

## **Sindh Mass Transit Authority [SMTA] – Karachi Mobility Project [KMP]**

### **Terms of Reference (TORs) for – Probity Assurance Provider (PAP)**

#### **1. Introduction**

Karachi, a sprawling metropolis facing significant urban mobility challenges, is currently taking decisive steps to address its transport issues through the implementation of a Bus Rapid Transit System (BRTS) as outlined in the Karachi Urban Transport Master Plan of 2030. The Federal and Provincial Governments, along with the Sindh Mass Transit Authority (SMTA), have been driving efforts since 2018 to realize this comprehensive urban mobility solution. These endeavors encompass various aspects: finalizing roadworks, selecting BRTS operators for the Green/Orange Corridor, advancing contracts for detailed engineering design and business plan formulation for the Red Corridor, and refining preliminary design and feasibility studies for the Yellow Corridor.

Sindh Government has received World Bank financing towards the costs of supporting the infrastructure development and operational framework of the Yellow Corridor within the larger Karachi Mobility Project (KMP). Through a blend of funding instruments, the Bank aims to optimize resources for BRTS development and operation. The KMP embraces an integrated corridor management strategy, aiming to enhance mobility, accessibility, and safety for all road users along the route. By rejuvenating dilapidated road sections, enhancing traffic management, and addressing parking challenges, this project holds the potential to benefit over 700,000 residents, particularly those in the Korangi industrial area.

The Project implementation is designed in a way that specific officers from the SMTA as well as additional staff/specialists/individual consultants are nominated as a Project Management Team (PMT) headed by the Project Director.

The SMTA and its PMT wish to engage an independent Probity Assurance Provider (PAP) to provide assurance that procurement negotiations are conducted in accordance with the principles of fairness, transparency, integrity, accountability, confidentiality, and applicable World Bank Procurement Regulations

#### **2. Description of the Karachi Mobility Project**

The Project Development Objective (PDO) is to improve mobility, accessibility, and safety along selected corridors in Karachi. The delivery of the Project is designed around a mix of publicly procured contracts needed to deliver the Project infrastructure and consultancies. It also includes a Public-Private Partnership (PPP) contract for the operation of the BRT system over a 10-year concession period, whereby a private operator will finance, procure, supply, operate, and maintain various goods and systems. Based on the financial analysis, and to minimize the operating subsidy, it was agreed that the Project would support the concession via a working capital subsidy.

The Project components consist of activities of different natures and scales including infrastructure detailed design and construction supervision, procurement of various

consulting services, rolling stock and ITS equipment, construction contracts, capacity building, and stakeholder engagement as well as safeguards and media strategies.

The Project consists of the following three components:

**Component I: Urban Road Infrastructure - Yellow Corridor**

- (a) Rehabilitating or reconstructing road infrastructure (including improving and shifting related utilities such as street lighting, sewer/water supply, drainage, oil pipeline), bridges, and non-motorized transport facilities (such as motorcycle lanes, footpaths, and pedestrian crossing) along the Yellow Corridor and its direct and feeder service routes
- (b) Implementing environmental and social recommendations and mitigation measures before and during construction
- (c) Carrying out detailed designs, construction supervision activities and third-party monitoring;

