

INDIA

**Punjab State Road Sector Project (Loan 4843-IN)
Second Implementation Support Mission (October 5 to 22, 2007)
Aide-Memoire**

I. INTRODUCTION

1. A World Bank team¹ visited the state of Punjab over the period from October 5 to 22 to support the Government of Punjab (GOP) in the implementation of the Punjab State Road Sector Project (PSRSP). The mission held meetings with the Public Works Department (PWD), the Punjab Roads & Buildings Development Board (PRBDB), Ministry of Finance (MOF), the Traffic Wing – Punjab Police, the Department of Information Technology (DoIT), and undertook site visits to the roads contracts of Phase I under this project. The mission also held discussions with the Hon'ble Chief Minister, the Hon'ble PWD Minister and the Chief Secretary to brief them on the status of the project.

2. A wrap-up meeting was held and chaired by the Chief Secretary on October 22, 2007. This aide-memoire summarizes the findings, recommendations and agreements reached during the mission. The mission wishes to thank GOP for their hospitality and collaboration. An action plan is shown in **Annex 1**. **Annex 2** lists the key persons met by the mission.

II. KEY PROJECT DATA & PERFORMANCE RATING

3. This project was approved by the Board of Directors on December 5th, 2006. The Loan and Project Agreements were signed on February 26th and the loan was made effective on April 2nd, 2007.

Key Project Data	Project Performance
Loan amount: US\$250 million	Development Objective: Satisfactory
Effectiveness Date: April 2, 2007	Implementation Progress: Moderately Satisfactory
Closing Date: June 5, 2012	Environmental Safeguards: Moderately Satisfactory
Project Age: 6 months	Social Safeguards: Satisfactory
Loan Disbursed: US\$59.4 million (23.8%)	Risk Flags: None

III. SUMMARY

4. **Development Objective (DO).** The project's overall development objective is to improve operating conditions of State roads for road users, in a sustainable way, thus helping to provide the business enabling environment necessary to support Punjab's economic development strategy. Progress in achieving the development objective is rated as *Satisfactory* since: (a) all nineteen Phase I civil works contracts have been awarded amounting to Rs. 690.31 crores (US\$ 175 million equivalent) and mobilization/construction has commenced at all sites; (b) the ten periodic maintenance contracts are about 90% complete with three already in the defect liability period and five more expected to

¹ Consisting of Isabel Chatterton (Sr. Financial Specialist and Task Team Leader), Rajesh Rohatgi (Transport Specialist cum Co-Task Leader), Alok Bansal (Sr. Transport Planner), Mitsuyoshi Asada (Sr. Transport Specialist), Sonia Chand Sandhu (Sr. Environment Specialist), Neha Vyas (Environment Specialist), Parthapriya Ghosh (Social Development Specialist), Ashish Bhateja (Procurement Specialist), Harish Chawla (Consultant – Contract Management Specialist), Maju Mathew (Consultant – HIV / AIDS Specialist), Pradeep Valsangkar (Consultant – IT Specialist), Tanuj Mathur (Sr. Financial Management Specialist), and N. S. Srinivas (Program Assistant, Transport). Mr. Ben Gericke (Sr. Highway Engineer) and Dr. Yitzhak Kamhi (Sr. Transportation Engineering and Management Consultant) undertook visits to Punjab slightly before or after the mission dates, to discuss progress with the institutional strengthening component. Mr. Kiran Baral (Sr. Procurement Specialist) undertook a detailed procurement review after the mission period.

receive the completion certificates before the end of December 2007; (c) the procurement of the consultants for Phase II civil works (to be undertaken as Output-Based Performance Road Contracts) is well under way; (d) the GoP has initiated the process of consensus building around the proposed institutional development strategy for the sector, and (e) substantial procurement progress has been made concerning the additional activities to be financed under the institutional strengthening component, with the remaining three well advanced in the preparatory stage of TORS and RFPs – one activity pertaining to the piloting of proposed Long-Term Maintenance Contracts has been proposed to be dropped after consultations with the mission.

5. **Implementation Progress Rating.** Implementation is downgraded to *Moderately Satisfactory* due to the persistent weaknesses that remain in project management with the observed and prevailing under-staffing in both PRBDB and in the PWD field divisions. The lack of staff can seriously jeopardize the implementation of the project, which compound with the serious staffing inadequacies evidenced in the technical audit consultants, can adversely affect the implementation of six rehabilitation contracts and one upgrading contract. The mission advised GoP that these weaknesses would need to be addressed on a priority basis in order to have effective implementation of the project. It was agreed that the vacancies could now be filled with qualified candidates from the market on an urgent basis, and that no additional administrative responsibilities would be given to the project JEs. However, despite these staff constraints, the mission commended the significant efforts made by PRBDB to expedite implementation and preparation of Phase II and institutional development activities during the last six months. **The key actions that require immediate attention are point numbers 8, 10, 11, 12 and 13 listed in the ‘Actions to be taken’ table in Annex 1.**

6. A review of each civil works contract in Phase I (including visiting each site) was undertaken to assess the contractors' readiness to undertake the contract and in particular, to perform in the next working season at the expected quality standard. It covered issues such as employer staffing, contractor staffing, supervision consultants/engineer staffing, work front availability, material stockpile, equipment mobilization, contract management and construction management, and compliance with environmental and social safeguards. The main findings and the relative ratings of each contract are summarized in **Annex 3**, along with the ratings for each project component, including the Institutional Development Component which progress is satisfactory and the Civil Works Component which is moderately satisfactory. The review showed four underperforming contracts out of the eleven contracts still ongoing. The current estimated final costs of the project have significantly changed due to a 27% price increase arising in Phase I contracts including very small variation orders issued for Periodic Maintenance contracts. Twelve percent of this variation comes from the sharp appreciation of the rupee since appraisal. It is estimated that the project would suffer an overall shortfall of about US\$36.4 million. Although about 18% of this variation was budgeted for as physical and price contingencies, the additional 9% increase must be provided by GoP as additional counterpart funds. As the original budget for Phase II was US\$111.4 million and the available funded is now US\$79.6 million, the mission strongly advised GoP not to reduce the size of Phase II to accommodate this shortfall, but rather to study ways in which the Output and Performance Based contracts could be structured so take into account of this situation.

Updated Project Cost:

Component (inc. contingencies)	Project Appraisal Document (US\$ Million)	Phase I US\$ Million	Phase II US\$ Million
A – Road Development Component 1	310.3	235.3	75.0
Road Upgrading	221.5	146.8	70.0
Rehabilitation	66.9	72.8	
Maintenance and Other works	22.0	15.7	5.0
B- Institutional Strengthening Component 2	11.0	11.0	
Incremental Operating Costs	12.0	12.0	
Total Project Cost	333.4	333.4	

7. **Social Safeguard Management.** Compliance with social safeguards has been upgraded to *Satisfactory* due to the commendable efforts and substantial results achieved on the ground over the last six months. Although some of the activities in implementation of the Resettlement Action Plan (RAP) have been slightly delayed, the overall implementation of the RAP is progressing well and negotiation for 33 cases out of total 34 cases has been successfully completed. Approval of 33 cases has also been received from government. The reminder of the approvals is expected by the end of October 2007 and the conveyance deed is expected to be signed by November 15, 2007. The NGO hired for implementation of the Resettlement Action Plan (RAP) has completed preparation of micro plan of non-titleholders for all the project corridors except for Ludhiana Malerkotla Sangrur section. The micro plans for titleholders have also been completed for all the districts except for Ludhiana. For mile stone 1, the land would be made free of all encroachment and other encumbrances by December 31, 2007. The mission was informed that some of the plots may not be required for the purpose of the project, and that the benefits of retaining current ownership and land use outweighs the potential risk of claims arising from contractors' delays in obtaining the land (see **Annex 5** for an estimation of the potential costs).

8. The PRBDB has designated one Sub Divisional Engineers (SDEs) in each of the CMUs as Resettlement Officers. The Grievance Redressal Committee (GRC) and the Land Negotiation Committee (LNC) have also been constituted. PRBDB has prepared a manual detailing the mechanism of disbursement of compensation and R&R assistance.

9. **HIV / AIDS.** The mission was informed that Punjab State Roads and Bridges Development Board (PRDB) is in the process of contracting an NGO to implement the HIV/AIDS awareness campaign among the state highway communities. Several discussions were held between the PRBDB and Punjab State AIDS Control Society (PSACS) on the possibility of its collaboration in supporting the proposed project on road stretches to be covered under the project. A meeting was organized between the PRBDB and PSACS in which PSACS supported the proposed collaboration as it would fit into the mainstreaming framework of the SACS activities. The SACS is willing to support the project and PRBDB in specific areas such as providing available data on the project sites, needs assessment reports prepared by some NGOS earlier as well as any training needs and inputs on baseline studies. The SACS also offered support by providing IEC materials and condoms and in strengthening the referral systems at the field level especially for STI treatment, voluntary counseling and testing and care, support and treatment services. It was informed that the person in-charge of the mainstreaming activities from the SACS will be given the responsibility to coordinate this project from the SACS side. The NGO would also be invited to participate in the SACS monthly review meetings to share about the project and take feed-back and inputs. The mission also had discussion with the field divisions of PWD and Engineering consultants to convey the importance of the HIV clause in the contract documents and highlighted the need to ensure that workplace intervention programs are conducted regularly. The Bank team will review progress made to this regard during the upcoming missions.

10. **Environmental Safeguard Management.** Compliance with environmental management safeguards has been downgraded to *Moderately Satisfactory*. Whilst the rating for both periodic maintenance and rehabilitation contracts is moderately satisfactory, the rating for the upgrading contracts is unsatisfactory due to significant lapses with regards to the required EMP measures at mobilization stage found for both contract packages UG1 (Kharar-Tepla) and UG 2 (Ludhiana-Sangrur). Discontinuity in the Consultants EO's inputs, were observed, leading to delays in timely facilitation of EMP measures. These are exacerbated due to major lapses observed in the management of these issues by the Supervision Consultant along with lack of coordination with the Contractor. Specific discussions were held in this regard and it was agreed that the Consultants would mobilize an environment specialist on a continuous basis, by October 31, 2007. It was agreed that PRBDB/EEs would also play a proactive role in ensuring that counter productive management issues between contractor and consultant are resolved and minimized. Package UG 3 has shown satisfactory EMP compliance. Contract wise details of issues and actions to be taken for effective mobilization to prevent non-compliance of EMPs during works have been provided in **Annex 4**. Careful and regular

follow up will be continued to ensure that as the rehabilitation and upgrading civil works contracts commence in form during the next few months, the rating can be upgraded to satisfactory.

11. It was encouraging to note the continuous support provided by the nodal Environment Officer (EO) at the PRBDB, including regular inspection visits to all work sites and monitoring and recording of issues. Supplementing this function at field level by designating specific officers within the CMUs, and the Contractors teams has been significantly delayed and is critical for the effective implementation of EMPs. It was again agreed that officers would be functional and /or designated by October 31, 2007 and proper training conducted shortly thereafter. PRBDB has initiated the process of outsourcing an agency for training on environment management and capacity building (EMCB). The Terms of Reference (TORs) have been discussed with PRBDB and would be forwarded to the Bank for review by October 31, 2007.

12. The mission was pleased to see project information kiosks established by PRBDB on project roads in accordance with the agreed disclosure policy and action plan. The mission was informed that the NGO currently engaged would hold consultations to identify the expectations of the community and the issues for which information should be provided at the kiosks. The mission suggested for complaints registers to also record the response to each complaint. The PRBDB officers were reminded to place simple checklists and posters in the kiosks pitched at the right level for the general public.

13. **Possibility of Carbon Financing.** Detailed discussions were held with PRBDB and the Bank's Sr. Carbon Finance Specialist, for establishing eligibility under the Programme of Activities (POA) of the Clean Development Mechanism (CDM). These discussions included PRBDB's initiative for procuring (importing) energy efficient Hot Mix Plants (HMP), using new and improved technology for 400 kms of upgrading contracts on the PSRSP. These HMPs use the batch mixing technology versus that of continuous drum mixing, which essentially results in sizable reduction of fuel consumption and practically zero emissions. This has been achieved by imposing a contractual condition to use only batch hot mix asphalt plants on all works exceeding Rs 100 M. There were no existing batch mixing plants in the state which could be deployed on PSRSP, and this initiative ensured fresh procurement by all successful contractors of civil works. Six of these have been procured by five participating contracting companies for six different locations across the State. These are in various stages of construction/erection. Since the acquisition cost of such plants is nearly double than that of earlier plants used in the state, PRBDB had to bear significantly higher cost (at least USD 2 million) in terms of bid pricing (in part also due to the declining dollar relative to the rupee). Adopting GOI policies, PRBDB ensured duty waivers as further incentive for contractors to procure this equipment, which would result in much lower operational cost over a period of time. *The eligibility of a POA to procure HMP instead of drum mixing under the CDM would rest on the financial gap borne by PSRSP since the incentive scheme was announced and the fact that HMP is not common practice in India. In both instances, the CDM would serve to ensure that the incentive scheme goes ahead.* This initiative has the potential to transform the road building industry in the State through support of CDM revenue for implementing this clean technology beyond the requirements of the Bank project, if scaled up to cover all new installations. It was agreed that PRBDB would share fuel consumption and cost data specific to the HMPs, to enable the preparation of a Project Idea Note (PIN) with Bank's assistance by Nov 30 2007. In addition, discussions with GoP /PRBDB has expressed interest to participate in the Bank assisted and financed study to assess the potential for Carbon Finance Resources to support road improvements. .

14. **Disbursements and Financial Management.** Progress with financial management arrangements is downgraded to moderately satisfactory, due to the fact that PRBDB still continues to suffer from delays – albeit small - within GoP in receiving World Bank funds, which results in breach of Project Agreement clause A2 (Section I Schedule of the Project Agreement). The Financial Accounting Software (FAS) is still not fully operational. In particular, the PRBDB Financial Management Team is required to immediately visit all locations and provide the necessary training to enable a time bound implementation of FAS. Furthermore, to facilitate this time bound implementation, PRBDB may issue instructions that all payments after a certain date may be approved by the

Divisional Engineer only if the same is supported by a voucher generated from the FAS. Stronger monitoring is required for advances given for shifting of utilities. Engineering staff (designated as R&R Officer)/ accountants have not been provided training regarding the record keeping/ accounting requirements relating to R&R payments.

15. Funds are being passed on to the Divisions on a transaction basis rather than on a periodic basis. This is allowing PRBDB to maximize its revenues from interest earned. It was agreed to review, during the next mission, whether this is causing any delays in transfer of funds to the divisions and therefore payments to the contractors.

16. Some changes/ developments will merit provision of additional guidance/clarifications in the FMF, thus the need to issue an Addendum to the FMF was discussed and agreed. A draft Addendum will be sent to the Bank by December 1, 2007.

17. Concerning the audit report due on September 30, 2008, the mission was informed that State AG has already been contacted to initiate the audit including of those payments corresponding to retroactively financed activities, which were undertaken during the previous financial year.

18. **Procurement.** Based on the summary procurement implementation status summarized in **Annex 7**, the overall procurement progress is rated as Satisfactory. One significant event during this period concerned contracts under the Upgrading component. The Bank's Operations Policy Review Committee provided its no objection to the recommendation of award of UG1 and UG2 in July 2007. This no objection was provided on an exceptional basis taking into the account the marketing efforts undertaken to proactively inform the local and overseas construction industry of upcoming contracts, which contributed to a good response rate in UG contracts – better than the general trend in India. The contracts have now commenced.

19. *Progress with E-procurement.* Department of IT, Government of Punjab is in the process of signing a MoU with DGS&D (Directorate General of Supplies & Disposals) for the implementation of a state-wide e-Procurement in select pilot departments. As per the present directives, all contracts over Rs. 1 crore will be mandated through the new system by 15th January 2008. The DGS&D platform is planned to be customized to the needs to the pilot departments.

