



**GEF/WORLD BANK/UNDP  
Sustainable Urban Transport Project, India**

**PROJECT INFORMATION DOCUMENT**

**Volume 4**

**Component 3  
Strengthening Project Management  
Capabilities (Final)**

**May 2009**

**MINISTRY OF URBAN DEVELOPMENT  
Government of India**

Project Preparatory Work Consultant: **LEA Associates South Asia Pvt. Ltd., New Delhi**

# CONTENTS

## EXECUTIVE SUMMARY

E.1	BACKGROUND.....	1
E.2	PURPOSE OF COMPONENT 3.....	1
E.3	IMPLEMENTATION ARRANGEMENTS.....	1
E.3	COSTS.....	3
E.4	SOURCE OF FUNDING.....	4
E.5	FUND FLOW.....	4
E.6	PROCUREMENTS.....	5
<b>1.</b>	<b>STRENGTHENING PROJECT MANAGEMENT CAPABILITIES.....</b>	<b>1-1</b>
1.1	BACKGROUND.....	1-1
1.2	PROJECT MANAGEMENT ACTIVITIES.....	1-1
<b>2.</b>	<b>PROJECT MANAGEMENT.....</b>	<b>2-1</b>
2.1	PROJECT MANAGEMENT SETUP.....	2-1
2.1.1.	Steering Committee SUTP.....	2-1
2.1.2.	Project Management Unit (PMU).....	2-1
2.1.3.	State Level Nodal Agency (SLNA).....	2-4
2.1.4.	Project Implementation Unit (PIU).....	2-4
<b>3.</b>	<b>COSTS AND FUNDING.....</b>	<b>3-1</b>
3.1	PMU STAFF REMUNERATIONS.....	3-1
3.2	OUTSTATION VISITS.....	3-1
3.3	MEETING EXPENSES.....	3-1
3.4	OPERATING EXPENSES.....	3-1
3.5	OFFICE FURNISHING AND EQUIPMENTS.....	3-1
3.6	OFFICE ACCOMMODATION.....	3-2
3.7	PROJECT MANAGEMENT CONSULTANT.....	3-2
3.8	AUDITORS.....	3-2
3.9	SUMMARY OF COSTS.....	3-2
3.10	SOURCE OF FUNDING.....	3-2
<b>4.</b>	<b>FUND FLOW.....</b>	<b>4-1</b>
<b>5.</b>	<b>PROCUREMENT PLAN.....</b>	<b>5-1</b>
5.1	PROCUREMENT OF INDIVIDUAL CONSULTANT SERVICES.....	5-1
5.2	PROCUREMENT OF PMC AND AUDIT SERVICES.....	5-1
5.3	PROCUREMENT OF GOODS.....	5-3
<b>6.</b>	<b>SECTION 1: LETTER OF INVITATION.....</b>	<b>10</b>

**LIST OF TABLES**

Table 1-1: Project cycle, components and sub components .....	1-1
Table 3-1: Cost of PMU Staff Remuneration .....	3-1
Table 3-2: Cost of Office furnishing and equipments.....	3-2
Table 3-3: Summary of Costs .....	3-2
Table 3-4: Source of Funding .....	3-2
Table 5-1: Procurements and Procedures .....	5-1

**LIST OF FIGURES**

Figure 2-1: Project Management Setup .....	2-1
Figure 2-2: PMU Setup .....	2-2
Figure 4-1: Fund Flow Mechanism .....	4-1
Figure 5-1: PMC and Audit Services Procurement Schedule.....	5-2

**APPENDICES**

<b>APPENDIX 2.1: TERMS OF REFERENCE FOR NATIONAL PROJECT MANAGER.....</b>	<b>1</b>
<b>APPENDIX 2.2 TERMS OF REFERENCE FOR TRANSPORT SPECIALIST CUM DEPUTY PROJECT MANAGER .....</b>	<b>3</b>
<b>APPENDIX 2.3 TERMS OF REFERENCE FOR FINANCE AND ACCOUNTS SPECIALIST .....</b>	<b>4</b>
<b>APPENDIX 2.4 SELECTION OF PROJECT MANAGEMENT CONSULTANT- EXPRESSION OF INTEREST .....</b>	<b>6</b>
<b>APPENDIX 2.5 SELECTION OF PROJECT MANAGEMENT CONSULTANT- REQUEST FOR PROPOSAL (RFP) .....</b>	<b>8</b>
<b>APPENDIX 2.6 TERMS OF REFERENCE FOR INTERNAL AUDITOR .....</b>	<b>74</b>
<b>APPENDIX 2.7 TERMS OF REFERENCE FOR STATUTORY AUDITOR .....</b>	<b>77</b>

**LIST OF ABBREVIATIONS**

DPR	Detailed Project Report
EOI	Expression of Interest
ESMF	Environment Social Management Framework
GEF	Global Environment Facility
GHG	Greenhouse Gas
GOI	Government of India
GT	Green Transport
IA	Implementing Agency
IUT	Institute of Urban Transport
KMC	Knowledge Management Centre
M & E	Monitoring and Evaluation
MOUD	Ministry of Urban Development
MRTS	Mass Rapid Transit System
NMT	Non Motorized Transport
NPD	National Project Director
NUTP	National Urban Transport Policy
OSD	Officer on Special Duty
PD	Project Director
PIP	Project Implementation Plan
PIU	Project Implementation Unit
PMC	Project Management Consultant
PPC	Project Preparatory Consultant
PM	Project Manager
PMU	Project Management Unit
SUTP	Sustainable Urban Transport Project
TOR	Terms Of Reference
UNDP	United Nations Development Programme
UT	Urban Transport

# *Executive Summary*

---

The Project Information Document (PID) prepared for component 3 of the GEF-SUTP details out the purpose for inclusion of the component into the project, its objectives, implementation arrangements, costs and funding plan.

## **E.1 BACKGROUND**

The Government of India (GoI) has applied to the Global Environment Facility (GEF) to implement Sustainable Urban Transport Project (SUTP) in India to ensure that environmental considerations are taken into account in the application of the National Urban Transport Policy (NUTP) and to achieve a paradigm shift in India's urban transport systems in favour of sustainable development. The twin objectives of SUTP India are;

- i) To strengthen capacity of GoI, and participating states and cities in planning, financing, implementing, operating and managing sustainable urban transport systems; and
- ii) To assist states and cities in preparing and implementing demonstration "Green Transport" projects.

These objectives are to be achieved through the implementation of following three components.

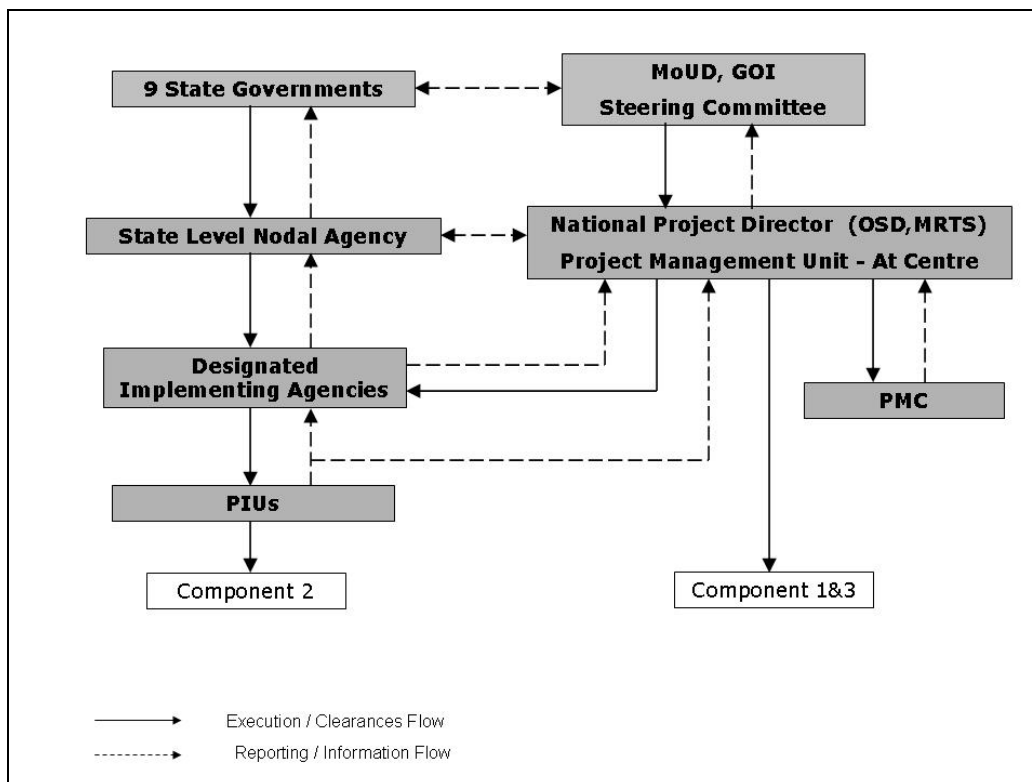
- The first component is targeted towards National Capacity Development in Urban Transport with a fund allocation of USD 15.2 million;
- The second component, meant for implementing environment friendly urban transport demonstration projects in participating cities has a total project cost of about USD 350 million; and
- The third component is to strengthen the overall project management capability of the nodal agency responsible for implementing the SUTP for which an allocation of USD 2.45 Million has been made.

## **E.2 PURPOSE OF COMPONENT 3**

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.

## **E.3 IMPLEMENTATION ARRANGEMENTS**

The project implementation and management structure for facilitating and ensuring smooth and effective implementation of the project, including the Component-3 is given in Figure 1.



**Figure 1: Project Implementation Arrangement**

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 and would provide overall direction and guidance to the national and city level implementing agencies.

The 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. The PMU will provide technical assistance to MoUD in planning, preparation, procurement, fund management and reporting required for component 1 and 3.

PMU will be headed by a National Project Director (NPD) who will be an Officer of MoUD. The NPD would be assisted by a National Project Manager (NPM) who would be an interface between PMU and various committees of the government like the advisory, steering, standing committee etc. The National Project Manager will be assisted by other professionals and staff, including Finance and Accounts Specialist, Transport Specialist and other support staff.

The proposed structure of PMU is shown in **Figure 2**. The PMU will be supported by a team of technical experts and a Project Management Consultant, 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.

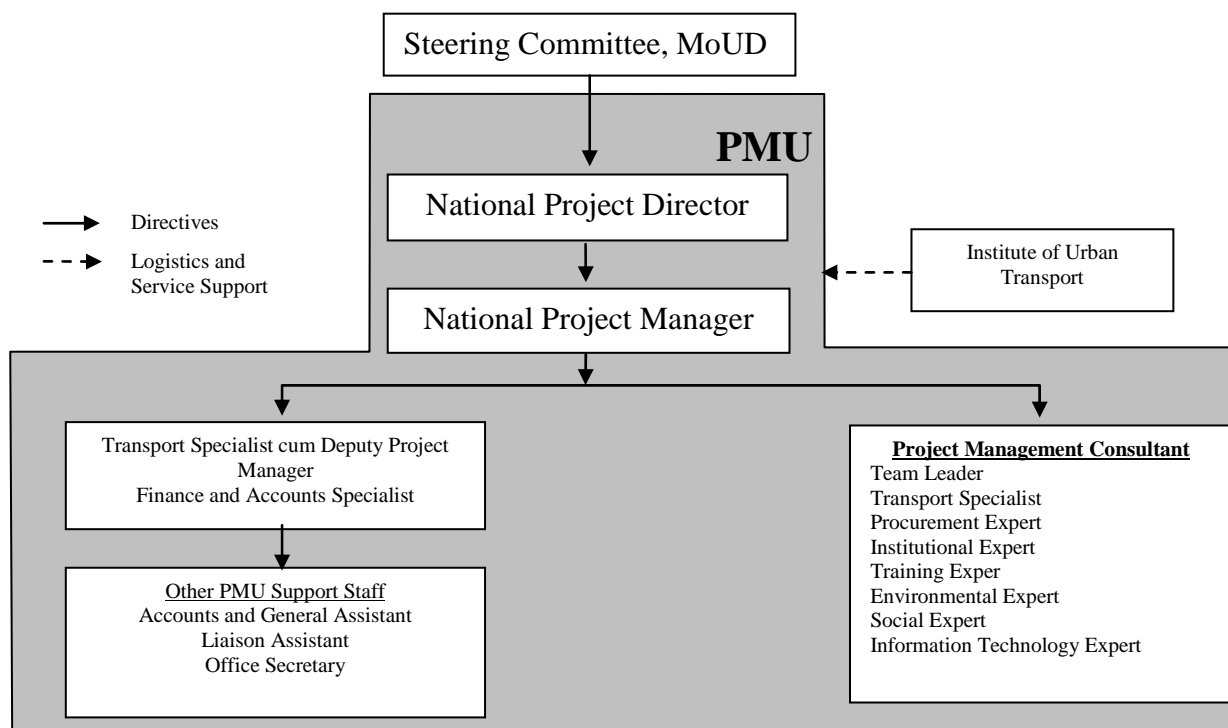


Figure 2: PMU Setup

The ToRs and scope of work for all the professional of the PMU and the PMC have been outlined. The EOI and the RFP for the procurement of PMC and audit services have also been prepared and given as part of Appendix 2.4 and 2.5.

The State Level Nodal Agency (SLNA), as per NURM guidelines, will be responsible for reviewing the project proposal and funding request for all the cities selected under this project except Jalandhar and forwards it to the MoUD, which will then put it up to the Central Sanctioning and Monitoring Committee (CSMC). Once endorsed by CSMC, the request for release of fund is then sent to MoF which directly transfers the funds to SLNA, which then in turn passes it on to the IA.

### E.3 COSTS

Total expenditure required for strengthening the project management capabilities of MoUD works out to Rs. 1022 lakhs (Rs102.2 million) as shown in **Table 1**.

Table 1: Cost of Component 3

Components	Total Rs. Lakhs
PMU Staff Costs	190
Outstation Visit Costs	54
Meetings	1
Operating Expenses	10
Office Furnishing and Equipments	7
Project Management Consultancy	600
Internal Auditors	80
Statutory Auditors	80
<b>TOTAL</b>	<b>1022</b>

## E.4 SOURCE OF FUNDING

Total fund required for the strengthening of the PMU would be made available from two sources. GEF/UNDP has committed an allocation of USD 0.45 million while the balance is to be funded by the MoUD. The expected source of funding for the various components would be as shown in **Table 2**.

**Table 2: Source of Funding**

Components	Total Rs. Lakhs	GEF/UNDP	GOI
National Project Manager	60.0	60.0	
Deputy Project Manager	40.0	40.0	
Finance and Accounts Specialist	60.0	60.0	
Accounts and General Assistant	12.0	12.0	
Liaison Assistant	10.0	10.0	
Office Secretary	8.0	8.0	
Outstation Visits	54.0		54.0
Meetings	1.0		1.0
Operating Expenses	10.0		10.0
Office Furnishing and Equipments	7.0		7.0
Project Management Consultancy	600.0		600.0
Internal Auditors	80.0		80.0
Statutory Auditors	80.0		80.0
<b>Total Expenditure (Rs. Lakhs)</b>	<b>1022.0</b>	<b>190.0</b>	<b>832.0</b>
<b>Total Expenditure (Million USD at Rs 48 = 1 USD)</b>	<b>2.13</b>	<b>0.40</b>	<b>1.73</b>
<b>Contingency (Million USD)</b>	<b>0.32</b>	<b>0.05</b>	<b>0.27</b>
<b>Provision (Million USD)</b>	<b>2.45</b>	<b>0.45</b>	<b>2</b>

Of the total fund requirement of USD 2.45 million, USD 0.45 million is expected from GEF/UNDP and the remaining USD 2 million is expected from GOI.

## E.5 FUND FLOW

As indicated in **Table 2**, GEF/UNDP funds allocated for this component would be utilized for PMU staff remunerations while the remaining expenses would be funded by the MoUD. UNDP would therefore directly disburse the GEF funds as staff remunerations. MoUD would directly disburse their share of funds for payments towards Project Management Consultant services, Audit Services and to IUT (who have been assigned the responsibility of providing logistics and services support to MOUD) for other expenses such as outstation visits, organizing weekly meetings, monthly office operating expenses, office furnishing and equipments. The proposed fund flow plan is shown in **Figure 3**.



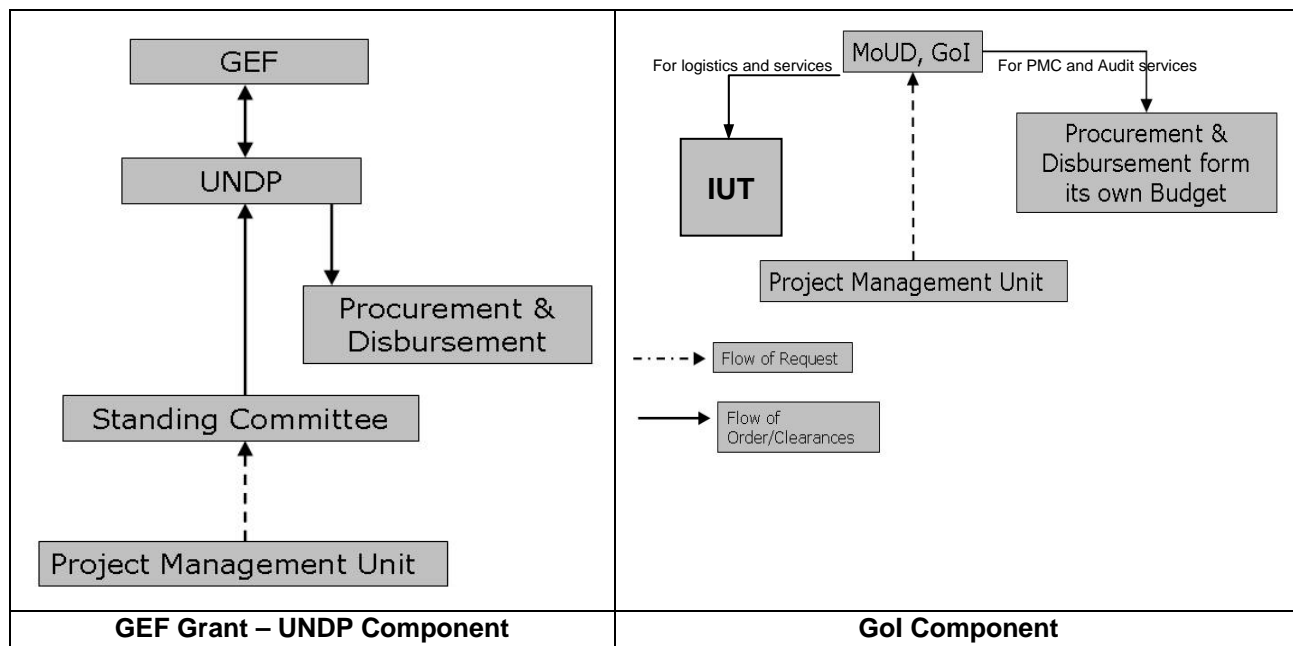


Figure 3: Fund Flow Mechanism

The GEF grant of USD 0.45 million allocated for PMU staff remuneration has to be sourced through UNDP. A Standing Committee under the chairmanship of the NPD has been setup to approve and recommend this expenditure to the UNDP. The process would be initiated by PMU who will submit the request for funds to this committee. The committee will meet at a prescribed date and time and after approving the request will forward it to the UNDP who will then disburse the GEF funds as per its prescribed guidelines.

The MoUD will directly undertake procurement and disbursement for the PMC and Audit Services from its own allocated budget as per its own guidelines. The GOI will disburse funds to IUT for all other services and expenditures. These will be procured following the internal procedures of IUT.

### E.6 PROCUREMENTS

Procurements shall be done as per the guidelines of the funding agency. Since UNDP is expected to fund the staff remunerations in PMU, UNDP guidelines shall be followed for the procurement of these personnel. Government of India (GoI) procurement guidelines shall be followed for the procurement of Project Management Consultant and Auditors while IUTs internal procedures shall be followed for other components. **Table 3** summarizes the procurements required and the procedure to be adopted for the respective components.

Table 3: Procurements and Procedures

Components	Total Rs. Lakhs	Source of Funding	Type of Procurement/Expenditure	Procurement Guideline
National Project Manager	60.0	UNDP	Services	UNDP
Transport Specialist cum Deputy Project Manager	40.0	UNDP	Services	UNDP
Finance and Accounts Specialist	60.0	UNDP	Services	UNDP
Accounts and General Assistant	12.0	UNDP	Services	UNDP

Components	Total Rs. Lakhs	Source of Funding	Type of Procurement/Expenditure	Procurement Guideline
Liaison Assistant	10.0	UNDP	Services	UNDP
Office Secretary	8.0	UNDP	Services	UNDP
Outstation Visits	54.0	GoI	Expenditure	IUT
Meetings	1.0	GoI	Expenditure	IUT
Operating Expenses	10.0	GoI	Expenditure	IUT
Office Furnishing and Equipments	7.0	GoI	Goods	IUT
Project Management Consultancy	600.0	GoI	Services	GoI
Internal Auditor	80.0	GoI	Services	GoI
Statutory Auditor	80.0	GoI	Services	GoI
<b>Total Expenditure (Rs. Lakhs)</b>	<b>1022.0</b>			
<b>(Million USD at Rs 48 = 1 USD)</b>	<b>2.13</b>			
<b>Contingency (Million USD)</b>	<b>0.32</b>			

For procurement of individual consultants, respective guidelines of UNDP, GoI and IUT would be followed. Procurement procedure for PMC and Audit services would be more elaborate and shall follow GoI’s standard procedure for large consulting services. The ToRs, EoI and RFP documents have been given as part of Appendix 2.1 to 2.7.

Office furnishings and equipments for the PMU would be procured using the IUT internal procedures.

**LIST of APPENDICES**

**APPENDIX 2.1: TERMS OF REFERENCE FOR NATIONAL PROJECT MANAGER .....1**

**APPENDIX 2.2 TERMS OF REFERENCE FOR TRANSPORT SPECIALIST CUM DEPUTY PROJECT MANAGER .....3**

**APPENDIX 2.3 TERMS OF REFERENCE FOR FINANCE AND ACCOUNTS SPECIALIST .....4**

**APPENDIX 2.4 SELECTION OF PROJECT MANAGEMENT CONSULTANT- EXPRESSION OF INTEREST .....6**

**APPENDIX 2.5 SELECTION OF PROJECT MANAGEMENT CONSULTANT- REQUEST FOR PROPOSAL (RFP).....8**

**APPENDIX 2.6 TERMS OF REFERENCE FOR INTERNAL AUDITOR..... 74**

**APPENDIX 2.7 TERMS OF REFERENCE FOR STATUTORY AUDITOR ..... 77**

# 1. Strengthening Project Management Capabilities

## 1.1 BACKGROUND

Government of India (GOI) has applied to the Global Environmental Facility (GEF) to implement GEF's Sustainable Urban Transport Project (SUTP) in India. The primary objectives of the SUTP (India) are,

- 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" projects.

SUTP objectives are to be achieved through the implementation of three components. The first component targeted towards National Capacity Development has an allocation of USD 15.2 Million while the second component meant for implementing green transport demonstration projects in participating cities, has a total project cost of about USD 350 Million. The third component meant for strengthening the project management capabilities of the implementing agency has an allocation of USD 2.45 Million.

