

7. Summary of Authorities in a Project

7.1 Procurement Authority

The authorities for procurement of works, goods and consultants are summarised in Tables 7.1, 7.2, 7.3.

Table 7.1 Procurement of Works

Description	Amount in NRs.	Approval Authority	FAR Rule No.
Works without cost estimate	Up to 25,000	Office In-Charge (Project Manager)	63(10)
Approval of Cost Estimate	Up to 2.5 million Up to 5 million Up to 30 million More than 30 million	Gazetted 3 rd class, Office In-charge Gazetted 2 nd class, Office In-charge Gazetted 1 st class, Office In-charge Department Head	63
Approval of Tender Evaluation Committee Recommendation and Award of Contract	Up to 10 million Up to 20 million Up to 50 million More than 50 million	Gazetted 3 rd class, Office In-charge Gazetted 2 nd class, Office In-charge Gazetted 1 st class, Office In-charge Department Head	73(1)(a) 73(1)(b) 73(1)(c) 73(1)(d)
Method of Procurement	Up to 100,000 Up to 1 million More than 1 million Emergency works no limit stipulated	By direct negotiation By sealed quotation By bidding By direct labour or direct negotiation	64(1)(a) 64(1)(c) 64(1)(d) 64(2)
Construction Contractor Classification	Up to 2.5 million Up to 3 million Between 2 and 10 million Between 6 and 30 million More than 20 million	Preference to Users' Committees Class D may bid for Class C may bid for Class B may bid for Class A may bid for	Construction Enterprises Act 2055, 10(2) and 10(3) and FAR 2056 Rule 80
Qualification of Contractors	Approval of criteria, Method, qualification	Concerned Secretary	65(1)

Table 7.2 Procurement of Goods

Description	Amount in NRs.	Approval Authority	FAR Rule No.
Approval of Tender Evaluation Committee Recommendation and Award of Contract	Up to 10 million Up to 20 million Up to 50 million More than 50 million	Gazetted 3 rd class, Office In-charge Gazetted 2 nd class, Office In-charge Gazetted 1 st class, Office In-charge Department Head	73(1)(a) 73(1)(b) 73(1)(c) 73(1)(d)
Method of Procurement	Up to 100,000 Up to 1 million More than 1 million More than 1 million (special circumstances)	By direct purchase By sealed quotation By competitive bidding or public bidding By negotiation, force account or public bidding	58(1)(a) 58(1)(b) 58(1)(c) 58(2)

Description	Amount in NRs.	Approval Authority	FAR Rule No.
Qualification of Manufacturers	Approval of criteria	Concerned Secretary	65(1)

Note : Prequalification required only in the purchase of heavy and construction equipment costing more than Nrs 10 million.

Table 7.3 Hiring of Consultants

Description	Amount in NRs.	Approval Authority	FAR Rule No.
Shortlisting of Consultants	NA	Recommendation: Project Manager Approval: Department Head	
Approval of Selection of Consultant	Up to 300,000	Gazetted 3rd class, Office In-charge	81(16)(a)
	Up to 500,000	Gazetted 2nd class, Office In-charge	81(16)(b)
	Up to 5 million	Gazetted 1st class, Office In-charge	81(16)(c)
	More than 5 million	Department Head	81(16)(d)
Method of Hiring of Consultants	Up to 100,000	By direct negotiation	81(2)(a)
	Up to 500,000	By sealed quotation	81(2)(b)
	More than 500,000	By competitive bidding with technical and financial proposals	81(2)(c)

7.2 Contract Authority

7.2.1 Variations

After commencement of the works if any change is required, whether due to changes in quantities of items in the BOQ or to changes in the scope of work or the specifications, a variation shall be approved by the following authorities:

- The Project Manager shall approve variations which result in a net decrease in the contract price or whose total amounts do not exceed 10% of the original contract price provided the available budget permits the extra payment.
- The Department Head shall approve variations whose total amounts do not exceed 15% of the original contract price provided budget provision can be made.
- Variations whose total amounts exceed 15% of the original contract price shall require the approval of a committee comprising:
 - Secretary of the concerned ministry — Chairperson
 - Financial Comptroller General (FCG) or a gazetted 1st class officer nominated by FCG — Member
 - Representative, gazetted 1st class officer (Technical), MOPPW — Member
 - Department Head nominated by the Secretary of the concerned ministry — Member
 - Chief of the Financial Administration section of the concerned ministry — Member Secretary

For all variations, the Project Manager shall prepare:

- An explanation of the change and a description of the alternatives which were considered and their costs;

- A recommendation and a revised cost estimate of the project, the time extension to the contractor and consultant, and the financial liability and benefits of the variation;
- The budget provision; and
- A draft Variation Order.

7.2.2 Time Extension

It may become necessary to grant an extension of time for completion of the works for factors which arise such as delay in obtaining possession of the site, delay in the issue of drawings or instructions or adverse physical obstructions or conditions. If such conditions fairly entitle the contractor to an extension of the time for completion of the works the Project Manager in consultation with the contractor, or the Supervision Consultant in consultation with the Project Manager and contractor, shall determine the amount of such extension and shall notify the contractor accordingly.

- Without increase in the cost, the Officer approving the tender can extend the project duration by up to 100% or 6 months whichever is less.
- If the need is to extend more than this period, the Officer approving the tender should submit it to his immediate supervisor.
- If the extension also involves an increase in the contract cost, the Officer approving the tender should submit it to his immediate superior.