20. Since the Punjab State Roads project also requires use of e-GP for procurement in Phase 2 (which is planned to start from 2008), discussions were held with IT and representatives of PWD to understand the plans to move to e-Procurement. However, the present deadline of 15th January 2008 seems rather aggressive given the current level of preparedness.

21. World Bank requires that e-Procurement systems be reviewed and approved prior to the allowing them to be used in World Bank-funded projects. These reviews cover the underlying procurement rules as well as the manner in which the e-GP system operates. The assessment will be planned once the system has been used successfully for government contracts for a certain time (12 months). A note mentioning good practices in e-Procurement implementation will be shared by early November 2007 with the GoP team.

22. **Compliance with Legal Covenants.** The following is the status of compliance with legal covenants due:

- (i) *Flow of Funds.* GoP's time taken in transferring funds to PRBDB is a few days over the agreed fourteen (14) calendar days of its receipt from GOI. GoP has agreed to seek prompt resolution to this issue. This covenant is partially complied with.
- (ii) *Funding for Plan Roads Maintenance.* GoP will disburse to the Road Maintenance Fund, at least US\$25 million by December 31, 2007. This covenant is not yet due.

23. **Next Implementation Support Mission:** The mission informed the project authorities that Mr. Mitch Asada will take over as Task Team Leader on behalf of the Bank upon completion of the mission. An interim mission to review implementation progress and possibility of upgrading the rating

to satisfactory will be undertaken in January 2008. The next full mission is tentatively scheduled for mid to late March or beginning April, 2008.

Annex-1

Actions to be taken

S. No.	Key Actions	By whom	Target/Revised Date	Actions pending from March'07 mission
CIVIL WORKS COMPONENT				
Upgrading Works, Rehabilitation & Maintenance				
1	Shifting of electrical and telephone poles UG1 and UG2 – Issue Variation order to contractor	PRBDB/Contractors	Immediate	
2	Improvement works recommended by the safety audit on locations falling under Phase I and II roads	PRBDB/Contractors	Immediate	
3	Repair of 4 kms in PM1 contract	PRBDB/PWD/Contractor	Urgent	
4	Repair of sub-grade upwards of sections in PM6 contract	PRBDB/PWD/Contractor	Urgent	
5	Issue instruction to PWD field offices to follow designs contracted	PWD	Immediate	
6	Issue instructions to PWD field offices on how to proceed if OFC cables are found during construction	PWD/PRBDB	Immediate	
7	Agreement on wider use of center line marking and cat eyes on project roads	PWD/PRBDB	November 15, 2007	
Consultancy Services (Supervision / Technical / other)				
8	Significant strengthening of TAC: 2 AMEs, 2 Surveyors and 1 EO	ICT/PRBDB	Immediate	
9	Issue variation order to ICT for additional designs	PRBDB	Immediate	
10	Deployment of EO and QS from Supervision Consultant	BCEOM/PRBDB	Immediate	
11	Capacity Assessment of field divisions (number and skills) and issuance of guidelines for distribution of work	PWD/PRBDB	Immediate	
12	Formally designate some project JEs as Survey Engineers.	PWD	Immediate	
13	Agreement on quality control processes to be	PWD/PRBDB	Immediate	

	followed by project divisions for project			
14	Agree on dates for monthly meetings for the next three months	PRBDB/PWD	Immediate	
INSTITUTIONAL DEVELOPMENT COMPONENT				
15	In principle agreement by PWD of IDS proposal to be submitted to Cabinet for approval	GoP	November 30, 2007	✓
16	In principle Cabinet approval of IDS recommendations	PWD Secretary	December 31, 2007	
17	Appoint Change Manager	PW/PRBDBD	November 30, 2007.	✓
18	Develop personnel and functions database	PWD/PRBDB	November 30, 2007	
19	Issue RFP to short-listed consultants for OPRC	PRBDB	November 15, 2007	✓
20	Award HIV/AIDS awareness contract	PRBDB/WB	November 15, 2007	
21	Award Road Reclassification Study	PRBDB	December 31, 2007	✓
22	Draft TOR for Transport Sector Master Plan	PRBDB	November 15, 2007.	✓
23	Award Road Safety Awareness Campaigns including safety audit of black spots	PRBDB	November 30, 2007	
24	Hire Road Fund Secretariat Consultants	PRBDB	January 30, 2008	
25	Award Training on Environmental Mgt	PRBDB	January 30, 2008	
26	Award Road User Satisfaction Surveys	PRBDB	January 30, 2008	
27	Visit to agencies in Australia and New Zealand	PWD/PRBDB	April 30, 2008	✓
28	Issue EoI for PPP transaction advisor	PRBDB/PWD/PIDB	November 15, 2007	
29	Procurement of a consultant to (i) enter and collate accident data supplied by the police stations for the next two years; and (ii) installation and training of Accident data Collection System to the Traffic Police HQ and District Police Stations.	IG Traffic /PRBDB	November 15, 2007	
30	Procurement of about 400 hand held GPS for police station.	PRBDB/IG Traffic	November 30, 2007	
31	Issue instruction to field divisions to implement improvement suggested by the safety audit.	PWD	Immediate	
32	Purchase reflective gear for	PRBDB/PWD/Traffic Police	January 30, 2008	

	traffic police			
33	Procurement of signs for unmanned railway crossings	PRBDB	November 30, 2007	
34	Request grant funding for Mohali comprehensive road safety pilot	World Bank	Immediate	
35	Amount provided to Road Maintenance Fund amounts to US\$25 million	Finance Department, GoP	December 31, 2007	
Computerization, GIS based RIS and RMMS				
36	Issue Variation Order to PEC for digitization of all network in state	PRBDB	November 15, 2007	
37	Dedicated Manager for this component on Board	PRBDB	October 31, 2007	✓
38	Initiate Procurement of RAMS	PRBDB	March 31, 2008	
39	Agree with DoIT on strategy for procurement of sector-specific software	PRBDB/PWD	November 15, 2007	
Training				
40	Third round of Contract Management training (including all PWD divisions) focusing on quality assurance as part of contract administration	PRBDB/PWD	December 31, 2007	
41	Fourth round of Contract Management by international experts to all PWD and project divisions	PRBDB/PWD	March 31, 2008	
42	Design and initiate procurement of Quality Assurance Training of PWD	PRBDB/PWD	November 31, 2007	
Social Safeguard				
43	Approval of both titleholder and non titleholders micro plans	PRBDB	October 31, 2007	
44	Marking of COI on ground for land acquisition for UG1/UG2	PRBDB/Contractors/Consultants	October 30, 2007	
45	Signing of conveyance deed for all milestone 1	PRBDB	November 30, 2007	
46	Second Refresher training for field staff on social assessment and RAP implementation	PRBDB	November 30, 2007	
47	Data on titleholders to be submitted to PRBDB for UG1/UG2 Milestone 1	NGO	October 30, 2007	
Environmental Management				
48	Designated environment management officers in the field offices on board.	PRBDB/Contractors/Consultants	October 31, 2007	✓

49	EO's exposure to environment management practices being followed in Bank funded project in Gujarat	World Bank	December 31, 2007	✓
50	Finalisation of TOR for EMOB	PRBDB	October 31, 2007	
51	Environmental training for EOs	World Bank	November 15, 2007	
52	Complete all pending actions for PM contracts	PRBDB/PWD/Contractors/Consultants	November 30, 2007	
53	Initiate process for ISO certification	PRBDB	July 1, 2008	
PROJECT MANAGEMENT				
Financial Management				
54	FA Software: (a) training provided to staff and (b) generation of data only from FAS	Controller Finance (PRBDB)	October 30, 2007 November 15, 2007	
55	R&R payments; training provided	Controller Finance (PRBDB)	November 15, 2007	
56	Changes in operation of LoC System	Controller Finance (PRBDB)	December 1, 2007	
57	PPF; Revised Audit Report submitted to the Bank	Controller Finance (PRBDB)	November 15, 2007	
58	Addendum to FMF; draft sent to Bank	Controller Finance (PRBDB)	December 1, 2007	
Procurement				
59	Follow up on outcome of Bank discussions with DEA on possible simplification of Excise/Customs form in bidding documents	World Bank	October 31, 2007	✓
60	Review plan to assess GoP e-procurement pilot	World Bank	March 30, 2008	
Project Resources				
61	Provide project vehicles to JEs	GoP	November 15, 2007	✓
62	Approve and later on have in place a total of 11 Project Managers in PRBDB	GoP	November 15, 2007	✓
63	Decision to authorize project allowances for project staff	GoP	October 31, 2007	✓

Annex-2**List of Persons Met****Government of Punjab**

1. Mr. Prakash Singh Badal, Hon'ble Chief Minister
2. Mr. Parminder Singh Dhindsa, Hon'ble PWD Minister
3. Mr. Ramesh Inder Singh, Chief Secretary
4. Mr. D.S. Guru, Principal Secretary to CM
5. Mr. D. S. Kalha, Principal Secretary Finance
6. Mr. Karan Avtar Singh, Secretary, Public Works
7. Mr. H S Dhillon, Inspector-General, Traffic Wing, Punjab Police
8. Mr. R. K. Verma, Director DoIT
9. Mrs. Jaspreet Talwar, Secretary Expenditure
10. Dr. N. M. Sharma, Additional Project Director, SACS
11. Mr. Puneet Gambhir, Deputy Director, Sentinel Surveillance, SACS

Public Works Department

12. Mr. Amrit Inder Singh, Chief Engineer, PWD
13. Mr. R.P. Singh, Superintending Engineer, Central Works Circle, Chandigarh
14. Mr. SS Sindhu, Executive Engineer, Central Works Division No. 2, Amritsar
15. Mr. Harvinder Kalia, Executive Engineer, Construction Division No. 1, Kapurthala
16. Mr. Prem Kumar, Executive Engineer, Construction Division No. 3, Ferozepur
17. Mr. Rakesh Garg, Executive Engineer, Central Works Division No. 3, Ludhiana
18. Mr. J. L. Garg, Executive Engineer, Construction Division, Sangrur
19. Mr. A. P. S. Brar, Executive Engineer, Central Works Division, Mohali

Punjab Roads & Bridges Development Board

20. Mr. Kulwinder S. Rao, Project Director / Joint Secretary
21. Mr. Gursharan S. Gill, Deputy Project Director
22. Mr. Piara Ram, Controller Finance
23. Ms. Aparna Gupta, Project Manager, Social
24. Mr. Ripdaman Singh Seth, Project Manager
25. Mr. Davinder Bajaj, Project Manager
26. Mr. K. Kabilongtshup, Project Manager – Environment
27. Mr. P. N. Roy, Project Manager – Social
28. Mrs. Seema Kumar, Chartered Accountant

Consultants

29. M/s BCEOM Consultants (CSC) for the Up gradation Packages
30. M/s ICT Consultants (TAC) for the Rehabilitation Packages
31. M/s CCE PEC for GIS Digitization

Contractors

32. M/s Centrodorstoy (India) Ltd
33. M/s GPL - Brahmaputra Consortium Ltd (JV)
34. M/s C&C Construction Ltd
35. M/s Singla Construction co.
36. M/S Som Dutt Builder Pvt. Ltd.
37. M/s Satish Aggarwal & Co
38. M/s Rajinder & Co.
39. M/s DS Buliders Dhuri
40. M/s Garg Construction Chandigarh
41. M/s Valecha Engineering Ltd

Annex-3**PROGRESS BY COMPONENT****Road Upgrading, Rehabilitation and Maintenance Component**

Phase I. Contracts for all nineteen work contracts including three upgrading, six rehabilitation and ten periodic maintenance envisaged under the phase I of the project have been awarded and contractors and supervision/technical audit consultants have mobilized. Three periodic maintenance packages have been completed, two are under defect liability period, and for one the liability period expired on September 25, 2007. Given this, a key objective of this mission was to examine each civil works contract in detail (including visiting each site) to assess the contractors' readiness to undertake the contract and in particular, to perform in the next working season at the expected quality standard. This review was deemed paramount to avoid any potential delays that may occur in the future due to contractors, consultants and project authorities' ill-preparation to undertake the contracts. The review showed four underperforming contracts out of the eleven contracts still ongoing. Packages UG1, UG2 and RH2 require particular attention by the project authorities. This results in the implementation progress of the Civil Works Component of this project to be rated as moderately satisfactory, whilst the Institutional Development Component was rated as satisfactory. The main findings and the relative ratings of each contract are summarized below:

Technical audit Consultant (TAC) for Phase I NCB Works. The Technical audit Consultant has been appointed for all the NCB rehabilitation works. However, the mission was concerned that the consultants who have been employed are severely short staffed and as a result are not able to provide adequate support to the project.

Civil Works: During the field visits, the mission observed that at many locations shoulder compaction were not done appropriately and signage boards were either not installed or they have been missing from the road sides. This was more prominent on periodic maintenance packages where the works have already been completed. Similarly, traffic management also was an area wherein the contractors have not been paying much attention. The mission suggested that road safety management needs to be addressed on priority. Procurement of bitumen, including importing, across all the rehabilitation and upgradation packages, is an issue that needs to be resolved at the earliest so as to ensure uninterrupted implementation of the works and complete the same on time.

The mission observed that there are several clearances that were pending in most of the upgradation and rehabilitation packages viz; clearance for borrow areas, environmental / forestry clearance etc. The mission urged that these need to be sought on priority for timely completion of the work. Similarly, material stock pile also needs to be expedited in most of the contracts. In most of the contracts the mobilization of contractors has been a major issue.

Construction Supervision Consultants (CSC) for Phase I ICB Works. The CSC for the upgrading packages of Phase I has been appointed. However, the mission was disappointed to note that most of the key personnel in the CSC team have not yet been appointed. This issue needs to be resolved immediately so as to ensure appropriate supervision of the project. The mission also suggested that the coordination act between the CSC and contractor needs to be improved.

Pre-construction activities - *Shifting of Utilities*: The mission was concerned to note the delay in shifting of electric poles, telephone poles and other utilities in various contracts, particularly in Ludhiana – Malerkotla (UG2), Kharar-Banur- Tepla (UG1) and Zira-Ferozepur (RH1). There is a need to expedite shifting of these poles and pursue with the respective department in order to avoid any claims by the contractors. The mission suggests that it will be quicker to instruct project contractors to shift these poles if an agreement can be reached with utility department in this regard.

Contract Management: The mission noted signs of improvements in the contract management issues and noted that all contractual milestones are being monitored and liquidity damages are being levied, wherever no extension of time can be granted. However, the mission suggests that there is still ample scope of improvement, particularly in the level of supervision by field divisions working as ‘Engineer’. Therefore, a third round of contract management training to all PWD field engineers using the standardized PWD manual being finalized was agreed. Upon suggestion by the Department of Economic Affairs (DEA), this training may include officials from Haryana and HP, if possible.

Vehicles for JEs: The mission was concerned to note that this issue is pending to be resolved since last mission and JEs have no access to any vehicles to supervise works. Although there are provisions of traveling allowances to these engineers but these are not sufficient, considering the large distances to sites from their headquarters. The regular and close supervision of works is of paramount importance to the project success and mission urges GoP to resolve this issue and consider allowing hiring/procuring vehicles on a twin sharing basis. It was agreed that this issue will be resolved by November 30, 2007.

Staffing: While the mission was pleased to note that the staffing issue has been addressed to an extent by the GOP, however, there are still some field offices where the staff strength is insufficient. The mission is particularly concerned to note vacant positions of 2 Sub Divisional Engineers (SDEs), 13 Junior Engineers (JEs), 11 Surveyors and 16 Junior Assistants in the field division, which are very critical to ensure an effective supervision of works on site. The mission urges GoP to ensure filling up of these posts by November 30, 2007. If these positions cannot be filled in by the PWD department, the option of hiring from the market should also be explored. There is also a need to reassess the work load under each field division and reassign support staff.

Distribution of works among SDEs/JEs: The mission noted that there is no uniformity among various divisions as regards to the distribution of supervision work among SDEs/JEs is concerned. Some divisions have assigned specific roles, while others have done it section wise. The mission strongly recommends that PRBDB should carryout an assessment of strength and skill set of each division and prepare a guideline for work distribution. The mission suggested that the work distribution should be done based on specific role for the whole contract rather than section wise distribution.