Ministry of Urban Development (MoUD), GoI has been designated as the nodal agency on behalf of the GOI to implement the SUTP. Therefore, the MoUD has to manage and implement all the three components of SUTP. This document discusses the tasks required for strengthening the project management capabilities, the institutional strengthening requirements, fund requirements, source of funding and the procurements needed to enable the MoUD to manage the project effectively.

## 1.2 PROJECT MANAGEMENT ACTIVITIES

Project management requires efficient handling of all tasks in the project cycle. For the components being considered under the SUTP, the project cycle comprises the following four main stages. Its components and subcomponents are listed in **Table 1.1**

- (a) Project Preparation
- (b) Project Management
- (c) Project Execution
- (d) Project Completion

**Table 1-1: Project cycle, components and sub components**

Stage	Component	Subcomponents
Project Preparation	Project Selection	<ul style="list-style-type: none"><li>• Identification of urban needs – CDP,CMP</li><li>• Stakeholder and Community Consultations</li><li>• Project Scoping</li></ul>
	Project Appraisal	<ul style="list-style-type: none"><li>• Appraisal and approval of Project Proposal by MoUD</li></ul>
	Project Report	<ul style="list-style-type: none"><li>• Techno-economic feasibility</li><li>• Viability Analysis</li><li>• Implementation Arrangements</li><li>• Procurement Plan</li><li>• Sourcing of Funds</li></ul>
	Project Approval	<ul style="list-style-type: none"><li>• Participation Agreement</li></ul>

Stage	Component	Subcomponents
Project Execution	National Project Management Unit	<ul style="list-style-type: none"> <li>• Technical and Institutional Support (Project Management)</li> <li>• Training on Project Implementation</li> <li>• Procurement Management</li> <li>• Contract Management</li> <li>• Finance Management</li> <li>• Information Management</li> <li>• Monitoring and Evaluation of outcomes</li> </ul>
	City Project Implementation Unit	<ul style="list-style-type: none"> <li>• Technical and Economic Analysis of Subprojects</li> <li>• Adjustments to Project Designs</li> <li>• Procurement Management</li> <li>• Contract Management</li> <li>• Finance Management</li> <li>• Social and Environmental Management</li> <li>• Information Management</li> <li>• Monitoring and Evaluation of outcomes</li> </ul>
Project Completion	National Project Management Unit	<ul style="list-style-type: none"> <li>• Closure of Project activities</li> <li>• Preparation of Implementation Completion Report</li> </ul>
	City Project Management Unit	<ul style="list-style-type: none"> <li>• Taking over of completed works</li> <li>• Completion of contracts</li> </ul>

## 2. Project Management

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.

### 2.1 PROJECT MANAGEMENT SETUP

To enable effective communication and distribution of responsibilities between the three primary stakeholders namely the GoI, State Government and the individual Implementing Agency, a management structure is envisaged as shown in Figure 2-1.

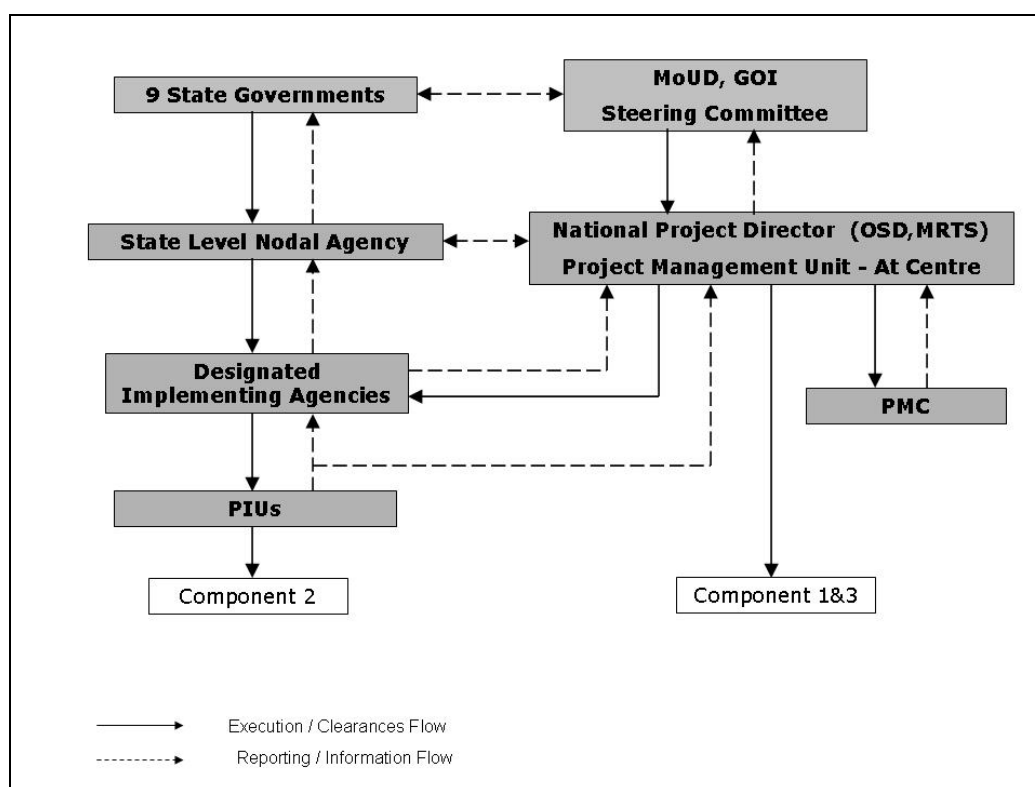


Figure 2-1: Project Management Setup

Roles and responsibilities at the various levels of project management setup have been discussed in the following sections.

#### 2.1.1. 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 guide and oversee the work to be taken up under the project.

#### 2.1.2. Project Management Unit (PMU)

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 through a Project Management

Unit (PMU) headed by Director (UT), MoUD, who will also be the Project Director. The PMU would undertake individual activities by hiring suitable consultants and shall report to the Steering Committee through Urban Transport Division in the Ministry.

Main tasks of PMU would be to:

- Plan, program and execute the three components of SUTP and provide advisory support to the participating cities.
- Manage the implementation of Component 1 of SUTP
- 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 progress of project activities during the project period, compile project reports prepared by cities, conduct periodic audits to ensure compliance with Operations Manual and take necessary actions wherever required.
- Provide training for PIU staff to ensure they would properly follow the Operations Manual requirements on social and environmental management, procurement, financial management, as well as public consultation and information disclosure.
- 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, including preparing the Implementation Completion Report (ICR) within six months after project closure.
- Complete the processes required for closing the SUTP after its implementation at the end of project period.

The proposed structure of PMU is shown in **Figure 2.2**. The PMU will be supported by a team of technical experts and a Project Management Consultant, 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.

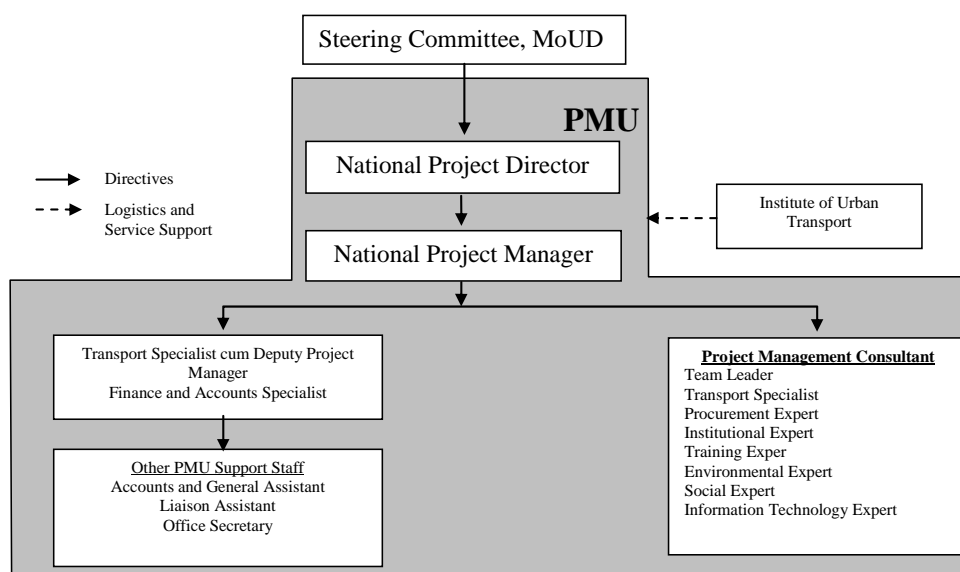


Figure 2-2: PMU Setup

**National Project Director (NPD)**

OSD (MRTS) of MoUD has been designated as the National Project Director and is also the Member Secretary 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 headed by a National Project Manager (NPM) would include a small team of staff who would be assisted by a Project Management Consultant (PMC). The PMC would provide technical support in all areas of expertise required for project management. Activities of all of these experts are to be coordinated and managed by the NPM. In addition, the NPM will assist the NPD in the day to day management of the SUTP. Tasks, responsibilities and expertise required of the NPM have been elaborated in the ToR given in **Appendix 2.1**.

### ***Transport Specialist cum Deputy Project Manager***

The Transport Specialist cum Deputy Project Manager will be responsible for the planning, implementation, monitoring and evaluation of green transport projects approved under the SUTP. This Specialist would also be required to advice on transportation planning policies and procedures and generally assist the NPM in all aspects of project management. Tasks, responsibilities and expertise required of the Transport Specialist have been elaborated in the ToR given in **Appendix 2.2**.

### ***Finance and Accounts Specialist***

The Finance and Account Specialist is to handle all tasks related to project finance, accounting, auditing and reporting required in all three components of SUTP implementation. Tasks, responsibilities and expertise required of the Finance Specialist have been elaborated in the ToR given in **Appendix 2.3**.

A Liaison Assistant to handle inter-ministerial and inter-departmental liaison work, an Accounts and General Assistant to assist in the accounts and project works and an Office Secretary to handle the office correspondence and logistics would be the other support staff required in the PMU.

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. To handle these responsibilities, the PMU would require the services of a team of experts in the areas of project management, transport planning, institutional development, training, procurement, environment, social, and information technology. The services of this team of experts are to be obtained through a Project Management Consultant Service. The following sections outline the tasks, responsibilities and expertise required of each individual specialists in the PMC.

### ***Project Management Consultant (PMC)***

Services of a Project Management Consultant (PMC) are to be procured to assist the PMU in implementation and monitoring of the SUTP. The PMC will 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. The EOI and detailed terms of reference explaining the responsibilities of the PMC has been given in **Appendix 2.4 and 2.5** respectively.

### ***Internal and Statutory Auditors***

Audit of accounts is a requirement of all public projects. Consequently, the PMU would need to appoint an Internal Auditor to audit the project accounts and a Statutory Auditor to certify the audited accounts. The detailed terms of reference explaining the responsibilities of the Internal and Statutory Auditors have been given in **Appendix 2.6 and 7**.

**(NOTE:** These ToRs may be finalised after review by MoUD)

### ***2.1.3. State Level Nodal Agency (SLNA)***

The State Level Nodal Agency (SLNA), as per NURM guidelines, will be responsible for reviewing the project proposal and funding request for all the cities selected under this project except Jalandhar and forwards it to the MoUD, which will then put it up to the Central Sanctioning and Monitoring Committee (CSMC). Once endorsed by CSMC, the request for release of fund is then sent to MoF which directly transfers the funds to SLNA, which then in turn passes it on to the IA.

### ***2.1.4. 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
- Transport Specialist
- Finance Officer
- Procurement Officer
- Social Safeguard Officer, as required
- Environmental Safeguard Officer, as required



### 3. Costs and Funding

---

The Project Management Unit (PMU) at the national level has to function over the entire project period of 4 years. The PMU would need to have adequate funds to meet the remuneration and operational costs over the project period. This chapter assesses the expected staff remuneration costs and the other operational costs over the project period and also discusses the source of such funds.

#### 3.1 PMU STAFF REMUNERATIONS

Remuneration cost of staff directly appointed to the PMU would need an allocation of Rs. 190 lakhs (Rs. 19.0 million) over the project period of 4 years as shown in Table 3.1.

**Table 3-1: Cost of PMU Staff Remuneration**

Designation	Average Cost per Annum (Average over four years)-Rs. Lakhs	Total Person Years	Total Cost (Rs. Lakhs)
National Project Manger	15.0	4	60.0
Transport Specialist cum Deputy Project Manager	10.0	4	40.0
Finance and Accounts Specialist	15.0	4	60.0
Accounts and General Assistant	3.0	4	12.0
Liaison Assistant	2.5	4	10.0
Office Secretary	2.0	4	8.0
<b>Total</b>			<b>190.0</b>

#### 3.2 OUTSTATION VISITS

PMU Specialists will require to undertake frequent visits to cities for coordination, guidance, review and meetings etc with the PIU and State Government. Each outstation visit would include travel costs, accommodation costs and incidental expenses. The cost of outstation visits is estimated to be Rs. 54 lakhs (Rs. 5.4 million).

#### 3.3 MEETING EXPENSES

It is expected that the PMU will be required to organize at least one meeting per week. Total expenses required for organizing meetings over the project period of 50 months is estimated to be Rs. 1,00,000/-

#### 3.4 OPERATING EXPENSES

Monthly Operating Expenses would include Telephone, Fax, Courier, Stationary, Local Transport, Utilities, maintenance of equipments etc. This is estimated to cost Rs. 20,000/- per month, which for 50 months works out to Rs. 10, 00,000/-.

#### 3.5 OFFICE FURNISHING AND EQUIPMENTS

PMU would procure office furniture and equipments for establishing the office. The estimated cost of procuring such items as given in Table 3.2 is Rs. 7 lakhs (Rs. 0.7 million)

**Table 3-2: Cost of Office furnishing and equipments**

Items	Numbers	Total cost
Work Stations, Computers and accessories	Lump sum	5,00,000
Office furniture	Lump sum	2,00,000
Total		7,00,000

### 3.6 OFFICE ACCOMMODATION

Office accommodation for the PMU would be provided by MoUD. No provision has been made on this account.

### 3.7 PROJECT MANAGEMENT CONSULTANT

PMU is to be assisted by a Project Management Consultant. Considering the team of professionals who would constitute the PMC, the estimated cost of PMC services over the project period of 50 months works out to Rs. 6,00,00,000/-.

### 3.8 AUDITORS

Audit of accounts is a requirement of all public projects. Consequently, the PMU would need to appoint an Internal Auditor to audit the project accounts and a Statutory Auditor to certify the audited accounts. Expenses for each of these auditors are estimated to cost Rs. 80 lakhs (Rs. 8 million).

### 3.9 SUMMARY OF COSTS

Total expenditure required for strengthening the project management capabilities of MoUD works out to Rs. 1022 lakhs (Rs102.2 million) as shown in Table 3-3. .

**Table 3-3: Summary of Costs**

Components	Total Rs. Lakhs
PMU Staff Costs	190
Outstation Visit Costs	54
Meetings	1
Operating Expenses	10
Office Furnishing and Equipments	7
Project Management Consultancy	600
Internal Auditors	80
Statutory Auditors	80
<b>TOTAL</b>	<b>1022</b>

### 3.10 SOURCE OF FUNDING

Total fund required for the strengthening of the PMU would be made available from two sources. GEF/UNDP has committed an allocation of USD 0.45 million while the balance is to be funded by the MoUD. The expected source of funding for the various components would be as shown in Table 3-4.

**Table 3-4: Source of Funding**

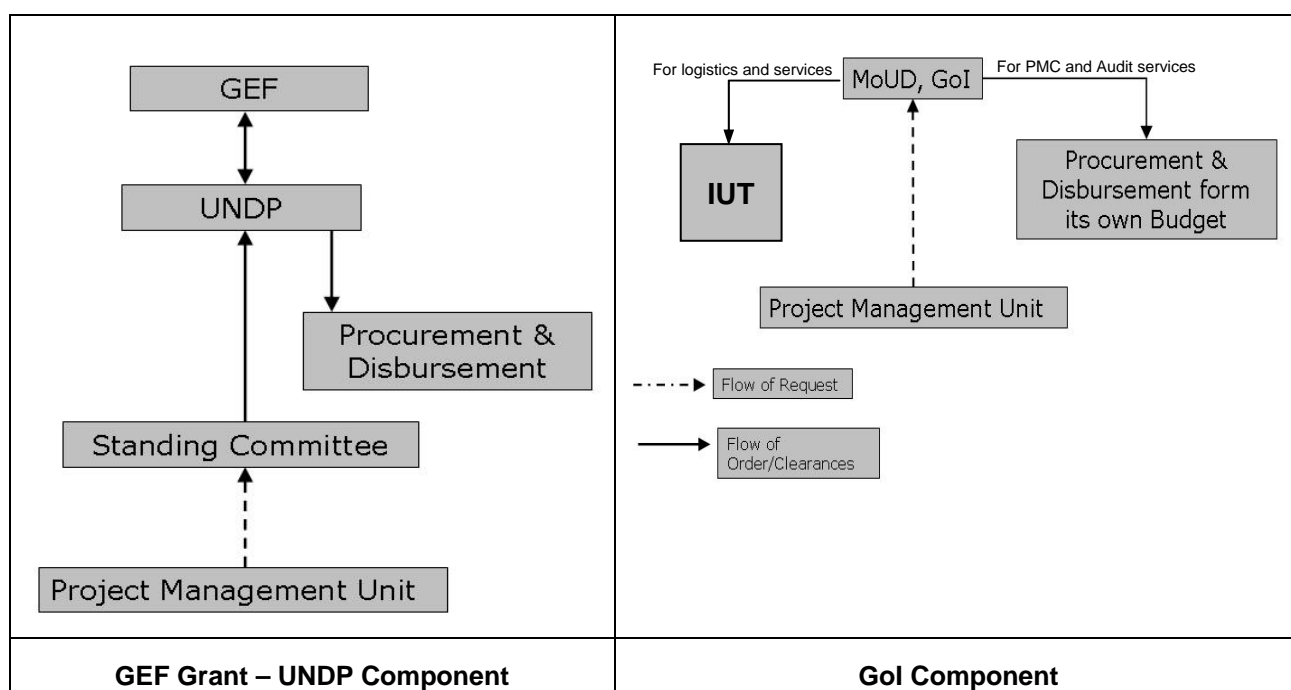
Components	Total Rs. Lakhs	GEF/UNDP	GOI
National Project Manager	60.0	60.0	
Deputy Project Manager	40.0	40.0	
Finance and Accounts Specialist	60.0	60.0	
Accounts and General Assistant	12.0	12.0	

Components	Total Rs. Lakhs	GEF/UNDP	GOI
Liaison Assistant	10.0	10.0	
Office Secretary	8.0	8.0	
Outstation Visits	54.0		54.0
Meetings	1.0		1.0
Operating Expenses	10.0		10.0
Office Furnishing and Equipments	7.0		7.0
Project Management Consultancy	600.0		600.0
Internal Auditors	80.0		80.0
Statutory Auditors	80.0		80.0
<b>Total Expenditure (Rs. Lakhs)</b>	<b>1022.0</b>	<b>190.0</b>	<b>832.0</b>
<b>Total Expenditure (Million USD at Rs 48 = 1 USD)</b>	<b>2.13</b>	<b>0.40</b>	<b>1.73</b>
<b>Contingency (Million USD)</b>	<b>0.32</b>	<b>0.05</b>	<b>0.27</b>
<b>Provision (Million USD)</b>	<b>2.45</b>	<b>0.45</b>	<b>2</b>

Of the total fund requirement of USD 2.45 million, USD 0.45 million is expected from GEF/UNDP and the remaining USD 2 million are expected from GOI.

## 4. Fund Flow

As indicated in **Table 3-4**, GEF/UNDP funds allocated for this component would be utilized for PMU staff remunerations while the remaining expenses would be funded by the MoUD. UNDP would therefore directly disburse the GEF funds as staff remunerations. MoUD would directly disburse their share of funds for payments towards Project Management Consultant services, Audit Services and to IUT (who have been assigned the responsibility of providing logistics and services support to MOUD) for other expenses such as outstation visits, organizing weekly meetings, monthly office operating expenses, office furnishing and equipments. The proposed fund flow plan is shown in **Figure 4.1**.



**Figure 4-1: Fund Flow Mechanism**

The GEF grant of USD 0.45 million allocated for PMU staff remuneration has to be sourced through UNDP. A Standing Committee under the chairmanship of the NPD has been setup to approve and recommend this expenditure to the UNDP. The process would be initiated by the PMU who will submit the request for funds to this committee. The committee will meet at a prescribed date and time and after approving the request will forward it to the UNDP who will then disburse the GEF funds as per its prescribed guidelines.

The MoUD will directly undertake procurement and disbursement for the PMC and Audit Services from its own allocated budget as per its own guidelines. 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).

## 5. Procurement Plan

Procurements shall be done as per the guidelines of the funding agency. Since UNDP is expected to fund the staff remunerations in PMU, UNDP guidelines shall be followed for the procurement of these personnel. Government of India (GoI) procurement guidelines shall be followed for the procurement of Project Management Consultant and Auditors while IUTs internal procedures shall be followed for other components. **Table 5.1** summarizes the procurements required and the procedure to be adopted for the respective components.

**Table 5-1: Procurements and Procedures**

Components	Total Rs. Lakhs	Source of Funding	Type of Procurement/Expenditure	Procurement Guideline
National Project Manager	60.0	UNDP	Services	UNDP
Transport Specialist cum Deputy Project Manager	40.0	UNDP	Services	UNDP
Finance and Accounts Specialist	60.0	UNDP	Services	UNDP
Accounts and General Assistant	12.0	UNDP	Services	UNDP
Liaison Assistant	10.0	UNDP	Services	UNDP
Office Secretary	8.0	UNDP	Services	UNDP
Outstation Visits	54.0	GoI	Expenditure	IUT
Meetings	1.0	GoI	Expenditure	IUT
Operating Expenses	10.0	GoI	Expenditure	IUT
Office Furnishing and Equipments	7.0	GoI	Goods	IUT
Project Management Consultancy	600.0	GoI	Services	GoI
Internal Auditor	80.0	GoI	Services	GoI
Statutory Auditor	80.0	GoI	Services	GoI
<b>Total Expenditure (Rs. Lakhs)</b>	<b>1022.0</b>			
<b>(Million USD at Rs 48 = 1 USD)</b>	<b>2.13</b>			
<b>Contingency (Million USD)</b>	<b>0.32</b>			

### 5.1 PROCUREMENT OF INDIVIDUAL CONSULTANT SERVICES

For procurement of individual consultants, respective guidelines of UNDP, GoI and IUT would be followed.

### 5.2 PROCUREMENT OF PMC AND AUDIT SERVICES

Procurement procedure for PMC and Audit services would be more elaborate and shall follow GoI's standard procedure for large consulting services as indicated below.

Step	Task	Description	Responsibility
1	<b>Notification</b>	Invitation for EOI to be published in leading national news paper or gazette or electronic portal. The EOI format is given in <b>Appendix 2.4</b> . A period of 4 weeks would need to be given for the receipt of EOIs from date of notification.	MoUD
	<b>Short listing</b>	On the basis of responses received, consultants satisfying the eligibility criteria given in the EOI notification should be short listed for further consideration. The number of short listed consultants should not be less than three.	Evaluation Committee constituted by MoUD
2	<b>Request for Proposal (RFP)</b>	The RFP should be issued to the short-listed consultants to seek their technical and financial proposals. (Refer RFP given in Appendix of Volume 2 of the Project Information Document on National Capacity Development Initiatives). The RFP should contain, <ol style="list-style-type: none"> <li>1. A letter of Invitation</li> <li>2. Information to Consultants regarding the procedure for submission of proposal</li> <li>3. Terms of Reference (TOR)</li> </ol>	MoUD



### 5.3 PROCUREMENT OF GOODS

Office furnishings and equipments for the PMU would be procured using the IUT internal procedures.

