

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS FOR INSTITUTIONAL DEVELOPMENT OF THE ROADS AND HIGHWAYS DEPARTMENT

A. Objective

1. The main objective of the consulting services is to support the Government of Bangladesh (GOB) in developing a roadmap for road sector institutional changes and in implementing key areas for improving the sector management performance. The proposed TA will support selected key areas in conjunction with the ensuing loan, focusing on (i) maintenance, (ii) overload controlling and (iii) a long-term road sector institutional reform and changes to the business process. New business procedures will cover (i) procurement and contracting processes, (ii) planning processes including road asset management, (iii) quality assurance systems, (iv) engineering and technologies (maintenance methods for roads and bridges), and (v) human resources management.

B. Scope of Services

2. The TA comprises 3 components: (i) maintenance scheme, (ii) overloading control scheme, and (iii) RHD modernization. The Consultants will undertake the following tasks in each component.

1. Maintenance Scheme

a. Sustainable financing

- (i) Prepare a detailed maintenance financing strategy and annual financing plan for roads and bridges to eliminate the backlog of maintenance and sustain the asset. The strategy and plan should be implementable and realistic, taking into account the budget constraint, and provide prioritization of the optimal resource allocation to achieve the target of eliminating the backlog in the specified timeframe.
- (ii) Support RHD (HDM Circle) to prepare and adjust annually the financing plan with prioritization, and provide guidelines and manuals how to prepare such adjusted annual plans and re-prioritization under the long-term financing strategy.
- (iii) Recommend a sustainable financing scheme, including possible road maintenance fund. The Consultant would also support implementation of the draft Road Board Act, and may recommend measures to supplement its efficient and effective execution, which could be reflected in rules and regulations.

b. Efficiency in execution and overall maintenance scheme

- (i) Review existing practice/scheme of maintenance (routine and maintenance) for roads and bridges, including the planning approach (prioritization, budget proposal, budget and resource allocation, resource utilization); and execution aspects (technologies/methods; contractual arrangements; works supervision institution at divisional and HQ level, and so on).
- (ii) Identify weakness of the existing practice and recommend measures to address such weakness. The Consultant will provide case studies of international best practices in roads and bridges maintenance with focus on addressing the weaknesses in RHD.

- (iii) Recommend routine and periodic maintenance schemes for roads and RHD bridges, including planning and execution, and identify the need of resources and training for RHD.
- (iv) Prepare operation manuals and standard contracts for maintenance, including various contractual arrangements (e.g., performance-based contracts, long-term maintenance-inclusive construction contracts, maintenance-operate-transfer scheme, etc.)
- (v) Identify a pilot program to undertake initial implementation of the new maintenance scheme for roads and bridges, and undertake pilot implementation of new approaches.
- (vi) Based on these activities, identify the initial training need and prepare the training materials on maintenance (roads and bridges); and recommend resource persons to provide training to RHD officials at the training center.

2. Overloading Control Scheme

- (i) Review existing practice/scheme of overloading control, including strategic locations having weighbridges including type of weighbridges, institutional set-up of enforcing the overloading control, and the practice and its effectiveness in the field level to enforce the overloading control.
- (ii) Identify weakness of the existing practice and recommend measures to address such weakness. The Consultant will provide case studies of international best practices in overloading control with focus on addressing the weaknesses in the country.
- (iii) Recommend an institutional setup for overloading control enforcement, including inter-agency coordination, and monitoring, reporting and supervision by the HQ office.
- (iv) Prepare implementation arrangement for efficient and effective enforcement of the overloading control, including measures to enforce the policy and rules on the spot.
- (v) Prepare field manuals to implement overloading control.
- (vi) Recommend an overloading control program and a time-bound action plan, including measures to strengthen the enforcement of the overloading control policy; and identify the need of resources and training for relevant officials. The Consultants may recommend measures to strengthen the policy, which may be reflected in rules and regulations.
- (vii) Identify a pilot program to undertake initial implementation of the new scheme for overloading control, and undertake the pilot implementation.
- (viii) Based on these activities, identify the initial training need and prepare the training materials on overloading control; and recommend resource persons to provide training to relevant officials at the training center.

3. RHD Modernization

3. For a long-term framework, it is often effective to split functions of road development policy/programming and project implementation. While the MOC would determine the extent of the program, autonomous body like a highway authority and/or a road development corporation would execute the project, e.g., project preparation, design, bidding, and contract awards and management. This will ensure efficient decision making with regards to the implementation of the program and also help build expertise in outsourcing technical work, understanding PPP, FIDIC and other new forms of contracts.

