

Prime Minister's Resolution No. (53) of the Year 2009 of the Executive
Regulations of Law No. (23) for the Year 2007 Concerning Tenders,
Auctions and Government Storehouses

The Prime Minister,

After Perusal of the Constitution of the Republic of Yemen,
Financial Law No. 8 of the Year 1990, its Amendments, and the
Executive Regulations thereof,

Law No. (23) of the Year 2007 on Tenders, Auctions and
Government Storehouses,

Law No. (4) of the year 2000 on the Local Authority, its
Amendments and the Executive Regulations thereof,

Presidential Decree No.(24) of the Year 2001 in Respect of the
Financial Regulations of the Local Authority,

Presidential Decree No (50) of the Year 2007 on Formation of the
Government and Designation of Members thereof,

And upon approval of the Council of Ministers,

Hereby decree the following:

Chapter One

Title, Definitions, Objectives and Scope of Validity

Section One

Title and Definitions

Article (1): These Regulations shall be cited as the “Executive Regulations of Law No. (23) of the Year 2007 Concerning Tenders, Auctions and Government Storehouses”.

Article (2): For the purposes of the Law and these Regulations, the following terms and expressions shall have the meanings assigned thereto hereunder, unless the context requires or denotes otherwise:

Republic: The Republic of Yemen

Law: The Law No. (23) of the Year 2007 in Respect of Tenders, Auctions and Government Storehouses.

High Authority: The High Authority for the Control of Tenders and Auctions.

High Committee: The High Tender Committee.

Entity: Headquarters of a Ministry/ Administrative Unit / authority/ Authority/ other central bodies included in the State’s general budget and the units which enjoy independence and supplemental budgets/ specialized funds, and other Entities to which the provisions of the Law and these Regulations apply.

Administrative Unit: The Capital’s municipality, governorate or Directorate, and as specified by the Law of the Local Authority.

Competent Tenders Committee: The Tenders and auctions committees in the Central Authority (ministries and public establishment's headquarters, authorities, agencies and other central bodies and their branches included in the State’s general budget), the local Tenders and auctions committees in the Administrative Units, the public sector units, and the Tenders committees in the units with independent and supplemental budgets and specialized funds.

Qualification: A set of technical, administrative and legal procedures based on which bids are open by means of advertisement through the appropriate mass media for all who are willing certify that they have the technical and financial ability and capability to execute the required work or deliver Consulting services.

Expression of Interest in Participation: A set of administrative, technical and legal methods used by the Entity to invite consulting companies to express their interest in participating in delivering the announced consulting services through a Tender on competitive bases.

Tender: A set of administrative, technical and legal procedures employed by the Entity to execute its various Works in a competitive method, and in conformity with the Bidding documents for the purpose of reaching the best bid, in accordance with the specific assessment criteria and scoring designed to the announced Tender; all in compliance with the provisions of the Law and these Regulations.

Open Tender: A Tender where competition is open for those willing to participate in execution of various works and have fulfilled qualification's main requirements set forth in the bidding documents , through an announcement published by the competent Entity in the governmental means of publication and any other mass media, all in accordance with the conditions specified in the Law and these Regulations.

Purchase Transaction: The execution of Works, Supplies, Consulting Services and Other Services of various types.

Limited Tender: A set of technical, administrative and legal procedures employed by the Entity in an Open Tender, except of announcing the chance for competition for a limited number of companies that satisfy the qualifications requirements, or for a number of not less than three applicants, in accordance with the conditions specified in the Law and these Regulations.

Shopping: A set of administrative, technical, and legal procedures employed by the Entity to obtain quotations in order to carry out a Purchase Transaction in a simple and accelerated manner with respect to standard goods or simple Works and services, and at a cost not exceeding the financial limit provided for in these Regulations.

Direct Purchase Order: A set of administrative, technical and legal procedures employed by the Entity for the purpose of conducting direct negotiations and agreement between the Entity and any Vendor with whom an agreement is to be

concluded for the purpose of providing goods or rendering services in accordance with the provisions of the Law and these Regulations.

Bidding Documents: Are the documents that set out the legal and financial conditions and rules, the technical specifications, the schedules and other requirements (as per the nature and type of the Purchase Transaction) which enable bidders to participate. These documents shall contain the principles and criteria based on which the technical and financial qualification, analysis and assessment shall be carried out and a decision shall be taken.

Contracting or Purchase Contract: A contract between the Entity and the Contractor, Seller, Consultant or undertaker; according to which the same undertakes to produce an object, provide goods, execute a work or render a service against a consideration in accordance with the provisions of the Law, these Regulations and the laws in force.

Vendor: Any natural or legal person

Contractor or Vendor: Any person who undertakes, according to a Contracting agreement, to produce an object, provide a service, or execute a work against a consideration; or to sell something for an amount of money.

Consultant: Any person qualified to carry out consulting services, and who has been selected in accordance with the Law and these Regulations and the conditions of the invitation in order to render service.

Supplies: Goods, equipment, and other materials.

Bid: The tender submitted by the bidder for the purpose of participating in the competition in accordance with the procedures specified in the Law and these Regulations.

Consulting services: The technical services or the various economic, financial, administrative or legal studies executed and rendered by Consultants specialized and qualified in the Works required to be executed, whether by preparation, design, supervision of execution, evaluation or taking over.

Other Services: The transportation, maintenance or janitorial services, and other services except consulting services.

Works: Various construction, installation or assembly works, and all works provided in the contract of the tender.

Two Stage Tender: A set of administrative, technical and legal procedures employed by the Entity to conduct an Open Tender involving a first stage of which includes the submission of technical Bids according to the preliminary conditions and specifications document; then subsequently the final form of the conditions and specifications for the second stage of the Tender is completed, whereby final Bids together with prices are bided.

Two Envelopes Tender: A set of administrative, technical and financial procedures employed by the Entity for the purpose of bidding a Tender on the basis of submitting two Bids, a technical Bid and a financial Bid; which is a procedure limited for the cases of purchasing Consulting services.

Bidder in an Auction: The Vendor who makes a Bid in an auction, according to the procedures specified in the Law and these Regulations, for the purpose of purchasing any properties the nature of which requires that the same be sold through an auction, or properties which are dispensed and of which the party can make no use of.

Public Auction: A set of technical, administrative and legal procedures employed by the party to allow the chance for competition to those interested to purchase assets or any other properties which are required to be sold by means of an announcement to be published in the Governmental media of publication or through any other means, according to the conditions specified in the Law and these Regulations.

Limited Auction: A set of technical, administrative and legal procedures employed by the Entity in the Public Auction, with the difference that the chance of competition is open to a limited number of bidders in Auctions who shall be notified by the Entity in accordance with the conditions specified in the Law and these Regulations.

Annual budgeting and Purchase Plan: An annual plan prepared by the Entity which shall include the Purchase Transactions required to be carried out within the framework of the capital expenditure and the transactions to be carried out in a forthcoming year.

Storehouses: Places acquired, equipped and prepared for safe-keeping of the properties and documents of the Entity, which such Entity need for its works and activities.

Storekeeper: The person directly responsible for the storehouse, and who supervises the storing of the materials and equipment which are in his custody, and who arranges dispenses and records the same in the official records pertaining thereto.

Inventory: A mandatory annual or spot itemized record, full or partial, of storehouses' contents.

Force Majeure: An event which cannot be predicted at the time of Contracting and is not under the control of any of the parties to the contract, and which renders it impossible for such party to practically carry out its obligations.

Stocks: The movable properties which are necessary for the Entity, such as equipment, machinery, tools and technical services, and other necessities prepared for the use of the Entity and kept in the Storehouses.

Perpetual Materials: Materials which resist use for a long period

Consumable Materials: Materials which perish or are exhausted by use

Materials Unfit for Use: Materials which are decided to be damaged or unfit for use by the Entity, or due to the fact that the reason for which they were bought is no longer applicable.

Purchases Guidance Manuals: Manuals for various Purchase Transactions (Supplies, Works, and Consulting services) approved by the Council of Ministers.

Standard Documents: Contracting documents for various purchases which contain the instructions, conditions, other requirements and various application forms; as the nature and type of the Purchase Transaction may require, and which are approved by the Council of Ministers.

Financial Allocation: An amount allocated in the Entity's budget earmarked for a specific Purchase Transaction, in accordance with the rules and procedures of executing the general budget.

Central Bank: The Central Bank of Yemen.

Section Two

Objectives and Scope of Application

Article (3)

These Regulations aim at realizing the following:

- a) The protection of the public properties and the maintenance of the State's properties and assets, and fighting corruption in the Tenders and Auctions work.
- b) Fairness and equity among the competitors in Tenders and Auctions.
- c) Integrity, transparency, accountability, control and determination of procedures related to Tenders, Auctions and Storehouses.
- d) Economic efficiency in the Tenders and Auctions Works.
- e) Supervision and control of the works and procedures of Tenders, Auctions and Storehouses, to ensure the soundness thereof for the sake of protecting public properties and public interests.
- f) To incite and encourage the Contractors, suppliers and Consultants to develop their professional and economic performance.

Article (4)

These Regulations shall apply to the following Entities:

- a) The headquarters of the ministries.
- b) The public institutions, authorities, agencies, specialized funds and various Entities in the Central Authority and its branches in the Local Authority's units, and other Entities included in the State's general budget.
- c) The Administrative Units of the Local Authority.
- d) The public sector units.
- e) Entities with independent and supplemental budgets.
- f) Instances of purchases, Supplies and service contracts which are concluded according to loans and grants agreements endorsed by a law, unless the relevant agreements provide otherwise.

Article (5)

a) Mixed sector units in which the State owns (50%) or above of their capital shall lay out their own regulations to govern the Tenders and Auctions matters. Such Regulations shall not be considered valid until approved by the competent Entity and by the Council of Ministers.

b) Mixed sector units in which the State owns less than (50%) of their capital shall lay out their own regulations to govern the Tenders and Auctions Works; such regulations shall be approved by the competent references as specified in the law according to which the same is established.

c) The Ministry of Defense shall lay out its own regulations for Supplies and public Works of military objectives. Such Regulations shall not be valid until approved by the Council of Ministers.

d) The High Authority shall have the right to supervise Tenders and Auctions Works in the Entities referred to in Paragraphs (a, b and c) of this Article.

e) If the value of the Tenders of the Entities referred to in Paragraph (a) herein above exceeds the financial limit specified in these Regulations, then the approval of such Tenders shall be within the authority of the High Committee. The parties referred to in this Article shall be governed by the provisions of the Law and these Regulations until the Entity-specific rules and regulations are approved; provided that these regulations are in conformity with the objectives and principles of the Law and these Regulations.

Chapter Two
General Principles and Ministries Responsibilities
Section One
General Principles

Article (6)

All Entities subject to the provisions of the Law and these Regulations shall ensure equal opportunities and treatment, and equal and fair competition among bidders in all Tenders and Auctions.

Article (7)

All Purchase Transactions shall be carried out through Open Tenders, unless other types of Tenders are more appropriate; subject to the satisfaction of the conditions specified in the Law and these Regulations.

Article (8)

The Arabic language shall be the approved language with regard to the documents of the Tenders, submitted Bids, contracts, correspondence letters, payment certificates and delivery of Works, unless the bidding documents provide otherwise.

Article (9)

a) The various Tenders and Auctions committees and related State's employees shall observe the highest ethical standards and transparency principles when in course of carrying out any of the functions of a Purchase Transaction or an Auction. Any Vendor who violates these standards shall be subject to legal accountability and the application of the penalties provided for in the applicable laws and Regulations.

b) All bidders shall observe the highest ethical standards in course of their consideration and submission of Bids and in the execution of the Works entrusted thereto. Any Vendor who violates these standards shall be subject to legal accountability and the application of the penalties provided for in the applicable laws and regulations.

Article (10)

It shall not be allowed under any circumstances to split any Purchase Transaction for the purpose of changing the type of the Tender or the Contracting method or for avoiding the presentation of the Purchase Transaction to the Tenders committee at the higher level. Any violation to the provisions of this Article shall render those committing such violation subject to legal accountability.

Article (11)

a) All Entities subject to the provisions of the Law and these Regulations shall not execute any Purchase Transaction unless it has a financial allocation. Any Purchase Transaction in violation to this condition shall be cancelled.

b) As an exception to the provisions of Paragraph (a) of this Article, the Entity may, in cases of emergency or disaster which are officially announced by the State, and which require expediency of execution; carry out any Purchase Transaction outside the Entity's approved budget, according to directives of a higher authorities and in coordination with the Ministry of Finance to ensure the availability of financing.

Article (12)

a) If the source of financing (in whole or in part) is a foreign loan or grant, the Ministry of Planning and International Cooperation shall be the Entity responsible for the general coordination of the project.

b) For the purpose of providing consultancy to the Competent Tenders Committee, the Entity shall invite representative of the Ministry of Planning and International Cooperation to attend and participate in all stages of a Tender financed by donor parties,

c) The Purchase Transaction with a foreign finance shall be subject to the provisions of the Law and these Regulations unless the finance agreement issued under a valid law provides otherwise; in which case the procedures and instructions of the financing parties shall apply.

Article (13)

Contracts may not be concluded for Purchase Transactions during the last two months of the fiscal year, notwithstanding the foregoing, the Purchase Transactions with foreign financing, or for which a decision is issued by the High Tender Board shall be exempted from this requirement, provided the following shall be observed:

- a) The Contracting procedures shall be finalized before the end of the fiscal year, and according to the procedures specified in these Regulations.
- b) The value of these contracts or the remaining value shall be within the Entity's budget of the next year.

Article (14)

All Tenders committees provided for in the Law and in these Regulations, and those in charge of Purchase Transactions in general, shall assume responsibility for documenting and archiving all Purchase Transactions in an organized and well-arranged manner, enabling the easy reference thereto at any time by keeping the same in places which are appropriate and safe against any hazards, damage or loss. Anyone who violates the provisions of this Article shall be subject to legal accountability and the application of the penalties provided for in the related laws and regulations in force.

