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ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE



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Procurement Rules and Regulations 2025

PREFACE

Pursuant to Section 104(i) of the Public Finance (Amendment) Act of Bhutan 2012, the Ministry of Finance is mandated to establish and maintain a procurement system that is fair, transparent, competitive, and cost-effective. In furtherance of this mandate, the Procurement Rules and Regulations 2025 have been promulgated.

These Rules supersede the Procurement Rules and Regulations 2023, along with all related notifications. The finalization of these Rules was undertaken following comprehensive consultations with public officials, representatives of the private sector, regulatory authorities, and subject matter experts, ensuring the incorporation of relevant and substantive feedback.

The Ministry of Finance formally adopted the Procurement Rules and Regulations 2025 during the 9th Policy and Planning Coordination Meeting held on 12 May 2025. The Rules shall take effect from July 1, 2025.

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CHAPTER 1

GENERAL PROVISIONS

Principle

1. To ensure fairness, competition, transparency and accountability in public procurement.

Objective

2. These Rules and Regulations establish the framework for procurement of goods, works and services. It aims to:
 1. Ensure the economic and efficient use of public resources;
 2. Achieve value for money and quality outcomes;
 3. Mitigate risks of fraud, corruption, and conflict of interest;
 4. Promote flexibility and innovation; and
 5. Achieve uniformity of procurement procedures.

Application

3. These Rules and Regulations shall be applicable to all Government Agencies, including the Armed Forces; however, it shall not apply in the following cases:
 1. Exemption granted by the Government for national security or special security measures;
 2. Exemption for projects funded by external assistance, adhering to specific procurement procedures under the relevant financing agreement;
 3. Deposit work: Entrusting an assignment as deposit work to another agency of the Government provided that the entrusted agency shall be guided by the provisions;
 4. Corporations and Financial Institutions fully or partly owned by the Royal Government, Trust Funds, and Welfare Funds may adopt separate procurement rules within the broad principle of These Rules and Regulations approved by their Boards/Trustees. Otherwise it shall be governed by These Rules and Regulations;
 5. Community Contracting valued up to Nu. 1.5 million shall be carried out as per the Community Contracting Protocol issued by the Ministry of Home Affairs;
 6. Procurement that are required to be canalized through agencies approved by the Government;

7. Departmental Execution- The concerned budgetary body shall take up the execution of a work departmentally where 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 for small works where awarding to a contractor is not feasible and more beneficial to execute the works departmentally; or under emergency situations; and/or
8. Purchase/ renting/ leasing of land, buildings, or immovable property.

General

Corruption

4. It is the policy of the Royal Government of Bhutan (RGoB) to uphold and promote the highest ethical standards by all Procuring Agencies, Suppliers, Contractors, and Consultants throughout the entire procurement process. All parties involved are expected to conduct themselves with integrity, transparency, and accountability at all times.
5. Compliance with the terms and conditions set forth in the Integrity Pact, as included in the Bidding Documents, is mandatory. Any breach of the Integrity Pact shall be considered a serious violation and may result in disqualification, termination of contract, or other legal consequences.
6. All instances or suspicions of corruption, fraud, collusion, or coercive practices in the procurement process shall be promptly reported to the Anti-Corruption Commission (ACC) of Bhutan.

CHAPTER 2

REGISTRATION & QUALIFICATION OF BIDDERS

Registration System

7. A robust registration system shall be established to streamline pre-qualification of bidders to ensure a pool of qualified contractors, suppliers and consultants. The registration is a system of pre-qualification of capable bidders to handle a type and volume of contract and not limited to a particular contract.
8. The Government may designate appropriate Registering Authorities to maintain lists of Registered Contractors, Suppliers and Consultants, known as Registers. These authorities will establish committees with qualified members to determine selection criteria for applicants based on their capability to service contracts in the sector.
9. Once the criteria are finalized, the opening of the Register will be publicly announced through various media. Interested parties can apply within a specified period by submitting necessary documents.
10. Applications will be evaluated based on predefined criteria within a set timeframe. Successful applicants will be listed in the Register, which will be accessible at relevant government agencies. A certification will be issued, valid for a specified period.

Qualification Criteria for Registration

11. The registers maintained by the Registering Authorities of the Royal Government of Bhutan must meet the following criteria. Procuring Agencies may also conduct prequalification of bidders based on these criteria:
 1. General Suitability
 - a. Applicants must submit documentation confirming they do not fall under disqualifying conditions outlined in applicable regulations.
 - b. Authorities are prohibited from approving registration renewal or prequalification for debarred individuals/ entities.
 2. Financial Capacity- Applicants may need to provide financial evidence, including:
 - a. Audited balance sheets for the past three years.
 - b. Statements of overall turnover for the past five years.
 - c. A valid tax clearance certificate.
 3. Technical Ability- Evidence may include:

- a. Educational and professional qualifications of key managerial staff.
- b. A list of major works completed in the last 3–5 years, with certificates of satisfactory execution.
- c. Details of principal goods/services delivered in the past three years, with supporting certificates.
- d. Description of technical facilities, including tools and equipment.

Registration of Bidders for Works and Consultants for works

- 12. The Bhutan Construction and Transport Authority (BCTA) shall be the competent authority of the Government to establish and maintain the List of Registered Contractors and Consultants for Works.
- 13. It shall issue guidelines on registration of contractors and consultants for works from time to time to facilitate efficient functioning and effective implementation of works in the best interest of the Government.
- 14. Registration with the BCTA and possession of a valid BCTA certificate shall constitute one of the presumptions of overall suitability of a bidder to participate in a public procurement procedure in respect of the classification for which has been registered.
- 15. An official list of registered contractors, sub-contractors, consultants, and construction personnel shall be maintained up to date by the BCTA and shall be made available on its website.

CHAPTER 3

METHODS AND THRESHOLDS

General

16. This chapter provides methods and thresholds available for procurement of goods, works and non-consultancy services.
17. National Competitive Bidding shall be conducted in accordance with methods and procedures prescribed in These Rules and Regulations.
18. Procuring Agency may conduct tendering from foreign bidders when certain goods or domestic contractors with required capacity to undertake certain works or the service providers are not available in the country; or for donor funded projects when the funding agreement requires the Procuring Agency to resort to the international market.
19. In such cases, the Procuring Agency shall also be guided by the Foreign Exchange Rules and Regulations issued by the Royal Monetary Authority for the purpose of payments.
20. The Procuring Agency shall require that all the financial instruments be issued by a financial institution in Bhutan acceptable to the Procuring Agency. If the institution issuing those instruments is located outside Bhutan it shall have a correspondent financial institution located in Bhutan to make the financial instrument enforceable.
21. In international procurement, incoterms shall be used for procurement of Goods. The bidding document shall specify the applicable version of the incoterms that shall be used.

Procurement Methods

Open Tendering

22. Open Tendering shall serve as the standard procurement method for government contracts, ensuring transparency and equal opportunity. All qualified and eligible bidders must be allowed to participate through public notification, unless exceptional circumstances justify the use of Limited Tendering or Direct Contracting Method.

Limited Tendering

23. Normally, this method may be used when the estimated value of goods, works or non-consulting services do not exceed the threshold value as may be prescribed under Clause 39;

24. Irrespective of the threshold value, this method may be used under **ANY** of the following circumstances:
1. The available time is insufficient (*required to address pressing needs that, if delayed, could disrupt operations or cause financial, operational, or reputational risks. However, it does not necessarily involve an emergency, crisis or disaster. appropriately justified and properly documented*) to follow the Open Tendering method but where it is still possible to seek competition without resorting to the Direct Contracting method;
 2. where a pre-qualification procedure has been adopted; or
 3. In case of re-tender following Open Tendering.
25. This method requires sending invitations to at least three (3) qualified bidders capable of delivering the required goods, works or non-consulting services. However, bids need not be received from all bidders as long as bidders are given an equal opportunity to submit bids following the notification.

Direct Contracting

26. This procurement method enables direct negotiation between the Procuring Agency and one or more bidders to finalize pricing and contract terms for offers meeting technical and contractual requirements.
27. In all instances of direct contracting, the Procuring Agency shall ensure that the prices are reasonable and consistent with the market rates for the items/works of similar nature.
28. Irrespective of the estimated value of the procurement, this method shall be applied upon fulfillment of **ANY** of the following circumstances:
1. in case of procurement up to a maximum of 0.100 (point one) million for procurement of goods for the purpose of day to day administration;
 2. if Limited Tendering methods fails;
 3. a contract may be awarded exclusively to a single supplier if there is no feasible alternative because of the technical requirements; or proprietary rights; or such as procuring any large or complex item directly from the manufacturer or dealers with an original equipment manufacturer (OEM) certification.
 4. Additional supplies required for partial replacement, repair and maintenance of equipment, or extending existing contracts if changing suppliers would force the

Procuring Agency to source materials with incompatible technical specifications, causing incompatibility or operational/ maintenance challenges or disproportionate additional costs.

5. In the case of Repeat Order for supplies previously procured through competitive bidding, where the unit prices are same as or lower than those in the original contract, provided that such prices are still the reasonable to the Procuring Agency after price verification and it is within the same fiscal year;
6. In case of works in remote areas having established that there are no potential bidders and in the best interest of the project;
7. Under an emergency situation (an 'emergency' being a sudden, unforeseen event that needs immediate attention, that can result in injury, loss of life, critical damage to property or infrastructure or economic loss or public interest). Delays in response could lead to further harm, increased financial costs, or long-term societal impacts, making swift action critical.
8. The Procuring Agency may rely on quotation rates of another Procuring Agency including the rates of the other international agencies in Bhutan, as may be applicable, after seeking approval from the Head of Procuring Agency(HOPA). However, this is only permitted when the necessity is urgent and the procurement process cannot be completed and the contract of the other agency is signed during the fiscal year. The Procuring Agency must determine that the unit prices are the same or less than the original contract and a separate contract between the Procuring Agency and supplier shall be signed incorporating the relevant contract provisions from the Standard Bidding Documents.

