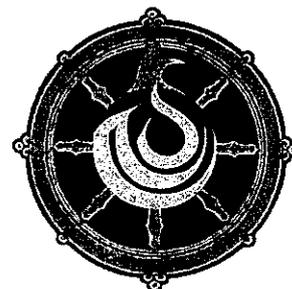


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ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
TASHICHO DZONG



MoF/DNP-14/2019-2020/1500

29 June 2020

NOTIFICATION

Subject: **SIMPLIFIED PROCUREMENT RULES AND REGULATIONS (SPRR 2020) UNDER COVID-19 SITUATION**

The Ministry of Finance would like to notify all Procuring Agencies on the issuance of "*Simplified Procurement Rules and Regulations under COVID-19 Situation*" for Procurement of **GOODS, WORKS AND SERVICES** to expedite the implementation of activities of the 12 FYP including projects under the Economic Contingency Plan.

This Notification shall come into effect from **1st July 2020** and shall supersede the earlier Notification "*Simplified Government Procurement Rules for Procurement of Works under COVID-19 situation*" issued vide Notification No. MoF/DNP-14/2019-2020/1954 dated 13 May 2020.

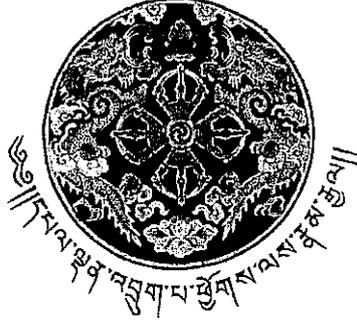
This Rules has been formulated with the objective of ensuring timeliness, cost effectiveness, efficiency, fair and equal access for award of contracts.

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

FINANCE SECRETARY

Copy to:

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



SIMPLIFIED PROCUREMENT RULES AND REGULATIONS

(SPRR 2020)

UNDER COVID-19 SITUATION

Ministry of Finance

1 July, 2020

I. **Rationale**

Recognizing the challenges in the wake of COVID-19 pandemic, the Ministry of Finance simplified the Procurement Rules and Regulations for Procurement of Goods, Works and Services as follows.

II. **Objective:**

To ensure:

1. Transparency & timeliness.
2. Cost effectiveness and efficiency.
3. Fair and equal access for award of contracts.

III. **Application**

1. Shall apply to all procurement of Goods, works and services by all Government agencies.
2. Other than the conditions specified in this guideline, all relevant provisions in the PRR 2019 shall apply.

IV. **Responsibility of Procuring Agency**

1. While carrying out procurement activities under this Rule, procuring agencies should always ensure that the objectives of transparency & timeliness, cost effectiveness & efficiency and fair & equal access for award of contracts are taken into consideration.
2. The procuring agency shall always act in accordance with the highest standard of ethics and shall be fully responsible and accountable for all the decisions taken.

V. **Procurement of Works**

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

1. **Direct Contracting Method (DCM)**

- a) Works up to Nu. 10 Million may be awarded through direct contracting method.
- b) Employ only Bhutanese construction workers. However, based on the decision of the Tender Committee, foreign workers may be employed wherever it is necessary.

- c) Selection of contractors to be based on past performance (like timely completion, quality of works carried out, similar works carried out in past), no adverse record maintained by the procuring agency(ies) and Construction Development Board (CDB), capacity of the contactors and other applicable criteria.
- d) Negotiations shall be carried out on prices and terms and conditions.
- e) The detailed terms and conditions of contract should be spelt out properly based on relevant provisions from General Conditions of Contract (GCC) and Special Conditions of Contract (SCC) and drawing proper contract agreements.
- f) Evaluation and award should be completed within two (3) working days from the opening of the bid. Special approval from the Tender Committee will be required incase of delay in evaluation process.

2. Community Contracting:

Works upto Nu. 1.5 Million may be awarded through community contracting method as per community contracting protocol.

3. Limited Enquiry Method (LEM)

- a) Works upto Nu. 15 Million may be awarded through LEM.
- b) Employ only Bhutanese construction workers. However, based on the decision of the Tender Committee, foreign workers may be employed wherever it is necessary.
- c) Minimum days for submission of Bids reduced from five (5) to three (3) days. However where necessary a procuring agency may prescribe a realistic time limit taking into consideration the market situation, the complexity of the project and the time that would be required to complete the bid submission process.
- d) Invitation to be sent to at least two contractors after prior approval from the Tender Committee.
- e) Short listing of contractors to be based on past performance (like timely completion, quality of works carried out, similar works carried out in past), no adverse record as maintained by Procuring Agency(ies) and CDB, capacity of the contactors and other applicable criteria.

- f) Evaluation should be completed within five (5) working days from the opening of the bids under this method. Special approval from the Tender Committee will be required in case of delay in evaluation process.
- g) Standstill period reduced from ten (10) days to two (2) working days.
- h) Award and Conclusion of Contract: Signing of Contract to be executed within five (5) days from the issuance of letter of acceptance.

4. **Open Tender Method (OTM)**

- a) Works above Nu. 15 Million to be awarded following the OTM.
- b) Employ only Bhutanese construction workers. However, based on the decision of the Tender Committee, foreign workers may be employed wherever it is necessary.
- c) Minimum days for submission of Bids reduced from thirty (30) to ten (10) days. However where necessary the procuring agency may prescribe a realistic time limit taking into consideration the complexity of the project and the time that would be required to complete the bid submission process.
- d) Standstill period reduced from ten (10) days to two (2) working days.
- e) Award and Conclusion of Contract: Signing of Contract to be executed within five (5) days from the issuing of a letter of acceptance.

