



PMC Cell – MM

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Sub: Revision of Cost Estimate for Service Contracts and LSTK projects

EPC in Meeting 16/2022 held on 21.07.2022 while deliberating a case for Hiring of Services, advised that Work Centres should in terms of para 4.7 of the Integrated MM Manual, work out a realistic cost estimates before date of bid submission, duly considering the relevant price impacting factors so that costs are closely aligned with the prevailing market price.

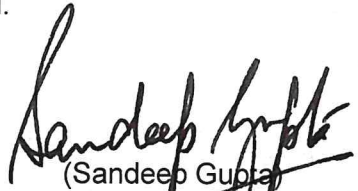
Reference is invited to Para 4.7 of Integrated MM Manual on 'Revision of Cost Estimate for Service Contracts and LSTK projects', wherein it is stipulated that, Cost estimates need to be reviewed under the following situations:

- (a) The time interval is more than 18 months between preparation of cost estimate & the date of tender opening.
- (b) Substantial change in market condition as due to change in external economic and market environment.

Further, said clause also mentions that Cost estimate may be reviewed before the due date of bid submission by the team which prepared the initial estimates.

Accordingly, Work Centres are advised to work out revised cost estimates in adherence to aforesaid para 4.7 of the IMM Manual.

Above guidelines should be meticulously followed by all concerned.


(Sandeep Gupta)
ED-Chief MM Services
29/8/22

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