Section Two

Responsibilities of Ministries

Article (15)

Without prejudice to the functions of the High National Authority for Combating Corruption, the Central Organization for Control and Auditing and the High Authority, the ministries shall assume the functions and duties specified hereunder for each:

(A) Ministry of Finance

1. Observe the application of the provisions of the Law and these Regulations, from the financial prospective, over the Tenders and auctions by mean of participating in all stages of the Purchase Transaction.
2. Exercise periodic control over the soundness and safety of storing, the Storehouses procedures, and the safety methods, in coordination with the competent Entities.
3. Prepare, print and distribute the books and documentary set of the forms, registers, and recording books for all auctions and Storehouses works, and circulate the same to all the Entities which are subject to the provisions of the Law and these Regulations.
4. Print and issue the Guidance Manual and the forms and instructions related to regulating the Storehouses works.
5. Supervise and control the process of printing the books, registers and forms printed by the Entities to which the provisions of the Law and these Regulations apply, and in accordance with the law by which such Entities are established. These Entities shall be subject to the provisions set out in these Regulations and the laws in force with regard to printing, storage, dispensing for use, sale, or destruction of such documents.

(B) Ministry of Public Works and Roads

1. Exercise control over the execution of construction contracts to insure the soundness of the execution according to the technical specifications and specified requirements.

2. Provide technical consultancy in preparing the technical studies, designs and other Tenders Documents for the various Contracting Works, or supervise the execution of projects of the Entities which are subject to the provisions of the Law and these Regulations, and which do not possess technical capability or which do not have technical and specialized staff to execute the required technical Works.
3. Prepare draft regulations to regulate the registration and classification of Contractors and Consultants in all engineering and technical fields, in coordination with the related Entities, and have the same issued by the Prime Minister after being approved by the Council of Ministers.
4. Prepare, in coordination with the related Entities, draft regulations which regulate the black list of contractors, suppliers and consultants, and have the same issued by the Prime Minister after being approved by the Council of Ministers.
5. Prepare, in coordination with the related Entities, Standard Documents for the general technical specifications of governmental buildings, roads and sewage water drainage Works, and have them issued by the Prime Minister after being approved by the Council of Ministers.
6. Prepare, in coordination with the related Entities an instructive guide for the supervision of the buildings of the Government, roads, and sewage water drainage Works, and have them issued by the Prime Minister after being approved by the Council of Ministers.

(C) Ministry of Planning and International Cooperation:

1. Coordinate and supervise the development projects which are wholly or partially financed by foreign loans or grants.
2. Specify, in coordination with the Ministry of Finance and the beneficial Entities, the Government's contribution in the projects which are financed through foreign loans or grants.
3. Provide consultancy to the Entities and participate in all stages of the Tenders pertaining to projects which are financed by foreign loans or grants.

(D) Ministry of Trade and Industry

1. Prepare, with the participation of the related competent Entities, draft regulations for the registration and classification of suppliers and have the same issued by the Prime Minister after being approved by the Council of Ministers.
2. Prepare the draft regulation concerning the standard general specifications for supplies in coordination with the relevant competent Entities and have the same issued by the Prime Minister after being approved by the Council of Ministers

Chapter Three
Open Tenders and Other Purchase Methods
Section One
Open Tender

Article (16)

Contracting to execute a Purchase Transaction shall be through an Open Tender announced within the Republic or within and outside the Republic, and as per the nature of each Tender.

Article (17)

Prequalification of contractors and suppliers for big projects that exceed one billion Yemeni Rial shall be announced through an Open Tender; the announcement for the prequalification for any projects which have a lesser cost shall be possible if the execution or supply of the same requires technical and financial skills which are not available except in a limited number of Contractors or suppliers. Such announcement shall be made within the Republic, or within and outside the Republic, according to the nature and type of each Tender, and after being approved by the Tenders committee at the competent level.

Article (18)

There shall be a graduation when carrying out a Purchase Transaction. It shall not be permissible to recourse directly to the Limited Tender procedures unless Open Tender procedures are followed, particularly in terms of making the announcement for the purpose of the prequalification for public Works and Supplies, and the purpose of Expression of Interest to participate in consulting services, according to the procedures and conditions of Limited Tendering, Shopping or direct order, as specified in these Regulations.

Article (19)

Bids shall be submitted in one envelope, except for consulting services for which two envelopes shall be submitted, one for technical Bid, and the other for financial Bid.

Article (20)

A sufficient period during which Bids are to be submitted shall be ensured and shall be in conformity with the nature and size of work and the complexity of the Purchase Transaction, and with the actual need to study and analyze the documents, all without prejudice to the periods specified in these Regulations.

Section Two
Other Purchase Methods
Part One
Two Stage Tenders

Article (21)

If it is difficult to make a full technical definition of the specifications due to the complex nature of the materials or the Works which the Entity is willing to acquire in an Open Tender, the same may follow the system of two stages and as follows:

(A) In the first stage

1. The procedures of Open Tender shall be followed and applied to companies specialized in the required field which will be required to submit technical Bids without prices.
2. The Entity shall determine initially in the bidding documents the objectives, specifications and conditions of the Purchase Transaction, the contract, the expected performance, other specifications of the required Purchase Transaction, and the Qualifications required to execute the contract. It shall request the interested bidders to submit their technical Bids without prices, in addition to bidders' contractual proposed terms, provided the same be clearly specified in the instructions to the bidders.
3. The procedures specified in these Regulations shall be followed in this stage with respect to forming a technical committee for the purpose of preparing preliminary document of the Tender, announcing the same, opening the envelopes and the analysis and assessment works. The committee shall have the right to seek the assistance of the technicians within or from outside the Entity, should the matter so necessitate.
4. In this stage, inquiry and discussion shall be made with the bidders in order to understand the submitted Bids from a technical prospective, make the necessary changes as may be required by the Purchase Transaction, and identifying the extent to which the bidders are ready to respond to these changes.
5. All the inquiries and discussions shall be made in writing, including a description of the subject being discussed, the nature of the discussions, the responds thereto, and a summary of the results. The same shall be kept in the Tender's file to become part of the Entity's official documents.
6. All suppliers shall be notified of the changes approved by the Entity with regard to the equipment specifications or the contract conditions, and they shall be invited to submit amended technical Bids accordingly during a time period to be specified in the notification.

7. The technical committee shall submit to the Competent Tenders Committee a full technical report on the results of the study, review, and discussions which were made so that the mentioned committee will take one of the following decisions:

- Entrust the technical committee, which prepared the initial Tender's Document and the technical discussions, to prepare the final document according to the concluded results, so as to be approved by the Competent Tenders Committee.
- Cancel the Tender's procedures if the proposed changes to the Entity's requirements and conditions are too vast to an extent that they require more planning, study of the market, and technical review; and notify the competitors thereof.

8. At the end of the first stage, the following shall be made:

- The Entity which issued the Tender may reject the Bids which do not, even if amended, satisfy the basic requirements or the required period for completion, or Bids which contain other weaknesses which render the same unable to sufficiently respond to the Entity's requirements.
- Amend the technical specifications, the assessment criteria, and the contract's conditions to enhance competition and explain the evaluation method in order to investigate the various options offered by the bidders.

(B) In the second stage

1. After preparing a complete and final bidding documents, including the technical specifications and conditions according to the results approved in the first stage, the following shall be insured:

- That the bidding documents conform to the provisions of the Law and these Regulations.
- That the financing of the Tender is included in the Entity's budget.
- That all other requirements have been satisfied.

2. To address official notifications inviting all the respondent bidders whose Bids were not rejected in the first stage to submit final technical and financial Bids according to the Tender's amended documents.

3. The procedures specified in these regulations shall be followed with respect to opening the bids, analysis, assessment, and decision making.

Part Two

Limited Tender

Article (22)

The Limited Tender is a method of purchase, under which an invitation is sent to a limited number of bidders to submit their bids of not less than three Vendors who work in the required type of activity and who were prequalified according to competitive procedures; or to Vendors specialized in the required Purchase Transaction, according to the conditions specified in the Law and these Regulations.

Article (23)

Subject to the conditions and provisions of the Open Tender, the purchase of goods, public works or rendering of services shall be through a Limited Tender in any of the following cases:

- a) If the amount needed to execute the required Works is within the financial limit of the Limited Tender.
- b) If it is related to competitors for whom prequalification has been previously made.
- c) If the nature of the Purchase Transaction is limited to specific suppliers, Contractors, Consultants, technicians or experts, and it is based on a justifiable decision. The invitation shall be addressed to those who work in such type of activity, who satisfy the technical and financial efficiency, and are registered with the Entity.
- d) If two Open Tenders were issued for such purchases or Works without realizing a positive result.

In all cases, the approval of the Competent Tenders Committee shall be obtained before resorting to this method. The Entity shall make sure that the prices are close to the estimated cost and to the prices prevailing in the market; it shall also indicate in the Tender's documents the reason for execution of the transaction through a Limited Tender.

Article (24)

With the exception of announcing the Tender; when executing a Purchase Transaction through a Limited Tender, all the procedures, provisions, and conditions of the Open Tender which are provided for in the Law and these Regulations shall be applied. The bidders in the Limited Tender shall be invited by mean of a notification delivered by hand against a receipt, by registered mail, or by any means of assured delivery.

Part Three

Shopping

Article (25)

Shopping is a method of purchase based on comparison between the prices offered by numerous suppliers or Contractors, of not less than three offers to insure the transparency of the Tender.

Article (26)

Shopping may be used to purchase ready-made and available goods, raw materials with standard specifications, simple works, or other services , provided that the value of the goods or works required to be purchased does not exceed the financial limit fixed for Shopping as specified in these Regulations.

Article (27)

When using the Shopping method, the Entity shall abide by the following procedures:

- a) Request price offers from as many Vendors as possible among those who work in the required type of activity, or from a number of not less than three suppliers if the required goods is not available from more than three suppliers.
- b) The Entity shall include in the request for quotations clear data in respect of quality, quantity, payment, delivery conditions, and any other requirements to be specified in the request for quotations which shall not be in conflict with the provisions of the Law and these Regulations.
- c) The offerors shall be allowed a sufficient period to prepare their offers and submit the same. An offeror may not be allowed to submit more than one offer, which may not be amended or negotiated.
- d) When assessing the quotations, the same principles for assessing the price offers in Open Tenders shall be followed.
- e) The purchase order shall be addressed to the offeror who submitted the lowest offer in case the same satisfies the other conditions relating to quality, quantity, and delivery.
- f) The conditions of the accepted offer shall be included in the purchase order or in the brief contract.
- g) A purchase order or a brief contract shall be issued with the lowest price offer which satisfied the requirements specified in the request for submission of Bids.

Part Four

Purchase through Direct Order

Article (28)

Purchase through a direct order is a free-of-competition contracting process with a single source (provider).

Article (29)

Subject to the conditions and provisions of the Public and Limited Tenders and Shopping, the Entity may execute the Purchase Transaction through direct order in any of the following cases:

- a) When the amount of execution of the required work is within the financial limit specified for purchase through direct order.
- b) When the materials required to be purchased are spare parts for equipment or machinery which are exclusively available from a single source.
- c) When it is impossible to satisfy the technical requirements of the required goods, works or services except by a certain technician or a specialist.
- d) If two attempts have failed to purchase the required goods, works or services by Shopping.
- e) In emergency cases, such as natural disasters officially announced or other Force Majeure conditions which require immediate execution.

In all cases, the approval of the Competent Tenders Committee shall be obtained before resorting to this method. The Entity shall insure that the prices are close to the prices prevailing in the market.

Part Five

The Direct Charge

Article (30)

The Competent Tenders Committee, at Entities, which have affiliates financially autonomous bodies or establishments or executive units, may order them to execute the required works through direct charge in any of the following cases:

- a) Natural disasters which require immediate action.
- b) The existence of potential hazards in the execution site.
- c) When the required works are small-sized or when the required works are needed in various or remote locations, in a manner that may cause the qualified contracting companies to refrain from submitting Bids with reasonable prices.
- d) Unforeseen repair or maintenance works which require expedient execution without delay.
- e) Technical works related to the survey and exploration for archeological ruins or the execution of historical museums' repairs works.

In all cases the following requirements shall be observed:

1. Preparing a comprehensive purchase document according to the procedures specified by the Law and these Regulations, and as per the nature of the project required to be executed.
2. Preparing a factual estimated cost which takes into consideration the project's conditions.
3. Completion of the procedures related to approving the Purchase Transaction according to the financial authorities specified in these Regulations.

Section Four

The High Authority for Control of Tenders and Auctions

Article (31)

- a) The High Authority for the Control of Tenders and Auctions shall enjoy legal identity; as well as financial and administrative independence, and shall be subject to the supervision of the President of the Republic.
- b) The Authority's headquarters shall be in Sana'a, the capital, and it may establish branches in the governorates by virtue of a decision by the Chairman of the Authority's Board of Directors after being approved by the Board of Directors.

Article (32)

- a) The High Authority shall be managed by a Board of Directors consisting of seven members, to be nominated as follows:
 - 1. Four members shall be designated from among twenty persons nominated by the Council of Ministers.
 - 2. A representative of the judiciary shall be designated from among five judges nominated by the High Judiciary Council.
 - 3. A representative of the trade and industrial sector designated from among five persons nominated by the Federal Union of the Chambers of Commerce and Industry.
 - 4. A representative of the civil society organizations (the Syndicate of Engineers) designated amongst five persons nominated by the Union.
- b) The competent Entities referred to in Paragraph (a) of this Article shall assume responsibility of insuring that all the candidates satisfy the legal conditions specified in Article (33) of these regulations before submitting of their names to the Shura Council.
- c) The Presidency of the Shura Council shall lay down the conditions and procedures needed to regulate the process for nominating the members of the Board of Directors of the High Authority.

