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FINAL/PHASEOUT REPORT
OF
PRIMARY EDUCATION DEVELOPMENT (PED) PROGRAM
ON
MANAGEMENT OF CONSTRUCTION AND MAINTENANCE OF
PRIMARY SCHOOLS IN N.W.F.P.

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List of Acronyms

ACS	Additional Chief Secretary
ADP	Annual Development Plan
A/E	Architect Engineering
CAU	Construction Advisory Unit
C&W	Communication & Works
CPO	Chief Planning Officer
DCW	Directorate of Civil Works
ECNEC	Executive Committee of the National Economic Council
NWFP	North West Frontier Province
PDWP	Provincial Development Working Party
SAP	Social Action Plan

Background

The department of Education NWFP in collaboration with the United States Agency for International Development (USAID) has undertaken an ambitious program in the primary education at a total cost of US \$ 160 million. The Government of Pakistan and USAID, have signed an agreement in Washington in June 1989 for ten years (and due to Pressler Amendment the program will come into an end on September 5, 1994) which envisages hundred percent increase in enroiment in the primary education.

The successful implementation of Primary Education Program depends upon a number of factors. Construction and upgrading of a large number of primary schools in various districts of the Province were some of the most important components of the program. Therefore, the Program Steering Committee decided to take certain actions in order to introduce better management system for construction of good quality primary education facilities in NWFP.

Summary

The sector of primary education in N.W.F.P. has remained deprived for a long time in spite of the emphasis laid by the Education Policy on its expansion and improvement.

On June 6, 1989 the Governments of Pakistan and the United States of America (through the USAID) agreed on the primary education development program according to which a grant of U.S.\$ 160 million (Rs.3,200 million) was sanctioned for the development of primary education in N.W.F.P. during the period 1989-1999 (10 years).

The distribution of the above mentioned amount to the various activities as laid down in the PC-1 approved by ECNEC on May 23, 1990 was as follows:

S.No.	Activity	Amount US \$	(million) Rs	% age
1.	Administration & Management	6.029	120.575	3.50
2.	Teacher Training & Supply	9.443	168.860	5.20
3.	Instructional Materials	10.800	216.000	6.50
4.	Construction	128.120	2562.396	80.70
5.	Contingencies	6.608	132.169	4.10

The above distribution of grant indicates that 80 % of the total amount will be incurred on construction of buildings for educational institutions.

The agreement between the two governments stipulates;

" That, unless otherwise agreed to in writing by A.I.D., the private sector, to the maximum extent possible, shall carry out construction of any new schools of Institutions built as a result of this program; and as much as possible communities should be supported in their efforts to provide land and help build and maintain schools."

In addition, in Annexure 1 of the Program Agreement, under III. C. 2. a., on page 3, it is further agreed that:

"Using private construction contractors, construct, design, and equip new primary schools and related structures, based on mutually agreed upon criteria, to accommodate the expanded enrollments; and budget and expend funds for the maintenance of existing and new buildings."

PROJECT DESCRIPTION & ACCOMPLISHMENTS

Based on the provisions of the agreement and unsatisfactory performance of the C&W Department, the Steering Committee in a meeting held in October 1989 under the Chairmanship of the Additional Chief Secretary Government of NWFP decided to have a thorough study conducted by a private firm to examine the existing system and find out a viable alternative for construction and maintenance of buildings for educational institutions in Primary Sector.

Proposals from engineering consulting firms for conducting the study were invited through leading news papers of the country, examined by a committee under the chairmanship of the Director Primary Education NWFP. Later the committee's recommendations were approved by the Consultancy Committee headed by the Secretary Education Department Government of NWFP.

The Education Department issued administrative approval, vide No. CPO/So-1/3-4/PEDP dated 18.11. 1990, according to which the Director Primary Education NWFP entered into an agreement with M/s Engineering Associates Karachi for undertaking the study at a total cost of Rs. 0.45 million.

The Director Primary Education, NWFP commissioned M/s Engineering Associates to undertake a detailed study of the existing system of management of construction and maintenance of primary schools and to look into various possible alternatives available to the NWFP Province for an efficient and economical management of the construction of primary schools and other facilities in NWFP.

