- Processing Layer - Server {Ubuntu Server 18.04}
  a. I am looking to run the whole system in either my hosting account or VPS. Is this possible or do I have to subscribe to third party providers like AWS etc?

You can use any VPS, hosting provider or cloud company the only requirement is that the VPS should be running Ubuntu 20.04 or 18.04 and should have a static public IP address.

- Application Layer - Mobile and Web Apps
  a. Will the mobile app be standard one from the cloud service provider, or customised with my company name?

I will design the Mobile App from scratch. It will have nothing to do with cloud service proivder and you can modify it as you wish. You can add your logos etc in it. You will own the app 100%

- ESP32 Dev Module
  a. I would like to use with both ESP32 and ESP8266.

Only one board is required. I don't see any use of ESP8266 in this project. The ESP32 offers dual core processor which is important in this project. Moreover, in case of ESP8266 you will need to have more components like external EEPROM etc in order to make things work. That's why I will suggest ESP32 but if you still need to have the product made using both ESP32 and ESP8266 separately, I can do that as well.

- Atmospheric Temperature and Humidity Sensor (DHT22)
  a. Due to accuracy issues with DHT22 sensors, I would like to use BME280 or BMP280 sensors

Sure, we can use BME280 as it allows sensing temperature, humidiy and air pressure.

- Soil Moisture Sensor
  a. I will be using capacitive type sensor

Sure, you can use Capacitive sensor

- I will use CreativeTim dashboard template
  a. Will this dashboard be in my hosting account or this is a service provided by third party

Yes, this will be in your hosting account. No third party involvement.
  b. Are there any one-time, monthly or yearly charges for using these dashboards?

Only one-time charges.
- Device addition deletion
  a. Device addition and deletion shall only be permitted for the admin, and not for the user. Please confirm if that's how it works

Yes, there will be only one admin account who can add or delete the devices.

- After that we can transfer the files to your own AWS
  a. Will this work only on AWS? As per the comments in Sl.No. 1 above, I am looking to run the whole system in either my subscribed hosting account or VPS.

It can work with any hosting provider, AWS is just a suggestion. You only need a Ubuntu 20.04 VPS with a static public ip and few outbound ports opened.
  b. If this is going to be installed on VPS, user will access using IP address or my website address?

It can be accessed using IP address and can also be attached to your website address like dashboard.yourwebsite.com or something similar.

- Finally, the cost is a bit above my budget, I will hold the OTA part for the time being. Please let me know what best discount you can give for Milestones 1 and 2.

Although the project is already heavily discounted as I'm not charging you for the dashboard design which costs from $500-$1000. That's being said, I can offer a $200 discount on the entire order. Let me know if that's okay for you.