- d) The appointments of members of the Board of Directors of the High Authority shall be followed by the following procedures:
1. The parties referred to in Paragraph (a) of this Article shall submit to the presidency of the Shura Council a list of their candidates for the membership of the Board of Directors who shall satisfy the conditions specified by laws. This list shall be submitted within a period of not more than two weeks as from the date of opening the door for nomination to the membership in the Board of Directors of the High Authority.
 2. The Presidency of the Shura Council shall receive the names of the candidates nominated by the Entities referred to in Paragraph (a) of this Article within the above specified period and shall complete the procedures of examining the files and documents of the candidates within one week as of the date on which the period of announcing the opening of the door for nomination ended, and prepare a record of the names of the candidates who satisfy the conditions and documents required and present the same to the Shura Council.
 3. The Shura Council shall elect a list of fourteen persons, provided that the list include eight persons from the list of the Council of Ministers' nominees, and two persons from the representatives of each of the other Entities referred to in items (2,3 and 4) of Paragraph (a) of this Article.
 4. Without prejudice to the provisions of Paragraph (a) of this Article, the president of the Shura Council shall submit a list of the names of the fourteen persons referred to in item (3) of this Paragraph to the President of the Republic to issue a resolution appointing seven there from as members in the Board of Directors of the High Authority,
- e) Subject to the provisions of Paragraph (a) of this Article, the President of the Republic shall select from among the list submitted thereto by the Shura Council the substitute in case the position of any member of the Board of Directors of the High Authority becomes vacant.

Article (33)

- a) Each member of the High Authority's Board of Directors shall satisfy the following conditions:
 - 1. Possess a university qualification.
 - 2. Have practical experience of not less than fifteen years subsequent to obtaining the university qualification.
 - 3. Has not been subjected to any definite court decision in an offense affecting honor and honesty.
 - 4. Submit a declaration of his financial account in accordance with the Law of Financial Accounts.
- b) The duration of membership in the High Authority's Board of Directors shall be a period of four years.
- c) It shall not be permissible that the same person be member of the Authority's Board of Directors and hold any other public position at the same time.

Article (34)

- a) The High Authority's Board of Directors shall hold its first meeting within one week as of the date on which the resolution of the President of the Republic appointing the Board is issued; the mentioned meeting shall be chaired by the eldest member.
- b) The High Authority's Board of Directors shall elect in its first meeting a chairman thereof among its members, by the absolute majority thereof (half the number of members plus one).
- c) The Chairman of the Board of Directors shall hold office for a period of two years starting from the date of the first meeting of the Board and ending when the mentioned term expires, unless the Board agrees in absolute majority of its members to extend the term for an equal period.
- d) If the position of the Chairman of the High Authority's Board of Directors becomes vacant for any reason provided for in the Law and these Regulations, the functions thereof shall be assumed temporarily by the eldest member for a period of no more than thirty days as of the date on which the position became vacant. During this period the Board shall be invited to elect a new member for the remaining period of the previous Chairman unless the remaining period of the latter is less than sixty days.
- e) The Chairman of the Board of Directors of the High Authority shall be the chief executive of the High Authority, and shall be in charge of its administrative, financial, technical and control affairs, as well as of the execution of the resolutions of its Board of Directors and shall represent the same toward third parties. The regulations of the High Authority shall determine clearly and in detail the functions and authorities thereof.

Article (35)

- a) The Board of Directors of the High Authority shall convene periodically at least once each month. The Board's Chairman or at least three of its members may invite the Board to hold an extraordinary meeting whenever it is necessary. In all cases, the invitation for the Board's meeting shall be made in writing by the Board's Chairman to each Board member on the address indicated thereof in the records of the High Authority. Such invitation shall be made at least five days prior to the date of the meeting; with the possibility that the mentioned period be reduced to two days with respect to the extraordinary meeting. The invitation shall include the place and time of the meeting and its agenda.
- b) The meeting of the Board of Directors of the High Authority shall be legal when attended by the majority of its members, provided that the Board's Chairman, or his delegate when the same is absent, is attending. If such quorum is not satisfied in the first meeting, it shall be postponed to the next working day and in the same place and time. In case a quorum is not reached in the second meeting it shall be postponed for a period of not more than two days as from the date fixed for the second meeting. If the quorum is not reached for holding the meeting for the third time, the Board's meetings shall be suspended and a report shall be prepared on this issue by the Board Chairman and the attending members, and be submitted to the President of the Republic; the mentioned report shall contain the reasons for suspension, the names of absent members, the justifications for their absence, and the effect of such absence on the Authority's carrying out of its functions, together with the recommendations and solutions so as to enable the President of the Republic to take the action he deems appropriate for the Authority to continue in realizing the objectives for which it was established.
- c) The Board of Directors of the High Authority shall issue its decisions by majority of its attending members. If the votes are equal, the Chairman, or his delegate in case of the Chairman's absence, shall have a casting vote.

In all cases, a member may not refrain from voting; in case the same opposes the decision offered for voting, the same shall indicate his opposition in writing in the minutes of the meeting and sign thereon.

- d) Each member of the Board of Directors of the High Authority may request the Chairman in writing at least three days prior to the date of the meeting, to include any subject related to the Board's functions in its draft agenda. The Board Chairman shall direct the Board secretary to include such subject in the draft agenda, and indicate his notes or recommendations thereon if any.
- e) The Board of Directors of the High Authority may not discuss any subjects other than those included in the agenda, with the exception of serious or important events which are detected during the meeting, or those other issues that the Board decides, in majority of its present members, to add to the agenda.
- f) The Board of Directors may when necessary:
 - 1. Invite to attend the Board meetings any expert or specialist, as it deems fit, to acquire its opinion on one subject or more of the subjects presented to the Board. It may invite the head of the Entity or any of its employees to clarify certain issues presented to the Board.

In all cases, no one of these experts or specialists may have the right to vote on the decisions taken by the Board.

- 2. Form one committee or more from amongst its members or from others, which shall be entrusted with some of its functions, provided that the results of their work are presented to the Board for discussion and for taking the action it deems appropriate in their respect.

Article (36)

The Board of Directors of the High Authority shall have a secretary to be appointed pursuant to a decision by the Board Chairman. The functions and duties of the mentioned secretary shall be specified through the organizing regulations of the Authority.

Article (37)

The High Authority shall take charge of the following functions and duties:

- a) Supervise and control soundness of the Tenders and Auctions procedures, and study the reports on the Tenders and Auctions submitted thereto by the Competent Tenders Committees in all Entities which are subject to the provisions of the Law and these Regulations, and take the legal procedures and the necessary decisions in their respect in accordance with the provisions of the Law and these Regulations and the related laws in force.
- b) Propose developing the polices and legislations related to Tenders and Auctions, and review the financial limit for each level in coordination with the competent Entities, and submit the same to the Council of Ministers.
- c) Review and decide on the complaints submitted thereto by the bidders, and take the necessary legal action in their respect in accordance with the provisions of the Law and these Regulations.
- d) Issue directives, guidelines and instructions related to Tenders and Auctions in accordance with the provisions of the Law and these Regulations, and circulate the same to all the Tenders committees at the central as well as the local level, so as the mentioned committees shall apply the same.
- e) Entrust specialized teams to conduct field inspection visits to the Entities which are subject to the provisions of the Law and these Regulations when necessary, and at any stage of the execution of the Tender or Auction in order to insure the soundness of the same. These teams shall have the right to obtain all the information and documents which enable the same from carrying out their functions.
- f) Refer any violations related to the Tenders and Auctions that may take place within any Entity, which is subject to the Law and these Regulations, to the public prosecution to take the legal procedures in respect of the Entities which committed the same, without prejudice to the functions and duties of the High National Authority for Combating Corruption and the Central Organization for Control and Auditing.
- g) Subject to the provisions of Paragraph (F) of this Article, the Authority shall have the right to detain the chairman of any committee or any member of the Tenders

and Auctions committee if it is detected that the same is involved in any acts which are in violation of the provisions of the Law and these Regulations, and take the necessary procedures.

h) Inform the Supreme National Authority for Combating Corruption of any case of corruption in the field of Tenders and Auctions.

i) 1. The High Authority may allow the public attendance of one of its sessions or more by virtue of an internal decision.

2. In case the High Authority allows one of its sessions to be attended by the public, it shall announce in the local newspapers in advance the details relating to the time, place and subject of the session.

3. The High Authority may, if voted in majority, close a part of a public session which has been allowed to be attended by the public.

j) The High Authority shall establish an electronic site to enable its interaction with the public.

k) Submit periodic reports on its activity to the President of the Republic.

Article (38)

The High Authority shall perform its functions and duties with full independence, transparency and neutrality. No Entity may interfere in its affairs in any manner whatsoever; such interference shall be considered a crime punishable by law.

Article (39)

a) The High Authority shall have a technical office in charge of executing the Authority's technical and administrative functions. It shall consist of employees and technicians who have experience, efficiency and qualification in the field of Tenders and Auctions. The Authority's organizing regulations, which shall be issued by virtue of a decision by the Board Chairman after being approved by the Board of Directors, shall define the functions and duties of the office.

b) The employees of the High Authority may not hold their position in the Authority and another public or private position at the same time.

c) The technical office shall be headed by an executive manager nominated by the Board of Directors of the High Authority; a decision shall be issued by the Authority's Chairman appointing the same for a renewable term of five years.

Article (40)

The benefits and incentives to be awarded to the Board's Chairman and members and employees of the High Authority shall be determined by virtue of a decision by the Prime Minister based on the recommendation of the Chairman of the High Authority's Board of Directors after being approved by the Council of Ministers.

Article (41)

The High Authority shall have its own budget which shall be prepared according to the rules applied in preparing the State's general budget.

Article (42)

a) The Chairman and members of the High Authority shall be prohibited, by themselves or through others, to participate in Tenders or Auctions, or enter into contracts with the Entities which are subject to the provisions of the Law and these Regulations for the purpose of the execution of Contracting Works, Supplies or consulting services.

b) When presenting any issue to the Board in which the Chairman of the Board of Directors or any employee of the High Authority or any of their relatives or their sons- in – law or brothers – in – law up to the fourth degree have a direct or indirect interest, the Chairman of the Board of Directors shall notify the High Authority's Board of Directors of this issue in writing, and shall not participate in the Board's discussions relating thereto; the absence for such reason shall not affect the quorum of the Board of Directors' meeting. The violation of the provisions of this Paragraph shall result in terminating his term of service in the Board by the force of law.

Article (43)

Subject to the provisions of article (42) of these Regulations, the membership in the Board of Directors of the High Authority shall not terminate except in the following cases:

- (a) If the member ceases to satisfy any of the conditions specified in Article (33) of these Regulations.
- (b) Resignation
- (c) Death
- (d) The absence of the member for four consecutive meetings or six intermittent meetings during the year without an acceptable excuse.
- (e) If it is proved that the member has disclosed any information of a confidential nature on matters which came to his knowledge in his capacity as member of the Board of Directors of the High Authority.
- (f) If it is proved that the member utilized his position for the purposes of realizing a gain or a benefit for himself, directly or indirectly.
- (g) If subjected to a definite court ruling of imprisonment for being accused of utilizing his position for a personal benefit, fraud, corruption, theft, or any similar criminal act which makes him untrustworthy to carry out the duties of his position.

Article (44)

The following shall be considered violations which render the chairman and members of Tenders committees in the Entities which are subject to the provisions of the Law and these Regulations jointly accountable:

- (a) Ignoring answering the inquiries of the High Authority or its correspondence letters, or the delay in answering thereon according to following periods:
1. With respect to the request for Tenders documents, within a period of no more than seven working days as from the date of the request.
 2. With respect to responding to various inquires, within a period of no more than ten working days as from the date of receiving the request.
 3. With respect to responding to the preparation and submission of completion reports, within a period of no more than fifteen working days as from the date of receiving the request.

In all cases, if the matter requires a longer period for responding from the Entity, it shall obtain the approval of the High Authority.

- (b) Hindering the execution of the reports of the High Authority or amending the guidelines, instructions or recommendations contained therein, or delay their execution.
- (c) Not sending to the High Authority the documents it requests.
- (d) Not enabling the representatives of the High Authority to carry out the examining inspection and review for the documents of the Tenders on which the Authority shall decide.

Article (45)

Without prejudice to the Law of the Central Organization for Control and Auditing, the High Authority may request the Central Organization for Control and Auditing to examine and review any violations or breaches related to Tenders and Auctions which may be committed within the Entity which is subject to the provisions of the Law and these Regulations and refer the same to the public prosecution for investigation in accordance with the related laws in force.

Chapter Five

The High Tender Committee

Article (46)

The High Committee shall enjoy legal identity and financial and administrative independence; it shall be subrogated to the Council of Ministers, and its headquarters shall be in Sana'a; the Capital.

Article (47)

(A) The High Committee shall be composed of a chairman and four members, who shall be appointed by virtue of a Presidential order, based on the recommendation of the Prime Minister after being approved by the Council of Ministers. Each member shall satisfy the following conditions:

1. Possess a university qualification.
2. Have practical experience of not less than fifteen years subsequent to obtaining the university qualification.
3. Has not been subjected to a definite court decision for committing an offence affecting honor and honesty.
4. Submit a declaration of his financial account according to the law of financial account.

(B) The duration of membership in the High Committee shall be four years.

(C) It shall not be allowed for a member of the High Committee to hold any public or private position with the High Committee Membership at the same time.