In the Annual Development Plan 1990-91, a total of 586 primary schools were proposed to be completed during the year in addition to rebuilding of 64 existing schools and construction of additional rooms for 28 schools at a total cost of Rs. 173 million. Besides Foreign Aided schemes for construction of 176 primary schools under Girls Primary Education Project of Asian Development Bank, construction of 2000 rooms under Primary Education, Project-II of the World Bank, construction of 500 schools and construction of 3330 primary schools under Primary Education Development Program from the funds being provided by USAID were also in hand.

Beginning from the year 1991-92, it was expected that a total of approx 1000 primary schools would be constructed annually both from local resources as well as from foreign funds upto the year 1998-1999. Thus the construction work load would increase considerably and the total amount was expected to be around Rs. 475 million per annum on an average.

The C&W Department was undertaking design, cost estimation, tendering, construction supervision and maintenance of primary schools in NWFP. The Consultants examined the existing system of the Department, inspected 30 school buildings constructed and maintenance by C&W Department in 7 districts of the Province, discussed difficulties experienced in the present system with the concerned officials.

Due to the reasons highlighted in the report of the consultant, C&W department had to manage a large work load of other more important and bigger projects. Therefore construction and maintenance of primary schools under the present system was difficult to achieve. This resulted in an inappropriate design, poor quality and uneconomical construction and maintenance. The system of undertaking work and its monitoring was also required to be improved considerably to assure more efficiency and good quality construction and maintenance of primary schools in NWFP.

The Consultants looked into various alternative systems and concluded that the best way to have an efficient and economical implementation of primary schools construction and maintenance program in NWFP was to get the work executed through a newly created Project Directorate in Education Department. The Project Directorate would have skeleton technical staff and all technical work of design, cost estimation, preparation of the schemes, construction supervision would be undertaken with the technical inputs from a Consulting Engineer/Architect Firm, to be appointed as General Consultants on a competitive basis. This would ensure good quality and economical construction of primary schools and the maintenance of buildings would also be of a good quality. There would also be proper control and adequate progress monitoring of construction and maintenance works. Similar Directorates successfully functioning in the Education Departments of other Provinces in the Country.

As for the construction work, it could either be let out by grouping schools in a district into a package for attracting bigger Contractors or by ensuring selection of competent and experienced Contractors with good past record. This would improve the quality of construction works. The annual maintenance works were also be looked after by Project Directorate and special maintenance work can be undertaken with the technical support from the Consultants. Petty repairs could be left to the Headmasters/Headmistresses of the schools as were being done before.

The Consultants were quite confident that if the recommendations were implemented, timely and good quality construction work of primary schools in NWFP could be ensured.

On completion of the study, a report of its conclusions and recommendations was submitted by Engineering Associates. The report was circulated by the Directorate of Primary Education to all concerned officials, vide letter No. 4/P&D/PA construction dated 10.06. 1991.

To examine the recommendations of the report, the Steering Committee, in its meeting held on 25.08. 1991 under the chairmanship of the Additional Chief Secretary, constituted another committee which was notified by the Education Department Government of NWFP, vide No. CPO/SO-I/3-4/PEDP dated September 7, 1991.0 The Committee was required to submit its final report to the ACs within one month of the issuance of the notification.

The copy of the report was circulated to all the members of the above committee, vide letter bearing file No. 4/Construction/PEDP dated 4.9. 1991, for perusal and further necessary action.

Recommendations of the Study

- I. A Project Directorate with skeleton staff should be created within the Education Department under the Directorate of Primary Education for construction and maintenance of Primary Schools. Later on it could be expanded to takeover all the works of Education Department and shifted and placed under Secretary Education.

The Project Directorate would consist of a "Project Director" (or "Chief Engineer") and three Executive Engineers each looking after works of primary schools of 7 districts. The Project Director and Executive Engineers could be directly recruited by Education Department. Requisite minimum secretarial staff and transport shall also be provided to the Directorate. The Directorate's personnel shall be exclusively responsible to the Director Primary Education NWFP and would be full time involved in managing (planning, scheduling, overseeing, and monitoring) the works of primary school construction and maintenance.

