

Terms of Reference

Consultancy Services for Study of Local Construction Industry in Mizoram

1. Background

In order to reduce the current deficit in the provision of Local infrastructure in the state, the Government of Mizoram (GOM) has been stepping up investments in Local development for the past few years. The immediate challenge is to augment the capacity of both the Mizoram Public Works Department (MPWD) and the Local construction industry of the State. While steps are separately in process of implementing several initiatives to strengthen the organization for implementing of Local projects, it is proposed to undertake a study of current capacity of the construction industry in the State. The Government of Mizoram through Government of India has received a loan from the International Bank for Reconstruction & Development towards the cost of Mizoram State Locals Project. Under the project nearly 450 km of priority sections of secondary industries are to be up graded / rehabilitated by the Mizoram Public Works Department (MPWD). For proper & timely implementation of the project a dedicated and fully staffed Project Management Unit (PMU) under a Chief Engineer level officer is functioning at Aizawl. It is proposed to undertake a study of the current capacity of construction industry in the State and apply a part of the proceeds of the loan to engage consultancy services for this purpose. In line with above, MPWD intend to engage a competent and experienced consulting firm under the project for study of current capacity of the construction industry in the State. The firm be selected under QCBS (Quality cost base selection).

2. Objectives of the Study

The main objectives of the Local construction industry study are as below:

- (i) Make an assessment of the number and size of the contractors engaged in Local construction & maintenance contracts under separate heads : a) Local i.e of the Mizoram State, b) of other north eastern states and c) of states other than north eastern states
- (ii) Identify the support provided by the local contractors either as sub contractors or as JV partners to (a) contractors of other than Mizoram state and (b) contractors of other north eastern states
- (iii) Identify the constraints faced by the contractors during execution of works and suggestions / recommendations to address the constraints
- (iv) Explore whether the concept of equipment bank to provide Local construction machinery to contractors on lease / hire can be promoted in the state on a sustainable basis
- (v) Review the current system of registration of contractors in the state, availability of Data base of contractors and grievance handling mechanisms

- (vi) Make an assessment of the availability of construction equipment , Local materials , technical & managerial manpower and skilled & un skilled man power in the state
- (vii) Review current arrangements for training of construction workers , equipment operators , site engineers , lab assistants , quality surveyors and other key personnel of the contractors in the state / other north eastern states and suggestions / recommendations to strengthen the training and skill enhancement infrastructure in the state
- (viii) Make an assessment of the overall capacity of the local construction industry to handle ICB (International Competitive bidding) Contracts and their familiarity with FIDIC conditions of contract.
- (ix) Make an assessment of the overall level of modernization and professionalism of the local construction industry in the state
- (x) Review the timeliness of project delivery , contractual disputes and quality of project delivered by the contractors on sample basis for last 5 years
- (xi) Suggest policy actions which can be undertaken by the Govt. of Mizoram to promote the growth of the construction industry in the state.

3. Methodology Proposed

The proposed methodology involves the following steps:

Step -1 : Desk Work

- (i) To interact with the Local agencies in the state and find out the amount of projects awarded to Local contractors in the last seven years (up to March 2016) . Divide the projects / amount into different categories (a) undertaken by the local contractors of Mizoram in individual capacity , (b) undertaken by the contractors of other north eastern states ie other than Mizoram in individual capacity (c) outside contractors in individual capacity and (d) outside contractors in JV with local contractors
- (ii) Local development plans to be undertaken ie 2016-17 to 2017-18 period.
- (iii) Number of contractors registered in the state under different categories, system of registration, break up into different sizes and type of works undertaken
- (iv) Total amount of claims / disputes under adjudication by the arbitration tribunals / sole arbitrators
- (v) Assess the Local construction equipment and technical & managerial man power available with the contractors as declared during registration

Step -2: Development of Questionnaire

- (i) Develop Questionnaire in consultation of MPWD , Mizoram to seek information relevant for the study from the key stakeholders viz Local agencies, contractors, consultants , equipment manufacturers / suppliers ,locally available labour (non skilled / semi skilled / skilled) and technical manpower

- (ii) Questionnaire should also include seeking views of stakeholders on their perception about the various constraints faced by them in the execution of Local sector projects and their suggestions to overcome the same
- (iii) Questionnaire may include information to be sought on annual turnover and organizational structure in respect of civil works and Locals / bridge works, during the last 7 years.

