

Excerpts from DPP 2005 showing stages of shipbuilding procedure

Scope

4. This procedure will be applicable to acquisition of warships through indigenous design and construction by Defence Public Sector shipyards.

Acceptance of Necessity

5. The proposal for design and construction of the ship, either singly or as a shipbuilding project plan is to be included in the Services Capital Acquisition Plan for consideration and approval of DAC. The Statement of Case for the proposal has to be prepared and processed in line with the details given in Para 15 of DPP- 2005. This will inter alia contain outline Staff Requirements, broad category of weapons and sensors to be fitted on the ship along with the status of their indigenous development, operational exigencies, approximate cost of budgetary provisions.

Preliminary Staff Requirements

6. Naval Headquarters are to simultaneously prepare the Preliminary Staff Requirements (PSR). The PSRs are to include the – role of the ship, its dimensions, specifications of its hull, major machinery, weapons, sensors, accommodation and manpower, endurance and fuel capacity etc.

7. The PSRs would form the basis on which the preliminary design of the ship, identification of OEMs/Vendors for specific weapons, sensors, machinery and equipment are to be carried out.

Nomination of Shipyard

8. After receipt of Acceptance of Necessity by the DAC, NHQ in consultation with DDP will carry out a capacity assessment and forward recommendations to MoD on the nomination of the shipyard for the project. This will be processed on file for the approval of the RM.

Build Specifications

9.1 Based on the PSRs, the build specifications of the ship is to be prepared by NHQ and forwarded to the Shipyard.

9.2 In cases where the design is not routed through NHQ, the nominated shipyard will prepare the build specifications based on the PSRs.

Build Strategy

10. The nominated shipyard is to propose a build strategy based on the ship specifications, yard infrastructure and resources. This would include the draft construction schedule and the procurement schedule for the major long lead items including weapons and sensors.

Budgetary Cost

11.1 The shipyard is to forward a budgetary quote for the construction of the ship on the basis of the Build Strategy. In case of ships of follow on projects, the shipyard is to forward a firm cost for the construction. The budgetary cost should be broken up to indicate the year wise requirement of funds, which may then be taken up for approval of the CCS.

11.2 The estimated cost should be carefully worked out based on the budgetary quotation given by the nominated shipyard and should include all fixed and variable cost elements such as labour cost indicating number of man-days, overheads, direct expenses, profit payable to shipyard, specially contracted works, approximate cost of raw material, all major equipment, weapons, sensors and propulsion machinery chosen, etc. The estimated cost should also take into account normal escalation in cost of various equipment and machinery as per the scheduled time of procurement, so as to arrive at an estimated completion cost. Details of such cost elements, which could not be assessed at this stage and their likely cost, should also be indicated.

11.3 Costs towards project studies, augmentation of design facilities and infrastructure at Design Directorate of Navy and creation of infrastructure in the shipyard are also to be reflected as separate items in the project.

Approval of CCS

12.1 The proposal for the design and construction of the ship is thereafter, to be taken up for the approval of the CCS.

12.2 The CCS Note should indicate the estimated cost of the project, the time schedule for completion, spread of expenditure, availability of funds, details of major weapons, sensors, propulsion machinery and other major equipment sought for fitment on the ship.