Appointment of TPIM – Modification to Toolkit
(Supplementary to TPIM toolkit)

In the 64th meeting of CSMC, while approving the proposal of TPIM for the state of Maharashtra, the Committee had observed

- TPIMA should be for the State as a whole or for a geographic region and not for each project.
- TPIMA should be able to take fresh projects in the vicinity to avoid procedural delays and costs in engaging another TPIMA.

2. The maximum permissible fee for TPIM under BSUP is 0.5% of the project cost whereas under IHSDP it is 0.25% of the project cost. The same is needed to be rationalized for following reasons:
   - The size of an IHSDP project is relatively much smaller as compared to BSUP project.
   - While BSUP projects are located in Mission cities, IHSDP projects are often at far-away locations.
   - It is also accepted that each project requires desk review and a minimum number of site visits for a good quality check by the Agency and a meaningful report to come out. The fee for desk review is prescribed in the range of Rs. 2.0 lacs and fee for site visit at Rs. 50,000.

Therefore, 0.25% of the project cost under IHSDP is not sufficient to cover these aspects.

3. The existing panel of 16 agencies needs to be expanded. Each agency can take up a specified quantity of work at a time depending upon the Band in which it falls. The Band is pre-decided on the basis of annual turnover of the agency. The bands of empanelled agencies need to be revised by taking into account their latest turnover.
4. The Committee considered these issues and decided that:

- States may choose to appoint a single agency or divide the work amongst few agencies by resorting to grouping of projects. However, the agency should be able to take up work as per its capacity defined in the Toolkit.

- The TPIM work can be allotted to an agency as per following limits:
  a. The fee for desk review should not exceed Rs. 2.0 lacs and fee per visit should not exceed Rs. 50,000 within overall cap of Rs. 9,00,000 for a BSUP project and Rs. 8,00,000 for an IHSDP project.
  b. The overall cost should not exceed 0.5% of the project cost under BSUP.

While, the limits for Rs. 50,000 per site visit and Rs. 2.0 lacs will continue to apply with maximum site visits under BSUP and under IHSDP prescribed at 14 and 12 respectively, the limit of 0.5% of the project cost under BSUP or the limit under IHSDP, as the case may be, would apply to the package (group of projects) as a whole because a single quote will be called for the package or a group of projects.

- The States may choose to award new or forthcoming projects to lowest bidder or selected agency in the vicinity even after award of work at the same rates. The States need to specify this intention at time of calling bids.

- The States need to fix the number of visits for each project in a package before calling bids. The number of visits in each project may be fixed on the basis of size of project or the progress of project or any other criteria decided by the State. The package will, thus, have a fixed number of visits known to the bidders.
• The States may also choose to call only financial quotes from the prequalified empanelled agencies. However, if the bids are to be called from a larger panel, then States need to prequalify the other agencies by following the same criteria specified in the toolkit.

• The panel of agencies would be expanded by inclusion of agencies empanelled by MoUD for carrying out IRMA work. The panel would be valid till end of Mission period.

• The Band of each empanelled agency would be revised for existing panel and awarded to new agencies being included by taking into account the turnover of the respective agency for F.Y. 2008-09. Similar revision would take place at the beginning of every year. Mission Directorate would revise the bands.

• The maximum permissible limit for TPIM work under IHSDP is raised to 1% of the project cost to rationalize the existing provisions.

5. The Committee also observed that empanelled agencies are submitting their bids simultaneously in different States and there is possibility of an agency getting work from different States which would be more than its specified capacity as per band allocated. In view of this, it was suggested that States, while limiting their TPIM work to the capacity of the agency as per band allocation would also exercise caution in the following manner:

• The agencies should be asked to submit the details of TPIM work of BSUP and IHSDP already awarded to them by any State.

• States need to check the value of TPIM work an agency has already been awarded at any point of time and the time period over which it has to execute the work and staggering of TPIM work awarded to an
agency. The band capacity of an agency will change dynamically depending on the value and time period of the work being awarded to it. State Govt. needs to take appropriate decision considering the above points.

6. The Committee also observed that 16 agencies have been empanelled by MoHUPA for TPIM work and 14 agencies empanelled by MoUD for Independent Review and Monitoring (IRMA). The Committee decided to include all IRMAs in the TPIM list. Till date around 1300 projects have been sanctioned under BSUP & IHSDP. Considering the value of TPIM work would be to the tune of Rs. 100 crore, it will be difficult for the States to allot the work to the empanelled agencies within the present band limits. At the time of empanelment of TPIM agencies their turnover for the F.Y. 2006-07 was taken into consideration for fixing the band limit. In view of above, CSMC has decided to raise the band limits as given below:

**Revised Band Limits**

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<thead>
<tr>
<th>Band</th>
<th>Turnover</th>
<th>Eligible for work worth</th>
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<tbody>
<tr>
<td>Band I</td>
<td>Turnover less than Rs. 25 lakh per annum</td>
<td>Rs. 25 lakh at any point of time</td>
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<tr>
<td>Band II</td>
<td>Turnover equal to or more than Rs 25 lakh per annum but less than INR 50 lakh per annum</td>
<td>Rs. 50 lakh at any point of time</td>
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<tr>
<td>Band III</td>
<td>Turnover equal to or more than Rs 50 lakh per annum but less than INR 100 lakh per annum</td>
<td>Rs. 100 lakh at any point of time</td>
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<tr>
<td>Band IV</td>
<td>Turnover equal to or more than Rs 100 lakh per annum but less than INR 500 lakh per annum</td>
<td>Rs. 200 lakh at any point of time</td>
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<tr>
<td>Band V</td>
<td>Turnover equal to or more than Rs 500 lakh per annum</td>
<td>Rs. 500 lakh at any point of time</td>
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