 4. PREQUALIFICATIONS

B 4.1  What are the types of contract for which you use pre-qualification? Attach a copy of standard pre-qualification document used in your organization?

Ans: We do not have pre qualification criteria. It is as per the PWD govt. of Maharashtra norms.

B 4.2  Do you verify prior to contract award, if a successful Bidder continues to meet the pre-qualification requirements?

Ans: NA

B 4.3  Is it mandatory for Suppliers to have a local agent in order to qualify to bid for goods or services?

Ans: No
B 4.4 Do you maintain lists of registered/qualified Suppliers, Contractors and consultants? How often do you update this and when did you update last? Does your updation covers review of their participation and performance?

Ans: No. Only those bidders who are registered with CPWD, State PWD are authorized to participate in bids.

B 4.5 Do you maintain updated market information on commonly procured goods, including spares and consumables?

Ans: Yes.

B 4.6 Do you have a system of evaluating performance of Supplier, Contractor consultant on a routine basis?

Ans: Yes

B 4.7 During the last two years how many firms are added and how many are deleted or temporarily debarred from participating?

Ans: No. We have not black listed any firm but we do debar the firm.

B 5.1 Do you have a system of checking credentials before sale of bid document or do you issue bid document without any filtration?

Ans: We issue bid document without any filtration

B 5.2 Are bid documents available for sale on the date the sale is to start as per the notice?

Ans: Yes

B 5.3 Do you restrict sale of bid document to a definite number of days or do you keep it open till a day prior to the last date of receipt of the bids?

Ans: 21 days. Note on procedure to be attached.

B 6.1 Do you follow the practice of pre-bid conference? If so, in what type of contracts?

Ans: Yes. In the contract above 50 lakhs, we follow the practice of pre-bid conference

B 6.2 How much time do you normally allow to the prospective Bidders to submit the bids following modification in the document?

Ans: Prebid normally 10 days before.

B 6.3 Is asking clarification on a bid routine or exception? What is the nature of clarification normally asked (Is it on the qualification or on the substance of the bid)?

Ans: It varies as per the nature of work. They go for time limit, spelling mistakes, deletion of clause, condition of clause, mobilization advance with interest, without interest.

B 7.1 How do you handle/store bids received prior to the deadline? Give details.

Ans: E tendering is introduced. Tender boxes are kept. They are kept under lock.

B 7.2 What is the time gap between deadline for submission of bid and its opening?

Ans: Same day, 30 minutes after submission.

B 7.3 Who are invited/permitted to attend bid opening (both from the Bidder’s and Agency’s side)?

Ans: Authorised signatory of the firm/agency or his representatives.

B 7.4 What is your bid opening procedure? What information is read out during the bid opening? Are minutes separately drawn or do you maintain only a register? What information is recorded?

Ans: The bid is opened in presence of bid opening committee nominated by commissioner. We maintain register.

B 7.5 Are all bids received, opened and read out at the time of bid opening? Or is there a system in which bids not accompanied by a bid security or of inadequate value not opened at all?

Ans: Bids without security are rejected.

B 7.6 What happens to bids (a) received after the deadline for submission (b) received by the Agency but not opened?
Ans: Bids recd after deadline are not considered.

B 7.7 Do the bid opening procedure for goods, works, consultancy contracts differ? How?
Ans: We do for works only. However bid opening procedure is same. We follow 2 envelop system.

B 7.8 Do you follow two/three envelope bidding procedure? For what types of contracts do you follow these? Do you have a system of receiving, both unpriced technical proposal and priced bids together or separately at two stages?
Ans: Two envelop system is used.

B 8. BID EVALUATION

B 8.1 What is the composition of Evaluation (Tender) Committee for a typical (a) large value contract (b) small value contract? Give details indicating their powers.
Ans: a) Below 50 lakhs, committee comprises of
   1. Accounts Officer of Stores dept/ Stores Officer
   2. Deputy Chief Auditor
   3. Accounts Officer
   4. Executive Engineer of concerned dept.
   b) Above 50 lakhs.
      1. Asst. Commissioner of Stores
      2. Chief Auditor
      3. Chief Accountant
      4. Concerned HoD

B 8.2 Are tender evaluation carried out in the allocated tender evaluation rooms by the committee or separately by each department and then compiled?
Ans: It is carried out in the same room.

B 8.3 Furnish a copy of a format of the bid evaluation report.
Ans: No. It varies as per the conditions of format. There is no standard format

B 8.4 Furnish a typical example of evaluation criteria followed in your organization for (a) goods; (b) works; and (c) consultancy.
Ans: Based on the lowest evaluated price for all categories.

B 8.5 Based on your experience of evaluation, furnish examples of (a) non material deviations or reservations; (b) material deviation or reservations; for various types of contract say goods, works, consultancy etc. Give examples where the bids are treated as non-responsive for each type.
Ans: Evaluation goes on. We go as per the terms and conditions of the tender.

B 8.6 How do you verify and determine Bidder's qualification to perform the contract? How rigidly do you enforce this? Are there instances of relaxation of qualification criteria, while recommending for award particularly in cases of lowest quoted offer? Give examples.
Ans: There is no relaxation.

B 8.7 Are there instances when all the participating bids are declared as non-responsive or all Bidders do not meet specified qualification criteria? Give examples.
Ans: No.

B 8.8 Do you have a counter-offer system? What are the rules for such counter-offers?
Ans: No

B 8.9 Furnish:
   (i) cumulative number and value of contracts awarded in the past five years by the Agency through ICB and NCB (separately), with break-up under categories of (a) goods plus supply and erection; (b) works; and (c) hiring of consultants;
   Ans: ICB – No. NCB – separately enclosed.
   (ii) what was the average time from date of bid opening to award of work for each category
   Ans: It varies from 15 days to 6 months.
(iii)furnish number of contract awarded under each category (a) within initial validity period; (b) delay of 60 days after initial bid validity; and (c) delay beyond 60 days after initial bid validity?
Ans: We go for 120 days for validity. All are settled within the validity period.

B.9 CONTRACT AWARD

B 9.1 What is the criterion generally adopted for award of contract. Is it the lowest price or the lowest evaluated responsive bid of the qualified Bidder?
Ans: Lowest evaluated responsible price.
B 9.2 Do you conduct negotiations with Bidders on (a) price; (b) technical terms and conditions; and (c) scope of work/services before or after selection? If so, give examples.
Ans: Generally we do negotiate with lowest bidder.
B 9.3 Is the Agency fully authorized to enter into contracts or they need government approvals before contract can be made effective?
Ans: They do not require any approval of govt.
B 9.4 Furnish a copy of format used for submission of performance security in contracts for (a) goods (b) works. Do you accept conditional and inadequate performance securities? If so, give instances.
Ans: For contracts above 1 crore, bank guarantee is accepted. Bank guarantee form is attached.
B 9.5 What are the major differences in the method of evaluation and requirement of performance securities between goods and works?
Ans: No such difference
B 9.6 In selection of Consultants what process and steps (say quality and cost-based selection etc.) and type of contracts (say lump sum etc.) do you follow? Give examples of some typical consultancy contracts being handled or envisaged for the operations.
Ans: We have panel of consultants based on their experience the consultants are engaged directly. We are not adopting any bidding for consultants.
B 9.7 Do you follow repeat-order system? If so, what are the rules?
Ans: No. As per the contract conditions, we will put up.

B 10. CONTRACT ADMINISTRATION

B 10.1 Do you have manual or computerized procurement and/or contract monitoring systems? Submit sample report / output.
Ans: We do not have manual for contract monitoring. Contract monitoring is done by the Ex. Engr.
B 10.2 What is the average time from invoice submission to payment for (a) advances; (b) progress payment; and (c) final payment. Are there delays? If so, what steps are being taken to minimize these?
Ans: Contract itself specifies no. of days and bills are verified by consultant. It takes 15days.
B 10.3 For delayed due payments does the contract provide for payment of interest? Are there instances of interest being paid?
Ans: There is no such clause. No interest is paid to any contractor. No incident has occurred.
B 10.4 What is your set-up for Technical/Quality Assurance and Inspection to ensure compliance to specification and conformance to quality by the Supplier/Contractor?
Ans: PMC is supposed to have check on quality for work. IF PMC is not there, in that case SGS is nominated.
B 10.5 How is delivery of goods and services monitored?
Ans: It is Project Mgt Consultant responsible in co-ordination with the PCMC officials.
B 10.6 Who manages transportation of goods to project store? Is it normally the responsibility of the Supplier?
Ans: It is normally responsibility of supplier.
B 10.7 Furnish brief detail on your stores and inventory management system relating to project activities.
Ans: All the procurement for project is responsibility of agency of the contractor monitoring.

B 10.8 What is the procedure for handling contract changes/variation? Is work undertaken by the Contractor prior to issue of formal change order?
Ans: Variations are allowed only after permission of competent authority. For financial commitment it is the finance committee or commissioner.

B 10.9 Are there instances when work stops due to delays in issue of formal change order?
Ans: No. We have weekly review meetings at C.E. office level.

B 10.10 Are there instances of large variations in quantity beyond the limits envisaged in the contract? How do you handle such situations? Give examples. In civil works do you have problems in dealing with variations? If so, how do you track them?
Ans: There are variations. If there is change or large variation competent authority is GB. We get it approved

B 10.11 Are there instances of contract execution getting delayed due to (a) late release of inputs from the Agency; or (b) unforeseen problems faced by the Supplier or the Contractor? How do you resolve such disputes? Give instances.
Ans: Disputes are resolved as per the conditions of contract. There is dispute resolution committee comprising of Commissioner, Pimpri Chinchwad Municipal Corporation, Engineer, the Architect, the Chief Engineer, Public Works Region, Pune and Chief Auditor of Pimpri Chinchwad Municipal Corporation.

B 10.12 Are Contractor’s/Supplier’s disputes generally resolved through amicable settlement or through the process of adjudication/arbitration?
Ans: No arbitration cases are yet reported.

B 10.13 How many contracts were awarded during the last five years and how many arbitration cases reported? Was the award generally in favour of the Supplier/Contractor?
Ans: No arbitration cases are yet reported.

B 10.14 How do you handle cases of nonperformance or failure of a contract? Give examples where with timely and skillful intervention you retrieved the situation. In how many cases during the last few years, have you enforced liquidated damages, and forfeited performance security?
Ans: The contractor is debarred and is not allowed to participate in new tender works. Work is carried out at the risk and cost of contractor.

B 10.15 What is your set-up for inspection of goods? Is it in-house or third party?
Ans: Project Mgt Consultant is there.

B 10.16 Are there instances of complaint by the Supplier on (a) delays in carrying out inspection; (b) over inspection; or (c) improper rejection of goods and services? Give examples.
Ans: No

B 10.17 What is the mechanism for handling Supplier’s/Contractor’s claims?
Ans: There are specific terms of contract.

B 10.18 Furnish data on original project time/cost vs. actual time/cost for projects completed by the Agency in the last five years and reasons for large variations in case of time/cost overruns?
Ans: Time variation and cost variation are mainly due to change in scope and approval of competent authority. We will try to find out information. (give example)

B 10.19 Who carries out audit of procurement cases and how frequently? What remedial actions are taken on their findings?
Ans: Pre Audit and post audit system are there in PCMC. It is a separate dept of the corporation. AG audit is done yearly. Pre audit is done internally and post audit is done by Chief Auditor. Procurement goes to him.

B 10.20 Do you have a formal system of contract closing? Give data for the last five years as to (a) no. of contracts completed; (b) no. of cases where all amendments including on-time extensions, if any, are issued; and (c) no. of contracts for which final payments were released.
Ans: After final bill is paid and at time of return of Security Deposit contract is closed. List of Contracts completed is enclosed herewith.

PART C. ORGANIZATION

C 1.1 Describe general organization of procurement unit. Furnish project procurement organization chart including the number of staff at each line.
Ans: Organisation Chart is enclosed herewith.

C 1.2 Furnish academic qualifications of key procurement staffs. Has there been major staff turnover in the past five years? Give details.
Ans: No

C 1.3 Are functions of pre-award work and post-award handled by the same procurement unit?
Ans: Yes. It is at the discretion of the Commissioner, depending upon the contract to contract basis and work load with PCMC staff.

C 1.4 Furnish projects/tasks in hand and details on number and level of staff handling activities relating to planning – preparation of bidding documents – advertising, printing and publication, responses to questions/clarifications, prebid conferences – bid opening, bid evaluation – contract preparation – contract management – quality control and inspection – transport, insurance – custom clearance and expediting etc.
Ans: List of projects is enclosed and cost to tender.

C 1.5 Does the Agency have a well documented Procurement Manual? Furnish details or copy.
Ans: No. We work as per the provisions of B.P.M.C. Act, 1949 and PWD manual.

C 1.6 How often the procurement is manual updated? Who is responsible for this task?
Ans: It is updated from time to time as per Govt. orders and as per PWD circulars.

C 1.7 How do you ensure that all your staff handling procurement activities are aware of rules and regulations pertaining to their areas of work?
Ans: By arranging regular training in house as well as deputing staff for seminars and Workshops.

C 1.8 Is your set-up for materials/stores management part of project procurement setup or separate? Give details.
Ans: We don't have stores management. Contractor has to supply the materials.

C 1.9 What are the financial powers available to the procurement unit? How do the award recommendations get processed? Are there review committees?
Ans: As per the terms of contractors full powers are there. It is as per B.P.M.C. Act 1949.

C 1.10 Are there instances of noting / cross noting at various levels of approval?
Ans: Yes

C 1.11 Do you have system by which thresholds for contracting powers get regularly updated? When was the last revision carried out?
Ans: As per Act and govt. circulars.

C 1.12 Has the Agency handled Bank financed or internationally funded procurement in the past? When? What value? Give details.
Ans: No

C 1.13 Have you used procurement agents for Bank financed procurement in the past? What was the method of selection used?
Ans: No

PART D. SUPPORT AND CONTROL

D 1.1 What entities carry out audit functions both internal and external?
Ans: Internal Audit is carried out by separate Internal Audit Dept. under the control of Chief Auditor, appointed by Govt. External Audit is carried out through Govt. nominated resident audit officer from AG’s department.

D 1.2 What is the mechanism for implementation of their recommendations?
Ans: Hon. Commissioner and Head of the Dept monitor the recommendations. Report is submitted to Standing Committee.

D 1.3 What is the source of legal advice available to the procurement unit (both internal and external)?
Ans: We have legal cell in the Municipal Corporation.

PART E. RECORD KEEPING

E 1.1 What records are maintained by the procurement unit starting from the process of public advertisement to bidding, evaluation, signing of contract, furnishing of performance securities etc.? Describe.
Ans: It is Bill Passing Unit and Jr. Engineer maintain the records.
E 1.2 What records are kept on change orders, progress reports, inspection, claims etc.? Describe.
Ans: a) Inspection Report, b) Discrepancy report c) Reminders d) Pro-rata Recovery Statement etc.
E 1.3 Do you have updated data/data-base on the current market price of commonly needed item?
Ans: Prices of Cement, Asphalt are monitored weekly.
E 1.4 Do you prepare a report on overall procurement activities? Who prepares it?
Ans: City Engineer keeps the record of procurement activities.
E 1.5 Do you maintain a record of contract prices as awarded and amendment thereof? How is it used?
Ans: Yes. We keep record.
E 1.6 Do you have a computerized monitoring system for procurement? If so, give details.
Ans: No. We do not have computerized monitoring system for procurement. For procurement E- tendering is in operation. Weekly monitoring is done at City Engineer office level.

