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

	Turr	ıkey	Design	& Build	BC	Q
	Foreign	Local	Foreign	Local	Foreign	Loca
Margin due to Turnkey fixed price na	iture					
Detail investigation & detail design	10%	10%	8%	8%	0%	0%
Margins due to Turnkey Credit terms	3					
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%

					Unit Rate (Rate Book 2017)	Rate ok 2017)		Implementing Cost (See Note 6)	ng Cost te 6)			Total Implementing	ting
					(base year) (See Note 1 to	ase year) Note 1 to 4)	2018	2019		2020		Cost	0
Specification	B e t	Description	Qty	Unit	Foreign currency component	Local currency(Rs.) component	Foreign currency component Local currency(Rs.) component	Foreign currency component	Local currency(Rs.) component	Foreign currency component	Local currency(Rs.) component	Foreign currency component	Local currency(Rs.) component
2													
w													
4													
Us.													
	7.0	SUB TOTAL 1											
		Investigation, Feasibility Studies, Designs and Drawings,		Preparation of	Tender	Document,							
		Tendering and Construction Supervision (20% for TCE less than 100 mln / 18% for T	ss than	100 mln / 18	% for TCE	CE more than							
		Provisional sum for Road Reinstatements, Power Supply and Land Acquisition etc	nd Lan	d Acquisitio	n etc.								
		Allow 5% for Sub Total 1 for improvement of Rural WS & Sanitation	2 Sanita	tion									
		Provisional Sum for Vehicles											
		Provisional Sum for Quarters											
Prepared		Provisional Sum for Training											
by		Provisional Sum for improvements of Water Resources											
		SUB TOTAL 2											
		Allow for Contingencies (10%)											
		SUB TOTAL 3											
		VAT (15%)											
***************************************		Allow for Custom Duty											
Checked by		TOTAL											

Chief Engineer

Deputy General Manager

Addl. General Manager

General Manager

Secretary MCP&WS

Notes 1:-2:-Add 27% of the rates if Contractors OH & P are not included in the rate.

Each Item amount of implementing cost shall be apportioned to each year of implementation (Say 2018, 2019, 2020 etc) with price escalation as mention in the Section A – Rates for Total Cost Estimate.

ယ '' State the Foreign currency conversion rate. (1 FC .....= Rs.....