Assessment of Readiness for works – PSRSP (October 2007)

S.No.	Package/Issues	UG1	UG2	UG3	RH-1	RH-2	RH-3	RH-4	RH-5	RH-6	PM-4	PM-5
	Staffing											
1	-PIU	4	5	3	4	5	4	3	4	5	4	3
2	-Contractor	2	2	4	2	1	4	3	2	5	4	4
3	-CSCt/ TAC	1	2	3	3	3	3	3	3	3	3	3
4	-NGO	5	5	5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5	Available Work Front	4	2	4	5	4	4	5	5	5	5	5
6	Material Stockpile	1	2	3	5	3	5	3	5	6	4	3
7	Equipment Mobilization	1	2	5	4	3	5	3	4	5	5	5
8	Contract management	4	4	4	4	4	4	4	4	4	4	4
9	Construction Management	1	1	4	4	3	4	3	4	5	2	4
	Overall Rating	2 (U)	3 (MU)	4 (MS)	4 (MS)	3 (MU)	4 (MS)	3 (MU)	4 (MS)	5 (S)	4 (MS)	4 (MS)

1 – Highly Unsatisfactory (HU), 2- Unsatisfactory (U), 3- Moderately Unsatisfactory (MU), 4- Moderately Satisfactory (MS), 5- Satisfactory (S), 6- Highly Satisfactory (HS)

Figure in Bold represent unsatisfactory ratings

UG1 Kharar – Banur – Tepla

UG2 Ludhiana – Malerkotla – Sangrur

UG3 Attari – Chabal – Taran Tarn

RH1 Ferozepur – Zira

RH2 Chandigarh – Landran – Chunni - Sirhind

RH3 Phillaur – Aur – Rahon – Nagar

RH4 Kapurthala – Tarn taran

RH5 Zira – Dharamkot

RH6 Sirhind – Patiala

CSC – Construction Supervision Consultant

TAC – Technical audit Consultant

Selective Site Visit Observations

PM/1: Chherta- Dandbir

- The work on this package is substantially complete. However, ancillary works like compaction of earthen shoulder and installation of traffic signage are still pending to be completed.
- The quality of road work was generally satisfactory

PM/1: Ajnala - Ramdass

- The mission was concerned to note the slippage in the pavement and patch work for about 4 km from km 40 to 44. The mission urges PRBDB/PWD to get this rectified immediately to avoid any reputational risk to the project.

PM/2: (Srihargobindpur-Gurdaspur) :

- The work is substantially complete. However, compaction of the shoulders, fixing of the delineators and hazard markers and culvert numbering is still pending to be completed.
- The mission noted with concerned that pavement core samples are not marked with reference to their location and also not stored properly in the laboratory. Furthermore the mission also suggested that senior divisional staff should check tests on a regular basis.
- Contractor has applied for an EOT on account of variations in earthwork on shoulders. The mission urges PWD to expedite the decision on the variation and EOT.
- As recorded in the last Aide Memoire, the contractor has not taken action on environmental issues

PM/3a: (Pakhokey-Tappa) and PM/3b: (Sunam-Badbar)

- The work on this package is substantially complete. However, ancillary works like compaction of earthen shoulder and installation of traffic signage are still pending to be completed.

PM/4: (Khanna-Samrala-Rahon-Garhshankar) :

- The mission noted that at some places the paved road width was less than 10m.
- The shoulders have yet to be compacted and surplus material has been lying alongside shoulders, which need to be removed at the earliest.

PM/5: (Kapurthala Tashpur Dalla) :

- The works in this package have been considerably delayed and mission found no construction activity on the site.
- The mission noted some pending contract management issues like finalization of variations and EOT. It was agreed that these issues will be resolved by October 31, 2007.
- In the 3rd milestone, there is an issue of the traffic management on the 450 m long causeway, which needs to be resolved at the earliest.

Comments:

- The quality of work was generally satisfactory, except that the compaction on edges of the road needed better rolling & compaction.

PM/6: (Sitoguna-Dabwali) :

- The mission noted that the road has been settled from KM 35.00-35.200 & 36.700-37.300, which could be because of high water table or bad road construction earlier. The pavement however has not failed. The mission urges PWD to investigate and rectify this by the end of November 30, 2007. The mission suggest that temporary caution boards should be set up in these reaches to warn road users.
- The DLP was over on the 25th Sep. 2007. The shoulders in various sections were either not done or compaction was not done properly. The shoulders appear to be non- existing particularly on the RHS in KM 46, 49 etc.

PM/7: (Ferozepur- Faridkot) :

- The work has been completed and the quality of works was found to be satisfactory

PM/10: (Baghapurana-Bhagta) :

- The mission noted dismantled bituminous material lying at a few places along the road which need to be properly disposed off. The work has been substantially completed.
- The shoulder compaction was not found to be proper and need rectification.

Package RH/1: (Zira-Ferozepur) and Package RH/ 5: (Dharamkot-Zira)

- The contractor has established a common campsite for both packages and is in the process of commissioning the HMP. The WMM plant has also been erected.
- The contractor has planned to have only one motor grader for each project, which the mission felt was inadequate. The mission urged PWD field division to ensure that the contractor deploys other equipments as per the contracts and these machineries should be marked and identified for each contract.
- The number of operators & drivers being planned for the project do not match with the number of plant & equipments proposed to be deployed on the project.
- There are some stretches where there is a provision to lay rigid pavement. The mission was informed that the PRBDB is thinking of replacing these with flexible pavement and are discussing the issue with contractor for getting his agreement.
- The mission noted with concern that the contractor has not submitted CVs of Key Professionals other than PM. The CVs for the other key personnel have to be submitted to the Engineer at the earliest.
- The mission was pleased to note that the contractor has stockpiled a considerable quantity of GSB material & aggregates. The mission suggested that the procurement of stone dust needs to be expedited in order to avoid any risk to the progress of bituminous work.
- The mission noted dumped material alongside the road after clearing and grubbing operation, which should be disposed off to identified locations.
- Electric poles at Zira town need to be shifted at the earliest.
- Borrow areas to be identified and appropriate clearances to be sought at the earliest

RH/2: (Chandigarh-Landran-Sirhind) :

- The mission was disappointed to note long delays in the contractor’s mobilization, ad hoc planning and project management of the contractor.
- The mission noted no signs of participation from one of the JV partner, which need to be investigated.
- There are a few issues on work front availability: forest clearance for construction of drains, centre line fixing etc.

RH/3: (Phillaur- Nagar-Rahon) :

- This package required particular attention by the Project Authorities.
- Shifting of utilities, like electric poles and water supply line in MS 2 need to be expedited.
- Resolve the issue of imported bitumen, particularly plastic pallets
- The mission was informed that OGLs differ from the original designs. This issue needs to be resolved on priority. PRBDB further informed the mission that they are in dialogue with TAC to carry out these design changes.

RH/4: (Tarn Taran-Kapurthala):

- The mission noted that the contractor has identified the site and has started construction of the camp.
- The CVs of key personnel except for the PM are yet to be submitted.
- There is a religious place in the shoulders between KM 3 & 4, which will need public consultation before shifting.
- The contractor has identified the borrow areas but he needs to obtain clearances for the location and approvals on test results.
- The equipment mobilization is very slow and needs to be expedited.

RH/6: (Patiala-Sirhind) :

- The mission was pleased to note the camp site management and project management of this package.
- The contractor has stockpiled considerable amount of material and the HMP erection is in progress.
- There is need to resolve culvert positioning at the junctions.
- The contractor needs to designate the safety officer.

UG/1: (Tepla-Banur-Kharar) :

- This package required particular attention by the Project Authorities.
- The mission was disappointed to note the slow mobilization, ad hoc planning and weak project management by the contractor.
- The other area of concern was the lack of coordination and team spirit between the CSC and the contractor, which if continued could pose a considerable risk to the project.
- The mission was informed that CVs of contractor’s key personnel and the work plan has been submitted. It was agreed that the CSC will review and give his decision by the October 31, 2007.

- Shifting of electrical poles near Banur is pending. One solution could be to provide raised concrete pillars for the electrical poles. Since the shifting has started by the relevant authorities, it was agreed to follow up the progress closely, so that the contractor could be given urgent instruction to shift the poles in case there are delays by the authority.

UG/2: (Ludhiana – Malerkotla – Sangrur)

- This package required particular attention by the Project Authorities.
- The mission was disappointed to note the slow mobilization, ad hoc planning and weak project management by the contractor.
- The contractor has not submitted the CVs of key professionals, work plan and traffic management plan, which needs to be expedited.
- The mission noted with concern, the delays in pre-construction activities on the contract which needs a close monitoring and supervision by the field division and PRBDB. It was agreed that the contractor would be given immediate instructions to undertake the shifting of electricity and telephone poles.

UG/3: (Tarn Taran-Chabal-Attari):

- The contractor has established the campsite, HMP, WMM plant and the laboratory.
- Contractor staffing is a major issue. No CVs have been approved yet.
- Contractor has identified only one borrow area and the environmental clearances for the borrow area is still pending.
- Clearance from irrigation department and defense for the bridge over canal is pending.
- Procurement of material needs to be expedited immediately.
- The issue of import of bitumen and transfer of the cost benefit to the project needs to be resolved on priority.

Phase II. The mission held extensive discussions on the TORS for the Phase II OPRC consultancy contracts and it was agreed the revised TORs would be submitted to Bank for review by October 31st, 2007 and that the RFP would be issued to the short-listed consultants by November 15th, 2007. The consultancy to prepare Long-Term Maintenance Contracts has been dropped due to the fact that GoP is already piloting its own contract thus reducing the need to pilot these further through the project.

The mission congratulated GoP for having been selected to host the International Road Congress (PIARC) technical committee 4.1 (on Road Asset Management) in Chandigarh on March 2008 and offered to provide any advise/support required.

GoP expressed interest in requesting a PPIAF grant to pilot the use of a transaction advisor for one potential PPP road. The mission agreed to consider supporting this application, with a view to submitting it to PPIAF before December 31, 2007.

Institutional Strengthening Component
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Institutional Development Study. The GoP has formed a PWD Review Committee to liaise with the consultant and facilitate consensus building on the proposed reforms. This process is expected to be completed by mid December and in principle approval given by Cabinet by end

December 2007. In anticipation of this, the mission strongly urged GoP to agree on the change management strategy to follow and proceed to engage the necessary change management consultants.

Short Term Plan for Institutional Strengthening. Significant progress has been made in the procurement of the consultants to support the implementation of the short term. Efforts need to be made now to kick start the procurement process of: (i) review/update of the transport sector masterplan – for which a copy of the previous masterplan must be located; (ii) PPP transaction advisor; (iii) and the road fund secretariat. In addition, as discussed during the last mission, some agreement needs to be reached regarding the issue of: (i) axle load control and joint staffing of weigh bridges and (ii) the development of five-year rolling plans. Under the short term plan, the mission agreed on the following activities.

Computerization of PWD: The government of Punjab is in the process of evolving a holistic e-governance strategy for the state. Such a strategy is expected to look at standards, architectures, re-usability of applications and centralizing the ICT interventions to gain maximum advantage from the ICT spend. Under the centralized initiative the state is in the process of implementing a State Wide Area Network (SWAN), State Data Center (SDC) and Computerized Kiosks (CSC) to provide citizen services. In doing so, the IT department will evolve a standard architecture which can be used for all departmental application development so that these can become interoperable and reusable as and when implemented. A detailed document to this effect is likely to be released by the department of IT by 25th of October. DoIT was of the opinion that all the applications pertaining to administrative functioning will be centrally developed and rolled out for use by all the departments. The need for using the service oriented architecture was emphasized, whereby the departments were free to evolve their own technical applications with due scrutinization and clearance by the department of IT. While the IT departments initiative in regulating and standardizing ICT applications development in the state is much appreciated, the mission pointed out that care must be exercised in not over controlling the departmental applications development initiatives, but rather providing enough flexibility and freedom to the departments like PWD to evolve an ICT strategy that is in line with departmental priorities & is commensurate with the laid down state norms.

PWD has now been included in the first phase of computerisation by the Department of IT. PWC consultants engaged by DoIT are currently assessing the department's needs for computerisation to develop a framework in line with the state vision for IT services. A detailed meeting was also held with the Chief Engineer (PMGSY) and two officers responsible for handling the computerized MIS of PMGSY project. The meeting was held with a view to understand the ICT vision and long-term & midterm ICT plan of the department. No closure was reached on this issue, as it all depends on the PWC's report due soon. However, the mission was provided the assurance that the time line for introducing the various systems in the department would be respected despite the added requirements to liaise and coordinate with DoIT.

GIS-Based Road Information System (RIS) and Road Asset Management Systems (RAMS). The Punjab Engineering College (PEC) has been engaged to prepare the GIS maps for the road network in Punjab. The mission met with PEC and was informed that one of the 1:25000 Survey of India sheets has been digitized and compared with the satellite image after ortho correction. Since there was some mismatch, the two sheets have been forwarded to the NRSI for corrections. As the corrected system would be made available to PEC in the next 1-2 weeks, it was agreed that PEC would be able to digitize all the sheets for the 11,000 km of core road network in next 2-3 months. The PEC would also be verifying the maps in the field on a random basis. Once the digitized maps are available, PWD staff will immediately be deployed to collect the necessary road

information from the field. There were some shortcomings in the data to be collected and put into the system. Some shortcomings in the data to be collected have been identified and PEC has agreed to modify the format for data collection accordingly. Further, PEC was advised to refer to the bridge management system developed by the MORTH so that the bridge data is collected as per the guidelines. The mission noted that PEC is carrying out the digitation exercise only for the 9200 km of core network and instead it could consider covering the entire road network in the state. It was agreed that this possibility would be discussed during the next mission. Concerning the Road Asset Management Software (RAMS), the project authorities maintain that the scope for these services can only be finalized when the Phase II consultants who will prepare the Phase II (OPRC) contracts are on board. Significant progress in this area is expected over the next six months.

Personnel Database. Last mission discussed the need to commence the development of a personnel data base for the potentially affected functions by the reforms. This data base would be used to identify all vacant positions and then abolish these to ensure that no further appointments are made in the non-technical positions prior to the envisaged formation of the Agency. The mission strongly urged the GoP to implement this database as soon as possible.

Study Tour to e.g. New Zealand and Australia. The mission raised the issue of the pending study tour that was planned for January 2007 and that is still to take place. It was agreed that the tour would be undertaken within the next six months and that it would be limited to ten participants from top management in the sector, including a representative from central government is possible. Preparations for this tour will start shortly.

Road Safety. The mission was pleased to note that the road accident analysis report had been finally completed and shared with the Inspector General (IG) of Traffic wing and with the police field divisions. Feedback on the quality of the systematic analysis will be provided by the field officers by October 31, 2007 once they complete the corroborations in the field. It was further agreed with the Inspector General (IG) of traffic wing that there was a need to expedite all other road safety initiatives to be supported under the project and agreed during the last mission, as follows:

- a. Procurement of a consultant to (i) enter and collate accident data supplied by the police stations for the next two years; and (ii) installation and training of Accident data Collection System to the Traffic Police HQ and District Police Stations. The system has already been developed by the road safety consultant. It was agreed that these services will be procured by November 15, 2007.
- b. Procurement of about 400 hand held GPS for police station. It was agreed that PRBDB will procure these goods and deliver to the Traffic Police by November 30, 2007.
- c. Procurement of consultants for Road Traffic Safety Awareness. The mission was informed that the EOIs have been received and PRBDB has selected one consultant to whom RFP will be issued for a procurement based on Consultants Qualifications. It was agreed that this services would be awarded by November 30, 2007.
- d. Improvement of 50 Black Spots identified by the Road Safety Consultant. It was discussed that the work of carrying out stage I safety audit of these locations could be included in the TOR of the consultant being engaged for awareness campaign. The improvement works recommended by the safety audit on locations falling under Phase I and II roads can be taken up by the contractors already on board, while for the locations outside of project roads, PWD

will issue instruction to field divisions to implement improvement suggested by the safety audit.