Article (48)

The High Committee shall be in charge, with regard to the Tenders and Auctions the value of which falls within its financial authorities, and which are referred thereto by the Tenders committees in the headquarters of the ministries, public institutions, authorities, agencies, other central bodies, specialized funds, various Entities of the Central Authority, local Tender committees in the Capital's Municipality and in the governorates, and other Entities included in the State's general budget and which are subject to the provisions of the Law and these Regulations, of the following functions:

- (a) Approving the Tenders' and Auctions' Documents after insuring that the technical specifications are sufficient and sound, and approve of the same before their announcement to the bidders.
- (b) Entrusting a representative thereof to attend the works of the bid opening committees of Tenders and Auctions.
- (c) Studying and reviewing the results of the analysis and assessment works from technical, financial and legal points of view, as well as the recommendations submitted thereto after performing the Tender or the Auction.
- (d) Studying and discussing the technical reports submitted thereto by its technical committee pertaining to the results of its study and review of the subjects referred thereto for study, and take the appropriate decision with regard to each subject separately.
- (e) Completing the procedures of decision-making with regard to Tenders and Auctions, and approve the final form of the contract.
- (f) Recording its decisions in official records, notifying the same to the concerned parties in writing, and publish the same in a widely spread daily newspaper or in any other appropriate means.
- (g) Submitting periodic reports on its activity to the Council of Ministers and the High Authority.
- (h) Preparing and executing training and qualification programs for the Tenders committees and the assisting its employees.
- (i) Carrying out any other functions entrusted thereto by the Council of Ministers and is required by the nature of its functions.

Article (49)

The High Committee shall have an internal regulation which shall regulate its meetings and define the method to be applied in decision making process. The regulation shall be issued pursuant to a decision by the Prime Minister based on the recommendation of the committee Chairman, and after being approved by the Council of Ministers.

Article (50)

(A) The High Committee shall have a technical board. A decision of the Prime Minister; based on the recommendation of the committee's Chairman and after being approved by the Council of Ministers, shall specify the functions, duties thereof, and the mechanism of appointing its administrative and technical employees which shall be based on competitiveness

(B) The High Committee shall assist departments whose functions and duties shall be specified pursuant to a decision issued by the Prime Minister; based on the recommendation of the committee's Chairman, and after being approved by the Council of Ministers.

(C) The employees of the technical board may not hold their position in the committee and any other public or private position at the same time.

Article (51)

The benefits and incentives to be granted to the Chairman and members of the High Committee during membership, and those granted to the employees thereof shall be specified pursuant to a decision issued by the Prime Minister based on the recommendation of the committee's chairman, and after being approved by the Council of Ministers.

Article (52)

The High Committee shall have a special budget, which shall be prepared in accordance with the same rules applied in preparing the State's general budget.

Article (53)

Subject to the provisions of Article (47) of these Regulations, the membership of the High Committee shall not expire except in the following cases:

(A) If the member ceases to satisfy one of the conditions specified by the Law and these Regulations.

(B) Resignation

(C) Death

(D) If the member is absent for four consecutive meetings or six intermittent meetings during the year without an acceptable excuse.

(E) If it is proved that the member has disclosed information of a confidential nature on matters which came to his knowledge in his capacity as member of the committee.

(F) If it is proved that the member has used his position for the purposes of realizing a gain or a benefit for himself, directly or indirectly.

Article (54)

The High Committee shall carry out its functions and duties with full independence and neutrality. No party may interfere in its affairs in any manner. Such interference shall be considered an offence punishable by law.

Article (55)

The High Committee shall invite the head of the Entity or his deputy to attend its meetings when considering a tender pertaining to the Entity. His vote shall not be counted when issuing a decision. The committee may also invite experts and specialists to attend the committee's meetings, and their votes shall not be counted.

Article (56)

(A) The Chairman and members of the High Committee shall be prohibited from participating in Tenders or Auctions, or conclude contracts by themselves or through others with the Entities which are subject to the provisions of the Law and these Regulations for the execution of Contracting Works, the provision of Supplies or the rendering of services.

(B) The Chairman of the High Committee or any of its members, when a subject in which he, or any of his relatives or sons- in- law and brothers – in – law up to the fourth degree has a direct or indirect interest therein, is presented to the committee, shall inform the committee thereof in writing, and shall not participate in the discussions made by the committee in its respect. His absence for this reason shall not affect the meeting's quorum. The violation of the provisions of this Paragraph shall result in the termination of his membership in the committee by the force of law.

(C) Before starting their functions, the Chairman and the members of the High Committee shall submit a declaration to the Prime Minister indicating any relation thereof with regard to any contract with any Entity with which they have any interest, provided that this declaration shall be renewed each six months after their appointment.

(D) The High Committee shall make available all the data and official documents for the High Authority and the Central Organization for Control and Auditing when the same are officially requested.

(E) The Chairman and the members of the High Committee, as well as the employees in the committee may not use the confidential information contained in the data and official documents of the High Committee, except to the extent required for the execution of the jobs. They are also not permitted to disclose confidential information, directly or indirectly to any person outside the High Committee except to the extent allowed by the provisions of the Law and these Regulations.

(F) The High Committee shall create an electronic site for the purposes of its interaction with the public.

Chapter Six

The Tenders Committees and Financial Authorities thereof

Section One

Tenders and Auctions Committees in the Central Authority and Administrative Units.

Article (57)

(A) Pursuant to a decision by the minister or the Entity's head, a Tenders committee shall be set up in each of the headquarters of the ministries, public institutions, agencies, and other central bodies; the committee shall be chaired by the minister or the Entity's head, and have four members who shall be specialists in the Entity, such members shall satisfy the following conditions:

1. Possess university qualifications.
2. Have practical experience of not less than five years subsequent to obtaining the university qualification.
3. Has not been subject to a definite court ruling for committing an offence affecting honor and honesty.
4. Shall submit a declaration of his financial position in accordance with the Financial Disclosure Law.

(B) The duration of membership of the committee referred to in the preceding Paragraph shall be four years.

Article (58)

(A) Pursuant to a decision by the Capital's Mayor/ the governor, a Tender committee shall be set up in each one of the branches of the public institutions, the authorities, and other central bodies in the Capital's Municipality, which shall be chaired by the branch manager, and have four members who shall be employees working in any of the above mentioned, provided that each one of them shall satisfy the following requirements:

1. Hold a university qualification.
2. Have practical experience of not less than five years subsequent to obtaining the university qualification.
3. Has not been subjected to a definite court ruling for committing an offence affecting honor and honesty.
4. He shall submit a declaration of his financial position in accordance with Financial Disclosure Law.

(B) The duration of membership in the committee referred to in the preceding Paragraph shall be a period of four years.

Article (59)

(A) Pursuant to a decision by the directorate's general manager, a Tenders committee shall be set up in the branches of the public institutions, authorities, agencies and other central bodies in the directorates, which shall be chaired by the branch manager and have four members who shall be employees working in any of the aforementioned, provided that each one of them shall satisfy the following requirements :

1. Hold a university qualification.
2. Have practical experience of not less than five years subsequent to obtaining the university qualification.
3. Has not been subjected to a definite court ruling for committing an offence affecting honor or honesty.
4. Shall submit a declaration of his financial position in accordance with the Financial Disclosure Law.

(B) The duration of membership in the committee referred to in the preceding Paragraph shall be a period of four years.

Article (60)

A local Tenders and Auctions committee shall be set up in the Capital's Municipality and in the governorates as follows:

- (A) The Capitals Mayor/ Governor – Chairman of the Local Council as Chairman.
- (B) General Secretary of the local council as Deputy Chairman.
- (C) Chairpersons of the competent committees as members.
- (D) General Manager of the concerned executive body as a member.

Article (61)

A local committee for Tenders shall be set up in each Directorate as follows:

- (A) Directorate General Manager – Head of the local council as Chairman.
- (B) General Secretary of the local council as Deputy Chairman.
- (C) Chairpersons of the competent committees as members.
- (D) The concerned competent manager as member.

Article (62)

- (A) The Competent Tenders Committees shall have authority to take a final decision with regard to all Tenders the values of which fall within their authorities as specified in these Regulations.
- (B) The decision of the Competent Tenders Committee shall be final with respect to any Purchase Transaction the value of which falls within its financial authorities, except if the mentioned decision is followed by the following:
 - 1. A complaint presented by one of the bidders within a maximum period of ten days as from the date of notifying the same officially of the name of the successful bidder.
 - 2. Official directions from the control bodies legally authorized to halt the procedures taken.

Article (63)

The committees formed in accordance with the provisions of Article (57, 58, 59, 60 and 61) of these Regulations shall assume the following functions and duties with respect to the Tenders and Auctions whose values fall within their financial authorities and shall observe abiding by all the laws and regulations in force:

(A) Reviewing the reports of the technical specifications' preparation committees, verify that the technical specifications are sufficient and sound, and approve the Tenders Documents and the estimated value before offering the mentioned Tenders for competition. With regard to the procurements which are above their authorities, the mentioned committees shall refer the same to the committee at the higher level as regards to the financial authorities, together with the recommendations they deem appropriate, provided that the following is insured:

1. The availability of the Financial Allocation designated for the project.
2. Reviewing of the bidding documents and the technical specifications.
3. Reviewing of the minutes of meetings of the technical committees.
4. Reviewing the estimated cost.

(B) Approving the method of purchase to be followed after verifying that the conditions legally required are met.

(C) Reviewing the procedures of opening the bids; the technical, financial, and legal analytical reports, and the recommendations arrived into.

(D) Deciding on the Tenders and Auctions which fall within their scope of authority, or refer the same to the committee at the higher level as regards to the financial authorities specified in these regulations, accompanied by the recommendations it deems appropriate.

(E) Approving the contract form after finalizing the procedures of decision- making.

(F) Implementing the directives, guidance and instructions issued by the High Authority.

(G) Implementing the guidance and instructions issued by the other related Entities according to the legal authorities granted thereto.

(H) Recording its decisions and work results in official records, notifying the same in writing to the concerned parties, and publishing them through any appropriate means of information.

(I) Submitting quarterly reports on all the Tenders' and Auctions' activities to the High Authority.

(J) Any other assignments required by the nature of their activity or which fall within their scope of functions.

Article (64)

Without prejudice to the functions and duties of the High National Authority for Combating Corruption, and the Central Organization for Control and Auditing, the Competent Tenders Committees shall be under the control of the High Authority.

Article (65)

The Competent Tenders Committees shall submit to the Central Organization for Control and Auditing, and the High National Authority for Combating Corruption, any Tenders' or Auctions' Documents may be requested within what these Entities deem to be within its legal authorities.

Article (66)

The competent committees shall notify the High Committee through an official memorandum of the date and place of the sessions of opening the bids with regard to Tenders falling within the scope of its authority, so as to enable the same to delegate a representative thereof to attend the mentioned sessions.

Article (67)

The members of the Competent Tenders Committees shall be prohibited from participating in the works of the bidding documents preparation committees, the analysis and evaluation committees, or the examining and taking over committees.

Article (68)

A member of the Competent Tenders Committee shall be dismissed in any of the following cases:

(A) If it is proven that the member has disclosed any information of a confidential nature on matters which came to his knowledge in his capacity as member of the committee.

(B) If it is proved that the member has used his official authorities, directly or indirectly, to realize a gain or benefit for himself.

(C) If he commits any of the other violations specified in the Law and these Regulations.

(D) If having been subject to a definite court ruling in a case in which he is accused of utilizing his job, fraud, corruption, theft or any similar criminal act which makes him not trusted to carry out his job.

Article (69)

A member of the Tenders committee may, at any time, request from the committee's Chairman in writing, to relieve him from the membership of the committee.

Article (70)

The Tenders and Auctions committee in the Central Authority's units shall have a secretary to be selected by the committee, whereby a decision to this effect shall be issued by the committee's Chairman.

Article (71)

Each of the local Tenders committees in the Capital's Municipality, the governorates and Directorates shall have a secretariat, to be formed pursuant to a decision taken by the head of the Administrative Unit.

Article (72)

The secretary of the Competent Tenders Committee shall be in charge of the following:

- (a) Receive the matters and correspondence sent to the committee, register and present the same to the technical committee or the Bids analysis committee, as the case may be, and as indicated by the notes given by the committee's chairman in this regard.
- (b) Receive the reports of the technical committee entrusted with works of evaluating and analyzing the Bids, for the purpose of presenting the same to the Competent Tenders Committee.
- (c) Supervise typewriting and photocopying works and all secretariat works required by the committee's functions.
- (d) Make all the communications entrusted to the same by the committee's chairman or by the deputy thereof, who is officially entrusted by the committee chairman, for the purpose of preparing for the committee's meetings.
- (e) Notify the committee's decisions to the concerned parties.
- (f) Prepare the draft periodical reports in coordination with the concerned directorates in the Entity.
- (g) Carry out the documentation and safe keeping works by utilizing the modern methods, in conformity with the provisions of the Law, these Regulations, and other related laws.
- (h) Carry out any other Works entrusted thereto by the committee's chairman.

Article (73)

The meetings of the Tenders committees shall be organized as follows:

(A) The meetings of the Competent Tenders Committee shall be valid with the attendance of the absolute majority of the committee's members (half plus one), provided among them shall be the committee Chairman or a member entrusted by the same to chair the committee's meeting.

(B) The invitation to attend the meetings of the Competent Tenders Committees shall be pursuant to an official correspondence by the Chairman of the Tenders committee, to which shall be attached the agenda, the data and place of the meeting, and the documents related to the subjects presented to the meeting; the invitation shall be addressed (48) hours before the meeting time.

(C) The Chairman of the Competent Tenders Committee may invite any person concerned with the subject presented to the committee to attend the meeting, without having the right to vote on the decisions taken.

(D) The secretary of the Competent Tenders Committee shall prepare the committee's minutes of meetings and record the most important discussions made and the decisions taken, along with any reservation or opposition presented and the reason thereof.

(E) Any documents related to any subject listed in the minutes of the meeting shall be accompanied with the necessary evidence.

(F) A member of the Competent Tenders Committee may not delegate another person to attend the committee's meetings and voting by proxy on its decisions shall not be allowed.