PART F. STAFFING

F 1.1 Do you have a role directory for various levels of staff as also the qualifications required? Describe.
Ans: Byelaws are formed for the various levels of staff and also the qualifications reqd. Copy of bye laws is enclosed herewith.
F 1.2 How are the staff needs assessed? Who does it? How frequently? Do you have current gaps on staffing needs?
Ans: There is a govt. circular. We fill in the gaps by out sourcing and appointing consultants in lieu of staff.
F 1.3 How do you recruit or select procurement staff? Is there a cadre or sufficient number of staff with long experience in procurement? What is the experience requirement at various levels? Describe.
Ans: Since last 4 years, staff has gained experience to monitor PMCs, to control works.
F 1.4 How do you train your entry and higher level procurement staff? How many training programmes were conducted for them? Who conducted these programmes? Were they in-house or external?
Ans: We send our engineers for training regularly. At present one engineer is sent to IIT Delhi for capacity building and Transport. We will depute our engineers for training.
F 1.5 What was the average time taken from bid opening to recommendation and from then on to award for various categories goods, works and consultancy during the last five years?
Ans: 30 days.
PART G. MISPROCUREMENT

G 1.1 In Bank funded procurement was any contract, processed by the Agency, declared as 'misprocurement'. Give details.

Ans: NA

PART H. BIDDERS/SUPPLIERS/CONTRACTORS

H 1.1 Who are the major participating Bidders/Suppliers/Contractors for the Agency? Kindly furnish their contact with address/fax/telephone.

Ans: All PWD registered contractors are participating in the contract.

i) IVRCL
ii) INDU
iii) PBA Infrastructure
iv) B.G. Shirke Construction pvt. Ltd.

Annexure to point A.1.4

Tender Procedure

Publish tender in newspapers
Sale of tender forms
Prebid meeting for project work
Opening of tender
Acceptance of tenders
Two envelope system
Scrutiny of rates quoted
Pre audit of rates quoted by bidders
Sanction of Commissioner/competent authority
Approval of Standing Committee
Letter of acceptance and agreement to lowest bidder
Seal on Agreement of Standing Committee as per BPMC Act 1949
Issue of Work order

Annexure to point B.2.1

Tender Procedure
Publish tender in newspapers
Sale of tender forms
Centre(Tender Cell)
Prebid meeting for project work
Opening of tender with Scrutiny of documents
Acceptance of tenders with Two envelope system
Scrutiny of rates quoted
Pre audit of rates quoted by bidders
Sanction of Commissioner/competent authority
Approval of Standing Committee
Letter of acceptance and agreement to lowest bidder
Seal on Agreement of Standing Committee Cmt. as per BPMC Act 1949
Issue of Work order

Annexure to point B.5.3.

Tender Procedure

Publish tender in newspapers
Sale of tender forms
Prebid meeting for project work
Opening of tender
Acceptance of tenders after immediately after verification of documents
Two envelope system
Scrutiny of rates quoted submitted immediately after opening of tenders
Pre audit of rates quoted by bidders

Publish tender in newspapers only one day
Sale of tender forms 21 days
Prebid meeting for project work 10 days before submission of tender
Opening of tender 30 minutes after submission of tenders
Acceptance of tenders immediately after verification of documents submission
Two envelope system
Scrutiny of rates quoted submitted
Pre audit of rates quoted by bidders 5 days approx.
<table>
<thead>
<tr>
<th>Step Description</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sanction of Commissioner/competent authority</td>
<td>2-4 days</td>
</tr>
<tr>
<td>Approval of Standing Committee</td>
<td>15 days</td>
</tr>
<tr>
<td>Letter of acceptance and agreement to lowest bidder</td>
<td>1 week</td>
</tr>
<tr>
<td>Seal on Agreement of Standing Committee as per BPMC Act 1949</td>
<td>15 days</td>
</tr>
<tr>
<td>Issue of Work order</td>
<td>3 days</td>
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</tbody>
</table>
APPENDIX–6: Governance and Accountability
Mechanism Assessment
A) Disclosure of Information:

1) How is project information disseminated? Does the community have access to all project-related information?
Ans. Yes, the community has access to all project-related information by Press Tender Notice. Besides that, the tenders for various projects are published on our official website. In addition to the above, Municipal-Budget, Balance-Sheet, PMIS of, completed/ongoing projects, House Tax Data, Lease, Details of dues of Rental Properties of AMC, Record of Birth and Death, Municipal Bye Laws and Rules are also available on our website www.ajmermc.org

2) Are there citizen information boards to provide all information about the project on site? Does it contain information on who to complain to in case of any irregularities?
Ans. On our official website there is a facility to register public Grievance and it contains information on who to complain.

3) Have the PIOs/APIOs and appellate authorities been appointed for the City? Is this information on the City website?
Ans. There is one PIO who is Commissioner AMC and there are six APIO's. President AMC is the Appellate Authority for AMC in cases of Right to information. This information is also available on our website.

4) As per the RTIA, is City information such as organization structure and duties/responsibilities of officers posted on the website? How frequently is this information updated?
Ans. Yes, City information is posted on the website and it is updated regularly.

5) How many information requests have been received on the program through the RTIA route? Who handles such information?
Ans. Till now we have not received any information requests.

6) Are there NGOs/CSOs that are active in the urban transport sector in the City/State?
Ans. A Traffic Management Committee comprising of Government Officials headed by the Divisional Commissioner Ajmer and a Traffic & Transport Advisory Committee headed by the District Collector Ajmer are functioning in the city to regulate, monitor and advise the traffic management system. Besides government officials these committees have provision for elected representative as well as nominated members from the civil society. Besides day to day traffic issues the Traffic & Transport Advisory Committee has also discussed Comprehensive Mobility Plan (CMP) as well as GEF Proposal.

7) Are any public consultations held to discuss project selection, alignment, accessibility issues of the affected stakeholders on Project? If so, how many are typically held and at what times (pre-feasibility stage, DPR stage or implementation stage)?
Ans. Public consultations have been held for CDP and all the projects under JnNURM like BSUP, URDA (Urban Renewal of Dargah Area), Storm Water Drainage, CMP etc. Discussions have been held at all the three stages for different projects as per their present status. For example BSUP was discussed at feasibility, DPR and now it is discussed in its various packages in the stage of implementation with elected members of the municipal council, beneficiaries in katchhi basti’s and the departments/agencies executing the packages. A workshop of all elected councilors was held in Feb.07 to discuss all the projects under JnNURM in their formative stage.

8) Are periodic press conferences held by the City to apprise the public of urban transport works in the City? What other media is used to disseminate project information?
Ans. Periodic press note are released for the projects under JnNURM and various other development projects of AMC and President AMC conducts Press conferences at a reasonable intervals.
9) Does the City produce an annual report highlighting urban transport work progress and achievements during the year? Are there any project brochures? Any advertisements in major newspapers about the ongoing/upcoming works in the City?
Ans. This is taken in the form of a valid suggestion and will be put for the submission of District Collector for implementation since he heads the Traffic & Transport Advisory Committee.

B) Complaint Handling:

10) What is the process of Complaint handling? How many complaints have been received through this process? How many have been addressed?
Ans. The complaints are received through the Help line Center by Municipal Council Ajmer 654 in the financial year 07-08 and 390 from April 1-08 till 28/5/08.

11) Is there information about who to address the complaint to - where is this information (online or at the office)?
Ans. The complaint can be made through net on our website www.ajmermc.org in the grievance section or one can put his/her complaint on the help line set in municipal office.

12) Are anonymous written complaints entertained?
Ans. Not generally, it depends on the contents; sometime at least a fact finding is done.

13) What is the mechanism for redressal of grievances of unsuccessful bidders? Is there any dispute resolution mechanism in place?
Ans. In AMC all the tendering process is done according to GF&AR, Municipal laws and PWF & AR. Grievance of unsuccessful bidders are examined/got examined by the CEO within the Per-view of GF&AR & PWF&AR on an administrative level.

14) Is there a vigilance mechanism in each City - how does it function?
Ans. There is Vigilance Committee for the entire District headed by the District Collector and it is a quasi judicial body. Complaints are registered by citizens against different departments and it meets once a month.
The complainant is heard in person in the said meeting and the departments concerned bring their replies and only after satisfaction of the committee the matter is dropped. Elected representatives like MLA’s and MP are members of the committee. Complaints are of City area as well as rural area of the Entire District.
In addition to this CEO AMC has developed a RED-STAMP mechanism for grievance management. A complaint received through post which seems to the CEO of a serious nature is marked with a red stamp and the contents are registered in software and monitoring is done on weekly basis that is on every Monday to be precise.

C) Third-Party Quality Monitoring:

15) What is the process for monitoring quality of urban transport works in the City / please give details of Staffing and Laboratories?
Ans. There is Quality Control Lab in PWD. There is Executive Engineer in-charge of the lab. For quality control measures Quality control apparatus are available at plant site in AMC/UIT (urban improvement trust)/PWD Road and civil works and engineers of the concerned departments can conduct quality control tests at site also, it is a condition of all measure works of the three departments which take up works of urban transport.

16) Is there any third party - monitoring of road works? If so, which are these entities? Are qualified designs or engineering institutions hired for such monitoring?
Ans. District collector appoints a committee from time to time with an administrative officer of the state services as head and with a sufficient number of engineers, who are from departments, different from the executing department, for quality control in road works.

17) Are supervision consultants appointed routinely on all urban transport works in the City?
Ans. No, there are no supervision consultants appointed as yet.

D) Procurement:

18) How many registered contractors exist in the City? How many typically bid for urban transport works in the City? Can outside contractors bid for work in the city?
Ans. 62 Contractors are registered in AMC and there are many more in UIT and PWD. Yes, outside contractors can bid in the city.

19) How is tender information publicized? Is the Tender information posted on the website? Are names of contract award winners posted along with details of their evaluation on the website?
Ans. Tender information is publicized through newspaper and posted on the website. Yes, the names of contract award winners are posted on website along with all the details.

20) Is tender information available at multiple points?
Ans. Yes

21) Can bids be submitted at multiple city locations?
Ans. No, bids can be submitted only at the office.

22) What is the process of bid evaluation? Is there a tender evaluation committee for all bids? Who is on the committee?
Ans. First of all tenders are invited, after submission of the tenders the tender evaluation committee evaluates the bid presented by the bidders and accordingly the work is awarded. The tender evaluation committee includes Commissioner AMC, Accounts Officer and the Concerned OIC.

23) Are bids opened immediately after the deadline for submission on the same day?
Ans. Yes, bids are opened on the same day.

24) Is there a prequalification of bidders for certain projects?
Ans. Yes, there is a prequalification fixed for the bidders.

25) What is the status of e-procurement in the City?
Ans. E-procurement has not started in the City yet.

26) How are procurement planning and contract registers maintained?
Ans. Procurement planning is maintained as per GF &AR and municipal rules. Contract registers are maintained by AMC.

27) What is the process for issue of completion certificates?
Ans. Completion certificates are issued on the completion of work and fulfillment of requirements as per tender document and after the verification of the work by JEN.

28) What is the process of debarment of firms for fraudulent certificates or sub standard works?
Ans. Firms who have not completed work according to provision in PWFR or fraudulent certificates are debarred/blacklisted and their earnest money/security deposit is forfeited and the work may be got executed on risk and cost basis. If the risk and cost is more than the earnest money/security deposit than there is provision to recover the difference through PDR act by sending the case to the District Collector.

29) Is there a separation of procurement and financial authority?
Ans. Yes the procurement and financial authority are separate.
E) **Financial Management**:

30) Are financial and physical reports on progress of works available online/electronically?
Ans. Financial and physical status of ongoing civil works is available online.

31) Is financial management information updated regularly on the website? At what intervals?
Ans. Financial management information is not updated on the website only the sanctioned budget of the financial year is updated.

32) How is the budget for urban transport works determined?
Ans. According to the toolkit of JNNURM 80% of the project cost will be borne by central government and the remaining 20% will be shared by State and ULB equally.

33) What is the process of payments of invoices? Typically, what is the average time taken to process payments to contractors?
Ans. The invoices are received at the helpline center of AMC After which it is send to the concerned Department where after completing all the required formalities it is send to Accounts Section where it is verified and the payment is made to the firm. The average time taken in the above process is 7 days.

34) What is the process of physical verification of assets- is there an asset management register?
Ans. There is an asset management register maintained by AMC and the verification of the assets is being regularly done by this register.

35) What is the internal control process for verification of IPCs and other financial instruments?
Ans. Financial instruments consists of an Accounts Officer, Accountants, Junior Accountants and accounts Section which verifies the invoices presented to them for making payments.

36) What is the process of audit of works /
Ans. The post audit of works is being done regularly by Local Audit Fund Department, AG, and the appointed CA.

37) What is the extent to which external auditors are involved in preparation of financial statements?
Ans. We are using Double Entry Accounting system presently. The facts and figures are being checked by qualified Charted Accountant.
## A) Disclosure of Information:

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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</thead>
<tbody>
<tr>
<td>1) How is project information disseminated? Does the community have access to all project-related information?</td>
<td>Yes. Boards are displayed with the project information and the nature of work and value of work and progress of work. Available on GHMC web site.</td>
</tr>
<tr>
<td>2) Are there citizen information boards to provide all information about the project on site? Does it contain information on who to complain to in case of any irregularities?</td>
<td>Yes. The responsible officer’s name will be displayed on the Board giving the details. Any complaint can be lodged with the concerned official.</td>
</tr>
<tr>
<td>3) Have the PIOs/APIOs and appellate authorities been appointed for the City? Is this information on the City website?</td>
<td>Yes. Appointed. The information about the PIOs &amp; APIOs of concerned areas is available on the website.</td>
</tr>
<tr>
<td>4) As per the RTIA, is City information such as organization structure and duties/responsibilities of officers posted on the website? How frequently is this information updated?</td>
<td>Yes. As per the RTI Act the city information and organization structure is available on website and at important office locations. The information is updated as and when the PIOs &amp; APIOs get transferred.</td>
</tr>
<tr>
<td>5) How many information requests have been received on the program through the RTIA route? Who handles such information?</td>
<td>-----------</td>
</tr>
<tr>
<td>6) Are there NGOs/CSOs that are active in the urban transport sector in the City/state?</td>
<td>Yes</td>
</tr>
<tr>
<td>7) Are any public consultations held to discuss project selection, alignment, accessibility issues of the affected stakeholders on projects? If so, how many are typically held and at what times (pre-feasibility stage, DPR stage or implementation stage)?</td>
<td>The Project selection is based on the pending requirement and alignment accessibility and other issues are discussed and taken up as per the master plan.</td>
</tr>
<tr>
<td>8) Are periodic press conferences held by the City to apprise the public of urban transport works in the City? What other media is used to disseminate project information?</td>
<td>Yes. Press Conferences, Public Transport requirements and meetings are conducted with the officials.</td>
</tr>
<tr>
<td>9) Does the City produce an annual report highlighting urban transport work progress and achievements during the year? Are there any project brochures? Any advertisements in major newspapers about the ongoing/upcoming works in the City?</td>
<td>Yes. Annual report is prepared along with the details of Physical and Financial achievements of the year.</td>
</tr>
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</table>