- II. The Project Directorate should procure services of one or more, as required, private sector consulting engineering firms for planning, designing, preparing tender, assisting in tendering, supervising construction, and monitoring construction works. The firms(s) could be hired for two to three years on the basis of nation-wide competition. The competition should, however, be limited to pre-qualified firm to ensure that only best qualified bidders participate in the competition. The Project Directorate would be responsible for administering and supervising the consulting engineering firm(s). Working with the Project Directorate, the consulting engineering firm would develop strategies and implementation plans for all construction and special maintenance works of primary schools. The consultants would also assist the Project Directorate in all technical matters for carrying out construction and special maintenance of Primary Schools through Contractor.
- III. Routine annual and major maintenance works could be undertaken by Project Directorate, assisted by private sector consulting engineering firms, through contractors under their own supervision. Petty repairs should be left to the headmasters/headmistresses as is being done at present. Coordination with District Education Officers should also be done in all construction and maintenance activities.
- IV. An improved progress monitoring system should be introduced at the level of District Education Officers and immediate necessary action taken to remove the causes of delays in completion of construction works.
- V. Competent contractors with good past reputation and record should be selected. The system of black listing the contractors whose performance found unsatisfactory should be used.

Proposed Directorate of Civil Works (DCW) in the Directorate of Primary Education, N.W.F.P.

The Report proposed the establishment of a Directorate of Civil works (DCW) on a modest scale under the overall supervision of the Director Primary Education with the following objectives:-

- a. The DCW will be responsible for managing construction and maintenance of all primary education facilities in NWFP.
- b. For implementation of these activities comprehensive planning, scheduling, resource management and monitoring will be done by DCW.

- c. DCW will function in accordance with the approved technical code for contracting and supervising construction, including monitoring and billing processes.
- d. DCW will undertake such measures so as to safe-guard against wastage of resources in planning and construction works and to ensure economy in expenditure.
- e. If the Province decides to employ private sector consultants for management, the DCW will provide technical support and supervision for over seeing the consultants and the contractors.
- f. Maintenance of buildings will involve (a) assessment of work (b) establishing priorities and (c) method of execution.

Establishment of CAU

On September 23rd, 1992, the Steering Committee took up the adhoc committee's recommendations on the report. It approved the recommendations in principle but decided to establish the DCW, at first, on a limited scale on pilot basis for three years, to be called "Construction Advisory Unit (CAU)". All functions of CAU were the same as the DCW except that the CAU would initially operate in three divisions (Peshawar, Malakand and Hazara) to begin with, and if the experiment is successful, the CAU would become the full-fledged DCW. Further more, it was decided that all the CAU staff would be selected from the existing C&W Staff and shifted to and placed under the Directorate of Primary Education. The Committee also authorized the Education Department to work out and finalize further operational details of CAU including budgeting and staffing.

Subsequently the Education Department constituted a committee consisting of representatives from Finance, PE&D, C&W Departments, representatives of USAID and chaired by the Secretary Education for working out the details of the CAU. The committee decided, on December, 17th, 1992, that the CAU would have the following staff and equipments:-

Staff

<u>S/No.</u>	<u>Posts</u>	<u>No.</u>
01.	Addl: Director	1
02.	Dy: Director	1
03.	Accountant/Cashier	1
04.	Accounts Clerk	1
05.	Steno/Computer Operator	2
06.	Office Assistant	1
07.	Drivers	2
08.	Naib Qasids	3
09.	Chowkidars	2
10.	Sweepers	1
11.	Mali	1

Equipments

<u>S/No.</u>	<u>Items</u>	<u>Quantity</u>
01.	Toyota Diesel Jeeps	2
02.	Computer PCs with System	4
03.	Electric T/Writer	1
04.	Pocket Calculators	6
05.	Photocopy Machine	5
06.	A/C	4
07.	Fax Machine	2
08.	Heaters	10
09.	Furniture (lump sum provision)	(Rs. 171.400 m)
10.	Kitchen equipment, Crockery (Lump sum)	(Rs. 30.000 m)

Budget for office space, equipments furniture and recurring costs was also approved and it was agreed that all developmental costs for the establishment of the Unit would be funded out of the PLA of the Director Primary Education during the first year and subsequently out of the recurring budget of the Education Department.

