

1st July, 2023

PREFACE

One of the principal mandates and powers of the Ministry of Finance, as provided under section 104 (i) of the Public Finance (amendment) Act of Bhutan 2012 is to issue rules, manuals, directives, instructions or notifications ensuring an equitable, transparent, competitive and cost-effective procurement system in the country. To achieve the objectives of public procurement mentioned above, the respective procuring agencies are mandated to maintain a ‘preferred list of bidders’ for prequalification of bidders but majority of them failed to do so due to lack of capacity to formulate parameters for such qualification. Thus, to have a uniform and project-based parameters, the Guidelines for Preferred List of Bidders 2023 is drafted.

Ministry of Finance in the exercise of the power conferred by the section 104 (i) of the Public Finance (amendment) Act of Bhutan 2012 hereby adopts Guidelines for Preferred List of Bidders 2023 vide 141st Policy and Planning Coordination Meeting on 20th February, 2023 which shall come into effect from 1st July 2023.

Any queries, clarification, interpretation on this standard bidding document contact:

Procurement Management and Development Division

Department of Procurement and Properties

Ministry of Finance

Email – pmdd@mof.gov.bt

Contact – 336962

Maintaining Preferred List of Bidders

As empowered by the PRR 2023 under Chapter 2, Registration and Qualification of Bidders, following criteria is developed for maintaining preferred list of bidders by the respective procuring agencies:

1. Contractors

Stage 1 (*Qualification*):

- I. Possess valid CDB registration certificate
- II. Possess valid Business license
- III. No adverse record for last 1 (one) calendar year
- IV. HR requirements for registration with CDB should be 100% Bhutanese
- V. Particular category and particular class

Stage 2 (*Evaluation*):

I. Total turnover score of the Firm in the last 5 calendar years (20%)

$$\begin{aligned} & \text{Turnover score of the Firm (w)} \\ & = 100x \frac{\text{Total Turn over of the firm in last five calendar years}}{\text{Turn over of the firm having highest turn over}} \end{aligned}$$

II. Similar works executed in last 5 calendar years (20%)

Similar work experience (x) = Similar works executed/completed in last 5 calendar years

III. Average APS score of the firm in the last 5 calendar years. (20%)

$$\begin{aligned} & \text{APS score of the Firm (y)} \\ & = 100x \frac{\text{Average APS score of the firm in last five calendar years}}{\text{APS of the firm having Highest APS score}} \end{aligned}$$

IV. ¹Tax paid by the firm in last 5 calendar years (10%)

$$\text{Tax paid by the Firm (z)} = 100x \frac{\text{Tax paid by the firm in last five calendar years}}{\text{Tax paid by the firm having Highest Tax paid}}$$

¹ If a bidder pays tax on a cumulative basis for more than 1 year, the tax paid on each year should be segregated.

V. Any other criteria² (b)- PA should add ‘any other criteria’ as deemed necessary allocated (30%)³

$$\text{Score of the contractor (a)}^4 = 0.2*w + 0.2*x + 0.2*y + 0.1*z + 0.3*b$$

2. Suppliers

Stage 1 (Qualification):

- I. Possess valid Business License
- II. Registered in required categories/activity like furniture, ICT equipment, hardware, etc.
- III. Certificate from BAFRA for catering/canteen services & supply of food products (*discuss with BAFRA*)
- IV. No adverse record in the respective system for last 1 calendar year.

Stage 2 (Evaluation):

- I. **Similar Goods/services supplied/rendered in last 5 calendar years (60%)**
Similar experience (y) = Similar Goods/services supplied/rendered in last 5 years
- II. **Tax paid by the firm in the last 5 calendar years (10%)**

$$\text{Tax paid by the Firm (z)} = 100x \frac{\text{Tax paid by that firm in last five calendar years}}{\text{Tax paid by the other firm having Highest Tax paid}}$$

- III. **Any other criteria⁵ – (b) PA should add ‘any other criteria’ as deemed necessary (30%)⁶**

$$\text{Score of the Supplier (a)}^7 = 0.6*y + 0.1 *z + 0.3 *b$$

² Any other criteria could be location of contractor, locally available materials used, Bhutanese manpower used for projects etc.

³ If this point is ‘0’, the points scored from other parameters has to be escalated to 100%

⁴ Maintain list of contractors in ascending order based on the score (from highest score)

⁵ Any other criteria could be location of suppliers, past performance within the agency etc.

⁶ If this point is ‘0’, the points scored from other parameters has to be escalated to 100%

⁷ Maintain list of suppliers in ascending order based on the score (from highest score)

3. Consultancy firm

Stage 1 (Qualification):

- I. Possess valid Business license
- II. No adverse record in relevant system for last 1 calendar year.
- III. Certification from relevant authorities if applicable
- IV. Registered in required/relevant fields
- V. Registered in relevant category/activity as may be applicable
- VI. HR requirements for registration with CDB should be 100% Bhutanese as applicable

Stage 2 (Evaluation):

- I. Similar assignments carried out in last 5 calendar years (60%)

Similar assignment experience (y) = Similar assignments carried out in last 5 calendar years

- II. Tax paid by the firm in last 5 years (10%)

Tax paid by the Firm (z) = 100x $\frac{\text{Tax paid by that firm in last five years}}{\text{Tax paid by the other firm having Highest Tax paid}}$

- III. Any other criteria (b)⁸ PA can add any other criteria as deemed necessary (30%)⁹

$$\text{Score of the Consultant (a)}^{10} = 0.6*y + 0.1*z + 0.3*b$$

⁸ Past performance within the agency, Bhutanese manpower used for projects etc.

⁹ If this point is '0', the points scored from other parameters has to be escalated to 100%

¹⁰ Maintain list of consultants in ascending order based on the score (from highest score)