



Public and Private Infrastructure
Investment Management Center

Welcome to the Public and Private Infrastructure
Investment Management Center (PIMAC) at the KDI,
a gatekeeper to public procurement and private
infrastructure investment projects in Korea!

Conventional Procurement
**Total Project Cost
Management (TPCM)**

1 Reassessment Study of Feasibility (RSF)

Overview

The purpose of the Reassessment Study of Feasibility is to uplift the efficiency of fiscal expenditures by objectively reassessing the validity of the project that falls under certain categories in accordance with Article 50 of the National Finance Act and Articles 21 and 22 of the Enforcement Decree of the Act in the course of executing a project to restrict the increase of unnecessary project costs.

Eligible projects

- Projects subjected to the Reassessment Study of Feasibility are the same as the projects subjected to total project cost management. Also, the reassessment is conducted on the project that falls under the conditions determined by the Presidential Decree, the project requested by the Board of Audit and Inspection, and the project requested by the resolution of the National Assembly in accordance with Article 50 of the National Finance Act.

Government projects may be exempted from RSF if they apply to one of below criteria.

- Projects where the sunk cost accounts for a large share pursuant to Article 49 of the Guidelines for Total Project Cost Management (TPCM) or the total project cost is mainly increased by external causes, projects carried forward to promote balanced regional development or cope with urgent socioeconomic circumstances, projects that need to be implemented urgently such as those related to disaster prevention and restoration support or safety issues can be exempted from the RSF.

Selection and implementation procedure

- If the projects subjected to total project cost management meet the conditions of RSF in accordance with Article 49 of the Guidelines for TPCM, the Ministry of Strategy and Finance shall conduct the RSF.

- RSF is conducted by PIMAC for individual projects in order to make an overall estimate on the appropriate total project cost and to decide on whether the project should continue to be pursued.

Contents of analysis

- The 'Standard Guideline for the Reassessment Study of Feasibility' is established and enforced in order to specify the standards, methods, and procedures that must be observed when executing the RSF in accordance with Article 45 of the Guidelines for TPCM.
- The RSF is comprised of the overview of the project, the identification of issues for reassessment, the review of the appropriateness of the project plan, economic analysis, policy analysis, and regional balanced development analysis. These are then summarized to determine the validity of the project and to suggest alternatives.

2 Reassessment of Project Plan

Overview

The purpose of Reassessment of Project Plan is to review, based on the RSF analysis methodology, the appropriate project scale, total project cost, and efficient alternatives of the projects that do not go through a regular RSF in accordance with Article Article 49 Paragraph 2 of the Guidelines for Total Project Cost Management. (TPCM)

Eligible projects

- The Reassessment of Project Plan can be conducted on projects for which the RSF was not conducted among the projects subject to total project cost management in accordance with Article 49 Paragraph 2 of the Guidelines for TPCM.

Selection and implementation procedure

- The Ministry of Strategy and Finance shall conduct Reassessment of Project Plan when the project subject to total project cost management fulfills the requirements for the category of Reassessment of Project Plan in accordance with Article 49 Paragraph 1 of the Guidelines for TPCM.
- The Reassessment of Project Plan is conducted by PIMAC for individual projects in order to review the appropriateness of the project scale, total project cost, and to determine efficient alternatives.

Contents of analysis

- Review the appropriateness of the project scale, total project cost, and efficient alternatives based on the methods of the RSF.

3 Reassessment of Demand Forecast (RDF)

Overview

The purpose of reassessment of demand forecast is to enhance the efficiency of financial investment and prevent the waste of budgets in advance by closely managing the change in demand in large-scale public investment projects, which take a long period from planning to completion phase by phase, in accordance with Article 34 of the Guidelines for Total Project Cost Management (TPCM).

Eligible projects

- Targets construction projects such as roads, rails, airports, ports, and water resources among the projects subject to total project cost management which also falls under the categories of Article 38 of the for TPCM.

Selection and implementation procedure

- If the project subject to the total cost management also becomes subject to the reassessment study of demand forecast in accordance with Article 38 of the Guidelines for TPCM, the head of the central government office shall request the Ministry of Strategy and Finance for the execution of the RDF.
- Reassessment of demand forecast is conducted by PIMAC for individual projects in order to review the appropriateness of change in demand.

Contents of analysis

- Demand forecasts concerning social infrastructure facilities are conducted based on the methods of the RSF.

4 Assessment of Design Modification

Overview

The purpose of Assessment of Design Modifications is to increase the efficiency of fiscal investments by reviewing the validity and the appropriateness of the scale of the change in design in relation to the change in the design of the project and the change of the total project cost of which was requested after the construction began, in accordance with Article 58 of the Guidelines for Total Project Cost Management (TPCM).

Eligible projects

- The project subject to the total project cost management is a construction project or an ICT project. The validity of the change in design and the appropriateness of the quantity and unit price, etc. are reviewed in advance when the change of the total project cost of which was requested after the construction began.

Selection and implementation procedure

- If the project subject to total project cost management requires review on the design modifications in accordance with Article 58 of the Guidelines for TPCM, the agency designated by the Ministry of Land, Transport and Maritime Affairs, Public Procurement Service, the Minister of Strategy and Finance, or the Minister of Land, Transport and Maritime Affairs shall be requested to conduct a review on the validity of the design modifications.
- Assessment of Design Modification is conducted by PIMAC for individual project in order to review the appropriateness of the design modifications.

Contents of analysis

- The validity of the design modifications and the appropriateness of the scale are reviewed.

Total Project Cost Management (TPCM)

5 Performance

Number of Total Project Cost Management by Assessment Type

	Total Project Cost Management			
	Reassessment Studies of Feasibility	Reassessment of Project Plan	Reassessment of Demand Forecast	Assessment of Design Modification
1999				
2000				
2001				
2002				
2003	6			
2004	6			
2005	9			
2006	19			
2007	14		1	
2008	21		1	
2009	31		3	
2010	31	3	1	
2011	15	5	0	
2012	11	4	1	
2013	9	6	3	
2014	18	11	7	
2015	10	11	0	4
2016	11	15	1	8
2017	7	9	2	3
2018	6	9	-	6
Total	224	73	20	21