4. The consultants will undertake the services in close consultation with Secretary, the Ministry of Communications (Road Divisions, or MOC hereafter) and RHD officials. They will also conduct training and workshop as required at the division level and at the country level. RHD-wide consultation will also be conducted to disseminate the idea of the business process.

5. The consultants will undertake the following tasks:

- (i) Review and clarify accomplishments and pendings under DFID support to institutional strengthening, and identify past and potential challenges and bottlenecks to enable implementation of institutional changes.
- (ii) Firm up an appropriate institutional structure for managing the overall road network, covering national highways, regional highways and Zilla roads, currently under RHD management.
- (iii) Recommend appropriate management structures for managing each layer of the road network.
- (iv) Review existing and draft laws/acts in other countries, and turn them into a draft Highway Act, incorporating adequate provision for concession arrangements like PPP for consideration by GOB.
- (v) Establish an implementable road map for the institutional changes with realistic timeframe.
- (vi) Recommend and implement new business procedures and provide training to road agencies to enable it to restructure itself in adopting new institutional and management structure.

a. Institutional framework

6. The main task of the consultants under this heading is to seek agreement from the various parties involved in management of road network in the project area. Among other things, they will (i) ensure that RHD/MOC should remain responsible for all national highways, regional highways and Zilla roads, or is dedicated only to strategically important roads with other roads left to other agencies such as LGED; (ii) determine what functions and powers RHD and MOC and a new road agency (or an RHD Wing) are required for effective corridor management and (iii) identify an efficient and effective structure of RHD to be able to work as project implementation agency for dedicated roads, and accountable roles of MOC for policy making and monitoring the progress of RHD works.

b. Management structures

7. The institutional framework analysis should have determined how each part of the road network is to be managed. The Consultants will recommend appropriate organizational and management structures for the road sector management. The consultant will:

- (i) Recommend an appropriate organizational structure for the road sector institution such as RHD, and a set-up of a new road authority and/or an RHD Wing. The recommendations should include the need for a management board or structure and its functions, composition, etc.; and spell out the relationship among the relevant ministries such as Communications, Establishment, Finance, etc. and the role of the management and its chief officer.
- (ii) Define the middle-management structure. Such arrangements should spell out the regional structure of proposed organizations. The proposals should indicate

the middle management structure, how it relates to the chief officer and what power is delegated from the chief officer.

- (iii) Structure and complete a personnel database and develop an overall organogram.
- (iv) Propose suitable financial reporting and accounting arrangements.
- (v) Propose arrangements for establishing a performance budgeting system for planning, implementing and monitoring road maintenance. Also propose an appropriate auditing system, including internal audit and control procedures, together with independent external audit arrangements.

c. Detailed Institutional Arrangement

8. The consultant will review examples in other countries, and taking into account the work specified in the above TOR and the draft Public Roads Act, and recommend a detailed institutional arrangement, including road classification mechanism, detailed responsibilities of agencies, road financing mechanism and strategy with adequate provision of concession arrangements like Public Private Partnership (PPP) for consideration by the Government, which should have separate areas dealing with:

- (i) The general responsibilities of RHD and the Government with regard to classifying roads, assigning them to road development entities such as RHD and/or a road agency, promulgating authorized road signs and signals, setting appropriate geometric standards for the construction of roads, issuing of notices regarding regulation of roads and road traffic (e.g., regulations governing vehicle weight and dimensions), and delegating administration of the above responsibilities to a designated road agency.
- (ii) The detailed responsibilities of road agencies, including its role (if any) in negotiating and signing contracts to have part of the road network under its jurisdiction managed under a concession agreement, e.g., BOT projects.
- (iii) Road financing mechanism including the establishment of the road fund, road board, and its basic working modalities, including operationalization guidance for tolling.

d. Business procedures

9. Adherence to the old codes and procedures are sometimes the cause of delays in preparing and implementing projects. Decision-making is not sufficiently decentralized and operational decisions are delayed due to too many layers of interventions.

10. It is expected that the consultants would assist transform RHD into modern road management agency. This requires introduction of a new business procedures, covering:

a) Procurement processes

- (i) Undertake the procurement review for the ADB-financed project and other selected projects and provide suggestions to improve and expedite the procurement processes.
- (ii) Review the improvements RHD will be making to the procurement process and procedures based on its (a) participation in the pilot PPR Reform II initiatives and (b) other steps that will be initiated by RHD.