- e. Unmanned Railway Crossing. It was decided during the last mission that the project could support installation of signs depicting drill required by drivers before crossing the railway line. However, there has been no progress on procurement of these signs. It was agreed that these signs would be procured and installed by November 30, 2007 on identified crossings.

Status Regarding Shifting of Electric Utilities under Punjab State Road Sector Project (Phase I)					
Package no.	Description	Name of PSRSP field Division	Sub Division of concerned department (PSEB)	Status	
				Funds Released by PWD	Progress
Upgradation Works					
Package 1	Kharar- Banur- Tepla (39.53 Km)/	Central Works Division, Mohali	Kharar	Rs. 44.90 lac deposited on 06.10.06.	Relocation work not started.
			Sohana	Rs. 6.66 lacs released on 27.7.2006	
			Banur	Rs.5.77 lac deposited on 28.07.06	
			TLSC Mohali	Rs.8.06 lac released on 07.09.06	Delay due to Court Case between land owners and PSEB.
			Rajpura	Rs. 52790/- deposited on 27.7.2006	Relocation work not started.
Upgradation of Ludhiana-Malerkotla-Sangrur (71.92 Km)					
Package 2	(a).Ludhiana-Malerlotla Road (39.7Km)	Central Works Division No. 3, Ludhiana	Janta Nagar	Funds (Rs.14203/-) released on 10.07.06	Relocation work not started.
			Sarinh	Rs.61.32 lac deposited on 06.03.07.	
			Ahmedgarh suburban	Rs.39.17 lac deposited on 06.03.07.	
			Kup Kalan	Rs.9,23,690/- deposited on 20.09.06	
			Malerkotla city II	Rs.24,80,000/- deposited on 20.09.06	
			Municipal Council, Malerkotla	Rs.22.39 lac deposited on 06.03.07	
	(b).Malerkotla-Sangrur Road (32.22 Km)	Construction Division, Sangrur	Malerkotla Division		Relocation work not started.[For felling of first row of trees , forest clearance is awaited.]
			City I	Rs.5.29 lac deposited on 29.09.06	
			City II	Rs.3.04 lac deposited on 29.09.06	
			Sub Urban	Rs.(0.74+0.16) lac deposited	

				against two estimates on 29.09.06	
			Dhuri Division		
			City Sub Urban	Rs.(11.29 + 5.38) lac deposited against two number estimates on 09.10.06	
			Sub Urban Sub Div. Dhuri	Rs.(0.49 +0.43) lac deposited against two number estimates on 18.10.06	
			Sangrur Division		
			City Sub Division Sangrur	Rs.23,850/- deposited on 04.09.06	
			Sub Urban Sub Division B.Khan	Rs.6.64 lac deposited on 26.09.06	Shifting of poles in progress.
Package 3	Upgradation of Attari-Chabbal-Tarn Taran road (41.59 Km)	Central Works Division No. 2, Amritsar	Gohal & Tarn Taran Sub Divisions	Rs.1.52 lac deposited on 15.09.06	4 poles shifted. For relocation of remaining poles work yet to be started.
			Manochal	Rs.1.98 lac deposited on 15.09.06	Relocation work yet to be started.
			Chabal		
			Sarai Amanat Khan	Rs.3.40 lac deposited on 26.09.06	
			Attari	Rs.1.94 lac deposited on 27.09.06	Completed.
Shifting of Electric Utilities					
Rehabilitation Works					
Package 2	Rehabilitation of Chandigarh-Landran-Chunni-Sirhind (37.30 km)	Central Works Division, Mohali	Kharar	Rs.0.72 lac deposited on 29.08.06	NIL
			Sohana	Rs.3.0 lac deposited on 29.08.06	Work in progress
			Badali Ala Singh	Rs.0.28 lac deposited on 29.08.06	Work Completed.
			Bassi Pathana	Rs.0.92 Lac deposited on 01.09.06	Work in progress

Package 3	Rehabilitation of Phillaur-Aur-Rahon-Nagar (33.51 km)	Central Works Division No. 3, Ludhiana	Phillaur	Rs 6.95 lac deposited on 25/09/06	36 poles erected out of total 47 poles. Lines yet to be shifted.
			Appra	Rs.2.91 lac deposited on 26.09.06	Work not started.
				Rs.3.26 lac deposited.	15 poles along with lines shifted out of 29 poles.
			Aur	Rs.7.23 lac deposited on 25/09/06	55 poles out of 130 have been erected. No lines have been shifted.
			Rahon	Rs.1.13 lac deposited on 25/09/06	15 poles out of 18 have been erected. Lines have not been shifted.
Package 4	Rehabilitation of Kapurthala-Tarn Taran (46.20 km)	Construction Division No. 1, Kapurthala	PSEB Kapurthala	Rs.(29,403/- +73,507/- + 4,73,091/-) deposited for all the three estimates.	Work Completed.
					Work Completed.
					Work Completed.
			PSEB Tarn Taran	Rs.1,67,987/- deposited	Work completed
				Rs.76,369/- deposited	71 poles out of 134 have been shifted. Lines are yet to be shifted.
Rs.3.14 lac deposited					
Funds Rs.93,259/- deposited					
Rs.10.85 lac deposited on 20.03 .07					
Package 1/5	Rehabilitation of Ferozepur Zire Dharmkot road	Construction division no.3, Ferozepur	<u>Sr. EE, PSEB, Moga</u>		-
			Astt. EE,PSEB Dharmkot	Rs.2,47,405/- deposited on 28.08.06.	50% work completed.
			Astt.EE, PSEB Kot Ise Khan	Rs.2,38,182/- deposited on 28.08.06.	37% work completed.
			<u>Sr.EE,PSEB,Zira</u>		-
			Astt. EE,PSEB Zira	Rs.30,39,682/- deposited on 01.09.06	75% work completed.
				Rs.72,540/- deposited on 17.10.06.	
Executive Officer,M.C., Zira	Rs.2,00,000/- deposited on 01.09.06.	25% work completed			

			<u>Sr.EE, PSEB, FZR</u>	-	
			Asstt.EE,PSEB, Mallanwala	Rs.6175/- deposited on 28.08.06 and Rs.1025/- deposited on 01.09.06.	100%work completed.
			SDE,PSEB,Sherkhan at Sande	Rs.69,861/- deposited on 01.09.06.	100% work completed
			<u>Sr.EE,PSEB, Fzr. City Div.</u>		-
			Sr. EE, PSEB, Cantt.- I	Rs.13,447/- deposited on 28.08.06	100% work completed
			Executive Officer,M.C., FZR. Cantt	Rs.96,600/- deposited on 28.08.06	100% work completed.

Status regarding shifting of Public Health utilities for roads under PSRSP

Package no.	Name of Project road	Name of PSRSP field Division	Sub Division of concerned department	Status	
				Funds released by PWD	Physical Progress
Upgradation works					
Package 1	Upgradation of Kharar- Banur-Tepla (39.53 Km)	Central Works Division, Mohali	W/S and Sanitation Div. Mohali	Rs. 6.79 lac deposited on 18.07.06	Work not started
			W/S and Sewerage Div., Ropar.	Rs.23.49 lac deposited on 28.07.06	Work not started
			Water supply & Sewerage Board, Ropar.	Funds Rs.1.99 lac deposited on 18.07.06	Out of 15 man holes 12 man holes are raised. Presently work has been stopped.
Package 2	(a).Ludhiana-Malerlotla Road (39.7Km)	Central Works Division No. 3, Ludhiana	PH Division, Ludhiana	Rs.3.5 lac deposited vide 1587 /14.08.06	Work not started
			PH Division, Barnala	Rs.0.77 lac released.	Work Completed.
			W/S & Sewerage, Div. Malerkotla	Rs.4.35 lac released vide 1660/30.08.06.	Work Completed.
	(b).Malerkotla-Sangrur Road (32.22 Km)	Construction Division, Sangrur	RWS,PH,Barnala	Rs 2.07 lac released on 02.08.06	41% work completed.
			WS&SB, Sangrur	Rs. 9.54 lac released on 24.08.06	128 m pipe line is pending for shifting.
			Sewerage Board, Sangrur	Rs.68,000/- released	Work in progress.
Package 3	Upgradation of Attari-Chabbal-TarnTaran road (41.59 Km)	Central Works Division No. 2, Amritsar	RWS Tarn Taran	Rs. 6.27 lac deposited on 06.03.07	Work Completed.
			RWS Amritsar	Rs. 39.76 lac deposited on 06.03.07	Work Completed.
Rehabilitation works					
Package 3	Rehabilitation of Phillaur-Nagar-Aur-Rahon (33.51 km)	Central Works Division No. 3, Ludhiana	PWSSB, Phillaur	Rs. 6.94 lac released vide no. 1415/27.07.06	Work Completed
			RWS Division, Jalandhar	Rs.9.36 lac released vide no.1416 dated 27.07.06	95% work completed.
			RWS Division, Jalandhar	Rs.4.07 lac released on 01.08.06	85% work completed.
			RWS Division Nawanshahar	Rs.1.91 lac deposited on 09.08.06. Rs. 5.71 lac deposited for revised estimate on 08.10.07.	Work not started.
Package 1/5	Rehabilitation of Ferozepur-Zira-Dharamkot road (59.16km)	Construction Division No. 3, Ferozepur	WS&SD , Ferozepur	Rs. 1.61 lac deposited on 20.03.07	95% work completed.
			WS&SD , Moga	Rs. 8.72 lac deposited on 20.03.07.	90% work completed.
			Executive Officer Dharmkot (MC)	Rs. 12.0 lac deposited on 20.03.07.	40% work completed.
			Executive Officer, Zira(MC)	Rs. 10.00 lac deposited on 18.07.06.	10% work completed.

Environmental Safeguards

The mission focused on a review on progress and quality of implementation of Environment Management Plans (EMPs), institutional arrangements for implementation (including monitoring and reporting), status of regulatory clearances, public disclosure of environment information and training requirements. Site visits were conducted on all roads (details in Attachment 2), and key observations and agreed actions are as follows:

Management of Safeguards in Civil Works Contracts

Periodic Maintenance Works: *Rating – moderately satisfactory:* Most works are nearing completion, 3 contracts i.e., Packages 3a, 6 and 7 have been completed, and are in defects liability period, with completion certificates issued, decreasing PRBDB's leverage on monitoring EMP performance. It was emphasized and agreed by PRBDB that EMP compliance would be ensured before issuing completion certificates, especially with respect to works site closure, road side clearance and rehabilitation of borrow areas. Campsite maintenance on existing campsites would be ensured to the extent possible. Consistent non-compliance was observed in certain packages such as 1a, 1b, 2, 3a, 4, 11 where issues were brought to attention during various inspection visits by EO/PRBDB and action taken reports were not submitted. It was agreed that due diligence in this regard would be improved by the EEs within the CMUs, so that timely action can be taken and reported to PRBDB. The mission further advised that experience can be shared with better performers such as Packages 3b, 6, 7 and 10. Contract wise details of issues and actions to be taken for effective closure, to be complied and included in the completion certificates, have been provided in Attachment 1.

Rehabilitation Works: *Rating – moderately satisfactory:* Contractors are in various stages of mobilization in all packages. The required regulatory clearances for pollution control are in the process of being obtained, along with the identification of borrow areas which also require environment clearance. It was emphasized that the work plan for the EMP submitted by the Contractor, needs to be integrated in the overall work plan. It was agreed that this would be facilitated by the TAC and directed by the EEs on site. Specific discussions were held in this regard and it was agreed that the Consultants would mobilize an environment specialist by October 31, 2007. Although camp layout plans are in various stages of approval, these need to be strengthened to include waste collection areas, stockpiling areas and site drains. Waste management and traffic diversion plans are still to be submitted. Consultations with communities have been delayed and relevant documents are still to be placed in the Public Information Kiosks. Contract wise details of issues and actions to be taken for effective mobilization to prevent non-compliance of EMPs during works have been provided in Attachment 1.

Upgradation Works: *Rating - unsatisfactory:* Packages UG 1 and 2 are in a critical situation, due to significant lapses with regards to all required EMP measures at mobilization stage. Lapses and discontinuity in the EO's inputs, were observed, leading to delays in timely facilitation of EMP measures. These are exacerbated due to major lapses observed in the management by the Supervision Consultant along with lack of coordination with the Contractor. Specific discussions were held in this regard and it was agreed that the Consultants would mobilize an environment specialist on a continuous basis, by October 31, 2007. It was agreed that PRBDB/EEs would also play a proactive role in to ensure that counter productive management issues between contractor and consultant are resolved and minimized. Package UG 3 has shown satisfactory EMP compliance. Contract wise details of issues and actions to be taken for effective mobilization to prevent non-compliance of EMPs during works have been provided in Attachment 1.

Institutional Arrangements and Operational Mechanisms

Environment Officers: It was encouraging to note the continuity of the nodal Environment Officer (EO) at the PRBDB, regularity in inspection visits to all work sites and monitoring and recording of issues. Supplementing this function at field level by designating specific officers within the CMUs, and the Contractors teams has been significantly delayed and is critical for the effective implementation of EMPs. It was agreed that officers would be functional and /or designated by October 31, 2007. To facilitate sensitization and awareness of environment issues and EMP implementation, it was agreed that a joint training for all EOs, Field Officers (AEs, JEs, EEs) and contractors would be conducted by PRBDB with Bank's assistance once the field level and Contractors EOs have been designated. PRBDB would inform the Bank on a suitable timeline for the same by October 31, 2007.

Environment management capacity building (EMCB): PRBDB has initiated the process of outsourcing an agency for training on environment management and capacity building (EMCB) to ensure continuity, systematic implementation of EMPs, and institutionalizing the same within PRBDB to apply across all works. Expressions of Interest (EOI) were invited from firms through advertisement in national newspaper and UNDB. The Cost Quality Selection (CQS) process will be followed. The Terms of Reference (TORs) have been discussed with PRBDB and would be forwarded to the Bank for no objection by October 31, 2007.

Monitoring and Reporting: Following previous discussions with the EO/PRBDB, and the Consultants (TAC and CSC), the mission emphasized standardization of monitoring reports and inclusion of Action taken Reports to monitor progress and lapses in EMP implementation. The mission advised that the format followed to report mission findings could be adopted and standardized for all reporting requirements. Further, reporting parameters for the monitoring of environment benefits to be cumulated over the life of the project were discussed (such as afforestation, borrow area rehabilitation and resulting land use change etc) and it was agreed that the EO / PRBDB would ensure timely baseline data collection for the same.

Information Kiosks, Public Disclosure of Documents and ongoing public consultation

As agreed during the previous mission, Information kiosks have been created at all work sites and project documents have been placed. However consultations to be carried out by Contractors, as part of mobilization, with the communities have been disorganized and delayed. The mission advised the EO on preparation of simple checklists to reflect key elements of the EMP and which would be easy to understand by local people, to be placed in the information kiosks. PRBDB also agreed to prepare a comprehensive list of material for the kiosks and share the same with the field offices, to standardize the availability of information

Health, Safety and Environment Policy

The mission was informed that PRBDB is still considering its initiative of developing this policy further on the lines of ISO 140001 on Environment Management Systems and OSHA standards, with the addition of a specific consultation strategy. However, this initiative has been categorized as a mid-term priority, thus it will be taken up in due course.

Regulatory Clearances for preconstruction activities

Tree cutting and preservation: The mission was informed that all required forestry clearances have been obtained, thus no civil works schedules were affected by this activity. The updated contract-wise details on clearances and tree preservation are attached.

Pollution Control: The mission reviewed the status of No Objection Certificates (NOCs)/Consent to Operate for hot mix plants, crusher sites, and related ash disposal etc. There were no pending certificates. The updated contract-wise details are attached.

