

Articles of Association 2002

Construction Association of Bhutan



For Development and Promotion Of Construction Industry

Thimphu

Bhutan

Abbreviations

AGM	Annual General Meeting
AOA	Articles of Association
BCCI	Bhutan Chamber of Commerce & Industry
BOC	Bhutan Olympic Committee
BSA	Bhutan Scouts Association
BTF	Bhutan Trust Fund
CAB	Construction Association of Bhutan
CDB	Construction Development Board
DLC-CAB	Dzongkhag Liaison Committee of CAB
ECM	Executive Committee Meeting
EECM	Emergency ECM
EGBM	Extraordinary General Body Meeting
GAAP	Generally Accepted Accounting Principles/Practices
NWAB	National Women Association of Bhutan
SAARC	South Asia Association for Regional Cooperation
SCCI	SAARC Chamber of Commerce & Industry
SAARC-CCI	SAARC Council of Construction Industry

Forward

Under the aegis of SAARC Chamber of Commerce & Industry (SCCI), a regional forum for private sector development in the seven SAARC countries, SAARC Council for Construction Industry (SAARC-CCI) was established in 1999 as a regional forum for all contractors association in the SAARC countries. The SAARC-CCI notified Bhutan Chamber of Commerce & Industry (BCCI), a member federation in the SCCI, in November 1999 for representation in the council's meeting scheduled in December 1999 at Khatmandu, Nepal. In the absence of construction association in Bhutan, BCCI Executive Committee in its 54th Committee Meeting on November 29, 1999 decided to call all Class-A contractors in Bhutan for a meeting within December 15, 1999 to discuss the issue.

In the all Class-A contractors meeting on December 14, 1999 coordinated by BCCI, there was unanimous consensus to form **“Contractors Association of Bhutan” as a forum to address specific problems and policies related to construction industry in Bhutan at national and regional level.** Consequently, resolution was passed by the floor, to call general meeting of all Class A, B & C contractors in January 2000 to discuss “modalities for institution of Contractors Association of Bhutan”. Subsequently, all Class A, B & C contractors met on January 25, 2000 in Thimphu in the conference hall of BCCI. In the meeting chaired by BCCI President, need for forming an association for the benefit of construction industry was emphasised. It was also highlighted that recently Royal Government felt the need of such association for effective representation, which BCCI had been pursuing with the government. The floor reached unanimous consensus **for establishment of “Contractors Association of Bhutan” to address specific problems and policy issues related to construction industry at national, regional and international level,** and endorsed the decision to establish the association.

Today I am privileged to adopt this Articles of Association approved by the General Body in its 3rd Annual General Meeting on October 10 2002. The AOA clearly outlines the mandate, role, plans & program to achieve the set objectives, constitutional organs, guideline framework for operational & financial policy and the tentative organizational set-up; which will guide the Association in gradual progressive development of its capacity for playing an instrumental role. I take this opportunity to acknowledge Association's appreciation to the General Secretary (Game Tshering) for the formulation of this AOA.

Tashi Delek!

Ugyen Tsechup Dorji
President

Dated:

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Articles of Association For Construction Association of Bhutan

1 Preamble

Whereas the Royal Government of Bhutan having recently felt the need to establishing Association for effective representation;

Whereas the Bhutan Chamber of Commerce & Industry, the apex body for the private sector, having guided the establishment of the Association for construction industry development and promotion; **and**

Whereas for the purpose of governing the overall management and function of the Association in addressing problems and policies related to construction industry at National, Regional and International level;

Now, therefore institutionalize the Association with this Articles of Association 2002, as Construction Association of Bhutan.

2 Preliminary

2.1 Title, Commencement and Extent

This Article shall be called the Articles of Association 2002, for Construction Association of Bhutan.

It shall come into force on the date prescribed by the signatory on this Article.

It shall extent to the whole of construction industry sector in Bhutan.

2.2 Definitions

In this Article, unless the context indicates otherwise, the singular shall include plural and masculine shall include feminine. In this Article, unless otherwise:

“Association” means Construction Association of Bhutan often abbreviated as CAB established for the development and promotion of construction industry in Bhutan.

“Article” means this Articles of Association 2002 for Construction Association Of Bhutan.

“General Body” means the governing body of the Association as defined in the Article.

