

## TERMS OF REFERENCE

### **Procurement of Direct Labour Operations Advisory Services under Himachal Pradesh State Roads Transformation Project (HPSRTP)**

#### **A. Project Background**

The Government of Himachal Pradesh through the Govt. of India has received a loan from the World Bank (USD 82 Million) for implementation of the Himachal Pradesh State Roads Transformation Project (HPSRTP) and intends to apply part of the proceeds to procure consultant for services of **Direct Labour Operations Advisory Services**. HPSRTP has envisaged to strengthen transport, logistics and Road Safety institution and also to improve priority Major District Roads/other Districts Roads (State Road Network) to stimulate horticultural and overall economic growth of Himachal Pradesh State.

The Lead Implementing Agency Himachal Pradesh Roads and Other Infrastructure Development Corporation (HPRIDCL) represented by the Director(Projects)-cum-Chief Engineer has already awarded consultancy services for conducting detailed feasibility study of about 2,000 Km of State Core Road Network, mainly Major District Roads. The Consultancy firm shall prepare Detailed Project Report (DPR) for upgradation works of 650 kms of core roads which include detailed engineering design, social, environment and road safety safeguards measures and maintenance of 1,350 km of MDRs. The outcome of the DPR for maintenance works shall be implemented through direct contracting, and service level agreement, women-led producer groups/SHG groups under the supervision of Project Management Consultant (PMC).

The separation of road asset management functions from the execution of maintenance by direct labour, as well as undertaking maintenance of roads under commercial principles were overlooked in HPSRP-I. A preliminary cost comparison of the maintenance works executed by the direct labour on the national highways administered by HPPWD and the performance-based maintenance contracts under HPSRP-I shows that expenditure by direct labour was higher by about 268 percent. The direct labour has developed specialized skills in constructing and maintaining roads in the Himalayan Mountains and is on standby to remove road blockage. However, there is neither a means of monitoring performance and quality nor knowing the true costs of maintenance works. HPPWD has about 27,000 labour, currently carrying out emergency, routine and periodic maintenance, as well as minor road improvement works. The freezing of the hiring of new labour is expected to resolve the labour issue.

This project is supporting institutional reforms, based on international good practices, to commercialize maintenance works and enable the direct labour to operate based on commercial principles, and to ensure the delivery of road maintenance at a reduced cost.

Commercializing road maintenance and the direct labour operations of HPPWD is one of the Project Development Objective under HPSRTP. The main aim is to improve the efficiency of maintenance execution and reduce maintenance cost, by: (a) executing maintenance operation based on commercial principles and achieve value for money by undertaking the maintenance of about 50 percent of the state core roads network under Output and performance based maintenance contracting by private contractors; (b) maintaining part of the state core roads

network under service level agreement by the separately organized direct labour wing of HPPWD; and (c) undertaking the preservation of bioengineering solution and post construction non-mechanized maintenance by women self-help group, whereby at least 30 percent of the maintenance contracts will be awarded to women-led producer groups/SHG groups, HPRIDCL to engage with women-led SHGs along the core network roads to build capacity of these groups in operations and maintenance (O&M) of roads under the regular maintenance program, and provision of skills training to adopt a holistic approach to include intensive technical as well as life skills training in digital, financial and legal literacy, such trainings to be offered to women-led groups through collaboration with government industrial training institutes.

HPRIDCL intends to engage Consultancy firm for advisory services to implement commercialization of the direct labour operations. The project will assess efficiency gains by monitoring maintenance expenditures through the service level agreements and will evaluate the reduction in unit costs. The downfall of the current inefficiency of about 264 percent, as compared to the private contractor executed maintenance contracts will be evaluated every year. The target is to execute maintenance works at the prevailing market rate. The quality of maintenance works by the direct labour contract will be assessed through a review of data records to confirm the achievement of the agreed service standards. This will also be compared with the performance of the benchmark contracts carried out by private contractors.

HPSRTP has multifaceted objectives and sub objectives and among them one of them is improving road maintenance under Component 1 ó Strengthening HP's transport institutions and building resilience which involves **commercialization of road maintenance and direct labour operation of HPPWD**. Under this component HPRIDCL shall execute benchmark Output and performance-based maintenance contracts on about 158 Km of the state core roads network by private contractors, whilst HPRIDCL outsources the maintenance of about 842 Km in parallel under the regular maintenance program. The Implementing agency HPRIDCL intends to engage consultant for advisory services to implement direct labour component from the consultancy firm, which shall be implemented through **“Service Level Agreement (SLA)”** signed between the departments, private contractor for **Output and performance-based maintenance contracts (OPBMC)** and women-led producer groups/SHG groups in smooth implementation of the project on ground.

## **B. Objective**

It is the Himachal Pradesh government initiative to improve the efficiency of maintenance execution and reduce maintenance cost, by executing maintenance operation based on commercial principles and achieve value for money and also to ensure compliance of National legal provisions on labour and their working conditions for all categories of workers viz Direct workers, Contracted workers women-led producer groups/SHG groups including migrant workers and to enhance the efficiency of the direct labour.

