



Defining the Future

DETAILED PROJECT REPORT

FOR

THE PROCUREMENT OF

..... **(EQUIPMENT)**

Guidelines for preparing Detailed project Report

A detailed Project Report is an essential component of the project. It should be prepared carefully. Before finalising the DPR, importance should be given to carry out proper surveys, investigations and designs. Sufficient details should be included to ensure proper appraisal, approval and implementation of the project in time. Considering the importance of DPR preparation, a document intended for reference is detailed along with. The guidelines provided in this document shall be adhered to strictly. In addition, SPV can incorporate specific additional relevant details to supplement the base data.

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1. SALIENT FEATURES

1.	Title of the project	
2.	District	
	Thaluk	
	Corporation/Municipality/Panchayath	
	Assembly Constituency	
3.	Implementing agency/SPV	
4.	DPR prepared by	

5.	Project outlay	
6.	Budget provision	
7.	Budget speech reference	
8.	Administrative sanction	
9.	Nature of the project (New / Existing / Upgradation)	
10.	Present status of existing equipment/facilities, if any	
11.	Need for the project	
12.	Details of the equipment	
13.	Total estimated cost and item wise cost break up and details of Schedule of Rates	
	Whether detailed estimate attached?	
14.	Details of revenue streams	
15.	Details of Cost Benefit Analysis (CBR value)	
16.	Details of project risks	
17.	Details of project management organisation strategy	
18.	Details of contract management strategy	
19.	Details of Project Implementation Schedule (PIS) - Proposed duration to complete the project	
20.	Details of statutory clearances	
21.	Quality Control infrastructure and Mechanism	
22.	Operations & Maintenance (O&M) arrangements of the project after completion	
23.	Details of attached documents / datasheet	
24.	Other attachments	

2. EXECUTIVE SUMMARY:

This section shall contain brief of all relevant details discussed in the following chapters as a brief information about the need, salient features of the Project proposal, Project components, estimated cost, mile stones/Timelines and final objectives/benefits of the Project.

3. CHAPTERS:

3.1. INTRODUCTION

This section should provide a general introduction of the project being submitted and shall include write up on: type of the equipment/machine/s to be procured, location of the project area, historical background of the project, need for the project, etc.

3.2. PROJECT DEFINITION, CONCEPT AND SCOPE

The proposed project has to be clearly demarcate in terms of all its sub-components/elements including individual machines/equipments that form part of an installation, the design, detailed engineering and drawings of each physical infrastructure sub components, environmental compliance,/protection measures/improvement measures etc.

3.3. PROJECT BACKGROUND

A brief description of the existing system, if any, in the project area, its present condition and need for the present project.

3.4. PROJECT DETAILS

- a. Description of the infrastructure available, whether any new construction is required.
- b. A brief description of the project as a whole requiring the procurement,

3.5. OBJECTIVE AND SCOPE OF THE WORK

A brief note about the necessity of the works proposed under the project and the main works to be carried out to fulfill the objective. A well defined scope of work giving an overview of the proposed procurement needs to be put up. The objective of the procurement needs to be clearly brought out in the scope.

3.6. STATUS FEASIBILITY STUDIES

- Description of any feasibility study, for establishing the need of the purchase of the product, conducted earlier and their outcome shall be discussed in this section.

3.7. REQUIREMENT/ DEMAND ANALYSIS

- This section should present the specific problem(s) or issue(s) faced by stakeholders like citizens, businesses or governments that would be addressed by means of provision of improved services through the proposed equipment installation.
- The rationale could be broad based and supplemented with facts and figures. Information based on objective research, not subjective impressions, should be provided to justify the need or problem. The rationale should be written in a way that would lead to objectives.
- State why the procurement is required and expected outcomes.
- Demand for the number of equipment required shall be prepared in total and should not be divided into smaller quantities for making piecemeal purchases, unless otherwise demanded and this shall be specified in detail.

3.8. FUNCTIONAL DESIGN

- This section should present an analysis of different options available to achieve the objective with details of the life cycle of the equipment/machine comparisons and the reasons for selecting the proposed specification of the equipment should be substantiated.
- The functional design of the project is mainly achieved through field study and documentation using existing information and specifications from various

standards. The equipment purchase shall include a comprehensive warranty statement as per the ongoing norms of the State / Centre Government.

- Describe in brief, the overall approach to identify the equipment required in the project location and infrastructure, if any that would enable achievement of the project objectives.
- Additional physical infrastructure required for placing the equipment shall be explored and its details provided.
- In the event if the proposed procurement is for an upgradation of an existing equipment, then the details of the existing equipment and its performance during the said period need to be mentioned.

3.9. ENGINEERING DESIGN

- This section should elaborate the technology choices, evaluation of the technology option, as well as the basis for the technology for the proposed project.
- This section should highlight the engineered processes and best-fit technology solutions to be employed for the procurement of equipment.
- A well-drafted specification of requirement not only sets the quality and performance standards for the equipment, but also provides the greatest scope for maximizing value for money. Hence a detailed technical specifications of the equipment shall be furnished in the section. The specification and allied technical particulars shall be prepared in accordance with the norms specified in the Store Purchase Manual.
- Details of additional physical infrastructure required for placing the equipment shall be studied and its detailed estimates provided.

