

Guidelines for Project Management Agency (PMA) for DDUGJY

1.0 Background

- 1.1 Government of India has launched Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) to extend financial assistance against capital expenditure to supplement the efforts of DISCOMs/Power Departments in strengthening and augmenting distribution infrastructure in Rural areas of the country.
- 1.2 As per guidelines of DDUGJY, an appropriate Project Management Agency (PMA) is to be appointed preferably utility wise to assist them in project management and ensuring timely implementation of the projects. The utilities may deploy same agency as PMA for both IPDS & DDUGJY scheme for better coordination, operational efficiency and cost optimization. Further, to avoid conflict of interest:
 - a) The Agency appointed as PMA shall not be appointed as executing agency (under IPDS as well as DDUGJY) in respective state.
 - b) The beneficiary utilities shall not engage themselves or their subsidiaries / JVs as their PMA.
- 2.0 **Funding of PMA:** 100% grant will be provided by Government of India towards expenditure incurred on Project Management Agency (PMA) as per provision in the scheme up to 0.5% of approved project cost or award cost whichever is lower. The utility has to bear any cost beyond provision from its own resources for deployment of PMA.
- 3.0 **Appointment Mechanism:** Utility to appoint an appropriate Project Management Agency (PMA) to assist them in project formulation, bidding process, monitoring the physical & financial progress of these schemes. Main responsibility of the PMA shall be to assist utility and ensuring timely implementation of the project as per Guidelines of DDUGJY. Appointment of PMA is a Pre-requisite for release of any funds from Nodal Agency under the scheme. The utilities may appoint any PMA from CPSUs or through Open bidding as per their policy/ guidelines.
- 4.0 Broad framework of duties, responsibilities and disbursement conditions for their fees and other aspects, but not limited to, are indicated below. Utilities may enhance the scope of PMA beyond the following as per their requirement, but Government of India assistance towards PMA shall be limited to 0.5% of approved cost or award cost whichever is lower.

5.0 Scope of works

Illustrative scope of services shall be as under:

- i. Project Formulation (Optional)
 - a) Preparation of Need Assessment Document
 - b) Formulation of DPR's
- ii. Monitoring and coordination of bidding process (Mandatory):
 - a) Assist utilities in preparation of tender documents for appointment of turnkey contractor.
 - b) Assist utilities in bidding process (including pre bid meetings etc) and technical evaluation of bids.
 - c) Assist the utilities for placement of Letter of Award and related activities.
- iii. Project Planning and Implementation (Mandatory):
 - a) Assisting Discoms in preparation of detailed work implementation schedule in association with turnkey contractor.
 - b) Coordination & monitoring of project implementation activities.
 - c) To monitor DPR wise monthly physical & financial progress of the scheme, prepare a consolidated report & submit to utility for onward submission to Nodal Agency.
 - d) Identification of anticipated bottlenecks in project implementation & preparation of remedial action plan in consultation with utilities & project implementing agency (Contractor).
 - e) To assist utilities in addition of the created assets to their asset register.
 - f) Recommend the claim of utility for fund release from Nodal Agency. The recommendation is to be supported by a report on expenditure, progress and constraints if any for timely completion of project.
 - g) Submit a report to Nodal Agency, regarding Project Completion and expenditure incurred along with recommendation in accordance with the guidelines.
 - h) To assist utility in supervision of flow of funds in dedicated bank account of projects.
- iv. Quality Monitoring (Mandatory):
 - a) To prepare a Quality Assurance (QA) Plan with the approval of the utility
 - b) To carry out field quality inspection of ongoing/ completed works
 - c) Joint inspection (along with representative of state utility) of material at site on sample basis i.e. 10% of major materials (Poles, Conductor, Meters, Transformers, Cable).

- v. MIS & Web Portal up-dation (Mandatory):
 - a) Assisting utilities in timely updation of information on utility / Nodal Agency Web Portal.
 - b) Periodic reporting to the Project Management Cell of utility.
- vi. Coordination with Nodal Agency/ MoP and any other works as may be required to achieve the objectives of the scheme.

6.0 Tenure of appointment

The term of appointment of the PMA shall be for (6+24+3=33) months i.e., 6 months for completion of bidding process, 24 months for completion of works under the scheme and 3 months for associated activities after completion of works. The Zero date for a particular project shall be the date of approval from Monitoring Committee. In case of appointment of utility-wise PMA, the respective zero date(s) shall be conveyed to the PMA in project wise manner by the utility (if all the projects are not approved in one go). In case of execution of works under the project beyond 24 months, the services of PMA shall be suitably extended by utility, however the extent of grant shall be limited as per the provision.

7.0 Establishment and Coordination

PMA has to establish their offices including deployment of requisite manpower, vehicles and other infrastructure to supervise the project suitably at utility headquarter's and circle/district level as per the requirement to oversee the project for smooth interface with utility and contractor on day to day basis.

8.0 Payment terms for PMA

The indicative terms of payment may be as under:

- a. 10% as Mobilization Advance.
- b. 80% in phased manner on the basis of achievement of project milestones (to be decided by Utility).
- c. Remaining 10% may be released after 3 months of completion of works and release of final installment of grant to the utility by Nodal Agency.
- d. Utility to suitably incorporate payment terms on account of delay for which extended services of the PMA shall be required to be endeavored.