## B) Complaints Handling:

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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<tbody>
<tr>
<td>10) What is the process of complaints handling? How many complaints have been received through this process? How many have been addressed?</td>
<td>The complaints will be received and the concerned in-charge officer will act accordingly.</td>
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<tr>
<td><strong>11)</strong> Is there information about who to address the complaint to – where is this information (online or at the office)?</td>
<td>The complaint is addressed to the Commissioner &amp; Spl. Officer GHMC and other Section Heads.</td>
</tr>
<tr>
<td><strong>12)</strong> Are anonymous written complaints entertained?</td>
<td>Yes. Facts are verified.</td>
</tr>
<tr>
<td><strong>13)</strong> What is the mechanism for redressal of grievances of unsuccessful bidders? Is there a dispute resolution mechanism in place?</td>
<td>There is no specific mechanism for dispute resolution and grievances of unsuccessful Bidders.</td>
</tr>
<tr>
<td><strong>14)</strong> Is there a vigilance mechanism in each city – how does it function?</td>
<td>Vigilance Cell comprising of Additional Superintendent of Police and Inspector of Police and other Sub-ordinate Staff is functioning under the Commissioner &amp; Spl. Officer, GHMC.</td>
</tr>
<tr>
<td><strong>C) Third-party Quality Monitoring:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>15)</strong> What is the process for monitoring quality of urban transport works in the City? Please give details of staffing and laboratories.</td>
<td>The quality of urban Transport for the road work is assigned to the third party monitoring and relevant rules and codes have to be adhered to for quality check.</td>
</tr>
<tr>
<td><strong>16)</strong> Is there any third-party-monitoring of road works? If so, which are these entities? Are qualified design or engineering institutions hired for such monitoring?</td>
<td>Yes.</td>
</tr>
<tr>
<td><strong>17)</strong> Are supervision consultants appointed routinely on all urban transport works in the City?</td>
<td>No.</td>
</tr>
<tr>
<td><strong>D) Procurement:</strong></td>
<td></td>
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<tr>
<td>Question</td>
<td>Answer</td>
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<td>------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
</tr>
<tr>
<td>10) How many registered contractors exist in the City? How many typically bid for urban transport works in the City? Can outside contractors bid for work in the City?</td>
<td>1800 nos. 800 nos. Yes, if they are registered contractors.</td>
</tr>
<tr>
<td>11) How is tender information publicized? Is the tender information posted on the website? Are names of contract award winners posted along with details of their evaluation on the website?</td>
<td>It is published in newspapers &amp; e-procurement method is adopted. -Yes- -Yes-</td>
</tr>
<tr>
<td>12) Is tender information available at multiple points?</td>
<td>-Yes-</td>
</tr>
<tr>
<td>13) Can bids be submitted at multiple city locations?</td>
<td>Through e-procurement bids can be uploaded from multiple city locations.</td>
</tr>
<tr>
<td>14) What is the process of bid evaluation? Is there a tender evaluation committee for all bids? Who is on the committee?</td>
<td>The contract is awarded as per the qualification and conditions of Bid document and procedure as per GOMS-94 dated 01-07-2003. -Yes- Chief Engineer and above rank officers will be the members of tender evaluation committee.</td>
</tr>
<tr>
<td>15) Are bids opened immediately after the deadline for submission on the same day?</td>
<td>The bids are opened after half-an-hour in the presence of bidders.</td>
</tr>
<tr>
<td>16) Is there a prequalification of bidders for certain projects?</td>
<td>-Yes- For Major project works.</td>
</tr>
<tr>
<td>17) What is the status of e-procurement in the City?</td>
<td>All the Govt. Departments are adopting e-procurement method.</td>
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<tr>
<td>18) How are procurement planning and contract registers maintained?</td>
<td>The planning is made before project implementation after fixing up Time Schedule for the project. Separate registers are maintained for Technical sanction &amp; Contract award.</td>
</tr>
<tr>
<td>19) What is the process for issue of completion certificates?</td>
<td>The completion certificates are issued as per the agreement of contract &amp; Time schedule maintained for the category of work executed.</td>
</tr>
<tr>
<td>20) What is the process of debarment of firms for fraudulent certificates or sub-standard work?</td>
<td>The firms are blacklisted for the fraudulent documents and sub-standard work after verification and enquiry processes.</td>
</tr>
<tr>
<td>21) Is there a separation of procurement and financial authority?</td>
<td>-Yes-</td>
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E) Financial Management:
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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<tr>
<td>22) Are financial and physical reports on progress of works available</td>
<td>-Yes-</td>
</tr>
<tr>
<td>online/electronically?</td>
<td></td>
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<tr>
<td>At what intervals?</td>
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<tr>
<td>24) How is the budget for urban transport works determined?</td>
<td>Provisions are made</td>
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<td>in the budget estimates for various categories of works.</td>
<td>in the budget estimates for various categories of works.</td>
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<tr>
<td>25) What is the process of payment of invoices? Typically, what is the</td>
<td>Bills are submitted</td>
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<td>average time taken to process payments to contractors?</td>
<td>for the works carried</td>
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<td>out as per the purchase order &amp; work order and conditions of contract.</td>
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<td>-30 days-</td>
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<td>26) What is the process of physical verification of assets – is there</td>
<td>Inventory management</td>
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<tr>
<td>an asset management register?</td>
<td>for the assets is</td>
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<td>carried out annually and records are protected.</td>
<td>carried out annually and records are protected.</td>
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<tr>
<td>-Yes-</td>
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<tr>
<td>27) What is the internal control process for verification of IPCs and</td>
<td>Separate wings of</td>
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<td>other financial instruments?</td>
<td>accounts branch are</td>
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<tr>
<td>assigned with the tasks.</td>
<td>assigned with the tasks.</td>
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<td>28) What is the process of audit of works?</td>
<td>Internal audit &amp;</td>
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<td>-External audit method is adopted for the works executed.</td>
<td>External audit method</td>
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<tr>
<td>29) What is the extent to which external auditors are involved in the</td>
<td>conducted after</td>
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<tr>
<td>preparation of financial statements?</td>
<td>closure of financial year.</td>
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</tbody>
</table>
A) Disclosure of Information:

1) How is project information disseminated? Does the community have access to all project-related information?

Ans. By Press Notice and through public consultations. Yes, the community has access to all project-related information.

2) Are there citizen information boards to provide all information about the project on site? Does it contain information on who to complain in case of any irregularities?

Ans. Yes. However, it doesn’t contain information on who to complain in case of irregularities.

3) Have the PIOs/APIOs and appellate authorities been appointed for the City? Is this information on the City website?

Ans. Yes, PIOs/APIOs have been appointed by the department. Information is not yet available in the website.

4) As per the RTIA, is City information such as organization structure and duties/responsibilities of officers posted on the website? How frequently is this information updated?

Ans. Information on organizational structure and duties/responsibility not posted in Website.

5) How many information requests have been received on the program through the RTIA route? Who handles such information?

Ans. No such requests have been received so far. Such information is handled by PIO and APIO.

6) Are there NGOs/CSOs that are active in the urban transport sector in the City/state?

Ans. Yes.

7) Are any public consultations held to discuss project selection, alignment, accessibility issues of the affected stakeholders on projects? If so, how many are typically held and at what times (pre-feasibility stage, DPR stage or implementation stage)?

Ans. Yes, mostly during pre-feasibility stage, DPR stage and implementation stage.

8) Are periodic press conferences held by the City to apprise the public of urban transport works in the City? What other media is used to disseminate project information?

Ans. No. Occasionally press tour is held.

9) Does the City produce an annual report highlighting urban transport work progress and achievements during the year? Are there any project brochures? Any advertisements in major newspapers about the ongoing/upcoming works in the City?

Ans. Yes in the form of Booklet showing physical & financial achievement. No advertisement of ongoing/upcoming works in the city.
B) Complaints Handling:
10) What is the process of complaints handling? How many complaints have been received through this process? How many have been addressed?
Ans. Complaints received are handled by the respective head.

11) Is there information about who to address the complaint to where is this information (online or at the office)?
Ans. The complaint is addressed to the Head of the Department at the Office; procedures laid down in Operations Manual will be followed

12) Are anonymous written complaints entertained?
Ans. No

13) What is the mechanism for redressal of grievances of unsuccessful bidders? Is there is dispute resolution mechanism in place?
Ans. There is no specific mechanism in place for dispute resolution and redressal of grievances of unsuccessful bidders.

14) Is there a vigilance mechanism in each city — how does it function?
Ans. There is No Vigilance mechanism in the city.

C) Third-party Quality Monitoring:
15) What is the process for monitoring quality of urban transport works in the City? Please give details of staffing and laboratories.
Ans. The concerned PIU(EE), Superintending Engineer and Chief Engineer are responsible for monitoring quality of urban Transport works in the city. Each and every PIU have its own laboratory equipment sufficient for conducting tests required.

16) Is there any third party-monitoring of road works? If so, which are these entities? Are qualified design or engineering institutions hired for such monitoring?
Ans. Yes, there is third party-monitoring of road works called independent consultant. Yes, there are qualified design or engineering institutions

17) Are supervision consultants appointed routinely on all urban transport works in the City?
Ans. Yes, generally

D) Procurement:
18) How many registered contractors exist in the City? How many typically bid for urban transport works in the City? Can outside contractors bid for work in the City?
Ans. There is no specific category of registered contractors for urban transport works in the city. Yes outside contractors can bid for works in the city.
19) How is tender information publicized? Is the tender information posted on the website? Are names of contract award winners posted along with details of their evaluation on the website?

Ans. Tenders are published in newspapers. The tender information is also posted on the website. Yes, names of contract award winners are posted along with details of their evaluation on the website.

20) Is tender information available at multiple points?

Ans. Yes

21) Can bids be submitted at multiple city locations?

Ans. No

22) What is the process of bid evaluation? Is there a tender evaluation committee for all bids? Who is on the committee?

Ans. Yes, there is a tender evaluation committee comprising of the concerned chief engineer, superintending engineer, and executive engineer.

23) Are bids opened immediately after the deadline for submission on the same day?

Ans. Yes

24) Is there a prequalification of bidders for certain projects?

Ans. Yes, when a specialized job is to be taken up.

25) What is the status of e-procurement in the City?

Ans. Nil

26) How are procurement planning and contract registers maintained?

Ans. As per procedures laid down in CPWD Work Manual

27) What is the process for issue of completion certificates?


29) Is there a separation of procurement and financial authority?

Ans. No

F) Financial Management:

30) Are financial and physical reports on progress of works available online/electronically?

Ans. Yes
31 Is financial management information updated regularly on the website? At what intervals?
   Ans. Yes, one month interval

32 How is the budget for rural road works determined?
   Ans. The budget for urban road works is determined by IMC and IDA annually.

33 What is the process of payment of invoices?
   Ans. By drawing/issuing cheque

34 What is the process of physical verification of assets – is there an asset management register?
   Ans. Yes, by inventory

35 What is the internal control process for verification of IPCs and other financial instruments?
   Ans. Financial Instruments like Cheque are controlled by means of Bank Authorization

36 What is the process of audit of works?
   Ans. By manual

37 What is the extent to which external auditors are involved in the preparation of financial statements?
   Ans. External auditors are involved in the preparation of Balanced Sheet
### A) Disclosure of Information:

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<tbody>
<tr>
<td>1) How is project information disseminated? Does the community have access to all project-related information?</td>
<td>The project bids are invited after Notice Inviting Tenders are published in various newspapers as well as circulated amongst the various departments in the city and also displayed at the departmental Notice Board.</td>
</tr>
<tr>
<td>2) Are there citizen information boards to provide all information about the project on site? Does it contain information on who to complain to in case of any irregularities?</td>
<td>Yes, the communities have a full access to all the project related informations.</td>
</tr>
<tr>
<td>3) Have the PIOs/ APIOs and appellate authorities been appointed for the City? Is this information on the City website?</td>
<td>Yes</td>
</tr>
<tr>
<td>4) As per the RTIA, is City information such as organization structure and duties/responsibilities of officers posted on the website? How frequently is this information updated?</td>
<td>Yes. Information in organization structure and duties/responsibilities are posted at MCJ website and half yearly information is updated.</td>
</tr>
<tr>
<td>5) How many information requests have been received on the program through the RTIA route? Who handles such information?</td>
<td>No request for information regarding this project has been received from Public Information Officer is to handle such information requests.</td>
</tr>
<tr>
<td>6) Are there NGOs/CSOs that are active in the urban transport sector in the City/state?</td>
<td>Yes</td>
</tr>
<tr>
<td>7) Are any public consultations held to discuss project selection, alignment, accessibility issues of the affected stakeholders on projects? If so, how many are typically held and at what times (pre-feasibility stage, DPR stage or implementation stage)?</td>
<td>The public consultation of the Stake Holder in the Feasibility Study of construction of a ROB/RUB at Chandan Nagar/Brij Nagar have been made a regular process.</td>
</tr>
<tr>
<td>8) Are periodic press conferences held by the City to apprise the public of urban transport works in the City? What other media is used to disseminate project information?</td>
<td>Yes. Mayor/Commissioner, officers and Elected members of Corporation normally take the meetings with the Local Administration regarding Urban Transport projects.</td>
</tr>
<tr>
<td>9) Does the City produce an annual report highlighting urban transport work progress and achievements during the year? Are there any project brochures? Any advertisements in major newspapers about the ongoing/upcoming works in the City?</td>
<td>No annual report highlighting Urban Transport work progress and achievements during the year have been produced. The list of upcoming development work in the Urban Area is regularly posted at Municipal Corporation Jalandhar website.</td>
</tr>
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</table>
### B) Complaints Handling:

<table>
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<tr>
<th>Question</th>
<th>Answer</th>
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<tbody>
<tr>
<td>10) What is the process of complaints handling? How many complaints have been received through this process? How many have been addressed?</td>
<td>A separate Computerized Complaint Cell is opened in MCJ since 28.10.2007. As on date 5908 complaints have been received. Out of which, 94% have been addressed and remaining are in process of addressal.</td>
</tr>
<tr>
<td>11) Is there information about who to address the complaint to – where is this information (online or at the office)?</td>
<td>Detail who to address the complaint to has been displayed on the Notice Board as well as on the MCJ web site.</td>
</tr>
<tr>
<td>12) Are anonymous written complaints entertained?</td>
<td>Yes</td>
</tr>
<tr>
<td>13) What is the mechanism for redressal of grievances of unsuccessful bidders? Is there is dispute resolution mechanism in place?</td>
<td>All the tender works are published in the newspaper. But for project bids are invited in two envelope systems i.e. Technical and Financial and for the other works bids are invited in single envelope system. Due procedure of calling the tender is followed. Thus, no situation of dispute arises. Moreover, dispute resolution mechanism is handled by the Commissioner, Municipal Corporation, Jalandhar, and dealt by the concerned branch.</td>
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### C) Third-party Quality Monitoring:

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<tr>
<th>Question</th>
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<tbody>
<tr>
<td>14) Is there a vigilance mechanism in each city – how does it function?</td>
<td>A Chief Vigilance Office headed by a Chief Engineer exists in Local Govt., Department, Punjab.</td>
</tr>
<tr>
<td>15) What is the process for monitoring quality of urban transport works in the City? Please give details of staffing and laboratories.</td>
<td>Process of monitoring quality of urban transport works in the city is done by the Technical Staff. In case of projects individual Laboratories at site/casting yard are being maintained.</td>
</tr>
<tr>
<td>16) Is there any third party-monitoring of road works? If so, which are these entities? Are qualified design or engineering institutions hired for such monitoring?</td>
<td>The third party monitoring is being introduced for the projects costing more than Rs. 3.00 Crores.</td>
</tr>
<tr>
<td>17) Are supervision consultants appointed routinely on all urban transport works in the City?</td>
<td>There is no such practice of appointing supervision consultants for the general works in the city.</td>
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### D) Procurement:

