

Ministry of Housing and Urban Poverty Alleviation
Government of India
Nirman Bhawan, New Delhi 110 011
Office of the Joint Secretary & Mission Director (JnNURM)

Nirman Bhawan, New Delhi

Subject: Expression of Interest inviting agencies for empanelment for conducting third party monitoring of implementation of projects under JnNURM: sub-Mission on Basic Services to the Urban Poor an Integrated Housing and Slum Development Programme

Government of India has launched the Jawaharlal Nehru National Urban Renewal Mission, hereafter referred to as JNNURM, as a reform driven, fast track programme to ensure planned development of identified cities with focus on efficiency in urban infrastructure/ service delivery mechanisms, and through community participation and enhanced accountability of Urban Local Bodies (ULBs) / parastatal agencies towards citizens.

JNNURM comprises two broad segments, namely (i) the Sub-Mission on Urban Infrastructure and Governance and (ii) the Sub-Missions on Basic Services to the Urban Poor (BSUP) covering 63 identified cities comprising mega, metro, capital and cities of heritage and historical importance and Integrated Housing and Slum Development Programme (IHSDP) covering other cities/Towns. The Ministry of Housing and Urban Poverty Alleviation, hereafter referred to as M(HUPA), is the nodal Ministry for submissions of Basic Services to the Urban Poor (BSUP) and Integrated Housing and Slum Development Programme (IHSDP) and has a Mission Directorate (JNNURM) to undertake various tasks related to JNNURM.

The Basic Services to the Urban Poor (BSUP) and Integrated Housing and Slum Development Programme (IHSDP) focus on improving the living conditions of the slum population. These projects are aimed at integrated development of slums for providing shelter, basic services and other related civic amenities to the urban poor. Both sub-missions have a strong Housing component. M(HUPA) approves the projects under BSUP and IHSDP for providing Central assistance based on Detailed Project Reports(DPRs) prepared by State Governments/Union Territories. This is based on review carried by the Appraisal Agencies. A number of projects have been approved/sanctioned till to date and the first instalment of Central share in the form of Additional Central Assistance, hereafter referred as ACA, has already been released by Department of Expenditure, Ministry of Finance. Details of the programme and list of projects approved can be seen at the website www.jnnurm.nic.in

The Ministry of HUPA hereby invites **Expression of Interest (EOI)** from established firms who have proven experience in undertaking Third Party Inspection and Monitoring of Housing & Infrastructure projects for empanelment as Third Party Inspection

and Monitoring Agencies (TPIMA) for projects approved under sub-missions of BSUP and IHSDP.

Eligible parties:

Category	‘A’	‘B’
Incorporation	Public Sector, with complete liabilities to Central or any State Government within the Union of India	Private Sector, including Sole Proprietorship, Full liability partnership, limited liability partnership entities, special purpose vehicle entities, cooperative sector entities, registered within the Union of India
Typical examples	<ul style="list-style-type: none"> a. Central/ State public sector undertakings registered under Companies Act b. Autonomous research and development institutes with complete liability of local State or Central Governments c. Academic institutions with complete liability of local State or Central Governments, who are eligible for professional practice as per UGC/ MoHRD norms 	<ul style="list-style-type: none"> a. Entities registered under Companies Act including Section 25 companies not included under Category ‘A’ b. Entities registered under Societies Registration Act (Central or any similar Act of a State Government) including non-Governmental organizations, professional societies, other societies registered and statutorily acknowledged as ‘not-for-profit’ not included under Category ‘A’ c. Autonomous research and development institutes not included under Category ‘A’ d. Academic institutions not included under Category ‘A’
Experience profile: Three or more of the specialization areas mentioned herein	<ul style="list-style-type: none"> i. Planning, design, development, detailing and execution of construction projects over Rs. 50 crore worth (single instance), not including landscaping, interiors or HVAC ii. Specialised services such as pre-emptive environmental/ social impact assessment of large housing and/or township projects iii. Audit of design, construction and project management of construction projects as mentioned above iv. Financial management and advisory services to infrastructure/ housing projects v. PMC and on-site monitoring of infrastructure/ housing projects vi. Monitoring and evaluation of poverty alleviation projects 	
Net turnover	Any, selection to be done by State Government Agency based on	

	value of work assigned	
Experience	Five years	Seven Years

Note on consortium entities:

