

No. FM/DNP/GP-46/2015-16/1263

April 29, 2016

Circular

Subject: Central Procurement of HDPE Pipes (Rabten)

As per Circular No. FM/DNP/GP-46/ 2014-15/422 dated September 08, 2015, all Government agencies executing government budgeted construction works that entails HDPE are mandated to procure HDPE pipes from the recognized manufacturer "Bhutan Polythene Company Limited".

Bhutan Plastic Industry based in Phuntshoiling has started their commercial production of HDPE pipes under the brand name "Rabten" since September 16, 2015. Consequently, the Ministry of Finance has drawn a contractual agreement on central procurement of HDPE pipe with the Bhutan Plastic Industry as well. BPI has agreed to offer a bulk purchase rebate to the Government for HDPE pipes to be procured for government construction works. Further, this measure is executed to curb inflow of substandard products towards achieving value for money.

The Ministry of Finance request all Government agencies to use Rabten HDPE pipe manufactured by the BPI as well. The rebates will be directly accounted to the Ministry of Finance based on the consumption of HDPE pipes by the various government agencies.

In this regards, the following procedure should be followed for such works being tendered henceforth with immediate effect.

1. Every government agency proposing to tender out or carry out drinking water supply works or irrigation works or plumbing works, which involves consumption of HDPE pipes, shall estimate the theoretical consumption of

HDPE pipes as per the Specification required for that particular work and accordingly notify the respective manufacturers (BPCL & BPI, Phuntsholing). A copy shall be endorsed to the Director General, Department of National Properties as per the format enclosed.

2. To take advantage of the rebate offered and to enforce the use of **Druk pipes** and **Rabten pipes** manufactured in Bhutan, the Government agency should clearly state in section VII – specification and performance requirement of the Bidding documents that the contractor shall use aforementioned brands which should be lifted from the factory premises, Phuntsholing or from dealers/sales agents. However, the contractor should arrange and pay for the transportation and make direct payment to the respective manufacturers or dealers at the price notified to the public, including the taxes, which may change on annual basis.
3. On the award of the work, the Government agency shall notify the respective manufacturers (BPCL and BPI) of the name of the work, contractor to whom the work is awarded including the estimated quantity of HDPE pipes required, contract period and published price of HDPE pipes at the time of awarding work. Copy of the notification shall be endorsed to Director General, Department of National Properties and dealers from where the HDPE pipes is to be lifted and a copy to the contractor as well.
4. For each time contractor lifts the HDPE pipes, a letter addressed to the dealers of BPCL& BPI Phuntsholing shall be issued by the concerned Government agency specifying the published price and quantity of HDPE pipe to be lifted for each consignment with reference to the initial letters and copies to all agencies as mentioned above.



DEPARTMENT OF NATIONAL PROPERTIES

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MINISTRY OF FINANCE



5. The letter issued by the agency awarding the work shall be produced by the contractor to the dealers of BPCL& BPI during the purchase of HDPE pipes for each consignment. The copies of the invoices shall be submitted to the Government agency by the contractor for record.
6. The agency awarding the work shall submit at the end of every month a report of HDPE pipe procured by the contractor for the project with invoice number and dates to the Director General, Department of National Properties, for validation of the rebate offered by the domestic manufacturers.

All Government agencies awarding works for drinking water supply or irrigation or plumbing works are advised to strictly adhere to the above procedures.

This agreement will be effective from May 01, 2016.

The approved list of dealer or sales agents is attached herewith for ready reference.


(Lam Dorji)
Finance Secretary

Copy to:

1. Hon'ble Cabinet Secretary, Gyalyong Tshokhang.
2. Hon'ble Auditor General, Royal Audit Authority.
3. All the Government agencies for compliance.
4. Managing Director, BPCL, Phuntsholing for necessary action.
5. Managing Director, BPI, Phuntsholing for necessary action.