



དངུལ་རྩིས་རྒྱན་ལག།

ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
TASHICHHODZONG
THIMPHU



དངུལ་རྩིས་རྒྱན་པོ།

FINANCE MINISTER

MoF/DNP/PMDD-14/2021-22/3232

24th February 2022

NOTIFICATION

Subject: A One Time Special Advance (SA) up to 20% on the remaining work balance and amended the Liquidity Damage (LD) rate, to the Contractors

The COVID-19 containment measures including international border closures and the subsequent lockdowns from the highly infectious Omicron outbreak have led to cost escalations and shortage of men & materials which have led to delay in the construction works. The Contractors therefore, are not able to process the running bills to meet certain mandatory expenses such as labor payments and material costs as the agreed milestones are not achieved.

The Government recognizing these adverse impacts, has approved a One Time Special Advance and amended the Liquidity Damage rate for every day of delay, as a relief measure to the Contractors to ensure the construction works in hand are completed on time and most importantly with quality.

- I. To avail the One Time Special Advance up to 20% on the remaining work balance, the following are the eligibility criteria:
 - a. The Special Advance of 20% on the remaining work balance shall be approved to those Contractors who have not availed the full 20% Mobilization Advance as per the MoF Notification No.MoF/DNP/GPPMD-14/2020-21/892 dated 23rd March 2021 or as per Clause 30 of Simplified Procurement Rules and Regulations (SPRR) 2021.
 - b. To avail the One Time Special Advance, the Contractor shall be mandated to furnish an equivalent Bank Guarantee (BG).
- II. The amended Liquidated Damages rate shall be 0.05% for every day of delay to the maximum of 10% of the initial contract price with effect from 1st January, 2022, irrespective of the rates mentioned in the contract and it shall apply with the following conditions:
 - a. It applies to all contracts whose Liquidated Damages will start from 1st January 2022 irrespective of commencement of project.
 - b. If Liquidated Damages is already entered by 1st January, 2022, it applies to that portion of Liquidated Damage after 1st January, 2022.



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- c. It does not apply to the contract that has already exhausted Liquidated Damages before 1st January, 2022.
- d. Notwithstanding the above, based on the site progress, Procuring Agencies may initiate termination after exhausting initial 100 days of the Liquidated Damage period.

The respective Finance Committee (FC) shall review and approve the One Time Special Advance (per project/work) and the amended Liquidated Damage rate. **The Monitoring Team/ Tender Committee shall strictly monitor the progress of the construction works.** Procuring agencies shall release the bills as per Clause 92-97 of the SPRR 2021 issued with effect from 1st November 2021.

The Notification shall come into immediate effect and **all the procuring agencies including SoEs under the Ministry of Finance are directed to comply with the Notification.**


(Namgay Tshering)

Copy to:

1. Dasho Zimpon, Office of the Gyalpoi Zimpon, Thimphu.
2. The Hon'ble Prime Minister, Gyalyong Tshokhang, Thimphu.
3. The Auditor General, Royal Audit Authority, Thimphu.
4. All Constitutional Heads, Government Secretaries, Head of Autonomous Bodies, Dzongdags, Head of SoEs, Thrompons, Drungkhags and Gups.
5. President, Construction Association of Bhutan (CAB) for information.
6. Director, Construction Development Board (CDB) for information.
7. All Procurement Officers, for information.