(G) In case the secretary of the Competent Tenders Committee is absent, the committee chairman shall entrust one of the Tenders' committee members to record the minutes of the meeting.

Article (74)

Forming the Technical Committees:

(A) In the central authority

1. Pursuant to the decision of the head of the Entity, and as per the nature and type of the Purchase Transaction required to be executed, technical committees specialized in the field of purchases shall be formed in the Headquarters of the ministries, institutions, authorities, companies, agencies and other central bodies; consisting of technicians and persons possessing technical, financial and legal expertise.
2. Pursuant to a decision by the Chairman of the Entity, and as per the nature and type of the Purchase Transaction required to be executed; technical committees specialized in the field of purchase shall be formed, composed of technicians and persons who possess technical, financial and legal experience in the branches of the institutions, authorities, public corporations and agencies in the governorates, the capital's municipality and Directorates.
3. The Entity whose purchase activity's turnover is big in the headquarters of the ministries, institutions, authorities, agencies, companies and other central bodies may establish a specialized technical purchases unit for a period of two years, renewable for one time after conducting an annual assessment of its performance; the members thereof shall be selected according to competitive principles to be determined by a technical committee to be formed pursuant to a decision by the Entity's head. These principles and criteria shall be presented to the Competent Tenders Committee for approval before being declared for competition, provided that the priority of selection shall be for the candidates of the Entity itself who satisfy the specified conditions.

(B) In the Local Authority

A technical committee shall be formed in the capital's municipality, the governorates and the Directorates pursuant to a decision by the Entity's Chairman. This committee shall be attached to the local Tenders committee and shall provide the technical assistance for the same in its functions; provided that specialized technicians from the following executive bodies shall be represented in its membership:

1. The executive body concerned with the project.
2. The executive body of the Ministry of Works.
3. The executive body of the Ministry of Planning.
4. The executive body of the Ministry of Finance.

Article (75)

The technical committees or the technical purchasing unit formed according to Article (74) of these Regulations shall assume the following duties:

(A) Propose whether the nature of the Tender requires applying prequalification or post-qualifications procedures according to the provisions of the Law and these Regulations.

(B) Prepare the prequalification document and the Qualification principles and criteria as per to the nature of the Purchase Transaction.

(C) Prepare the technical specifications, conditions, other bidding documents and the post- qualification criteria as per the nature of the Purchase Transaction.

(D) Determine the method of Bid submission, either in one technical and financial envelope for Works, Supplies and other services, or in two separate envelopes; technical and financial with regard to consulting services.

(E) Prepare the detailed estimated cost according to the nature and type of the Purchase Transaction, and the location of the Work required to be executed, keep confidential such estimated cost until the envelopes opening procedures are complete, and include the same in the record of opening the envelopes as a total amount.

(F) Submit the specifications, the other Tenders documents and the estimated cost to the Competent Tenders Committee in the Entity for approval as per the provisions of the Law and these Regulations.

(G) Any other assignments entrusted thereto by the Competent Tenders Committee.

Article (76)

Each technical purchase unit or the technical committees in the Central Authority and the Administrative Units shall have the right, when necessary, to seek the assistance of specialized technicians as it deems appropriate, whether from the Entity itself or from any other Governmental Entity; or seek the assistance of a Consultant, as per the nature and type of the Purchase Transaction, in order to assist it in executing any of its functions specified in these Regulations.

Article (77)

The technical committees or the technical purchases unit formed according to the provisions of Article (74) of these Regulations shall be attached to the Competent Tenders Committees.

Section Two

Authorities and Financial Thresholds

Article (78)

Each committee shall issue a decision to commence the process of issuing a Tender or Auction or deciding on the same, and as per the financial authority specified therefor. The financial limits for the Tenders committees for Supplies, Works and Other Services shall be classified into three levels, as follows:

(A) First level: Which shall be the authority of the High Committee

(B) Second level:

1. In the Central Authority

- Tenders and Auctions committees in the headquarters of the ministries; The financial authorities of which shall be fixed at (250 million Yemeni Riyal). Amounts in excess of this limit shall be within the authority of the High Committee.
- Tenders and Auctions committees in the headquarters of the institutions, authorities, public companies, universities and other central bodies. The financial authorities of which shall be fixed at (125 million Yemeni Riyal). Amounts in excess of the authority of the Tenders committee in the headquarters of the ministries shall be referred to the High Committee through the competent minister.

2. In the local authority:

- The local Tenders committee in the Capital's Municipality or in the governorate; the financial authorities of which shall be fixed at (250 million Yemeni Riyal). Amounts in excess of this limit shall be within the authority of the High Committee.

3. In the mixed sector units:

- The mixed sector units specified in Article (5) Paragraph (e) of the Law: the financial authorities of which shall be fixed at (600 million Yemeni Riyal). Amounts in excess of this limit shall be within the authority of the High Committee.

(c) Third Level

1. In the Central Authority:

- Shall be the authority of the branches of public institutions, Authorities, authorities, agencies, and the other central bodies in the governorates and the capital's municipality. The financial authorities of which shall be fixed at (50 million Yemeni Riyal). Amounts in excess of this limit shall be within the authority of the Tenders committee in the relevant public Headquarter.
- Shall be the authority of the branches of public institutions and authorities agencies and the other control bodies in the Directorates.

The financial authorities of which shall be fixed at (10 million Yemeni Riyal). Amounts in excess of this limit shall be referred to the Tenders committee in the Entity's branch in the Capital's Municipality or in the governorate.

2. In the Local Authority:

- Shall be the authority of the local Tenders committees in the Directorates. The financial authorities of which shall be fixed at (50 million Yemeni Riyal). Amounts in excess of this limit shall be within the authority of the local Tenders committee in the capital's municipality or in the governorate.

Article (79)

Each committee shall issue the decision of commencing the Tender and deciding thereon as per the financial authorities specified for the committee. The financial limits of the Tenders committees for consulting services shall be classified into three levels as follows:

(A) First level: The authority of the High Committee.

(B) Second Level:

1. In the central Authority

- The Tenders and Auctions committees in the headquarters of the various ministries. The financial authorities of which shall be fixed at (60 million Yemeni Riyal). Amounts in excess of this limit shall be the authority of the High Committee.
- The Tenders and Auctions committees in the Headquarters of the institutions, authorities, public companies, universities, agencies and other central bodies. The financial authorities of which shall be fixed at (40 million Yemeni Riyal). For amounts in excess of this limit, the Tenders committee shall be chaired by the competent minister. Amounts in excess of the authority of the Tenders committee in the ministries shall be referred, through the competent minister, to the High Committee.

2. In the local authority

- Local Tenders Committee in Capital's Municipality or governorate has the financial authority set at (20 million Yemeni Riyal). Amounts in excess of this shall be referred to the High Committee.

3. In the mixed sector units:

- The financial authorities of the mixed sector units specified in Article (5) Paragraph (e) of the Law shall be fixed at (100 million Yemeni Riyal). Amounts in excess of this limit shall be within the authority of the High Committee.

(c) Third Level

1. In the central authority units

- The Tenders committees in the branches of the public institutions and authorities, agencies and other central units in the capitals' municipality and governorates; The authorities thereof shall be fixed at (5 million Yemeni Riyal). Amounts in excess of this limit shall be within the authority of the relevant Tenders committee in the public headquarters of the mentioned Entities.
- Tenders committees in the branches of public institutions and authorities, agencies and other central bodies in the directorates: the financial authorities thereof shall be fixed at (3 million Yemeni Riyal) Amounts in excess of the authorities thereof shall be referred to the Tenders committee in the Entity's branch in the Capital's Municipality or the governorate.

2. In the local authority's units

- Shall be the authority of the local Tenders committees in the Directorates. The financial authorities thereof shall be fixed at (3 million Yemeni Riyal). Amounts in excess of this limit shall be within the authority of the local Tenders committees in the capital's municipality or the governorate.

Article (80)

In order to select the appropriate type of the other methods of purchase, the financial limits shall be applied to the Competent Tenders Committees in the following:

1. Headquarters of all the ministries at the central authority's level.
2. The capital's municipality / governorate.
3. Headquarters of the institutions, authorities, companies, universities, agencies and other central bodies at the central authority's level.

Purchase Method	Financial Limit
Open Tender	Above (3 million Yemeni Riyal)
Limited Tender	Above (1.5 million Yemeni Riyal) and not exceeding (3 million Yemeni Riyal)
Shopping	Above (100 thousand Yemeni Riyal) and not exceeding (1.5 million Yemeni Riyal)
Direct Order	Not exceeding (100 thousand Yemeni Riyal)

Article (81)

In order to select the appropriate type of the other purchase methods, the financial limits shall be applied to the Competent Tenders Committees in the following:

- (A) The directorates.
- (B) The branches of institutions, Authorities, companies, agencies, and other central bodies in the Capital's Municipality, governorates and their branches in the directorates.

Method of Purchase	Financial Limit
Open Tender	Above (one million Yemeni Riyal)
Limited Tender	Above (500 thousand Yemeni Riyal) and not exceeding (one million Yemeni Riyal)
Shopping	Above (50 thousand Yemeni Riyal) and not exceeding (500 thousand Yemeni Riyal)
Direct Order	Not exceeding (50 thousand Yemeni Riyal)

Article (82)

The Purchase Transaction process shall start with the approval of the Entity's Chairman or whom the Chairman may delegate.

Article (83)

The financial limits shall be reviewed by the High Authority and the High Committee and shall be submitted to the Council of Ministers for approval according to the following:

- (A) The bodies of the Central Authority in the Headquarters of the ministries and the Local Authority's bodies in the capital's municipality and the governorates may request raising the approved financial limits for the purchase of goods, works and consulting services through a written request to be submitted to the High Authority containing the reasoning for such request.
- (B) The High Authority and the High Committee shall assess the request through a joint technical committee, and shall have the right to request

further information or make a field visit to complete its assessment of the capabilities to do so.

- (C) When the capabilities assessment is completed, the entrusted committee shall submit a report to the High Authority and the High Committee, which shall include its recommendations in respect of raising the financial limit or not; in all cases, the entrusted committee shall complete the capabilities assessment within (90) days as from the date on which it is formed.
- (D) Based on the assessment results and the submitted recommendation, the High Authority and the High Committee shall decide on the matter in a joint meeting chaired by the Chairman of the High Authority.

Article (84)

Automatically, from time to time, and in conformity with the provisions of this Article, the financial limits approved by the High Authority and the High Committee for various purchase and sale transactions shall be adjusted as follows:

- (A) If the local rate of inflation amounts to fifteen percent (15%) or more in any year, the High Committee and the High Authority shall, within a period of not more than fifteen days as from the date on which the Central Bank announces the rate of inflation, establish a joint committee to assess the situation and take the necessary action.
- (B) The following formula for adjusting the approved financial limits shall be applied when the local rate of inflation amounts to fifteen percent (15%) or more in any year:

The new financial limit = the approved limit x rate of inflation + the approved limit.

For the purpose of applying the formula referred to hereinabove, the new financial limit shall represent the limit that will be applied for the next year. The approved limit is the limit valid during the previous year, and the inflation percentage shall be the local inflation rate calculated according to the consumer price index in the Republic, and as determined and announced by the Yemeni Central Bank each year.

(C) No adjustment to the financial limits may be made in any year if the local rate of inflation is less than fifteen percent (15%).

(D) In the years in which no adjustments are made, if the aggregate number of increases in the declared rate of inflation over number of years amounts to 15% or more, a joint technical committee of the High Authority and the High Committee shall be formed within not more than (15) days as from the date on which the Central Bank announces the latest rate of inflation. This joint committee shall assess the situation and submit a technical report to the members of the High Authority and the High Committee stating the recommendations concluded. If the results confirm that the rate of inflation is more than 15%, the approved financial limits shall be raised according to the following formula:

The new financial limit = the last approved financial limit x (the total of inflation rates) + the last approved financial limit.

The new financial limit represents what shall be approved for the next year. The last approved financial limit is the valid approved limit, and the total of inflation rates are the declared local inflation rates of the last preceding years.

(E) The automatic increases in the approved financial limits for any year may not exceed 25%.

Article (85)

The High Authority and the High Committee shall take a decision in respect of the draft resolution within (5) days, and shall submit the same, in case it is approved, to the Council of Ministers for approval as an adjustment of the financial limit specified in these Regulations.

Article (86)

The approved financial limits shall not have a retroactive effect, and they shall only be applied to the Purchase Transactions which start after issuing the adjustment resolution by the Council of Ministers. Accordingly, the Purchase Transactions shall continue according to the approved financial limits of a previous year.

Chapter Seven

Tenders and Procedures thereof

Section One

Preparing the Technical Specifications

And other Bidding Documents

Article (87)

- (A) The Tenders committees shall follow the planning methods which conform with the size and nature of the Purchase Transaction and be within the framework of the actual need without exaggeration, and shall take into consideration preparing an economic and technical feasibility study for the Purchase Transaction, with the participation of the appropriate employees and technical, legal and financial experts, as per the nature and type of the Purchase Transaction may require.
- (B) The planning process for the Purchase Transaction shall include the following:
1. The degree of complication of the required procurement.
 2. The availability of alternative products and services.
 3. Risk potentials.
 4. The existence of any legal rules for planning requirements.

Article (88)

All the Entities which are subject to the provisions of the Law and these Regulations shall abide by using the Guidance Manuals and the standard Bidding Documents for the various procurements; being considered an integral part of these Regulations.

Article (89)

The simple Standard Documents shall be used for supplies or execution of public works whose financial limit exceeds the financial limit of a Limited Tender and not exceeding (100 million Yemeni Riyal). For transactions with higher amounts, the ordinary Standard Documents shall be used.

Article (90)

The bidding documents shall be clear and detailed, and shall include all the necessary information needed by the competitors to submit their Bids.