“Executive Committee” means the Executing body of the General Body as defined in the Article.

“Secretariat” means the registered office of the Association responsible for implementation of plans & programs.

“President” means the chairman of the General Body & Executive Committee elected as per the Article.

“General Member” means the member representative in the General Body in accordance with the article.

“Other Member” means the registered resident member of the Association as per the Article.

“Executive Member” means the elect member of the Executive Committee.

“General Secretary” means the Head of the Secretariat.

3 Purpose

The purpose of the Article is to govern the management and function of the Association and an instrument for institutionalization of the Association, while according transparency in the Association’s constitutional set-up.

4 Role of the Association

The role of the Association is to represent as a forum for the construction industry in Bhutan and address problems and policy issues at national, regional and international level for the development and promotion of construction industry.

5 Objectives

The broad policy objectives of the Association for development and promotion of construction industry are stated as:

- a. “**Development**” through identifying, facilitating and assisting construction industry in business, information and technology development; and
- b. “**Promotion**” through assessing, monitoring and assisting the needs, performance and problems of the construction industry.

6 Functions

Within the broad policy objectives, the Association will function as follows:

- a. Address specific problems and policy issues related to construction industry at National, Regional and International Level;
- b. Interact with concerned agencies both within and outside the country for development and promotion of construction industry;
- c. Promote awareness amongst the construction industry on national developmental plans and programs;
- d. Initiate and implement developmental and promotional plans and programs for construction entities;
- e. Represent and Advocate for development and promotion of construction industry both within and outside the country;
- f. Gear the construction industry towards strengthening of the association as a strong representative forum for construction industry's benefit, both within and outside the Kingdom; and
- g. Act as a bridge between the BCCI and the Government for the contractors;

7 Organizational Structure

The organizational chart of the Association is illustrated in the following page. Explanation on role, function and constituent of each entity in the hierarchy is as follows:

