

EUROPEAN UNION - TACIS

Technical Assistance to the Southern Republics of the
CIS and Georgia - TRACECA

TRADE AND TRANSPORT SECTORS

Terms of Reference

for

The Dolphin Project

Final Recipients:

Ministries of Transport of the Republics of
Turkmenistan and Uzbekistan

Summary:

Technical assistance for improving road side services, spare parts procurement and distribution in Turkmenistan, Uzbekistan in collaboration with a Belorusan commercial vehicle producer.

Collaboration will be maintained and results will be exchanged with other related TRACECA projects.

Background

Uninterrupted vehicle performance frequently depends on external factors such as the level of supporting services in a national market. These include the availability of spare parts. In the case of spares originating from other Republics of the CIS, their availability is not always easy to secure.

Objectives

The project will be to identify potential sourcing and payment including, if necessary, barter arrangements for spares from other Republics of the FSU.

The project will also examine available transport services, their effectiveness and alternative services to be developed including door-to-door deliveries, always seen from the eyes of the transport operators.

During phase one of the project, the present situation of transport equipment availability versus demand, as well as the revenue to cost of operation ratio of the recipient fleets will be analysed. Other objectives are supply chain evaluation, short local parts production runs, distribution planning associated with the location and the number of depots, assessing information technology requirements for control of warehousing and transport operations, fleet size & mix, load planning, vehicle route scheduling and customer service level surveys.

Objectives for the conclusion of the project are,

- * To set up working relations between Turkmenistan, Uzbekistan, and outside transporters and manufacturers to give road side assistance to each other across borders; to organise payment for parts and labour, on a << netting basis >> including barter arrangements. An equitable division of the Consultants' efforts between the beneficiary States is to be assured.
- * To establish a way to handle door-to-door parts shipments, responding to requests from 'unit down' incidents as well as normal demand from scheduled repair/maintenance.

Tasks

Module A - Transport Services, Operations & Logistics

Assessment of the actual situation in recipient countries (Turkmenistan, Uzbekistan) and formulating the problem areas, generating proposals for action and forecasting consequences of proposed solutions, and evaluating them conceptually.

Module B - Operation & Concept

Designing an organisational and operational concept for the transport company (ies) including,

- Analysis of capacity and demand, cost of operation and revenue situation.
- Fleet management, service, maintenance, spare parts & lubricants.
- Supply chain evaluation.
- Assess information technology requirements for control of warehousing and transport operations.
- Planning of fleet size and load planning and vehicle route scheduling, door-to-door services.
- Establish customer service level definitions.
- Simulation of warehousing and transport requirements using contractor's in-house software.
- Introduce methods for carrying out cost and efficiency surveys and improve warehousing and distribution operations.
- Specify duties and job descriptions of the different functions.
- Describe reporting lines.

Module C - Parts Procurement & Distribution

Analysis of units in operation by size/GVW, type, make, parts consumption, fast moving items, recommended stock lists of essential drive line components, historical data on parts usage/incident rates. Definition of parts requirements and assessing sourcing situation in Central Asia, interchangeability of parts, volume forecasts, pricing levels and payment patterns. Proposing methods for volume purchases, involving Government support and methodology for << paying in kind >> for items sourced from neighbouring countries.

Encouraging << wholesale >> buying for other operators, designing parts supplying chain embedded in door-to-door delivery services - see Module B.

Deliverables and Reports

An Inception Report will be presented one month after the commencement of work, using the standard TACIS format.

A Progress Report comprising a Conceptual and Functional Analysis will be presented upon completion of Module C. It should indicate the expected benefits of the project and their transferability across the Region into other national contexts.

The project will establish a <<stand-alone business>> pilot operation based on the concept of Modules A to C. It will demonstrate to TACIS and to other TRACECA regional transport enterprises, a system for parts shipment including payment,

corresponding with the project objectives. The system will cover relationships between Uzbekistan, Turkmenistan, Belorussia or elsewhere in the FSU.

The viability and advantages of the pilot operation will be explained in the form of a Manual, which can be used as a basis for similar enterprises across the Region. It must allow interested enterprises to estimate costs, as well as to demonstrate the logistics and administration of the system. The Manual will constitute the Final Report and be issued first as a Draft with a final approved version, including any revisions, issued one month later. These Reports will be issued and distributed as follows:

Inception

5 copies in English to TACIS in Brussels
2 copies in Russian to TACIS in Brussels
2 copies in English to the CU in Turkmenistan and in Uzbekistan
2 copies in Russian to the CU in Turkmenistan and in Uzbekistan.

Progress and Final:

5 copies in English to TACIS in Brussels
2 copies in Russian to TACIS in Brussels
2 copies in English to each TRACECA Republic CU (16 copies in all)
5 copies in Russian to each TRACECA Republic CU (40 copies in all)

Organisation and Workplan

The Contractor will nominate in his proposal the Recipient State organisations and the external suppliers, who will collaborate on the pilot demonstration. He will agree with the respective Ministers of Transport the composition of the recipient fleets (own account, Government and /or private) during the first month of the project.

The Contractor will likewise describe in his proposal the EU organisations who will participate in the project, provide CVs of the staff to be assigned and explain the duration and content of their individual roles. The Lead partner of the participating organisations, as well as the Project Manager, is to be nominated.

In the absence of a developed local Consulting industry, the participation of local road transport research and academic Institutes is encouraged, to ensure the broadest diffusion of the technical assistance provided. Such Institutes are established in both Tashkent and Ashghabad. The Contractor will also make recommendations for, and promote the formation of a Regional Road Transporters' Federation

He will prepare an outline schedule showing the activities, milestones in project output and any key dates for procurement, inter-state agreements or other exogenous factors, essential for project success, to be forthcoming.

The following timetable is suggested
end of month 3 - Finalise Module A

end of month 9 - Finalise Modules B&C (issue Progress Report)

end of month 12 - Connecting the recipients' fleets in Turkmenistan and Uzbekistan to collaborate "cross-border" and to demonstrate door-to-door delivery (issue Final Report)

Budget

The maximum budget available is ECU 295 000. This amount is fixed and shall cover the full contribution of the Commission.