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<tr>
<th>Question</th>
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<tbody>
<tr>
<td>18) How many registered contractors exist in the City? How many typically bid for urban transport works in the City? Can outside contractors bid for work in the City?</td>
<td>255 No. of contractors are enlisted in Municipal Corporation, Jalandhar. In Urban Transport Project, normally pre-requisite criteria are fixed and among the registered contractor as well as outsider contractors who fulfill the criteria, can submit their bid.</td>
</tr>
<tr>
<td>19) How is tender information publicized? Is the tender information posted on the website? Are names of contract award winners posted along with details of their evaluation on the website?</td>
<td>Tenders are published through leading newspapers in press and also posted in the web site. The practice of posting the name and official of contract-award- winners is going to be started soon.</td>
</tr>
<tr>
<td>20) Is tender information available at multiple points?</td>
<td>Yes</td>
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<td>Question</td>
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<tr>
<td>21) Can bids be submitted at multiple city locations?</td>
<td>No</td>
</tr>
<tr>
<td>22) What is the process of bid evaluation? Is there a tender evaluation committee for all bids? Who is on the committee?</td>
<td>Evaluation is done by Technical Officer/official headed by Superintending Engineer. However, in certain cases a special sub-committee is nominated for this purpose. In both the cases, the cases are finalized by the Mayor, Commissioner and F&amp;CC.</td>
</tr>
<tr>
<td>23) Are bids opened immediately after the deadline for submission on the same day?</td>
<td>Yes</td>
</tr>
<tr>
<td>24) Is there a prequalification of bidders for certain projects?</td>
<td>Yes</td>
</tr>
<tr>
<td>25) What is the status of e-procurement in the City?</td>
<td>Not yet started.</td>
</tr>
<tr>
<td>26) How are procurement planning and contract registers maintained?</td>
<td>A proper register is maintained for tenders(stock registers duly audited regularly.</td>
</tr>
<tr>
<td>27) What is the process for issue of completion certificates?</td>
<td>Completion Form is filled after the completion of work. Final Bill is prepared and passed for payment.</td>
</tr>
<tr>
<td>28) What is the process of debarment of firms for fraudulent certificates or sub-standard work?</td>
<td>Debarment of firm is made as per the clauses of MW-3 &amp; MW-4 derived from Municipal Account Code,1930.</td>
</tr>
<tr>
<td>29) Is there a separation of procurement and financial authority?</td>
<td>No</td>
</tr>
<tr>
<td>F) Financial Management:</td>
<td></td>
</tr>
<tr>
<td>30) Are financial and physical reports on progress of works available online/electronically?</td>
<td>No</td>
</tr>
<tr>
<td>31) Is financial management information updated regularly on the website? At what intervals?</td>
<td>No</td>
</tr>
<tr>
<td>32) How is the budget for urban transport works determined?</td>
<td>Municipal Corporation, Jalandhar executed all the works only in the Urban area. Thus by &amp; large the budget is spent for the development of Urban Transport Infrastructure.</td>
</tr>
<tr>
<td>33) What is the process of payment of invoices? Typically, what is the average time taken to process payments to contractors?</td>
<td>As per Municipal Account Code 1930, the payment of invoices are generally made within 14 days. Running and Final Payments to the contractors are made as work executed at site.</td>
</tr>
<tr>
<td>34) What is the process of physical verification of assets – is there an asset management register?</td>
<td>Property register is being maintained.</td>
</tr>
<tr>
<td>35) What is the internal control process for verification of IPCs and other financial instruments?</td>
<td>Pre-Audit wing of Punjab Govt.</td>
</tr>
<tr>
<td>36) What is the process of audit of works?</td>
<td>All the Financial instruments are being controlled and processed at the level of Account Branch under Commissioner and DC (F&amp;A).</td>
</tr>
<tr>
<td>37) What is the extent to which external auditors are involved in the preparation of financial statements?</td>
<td>N.A</td>
</tr>
</tbody>
</table>
A) Disclosure of Information:

31) How is project information disseminated? Does the community have access to all project-related information?
   We are going to display the information in our KSRTC website. KSRTC has got a popular website, which has got more than 25000 hits per day because of the information available about the services. KSRTC makes available the details of this project on the same website.

32) Are there citizen information boards to provide all information about the project on site? Does it contain information on who to complain to in case of any irregularities?
   Yes. And also the information shall be released through press notes. Anyone can send mail to the KSRTC complaint cell.

33) Have the PIOs/APIOs and appellate authorities been appointed for the City? Is this information on the City website?
   Already a PIO is appointed by the KSRTC.

34) As per the RTIA, is City information such as organization structure and duties/responsibilities of officers posted on the website? How frequently is this information updated?
   Information as per RTIA is available in our own website. It is updated as and when required. Organization structure is also covered.

35) How many information requests have been received on the program through the RTIA route? Who handles such information?
   Not yet uploaded in website. After that Public Relations Officer shall handle that.

36) Are there NGOs/CSOs that are active in the urban transport sector in the City/state?
   Yes

37) Are any public consultations held to discuss project selection, alignment, and accessibility issues of the affected stakeholders on projects? If so, how many are typically held and at what times (pre-feasibility stage, DPR stage or implementation stage)?
   Yes. It was done during initial stage.

38) Are periodic press conferences held by the City to apprise the public of urban transport works in the City? What other media is used to disseminate project information?
   Yes. Press note released and public discussions held.

39) Does the City produce an annual report highlighting urban transport work progress and achievements during the year? Are there any project brochures? Any advertisements in major newspapers about the ongoing/upcoming works in the City?
   Yes. Mysore City Corporation issued brochures and released press notes regarding urban development projects like formation of ring roads etc.

B) Complaints Handling:

40) What is the process of complaints handling? How many complaints have been received through this process? How many have been addressed?
   Only written complaints are received and addressed by the Public Relations Officer, who then forwards it to the concerned department.

41) Is there information about who to address the complaint to – where is this information (online or at the office)?
   Yes. Public Relations Officer at the Central Office and also at the Division Office in the city.
42) Are anonymous written complaints entertained?
No

43) What is the mechanism for redressal of grievances of unsuccessful bidders? Is there is dispute resolution mechanism in place?
Not applicable as we have e-tendering process.

44) Is there a vigilance mechanism in each city – how does it function?
KSRTC has got its Security and vigilance wing working directly under Director (Security & Vigilance) who is an IPS officer.

C) Third-party Quality Monitoring:

45) What is the process for monitoring quality of urban transport works in the City? Please give details of staffing and laboratories.
We shall appoint consultant for Quality control to ensure expected quality. And also quality management shall be done through third parties like CIRT etc.

46) Is there any third party monitoring of road works? If so, which are these entities? Is qualified design or engineering institutions hired for such monitoring?
N/A

47) Are supervision consultants appointed routinely on all urban transport works in the City?
NA

D) Procurement:

48) How many registered contractors exist in the City? How many typically bid for urban transport works in the City? Can outside contractors bid for work in the City?
This is an open tender. Any firm which meets pre-qualification criteria can participate in the tender.

49) How is tender information publicized? Is the tender information posted on the website? Are names of contract award winners posted along with details of their evaluation on the website?

50) Is tender information available at multiple points?
Yes

51) Can bids be submitted at multiple city locations?
Tendering being e-tender can be loaded from anywhere in the world

52) What is the process of bid evaluation? Is there a tender evaluation committee for all bids? Who is on the committee?
Tender Evaluation Committee is there comprising of Head of the departments from Finance, Procurement and User departments.

53) Are bids opened immediately after the deadline for submission on the same day?
Yes

54) Is there a prequalification of bidders for certain projects?
Yes

55) What is the status of e-procurement in the City?
Available
56) How are procurement planning and contract registers maintained?
   As per procedures prescribed in KSRTC Stores Manual.

57) What is the process for issue of completion certificates?
   As per procedures prescribed in KSRTC Stores Manual.

58) What is the process of debarment of firms for fraudulent certificates or sub-standard work?
   Blacklisting the agency and forfeiting the EMD/Security deposit of the tender.

59) Is there a separation of procurement and financial authority?
   Managing Director is the final authority for both.

**E) Financial Management:**

60) Are financial and physical reports on progress of works available online/electronically?
   Not available

61) Is financial management information updated regularly on the website? At what intervals?
   Not posted

62) How is the budget for urban transport works determined?
   N/A

63) What is the process of payment of invoices? Typically, what is the average time taken to process payments to contractors?
   Issual of cheques. 7 days to 30 days.

64) What is the process of physical verification of assets – is there an asset management register?
   Yes we have assets registers. Physical inventory is also carried out and maintained in ERP asset management.

65) What is the internal control process for verification of IPCs and other financial instruments?
   Through physical verification.

66) What is the process of audit of works?
   By manual. We have a separate Internal Audit Department headed by Chief Accounts Officer (Internal Audit).

67) What is the extent to which external auditors are involved in the preparation of financial statements?
   Accounts department of the corporation itself prepares financial statements i.e profit and loss assessment, and balance sheet. The Resident Audit Officer appointed by AG’s shall certify the statements prepared by the corporation.
   Balance sheet already submitted for the year 07-08 for audit and certification is in progress.
Appendix 6.6 Naya Raipur

A) Disclosure of Information:

1) How is roadwork information disseminated? Does the community have access to all project-related information?

By press Tender Notice published in newspapers and posted in the departmental websites. Yes, the community has access to all project-related information.

2) Are there citizen information boards to provide all information about the project on site? Does it contain information on who to complain to in case of any irregularities?

Yes.

3) Have the PIOs/APIOs and appellate authorities been appointed for the department? Is this information of the departmental city website?

Yes, PIOs/APIOs have been appointed. Information is available in the website of Naya Raipur Development Authority.

4) As per the RTIA, is city information such as organization structure and duties/responsibilities of officers posted on the website? How frequently is this information updated?

Information on organizational structures is posted in the website department wise duties/responsibility is are posted in the website

5) How many information requests have been received on the program through the RTIA route? Who handles such information?

No, request has been received so far. Such information is handled by PIO and APIO

6) Are there NGOs/CSOs that are active in the road sector in the state?

No.

7) Are any public consultations held to discuss network selection, alignment, accessibility issues of the affected stakeholders on rural road works? If so, how many are typically held and at what times (pre-feasibility stage, DPR stage or implementation stage)?

Yes. Naya Raipur is a green field town, the Development Plan which also contains the transportation plan has been prepared and finalised after wide consultation at many levels.

8) Are periodic press conferences held by the department to apprise the public of road works in the city?

No. Occasionally press tour is held.
9) Does the city produce an annual report highlighting road work progress and achievements during the year? Are there any project brochures? Any advertisements in major newspapers about the ongoing/upcoming road works in the city.

Yes in the Administrative Report, submitted by the Administrative department in the budget session of the Legislative Assembly every year. No advertisement of ongoing/upcoming of road works in the state.

B) Complaints Handling:

10) What is the process of complaints handling? How many complaints have been received through this process? How many have been addressed?

The complaints received by the Chief Executive officer are enquired into by him through the officers and necessary actions are taken. No complaint has been received.

11) Is there information about who to address the complaint to - where is this information (online or at the office)?

The complaint is to be addressed to the Chief Executive officer

12) Are anonymous written complaints entertained?

No

13) What is the mechanism for redressal of grievances of unsuccessful bidders? Is there is dispute resolution mechanism in place?

There is no specific mechanism for redressal of grievances of unsuccessful bidders. However one can make a written representation which is handled as a complaint.

14) Is there a vigilance mechanism in each city - how does it function?

No. However, there are Economic offence bureau and Lokayukta Organisation at State Level.

C) Third-party Quality Monitoring:

15) What is the process for monitoring quality of road works in the city? Please give details of staffing and laboratories.

A qualified Project Management consultant with required staff is hired for each project. The laboratories are set up at the sites.

16) Is there any third party-monitoring of road works? If so, which are these entities? Are qualified designs or engineering institutions hired for such monitoring?

Yes qualified design and engineering consultants are hired by inviting competitive proposals, for such monitoring.

17) Are supervision consultants appointed routinely on all urban transport works in the city?
Project management consultant appointed for each project supervises the works.

**D) Procurement:**

18) How many registered contractors exist in the city? How many typically bid for urban transport works in the city? Can outside contractors bid for work in the city.

NRDA does not have a system of registration of contractors. Any contractor, who fulfills the minimum eligibility criterion, can bid for the work.

19) How is tender information publicized? Is the tender information posted on the website? Are names of contract award winners posted along with details of their evaluation on the website?

Tender notice is published in the newspapers and the website. No.

20) Is tender information available at multiple points?

Yes

21) Can bids be submitted at multiple city locations?

No.

22) What is the process of bid evaluation? Is there a tender evaluation committee for all bids? Who is on the committee?

Yes. The tender evaluation committee is constituted for each work. It comprises of senior officer of NRDA and the Project Management Consultant. For the works of specific nature, officers of other Government departments and/or experts are also included in the committee.

23) Are bids opened immediately after the deadline for submission on the same day?

Yes

24) Is there a prequalification of bidders for certain projects?

No. Post qualification system comprising of Technical and Financial bids, is followed. Technical proposals are opened and evaluated first and financial proposal of only those, who are found qualified, are opened.

25) What is the status of e-procurement in the city?

NRDA has not adopted e-procurement system.

26) How are procurement planning and contract registers maintained?

Procurement Planning register is not maintained at present.

27) What is the process for issue of completion certificates?
Completion certificates are issues by the Project Management Consultants, Verified by the Officer of NRDA.

28) What is the process of debarment of firms for fraudulent certificates or sub-standard work? The procedure is laid down in the contract of the work.

29) Is there a separation of procurement and financial authority? Yes

E) Financial Management:

30) Are financial and physical reports on progress of works available online/electronically? The progress reports are available electronically.


32) How is the budget for rural road works determined? The budget is determined as per the DPR.

33) What is the process of payment of invoices? Typically, what is the average time taken to process payments to contractors? By issuing cheques. Average time taken is 10 days.

34) What is the process of physical verification of assets- is there an asset management register? The physical verification is done by officers of NRDA.

35) What is the internal control process for verification of IPCs and other financial instruments? Financial instruments like cheque are controlled by means of Bank Authorization.

36) What is the process of audit of works? Yes. Audits are conducted regularly. Staff of Accountant general conducts audit.