Pollution Control : Status of No Objection Certificate from Pollution Control Board

Contract No	Road Corridor	Agency Name	Hot Mix Plant NOC & Consent Letter
Periodic Maintenance Contract			
PM/4	Khanna Samrala Rahon	M/s Valecha Engineering Ltd	Completed, consent to operate received.
PM/5	Kapurthala Tashpur	M/s Valecha Engineering Ltd	NOC submitted*
Rehabilitation Contract			
RH/1	Zira Dharamkot	M/s Centrodostoy (India) Pvt. Ltd.	To be submitted
RH/2	Chandigarh Landran Chunni Sirhind	M/s GPL - Brahamaputra Consortium Ltd. (JV)	NOC submitted*
RH/3	Phillaur Nagar Aur Rahon	M/s Centrodostoy (India). Ltd.	NOC submitted*
RH/4	Kapurthala Tarn Taran	M/s C & C Construction Ltd	Using HPM of UG/3.
RH/5	Ferozpur Zira	M/s Centrodostoy (India). Ltd.	Using Camp Site location of RH/1
RH/6	Patiala Sirhind	M/s Singla Construction & Co.	To be submitted
Up – Gradation Contract			
UG/1	Khara Banur Tepla	M/s C & C Construction Ltd	To be submitted
UG/2	Ludhiana Malerkotla Sangrur	M/s Som Datt Builder Ltd	To be submitted
UG/3	Tarn Taran Chabal Attari	M/s C & C Construction Ltd	NOC submitted*
	New Crusher Site Location		NOC submitted*

- * Consent to operate is still awaited from Punjab Pollution Control Board.
- No Objection Certificates (NOC) only allows the agency to install the hot mix plant.

Attachment 1**Summary of Findings during Site Visits****a. Periodic Maintenance Works****Status:** Completion and Closure

Most of the construction camps used for periodic maintenance of works are permanent sites (i.e. are owned by contractors) and therefore, restoration and rehabilitation of such permanent sites will not be a part of the activities to be taken at the closure stage. However, cleaning-up of all work sites, waste and spoil disposal at approved location/s, rehabilitation of borrow area and actions on pending issues need to be taken in most of the contracts. The stated actions in the following table need to be taken before works are closed to comply with EMP requirements. It was agreed that these need to be completed by November 30, 2007.

Contract Package	Name of the Corridor	Key Issues	Actions Required	Remarks
1a	Ajnala - Ramdas Road	<ul style="list-style-type: none"> No waste disposal site has been identified till date - bitumen wastes have been dumped along the adjoining agriculture land. Poor maintenance of machineries in the camp - oil leaks are leading to contamination of soil (and may affect the ground water too). 	<ul style="list-style-type: none"> Identify waste disposal site/s. Clean-up and restore the adjoining agricultural land, where wastes have been presently dumped. Improve maintenance of machineries. Clean the work site (along the road) and dispose spoils/wastes at the designated approved waste disposal location. 	<ul style="list-style-type: none"> Over-all compliance and follow-up actions were found to be weak and no 'action taken report' was not submitted by the Engineer.
1b	Chehrata - Dand Bir Road	<ul style="list-style-type: none"> Work site cleaning activity is still pending. Borrow area rehabilitation is also pending. Poor housekeeping at the camp site. 	<ul style="list-style-type: none"> Carry-out rehabilitation of the borrow area used for the project and seek approval from the Nodal EO of PRBDB. Improve housekeeping at the camp-site. 	<ul style="list-style-type: none"> This was also advised by EO, PRBDB during last inspection made during July 2007. Actions to be completed by Nov 30, 2007
2	Gurdaspur - Sri Hargobindpur Road	<ul style="list-style-type: none"> Expiry date of medicines in the first-aid box Emergency nos. not displayed. Non-functional fire safety arrangements at the camp site. No impervious surface and spill collection arrangement provided for bitumen and oil drums. No waste disposal site identified. 	<ul style="list-style-type: none"> Maintain first aid with proper stock of medicines. Display emergency nos. at prominent locations. Fire safety arrangements to be made functional. Provide impervious platform for storage of bitumen and waste oil bins. Clean-up spills near the HMP to avoid soil contamination. Identify waste disposal site and seek approval. Rehabilitate borrow area after getting the plan approved. Site cleaning including removal of excess material 	<ul style="list-style-type: none"> Actions suggested during last World Bank mission (March 2007) and PRBDB's Env. Inspection (July 2007) not taken - issues pending since March 2007. Action taken report was not submitted by Engineer.

			required.	
			<ul style="list-style-type: none"> Additional plantation along the camp boundary would be useful. 	
3a (Defects liability period)	Badbar - Longowal – Sunam	<ul style="list-style-type: none"> Pollution monitoring report for HMP not submitted. Borrow area rehabilitation plan not prepared and submitted. Inadequate waste disposal arrangements. No fire safety arrangements. First aid box not provided and emergency nos. not displayed. Indoor air pollution due to confined kitchen area. Supporting/proper documentation not being submitted by the Contractor. 	<ul style="list-style-type: none"> Submit pollution monitoring report for HMP. Prepare and submit borrow area rehabilitation plan. Provided for adequate waste disposal arrangements. Provide for fire safety arrangements. Put-up first aid box/es at the required locations. Display emergency nos. at prominent locations. Increase ventilation and extend facility for proper working. 	<ul style="list-style-type: none"> Contractor continues to be non-compliant. Engineer advised to withhold Contractor's payment till the required actions are taken and reported. Documentation required on rehabilitation of borrow area. It was agreed that this can be done during defects liability. ATR to be approved by Nodal EO, PRBDB.
3b	Pakhokey Tapa Road	-	-	<ul style="list-style-type: none"> Good Practices observed in campsite management - vehicle parking area as well bitumen & emulsion storage area defined. Good borrow area management.
4 (Works on going)	Khanna - Samrala - Nawanshahar - Garshankar Road	<ul style="list-style-type: none"> Spillage of oil bitumen the campsite observed. No vegetative barrier, particularly along the stack yard has been provided for. No impervious and covered area for storing of waste bituminous & emulsion drums provided. Effluent disposal on the adjoining land observed Impervious platform at furnace area not provided. No enforcement of PPE use by labour. Traffic Management Plan not prepared and submitted. Pending PUC checks for vehicles and machineries. Hazard markers on all 	<ul style="list-style-type: none"> Prevent any spillage or contamination - more so due to presence of Milk Chilling Plant in the vicinity using a ground water source. Provide vegetative barriers, particularly along the stack yard. Provide impervious surface with shade for storing of waste bituminous and emulsion drums. Provide soak pits and cover drains for the waste water discharge from the campsite. Provide impervious platform at furnace area. Provide and enforce use of PPE at all work sites. Prepare and submit a Traffic 	<ul style="list-style-type: none"> Although start-up actions were well addressed, inconsistent performance and lack of maintenance of the camp and plant site management are now the primary issues. Engineer needs to tighten his due diligence specifically on traffic and worker's safety aspects. Action Taken Report for the September,

		<p>vehicles and machineries required.</p> <ul style="list-style-type: none"> • Impervious platform for DG set not provided. • Insufficient number of WC and bathroom (only one exists) for the workers staying in camp. • Improper handling and storage of lime gunny bags – can create health issues for the workers. 	<p>Management Plan.</p> <ul style="list-style-type: none"> • Conduct PUC checks for all vehicles and machineries. • Provide hazard markers on all vehicles and machineries. • Provide impervious platform for DG set. • Provide sufficient number of WC and bathrooms for labour staying in camp. • Improve storage and handling of lime gunny bags. 	<p>2007 inspection of PRBDB is still awaited, to be obtained by Oct 31, 2007</p>
6 (Defects liability complete d on Sept 25, 2007)	Sitogana – Dabwali Road	-	-	<ul style="list-style-type: none"> • Good practices observed with to plant sites management. • Traffic safety and borrow are management are also satisfactory
7 (Defects liability)	Faridkot – Firozpur Road M/s Singla Construction & Co. Bhatinda	<ul style="list-style-type: none"> • No proper waste disposal mechanism. • Submission of rehabilitation plan of borrow area is critical. • Insufficient area for storage of waste bitumen and emulsion drums – leading to spillage on the existing platform. • Additional plantation in the camp area required. 	<ul style="list-style-type: none"> • Improve housekeeping of camp. • Improve waste disposal arrangements - EMP provisions to be adhered to. • Submit rehabilitation plan for the borrow area by Oct. 2007 end. • Create sufficient area for storage of waste bitumen and emulsion drums. • Undertake additional plantation in the camp area. 	<ul style="list-style-type: none"> • Good practices observed with respect to traffic management and labour safety.
10	Bagha Purana Bhagta Bhucho Road	<ul style="list-style-type: none"> ○ Dismantled bitumen found lying on the road side 	<ul style="list-style-type: none"> • Rehabilitation plan for borrow area/s to be submitted by October 31, 2007. • Over-all plant management needs to be improved to avoid spread of aggregate and other wastes in the adjoining farmland. 	<ul style="list-style-type: none"> • Good follow-up (specifically on traffic safety and borrow area management) was observed on action/s identified during last supervision mission (March 2007) and in inspection by EO, PRBDB during June 2007.
11	Sri Hargobindpur - Batala - Dera Baba Nanak Road	<ul style="list-style-type: none"> • Emergency nos. not displayed. • Impervious platform for storage of bitumen and waste oil bins not provided for. • Clean-up of spills (HMP) is 	<ul style="list-style-type: none"> • Display emergency nos. at prominent locations. • Provide impervious platform for storage of bitumen and waste oil bins. • Clean-up spills near HMP to avoid soil contamination. 	<ul style="list-style-type: none"> • Poor response of the Contractor and an over-all reluctance in improving EMP compliance observed. • Action taken

		<p>needed.</p> <ul style="list-style-type: none"> Waste disposal site has not been identified. Rehabilitation of borrow area still to be done. Site cleaning activity is pending. 	<ul style="list-style-type: none"> Identify waste disposal site and seek approval. Rehabilitate borrow area after approval of plan. Conduct site cleaning operations. 	<p>report was not submitted by Engineer as advised by EO, PRBDB during last inspection (May 2007).</p>
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b. Rehabilitation Roads

Stage of works: Mobilization and Pre-construction Activities

Contract Package	Name of the Corridor	Pending Issues / Actions Required for Improvement and EMP compliance	Remarks
RH1 & RH5 (Camp site location is common for both Packages)	Firozpur Zira Dharamkot Road	Overall Work Plan needs to integrate the EMP work plan /activities. Provision of garbage bins, emergency vehicle, drains and stockpile separation needed.	Layout plan of the camp approved. TAC to facilitate the integration of the EMP work plan in the overall work plan.
		Permanent location and impervious platform of DG set to be identified to avoid contamination of soil.	-
		Pollution monitoring to be expedited to ensure baseline data.	Agency has been identified for monitoring.
		Separate WC and bathroom for women required in the labour camp.	
		Identification of borrow areas needs to be expedited. Waste management plan (for work sites and camp) yet to be submitted.	Consultations are ongoing with Panchayats and local communities for identification of borrow areas and suitable location for disposal/reuse possibility debris. Site locations to be finalized and submitted by November 10, 2007.
		Designated person for EMP implementation – to be sensitised and trained.	-
		Lifting of electric line and barricading of the electric poles and transformer in the camp.	-Required action by PSEB.
		Traffic Management plan to be submitted.	To be done by October 31, 2007.
		Construction of oil interceptor with workshop is still to be done.	-
		Rehabilitation plan of the camp after works closure is yet to be submitted.	-
		Public Information Kiosk should be provided with proper project information documents.	Documents to be sent by EO, PRBDB by October 31, 2007. All queries and response to be documented.
Monthly Progress report to be submitted.	Process of report formulation has been explained to contractor. To		

Contract Package	Name of the Corridor	Pending Issues / Actions Required for Improvement and EMP compliance	Remarks
			be submitted by 10 th of every month.
		Topsoil in the camp should be prevented from compaction and contamination.	Caution advised.
		Stacking height of the aggregate should be reduced.	-
		Stacking of stone dust with proper mitigation measures will be needed in the near future.	-
		Hazard marking should be provided on all vehicles.	-
		PUC checks for all vehicles & machineries to be done on regular basis.	Documentation to be maintained.
		Detail work plan for EMP implement to be integrated with Main Work plan.	-
		Emergency response plan should be prepared and submitted to engineer.	-
		NOC of the plant is still to be obtained from PPCB.	Applied for NOC and contractor instructed to follow up with PPCB.
		Consultation and information sharing with nearby communitieis is delayed.	Letter already issued byPRBDB.
		Plantation for the camp to be provided and to be maintained.	-
		Fencing of the camp site is pending.	-
		Photographic monitoring of trees saved during construction.	To be done by PRBDB and CMU.
RH2	Chandigarh-Landran Chunni - Sirhind Road	Same as Above.	Contractor to ensure that use of Fly Ash is as per measures in EMP. Pending Forestry clearance to be expedited to enable construction of drain.
RH3	Phillaur Nagar Rahon Road	Same as Above.	-
		NOC of diesel storage and pump to be acquired from designated authority and proper installation to be ensured as per approved oil company.	-
		Contamination of preserved topsoil was observed and same needs to be rectified	-
RH4	Kapurthala-Tarn Taran Road	Same as Above.	-
RH6	Patiala Sirhind Road	Same as Above.	Encouraging to note good practices, internalized from experience of EMP implementation in PM works

c. Up-grading Roads

Stage: Mobilization and Pre-construction Activities for UG1 & UG2; UG3 is under implementation.

Contract Package	Name of the Corridor	Issues / Actions Required for EMP compliance	Remarks
UG1	Kharar Banur Tepla Road	No camp site location has been finalised.	<ul style="list-style-type: none"> • Significant delay in mobilization. • Lack of coordination between CSC and Contractor. • Consultations need to be initiated with communities and Panchayats for identification of borrow areas and finalization of camp site.
		No person has been designated for EMP implementation.	
		EMP work plan is still be prepared and submitted for approval. Needs to be integrated in the overall work plan.	
		Traffic Management Plan to be submitted for approval.	
		Preparation of Comprehensive Solid Waste Management Plan is pending.	
		Pollution monitoring to be expedited to ensure baseline data collection for pre-construction stage.	
UG2	Ludhiana-Malerkotla- Sangrur Road	Issues same as UG1.	
UG/3	Tarn Taran -Chhabal Atari Road	New Crusher site established at Gandial, Kathua (Jammu & Kashmir).	All required consent to establish & NOC from Jammu & Kashmir Pollution Control Board has been obtained. Air Pollution Control System has been established per condition under Air Act. Compliance under Water Act to be verified by EO, PRBDB during next inspection schedule around mid November 2007.
		Borrow areas need to be finalized and required clearance obtained	Consultations with communities is significantly delayed and needs to be expedited.
		NOC of hot mix plant submitted.	Consent to operate is awaited from PPCB in next two months.
		EMP work plan still not integrated in Main Civil work plan.	To be submitted by October 31, 2007.
		EO to be designated with immediate effect.	EO, PRBDB to be informed by October 31, 2007.
		Pollution monitoring to be expedited to ensure baseline data for the pre-construction stage.	-
		Identification of disposal site and submission of Comprehensive Waste Management Plan is pending	-Consultations with communities needs to include this aspect
		Oil interceptor to be provided at workshops.	To be constructed by November 15, 2007.
		Vehicle circulation with in plant site to be improved to prevent loss & compaction of soil.	-
		PUC checks for all vehicles & machineries to be	Documentation to be

Contract Package	Name of the Corridor	Issues / Actions Required for EMP compliance	Remarks
		done on regular basis.	maintained.
		Hazard marking to be provided on all vehicles/equipment.	-
		Dust bins to be provided in the camp.	-
		Separation of stockpile required.	-
		Consultation and information sharing with nearby communities is significantly delayed.	Repeated reminder were given by EO, PRBDB during last three inspections. Action to be taken by October 2007 end.
		Monthly Progress report to be submitted.	No monthly progress report has been submitted so far - 4 nos. of MPRs are pending.