The subsequent meeting of the Steering Committee held on August, 23, 1993 decided as under:

- i) The CGW Department would continue with the execution of ongoing and new schemes during 1993-94.
- ii) The Education Department should move a summary without further delay for necessary amendments to the Rules of Business so that the CAU could become functional.
- iii) Efforts would be made by the Education Department to make the CAU operational by 31st December, 1993.
- iv) Regular ADP schemes and maintenance and repair work will be assumed by CAU subject to necessary codal amendments from 1st July, 1994. Only schemes under SAP (Donor component) would be considered for execution by CAU during the current financial year in the area of their jurisdiction on availability of donor's assistance.
- v) The CAU may proceed with the pre-qualification of the consultants but it will not create any right/liability on the government with regard to allotment or execution of work.

Present Status of CAU

The following staff has been provided to the Construction Advisory Unit:

<u>S/No.</u>	<u>Posts</u>	<u>No.</u>
1.	Additional Director	1
2.	Dy: Director	1
3.	Office Assistant	1
4.	Drivers	2
5.	Naib Qasid	1
6.	Chowkidar	1

The following activities have been accomplished so far by the Construction Advisory Unit (CAU).

- a) The Pre-qualification of firms is in progress. Technical proposals were received evaluated and 3 firms were selected on the basis of their merits according to the approved evaluation criteria of the PE&D Department.
- b) The selected firms were asked to furnish financial proposals in sealed covers. These proposals were received and have been submitted to the PE&D Department for consideration through the Consultant Selection Committee.
- c) A summary has been moved to the Chief Minister NWFP for amendment in the Government of NWFP Rules of Business 1985.

7. Issues

7.1 Originally the key staff was to be appointed by way of initial recruitment through the Public Service Commission and the supporting staff through the Departmental Committees. The Service Rules of the Government of NWFP Education Service were applicable to the proposed staff. These proposals were changed and instead the Additional Director and the Deputy Director were transferred from the C&W Department. The Deputy Directors did not feel comfortable with the new system and the working procedure of the Education Department under the Directorate of Primary Education NWFP with the result that two Deputy Directors have been transferred since the establishment of the CAU in May, 1993 till end of 1993.

The Steering Committee has been changing its decisions in connection with the establishment of the Directorate of Civil Works/Construction Advisory Unit. The scope of operation has been changed from the whole province to the three divisions and now to one division and in that too to the "Donors portion" of the ADP for which no funds are available.

Recommendations

The Consultants Selection Committee should have expedited the selection of Consultants so that the Consulting firm should have undertaken the operational activities of the Unit.

The vacant posts were required to be filled up through the surplus staff of the C&W Department or initially recruited for Primary Education Project-II. The C&W Department expressed its inability to provide any staff. It was imperative to recruit the remaining staff in the CAU immediately under the rules applicable to the other employees of the Directorate of Primary Education.

On the Summary moved to the Chief Minister NWFP by Education department for amendment in the Rules of Business, the S&GAD has raised objection that it was not routed through the said Department. Copies of the same had been sent to the S&GAD, Finance and PE&D Departments for their views. The matter needed to be finalized expeditiously.

From 1.7. 1994, the CAU should be upgraded to the level of DCW on the lines recommended by the study. Such directorates with Education departments already exist in the other three provinces and have been operating satisfactorily. There is no reason why such directorate in the NWFP would not result in improvement of construction management. Furthermore, this organization proposed for NWFP would at the most have just 42 employees (only five Engineers) and would rely on competitive private sector. Thus it would not become a mini C&W in education department. In fact it would result in reducing the recurring costs of education and shift these costs to developmental side.

