



དངུལ་ཚིས་ལྷན་ཁག།

ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
TASHICHHO DZONG



MoF/PPPD-08/2015-16/

October 7, 2015

NOTIFICATION

Subject: Departmental Execution of Work

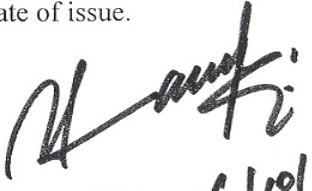
This is to notify that as per Section 4.2.1.1 of the Procurement Rules and Regulations (PRR) 2009 , all public procurement are to be carried out in one of the following methods: (i) Open tender/bidding; (ii) Limited tender/Bidding; (iii) Direct Contracting; and Framework contracting. In addition, Section 6.2.2 of Finance and Accounting Manual (FAM) of the Financial Rules and Regulations (FRR) 2001, permits execution of work departmentally or entrust it to another specialized Budget Agency as deposit work where (a) *the work to be executed is of specialized nature and the required level of skills and/or technical know-how is not available with the contractors*, or (b) *the works are to be carried out through community participation*.

Despite the provisions in PRR 2009 and clear conditions prescribed for departmental execution of works in FRR 2001, several works which do not qualify for departmental execution are being executed departmentally for various reasons by Government Agencies. Further, as the Budgetary agencies are also responsible for supervision, monitoring the quality and ensuring timely completion of the works, execution of regular works departmentally leads to direct conflict of interest and resulting in compromise in the quality and delay in the completion of works with consequential financial and socio- economic implication.

In keeping with section 104 of the PFA (amendment 2012) to promote equitable, transparent, competitive and cost effective procurement system, the Budgetary Agencies are hereby notified to execute works as per the PRR 2009. Except under emergency situation and in the national interest, departmental execution of works and deposit works shall be strictly limited to:

'specialized nature and the required level of skills and/or technical know-how that is not available with the contractor, and shall be time bound and implemented within the estimated cost without any spillover'.

This notification is issued for strict compliance and shall come into force from the date of issue.


Finance Minister 6/10/15

Copy:

1. All Agencies.
2. Hon'ble Auditor General, RAA, Thimphu.
3. PS to the Hon'ble Prime Minister, Gyalyong Tshokhang.