

Board Circular No..... /2017

All Addl. General Managers,
Deputy General Managers,
Asst. General Managers,
Project Directors,
Managers/Chief Engineers/Chief Accountants,
Secretary to the Board of Management,
Chemists/Sociologists,
Other Heads of Divisions including
OICs

Procurement of Works and Goods**Preparation of Total Cost Estimates and Bill of Quantities**

It was observed that the Total Cost Estimates (TCE) for water supply/sewerage schemes or projects are prepared using different formats with different criterions. Therefore, in order to have a unique format and criterion you are hereby instructed to adopt the procedure stated below and use the format attached as Annex -1 in preparation of Total Cost Estimates.

1. Total Cost Estimates shall be prepared based on the rates and prices in the NWSDB Rate Book. The year of TCE preparation shall be the based year and total implementing cost shall be calculated considering the project preparation period, tendering, evaluation, an award of the contract and project implementation period and using the inflation factors given in the NWSDB Rate Book.
2. Investigation, feasibility studies, design, drawings, preparation of Tender Documents, tendering, construction supervision (Board overhead) shall be taken as 20% of the Sub Total 1 as shown in the Annex -1 for TCE for a schemes/projects less than 100 mln and 18% for TCE more than 100 mln.
3. When items for preliminaries to be included, cost breakdown of preliminaries shall be prepared considering a similar project.
4. If vehicles are to be purchased under the contracts, prior approval to be obtained from the Treasury as per the Treasury Circular No. 1/2016 dated 17.03.2016 for "Guideline for Procurement of Vehicles for Government Agencies under the operational leasing method".
5. When International Contracts are evaluated, Engineer's estimate (Rated BOQ or price proposal) prepared by the NWSDB shall be multiplied by the appropriate percentage given in Annex -2 to accommodate credit terms and Foreign Project Management Cost in the comparison of bids with the Engineer's Estimate. These factors shall be used only for this purpose. No percentages given in Annex -2 shall be included in the TCE.


General Manager

CC : 01. Chairman
02. Vice Chairman
03. Working Director
04. DGM (Audit)

**Factors applicable for fixed price tendering, credit terms and
Foreign Project Management Cost**

	Turnkey		Design & Build		BOQ	
	Foreign	Local	Foreign	Local	Foreign	Local
Margin due to Turnkey fixed price nature						
Detail investigation & detail design	10%	10%	8%	8%	0%	0%
Margins due to Turnkey Credit terms						
Foreign country purchase factor The items to be purchased from the specific country is around 10% of the total basic cost	3%	0%	3%	0%	3%	0%
Foreign contracts						
Foreign country project management cost country risk compensation	2.5%	0%	2.5%	0%	2.5%	0%
Summary of Factors	15.5%	10%	13.5%	8%	5.5%	0%

