Construction Association of Bhutan



Guideline for Verification of Non-Registered Equipment, 2020

#  FOREWORD

 

The construction industry in Bhutan over the last four decades has seen unprecedented changes and development under the wise leadership of our Visionary Monarchs. From a nascent stage of development, Bhutan now has 2489 registered contractors as of 3rd March 2020.

The singular voice of the construction industry as represented through a membership based association is the construction Association of Bhutan, an industry association formed to further develop the construction industry in a sustainable and socially benign manner. The CAB is a registered Civil Society Organization under the CSO Act 2007.

The CAB endeavors to assist member contractors through reduced administrative burdens and improved ease of doing business. In collaboration and with directives from the Construction Development Board (CDB), CAB is pleased to issue the Guideline for the Verification of Non-Registered Equipment of registered contractors in the Kingdom of Bhutan with the objective of providing enhanced services to the member contractors.

The CAB shall continue to improve on this Guideline with the hope that not too far in the distant future, such activities can be completed at a click of button through development of web based application platforms.

The CAB would like to express our sincerest appreciation to CDB for their continued guidance and support.

Thinlay Gyamtsho

President

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# Title

This document shall be called the Guideline for the Verification of Non-Registered Equipment of the Contractors.

# Mandate/Empowering clause

1. The mandates for the development and implementation of this guideline by Construction Association of Bhutan (CAB) for verification of Non-Registered Equipment (NRE) are derived from:
2. The 71st CDB Board Meeting delegated the power of verifying the Non-Registered Equipment (NRE) to the Construction Association with the understanding that the endorsement on NRE by the CAB shall be accepted by the CDB during the time of renewal of the CDB certificate; and
3. Clause XIV of Article of Association of CAB mandates the Association to make inventory of construction equipment in possession with the contractors including assessment of deployment records and operational efficiency.

# Objective

The objectives of the guideline are to:

1. provide standard procedures for verification of non-registered equipment by the dealing officials and contractors to ensure uniform application of these procedures;
2. build capacity of CAB and member contractors to develop the construction industry;
3. move towards self-regulation of the construction industry through CAB; and
4. promote membership of CAB through enhanced service delivery and value addition.

# Commencement Date

This Guideline shall come into effect from………………..

# Application

This guideline shall apply to large and medium class contractors requiring verified Non-Registered Equipment during renewal of CDB registration certificate. Both members and non-members of CAB may avail the services.

# NRE Verification Process

The verification of NRE shall follow the following procedures:

## 6.1 Application requesting verification

1. Contractors desiring to get their Non-Registered Equipment verified shall submit application requesting verification 45 days prior to date of expiry of her/his CDB registration certificate.
2. The application for verification shall be submitted in the prescribed form in ***Annexure I.***
3. The applications for verification shall be submitted to DLC chairperson of each Dzongkhag except Thimphu.
4. Contractors with its registered office within Thimphu Dzongkhag shall submit applications for verification to the designated official of CAB head office.

## 6.2 Physical verification

1. The DLC chairperson or designated official from CAB head office shall identify whether the applicant is member or non-member of the CAB and follow the Fee Schedule in clause 7.
2. Within 3 days from the receipt of application for verification, DLC chairperson or designated official from CAB head office shall review the application and visit the identified location to physically verify the equipment mentioned in Annexure I.
3. DLC chairperson or designated official from CAB head office shall intimate a convenient date for verification of the equipment.
4. DLC chairperson or designated official from CAB head office shall physically verify the equipment as follows:
5. the bill, invoice or sale deed of the equipment;
6. the condition of the equipment;
7. the number of years the equipment have been used; and
8. the quantity of equipment available.
9. DLC chairperson or designated official from CAB shall fill up the Verification Form as ***Annexure II*** for large class contractors after physical verification.
10. DLC chairperson or designated official from CAB shall fill up the verification form as ***Annexure III*** for medium class contractors after physical verification.
11. Both the verification forms mentioned in clause 6.2.v and 6.2.vi shall be signed by the DLC chairperson or designated official from CAB.

# 6.3 NRE Verification Certificate

1. The signed verification forms mentioned in clauses 6.2.v and 6.2.vi shall be sent to the General Secretary of the CAB head office in Thimphu.
2. General Secretary shall issue clearance letter referring to the verification forms in clause 6.2.v and 6.2.vi.

# Verification Fees

1. All the contractors holding a valid membership card of the CAB shall be considered as members of CAB.
2. Contractors registered with the CDB but not holding membership card of CAB shall be considered as non-member of CAB.
3. The applicant shall provide her/his membership number from the card provided by the CAB during the application time on Annexure I.
4. The DLC chairperson or designated official from CAB shall verify the membership number of the applicant provided in the Annexure I by the applicant.
5. There shall be no verification fees charged to members of CAB.
6. Nominal verification fees shall be charged to non-members of CAB.
7. Prior to the verification of the NRE the DLC chairperson or designated official from CAB shall inform the applicant to deposit the verification fee in cheque, bank transfer or mobile transaction in favor of CAB.
8. DLC chairperson or designated official from CAB shall not receive fee in cash.
9. Upon receipt of the fee, the Finance Officer of the CAB shall issue a revenue receipt.
10. The revenue receipt shall be intimated to the DLC chairperson or designated official of the CAB or directly to the applicant by the Finance Officer, CAB.
11. Verification of NRE for the Non-members of the CAB by the DLC Chairperson or designated official from CAB shall perform only upon applicant producing the revenue receipt.
12. Non-member large class contractors shall pay a fee of Nu. 10,000/- (Ten Thousand) only for verifying the NRE.
13. Non-member medium class contractors shall pay a fee of Nu. 5,000/- (Five Thousand) only for verifying the NRE.