In certain cases, two or more entities from either category can apply together for empanelment as a single entity. In such consortia, a 'primary partner' shall be nominated, and the incorporation of the same shall apply to the entire consortium, irrespective of whether other partners are classified under Category 'A' or 'B' for all purposes of payment and taxation (deductions at source), and the payment will be made to an account pre-specified account operated by the primary partner.

Terms of Empanelment:

The Government of India, would empanel, based on the responses received to this solicitation of Expression of Interest a number of agencies for third party inspection and monitoring for project supported under JnNURM. This list of agencies would be forwarded to the concerned State Governments, who would through an agency designated as the State Level Nodal Agency, appoint agencies from this forwarded list, based on Request for Quotations (Financial bids) called from them.

Prospective applicants are requested to make note of the nature of remuneration available for the projects stated further below.

The State Level Nodal Agency would follow the following conditions as regards selection of an agency empanelled through this solicitation of Expression of Interest:

- i. An agency would be empanelled for one project at a time, for a period of one year. During this period, the agency can bid (provide RfQ/ bid against open tender) for more projects. However, there would be no special consideration or preferential selection for subsequent projects.
- ii. After each year, the performance of the empanelled agency would be compared vis-à-vis the overall performance of the project, and if found appropriate, the engagement may be extended for the subsequent year or till the earliest stipulated ending period of the project, whichever is earlier.
- iii. In case the performance of the empanelled agency is unsatisfactory, the task would be awarded to another agency with the same terms and conditions as applicable to the outgoing agency. However, the replacement agency can be chosen from the remaining quotations in increasing orders of quotation value and not necessarily through Open bid/ RfQ again. All outstanding payments to the outgoing agencies for work yet to be commenced would automatically transfer to the new agency, while work that has been completed satisfactorily by the outgoing party would be credited to the same. Under no circumstance would the State pay twice for the same work.

Deliverables and scope of work:

The empanelled agency would undertake monitoring works pertaining to:

- a. Pre-construction stage
- b. Construction stage

- c. Commissioning, trial run and testing stage
- d. Post construction Stage

The agency will undertake:

- a. Desk review of documents and periodical site visits:
 - i. Ensuring all project documents, including outcomes, outputs, specifications, estimates of quantities, work packages, project implementation plan - including milestones, periodic progress indicators, oversights etc., on-site management systems, such as rerouting of transient services, temporary connections, worker accommodation, labour insurance, procurement & storage of materials, inventory management; delivery, hand-over, exit and financial closure plans are in place
 - ii. Site visits will be organized at different stages as indicated by the implementing agencies as ‘milestones’ in their work plan, which may consist of intermediate stages of development of work or contracting packages. Indicative milestones, such as foundations, superstructure, fenestration, services, finishes and commissioning may be taken as comparatives from the assessment side to help translate progress reports to non-technical personnel at reporting sites.
- b. **Filing and uploading of all inspection reports in the prescribed online monitoring system of the Mission Directorate as well as by sending reports to SLNA and Mission Directorate;**
- c. Capture, wherever possible, moderated, and structured perceptions of the beneficiaries on various aspects of project implementation including communicating project rationale, strategy, outcomes, results, rights and responsibilities of all stakeholders;
- d. Estimate the degree of beneficiary buy-in as regards the project(s);
- e. To capture qualitative feedback in narrative and in separate documents;
- f. To report the progress with respect to implementation as per the appropriate stage of the project under development;

