



དངུལ་རྩིས་ལྷན་ཁག།

ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
TASHICHO DZONG
THIMPHU



དངུལ་རྩིས་སློབ་པོ།
FINANCE MINISTER

MoF/DNP/GPPMD-14/2020-21/ 892

23 March 2021

NOTIFICATION

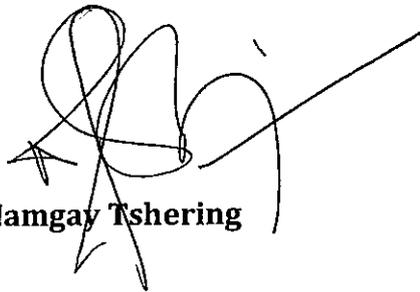
Subject: Revision of Mobilization Advance from 10% to 20%

With reference to Lhengye Zhungtshog directives No. C-3/85/2021/864 dated 3 March 2021, the Ministry of Finance would like to notify all Budgetary Agencies that the material mobilization advance payment has been increased from existing 10% of the Contract Price to 20% of the Contract Price

1. PRR Clause 5.1.12.1(a) : The amount of Mobilization advance shall be **twenty percent (20%)** of the Contract Price.
2. The 20% Mobilization Advance will be paid upon signing of contract and furnishing of performance security;
3. The existing provisions of the Procurement Rules and Regulations (PRR) 2019 and the Standard Bidding Documents for Procurement of Works (Large and Small) shall apply:
 - a) **PRR 5.1.12.2 (b), GCC 51.1, GCC 25.2** : The contractor shall be required to furnish an unconditional guarantee issued by a reputed Financial Institution and acceptable to the Procuring Agency for an amount equal to the required advance payment. The guarantee shall remain valid till the advance is recovered in full;
 - b) **GCC 51.3, GCC 25.3** : The Contractor is to use the advance payment only to pay for equipment, Plant, Materials and mobilization expenses required specifically for execution of the Contract. The contractor shall demonstrate that advance has been used in this way by supplying copies of invoices or other documents to the project manager. The manager shall encash the advance guarantee if the contractor is in breach of its obligation by using the advance payment for purpose other than the costs of mobilization in respect of the works.
 - c) **PRR 5.1.12.2 (c), GCC 51.4, GCC 25.4** : The advance payment shall be recoverable through percentage deduction from the interim progress payments. The percentage of deduction shall be fixed on pro-rata basis so that the full amount of Mobilization Advance is recovered prior to the time when eighty percent (80%) of the Contract Price is certified for Interim Progress payment;

- d) **PRR 5.1.12.2 (d)**: The amount of the guarantee against Mobilization Advance may be proportionately reduced with repayments made by the Contractor or with the progressive recovery of Mobilization Advance from the Interim Progress payments.

This notification shall come into effect from 23 March 2021 and shall apply during the period of pandemic only.



Namgay Tshering

Copy to:

1. The Gyalpoi Zimpon, Office of the Gyalpoi Zimpon, Thimphu
2. The Hon'ble Prime Minister, Gyalyong Tshokhang, Thimphu.
3. The Hon'ble Speaker, National Assembly, Thimphu.
4. The Hon'ble Chairperson, National Council, Thimphu.
5. All Minister, All Ministries, Thimphu
6. The Auditor General, Royal Audit Authority, Thimphu.
7. All Constitutional Bodies, Government Secretaries, Heads of Autonomous Agencies, Dzongkhags, Thrompons and Gups.