



MoF/DNP/GPPMD-SF/2021-22/22

12 July 2021

NOTIFICATION

Subject: Submission of Repair & Maintenance (R&M) of Government Building Works to be awarded to Specialized Firms for FY 2021-2022.

This is in continuation to the Ministry of Finance Notification # MoF/PPD/LZ/2020/117, dated August 7, 2020 on the award of R & M works of Government Building directly to Specialized Firms under the Build Bhutan project as per the directives of Lhengye Zhungtshog No. C-3/70/2020/660 dated August 7, 2020.

In this regard, as notified vide Budget Notification # MoF/Budget Notification/2021-22/15 dated July 6, 2021, R&M works shall continue to be directly awarded to the Specialized Firms during the FY 2021-2022. Therefore, Budgetary Bodies are requested to submit the details of the following six Repair and Maintenance (R&M) works that can be outsourced for the FY 2021-2022.

Specialized Firms shall execute the following six areas of trades:

- i. Plumbing;
- ii. Electrical;
- iii. Construction Carpentry;
- iv. Masonry;
- v. Steel fabrication; and
- vi. Building Painting.

The details of the works should cover the following:

- i. Name/Description of work;
- ii. Project Location;
- iii. Departmental Cost Estimates as per BSR 2021;
- iv. Name of Engineer/ Focal Person;
- v. Detailed drawings and Technical Specifications and detailed description of materials (if applicable)
- vi. Duration, project commencement date and completion date.
- vii. Inclusion of OHS and cost index as per location

Therefore, all Budgetary Bodies are requested to submit the details of cost estimates on or before **31 October 2021** as per the format prescribed in the **Implementation Guidelines for Awarding of Repair and Maintenance of Government Buildings to Specialized Firms** attached herewith.




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Procurement Officers (relevant officials in absence of Procurement Officer) are appointed as the focal officer for collecting the required information and sending it within the deadline.

For further clarification please contact GPPMD, DNP at 02- 336962 or e-mail:- tandind@mof.gov.bt / gppmd@mof.gov.bt


(Kesang Deki)
Director General

Copy to:

1. The Heads, All Ministries/Constitutional Bodies/Autonomous Agencies/ Dzongkhags/ Thromdes/ Dungkhags/ Gewogs/ CEOs of State Owned Enterprises



***Implementation Guidelines for
Awarding Repair & Maintenance of Government Building
Works
to Specialized Firms(SF)
FY 2021-2022***

**Department of National Properties
Ministry of Finance
July 2021**

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1. Objectives

- Promote and encourage creation and growth of Specialized Firms.
- To encourage and ensure that the specialized firms get adequate work to sustain; and
- Fair award of repair and maintenance works to specialized firms.

2. Application

With reference to Lhengye Zhungtshog directive No. C/70/2020/660 dated August 7, 2020, Ministry of Finance Budget Notification # MoF/BudgetNotification/2021-22/15 dated July 6, 2021 and Ministry of Finance Notification No. MoF/PPD/LZ/2020/117 dated August 7, 2020, this Guideline shall apply to all repair and maintenance works on Government Property to be executed by Budgetary Bodies including all State Owned Enterprises in the financial year 2021-2022..

3. Specialized Firms Task Force

Under the Build Bhutan Project, the Specialized Firms Task Force has been formed to study formation of Specialised Firms in different construction trades. SFTF comprise of the following members:

- Lyonpo Dorji Tshering, MoWHS
- Karma Sonam, Director, CDB
- Kesang Jigme, Chief Planning Officer, MoLHR
- Sonam Yangdhen, Chief Engineer, MoWHS
- Chimi Rinzin, Sr. Employment Officer, MoLHR
- Pema Rabgay, Sr. Planning Officer, MoWHS
- Tandin Norbu, Executive Engineer, CDB

3. Specialized Firms (SF)

- Specialized Firms shall apply to six areas of trades:
 - Plumbing;
 - Electrical;
 - Construction Carpentry;
 - Masonry;



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- v. Steel fabrication; and
 - vi. Building Painting.

- b. Shall be registered and certified by the Construction Development Board.
- c. Shall have a valid trade license.
- d. shall employ Bhutanese Nationals;
- e. The employees under Specialized Firms should have mandatory Provident Fund.
- f. Roles and Responsibilities of SF
 - i. Ensure quality and timely execution of works.
 - ii. Execute works as per estimates, drawings, design & specifications.
 - iii. SFs shall comply with terms and conditions drawn up with the procuring agency.
 - iv. Comply with OHS Rules of MoLHR.

4. Roles of Procuring Agency

- a. The Procuring Agency shall submit the details of works including the following general abstract of cost (*Annexure I*):
 - i. Name/Description of work;
 - ii. Project Location;
 - iii. Departmental Cost Estimates as per BSR 2021;
 - iv. Name of Engineer/ Focal Person;
 - v. Detailed drawings and Technical Specifications and detailed description of materials (if applicable)
 - vi. Duration, project commencement date and completion date.
 - vii. Inclusion of OHS and cost index as per location
- b. The procuring agency shall decide on the execution modality, clearly specify whether only the labour component is to be provided by the Specialized Firm or whether both material and labour has to be provided by the Specialized Firm.
- c. Ensure that the Estimates are realistic and at prevailing market rates
- d. Contract Management :



