

# Managing Urban Infrastructure Projects

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# Managing Issues

- Internal
  - Project team
  - Time
  - Money
  - Contractors
  - Consultants
- External (*beyond Project Director's administrative competence*)
  - Land
  - Local bodies
  - Other departments

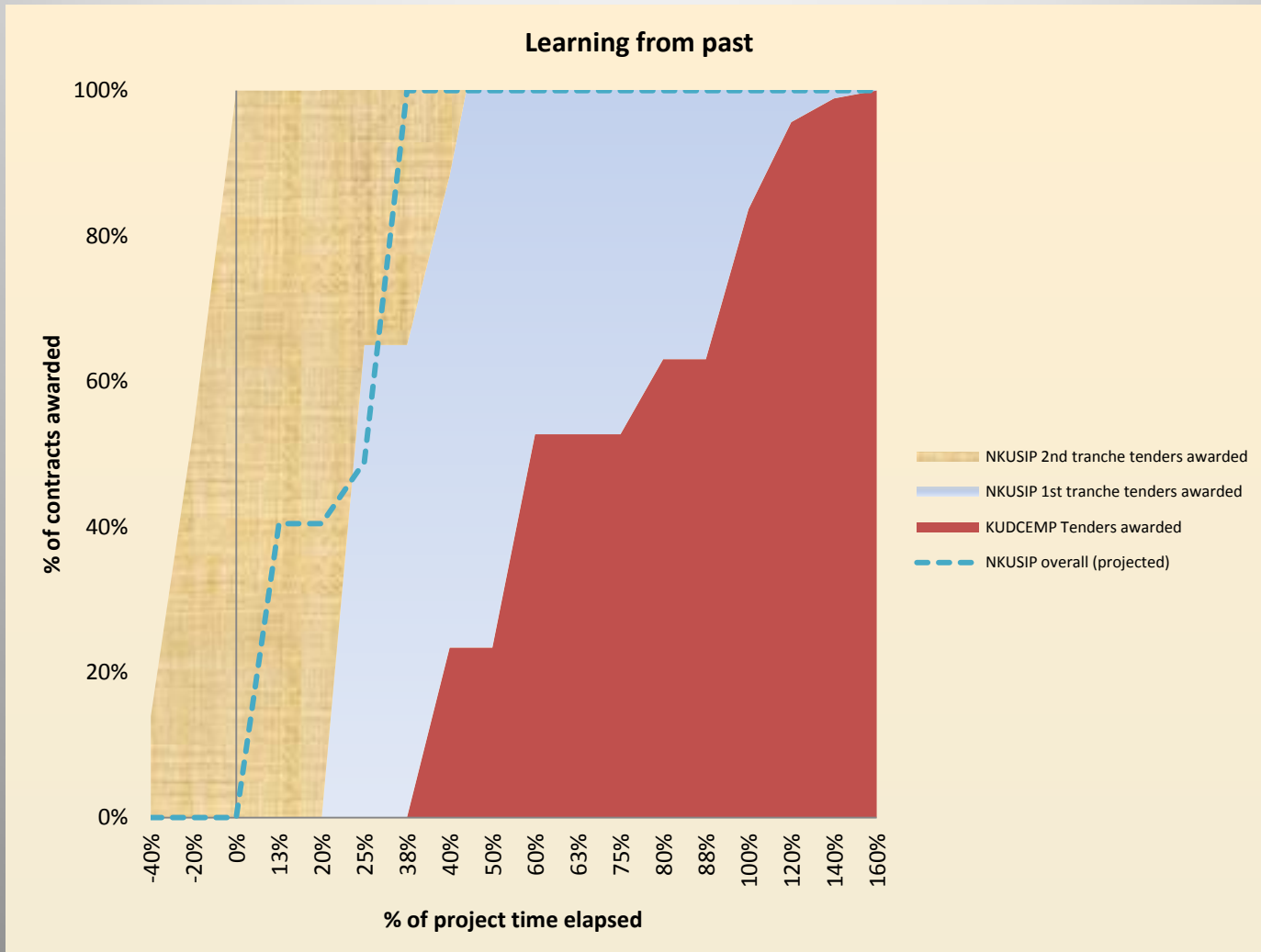
# Managing Project Team

- Structuring Project
  - Need for sufficient depth
  - Effective delegation and clear accountability
  - Clarifying role vis-à-vis local bodies
- Capacity building
  - Technical
  - Contract management
- Involvement
  - Full technical responsibility
  - Cross learning
  - Open reviews
- Sustainability
  - documentation