Collaborative and Innovative Procurement

Innovative Procurement in Goods

29. The Procuring Agency may also decide to adopt outcome-Based Specifications, whereby the Procuring Agency focuses on results rather than how those results are achieved, giving suppliers flexibility to innovate. Bidders shall be allowed to propose innovative solutions that address the objectives set out in the tender. Proposals that demonstrate originality, improved efficiency, or new methodologies will be awarded additional points under the technical evaluation criteria. Any proposed innovation must be feasible, cost-effective, and aligned with the performance requirements specified in this document.

Design and Build (D&B)

30. Design and Build is a procurement model where a contractor is appointed to undertake both the design and construction of a project under a single contract, fostering innovation, coordination and reducing project risks.

Design- Build-Operate (DBO)

31. A procurement model where a single entity is responsible for the design, construction, and operation of a facility for a specified period, ensuring long-term performance and cost efficiency before transferring ownership back to the client.

Operate-Maintain-Transfer (OMT)

32. Operate-Maintain-Transfer (OMT) is a procurement model where a private entity is responsible for operating and maintaining an existing public asset for a defined period. After the contract period, the asset is transferred back to the public authority. This model allows the public sector to outsource the operational and maintenance responsibilities while ensuring service efficiency and performance standards are met.

Electronic reverse auction (e-Reverse Auction)

33. An electronic reverse auction (e-Reverse Auction) is a scheduled online event in which prequalified/registered bidders bid against each other on their prices and the bidder with the lowest bid price is considered for award. The e-Reverse auction shall be carried out in accordance with e-Reverse Auction Guidelines issued by the Ministry of Finance.

Framework Contracting

34. This method of procurement may be used for the supply of designated supplies over a given period of time which shall generally be one year. The Procuring Agency may however prescribe longer periods provided the duration is prescribed in the tender documents which shall not exceed more than 3 years.
35. Supplies may be ordered under the contract at different intervals depending on the needs of the Procuring Agency without a requirement of further competitive bidding.

All-of-Government (AoG) Contracts

36. A type of contract where a designated central Procuring Agency identifies common needs across the government entities and conducts competitive tendering to procure commonly used goods and services creating AoG contracts.

Procurement Cycle

37. For the framework contract, the procurement cycle shall be from October to September.
38. For the regular contract with approved budget the tendering process shall be completed by the end of December. However, the Procuring Agency may go beyond the month of December provided there is strong justification to do so with prior approval from the Tender Committee.

Procurement Thresholds

39. The estimated value of contracts, including all applicable taxes and duties shall be used to determine the method of procurement to be adopted. The threshold levels for application of appropriate competitive procurement method are as follows:

Type	Open Tendering Method	Limited Tendering Method	Direct Contracting Method
Goods & Non-Consulting Services	Above Nu. 1.00 Million	Up to Nu. 1.00 Million	Subject to fulfillment of conditions
Works	Above Nu. 5.00 Million	Up to Nu. 5.00 Million	

40. Procurement shall not be split to bypass specific methods. However, a Procuring Agency may divide work, supplies, or services into separate lots for different contractors, suppliers, or service providers. In such cases, the total value of all lots will determine the applicable procurement method and thresholds.

Pre-Qualification and Maintaining list of qualified Bidder

41. Pre-qualification may be done in the following circumstances:
 1. For large, complex procurements, or situations where high cost of preparing detailed bids could discourage competition, the Procuring Agency may initiate a pre-qualification process. This allows early identification of eligible suppliers and contractors prior to tender submission; or
 2. For limited tendering and direct contracting methods.

42. The pre-qualification shall be carried out in accordance with the Pre-qualification Guidelines issued by the Ministry of Finance.
43. In addition to the pre-qualification procedures, the Procuring Agency may also maintain list(s) of qualified bidders for use in case of Limited Tendering and Direct Contracting methods. List shall be based on past performance (like timely completion, quality, similar works carried out in past), no adverse record as maintained by Procuring Agency(ies) and BCTA, the capacity to execute works and other applicable criteria. The shortlisting shall be approved by the Tender Committee.

CHAPTER 4 PLANNING PROCESS

Need Assessment

44. The Procuring Agency will conduct a thorough assessment to identify the specific needs for works, goods, and services, and finalize the exact requirements. This process will ensure that the identified needs are directly aligned with the organization's strategic goals and the specific project objectives.
45. Additionally, the agency will assess the estimated cost, scope, and quantity of the procurement. This will be carried out to confirm that the requirements are legitimate, transparent, and free from any bias or manipulation that could unfairly benefit particular individuals or organizations.

Market Research and Analysis

46. The Procuring Agency shall conduct market research to understand market dynamics and informed procurement strategies for optimal results. Findings shall be consolidated into conclusions to guide a fit-for-purpose approach to contracting. The extent of research depends on the nature and scope of goods/services, difficulty in specifying requirements, risk level of delivery failure, and whether it is a one-off or ongoing procurement. Common research methods include internet research, Request for Information (market studies) and past experience.

Mandatory Pre-requisites studies

47. For procurement of works above 100 million, the Procuring Agency shall conduct Detailed Project Report (DPR). For projects with quoted amounts below 100 million, DPR may be conducted for complex procurement or if it is a pre-requisite while submitting for budget proposal.
48. Procurement of works, goods and non-consulting services which exceeds departmental threshold shall be subject to such as pre-feasibility studies, detailed project reports, geotechnical investigation and detailed estimates.

Annual Procurement Plan (APP)

49. The Procuring Agency shall prepare a procurement plan for goods, works, and services in the prescribed format for each fiscal year which shall be accessible to the public through the e-GP system. The APP is indicative only and does not create a legal or binding commitment to go to tender.
50. The procurement plan shall be aligned with applicable budget processes and circulars or the budget preparation instructions issued by the Ministry of Finance.

Technical and Administrative sanctions

51. No tender shall be invited unless: (a) the technical design and cost estimate have been vetted and sanctioned by the competent technical authority; and (b) administrative/financial sanction (budget allocation) for the expenditure has been obtained.

Specifications/ Scope of Works

52. The specifications will include a detailed technical description of the goods, works, or services required. The specifications or scope of work will clearly outline all essential features or components needed, along with the required performance standards and compliance criteria for goods, equipment, or materials. Where applicable, the specifications will also include requirements for goods, equipment, or materials that are environmentally friendly, ensuring that sustainability is considered in the procurement process.
53. In both the cases of goods and works, care shall be taken not to use any particular brand name or catalogue number that would tend to restrict competition or to favour any particular supplier. If the use of such brand names or catalogue number is unavoidable, the words “or their equivalent” should follow them.

Setting standards

54. Goods, equipment, materials, and workmanship must adhere to any applicable standards. Procuring Agencies are encouraged to prioritize nationally recognized standards when defining requirements for goods, equipment, materials or workmanship. If national standards are unavailable, unsuitable, or inadequate, international standards may be used. These standards shall be explicitly referenced in both bidding documentation and contractual agreements. Additionally, procuring agencies should mention meeting equivalent or higher quality and performance standards to those specified will be deemed acceptable.

Ensuring Realistic Departmental Estimates

55. Where possible, the Procuring Agency shall also be responsible for ensuring that they prepare realistic departmental estimates consistent with the market prices.

Determining Contract Duration/ Delivery Period

56. The Procuring Agency shall establish a realistic contract duration for any procurement. This timeline should be determined through a thorough evaluation of factors such as location, geographical and climatic challenges, project complexity, labor and equipment requirements, supply chain and logistical challenges, or any other context-specific considerations.

CHAPTER 5 BIDDING PROCESS

Preparing Tender Documents

57. The Procuring Agency shall prepare bidding documents specific to the goods, works or non-consultancy services to be procured. The applicable Standard Bidding Documents (SBD) shall be used with minimum changes as necessary to address project specific conditions. Reasons for changes, if any, shall be documented and submitted for approval from the Head of the Procuring Agency.
58. The rights and obligations of the Procuring Agency and the provider of goods, works, and services for the procurement are governed by the bidding documents, and the contracts signed by the Procuring Agency with the providers of goods, works, and services and not by These Rules and Regulations.

Bidding Methods

Single Stage One- Envelope

59. Single-stage procurement is suitable when the specifications and requirements are sufficient to enable submission of complete bids. Single stage one-envelope procurement requires submission of both technical and financial bids in one envelope.

Single Stage Two- Envelope

60. If appropriate two-envelope may be used to ensure that technical proposal is evaluated independently of the financial proposal to prevent bias towards cheaper but potentially lower-quality bids. In this method the technical and financial bid shall be in a separate envelope.

Multi- Stage Procurement

61. A multi-phase evaluation where bidders first submit technical proposals (Stage one), and shortlisted candidates then submit financial bids (Stage two). The Two-Envelope bidding method may be adopted under the following conditions:
 1. In large and complex contracts where technically unequal proposals are likely to be encountered;
 2. Where the Procuring Agency is aware of its options in the market, but for a given set of performance requirements, there are two or more equally acceptable technical solutions available to it; and/or

3. Where the Procuring Agency is unable to set the specifications precisely in advance and needs to obtain the input from experienced bidders in order to finalize the scope of work and set the specifications in a way, which guarantees the best and most appropriate outcome.

Eligibility of Bidders

62. Eligible Bidder refers to a bidder which may be a private entity, Government-owned enterprise, or any combination of such entities in the form of joint venture, who is authorized to conduct business in Bhutan, complying with all the requirements in the bidding documents to be eligible for bidding.
63. Government-owned enterprises in Bhutan shall be eligible only if they can establish that they are legally and financially autonomous; operate under commercial law; and are not a dependent agency of the Procuring Agency.