37) What is the extent to which external auditors are involved in the preparation of financial statements? Chartered Accountants are involved in the preparation of financial statements.
### A) Disclosure of Information:

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<tbody>
<tr>
<td>1</td>
<td>How is project information disseminated? Does the community have access to all project-related information?</td>
<td>By Tender Notice in Press. Yes, the community has access to all project-related information.</td>
</tr>
<tr>
<td>2</td>
<td>Are there citizen information boards to provide all information about the project on site? Does it contain information on who to complain to in case of any irregularities?</td>
<td>Boards are invariably kept at site with information about whom to complain to in the cases of irregularity.</td>
</tr>
<tr>
<td>3</td>
<td>Have the PIOs / APIOs and appellate authorities been appointed for the City? Is this information on the City website?</td>
<td>Yes, PIOs/APIOs have been appointed. Information is available on the website.</td>
</tr>
<tr>
<td>4</td>
<td>As per the RTIA, is City information such as organization structure and duties/ responsibilities of officers posted on the website? How frequently is this information updated?</td>
<td>Information on organizational structure and duties/responsibility posted on Website, which is periodically updated.</td>
</tr>
<tr>
<td>5</td>
<td>How many information requests have been received on the program through the RTIA route? Who handles such information?</td>
<td>Presently, DPR preparation is underway. No publicity has been given to the Programme as yet. No RTIA request has, therefore, been received on the GEF Programme so far.</td>
</tr>
<tr>
<td>6</td>
<td>Are there NGOs/ CSOs that are active in the urban transport sector in the City/state?</td>
<td>Yes. The Pune Municipal Corporation has formed NMT Cell in which NGOs/CSOs have representation.</td>
</tr>
<tr>
<td>7</td>
<td>Are any public consultations held to discuss project selection, alignment, accessibility issues of the affected stakeholders on projects? If so, how many are typically held and at what times (pre-feasibility stage, DPR stage or implementation stage)?</td>
<td>NMT Cell was given presentation of Project outline before the consultant was formally appointed for GEF Programme. Ward level citizens’ meetings will be held for eliciting opinions on NMT policy, project components &amp; other details of the project before finalising DPR and afterwards in implementation stage.</td>
</tr>
<tr>
<td>8</td>
<td>Are periodic press conferences held by the City to apprise the public of urban transport works in the City? What other media is used to disseminate project information?</td>
<td>Local Dailies and local issues of National Dailies (Times of India, Indian Express, DNA) cover city level transportation issues &amp; works almost on a daily basis. They also cover deliberations at &amp; decisions of the Standing Committee &amp; General Body meetings of the Municipal Corporation on such issues &amp; works. The Mayor &amp; the Municipal Commissioner attend meetings arranged by civil society almost on a daily basis where municipal stand on such issues is explained. They also hold periodic press briefings on transport works in the City. No other medium is used as consistently for disseminating project information.</td>
</tr>
<tr>
<td>9</td>
<td>Does the City produce an annual report highlighting urban transport work progress and achievements during the year? Are there any project brochures? Any advertisements in major newspapers about the ongoing/upcoming works in the City?</td>
<td>The Pune Municipal Corporation annually prepares the Budget &amp; the Environmental Status Report covering almost all aspects about the city. Progress reports about JNURM projects are submitted periodically to the Government of India. Annual Calendar &amp; Diaries of the Pune Municipal Corporation contain information about important projects. However, neither project brochure nor specific annual report highlighting progress and achievements during the year of urban transport work is generated. Likewise, no advertisements are splashed in major newspapers about the ongoing / upcoming works in the City.</td>
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### B) Complaints Handling:

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<td>Question</td>
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</tr>
<tr>
<td>10) What is the process of complaints handling? How many complaints have been received through this process? How many have been addressed?</td>
<td>Apart from traditional channelised complaint handling process, the Pune Municipal Corporation has a web enabled, GIS-based complaint handling process about defects in road surface.</td>
<td></td>
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<tr>
<td>11) Is there information about whom to address the complaint to – where is this information (online or at the office)?</td>
<td>Notice boards in the Municipal Corporation, its Ward &amp; other offices display this information. Even web-based complaint process exists for complaints about roads, water supply &amp; solid waste disposal, bldg permission, property tax, online birth &amp; death certificates, tenders + fee payment. Information kiosk cum facilitation centre for payment of property tax, tenders sale etc. exist.</td>
<td></td>
</tr>
<tr>
<td>12) Are anonymous written complaints entertained?</td>
<td>Yes.</td>
<td></td>
</tr>
<tr>
<td>13) What is the mechanism for redressal of grievances of unsuccessful bidders? Is there any dispute resolution mechanism in place?</td>
<td>Objections can be launched with the following: 1. Project head 2. Administrative head (Municipal Commissioner) 3. Judicial</td>
<td></td>
</tr>
<tr>
<td>14) Is there a vigilance mechanism in each city – how does it function?</td>
<td>Yes. It functions effectively.</td>
<td></td>
</tr>
<tr>
<td>C) Third-party Quality Monitoring:</td>
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<tr>
<td>15) What is the process for monitoring quality of urban transport works in the City? Please give details of staffing and laboratories.</td>
<td>Development Engineers &amp; Dy. City Engineers work under the Additional City Engineer for roads. Each one has a retinue of Dy, / Asstt. Engineers &amp; Junior Engineers &amp; other staff. At each level, there is a system of checks &amp; balances for quality control whereafter bills are honored. Pune Municipal Corporation does not have its own laboratory.</td>
<td></td>
</tr>
<tr>
<td>16) Is there any third party-monitoring of road works? If so, which are these entities? Are qualified designs or engineering institutions hired for such monitoring?</td>
<td>STAC/EIL Vigilance Pune Municipal Corporation has set up a Standing Technical Advisory Committee to scrutinize technical issues &amp; advise the Corporation. Headed by a retired Secretary (Technical), P.W.D., Government of Maharashtra, it has other retired P.W.D. Chief Engineers &amp; engineering teachers in service as other members. Engineers India Ltd. has been appointed for third party monitoring of important projects. An in-house Vigilance Department of the Corporation also has a say in matters that need its attention.</td>
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</tr>
<tr>
<td>17) Are supervision consultants appointed routinely on all urban transport works in the City?</td>
<td>Twenty engineering &amp; architectural companies have been empanelled as supervision consultants. Their services are employed for select projects.</td>
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<tr>
<td>D) Procurement:</td>
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<tr>
<td>18) How many registered contractors exist in the City? How many typically bid for urban transport works in the City? Can outside contractors bid for work in the City?</td>
<td>About 350 registered contractors classified in to six categories exist on the Corporation’s roll. Contractors registered with PWD/ CPWD/ MES/ Semi-Government organisations also qualify for tenders. For urban transport works, only Category III contractors &amp; above (with machinery ownership like batch-mix plant) qualify. Usually, about 25 bid documents purchased from city while about 15 get sold to outsiders. Outside contractors can bid for work in the City.</td>
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<td>Question</td>
<td>Answer</td>
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<tr>
<td>19) How is tender information publicized? Is the tender information posted on the website? Are names of contract award winners posted along with details of their evaluation on the website?</td>
<td>By on-line tender sale, by publishing in any two regional papers &amp; one vernacular language paper (latter compulsory, selected by Round Robin method). Advertisement is also sent to the Pune University, Maharashtra Chamber of Commerce, Industries &amp; Agriculture, State P.W.D. &amp; Collector of the Pune District. Names of contract award winners or details of their evaluation are not posted on the website.</td>
<td></td>
</tr>
<tr>
<td>20) Is tender information available at multiple points?</td>
<td>Yes. Web and Newspaper and also at Pune University, Maharashtra Chamber of Commerce, Industries &amp; Agriculture, State P.W.D. &amp; Collector of the Pune District.</td>
<td></td>
</tr>
<tr>
<td>21) Can bids be submitted at multiple city locations?</td>
<td>Depending on the response required, bids are even available at Ward offices apart from at the Centralised Tender Cell.</td>
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<td>22) What is the process of bid evaluation? Is there a tender evaluation committee for all bids? Who is on the committee?</td>
<td>The Project Officer opens the bids &amp; forwards them to the Consultant (if appointed) for his report. The Estimates Committee of the Corporation consisting of elected Corporators &amp; the City Engineer assesses the report of the Project Officer &amp; records its decision. The proposal goes to Municipal Commissioner after passing through the Audit Department &amp; the Vigilance Department. The Municipal Commissioner forwards the proposal to the Standing Committee where the Municipal Commissioner is a member. The decision of the Standing Committee is sent to Municipal Commissioner for administrative action. No separate evaluation committee exists.</td>
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<tr>
<td>23) Are bids opened immediately after the deadline for submission on the same day?</td>
<td>Yes, if circumstances permit.</td>
<td></td>
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<tr>
<td>24) Is there a prequalification of bidders for certain projects?</td>
<td>Yes.</td>
<td></td>
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<tr>
<td>25) What is the status of e-procurement in the City?</td>
<td>e-procurement is functional in the city.</td>
<td></td>
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<tr>
<td>27) What is the process for issue of completion certificates?</td>
<td>After defect liability period is over, it is issued by Consultant / Project Officer.</td>
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<tr>
<td>28) What is the process of debarment of firms for fraudulent certificates or sub-standard work?</td>
<td>In these circumstances, firms are blacklisted for three years &amp; the decision is communicated to the State P.W.D. for similar action. This leads to termination of current works &amp; the firm is debarred from tendering process. The decision to blacklist a firm is taken by the Standing Committee by passing a resolution after following a due process of giving opportunity to the firm for explanation.</td>
<td></td>
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<tr>
<td>29) Is there a separation of procurement and financial authority?</td>
<td>Yes.</td>
<td></td>
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<tr>
<td><strong>E) Financial Management:</strong></td>
<td></td>
<td></td>
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<tr>
<td>30) Are financial and physical reports on progress of works available online / electronically?</td>
<td>Quarterly progress used to be reported in media in the past for broad heads of the Budget.</td>
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<tr>
<td>Question</td>
<td>Answer</td>
<td></td>
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<tr>
<td>32) How is the budget for urban transport works determined?</td>
<td>City level budget for transport works is based on: 1) the proposals in the statutory Development Plan, the Integrated Road Development Plan, the CMP &amp; CDP prepared for JNNURM &amp; Traffic &amp; Transportation Planning report, if any. 2) Proposals recommended by Corporators for their election ward, and 3) Suggestions on development works called forth from citizens at Administrative Ward level.</td>
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</tr>
<tr>
<td>33) What is the process of payment of invoices? Typically, what is the average time taken to process payments to contractors?</td>
<td>At any one time, usually, an invoice=10% of annual outlay for project or Rs. 10 million, whichever is less, is drawn &amp; requires about 15 days for processing through the Project Officer, Consultant, Accounts &amp; Audit Departments.</td>
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<tr>
<td>34) What is the process of physical verification of assets – is there an asset management register?</td>
<td>The Pune Municipal Corporation maintains a Land &amp; Building Register. It is available online. Lands &amp; Estates Department is headed by an officer of Dy. Collector level &amp; has a setup at even administrative Ward level. Updation process is regular.</td>
<td></td>
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<tr>
<td>35) What is the internal control process for verification of IPCs and other financial instruments?</td>
<td>???</td>
<td></td>
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<tr>
<td>36) What is the process of audit of works?</td>
<td>Quality is assured through inspections by Engineers India Ltd. &amp; Standing Technical Advisory Committee prior to making of payment. Empanelled Architects &amp; Engineers pass stability &amp; safety certificates for buildings. External agency “Pavetec” assess bearing capacity of roads.</td>
<td></td>
</tr>
<tr>
<td>37) What is the extent to which external auditors are involved in the preparation of financial statements?</td>
<td>No external audit is employed.</td>
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</tbody>
</table>
A) **Disclosure of Information:**

1) **How is project information disseminated? Does the community have access to all project-related information?**

   Project information briefs are published by the departments, line agencies, the KSUDP in particular as well as the Municipal Corporations’ respective websites. Pamphlets and brochures are also used for the purpose of information dissemination. Hoardings, posters, television or radio are not used so far. Community has access to essential project related information. The RTI Act gives citizens the powers to seek information required.

2) **Are there citizen information boards to provide all information about the project on site? Does it contain information on who to complain to in case of any irregularities?**

   In the ADB funded KSUDP a system is being evolved. Complaint mechanism is available although not through citizen information boards but through the legal redressal system (courts) or in the local self government institutions’ grievance cells. In Kerala, Local Self Government Ombudsman and Tribunal is functioning. Few large LSGI’s have contact information of responsible officers on their website. Newspaper advertisements of grievance cell telephone numbers are also published from time to time. Standard city grievance telephone numbers regarding routine operation maintenance complaints for all services are also available. Depending upon the size and area of influence there may be area zonation against each contact number or office.

3) **Have the PIOs/APIOs and appellate authorities been appointed for the City? Is this information on the City website?**

   Each Corporation has PIO as per the RTI Act. In the KSUDP “Information Education and Communication” Officers have been appointed to convey project related information to public. The Government Secretary Local Self Government Department is the Appellate Authority. The information is available in the concerned city and Government of Kerala websites.

4) **As per the RTIA, is City information such as organization structure and duties/responsibilities of officers posted on the website? How frequently is this information updated?**

   Yes. Every three months as a routine and as and when necessary due to transfer postings etc. Same information is also available through each department’s website.

5) **How many information requests have been received on the program through the RTIA route? Who handles such information?**

   For this particular project no request has been received under RTI.

6) **Are there NGOs/CSOs that are active in the urban transport sector in the City/state?**

   Limited scale with respect to transport sector.

7) **Are any public consultations held to discuss project selection, alignment, accessibility issues of the affected stakeholders on projects? If so, how many are typically held and at what times (pre-feasibility stage, DPR stage or implementation stage)?**

   Stakeholder discussions are held at least once at pre-feasibility stage, DPR stage and implementation stage. Empowered Committees have been set up for project implementation for the
redressal of affected stakeholder/individual complaints and issues.

8) Are periodic press conferences held by the City to apprise the public of urban transport works in the City? What other media is used to disseminate project information?

Yes. Newspaper, pamphlets, brochures, TV programmes, radio informative items etc. are used.

9) Does the City produce an annual report highlighting urban transport work progress and achievements during the year? Are there any project brochures? Any advertisements in major newspapers about the ongoing/upcoming works in the City?

Each Corporation incorporates the details in the Annual Report. Line Departments and Corporate Bodies under GoK (public sector also publish Annual Reports wherein all project related information are available. Project brochures are published and circulated. Advertisements in newspapers are organized through the Information and Public Relations Department, GoK at the State level and through similar offices of the Municipal Corporations.

B) Complaints Handling:

10) What is the process of complaints handling? How many complaints have been received through this process? How many have been addressed?

Refer 2, above. PIU has an IT Officer. The Corporation has a grievance redressal mechanism in terms of providing information under Roads and Transport in term of Assistant Public Information officer and Information Officer

11) Is there information about who to address the complaint to – where is this information (online or at the office)?

Refer 2, above

12) Are anonymous written complaints entertained?

In selected cases, anonymous complaints get entertained

13) What is the mechanism for redressal of grievances of unsuccessful bidders? Is there is dispute resolution mechanism in place?

Redressal mechanism for unsuccessful bidders can lead to Courts in the first stage, in most cases. However, in certain projects like the ADB funded KSUDP, and large contracts the dispute resolution mechanism is built-in into the Contract Documentation for the respective projects.

14) Is there a vigilance mechanism in each city – how does it function?

The vigilance mechanism is at the state level as a function, with regional offices, which covers the respective cities. Most public sector bodies have their respective vigilance cells/departments/divisions.

C) Third-party Quality Monitoring:

15) What is the process for monitoring quality of urban transport works in the City? Please give details of staffing and laboratories.

In the case of the KSUDP, and other large projects, the execution period quality monitoring is achieved through the detailed quality assurance manual prepared through the qualified engineering design institutions, which follows national codes of practice for quality monitoring and through sample testing both at field level and in recognized reputed laboratories. At the state level the Kerala Highway Research Institute (KHRI) and the National Transport Planning and Reseach Centre (NATPAC), Trivandrum have
their own established well equipped laboratories. In addition to that Civil Engineering Departments of colleges in Trivandrum, Kottayam, Trissur, Kannur, NIT Calicut are established equipped laboratories.

16) Is there any third party-monitoring of road works? If so, which are these entities? Are qualified design or engineering institutions hired for such monitoring?

Third party monitoring of road works is in practice. The entities are selected through national/international competitive bidding based on selection criteria decided on the basis of the size of the project. Qualified design and engineering institutions are hired.

17) Are supervision consultants appointed routinely on all urban transport works in the City?

Yes, for major works only.

D) Procurement:

18) How many registered contractors exist in the City? How many typically bid for urban transport works in the City? Can outside contractors bid for work in the City?