---

# APPENDICES

---

## LIST of APPENDICES

APPENDIX 2.1: TERMS OF REFERENCE FOR NATIONAL PROJECT MANAGER .....	1
APPENDIX 2.2 TERMS OF REFERENCE FOR TRANSPORT SPECIALIST CUM DEPUTY PROJECT MANAGER.....	3
APPENDIX 2.3 TERMS OF REFERENCE FOR FINANCE AND ACCOUNTS SPECIALIST .....	4
APPENDIX 2.4 SELECTION OF PROJECT MANAGEMENT CONSULTANT- EXPRESSION OF INTEREST .....	6
APPENDIX 2.5 SELECTION OF PROJECT MANAGEMENT CONSULTANT- REQUEST FOR PROPOSAL (RFP).....	8
APPENDIX 2.6 TERMS OF REFERENCE FOR INTERNAL AUDITOR.....	74
APPENDIX 2.7 TERMS OF REFERENCE FOR STATUTORY AUDITOR.....	77



## **APPENDIX 2.1: TERMS OF REFERENCE FOR NATIONAL PROJECT MANAGER**

Position:	<b>National Project Manager (NPM)</b>
Organization:	Project Management Unit (PMU), SUTP / Ministry of Urban Development (MoUD)
Duty Station:	New Delhi
Duration:	Initially for 12 months (further extension based on performance)

### **Background:**

The Government of India (GOI) has proposed to the Global Environment Facility (GEF) for a Sustainable Urban Transport Project (SUTP) to support implementation of the GOI's National Urban Transport Policy (NUTP, 2006). The goal of the NUTP is to achieve a paradigm shift in the development of India's urban transport system towards sustainable development.

The objectives of the SUTP are 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" projects (GT projects). The project is to be implemented over a period of four years with the support of World Bank and UNDP.

Ministry of Urban Development (MoUD), GoI has been designated as the nodal agency to implement the SUTP on behalf of the GOI. A Project Management Unit (PMU) has been setup under the overall umbrella of the Urban Transport (UT) Division of the MoUD, Government of India. The Candidate will work in the PMU and report to the National Project Director (NPD), who is the head of PMU. The position will be under UNDP contract.

### **Responsibilities:**

The NPM will be responsible for,

- Assisting the NPD in the day to day management of the SUTP.
- Assist the MoUD in planning, preparation, procurement, execution, monitoring, evaluation, fund management and reporting required for implementing all the components of SUTP
- Liaise with Other GoI Ministries, State Departments and participating Implementing Agencies (IAs) on behalf of MoUD on project related matters.
- Liaise with World Bank and UNDP
- Coordinate and manage the activities of all other specialists/experts appointed to the PMU and the Project Management Consultant.
- Provide guidance to cities on operations procedures and funding for proposed projects
- Coordinating and Organizing review/technical meetings
- Active outreach to all agencies participating in the SUTP activities.
- Assist MoUD in implementation of project component pertaining to capacity building through strengthening of institutions and training activities.

### **Key deliverables and time-lines**

- Prepare periodic progress reports for the MoUD on PMU and PIU activities

- Prepare the Project Implementation Plan (PIP) with inputs from the participating cities and making best efforts to implement the project according to the agreed PIP without any cost and time overruns.
- As required, prepare requests for additions to and modifications of subprojects, for information of or approval by the Steering Committee
- Develop communication materials for outreach (best practice handouts, flyers, etc)
- Prepare and maintain documentation of project

**Qualifications:**

The candidate should be a graduate from engineering background with minimum of 20 years of experience in Project Management. Candidate should have the experience of managing externally funded projects. Experience in project development, good networking skills, working with the government and public sector is highly desirable. Work experience in urban transport capacity planning is preferable. The candidate should be willing to undertake extensive travel. Candidate should have good speaking and writing skills in English language. Similar skills in other regional Indian language(s) would be an added advantage.

## APPENDIX 2.2

### TERMS OF REFERENCE FOR TRANSPORT SPECIALIST CUM DEPUTY PROJECT MANAGER

Position:	<b>Transport Specialist cum Deputy Project Manager</b>
Organization:	Project Management Unit (PMU) / Ministry of Urban Development (MoUD)
Duty Station:	New Delhi
Duration:	Initially for 12 months (further extension based on performance)

**Background:**

The Government of India (GOI) has proposed to the Global Environment Facility (GEF) for a Sustainable Urban Transport Project (SUTP) to support implementation of the GOI's National Urban Transport Policy (NUTP, 2006). The goal of the NUTP is to achieve a paradigm shift in the development of India's urban transport system towards sustainable development.

The objectives of the SUTP are 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" projects (GT projects). The project is to be implemented over a period of four years with the support of World Bank and UNDP.

Ministry of Urban Development (MoUD), GoI has been designated as the nodal agency to implement the SUTP on behalf of the GOI. A Project Management Unit (PMU) has been setup under the overall umbrella of the Urban Transport (UT) Division of the MoUD, Government of India. The Candidate will work in the PMU and report to the National Project Manager (NPM).

**Responsibilities:**

The Transport Specialist cum Deputy Project Manager will be expected to:

- Assist in the planning, preparation, monitoring and evaluation of all components being implemented under SUTP
- Assist in the evaluation and appraisal of project proposals received from participating cities.
- Provide technical support to Training Specialist in preparing training programs, manuals and toolkits required as part of the capacity building initiatives of SUTP.
- Assist the PMU in preparing materials and presentations for dissemination of SUTP program impacts.
- Assist the NPM in dealing with urban transport related issues and problems as and when these surface during the project implementation period.
- Generally assist the NPM in all aspects of project management

**Qualifications:**

The candidate should be a Masters Degree holder in Transport/ Urban Planning with 5 years of experience in urban transportation planning and/or operations. The candidate should be conversant with principles, practices and techniques of planning and implementing urban transportation projects. The candidate should be computer literate and proficient in the use of relevant computer programs. Candidate should have good speaking and writing skills in English language.

## APPENDIX 2.3

### TERMS OF REFERENCE FOR FINANCE AND ACCOUNTS SPECIALIST

Position:	<b>Finance and Accounts Specialist</b>
Organization:	Project Management Unit (PMU) / Ministry of Urban Development (MoUD)
Duty Station:	New Delhi
Duration:	Initially for 12 months (further extension up to 4 years based on performance)

#### **Background:**

The Government of India (GOI) has proposed to the Global Environment Facility (GEF) for a Sustainable Urban Transport Project (SUTP) to support implementation of the GOI's National Urban Transport Policy (NUTP, 2006). The goal of the NUTP is to achieve a paradigm shift in the development of India's urban transport system towards sustainable development.

The objectives of the SUTP are 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" projects (GT projects). The project is to be implemented over a period of four years, starting from 2008 with the support of World Bank and UNDP.

Ministry of Urban Development (MoUD), GoI has been designated as the nodal agency to implement the SUTP on behalf of the GOI. A Project Management Unit (PMU) has been setup under the overall umbrella of the Urban Transport (UT) Division of the MoUD, Government of India. The Candidate will work in the PMU and report to the National Project Manager (NPM). The position will be under UNDP contract.

#### **Responsibilities:**

The Finance and Accounts Specialist is expected to:

- i) Provide technical advice to PIUs in all aspects of financial management.
  - **Training-** Provide necessary training and implementation support to the IA's for financial management i.e. Bank's reporting and auditing requirements are adhered to.
  - **Audit**
    - Overview the audit function
    - Review the audit reports of the Internal and Statutory audits.
    - Highlight the major negative observations to National PMU Manager and Director.
    - Over view the audit suggestions implementation by IA.
  - **Checking the claim made by the IA's in respect of the following:**
    - Budgetary control
      1. *Consolidation of the actual expenditure on monthly basis.*
      2. *Comparison of the budgeted and actual expenditure on quarterly basis.*
    - Checking of the claim made by IA with the physical progress of the work as reported by the Internal Auditors.

#### **Submission of the IUFRR and Annual Financial Statement**

- The Financial Consultant will endorse the IUFR to WB after doing the limited review as defined in the FMM.
  - Conducting regular financial reviews at IUFR levels of the project.
- Carry out the accounting functions at PMU level for component 1 and 3 and any other financial matters which may surface during the project implementation period.

**Qualifications:**

The candidate should preferably be a Chartered Accountant or a Chartered Financial Analyst. He/She must have at least 7 to 10 years' of relevant experience, of which a minimum of five years should be related to managing similar programs on a national/regional level. The candidate should be computer literate and proficient in the use of relevant computer programs. Candidate should have good speaking and writing skills in English language.

## APPENDIX 2.4

### SELECTION OF PROJECT MANAGEMENT CONSULTANT- EXPRESSION OF INTEREST

#### Background

The Government of India (GOI) has approached the Global Environment Facility, World Bank and UNDP to implement a Rs. 700 crore Sustainable Urban Transport Project (SUTP) in India. The Ministry of Urban Development (MoUD) is to be the nodal agency to implement the SUTP. A Project Management Unit (PMU) has been setup under the MoUD to manage the project. The MoUD intends to procure the services of a Project Management Consultant (PMC) to assist the PMU in the implementation of SUTP. The PMC will be funded by GOI and selection of consultant will follow GOI procurement procedures.

#### Broad Scope of Services

The services to be provided by the Consultant would broadly include providing technical assistance to the PMU in:

- Assisting PMU in preparation and implementation of capacity development activities funded by the SUTP
- Overseeing, providing guidance, monitoring and evaluation of the urban transport projects to be prepared and implemented under the SUTP in participating cities in India.
- Provide technical assistance to the Project Management Unit in general, including specialists services for Social & Environment issues, Procurement, Information Technology, Institutional Development and Transport Planning.

#### Eligibility Criteria

Consultants should meet the following criteria:

- Proven experience in preparing detailed project reports for urban transport projects for World Bank/Multilateral funding agencies
- Proven experience in Project Management Consultancy of urban transport projects of similar size.
- Proven experience in project management, monitoring and evaluation of urban transport projects
- Proven experience in carrying out procurement activities as per the guidelines of GOI, UNDP, and World Bank.
- Ministry of Urban Development (MoUD), invites eligible Consultants to submit their document expressing their interest to provide the required consultancy services. The period of Consultancy assignment shall be for 4 years Consultants may form consortia to enhance their capabilities.

- Short Listing:

Consultants will be short listed on the basis of their past experience of handling similar types of projects/assignments, strength of their key personnel and financial strength of the consultants/firm, using the following weightages:

1. Past Experience	--	60 %
2. Experience of key personnel	--	25 %
3. Financial Strength	--	15 %

- Consultants who secure a minimum of 60 % marks will be short listed.
- Only Indian national consultants or firms registered or incorporated in India shall be considered for

short listing.

### Submission Requirements

The interested Consultants are requested to submit the following information for proving their competence.

- A brief profile of Company;
- Ownership and Organizational structure of Company.
- A reference/client list and description of assignments handled.
- Curriculum Vitae of appropriate key professionals.

Documents in sealed envelopes superscripted with the title “EOI for Project Management Consultancy for GEF/World Bank/UNDP-SUTP” must be delivered to the following address not later than **<Time (Indian Standard Time)>** on **<date >**. Electronic submissions to the e-mail address given below are also acceptable

**National Project Director  
Project Management Unit (GEF-SUTP)  
Ministry of Urban Development  
Govt. of India,  
Nirman Bhawan, Maulana Azad Road,  
New Delhi – 111 001  
Tel: 91-11-2306 1114  
Fax: 91-11-2306 1102  
E-mail: [sklohia65@gmail.com](mailto:sklohia65@gmail.com)**

**APPENDIX 2.5  
SELECTION OF PROJECT MANAGEMENT CONSULTANT-  
REQUEST FOR PROPOSAL (RFP)**

**Ministry of Urban Development  
Government of India**

**Selection of Project Management Consultant  
For  
GEF/World Bank/UNDP- Sustainable Urban Transport Project  
(SUTP) in India**

**REQUEST FOR PROPOSAL  
(RFP)**



## INDEX

Section 1: Letter of Invitation .....	9
Section 2: Instructions to Consultants.....	11
Section 3: Technical Proposal .....	24
Section 4: Financial Proposal .....	35
Section 5: Terms of Reference for project management consultancy .....	40
Section 6: Standard Form of Contract .....	47

## 6. SECTION 1: LETTER OF INVITATION

[File No. < >]

New Delhi

< Date >

< Name and Address of Consultant >

Dear Sir:

Sub: Consultancy Services for Project Management in the Implementation of SUTP in India

1. The Ministry of Urban Development (MoUD), (hereinafter called "Employer") is implementing GEF supported Sustainable Urban Transport Project (SUTP) through promoting long-term modal shift to more energy efficient modes of urban transport in India. This project aims to strengthen capacity of Government of India (GOI) and participating states/cities of the project in planning, financing, operating and managing sustainable urban transport systems. Apart from capacity building at national level in urban transport sector, the following Indian Cities/States will be given assistance in preparing and implementing SUTP at city level.

Ajmer(Rajasthan), Hyderabad(Andhra Pradesh), Indore(Madhya Pradesh), Jalandhar(Punjab), Mysore(Karnataka), Naya Raipur(Chhattisgarh), Pune, Pimpri Chinchwad (Maharashtra), Thiruvananthapuram(Kerala).

The employer has invited Expression of Interests (EOIs) to be received in the office of MoUD by 31<sup>st</sup> Oct, 2008, to provide consultancy services for Project Management of SUTP as per short details mentioned therein. More details on the services are provided in the Terms of Reference in this RFP document. As your firm was short-listed based on your EOI, you are now invited to submit your proposal as per the attached RFP document.

2. An invitation to submit the proposal has been addressed to the following short listed firms. It is not possible to transfer this invitation to any other firm

i) -----

ii) -----

iii) -----

iv) -----

v) -----

3. A firm will be selected under Quality cum Cost Based Selection (QCBS) method and procedures described in this RFP.
4. The RFP includes the following documents:
  - Section 1 - Letter of Invitation
  - Section 2 - Instructions to Consultants (including Data Sheet)
  - Section 3 - Technical Proposal
  - Section 4 - Financial Proposal
  - Section 5 - Terms of Reference
  - Section 6 - Standard Form of Contract
5. We would appreciate if you inform us in writing at the following address upon receipt:
  - Your acknowledgment of the receipt of this Letter of Invitation, and
  - Whether you will submit a proposal alone / in association as a Joint Venture confirming joint and several liabilities / as Sub-consultants. ( Refer Para 3 of instructions to consultants, part 1).

**Under Secretary (MRTS), UT Division**  
**Ministry of Urban Development (Govt. of India)**  
**Room No. 322 C, Nirman Bhavan,**  
**Maulana Azad Road, New Delhi -110011**  
**Tel: 91-11-2306 2594, Fax: 91-11-2306 2594.**  
E-mail: [Sumit-d6@yahoo.com](mailto:Sumit-d6@yahoo.com)

Yours sincerely,

Sumit Chatterjee  
Under Secretary (MRTS)

## SECTION 2: INSTRUCTIONS TO CONSULTANTS

### Part I

#### 1. Definitions

- (a) "Employer" means the Ministry/Department who has invited the bids for consultancy services and with which the selected Consultant signs the Contract for the Services and to which the selected consultant shall provide services as per the terms and conditions and TOR of the contract.
- (b) "Consultant" means any entity or person or associations of person who have been short listed to submit their proposals that may provide or provides the Services to the Employer under the Contract.
- (c) "Contract" means the Contract signed by the Parties and all the attached documents listed in its Clause 1, that is the General Conditions (GC), the project Specific Conditions (SC), and the Appendices.
- (d) "Project specific information" means such part of the Instructions to Consultants used to reflect specific project and assignment conditions.
- (e) "Day" means calendar day.
- (f) "Government" means the Government of India
- (g) "Instructions to Consultants" (Section 2 of the RFP) means the document which provides short-listed Consultants with all information needed to prepare their proposals.
- (h) "LOI" (Section 1 of the RFP) means the Letter of Invitation being sent by the Employer to the short-listed consultants.
- (i) "Personnel" means professionals and support staff provided by the Consultant or by any Sub-Consultant and assigned to perform the Services or any part thereof; "Foreign Personnel" means such professionals and support staff who at the time of being so provided had their domicile outside the Government's country; "Domestic Personnel" means such professionals and support staff who at the time of being so provided had their domicile in India.
- (j) "Proposal" means the Technical Proposal and the Financial Proposal.
- (k) "RFP" means the Request for Proposal prepared by the Employer for the selection of Consultants, based on the SRFP.
- (l) "SRFP" means the Standard Request for Proposals, which must be used by the Employer as a guide for the preparation of the RFP.
- (m) "Assignment / job" means the work to be performed by the Consultant pursuant to the Contract.
- (n) "Sub-Consultant" means any person or entity with which the Consultant subcontracts any part of the Assignment/job.
- (o) "Terms of Reference" (TOR) means the document included in the RFP as Section 5 which explains the objectives, scope of work, activities, tasks to be performed, respective responsibilities of the Employer and the Consultant, and expected results and deliverables of the Assignment/job.

## 2. Introduction

- 2.1 The Employer named in the Data Sheet will select a consulting firm/organization (the Consultant) from those to whom the LOI has been addressed, in accordance with the method of selection specified in the Data Sheet.
- 2.2 The name of the assignment/Job has been mentioned in Data sheet. Detailed scope of the assignment/job has been described in the Terms of Reference in Section 5.
- 2.3 The date, time and address for submission of the proposals have been given in Data Sheet.
- 2.4 The short-listed Consultants are invited to submit their Proposal, for consulting Assignment/job named in the Data Sheet. The Proposal will be the basis for contract negotiations and ultimately for a signed Contract with the selected Consultant.
- 2.5 Consultants should familiarize themselves with Local conditions and take them into account in preparing their Proposals. To obtain first-hand information on the Assignment/job and Local conditions, Consultants are encouraged to meet the Employer's representative named in the Data Sheet before submitting a proposal and to attend a pre-proposal meeting if one is specified in the Data Sheet. Attending the pre-proposal meeting is optional. Consultants should contact the Employer's representative to arrange for their visit or to obtain additional information on the pre-proposal meeting. Consultants should ensure that these representatives are advised of the visit in adequate time to allow them to make appropriate arrangements.
- 2.6 The Employer will provide at no cost to the Consultants the inputs and facilities specified in the Data Sheet, assist the consultants in obtaining licenses and permits needed to carry out the Assignment/job, and make available relevant project data and reports.
- 2.7 Consultants shall bear all costs associated with the preparation and submission of their proposals and contract negotiation. The Employer is not bound to accept any proposal, and reserves the right to annul the selection process at any time prior to Contract award, without thereby incurring any liability to the Consultants.

## 3. Eligibility of Association of consultants and Sub-Consultants

- 3.1 If the consultant had formed an association of consultants, each member of the association of consultant shall be evaluated as per the qualification/ eligibility criteria set forth in data Sheet. The combined score of the each member of the association of consultant shall be taken into account for evaluation purpose. If any member of the association of consultants is dropped at the RFP stage, such an association of consultants is liable to be rejected by the Employer. However, the Employer, at its sole discretion, may decide to evaluate short-listing of such a consultant association without considering the strength of the dropped member and if found eligible, may allow such association of consultant to submit their proposal.
- 3.2 A short-listed consultant may associate with consultants and /or individual expert at the time of submission of proposal. Under such circumstances, each member of the association of consultants shall be evaluated as per the qualification/ eligibility criteria set

forth in the Data Sheet. The combined score of the each member of the association of consultant shall be taken into account for evaluation purpose. However, the lead member of the association of the consultant shall be the consultant who has been short-listed by the Employer and employer shall deal with only the lead member for the purpose of this assignment. Although the contract shall be signed by all the members of the associations of the consultants, the lead member of the association of the consultant shall be responsible and liable to the Employer for every aspect of their proposal, contract etc.

#### 4. Clarification and Amendment of RFP Documents

- 4.1 Consultants may request a clarification on any clause of the RFP documents up to the number of days indicated in the Data Sheet before the proposal submission date. Any request for clarification must be sent in writing, or by standard electronic means to the Employer's address indicated in the Data Sheet. The Employer will respond in writing, or by standard electronic means and will send written copies of the response (including an explanation of the query but without identifying the source of inquiry) to all Consultants. Should the Employer deem it necessary to amend the RFP as a result of a clarification, it shall do so following the procedure under Para. 4.2.
- 4.2 At any time before the submission of Proposals, the Employer may amend the RFP by issuing an addendum in writing or by standard electronic means. The addendum shall be sent to all Consultants and will be binding on them. Consultants shall acknowledge receipt of all amendments. To give Consultants reasonable time in which to take an amendment into account in their Proposals the Employer may, if the amendment is substantial, extend the deadline for the submission of Proposals.

#### 5. Conflict of Interest

- 5.1 Employer requires that Consultants provide professional, objective, and impartial advice and at all times hold the Employer's interests paramount, strictly avoid conflicts with other Assignment/jobs or their own corporate interests and act without any consideration for future work.
- 5.2 Without limitation on the generality of the foregoing, Consultants, and any of their affiliates, shall be considered to have a conflict of interest and shall not be recruited, under any of the circumstances set forth below:

**Conflicting activities:** A firm that has been engaged by the Employer to provide goods, works or Assignment/job other than consulting Assignment/job for a project, and any of its affiliates, shall be disqualified from providing consulting Assignment/job related to those goods, works or Assignment/job. For the purpose of this paragraph, Assignment/job other than consulting Assignment/job are defined as those leading to a measurable physical output, for example surveys, exploratory drilling, aerial photography, and satellite imagery.

**Conflicting Assignment/job:** A Consultant (including its Personnel and Sub-Consultants) or any of its affiliates shall not be hired for any Assignment/job that, by its nature, may be in conflict with another Assignment/job of the Consultant to be executed for the same or for another Employer. For example, a Consultant hired to prepare

engineering design for an infrastructure project shall not be engaged to prepare an independent environmental assessment for the same project, and a Consultant assisting a Employer in the privatization of public assets shall not purchase, nor advice purchasers of, such assets.

**Conflicting relationships:** A Consultant (including its Personnel and Sub-Consultants) that has a business or family relationship with a member of the Employer's staff who is directly or indirectly involved in any part of preparation of the Terms of Reference of the Assignment/job, or selection process for such Assignment/job, or supervision of the Contract, may not be awarded a Contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable to the Employer throughout the selection process and the execution of the Contract.

- 5.3 Consultants have an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interest of their Employer, or that may reasonably be perceived as having this effect. Any such disclosure shall be made as per the technical proposal forms provided herewith. If the consultant fails to disclose said situations and if the Employer comes to know about any such situation at any time, it may lead to the disqualification of the Consultant during bidding process or the termination of its Contract during execution of assignment.
- 5.4 No agency or current employees of the Employer shall work as consultants under their own ministries, departments or agencies.