Step -3 : Interviews and workshops

- (i) The consultant shall be required to interview a sample of key stakeholders to understand their concerns and constraints faced in execution and management of Local sector projects and their suggestions to address the same
- (ii) The consultant shall be required to hold three nos. regional workshops of the stakeholders including officers of different levels of MPWD, Mizoram. These workshops shall be organized under the chairmanship of some senior officer of MPWD, Mizoram (not below the rank of superintending engineer). The place for these workshops shall be decided in consultation with the MPWD, Mizoram.

All the above workshops would be organized by the MPWD; however the expenses of the workshops shall be borne by the consultants against the provision provided in the consultancy agreement as lump sum amount.

4. TASKS :

The assignment involves the following Tasks:

Task- 1: Complete the work as described at Para 2 above under Methodology Proposed Step-1, 2 & 3

Task- 2: Assessment of the annual portfolio of Local / bridge projects proposed by the state agencies in each year during last five years

Task- 3: Find out the number of contractors registered in the state and out of them how many are actually involved in the Local sector projects in the state. Bifurcate the same into various classes according to their registration

Task- 4: Draft Discussion Report

After analyzing the information obtained under Task -1, 2, 3 and outcome from the regional workshops, a draft discussion report containing the recommendations will be prepared by the consultant for discussions the findings in the state level workshop to be held at Aizawl. The analysis will bring out the following as a minimum:

- (i) Organizational structure of large (annual turnover Rs. 100 Crores and more), medium (annual turnover Rs.20 Crores and above up to Rs. 100 Crores) and small (annual turnover up to Rs. 20 Crores) contractors within the state. These figures are based on turnover of 2016-17
- (ii) Pattern of growth of turnover of the contractors on sample basis. Sample may be of 10- 15 contractors of each category.

- (iii) Constraints faced by the contractors particularly w.r.t. procurement , preconstruction activities, timely payments, timely solution of site problems during execution like minor changes in designs and on spot decision of ground problems etc., availability of materials/ manpower, dispute resolution and training facilities of their personnel.
- (iv) Suggestions to overcome the constraints faced by various stakeholders.
- (v) Role played by the state (local) contractors as subcontractors or JV partners with outside contractors and suggestions for improvement.
- (vi) Current gaps in the existing / available training infrastructure for various personnel of the contractors, equipment operators, site / managerial personnel etc. and suggestions to strengthen the same.
- (vii) Possibility of promoting the concept of equipment bank for providing equipment to contractors on lease / rental.
- (viii) Suggestions / Measures needed to facilitate access to finance / credit to the contractors.
- (ix) Areas where support of Local agencies is required for the healthy growth of the contractors in the state.

Task – 5 : (i) Present and discuss the outcome of Task-4 at a state level workshop that would be organized by the consultant at Aizawl. The consultant will facilitate focused group discussions on various sub components of the draft report. This workshop may be even for 2 days seeing the issues and response. The above workshop would be organized by the MPWD; however the expenses of the workshop shall be borne by the consultants against the provision provided in the consultancy agreement as lump sum amount.

(ii) Prepare a summary of proceedings of the state level workshop

Task – 6: Draft Final Report

Based on the outcome of the workshop, a draft final report would be prepared and submitted to MPWD, Mizoram. The draft final report should also include an action plan on the basis of this study to be implemented by MPWD, Mizoram.

Task – 7: Final Report

The draft final report will be refined on the basis of the outcome of the state level workshop and comments of MPWD / World Bank on the draft final report. This report will be treated as Final Report for completion of the assignment.

5. Key Personnel:

5.1 The consultant shall engage a suitable number of key personnel / support staff for timely and successful completion of the study keeping in view of its objectives, methodology

and Tasks proposed. The following key personnel will be evaluated for assessing the competence of the firm.