# Managing Time

- Robust information system
  - Status
  - Capture issues that impinge on projects
  - Pre-planning
- Reviews
  - Structured and Regular
  - Inspections
- Project Design
  - Flexible to compensate for delays and failures

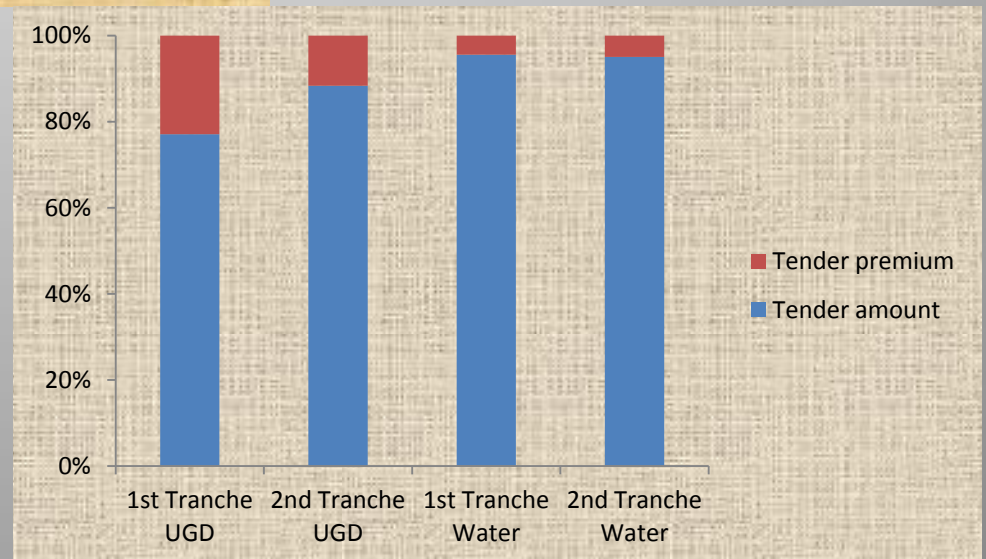
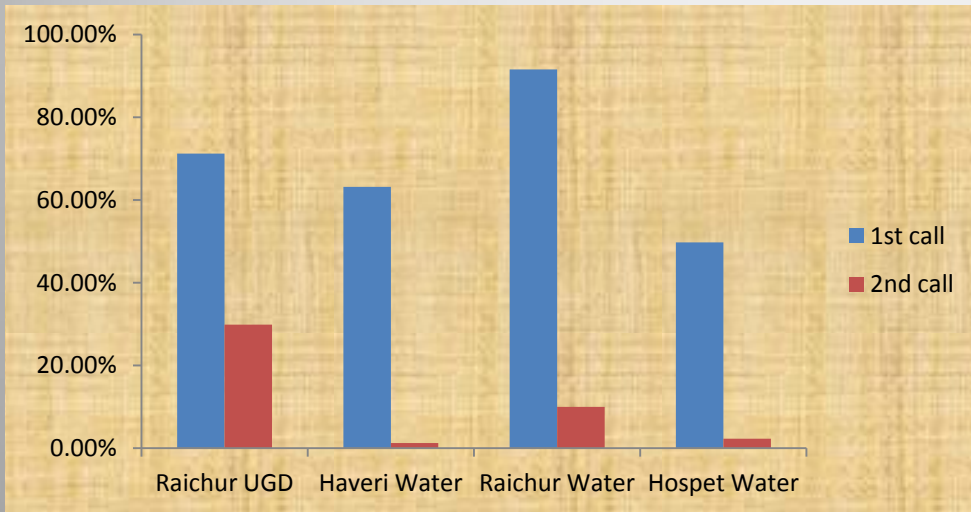
# Managing Time