Domestic Preference

64. A Twenty percent (20%) margin of preference shall be explicitly stated in bidding documents for:
 1. Goods of Bhutanese Origin in accordance with the Domestic Preference Guideline 2020 issued by Ministry of Finance; or
 2. In case of works which involve foreign bidders, preference may be given to national bidders.

Invitation for Bids

65. For Open Tendering Method invitations for bids shall be notified to the bidders which may be published electronically or a mass media or announced over the website as appropriate.
66. In the Limited Tendering method, the invitations for bids shall be sent by registered post or electronically, ensuring documents are made available to the bidders at the same time. However, it must be ensured that the identity of participating bidders is not disclosed to one another.
67. In the Direct Contracting methods, the Procuring Agency shall directly approach the bidder(s) from whom it intends to solicit quotations.

Minimum Time limits for Submission of Bids

68. The time limits for submission of bids shall be reasonable, taking into account the nature of goods, works and non-consultancy services to be procured, including the

time necessary for site visits where appropriate, and give adequate and equal time for all bidders to prepare their bids.

69. The Procuring Agency shall set a reasonable time for bid submission, considering the nature and complexity of the project and the time needed for bid preparation. This timeline prescribed below is the minimum time required, but if the project is complex or requires detailed proposals, the deadline can be extended to allow fair and effective participation.
70. The following **MINIMUM** time limits shall be observed:

Minimum Time Limit from the Day documents are made available	Open Tendering Method	Limited Tendering Method	Direct Contracting Method
	MINIMUM 14 days	MINIMUM 3 days	Mutual agreement

Bid Securing Declaration

71. Bid Securing Declaration denotes a security, serving as a guarantee that the bid shall remain valid until the contract is awarded or until the expiry of a specific period, delivered along with the bid by a bidder in a form and in accordance with the terms and conditions specified in the document inviting the bid.
72. The Bid Securing Declaration shall be specified in amount and shall be 1-2% of the estimated value.
73. The Procuring Agency shall instruct bidders to sign a Bid Securing Declaration in the form provided in the bidding documents and the terms and conditions of the Bid Securing Declaration shall be spelled out in the bidding document.

Bid Validity

74. The Bid Validity period should normally be thirty (30) days from the date of bid closing. The Procuring Agency may however prescribe a realistic bid validity period taking into consideration the time that would be required to complete the processes of bid evaluation and award of Contract which shall be specified in the bidding documents.

Performance Security

75. The Procuring Agency shall require the successful Bidder to submit a Performance Security, which is generally 10% of the contract price within seven (7) working days

after the issuance of Letter of Acceptance, but before the signing of the contract. The forms of performance security, duration, forfeiture and release shall be prescribed in the bidding documents.

76. The Procuring Agency reserves the right to encash the Performance Security in order to prevent its lapse, in the event the contractor/supplier fails to extend its validity. The Procuring Agency shall issue a formal reminder to the contractor at least thirty (30) days prior to the expiry date, thereby allowing a period of twenty-one (21) days to effect the required extension. Should the contractor/ Supplier fail to comply within this timeframe, the Procuring Agency shall notify the relevant Financial Institution of the intent to encash the Performance Security no later than seven (7) days prior to its expiration, to ensure the security remains enforceable.
77. For Framework contracting, while determining the performance security amount, where exact quantity cannot be determined, the Procuring Agency shall determine the estimated Quantity having carried out detailed demand aggregation, need analysis and trend analysis.

Clarification of Bidding Documents

78. A prospective bidder requiring any clarification of the bidding document prior to submission of bids may notify the same to the Procuring Agency in writing. The bidders shall not be allowed to seek any clarifications on the bidding documents in person. A section shall be incorporated in the Bidding Documents prescribing the time line and process of seeking any clarification.

Pre- Bid Meeting

79. Pre-bid meeting, if necessary, shall be conducted to clarify doubts and concerns of the bidders prior to submission of bids based on the nature and complexity of the project. A section shall be incorporated in the Bidding Process prescribing the process.

Amendment of Bidding Documents

80. A Procuring Agency shall reserve the right to amend or modify the bidding documents for any reasons by issue of addendum either in its own initiative or in response to a clarification request from a prospective bidder any time prior to the deadline for submission of bids. A section to this effect shall be incorporated in the bidding documents.

Submission of Bids

81. Bidders shall be advised on the latest date, time and place by which the bids would have to be submitted. The Procuring Agency shall reserve the right to extend the last date of submission of bids, if necessary.

Transparency of Process and Receipt of Bids

82. In accordance with the principle that public procurements shall be fair to all potential eligible bidders, the receiving, opening and recording of bids shall be carried out in a manner that ensures and reflects complete transparency and integrity.
83. Bids shall be received up to the time limit specified in the bidding documents or any extensions made to it.
84. Lack of competition shall not be determined solely on the basis of the number of bidders. Even when only one bid is submitted, the bidding process may be considered valid, if the bid was satisfactorily advertised and prices are reasonable in comparison to market values.

Opening of the Bids

85. Bid opening shall take place on the same day immediately following the deadline for the submission of bids as mentioned in the bidding documents. The process during the opening shall also be as mentioned in the bidding documents.

Confidentiality of bid documents and proceedings

86. Bid documents shall be treated with confidentiality at all times and shall not be released to any unauthorized person. Bid evaluation proceedings after the opening of bids shall be kept confidential until the award of contract is announced.

Rules applicable to Communication

87. All communication and information exchange referred to in These Rules and Regulations shall be made in writing or by electronic means.

Exclusion of Bidders

88. A bidder shall be excluded from participating in a procurement procedure under the following circumstances:
1. has been debarred for General Causes prescribed in the Debarment Rules;
 2. has not fulfilled contractual obligations with the Procuring Agency in the past and shall be excluded from participating in the tender for a maximum period of two years; and/ or
 3. and in any other predetermined circumstances as may be deemed necessary and duly justified by the Procuring Agency.

CHAPTER 6

EVALUATION AND AWARD PROCESS

Evaluation of Bids

Essentials

89. The purpose of the bid evaluation process shall be to determine which of the bids received are responsive and thereafter compare the responsive bids against each other to select the Best Evaluated Bid.
90. Normally, evaluation of bids shall be completed within 14 working days. In case, or large and complex projects, if evaluation is not completed within the prescribed period, approval has to be sought from the HoPA.
91. If any license or clearance documents referred to as Historical Documents forming part of eligibility criteria specified in the Bidding Document are found to be missing/ expired/ incomplete, the bidder shall be asked to submit it within a reasonable time specified by the Evaluation Committee before finalization of the Evaluation, failing which the bid will be treated non-responsive.

Evaluation Criteria and Procedure

92. Evaluation shall be carried out as per the criteria set in the bidding documents and not some other methods or criteria. Introduction of methods and factors not mentioned in the bidding documents would be considered unfair and shall be prohibited. The price offered by a bidder shall be only one of the criteria amongst many others for evaluation of bids.
93. Evaluation for Procurement of Works (above Nu. 5.00 Million) shall be carried out as per the Evaluation Guidelines issued by the Ministry of Finance which shall be a pointed based evaluation system.

Examination of Bids and Determination of Responsiveness

94. Prior to the detailed evaluation of Bids, the Procuring Agency shall determine the responsiveness of bids. "Responsive bids" under these rules shall mean "substantially responsive bids". Bids are substantially responsive where:
 1. The bidders fulfill the conditions of eligibility and qualification, if any laid down in the Bidding Document;
 2. The bids comply with the terms and conditions set out in the bidding documents, and are complete with the required information and duly filled in forms prescribed in the bidding documents; and

3. The bids respond to the terms, conditions and technical specifications detailed in the bidding documents without “material deviation or reservation”. A material deviation or reservation is one:
 - a. Which affects in any substantial way the scope, quality or performance of the assignment under bid;
 - b. Which limits in any substantial way and is inconsistent with the bidding documents, the Procurement Agency’s rights or the bidder’s obligations under the contract; or
 - c. Where the rectification would unfairly affect the competitive position of other bidders presenting responsive bids.
95. If a Bid is not substantially responsive, it will be rejected by the Procuring Agency, and may not subsequently be made responsive by correction or withdrawal of the non-conforming deviation or reservation.
96. Bids determined to be substantially responsive shall be checked by the Procuring Agency for any arithmetic errors. Errors shall be corrected by the Procuring Agency as per the process in the Bidding documents.
97. The Procuring Agency shall evaluate and compare only the Bids determined to be substantially responsive.

Abnormally Low/ High Bid

98. An Abnormally Low/High Bid is one where the bid price, in combination with other constituent elements of the Bid, appears unreasonably low/High to the extent that the Bid price raises material concerns as to the capability of the Bidder to perform the Contract for the offered Bid price. A section shall be incorporated in the Bidding Documents prescribing the process for scrutinizing abnormally low/ high bids.

Seriously unbalanced or front-loaded Bids

99. If the Bid that results in the Best evaluated bid is, in the Procuring Agency’s opinion, seriously unbalanced or front-loaded for the particular items in the Price Schedule, the Procuring Agency may require the Bidder to provide written clarifications, including detailed price analyses to demonstrate the consistency of the prices with the scope of Works, proposed methodology, and schedule to determine acceptance or rejection of bids. A section shall be incorporated in the Bidding Documents prescribing the process.

Negotiation

100. On the recommendation of the Tender Committee, the Evaluation Committee shall carry out negotiation before final award of contract. Negotiations may involve terms and conditions and prices for all types of Procurement methods. The need to carry out negotiation must align with integrity, transparency, fairness, best value for money, and the interest of the project while ensuring accountability and compliance with procurement objectives.
101. If the proposal exceeds the available budget, negotiation may be used to explore cost adjustments or scope modifications necessary to bring the contract within financial constraints while preserving key deliverables.

Cancellation/ Rejection of Bids

102. The Procuring Agency reserves the right to reject any bid, reject all bids or cancel the Bidding process any time prior to the Award of Contract, without thereby incurring any liability to the affected Bidders, the Bidder shall however be informed with the justified reasons for cancellation or rejection.