3.10. FINANCIAL ESTIMATES & COST PROJECTIONS

- This section should focus on the cost estimates, budget for the project, means of financing and phasing of expenditure.
- If market rates are adopting for costing, the rates should be reasonable and substantiated with any valid quotes from agencies or suppliers.
- Applicable taxes, contingencies, investigation charges including any O&M cost for a specific period shall be clearly specified.
- Lumpsum provisions, if any shall be explained in detail with justifications.
- In the event, if the proposed procurement is for an upgradation of an existing equipment, the resale value of such equipment shall be included.

- The equipment purchase shall include a comprehensive warranty statement as per the ongoing norms of the State / Centre Government and its costs included.

3.11. REVENUE STREAMS

- Options for cost recovery, if any, should be explored
- Innovative ideas for additional revenue generation etc. may be indicated.

3.12. COST BENEFIT ANALYSIS & INVESTMENT CRITERIA

- Cost Benefit Analysis (CBA) is a technique whereby the costs of and benefits from a scheme are quantified over a selected time horizon and evaluated by a common yardstick.
- Financial and economic cost benefit analysis of the project should be undertaken wherever such returns are quantifiable and Cost Benefit Ratio (CBR - benefit to cost ratio), EIRR (Economic Internal Rate of Return) etc. shall be worked out in detail with all supporting primary and secondary data.

3.13. ENVIRONMENTAL & SUSTAINABILITY ASPECTS

- An Environmental Management Plan (EMP), if applicable, is to be developed explaining the possible environmental issues which may arise during the construction and operation of the infrastructure and associated facilities depending upon the size of the project.
- Environmental impact assessment study if mandatory and measures identified to mitigate the adverse impact, if any shall be conducted and documented in detail.
- Issues relating to land acquisition (for placing the equipment), diversion of forest land, wildlife clearances, rehabilitation and resettlement should be addressed in this section.

3.14. RISK ASSESSMENT AND MITIGATION MEASURES

- For those projects, which involves large capital outlay and various issues relating to land acquisition, environmental aspects, a detailed and systematic risk analysis may be resorted.
- Physical infrastructure (civil structure) readiness shall go in-hand with the purchase of the equipment and its installation time.

- Identification and assessment of implementations risks which can lead to time overrun, cost escalation, scope reduction etc. is the primary stage in risk assessment.
- Risk analysis could include legal/contractual risks, environmental risks, revenue risks, project management risks, regulatory risks etc.
- The mitigation plans including risk avoidance, risk transfer, and risk elimination are to be well analysed and documented.

3.15. PROJECT MANAGEMENT ORGANISATION

- Responsibilities of different agencies for project management of the said project should be elaborated. The organization structure at various levels, human resource requirements, as well as monitoring arrangements should be clearly spelt out for installation and operations of the equipment.
- Management arrangements refer to the institutional structures and mechanisms that would be set up for ensuring effective project management.
- The involvement of external consultant if any shall be documented.

3.16. CONTRACT MANAGEMENT STRATEGY

- Contracting methodology for the procurement of equipments should be specified in detail and this shall be in accordance with of the store purchase manual of state government
- Any variation proposed from the current practices acceptable under govt of Kerala (Arbitration, escalation etc.) in the system due to any specific technical aspects associated with the project need to be explained with justification.
- Any contract clause which may likely to lead to additional financial liability shall be identified and reported with suggestions to overcome such issues.

3.17. IMPLEMENTATION SCHEDULE & WBS

- The time bound work schedule is an important part of every project because it helps in better handling of projects in planning, implementation etc.
- The DPR should provide a time-bound action plan including tendering, appointment of suppliers, construction schedule for civil infrastructure upgradation required, quality assurance & quality control and post-construction activities, including equipment delivery and commissioning. This shall be in accordance with the Store Purchase Manual of the State.

3.18. STATUTORY CLEARANCES

- This section should elaborate the statutory clearances to be obtained from the various authorities.
- Statutory approvals as per bye laws, master plan, fire safety norms, environmental clearance etc. as applicable for the project are to be taken.

3.19. QUALITY MANAGEMENT PLAN

- The DPR shall include information relating to the institution to be engaged in the quality assurance & quality control of the project execution.
- Methodology to be adopted to ensure the quality of construction of civil infrastructure and equipment installation should be clearly mentioned in the report.
- Quality management plan including the internal inspection and testing procedure shall be documented.
- Third party quality control mechanism is adopted its structure and plan shall be specified in detail. Inspection Procedure shall be specified as per the Store Purchase Manual.

3.20. OPERATIONS & MAINTENANCE PLAN

- The DPR shall incorporate/include information relating to the institution to be engaged in the O&M of the created infrastructure asset/enhanced infrastructure assets.
- Brief description/analysis of the key issues and obstacles in regard to O&M (including billing/collection issues) and proposed countermeasures to overcome them for the project should be contained.
- Requirement of funds for operation and maintenance of assets should also be included in the report.
- The equipment purchase shall include a comprehensive warranty statement and the maintenance philosophy proposed shall be in line with the warranty specifications.

ANNEXURES

- I. KEY MAP OF THE AREA WITH EQUIPMENT FOOTPRINT
- II. EQUIPMENT DATASHEET & TECHNICAL SPECIFICATIONS
- III. TEST PROCEDURE AND COMMISSIONING SPECIFICATIONS

- IV. DETAILED ESTIMATE (EQUIPMENT & SPARES)
- V. DETAILED ESTIMATE (UPGRADATION OF CIVIL INFRASTRUCTURE / NEW CONSTRUCTION)
- VI. COPIES OF STATUTORY APPROVALS