# Managing Money

- DPRs
  - High level intense technical review
  - Accountability
    - Consultants penalize for unprofessional errors
    - Engineers
- Funding
  - Dovetailing schemes
- Bidding
  - Strong signals to discourage high premiums
  - Failure analysis and corrective action
- Effective cash management
  - Reduce surplus cash
  - Control time cycle for releases and payments

# Managing Money



# Managing Contractors

- Fundamental part of project team
  - Involvement of contractors in the monthly review meetings.
  - Strategic escalation of issues
- Predictability
  - Non-discretionary adherence to the contract conditions like work plans, milestones and liquidity damages.
- Accountability
  - Highly segregated, clear and recorded responsibility matrix
- Transparency
  - Fixed time limit for every stage of bill clearance
  - Web based on line procurement management system
  - Direct payment to the contractor's account through RTGS



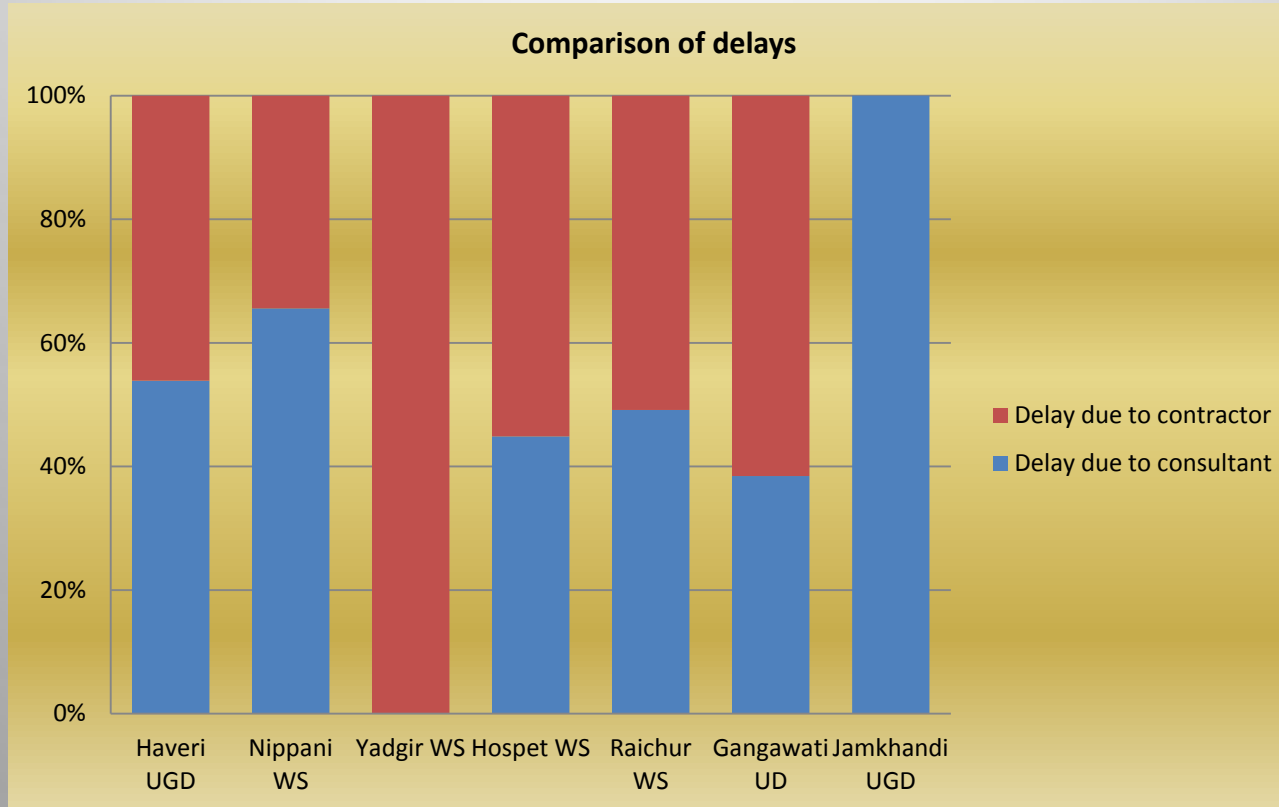
# Managing Contractors

- Development of market
  - Contractors' conference
  - PQ conditions- UGD contracts and PSP contracts
- Encouraging performance
  - Inclusion of bonus clause (*necessary safeguards needed*)
- Contractors' capacity
  - Labor intensive technology for sewerage works
  - Ability to place technically qualified manpower in remote work locations