## 6. Unfair Advantage

If a short-listed Consultant could derive a competitive advantage from having provided consulting Assignment/job related to the Assignment/job in question and which is not defined as conflict of interest as per Para 5 above, the Employer shall make available to all short-listed Consultants together with this RFP all information that would in that respect give such Consultant any competitive advantage over competing Consultants.

## 7. Proposal

Short-listed Consultants may only submit one proposal. If a Consultant submits or participates in more than one proposal, such proposals shall be disqualified. However, this does not limit the participation of the same Sub-Consultant, including individual experts, to more than one proposal.

## 8. Proposal Validity

The Data Sheet indicates how long Consultants' Proposals must remain valid after the submission date. During this period, Consultants shall maintain the availability of professional staff nominated in the proposal and also maintain the financial proposal unchanged. The Employer will make its best effort to complete negotiations within this period. However, the Employer may request Consultants to extend the validity period of their proposals. Consultants who agree to such extension shall confirm that they maintain the availability of the professional staff nominated in the Proposal and their financial proposal remain unchanged, or in their confirmation of extension of validity of the Proposal, Consultants could submit new staff in

replacement, which would be considered in the final evaluation for contract award. Under circumstances where Consultants refuse to extend the validity of their Proposals, the Employer shall not consider such proposal for further evaluation.

## 9. Preparation of Proposals

- 9.1 The Proposal as well as all related correspondence exchanged by the Consultants and the Employer shall be written in English language, unless specified otherwise.
- 9.2 In preparing their Proposal, Consultants are expected to examine in detail the documents comprising the RFP. Material deficiencies in providing the information requested may result in rejection of a Proposal.
- 9.3 While preparing the Technical Proposal, Consultants must give particular attention to the following:
  - (a) If a short-listed Consultant firm considers that it may enhance its expertise for the Assignment/job by associating with other Consultants in sub- consultancy, it may associate with a non-short-listed Consultant.
  - (b) The estimated number of Professional staff-months for the assignment/job is as shown in the Data sheet. However, the Proposal shall be based on the number of Professional staff-months or budget estimated by the Consultants. While making the proposal, the consultant must ensure that he proposes the minimum number and type of experts as sought by the Employer, failing which the proposal shall be considered as non-responsive.
- 9.4 Depending on the nature of the Assignment/job, Consultants are required to submit a Technical Proposal (TP) in the format provided with this RFP. The Data sheet indicates the formats of the Technical Proposal to be submitted. Submission of the wrong type of Technical Proposal will result in the Proposal being deemed non-responsive. The Technical Proposal shall provide the information indicated in the following Paras from (a) to (g). Form Tech – I in Section 3 is a sample letter of technical proposal which is to be submitted along with the technical proposal.
  - (a) A brief description of the consultant's organization and in the case of a consortium/ joint venture, of each partner, will be provided in Form Tech-2. In the same Form, the consultant and in the case of a consortium/ joint venture, each partner will provide details of experience of assignments which are similar to the proposed assignment/ job as per the terms of reference. For each Assignment/job, the outline should indicate the names of Sub-Consultants/ Professional staff who participated, duration of the Assignment/job, contract amount, and Consultant's involvement. Information should be provided only for those Assignment/jobs for which the Consultant was legally contracted by the Employer as a corporation or as one of the major firms within a joint venture. Assignment/jobs completed by individual Professional staff working privately or through other consulting firms cannot be claimed as the experience of the Consultant, or that of the Consultant's associates, but can be claimed by the Professional staff themselves in their CVs. Consultants should be prepared to



substantiate the claimed experience along with the proposal and must submit letter of award / copy o contract for all the assignments mentioned in the proposal.

- (b) Comments and suggestions on the Terms of Reference including workable suggestions that could improve the quality/ effectiveness of the Assignment/job; and on requirements for counterpart staff and facilities including: administrative support, office space, Domestic transportation, equipment, data, etc. to be provided by the Employer (Form TECH-3 of Section 3).
- (c) A description of the approach, methodology and work plan for performing the Assignment/job covering the following subjects: technical approach and methodology, work plan, and organization and staffing schedule. Guidance on the content of this section of the Technical Proposals is provided under Form TECH-4 of Section 3. The work plan should be consistent with the Work Schedule (Form TECH-8 of Section 3) which will show in the form of a bar chart the timing proposed for each activity.
- (d) The list of the proposed Professional staff team by area of expertise, the position that would be assigned to each staff team member and their tasks to be provided in Form TECH-5 of Section 3.
- (e) Estimates of the staff input needed to carry out the Assignment/job needs to be given in Form TECH-7 of Section 3. The staff-months input should be indicated separately for each location where the Consultants have to work and / or provide their key staff.
- (f) CVs of the Professional staff as mentioned in Para 9.4 (d) above signed by the staff themselves or by the authorized representative of the Professional Staff (Form TECH-6 of Section 3).
- (g) A detailed description of the proposed methodology and staffing for training needs to be given, if the Data sheet specifies training as a specific component of the Assignment/job.

9.5 The Technical Proposal shall not include any financial information. A Technical Proposal containing financial information may be declared non responsive.

9.6 Financial Proposals: The Financial Proposal shall be prepared using the forms given in Section 4. It shall list all costs associated with the Assignment/job, including (a) remuneration for staff and (b) reimbursable expenses indicated in the Data sheet. If appropriate, these costs should be broken down by activity and, if appropriate, into foreign (if applicable) and domestic expenditures. The financial proposal shall not include any conditions attached to it and any such conditional financial proposal shall be rejected summarily.

## 10. Taxes

The Consultants shall fully familiarize themselves about the applicable Domestic taxes (such as: value added or sales tax, service tax or income taxes, duties, fees, levies) on amounts payable

by the Employer under the Contract. All such taxes must be included by the consultant in the financial proposal.

## 11. Currency

Consultants shall express the price of their Assignment/job in Indian Rupees.

## 12. Earnest Money Deposit (EMD)

### 12.1 Earnest Money Deposit

- An EMD of Rs.1,00,000/- (one lakh), in the form of Demand Draft drawn in favor of 'PAO (Sectt.), Ministry of Urban Development', and payable at New Delhi., must be submitted along with the Proposal.
- **Proposals not accompanied by EMD shall be rejected as non-responsive.**
- No interest shall be payable by the Employer for the sum deposited as earnest money.
- The EMD of the unsuccessful bidders would be returned within one month of signing of the contract.

### 12.2 The EMD shall be forfeited by the Employer in the following events:

- If Proposal is withdrawn during the validity period or any extension agreed by the consultant thereof.
- If the Proposal is varied or modified in a manner not acceptable to the Employer after opening of Proposal during the validity period or any extension thereof.
- If the consultant tries to influence the evaluation process.
- If the First ranked consultant withdraws his proposal during negotiations (failure to arrive at consensus by both the parties shall not be construed as withdrawal of proposal by the consultant).

## 13. Bid Processing Fees

All consultants are required to pay Rs. 5000 towards Bid Processing Fees in the form of Demand Draft drawn in favor of 'PAO (Sectt), Ministry of Urban Development', and payable at New Delhi. The Bid Processing Fee is Non-Refundable.

**Please note that the Proposal, which does not include the bid processing fees, would be rejected as non-responsive.**

## 14. Submission, Receipt, and Opening of Proposal

14.1 The original proposals, both Technical and Financial, shall contain no interlineations or overwriting, except as necessary to correct errors made by the Consultants themselves. The person who signed the proposal must initial such corrections. Submission letters for both Technical and Financial Proposals should respectively be in the format of TECH-1 of Section 3, and FIN-1 of Section 4.

14.2 An authorized representative of the Consultants shall initial all pages of the original Technical and Financial Proposals. The authorization shall be in the form of a written power of attorney accompanying the Proposal or in any other form demonstrating that the representative has been dully authorized to sign. The signed Technical and Financial Proposals shall be marked" ORIGINAL".

- 14.3 The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked "TECHNICAL PROPOSAL" Similarly, the original Financial Proposal shall be placed in a sealed envelope clearly marked "FINANCIAL PROPOSAL" followed by the name of the Assignment/job. The envelopes containing the Technical Proposals, Financial Proposals, Bid processing fee and EMD shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address, file number (as given on LOI) and be clearly marked "DO NOT OPEN, BEFORE 1500 Hrs. on 15<sup>th</sup> June, 2009". The Employer shall not be responsible for misplacement, losing or premature opening if the outer envelope is not sealed and/or marked as stipulated. This circumstance may be case for Proposal rejection. If the Financial Proposal is not submitted in a separate sealed envelope duly marked as indicated above, this will constitute grounds for declaring the Proposal non-responsive.
- 14.4 The Proposals must be sent to the address/addresses indicated in the Data sheet and received by the Employer no later than the time and the date indicated in the Data sheet, or any extension to this date in accordance with Para 4.2 above. Any proposal received by the Employer after the deadline for submission shall be returned unopened.

## 15. Proposal Evaluation

- 15.1 During the time between openings of Proposals to the award of Contract, the Consultants should not contact the Employer on any matter related to its Technical and/or Financial Proposal. Any effort by Consultants to influence the Employer in the examination, evaluation, ranking of Proposals, and recommendation for award of Contract may result in the rejection of the Consultants' Proposal.
- 15.2 The employer has constituted a Consultant Selection Committee (CSC) which will carry out the entire evaluation process.
- 15.3 **Evaluation of Technical Proposals:** CSC while evaluating the Technical Proposals shall have no access to the Financial Proposals until the technical evaluation is concluded and the competent authority accepts the recommendation.
- 15.4 The CSC shall evaluate the Technical Proposals on the basis of their responsiveness to the Terms of Reference and by applying the evaluation criteria, sub-criteria specified in the Data sheet. In the first stage of evaluation, a Proposal shall be rejected if it is found deficient as per the requirement indicated in the Data sheet for responsiveness of the proposal. Only responsive proposals shall be further taken up for evaluation. Evaluation of the technical proposal will start first and at this stage the financial bid (proposal) will remain unopened. The qualification of the consultant and the evaluation criteria for the technical proposal shall be as defined in the Data sheet.
- 15.5 **Public opening & evaluation of the Financial Proposals:** Financial proposals of only those firms who are technically qualified shall be opened publicly at 1500 Hrs. on 13<sup>th</sup> July, 2009, in the presence of the Consultants' representatives who choose to attend. The name of the Consultants, their technical score (if required) and their financial proposal shall be read aloud.

- 15.6 The CSC will correct any computational errors. When correcting computational errors, in case of discrepancy between a partial amount and the total amount, or between word and figures, the former will prevail. In addition to the above corrections the items described in the Technical Proposal but not priced, shall be assumed to be included in the prices of other activities or items. In case an activity or line item is quantified in the Financial Proposal differently from the Technical Proposal, (i) if the Time-Based form of contract has been included in the RFP, the Evaluation Committee shall correct the quantification indicated in the Financial Proposal so as to make it consistent with that indicated in the Technical Proposal, apply the relevant unit price included in the Financial Proposal to the corrected quantity and correct the total Proposal cost, (ii) if the Lump-Sum form of contract has been included in the RFP, no corrections are applied to the Financial Proposal in this respect. If permitted under RFP to quote in any currency other than Indian Rupees, prices shall be converted to Indian Rupees using the selling rates of exchange, source and reference date indicated in the Data sheet. Normally, the date will be the date of opening of the tender unless specified otherwise in the Data sheet.
- 15.7 After opening of financial proposals, appropriate selection method shall be applied to determine the consultant who will be declared winner and be eligible for award of the contract. The methods of selections are described in the Data Sheet.

## **16. Negotiations**

- 16.1 Negotiations will be held at the date, time and address intimated to the qualified and selected bidder. The invited Consultant will, as a pre-requisite for attendance at the negotiations, confirm availability of all professional staff. Representatives conducting negotiations on behalf of the Consultant must have written authority to negotiate and conclude a Contract.
- 16.2 Technical negotiations: Negotiations will include a discussion of the Technical Proposal, the proposed technical approach and methodology, work plan, and organization and staffing, and any suggestions made by the Consultant to improve the Terms of Reference. The Employer and the Consultants will finalize the Terms of Reference, staffing schedule, work schedule, logistics, and reporting. These documents will then be incorporated in the Contract as "Description of Assignment/job". Special attention will be paid to clearly defining the inputs and facilities required from the Employer to ensure satisfactory implementation of the Assignment/job. The Employer shall prepare minutes of negotiations which will be signed by the Employer and the Consultant.
- 16.3 Financial negotiations: After the technical negotiations are over, financial negotiations should be carried out in order to reflect any change in financials due to change in scope of work or due to clarification on any aspect of the technical proposal during the technical negotiations. Under no circumstance, the financial negotiation shall result in to increase in the price originally quoted by the consultant. Unless there are exceptional reasons, the financial negotiations will involve neither the remuneration rates for staff nor other proposed unit rates. For other methods, Consultants will provide the Employer with the information on remuneration rates described in the Appendix attached to Section 4 of this RFP.

- 16.4 Availability of Professional staff/experts: Having selected the Consultant on the basis of, among other things, an evaluation of proposed Professional staff, the Employer expects to negotiate a Contract on the basis of the Professional staff named in the Proposal. Before contract negotiations, the Employer will require assurances that the Professional staff will be actually available. The Employer will not consider substitutions during contract negotiations unless both parties agree that undue delay in the selection process makes such substitution unavoidable or for reasons such as death or medical incapacity or if the professional staff has left the organization. If this is not the case and if it is established that Professional staff were offered in the proposal without confirming their availability, the Consultant may be disqualified. Any proposed substitute shall have equivalent or better qualifications and experience than the original candidate and be submitted by the Consultant within the period of time specified in the letter of invitation to negotiate.
- 16.5 Conclusion of the negotiations: Negotiations will conclude with a review of the draft Contract. To complete negotiations the Employer and the Consultant will initial the agreed Contract. If negotiations fail, the employer will reject all the proposals received and invite fresh proposals.

## **17. Award of Contract**

- 17.1 After completing negotiations the Employer shall issue a Letter of Intent to the selected Consultant and promptly notify all other Consultants who have submitted proposals about the decision taken.
- 17.2 The consultants will sign the contract after fulfilling all the formalities/pre-conditions mentioned in the standard form of contract in Section-6, within 15 days of issuance of the letter of intent.
- 17.3 The Consultant is expected to commence the Assignment/job on the date and at the location specified in the Data Sheet.

## **18. Confidentiality**

Information relating to evaluation of Proposals and recommendations concerning awards shall not be disclosed to the Consultants who submitted the Proposals or to other persons not officially concerned with the process, until the publication of the award of Contract. The undue use by any Consultant of confidential information related to the process may result in the rejection of its Proposal and may be subject to the provisions of the Employer's antifraud and corruption policy.

## INSTRUCTIONS TO CONSULTANT

### Part-II

#### DATA SHEET

S.No.	Paragraph Reference	Description	Details
1	2.1	Name of the Employer: Method of Selection:	Ministry of Urban Development (Govt. of India) Quality and Cost Based Selection (QCBS)
2	2.2	Name of the Assignment/job	Project Management Consultant (PMC)/SUTP.
3	2.3	Date & time and address for submission of proposal/ bid	!5 <sup>th</sup> June, 2009 Time : 1500 Hrs. Address Under Secretary (MRTS) Ministry of Urban Development (Govt. of India) Room Number: 322-C, Nirman Bhavan, Maulana Azad Road, New Delhi-111001. Tel.91-11-2306 2594 Fax.91-11-2306 2594. E-mail: <a href="mailto:Sumit-d6@yahoo.com">Sumit-d6@yahoo.com</a>
4	2.5	Date and Time of Pre-proposal meeting	Pre-proposal meeting will be held at 1100 Hrs on 1st June, 2009 in Room No. G-226, Nirman Bhawan, Maulana Azad Road, New Delhi. Any clarifications required may be sent in writing to the Employer's representative, so as to reach at least seven days prior to the date of pre-proposal meeting.
		The Employer's representative	Mr. Sumit Chatterjee -Under Secretary(MRTS), Ministry of Urban Development (Govt. of India) Room No. 322 C, Nirman Bhawan New Delhi-111001. Tel: 91-11-2306 2594 Fax: 91-11-2306 2594 E-mail: <a href="mailto:Sumit-d6@yahoo.com">Sumit-d6@yahoo.com</a>
5	2.6	Inputs and facilities provided by the Employer	The PMC will be part of the PMU set up and the data and other inputs as available, or generated during the course of Project Implementation, shall be made available to the PMC for execution of the work as per TOR enclosed as Section 5 of this document. At the discretion of the Employer, limited office accommodation shall be provided as part of PMU to facilitate day to day personal interaction between PMU and Consultants.
6	4.1	Address for requesting clarifications	Mr. Sumit Chatterjee

S.No.	Paragraph Reference	Description	Details
			Under Secretary (MRTS), Ministry of Urban Development (Govt. of India) Room No. 322 C, Nirman Bhawan New Delhi-111001. Tel: 91-11-2306 2594 Fax: 91-11-2306 2594 E-mail: <a href="mailto:Sumit-d6@yahoo.com">Sumit-d6@yahoo.com</a> <u>Note:</u> Further clarification if any may be requested in writing so as to reach not later than 14 days before the submission date.
7	8.0	Validity of Proposals	90 Days
8	9.3 (b)	The estimated number of professional staff-months required for the Assignment/job	As per TOR.
9	9.4	The formats of the Technical Proposal to be submitted	Form Tech 1: Letter of Proposal submission Form Tech 2 : Consultant's organization & experience Form Tech 3 : Comments & suggestions on TOR Form Tech 4 : Approach & methodology Form Tech 5 : Team composition Form Tech 6 : Curriculum vitae Form Tech 7 : Staffing Schedule Form Tech 8 : Work Schedule Form Tech 9: Comment / modification suggested on draft contract. Form Tech 10: Information regarding any conflicting activities and declaration thereof.
10	9.4 (g)	Training is a specific component of this Assignment/job	NO
11	9.6	Reimbursable Expenses	The Reimbursable expenses are: (1) Travel expenses (Flights/Train); (2) Per Diem allowance (hotel, local transport, incidentals etc.)
12	11.0	Consultant to state the cost in Indian Rupees:	Yes.
13	14.2, 14.3	Consultant must submit the original and 4(four) copies of the Technical Proposal, and the original of the Financial Proposal.	
14	15.4	<p><b>A. First stage responsiveness will be evaluated as under:</b></p> <p>i. Has the consultant submitted the requisite bid processing fees and EMD.</p> <p>ii. Have all the pages required to be signed by the authorized representative of the consultant been signed.</p> <p>iii. Has the power of attorney been submitted in the name of</p>	

S.No.	Paragraph Reference	Description	Details
		<p>authorized representative.</p> <p>iv. In the case of JV/consortium, whether the MOU/ Contract Agreement has been submitted.</p> <p>v. Has the consultant submitted all the required forms of the technical proposal.</p> <p>vi. Has the consultant provided all the professionals for the requisite expertise.</p> <p>vii. Does the technical proposal contains any financial information</p> <p>viii. Is the financial proposal submitted separately in a sealed cover.</p> <p>ix. Is the Proposal from invited consultants only,</p> <p><b>B. Technical Evaluation Criteria:</b> Criteria, sub-criteria and the point system, for evaluation of Technical Proposals shall be as under</p> <p>i) Specific experience of the consultant firm relevant to the assignment /job : 20 marks</p> <p>ii) Adequacy of the proposed methodology and work plan in response to the terms of reference: 15 marks</p> <p>iii) Key professional staff: Qualification &amp; competency for the assignment / job: 65 marks</p> <p>Minimum Technical score required to be considered as 'Qualified' shall be—70%.</p>	
15	15.6	Consultants are requested to quote in Indian rupees only	
16	15.7	<p><b>Method of Selection / Criteria:</b></p> <p>Bids will be first evaluated for technical quality following the procedure given in para 15.4 above. The price bids of those consultants who qualify technically will then be opened. The proposal with the lowest cost will be given a financial score of 100 and the other proposals will be given financial score that are inversely proportionate to their prices. The financial proposal shall be allocated weight of 30% and the Technical Proposal of 70%. For working out the combined score, following formula will be used:</p> <p style="padding-left: 40px;">Total points = T (w) x T (s) + F (w) x100X LEC / EC, where</p> <p style="padding-left: 40px;">T (w) stands for weight of the technical score i.e. 0.7</p> <p style="padding-left: 40px;">T (s) stands for technical score (on a base of 100)</p>	



S.No.	Paragraph Reference	Description	Details
		<p>F (w) stands for weight of the financial proposal i.e. 0.3</p> <p>EC stands for Evaluated Cost of the financial proposal</p> <p>LEC stands for Lowest Evaluated Cost of the financial proposal.</p> <p>The proposals will be ranked in terms of total points scored. The proposal with the highest total points (H-1) will be considered for award of contract and will be called for negotiations, if required.</p>	
17	17.3	<p>Expected date for commencement of consulting Assignment/job: August/September, 2009.</p>	<p>Location for performance assignment / job: New Delhi</p>

## Section 3: Technical Proposal

### FORM TECH-1

#### LETTER OF PROPOSAL SUBMISSION

[Location, Date]

To:

Under Secretary (MRTS)  
Ministry of Urban Development (Govt. of India)  
Room Number: 322-C  
Nirman Bhavan, New Delhi-111001.

Dear Sirs:

We, the undersigned, offer to provide the consulting Assignment/job for SUTP Project Management in accordance with your Request for Proposal dated [Insert Date] and our Proposal. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope and requisite bid processing fee and EMD.

We are submitting our Proposal in association with: [Insert a list with full name and address of each associated Consultant], we hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification. If negotiations are held during the period of validity of the Proposal as indicated in Data Sheet, we undertake to negotiate on the basis of the proposed staff. Our Proposal is binding upon us and subject to the modifications resulting from Contract negotiations. We understand you are not bound to accept any Proposal you receive.

We are also submitting the following:

- i) Power of Attorney in the name of the authorized signatory,
- ii) MOU/ Contract Agreement (in the case of JV/consortium)

We remain,

Yours sincerely,

Authorized Signature: \_\_\_\_\_

Name and Title of Signatory: \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Address: \_\_\_\_\_

## FORM TECH-2

## CONSULTANT'S ORGANIZATION AND EXPERIENCE

**A - Consultant's Organization**

[Provide here a brief description of the background and organization of your firm/entity and each associate for this Assignment/job. The brief description should include ownership details, date and place of incorporation of the firm, objectives of the firm etc. Also if the consultant has formed a consortium, details of each of the member of the consortium, name of lead members etc shall be provided]

**B - Consultant's Experience**

Provide here information in respect of Project Management Consultancy assignments for projects costing more than Rs. 100 Crores, completed since 1999.

**B-1 Details:**

[Using the format below, provide information on each Assignment/job for which your firm, and each partner in the case of consortium or joint venture, was legally contracted either individually as a corporate entity or as one of the major partners within an association, for carrying out consulting Assignment/job included in the Table in B-2 below.

S.No.	Description	Details
1	Firm's Name	
2	Assignment/Job Name	
3	Description of Project	
4	Approximate Cost of Project (in Crore of Rupees)	
5	Is the project in Urban Transport Sector? (Yes/No)	
6	Does the project involve World Bank/ UNDP/Multilateral Funding? (Yes/No)	
7	Approx. value of the contract (in Rupees)	
8	Country / Location	
9	Duration of Assignment/Job in Months	
10	Name and Address of Employer	
11	Total No of staff-months of the Assignment/job	
12	Start Date (month/year)	
13	Completion Date (month/year)	
14	Name of associated Consultants, if any	
15	No of professional staff-months provided by associated Consultants	
16	Name of senior professional staff of your firm involved and functions performed	
17	Description of actual Assignment/job provided by your staff within the Assignment/job	

Note: Please provide documentary evidence form the client i.e copy of work order, contract for each of above mentioned assignment. The experience shall not be considered for evaluation if such requisite support documents are not provided with the proposal.