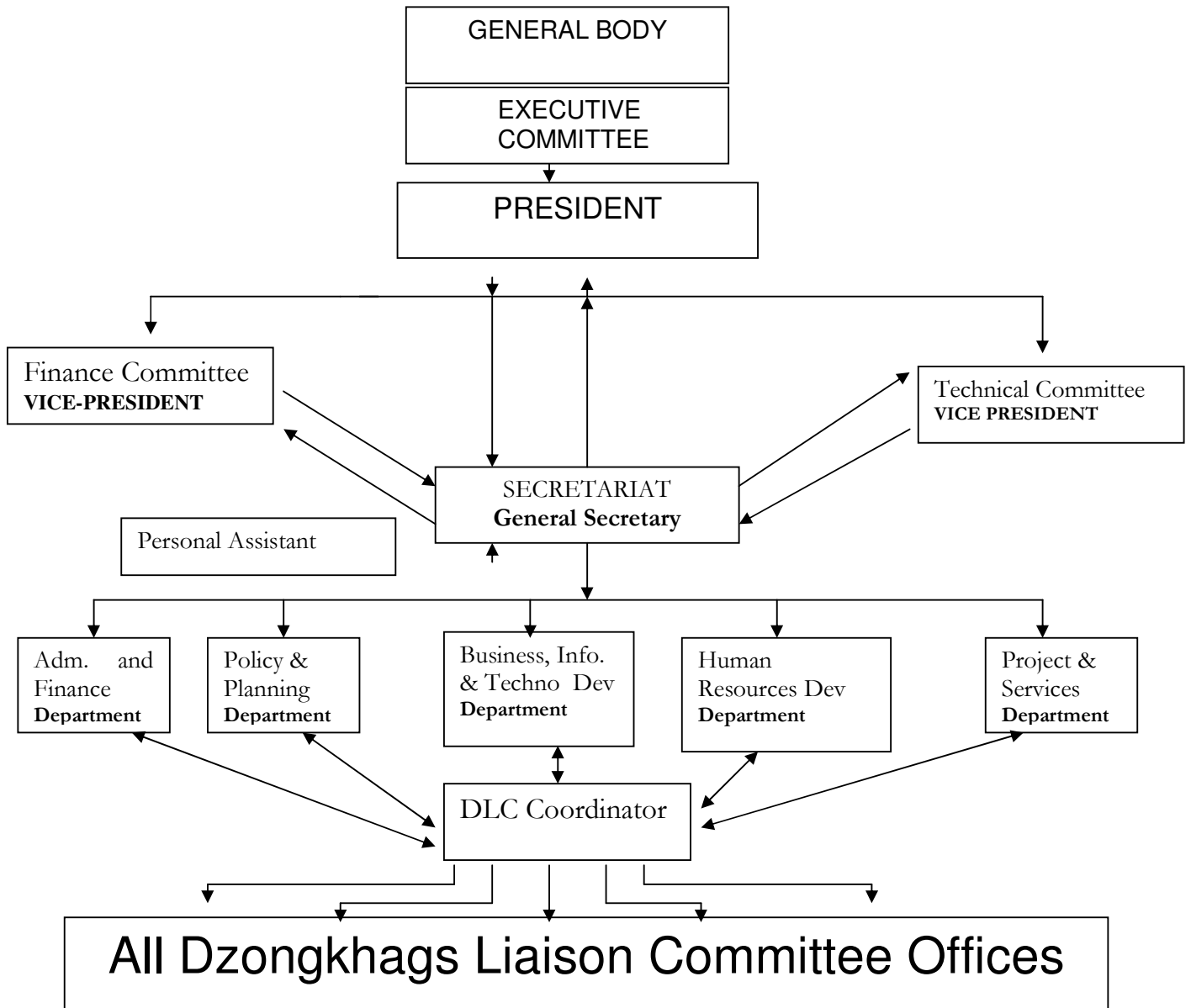
7.1 Constitutional Body

The General Body of the Association is the governing body.

7.1.1 General Body

General Body will comprise of elected members from all the Dzongkhags represented through respective Dzongkhag Liaison Committee (DLC), and the Executive Committee Members under the chairmanship of the President as the elect Head of the Association.

CONSTRUCTION ASSOCIATION OF BHUTAN



7.1.2 Election of President

General Body will elect the President for the Association under simple voting system in the General Body Meeting. In the event of tie, the chairperson of the General Body shall cast winning vote.

7.1.3 Election of Vice-President

General Body will also elect Vice-president/s of the Association under simple voting system amongst the nominees in the General Body Meeting. In the event of tie, the chairperson of the General Body shall cast winning vote.

7.1.4 Election of Executive Committee Members

Executive Committee Members will be elected from the respective category of construction industry as follows:

<u>Construction Entity</u>	<u>Representation</u>
Class – A	7
Class – B	3
Class – C	3
Class – D	1

General Body, in its General Body Meeting will elect the Executive Committee Members as outlined above.

7.1.5 Other Members in the General Body

All Registered Members of the Association will be treated as Other Member of the General Body in the same status as the General Member of the General Body.

7.1.6 Powers of the General Body

As the governing body for the Association, the general Body shall be the ultimate decision making forum for the management and function of the Association with absolute administrative and financial powers. However the administrative and financial power will be automatically deemed delineated to the Executive Committee for operational convenience, with the President as the 'Authorized Signatory'.

7.1.7 Decision Making and Quorum

Simple majority of Members attendance will form the quorum for the General Body. Proxy will be accepted under due authorization of the member in the event of his/her preoccupation. Any agenda or issue will be passed as resolution on acquiring majority of the votes.

7.1.8 Term of Office

The term of office for all general members shall be three years with eligibility for next term re-election.

7.1.9 Annual General Body Meeting

General Body Meeting shall be convened annually on any convenient date as may be scheduled by the Executive Committee for review of the past performance and discussion of the plan and programs for the coming year. Mid-term General Meeting will be convened to review performance, on the instruction of Executive Committee to the Secretariat, if necessary.

7.1.10 Extraordinary General Body Meeting

In the event of urgency of matters or issues that needs to be decided and is outside the purview of Executive Committee, extra ordinary meeting of the general Body will be called at short notice. In such case there will be no quorum for passing resolution.

7.1.11 Notice for calling General Body Meeting

All general members will be notified 30 days prior to Annual General Meeting for attendance, by public announcement or notification. Purpose of the meeting will be broadly explained in the call for attendances.

7.1.12 Proceedings of the General Body

The General Secretary shall act as Member Secretary to the General Body. He shall record minutes of the meeting and read out the proceeding as resolution on the last day of the meeting for endorsement.