There is a clarification of class-I, II and III Contractors who take up Corporation works. The list is flexible and keeps changing from time to time. Yes, all are national/international level bids allowing outside contractors to bid for works.

19) How is tender information publicized? Is the tender information posted on the website? Are names of contract award winners posted along with details of their evaluation on the website?

Notice inviting Tenders are published in leading national and vernacular newspapers. Tender information is also posted in the website of the implementing/monitoring agency as well as the corporation’s website. Names of contract award winners are posted in the website along with the details of the evaluation.

20) Is tender information available at multiple points?

Yes.

21) Can bids be submitted at multiple city locations?

No. The bids are submitted at one designated place/office of the implementing agency only.

22) What is the process of bid evaluation? Is there a tender evaluation committee for all bids? Who is on the committee?

Bid evaluation criteria are published through the RFP/RFQ document, which is also available downloadable from the respective websites, at the time of bid invitation. A specially appointed bid evaluation committee analyses the received bid documents against the given and published evaluation criteria and shortlists qualifying bidders. The financial quotes of only the qualified bidders are opened and work award selection is done based on the results. Yes, there will be a tender evaluation committee for all bids. Members included in the Technical Evaluation Committee for KSUDP project with ADB assistance for example, are Technical Officer (Procurement) from Project Implementation Unit (PIU), Municipal Finance Officer-PIU, Expert of the concerned sector & Corporation Engineer, and Project Manager, PIU is the Chairman of the Evaluation Committee.

23) Are bids opened immediately after the deadline for submission on the same day?

Bids are opened as per tender notification.

24) Is there a prequalification of bidders for certain projects?
Yes in all the bids, including those of the KSUDP.

25) What is the status of e-procurement in the City?

E-procurement has been recently introduced in the KSUDP project.

26) How are procurement planning and contract registers maintained?

Register is maintained as per the PWD manual and contractors are classified as Class A, Class B, Class C, Class D etc. as per the same.

27) What is the process for issue of completion certificates?

Certificate is issued as per the State PWD Manual and usually follows a mandatory defects liability period of minimum one calendar year. Completion drawings/As built drawings are also a mandatory requisite documentation related to completion certification.

28) What is the process of debarment of firms for fraudulent certificates or sub-standard work?

Procedure is available through the State as per Manual.

29) Is there a separation of procurement and financial authority?

Yes. Procurement offices are distinctly different from financial offices.

E) Financial Management:

30) Are financial and physical reports on progress of works available online/electronically?

Yes, in selected cases.

31) Is financial management information updated regularly on the website? At what intervals?

Yes, monthly

32) How is the budget for urban transport works determined?

Through DPR estimates

33) What is the process of payment of invoices? Typically, what is the average time taken to process payments to contractors?

Bills verified for payment by the appointed/selected monitoring third-party agency are paid directly by the implementing agency through its finance wing. Time varies from a week to about four weeks.

34) What is the process of physical verification of assets – is there an asset management register?

Yes, all assets are recorded in the register with counter signs.

35) What is the internal control process for verification of IPCs and other financial instruments?

PMU verifies as part of Internal Audit the IPC’s and other financial Instrument

36) What is the process of audit of works?
Internal, as well as the AG’s audit.

37) What is the extent to which external auditors are involved in the preparation of financial statements?

Assistance of external auditors is used for the preparation of financial statements.
Appendix 6.9 Pimpri Chinchwad

A) Disclosure of Information:

1) How is project information disseminated? Does the community have access to all project-related information?

Project information is disseminated through newspaper articles and the elected representatives of the corporation. The General Body comprising of elected representatives of the corporation approves the budget of the municipal corporation. This budget comprises of the works to be taken up by the corporation for the year. The budget is a public document.

In addition the Government of Maharashtra has recently enacted a Public Disclosure Law. This law mandates the corporation to disseminate information of the corporation on structured basis.

The community has access to all project-related information through the web-portal of PCMC and a projects monitoring portal.

2) Are there citizen information boards to provide all information about the project on site? Does it contain information on who to complain to in case of any irregularities?

Yes. Project information boards are erected at the project site with details. Also, the community has access to all project-related information through the web-portal and projects monitoring portal of PCMC.

Details of Public Information Officers under the Right to Information Act are displayed prominently at Head office and ward officer. This information is also available on the web-portal of PCMC.

3) Have the PIOs/APIOs and appellate authorities been appointed for the City? Is this information on the City website?

Yes, PIOs/APIOs have been appointed by the Pimpri Chinchwad Municipal Corporation (PCMC). The information is available on the website of PCMC.

4) As per the RTIA, is City information such as organization structure and duties/responsibilities of officers posted on the website? How frequently is this information updated?

Yes, the information on organizational structure and duties/responsibility is posted on the Website. It is updated whenever there is a change in the organizational structure or the duties/responsibilities of officers.

5) How many information requests have been received on the program through the RTIA route? Who handles such information?

The information requests are received departmentally at the head office and at ward offices. These are replied individually as per the act at department level itself. Since April 2008 over 70 information requests have been received at the City Engineer’s Office alone.

6) Are there NGOs/CSOs that are active in the urban transport sector in the City/state?

No, there are no active NGO's/CSO's that are active in the urban transport sector in the City.

7) Are any public consultations held to discuss project selection, alignment, accessibility issues of the affected stakeholders on projects? If so, how many are typically held and at what times (pre-feasibility stage, DPR stage or implementation stage)?
Public Consultations were held at the time of City Development Plan (CDP) of PCMC and while preparing the comprehensive mobility plan for the city. In addition, regular consultations were held with the elected representatives while preparation of the DPR for the project.

8) Are periodic press conferences held by the City to apprise the public of urban transport works in the City? What other media is used to disseminate project information?

Yes, the Municipal Commissioner holds a press-briefing everyday to share details of PCMC activities with the media and general public.

In addition the Government of Maharashtra has recently enacted a Public Disclosure Law. This law mandates the corporation to disseminate information of the corporation on structured basis.

9) Does the City produce an annual report highlighting urban transport work progress and achievements during the year? Are there any project brochures? Any advertisements in major newspapers about the ongoing/upcoming works in the City?

The budget document highlights the works that are taken up by the corporation. In addition major works are widely publicized by the elected representatives and through regular press briefings with the media.

In addition the Government of Maharashtra has recently enacted a Public Disclosure Law. This law mandates the corporation to disseminate information of the corporation on structured basis.

B) Complaints Handling:

10) What is the process of complaints handling? How many complaints have been received through this process? How many have been addressed?

- There are many streams through which citizens can register their complaints in PCMC. Following are details:
  - Web-site: Citizens can raise complaints by filling up online forms
  - Telephone: A telephone number is available to which citizens can make a call to place complaints
  - Lokshai Din: On every Monday of the month, all officials of PCMC and other local authorities assemble at a gathering of citizens to address the issues of the city. Complaints raised by citizens are noted and considered for redressal.
  - Through forms: Citizens can visit the Ward office and PCMC main office where they can fill up forms to register complaints
  - Complaints raised by citizens through local newspapers are compiled and forwarded to respective departments to be addressed

All complaints raised are forwarded to respective departments for redressal. Once the complaints have been responded to, the department informs CFC of the status. Following this, the CFC informs the citizen who has raised the complaint that it has been addressed.

Following is a summary of complaints received and addressed at PCMC:

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<tbody>
<tr>
<td></td>
<td>Addressed</td>
<td>Pending</td>
<td>Addressed</td>
<td>Pending</td>
</tr>
<tr>
<td>Through forms at Ward Offices and PCMC main office</td>
<td>330</td>
<td>0</td>
<td>236</td>
<td>0</td>
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</tbody>
</table>
11) Is there information about who to address the complaint to – where is this information (online or at the office)?

Complaints are addressed to the relevant department of PCMC. This information is available both online and at the office. Within the department, based on the type and intensity of problem, it is forwarded to relevant officer.

If a citizen is not aware which department to address to, the IT department (which handles the web-portal) and the CFC (Citizen Facilitation Centre) forward the complaints to the relevant department.

12) Are anonymous written complaints entertained?

No. Anonymous written complaints are not entertained.

13) What is the mechanism for redressal of grievances of unsuccessful bidders? Is there is dispute resolution mechanism in place?

Before the contract is awarded if there is any problem, the contractor can address letter to Commissioner or concerned executive official. The complaint is received by concerned department head/Commissioner. In both events complaint is received by the evaluation committee and put up to Commissioner for final decision. It is not mandatory to approach the Committee. The Complainant can approach Commissioner.

Commissioner is the final authority. Any dispute is resolved under Clause 58. Copy of Clause 58 enclosed along with “Procurements Questionnaire”.

14) Is there a vigilance mechanism in each city – how does it function?

There is no vigilance system at PCMC. This is covered through financial audits, third party inspection for quality control and state government audit of the corporation.
In addition, the Commissioner has the power to institute an enquiry into any irregularity that may come to his notice either through citizens or through the elected representatives.

**C) Third-party Quality Monitoring:**

15) What is the process for monitoring quality of urban transport works in the City? Please give details of staffing and laboratories.

PCMC follows a multiple step approach to quality control and assurance. Prior to undertaking any work a project needs to be prepared in accordance with standard specifications of MORT&H, CPWD and State PWD. These are thereafter verified through a technical sanction process through engineering section attached to the City Engineer’s office.

The tender conditions specify the process to be adopted for quality testing and the process to be adopted for testing of items. The Project Management Consultants (PMC) undertakes quality control for projects developed with their consultancy.

For all other projects that do not have PMC; PCMC has appointed Societe Generale de Surveillance (SGS) as a third party quality control and assurance agency. The capital works contract incorporates clauses for testing for quality assurance by SGS. They have their own laboratories and in cases also use government approved laboratories for testing. They have staff strength of 10 personnel.
16) Is there any third party-monitoring of road works? If so, which are these entities? Are qualified design or engineering institutions hired for such monitoring?

Please refer to response to the previous question. The PMC are qualified engineering firms and appointed through transparent procurement processes. They are appointed based on their qualifications and the staff that they deploy on works. SGS is a Geneva based organization that is well renowned for its practices and procedures for quality assurance and control.

17) Are supervision consultants appointed routinely on all urban transport works in the City?

Supervision Consultants are appointed for urban transport project of cost more than Rs 50 crores.

D) Procurement:
18) How many registered contractors exist in the City? How many typically bid for urban transport works in the City? Can outside contractors bid for work in the City?

Only those bidders who are registered with CPWD and State PWD are authorized to participate in bids. In the case of very large works the tendering process incorporates a rigorous pre qualification stage with qualification criteria matching the requirements of the tender.

19) How is tender information publicized? Is the tender information posted on the website? Are names of contract award winners posted along with details of their evaluation on the website?

Tender information is issued in leading newspapers in the country as well as local newspapers. Yes, the tender documents are also available through PCMC’s web-portal.

No, name of contract winners and details of evaluations are not posted on the web-site.

20) Is tender information available at multiple points?

Tender information available at multiple points i.e. through simultaneous publications in newspapers and the internet portal of PCMC.

21) Can bids be submitted at multiple city locations?

The receipt of tenders is done at central place in the office of Asst. Commissioner, Stores. Under the e Governance reform, PCMC is currently developing an e tendering module to enable online submission and receipt of bids.

22) What is the process of bid evaluation? Is there a tender evaluation committee for all bids? Who is on the committee?

The opening of post qualification criteria is done by Bid Opening Committee. For project below 50 lakhs, there is a Lower Officers Committee comprising of

   1. Accounts Officer of Stores dept/Stores Officer
   2. Deputy Chief Auditor
   3. Accounts Officer
   4. Executive Engineer of concerned dept.
For projects above 50 lakhs, there is a Higher Officers Committee comprising of

1. Asst. Commissioner of Stores
2. Chief Auditor
3. Chief Accountant
4. Concerned HoD

All Procurements are approved by the Commissioner. Commissioner approves the tender. Sanction is given by the House and reviewed by Standing Committee formed of 16 elected members. Hierarchy of General Body is enclosed.

23) Are bids opened immediately after the deadline for submission on the same day?
Yes, bids are opened after a gap of 30 minutes on the same day of submission.

24) Is there a prequalification of bidders for certain projects?
Technical specifications for works are as per IRC specifications. Also, these are entrusted to consultants. Usually, PWD rules are followed. The PWD circular is followed for post qualification criteria.

25) What is the status of e-procurement in the City?
A software application is under trial run for e procurement.

26) How are procurement planning and contract registers maintained?
Procurement planning is done by the head of Project Implementation Unit or the City Engineer. Contract registers are maintained by respective departments undertaking the project.

27) What is the process for issue of completion certificates?
Completion certificates are either issued after the final bill is paid or at the time of return of Security Deposit. This may include the defects liability period as specified in the contract.

28) What is the process of debarment of firms for fraudulent certificates or sub-standard work?
Suspension is done in failure of execution of works as per the terms of contract under the orders of Commissioner. Black listed contractors are not allowed to participate in any works of the corporation.

29) Is there a separation of procurement and financial authority?
Yes there is a separation of procurement and financial authority. The officers of the corporation can only take up works that have been approved in the Budget sanctioned by the General Body. The process involves calling tenders and approval of the tender by the tender committee and acceptance of the recommendations by the Standing Committee of the corporation.

E) Financial Management:
30) Are financial and physical reports on progress of works available online/electronically?

Financial and physical progress reports are compiled by the JNNURM Cell which prepares the Monthly progress reports of all major project works of PCMC.

31) Is financial management information updated regularly on the website? At what intervals?

The Government of Maharashtra has recently enacted a Public Disclosure Law. This law mandates the corporation to disseminate information which includes financial information corporation on structured basis.

32) How is the budget for urban transport works determined?

Costs of projects are determined through Details Project Reports (DPRs) that are prepared by engaging technical consultants. The DPRs are prepared in accordance with standard specifications of MORT&H, CPWD, state PWD, National Urban Transport Policy and generally accepted guidelines for preparing DPRs.

33) What is the process of payment of invoices? Typically, what is the average time taken to process payments to contractors?

All works commissioned by the corporation has a measurement book. This measurement book is updated on regular intervals to keep track of the work on site. The bills of for the works are raised by the contractor; these bills are checked by the technical consultants (PMC) and submitted to the engineer in charge. The engineer in charge checks the bills vis-à-vis the measurement books and physical verification if required and certifies the bill for payment. This payment is tagged to an appropriate work item in the budget and submitted to the accounts section. Internal audit verifies if all procedures have been followed and approves the payment for release by the accounts section.

34) What is the process of physical verification of assets – is there an asset management register?

There is an asset register maintained by the accounts department.

35) What is the internal control process for verification of IPCs and other financial instruments?

Currently the corporation is debt free and has not subscribed to any financial instruments. Appropriate procedures as required will be put in place if required. Generally the accounts and internal audit sections will be responsible for internal and control processes.

36) What is the process of audit of works?

There is a system of Pre and post audit at PCMC. Internal audit is a separate department of the corporation. This department is involved from the stage of tender opening and in some cases tender design to the stage of payments and project closure through various processes to ensure compliance to procedures.

37) What is the extent to which external auditors are involved in the preparation of financial statements?

