

No. NHIII/P/10/80

*Dated the 23rd Aug. 1980*

To,

The Chief Engineers & Addl. Chief Engineers of State Public Works Department and Union Territories (dealing with National Highways).

Subject : Preparation of detailed project estimates for National Highway (Roads and Bridges) Works-Avoidance of revision

I am directed to invite your attention to this Ministry's letter No. NHIII/P/31/77 dated the 28th October, 1977 wherein the need for proper investigation and data backing for formulating basic project proposals ensuring adequate quality control was stressed with a view to avoid the need for preparation of revised estimates. The Ministry of Finance (Department of Expenditure) have pointed out that increasing number of cases in which the cost estimates of projects have had to be significantly revised upwards for various reasons has been adversely commented upon in the meetings of the Informal Parliamentary Consultative Committee and in other forums. The Finance Minister has also expressed unhappiness over this development and has emphasised the need for a more thorough appraisal of projects before approval is accorded. A copy of the Ministry of Finance D.O. letter No. F. 1(8)/PF-II/80 dated 31.5.1980 from the Secretary, Ministry of Finance, (Deptt of Expenditure) to the Union Transport Secretary is enclosed. It is requested that the State PWD should exercise more care while preparing estimates for NH works and other centrally financed works and eliminate the need for preparation of revised estimates subsequently by a careful, realistic and systematic assessment of the cost estimates included in the original proposal itself.