



**GOVERNMENT OF KERALA**

**Abstract**

Finance Department- Execution of Public Works- Guidelines on estimate preparation using PRICE Software etc.-Orders issued

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**FINANCE (INDUSTRIES & PUBLIC WORKS - B) DEPARTMENT**  
G.O.(P)No.30/2016/Fin Dated, Thiruvananthapuram, 29/02/2016  
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Read:- 1.G.O.(P) No. 498 /15/Fin dated 03.11.2015.

2.Minutes of the meeting on revision of PWD Manual & implementation of PRICE Software held by Additional Chief Secretary with Chief Engineers on 13.10.2015, 24.11.2015 & 30.11.2015.

**ORDER**

Government vide reference I<sup>st</sup> cited have ordered that estimate preparation of all Engineering Departments shall be done using PRICE (Project Information & Cost Estimation) Software from I<sup>st</sup> October 2015 to ensure uniformity in preparation of engineering estimates across all departments. While reviewing the progress of its implementation, vide reference 2<sup>nd</sup> cited, Chief Engineers have suggested certain modifications in the estimate preparation process. Government have examined these suggestions in detail and pleased to issue the following guidelines.

1. Hereafter all works having estimate cost exceeding Rs. 5 lakh shall be tendered on item rate basis only to enhance transparency and to facilitate objective tender evaluation.
2. The service tax shall be allowed to be included as a component in the estimate cost of all new works .

3. While preparing the estimates of works proposed to be executed through Beneficiary Committees, contractor's profit shall be excluded but overhead charges @7.5% of the estimates can be allowed. However applicable taxes are to be borne by the Beneficiary Committee.
4. The Contractor's Profit and Overhead charges for bitumen supplied by the contractors can be allowed for the estimates based on MORTH data book and in such cases, the cost of bitumen shall be calculated excluding the cost index.
5. Payment relating to Investigation works and works relating to electronic items are exempted from the purview of LoC system.
6. The LSGD shall also follow the pre-qualification criteria fixed in the revised PWD Manual for high value works.
7. The Superintending Engineers of North and South circles of LSGD are also authorised to issue contractor's license for works executed through LSGD, subject to the provisions contained in PWD Manual.

**By Order of the Governor,  
Dr. K.M. ABRAHAM  
ADDITIONAL CHIEF SECRETARY (Finance).**

To

The Accountant General (A&E) Kerala, Thiruvananthapuram  
 The Accountant General (G&SSA) Kerala, Thiruvananthapuram  
 The Accountant General (E&RSA) Kerala, Thiruvananthapuram  
 All Heads of Departments/Offices  
 Private Secretary to Chief Minister  
 All Private Secretaries to Ministers  
 Private Secretary to the Leader of Opposition  
 All Secretaries to Government  
 The Secretary, Kerala Public Service Commission,  
 Thiruvananthapuram  
 The Registrar, University of Kerala/Cochin/Kozhikode/Kottayam

The Registrar, High Court of Kerala  
The Secretary, Kerala Human Rights Commission,  
Thiruvananthapuram  
The Managing Director, Kerala State Transport Corporation,  
Thiruvananthapuram  
The Secretary, Kerala State Electricity Board, Thiruvananthapuram  
The Secretary to Governor  
All Secretariat Departments.  
✓ The Nodal Officer, [www.finance.kerala.gov.in](http://www.finance.kerala.gov.in)  
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*hulks*  
Section Officer