7.1.13 Code of Conduct

All Members in the General Body and Executive Committee shall abide by the 'code of ethic' with due respect to traditional practices and cultural values. They shall function for the general cause within the parameters of their responsibilities. 'Bond of Undertaking' by each member to serve the Association for its cause will be executed with the Association. Any deviation from this bond, in part or whole, will result to "vote of confidence" for membership under impeachment in the General Body Meeting.

7.2 Executive Committee

The Executive Committee is the executing body for the Association. It shall comprise of 14 members under chairmanship of President supported by Vice-President/s. The election of members will be in accordance to article-7.1.4 above.

7.2.1 Decision Making and Quorum

Simple majority shall be the quorum and resolution will be passed on majority of support in favor of the motion.

7.2.2 Term of Office

The term of office for all members shall be three years with eligibility for nomination or election to next term.

7.2.3 Powers of the Executive Committee

As the executing body of the Association, the Executive Committee will exercise full administrative and financial powers. It shall fully execute management and operational plans and programs for the secretariat towards achieving the set functional objectives of the association.

7.2.4 Executive Committee Meeting Schedule

The committee shall meet quarterly and convene four scheduled meetings in a year on a fixed date every year to assess and monitor management and operational aspect of the association. The date may however be changed, for convenience, with the approval of Hon'ble President.

7.2.5 Emergency Executive Committee Meeting

Emergency meeting will be called by the secretariat as and when necessary given the urgency of matters or issue for discussion. No quorum will be required for the emergency meeting.

7.2.6 Notice for calling Executive Committee Meeting

The members will be notified 7 days before the scheduled date.

7.2.7 Proceeding of the Executive Committee

The General Secretary shall act as Member Secretary to the Executive Committee. He shall record minutes of the meeting, circulate for comment from the Members and than only distribute the final minutes after incorporating the comments.

7.3 Implementing Body

The Secretariat Office will be the implementing body of the Association's for carrying out its plans and programs.

7.3.1 Head of the Secretariat

Head of the Secretariat will be designated as General Secretary of the Association.

7.3.2 Responsibilities and Accountability

As head of the secretariat, the General Secretary shall be responsible for day-to-day administration of the office aside from implementing the plans and programs of the Association. He shall be accountable for the effectiveness of the Association in its cause for which purpose all initiatives, innovations and efforts in playing an instrumental role for the development and promotion of construction industry at national, regional and international level will be conducted through consultation and guidance of the President/Executive Committee.

7.3.3 Code of Conduct

The General Secretary shall abide by the 'code of ethic' with due respect to traditional practices and cultural values and ensure administration of the same to the employees of the Association. He shall function for the general cause within the parameters of his responsibilities and accountability. As a salaried employee of the Association, he shall be governed by the general principles of employment in a relation same as any employer and employee. Breach of the rules, regulations and deviation from his responsibilities shall result to impeachment of the person by the Executive Committee for actions.

8 Administration and Management

The General Secretary shall administer, manage and conduct the functional and operational activities of the Association in the manner described in the following sub-sections.

8.1 Registered Offices

The Association's Secretariat Office will be registered as Construction Association of Bhutan, at Thimphu. In order to facilitate and reach the services of the Association across the country, Dzongkhag Liaison Committee/Offices shall be established/ registered. DLC shall be instituted in each Dzongkhag, and five committee members, including chairperson, shall be elected by majority of/from the prevailing registered classes of contractors as the local forum representing the Association.

8.2 Fiscal Year (Accounting Period)

The fiscal year for the Association will be calendar year based, coinciding with the CDB registration and License renewal exercise.

8.3 Operational Policy, Plans & Programs

The Association as a forum for the development and promotion of national construction industry will initiate and implement programs for the benefit at large, as approved and directed by the Executive Committee and General Body of the Association. The secretariat will be responsible for initiation, planning, programming and implementation of the, but not limited to, the following activities:

- Assessing actual status of Class A, B, C & D in operation on the basis of registered list with the Construction Development Board;
- Collection of existing employees data of the class A, B & C including their future manpower needs;
- Inventorying construction equipment in possession with the contractors including assessment of deployment records and operational efficiency;
- Assessing/interacting with equipment service support and facilitating services through the dealers, in and outside the kingdom;
- Assessing human resource development need in the construction industry;
- Development/promotion of managerial and technical capabilities of the construction industry;
- Development/promotion of participation in construction activities;
- Assessment of contractors performance and institutional capacity;
- Dissemination of information;
- Formulation of rules, regulations and manuals for the administration and operational management of the association's function within the parameters of its constitutional mandate as may be accorded; and
- Any other tasks, as may be assigned by the Executive Committee or President.