B-2

Using the format below, provide in tabular form, the information included in B-1 above.

Sr.No.	Name of Employer	Name of Assignment	Approximate cost of the project (Cr. Rs.)	Value of Consultancy Contract (Rs.)	Total staff months provided	Is the assignment in Urban Transport Sector (Y/N)	Does the project involve multi-lateral funding (Y/N)

B-3

Summary: Provide summary of information included in B-2 above:

- i. Number of total assignments.
- ii. Total value of contracts for such assignments.
- iii. Total number of staff months provided.
- iv. Number of assignments for projects pertaining to urban transport sector.
- v. Number of Assignments for projects involving funding from World Bank/UNDP/Multilateral funding agencies.

**FORM TECH-3****COMMENTS AND SUGGESTIONS ON THE TERMS OF REFERENCE AND ON  
COUNTERPART STAFF AND FACILITIES TO BE PROVIDED BY THE EMPLOYER**

A - On the Terms of Reference [Suggest and justify here any modifications or improvement to the Terms of Reference you are proposing to improve performance in carrying out the Assignment/job (such as deleting some activity you consider unnecessary, or adding another, or proposing a different phasing of the activities). Such suggestions should be concise and to the point, and incorporated in your Proposal.]

B - On Inputs and Facilities to be provided by the employer [Comment here on Inputs and facilities to be provided by the Employer according to Paragraph 5 of the Part II (Instructions to Consultants-Data Sheet) Special information to consultants including: administrative support, office space, Domestic transportation, equipment, data, etc.]

**FORM TECH-4****DESCRIPTION OF APPROACH, METHODOLOGY AND WORK PLAN FOR PERFORMING THE ASSIGNMENT/JOB**

[Technical approach, methodology and work plan are key components of the Technical Proposal. The Consultant is suggested to present his/her Technical Proposal divided into the following three chapters]

- a) **Technical Approach and Methodology:** In this chapter Consultant should explain his understanding of the objectives of the Assignment/job, approach to the Assignment/job, methodology for carrying out the activities and obtaining the expected output, and the degree of detail of such output. The Consultant should highlight the problems being addressed and their importance, and explain the technical approach he/she would adopt to address them. The Consultant should also explain the methodologies he/she propose to adopt and highlight the compatibility of those methodologies with the proposed approach.
- b) **Work Plan:** The consultant should propose and justify the main activities of the Assignment/job, their content and duration, phasing and interrelations, milestones (including interim approvals by the Employer), and delivery dates of the reports. The proposed work plan should be consistent with the technical approach and methodology, showing understanding of the TOR and ability to translate them into a feasible working plan. A list of the final documents, including reports, drawings, and tables to be delivered as final output, should be included here. The work plan should be consistent with the Work Schedule of Form TECH-8.
- c) **Organization and Staffing:** The consultant should propose and justify the structure and composition of the team. The main disciplines of the Assignment/job, the key experts responsible and proposed technical and support staff should be listed.

## FORM TECH-5

## TEAM COMPOSITION AND TASK ASSIGNMENT/JOBS

## Professional Staff

Sr. No.	Name of Staff	Name of Firm	Area of Expertise	Position / Task assigned for this job

**FORM TECH-6****TECH-6A****CURRICULUM VITAE (CV) FOR PROPOSED PROFESSIONAL STAFF**

1. Proposed Position: [For each position of key professional separate form Tech-6B will be prepared]:

---

2. Name of Firm: [Insert name of firm proposing the staff]: \_\_\_\_\_

3. Name of Staff: [Insert full name]: \_\_\_\_\_

4. Date of Birth: \_\_\_\_\_

5. Nationality: \_\_\_\_\_

6. Education: [Indicate college/university and other specialized education of staff member, giving names of institutions, degrees obtained, and dates of obtainment]: \_\_\_\_\_

7. Membership of Professional Associations: \_\_\_\_\_

8. Other Training: \_\_\_\_\_

9. Countries of Work Experience: [List countries where staff has worked in the last ten years]:

---

10. Languages: [For each language indicate proficiency: good, fair, or poor in speaking, reading, and writing]: \_\_\_\_\_

11. Employment Record: [Starting with present position, list in reverse order every employment held by staff member since graduation, giving for each employment (see format here below): dates of employment, name of employing organization, positions held.]:

From [Year]: To Year: \_\_\_\_\_

Employer: \_\_\_\_\_

Positions held: \_\_\_\_\_

12. Detailed Tasks Assigned: [List all tasks to be performed under this Assignment/job]

---

13. Work Undertaken that Best Illustrates Capability to Handle the Tasks Assigned [Among the Assignment/jobs in which the staff has been involved, indicate the following information for those Assignment/jobs that best illustrate staff capability to handle the tasks listed under point 12.]

Name of Assignment/job or project: \_\_\_\_\_

Year: \_\_\_\_\_

Location: \_\_\_\_\_

Employer: \_\_\_\_\_



Main project features: \_\_\_\_\_

Positions held: \_\_\_\_\_

Activities performed: \_\_\_\_\_

#### 14. Certification:

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes my qualifications and my experience. I understand that any willful misstatement described herein may lead to my disqualification or dismissal, if engaged.

Date:

Place:

Signature of staff member or authorized representative of the staff:

[Full name of authorized representative]:

### TECH 6B

**Summary of qualifications and experience of key Individual Staff (For experience, provide number of years):**

- a) Team Leader:
  - i. Qualifications
  - ii. Total experience as professional.
  - iii. Total experience in project management.
  - iv. Experience in project management in urban sector.
  - v. Experience in externally funded project management.
  - vi. Experience as team leader managing multi disciplinary team.
  
- b) Procurement Expert:
  - i. Qualifications
  - ii. Total experience as procurement professional.
  - iii. Number of Externally financed projects handled during last five years.
  - iv. Number of World Bank Financed projects handled.
  
- c) Environment safe guard expert:
  - i. Qualifications
  - ii. Total professional experience.

- 
- iii. Experience in dealing with GOI/World Bank Policies on Environment safeguards.
  - iv. Number of World Bank funded projects, handled during last 5 years.
- d) Social Safeguard Expert:
- i. Qualifications
  - ii. Total professional experience.
  - iii. Experience in dealing with GOI/World Bank Policies on Environment safeguards.
  - iv. Number of World Bank funded projects, handled during last 5 years.
- e) I.T. Expert:
- i. Qualifications
  - ii. Total professional experience.
  - iii. Experience in designing/implementing MIS/Database/Wide area network.
- f) Training and Institutional Expert:
- i. Qualifications.
  - ii. Experience in teaching/training in Urban Transport
  - iii. Experience in organizing/managing training programs for government agencies



**FORM TECH-8**  
**WORK SCHEDULE**

<b>S.No.</b>	<b>Activity</b>	<b>Months</b>	<b>Total Months</b>

- 1 Indicate all main activities of the Assignment/job, including delivery of reports (e.g.: inception, interim, draft and final reports), and other benchmarks such as Employer approvals. For phased Assignment/jobs indicate activities, delivery of reports, and benchmarks separately for each phase.
- 2 Duration of activities shall be indicated in the form of a bar chart.

**FORM TECH-9****COMMENTS / MODIFICATIONS SUGGESTED ON DRAFT CONTRACT**

[Here the consultant shall mention any suggestion / views on the draft contract attached with the RFP document. The consultant may also mention here any modifications sought by him in the provisions of the draft contract. This information shall be used at the time of the negotiations.

However, the Employer is not bound to accept any/all modifications sought and may reject any such request of modification.]

**FORM TECH-10****INFORMATION REGARDING ANY CONFLICTING ACTIVITIES AND DECLARATION  
THEREOF**

Are there any activities carried out by your firm or group company or any member of the consortium which are of conflicting nature as mentioned in Para 5 of section 2. If yes, please furnish details of any such activities.

If no, please certify, We hereby declare that our firm, our associate / group firm or any of the member of the consortium are not indulged in any such activities which can be termed as the conflicting activities under Para 5 of the section 2. We also acknowledge that in case of misrepresentation of the information, our proposals / contract shall be rejected / terminated by the Employer which shall be binding on us.

Authorized Signature [In full and initials]: \_\_\_\_\_

Name and Title of Signatory: \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Address: \_\_\_\_\_

**SECTION 4: FINANCIAL PROPOSAL****FORM FIN-1****FINANCIAL PROPOSAL SUBMISSION FORM****[Location, Date]**

To  
Under Secretary (MRTS),  
Ministry of Urban Development (Govt. of India)  
Room Number: 322-C  
Nirman Bhawan, New Delhi-111001.

Dear Sirs:

We, the undersigned, offer to provide the consulting Assignment/job for SUTP Project Management in accordance with your Request for Proposal dated **[Insert Date]** and our Technical Proposal. Our attached Financial Proposal is for the sum of **[Insert amount(s) in words and figures]**. This amount is inclusive of the Domestic taxes. We hereby confirm that the financial proposal is unconditional and we acknowledge that any condition attached to financial proposal shall result in rejection of our financial proposal.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal, i.e. before the date indicated in the Data Sheet. Commissions and gratuities paid or to be paid by us to agents relating to this Proposal and Contract execution, if we are awarded the Contract, are listed below:

Name and Address

Amount and Purpose of Commission Gratuity of Agents

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature: \_\_\_\_\_

Name and Title of Signatory: \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Address: \_\_\_\_\_

## FORM FIN-2

## SUMMARY OF COSTS

S.No.	Particulars	Amount in Rupees	Amount in words
1	Remuneration		
2	Reimbursable		
3	Miscellaneous expenses		
4	Service Tax / Any other tax		
5	Total		

Authorized Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Name of firm: \_\_\_\_\_

Address: \_\_\_\_\_



## FORM FIN-3

## BREAKDOWN OF REMUNERATION

(for details please refer to Note below)

S.No.	Name of Staff	Position	Staff Month Rates (A)	Proposed Staff Months (B)	Total Amount in Rupees. (A)*(B)
1	Key professionals <sup>1</sup>				
2.	Support Staff <sup>2</sup>				

Total Remuneration = \_\_\_\_\_ Amount in Rupees

(Amount in Words):

**Note:**

- 1 Key Professional Staff should be indicated individually; Support Staff should be indicated per category (e.g.: draftsmen, Assistants etc.). Cost of Secretarial services, if any, will be indicated in form Fin-5.
- 2 Positions of Professional Staff shall coincide with the ones indicated in Form TECH-5 & 7.

**FORM FIN-4****BREAKDOWN OF REIMBURSABLE EXPENSES**

Note: Reimbursable expenses will be quoted only for work related travel outside the place of work (given in the data sheet, Item 18). Flight/Train expenses will be reimbursed as per actuals on submission of supporting documents while per diem allowance will be reimbursed as per number of calendar days (full or partial).

<b>Sl. No</b>	<b>Description</b>	<b>Unit</b>	<b>Quantity</b>	<b>Unit Price</b>	<b>Total Amount</b>
1	Travel expense flights/Train	Trip			
2	Per Diem allowance (including hotel, local transport and incidentals etc.)	Day			

Total Reimbursable: = \_\_\_\_\_ (Total amount in Rupees).

Amount in words:

## FORM FIN – 5

## Miscellaneous Expenses

(It will include only such expenses which are directly chargeable to the assignment/job)

S.No	Particulars	Unit Rate	Quantity(staff months) / number	Amount
1	Secretarial staff			
2	Office equipment	LS	-	
3	Preparation of reports /deliverables.	LS	-	
4	Local transportation costs (at place of work)	LS	-	
5	Any other (Please specify)			
	<b>TOTAL</b>			

## SECTION 5: TERMS OF REFERENCE FOR PROJECT MANAGEMENT CONSULTANCY

### 1. BACKGROUND

The Government of India (GOI) has applied to the Global Environmental Facility (GEF) to implement GEF's Sustainable Urban Transport Project (SUTP) in India. The programme is aimed at encouraging application of the National Urban Transport Policy and achieving a paradigm shift in India's urban transport systems in favour of sustainable development. It would be supported by a US\$ 20 million grant from the GEF and a US\$ 200 million loan from the World Bank.

The objectives of the SUTP are,

- i) To strengthen capacity of GOI, and participating states and cities in planning, financing, implementing, operating and managing sustainable urban transport systems; and
- ii) To assist states and cities in preparing and implementing demonstration "Green Transport" projects which enable reduction of green house gases in the urban environment.

SUTP is to be implemented over a four year period through three components namely:

#### 1.1 Component-1: National Capacity Development Initiatives

The National Capacity Development Initiatives seeks to strengthen institutional and individual capacity of government officials and institutions involved in urban transportation. This is expected to help them develop and sustain green transport systems in their cities. Five sub-components have been identified under this initiative. These are:

Sub component 1: Strengthening the Institute of Urban Transport (IUT)

Sub component 2: Training of trainers and a group of about 600 urban transport professionals at national, state and local levels

Sub component 3: Preparation of Manuals, Standards and Tool Kits

Sub component 4: Promotion, raising-awareness, and dissemination activities, to expand and enhance the impacts of the SUTP

Sub component 5: Technical assistance to implementing agencies in cities to overcome problems encountered during project implementation.

#### 1.2 Component-2: Implementation of Demonstration Projects in Selected Cities

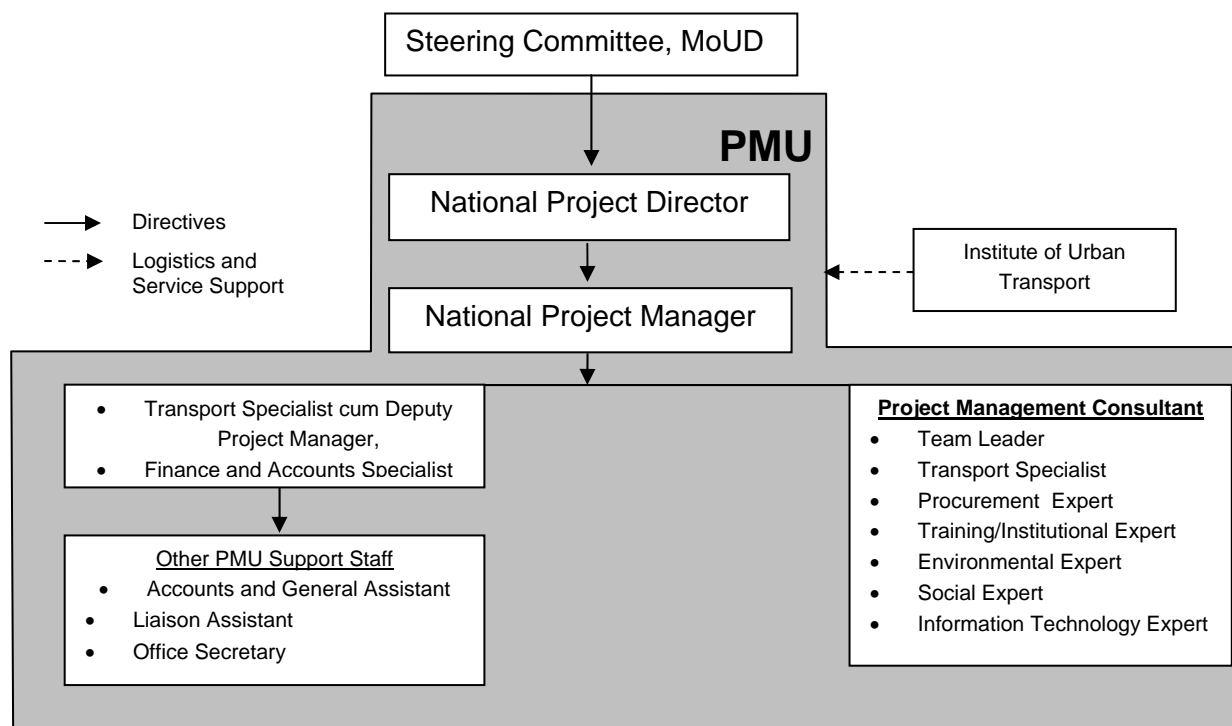
This component aims to implement some green transport demonstration projects in about nine cities, which would enable reduction of green house gases in the urban environment. These projects primarily focus on improving public transport usage and increasing the share of non-motorized transport in limited areas of the selected cities. The expected outcomes are to be used as a motivating factor for extending the same to other parts of the city and to other cities as well.

#### 1.3 Component-3: Project Management

This component aims to provide technical assistance to Ministry of Urban Development (MoUD) to strengthen their project management capabilities and enable them to successfully manage the implementation of SUTP.

## 2. PROJECT MANAGEMENT SETUP

As shown in Figure 1, the SUTP is to be implemented and managed by a Project Management Unit (PMU) setup within the MoUD, GoI. Executive head of PMU is the National Project Director (NPD). The OSD (MRTS) has been designated as the NPD. A Steering Committee chaired by the Secretary MoUD and consisting of members from MoUD and other relevant Ministries of GoI, has been setup to direct and guide the PMU during project implementation.



**Figure 1: Project Management Setup**

Apart from providing technical assistance to MoUD in the implementation and management of SUTP, the PMU shall provide technical assistance to participating states and cities in the preparation and implementation of Component 2 of the SUTP. In addition, PMU will be the implementing agency for Component 1 and Component 3 of SUTP. To strengthen the capabilities of the PMU, the MoUD intends to procure the services of a Project Management Consultant (PMC).

### 3. Project Management Consultant (PMC) – Scope of Services:

The PMC is expected to provide technical assistance to the PMU in all aspects of project management required for the effective implementation of all three components of SUTP. PMC will be part of the PMU setup and shall report to the National Project Manager (NPM) of PMU. The broad scope of services to be provided by the PMC is described in the following sections:

#### 3.1 PMC Services for Component-1: Institutional Strengthening and Capacity Building

The PMC is expected to provide the following services for component 1 as listed below.

### 3.1.1 Sub component 1: Strengthening IUT

The PMU would be appointing a Project Consultant (PC1) to develop a business plan to make the IUT self sustaining. This business plan would identify the institutional strengthening and capacity building requirements and would include the setting up of a Knowledge Management Centre (KMC) consisting of a National Urban Transport Information Centre (NUTIC), a functional library and a research and publication unit. The PC1 would also be responsible for implementing the business plan over a 2 year period after which the IUT would take over these activities.

Under these circumstances, the PMC is expected to provide the following services for Sub component 1

- i)* Assist the PMU in procuring the services of the Project Consultant (PC1),
- ii)* Monitor and evaluate the work of PC1.
- iii)* Assist the PMU in managing this sub component.

### 3.1.2 Sub component 2: Training Programs

The PMU would be appointing a Project Consultant (PC2) to design and implement training and skill development programs for urban transport professionals at national, state and local levels. The PC2 would develop training modules/materials, identify training centres and organize training programs and enable the IUT to handle these tasks subsequently. The duration of PC2 services is expected to be about 2 years.

In this context, the PMC is expected to provide the following services for Sub component 2.

- i)* Assist the PMU in procuring the services of PC2
- ii)* Monitor and evaluate the work of PC2.
- iii)* Assist the PMU in managing this sub component.

### 3.1.3 Sub component 3: Manuals and Toolkits

To develop the manuals and tool kits required in the area of urban transport, the PMU would be appointing two Project Consultants. The first Project Consultant (PC3A) is expected to identify 10 manuals and toolkits which need to be developed under this project after reviewing the materials already available or being developed under other programs in India. The PC3A would also prepare the ToRs for preparing each of the identified manual and toolkit. The duration of this consultancy is expected to be about 6 months.

Following this, a second Project Consultant (PC3B) would prepare the manuals and toolkits based on the ToRs prepared by the first consultant PC3A, convert them into training modules and enable the IUT to handle these tasks subsequently. The duration of this consultancy is expected to be 18 months.

In this context, the PMC is expected to provide the following services for Sub component 3.

- i)* Assist the PMU in procuring the services of PC3A and PC3B
- ii)* Monitor and evaluate the work of PC3A and PC3B.

- iii)* Assist the PMU in managing this sub component

#### **3.1.4 Sub component 4: Promotion and Dissemination of Activities**

The PMC shall assist the PMU in designing and organizing campaigns (at least one every year of the project implementation period), promotional and dissemination activities on the SUTP project. Establish and operate a website to provide information on SUTP and its status.

#### **3.1.5 Sub component 5: Technical Assistance to Cities implementing Demonstration Projects**

The PMC shall assist the PMU in the following tasks:

- i)* Design a feedback mechanism to identify the problems encountered during project implementation. Identify technical assistance needs.
- ii)* Prepare the ToR for any special studies/training needed to resolve the problems encountered during project implementation.
- iii)* Assist PMU in procuring the service of Consultants to undertake the studies/training identified.

#### **3.1.6 Monitoring and Evaluation of the Outcome of Component 1**

The PMC shall assist the PMU in the following tasks:

- i)* Regularly collect/update necessary data required for Monitoring and Evaluation (M&E) of Component 1.
- ii)* Prepare two evaluation reports for Component 1, one at the mid-term stage, and the other at the end of project.
- iii)* Conduct other analysis of project implementation as per the requirement of the PMU.

### **3.2 PMC Services for Component-2: Implementation of Demonstration Projects**

Detailed project reports (DPR) for the demonstration projects being proposed by the implementing agencies are in various stages of completion. Some DPRs are in a fairly advanced stage of completion and are expected to be ready for implementation immediately after project funds are released. These have been categorized as Phase 1 projects. Projects for which the DPRs are under preparation and are expected to be ready over the next 12 to 18 months have been categorized as Phase 2 projects. With this background, PMC is expected to provide the following services under component 2 as listed below.

#### **3.2.1 Project Preparation**

- i)* Review the DPRs and bid documents prepared by the Implementing Agencies (IAs), and advises on gaps, if any, for each component of project. Ensure that the proposed investments and complementary actions are technically sound and comply with the overall project objectives. Also ensure that subproject-specific environmental and social mitigation measures are incorporated into project document. .

- ii)* Assist the PMU in appraising Phase 2 projects and in formulating modifications/additions to previously approved subprojects, where required.
- iii)* Assist PIUs in preparing and regularly updating the procurement plans, matching with schedule for each item of work, goods and services and with annual budgets, expenditure and disbursement plans for all projects.
- iv)* Assist the PMU in preparing and regularly updating the overall project procurement plan and schedule for each item of work, goods and services.

### **3.2.2 Project Implementation of Phase 1 and Phase 2 Projects**

- i)* Provide technical advice to PIUs in all aspects of project implementation such as designs, specifications, costing, procurement, social and environmental safeguards, etc.
- ii)* Assist PMU in the preparation of completion reports as and when projects are completed by PIUs.
- iii)* Prepare monthly status report and quarterly progress reports documenting all aspects of project implementation, and comment on the compliance with the objectives of SUTP. Recommend any actions that should be taken to optimize the quality of the project.
- iv)* To carry out this work it is expected that site visits will be made at least quarterly.
- iv)* Assist the PMU in developing and delivering training course to help PIU staff properly utilize the Operations Manual and improve their capacity in project management, including procurement, environmental and social management, and information disclosure, etc.