Tie- Bids:

103. In the event of a tie in bid prices among two or more bidders, the Procuring Agency may adopt assessment of Past Performance or Relevant Experience or use of a Random Selection Method or specify other measures which shall be clearly spelled at the time of preparation of bidding documents.

Award of Works**Letter of Intent**

104. Following the decision to award the contract, the Procuring Agency shall promptly issue a letter of intent to award the contract to the successful bidder. Copies of such notification shall also be sent to all participating bidders.

Standstill Period and Pre-Award Grievance Redressal Mechanism

105. The Procuring Agency shall observe 5 (five) days of standstill period for Open Tendering Method and 2 (two) days for Limited Tendering Method from the date of the issuance of letter of intent. This is to allow the participating bidders to lodge complaints if aggrieved by the decision of the Tender Committee.
106. The HoPA shall within five (5) days after the submission of the complaint, issue a written decision stating the reasons for the decision; and if the complaint is upheld in whole or in part, indicate the corrective measures are to be taken.

107. The aggrieved bidder shall be required to submit a detailed grievance along with all supporting documents which shall be one time. The Procuring Agency, while reviewing the grievance, must ensure a proper review and issue a timely decision. No further correspondence will be entertained from either party.
108. Where no decision has not been issued by the Procuring Agency within 11 days, or the complainant is not satisfied with the decision, the complainant may initiate a review procedure before the Independent Review Body (IRB). The IRB shall function as per the IRB Rules issued by the Ministry of Finance.

Debriefing

109. The purpose of debriefing is to inform the aggrieved bidder of the reasons for lack of success, pointing out the specific shortcomings in the bid without disclosing contents of other bids. Debriefing shall be sought as per the timeline prescribed in bidding documents.

Letter of Acceptance and Signing of Contract

110. At the end of the Standstill Period, if the Procuring Agency has not received any complaint from an aggrieved bidder, or after successful resolution of complaint if any, the Procuring Agency shall proceed to award the contract in accordance with its decision to award through issuance of Letter of Acceptance.
111. The Letter of Acceptance shall require the successful Bidder to submit a Performance Security and sign the contract within seven (7) working days. In the event, procurement is urgent, the Procuring Agency and bidder may agree to a shorter but reasonable time period to furnish Performance Security. Failing to sign the contract or furnish Performance Security will be treated as breach of Bid Securing Declaration terms and conditions.
112. The parties shall enter into a written contract binding on both parties. The contract shall become compatible with the applicable laws of the Kingdom of Bhutan.

Work Order and Supply Order

113. After the signing of contract, the Supply Order for one-time purchases shall be sent within five (5) working days. For Framework Contracts supply orders may be issued as and when goods and services are required.
114. After the signing of contract, the Work Order shall be issued to the contractor indicating the commencement of the project. Normally seven (7) working days for commencement of a project upon issuance of the Work Order. However, basing on the nature and complexity of the project, longer duration may be prescribed.

CHAPTER 7

CONTRACT MANAGEMENT

Elements of Contract – General

The Contract Documents

115. The contract shall contain all the terms and conditions of the contract, define the rights and obligations of the parties to the contract and incorporate any documents necessary for the fulfillment of the contract as appropriate. Any such documents shall be clearly marked and referred to in the signed and dated contract.
116. Conditions of contract may be based on standard form contracts such as the model contract documents provided in These Rules and Regulations or as may be issued by the Ministry of Finance. These standard form contracts will contain General conditions of contract (GCC). Where the parties agree to include further conditions of contract or where further conditions are required by the standard form contracts, such conditions shall usually be referred to as Special Conditions of Contract (SCC).

Scope, Quantity and Quality

117. The scope, quantity and quality of the contractual obligations shall be the fundamental conditions of the contract and will consist, among others, of:
1. The identification and proper definition of the key elements of the contract such as the parties, the nature and quantity of the works, goods or services concerned, the specifications.
 2. The responsibilities of the parties, which shall include liability of the parties in respect of all applicable laws;
 3. Provisions relating to a guarantee of the quality of workmanship and materials for a stipulated period beyond the completion of the contract and a requirement for the contractor or supplier to make good at his own expense, any defects that may arise during the warranty period.
 4. Provisions relating to the costs of insurance and transportation, the use of internationally recognised contract terms such as the ICC's INCOTERMS being preferred;

Contract Management

118. Contract management will encompass all administrative, financial, managerial, and technical tasks that the Procuring Agency is responsible for from the point of contract award through to its successful completion or termination. This includes overseeing

payment processes, resolving any disputes or claims, and ensuring that all terms and conditions of the contract are fulfilled as agreed.

119. The Procuring Agency will apply professional ethics and exercise due diligence in managing contracts to ensure that all contracts are implemented according to the agreed terms and conditions. The Procuring Agency will also ensure that the goods, works, or services being procured fully meet the technical requirements specified in the contract documents.
120. Contract management will involve a range of activities, including reviewing and approving the Resource-Based Work Plan, signing a Milestone Agreement to ensure effective implementation, and conducting regular progress monitoring. This will cover work volume, quality inspections, and compliance checks by a designated Monitoring Committee. Additional responsibilities will include managing variation orders, contract suspension or termination, price revisions, and enforcing contract remedies such as liquidated damages for delays, addressing delayed payments, and resolving disputes. All actions will be carried out in accordance with the terms and conditions specified in the contract.

Important Conditions of Contract

Type of Contract:

Lump Sum Contracts

121. Under a lump sum contract, the contractor agrees to perform the scope of work for a fixed contract amount. Payment percentages or amounts may be linked to the completion of contractual milestones or determined as a percentage of the value of work done.
122. Lump Sum Contracts may be appropriate when the scope of the procurement activity can be clearly and accurately specified and can be linked to milestone payments.

Ad measurement (unit price or unit rate) Contract

123. This type of contract is based on estimated quantities of items and contractual unit prices for each of these items, and is paid on the actual quantities and contractual unit prices. It is appropriate for works, when the nature of works is well defined, but the quantities cannot be determined with reasonable accuracy prior to execution.

Cost plus fee/ Reimbursable-cost Contracts

124. Under reimbursable-cost contracts, payments cover all actual costs, plus an agreed fee to cover overhead and profit. To minimize risk to the Procuring Agency the

contractor shall make all records and accounts available for inspection by the Procuring Agency or by some agreed neutral third party; and the contract shall include appropriate incentives to limit costs.

125. A contract of this type should include a “maximum payment” section with an obligation on the service provider to complete the tasks assigned without exceeding the amount of the agreed maximum payment.
126. The contract shall specify that payment of the fee shall be made at prescribed time intervals (weekly or monthly, for example) generally coinciding with the progress of the execution of the services and following the submission of an “invoice” detailing the services provided during the relevant period. Payment of the costs shall similarly be made upon the submission of an “invoice” which shall include all relevant receipts required by the contract.

Advances in Goods and Works Contracts

Advances in Goods

127. In case of purchase of goods an interest free advance of ten percent (10%) may be considered. The advance will be secured against an Unconditional Bank Guarantee and the terms of payment will be developed in the contract considering the advance payment made.
128. In case of Direct Contracting by a Procuring Agency from a manufacturer or principal company, where staggering payment procedures is not practical due to the size of demand, hundred percent (100%) advance may be considered against provision of unconditional bank guarantee. However, in case of purchase from government owned companies or enterprises, advance guarantee may be waived off if the Procuring Agency is convinced that there is no risk in delivery of goods or recovery of the advance amount.

Mobilization Advance in Works

129. A Procuring Agency may provide for payment of interest free Mobilization Advance of ten percent (10%) in respect of a works contract which shall be specified in the contract documents up on furnishing an Unconditional Bank Guarantee issued by a reputed Financial Institution and acceptable to the Procuring Agency for an amount equal to the required advance payment.
130. The Mobilization Advance shall be recovered through percentage deductions from interim progress payments, fixed on a pro-rata basis to ensure full recovery before 80% of the Contract Price is certified. The contractor must demonstrate proper use of

the advance by providing invoices or relevant documents to the project manager, who may encash the advance guarantee if the contractor misuses the funds for purposes other than mobilization costs for the works.

Secured/Material Advance in Works

131. A Procuring Agency may provide for seventy five percent (75%) payment of Secured advances to the contractor against the construction materials brought at site by the contractor for incorporating in the works.
132. The materials must comply with specifications and not exceed requirements, delivered to the worksite, properly stored, and protected from loss, damage, or deterioration. The contractor shall provide a declaration transferring the lien on material rights to the Procuring Agency. The secured advance may be up to 75% of the material cost, supported by original invoices or bills, and shall be recovered from interim progress payments in the months the materials are used in the works. All these will be clearly specified in the Contract.

Payment/Discharge of Securities

133. The time, procedure and the formalities for payment or discharge of each type of the securities shall be incorporated in the contract, generally along with the terms prescribing their submission, recovery or adjustments in favour of the employer due to the default of the contractor.

Price Adjustments

134. Price Adjustment shall be mandatorily applicable only in the cases of works and supply contracts of more than twelve (12) months duration. Irrespective of the duration of contract, no price adjustments shall be allowed for the works and supplies made within the first twelve (12) months of any contract.
135. Where the rates and prices are subject to adjustments due to rise and fall in the cost of materials, provisions relating to the possibility and method of price adjustments may be prescribed and included in the Contract Documents. Either party, under such circumstances, shall be allowed to seek a price adjustment by submission of documentary evidence of the changes in the market prices of the components.

Performance, Resource Based Work Plan and Milestone Contract

136. All contracts will clearly define the period of performance, the location of the work, and the time and place of delivery. For construction contracts, this will include a detailed schedule or program (Resource-Based Work Plan) that outlines how the

contractor is expected to perform the contract. The plan will include a description of the construction process and its operation, as well as specific starting and completion dates.