  - Poor top management capabilities- information, detailing, supervision systems, cash flows.

# Managing Consultants

- Situation of scarcity
  - Frequent change of team leaders and other professionals
  - Inability to mobilize quality manpower at project places
- Poor systems of contract management
  - Weak hands-on professionals
  - Inadequate quality controls
  - High turn-around time
- Involvement
  - Starting point of any review
  - Encouraging supervisory levels to join reviews
  - Simplifying systems for bills clearances
  - Advance payment for deliverables pending verification
  - Penalty for non-professional errors and non-application

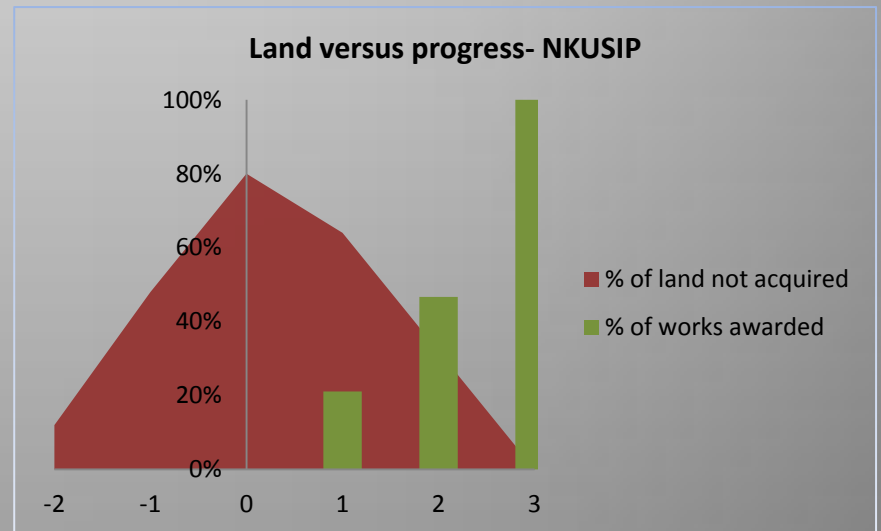
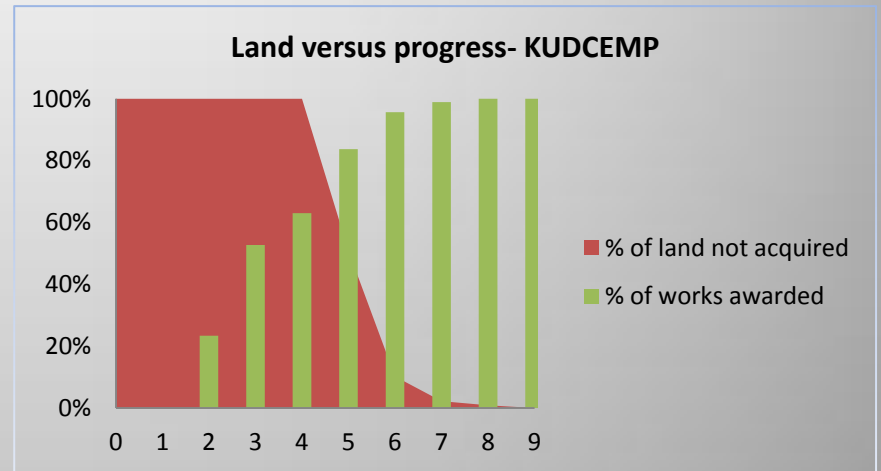
# Managing Consultants



average tenure of team leader in  
... is 8.5 months and that of  
deputy team leader is 13.5 months.  
each change is a beginning

# Managing Land

- Requirement of land is assessed in all details before DPR stage and procurement process is initiated in parallel.
- Government lands are allotted before tender is called.
- Wherever private land is required, it is ensured that 6 (1) notification is issued before inviting the bids.
- Direct purchase of land has been permitted to hasten the process. All but one towns have gone for either direct purchase or consent award.