# Utilization of Fees

The fund collected in the form of fees shall be ploughed back to the member contractors in the form of services as follow:

8.1 Capacity building of the contractors through:

1. Provision of trainings related to the construction industry including Occupational Health & Safety;
2. Organization of workshops & seminars; and
3. Provision of training to engineers of member contractors on the Construction Manager Software;

8.2 provide enhanced advisory and arbitration services to member contractors;

8.3 facilitate access to international construction related journals and best practices;

8.4 provide annual tax filing facilities; and

8.5 facilitate certification of company by Certified Accountant.

# 9. Administrative sanctions

9.1 Reprimand DLC chairperson or designated official from the CAB if they are found to have not carried out the verification as per this guideline for the first time.

9.2 Levy penalty of Nu. 5000/- (Five Thousand) if the DLC chairperson or designated official from the CAB are found to have not carried out the verification as per this guideline repeatedly.

9.3 Reprimand the large or medium class contractors for breaching this guideline for the first time.

9.4 levy penalty of Nu. 10,000/- (Fifteen Thousand) for breaching this guideline for the second time by the large or medium class contractors.

9.5 Withhold the NRE Verification Certificate for one year for breaching this guideline more than twice by the large or medium class contractors.

# 10. Amendment:

10.1 The Construction Association of Bhutan may amend this Guideline from time to time

10.2 Such a revision is effective as of the date of adoption thereof by the Construction Association of Bhutan and applies to any matter, which is a subject of this Guidelines and which has arisen after such date.

# Annexure I

Date:……………………….

The DLC Chairperson/General Secretary

……………………………… (Dzongkhag)

Dear Sir/Madam,

The undersigned solicits your assistance in the verification of the following Non-Registered Equipment owned by ……………………. (Name of the company)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Sl No. | Name of non-registered Equipment  | Qty.  | Make/model (year) | Condition of Equipment  | Number of years used  |
| 1 | Air Compressor (Min. rqd. 1) |  |  |  |  |
| 2 | Survey Equipment (a) Total Station (Min.rqd.1)  |  |  |  |  |
| 3 | Concrete mixer (Min. rqd. 2) |  |  |  |  |
| 4 | Vibrator (Min.rqd.2)  |  |  |  |  |
| 5 | Steel Shuttering set (Min. sqft. 5000) |  |  |  |  |
| 6 | Water Pump/ Multi-Meter (Min.rqd.1) |  |  |  |  |
| 7 | Meggar (Min.rqd.1) |  |  |  |  |
| 8 | Max Puller (Min.rqd.1) |  |  |  |  |
| 9 | Any other (please specify) |  |  |  |  |

Yours Sincerely,

………………………………………………….(Signature)

………………………………………………. (Name and CID No. of Signing Authority)

…………………………………………………. (Firm Name)

…………………………………………………. (CAB Membership No.)

………………………………………………….. (CDB No.)

………………………………………………… (Classification)

…………………………………………………… (Address and contact details)

# Annexure II

**Non-Registered Equipment Verification Form for Large Class Contractors**

Name of the Firm: …………………………………………………………………………….

CDB No.: ……………………………………………………………………………………..

CAB Membership Number: ……………………… Validity ………………………….

This is to certify that the following Non-Registered Equipment (NRE) is/are physically verified by the undersigned on ………………………….. (dd/mm/yyyy)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Sl No. | Name of non-registered Equipment  | Quantity  | Make/model (year) | Condition of Equipment  | Number of years used  |
| 1 | Air Compressor (Min. rqd. 1) |  |  |  |  |
| 2 | Survey Equipment (a) Total Station (Min.rqd.1)  |  |  |  |  |
| 3 | Concrete mixer (Min. rqd. 2) |  |  |  |  |
| 4 | Vibrator (Min.rqd.2)  |  |  |  |  |
| 5 | Steel Shuttering set (Min. sqft. 5000) |  |  |  |  |
| 6 | Water Pump/ Multi-Meter (Min.rqd.1) |  |  |  |  |
| 7 | Meggar (Min.rqd.1) |  |  |  |  |
| 8 | Max Puller (Min.rqd.1) |  |  |  |  |
|  |  |  |  |  |  |

The undersigned takes full responsibility on behalf of the above mentioned firm of her/his NRE in case of any discrepancy in future.

Name&Signature, Chairperson or Designated Official

Dzongkhag Liaison Committee or CAB

………………………….. (Dzongkhag)

# Annexure III

**Non-Registered Equipment Verification Form for Medium Class Contractors**

Name of the Firm: …………………………………………CDB No.: ……………………..

CAB Membership Number: …………………… Validity ………………………………..

This is to certify that the following Non-Registered Equipment (NRE) is physically verified by the undersigned on ………………………….. (dd/mm/yyyy)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Sl No. | Name of non-registered Equipment  | Quantity  | Make/model (year) | Condition of Equipment  | Number of years used  |
| 1 | Survey Equipment (a) Total Station (Min.rqd.1)  |  |  |  |  |
| 2 | Concrete mixer (Min. rqd. 2) |  |  |  |  |
| 3 | Vibrator (Min.rqd.2)  |  |  |  |  |
| 4 | Steel Shuttering set (Min. sqft. 2000) |  |  |  |  |
| 5 | Water Pump/ Multi-Meter (Min.rqd.1) |  |  |  |  |
| 6 | Meggar (Min.rqd.1) |  |  |  |  |
| 7 | Max Puller (Min.rqd.1) |  |  |  |  |

The undersigned takes full responsibility on behalf of the above mentioned firm of her/his NRE in case of any discrepancy in future.

Name& Signature

Chairperson or Designated Official

Dzongkhag Liaison Committee or CAB

………………………….. (Dzongkhag)