### **S3.2.3 Monitoring and Evaluation of Component 2**

- i)* Monitor and evaluate the implementation of projects, environmental mitigation and monitoring measures, resettlement and other social impact mitigation measures, compliance with Operations Manual of SUTP etc.
- ii)* Advise PIU on matters related to collection/updating of necessary data required for the Monitoring and Evaluation (M&E) of the outcomes of Component 2.
- iii)* Prepare evaluation reports describing the project and its impact, one at the mid-term stage and the other by the end of project. Suggest improvements for achieving better benefits.
- iv)* Conduct any other analysis of project implementation as per the PMU requirements.

### **3.3 PMC Services for Component-3: Strengthening Project Management Capabilities**

- (i)* The PMC shall assist the PMU in the day to day project management functions. This would include providing technical assistance in the areas of project management, procurement, transport planning, environment, social, information technology, training, institutional strengthening, etc which form an integral part of project implementation activities.



### 3.4 Consultant Team Requirements

It is expected that the PMC will provide the services of a team of experts with skills and experience commensurate with the task requirements. All team members shall operate from the PMU approved location in Delhi. The Team Leader shall be positioned in Delhi for the full duration of the consultancy service. The minimum qualifications of key staff likely to be involved in the PMC have been given in **Table 1**.

**Table 1: Key Positions and Qualifications**

Position & No.	Years of Exp.	Responsibilities and Experience Required	Person Months
Team Leader (1 No.)	15 years	<p>Team Leader shall be responsible for leading the PMC team in various project management activities, liaise with participating Implementing Agencies (IA), MoUD and the funding agencies viz. GEF, UNDP and the World Bank. He/She will be particularly responsible for preparing the Project Implementation Plan (PIP) with inputs from the IAs and making best efforts to implement the project according to the agreed PIP without serious cost and time overruns.</p> <p>He/She will at least be a technical graduate and be an experienced Professional with substantial project management experience in the urban sector. Experience of managing an externally funded project will be an added advantage. Team Leader shall have specific experience in working with and managing multi-disciplinary teams.</p>	48
Transport Specialist (1 No)	5 years	<p>The Transport Specialist will provide advice to the Team Leader and the PMU on the technical substance of the project, including the subprojects in the participating cities.</p> <p>He/she will be a relatively junior professional with five years of experience in the urban transport field, with particular interest in environmentally friendly transport development.</p>	20
Procurement Expert (1 No)	10 years	<p>The Procurement expert shall be responsible for overall coordination with all ten implementing agencies in Nine cities and with PMU on all matters related to procurement as part of the project implementation process.</p> <p>Key Responsibilities of the Procurement Expert shall include the following:</p> <ul style="list-style-type: none"> <li>• Coordinate and assist the PIUs in preparation and updating of Procurement Plan in the prescribed format and establish a procurement management system for monitoring the progress of procurement activities, in consultation with the PMU ;</li> <li>• Assist and advise the PIUs for preparation of Bidding Documents and Request for Proposals (RFP) for goods, works, supply &amp; installation, IT equipment and services, including consultants services, using the World Bank's Standard Bidding Documents and Standard RFPS;</li> <li>• Review such procurement documents as require prior or post clearances [Procurement Plan , Bidding Documents and RFPs, Evaluation Report, Draft Contracts and Signed contracts, and their amendments / extensions etc.], make its recommendations</li> </ul>	30

Position & No.	Years of Exp.	Responsibilities and Experience Required	Person Months
		<p>and coordinate clearance from the PMU and World Bank as the case may be;</p> <ul style="list-style-type: none"> <li>• Review and advise PIUs on claims, variation orders, extensions of time and other contractual matters affecting the cost and/or the duration of the works; and make recommendations for clearance by PMU/Bank, as required;</li> <li>• Oversee the establishment and maintenance of a central procurement filing system in the PMU including complete documentation of the procurement process for contracts subject to the Prior review by PMU/Bank;</li> <li>• The Procurement Expert will also guide the participating cities in procurement by conducting training and workshops and monitor their procurement process and identify the weaknesses in procurement function of each PIU and make recommendations for steps required for capacity building in procurement functions of each PIU at the end of 12 months from effectiveness of loan.</li> </ul> <p>Qualifications: Bachelor's Degree in Engineering, or in another relevant field.</p> <p>Experience: Minimum 10 years experience in a responsible capacity for procuring goods, works, supply &amp; installation of equipment, and services including Consultancy Services. Should have handled procurement functions for at least one externally funded project requiring procurement rules and procedures of the funding agency during the last five years and should be fully conversant with World Bank Procurement procedures and Guidelines. Experience in PPP shall be desirable.</p>	
<p>Environment Safeguard Expert (1 No)</p>	<p>5 years</p>	<p>The Environmental Safeguard Expert will guide the implementing agencies in identifying the environmental issues which need to be addressed in each project. He/She will assist the IAs in specifying appropriate safeguards required for mitigating the detrimental environmental impacts and shall ensure that these are included in the project reports. He/She shall also ensure that these safeguards are strictly executed during project implementation.</p> <p>Environmental Safeguard Expert should have a Masters degree or equivalent in environmental science, engineering, applied sciences or another relevant field, and should be conversant with the GoI and World Bank policies on the subject. Experience in implementing at least one World Bank funded project during the last five years will be necessary.</p>	<p>8</p>
<p>Social Safeguard Expert (1 No)</p>	<p>5 years</p>	<p>The Social Safeguard Expert will guide the implementing agencies in identifying the social issues which need to be addressed in each project.</p> <p>He/She will assist the IAs in specifying appropriate safeguards required for mitigating the negative social impacts and shall ensure that these are included in the project reports. He/She shall also ensure that these safeguards are strictly executed during project implementation.</p> <p>Social Safeguard Expert should have a Masters degree or equivalent in social science or another relevant field and should be conversant with the GoI and World Bank policies on this subject. Experience in</p>	<p>8</p>

Position & No.	Years of Exp.	Responsibilities and Experience Required	Person Months
		implementing at least one World Bank funded project during the last five years will be necessary.	
Information Technology Expert (1 No)	5 years	<p>The Information Technology Expert will primarily assist the PMU in designing, implementing and operating management information systems, databases, wide area networks etc. and in the implementation of the national Knowledge Management Centre. In addition, He/She will assist the PMU in the dissemination of project and technical information through electronic media.</p> <p>The IT Expert should have a masters degree in information technology or another relevant field with proven experience in designing, implementing and operating management information systems, databases, wide area networks etc.</p>	24
Training and Institutional Expert (1 No)	10 years	<p>The Training and Institutional Expert will assist the PMU in managing and monitoring the implementation of subcomponent 2 and 3 of Component 1, developing annual training programs for PIU staff at city level to help them implement their city projects, and shall provide technical support in all activities related to institutional strengthening and training under this project.</p> <p>Training and Institutional Expert should have a graduate degree in urban planning or engineering with at least 5 years of experience in teaching and training activities in the area of urban transport. The candidate must also have experience in organizing and managing training programs for government agencies.</p>	12

### 3.5 Duration of Services

The overall duration of services will extend over the project period of four (4) years.

### 3.6 Deliverables

In addition to outputs described in the Section 3: scope of services, the consultant is required to deliver the following during the contract period:

Deliverables	Submission Deadline	No of Copies
Inception Report	Within a month of signing of the contract	5
Status Report	Monthly	5
Progress Report	Quarterly	5
Annual Progress Report	Annual	5
Completion Report (CR)	As soon as possible after the closing date of the SUTP. (Payment of last installment to be released after submission and acceptance of this report)	10
Final Summary Report	At the end of the contract period	10

## SECTION 6: STANDARD FORM OF CONTRACT

### Contract for Consultants' Services

Time Based

Between

---

[Name of the Employer]

And

---

[Name of the Consultant]

Dated: \_\_\_\_\_

## I. FORM OF CONTRACT

(Text in brackets [ ] should be filled up appropriately; all notes should be deleted in final text) This CONTRACT (hereinafter called the "Contract") is made the [day] day of the month of [month], [year], between the President of India acting through (designation), Ministry of ----, Department of -- ----, Government of India, (office address), [name of employer] (hereinafter called the "Employer"), of the First Part and, [name of Consultant] (hereinafter called the "Consultant") of the Second Part. [Note: If the Consultant consist of more than one entity, the above should be partially amended to read as follows: "...(hereinafter called the "Employer") and, on the other hand, a joint venture/consortium/association consisting of the following entities, namely, lead consultant [name of lead Consultant] and [name of Consultant/s] (hereinafter called the "Consultant").

WHEREAS

(a) The Consultant, having represented to the "Employer" that he has the required professional skills, personnel and technical resources, has offered to provide in response to the Tender Notice dated [ ] issued by the Employer ;

(b) The "Employer" has accepted the offer of the Consultant to provide the services on the terms and conditions set forth in this Contract.

NOW, THEREFORE, IT IS HEREBY AGREED between the parties as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this Contract:

(a) The General Conditions of Contract;

(b) The Special Conditions of Contract;

(c) The following Appendices:

- Appendix A: Description of Services
- Appendix B: Reporting Requirements
- Appendix C: Staffing schedule
- Appendix D: Cost Estimates
- Appendix E: Duties of the "Employer"

2. The mutual rights and obligations of the "Employer" and the Consultant shall be as set forth in the Contract, in particular:

(a) The Consultants shall carry out and complete the Services in accordance with the provisions of the Contract; and

(b) The "Employer" shall make payments to the Consultant in accordance with the provisions of the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names as of the day and year first above written.

Signed by -----

In presence of 1. For and on behalf of the President of India[name of "Employer"]

(Witnesses)

- (i) [Authorized Representative]
- (ii) For and on behalf of [name of Consultant]

In presence of

(Witnesses)

- (i)
- (ii) [Authorized Representative]

[Note: If the Consultant consists of more than one entity, all these entities should appear as signatories, e.g., in the following manner:]

- (iii) For and on behalf of each of the Members of the Consultant.

[Name of member]

[Authorized Representative]

- (iv) [Name of member]
- [Authorized Representative]

## II. GENERAL CONDITIONS OF CONTRACT

### 1. GENERAL PROVISIONS

1.1 **Definitions:** Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:

- (a) “Applicable Law” means the laws and any other instruments having the force of law in India for the time being.
- (b) “Consultant” means any private or public entity that will provide the Services to the “Employer” under the Contract.
- (c) “Contract” means the Contract signed by the Parties and all the attached documents listed in its Clause 1 that is this General Conditions (GC), the Special Conditions (SC), and the Appendices.
- (d) “Day” means calendar day.
- (e) “Effective Date” means the date on which this Contract comes into force and effect pursuant to Clause GC 2.1.
- (f) “Foreign Currency” means any currency other than the currency of the “Employer’s” country.
- (g) “GC” means these General Conditions of Contract.
- (h) “Government” means the Government of India
- (i) “Local Currency” means Indian Rupees.
- (j) “Member” means any of the entities that make up the joint venture/consortium/ association; and “Members” means all these entities.
- (k) “Party” means the “Employer” or the Consultant, as the case may be, and “Parties” means both of them.
- (l) “Personnel” means professionals and support staff provided by the Consultants or by any Sub-Consultants and assigned to perform the Services or any part thereof; “Foreign Personnel” means such professionals and support staff who at the time of being so provided had their domicile outside the Government’s country; “Local Personnel” means such professionals and support staff who at the time of being so provided had their domicile inside the Government’s country; and “Key Personnel” means the Personnel referred to in Clause GC 4.2(a).
- (m) “Reimbursable expenses” means all assignment-related costs [such as travel, translation, report printing, secretarial expenses, subject to specified maximum limits in the Contract].
- (n) “SC” means the Special Conditions of Contract by which the GC may be amended or supplemented.

- (o) “Services” means the work to be performed by the Consultant pursuant to this Contract, as described in Appendix A hereto.
- (p) “Sub-Consultants” means any person or entity to whom/which the Consultant subcontracts any part of the Services.
- (q) “Third Party” means any person or entity other than the “Employer”, or the Consultant.
- (r) “In writing” means communicated in written form with proof of receipt.

**1.2 Relationship between the Parties:** Nothing contained herein shall be construed as establishing a relationship of master and servant or of principal and agent as between the “Employer” and the Consultant. The Consultant, subject to this Contract, has complete charge of Personnel and Sub-Consultants, if any, performing the Services and shall be fully responsible for the Services performed by them or on their behalf hereunder.

**1.3 Law Governing Contract:** This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the applicable laws of India.

**1.4 Headings:** The headings shall not limit, alter or affect the meaning of this Contract.

## **1.5 Notices**

**1.5.1** Any notice, request or consent required or permitted to be given or made pursuant to this Contract 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 by registered post to such Party at the address specified in the SC.

**1.5.2** A Party may change its address for notice hereunder by giving the other Party notice in writing of such change to the address specified in the SC.

**1.6 Location:** The Services shall be performed at such locations as are specified in Appendix A hereto and, where the location of a particular task is not so specified, at such locations, as the “Employer” may approve.

**1.7 Authority of Lead Partner:** In case the Consultant consists of a joint venture/consortium/association of more than one entity, the Members hereby authorize the entity specified (Lead Consultant) in the SC to act on their behalf in exercising all the Consultant’s rights and obligations towards the “Employer” under this Contract, including without limitation the receiving of instructions and payments from the “Employer”. However, each member or constituent of Consortium of Consultant shall be jointly and severally liable for all obligations of the Consultant under the Contract.

**1.8 Authorized Representatives:** Any action required or permitted to be taken, and any document required or permitted to be executed under this Contract by the “Employer” or the Consultant may be taken or executed by the officials specified in the SC.



**1.9 Taxes and Duties:** The Consultant, Sub-Consultants and Personnel shall be liable to pay such direct and indirect taxes, duties, fees and other impositions levied under the applicable laws of India.

### **1.10 Fraud and Corruption**

**1.10.1 Definitions:** It is the Employer's policy to require that Employers as well as Consultants observe the highest standard of ethics during the execution of the Contract. In pursuance of this policy, the Employer defines, for the purpose of this provision, the terms set forth below as follows:

- (i) "Corrupt practice" means the offering, receiving, or soliciting, directly or indirectly, of any thing of value to influence the action of a public official in the selection process or in contract execution;
- (ii) "Fraudulent practice" means a misrepresentation or omission of facts in order to influence a selection process or the execution of a contract;
- (iii) "Collusive practices" means a scheme or arrangement between two or more consultants, with or without the knowledge of the Employer, designed to establish prices at artificial, noncompetitive levels;
- (iv) "coercive practices" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the execution of a contract;

### **1.10.2 Measures to be taken by the Employer**

- (a) The Employer may terminate the contract if it determines at any time that representatives of the consultant were engaged in corrupt, fraudulent, collusive or coercive practices during the selection process or the execution of that contract, without the consultant having taken timely and appropriate action satisfactory to the Employer to remedy the situation;
- (b) The Employer may also sanction against the Consultant, including declaring the Consultant ineligible, either indefinitely or for a stated period of time, to be awarded a contract if it at any time determines that the Consultant has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing, a Employer-financed contract;

### **1.10.3 Commissions and Fees**

At the time of execution of this Contract, the Consultants shall disclose any commissions or fees that may have been paid or are agreed to be paid to agents, representatives, or commission agents with respect to the selection process or execution of the contract. The information disclosed must include at least the name and address of the agent, representative, or commission agent, the amount and currency, and the purpose of the commission or fee.

## 2. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF CONTRACT

- 2.1 Effectiveness of Contract:** This Contract shall come into force and effect on the date (the "Effective Date") of the Employer's notice to the Consultant instructing the Consultant to begin carrying out the Services. This notice shall confirm that the conditions precedent and effectiveness conditions, if any, listed in the SC have been met.
- 2.2 Termination of Contract for Failure to Become Effective:** If this Contract has not become effective within such time period after the date of the Contract signed by the Parties as specified in the SC, either Party may, by not less than twenty one (21) days written notice to the other Party, declare this Contract to be null and void, and in the event of such a declaration by either Party, neither Party shall have any claim against the other Party with respect hereto.
- 2.3 Commencement of Services:** The Consultant shall begin carrying out the Services not later than the number of days after the Effective Date specified in the SC.
- 2.4 Expiration of Contract:** Unless terminated earlier pursuant to Clause GC 2.9 hereof, this Contract shall expire at the end of such time period after the Effective Date as specified in the SC.
- 2.5 Entire Agreement:** This Contract contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for, any other statement, representation, promise or agreement not set forth herein.
- 2.6 Modifications or Variations:** (a) Any modification or variation of the terms and conditions of this Contract, including any modification or variation of the scope of the Services, may only be made by written agreement between the Parties. Pursuant to Clause GC 7.2 here of, however, each Party shall give due consideration to any proposals for modification or variation made by the other Party. (b) In cases of substantial modifications or variations, the prior written consent of the Employer is required.
- 2.7 Force Majeure**
- 2.7.1 Definition (a)** For the purposes of this Contract, "Force Majeure" means an event which is beyond the reasonable control of a Party, is not foreseeable, is unavoidable and not brought about by or at the instance of the Party claiming to be affected by such events and which has caused the non-performance or delay in performance, and which makes a Party's performance of its obligations hereunder impossible or so impractical as reasonably to be considered impossible in the circumstances, and includes, but is not limited to, war, riots, civil disorder, earthquake, fire, explosion, storm, flood or other extreme adverse weather conditions, strikes, lockouts or other industrial action (except where such strikes, lockouts or other industrial action are within the power of the Party invoking Force Majeure to prevent), confiscation or any other action by Government agencies. **(b)** Force Majeure shall not include (i) any event which is caused by the negligence or intentional action of a Party or by or of such Party's Sub-Consultants or

agents or employees, nor (ii) any event which a diligent Party could reasonably have been expected both to take into account at the time of the conclusion of this Contract, and avoid or overcome in the carrying out of its obligations hereunder. **(c)** Subject to clause 2.7.2, Force Majeure shall not include insufficiency of funds or inability to make any payment required hereunder.

**2.7.2 No Breach of Contract:** The failure of a Party to fulfill any of its obligations hereunder shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of this Contract.

**2.7.3 Measures to be taken:**

- (a) A Party affected by an event of Force Majeure shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall take all reasonable measures to minimize the consequences of any event of Force Majeure.
- (b) A Party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, and in any case not later than fourteen (14) days following the occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give written notice of the restoration of normal conditions as soon as possible.
- (c) Any period within which a Party shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.
- (d) During the period of their inability to perform the Services as a result of an event of Force Majeure, the Consultant, upon instructions by the "Employer", shall either: (i) demobilize or (ii) continue with the Services to the extent possible, in which case the Consultant shall continue to be paid proportionately and on prorated basis, under the terms of this Contract.
- (e) In the case of disagreement between the Parties as to the existence or extent of Force Majeure, the matter shall be settled according to Clause GC 8.

**2.8 Suspension:** The "Employer" may, by written notice of suspension to the Consultant, suspend all payments to the Consultant hereunder if the Consultant fails to perform any of its obligations under this Contract, including the carrying out of the Services, provided that such notice of suspension (i) shall specify the nature of the failure, and (ii) shall allow the Consultant to remedy such failure, if capable of being remedied, within a period not exceeding thirty (30) days after receipt by the Consultant of such notice of suspension.

**2.9 Termination**

**2.9.1.1 By the "Employer":** The "Employer" may terminate this Contract in case of the occurrence of any of the events specified in paragraphs (a) through (h) of this Clause GC 2.9.1.1.

- (a) If the Consultant fails to remedy a failure in the performance of its obligations hereunder, as specified in a notice of suspension pursuant to Clause GC 2.8 hereinabove, within thirty (30) days of receipt of such notice of suspension or within such further period as the "Employer" may have subsequently approved in writing.
- (b) If the Consultant becomes (or, if the Consultant consists of more than one entity, if any of its Members becomes and which has substantial bearing on providing Services under this contract) insolvent or go into liquidation or receivership whether compulsory or voluntary.
- (c) If the Consultant fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause GC 8 hereof.
- (d) If the Consultant, in the judgment of the "Employer", has engaged in corrupt or fraudulent practices in competing for or in executing this Contract.
- (e) If the Consultant submits to the "Employer" a false statement which has a material effect on the rights, obligations or interests of the "Employer".
- (f) If the Consultant places itself in position of conflict of interest or fails to disclose promptly any conflict of interest to the Employer.
- (g) If the consultant fails to provide the quality services as envisaged under this Contract. The Consultancy Monitoring Committee (CMC) formulated to monitor the progress of the assignment may make judgment regarding the poor quality of services, the reasons for which shall be recorded in writing. The CMC may decide to give one chance to the consultant to improve the quality of the services.
- (h) If, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) days.
- (i) If the "Employer", in its sole discretion and for any reason whatsoever, decides to terminate this Contract.

**2.9.1.2** In such an occurrence the "Employer" shall give a not less than thirty (30) days' written notice of termination to the Consultants, and sixty (60) days' in case of the event referred to in (h).

**2.9.2** **By the Consultant.** The Consultant may terminate this Contract, by not less than thirty (30) days' written notice to the "Employer", in case of the occurrence of any of the events specified in paragraphs (a) through (d) of this Clause GC 2.9.2.

- (a) If the "Employer" fails to pay any money due to the Consultant pursuant to this Contract and not subject to dispute pursuant to Clause GC 8 hereof within forty-five (45) days after receiving written notice from the Consultant that such payment is overdue.
- (b) If, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) days.
- (c) If the "Employer" fails to comply with any final decision reached as a result of arbitration pursuant to Clause GC 8 hereof.

- (d) If the “Employer” is in material breach of its obligations pursuant to this Contract and has not remedied the same within forty-five (45) days (or such longer period as the Consultant may have subsequently approved in writing) following the receipt by the “Employer” of the Consultant’s notice specifying such breach.

**2.9.3 Cessation of Rights and Obligations:** Upon termination of this Contract pursuant to Clauses GC 2.2 or GC 2.9 hereof, or upon expiration of this Contract pursuant to Clause GC 2.4 hereof, all rights and obligations of the Parties hereunder shall cease, except (i) such rights and obligations as may have accrued on the date of termination or expiration, (ii) the obligation of confidentiality set forth in Clause GC 3.3 hereof, (iii) the Consultant’s obligation to permit inspection, copying and auditing of their accounts and records set forth in Clause GC 3.6 hereof, and (iv) any right which a Party may have under the Law.

**2.9.4 Cessation of Services:** Upon termination of this Contract by notice of either Party to the other pursuant to Clauses GC 2.9.1 or GC 2.9.2 hereof, the Consultant shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum. With respect to documents prepared by the Consultant and equipment and materials furnished by the “Employer”, the Consultant shall proceed as provided, respectively, by Clauses GC 3.9 or GC 3.10 hereof.

**2.9.5 Payment upon Termination:** Upon termination of this Contract pursuant to Clauses GC 2.9.1 or GC 2.9.2 hereof, the “Employer” shall make the following payments to the Consultant:

- (a) If the Contract is terminated pursuant to Clause 2.9.1 (g), (h) or 2.9.2, remuneration pursuant to Clause GC 6.3(h) (i) hereof for Services satisfactorily performed prior to the effective date of termination, and reimbursable expenditures pursuant to Clause GC 6.3(h)(ii) hereof for expenditures actually and reasonably incurred prior to the effective date of termination.
- (b) If the agreement is terminated pursuant of Clause 2.9.1 (a) to (f), the consultant shall not be entitled to receive any agreed payments upon termination of the contract. However, the “Employer” may consider making payment for the part satisfactorily performed on the basis of Quantum Meruit as assessed by it, if such part is of economic utility to the Employer. Applicable Under such circumstances, upon termination, the client may also impose liquidated damages as per the provisions of Clause 9 of this agreement. The consultant will be required to pay any such liquidated damages to client within 30 days of termination date.