- (iii) Review the use of the Government's e-tendering system within RHD, and suggest improvements in the wider and more efficient use of the system in RHD..
- (iv) Support RHD in rolling out the e-tendering systems for more works.

b) Planning processes

- (i) Develop norms for road development and maintenance, and implement in planning and design.
- (ii) Develop a program for RHD to implement in collecting/updating data of road conditions, road inventory and traffic.
- (iii) Provide training to staff at division and HQ levels about methods of data collection, traffic forecast and road asset management.
- (iv) Complete the first cycle of data collection and analysis with division office staff. The survey will cover road inventory, road conditions and traffic. Data collection format, and appropriate survey teams and program should be formulated.
- (v) Conduct analytical work.
- (vi) Prepare a 5-year road improvement/maintenance program, based on road conditions (refer to Section 1.a "Sustainable financing").

c) Quality assurance systems

- (i) Identifying the enhancement of the existing institutional setup and the resources requirement to improve.
- (ii) Establish a quality assurance strategy and arrangement, including a quality management manual, procedures at both division and field levels, and reporting system, taking into account the computerized management information systems (CMS) and the weakness of the internal control mechanism.
- (iii) Pilot-test the manual on a sample of different types of works. Train the staff to use the manual. Assist RHD in operationalizing the manual and reporting system.
- (iv) Assist RHD to identify and prepare specifications for and procure testing equipment and facilities for the quality management system.

d) Pre-construction activities (strengthening environment and social cell)

- (i) Help RHD strengthen the environmental and social cell, initially comprising an environmental specialist, and strengthen the capacity in environmental assessment and social analysis (e.g., employment opportunities in construction, risks of human trafficking and STI transmission) and in resettlement planning and management at all stages of the project cycle.
- (ii) Prepare guidelines and operationalize procedures for RHD to carry out environmental assessments and implement effective environmental management plans (EMPs) for construction and maintenance works. Recommend, and help RHD implement, improvements to technical specifications relating to environmental protection for inclusion in standard bid documents. Train RHD staff members to implement and monitor EMPs and environmental protection measures and specifications and fulfill all relevant statutory requirements such as environmental clearance from the Department of Environment.
- (iii) Prepare guidelines and operationalize procedures to incorporate social analysis into all parts of the project cycle. This will enable RHD to evaluate the impacts of

road improvements on the poor, indigenous peoples, and other disadvantaged groups, and to build approaches into projects to maximize benefits to these groups.

- (iv) Build the capacity for RHD to prepare resettlement plans for land acquisition and involuntary resettlement.
- (v) Develop guidelines and implementation procedures for social analysis and resettlement planning.
- (vi) Prepare environment assessment reports, social assessment reports and resettlement plans for selective projects with the officials in the Cell.
- (vii) Prepare monitoring reports on environment, social and resettlement implementation for selective projects with the officials in the Cell.

C. Reporting

11. The consultants will provide ADB with progress reports on the institutional strengthening action plan, including achievements, problems and recommendations. The consultants will prepare specific reports (working reports) in accordance with the terms of reference (TOR). These progress working reports should be submitted monthly. The consultants will also consolidate these working reports by each task into the following reports with an executive summary (except the inception report):

- (i) The inception report within 3 weeks of engagement, elaborating on the initial work program;
- (ii) The first interim report after 4 months of engagement, providing proposed schemes for maintenance and overloading control; and proposed alternative power allocations among road sector institutions and possible needs of legal backing;
- (iii) The second interim report after 10 months of engagement, providing operation manuals and standard contracts for maintenance for various contractual arrangements; recommendations of implementation arrangement for efficient and effective enforcement of the overloading control; and initial draft of acts/regulations/rules as required to implement the recommended institutional changes, and the agreed implementation road map for institutional changes;
- (iv) The draft final report 1 month before TA completion, including the progress of initial implementation of institutional changes; and
- (v) The final report on TA completion, incorporating comments by the Government and ADB, providing future tasks to be rolled out for overall sector development.

12. All reports will be shared with JICA and the Japanese Embassy in Dhaka. The result will be shared in ADB brownbag seminars and/or transport forum as well

13. The consultants, in consultation with RHD, will prepare a training program in the areas specified in the TOR. The consultants will prepare comprehensive training proposals, including selection criteria for candidates, training objectives, cost estimates and so on.

D. Staffing

14. The TA will be implemented for 18 months from April 2013 to October 2014. International inputs of 46 person-months and national inputs of 58 are required as in Table 1.

Table 1: Person-month Requirement

International		National	
Institutional management/business procedure specialist/Team Leader	7	Business process specialist/Deputy Team Leader	9
Legal specialist	3	Legal specialist	4
Road maintenance specialist	6	Road maintenance engineer	9
Bridge maintenance specialist	6	Bridge maintenance engineer	9
Quality control and management specialist	5	Quality control engineer	9
Overloading control specialist	6	Resettlement and social development specialist	9
Financial analysis and management specialist	4	Environment specialist	9
Procurement and contract management specialist	4		
E-tendering systems specialist	2		
Road asset management systems specialist	3		
Total (International)	46	Total (National)	58