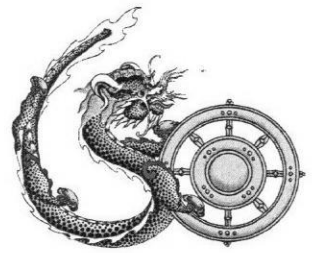




དངུལ་ཚེས་ལྷན་ཁག།

ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
TASHICHHO DZONG



MoF/DNP-14/2019-2020/1954

13 May 2020

NOTIFICATION

Subject: SIMPLIFIED GOVERNMENT PROCUREMENT RULES FOR PROCUREMENT OF WORKS UNDER COVID-19 SITUATION

This is to notify the issuance of "*Simplified Government Procurement Rules for Procurement of WORKS under COVID-19 situation*" to expedite procurement of works identified under **Economic Contingency Plan (ECP) only** for Agriculture, Tourism, Build Bhutan Project and Farm Road Improvement.

This Rules has been formulated with the objective of ensuring timeliness, cost effectiveness, efficiency, fair and equal access for award of contracts.

Procurement of Goods and Services pertaining to the ECP shall be considered and fast tracked on a case by case basis.

This notification shall come into force with immediate effect.

Kindly email at gppmd@mof.gov.bt or contact at 02-336962/77624049 for any clarification or interpretation.


FINANCE SECRETARY

Copy to:

1. Hon'ble Prime Minister, Office of the Prime Minister, Gyelyong Tshokhang, Thimphu
2. All Ministries/ Constitutional Bodies/ Autonomous Agencies/ Dzongkhags/ Thromdes/ Gewogs
3. The Auditor General, Royal Audit Authority



SIMPLIFIED GOVERNMENT PROCUREMENT RULES
FOR
PROCUREMENT OF WORKS
UNDER COVID-19 SITUATION

Ministry of Finance

13 May, 2020

Handwritten signature

1. Rationale

Recognizing the challenges in the wake of COVID-19 pandemic, the Ministry of Finance simplified the procurement rules for procurement of works as follows.

2. Objective:

To ensure:

- a. Transparency & timeliness.
- b. Cost effectiveness and efficiency.
- c. Fair and equal access for award of contracts.

3. Application

Shall apply for procurement of works by Government agencies in the following areas identified under **Economic Contingency Plan (ECP) only**:

- a. Tourism;
- b. Agriculture;
- c. Build Bhutan Project; and
- d. Farm Road Improvement.

4. Procurement Methods

The procuring agency may choose to apply any of the following procurement methods while procuring works:

a. Direct Contracting Method (DCM)

- i. Works up to Nu. 10 Million may be awarded through direct contracting method.
- ii. Employ only Bhutanese construction workers.
- iii. Selection of contractors to be based on past performance (like timely completion, quality of works carried out, similar works carried out in past), no adverse record, capacity of the contractors and other applicable criteria.
- iv. Negotiations shall be carried out on prices and terms and conditions.
- v. The detailed terms and conditions of contract should be spelt out properly based on relevant provisions from General Conditions of Contract (GCC) and Special Conditions of Contract (SCC) and drawing proper contract agreements.

b. Community Contracting:

- i. Works upto Nu. 1.5 Million may be awarded through community contracting method as per community contracting protocol.
- c. **Limited Enquiry Method (LEM)**
- i. Works upto Nu. 15 Million may be awarded through LEM.
 - ii. Employ only Bhutanese construction workers.
 - iii. Preparation of Bidding Documents through e-GP System.
 - iv. Minimum days for submission of Bids reduced from 5 to 3 days.
 - v. Invitation to be sent to at least two contractors after prior approval from Tender Committee.
 - vi. Short listing of contractors to be based on past performance (like timely completion, quality of works carried out, similar works carried out in past), no adverse record, capacity of the contractors and other applicable criteria.
 - vii. Award and Conclusion of Contract: Signing of Contract be executed within 5 days from the issuance of letter of acceptance.
- d. **Open Tender Method (OTM)**
- i. Works above Nu. 15 Million be awarded following the OTM.
 - ii. Employ only Bhutanese construction workers.
 - iii. Minimum for submission of Bids reduced from 30 to 10 days.
 - iv. Use the applicable Standard Bidding Documents.
 - v. The time taken for evaluation of bids will depend on procuring agencies effort.
 - vi. Standstill period reduced from 10 days to 2 working days.
 - vii. Award and Conclusion of Contract: Signing of Contract be executed within 5 days from the issuing of letter of acceptance.

5. **Other conditions:**

- a. **Splitting of Works:** Procurement of works may be split into packages by the Tender Committee to apply the above mentioned procurement methods.
- b. **Performance Security:** Performance Security of 10% of contract amount must be furnished prior to execution of contract agreement under all methods. The 10% Performance Security shall be valid till the end of Defect Liability Period and shall be returned upon issuance of no defect liability certificate.
- c. **Retention Money:** Retention money need not be deducted from the amounts payable to the contractor in accordance with the progress of the assignment.

- d. **Contract Documents:** The terms and conditions for the contract, rights and obligations of the contracting parties may be designed by incorporating relevant provisions from the Standard bidding documents.
 - e. **Referral:** The Tender Committee shall be **Competent Authority** to decide on works as per the budgetary provisions approved by MoF without threshold level.
 - f. The decision of the Tender Committee shall be final and binding.
 - g. The Tender Committee and Tender Evaluation Committee shall always act in accordance with the highest standard of ethics and shall be fully responsible and accountable for all the decisions taken.
 - h. **Monitoring of contracts:**
 - i. The Tender Committee shall carry out monitoring activities.
 - ii. Monitor periodically progress implementation of contract, including determination of volume of works accomplished according to work plan, milestone agreement and inspection of quality aspects.
 - iii. Schedule frequent meetings at least once in every month between the Contractor and procuring agency to take stock of progress and if necessary for timely intervention.
 - iv. Project Engineer to submit the monthly progress report to the Head of Procuring Agency.
 - v. The implementing agencies shall monitor and report to the Office of the HPM.
6. Other than the conditions specified in this guideline, all relevant provisions in the PRR 2019 shall apply.