



SECRETARY

MoF/DPP/PMDD-05/2024-25/ 438

21 October 2024

NOTIFICATION

Subject: Use of Local Concrete Bricks in Public Infrastructure Constructions

Reinforcing the Government Order issued vide letter no. C-2/89/152, dated 9 December 2015, the Ministry of Finance hereby notifies all Budgetary Agencies on the use of locally-made concrete bricks while carrying out public construction works. In order to ensure compliance, the following directives are hereby issued:

1. Local concrete bricks shall be mandatorily used for the construction of boundary walls, infill, partitions and any other areas deemed necessary for all public construction works.
2. The Budgetary Agencies and Contractors at the time of implementation shall ensure that the concrete bricks are Bhutan Standard Bureau (BSB) certified.
3. When the Procurement of works are executed through the tendering process, it is mandatory for the Budgetary Agencies to incorporate the use of locally manufactured concrete bricks in the designs, drawings, estimates, and Bill of Quantities (BoQ).
4. In case works are executed departmentally by the Budgetary Agencies, the concrete bricks shall be procured through competitive bidding process amongst the local manufacturers.
5. The Manufacturer shall ensure that they prioritize quality, consistency of supply and price competitiveness.
6. The Ministry of Industry, Commerce and Employment has issued the Accountability Measures (attached) to ensure compliance clearly outlining the responsibilities of local manufacturers, contractors, budgetary agencies, and regulatory bodies. Any non-compliance must be reported and strict action shall be taken against the defaulters.
7. Additionally, private infrastructure projects are strongly encouraged to use locally manufactured concrete bricks.

This notification is issued with the utmost importance and for strict compliance.

(Leki Wangmo)

FINANCE SECRETARY

Copy to:

1. Dasho Zimpon, Office of Gyalpoi Zimpon, Tashichho Dzong.
2. The Hon'ble Prime Minister, Gyelyong Tshokhang.

Thimphu, Bhutan. Post Box No. 117, Phone no.: +975 2 322223/322271/322514

3. The Head of all Constitutional Bodies.
4. The Cabinet Secretary, Cabinet Secretariat.
5. The Secretaries, All Ministries.
6. All Dzongdags.
7. All Thrompons & Gups.
8. Heads of all the Autonomous Agencies.



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Ministry of Industry, Commerce and Employment
Royal Government of Bhutan

Accountability Measures to ensure compliance with the Executive Order

Background:

This is with reference to the directives received vide letter no: C-3/24(5)2024/205 from the Lhengye Zhungtshog (LZ) regarding the notification of the use of locally manufactured concrete bricks.

The LZ has directed the Ministry of Finance (MoF) to reinforce the Executive Orders from 2014, 2015 and 2018, which mandate the use of locally manufactured concrete bricks in government construction projects. Before the MoF reissue the notification on the reinforcement of the executive order and notification on the matter in 2014, 2015 and 2018, the Ministry of Industry, Commerce and Employment (MoICE) was directed to propose clear accountability measures to ensure compliance with the Executive Order.

The additional accountability measures besides the existing provisions of procurement rules and regulations, set for four parties are as follows:

1. The Procuring Agency

- a. The procuring agency shall specify the need for use of specified locally manufactured products in the tender documents for all Procurement of Works;
- b. The procuring agency shall ensure that all the local products supplied and used are certified by the Bhutan Standards Bureau (BSB) and the same requirement shall also be specified in the tender documents;
- c. The procuring agency shall ensure that the contractors adhere to the terms and conditions laid out in the tender documents, especially for the use of locally manufactured products, through constant monitoring;
- d. The procuring agency shall be accountable for non-compliance with the Executive Order; and
- e. The procuring agency shall report any issues related to the pricing, quality and supply of the locally manufactured products to the LZ, MoF and MoICE if required.

2. The Local Manufacturers/Bidders

- a. The manufacturers shall strictly comply with BSB's quality standards and technical specifications to ensure the quality of local products;



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- b. The manufacturers/bidders participating in tender shall supply the local products certified by BSB to avail domestic preference;
- c. The manufacturers/bidders shall submit BSB certificate and the value addition certificate issued by the MoICE to avail domestic preference;
- d. The manufacturers/bidders shall ensure that the prices quoted are competitive in relation to import price of the same item;
- e. The manufacturers shall maintain stockyards for their products to ensure a consistent and adequate supply;
- f. The manufacturers/bidders shall report to the LZ, MoF and MoICE of any instances known to them regarding non-compliance by the procuring agency or contractor; and
- g. The manufacturers/bidders who participate in public contractual transactions with public agencies shall ensure that they comply with the conditions set above. Non-compliance may lead to debarment of the firm as per the Debarment Rules 2023.

3. The Contractors

- a. The contractors shall use locally manufactured products as specified in their contracts;
- b. Any failure on part of the contractor to use locally manufactured products may be treated as a fundamental breach of contract. As per the contract failing to remedy the same may lead to termination of the contract; and
- c. Any information on non fulfillment or breach of bidding terms and conditions or contractual obligations shall be sent to Bhutan Construction and Transport Authority by the procuring agency for imposition of administrative sanctions as per the Ethical Code of Conduct for Contractors or any other relevant legal instruments.

4. The Regulatory Agencies

- a. The BSB and the concerned procuring agency shall carry out strict monitoring of local products supplied by local manufacturers to ensure adherence to the terms and conditions mentioned above; and
- b. Any non-compliance should be reported to the relevant agencies.