137. In the case of complex projects, where work is divided into multiple stages or milestones, these key dates will be clearly outlined to ensure that progress is measured and tracked effectively.

Liquidated Damages

138. Liquidated damages (LD) are compensation amounts for potential losses due to delays in completing/ failing the project that the contractor/ supplier shall pay to the Procuring Agency. It shall be minimum point zero five (0.05%) percent and not be more than zero-point one (0.1%) percent for every day of delay. The total amount of compensation shall not exceed ten percent (10%) of the Initial Contract Price which shall be spelled out in the contract.

Incentives for Early Completion of works

139. If the project completes well before time, provided the contract duration has been realistic, the incentives for Early Completion may include:
1. Listing in the list of preferred bidders by the Procuring Agency and benefit in future award of works under Limited and Direct Contracting Method.
 2. Listing under performing contractors in the BCTA database.

Sub-Contracting

140. The Procuring Agency while preparing bidding documents shall define the mechanism for sub-contracting parts of works to sub-contractors. Sub-contracting shall be carried out as per the Sub-contracting Guidelines issued by the Ministry of Finance.

Variation in Works

141. The conditions for variations in a work contract shall be clearly specified in the contract documents and shall be made in case there are strong possibilities that such variations would occur during the period of execution of a contract. The conditions of variations in a works contract shall specify the mechanism for valuation of the varied items.

Additional Works

142. Additional works may be awarded without a new procurement procedure up to 25% of the initial contract price, under specific conditions:
1. Must be for unforeseen circumstances and not due to lack of comprehensive planning and cannot be fundamentally different from the original contract. If additional works alter the fundamental nature or objectives of the project, a new procurement process must be initiated.
 2. Formal approval shall be sought from the Tender Committee, subject to availability of budget and before the implementation of the additional works. No post facto approval shall be entertained.

Price and Methods of Payment

143. The rates and prices in a contract shall be on a fixed basis unless otherwise permitted by the contract.
144. In a works contract, all materials required for the construction shall generally be supplied by the contractor and the cost included in the respective item rates. When the Procuring Agency undertakes to supply some of the materials for ensuring quality or for security reasons, the contract shall specify the items that will be supplied by the Procuring Agency and the contractor shall be instructed to exclude the cost of those materials from their bills.
145. In a Good and Works contract, if the contractor does not quote rates or prices against any items, the cost of such items shall be deemed to have been covered by other rates and prices quoted in the Bill of Quantities. No payments against execution of such items shall be made.
146. All kinds of bills/invoices shall be paid within twenty-five (25) days after the submission of correct bills/invoice in complete form and such provisions shall be incorporated in the contract documents. Any delay in payment shall result in payment of late payment interest as per process prescribed in the contract.

Retention Money

147. The Procuring Agency shall retain ten percent (10%) from each payment due to the Contractor until Completion of the whole of the Works as retention money. The process for deduction and return of retention money to the contractor shall be specified in the Contract.

148. In case of contract duration less than 12 months, the Retention Money shall be returned to the contractor on completion of the assignment under the contract against the submission of an unconditional guarantee issued by a reputed financial institution and acceptable to the Procuring Agency.
149. In case of contracts of duration more than 12 months when fifty percent (50%) of the work is complete, against the submission of an unconditional guarantee issued by a reputed financial institution and acceptable to the Procuring Agency. Such a guarantee shall be valid until the issue of a No Defects Liability Certificate. The remaining fifty percent (50%) may be returned to the contractor on completion of the assignment.

Defect Liability Period

150. The minimum Defects Liability Period shall be a minimum of twelve (12) months. The Procuring Agency may prescribe a realistic Defect Liability Period based on the type and complexity of the project which is defined in the bidding documents and contract.
151. If the contractor fails to remedy any reported defect within the Defects Liability Period, the Procuring Agency shall withhold the payment or realize claims from the guarantee, of an amount, which in the opinion of the Procuring Agency, represent the cost of the defects to be remedied.
152. Loss or damage to the Works or Materials to be incorporated in the Works between the Start Date and the end of the Defect liability period shall be remedied by the Contractor at the Contractor's cost, if the loss or damage arises from the Contractor's act or omission.

Termination of Contract

153. A contract may be terminated under normal circumstances due to a fundamental breach of its terms and conditions by either the Procuring Agency or the Contractor/Supplier. Additionally, a contract may be terminated for convenience by the Procuring Agency. All grounds and procedures for termination shall be clearly articulated and incorporated within the contract documents.
154. These may also include a force majeure section, which shall provide that the failure on the part of the parties to fulfill their contractual obligations will not be considered to be a breach of contract if such a failure is due to unforeseeable events outside the control of the parties. The conditions for termination should set out the consequences of such an event.

155. Early termination of contract for procurement of works shall also be invoked If the contractor fails to achieve all the three milestone agreements consecutively; or In the event the contractor achieves at least one milestone agreement, but fails to achieve minimum of 50% in every item specified in the agreements at the end of three milestone period.
156. The method of payment upon termination shall be prescribed in the contract. In case of work, the percentage to be applied to the value of work not completed at the time of termination shall usually be twenty (20%) percent subject to a maximum limit of (10%) percent of the initial Contract Price. However, in case the performance security has been extended beyond 10% in cases of seriously unbalanced/ front loaded bids, the damages may be enhanced.
157. For Procurement of Works, the Procuring Agency shall be entitled to recover Liquidated Damages for delay up to the date of termination, as stipulated in the Contract. In addition, recover the value of work not completed at the time of termination which shall usually be twenty (20%) percent subject to a maximum limit of (10%) percent of the initial Contract Price.
158. For the procurement of Goods and non-Consultancy Services, upon Termination by Default, the Procuring Agency shall be entitled to recover liquidated damages for delay, up to the date of termination, as stipulated in the Contract; and recover all actual additional costs reasonably incurred in procuring similar Goods or related Services from alternative sources.
159. The Performance Security shall be encashed to offset such sums as may be due, including Liquidated Damages and additional completion costs. However, such encashment shall be limited to the actual losses incurred by the Procuring Agency and shall not constitute an outright forfeiture.
160. Following the termination of contract, the Procuring Agency may decide to directly award or purchase from the market for goods; or/and directly award or re-tender or execute departmentally for works.

Dispute Resolution

161. The mechanisms for dispute resolution, which govern actions arising from a breach of contract by either party, shall be clearly stipulated in the contract. These shall include, but not be limited to, the following provisions:
 1. Governing Language and Interpretation: The contract shall specify the governing language.

2. Amicable Settlement: A clause requiring the parties to first seek an amicable resolution through mutual consultation prior to initiating arbitration.
 3. Adjudication: Where applicable, the contract shall provide for the appointment of an Adjudicator as a neutral third party to assist in resolving disputes prior to arbitration or litigation.
 4. Arbitration: A clause specifying the forum for arbitration, in accordance with the applicable laws and the Conditions of Contract.
162. A clause in contract shall be included stating that the dispute shall not prohibit continuation of execution of the work unless injunction order or such other orders are issued by the court of law or any other Competent Authority.`

CHAPTER 8

PROCUREMENT OF CONSULTANCY SERVICES

Use of Consultants

163. The Procuring Agency may contract with firms of consultants or individual consultants for the purposes of the provision of expert advice or assistance in institutional matters and specialized services in connection with the implementation of projects and detailed engineering and design.
164. Consulting firms will be preferred where the work involves the application of multi-disciplinary expertise and requires the support of an organization with competent personnel. Individual consultants will be used where a particular assignment can be best carried out by an individual expert with the requisite qualifications and experience.

Conflict of Interest

165. While selecting, the Procuring Agency will ensure that consultants provide professional, objective, and impartial advice and at all times hold the client's interest paramount, without any consideration for future work, and that in providing advice they avoid conflicts with other assignments and their own corporate interests. A section shall be incorporated in the Bidding documents prescribing the circumstances for conflict of interest.

Market Approach Options

Open Competition

166. All qualified firms or individual consultants shall be given an equal chance to offer the necessary Consulting Services following Method of Selection of Consultants. This is a recommended method for choosing consultants for RGoB funded projects. Under the Open competition Consultants will be given a minimum of 7 days to submit their proposals.

Limited Competition

167. Under this method, request for proposals must be sent to at least three (3) eligible firms or individuals who can provide the required consulting services. This method may be appropriate when there are only a limited number of qualified consultants that can carry out required assignments or other justifiable exceptional circumstances. Under the Limited competition Consultants will be given a minimum of 3 days to submit their proposals.

International Market

168. The Procuring Agency may invite Expression of Interest or Request For Proposals from eligible international consulting firms or individuals when the capacity to undertake the required consultancy services are not available in the Country or for donor funded projects when the funding agreement requires the Procuring Agency to resort to the international market.

Method of Selection of Consultants

Quality and Cost Based Selection (QCBS)

169. QCBS uses a competitive process among short-listed firms that takes into account the quality of the proposal and the cost of the services in the selection of the successful firm. Cost as a factor of selection shall be used judiciously. The relative weight to be given to the quality and cost shall be determined for each case depending on the nature of the assignment. The selection process shall include the following steps of which all processes shall be detailed out in the bidding documents:

1. Preparation of Terms of Reference (TOR)

The Procuring Agency shall be responsible for preparing the TOR for the assignment. TOR shall be prepared by a person(s) or a firm specialized in the area of the assignment. The scope of the services described in the TOR shall be compatible with the available budget. The bidding document shall prescribe the contents of the TOR.

2. Preparation of Cost Estimate (Budget)

Preparation of a well-thought-through cost estimate is essential if realistic budgetary resources are to be earmarked. The cost estimate shall be based on the Procuring Agency's assessment of the resources needed to carry out the assignment: staff time, logistical support, and physical inputs (for example, vehicles, laboratory equipment). Costs shall be divided into two broad categories: (a) fee or remuneration (according to the type of contract used) and (b) reimbursable, and further divided into foreign and local costs. The cost of staff time shall be estimated on a realistic basis for foreign and national personnel.

