

No.F.1/37/2018-PPD
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

512, Lok Nayak Bhavan,
New Delhi. Dated 2nd January, 2019

OFFICE MEMORANDUM

Subject :- Adoption of principles of Life Cycle Cost (LCC) Analysis.

Attention is invited to Rule 136(1)(iii) of GFR 2017 wherein it has been provided that no work shall be commenced or liability incurred in connection with it until a properly detailed design has been sanctioned; while designing the projects etc. principles of Life Cycle cost (LCC) may also be considered. It has been brought to the notice of this department by Ministry of Steel that the principles of LCC are not being adopted while preparing Detailed Project Report (DPR) or at the time of finalization of the tender terms. In this regard, it is again advised that provisions of GFR relating to LCC may be considered while designing the projects. Consulting engineers/ structural engineers/ metallurgists may be consulted wherever considered appropriate.

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To,

Secretaries of All Central Government Ministries/ Departments