8.4 Financial Policy, Plan and Program

The financial year of the Association will begin on Jan 01 and end on Dec 31 of the year. Based on the budget approved and work plan, the General Secretary will ensure timely collection and disbursement of fund for its planned activities and maintain proper books of accounts in keeping with sound and established financial norms and practices.

The Association as a Non-profit making organization (non-government) will mobilize fund through levy of registrations fees, documentation & service charges and any other levy, as may be approved and authorized by the General Body or Executive Committee. The registration fees will include membership, enrolment in training workshop, seminar, registration for litigation, etc. Documentation and service fees will include technical service charges, litigation/arbitration charges, etc. Other levy would mean any deemed approved fund mobilization mechanism as may be approved and authorized by the General Body or Executive Committee.

The Association will also explore/seek/work-out, through proper channel, financial and technical assistance package from donor agencies, both within and outside the country, for the development and promotion of Bhutan's construction industry in national, regional and international level.

8.5 Membership & Registration

The Association as the forum for construction industry in Bhutan, all entities as defined under construction industry will register itself with the Association as Resident Member. Membership registration fee will be levied at an annual rate determined, approved and revised by the General Body or Executive Committee from time to time.

The Association itself might register or join membership in regional and or international bodies/forum, in the interest of construction industry of Bhutan or as may be approved or directed by the concerned authority in the Kingdom. In such cases, the Executive Committee will decide with full authority the stand for the Association.

The Association will also register outside country's corresponding construction industry's entities operating in Bhutan or desirous to associate, as Non Resident Member, subject to the approval of the Royal Government.

9 Rules & Regulations

Till such time an 'Operational Manual' and "Service Rule" are drawn out for the Association, it shall follow the following regulations:

9.1 Excess of Income over Expenditure

Any excess of income over expenditure will be transferred to "general reserve" for any given accounting period and accrued in the succeeding accounting year. Appropriation of fund from this account will be vested with General Body for the purposes as may be approved by the Executive Committee.

9.2 Excess of Expenditure over Income

Excess of expenditure over income will be met through inoculation measures as may be decided by the Executive Committee in the event of occurrences. The General Body, in the spirit of Article 7.1.6, will endorse such measures.

9.3 Administration and Accounting principles

Although a non-profit making organization, the Association shall follow double entry system of accounting with proper books of accounts for all its income and expenses. It shall comply with generally accepted accounting principles/practices (GAAP) for all transactions and submit annual financial statements on 'state of affairs' to the Executive Committee and later report in the General Body Meeting.

The General Secretary shall administer and manage the Secretariat in line with normal standard system and accepted norms in terms of working hours/days, government holidays, office decorum, employer/employee relation, staff welfare and other working environment and issues in the context of Bhutan or as may be directed or approved by the President or Executive Committee.

10 Seal of the Association

The Seal of the Association (Attested Emblem on the Cover Page of this Article) will be printed on letterhead and used in all official communiqués. Any other issue, communiqué and publication by the Association will be made under the Seal of the Association.

11 Statutory Requirements & Endorsement

Construction Association of Bhutan shall be bound by the statutory requirement of this Article, endorsed by the General Body in its 3rd General Body Meeting in Thimphu on October 10, 2002 corresponding to fourth day of the ninth month of water male horse year as per the Bhutanese calendar.

Ugen Tsechup Dorji

President

Construction Association of Bhutan

This Articles of Association 2002 for Construction Association of Bhutan is hereby endorsed by the Executive Committee in its 6th meeting on October 03, 2002 corresponding to twenty seventh day of the eighth month of water male horse year as per the Bhutanese calendar and ratified by the General Body in its 3rd Annual General Meeting on October 10-11, 2002 corresponding to fourth day of the ninth month of the water male horse year.