Attachment 2

Status of Forestry Clearance on Project Roads under PSRSP (Phase I)

S. No	Road	Current Status	Action Required
1	Kharar Banur Tepla		
	DFO Ropar	• Forest Clearance received from MoEF vide 9– PBB1128/2006-CHA/3380-84 dt.05.04.07	• Action completed.
	DFO Patiala	• Forest Clearance received from MoEF vide 9– PBC1129/2006-CHA/2712-16 dt.27.03.07	• Action completed
2	Tarn Taran Chabbal Attari DFO Amritsar	○ Forest Clearance received from MoEF vide 9– PBB1049/2006-CHA/3585-89 dt.05.04.07	• Action completed
3	Tarn Taran Fatehbad Kapurthala		
	DFO Phillaur	• Forest Clearance received from MoEF vide 9– PBB1126/2007-CHA/3365-69 dt.05.04.07	• Action completed
	DFO Amritsar	• Forest Clearance received from MoEF vide 9– PBB1127/2006-CHA/3575-79 dt.05.04.07	• Action completed
	DFO Amritsar (Supplementary Proposal)	• Forest Clearance received from MoEF vide 9– PBB 069/2007-CHA/3993-97 dt.25.04.07	• Action completed
4	Phillaur Nagar Rahon	○ Forest Clearance received from MoEF vide 9– PBC1240/2006-CHA/3590 dt.13.04.07	• Action completed
5	Ludhiana Malerkotla		
	DFO Ludhiana	○ Forest Clearance received from MOEF vide 9-PBB1287/2006-CHA/4546 dated 15.05.07	• Action completed
	DFO Sangrur	○ Forest Clearance received from MoEF vide 9- PBC 1288/2006-CHA/5949-53 dated 22.06.07	• Action completed
6	Malerkotla Sangrur DFO Sangrur	○ Forest clearance received for left out trees from MoEF vide 9-PBC054/2007-CHA/10072 dated 22.10.07. However for diversion of forest land & felling of 3558 trees, Forest Clearance received from MOEF vide 9-PBB054/07-CHA/4410 dated 10.05.07	• Action completed

S. No	Road	Current Status	Action Required
7	Dharmkot Kot Isekhan Ferozepur		
	DFO Mukstar	<ul style="list-style-type: none"> • Forest Clearance received from MoEF vide 9-PBC058/2007-CHA/5479 dated 08.06.07. 	<ul style="list-style-type: none"> • Action completed
	DFO Ferozepur	<ul style="list-style-type: none"> • Forest Clearance received from MoEF vide 9-PBC059/2007-CHA/5349 dated 04.06.07. 	<ul style="list-style-type: none"> • Action completed
8	Chandigarh Landran Chunni Sirhind		
	DFO Ropar	<ul style="list-style-type: none"> ○ Case is with Chief Conservator Forest. Forest clearance yet to be received. 	<ul style="list-style-type: none"> • Forest Clearance awaited from MoEF.
	DFO Fathegarh Sahib	<ul style="list-style-type: none"> ○ Case is with MoEF. Forest clearance yet to be received. 	<ul style="list-style-type: none"> • Forest Clearance awaited from MoEF.

Tree Preservation:

S. No.	Name of Road Corridor	No. of trees saved
1	Phillaur Nagar Rahon	4
2	Ferozepur Zira Dharmkot	17

Annex 5**Social Safeguards**

Land Acquisition. The process of land acquisition to be followed includes (i) issuing of section 4(1); (ii) section 5 and 5A; (iii) section 6; (iv) section 9; and (v) section 11. As per the provisions, after section 6, private negotiation was carried out simultaneously with section 9 and 11. Project will acquire approximately 31 ha of private land for re-alignment and bypasses. Negotiation has been completed for 33 cases out of total 34 cases. The rate has been approved of 33 cases by government of Punjab. Approval for rest of the cases is expected by October 30, 2007.

Land acquisitions in UG1 and UG2 lands: With a view to avoiding unnecessary land acquisition and permanent change in land use and ownership, the mission was informed that GoP is considering not purchasing some small stretches of lands along two of the project corridors that were previously considered. Given that the potential risk of contractual claims arising from delays in timely handing over the land is high, but the associated cost implication small (estimated to amount to US\$INR 4,184,354 for UG1 and INR 853,948 for UG2), the mission agreed that the minimization of social impacts of the project and long term benefits to the economy of the state and people along the corridor potential, guaranteed such course of action. The mission further acknowledged that this analysis of alternatives to reduce adverse impacts is in line with the Bank's safeguard management approach and therefore acceptable despite the potential contractual risks and associated costs.

Implementation of Resettlement Action Plan. Though some of the activities under implementation of RAP has been delayed by two to four months (refer attachment 1 and 2), it was agreed that all activities under milestone 1 will be completed by December 2007. It was also agreed as part of the TORS for road safety awareness campaigns, the consultant would facilitate conducting awareness campaigns to inform the public of the importance of road signs and cat eyes for ensuring road safety, in view of regular thefts.

Institutional Arrangement. The PRBDB has appointed the Project Manager (Social) responsible for supervision of RAP implementation and providing training to designated Resettlement Officers in CMUs on social assessment and RAP implementation. One Sub Divisional Engineers (SDEs) in each of the CMUs have been designated as Resettlement Officers. Both Grievance Redressal Committee (GRC) and Land Negotiation Committee (LNC) have been constituted in all the districts of upgradation and rehabilitation roads where land will be acquired.

Site Visit. The Mission visited both upgradation as well as rehabilitation roads. Some encroachment and squatting was noted in some sections of rehabilitation roads though there may not be any land acquisition in rehabilitation roads. Although no resettlement will be required on rehabilitation roads visited, residential and commercial establishments are likely to experience a temporary loss of access during the construction period.

Information Kiosks: The Mission was pleased to notice that information kiosks were established by PRBDB on project roads in accordance with the agreed disclosure policy and action plan. Most of the kiosks have been set up in contractor's camp. It was agreed that register will contain complete loop of information starting from (a) date, (b) detailed description of complaint lodged, (c) action taken (whether it was forwarded to PRBDB or CMU or response has been given to the complainant); (d) if forwarded to PRBDB/CMU, when is the response expected and if PIC in-charge has already responded to the query, is PAP satisfied with the response; (e) when was response received from PRBDB/CMU; and (f) whether PAP was satisfied with the response given by PRBDB/CMU. The mission was advised of the project's intention to make appropriate information available for the community, such as simple brochures, for which the NGO in place consult the community in advance.

Disbursement of Compensation and R&R Assistance: PRBDB has prepared a manual detailing the mechanism of disbursement of compensation and R&R assistance. It was agreed that for disbursement of R&R Assistance (including rental allowances, transitional allowances, training allowances, economic rehabilitation grants and shifting allowances) the NGO hired to implement RAP, will prepare detailed PAP-wise micro plans (calculating total R&R assistance due to a PAP under various heads) and identity cards. Micro plans will be submitted to the RRO of the CMU who will forward these to the PRBDB head quarters. The Project Manager (Social) will review the micro plans before forwarding the same to the finance section for issues of ‘account payee’ cheques favouring the PAP. The PAP will deposit this cheque in a bank account specifically opened for this purpose. Withdrawals from this account will be under the joint signatures of the PAP and the NGO. This will ensure that utilization is for the purposes intended i.e. against productive goods/works/services, as specified in the micro-plans. Receipts for the assets and/or services and utilization certificates provided by the PAPs will be maintained by PRBDB and will be subject to statutory and internal audit. Compensation amount released by revenue will also be deposited in the joint account and utilization will be monitored by NGO.

Attachment 1

Current Status of RAP Implementation and Proposed Action Plan

Current Status of RAP implementation and Proposed Action Plan (Non Titleholders)										
	Activity	Road Corridor								Remarks
		Ludhiana - Malerkotla - Sangrur, 72.95 km	Kharar - Banur - Tepla, 39 km	Tarn Taran - Chhabal-Attari 46.20 km	Chandigarh -Landran- Chunni-Sirhand, 37.30 km	Dharamkot-Zira-Firozepur, 59.16 km	Phillaur-Nagar-Aur-Rahon 33.50 km	Taran Taran-Kapurthala , 46.20 km	Patiala-Sirhand 28.30 km	
1	Initial Site Visit & Observation	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	
2	Introductory Meeting with concerned Division Offices (PWD) of Project Road Corridor	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	
3	Public Consultation	01.04.2007	20.12.2006	22.03.2007	01.04.2007	15.04.2007	01.03.2007	01.04.2007	01.03.2007	Start date given - continuous activity
4	Marking of COI	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	
5	Measurement of affected land/Structures	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	
6	Verification of Baseline Data	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	
7	Approval of Verified Data	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	
8	Valuation of Assets / Structures	15.11.2007, delayed by three months	Completed	Completed	Completed	Completed	Completed	Completed	Completed	
9	Preparation of Micro plan	15.12.2007, delayed by four months	Completed	Completed	Completed	Completed	Completed	Completed	Completed	
10	Approval of Micro plan	30.12..2007	30.10.2007	30.10.2007	30.10.2007	30.10.2007	30.10.2007	30.10.2007	30.10.2007	Delayed by about three months
11	Distribution of Identity Cards	31.01.2008	31.12.2007	31.12.2007	31.12.2007	31.12.2007	31.12.2007	31.12.2007	31.12.2007	Delayed by about

Current Status of RAP implementation and Proposed Action Plan (Non Titleholders)										
	Activity	Road Corridor								Remarks
		Ludhiana - Malerkotla - Sangrur, 72.95 km	Kharar - Banur - Tepla, 39 km	Tarn Taran - Chhabal- Attari 46.20 km	Chandigarh -Landran- Chunni- Sirhand, 37.30 km	Dharamkot- Zira- Firozepur, 59.16 km	Phillaur- Nagar- Aur- Rahon 33.50 km	Taran Taran- Kapurthala , 46.20 km	Patiala- Sirhand 28.30 km	
										three months
12	Opening of Joint Account	15.02.2008	31.12.2007	31.12.2007	31.12.2007	31.12.2007	31.12.2007	31.12.2007	31.12.2007	Delayed by two months
13	Grievance Redressal cell	Constituted	Constituted	Constituted	Constituted	Constituted	Constituted	Constituted	Constituted	
14	Disbursement of Assistance	28.02.2007	31.01.2008	31.01.2008	31.01.2008	31.01.2008	31.01.2008	31.01.2008	31.01.2008	Delayed by five months
15	Relocation of PDFs	31.03.2008	28.02.2008	28.02.2008	28.02.2008	28.02.2008	28.02.2008	28.02.2008	28.02.2008	Delayed by four months
16	Relocation of CPRs (Handing over to contractor)	31.01.2008	31.01.2008	31.01.2008	31.01.2008	31.01.2008	31.01.2008	31.01.2008	31.01.2008	Delayed by four months
17	Income Restoration Activities	15.03.2008	01.03.2008	01.03.2008	01.03.2008	01.03.2008	01.03.2008	01.03.2008	01.03.2008	Delayed by four months

Attachment 2

Current Status of RAP Implementation and Proposed Action Plan (LA and Titleholders)					
	Activity	Road Corridor			
		Ludhiana - Malerkotla - Sangrur, 72.95 km		Kharar - Banur - Tepla, 39 km	
	Name of District through which the road passes	Ludhiana	Sangrur	Mohali	Patiala
	Land to be acquired for acquisition	52.16 Acre	7.1 Acre	9.77 Acre	2.35 Acre
1		59.26 Acre		12.12 Acre	
2	Status of formation of land negotiation committee	Constituted	Constituted	Constituted	Constituted
3	Status of formation of GRC	Constituted	Constituted	31.03.07	Constituted
4	Status of land acquisition	Negotiation Completed	Negotiation Completed	Negotiation Completed, except for one village	Negotiation Completed
5	Marking of COI	completed for the road section	completed	Completed	
6	Joint Verification with Revenue Department	completed	completed	completed	Completed
7	Socio-Economic Survey by NGO	Completed	completed	completed	Completed
8	Consultation	Ongoing	Ongoing	Ongoing	Ongoing
9	Negotiations with PAP	Completed	Completed	Completed	Completed
10	Preparation of Micro Plan	31.12..07	Completed	Completed	Completed
11	Preparation and Distribution of ID Cards (Delayed by three months in KBT and by five months in LMS corridor)	31.01.08	30.10.07	31.10.07	31.10.07
12	Opening of Joint Account (Delayed by a month in KBT and by four months in LMS corridor)	31.01.08	30.10.07	31.10.07	31.10.07
13	Approval of Negotiated Rate	30.10.07	30.10.07	31.10.07	31.10.07

Current Status of RAP Implementation and Proposed Action Plan (LA and Titleholders)					
	Activity	Road Corridor			
		Ludhiana - Malerkotla - Sangrur, 72.95 km		Kharar - Banur - Tepla, 39 km	
	Name of District through which the road passes	Ludhiana	Sangrur	Mohali	Patiala
14	Signing of Conveyance Deed	15.11.2007	15.11.2007	15.11.2007	15.11.2007
15	Disbursement of Assistance	28.02.08	31.11.07	30.11.07	30.11.07
16	IR Activities	01.01.08	01.01.08	01.01.08	01.01.08

Annex 6**Financial Management Assessment**

Use of Financial Accounting Software (FAS): The software has been purchased and installed at all divisions/ PRBDB; however staff to operate the FAS has been hired only recently (Aug./ Sept. 07) and therefore the FAS is still not operational at all accounting locations. Review of outputs/ reports at Ludhiana Division showed that there is still some inaccuracy in the data generated by the FAS. Further, data is not being keyed-in on a real time basis but on a monthly basis. This needs to be rectified at the earliest and will include continuous training and monitoring of accountants/ operators. One or two accountants from Divisions may be utilized as resource persons to support the PRBDB Financial Management Team in visiting all locations and providing necessary training. Further, to enable a time bound implementation of FAS, PRBDB may issue instructions that all payments after a certain date may be approved by the Divisional Engineer only if the same is supported by a voucher generated from the FAS.

Shifting of utilities: Usually an advance needs to be paid to various departments like Forestry, Water Supply etc for shifting of utilities. The advance is based on estimates which are approved by the Divisional Engineer before the payment is released to the concerned department. However no utilization certificates (UCs) have been received from the departments (Ludhiana Division alone has paid approx. Rs 11 crores till date); this raises the following concerns which should be addressed by PRBDB: (a) The advance is considered as an expense at the time it is released; instead it should be treated as an advance, though the advance will be eligible for disbursement from the Bank; (b) Ageing analysis of advances should be presented to the Divisional Engineer every month and the Project Director every quarter; (c) Divisions should be responsible for getting the UCs on a timely basis; PRBDB may assist in case they are unable to do so.

Resettlement and Rehabilitation (R&R): This has been cited to be an area which requires close attention and monitoring; guidelines for managing/ accounting for R&R assistance have been finalized and are considered reasonable. However the engineering staff (designated as R&R Officer) or the accountants have not been provided training regarding the record keeping/ accounting requirements relating to R&R payments. This activity will be significant e.g. Ludhiana division is expected to pay Rs. 83 crores on this account by November 07. The required training/ formats may be provided to the Divisions at the earliest.

Statutory Audit: Concerning the audit report due on September 30, 2008, the mission was informed that State AG has already been contacted to initiate the audit including of those payments corresponding to retroactively financed activities, which were undertaken during the previous financial year

Operation of the LoC System: The project is working on basis of FMRs which provide information on expenses for the previous quarter and forecast for the next six months. This information is based on collation of data from all implementing divisions. PRBDB then receives funds on the same basis from the Bank through the Government of Punjab. These funds are being passed on to the Divisions on a transaction basis² rather than on a periodic basis. This increases the work load/ transaction cost on both sides (Division/ PRBDB). However, the mission noted that the current process allows PRBDB to manage

² Divisions maintain separate 'Zero Balance' accounts, as a supplier cheques are debited to the account, the Bank credits an equal sum of money to the account to honour the cheques.

its treasury operations in a way that maximizes potential interest revenue. The mission agreed to review, during the next mission, whether this is causing any delays in transfer of funds to the divisions and therefore payments to the contractors.