Article (91)

The Tenders documents shall, in particular, include the following:

- (A) The basic documents which should be submitted with the Bids documents, which are the following:
1. A certificate of registration and classification of Contractors for projects the cost of which exceeds (30 million Yemeni Riyal) and of suppliers for supplies the value of which exceeds (10 million Yemeni Riyal)
 2. A valid tax card.
 3. A valid sales tax certificate.
 4. A valid *zakat* card.
 5. A valid insurance card.
 6. A valid profession practice certificate.
- (B) The foreign companies shall be exempted from submitting the documents and certificates specified in Paragraph (a) of this Article, it shall be sufficient that they submit the equivalent legal documents issued by their respective countries at the time of submitting their Bids, the validity of these documents shall be investigated and approved by the legally competent Entities after notifying the bidder of the award of the contract and submission of a performance guarantee; in all cases legal procedures must be followed according to the applicable laws when executing the contract.
- (C) The required qualification criteria for bidders, such as the minimum previous experience in executing similar works, the technical and financial capabilities, the manufacturing origin of materials, and other criteria specified by the purchasing Entity within the Tenders document, In conformity with the Law and these Regulations.
- (D) Goods' country of origin to ensure that such goods are qualified to be supplied and no legal restrictions prohibiting the same.

- (E) The procedures pertaining to the submission of Bids and the time and place of their submission.
- (F) The date, hour, and place of opening the Bid envelopes.
- (G) The criteria of Bids evaluation.
- (H) The required guaranties and securities.
- (I) Delivery conditions.
- (J) Any special conditions required by the Purchase Transactions.
- (K) The provisions which allow the bidders to inquire about the Tender's conditions and procedures of answering thereon.
- (L) The provisions related to the settlement of disputes resulting from the execution of the contract, if any.
- (M) A provision providing that the signed contract shall be interpreted according to the Law of Tenders, its Executive Regulations and the related applicable laws.
- (N) Arbitration shall be conducted in Yemen according to the Yemeni Arbitration Law.
- (O) Any other conditions which conform to the provisions of the Law and these Regulations.

Article (92)

In the large projects with a special nature, or other Purchase Transactions in which the approved standards documents do not conform therewith, special Tenders documents may be prepared to be in conformity with the mentioned nature, provided they are in agreement with the objectives of the Law and these Regulations after obtaining the approval of the High Committee.

Article (93)

The Entity shall maintain records and forms of Tenders according to the applicable legal and professional rules and procedures, the most important of which are the following:

- (A) Records:
 1. Record of the standards samples delivered to the bidders.

2. Record of the minutes of meetings of bid opening committees (technical and financial proposals).
3. Record of the minutes of meetings of the bid opening committees for opening technical envelopes for the sole purposes of consulting services Works.
4. Record of the committees of contract award.
5. Record of the minutes of the committees of Shopping.
6. Record of the Tenders and samples delivered by the suppliers.
7. Record of the names of the suppliers and Contractors approved by the Entity.

(B) Forms:

1. Form of preparing the estimated cost of the Purchase Transaction.
2. Form of submitting Bids for Tenders.
3. Form of notifying the acceptance of the Bid.
4. Form of the executions contract.
5. Forms of guarantees
6. Form of notifying the Tax Authority of the Purchase Transactions contracts.

(C) Any record and forms contained in the Guidance Manuals and Standard Documents.

Article (94)

The technical committee or the technical purchases unit formed in accordance with the provisions of Article (74) of these Regulations shall prepare the specifications, bidding documents, technical conditions and estimated cost for each material or item according to the nature and type of the required Purchase Transaction, and shall submit the same to the Competent Tenders Committee for final approval before presenting the same to the bidders, provided that the Guidance Procurement Manuals of various Tenders and standards documents are abided with; and as per the type of the Purchase Transaction.

Article (95)

The technical committee or the technical purchases unit entrusted with preparing the technical specifications and the other benders documents shall observe the following:

- (A) Insuring that a financial allocation is available in the Entity's budget of the same fiscal year. In the case of foreign finance, it shall insure the validity of the agreement.
- (B) Verifying the actual need in light of the feasibility study.
- (C) Reviewing the purchase order and make sure that all the necessary procedural steps have been taken.
- (D) Preparing announcement form / invitation letter, and as per the nature and type of the Purchase Transaction.
- (E) Preparing the drawings, blueprints, technical specifications, quantities schedules and the other conditions and requirements, so that all the aspects and details that realizes the purpose for which the Tender has been issued shall be included, and as per the nature and type of the Purchase Transaction.
- (F) Determining the amount of the Bid guarantee as a lump sum according to the procedures specified in these Regulations.
- (G) That the materials and items locally produced shall be used for the supplies or contracting works whenever possible, provided that they have the same quality of imported similar materials.
- (H) That the materials locally produced shall be used for the supplies or work contracts whenever possible, provided that the same have the same quality of imported similar materials.
- (I) The nature of the climate and the environmental conditions surrounding the execution area when preparing the technical specifications and bidding documents
- (J) To determine the principles and criteria on the basis of which the technical and financial assessment shall be made, and the successful Bid selected, as per the nature and type of the required Purchase Transaction.

- (K) The technical requirements and specifications of a Purchase Transaction shall be:
1. Specified on the basis of the performance conditions and functional requirements.
 2. Conforming with the international standards applied to the procurement processes with the exception of the following:
 - Using Yemeni standards required by the related applicable laws.
 - When the international standards fail to meet the Entity's requirements.
- (L) The technical committee or the technical purchases unit entrusted with preparing the technical specifications and other bidding documents shall prepare a record of its entire works and have it signed by the chairman and members of the committee or the unit.

Article (96)

- (A) The technical committees entrusted with preparing the bidding documents in all Purchase Transactions shall make an estimation of costs on the basis of the requirements and objectives of the Purchase Transaction, and the prevailing conditions in the market.
- (B) When preparing an estimation of cost for any Purchase Transaction , the following factors shall be taken in to consideration :
- (1) The published price lists.
 - (2) Data on the historical development of the prices of similar Purchase Transactions made by the Entity or by any other Entity.
 - (3) Unit price analysis.
 - (4) Comparison with previous similar Purchase Transactions which have already been executed at the Entity or at any other Entity.
- (C) The cost elements shall include the following :
- (1) Materials cost.
 - (2) Labor cost.
 - (3) Other direct cost, including equipment, transportation, information technology and others.
 - (4) Fees, taxes, insurance and any other expenses related to the Purchase Transaction.
- (D) The technical committees may, in large-sized or complicated Purchase Transactions, make an estimation of the costs with the assistance of technical experts.

Article (97)

- (A) The technical committees or the technical purchases unit shall lay down a timeframe for the Purchase Transaction, taking into consideration the following:
- (1) The required time and number and type of newspapers on which the Tender is to be published; in order to ensure that as many number of competitors as possible shall be enabled to submit Bids.
 - (2) The time required by the bidders to submit their Bids.
 - (3) The time required to determine the validity period of Bids and guarantees.
 - (4) The time required to analyze and assess the submitted Bids.
 - (5) The time required to decide on the Bids award.
 - (6) The time required to negotiate in cases allowed by the Law.
 - (7) The time required to finalize the contract execution.
- (B) The technical committees or the technical purchases unit shall review the prevailing legal, political and economic circumstances that affect the Purchase Transaction.

Article (98)

Without prejudice to the provisions of the previous Articles in this Chapter, the committee responsible for preparing and reviewing the technical specifications and the bidding documents related to various supplies and works, shall observe the following:

- (A) Not to refer to any specific type, class, number, or a product from a certain source. Names, trademarks, or numbers indicated in catalogues may not be used.
- (B) The criteria and the required manufacturing (quality) level shall be accurate and clear.
- (C) When determining standard specifications, an indication shall be made that this specification should be equal to the international recognized specifications and not less than the mentioned.
- (D) The materials and goods shall represent actual needs that are directly related to work execution, and shall not in any manner be less than actual need with the intention of changing the purchase method, provided that the actual stock be verified before starting the executing procedures of the Purchase Transaction.
- (E) Classify the materials to coherent groups (lots) whenever possible, to realize the widest chances of competition.
- (F) When the Purchase Transaction is the supply, installation, operation and training, it shall include all the study phases as regard to all the economic aspects, and that it is scaled according to its priority in terms of actual importance.
- (G) When the nature and type of the Purchase Transaction requires appointing an inspection company to examine the materials which shall be supplied; or be supplied, installed and operated, this fact shall be indicated in the bidding documents.

Article (99)

Without prejudice to the provisions of the previous Articles in this chapter of these Regulations, the committee for preparing and reviewing the technical specifications of public works shall observe the following:

(A) To insure that the site earmarked for establishing the governmental buildings and construction is owned by the Entity or is assigned for the purposes of the project, and is undisputed and free from complexities.

(B) That the cost of leveling the site is not too high to an unacceptable level.

(C) To prepare a general plan for the site showing the existing installations and those expected to be constructed including the roads and other services.

(D) To make accurate soil tests as a basis for the construction designs, and for preparing the drawings, laying down the specification, and calculating the quantities correctly according to the drawings and plans.

(E) That the climatic and geological conditions of the site and their influence on preparing the plans and drawings, and on the material used and calculation of quantities.

(F) To prepare plans and drawings accurately and fully (areal, architectural, constructive, electrical, sanitary, mechanical, and else) according to the nature, type and size of the project.

(G) To prepare technical specifications of the material and equipment, together with determining the standard specifications of the material used in the public works, clearly and in simple language and expressions.

(H) To prepare bills of quantity of the required works in detail according to the blueprints and drawings, and for all work items, and observe using the local materials of the project execution area as much as possible.

(I) Not to include items for contingency funds.

(J) To use measuring units in the works items and avoid as much as possible laying down items in lump sum.

(K) If the Contractor is responsible for designing any part of the Works, in such a case contractor's obligations shall be fully and precisely defined.

(L) That the Entities which use standard blueprints, drawings and specifications for its projects shall review these blueprints, drawings and specifications in a manner that conforms with the nature of the site as regards to soil tests, climate, and geological nature.

(M) Ensure that charts and drawings are in separate attachment in the bidding documents, and indicate there types and numbers.

Article (100)

Without prejudice to the provisions of the preceding Articles in this Chapter of these Regulations, the committee responsible for preparing and reviewing the terms of references required to be executed for consulting services and other services, when requesting technical and financial Bids, shall observe the following:

(A) Describe the assignment and clearly determine its objectives, scope and period of execution.

(B) Prepare the terms of reference and other requirements which shall be submitted for consulting services, so that they shall include all the requirements and assignments which achieve the purpose, in conformity with the type of services required to be delivered.

(C) Provide the consultants with all available related data, information and studies before submitting their proposals, or set a meeting for all the consultants who wish to participate before the submission of proposals, in order to provide them with a full, specific and clear background of the nature of the assignment, so as to enable them to utilize such in submitting responsive and competitive proposals.

(D) Determine the required outputs, such as reports, drawing, recommendations, draft laws or else, and the time period for these outputs for each separately.

(E) Determine the facilities to be provided to the consultants by the Entity.

(F) If the required consulting services are the transfer of knowledge and training, then what is required shall be determined in clear detailing, and shall include the time period of training; training materials and methods, the numbers of trainees; and the conditions of their selection.

(G) Divide the assignment into stages as per the nature of the service required to be rendered (feasibility study stage – design stage – documents preparation stage – analysis and assessment stage – supervision stage).

(H) Determine evaluation method to select the Consultant.

Article (101)

The technical committees or the technical purchases unit entrusted with preparing or reviewing the technical specifications, drawings, blueprints, terms of references, technical stipulations, estimated cost and other bidding documents shall be fully responsible for the soundness and validity of their assignments.

Section Two

Design's Competitions

Article (102)

Design competitions may be conducted to obtain a design in the fields of planning of cities or architecture for or without a reward, provided the following shall be carried out:

- (A) To follow the Tenders procedures applied when organizing the design competitions and their documents, and the announcement thereof.
- (B) To follow the procedures of opening the envelopes of the letters of the participants in the design competition.
- (C) To follow the rules of analysis and assessment of the participants in the competition.

Article (103)

The Entity shall follow organized procedures which conform to the size and the degree of complexity of the architectural or planning project required to be executed, in conformity with the directives and procedures of Tenders, provided that the organizing process of the competition shall include the following:

- (A) A clear and specific description of the practical and aesthetic objectives of the design competition.
- (B) A detailed definition of the required design, its location and expected usage, and other considerations.
- (C) To make specialized technicians who are experienced in the required field participate, in conformity with the nature of the project, to determine what is required by the design competition.

Article (104)

- (A) A technical committee shall be formed pursuant to a decision by the Entity's Chairman after obtaining the approval of the Competent Tenders Committee. The technical committee shall be chaired by one of the Entity's employees whose position is not less than a general manager, and shall be set up by three experienced persons from the Entity.
- (B) The committee referred to in Paragraph (a) of this Article shall nominate technicians specialized in the fields of city planning or architecture to be members of the panel committee of the competition. The candidates for membership of the panel committee can be from other Entities or from the private sector.
- (C) The technical committee shall submit a list of five candidates who have satisfied the required conditions, to the Competent Tenders Committee to select three thereof for the competition's panel committee, and a decision appointing them shall be issued by the head of the Entity.

Article (105)

A member of the panel committee shall satisfy the following conditions:

- (A) Possess a university qualification in engineering in the required field.
- (B) Have practical experience of not less than ten years in the field of specialization required for the competition; subsequent to obtaining the university qualification.
- (C) Not be a participant in the competition or have direct or indirect relationship with any of the participants in the competition.