**2.9.6 Disputes about Events of Termination:** If either Party disputes whether an event specified in paragraphs (a) through (g) of Clause GC 2.9.1 or in Clause GC 2.9.2 hereof has occurred, such Party may, within forty-five (30) days after receipt of notice of termination from the other Party, refer the matter to Clause GC 8 hereof, and this Contract shall not be terminated on account of such event except in accordance with the terms of any resulting arbitral award.

### 3. OBLIGATIONS OF THE CONSULTANT

#### 3.1 General

- 3.1.1 *Standard of Performance:*** The Consultant shall perform the Services and carry out their obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted professional standards and practices, and shall observe sound management practices, and employ appropriate technology and safe and effective equipment, machinery, materials and methods.

The Consultant shall always act, in respect of any matter relating to this Contract or to the Services, as faithful adviser to the “Employer”, and shall at all times support and safeguard the “Employer’s legitimate interests in any dealings with Sub-Consultants or Third Parties.

- 3.2 *Conflict of Interests:*** The Consultant shall hold the “Employer’s interests paramount, without any consideration for future work, and strictly avoid conflict of interest with other assignments or their own corporate interests. If during the period of this contract, a conflict of interest arises for any reasons, the Consultant shall promptly disclose the same to the Employer and seek its instructions.

- 3.2.1 *Consultant not to benefit from Commissions, Discounts, etc.:*** (a) The payment of the Consultant pursuant to Clause GC 6 hereof shall constitute the Consultant’s only payment in connection with this Contract and, subject to Clause GC 3.2.2 hereof, the Consultant shall not accept for its own benefit any trade commission, discount or similar payment in connection with activities pursuant to this Contract or in the discharge of its obligations hereunder, and the Consultant shall use its best efforts to ensure that any Sub-Consultants, as well as the Personnel and agents of either of them, similarly shall not receive any such additional payment. (b) Furthermore, if the Consultant, as part of the Services, has the responsibility of advising the “Employer” on the procurement of goods, works or services, the Consultant shall comply with the Employer’s applicable procurement guidelines, and shall at all times exercise such responsibility in the best interest of the “Employer”. Any discounts or commissions obtained by the Consultant in the exercise of such procurement responsibility shall be for the account of the “Employer”.

- 3.2.2 *Consultant and Affiliates Not to Engage in Certain Activities:*** The Consultant agrees that, during the term of this Contract and after its termination, the Consultant and any entity affiliated with the Consultant, as well as any Sub-Consultants and any entity affiliated with such Sub-Consultants, shall be disqualified from providing goods, works or services (other than consulting services) resulting from or directly related to the Consultant’s Services for the preparation or implementation of the project.

- 3.2.3 *Prohibition of Conflicting Activities:*** The Consultant shall not engage, and shall cause their Personnel as well as their Sub-Consultants and their Personnel not to engage, either directly or indirectly, in any business or professional activities that would conflict with the activities assigned to them under this Contract.

- 3.3 Confidentiality:** Except with the prior written consent of the “Employer”, the Consultant and the Personnel shall not at any time communicate to any person or entity any confidential information acquired in the course of the Services, nor shall the Consultant and its Personnel make public the recommendations formulated in the course of, or as a result of, the Services.
- 3.4 Insurance to be taken out by the Consultant:** DELETED
- 3.5 Accounting, Inspection and Auditing:** The Consultant (i) shall keep accurate and systematic accounts and records in respect of the Services hereunder, in accordance with internationally accepted accounting principles and in such form and detail as will clearly identify all relevant time changes and costs, and the bases thereof, and (ii) shall periodically permit the “Employer” or its designated representative and/or the Employer, and up to five years from expiration or termination of this Contract, to inspect the same and make copies thereof as well as to have them audited by auditors appointed by the “Employer” or the Employer, if so required by the “Employer” or the Employer as the case may be.
- 3.6 Consultant’s Actions Requiring Employer’s Prior Approval:** The Consultant shall obtain the “Employer’s prior approval in writing before taking any of the following actions:
- (a) Any change or addition to the Personnel listed in Appendix C.
  - (b) Subcontracts: the Consultant may subcontract work relating to the Services to an extent and with such experts and entities as may be approved in advance by the “Employer”. Notwithstanding such approval, the Consultant shall always retain full responsibility for the Services. In the event that any Sub-Consultants are found by the “Employer” to be incompetent or incapable or undesirable in discharging assigned duties, the “Employer” may request the Consultant to provide a replacement, with qualifications and experience acceptable to the “Employer”, or to resume the performance of the Services itself.
- 3.7 Reporting Obligations:** The Consultant shall submit to the “Employer” the reports and documents specified in Appendix B hereto, in the form, in the numbers and within the time periods set forth in the said Appendix. Final reports shall be delivered in CD ROM in addition to the hard copies specified in said Appendix.
- 3.8 Documents Prepared by the Consultant to be the Property of the “Employer”:** All plans, drawings, specifications, designs, reports, other documents and software prepared by the Consultant for the “Employer” under this Contract shall become and remain the property of the “Employer”, and the Consultant shall, not later than upon termination or expiration of this Contract, deliver all such documents to the “Employer”, together with a detailed inventory thereof. The Consultant may retain a copy of such documents, but shall not use anywhere, without taking permission, in writing, from the Employer and the Employer reserves right to grant or deny any such request.. If license agreements are necessary or appropriate between the Consultant and third parties for purposes of development of any such computer programs, the Consultant shall obtain the “Employer’s prior written approval to such agreements, and the “Employer” shall be entitled at its

discretion to require recovering the expenses related to the development of the program(s) concerned.

**3.9 *Equipment, Vehicles and Materials Furnished by the “Employer”*: - Deleted**

**4. CONSULTANTS’ PERSONNEL AND SUB-CONSULTANTS**

**4.1 General:**

The Consultant shall employ and provide such qualified and experienced Personnel and Sub-Consultants as are required to carry out the Services.

**4.2 Description of Personnel:**

- (a) The title, agreed job description, minimum qualification and estimated period of engagement in the carrying out of the Services of each of the Consultant’s Key Personnel are as per the consultant’s proposal and are described in Appendix C. If any of the Key Personnel has already been approved by the “Employer”, his/her name is listed as well.
- (b) If required to comply with the provisions of Clause GC 3.1.1 hereof, adjustments with respect to the estimated periods of engagement of Key Personnel set forth in Appendix C may be made by the Consultant by written notice to the “Employer”, provided (i) that such adjustments shall not alter the originally estimated period of engagement of any individual by more than 10% or one week, whichever is larger, and (ii) that the aggregate of such adjustments shall not cause payments under this Contract to exceed the ceilings set forth in Clause GC 6.1(b) of this Contract. Any other such adjustments shall only be made with the “Employer’s written approval.
- (c) If additional work is required beyond the scope of the Services specified in Appendix A, the estimated periods of engagement of Key Personnel set forth in Appendix C may be increased by agreement in writing between the “Employer” and the Consultant. In case where payments under this Contract exceed the ceilings set forth in Clause GC 6.1(b) of this Contract, this will be explicitly mentioned in the agreement.

**4.3 Approval of Personnel:**

The Key Personnel and Sub-Consultants listed by title as well as by name in Appendix C are hereby approved by the “Employer”. In respect of other Personnel which the Consultant proposes to use in the carrying out of the Services, the Consultant shall submit to the “Employer” for review and approval a copy of their Curricula Vitae (CVs). If the “Employer” does not object in writing (stating the reasons for the objection) within twenty-one (21) days from the date of receipt of such CVs, such Personnel shall be deemed to have been approved by the “Employer”.

**4.4 Removal and/or Replacement of Personnel:**

- (a) Except as the “Employer” may otherwise agree, no changes shall be made in the Personnel. If, for any reason beyond the reasonable control of the Consultant,



such as retirement, death, medical incapacity, among others, it becomes necessary to replace any of the Personnel, the Consultant shall forthwith provide as a replacement a person of equivalent or better qualifications.

- (b) If the “Employer” (i) finds that any of the Personnel has committed serious misconduct or has been charged with having committed a criminal action, or (ii) has reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Consultant shall, at the “Employer’s written request specifying the grounds therefore, forthwith provide as a replacement a person with qualifications and experience acceptable to the “Employer”.
- (c) Any of the Personnel provided as a replacement under Clauses (a) and (b) above, as well as any reimbursable expenditures (including expenditures due to the number of eligible dependents) the Consultants may wish to claim as a result of such replacement, shall be subject to the prior written approval by the “Employer”. The rate of remuneration applicable to a replacement person will be the rate of remuneration paid to the replacement person. Also (i) the Consultant shall bear all additional travel and other costs arising out of or incidental to any removal and/or replacement, and (ii) the remuneration to be paid for any of the Personnel provided as a replacement shall not exceed the remuneration which would have been payable to the Personnel replaced.

#### **4.5 Resident Project Manager:**

If required by the SC, the Consultant shall ensure that at all times during the Consultant’s performance of the Services a resident project manager, acceptable to the “Employer”, shall take charge of the performance of such Services.

### **5. OBLIGATIONS OF THE “EMPLOYER”**

**5.1 Assistance and Exemptions:** Unless otherwise specified in the SC, the “Employer” shall use its best efforts to ensure that the Government shall:

- (a) Provide the Consultant, Sub-Consultants and Personnel with work permits and such other documents as shall be necessary to enable the Consultant, Sub-Consultants or Personnel to perform the Services.
- (b) Arrange for the Foreign Personnel to be provided promptly with all necessary entry and exit visas, residence permits, exchange permits and any other documents required for their stay in India.
- (c) Issue to officials, agents and representatives of the Government all such instructions as may be necessary or appropriate for the prompt and effective implementation of the Services.
- (d) Provide to the Consultant, Sub-Consultants and Personnel any such other assistance as may be specified in the SC.

**5.2 Change in the Applicable Law Related to Taxes and Duties:** If, after the date of this Contract, there is any change in the Applicable Laws of India with respect to taxes and

duties, which are directly payable by the consultant for providing the services i.e. service tax or any such applicable tax from time to time, which increases or decreases the cost incurred by the Consultant in performing the Services, then the remuneration and reimbursable expenses otherwise payable to the Consultant under this Contract shall be increased or decreased accordingly by agreement between the Parties hereto, and corresponding adjustments shall be made to the ceiling amounts specified in Clause GC 6.1(b).

### **5.3 Services, Facilities and Property of the “Employer”:**

- (a) The “Employer” shall make available to the Consultant and its Personnel, for the purposes of the Services and free of any charge, the services, facilities and property described in Appendix E at the times and in the manner specified in said Appendix E.
- (b) In case that such services, facilities and property shall not be made available to the Consultant as and when specified in Appendix E, the Parties shall agree on any time extension that it may be appropriate to grant to the Consultant for the performance of the Services.

**5.4** Payment: In consideration of the Services performed by the Consultant under this Contract, the “Employer” shall make to the Consultant such payments and in such manner as is provided by Clause GC 6 of this Contract.

**5.5 Counterpart Personnel:** (a) If necessary, the “Employer” shall make available to the Consultant free of charge such professional and support counterpart personnel, to be nominated by the “Employer” with the Consultant’s advice, if specified in Appendix E. (b) Professional and support counterpart personnel, excluding “Employer’s liaison personnel, shall work under the exclusive direction of the Consultant. If any member of the counterpart personnel fails to perform adequately any work assigned to such member by the Consultant that is consistent with the position occupied by such member, the Consultant may request the replacement of such member, and the “Employer” shall not unreasonably refuse to act upon such request.

## **6. PAYMENTS TO THE CONSULTANT**

### **6.1 Total Cost of the Services:**

- (a) The total cost of the Services payable is set forth in Appendix D as per the consultant’s proposal to the Employer and as negotiated thereafter.
- (b) Except as may be otherwise agreed under Clause GC 2.6 and subject to Clause GC 6.1(c), payments under this Contract shall not exceed the amount specified in Appendix-D.
- (c) Notwithstanding Clause GC 6.1(b) hereof, if pursuant to any of the Clauses GC 4.2 (c) or 5.2 hereof, the Parties shall agree that additional payments shall be made to the Consultant in order to cover any necessary additional expenditures not envisaged in the cost estimates referred to in Clause GC 6.1(a) above, the ceiling or ceilings, as the case may be, set forth in Clause GC 6.1(b) above shall

be increased by the amount or amounts, as the case may be, of any such additional payments.

- (d) For the purpose of determining the payment due for modification or variation as provided in clause 2.6, break down of the lump-sum price is provided in appendix D

**6.2 Currency of Payment:** All payments shall be made in Indian Rupees.

**6.3 Terms of Payment:** The payments in respect of the Services shall be made as follows:

- (a) The consultant shall submit the invoice for payment when the payment is due as per the agreed terms. The payment shall be released as per the work related milestones achieved and as per the specified percentage as per SC 13.
- (b) Once a milestone is completed, the consultant shall submit the requisite deliverables as specified in this Contract. The Employer shall release the requisite payment upon acceptance of the deliverables. However, if the Employer fails to intimate acceptance of the deliverables or its objections thereto, within 30 days of receipt of it, the Employer shall release the payment to the consultant without further delay.
- (c) Final Payment : The final payment as specified in SC 13 shall be made only after the final report and a final statement, identified as such, shall have been submitted by the Consultant and approved as satisfactory by the "Employer". The Services shall be deemed completed and finally accepted by the "Employer" and the final report and final statement shall be deemed approved by the "Employer" as satisfactory ninety (90) calendar days after receipt of the final report and final statement by the "Employer" unless the "Employer", within such ninety (90) day period, gives written notice to the Consultant specifying in detail deficiencies in the Services, the final report or final statement. The Consultant shall thereupon promptly make any necessary corrections, and thereafter the foregoing process shall be repeated. Any amount, which the "Employer" has paid or caused to be paid in accordance with this Clause in excess of the amounts actually payable in accordance with the provisions of this Contract, shall be reimbursed by the Consultant to the "Employer" within thirty (30) days after receipt by the Consultant of notice thereof. Any such claim by the "Employer" for reimbursement must be made within twelve (12) calendar months after receipt by the "Employer" of a final report and a final statement approved by the "Employer" in accordance with the above.
- (d) For the purpose of payment under Clause 6.3 (b) above, acceptance means; acceptance of the deliverables by the Employer after submission by the consultant and the consultant has made presentation to the CMC / Employer with modifications to be communicated in writing by the Employer to the consultant.
- (e) If the deliverables submitted by the consultant are not acceptable to the Employer / CMC, reasons for such non-acceptance should be recorded in writing; the Employer shall not release the payment due to the consultant. This is without

prejudicing the Employer's right to levy any liquidated damages under clause 9. In such case, the payment will be released to the consultant only after it re-submits the deliverable and which is accepted by the Employer.

- (f) All payments under this Contract shall be made to the accounts of the Consultant specified in the SC.
- (g) With the exception of the final payment under (c) above, payments do not constitute acceptance of the Services nor relieve the Consultant of any obligations hereunder, unless the acceptance has been communicated by the Employer to the consultant in writing and the consultant has made necessary changes as per the comments / suggestions of the Employer communicated to the Consultant.
- (h) In case of early termination of the contract, the payment shall be made to the consultant as mentioned here with:
  - (i) Assessment should be made about work done from the previous milestone, for which the payment is made or to be made till the date of the termination. The consultant shall provide the details of persons reasonably worked during this period with supporting documents. Based on such details, the remuneration shall be calculated based on the man month rate as specified.
  - (ii) A reasonable assessment of the reimbursable and miscellaneous expenses shall be made based on details furnished by the consultant in this regard with supporting documents and based on the assessment of the work done and the respective rates as provided. Wherever such an assessment is difficult, the rates should be arrived at by calculating the amount on pro-rata basis. The total amount payable shall be the amount calculated as per (i) and (ii) above plus any applicable tax.

## 7. FAIRNESS AND GOOD FAITH

**7.1 Good Faith:** The Parties undertake to act in good faith with respect to each other's rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

**7.2 Operation of the Contract:** The Parties recognize that it is impractical in this Contract to provide for every contingency which may arise during the life of the Contract, and the Parties hereby agree that it is their intention that this Contract shall operate fairly as between them, and without detriment to the interest of either of them, and that, if during the term of this Contract either Party believes that this Contract is operating unfairly, the Parties will use their best efforts to agree on such action as may be necessary to remove the cause or causes of such unfairness, but no failure to agree on any action pursuant to this Clause shall give rise to a dispute subject to arbitration in accordance with Clause GC 8 hereof.

## 8. SETTLEMENT OF DISPUTES

- 8.1 Amicable Settlement:** Performance of the contract is governed by the terms & conditions of the contract. In case of dispute arises between the parties regarding any matter under the contract, either Party of the contract may send a written Notice of Dispute to the other party. The Party receiving the Notice of Dispute will consider the Notice and respond to it in writing within 30 days after receipt. If that party fails to respond within 30 days, or the dispute cannot be amicably settled within 60 days following the response of that party, clause GC 8.2 shall become applicable.
- 8.2 Arbitration:** In the case of dispute arising upon or in relation to or in connection with the contract between the Employer and the Consultant, which has not been settled amicably, any party can refer the dispute for Arbitration under (Indian) Arbitration and Conciliation Act, 1996. Such disputes shall be referred to an Arbitral Tribunal consisting of 3 (three) arbitrators, one each to be appointed by the Employer and the Consultant, the third arbitrator shall be chosen by the two arbitrators so appointed by the parties and shall act as Presiding Arbitrator. In case of failure of the two arbitrators, appointed by the parties to reach a consensus regarding the appointment of the third arbitrator within a period of 30 days from the date of appointment of the two arbitrators, the Presiding arbitrator shall be appointed by the Secretary of the Ministry / Department. The Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof, shall apply to these arbitration proceedings.
- 8.3.** Arbitration proceedings shall be held in India at the place indicated in SC and the language of the arbitration proceedings and that of all documents and communications between the parties shall be English.
- 8.4** The decision of the majority of arbitrators shall be final and binding upon both parties. The expenses of the arbitrators as determined by the arbitrators shall be shared equally by the Employer and the Consultant. However, the expenses incurred by each party in connection with the preparation, presentation shall be borne by the party itself. All arbitration awards shall be in writing and shall state the reasons for the award.

## 9. LIQUIDATED DAMAGES

- 9.1** The parties hereby agree that due to negligence of act of any party, if the other party suffers losses, damages the quantification of which may be difficult, and hence the amount specified hereunder shall be construed as reasonable estimate of the damages and both the parties agree to pay such liquidated damages, as defined hereunder as per the provisions of this Contract.
- 9.2** The amount of liquidated damages under this Contract shall not exceed [ 5\_] % of the total value of the contract as specified in Appendix D.
- 9.3** The liquidated damages shall be applicable under following circumstances:
- (a) If the deliverables are not submitted as per schedule as specified in SC 13, the Consultant shall be liable to pay up to 1% of the total cost of the services for delay of each week or part thereof.

- (b) If the deliverables are not acceptable to the Employer as mentioned in Clause 6.3 (e), and defects are not rectified to the satisfaction of the Employer within 30 days of the receipt of the notice, the Consultant shall be liable for Liquidated Damages for an amount up to [ 1 ] % of total cost of the services for every week or part thereof for the delay.

#### **10. MISCELLANEOUS PROVISIONS:**

- (i) "Nothing contained in this Contract shall be construed as establishing or creating between the Parties, a relationship of master and servant or principal and agent.
- (ii) Any failure or delay on the part of any Party to exercise right or power under this Contract shall not operate as waiver thereof.
- (iii) The Contractor/Consultant shall notify the Employer/ the Government of India of any material change in their status, in particular, where such change would impact on performance of obligations under this Contract.
- (iv) Each member/constituent of the Contractor/Consultant, in case of a consortium, shall be jointly and severally liable to and responsible for all obligations towards the Employer/Government for performance of works/services including that of its Associates/Sub Contractors under the Contract.
- (v) The Contractor/Consultant shall at all times indemnify and keep indemnified the Employer/Government of India against all claims/damages etc. for any infringement of any Intellectual Property Rights (IPR) while providing its services under the Project.
- (vi) The Contractor/Consultant shall at all times indemnify and keep indemnified the Employer/Government of India against any claims in respect of any damages or compensation payable in consequences of any accident or injury sustained or suffered by its (the Contractor's/Consultant's) employees or agents or by any other third Party resulting from or by any action, omission or operation conducted by or on behalf of the Contractor/Consultant.
- (vii) The Contractor/ Consultant shall at all times indemnify and keep indemnified the Employer/Government of India against any and all claims by Employees, Workman, Contractors, sub-contractors, suppliers, agent(s), employed engaged or otherwise working for the Contractor, in respect of wages, salaries, remuneration, compensation or the like. (viii) All claims regarding indemnity shall survive the termination or expiry of the Contract.
- (ix) It is acknowledged and agreed by all Parties that there is no representation of any type, implied or otherwise, of any absorption, regularization, continued engagement or concession or preference for employment of persons engaged by the (Contractor/Consultant) for any engagement, service or employment in any capacity in any office or establishment of the Government of India or the Employer.

### III. SPECIAL CONDITIONS OF CONTRACT

(Clauses in brackets { } are optional; all notes should be deleted in final text)

SC Clause	Ref. of GC Clause	Amendments of, and Supplements to, Clauses in the General Conditions of Contract
1	1.5	The addresses are: <b>1. Employer/Representative :</b>  Under Secretary (MRTS) Ministry of Urban Development (Govt. of India) Room Number: 322-C Nirman Bhavan, New Delhi-111001. Tel.91-11-2306 2594 Fax.91-11-2306 2594. E-mail: <a href="mailto:Sumit-d6@yahool.com">Sumit-d6@yahool.com</a>  <b>2. Consultant &lt; &gt;</b> Attention : Fax:
2	1.7	Lead Partner is <a href="#">[insert name of member]</a> Note: If the Consultant consists of a joint venture/ consortium/ association of more than one entity, the name of the entity whose address is specified in Clause SC 1.5 should be inserted here. If the Consultant consists only of one entity, this Clause SC 1.8 should be deleted from the SC.
3	1.8	The Authorized Representatives are: <b>For the "Employer":</b>  Sh. S.K.Lohia, OSD (MRTS) Ministry of Urban Development(Govt. of India) <b>For the Consultant: &lt; &gt;</b>
4	2.1	The effective date of the contract shall be the date on which both parties sign the contract.
5	2.2	NA ( <i>since contract becomes effective on both parties signing</i> )
6	2.3	Time period for beginning services after Effective Date is: One Week.
7	2.4	48 months
8	3.4	Consultant's liability shall be governed by the Applicable Laws of India.
9	<b>3.4 (Insurance)</b>	DELETED .
10	4.5	The Team Leader shall be the Resident Project Manager
11	5.1(a),(b),(c).  5.1(d)	Deleted.  At the discretion of the Employer, limited office accommodation shall be provided as part of the PMU to facilitate day to day personal interaction between PMU and Consultants.
12	6.1 (b)	The ceiling in local currency is: <a href="#">[insert amount and currency]</a>
13	6.3 & 9.3	I. Advance payment of 5 (five) per cent of the total value of

SC Clause	Ref. of GC Clause	Amendments of, and Supplements to, Clauses in the General Conditions of Contract
		<p>contract shall be made on commencement of the service, secured by a Bank Guarantee of equal amount. This advance payment shall be offset in subsequent four quarterly installments.</p> <p>II. Balance payments shall be made quarterly (3 monthly) in 16 installments on submission of invoice by the consultant at the end of the quarter, supported by :</p> <ul style="list-style-type: none"> <li>i. Time sheet indicating the person-month input of the key professional/support staff, with respect to Form Fin -3.</li> <li>ii. Details of Reimbursable Expenses on the basis of actual and on submission of relevant documents/ receipts (as mentioned in Fin-4).</li> <li>iii. Claim of miscellaneous Expenses (Fin-5) on proportionate basis.</li> <li>d. Certification by Employer's Authorized Representative of services being satisfactory.</li> </ul> <p>Note: For the purpose of stipulations in Para 6.3 and 9.3 of GCC, 'Deliverables' would mean 'Performance of Satisfactory Services'</p> <p>III. Last installment (16<sup>th</sup>) shall be released only after submission of all deliverables as mentioned in the TORs in Section 5.</p>
14	8.3	The Arbitration proceedings shall take place in New Delhi in India.