The main objective of the advisory services is to provide good quality roads with reduced optimum maintenance cost as per national norms by engaging Direct Labour of HPPWD effectively &

efficiently find private contracts through:-

- 1) Reorganizing and inaugurating the direct labour wing of HPPWD.
- 2) Operationalizing the direct labour operation, including: (i) reassigning the technical staff; (ii) piloting internal service level agreement; (iii) developing manuals and systems; (iv) establishing cost centers; and (v) enhancing the efficiency of the direct labour, including: deploying the systems and training
- 3) Preserving bio-engineering solutions within the ROW under women-self-help group contracting.
- 4) Executing benchmark output and performance-based maintenance contracts (OPBMC) on about 158 km of the state core roads network by private contractors, whilst HPRIDCL outsources the maintenance of about 842 km in parallel under the regular maintenance program.

### **C. Scope of Work**

The advisory services consultancy firm will undertake following tasks:

#### **Task 1: Reorganizing the Quality Assurance (HPRIDCL Field Offices) and Direct Labor**

1. To study the findings and recommendations suggested in previously undertaken institutional reforms study and prepare a pragmatic implementation road map; Review quality control and quality assurance measures frequently to both SLA and OPBMC Contracts;
2. Review grievances redress mechanism for the direct and contracted workers developed under Labour Management Procedure (LMP) in both SLA and OPBMC/PBMC Contracts;
3. Ensure compliance of National legal provisions on labour and their working conditions for all categories of workers: Direct workers, Contracted workers, Women Groups including migrant workers;
4. Assist HPRIDCL in reorganizing and inaugurating the direct labour wing of HPPWD;

#### **Task 2: Enhancing the Efficiency of Direct Labor Operation**

1. Assist in establishing cost centers;
2. Assist in enhancing the efficiency of the direct labour, including deploying the systems and trainings;
3. Interact with key stake holders of HPPWD for gaining insights on any other initiative planned/ currently under progress for commercialization of direct labour;
4. Analyze the financial implications of other ongoing/planned initiatives on HPPWD for commercialization of direct labour;
5. Conduct workshops two numbers in all four zones of HPPWD for enhancing capacities of HPPWD officials for bringing efficiency in the maintenance of roads in particular for commercialization of direct labour;

### **Task 3: Introducing Service Level Agreement and OPBMC Contract**

1. Physical variation of stretches identified for the pilot SLA and OPBMC Contracts in various circles and division of HPPWD;
2. Review the OPBMC/PBMC based contracts;
3. Assistance in implementation of service level agreement (SLA) in various circles and division of HPPWD;
4. Assist in review of performance measured of each SLA agreement separately and suggest how to enhance productivity;
5. Assist in review of performance measured of each OPBMC/PBMC contracts separately and suggest how to enhance productivity;
6. Baseline cost comparison of maintenance works being carried out by direct labour of HPPWD &OPBMC/PBMC contracts on the identified stretches &OPBMC/PBMC;
7. Preparation of Service Level Agreement to be used by HPPWD authorities in line with the service levels defined in OPBMC/PBM Contracts in consultation with HPPWD/HPRIDCL;
8. Cost comparison of SLA maintenance works by direct labour of HPPWD &OPBMC/PBMC contracts on the identified stretches year wise.
9. Review monthly works payment for both SLA and OPBMC/PBMC Contracts;

### **Task 4: Developing Manuals and Systems**

1. Assist in the preparation of equipment and labor productivity rates
2. Conduct detailed analysis of best practices in labour deployment and suggest improved measures;
3. Assist in development of manuals for costing SLAs, planning maintenance activities, maintenance crew formation and maintenance site organization.
4. Provide training on the manuals and SLA negotiations with the asset manager (HPRIDCL)

### **Task 5: Women Self-help Group and Roadside Community Contracting**

1. Prepare standard simplified contract for women self-help group contracting
2. Assist in preserving bio-engineering solutions within the RoW under women self-help group contracting;
3. Prepare simplified contract for roadside community contracting

### **Task 6: Quality Check**

1. To assess the quality of maintenance works by the direct labour contract through a review of data records to confirm the achievement of the agreed service standards.
2. To compare maintenance performance of the benchmark contracts carried out by private contractors.

### Task 7: Quarterly Progress Report

1. The Consultant shall submit To assess the quality of maintenance works by the direct labour contract through a review of data records to confirm the achievement of the agreed service standards.

Any other duties as may be assigned for the efficient and smooth execution of the project by HPRIDCL.

