

**STEEL AUTHORITY OF INDIA LIMITED  
CENTRE FOR ENGINEERING & TECHNOLOGY  
RANCHI**

Ref. No.: CET-17(3)/018/16/272

Dated: 15.09.2016

**CIRCULAR**

**Subject: Basis of estimation of engineering hours**

CET is providing technical services to different plants /units of SAIL. For the services rendered, CET is debiting consultancy charges to different plants /units of SAIL. For debiting engineering hours for future projects, budgeting of engineering hours will be done on the following basis:

Sl No.	Project Cost Range	Consultancy fee as % of project cost
1.	Projects costing upto Rs 5 crore	12%
2.	Projects costing above Rs 5 crore and up to Rs 10 crore	9%
3.	Projects costing above Rs 10 crore and up to Rs 15 crore	8%
4.	Projects costing above Rs 15 crore and up to Rs 20 crore	7%
5.	Projects costing above Rs 20 crore and up to Rs 50 crore	5%
6.	Projects costing above Rs 50 crore and up to Rs 100 crore	4%
7.	Projects costing above Rs 100 crore	2%

Budgeted hours for a project will be derived from the consultancy fees as per the above table and the prevailing rate of engineering hour charges of CET.

2. Further, the break-up of above budgeted hours against different deliverables / services will be as below:

- For FR & TS – 20% of budgeted hours
- For tender evaluation – 20% of budgeted hours
- For DE – 40% of budgeted hours
- For DS – 15% of budgeted hours
- For PCA – 5% of budgeted hours

3. This comes into vogue with immediate effect.

4. This issues with the approval of Competent Authority.

  
15/09/16

(T. Kumar)  
DGM & I/c (PC)

Copy to

1. All CET
2. DGM, ED Sectt. – For kind information to ED.