# Managing Local bodies

- Empowerment and insistence on ownership
  - The Commissioner, ULB has to countersign the condition survey
  - The council approves the concept report, STP/WTP technology and the DPR
  - Commissioner is the employer; PIU works under him
- Transparency
  - Presentation on project status in monthly council meeting
  - PMU officers to meet local representatives in each visit

Time taken for approval of concept report was 147 days  
Two towns- Ijapur and Elgaum have taken 481 and 354 days respectively  
Others average 50 days

Local bodies have taken initiative to meet shortage of funds by providing ... and ...

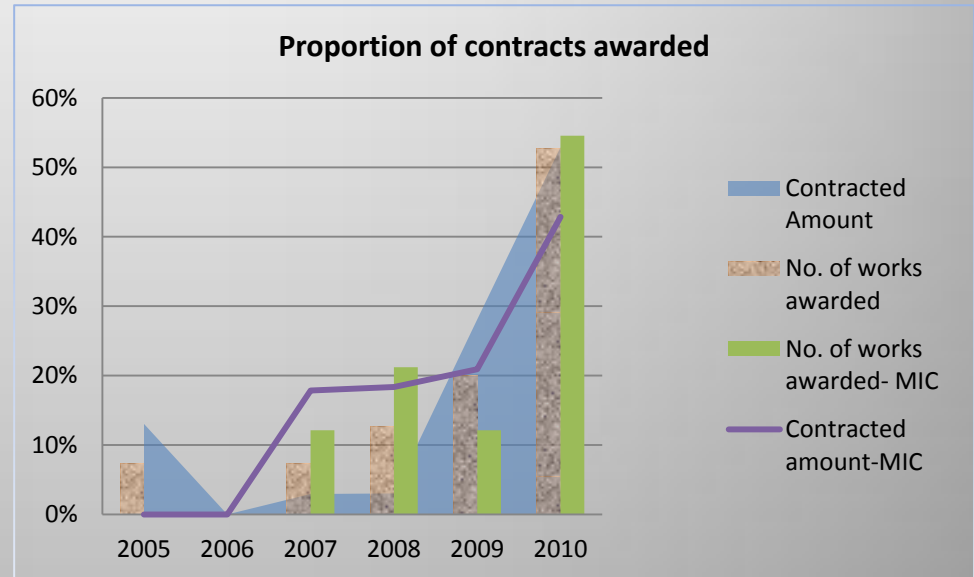
Kaliburi based water supply project approval took 167 days  
6 other local bodies have come forward for Kaliburi based &

# Managing other departments

- Requirements of clearances from various departments is identified at DPR stage itself and advance action is taken to obtain the clearances from line agencies.
- Intensive follow-up
- Absence of any ownership by the other departments
- Lack of objective, time-bound and transparent systems for clearances

# Transforming a Problematic Project- KMRP

- Lack of compensation for delays
- Lack of depth of PMU and weak field level supervision
- 54% of project is with agencies where there is a hierarchical conflict vis-à-vis Project Director
- Urban mapping component



*Work component of ... \-  
experience of analyzing failures and  
intensive monitoring*

*urban mapping component - systemic approach  
25 review meetings in 30 months  
technical advisory committee  
annual preparation*

# PSP contracting

- Challenges
  - Ideological
  - Vested interests- threat to domain
  - Lack of correct risk perception
    - Due to long period of contract
    - Understanding need for its clear allocation
    - Performance requirement
  - Lack of standard bidding processes
  - Weak market of suppliers
  - Funding viability gap
  - Absence of regulator



Thank You