**Component II: The Development and Operationalization of a BRT System**

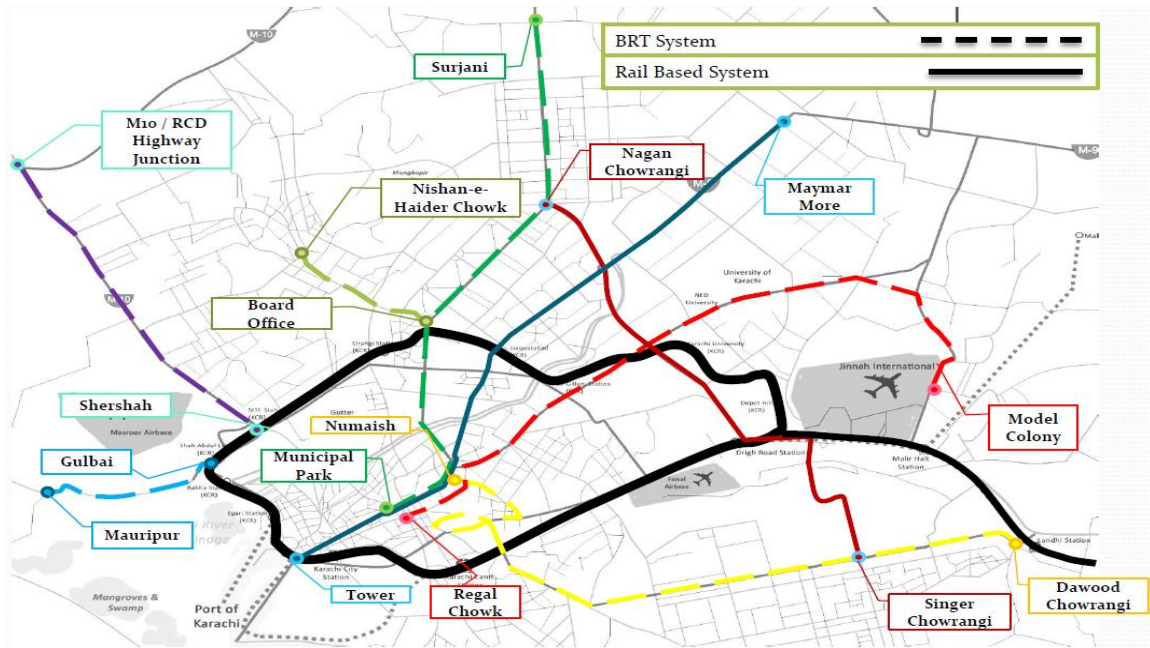
- (a) Constructing and equipping bus rapid transit facilities (including segregated busways, interchange facilities, stations, terminals, and depots) along the Yellow Corridor
- (b) Providing working capital subsidy for the concession of the BRT operation for the Yellow Corridor
- (c) Implementing social management and impact mitigation measures including the labor redeployment for the affected existing bus operators such as drivers, conductors, and route managers
- (d) Implementing and monitoring the SMP including its actions to mitigate gender-based violence and actions to improve women's mobility and economic participation options;
- (e) Designing a transit-oriented development strategy for the Yellow Corridor
- (f) Providing PPP transaction advisory services for BRT operation concession
- (g) Carrying out a program of regular engagement with key stakeholders; and implementing a public relations and media strategy to generate support for and disseminate information on the bus rapid transit system;

**Component III: Capacity Building and Technical Assistance**

- (a) Supporting project management and providing technical assistance for the implementation of social measures
- (b) Provision of technical assistance in traffic management and road safety
- (c) Supporting the regional transport authorities in automating the management and monitoring of bus route permits
- (d) Carrying out capacity-building activities to strengthen SMTA and support the consolidation and improvement of the management of the urban transport sector in Karachi.

## 2.1 BRT Yellow Corridor

The Yellow Corridor, constituting an integral part of the planned Karachi Mass Transit System (KMTS), spans approximately 21 km from Dawood Chowrangi to Numaish (Figure-1) comprising seven segments (Table 1) which include two Depots (near Dawood Chowrangi and Christian Colony near Indus Hospital), Bus Stations and Off-Corridor Routes, this corridor envisages a transformative mobility solution for Karachi. Its strategic significance lies in addressing urban mobility challenges, ensuring accessibility, and enhancing safety for over 700,00 individuals, particularly those within the Korangi industrial area.