3. Advertising for shortlist

To obtain Expressions of Interest (EoI), the Procuring Agency shall advertise a request for EoI for each contract for Consulting Firms. The information requested shall be the minimum required to make a judgment on the firm's suitability and not be so complex as to discourage consultants from expressing interest. Minimum five

(5) days from the date of publication shall be provided for responses, before preparation of the shortlist.

The Procuring Agency shall have the authority to directly go for the Request for Proposal (RFP) stage based on the nature and complexity of the project.

4. Preparation of Short List of Consultants

The Procuring Agency is responsible for preparation of the shortlist with due consideration to those firms expressing interest that possess the relevant qualifications using the relevant SREoI documents issued by MoF. It is advisable that the Shortlists should comprise, where possible, about three firms.

5. Preparation and Issuance of the Request for Proposals (RFP)

The RFP shall include (a) a Letter of Invitation, (b) Information to Consultants, (c) the TOR, and (d) the proposed contract. The Procuring Agency shall use the applicable StandardRFPs with minimal changes, as necessary to address project-specific conditions.

6. Receipt of Proposals

The Procuring Agency shall allow enough time for the consultants to prepare their proposals. The time allowed shall depend on the nature of the services, but normally shall be minimum seven (7) days. The RFP shall contain all processes on seeking clarifications, issuing addendum, submission of proposals and opening of proposals. In case of a retender, the number of days may be reduced as per the convenience of the Procuring Agency.

7. Evaluation of Proposals: Consideration of Quality and Cost

The evaluation of the proposals shall be carried out in two stages: first the quality, and then the cost. Evaluators of technical proposals shall not have access to the financial proposals until the technical evaluation is concluded. Financial proposals shall be opened only thereafter. The evaluation shall be carried out in full conformity with the provisions of the RFP.

8. Evaluation of the Quality

The evaluation committee shall evaluate each technical proposal (using an evaluation committee of at least two specialists in the sector), taking into account several which shall be clearly specified in the RFP. The evaluation committee shall normally divide criteria into sub-criteria. The number of sub-criteria should be kept

to the essential. The evaluation committee shall evaluate each proposal on the basis of its responsiveness to the TOR.

At the end of the process, the evaluation committee shall prepare a Technical Evaluation Report of the “quality” of the proposals. All records relating to the evaluation, such as individual mark sheets, shall be retained until completion of the project and its audit.

9. Evaluation of Cost

The RFP shall contain details on notifying consultants of the results of evaluation of technical proposals and process for opening of financial proposals. The proposal with the lowest cost may be given a financial score of 100 and other proposals given financial scores that are inversely proportional to their prices. Alternatively, a directly proportional or other methodology may be used in allocating the marks for the cost. The methodology to be used shall be described in the RFP.

10. Combined Quality and Cost Evaluation

The total score shall be obtained by weighting the quality and cost scores and adding them. The weight for the “cost” shall be chosen, taking into account the complexity of the assignment and the relative importance of quality. The weight for cost may normally be 40 points out of a total score of 100. The proposed weightings for quality and cost shall be specified in the RFP. The firm obtaining the highest total score shall be invited for negotiations.

11. Negotiations and Award of Contract

Negotiations shall include discussions of the TOR, the methodology, staffing, Agency’s inputs, and special conditions of the contract. The process and scope of negotiation shall be spelled out in the Bidding Documents.

Other Methods of Selection

General

170. This section describes the selection methods other than QCBS, and the circumstances under which they are acceptable. All the relevant provisions of QCBS shall apply whenever competition is used.

Selection under a Fixed Budget (FBS)

171. This method is appropriate only when the assignment is simple and can be precisely defined and when the budget is fixed. The RFP shall indicate the available budget and

request the consultants to provide their best technical and financial proposals in separate envelopes, within the budget. TOR should be particularly well prepared to make sure that the budget is sufficient for the consultants to perform the expected tasks. Evaluation of all technical proposals shall be carried out first as in the QCBS method. Then the price proposals shall be opened in public and prices shall be read out aloud. Proposals that exceed the indicated budget shall be rejected. The Consultant who has submitted the highest ranked technical proposal among the rest shall be selected and invited to negotiate a contract.

Least-Cost Selection (LCS)

172. This method is only appropriate for selecting consultants for assignments of a standard or routine nature (engineering design of noncomplex works, and so forth) where well-established practices and standards exist. Under this method, a “minimum” qualifying mark for the “quality” is established. Proposals, to be submitted in two envelopes, are invited from a short list. Technical proposals are opened first and evaluated. Those securing less than the minimum qualifying mark are rejected, and the financial proposals of the rest are opened in public. The firm with the lowest price shall then be selected. Under this method, the minimum qualifying mark shall be established, understanding that all proposals above the minimum compete only on “cost.” The minimum qualifying mark shall be stated in the RFP.

Selection Based on the Consultants’ Qualifications (CQS)

173. This method may be used for small assignments for which the need for preparing and evaluating competitive proposals is not justified. In such cases, the Procuring Agency shall prepare the TOR, request EoI and information on the consultants’ experience and competence relevant to the assignment, establish a shortlist, and select the firm with the most appropriate qualifications and references. The selected firm shall be asked to submit a combined technical-financial proposal and then be invited to negotiate the contract.

Single-Source Selection of Firm

174. Single source selection shall be used only in exceptional cases. The justification for single-source selection shall be examined in the context of the overall interests of the project. Single-source selection may be appropriate only if it presents a clear advantage over competition:
1. for tasks that represent a natural continuation of previous work carried out by the firm and if changing the Consultant would cause incompatibility or

operational/ maintenance challenges or disproportionate additional costs or any other inconvenience in the interest of the project;

2. in emergency cases, such as in response to disasters and for consulting services required during the period of time immediately following the emergency;
3. for very small assignments; or
4. when only one Consultant is qualified or has experience of exceptional worth for the assignment without any feasible alternative because of the technical requirements; or proprietary rights;.

Selection of Independent Individual Consultant

175. Individual consultants are employed on assignments for which (a) teams of personnel are not required, (b) no additional outside (home office) professional support is required, and (c) the experience and qualifications of the individual are the paramount requirement.
176. Individual consultants are selected as per the procedures outlined in the standard Request for Expression of Interest documents. However, consultants do not need to submit proposals. Consultants shall be selected through comparison of qualifications of at least three candidates among those who have expressed interest in the assignment or have been approached directly by the agency.
177. From time to time, permanent staff or associates of a consulting firm may be available as individual consultants. In such cases, the conflict of interest provisions described in the bidding document shall apply to the parent firm.
178. Individual consultants may be selected on a sole-source basis with due justification in exceptional cases such as stipulated under Clause 175 of These Rules and Regulations.

Selection and Eligibility of Particular types of Consultants

State-owned enterprises, Universities, Institutes and NGOs

179. SOEs or institutions and not-for-profit organizations (such as NGOs, and universities), shall not be included in the same shortlist with private firms unless they operate as commercial entities that meet the requirements of SOE. If such entities are included in the list, the selection should normally be made using CQS. The Shortlist shall not include individual Consultants.

180. Where Consulting Services provided by SOEs, government-owned universities, research centers, or institutions are of a unique and exceptional nature because of the absence of suitable private sector alternatives, or as a consequence of the regulatory framework, or because their participation is critical to project implementation, the employer may agree to the contracting of these entities on a case-by-case basis following Single Source Selection.

Government Officials and Civil Servants

181. Government officials and Civil Servants may be hired under consulting contracts, either as individuals or as members of the team of a consulting firm, only if they fulfill the Bhutan Civil Service Rules.

Procurement Agents

182. When a Procuring Agency lacks the necessary organization, resources, or experience, it may be efficient and effective for it to employ, as its agent, a firm that specializes in handling procurement. Procurement agents may be selected using QCBS or LCS. The procurement agent shall conduct the procurement on behalf of the employer following all the procurement arrangements outlined in their Legal Agreement and Procurement Plan.

Types of Contractual arrangements

Performance Based Contracts/ Lump Sum Contract

183. Lump sum contracts are used mainly for assignments in which the content and the duration of the services and the required output of the consultants are clearly defined. They are widely used for simple planning and feasibility studies, environmental studies, detailed design of standard or common structures, preparation of data processing systems, and so forth. Payments are linked to outputs (deliverables), such as reports, drawings, bills of quantities, bidding documents, and software programs. Lump sum contracts are easy to administer because payments are due on clearly specified outputs.

Time-Based Contract

184. This type of contract is appropriate when it is difficult to define the scope and the length of services, either because the services are related to activities by others for which the completion period may vary, or because the input of the consultants required to attain the objectives of the assignment is difficult to assess. This type of contract is widely used for complex studies, supervision of construction, advisory services, and training assignments. Payments are based on agreed hourly, daily,

weekly, or monthly rates for staff (who are normally named in the contract) and on reimbursable items using actual expenses and/or agreed unit prices. The rates for staff include salary, social costs, overhead, fee (or profit), and, where appropriate, special allowances. This type of contract shall include a maximum amount of total payments to be made to the consultants. This ceiling amount should include a contingency allowance for unforeseen work.

Important Provisions

Payment Provisions

185. Payment provisions, including amounts to be paid, schedule of payments, and payment procedures, shall be agreed upon during negotiations. Payments may be made at regular intervals (as under time-based contracts) or for agreed outputs (as under lump sum contracts). Payments for advances (for example, for mobilization costs) exceeding ten percent (10%) of the contract amount should normally be backed by advance payment securities.