The Auditor General appointed by the State Government conducts annual audits. In addition after migration to double entry system of accounting PCMC will also get its financial statements audited by external auditors.
APPENDIX-7: ENVIRONMENTAL AND SOCIAL MONITORING FRAMEWORK
### Appendix–7.1: Potential Impacts and Management Framework

<table>
<thead>
<tr>
<th>Project Stage</th>
<th>Impact</th>
<th>Type of Project Intervention / GEF Priority</th>
<th>Management Measure</th>
<th>Responsibility</th>
<th>ToR Items (Design Stage) / Contract Clause (Construction Stage)</th>
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<tbody>
<tr>
<td>Location / Design / Pre-construction</td>
<td>Environmental Impacts</td>
<td>Location of project facilities and infrastructure near environmentally sensitive areas as parks, ponds, lakes, urban forests etc., likely to contaminate the precincts</td>
<td>Others-Road Infrastructure</td>
<td>PIU / Design consultant</td>
<td>These provisions will form part of the Terms of Reference for preparation of EA / SA for subprojects which should be in line with the provisions of ESMF.</td>
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<td>Location of project facilities in heavily trafficked areas will induce traffic snarls for the period of construction and contribute to increase in air pollution levels and noise pollution</td>
<td>Others-Road Infrastructure, Public Transport Infrastructure</td>
<td>PIU / Design Consultant</td>
<td>This provision will be covered as part of the Terms of Reference provided to the Design Consultants who would be preparing the Detailed Design Report.</td>
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<td>Location of borrow areas and quarry areas close to environmentally sensitive areas would induce environmental impacts even though they are far away from urban areas</td>
<td>Others-Road Infrastructure, Public Transport Infrastructure</td>
<td>PIU / Design consultant / Contractor</td>
<td>The contractor shall identify and seek prior approval of the engineer for quarrying and borrowing operations. Quarry and borrowing should be carried only from the locations approved by the engineer. Quarrying if required in the project shall be only from the approved quarries and no new quarries shall be opened for the purposes of the project. Any deviation from the provisions should be immediately notified and approval of the engineer is to be sought.</td>
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<td></td>
<td>Removal of Trees</td>
<td>Public Transport</td>
<td>Inventory of trees that are likely to be affected will be</td>
<td>PIU / Design Consultant</td>
<td>The ToR for preparation of Detailed Design Report will</td>
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<td>Project Stage</td>
<td>Impact</td>
<td>Type of Project Intervention / GEF Priority</td>
<td>Management Measure</td>
<td>Responsibility</td>
<td>ToR Items (Design Stage) / Contract Clause (Construction Stage)</td>
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<td></td>
<td>Infrastructure</td>
<td>prepared during the DPR. The number of trees that can be cut and the number of trees eligible for transplantation (if feasible) will be determined. Measures for transplantation of trees where feasible and compensatory plantation in lieu of the trees likely to be cut will be undertaken</td>
<td>provide for conducting tree survey and determine impacts as well as measures to address the issue.</td>
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<tr>
<td>Social / Resettlement Aspects</td>
<td></td>
<td>Others-Road Infrastructure / Public Transport Infrastructure</td>
<td>Cut off date in case of likelihood of land acquisition should be established early in the project cycle to reduce influence of price rise speculations</td>
<td>PIU / Design consultant</td>
<td>These provisions will form part of the Terms of Reference for preparation of EA / SA for subprojects which should be in line with the provisions of ESMF.</td>
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<td>Speculation of land prices, more specifically in case of terminals and road improvements is an identified impact which is both beneficial as well as harmful</td>
<td></td>
<td>Information dissemination on the project proposals and likely alternatives needs to be carried out as soon as possible in the project area. This is best done through community consultation sessions. Opinion of the community and potential PAP should be considered in the design process and feedback should be provided to the concerned PAPs</td>
<td>PIU / Design consultant</td>
<td>These provisions will form part of the Terms of Reference for preparation of EA / SA for subprojects which should be in line with the provisions of ESMF.</td>
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<tr>
<td>Psychological distress to potential PAPs is considered a major impact during or due to design</td>
<td></td>
<td>Conducting Social Assessment (SA) and prepare a Resettlement Action Plan (RAP) to address these issues in accordance with the ESMF. All R&amp;R activities shall be completed prior to start of civil works and the contractor will be provided project area that is free from encumbrances.</td>
<td>PIU / Design consultant</td>
<td>Provisions for conduct of SA and RAP will be covered as part of the ToR provisions for Design Consultant. RAP implementation is to be carried out by the PIU with the help of Revenue Department and / or an external consultant whose ToR would cover the R&amp;R implementation provisions with necessary time frame.</td>
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<td>Acquisition of land for the facilities causes – R&amp;R issues as loss of livelihood, loss of shelter, severance of community &amp; social ties</td>
<td></td>
<td>Use of existing pavement widths that are encroached will cause removal of squatters and encroachments from roadsides causing loss of livelihood and loss of shelter</td>
<td>PIU / Supervision Consultant</td>
<td>Entitlements as per the RAP and entitlement matrix shall be calculated and disbursed as per the schedule provided in RAP.</td>
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<tr>
<td>Construction Stage</td>
<td>Environmental Impacts</td>
<td>ITS application to Public Transport Infrastructure</td>
<td>Environmental management measures as per the EMP prepared for specific sub-projects and / or Environmental and Social Management Framework need to be implemented. If no major construction</td>
<td></td>
<td>All environmental provisions in the applicable specifications for the works should be adhered to as part of the good engineering practices while adhering to the provisions of the EMP for the specific</td>
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<td>Project Stage</td>
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<td>Temporary interruption to traffic and increase of emissions from vehicles due to higher idling times</td>
<td>Others-Road Infrastructure</td>
<td>A traffic management plan to address the traffic congestion issues that are likely to be encountered during the construction time is to be implemented</td>
<td>Supervision Consultant / Contractor</td>
<td>Necessary arrangements for diversion of traffic in the project areas shall be completed prior to initiation of civil works as per the Traffic Management Plan with prior approval of the Engineer of Supervision Consultant</td>
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<td>Temporary increase of noise levels due to idling and traffic snarls</td>
<td>Others-Road Infrastructure</td>
<td>Traffic management measures to be undertaken in accordance with the traffic management plan will avoid traffic snarls as well as idling traffic during construction</td>
<td>Supervision Consultant / Contractor</td>
<td>Necessary arrangements for diversion of traffic in the project areas shall be completed prior to initiation of civil works as per the Traffic Management Plan with prior approval of the Engineer of Supervision Consultant</td>
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<td>Air and noise pollution from construction activities</td>
<td>Others-Road Infrastructure</td>
<td>All construction machinery shall be complaint with the air and noise pollution norms of CPCB for construction equipment. Construction activities causing high ambient noise during night time will be avoided and such activities will be restricted to day time. All vehicles plying for construction activities will strictly adhere to emission norms prevailing in the country. Dust suppression measures as watering of construction site shall be carried out to reduce dust pollution.</td>
<td>Supervision Consultant / Contractor</td>
<td>The contractor shall ensure compliance of all construction machinery and equipment with the emission standards of CPCB. All vehicle shall regularly be checked for emissions and ensured that they have a PUC Certificate</td>
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<td>Alternate traffic diversion routes increasing route length and consequently emissions</td>
<td>Others-Road Infrastructure</td>
<td>A traffic management plan to divert and / or manage the traffic flow along the project roads or circumvent project sites shall be notified to the residents through display signs as well as newspaper advertisements</td>
<td>Supervision Consultant / Contractor</td>
<td>The contractor shall notify the residents through appropriate medium in vernacular on the traffic diversions undertaken prior to implementation</td>
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<td>Construction / reconstruction / improvement will result in minor construction issues as: (i) Generation of noxious gases during construction – increasing air pollution (ii) Temporary increase in noise pollution during construction (iii) Contamination of road runoff with construction material</td>
<td>Others-Road Infrastructure</td>
<td>(i) All concrete used in the construction works will be manufactured at centralised locations in Batching plants which will be located away from habitations and environmentally sensitive areas. Similarly, all bitumen mix will be at Hot Mix plants only. All construction vehicles will be in compliance with the emission norms in force as per CPCB. All emissions from construction machinery will be in compliance with the emission norms</td>
<td>Supervision Consultant / Contractor</td>
<td>The contractor shall implement the EMP in its spirit of offsetting any environmental impacts that may arise from implementation of the project</td>
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<td>stacked on road side</td>
<td>(ii) The contractor will ensure that noise from all construction equipment will be less than 75 dBA measured at 1 m free field for compliance with CPCB standards (iii) No construction material will be staked without protection from wind and rain to protect from erosion and consequent flow into water courses or generation of fugitive emissions (iv) All traffic diversions should be maintained in motorable condition and drivers should be notified of the diversion well in advance (v) Diverted routes should be as short as possible and away from congested lanes (vi) No water stagnation will be allowed in the construction site.</td>
<td>Supervision Consultant / Contractor</td>
<td>The contractor shall provide all necessary Personal Protective Equipment as necessary for avoidance of occupational hazards. Contractor shall ensure that the workers wear them while conduct of such activities contrary to which there will penalisation proceedings against the worker and will be strictly prohibited from conducting such activity.</td>
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<td>(iv) Traffic safety during construction</td>
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<td>(v) Traffic diversions causing lengthening</td>
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<td>neighborhoods’ to noise</td>
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<td>depressions will cause to spread vector</td>
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<td>allowed in the construction site.</td>
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<td>Safety and health of construction workers</td>
<td>Workers undertaking road</td>
<td>Supervision Consultant / Contractor</td>
<td>The contractor shall provide all necessary Personal Protective Equipment as necessary for avoidance of occupational hazards. Contractor shall ensure that the workers wear them while conduct of such activities contrary to which there will penalisation proceedings against the worker and will be strictly prohibited from conducting such activity.</td>
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<td>Oends-Road Infrastructure Percast</td>
<td>furniture installation will be provided with adequate safety gear while working at higher ground. Works</td>
<td>Provisional Protective Equipment / Contractor</td>
<td>The contractor shall provide all necessary Personal Protective Equipment as necessary for avoidance of occupational hazards. Contractor shall ensure that the workers wear them while conduct of such activities contrary to which there will penalisation proceedings against the worker and will be strictly prohibited from conducting such activity.</td>
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<td>IIS application to Public Transport</td>
<td>installing electrical equipment will be provided with insulating equipment and necessary protective gear</td>
<td>Provisional Protective Equipment / Contractor</td>
<td>The contractor shall provide all necessary Personal Protective Equipment as necessary for avoidance of occupational hazards. Contractor shall ensure that the workers wear them while conduct of such activities contrary to which there will penalisation proceedings against the worker and will be strictly prohibited from conducting such activity.</td>
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<td>Pedestrian / NMT Infrastructure Improvement</td>
<td>Ground personnel will be provided with helmets, gloves, boots and other protective gear as necessary</td>
<td>Provisional Protective Equipment / Contractor</td>
<td>The contractor shall provide all necessary Personal Protective Equipment as necessary for avoidance of occupational hazards. Contractor shall ensure that the workers wear them while conduct of such activities contrary to which there will penalisation proceedings against the worker and will be strictly prohibited from conducting such activity.</td>
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<td>Public Transport Infrastructure</td>
<td>All workers engaged in batching and hot mix plants</td>
<td>Provisional Protective Equipment / Contractor</td>
<td>The contractor shall provide all necessary Personal Protective Equipment as necessary for avoidance of occupational hazards. Contractor shall ensure that the workers wear them while conduct of such activities contrary to which there will penalisation proceedings against the worker and will be strictly prohibited from conducting such activity.</td>
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<td>Indiscriminate disposal of construction</td>
<td>Disposal sites are to be identified prior to start of dismantling or construction activities in the project area. The sites are to be located away from environmentally sensitive areas and ground water recharge areas. The disposal site should be prepared for collection of leachate in case of disposal of hazardous material as bitumen wastes to avoid contamination of ground and surface water sources. The selected sites should be approved by the supervision consultant and consent to dispose should be provided in writing. Necessary permissions and clearances</td>
<td>Provisional Protective Equipment / Contractor</td>
<td>The contractor shall prior to start of construction and dismantling operations identify potential sites for disposal of hazardous construction debris, sites for general construction wastes and domestic wastes from construction camps. The contractor has to obtain approval on identified sites from the Engineer of Supervision Consultant and disposal shall be only after consent letter from the Engineer.</td>
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<td>debris in and around construction sites will cause unhygienic conditions in the area</td>
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*GEF – Sustainable Urban Transport Project, India*
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<th>ToR Items (Design Stage) / Contract Clause (Construction Stage)</th>
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<td>from the local government and the public should be obtained by the contractor and scrutinised subsequently by the Supervision Consultant.</td>
<td>Supervision Consultant / Contractor</td>
<td>Contractor shall adhere to the provisions of the EMP and the traffic management plan.</td>
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<td>A traffic management plan to address the traffic congestion issues that are likely to be encountered during the construction time needs to be prepared. All construction machinery shall be complaint with the air and noise pollution norms of CPCB for construction equipment. Construction activities causing high ambient noise during night time will be avoided and such activities will be restricted to day time. All vehicles plying for construction activities will strictly adhere to emission norms prevailing in the country. Dust suppression measures as watering of construction site shall be carried out to reduce dust pollution.</td>
<td>Supervision Consultant / Contractor</td>
<td>Contractor shall undertake necessary precautionary measures for avoidance of accidental spillage of construction material and debris outside the construction site. Any accidental spillages and impacts on the adjacent lands shall be made good by the contractor. Any temporary acquisitions shall be returned to the owner in its original condition or to the satisfaction of the owner.</td>
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<td>Accidental spillages to adjacent lands shall be prevented by barricading the construction site to avoid visual blight. Adequate care as to provide bunds and silt fencing to avoid contaminated flows entering the adjacent lands. Any accidental spillages and trampling shall be made good by the contractor. Adjacent lands required for ease of construction or for facilitating construction during the construction period would be temporarily acquired and compensation as per entitlement matrix is to be paid to the owner / occupant as the case may be. Return of the site to the owner / occupant should be in condition prior to its temporary acquisition or in a condition that is to the satisfaction of the owner / occupant</td>
<td>Supervision Consultant / Contractor</td>
<td>Contractor shall take necessary and adequate care to avoid accidental impacts to nearby utilities. Any accidental impacts shall be made good by the contractor.</td>
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<td>Necessary and adequate care shall be taken by the contractor to avoid accidental impacts on the nearby utilities. Any potential utility that is likely to be damaged or impacted during the construction period should be shifted / relocated</td>
<td>Supervision Consultant / Contractor</td>
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<td>Infrastructure</td>
<td>prior to start of construction or necessary alternate arrangements in consultation with the community is to be undertaken</td>
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<td>Others-Road Infrastructure</td>
<td>Adequate HIV / AIDS and STD awareness campaigns are to be conducted regularly in the construction camps to educate the construction workers on the transmission of the disease and precautionary measures towards prevention.</td>
<td>Supervision Consultant / Contractor</td>
<td>The Contractor shall organise HIV / AIDS and STD awareness campaigns in the construction camps. The contractor shall as necessary and as directed by the Supervision Consultant provide for Condom Vending machines in the construction camps. All necessary provisions for hygiene of the workers shall be taken in the construction camps.</td>
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<td>Pedestrian / NMT Infrastructure Improvement</td>
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<td>Public Transport Infrastructure</td>
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<td>Operation Stage</td>
<td>Improvement in safety of pedestrians</td>
<td>Feeder Services</td>
<td>No measures required. This is a positive impact</td>
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<td>Others</td>
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<td>Pedestrian / NMT Infrastructure Improvement</td>
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<td>Public Transport Infrastructure</td>
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<td>ITS application to Public Transport</td>
<td>No measures required. This is a positive impact</td>
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<td></td>
<td>Improvement in traffic flow and reduction of air / noise emissions</td>
<td>ITS application to Public Transport</td>
<td>No measures required. This is a positive impact</td>
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<td></td>
<td>Improvement in urban air quality</td>
<td>Feeder Services</td>
<td>No measures required. This is a positive impact</td>
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<td>Public Transport Infrastructure</td>
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<td>Increase in signal time for red causing increase in idling and emissions from vehicles / noise</td>
<td>Pedestrian / NMT Infrastructure Improvement</td>
<td>Display of signal times will be considered to inform road users and encourage switching off engines if waiting time is longer</td>
<td>PIU / PMU</td>
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<td>Pedestrian safety issues from reduction of signal times for pedestrians</td>
<td>Public Transport Infrastructure</td>
<td>Periodic pedestrian counts will be conducted to ascertain the signal times</td>
<td>PIU / PMU</td>
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<td>Loss of usual transport routes due to delineation of pedestrian routes to NMT – bicycles / cycle rickshaws forcing them onto other roads increasing risk of accidents</td>
<td>Pedestrian / NMT Infrastructure Improvement</td>
<td>Planning of the NMT / pedestrian routes will take necessary care to avoid such encroachments.</td>
<td>PIU / PMU</td>
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<td>Loss of adequate frontage to commercial / residential establishments</td>
<td>Pedestrian / NMT Infrastructure Improvement</td>
<td>Planning of the NMT infrastructure will take necessary care to avoid such situations</td>
<td>PIU / PMU</td>
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<td>Reduction of additional lane width for motorized vehicular traffic if existing road width is</td>
<td>Pedestrian / NMT Infrastructure Improvement</td>
<td>Planning of the NMT infrastructure will take necessary care to avoid such situations</td>
<td>PIU / PMU</td>
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<td>used for demarcating the cycle lanes</td>
<td>Transport Infrastructure</td>
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<td>Increase in traffic – noise and air pollution in the periphery of core city areas</td>
<td>Pedestrian / NMT Infrastructure Improvement</td>
<td>Minimum exit and entry times will be ensured at the vehicular parking areas along with stream lining of the traffic flow in these areas. These would ensure low emissions and reduce noise pollution.</td>
<td>PIU / PMU</td>
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Entitlements for PAPs

1. Loss of private property as land and assets – these will be compensated at replacement cost and assistance as ex-gratia and transportation costs will be provided.