**Figure 1: Planned Mass Transit Corridors**

**Table 1: Yellow Corridor segments**

| Segment      |                                                                            | Length [KM] |
|--------------|----------------------------------------------------------------------------|-------------|
| 0            | Dawood Chowrangi - from bus depot entrance to Dawood Chowrangi             | 0.3         |
| 1            | Future Colony - from Dawood Chowrangi terminal to Mansehra Colony          | 1.15        |
| 2            | 8000 Road - from Mansehra Colony to Malir River bridge (Jam Sadiq)         | 10.65       |
| 3            | Malir River bridge (Jam Sadiq)                                             | 1.1         |
| 4            | KPT interchange                                                            | 0.85        |
| 5            | Korangi Road - from KPT Interchange to Sharah-e-Faisal Interchange         | 3.9         |
| 6            | Shahrah-e-Faisal - from Shahrah-e-Faisal Interchange to Shahrah-e-Quaideen | 1.65        |
| 7            | Shahrah-e-Quaideen - from Shahrah-e-Faisal to M.A. Jinnah Road             | 1.4         |
| <b>Total</b> |                                                                            | <b>21</b>   |

Strategically project is divided into five infrastructure works packages, the Yellow Corridor's development encompasses various segments, from roadworks to bridge construction. The planned improvements and enhancements are poised to alleviate road congestion, optimize traffic management, and address the immediate needs of the communities within its reach. This comprehensive endeavor envisions a modernized urban transportation system that aligns with the Karachi Mobility Project's overarching goals.

### **Figure 2: Yellow Corridor Segment**

The PMT has already undertaken the procurement of consulting services to provide Detailed Design, Procurement Support, and Construction Supervision services. This



consultant is preparing a detailed design based on the available preliminary design results and recommendations, will finalize the safeguard documents, will prepare the bidding documents for construction contracts (including the Employer's requirements for a 1.1 km long bridge to be undertaken in the EPC mode), provide necessary technical and logistics support during the procurement process of construction works, supervise the construction works, implement the BIM and provide capacity building sessions to the Client. It may be noted that the capacity building and skill development services/training required in these TORs will be different from those included in the above-mentioned contract.

All procurement activities under the KMP will be made using the **WB Procurement Regulations for IPF Borrowers for Goods, Works, Non-Consulting and Consulting Services (July 2016; revised November 2017 and August 2018)**. Based on the Yellow BRT Corridor segments and the complexity of the operations during the construction phase, the summary of anticipated procurement packages is provided in Table 2 below. Currently the Package I (Lot I, Depot 1 and Lot II, Depot II) and Package IV (New Jam Sadiq Bridge) is in construction phase and BRT Package's design are finalized and Notice Inviting to Tenders will be issued after approval of Procurement Documents by the World Bank.

**Table 2: Yellow Corridor Infrastructure Works Packages**

| <b>Works package</b>                                                                    |
|-----------------------------------------------------------------------------------------|
| Package 1: Lot I (Construction of Depot 1), Lot II (Construction of Depot 2)            |
| Package 3A and 3B: Road corridor & BRT infrastructure (segments 0, 1 and 2)             |
| Package 4: Construction of New Jam Sadiq Bridge 1.1 km long (Segment 3)                 |
| Package 5 Lot I and Lot II: Road corridor & BRT infrastructure (segments 4, 5, 6 and 7) |
| Package 6 Lot I and II: Off-corridor improvements                                       |

Apart from the above-mentioned construction contracts, there are contracts related to the procurement of rolling stock, ITS equipment, and operationalization of the BRT corridor in all aspects to be undertaken as a part of the Project. Additionally, there are contracts related to various consultancies (transit-orient demand strategy, stakeholder engagement, etc.) to be undertaken over time as a part of the Project.

Furthermore, independent consulting firms will be hired as Third-Party Monitoring Agent (TPMA) and Project Management Consultant (PMC) to provide a monitoring layer to ensure that the Bank's funds executed by the implementing agency (i.e., SMTA) are utilized for the purposes specified in the loan agreement and provide expected results.

### **3. Procurement Process Covered by the Assignment**

This assignment shall apply specifically to the negotiations associated with **Package 3B**. The PAP's review shall cover all activities related to the negotiation process from issuance of the invitation to negotiate through completion of negotiations, negotiation minutes, and contract finalization recommendations. The PAP shall assess compliance against the applicable procurement documents, approved negotiation plan, World Bank Procurement Regulations, World Bank no-objection communications, and relevant provisions of the Financing Agreement.