The case for formal sanctioning of staff by the Finance Department on recurring side has to be taken up and perused.

After completing these actions the CAU staff should take-up the case with the PE&D Department as well as the Finance Department for undertaking all construction works relating to the Primary Education Sub-Sector.

All major donor agencies which are funding primary education construction including the World Bank & KFW have made their support for construction conditional on province's operationalization of CAU. Further delays in this regard would delay the much needed improvement in construction. It would also sent a wrong message to the donors jeopardizing the entire provincial efforts in the important education sector.

Therefore, it is recommended that the government move expeditiously to:

- (1) Incorporate the recommended amendment in the rules of business of the education department.
- (2) Implement the Steering Committee's decision of permitting education department to recruit the staff for Directorate of Civil Works (DCW) and approve operational budget at the disposal of the Director.
- (3) Expedite the appointment of private sector A/E firm to assist DCW in construction management.
- (4) Transfer all primary education works, construction and maintenance, from C&W to DCW in academic with the procedures recommended by Engineering Associates.

PHYSICAL CONDITIONS SURVEY OF PRIMARY EDUCATION
INSTITUTIONS IN N.W.F.P.

1. The 1991-92 Annual Work Plan for the Primary Education Development Program (PED), approved by the Steering Committee headed by the Additional Chief Secretary, contained an activity entitled "Physical Facilities Survey" and a bridging amount of funding of Rs. 1.00 million to defray expenditures for the activity in 91-92.
2. The activity was designed to carry out a detailed engineering survey of all the existing government primary school buildings in the province, and to develop a five-year repair, rehabilitation, and maintenance plan for each sub-division. This effort was designed to help construction planning for the districts.
3. In the programme agreement between USAID and the GONWFP, it was agreed that the GONWFP would make as much use as possible of private sector firms in persuing the PED programme, especially in construction.
4. Accordingly, the Directorate of Primary Education invited offers for conducting the survey from suitable firms through advertisement in the press. Fifteen (15) proposals received, were examined by a Technical Committee comprising four experts. As a result, following top ranking three firms were short-listed:
 1. Turk-Pak Pvt: Ltd. Karachi
 2. Engineering Consultant, Karachi
 3. Engineering Associate, Karachi

The financial proposals received from them were as under:

a.	Turk-Pak Pvt: Ltd. Karachi	Rs. 13.243 million
b.	Engineering Consultant, Karachi	Rs. 12,714 million
c.	Engineering Associates, Karachi	Rs. 8,038 million

5. In the meeting of the Departmental Sub Committee for selection of Consultants held on 30/3/1992 the scheme was discussed and it was noted that through some mistake one of the firms had bid on a much larger number of schools than the actual. After discussion, it was decided to ask all the firms to re-submit their financial bids.
6. Consequently, the top three ranking firms re-submitted their final and best offers in the light of the comments of the office of the Project Engineer USAID/Peshawar NWFP and observations of the committee. The re-submitted bids received in sealed envelopes were opened in the presence of the Committee. They were as under:

-Turkpak International	=	Rs. 6,902,463
-Engineering Consultants	=	Rs. 9,980,000
-Engineering Associates	=	Rs. 6,577,595

7. In the meeting of D.S.C. for selection of Consultants held on 22.7. 1992 it was observed that the offer of Rs. 6.577 million of Engineering Associates was the lowest and reasonable. Hence the Committee recommended contracting with the Firm for the survey of physical conditions after approval of the P&D Department.
8. On September 23, 1992, the case was discussed in the meeting of the Steering Committee and it was decided that instead of engaging a private firm, the survey should be carried out by the C&W Department and completed by 15.3. 1993. The C&W Department shall develop a five year programme for maintenance and repairs of educational buildings to assist further planning in the province. An amount of Rs. 1.0 million was approved for the purpose from recurring budget.
9. In its letter No. CPO/SO-I/3-4/PED dated 25.1. 1993, the Education Department Government of N.W.F.P. informed the Project Engineer, PED Programme that the C&W Department would not be able to carry out the survey within specified time set by the Committee.
10. The C&W Department vide letter No. S.O. (B) 2341-43 dated 19.1. 1993 supported the proposal of Dr. Sprague, Chief HRD/USAID-Islamabad contained in para 3 of his letter dated December 28, 1992 for entrusting the task to the private firm already selected.
11. Since the activity has since inordinately delayed it is therefore recommended that the proposal may be approved for entrusting the survey of physical conditions to Engineering Associates Karachi, at a total cost of Rs. 6,577,595 to which the firm is still agreed. The Director Primary Education N.W.F.P. will make agreement with the firm after observing the codal formalities.
12. The Directorate of Primary Education entered into an agreement with the A/E firm M/s Engineering Associates Karachi on December 13, 1993, to conduct the survey of primary schools in N.W.F.P. The work is in progress.