Binding signature of Employer Signed by \_\_\_\_\_ (for and on behalf of the President of India)

Binding signature of Contractor Signed by \_\_\_\_\_ (for and on behalf of \_\_\_\_\_ duly authorized vide Resolution No \_\_\_\_\_ dated \_\_\_\_\_ of the Board of Directors of \_\_\_\_\_)

In the presence of

(Witnesses)

- 1.
- 2.



#### IV. APPENDICES

##### **APPENDIX A – DESCRIPTION OF SERVICES**

Note: This Appendix will include the final Terms of Reference worked out by the “Employer” and the Consultants during technical negotiations, dates for completion of various tasks, place of performance for different tasks/activities, specific tasks/activities/outcome to be reviewed, tested and approved by “Employer”, etc.

##### **APPENDIX B - REPORTING REQUIREMENTS**

Note: List format, frequency, and contents of reports; persons to receive them; dates of submission; etc. If no reports are to be submitted, state here “Not applicable.”

##### **APPENDIX C – STAFFING SCHEDULE**

(Include here the agreed (negotiated staffing schedule including the management of sub-contractors, if any)

##### **APPENDIX D – Total COST OF SERVICES IN RUPEES**

(Include here the rates quoted in the financial proposal or the negotiated rates, whichever is applicable)

##### **APPENDIX E - DUTIES OF THE “EMPLOYER”**

(Include here the list of Services, facilities and property to be made available to the Consultant by the “Employer”).

## APPENDIX 2.6

### TERMS OF REFERENCE FOR INTERNAL AUDITOR

Position:	<b>Internal Auditor</b>
Organization:	Project Management Unit (PMU) / Ministry of Urban Development (MoUD)
Duty Station:	New Delhi
Duration:	Initially for 12 months (further extension for four years based on performance)

#### **Background:**

The Government of India (GOI) has proposed to the Global Environment Facility (GEF) for a Sustainable Urban Transport Project (SUTP) to support implementation of the GOI's National Urban Transport Policy (NUTP, 2006). The goal of the NUTP is to achieve a paradigm shift in the development of India's urban transport system towards sustainable development.

The objectives of the SUTP are 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" projects (GT projects). The project is to be implemented over a period of four years, starting from 2008 with the support of World Bank and UNDP.

Ministry of Urban Development (MoUD), GoI has been designated as the nodal agency to implement the SUTP on behalf of the GOI. A Project Management Unit (PMU) has been setup under the overall umbrella of the Urban Transport (UT) Division of the MoUD, Government of India. The Candidate will work in the PMU and report to the National Project Manager (NPM).

The objectives of internal audit are as follows:

- To evaluate the adequacy of the internal control system
- To ensure the compliance of laid down policies and procedures.

Internal audit provides project management with timely information on and recommendations on the financial management aspects to enable the management to take corrective actions, wherever necessary, in due time.

#### **Responsibilities:**

##### **A) FINANCIAL TRANSACTIONS**

Internal audit of IA should be conducted on a quarterly basis. It should be carried out in accordance with the Internal Auditing Standards of Institute of Chartered Accountants of India and will include such substantive and control tests, as the Internal Auditor considers necessary under the circumstances.

The internal auditor will conduct an assessment of the adequacy of the project Financial Management system including internal controls. This would include aspects such as:-

- a) Whether there are any bottlenecks in flow of funds to the IA.

- b) Whether appropriate controls as specified by the State and Departmental/Agency Financial Rules and other relevant Central and State Government notifications and the Project Implementation Plan are operating satisfactorily. The auditor should suggest methods for improving weak controls or creating them where there are none
- c) That proper books of account as laid down in the Financial Management Manual and adequate documentation is being maintained for project activities.
- d) An assessment of compliance with provisions of the financing agreements (Grant Agreement; Project Agreements ;) and the Project Implementation Plan.
- e) That funds have been used for the purposes they were provided
- f) That an adequate system is in place to ensure that goods, works and services are being procured in accordance with the procurement procedures prescribed.
- g) That Quarterly work plans and budgets are prepared and expenditures are incurred as per approved plans and variances if any are monitored and analyzed.
- h) That adequate record is maintained for assets created under the project including details of cost, quantity and location. That physical verification of the assets is being conducted by the PIU on a periodic basis and adequate records thereof are maintained. The auditor may conduct physical verification of assets on test basis as may be deemed necessary under the internal audit standards.
- i) That an appropriate system of accounting and financial reporting exists on the basis of which claims are prepared and submitted for reimbursement.
- j) That Bank reconciliation Statements are prepared on a monthly basis
- k) Sample checking of bank accounts at beneficiary level to ensure that funds have been used for the intended purposes and adequate documentation is being maintained.
- l) Confirming that clear linkages exist between the books of account and six monthly IUFRR.
- m) Verifying compliance with the recommendation of earlier quarter's report and comments thereon.

## B) TECHNICAL AUDIT

The scope of the technical audit will include evaluation of the physical progress report send by IA to PMU and other agencies. The Auditor should comment on the physical progress reported by the IA on the basis of the following:-

- Documents available at site
- Physical verification on test basis

**C) REPORTING**

The auditor should clearly classify and mention in the report –

1	Irregularities notified and corrected during the course of audit	No ref. required.
2	Irregularities / expenditures which are clearly not related to the project and required to be recovered	Ref. of voucher & date required.
3	Irregularities / expenditures which in absence of sufficient clarifications or documentation are doubtful and required to be sorted out. Auditors will have to specify as to what exactly is needed so that effective compliance may be shown in the subsequent audit.	-do-
4	Specific Irregularities of procedural nature, which may be noted for future compliance.	-do-
5	Irregularities of procedural nature observed in almost all the centers shall separately be informed and shall not be made part of specific audit report of that particular unit.	-do-

The Internal Auditor will provide a quarterly report to the PIU and PMU highlighting findings and giving recommendations to overcome problems identified.

The auditors should identify repeated lapses in controls and comments on controls at various levels.

## APPENDIX 2.7

### TERMS OF REFERENCE FOR STATUTORY AUDITOR

Position:	<b>Statutory Auditor</b>
Organization:	Project Management Unit (PMU) / Ministry of Urban Development (MoUD)
Duty Station:	New Delhi
Duration:	Initially for 1 year (further extension for 4 years based on performance)

**Background:**

The Government of India (GOI) has proposed to the Global Environment Facility (GEF) for a Sustainable Urban Transport Project (SUTP) to support implementation of the GOI's National Urban Transport Policy (NUTP, 2006). The goal of the NUTP is to achieve a paradigm shift in the development of India's urban transport system towards sustainable development.

The objectives of the SUTP are 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" projects (GT projects). The project is to be implemented over a period of four years, starting from 2008 with the support of World Bank and UNDP.

Ministry of Urban Development (MoUD), GoI has been designated as the nodal agency to implement the SUTP on behalf of the GOI. A Project Management Unit (PMU) has been setup under the overall umbrella of the Urban Transport (UT) Division of the MoUD, Government of India. The Candidate will work in the PMU and report to the National Project Manager (NPM).

**Objective:**

The objective of the audit of the Project Financial Statements to provide assurance on the end use of project funds for the intended purposes. The audit will enable the auditor to express a opinion on the receipts, disbursement and utilization of funds during the financial year ending March 31 each year (up to the project completion date) and provide an assurance that World Bank and GEF funds received by IA were utilized for the purposes intended.

In addition, where applicable, the auditor will express a professional opinion as to whether the Financial Management Reports submitted by project management may be relied upon to support any applications for withdrawal, and whether adequate supporting documentation has been maintained to support claims made by project management for reimbursement of expenditures incurred under the Statement of Expenditure method of reimbursement.

The books of account that provide the basis for preparation of the project financial statements are established to reflect the financial transactions of the project and are maintained by the Project Implementation Unit.

The auditor will carry out an audit/ review of the Project Financial Statements (PFS) of the Project prepared by the Implementing Agency, PIU. The PFS will comprise of:-

An annual statement/ schedule of funds received, disbursed and utilized during the financial year under the Project.

The auditor will also review the compliance of Financial Management Manual, applicable local laws and significant accounting policies as defined in the Financial Management Manual with the objective of providing assurance that the norms/policies are appropriately complied with by the implementing agency.

**Standards to be followed :**

The audit will be carried out in accordance with the Auditing and Assurance Standards promulgated by the Institute of Chartered Accountants of India. The auditor should accordingly consider materiality when planning and performing the audit to reduce audit risk to an acceptable level that is consistent with the objective of the audit. In addition, when planning and performing audit procedures and evaluating and reporting the results thereof, the auditor should specifically consider the risk of material misstatements in the financial statements resulting from fraud.

**Scope of Work:**

This audit/ review will be carried out in accordance with the relevant national/ international standards of auditing, and will include such tests and controls, as the auditor considers necessary under the circumstances. In conducting the audit, special attention will be paid to the following:

- a) An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.
- b) All funds received from the World Bank and other sources have been disbursed to PIU in accordance with the relevant sanction/ agreement after following procedures laid down in Financial Management Manual and local laws.
- c) All utilization of funds should be for intended and prescribed purposes only.
- d) The PFS (Project Financial Statement) rendered under the project are in conformity with the books of accounts and records of PIU.
- e) The detailed project ledger containing relevant particulars of all projects funded by the World Bank have been properly maintained and reconciled with relevant records.
- g) The project accounts have been prepared in accordance with consistently applied accounting standards and give a true and fair view of financial situation of the project for the financial year and of resources and expenditure of that year.

**Express Audit Opinion:**

The auditors will express their opinion after completing their audit (i) on the correctness of the PFS (ii) on project compliance with the requirements of relevant agreements/Financial Management Manual (iii) that World Bank funds received by the States were disbursed to the agreed project in a timely manner and have been utilized for the purposes intended (iv) on the project audit process and observations/ disclaimers of project auditors particularly regarding fraud/ misappropriations/ deficiencies/ serious lapses in accounting/ controls and own findings during field visit if any.

**Preparation of Audit Report:**

An audit report on the project financial statements should be prepared in accordance with the Auditing and Assurance Standards promulgated by the Institute of Chartered Accountants of India. Those standards require a clear written expression of opinion to be rendered relating to the financial statements taken as a whole. In addition, the audit opinion paragraph will specify whether, in the auditor's opinion, (1) the funds were utilized for the purposes for which they were provided, (2) expenditures shown in the project financial statements are eligible for financing under the relevant loan or credit agreement and, where applicable, (3) the Statements of Expenditure and/or Financial Management Reports submitted during the period are supported by adequate detailed documentation maintained in the project accounting offices. Sample audit report wordings are shown at **Annexures 1a-1e**.

The project financial statements and the audit report should be received by the World Bank not later than 6 months after the end of the fiscal year. The auditor should also submit two copies of the audited accounts and audit report to the Implementing Agency.

**Preparation of a Management Letter:**

In addition to the audit report on the project financial statements, the auditor may prepare a management letter containing recommendations for improvements in internal control and other matters coming to the attention of the auditor during the audit examination, possibly including matters such as the following:

- a) observations on the accounting records, systems, and controls that were examined during the course of the audit
- b) deficiencies or weakness in systems and controls, together with specific recommendations for improvement
- c) compliance with financial covenants in the financing agreements
- d) matters that might have a significant impact on the implementation of the project
- e) the status of recommendations from previous management letters, including any issues which remain to be addressed and any issues which recurred
- f) any other matters that the auditor considers pertinent.

The auditor should supply the Bank with a copy of the management letter or with a written advice that no management letter was prepared together with the audit report on the project financial statements.

The detailed contents of a management letter will vary with the audit engagement. A sample covering letter that could be used to transmit a management letter is shown at **Annexure 2**.

**General:**

The auditor should be given access to any information relevant for the purposes of conducting the audit. This would normally include all legal documents, correspondence, and any other information associated with the project and deemed necessary by the auditor. The information made available to the auditor should include, but not be limited to, copies of the Bank's Project Appraisal Document, the relevant Legal Agreements, and a copy of the Bank's Financial Management Assessment of the project entity. It is highly desirable that the auditor become familiar with other Bank policy documents, such as OP/BP 10.02, the Bank's internal guidelines on Financial Management that include financial reporting and auditing requirements for projects financed by the World Bank. The auditor should also be familiar with the Bank's Disbursement Manual. Both documents will be provided by the Project staff to the auditor. The auditor should be familiar with the Financial Management Manual of the project as well as the Legal Agreements.

**Time Period for Submission:**

The audit report on annual audited statement/ schedule s will be completed with in 4 months of closing of the financial year.

**Auditors' Comments:**

The auditors will provide comments, where appropriate on the following:

- a) Observations on the accounting records, systems, and controls that were examined during the course of the audit
- b) Identify specific deficiencies and areas of weaknesses in systems and controls and make recommendations for their improvement Report on the degree of compliance of the financial covenants in the financial agreements.
- c) Communicate matters that have come to their attention during the audit which might have a significant impact on the implementation of the Project including compliance with World Banks prudential norms and reporting to Oversight Committee and bring to attention any other matters that the auditors consider pertinent.



## Sample Audit Report—Unqualified Opinion

### Auditor's Report

Addressee<sup>1</sup>

### Report on the Project Financial Statements

We have audited the accompanying financial statements of the \_\_\_\_\_ Project [financed under World Bank Loan No.\_\_\_\_\_/IDA, which comprise the Balance Sheet as of \_\_\_\_\_, and the Statement of Sources and Applications of Funds and the Reconciliation of Claims to Total Applications of Funds<sup>2</sup> for the year then ended. These statements are the responsibility of the Project's management. Our responsibility is to express an opinion on the accompanying financial statements based on our audit.

We conducted our audit in accordance with the Auditing and Assurance Standards promulgated by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position of \_\_\_\_\_ project as of \_\_\_\_\_ and the sources and applications of its funds for the year then ended in accordance with accounting principles generally accepted in India.

**In addition, in our opinion, (a) with respect to SOEs, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures incurred; and (b) except for ineligible expenditures as detailed in the audit observations, if any, appended to this audit report, expenditures are eligible for financing under the Loan/Credit Agreement. During the course of the audit, SOEs/FMRs (each application no. and amount to be indicated) and the connected documents were examined and these can be relied upon to support reimbursement under the Loan/Credit Agreement.**

[Auditor's Signature]

[Auditor's Address] [Date<sup>3</sup>]

---

<sup>1</sup> The auditor's report should be addressed to the person stipulated in the underlying loan agreement as responsible for providing audited project financial statements.

<sup>2</sup> Insert titles of other required statements and schedules included in or annexed to the project financial statements, if any.

<sup>3</sup> The report should be dated as of the date to which the auditor has become aware of and considered the effects of events and transactions. This is generally the final date of fieldwork, as opposed to the date of signing the audit report.

## Annexure 1b

## Sample Audit Report—Qualified Opinion, Limitation on Scope

## Auditor's Report

Addressee

## Report on the Project Financial Statements

[standard introductory paragraph]

*Except as discussed in the following paragraph, we conducted our audit in accordance with the Auditing and Assurance Standards promulgated by the Institute of Chartered Accountants of India. [balance of paragraph the same as the standard auditor's responsibility paragraph]*

*Supplier invoices and receiving reports in respect of INR 50 lakh of expenditures on roads included in civil works in the accompanying Statement of Sources and Applications of Funds were not made available for audit examination, and we were unable to satisfy ourselves through alternative audit procedures as to the legitimacy of these expenditures.*

In our opinion, *except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to verify roads expenditures as discussed in the preceding paragraph*, the financial statements give a true and fair view of the financial position of \_\_\_\_\_ Project as of \_\_\_\_\_ and the sources and applications of its funds for the year then ended in accordance with accounting principles generally accepted in India.

**In addition, in our opinion, *except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to verify roads expenditures as discussed in the second preceding paragraph*, (a) with respect to SOEs, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures incurred; and (b) except for ineligible expenditures as detailed in the audit observations, if any, appended to this audit report, expenditures are eligible for financing under the Loan/Credit Agreement. During the course of the audit, SOEs/FMRs (each application no. and amount to be indicated) and the connected documents were examined and these can be relied upon to support reimbursement under the Loan/Credit Agreement.**

[Auditor's Signature]

[Auditor's Address]

[Date]

## Annexure 1c

**Sample Audit Report—Qualified Opinion, Disagreement with Management****Auditor's Report**

Addressee

**Report on the Project Financial Statements**

[standard introductory paragraph]

[standard auditor's responsibility paragraph]

*An amount of INR 50 lakh of expenditures on roads included in civil works in the accompanying Statement of Sources and Applications of Funds represents amounts spent on access roads specifically excluded from construction eligible for financing under the Loan/Credit Agreement. Expenditure on roads and total eligible expenditures for the year ended \_\_\_\_\_ are each overstated by INR 50 lakh in the accompanying financial statements.*

In our opinion, *except for the effect on the financial statements of the matter referred to in the preceding paragraph*, the financial statements give a true and fair view of the financial position of \_\_\_\_\_ Project as of \_\_\_\_\_ and the sources and applications of its funds for the year then ended in accordance with accounting principles generally accepted in India.

**In addition, in our opinion, *except for the effect on the financial statements of the matter referred to in the second preceding paragraph*, (a) with respect to SOEs, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures incurred; and (b) except for ineligible expenditures as detailed in the audit observations, if any, appended to this audit report, expenditures are eligible for financing under the Loan/Credit Agreement. During the course of the audit, SOEs/FMRs (each application no. and amount to be indicated) and the connected documents were examined and these can be relied upon to support reimbursement under the Loan/Credit Agreement.**

[Auditor's Signature]

[Auditor's Address]

[Date]

## Annexure 1d

## Sample Audit Report—Adverse Opinion

## Auditor's Report

Addressee

## Report on the Project Financial Statements

[standard introductory paragraph]

[standard auditor's responsibility paragraph]

*An amount of INR 50 crore of expenditures on roads included in civil works in the accompanying Statement of Sources and Applications of Funds represents amounts spent on access roads specifically excluded from construction eligible for financing under the Loan/Credit Agreement. Expenditure on roads and total eligible expenditures for the year ended \_\_\_\_\_ are each overstated by INR 50 crore in the accompanying financial statements.*

In our opinion, *because of the effects of the matters discussed in the preceding paragraph*, the financial statements **do not** give a true and fair view of the financial position of \_\_\_\_\_ Project as of \_\_\_\_\_ or the sources and applications of its funds for the year then ended in accordance with accounting principles generally accepted in India.

In addition, in our opinion, *because of the effects of the matters discussed in the second preceding paragraph*, (a) with respect to SOEs, adequate supporting documentation has **not** been maintained to support claims to the World Bank for reimbursements of expenditures incurred; and (b) expenditures are **not** eligible for financing under the Loan/Credit Agreement. During the course of the audit, SOEs/FMRs (each application no. and amount to be indicated) and the connected documents were examined and these can **not** be relied upon to support reimbursement under the Loan/Credit Agreement.

[Auditor's Signature]

[Auditor's Address]

[Date]

## Annexure 1e

## Sample Audit Report—Disclaimer of Opinion

## Auditor's Report

Addressee

## Report on the Project Financial Statements

We were engaged to audit the accompanying financial statements of the \_\_\_\_\_ Project [financed under World Bank Loan No.\_\_\_\_\_/IDA, which comprise the Balance Sheet as of \_\_\_\_\_, and the Statement of Sources and Applications of Funds and the Reconciliation of Claims to Total Applications of Funds for the year then ended. These statements are the responsibility of the Project's management.

[omit auditor's responsibility paragraph]

*The books of account and supporting documentation maintained in the main project office were destroyed in a fire on [date].*

*Because of the significance of the matter discussed in the preceding paragraph, we are unable to express—and we do not express—an opinion on the financial statements.*

[Auditor's Signature]

[Auditor's Address]

[Date]

## Annexure 2

**Example of a Management Letter**

(Auditor's Letterhead)

(Date)

To Project Management,

In connection with our audit of the financial statements of the \_\_\_\_\_ Project as of \_\_\_\_\_ and for the year then ended, we familiarized ourselves with Project documents and the internal guidelines / circulars applicable during the period under audit. We also reviewed the business of the Project and evaluated the accounting systems and related internal controls of the Project in order to plan and perform our audit.

This Letter to Project Management includes observations noted during the course of our audit examination in the following areas:

- Matters having a significant impact on the implementation of the Project
- Opportunities for strengthening financial management records, systems and controls, together with recommendations for improvement
- Status of maintenance of Project books and records
- Accuracy of Project financial statements
- Status of prior audit recommendations

The matters contained in this Management Letter are intended solely for the information of Project Management, for such timely consideration and action as Project Management may deem appropriate. They have all been considered by us in formulating the audit opinion expressed on the project financial statements in our audit report dated \_\_\_\_\_, and they do not alter the opinion expressed in that audit report.

We wish to take this opportunity to thank Project Management for the courtesies and cooperation extended to our staff.

Yours truly,

(Name and Title)

## Annexure 3

**Example of a Management Representation Letter<sup>4</sup>**

(Project Letterhead)

(To Auditor)

(Date)

This representation letter is provided in connection with your audit of the financial statements of the \_\_\_\_\_ Project as of \_\_\_\_\_ and for the year then ended. We acknowledge our responsibility for the fair presentation of the financial statements in accordance with the cash basis of accounting followed by the Government of India, and we confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

- The project financial statements are free of material misstatements, including omissions.
- Assets shown on the project balance sheet exist, are owned by the project, and are used solely for project purposes.
- Project funds have been used for the purposes for which they were provided.
- Project expenditures are eligible for financing under the Loan/Credit agreement.
- There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the project financial statements.
- We have made available to you all books of account and supporting documentation relating to the project.
- The project has complied with the conditions of all relevant legal agreements, including the Financing Agreement, the Project Agreement, the Project Appraisal Document, the Minutes of Negotiations, and the Borrower's Project Implementation Plan.

\_\_\_\_\_  
(Senior Executive Officer)

\_\_\_\_\_  
(Senior Financial Officer)

<sup>4</sup> This sample management representation letter is based on AAS 11, "Representations by Management," *Handbook of Auditing Pronouncements*, Institute of Chartered Accountants of India, 2007