### **4. Scope/ Objectives of PAP**

To provide independent assurance that the negotiations are conducted in accordance with the principles of integrity, fairness, transparency, accountability, and confidentiality.

The PAP shall provide independent assurance that:

- the negotiation process is conducted consistently with the approved procurement framework;
- all bidders are treated fairly and consistently;
- no material deviation is introduced to the scope, specifications, allocation of risks, qualification requirements, or contractual conditions without appropriate approvals;
- any probity risks are identified, documented, and appropriately managed.

### **5. Duties of Assignment / Deliverables**

## **5.1 Specific Tasks and Responsibilities**

The PAP shall remain independent from the Employer, evaluation committee, procurement committee, and bidders throughout the assignment. The PAP shall not participate in any procurement decision-making process, evaluation activities, negotiation strategy discussions, or contract award recommendations.

The Probity Assurance Provider shall:

- The PAP should familiarize himself with the documents of the procurement process including bidding document, evaluation reports, bidders' technical and financial bids, World Bank no-objection letters, invitation to negotiation and negotiation plans to understand the process and requirements.
- Attend all negotiation meetings as an independent observer; observe and monitor the conduct of negotiations to ensure compliance with the applicable World Bank Procurement Regulations and the RFB.
- Ensure that no bidder receives an unfair or discriminatory advantage during the negotiation process.
- Ensure that risks are identified and mitigating actions are implemented in a timely and effective manner, and probity principles and practices are applied with integrity.
- Monitor compliance with confidentiality requirements and maintain confidentiality of commercially sensitive and procurement-related information throughout the negotiations.
- Ensure that the negotiation does not materially alter the scope, requirements, or conditions of the procurement.
- Supports achievement of value for money while preserving the integrity of the procurement process.
- Conduct a risk assessment and identify possible probity issues that may arise before the negotiation process commences (for more detailed information on risk assessment); Identify potential areas of vulnerability in the process, such as issues which might give rise to the risk of failure of this process; pay attention to the points included in the negotiation plan.
- Act as an independent observer of the negotiation process, including written and face-to-face communications between KMP-SMTA and Bidder and comment on all aspects of the negotiation process including briefing meetings and procurement committee meetings held among KMP-SMTA officials to discuss the negotiation process, correspondence and documentation recording the negotiation process.
- Provide impartial probity advice to KMP-SMTA, as necessary or as requested, on how emerging issues can be resolved or managed, for example, conflicts of interest. However, it must be emphasized that the Probity Auditor is not part of the decision-making process;
- Duly supported by videorecorded session observe, document, and provide a record of the negotiation process confirming that probity has been observed, and report on any probity issues that may arise.
- Provide detailed documentation of observations and conclusions.

- Document matters, obtain sufficient and appropriate information to support any conclusions on which reports are based, and identify any areas where information has been withheld by either party;
- Ensure that the negotiation is conducted in a fair, transparent, and impartial manner, and verify that discussions, decisions, and agreed actions are accurately recorded in the negotiation minutes.

## **6. Reporting To:**

### **Inception Note / Probity Risk Assessment**

Within five working days of contract commencement, the PAP shall submit a brief Probity Risk Assessment Memorandum identifying:

- key probity risks;
- potential conflict-of-interest situations;
- confidentiality risks;
- areas requiring particular attention during negotiations; and
- proposed mitigation measures and monitoring arrangements.

The memorandum shall be reviewed with KMP-SMTA prior to the commencement of negotiations.

### **6.1 Probity Report**

Upon completion of the negotiations, the Probity Assurance Provider shall prepare a Probity Report, which should present the purpose, scope and results of the probity assurance audit and include an expression of the Probity Auditor's opinion regarding meeting the objective of the assignment.

The report should be ready for submission to KMP-SMTA within one week of the completion of the negotiation. KMP-SMTA will send a copy of the report to the Bank.