Other Issues

- Deductions: Ludhiana Division is not clear in case it need to deduct Sales Tax from mobilization advances paid to contractors. PRBDB may seek expert opinion on the same to ensure compliance with laws and necessary guidance to Divisions.
- Liquidation damages: Clear guidelines regarding Liquidation Damages are required for the divisions; when to account, how to reduce works costs.
- Internal Auditors: They have been hired as per the ToR agreed between the Bank and PRBDB; a copy of the IA Report may be made available to the next Implementation Support Mission.
- Cheque signing: In context of discussions during the previous mission, cheques can now be issued under the joint signatures of the Executive Engineer/ Divisional Accountant.
- Audit for the PPF: The audit Certificate submitted for the same was not appropriate; a revised Audit Report may be submitted to the Bank.

FM Framework (FMF): This was designed at time of project inception and is now being used at all project accounting locations. Some changes/ developments have ensured that the FMF needs to be able to provide additional guidance/ clarifications. This may be done by issue of an Addendum to the FMF. The addendum should include at least the following: (a) guidelines relating to R&R payments; (b) clarifications regarding accounting for shifting of utilities, deductions, liquidation damages; (c) operation of the FAS; (d) opening of new account heads for Consultancy, shifting of utilities etc.

Annex 7**Procurement Assessment****OVERALL PROGRESS: *Satisfactory.***

A. WORKS: General: While overall progress is delayed as compared to the schedules provided in the initial procurement plan, these are not significant and the overall progress in procurement and implementation of works contracts is satisfactory. The salient details of each contract are provided in tables attached to Annex 7 of the AM.

B. CONSULTANTS:

General: Overall progress is moderately satisfactory.

Phase I: Overall, the completion dates for most consultant assignments have been extended due to delays caused by reasons such as application of the Election Code of Conduct, delays by consultant etc as well as due to weak contract monitoring and administration capacity at PRBDB. The need to improve such capacity has been stressed in the letters clearing PRBDB's requests for the Bank's ex-post facto clearance to the extension of six contracts under Phase I, which involved no cost increase in five cases and a nominal (3%) increase in one case.

Phase II: The Bank has received the request for cancellation of the bidding process for the DPR for Long term maintenance contracts envisaged under Package I. Those contracts would be included with the OPRC-based contract. This request is under review.

C. COMPLAINTS: No procurement complaints were reported during the period.

Attachment 1 - WB PSRSP Phase I - Progress of Works

Ref. No.	Contract (Description)	Length (KM)	Original Date of Bid Opening	Name of Contractual Agency	Contract Value (Rs. in Crores)	Date of issue of Letter of acceptance	Date of Start of Work	Physical Progress	Remarks
<u>REHABILITATION WORKS:</u>									
Package 1	Rehabilitation of Ferozepur-Zira Road	34.46	22/Sep/06	M/s Centrodorstoy (India) Ltd	44.14	29 Mar 2007	13 Jun 07	0.2%	Mobilization of Staff / Equipment in Progress. Camp Site established. HMP has been erected. Stacking of material is started
Package 2	Rehabilitation of Chandigarh-Landran-Chunni-Sirhind	37.30	25/Sep/06	M/s GPL - Brahmaputra Consortium Ltd (JV)	43.92	04-Jan-07	7 May 07	.233%	Mobilization of Staff / Equipment in Progress. Camp Site established. HMP has mobilized but erection still under progress
Package 3	Rehabilitation of Phillaur-Aur-Rahon-Nagar	33.51	18/Sep/06	M/s Centrodorstoy (India) Ltd	46.84	15-Jan-07	12 June 07	0.4%	Mobilization of Staff / Equipment in Progress. Camp Site established. HMP has mobilized but erection still under progress
Package 4	Rehabilitation of Kapurthala-Tarn Taran	47.20	13/Nov/06	M/s C&C Construction Ltd	54.72	29 June 07	5 Sept 07	0%	Mobilization of Staff / Equipment in Progress. Camp Site in progress. No physical work started.
Package 5	Rehabilitation of Zira Dharamkot Road	24.70	20/Sep/06	M/s Centrodorstoy (India) Ltd	34.73	29 Mar 07	13 June 07	0.8%	Mobilization of Staff / Equipment in Progress. Camp Site established. HMP is common with RH/1
Package 6	Rehabilitation of Sirhind-Patiala	28.30	6/Aug/ 07	M/s Singla Construction co.	24.28	3 Sept 07	11 Sep 2007	0%	Mobilization of Staff / Equipment in Progress. Camp Site identified. No Physical work started
	TOTAL	205.47			248.63				

Ref. No.	Contract (Description)	Length (KM)	Original Date of Bid Opening	Name of Contractual Agency	Contract Value (Rs. in Crores)	Date of issue of Letter of acceptance	Date of Start of Work	Physical Progress	Remarks
UPGRADATION WORKS :							-	-	-
Package 1	Upgradation of Kharar-Landran-Banur-Tepla	39.53	30/Nov/06	M/S C&C Const. Co.	108.98	12-July-07	1 Sep 07	0%	Mobilization of Staff / Equipment in Progress.
Package 2	Upgradation of Ludhiana-Malerkotla-Sangrur	71.92	1/Dec/06	M/S Som Dutt Builder Pvt. Ltd.	226.04	12-July-07	29-Aug-07	0%	Mobilization of Staff / Equipment in Progress.
Package 3	Upgradation of Attari-Chabbal – Taran Tarn Rd. (including Junction at Tarntaran) (41.59 Km)	41.59	24/Oct/06	M/s C&C Construction Ltd	45.24	27/Feb/07	—	0.33%	Mobilization of Staff / Equipment is almost completed. Camp Site established. HMP has been erected.
	Total	153.04			380.26				
PERIODIC MAINTENANCE WORKS :							-	-	-
Package 1	Periodic Maintenance of Ajnala Ramdass	39.77	07-Aug-06	M/s Satish Aggarwal & Co	4.71	01-Nov-06	20/Feb/07	95%	Bituminous overlay completed
	Chehrata Dand Bir road			M/s Satish Aggarwal & Co			20/Feb/07	95%	Bituminous overlay completed
Package 2	Periodic Maintenance of Gurdaspur Sri Hargobindpur road	40.47	10-Aug-06	M/s Rajinder & Co. Chandigarh	9.24	04-Oct-06	7/Nov/06	97%	Bituminous overlay completed

Ref. No.	Contract (Description)	Length (KM)	Original Date of Bid Opening	Name of Contractual Agency	Contract Value (Rs. in Crores)	Date of issue of Letter of acceptance	Date of Start of Work	Physical Progress	Remarks
Package 3	Periodic Maintenance of Longowal Sunam, road Badbar Longowal	18.23	27-Jul-06	M/s DS Buliders Dhuri	3.37	04-Oct-06	2/Nov/06	100%	Under defects liability period
	Pakhokey Tappa	12.80	27-Jul-06	M/s Garg Construction Chandigarh	2.93	27-Feb-07	16-Apr-07	97%	Bituminous overlay completed
Package 4	Periodic Maintenance of Khanna Samrala Nawanshahar Garhshankar road	61.38	01-Dec-06	M/s Valecha Engineering Ltd	12.16	18-Jan-07	13/Mar/07	55%	Work in progress
Package 5	Periodic Maintenance of Kapurthala Tashpur, Sultanpur dalla & Dadwindi Sultanpur road	30.35	02-Nov-06	M/s Valecha Engineering Ltd	5.04	30-Mar-07	8-May-07	40%	Work in progress
Package 6	Periodic Maintenance i of Sitogana Dabwali road	26.00	17-Aug-06	M/s Singla Construction Co. Bathinda	3.45	04-Oct-06	20/Oct/06	100%	Defects liability period over on 25-Sep-07
Package 7	Periodic Maintenance of Faridkot to Ferozepur road	30.27	22-Aug-06	M/s Singla Construction Co. Bathinda	4.40	04-Oct-06	1/Nov/06	100%	Under defects liability period
Package 10	Periodic Maintenance of BaghaPurana Bhagta Bhucho road	38.81	31-Jul-06	M/s Singla Construction Co. Bathinda	6.40	27-Feb-07	3-Apr-07	95%	Bituminous overlay completed
Package 11	Periodic Maintenance of Sri Hargobindpur Batala Dera Baba Nanak Road	55.74	14-Aug-06	M/s Rajinder & Co. Chandigarh	7.84	04-Oct-06	7/Nov/06	97%	Bituminous overlay completed
	Total	353.82			59.54				

Attachment 2 - WB PSRSP – Updated Procurement Management Plan

CI USD= 39.50(INR)

A. WORKS

Ref. No.	Contract Description (length)	Contract / Bid Price (USD million)	Procurement Method	Review by Bank (Prior / Post)	Bid-Opening Date	Comments
Rehabilitation (Phase I)						
WB/PSRSP/RH/1/NCB	Rehabilitation of Ferozepur-Zira Road (34.46 Km)	11.18	NCB	Prior	19.10.06	Date of start of work 13-June-07
WB/PSRSP/RH/2/NCB	Rehabilitation of Chandigarh-Landran-Chunni-Sirhind (37.27 Km)	11.12	NCB	Prior	20.10.06	Date of start of work 7-May-07
WB/PSRSP/RH/3/NCB	Rehabilitation of Phillaur-Aur-Rahon-Nagar (33.51 km)	11.86	NCB	Post	18.10.06	Date of start of work 12- June- 2007
WB/PSRSP/RH/4/ICB	Rehabilitation of Kapurthala-Tarn Taran (47.20 km)	13.85	NCB	Prior	22.11.06	Date of start of work 5-Sep-07
WB/PSRSP/RH/5/NCB	Rehabilitation of Zira Dharamkot Road (24.70 km)	8.79	NCB	Prior	23.10.06	Date of start of work 13-June-07
WB/PSRSP/RH/6/NCB	Rehabilitation of Sirhind-Patiala (28.30 km)	6.08	NCB	Post	06.08.07	Date of start of work 11-Sep-07
	Total	62.87				
Upgradation (Phase 1)						
WB/PSRSP/UG/1/ICB	Upgradation of Kharar-Landran-Banur-Tepla (39.53 Km)	27.59	ICB	Prior	30.11.06	Date of start of work 1-Sep-07
WB/PSRSP/UG/2/ICB	Upgradation of Ludhiana-Malerkotla-Sangrur (71.92 Km)	57.22	ICB	Prior	1.12.06	Date of start of work 29-Aug-07
WB/PSRSP/UG/3/NCB	Upgradation of Attari-Chabbal – Taran Tarn Rd. (including Junction at Tarntaran) (40.50 Km)	11.45	NCB	Prior	24.10.06	Date of start of work 20-Apr-07
	Total	96.27				

Ref. No.	Contract Description (length)	Contract / Bid Price (USD million)	Procurement Method	Review by Bank (Prior / Post)	Bid-Opening Date	Comments
Periodic Maintenance (Phase I)						
WB/PSRSP/PM/1/NCB	Periodic Maintenance of Ajnala Ramdass Cheharta Dhand Bir Road	1.25	NCB	Prior	7.08.06	Work Completed*
	Chehrata Dand Bir road				7.08.06	Work Completed*
WB/PSRSP/PM/2/NCB	Periodic Maintenance of Gurdaspur Sri Hargobindpur road	2.42	NCB	Prior	10.08.06	Work Completed*
WB/PSRSP/PM/3/NCB	Periodic Maintenance of Longowal Sunam, road Badbar Longowal	0.85	NCB	Prior	27.07.06	Work Completed (Under Defect Liability Period)
	Pakhokey Tappa	0.76	NCB		27.07.06	Work Completed*
WB/PSRSP/PM/4/NCB	Periodic Maintenance of Khanna Samrala Nawanshahar Garhshankar road	3.21	NCB	Post	1.12.06	Work in Progress
WB/PSRSP/PM/5/NCB	Periodic Maintenance of Kapurthala Tashpur, Sultanpur dalla & Dadwindi Sultanpur road	1.30	NCB	Prior	2.11.06	Work in Progress
WB/PSRSP/PM/6/NCB	Periodic Maintenance i of Sitogana Dabwali road	0.87	NCB	Prior	17.08.06	Work Completed (Defect Liability Period ended on 25.9.07)
WB/PSRSP/PM/7/NCB	Periodic Maintenance of Faridkot to Ferozepur road	1.12	NCB	Prior	22.08.06	Work Completed (Under Defect Liability Period)
WB/PSRSP/PM/10/NCB	Periodic Maintenance of BaghaPurana Bhagta Bhucho road	1.90	NCB	Prior	31.07.06	Work Completed*
WB/PSRSP/PM/11/NCB	Periodic Maintenance of Sri Hargobindpur Batala Dera Baba Nanak Road	2.00	NCB	Prior	14.08.06	Work Completed*
	Total	15.68				

* Main Component of Bituminous Overlay completed

PHASE II

Ref. No.	Contract Description (length)	Contract / Bid Price (USD million)	Procurement Method	Review by Bank (Prior / Post)	Bid-Opening Date	Comments
Upgradation & Rehabilitation--OPBC (Phase 2)						
WB/PSRSP/OPBC/ICB	Rehabilitation / Upgradation of Road Network of about 600 Km with Output & Performance Based Contracts	70.00	ICB	Prior	Jul-08	The figure indicates the funds available in present Loan.
		70.00				
Maintenance Works (Phase 2)						
WB/PSRSP/ABS/NCB	Improvement of Accident Black Spots	5.00				
	Total	5.00				

B. GOODS

Ref. No.	Contract Description	Contract Price (USD million)	Procurement Method	Prequalification (yes/no)	Domestic Preference (Yes/No)	Review by Bank (Yes / No)	Bid-Opening Date	Comments
1	Asset Management Equipment(Profilometer and falling weight deflectometer etc)	0.5	NCB	No	No	Post	Jan-08	Profilometer to be suggested by Package – II consultant
2	Road Safety Goods including procurement of GPS	0.3	Shopping	No	No	Post	Jan-08	
3	HIV/Aids – Dispensing Machines	0.1	Shopping	No	No	Post	Dec-07	To be done by NGO
4	Procurement of Digital maps, Satellite Images and equipment for GIS	0.11	Shopping	No	No	Post	Sep-07	In progress from Survey of India & NRSA Hyderabad
		1.01						

C. SERVICES

Ref. No.	Contract Description	Estimated Bid /Contract Price (USD million)	Procurement Method	Review by Bank (Yes / No)	EOI received date	WB NO to RFP	RFP Issued	Date of receipt of proposals	WB NO to the award of the contract	Date of Award of Contract	Date of start of assignment	Completion date	Comments
Phase I													
Package 1	Feasibility, environmental and social studies for 1698 km of prioritized roads	0.60	QCBS	Prior	30-Jun-04	02-Nov-04	11-Nov-04	06-Jan-05	09-May-05	12-May-05	10-Jun-05	21-Aug-07	Draft Final report submitted
Package 1 Part B	Technical Advisory Services for overall project implementation.	0.75									Not yet assigned		Part B services being negotiated
Package 2 Part A	Detailed Project Report for rehabilitation of 205 km	0.31	QCBS	Prior	30-Sep-04	08-Feb-05	15-Feb-05	1-Apr-05	18-Jul-05	22-Jul-05	29-Jul-05	30-Nov-06	Completed
Package 2 Part B	Quality assurance and Technical Support Services during Construction	0.28									26-Mar-07		In progress
Package 3 Part A	Preparation of detailed Project Reports for upgradation of 152 km length	0.60	QCBS	Prior	18-Oct-04	2-Mar-05	11-Apr-05	2-May-05	9-Sep-05	16-Sep-05	16-Sep-05	15-Jun-06	Completed
Package 3 Part B	Construction Supervision Services (CSC) for Upgradation works during construction.	2.40									23-Jul-07		In progress
Package 4	Institutional development studies and	0.55	QCBS	Prior	5-Sep-05	8-Nov-05	14-Nov-05	29-Dec-05	28-Mar-06	10-Apr-06	17-Apr-06	30-Nov-07	Replacement Team Leader mobilized