Remuneration for conducting Third Party Inspection and Monitoring Activities under JnNURM supported projects

The following maximum charges* are prescribed for being paid to the Third Party empanelled by the State Level Nodal Agency on a ‘per project’ basis:

Desk review of all project documents	Rs. 2,00,000/- (Rupees Two Lakh)
On-site visits <i>(Maximum 14 visits during a project implementation life-cycle for a BSUP project)</i> <i>(Maximum 12 visits during a project implementation life-cycle for a IHSDP project)</i>	Rs. 50,000/- (Rupees Fifty Thousand Only)
Maximum possible financial implications for BSUP project**	Rs. 9,00,000/- (Rupees Nine Lakh Only)
Maximum possible financial implications for IHSDP project**	Rs. 8,00,000/- (Rupees Eight Lakh Only)

- * *In case lower rates are obtained through RfQs, the same will apply as terms of payment*
- ** *Service tax, education cess and higher education cess etc. will be extra, chargeable on actual basis; Income tax will be deducted at source in accordance with applicable rules of the Income Tax Act, 1961 and the Finance Bill in effect at the time of payment*

The overall cost of monitoring of the project would not exceed 0.5% of the cost of components for which Central Assistance has been provided in cases of projects supported under the sub-Mission of Basic Services to the Urban Poor and 0.25% of the cost of components for which Central Assistance has been provided in cases of projects supported under the Integrated Housing and Slum Development Programme.

Costs of material and sample tests would be chargeable on actuals over and above the fees payable to the empanelled agency, and directly payable to the party performing the tests. The costs for this, if any, would be borne out of the State/ ULB share.

An empanelled agency would essentially report in the following structure:

- (i) Baselines of the project, including entire process trail – which would ensure that all necessary processes of clearance, approvals - administrative, technical and financial sanctions are in place. At the desk review report generated at the initiation milestone, this section of the report would document the process flows and benchmarks that are adopted by the concerned level of implementation.
- (ii) Outcomes of the project (at initiation milestone)/ the specific milestone – expected state of physical and financial progress.
- (iii) Observed physical and financial progress including execution process – this will require to be done from two ends (i) supply end, i.e. SLNA and (ii) level of implementing agency
- (iv) Compliance and exception reports in process trail, technical and qualitative standards, financial propriety and integrity. In case of any processes being certified, the monitoring report must clearly mention this in case of the concerned implementing agency to the party to be reported to, i.e. Project Implementation Agency, SLNA and Mission Directorate.
- (v) Recommendations as to how to reduce exceptions, including if milestones need to be re-phased, or any process that may need to be streamlined.
- (vi) Follow-up action of the report, which would be ascertained in the next report.

Pre-requisite documentation:

All applicants, irrespective of whether or not applying uniquely or as part of a consortium, would submit the following:

- a. Covering letter stating intent and accurately referencing all contents of the envelope
- b. Certificate of incorporation (copy of registration certificate under Companies Act, Societies Registration Act or Memorandum of Agreement between Partners in case of limited/ full liability partnership/ copy of Act of State/ Union Parliament in case of Assembly/ Parliamentary entities) of all entities applying, certified by an officer of the rank of Sub-divisional Magistrate or higher

- c. Taxation particulars – PAN & STC numbers, copies of all returns filed for the last three financial years, i.e. 2004-05, 2005-06 and 2006-07, and advance service tax challan receipt for current financial year, if already paid
- d. Audited financial statements for 2004-05 & 2005-06; In case Audited financial statement for 2006-07 is available, it may be supplied, else, unaudited/ unabridged financial statement can also be supplied for 2006-07.
- e. In case any applicant is not required to provide audited statements for taxation purposes, it may cite the nature of exemption and provide, in lieu of audited statements, signed balance sheets supplemented with a statement of accounts on 31 March 2005, 31 March 2006 and 31 March 2007.
- f. **Demand draft of Rs. 5,000/- payable to PAO, Ministry of Housing and Urban Poverty Alleviation as non-refundable tender fee for applications. In case of successful applicants, this amount would be adjusted against payments made to the agency.**
- g. Undertaking of Escrow balance in case of work collateral (in case of advances)/ performance guarantee (upon award of work)