The Report should highlight:

- Summary of significant findings and recommendations of the negotiation process.
- Any deviation from the applicable procurement regulations and the reason for those deviations,
- KMP-SMTA's performance in conducting the process,
- An independent opinion on whether the negotiations were conducted in accordance with accepted probity principles
- Documents reviewed.
- Negotiation sessions attended.
- Probity risks identified and mitigation measures adopted.
- Confirmation regarding compliance with the approved negotiation plan.
- Confirmation regarding compliance with World Bank Procurement Regulations.
- Any unresolved probity concerns.
- Lessons learned and recommendations for future procurement processes.

## **6.2 Completion Report**

Upon completion of the services, the Probity Assurance Provider will submit a probity audit completion report detailing compliance with the timeline, scope, and cost of completed services. A breakdown of the cost for the completed contract; and any recommendation for future contracts. The Report will be submitted by the PAP to KMP-SMTA. KMP-SMTA will share the report with the World Bank.

## **7. Data, Documents, Local Services, Personnel, and Facilities Provided by the Employer:**

KMP-SMTA will provide copies of:

- Bidding Documents and Bid Evaluation Report.
- Bidders technical and financial bids.
- Invitation to negotiation and negotiation plan.
- Any available document, which may be required to carry out the probity assurance service in a successful manner.
- Temporary office space with internet access for the duration of the service.
- The PAP will arrange its own boarding, lodging, communication, and transport during field visits.

## **8. Institutional and Organizational Arrangements and Reporting Relationship:**

The Probity Assurance Provider will be contracted by KMP-SMTA and will report directly to the Project Director, KMP-SMTA. All reports will be delivered to the Project Director (KMP-SMTA). The probity assurance provider must confirm free conflict of interest and maintain objectivity, independence and impartiality throughout the engagement.

Where the PAP identifies a material probity concern that may compromise the integrity, fairness, transparency, or legality of the negotiation process, the PAP shall immediately notify the Project Director and document the matter in writing. Such concerns shall be reflected in the final Probity Report together with any mitigation measures adopted.

## **9. Confidentiality:**

The Probity Assurance Provider shall:

- Maintain strict confidentiality throughout the assignment.
- Not disclose any information obtained during the negotiations without prior written authorization from the Employer, except where required by law.
- Protect commercially sensitive and procurement-related information.
- Execute a Confidentiality and Non-Disclosure Agreement prior to commencement of the assignment.
- Declare any actual, potential, or perceived conflict of interest and remain independent throughout the assignment.
- The PAP shall have no actual, potential, or perceived conflict of interest with the Employer, bidders, affiliates of bidders, or any parties directly involved in the procurement process. Any such conflict shall be disclosed immediately.

The PAP shall promptly notify the Employer of any indication of fraud, corruption, collusion, coercion, obstruction, conflict of interest, or other integrity concern observed during the assignment. The PAP shall maintain appropriate records supporting any such observations and report them in accordance with applicable laws, contractual requirements, and World Bank requirements.

**10. Input and Duration of Assignment:**

Input of the assignment is expected to **be approximately 8 weeks** over a total contract duration of 02 month.

**11. Qualifications and Experience:**

The Probity Assurance Provider should meet the following criteria:

- Bachelor's degree in Civil/ Transportation Engineering or a related field. Post graduate diploma or MSc degree in a relevant discipline will be preferred.
- Minimum of 10 years of relevant experience covering large infrastructure projects.
- Experience of working in World Bank financed contract and sound knowledge in World Bank's procurement process and standard bidding documents.
- Experience working in the country or region.
- Fluency in English.
- Proven expertise in public sector probity auditing.
- Demonstrated experience in public procurement, contract negotiations, probity assurance, procurement auditing, governance, or integrity oversight.
- Demonstrated experience with World Bank-financed procurement and sound knowledge of the World Bank Procurement Regulations for IPF Borrowers.
- Experience serving as Probity Auditor, Probity Advisor, Procurement Specialist, Governance Specialist, Contract Management Specialist, or equivalent role on major infrastructure projects.
- Strong understanding of procurement ethics, confidentiality requirements, conflict-of-interest management, and fraud and corruption prevention measures