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- i. The procuring agency shall periodically monitor progress implementation of contract, including determination of volume of works accomplished according to work plan, milestone agreement and inspection of quality aspects.
- ii. The Procuring Agency shall be responsible and accountable during the execution of contract.
- iii. A contract shall be executed between the Procuring Agency and the Specialized Firms by incorporating relevant Clauses from the General Conditions of Contract (GCC) and Special Conditions of Contract (SCC) from the Standard Bidding Documents for Procurement of Works in the Contract documents.
- iv. Fill up the Average Performance Rating Form after completion of works (Annexure- II)

5. Technical Committee

A Committee shall be instituted comprising members from PMO, MoWHS, MoLHR, CDB and DNP. The Committee shall oversee: **Packaging and Equal distribution of work**

- a. The works shall be equally distributed amongst the specialized firms based on:
 - i. Specialized area of trade;
 - ii. Size of the Specialized Firm
 - iii. Contract amount; and
 - iv. Location
 - v. collect data from procuring agencies for all repair & maintenance works that needs to be outsourced for the Financial Year 2021-2022;
 - vi. To ensure that works are equally distributed amongst the registered specialized firms through packaging of works;
 - vii. Report to DNP, MoF.
 - viii. present to the Specialized Firm Task Force for all approval and endorsement.



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- b. Since R&M works involve various specialized areas of trade, and if the Specialized Firm does not have all areas of specialization, while packaging of works, a major component of nature of work shall be taken into account while packaging and distributing the works.

6. Performance Security

- a. The SF shall be exempted from furnishing performance security.
b. However, failure to execute the contract due to any reason(s) shall be sufficient ground to disqualify the Specialized Firm from securing the next direct award of contract by the Specialized Firm Task Force

7. Mobilization Advance

SF shall be given mobilization advance without having required to furnish bank guarantee.

8. Competitive Bidding Process

In case the number of Specialized Firms increases and when direct award and distribution of works will not be possible, then works will be awarded through a competitive bidding process amongst the specialized firms.

9. Effective Date :

This Guideline shall be effective from 1 July 2021.

10. Monitoring SF's qualifying conditions:

- a. The Ministry of Labour and Human Resources (MoLHR) and Construction Development Board (CDB) shall carry out monitoring works limited only to ensure that the Specialized Firms comply with the registration criteria and standards set by CDB and MoLHR as per existing rules and guidelines



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Annexure I

Details of all Repair and Maintenance of Government Buildings to be awarded to Specialized Firms

Name of Procuring Agency:

Sl. No	Description of works	Location	Cost Estimates (Nu. in millions)	Detailed drawings and Technical Specifications and detailed description of materials (can be attached as separate file)	Name/contact # of the Engineer/Local Person	Duration (in months)	Date of Commencement	Date of Completion	Execution Modality (whether only labour component or whether both material and labour has to be provided by the Specialized Firm)

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Annexure- II

**Construction Development Board
 Average Performance Scoring Form
 for Specialized Firms
 (For Direct Awarded
 Works)**

Name of the Specialized Firm:

CDB Registration Number::

Name of the Client:

Name of the Project::

Name of Inspecting Engineer:

Award Amount (Nu.):

Date of Start of Project:

Final Contract Amount:

Date of Completion:

Liquidity Damage(LD) Imposed: No. of days Amount (Nu.).....

Hindrance (No. of days)

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Performance Score Table:

Sl. no.	Description	Total Score	Score Obtained
1	On-time Completion	30	
2	Quality of Execution	70	
	Grand Total	100	

Verified and Rated by:

Test Checked by:

Approved by:

(Site Engineer)

(Supervising Engineer)

(Head of Agency)

Name and signature

Name and signature

Name and signature



Guideline for Average Performance Score (100 points)

This parameter gives points to the contractor based on its performance for every project the contractor executes. The 100% performance score will be composed of the following parameters:

1. On-time completion (30%)
2. Quality of execution (70%)

1. On-time completion (30 points)

Scoring for this component of performance will be done by the site engineer of the implementing agency. A contractor can be penalized under this component if (s)he fails to deliver the project as per the initial time-lines committed. The site engineer can penalize the contractor to an extent of 30 points.

The quantum of penalty could vary as following:

- 10 points deducted for a minor default from 30 points

(if the final completion of the project is delayed by 10 - 15% as compared to original project duration)

- 20 points deducted for a medium default from 30 points

(if the final completion of the project is delayed by 15 - 25% as compared to original project duration)

- 30 points deducted for a major default from 30 points

(if the final completion of the project is delayed by 25% or more as compared to original project duration)

2. Quality of execution (70 points)

The scoring on this component of performance will be done by the Site Engineer based on the following considerations.

The quality of execution will measure the professionalism of the firm as well as the quality of process it follows in execution of the works.

The scoring will be valid for all the trades and categories of specialized firms and suit the requirement as specified in the following scoring pattern.



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Scoring pattern

Sl. no	Description	Total score	Score obtained
1	Committed (certified) Bhutanese skilled worker at site	10	
2	Use of professional tools and equipment	5	
3	Use of certified/specified materials	5	
4	Developed work plan, schedules, QA, QC plans	5	
5	Copy of Contract Documents (Drawings, Specifications, Bill of Quantities, Hindrance, Site Change Order) at site	5	
6	Work conforms to technical specifications, drawings and cost	25	
7	OHS management practices- Personnel	5	
8	OHS management practices- Work area, Public Safety	5	
9	Housekeeping practices	5	
	Total	70	

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