B. Other conditions for works:

1. **Splitting of Works:** Procurement of works may be split into packages by the Tender Committee to apply the above mentioned procurement methods.
2. **Performance Security:** Performance Security of 10% of contract amount must be furnished prior to execution of contract agreement under all methods. The 10% Performance Security shall be valid till the end of Defect Liability Period and shall be returned upon issuance of no defect liability certificate.



3. **Retention Money:** Retention money shall not be deducted from the amounts payable to the contractor in accordance with the progress of the works.
4. **Contract Documents:** The terms and conditions for the contract, rights and obligations of the contracting parties may be designed by incorporating relevant provisions from the Standard Bidding Documents.
5. **Monitoring of contracts:**
 - a) The Tender Committee shall carry out monitoring activities.
 - b) Monitor periodically progress implementation of contract, including determination of volume of works accomplished according to work plan, milestone agreement and inspection of quality aspects.
 - c) Schedule frequent meetings at least once in every month between the Contractor and procuring agency to take stock of progress and if necessary for timely intervention.
 - d) Project Engineer to submit the monthly progress report to the Head of Procuring Agency.

VI. Procurement of Goods & Non- Consulting Services:

A. *Methods of Procurement*

The procuring agency may choose to apply any of the following procurement methods while procuring goods within the prescribed threshold specified under Clause 4.1.1.2 of PRR:

1. **Open Tender Method**

- a) Minimum days for submission of Bids reduced from thirty (30) to ten (10) days. However where necessary the procuring agency may prescribe a realistic time limit taking into consideration the complexity of the project and the time that would be required to complete the bid submission process.
- b) Standstill period reduced from ten (10) days to two (2) working days.
- c) Award and Conclusion of Contract: Signing of Contract be executed within five (5) days from the issuance of letter of acceptance.

2. Limited Tendering Method/ Limited Enquiry Method (LTM/LEM)

- a) Procurement of Goods upto Nu. 400,000/- may be awarded using the LTM/LEM.
- b) Minimum days for submission of Bids reduced from fourteen (14) to three (3) days. However, where necessary the procuring agency may prescribe a realistic time limit taking into consideration the complexity of the project and the time that would be required to complete the bid submission process.
- c) Invitation to be sent to at least three suppliers after prior approval from Tender Committee.
- d) Short listing of suppliers to be based on past performance (like timely completion, quality of goods supplied, similar works carried out in past), no adverse record, capacity of the supplier and other applicable criteria.
- e) Evaluation should be completed within three (3) working days from the opening of the bids. Special approval from the Tender Committee will be required incase of delay in evaluation process.
- f) Standstill period reduced from ten (10) days to two (2) working days.
- g) Award and Conclusion of Contract: Signing of Contract be executed within five (5) days from the issuance of letter of acceptance.

3. Direct Contracting Method

- a) This method shall be applied:
 - i. Up on fulfillment of any of the conditions laid down in Clause 4.2.5.2 of the PRR 2019; or
 - ii. The Procurement of Goods under the COVID-19 situation with extremely tight deadlines to complete the Projects and will lead to delay through the other Procurement Methods, shall also be considered as an “emergency” situation under Clause 4.2.5.2 (g).
- b) Evaluation and award should be completed within two (2) working days from the opening of the bid. Special approval from the Tender Committee will be required incase of delay in evaluation process.

B. Domestic Preference

Procurement of locally manufactured/ produced goods shall be given a preferential treatment of 10% Domestic Preference as per the Guidelines issued by the Ministry of Finance.

VII. Procurement of Consultancy Services

1. Advertising for shortlist: The number of days to obtain expression of interest under Clause 7.3.1.5 of PRR 2019 reduced from “not less than fourteen (14) days” to “not less than seven (7) days” from the date of publication to provide for responses, before preparation of the short list.
2. Receipt of Proposal: Under Clause 7.3.1.8 of PRR the procuring agency shall allow enough time for the consultants to prepare their proposals depending on the nature of the services. The time allowed has been reduced “from not less than four (4) weeks” to “not less than two (2) weeks”.
3. Standstill period reduced from ten (10) days to two (2) working days.
4. Award and Conclusion of Contract: Signing of Contract be executed within five (5) days from the issuance of letter of acceptance.

VIII. Overall General Conditions

1. Preparation of Bidding Documents for procurement of Goods, Works and Services shall be done through e-GP System by the procuring agencies already implementing e-GP.
2. The time taken for evaluation of bids for Open Tender Method and consultancy services will depend on procuring agencies effort.
3. The Tender Committee of Local Government (Gewogs, Dzongkhags and Thromdes) and Autonomous Agencies are empowered to decide on award of **GOODS, WORKS and SERVICES** above the thresholds prescribed in Clause 3.1.10 of the PRR 2019 without having to refer to higher level tender Committee.
4. The Tender Committee and Tender Evaluation Committee shall always act in accordance with the highest standard of ethics and shall be fully responsible and accountable for all the decisions taken.
5. The decision of the Tender Committee shall be final and binding.