- (a) Local Construction Industry Sector Expert/Team Leader
- (b) Contract Management Specialist
- (c) Human Resource Specialist
- (d) Quantity Surveyor
- (e) Land Surveyor

The qualifications and Experience of the key personnel shall be as under:

Local Construction Industry Sector Expert / Team Leader:

The Team Leader shall be responsible for the proper conduct of the entire study and shall be the principal contact person between the Consultants and the MPWD, Mizoram. He / She shall have a minimum Bachelor Degree in Civil Engineering with Masters' Degree in Management. He/she must have at least 20 years of general experience and at least 10 years of relevant experience and knowledge of the Local construction industry. He / She shall head the project staff and shall be responsible for all technical and administrative aspects. Fluency in written and spoken English is mandatory and ability to communicate ideas freely and easily is essential.

Contract Management Specialist

The Management Specialist shall have a Masters level qualification in Management (or the equivalent) with at least 10 years of professional experience. Previous experience of the public and private sector elements of India's Locals sector and their contemporary challenges is highly desirable

Human Resource Specialist

The candidate should have a post graduate degree / post graduate diploma in Business Administration with specialization in Human Resources. The candidate should have at least 7 years of working experience, of which at least 3 years in training of workers / Managers / Supervisors etc. Preference will be given to candidates who have worked in Locals / Highway sector.

Quantity Surveyor

The candidate should have a post graduate degree / post graduate diploma in Civil Engineering with specialization in Quantity Survey. The candidate should have at least 5 years of working experience, of which at least 3 years in quantity survey/ knowledge transfer/training of workers etc. Preference will be given to candidates who have worked in Locals construction sector.

Land Surveyor

The candidate should have a graduate degree / post graduate diploma in Civil Engineering with specialization in Land Survey. The candidate should have at least 5 years of working experience, of which at least 3 years in land survey/ knowledge transfer/training of workers etc. Preference will be given to candidates who have worked in Locals construction sector.

6. Inputs by the MPWD

The MPWD will provide access to the required information and other assistance as required to effectively undertake this assignment.

7. Inputs by the Consultants

The Consultant will make his own arrangement for office space, office furniture, equipment, computers, transport, site visits, and consumables during services and make provisions for the same in his financial proposal. For transport, the consultants shall make provision for the rental of vehicles including running and maintenance charges in their financial proposal. No provision for purchase of vehicles shall be made by the consultants in their financial proposal.

8. Deliverables

The following shall be the deliverables under the study:

- (i) Inception Report: This will incorporate the schedule of activities and personnel, methodology proposed. The Inception Report will be due within two weeks of commencement of services.
- (ii) Draft Final Report: This will be due within six (6) months of commencement of services.
- (iii) Summary of Discussions of the state level workshop sequel of Task 5. This will be due within two weeks of the close of the workshop.
- (iv) Final Report within two weeks of comments provided by the MPWD and World Bank on the Draft Final Report.

The deliverable shall be in five hard copies and in electronic form (CDs)

9. Completion Time : A total of twelve (12) months period is envisaged for completion of the Assignment

10. Payment Schedule

- i. On submission of Inception Report– 20 percent of the cost of services excluding amount kept as provisional sum
- ii. On submission of Draft Final Report–35 percent of the cost of services excluding amount kept as provisional sum
- iii. On facilitation of workshop and submission of summary of state level workshop discussions as outcome of Task 5 – 15 percent of the cost of services excluding amount kept as provisional sum
- iv. The Consultants shall make in their financial proposal provision of adhoc sum towards provisional sum for meeting the expenses of workshops etc. This amount shall be at the disposal of MPWD, Mizoram and expenses under this provision shall be made by the consultant only on the written approval of MPWD, Mizoram (Project Director, PMU, MPWD, Mizoram). Actual expenses of workshops will be reimbursed within a week of completion of each workshop.
- v. On submission of Final Report - 30 percent of the cost of services excluding amount kept as provisional sum