Article (106)

The functions of the members of the panel committee shall be defined as follows:

- (A) To assess the Works submitted by each participant in the competition separately on the basis of the already specified criteria.
- (B) To eliminate the participations which do not satisfy the minimum technical requirements.
- (C) To submit a technical report on the results of the analysis, assessment and the recommendations necessary for selection to the Tenders committee, for approval.
- (D) To make the necessary explanations to the Competent Tenders Committee, if required.
- (E) To prepare a summary of the unique characteristics of the winning participation as regards to achieving the design objectives and the used criteria.
- (F) To participate with the Entity when announcing the winner of the competition.
- (G) To participate with the Entity in answering on any contestation or complaints against the announced results.

Article (107)

- (A) The members of the panel committee shall be granted remuneration, based on the effort, time, and expertise which they offered during their participation in the committee's membership to be estimated by the committee's chairman; such remuneration shall be paid thereto after finalizing the assignments entrusted thereto.
- (B) The members of the panel committee shall be granted the necessary travel allowance if it is necessary to travel outside the Entity's location.

Article (108)

The technical committee formed in accordance with the provision of Article (104) of these Regulations shall, after obtaining the approval of the Competent Tenders Committee, lay down a timeframe for each competition which shall include the following:

- (A) Publishing the announcement of the competition for not less than three consecutive days in two official newspapers and on the Entity's electronic site, indicating the Entity's name, the place of delivering the documents of the competition and the place and date of the submission of participations.
- (B) Allowing sufficient time for presenting the competition's documents for sale.
- (C) Allowing sufficient time for the competitors to prepare their designs and the other required documents, according to the following:
 - 1. In the case of ordinary technical designs, the competitors shall be granted a longer period of not less than forty five days, to prepare their participations and submit the same.
 - 2. In the case of complicated technical designs, the competitors shall be granted a longer period of not less than sixty days, for the preparation of their participations and the submittal thereof.
- (D) Specifying the date and the necessary time for receiving and opening the submitted participations and recording the same in an official receipt record.
- (E) Specifying the necessary time for analyzing and assessing the submitted participations and selecting the winner.

Article (109)

Selection of the winner in the competition shall be decided in accordance with the procedures specified in these Regulations for deciding on Tenders, as regard to the submission of the technical report of the committee formed for this purpose, accompanied with its recommendations to the Competent Tenders Committee to issue the appropriate decisions.

Section Three

Announcement

Article (110)

Contracting for the execution of Purchase Transactions shall be made by issuing a Tender to be announced in the Republic or in and outside the Republic as per the nature of the Tender, and after insuring the following:

(A) Obtaining the final approval of the Tenders committee at the competent level according to the financial authorities specified in these Regulations for the approval of the announcement form, the specifications, the documents of the other Tenders, and the estimated cost, and deciding the publication of the Tender's announcement.

If the Purchase Transaction is to be financed by foreign funds, the approval of the financing party shall be obtained before publishing the announcement, should the financing agreement so stipulates.

(B) Completion of all the documents and records signed by the competent committees in the previous stages for the purpose of submitting the same in full to the Competent Tenders Committee, for the purpose of approving the bidding documents and publishing the announcement; and as per the authorities specified in these Regulations.

(C) Finalizing all the following technical and administrative arrangements:

- 1- The bidding documents shall be complete, clear, organized and serially numbered, and all the forms and annexes required by the nature of the Purchase Transaction shall be present in the bidding documents.
- 2- The preparation of sufficient copies of the bidding documents for sale, sealed with the official stamp of the party, provided the sold copies and those not sold be registered in an official record.
- 3- Specifying the sale cost of the bidding documents according to the actual cost of printing, photocopying and distribution, plus 10% administrative expenses to be provided to the revenue account according to official vouchers issued by the legally competent Entity.
- 4- The documents of prequalification, consulting services and Limited Tenders shall be granted free of charge.

Article (111)

The announcement shall contain all the data and information which basically show the name of the Entity, title of the Tender, source of finance, the place of selling the bidding documents, the amount of the guarantee and the period of its validity, the value of the bidding documents, the legal certificates and cards, the period allowed for selling the bidding documents, the date and place of the Bids submission, the period of the Bid's validity, and any other data the party deems necessary.

Article (112)

In the Tenders of projects which require technical and financial skills and capabilities which are not available except with a limited number of contractors, vendors, suppliers or consultants, the following procedures shall be followed:

- (a) Announcing for the expression of interest with regard to the consulting services to determine a short list of qualified Consultants to whom an invitation shall be addressed to submit their technical and financial proposals.
- (b) Make an announcement for prequalification to determine a short list of qualified Contractors, vendors or suppliers to whom an invitation shall be addressed to submit their technical and financial Bids.

Article (113)

Announcement to express interest in participation in consulting services shall be made according to the following:

- (a) The announcement to the expression of interest in participation, together with all information related to the Tender shall be presented to the Tenders committee at the competent level for approval.
- (b) An announcement shall be made for expression of interest in two daily official newspapers for three consecutive days in the Republic and on the Entity's electronic site, and for one day in a foreign wide spread business newspaper for assignments the nature of which so requires.

Article (114)

- (a) The periodic announcements for prequalification of supplies and public works shall be made in two wide spread official newspapers for three consecutive days, and in a foreign newspaper as per the nature of the case for one time, as well as on the Entity's electronic site.
- (b) The prequalification announcement for procurement shall include all the data and information which indicate the name of the Entity, a list of all the required information, the principles and criteria of qualification which shall be followed to determine those who are qualified, the place of submission, and any other data the Entity deems appropriate to enable the same to assess the extent of the Bids' responsiveness.

Article (115)

- (a) The Open Tender shall be announced under the name of the Entity in the Central Authority's units, and under the name of the concerned local council in the Administrative Units, through publication in two wide- spread newspapers for three consecutive days, and on the Entity's electronic site.
- (b) The announcement of international Tenders shall be published in wide-spread means of publication in the Republic in two wide- spread daily official newspapers for three consecutive days, and in a foreign newspaper for one time in Arabic and in English, and on the Entity's electronic site.

Article (116)

The period during which the Bids are to be submitted shall be specified in conformity with the actual needs, which shall not be less than thirty days as from the date of publishing the first announcement, except for big Tenders whose estimated value exceeds (500 Million Yemeni Riyal), for which the Tendering period shall not be less than forty five days as from the date of publishing the first announcement.

Article (117)

- (a) The Entity shall enable all those who wish to submit Bids to review the bidding documents within the period allowed for selling the documents, and during the official working hours, and through the Entity's electronic site.
- (b) The bidding documents may not be sold during the last five days preceding the fixed date for opening bids' envelopes.

Article (118)

- (a) The Competent Tenders Committee may study all the requests submitted by those who requested to buy the bidding documents for extending the Tendering period. It shall have the right to accept or reject the request; in case of acceptance, the Competent Tenders Committee shall announce the extension in the same method followed in publishing the original announcement before the expiry of the final Tendering period. In case of rejection, letters shall be sent to those who requested the extension to notify them of rejecting the extension, together with indicating the reasons thereof.
- (b) The Entity shall not be obligated to study the extension requests which are received during the last five days preceding the date of opening bids' envelopes as a maximum, as from the first date of publishing the announcement. However, if any participant submits a justifiable request acceptable to the Competent Tenders Committee, the date of submitting the Bids may in this case be extended.

Article (119)

The announcement of extending the deadline of Bids submission shall be published in the same newspaper in which the announcement was published, so that the extended period shall not exceed 50% of the basic period of the announcement and for one time only; provided that the extension be in either one of the two following cases:

- (a) If at least three of those who purchased the Tenders documents or 50% of them submit a request for extension.
- (b) If an error is detected in the bidding documents after the announcement, whether by the Entity itself or by those who bought the bidding documents, and the Competent Tenders Committee believes this error will have an effect, then in this case, the Tenders committee shall prepare an annex of the required amendments which shall be distributed free of charge; the parties which bought the bidding documents shall be officially notified thereof, and the necessary period for extension shall be fixed; along with publishing an announcement of the extension in the same method followed for publishing the basic announcement.

Article (120)

The Entity may, in large-sized and complicated Tenders, make a second extension of the Tendering period and for an appropriate period, provided this shall be justified in the decision of the Competent Tenders Committee.

Section Four
Tender Guarantees

Article (121)

A Bid guarantee shall be submitted in all Tenders the estimated cost of which exceeds the financial limit which is specified in these Regulations for a Limited Tender. The consulting services Tenders shall be exempted from the requirement of submitting a Bid guarantee.

Article (122)

- (a) With each Bid, a Bid's guarantee of a fixed amount shall be submitted, which shall not be less than 2% and not exceed 3% of the estimated value of the required Purchase Transaction.
- (b) The Bid's guarantee shall be submitted with the Bid's envelope in one of the following methods:
 - 1- A certified cheque from the drawee bank in the name of the Entity for which the Tender pertains as a guarantee to the bidder; provided this bank is accredited by the Central Bank. Cheques drawn on foreign banks shall be accepted, provided the same is confirmed by one of the local banks which is accredited by the Central Bank; the cheque shall be accepted for payment for a period of not less than thirty days as from the date of the Bid's expiry period.
 - 2- A bank guarantee from one of the banks authorized by the Central Bank to issue such guarantees. The guarantee shall be free of any restriction or conditions and valid for a period of not less than thirty days as from the date of the Bid's expiry. The guarantee shall be in favor of the Entity which issued the Tender.

If the bank guarantee is submitted by a foreign bank, it shall be confirmed by a bank in the Republic authorized by the Central Bank.

Article (123)

The Entity may, in large-sized or strategic Tenders with a high cost, fix a lump sum to guarantee the Bids the amount of which is less than the amount referred to in Paragraph (a) of the previous Article, provided a proposal to this effect be submitted, together with the bidding documents for approval by the High Committee.

Article (124)

If the Bid is submitted by partners (consortium) the guarantee shall be submitted in the name of the consortium, except if the consortium deed provides that the guarantee shall be submitted in the name of one of the partners.

Article (125)

- (a) The Bid's guarantee shall be returned to the bidder after submission of the performance bond and signing the contract by the successful bidder.
- (b) In case the party is late in pursuing the decision-making procedures within the legal period of the Bid's validity, the willing bidders may withdraw their original guarantees by submitting a written request addressed to the Entity's head who shall instruct to return the Bid's guarantee and require a receipt thereof.

Article (126)

The Entity may confiscate the Bid's guarantee in any of the following cases:

- (a) If any of the bidders requests withdrawing his Bid after opening the envelopes during the Bids' validity period.
- (b) If the successful bidder does not accept the mathematical corrections.
- (c) If the successful bidder does not submit the performance guarantee within the period specified in the notification of the acceptance of his Bid.
- (d) If it is proved to the Entity that the bidder has violated the rules and principles of conduct and ethical behavior specified in the Law and these Regulations during the study period, submission of Bids and the procedures of analysis, assessment and contract award.

Article (127)

- a) The successful bidder shall submit the performance guarantee within a period of not more than fifteen days, starting from the day following to the date of notifying the same through a registered letter of the acceptance of the Bid thereof. The amount of the performance guarantee shall be fixed at not less than (10%) of the value of public works contracts, and less than (15%) of the supplies and other services contracts. The Consulting services shall be exempted, as well as the services which the High Committee decides to exempt from the submission of the performance guarantee, and as per the nature of the same.
- b) The performance guarantee shall be submitted in one of the following methods:
1. A certified cheque from one of the banks accredited by the Central Bank.
 2. An unconditional letter of guarantee from one of the banks authorized to issue such letters of guarantee.
- c) The validity period of the performance guarantee shall be fixed for a period starting on the date of its issuance and ending upon the completion of the examining procedures and initial free-of- reservations take-over, the Entity shall have the right to extend the validity of the guarantee when necessary and notify the party which submitted the guarantee thereof, without the mentioned being given the right of opposition.

Article (128)

The performance guarantee shall be maintained fully valid. It shall not be returned except after insuring that the supplier or contractor has executed all the obligations and conditions specified in the bidding documents and the signed contract, subject to making the accounting settlements specified in the accounting system manual and delivering the guarantee to the bidder by hand or by any other means of safe receipt.

Article (129)

The performance guarantee shall be confiscated in any of the following cases:

- a) If the contractor or supplier violates any of the conditions of the contract during execution.
- b) If it is proven that the contractor or supplier, during all the stages of the Tender and the contract, has not abided by the ethical principles or the rules of conduct specified in the Law and these Regulations. The Entity shall have the right to notify the legally competent Entities to take other legal procedures according to the related applicable laws and regulations. The party which issued the guarantee shall have no right to prevent the confiscation of the guarantee.

Article (130)

In instances where the Entity is able to make an advance payment whereby the Tender's document so permits, the payment shall not exceed 20% of the contract's value, against an unconditional and irrevocable bank guarantee of an equal amount of the payment.

Section Five

Preparation and Submission of Bids

Part One

Enquiries and Clarification Meetings Prior to Submission of Bids

Article (131):

a. Any party who applies to purchase a bidding document may seek explanation or enquire on any matter provided for in said document within the period set for selling the same.

b. The Entity shall receive all enquiries made by those who purchase bidding documents within the period set for selling the same.

Article (132):

Enquiries made by those who purchase bidding documents shall be submitted as follows:

a. Be written in Arabic. Nonetheless, in case of bidding Documents provided in English, or international Tenders, enquiries may be submitted in English or both languages.

b. Be delivered to the address specified by the Entity in the bidding document by hand or any other means of guaranteed delivery.

Article (133):

The Entity shall reply to all enquiries promptly and without delay, sufficiently prior to the end of the period set for selling bidding documents and the deadline for submitting bids in order to enable those who purchase bidding documents from studying said replies and incorporate the same into their bids.

Article (134):

The assigned technical committee or technical purchase unit shall prepare replies to enquiries and present the same to the Competent Tenders Committee for study and approval thereof subject to the following:

a. To incorporate all enquiries and replies thereto in the reply document in a complete and clear manner.