Learning from the Experience

Originally the key staff was to be appointed by way of initial recruitment through the Public Service Commission and the supporting staff through the Departmental Committees. The Service Rules of the Government of NWFP Education Service were applicable to the proposed staff. These proposals were changed and instead the Add: Director and the Deputy Director were transferred from the C&W Department. The Deputy Directors did not feel conformable with the new system and the working procedure of the Education Department under the Directorate of Primary Education NWFP with the result that two Deputy Directors have been transferred since the establishment of the CAU in May, 1993.

The Steering Committee has been changing its decisions in connection with the establishment of the Directorate of Civil Works/Construction Advisory Unit. The scope of operation has been changed from the whole province the three divisions and now to one division and in that too to the "Donors portion " of the ADP for which no funds are available. This process of approval/beaucroatic bottlenecks needs to be changed somehow by someone as there is no control over this problem. Most of the time is wasted in approvals rather than the actual work.

Recommendations

The Consultants Selection Committee should expedite the selection of Consultants so that the Consulting firm should undertake the operational activities of the Unit.

inability to provide any staff. It is imperative to recruit the remaining staff in the CAU immediately under the rules applicable to the other employees of the Directorate of Primary Education. On the Summary moved to the Chief Minister N.W.F.P., by Education Department for amendment in the Rules of Business, the S&GAD has raised objection that it was not routed thorough the said Department. Copies of the same have been sent to the S&GAD, Finance and PE&D Departments for their views. The matter needs to be finalized expeditiously.

The PDWP has recently approved the schemes of Primary Education Sub-sector (Donor's Portfolio). The CAU has to under-take the construction of these Units soon as funds are provided by the PE&D Department.

From 1.7.1994, the CAU should be upgraded to the level of DCW on the lines recommended by the study. Such directorate with Education departments already exist in the other three provinces and have been operating satisfactorily. There is no reason why such directorate in the NWFP will not result in improvement of construction management. Furthermore, this organization proposed for NWFP will at the most have just 42 employees (only five Engineers) and will rely on competitive private sector. Thus it will not become a mini C&W with education department. In fact it will result in reducing the recurring costs of education and shift these costs to development side.

The case for formal sanctioning of staff by the Finance Department on recurring side has to be taken up and pursued.

After completing these actions the Education department may take-up the case with the PE&D Department as well as the Finance Department for undertaking all construction works relating to the Primary Education Sub-Sector.

All major donor agencies which are funding primary education construction including the World Bank & KFW have made their support for construction conditional on province's operationalization of CAU. Further delays in this regard will delay the much needed improvement in construction. It will also sent a wrong message to the donors jeopardizing the entire provincial efforts in the important education sector of SAP.

Therefore, it is recommended that the government move expeditiously to:

- (1) Incorporate the recommended amendment in the rules of business of the education department.
- (2) Implement in Steering Committee's decision of permitting education department to recruit in remaining staff of CAU place the approved operational budget at the disposal of Additional Director CAU.
- (3) Expedite the appointment of private sector A/E firm to assist CAU in construction management.

- (4) Transfer all primary education works, construction and maintenance, from C&W to CAU in academic with the procedures recommended by Engineering Associates.

WPC:CAUBRIEF:MJ:an

05/19/1994