INDIA – Punjab State Road Sector Project

October 5 – 22, 2007

	development of appropriate action plan.												
Package 5	Independent review of the environment and social assessments	0.06	CQS	Post	---	---	---	20-Feb-06	13-Apr-06	21-Apr-06	21-Apr-06	19-Sep-06	
Package 6	Implementation of RAPs on Phase I works	0.10	QCBS	Prior	31-Jul-06	21-Aug-06	25-Aug-06	28-Sep-06	Post Review Contract	11-Dec-06	13-Dec-06	In progress	Services in progress. Negotiations for Land Acquisition on Upgradation Roads being done
		5.64											

Phase II													
Ref. No.	Contract Description	Estimated Bid /Contract Price (USD million)	Procurement Method	Review by Bank (Yes / No)	EOI received date	WB NO to RFP	RFP Issued	Date of receipt of proposals	WB NO to the award of the contract	Date of Award of Contract	Date of start of assignment	Completion date	Comments
Package 1	Preparation of detailed Project Reports for rehabilitation & upgradation of 258 km length, including construction supervision as the case may be.		Consultancy to be Called Off										
Package 2	Devising a program for Output and Performance based contracts for Road Network of about 600 Km	5.00	QCBS	Prior	30-Aug-07	---	---	---	---	---	---	---	TOR yet to be finalised with WB
Package 3	HIV/AIDS Awareness	0.33	QCBS	Post	19-Feb-07	Post Review Contract	11-Apr-07	23-May-07	Awaited, bid price more than the threshold limit of post review	---	---	---	NO from WB for signing of contract is awaited.
Package 4	Reclassification of Road Network	0.25	QCBS	Post	23-Jul-07	---	10-Aug-07	1-Nov-07	---	---	---	---	
Package 5	Preparation of GIS maps for Road Network in Punjab	0.05	SS	Post	---	---	---	---	---	25-Jul-07	25-Jul-07	In progress	

INDIA – Punjab State Road Sector Project

October 5 – 22, 2007

Package 6	Transport Sector Master Plan	0.25	QCBS	Post	---	---	---	---	---	---	---	---	TOR under preparation
Package 7	Road Safety Awareness	0.5	CQS	Post	24-Sep-07	---	---	---	---	---	---	---	Shortlisting under process
Package 8	Road Fund Secretariat	0.65	CQ/SS	Prior	---	---	---	---	---	---	---	---	
Package 9	Asset Management Software development and training	0.3	CQ/SS	Post	---	---	---	---	---	---	---	---	Consultancy planned to begun after GIS digitization
Package 10	Training IT, Contract management, Quality Control & Procurement	0.7	CQ/SS	Post	---	---	---	---	---	---	---	---	2 Phases completed
Package 11	Training Social and Environmental	0.25	CQ/SS	Post	22-Aug-07	---	---	---	---	---	---	---	Shortlisting under process
Package 12	Training Financial Management	0.25	CQ/SS	Post	---	---	---	---	---	---	---	---	
Package 13	Road Accident Database & training etc.	0.25	CQ/SS	Post	---	---	---	---	---	---	---	---	
Package 14	Road User Satisfaction Survey	0.25	CQS	Post	16-Oct-07	---	---	---	---	---	---	---	Shortlisting under process
Package 15	Feasibility studies & advisory services for Preparation of PPP	1	CQ/SS	Post	---	---	---	---	---	---	---	---	
Package 16	Computerization of PWD B&R	2	QCBS	Post	3-Oct-07	---	---	---	---	---	---	---	Shortlisting under process
Package 17	Monitoring of Environmental Indicators	0.25	CQ/SS	Post	---	---	---	---	---	---	---	---	TOR under preparation
		12.28											

Attachment 3 - WB PSRSP Phase I – Analysis of Bids

REHABILITATION	Name	Participated in Bidding	Successful Bidder	Contract Price (In Crores)	Bid Price as per IFB (In crores)	Engineers Estimate (In crores)	Remarks
RH1 - Ferozepur Zira	Harish Chandra (India) Pvt. Ltd.	No					
	M/s TDM Infrastructure Pvt. Ltd.	No					
	Centrodorstroy India Ltd	Yes	Successful	44.14	34.00	41.39	
RH2 - Chandigarh Landran Chunni Sirhind	Harish Chandra (India) Pvt. Ltd.	Yes					
	M/s Unity Infra Project Ltd.	No					
	M/s C & C Constn. Pvt. Ltd.	Yes (Late)					
	M/s Valecha Engg. Ltd.	No					
	GPL Brahmputra	Yes	Successful	43.91	40.00	44.58	
	M/s Trillion Continent	Yes (Late)					
RH3 - Phillaur Aur Rahon Nagar	Centrodorstroy India Ltd	No					
	Harish Chandra (India) Pvt. Ltd.	No					
	M/s TDM Infrastructure Pvt. Ltd.	Yes					
	M/s Valecha Engg. Ltd.	No					
RH4 - Kapurthala Tarn Taran	Centrodorstroy India Ltd	Yes	Successful	43.45	45.00	51.13	
	Pingxiang Mining Industry group Co.	Yes					Bid price for ICB contract not advertised in SPN
	M/s C & C Constn. Pvt. Ltd.	Yes	Successful	54.72		54.13	
	M/s Valecha Engg. Ltd.	Yes					
	M/s B. Seenaiiah & Co.	Yes					
	M/s Ketan Construction Ltd.	No					
M/s Somdatt Builders Pvt. Ltd.	No						
RH5 - Zira Dharamkot Road	M/s HCIL - E (JV)	No					
	Harish Chandra (India) Pvt. Ltd.	No					
	M/s TDM Infrastructure Pvt. Ltd.	No					
RH6 – Patiala Sirhind Road	Centrodorstroy India Ltd	Yes	Successful	34.73	32.00	35.00	
	M/s Singla Constructions Co.	Yes	Successful	24.28	27.77	31.78	
	M/s Telecommunicaton Consultants India Ltd.	Yes					
	M/s RCC Developers Pvt. Ltd.	Yes					
	M/s MG Contractors Pvt. Ltd.	Yes					
	PD Aggarwal Infrastructure Ltd.	Yes					
M/s GPL Brahmputra Consortium	Yes						

(JV) Ltd.							
UPGRADATION	Name	Participated in Bidding	Successful Bidder	Contract Price (In Crores)	Bid Price as per IFB (In crores)	Engineers Estimate (In crores)	Remarks
UG1 - Kharar Landran Banur Tepla	Pingxiang Mining Industry group Co.	Yes					
	M/s JMC Projects (India) Ltd.	Yes					
	Centrodorstroy India Ltd	No					
	PNC Construction Co. Ltd.	Yes					
	M/s C & C Constn. Pvt. Ltd.	Yes	Successful	108.98	-	114.18	
	M/s Gammon India Ltd.	Yes					
	M/s Simplex Infrastructures Ltd.	No					
	M/s Ketan Construction Ltd.	Yes					
	M/s HCIL - E (JV)	Yes					
	M/s Somdatt Builders Pvt. Ltd.	Yes					
D.S. Constn. Ltd	No						
UG2 - Ludhiana Malerkotla Sangrur	VC Verma Executive Director, Oriental Structural Engg., New Delhi	Yes					
	PBA Infrastructure Ltd.	Yes					
	M/s TDM Infrastructure Pvt. Ltd.	Yes					
	Centrodorstroy India Ltd	No					
	UEM Constructions Sdn. Bhd	Yes					
	M/s Backbone Enterprises Pvt. Ltd. - Pinxiang	No					
	BSC - C&C JV	Yes					
	M/s Gammon India Ltd.	Yes					
	M/s Simplex Infrastructures Ltd.	Yes					
	M/s Ketan Construction Ltd.	No					
	M/s HCIL - E (JV)	No					
	M/s Somdatt Builders Pvt. Ltd.	Yes	Successful	226.04	-	234.17	
D.S. Constn. Ltd	Yes						
UG3 - Attari Chabbal Tarn Taran Road	M/s C & C Constn. Pvt. Ltd.	Yes	Successful	45.23	38.00	41.53	
	M/s Trillion Continent Sdn. Bhd.	Yes					
	M/s B. Seenayah & Co.	Yes					

Centrodorstroy India Ltd	No				
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PERIODIC MAINTENANCE	Name	Participated in Bidding	Successful Bidder	Contract Price (In Crores)	Bid Price as per IFB (In crores)	Engineers Estimate (In crores)	Remarks
PM1 - Ajnala Ramdass and Cheharta Dand Bir Roads	M/s Satish Aggarwal & Co.	Yes	Successful	4.71	5.09	5.16	
	M/s Balwinder Singh & Co.	Yes					
	M/s Singla Constructions	Yes					
	M/s Surjit Singh & Co.	No					
	M/s Buildwell Constn. Co.	No					
	M/s Sharma Constn. Co.	Yes					
	M/s Daljit Singh & Bros	No					
	M/s M.S. Brothers	No					
	M/s Surinder Kumar & Co.	Yes					
PM2 - Gurdaspur Sri Hargobindpur Road	TDM Infrastructure Pvt. Ltd.	No					
	M/s MG Contractors Pvt. Ltd	No					
	M/s Singla Constn. Co.	Yes					
	M/s Rajinder & Co.	Yes	Successful	9.24	10.19	10.18	
	M/s Daljit Singh & Bros	No					
	M/s C & C Constn. Pvt. Ltd.	No					
PM3 - Longowal Sunam, Badbar Longowal and Pakhokey Tappa Road	M/s Vishesh Kumar Contr. Pvt. Ltd.	Yes					
	M/s Garg Construction Co.	Yes	Successful (Pakhokey Tappa)	2.93	2.76	2.76	
	M/s DS Builders	Yes	Successful (Sunam Longowal)	3.37	3.48	3.47	
	M/s Singla Constn. Co.	Yes					
	M/s JK Associates	Yes					
	M/s Harbhajan Singh	No					
PM4 - Khanna Samrala Rahon Nawanshahar Garhshankar Road	M/s MG Contractors Pvt. Ltd	Yes					
	Centrodorstroy India Ltd	Yes					
	M/s Valecha Engg. Ltd.	Yes	Successful	12.16	13.58	13.70	

PERIODIC MAINTENANCE	Name	Participated in Bidding	Successful Bidder	Contract Price (In Crores)	Bid Price as per IFB (In crores)	Engineers Estimate (In crores)	Remarks
PM5 - Kapurthala Tashpur, Sultanpur Dalla & Dadwindi Sultanpur Road	M/s Singla Constn. Co.	No					
	M/s Satish Aggarwal & Co.	Yes					
	M/s Valecha Engg. Ltd.	Yes	Successful	5.04	5.34	5.52	
	M/s Rajinder & Co.	Yes					
PM6 - Sitogana Dabwali Road	M/s Singla Constn. Co.	Yes	Successful	3.44	3.25	3.37	
	M/s Shivam Constn.	Yes					
PM7 - Faridkot to Ferozepur Road	M/s Welkin India	Yes					
	M/s Kumar Builders	No					
	M/s VK Builders	No					
	M/s Singla Constn Co.	Yes	Successful	4.40	4.38	4.49	
	M/s MP Enterprises	No					
	M/s Shivam Constn Co. Ltd	Yes					
	M/s MG Constn. Pvt. Ltd.	No					
	M/s DM Constns.	No					
PM10 - Baghapurana Bhagta Bhucho Road	M/s Vishesh Kumar Contr. Pvt. Ltd.	Yes					
	M/s Singla Constn. Co.	Yes	Successful	6.80	6.53	6.39	
	M/s DM Constn. Co.	No					
PM11 - Sri Hargobindpur Batala Dera Baba Nanak Road	M/s Satish Aggarwal & Co.	No					
	TDM Infrastructure Pvt. Ltd.	Yes					
	M/s MG Contractors Pvt. Ltd	No					
	M/s Daljit Singh & Bros	No					
	M/s Singla Constn. Co.	Yes					
	M/s Sharma Constn. Co.	No					
	M/s Jagson Constn. Pvt. Ltd.	No					
	M/s Rajinder & Co.	Yes	Successful	7.82	8.43	8.07	
M/s C & C Constn. Pvt. Ltd	No						

Reasons for High Disbursements

The project shows a higher disbursement than forecasted. This is mainly due to the fact that: (i) all Phase I contract were awarded within 4 months of project effectiveness; and (ii) the report-based disbursements agreed for the project provide more certainty for the project authorities and thus encourages them to proactively fast track project implementation.

All Phase I contracts were promptly awarded due to: (i) successful acquisition of private land; and (ii) proactive project marketing by GoP and Bank team that resulted in increased interest by contractors.

Noteworthy is the top priority given by the GoP to *acquisition of private land*. The acquisition process started with notification under section 4(1) followed by section 6. In order to give replacement value of land and to avoid litigations, GoP agreed on negotiation settlement right at the time of R&R policy formulation. Normally in negotiations only the NGO implementing the resettlement action plan and PIU staff is involved. The good practice in PSRSP is that the local revenue staff (Sub Divisional Magistrate, Block Development Officer and Circle Revenue Officer) is also involved so that revenue department responsible for declaring the award, participated during the negotiation process and is fully on board. Because of involvement of revenue officials in the process, negotiations could be completed in less than three months time for the entire length of the project.

This institutional arrangement to facilitate negotiation on the price of land reduced the additional time required to finalize the price by revenue department since award declaration is the revenue department's responsibility. Their participation also helped to build confidence among the Project Affected Persons (PAPs) in the process. All this was facilitated by the comprehensive R&R policy developed for the project, which also covers the entire negotiation process (including the methodology to arrive at replacement value and institutional arrangement).

To increase the level of competition as well as attract international construction companies, the Punjab State Roads Project team, comprising the Punjab Roads and Bridges Development Board (PRBDB), India, and the Bank team, *proactively marketed civil works contracts*. The first marketing was carried out in July-August 2006 and consisted of four key activities: (i) advertising through mass media (newspapers and PRBDB's website: <http://www.prbdb.gov.in/>). The website is kept fully up-to-date with all the contract information, the procurement plan, etc; (ii) creation of distribution list of contractors by the implementing agency of over 50 contractors, mostly local and a couple of foreign, and e-mails are sent to them on a regular basis with any update on the procurement of works and any changes in the procurement dates; (iii) visit of relevant construction associations and individual contractors by PRBDB's representatives; and (iv) reaching of international construction industries through the World Bank's Executive Directors Offices and national construction industry associations by the World Bank project team. Japan, Malaysia, China, Thailand, Australia, New Zealand, Korea, Turkey, Spain, Italy, France and Greece representatives were contacted. The second marketing was undertaken six month later and had much wider coverage including trying to reach construction industries in over 20 countries.

On UG1 work (estimated cost USD 25.37M), eleven firms purchased the bidding documents, of which one is a Chinese firm (Pingxiang Mining Industry Group Co.) and another is a Russian-owned subsidiary (Centrodorstroy India Ltd). Of these, eight submitted bids, including the Chinese company mentioned. On UG2 work (estimated cost USD 52 M), thirteen firms purchased the bidding documents, of which two are Malaysian firms/subsidiaries (UEM Construction Sdn Bhd. and TDM infrastructures Private Limited), one Chinese led JV (M/s Backbone Enterprises Private Ltd-Pinxiang Mining Industry Group co. JV) and a Russian-owned subsidiary (Centrodorstroy India Ltd). Of these, nine submitted bids, including the two Malaysian firms. This result is significantly better than is normally the case in India and Pakistan, where the Borrowers have consistently faced the problem of lack of sufficient capacity in domestic construction industry and poor international interest, and only a few documents are sold and bids received (2-3 bids and sometimes only 1 bid is received). Indeed, an analysis of the Procurement Database for similar ICB works in India, shows that of 74 contracts processed between 2000 and 2006, only 8 were awarded to foreign or foreign-owned subsidiaries (2 Korean, 3 Malaysian, 2 Russian and 1 Thai).