



**ABSTRACT**

1339

Tamil Nadu Health Systems Reforms Project – Contracting the services of an Independent Verification Agency for Verification of the results achievement of the Disbursement linked Indicators - Orders -Issued.

**HEALTH AND FAMILY WELFARE (EAPI-1) DEPARTMENT**

**G.O.(Ms).No.53**

**Dated: 28.02.2019**  
**Thiruvalluvar Aandu – 2050**  
**Vilambi, Masi – 16**

**Read :**

From the Project Director, Tamil Nadu Health Systems Reforms Project, letter No. 4668/ TNHSRP/E1/ 2015, dated: 16.10.2018.

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**ORDER:**

In the letter read above, the Project Director, Tamil Nadu Health Systems Reforms Project has stated :

- (i) this Project is to be implemented with funding support from World Bank,
- (ii) the Project Appraisal is scheduled to be held on 12.11.2018,
- (iii) the Project Negotiations with the Department of Economic Affairs and World Bank is scheduled for December 2018,
- (iv) the World Bank Board approval is expected in February 2019 and during March the Project Agreement is likely to be signed. The Project is expected to become effective from April 2019,
- (v) the proposed total Project cost is estimated at Rs.2685.91 crores and the Project implementation period will be for 5 years from financial year 2019 to 2024,
- (vi) this project is a P for R project which is a Program for Results Project. This means the disbursement of funds will be made by the World Bank based on the results achieved on various agreed activities of the Project. This will be determined by certain indicators which are Disbursement Linked Indicators (DLI). These DLIs will be verified by an Independent Verification Agency (IVA) which is a consulting firm to be contracted by the Project,
- (vii) the Independent Verification Agency will verify the results on the basis of the Disbursement Linked Indicators in the project facilities and other areas and submit a report to the project at periodical intervals. Based on this report only the disbursement claims can be submitted and reimbursement of Government funds spent by the project for the activities. There are eleven Disbursement Linked Indicators which have got various midterm and intermediate results outputs /

outcomes. A total of 287 million US dollars worth of funds will be disbursed through this mechanism.

- (viii) the Department of Economic Affairs Filters in order to consider this project for Negotiations during December 2018 the Request for Proposal (RFP) should have been provided to the short listed consultancy firms after calling for Expression of Interest (EOI) by the time of Appraisal of the project which is fixed on 12.11.2018. Hence there is an urgent need for Government orders to hire the services of an Independent Verification Agency (IVA). The scope, deliverables of the consultancy and the Disbursement Linked Indicators (DLIs).
- (ix) the duration of the Consultancy will be for a period of 5 years from the date of contract extendable as per the need by the mutual consent of both the parties on the same terms and conditions. The cost of Consultancy is worked out as Rs. 1.00 crores per annum for a period of 5 years totaling Rs. 5.00 crores approximately and will be paid based on deliverables. The Consultancy Firm will be selected by following Quality and Cost Based Selection (QCBS) method of World Bank Procurement Procedures / Two cover method of Tamil Nadu Transparency of Tenders Act.
- (x) the procurement agency for procuring this consultancy firm as Independent Verification Agency (IVA) will be Tamil Nadu Medical Services Corporation Ltd which has got the expertise in the procurement of works, goods and services for the Government Departments.
- (xi) the process of hiring of the Consultancy firm as Independent Verification Agency (IVA) is to be carried out now to meet the conditions of the Department of Economic Affairs (DEA). The consultancy will come into force after the project agreement is signed with the World Bank and the Project activities are started which will be intimated to the Government by the Project Director,
- (xii) an initial payment of 5% of the total value of Consultancy will be made on submission of inception report, work plan and bank guarantee. Rest of the payment will follow as per the deliverables given in the Terms of Reference (TOR) which will be reflected in the contract agreement.
- (xiii) the non recurrent cost involved for this proposal is as follows:

| S.No | Activity  | Cost             | Remarks   |
|------|---|------------------|---|
| 1    | Advertisement calling for Expression of Interest (EOI) by TNMSC | Rs.20.00 lakh    | Funds to be transferred to Tamil Nadu Medical Service Corporation |
| 2    | Approximate cost of consultancy (IVA)                           | Rs.500.00 lakh   | Over a period of 5 years from FY 2019 to FY 2024                  |
|      | Total   | Rs. 520.00 lakhs |   |
|      |   |                  |   |

- (xiv) The expenditure to be incurred should be met out of Tamil Nadu Health Systems Society funds and booked under the Government of Tamil Nadu part of Tamil Nadu Health Systems Reforms Project funds.