Work collaterals:

In case any amount is advanced to the empanelled agency prior to the delivery of work, a collateral equivalent to 133% of any amounts advanced to the agency prior to the delivery of work. This may be given by way of a Bank Guarantee or a tripartite Escrow Agreement between the client, i.e. the concerned agency of a State Government, the empanelled agency/ consortium and a bank wherein the consortium or its primary partner maintains the operating account.

Performance bond/ guarantee:

Even if no amount is advanced to the empanelled agency, the same will maintain a performance bond/ guarantee by way of an escrow agreement equivalent to 25% of the award value of work.

- h. Technical bid: The technical bid would briefly state:
 - i. Competence of the applicant with respect to the working areas as stated in the desired experience profile, along with documented evidence of having worked in the said fields. This may include a completion certificate/ citation provided by the client, or the technical/ financial closure certificate issued by the project auditors
 - ii. Profiles of all persons proposed to be included as part of the services in a standardized CV format
 - iii. Technical/ material assets of the applicant substantiating abilities to perform the work as illustrated in the deliverables and scope of works
 - iv. Proposed methodology and standard processes pertaining to works as illustrated in the deliverables and scope of works
- i. It is reiterated here that it is not advisable to provide financial bids at this time. This will be solicited separately by the State Level Nodal Agency at the time of calling for a Request for Quotation. The range of turnover for a company to be eligible to apply for a

certain project may be determined by the State Level Nodal Agency. However, for the purposes of classification and grouping, the following categories are prescribed:

Band I	Turnover less than INR 25 lakh per annum <i>(Eligible for work worth Rs. 15 lakh at any point of time)</i>
Band II	Turnover equal to or more than INR 25 lakh per annum but less than INR 50 lakh per annum <i>(Eligible for work worth Rs. 30 lakh at any point of time)</i>
Band III	Turnover equal to or more than INR 50 lakh per annum but less than INR 100 lakh per annum <i>(Eligible for work worth Rs. 50 lakh at any point of time)</i>
Band IV	Turnover equal to or more than INR 100 lakh per annum but less than INR 500 lakh per annum <i>(Eligible for work worth Rs. 100 lakh at any point of time)</i>
Band V	Turnover equal to or more than INR 500 lakh per annum <i>(Eligible for work worth Rs. 300 lakh at any point of time)</i>

Applicants may indicate the band for which they qualify at the time of submission of EoI. After empanelment, at the time of making financial bid against RfQ to the SLNA, it would be advisable to specify the period for which the quotations remain valid.

Submission of Expressions of Interest:

The Expressions of Interest may be provided in a sealed envelope, containing hard copies of all documents mentioned above as well as soft copies on a CD. The envelope should clearly indicate the line “Expression of Interest, reference JnNURM-MoH&UPA: TPIM/2007”.

The Expression of Interest may be marked in favour of:

**Office of the Director (NBO) & Officer on Special Duty (JnNURM)
Ministry of Housing and Urban Poverty Alleviation
Room No. 210, ‘G’ Wing (NBO Building)
Nirman Bhawan, Maulana Azad Road, New Delhi 110 011**

Proposals sent by registered post/ courier may be deposited into the box marked “Expression of Interest, reference JnNURM-MoH&UPA: TPIM/2007”, located at the entrance on the ground floor, ‘G’ Wing (NBO Building), Nirman Bhawan, Maulana Azad Road, New Delhi 110 011. The Expression of Interest should be submitted within 15 days from the date of publication of the advertisement in newspaper/website. Late submissions, whether on account of postal/ courier delays/ *force-majeure* will not be entertained.