2. Loss of Livelihood – Financial assistance for a period of 6 months will be given to the PAPs losing livelihood. This will be calculated based on the average wage rates prevailing in the state. One family member (male/female) of the affected family shall be provided necessary training facilities for development of entrepreneurship skills to take up self-employment projects as part of R&R benefits.

3. Encroachers will receive no compensation for land but assistance for shifting assets in residential and commercial properties to the vulnerable groups shall be provided.

4. Squatters will be provided rental assistance for a maximum period of 3 months. A onetime financial assistance of Rs. 10000 shall be paid only to vulnerable groups.

5. Additional support to BPL and SC / ST for loss of residential structure includes a onetime financial assistance of Rs. 1,00,000 per family.

6. Shifting business as in case of kiosks will be provided assistance for 3 months for a sum as decided by the state. In case of number of vendors exceeding 50 a vendors market rent free for initial six months will be provided and thereafter, they would be encouraged to collectively purchase the market site would be explored.

7. Temporary construction related impacts will be compensated by providing assistance in case of loss of business temporarily.

8. Any unforeseen impacts will be documented and compensated mitigated based on the principles agreed upon in the policy framework.
<table>
<thead>
<tr>
<th>City</th>
<th>Project</th>
<th>Total cost</th>
<th>NURM Eligible</th>
<th>80% Grant for DPRs, Tas from MOUD</th>
<th>GEF</th>
<th>Implementing Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ajmer</td>
<td>Provision of Pedestrian infrastructure in Ajmer &amp; Pushkar</td>
<td>301.6</td>
<td>268.0</td>
<td>234.4</td>
<td>26.8</td>
<td>0.0</td>
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<tr>
<td>Ahmedabad</td>
<td>Service improvements to planned BRT system</td>
<td>191.0</td>
<td>120.0</td>
<td>59.4</td>
<td>18.0</td>
<td>8.0</td>
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<tr>
<td>Pune</td>
<td>Promotion of NMT (Footpaths&amp; cycle tracks)</td>
<td>1099.9</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>142.5</td>
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<tr>
<td>Hyderabad</td>
<td>Pedestrian infrastructure improvement near MMTS</td>
<td>530.8</td>
<td>483.8</td>
<td>188.3</td>
<td>73.0</td>
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<tr>
<td>Indore</td>
<td>Enhancements to BRT operations</td>
<td>448.8</td>
<td>400.0</td>
<td>220.0</td>
<td>80.0</td>
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<td>Jalandhar</td>
<td>Promotion of NMT Facilities (Footpaths&amp; cycle tracks)</td>
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<td>0.0</td>
<td>0.0</td>
<td>24.4</td>
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<tr>
<td>Mysore</td>
<td>ITS improvements on existing buses &amp; Ethanol-diesel infrastructure</td>
<td>237.1</td>
<td>165.3</td>
<td>134.2</td>
<td>3.1</td>
<td>8.1</td>
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<tr>
<td>Naya Raipur</td>
<td>Implementation of BRTS (For Phase 1)</td>
<td>1876.6</td>
<td>1365.0</td>
<td>320.0</td>
<td>30.0</td>
<td>8.0</td>
</tr>
<tr>
<td>Trivandrum</td>
<td>Enhancement of pedestrian facilities</td>
<td>493.4</td>
<td>364.5</td>
<td>311.6</td>
<td>36.5</td>
<td>60.8</td>
</tr>
<tr>
<td>Pimpri Chinchwad</td>
<td>Implementation of BRTS</td>
<td>6558.9</td>
<td>4260.4</td>
<td>1704.2</td>
<td>852.1</td>
<td>38.7</td>
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<tr>
<td>Total in Rs million</td>
<td></td>
<td>7363.3</td>
<td>3166.6</td>
<td>1467.9</td>
<td>267.4</td>
<td>267.8</td>
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<tr>
<td>Total in USD million</td>
<td></td>
<td>184.1</td>
<td>79.2</td>
<td>36.7</td>
<td>6.7</td>
<td>6.7</td>
</tr>
</tbody>
</table>
PARTICIPATION AGREEMENT
GEF-Sustainable Urban Transport Program, India

Participation Agreement

Between

Ministry of Urban Development

And

State Government of <enter the name of the State> represented by the <enter the name of the department> Department

And

<Enter the name of the Implementing Agency in the participating City>

This participation agreement entered into on the …..Day of ….. , 2008 between the Ministry of Urban Development, Government of India, <name> Department, Government of <state> and <Implementing Agency> for participation in planning and implementation of Demonstration Projects under the Sustainable Urban Transport Program (SUTP).

PREAMBLE

Whereas;

1. Ministry of Urban Development has prepared National Urban Transport Policy (NUTP) with the objective of ensuring safe, affordable, quick, comfortable, reliable and sustainable access for the growing number of city residents to jobs, education, recreation and such other needs within the cities. This objective is sought to be achieved by;

   • Incorporating urban transportation as an important parameter at the urban planning stage rather than being a consequential requirement
   • Encouraging integrated land use and transport planning in all cities so that travel distances are minimized and access to livelihoods, education, and other social needs, especially for the marginal segments of the urban population is improved
   • Improving access of business to markets and the various factors of production
   • Bringing about a more equitable allocation of road space with people, rather than vehicles, as its main focus
   • Encourage greater use of public transport and non motorized modes by offering Central financial assistance for this purpose
   • Enabling the establishment of quality focused multi-modal public transport systems that are well integrated, providing seamless travel across modes
• Establishing effective regulatory and enforcement mechanisms that allow a level playing field for all operators of transport services and enhanced safety for the transport system users

• Establishing institutional mechanisms for enhanced coordination in the planning and management of transport systems

• Introducing Intelligent Transport Systems for traffic management

• Addressing concerns of road safety and trauma response

• Reducing pollution levels through changes in traveling practices, better enforcement, stricter norms, technological improvements, etc.

• Building capacity (institutional and manpower) to plan for sustainable urban transport and establishing knowledge management system that would service the needs of all urban transport professionals, such as planners, researchers, teachers, students, etc.

• Promoting the use of cleaner technologies

• Raising finances, through innovative mechanisms that tap land as a resource, for investments in urban transport infrastructure

• Associating the private sector in activities where their strengths can be beneficially tapped

• Taking up pilot projects that demonstrate the potential of possible best practices in sustainable urban transport

2. To subserve the objectives of NUTP, the MoUD has formulated the Sustainable Urban Transport Program (SUTP) that aims to strengthen GOI and local government’s capacity in planning, financing, implementing, operating, and managing climate friendly and sustainable urban transport interventions through two components:

• Component 1: National Capacity Development Initiatives

• Component 2: Demonstration Projects in Select Cities

3. Government of <State> and <Implementing Agency> have expressed their intention to participate in the Component 2 of SUTP and have submitted project outlines for inclusion in the SUTP.

4. The project belonging to Component 2 of the <Implementing Agency> is expected to be financed by the GEF (Global Environment Facility), the World Bank, the Government of India and the <state government> through Jawaharlal Nehru National Urban Renewal Mission (JNNURM), and the <Implementing Agency>.

5. This Participation Agreement applies to only Component 2 of the SUTP. According to the clearance from the Planning Commission, this component is to be implemented under the State Sector Scheme.

6. Now therefore, in consideration of the above premises and in the interest of the mutual advantage in attainment of common objectives, the parties hereto desire to cooperate and mutually agree as follows:
1. **Commencement and duration.**

This participation agreement shall come into force immediately on its execution and shall remain in force till the completion of the project. However once the financing agreement(s) and the project agreement(s) are signed with the World Bank, the relevant clauses of those agreements shall prevail.

2. **The project**

The project to be implemented under this agreement as part of Component 2 is outlined in the Annex 1 along with the estimated project costs and the proposed funding plan.

3. **Project Implementation Arrangement**

3.1 Government of India is the principal recipient or borrower of the funds received from the GEF, and the World Bank. It has assigned Ministry of Urban Development (MoUD) as the leading agency for preparation and implementation of SUTP. The MoUD has established a Project Management Unit (PMU) for guiding and supervising the preparation, implementation and monitoring of the Project.

3.2 As the Component 2 of the SUTP is to be implemented under the State Sector Scheme, the <department of Government of <state> shall cause the <Implementing Agency> to implement the project in accordance with the provisions of financing agreements between India and the World Bank, the project agreement between World Bank and the State Government, and the Operations Manual.

3.3 The <Implementing Agency> shall establish a Project Implementation Unit (PIU) comprising at least a Project Manager, a Transport Specialist/Traffic Engineer, an Environment and Social Officer (wherever necessary), an Procurement Officer and a Finance Officer with necessary support staff immediately upon execution of this participation agreement.

4. **Project preparation**

The <Implementing Agency> shall, if not already completed, undertake detailed project preparation in accordance with the process defined in the SUTP Operations Manual, including the following key requirements:

(i) Detailed Project Profiles (DPP), including background and objectives of the project, project components, major project benefits, project implementation arrangements, cost estimation, and monitoring and evaluation.

(ii) Feasibility Study (-ies), including full economic and technical feasibility studies of the proposed project investments. The feasibility studies will also include screening of potential social and environmental impacts, as well as estimation of Global Environment benefits.

(iii) Detailed Project Report(s) (DPR), including detailed engineering design following government standards and norms and international good practices,

(iv) Environmental & Social Impact Assessments, in consistent with the Environmental and Social Management Framework provided in the Operations Manual.

5. **Procurement**

The <Implementing Agency> shall prepare a Project Procurement Plan including procurement packages, procurement methods, dates for preparation of bid documents, invitation for bid, evaluation of bids and award, etc.

It shall also be responsible for procurement of goods, works and services in accordance with the provisions of the SUTP Operations Manual including the provisions of prior review by MoUD/PMU and the World Bank, if any, at various stages of procurement.

6. **Project Implementation**

The <Implementing Agency> will implement the project according to sound engineering, operational and management processes.

The <state government> shall disburse GEF grant funds, World Bank loan and JnNURM funds to the implementing agency within the timeframe to be agreed
7. **Anti-Corruption**

The <implementing agency> shall carry out its project subcomponent in accordance with the World Bank’s Anti-Corruption Guidelines and any other requirements relating to governance and anti-corruption that are agreed between India and the World Bank.

8. **Operation and Maintenance**

Upon completion of the implementation of each project subcomponents, the <implementing agency> shall ensure proper operation of the improved facilities and shall undertake required maintenance works, such as the provision of required electrical power, functioning of the street lights and traffic signs/signals, garbage collection, prevention from encroachments, maintenance of bus ways, sidewalks and drainage, etc.

9. **Reporting**

<Implementing Agency> shall prepare and submit to PMU quarterly progress reports on physical and financial progress of project implementation by using the format to be agreed with the World Bank.

<Implementing Agency> shall prepare a Project Implementation Completion Report as advised by the PMU at completion of the project. This report will include a description of project outcomes with a view to learn lessons from this pilot project.

10. **Project Finance**

GOI shall be the principal recipient or borrower of funds to be received from GEF and the World Bank. The scale of financial assistance shall be finalized and confirmed when the financing agreements are signed between GOI and the World Bank. Counterpart funds when provided for shall be made available in a timely manner by the GoI, <State Government> and <Implementing Agency> as the case may be.

As the funds are routed through the state government, the <State Government> shall ensure timely disbursement of funds to the <Implementing Agency>.

The financial management requirements, such as flow of funds, disbursement, project accounts, auditing, reporting, etc, shall comply with provisions of the financing agreements between India and the World Bank, the project agreement between World Bank and the State Government, and the Operations Manual.

11. **Outcome monitoring, learning lessons for replicating the pilot projects**

The state government and the MoUD shall monitor the outcomes of the pilot projects both in terms of furthering the objectives of NUTP and achieving the GEF environmental objectives. The <Implementing Agency> shall establish a Monitoring and Evaluation system for the project and shall carry out required surveys and studies, as described in the Operations Manual. The state government and MoUD shall on the basis of progress reports submitted by the Implementing Agency derive lessons for replicating similar programs in other cities.

12. **Reforms to be undertaken**

The implementing agency shall also undertake the followings reforms outlined under the JnNURM, if not undertaken already,

- Constitution of Unified Metropolitan Transport Authority (UMTA)
- Setting up of Dedicated Urban transport Fund (UTF)
- Preparation of Comprehensive Mobility Plan
- Formulation of Parking Policy
- Formulation of Advertisement Policy

13. **Settlement of Dispute**

The Parties undertake to act in good faith with respect to each other’s rights to adopt all reasonable measures to ensure the realization of the objectives of the Project.
If either Party objects to any action or inaction of the other Party, the objecting Party may file a written Notice of Dispute to the other Party providing in detail the basis of the dispute. The Party receiving the Notice of Dispute will consider it and respond in writing within 14 days after receipt. If that Party fails to respond within 14 days, or the dispute cannot be amicably settled within 14 days following the response of that Party the dispute will be referred to the Secretary to Government of India, MoUD for settlement. His decision shall be final and binding on the Parties concerned.

14. Notices

Any notice, request or consent required or permitted to be given or made pursuant to this Agreement shall be in writing. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent to such Party at the address specified below:

MoUD

State Government

Implementing Agency

AUTHORIZING SIGNATURES

IN WITNESS THEREOF, the parties hereto have signed their names and executed this Participation Agreement on the date herein below last written.

Director (Urban Transport), Ministry of Urban Development, GoI

Secretary to Government of (state)

Urban Development Department

Authorised signatory of the <Implementing Agency>