### D. Deliverables and Payment Schedule

Sl. No.	Description	No. of Copies	Due date (Months from start)	Payment (Percentage of Contract Price)
1	Inception Report	5 copies along with soft copy	1 month after commencement of services	5%
2	Report on findings in the previously undertaken institutional reforms recommendation for way forward in implementing the SLA & OPBMC/PBMC contracts after detailed analysis of the available relevant data and reorganization and inaugurating the direct labour for effectively reducing the maintenance cost of roads and engagement of women's SHG to carryout bioengineering and post construction non-mechanized maintenance on project roads. (Task-1)	Draft -5 copies along with soft copy	2 months after commencement of services	10%
3	Submission of Manuals for efficient & effective operationalization of Direct labour with details of trainings to be imparted to Direct labour. (Task-4)	Draft -5 copies along with soft copy	9 months after commencement of services	10%
4	Prepare standard simplified contract for women self-help group contracting/ Prepare simplified contract for roadside community contracting. (Task-5)	Draft - 5 copies along with soft copy	10 months after commencement of services	5%
4.	Submission of Review Report on the quality of maintenance (Task-6)	Draft -5 copies along with soft copy	6 months after commencement of services	10%
			12 months after commencement of services	10%
			18 months after commencement	10%

Sl. No.	Description	No. of Copies	Due date (Months from start)	Payment (Percentage of Contract Price)
			of services	
			24 months after commencement of services	10%
5	Report on cost comparison & service levels achieved through SLA & OPBMC/PBMC contracts and engagement of women SHG to carryout bioengineering and post construction non-mechanized maintenance on project roads. (Task-3)	Draft -5 copies along with soft copy	15 months after commencement of services	10%
			30 months after commencement of services	15%
6.	submission of Stakeholder/Public Consultation minutes of meeting and recordings and completion report of training in all four zones of HPPWD for enhancing capacities of HPPWD officials for bringing efficiency in the maintenance of roads in particular for commercialization of direct labour. (Task-2)	Report Copies (5 copies along with soft copy)	30 months after commencement of services	2.5%
7	Quarterly Progress Report specifying the activities performed. (Task-7)	Report Copies (10 copies along with soft copy)	Every Quarter after commencement of services	2.5% (Payable quarterly on pro-rata basis ó 10 Nos.)

The Consultant will be paid ONLY after submission **and acceptance** of deliverables by the review committee.

## E. Consultant's Team

### Position no.1

Advisory Consultant ó 30 months:

The advisory consultant should possess a Post Graduate Degree in Civil Engineering and shall be conversant with the management of maintenance contracts with various financing and procurement arrangements, supervision of core road network projects, understanding the bidding and contract documents, and work in close proximity with Government maintenance departments. He should have at least 20 years of professional experience, out of which he should have worked as Team

Leader/Project Manager or equivalent for minimum 5 years on supervision/construction/performance-based maintenance of core road network projects, involving flexible and rigid pavements. Experience of international maintenance contracts in developed countries and knowledge of international best practices shall be given preference.

## **Position no. 2**

Road Asset Manager Cum Management Consultant and Auditor ó 12 months (intermittent)

The Road Asset Manager Cum auditor should possess a Graduate Degree in Civil Engineering and shall be conversant with road asset management of maintenance contracts with quality audit, supervision of highway projects, and worked in close proximity with Government maintenance departments. He should have at least 15 years of professional experience, out of which he should have worked as Asset Manager/ Quality Auditor or equivalent for minimum 5 years on supervision/construction/performance based maintenance of Highway Projects, involving flexible and rigid pavements. Experience of international maintenance contracts in developed countries and knowledge of international best practices shall be given preference.

Total envisaged minimum expert-month for key experts is 42 expert-months. However, the consultants can make their own assessment of the manpower requirements in terms of man months for the different categories of experts proposed to be deployed for the tasks as envisaged in this TOR. The mobilization and demobilization of Consultant Experts whose requirement is intermittent will be resolved in consultation with Client.

## **F. Duration of Assignment**

The duration of the consultancy assignment shall be 30 months from the commencement date.

## **G. Travel Requirements**

The Consultant Personnel will be required to undertake field-visits and tours as per the project requirements.

## **H. Reporting And Performance Review**

The Consultant Personnel will report to the Director (Projects)-cum-Chief Engineer, HPRIDCL. The work and performance of the Consultancy firm shall be reviewed by the Director (Projects)-cum-Chief Engineer on a periodic basis.

## **I. Facilities to be Provided by the Client**

The Consultants team will arrange its own office at Shimla nearby to office of the Client and will be required to Use their computers, printers, office supplies, vehicles, etc. to complete the tasks envisaged in the ToR.

**J. Review Committee:- Review by the Client of Consultant Outputs and Process.**

A review committee consisting of the following officers of GoHP shall review the progress of work and the reports to be submitted by the Consultant firm for this consultancy services:-

**Review Committee**

Engineer-in Chief, (Projects), HPPWD	Chairman
Director (Projects)-cum-Chief Engineer, SRTP, HPRIDCL	Member
Zonal Chief Engineers, HPPWD	Member
Executive Director (Project) Engineer, SRTP, HPRIDCL	Member
General Manager (F&A)-cum-Joint Controller (F&A), SRTP, HPRIDCL	Member

The review committee will review the outputs submitted by the Consultant, give suggestions and modifications, if any, within two weeks of receipt and would be the authority to approve the reports. The Consultant will associate & assist the Client for review and approval of each deliverable. Review Committee may also hold meetings with the Consultant as necessary to discuss reports submitted and review the progress etc.