



MoF/FS-04/ DPP/2024-2025/602

January 31, 2025

NOTIFICATION

Pursuant to the directives issued by the Honorable Prime Minister vide reference letter no. S-38/MoIT/164 dated January 4, 2025 received from the Cabinet Secretary, and in consideration of the subsequent recommendations of the Review Committee submitted to the Cabinet by MoIT vide letter no. MoIT/Sec-04/2024-2025/782 dated January 22, 2025, the Ministry of Finance hereby notifies all budgetary agencies of the following changes in the Procurement Rules and Regulations (PRR) 2023 and Standard Bidding Documents (SBD) for Procurement of Works:

1. Retention Money

PRR 2023 Clause 5.1.11.5, Standard Bidding Documents for Procurement of Works (above Nu. 5 Million), GCC Clause 49.3 and SBD Procurement of Works (up to Nu. 5 Million), GCC Clause 28.3 are revised as follows:

"The Retention Money may 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."

"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 under the contract against the submission of an unconditional guarantee"

This change shall be applicable as of the date of issuance of this notification and shall also extend to all ongoing projects as well as those currently within the defect liability period, allowing the substitution of retention money with an equivalent unconditional bank guarantee as mentioned above.

2. Rejection of Bids upon Non-Fulfillment of Minimum Tier

Instruction to Bidders (ITB) Clause 29.8 & 29.9, General Conditions of Contract (GCC) 10.1, 10.4, & 10.5 of the Standard Bidding Document for Procurement of Works (above Nu. 5 Million) are deleted and revised as follows:

ITB 29.8 In the event, a bidder that fails to commit any of the key Personnel and Equipment as specified in the evaluation criteria determined as the best-evaluated bidder, the bidder prior to the signing of the contract shall be required to submit a commitment letter for timely engagement of equipment and manpower to the procuring agency as per the work plan.

GCC 10.1 The Contractor shall deploy the key personnel and equipment in accordance with the contract and the commitment later submitted. Replacements may be accepted while



ensuring equivalent or superior qualifications are proposed. Failure to deploy the specified personnel or equipment may result in deductions at the rates stipulated in the SCC. If the Contractor does not address such deficiencies within a reasonable time ascertained by the Project Manager as per the scheduled activity and in the best interest of the project, it will constitute a fundamental breach of contract.

GCC 10.5 The mobilization and release of a particular equipment for a particular sequence of works should be based on the work plan. The equipment may be mobilized only at that time when the equipment is required at site, the procuring agency shall issue a deployment order to the contractor as per the work plan ahead of the commencement of particular work, giving contractor adequate time and the contractor must ensure that the equipment is available at site at that particular time, failing which the Clause 10.1 shall be invoked and penalties imposed as per the amount specified in the SCC.

This change shall be applicable to tenders to be published after the issuance of this notification. However, if relevant, GCC 10.5 shall remain applicable to projects that are already in the implementation phase.

3. Tier IV- Fresh Graduate/ Diploma Engineer

In addition to the existing Tier IV- Fresh Graduate/Diploma Engineer with Certificate for 'Employability Skills for Construction Engineers (*Construction Management Software (CMS), Occupational Health & Safety (OHS), Electronic Government Procurement (e-GP), & CDB/BCTA refreshers course*)', **OHS Certification** issued by the Construction Association of Bhutan and the Department of Labour shall also be accepted as a new requirement for Tier IV.

These changes on Tier IV shall be applicable to tenders published after the issuance of this notification.

For further clarification, please email at pmdd@mof.gov.bt or call 02-336962.

(Leki Wangmo)
Finance Secretary

Copy to:

1. The Hon'ble Finance Minister, Ministry of Finance.
2. The Head of all Constitutional bodies.
3. The Hon'ble Auditor General, Royal Audit Authority.
4. The Cabinet Secretary, Cabinet Secretariat.
5. The Secretaries, All ministries.
6. The Secretary General, National Assembly.
7. All Dzongdas, Thrompons and Gups.
8. Heads of all the Autonomous agencies.
9. The Personal Secretary,, H.E the Prime Minister, Gyelyong Tshokhang
10. The President, Construction Association of Bhutan, Thimphu.