Bid and Performance Securities

186. Bid and performance securities are not required for consultants' services. Their enforcement is often subject to judgment calls, they can be easily abused, and they tend to increase the costs to the consulting industry without evident benefits.
187. However, any non-compliance at the time of bidding or at time of contract implementation will result in Debarment of the Firm or Individual in accordance with the Debarment Rules.

CHAPTER 9

PROCUREMENT GOVERNANCE STRUCTURE

Tender Committee

Gewog Tender Committee

188. The Gewog Tender Committee shall comprise of:

1. The Gup as the chairperson;
2. The Gewog Administrative Officer;
3. The Gewog Accountant;
4. Engineer representative from the Dzongkhag; and
5. The relevant field staff or the Dzongkhag's relevant sector head.

189. The Gewog Tender Committee threshold shall be estimated values:

1. Up to Nu. 5 (five) million in the case of goods; and
2. Up to Nu.10 (ten) million in the case of works.

190. Cases of Procurements in which the estimated values are higher than the thresholds mentioned above, shall be referred to the Dzongkhag Tender Committee. All tendering processes, including the evaluation of bids and recommendation for award, shall be conducted by the respective Tender Committee. However, the final approval of the award shall be referred to the next Level Tender Committee. The responsibility for contract management shall rest with the respective Tender Committee. Technical backstopping, if need be, may be sought from the next level Tender Committee.

Field Level (Dungkhag/ Regional Offices) Tender Committee

191. The Field Level Tender Committee shall be constituted where individual spending units at the field level are delegated with powers to conduct procurement. The Field Level Tender Committee shall comprise of:

1. Head of Office as Chairperson;
2. Head of the Administration;
3. Head of the Finance; and
4. In the case of work, the engineer or engineering consultant responsible for preparing the technical documents. In the case of goods & services, the appropriate officer responsible for preparation of tender documents.

192. The Field Level Tender Committee threshold shall be estimated values:

1. Up to Nu. 10 (ten) million in the case of goods; and
2. Up to Nu. 30 (thirty) million in the case of works.

193. Dungkhags need not refer to the Dzongkhag Tender Committee, however, technical backstopping may be sought from the Dzongkhag if need be.
194. For other Field Level Tender Committee, in cases of Procurement in which the estimated values are higher than the thresholds mentioned above, it shall be referred to the concerned Departmental Tender Committee. All tendering processes, including the evaluation of bids and recommendation for award, shall be conducted by the respective Tender Committee. However, the final approval of the award shall be referred to the next Level Tender Committee. The responsibility for contract management shall rest with the respective Tender Committee. Technical backstopping, if need be, may be sought.

Dzongkhag/ Thromde/ Autonomous Agency Tender Committee

195. The Tender Committee shall comprise of:
1. The Dzongdag/ Executive Secretary/ Head of Agency as Chairperson;
 2. Dzongrab/ Head of Administration and Finance;
 3. Sector/ Division Head concerned;
 4. Planning Officer/ Head;
 5. Head of Finance Section; and
 6. Procurement Officer, Member Secretary
 7. In the case of work, the Chief Engineer or concerned Engineer or engineering consultant responsible for preparing the technical documents. In the case of goods & Services, the appropriate officer responsible for preparing the tender documents.
196. No threshold limit for the Dzongkhag/ Thromde/ Autonomous Agency Tender Committee. However, if need be, in case of large and complex procurement, technical backstopping may be sought from the Ministry of Infrastructure and Transport for procurement of works; and the relevant concerned ministry/agency for procurement of goods and services.

Departmental Level Tender Committee

197. The Departmental Tender Committee shall comprise of:
1. Head of the Department as Chairperson;
 2. Head of the relevant Division;
 3. Head of Division of Support Services;
 4. Head of Planning Division;
 5. Head of Finance Section, Division of Support Services; and
 6. Procurement Officer, Member Secretary

198. In the case of work, the engineer or engineering consultant responsible for preparing the technical documents. In the case of goods & Services, the appropriate officer responsible for preparation of tender documents.
199. The Departmental Level Tender Committee threshold shall be estimated values:
1. Up to Nu.20 (twenty) million in the case of goods; and
 2. Up to Nu.100 (hundred) million in the case of works.
200. Cases of Procurement in which the estimated values are higher than the thresholds mentioned above, shall be referred to the Ministerial Tender Committee. All tendering processes, including the evaluation of bids and recommendation for award, shall be conducted by the respective Tender Committee. However, the final approval of the award shall be referred to the next Level Tender Committee. The responsibility for contract management shall rest with the respective Tender Committee. Technical backstopping, if need be, may be sought.

Ministerial Tender Committee

201. The Ministerial Tender Committee shall comprise of:
1. Secretary of the Ministry as Chairperson;
 2. Head of Department concerned;
 3. Head of Division of Support Services;
 4. Head of Finance Section, Division of Support Services;
 5. Procurement Officer, Member Secretary; and
 6. In the case of work, the engineer or engineering consultant responsible for preparing the technical documents. In the case of goods & services, the appropriate officer responsible for preparation of tender documents.
202. The Ministerial Tender Committee threshold shall be estimated values:
1. Above Nu.20 (twenty) million in the case of goods; and
 2. Above Nu.100 (hundred) million in the case of works.

Powers and Responsibilities of Head of Procuring Agency (HoPA)

203. The following shall be the powers and responsibilities of the HoPA, but not limited to:
1. Constitute a Tender Committee as per These Rules and Regulations;
 2. The spouse or dependent of the HOPA shall not be allowed to participate in tenders to the particular office where he/she is employed or has an authority over it;

3. Responsible for implementation of the procurement plan and exercise control over its implementation;
4. Approve the evaluation committee members who need not necessarily be from the Procuring Agency concerned but could also be from other departments which should not be less than three in number. The members of the Tender Committee shall not represent or be part of the evaluation committee;
5. The procurement procedures shall be executed and contracts awarded by the HoPA;
6. The HoPA shall be the Chairperson of Tender Committee meetings, and shall be responsible for smooth, prompt and constructive conduct of the meetings; and/or
7. All powers in a Procuring Agency shall be exercised by the HoPA who shall be primarily accountable for all affairs in the agency.

Powers and Responsibilities of Tender Committee

204. The following shall be the Powers and Responsibilities of the Tender Committee:

1. declare conflict of interest before each sitting. If conflicting, officers of appropriate level should be appointed;
2. mandatorily attend the meetings and if absent, appoint replacement;
3. ensure that appropriate procedure has been properly identified and notified to the bidders;
4. review and approve tender evaluation report and satisfy itself that the work of evaluation committee has been carried out timely with due regard to the propriety and regularity of the procedures;
5. review and approve quantity deviations, variations and changes during contract implementation;
6. review and approve the procurement referred by the line agencies in cases of procurement in which the estimated values exceed the threshold;
7. function as a first-tier grievance redressal body for complaints related to the pre-award stage of procurement and for any contractual disputes before referring the case to adjudication or arbitration;

8. review and approve procurement activities at any stage of the procurement cycle in accordance with procedures and methods specified under These Rules and Regulations;
9. comply with procedures specified in manuals, guidelines and circulars/notices issued by Ministry of Finance;
10. ensure the decision of the Tender Committee is in writing, and based on majority, and the minority decision shall be maintained for records;
11. mandatorily carry out compliance monitoring in absence of a separate Monitoring Committee;
12. always act in accordance with the highest standard of ethics and shall be fully responsible and directly accountable for all the decisions taken;
13. shall be the Competent Authority and have the power to make procurement decisions beyond the provisions of These Rules and Regulations, provided that due diligence is exercised and the decision is based on sound judgment. Such decisions must be duly justified and align with integrity, transparency, fairness, best value for money, and the national interest while ensuring accountability and compliance with procurement objectives.
14. at all times keep proper minutes and records of the deliberations and decisions of the Tender Committee and the reasons for any decision or action; and/ or
15. not communicate any information on the bid proceedings to any outside party and ensure confidentiality until the award of works.

Powers and Responsibilities of Tender Evaluation Committee

205. The following shall be the Powers and Responsibilities of the Tender Evaluation Committee:
1. declare conflict of interest before each sitting. If conflicting, officers of appropriate level should be appointed;
 2. evaluate bids using the criteria and methodologies specified in the bidding documents;
 3. the Chairperson on behalf of evaluation committee without disclosing his name may seek clarification of bids to assist the examination and evaluation but shall ensure that no change in prices or substance of the bids are sought, offered, or permitted;

4. ensure that no clarification is accepted or considered if it is not in response to a request by the evaluation committee;
5. maintain minutes and records of the deliberations and recommendations of the committee duly signed by all members and prepare evaluation reports;
6. maintain confidentiality of information related to bid evaluation proceedings until the letter of intent to award is issued;
7. ensure evaluation is completed within 14 working days. In case, or large and complex projects, if evaluation is not completed within the prescribed period, seek approval from the HoPA.
8. make a presentation of the evaluation results to the Tender Committee to examine the evaluation and decide for award of contract;
9. always act in accordance with the highest standard of ethics and shall be fully responsible and directly accountable for all the decisions taken; and/ or
10. Any other responsibilities and powers delegated by the Tender Committee.

Member Secretary to Tender Committee

206. The Procurement Officer of the respective agency shall serve as member secretary to the Tender Committee. However, in absence of a Procurement Officer, a relevant official of the agency shall serve as member secretary to the Tender Committee. The Member Secretary shall function in accordance with Terms of Reference issued by the Ministry of Finance.

Powers and Responsibilities of Project Manager/ Site Engineer

207. The project manager who may be an Engineer or any relevant official identified as the Project Manager shall supervise the execution of the works and administer the contract as per drawings, specifications, General Conditions of Contract (GCC) and Special Conditions of Contract (SCC).
208. The Powers and Responsibilities shall be clearly spelled out in the Procurement Responsibility and Accountability Framework issued by the Ministry of Finance.