3. The Project Director, Tamil Nadu Health Systems Project has therefore requested the Government to issue necessary orders in this regard.

4. The Government after careful consideration, accept the proposal of the Project Director, Tamil Nadu Health Systems Reforms Project and issue the following orders:-

- (i) The Project Director, Tamil Nadu Health Systems Reforms Project is permitted to hire the services of an International Consulting Firm with a good annual turnover and with prior experience in similar assignments as an Independent Verification Agency preferably in World Bank / Asian Development Bank (ADB) or other similar agencies for the Tamil Nadu Health Systems Reforms Project for Verification of the results achieved based on the achievement of the Disbursement Linked Indicators and to report on implementation and / or Data challenges that are noted by the IVA during the verification process.
- (ii) To hire the above said IVA by means of a detailed Terms of Reference approved by the World Bank. The duration of the Consultancy will be for a period of 5 years from the date of contract extendable as per the need by the mutual consent of both the parties on the same terms and conditions. The cost of Consultancy is worked out as Rs. 1.00 crores per annum for a period of 5 years totaling Rs. 5.00 crores approximately and will be paid based on deliverables. The Consultancy Firm will be selected by following Quality and Cost Based Selection (QCBS) method of World Bank Procurement Procedures / Two cover method of Tamil Nadu Transparency of Tenders Act.
- (iii) The procurement agency for procuring this consultancy firm as Independent Verification Agency (IVA) is the Tamil Nadu Medical Services Corporation Ltd which has got the expertise in the procurement of works, goods and services for the Government Departments.
- (iv) The process of hiring of the Consultancy firm as Independent Verification Agency (IVA) is to be carried out now to meet the conditions of the Department of Economic Affairs (DEA). The consultancy will come into force after the project agreement is signed with the World Bank and the Project activities are started which to be intimated to the Government by the Project Director.
- (v) An initial payment of 5% of the total value of Consultancy will be made on submission of inception report, work plan and bank guarantee. Rest of the payment will follow as per the deliverables given in the Terms of Reference (TOR) which will be reflected in the contract agreement.

(vi) The non recurrent cost for this purpose is as follows:

| S.No | Activity  | Cost            | Remarks   |
|------|---|-----------------|---|
| 1    | Advertisement calling for Expression of Interest (EOI) by TNMSC | Rs.20.00 lakh   | Funds to be transferred to Tamil Nadu Medical Service Corporation |
| 2    | Approximate cost of consultancy (IVA)                           | Rs.500.00 lakh  | Over a period of 5 years from FY 2019 to FY 2024                  |
|      | Total   | Rs. 520.00 lakh |   |

(vii) The expenditure sanctioned in para(vi) above should be met out of Tamil Nadu Health System Society funds and booked under the Government of Tamil Nadu part of Tamil Nadu Health Systems Reforms Project funds.

6. This order issues with the concurrence of the Finance Department vide its U.O.No.64918/ Finance ( EAP) / 2018, dated: 28.02.2019

**(BY ORDER OF THE GOVERNOR)**

**BEELA RAJESH  
SECRETARY TO GOVERNMENT**

To  
The Director of Medical Education, Chennai-10,  
The Project Director, Tamil Nadu Health Systems Reforms Project, Chennai-6.  
The Principal Account General (A&E), Chennai-18.  
The Principal Account General, (Audit I) , Chennai-18.  
Copy to  
The Finance (Health-II/BG-I/BG-II) Department, Chennai-9.  
Health and Family Welfare (B / Data Cell) Department, Chennai-9.  
The Managing Director, Tamil Nadu Medical Service Corporation Ltd.,Chennai-8.

**//FORWARDED BY ORDER //**

*C. Mukthiyar Begum*  
**(C. MUKTHIYAR BEGUM)**  
**UNDER SECRETARY TO GOVERNMENT**