Goods Receiving Committee

209. A Good Receiving Committee with a minimum of two (2) members led by the Procurement Officer or any other relevant officer shall be constituted to carry out the full inspection and conformity check during receipt of goods. The committee shall be accountable for any certification of faulty acceptance of the goods.

Monitoring team /Quality Assurance Team

- 210. Where no independent monitoring team has been instituted by the Procuring Agency, the Tender Committee shall act and be responsible for monitoring the contracts.
- 211. The Tender Committee may designate a Quality Assurance Team (QAT) from amongst the Tender Committee members or other relevant officials who possess required competency, if required.
- 212. The monitoring team/ QAT shall monitor periodical progress implementation of contract, including determination of volume of works accomplished according to work plan, milestone agreement and inspection of quality aspects.
- 213. The QAT shall carry out timely intervention to inspect the quality of works during the construction period.
- 214. The monitoring team/ QAT shall guide or direct the Project Manager on specific activities that need attention with regard to quality, or to redo the work in case of defects as per the contract terms.

Third Party Auditing

- 215. The Bhutan Construction and Transport Authority (BCTA) shall conduct third-party compliance audits to assess adherence to applicable contracts, standards and regulations. The resulting compliance reports shall be disseminated by BCTA to the relevant stakeholders for necessary action and compliance.

Storage of Bid/ Contract Documents

- 216. The Procuring Agency shall maintain records and documents regarding their public procurement activities from beginning to the full completion of contractual obligation for a minimum period as prescribed and defined in the Finance and Accounting Manual. Any destruction of the records shall also be as per the procedures prescribed in the Finance and Accounting Manual.

Immunity

- 217. No legal proceedings or suit shall lie against any individual for any act, decision, or omission made in good faith in the discharge of official duties, or for any action intended to be carried out in accordance with these Rules.

Accountability

- 218. All officials involved in the Procurement shall be held accountable according to the *Bhutan Civil Service Rules, Audit Act of Bhutan* and any other existing laws.

CHAPTER 10
ELECTRONIC GOVERNMENT PROCUREMENT (e-GP)

Electronic Government Procurement System (e-GP)

- 219. To achieve the principles and objectives of These Rules and Regulations, Information and communications technology (ICT) shall be utilized in the conduct of procurement procedures. e-GP shall be a single portal that shall serve as the primary source of information on all government procurement.
- 220. All Government Agencies following These Rules and Regulations shall use the e-GP system for all procurement activities and it shall be guided by e-GP guidelines issued by the Ministry of Finance.
- 221. All users, including Procuring Agencies, Suppliers, and Contractors, Consultants must register on the e-GP system. Access to specific functionalities shall be role-based to ensure data security and integrity.
- 222. The public shall be able to access Annual Procurement Plans, Tenders published, contract award information in the e-GP system.
- 223. The e-GP system shall maintain a comprehensive audit trail for all procurement activities, ensuring accountability and traceability.
- 224. The system shall comply with relevant data protection laws to safeguard sensitive information and prevent unauthorized access.
- 225. The e-GP shall provide analytics and reporting for better decision making.
- 226. The Department of Procurement & Properties shall provide regular training sessions and resources to enhance user competency and ensure effective utilization of the e-GP system.

CHAPTER 11

INSTITUTIONAL ARRANGEMENTS

Department of Procurement and Properties, Ministry of Finance

227. The Department of Procurement and Properties (DPP) under the Ministry of Finance is mainly responsible for fair and transparent public procurement and property management towards strengthening Public Financial Management. Missioned towards strengthening strategic national procurement and property management towards effective and efficient public expenditure management.

Procurement Management and Development Division (PMDD)

228. PMDD shall be established under the DPP to facilitate policy and professional development in the field of procurement. The PMDD and its staff shall not make contract award recommendations, serve as a member of any Tender Committee or carry out any activity as a Procuring Agency.

229. The PMDD shall have the following duties and authorities:

1. monitor the implementation of the rule through the collection and analysis of reports provided by the procuring agencies based on reporting formats developed by the PMDD;
2. propose improvements to the rule and supporting regulations, guidelines, and documentation;
3. develop and promulgate implementing regulations, methodologies, guidelines, and documentation such as standard bidding and contract documents for the benefit of procuring agencies;
4. act as a focal point for enquiries and information regarding public procurement in Bhutan;
5. provide advice and guidance on the interpretation and application of the rule, and supporting regulations, guidelines, and documentation to procuring agencies upon request;
6. carry out and/or commission studies and research on procurement, comparisons, and future projections with a view to improving the procurement system;
7. coordinate, in consultation with the relevant training organizations in the Kingdom, the development of a national capacity building strategy and encourage the professionalization of the procurement function;

8. liaise with the relevant governmental organizations in the Kingdom to implement measures aimed at developing human resources and professionalism in procurement within the central and local government;
9. liaise and cooperate with the relevant governmental organizations in the Kingdom whose activities are connected with the implementation and/or enforcement of the procurement system;
10. coordinate and facilitate, in consultation with the relevant governmental and private organizations in the Kingdom, the policy for the use of information technology in procurement and development of advanced electronic procurement mechanisms with a view to improving the efficiency of the procurement system;
11. function as Secretariat to the Independent Review Body and Debarment Committee;
12. act as the central counterpart for any procurement-related issues in connection with donors or foreign investors;
13. keep abreast of and disseminate as appropriate information regarding international developments in procurement and best practice which may impact on and assist in the improvement of the national procurement system;
14. provide and conduct, in collaboration with relevant governmental and private organizations in the Kingdom and outside the Kingdom, workshops, conferences, and seminars aimed at improving awareness and understanding of the government's procurement policy and practices;

Central Procurement and Property Management Division (CPPMD)

230. The CPPMD established under DPP shall be responsible to develop and promulgate implementing regulations, methodologies and guidelines for central procurement; Review and formulation of Policy, guidelines and manage Central Procurement; Review and formulation of government Property Management policies and Standards and management of government properties; and Manage and Conduct Public Auction for disposal of government properties after useful life.

Procurement Grievance Mechanism

231. An Independent Review Body (IRB) shall be established by the Ministry of Finance. Any supplier, contractor or service provider who has or is likely to suffer, loss or injury resulting from an alleged breach of such duty, may make a complaint or seek review in accordance with the IRB Rules.

CHAPTER 12 MISCELLANEOUS

Revision

232. The Ministry of Finance shall have the power to amend by way of addition, variation, or repeal the provisions of These Rules and Regulations and related documents.

Authority of Interpretation

233. The Ministry of Finance in case of differences in meaning of the text, have the authority on the interpretation of These Rules and Regulations and related documents.

Definition

234. Unless the contents are repugnant to the context, the following words and phrases shall be understood as defined hereunder:
1. “Administrative Sanction” the formal acceptance of the work proposal by the competent authority of the Government Agency, for which a preliminary estimate along with drawings shall be submitted. The Administrative Sanction shall lapse if the work is not commenced within a period of twelve months.
 2. “Best Evaluated Bid” the bid which offers the best value for money, evaluated on the basis of various objective criteria set out in the bidding document. It does not necessarily mean the “lowest quoted price”.
 3. “Bid” means an offer to supply goods, services, or the execution of works made in accordance with the terms and conditions set out in a document inviting such offers. The term “tender” is synonymous in terms of the effect and purpose.
 4. “Bidding Document” means the set of documents issued by the Procuring Agency to potential bidders in which the specifications, terms and conditions of the proposed procurement are prescribed. The terms “bidding documents” and “tender documents” are synonymous.
 5. “Bill of Quantities (BOQ)” is the summary of the units and the unit prices of the items proposed under the contract. The term “Price Schedule” is synonymous in terms of the effect and purpose.
 6. “Competent Authority” means an authority or a government body who/ which, in accordance with delegation of financial powers, has power to exercise or discharge any duty or function under this procurement rule.

7. "Consultancy Services" includes a range of services that are of an advisory or professional nature and are provided by consultants. These services typically involve providing expert or strategic advice, for example, management consultants, policy consultants, or communications consultants. Advisory and project-related consulting services include, for example, feasibility studies, project management, engineering services, finance and accounting services, training and development.
8. "Day" means calendar day unless otherwise provided in the relevant provision.
9. "Large and complex procurement" one where the specification is difficult to define or is complex or innovative, the procurement is high risk, the competition is restricted to a limited market, the contract will be based on unusual commercial models.
10. "Historical Documents" supporting documents such as the trade license, BCTA license, tax clearance certificate, and any other such documents as required by the SBDs as a part of eligibility criteria. This does not include documents required for the evaluation of bids.
11. "Non-Consulting Services" Services which are not consulting services. Non-consulting Services are normally bid and contracted on the basis of performance of measurable outputs, and for which performance standards can be clearly identified and consistently applied. Examples include: drilling, aerial photography, satellite imagery, mapping, catering services, printing services, hiring of training facilities, and similar operations.
12. "Procurement" means all aspects of purchasing or hiring of goods, services or engagement of contractors spanning the whole life cycle from identification of needs to the end of the useful life and subsequent disposal of an asset.
13. "Public Money" All money received by the Government and by budgetary bodies, including the proceeds of all loans raised, grants received, money collected for specific purposes and retained in separate accounts by law, and any other money that the Minister of Finance determines as public money, but not money held in trust or custody on behalf of non-government parties, or money received by State Enterprises.
14. "Public Procurement" means procurement using public money.
15. "Work" any activity involving construction, fabrication, repair, overhaul, renovation, decoration, traditional Bhutanese painting, installation, erection,

excavation, dredging which make use of a combination of labour, machinery, equipment, material and technology. The term “Work” shall include:

- (a) Civil works such as works for the purposes of roads, bridges, buildings, irrigation systems, water supply, sewerage facilities, dams, tunnels and earthworks in connection with other works;
- (b) Mechanical & electrical works such as works of a mechanical or electrical nature for the purposes of, for example, fabrication, turbines, generators, transformers or other mechanical and electrical equipment in power plants, substations or other works.