B. To circulate replies to all those applying to purchase bidding documents without naming the source of enquiry(s).

c. To write all replies in Arabic. Nonetheless, in case of bidding documents provided in English, said replies may be written in English or both languages.

d. Enquiries and replies thereto shall be published on the Entity's web site.

e. All enquiries and replies thereto shall be recorded and documented in Tender records and file.

Article (135):

The Entity may amend any part of the bidding documents prior to opening Bid envelopes in any of the following cases:

a. Change of certain requirements.

b. Change of timeframe.

c. Any other changes that may affect the study of bids prior to submission thereof.

Article (136):

When amending any part of the bidding document, the Entity shall insure to comply with the following:

- a. That amended bidding documents explain the required change.
- b. That participants who apply to purchase bidding documents have sufficient time to respond to said changes prior to submission of bids thereof.
- c. To notify all who applies to purchase bidding documents of amendments made through official letters delivered to every applicant through secure means of delivery in addition to publication thereof on the Entity's web site. With respect to participants who apply to purchase bidding documents after said amendments are made, bidding documents shall be delivered thereto along with the effected amendments.
- d. To deliver amended bidding documents to participants who already have bidding documents free of charge.

Article (137):

The Entity may hold a meeting with those who have purchased bidding documents prior to submission of bids should the nature of Tender so require. The date of said meeting shall be set within a sufficient time prior to submission of bids, and all applicants shall be notified thereof through official letters; subject to the following:

- a. Any party, who purchases bidding documents, or an approved agent thereof, may attend the meeting prior to submission of bids.
- b. The Entity shall execute minutes of said meeting and distribute the same to all those who has purchased bidding documents by virtue of official letters delivered by hand, mail or any other official secured means of delivery.
- c. Said minutes shall be published on the Entity's web site.

Article (138):

Explanations and replies to enquiries officially notified to those applying to purchase bidding documents shall be deemed an integral part of said bidding document.

Part Two

Preparation and Submission of Bids

Article (139):

bidders shall bear all costs arising from preparation and submission of bids and inspection of the relevant site of execution or final delivery of items specified in the bidding documents, and the Entity shall not, in any case whatsoever, be responsible for said costs regardless of the outcome of Tender.

Article (140):

Bids shall be made on the bidding form included in bidding documents which bear the stamp of the Entity and affixed with the number and date of payment receipt (form No. (50) Accounts), and shall be submitted in accordance with instructions and requirements specified in the bidding document.

Article (141):

Every bidder shall comply with the following:

A. In construction work:

1. Failure to submit any comments on drawings, specifications or bidding documents shall be deemed an acknowledgement of the accuracy and integrity of said designs and specifications and an undertaking to execute the work in accordance thereto, and no adjustment thereto may be requested nor may price differences be claimed.

2. To inspect, personally or through the agent thereof, the relevant project site and verify the nature thereof and view the necessary tests and studies to verify fitness of soil or building as per the drawings, designs and quantity tables prepared for work.

B. In Supplies:

1. Having not expressed any comments on technical specifications, drawing or bidding documents relating to supply, installation and operation shall be deemed acknowledgement of the accuracy and integrity thereof and no adjustment to items or supplementary services may be requested nor may price differences be claimed.

2. In case of supply, installation and operation Tenders, a bidder shall personally inspect the site of execution and verify the nature thereof and all data, information and services directly related to execution of said project; such as tests and climate.

c. In consulting services:

Bidders shall study reference terms for provision of consulting services. Not expressing any comments on said reference terms or other bidding documents shall be deemed an undertaking to carry out all required work pursuant to Tender conditions and forms and no price differences may be claimed.

In all cases of Purchase Transactions, bidders shall, prior to submitting bids, express technical comments thereof in writing to the Entity and shall bear the responsibility arising from not doing so.

Article (142):

Bidders shall, when writing bids to be submitted, comply with the following:

- a. To write the unit price, total units price and any other details required from bidders with permanent ink; stating unit price and number of units in number, weight, size or any other details, in addition to total price. Prices shall be written in figures and words.
- b. To sign the relevant price list upon completion thereof. No scratching or deletion may be made in price lists, and any alteration to prices or any other details shall be rewritten with permanent ink in figures and words and signed.
- c. To state the country of origin for the items bid for.

Article (143):

Should Bids be accompanied with samples being required as part of bidding documents, bidders shall, prior to submission thereof with bidding documents, record all details pertaining to the owner of said samples and the name and number of the relevant Tender, and shall confirm that said samples conform to the specifications of the relevant clause set forth in the bidding document.

Article (144):

Bidders shall submit all the documents and details specified in the bidding documents which demonstrate eligibility and capability thereof to deliver purchased items as well as the quality thereof.

Article (145):

Bidders may not submit alternative bids, in whole or part, unless otherwise stated in the bidding document.

Article (146):

Every Bid shall be accompanied with a warranty on supplied items, public works or consulting services as follows:

A. In Supplies:

1. bidders shall provide written guarantee for quality of supplied items for the period specified in the bidding document as of the date of issuance of the relevant certificate of initial free-from-reservation take over unless the bidding documents provide for a longer period to remedy any technical manufacturing faults or defaults occurring during the guarantee period due to poor manufacturing, packaging, wrapping or installation.

2. The supplier shall be fully responsible for replacement of defected items during the specified guarantee period.

B. In construction Works:

1. Bidders shall provide written guarantee for quality of execution for the period specified in the bidding document as of the date of receiving the relevant certificate of free-from-reservation initial take over.

2. The Contractor shall be fully responsible for any defects arising during the period specified in the bidding document.

c. In consulting services:

Every Bid shall be accompanied by a written guarantee for quality of required consulting services in accordance with the commonly accepted professional standards.

Article (147):

Bid prices shall be submitted in Yemeni Riyals unless the bidding document specifies other convertible currency or currencies as per the Central Bank's Exchange Bulletin.

Article (148):

Prices provided by bidders with respect to all supplies, construction works and consultation and other services shall be inclusive of all necessary costs to undertake the relevant obligations, as well as costs of transportation, insurance for items, tools, equipment, labor and associated costs during execution in accordance with laws in force, along with taxes, custom duties and any other legal charges unless exempted pursuant to an effective law at the time of submitting bids.

Article (149):

Unit prices provided by bidders shall be fixed throughout the relevant contract execution period, and any price adjustment requests made by bidders shall be disregarded.

Article (150):

A bidder may not submit more than one Bid in a single Tender, whether individually under a partnership arrangement or joint venture; in which case, the Competent Tenders Committee shall eliminate all bids submitted by said bidder and confiscate guarantees provided thereby or terminate the relevant contract and confiscate the performance guarantee should this prove to be the case after Contracting with said bidder; unless the relevant bidder is a sub-contractor or the bidding document allows for alternative bids.

Article (151):

Bids shall be submitted in the time and place specified in the bidding documents to the Tenders committee secretariat either by hand or registered delivery mail in return for an official receipt voucher approved and stamped with the Entity's stamp.

Article (152):

The following shall apply for the submittal of bids by non-local bidders:

a. The bidder, official agent thereof, or anyone authorized by the relevant company shall state in the relevant Bid the correspondence address thereof. Notifications and letters sent by the relevant Entity to such address shall be deemed duly delivered to the bidder.

b. Should said agent or authorized person submit the bid, a power of attorney or authorization authenticated by the competent authority shall be attached to said Bid.

c. Should the bidder be a joint venture, the bidding document shall include the relevant preliminary partnership agreement stating names of partners, capital share and their commitment to the venture and the name of the manager who is authorized by said partners to sign on behalf thereof.

Article (153):

Bids shall be valid for the period to be specified, which shall not be less than ninety days for Supplies, simple construction Works and consulting services, and not less than one hundred and twenty days for procurements and construction works which costs exceeds five hundred million Riyals; unless the nature and type of Tender require a longer period to be provided for in the bidding document.

Section Six

Opening of Bids' Envelopes

Article (154):

a. A committee for opening envelopes shall be set up pursuant to a decision of the head of the Entity. Said committee shall be chaired by a member of the Tenders committee and comprise the following members:

1. Not less than three members from the relevant Entity specialized in procurement with the necessary experience to conduct the procedures of envelope opening sessions efficiently and responsibly.

2. A representative of the relevant administration in Central Authority units and a representative of the competent executive body in Administrative Units.

3. The Financial or Accounts Director at the Entity.

b. In Entities with specialized procurement units, three members of said committee shall undertake the work of envelopes opening sessions in the presence of a representative of the relevant administration and a representative of the financial administration; provided that said envelope opening committee is chaired by a member of the Tenders committee.

c. A standing committee for opening envelopes pertaining to small procurement transactions not exceeding the limit set for Limited Tenders in these Regulations shall be set up pursuant to a decision of the head of the Entity to undertake all duties assigned to the envelope opening committee in these Regulations, and shall comprise the following members:

1. Financial Affairs/ Financial Director; as the case

As Chairman

may be.

- | | |
|---|------------|
| 2. Legal Affairs Director. | As member. |
| 3. Procurement and Storehouses Director. | As member. |
| 4. A Director/department manager selected by the head of the Entity | As member. |

Article (155):

Bids shall be accepted until the hour set for opening envelopes whether said bids are delivered by mail or hand. Bids submitted after the set deadline shall be disregarded and returned to bidders unopened.

Article (156):

Bidders may not make any changes to bids after the deadline set for opening envelopes.

Article (157):

The Entity shall specify, in the bidding document, the administration responsible for receiving, recording and keeping Bid envelopes in a secure place in the same condition as when received without alteration thereto until the deadline for opening envelopes.

Article (158):

A bidder may withdraw the Bid thereof prior to opening the first envelope; in which case the Bid guarantee shall be returned to the said bidder who may participate in the same Tender if reopened without any objection on the part of the Entity in accordance with the following:

- a. The bidder shall notify the Entity through written application of the withdrawal from the relevant Bid and the recovery of the Bid security.
- b. Said written request shall be delivered to the Entity by hand before the deadline set for opening envelopes.
- c. The Entity shall, upon receiving a Bid withdrawal request, act as follows:
 1. Ensure that this request is submitted by the relevant bidder or legal representative thereof.

2. Record said withdrawal request in Tender record and keep the same in the Tender file.

3. Return the relevant Bid guarantee by hand to the bidder or anyone authorized thereby upon verification of the identity thereof and validity of said authorization; a notice of receipt shall be taken from the mentioned which shall be kept in the Tender file. Should said bidder or representative thereof not appear to collect the relevant guarantee, said guarantee shall be delivered to the guaranteeing bank through an official letter and upon obtaining a notice of receipt.

4. Return the Bid envelope to the bidder or anyone authorized thereby. Should said bidder or representative thereof not appear to collect said envelope within a period not exceeding thirty days as of the date of being requested to attend for collection, said envelope shall be destroyed by a committee set up for such purpose and destruction shall be recorded in an official report.

Article (159):

a. Envelopes shall be opened publicly in the time and place specified in the bidding document during official working hours.

b. The envelope opening committee shall record all submitted bids and minutes of the opening session in the form and record prepared therefor.

c. Envelope opening committees shall be responsible for establishing and recording the details of all submitted bids and may neither accept nor reject any bid; excluding bids submitted after the deadline set for opening envelopes, which shall be rejected.

d. In case of Two Envelope Bidding (technical and financial), the technical envelope shall be opened first and should the technical proposal not be approved, the financial envelope may not be opened and the Bid shall be eliminated. This procedure applies only to consulting services.

Article (160):

a. Bid envelopes shall be opened in the presence of bidders or approved agents thereof and the Entity may not prevent any bidder from attending the envelope opening session.

b. Attendance of bidders or agents thereof shall be established by signing the form and register prepared therefor.

c. Neither bidders nor agents thereof may interfere with the work of the bids opening committee, and anyone who has objections to envelope opening procedures shall submit said objections in writing to the Competent Tenders Committee.

Article (161):

The envelope opening committee shall commence envelope opening procedures as follows:

a. The chairman of the envelope opening committee shall open the session and explain the bids opening procedures.

b. All envelopes shall be placed in a secure place visible to everyone participating in the envelope opening session. Samples provided by bidders shall be separated from envelopes after ensuring that relevant bidders' names are clearly stated on said samples.

c. A check shall be performed to verify relevance of the details written on every envelope or sample to the Tender in question and compliance thereof with requirements set forth in the bidding document, and that envelopes are properly sealed and stamped with red sealing wax.

d. Prior to commencement of envelope opening procedures, names of withdrawn bidders or those who have submitted adjustments to bids thereof shall be announced and recorded in the minutes of the envelope opening session.

e. The number of received bids shall be recorded in the minutes of the envelope opening session.

f. The Chairman of the envelope opening committee shall number all Bid envelopes serially so that every Bid is assigned a serial number in the form of a simple fraction the numerator of which is the Bid number and the denominator is the total number of bids received. Then, the Committee shall start opening Bid

envelopes successively recording the number of copies received for every Bid separately.

g. The following details pertaining to every Bid shall be read aloud from original copies:

1. Name and country of bidder.
2. Lump sum amount as Bid guarantee.
3. Name of drawee bank (guarantor) and the validity period or number of the certified cheque.
4. Total value of Tender and currency.
5. The value of every alternative Bid if alternative bids are allowed in the bidding document.
6. The value of any reductions (discount) of the total value of Tender.
7. Any discount subject to the condition of the availability of multiple awards or discounts on total value of Tender.
8. Any changes or withdrawals submitted prior to envelope opening.
9. Any other details the committee may deem necessary according to the nature of the procurement.

h. Total estimated costs shall be announced and recorded in the minutes of the envelope opening session.

i. The above details of bids shall be read in Arabic and, in case of foreign bidders are among bidders, in English.

j. In Two Envelope consulting services Tenders (technical and financial Bids) technical and financial envelopes shall be serially numbered using the regular fraction method (numerator/denominator) and signed. Then, technical bids envelopes, as well as financial bids, shall be sorted individually and envelope opening procedures shall commence as follows:

1. Opening technical envelopes and establishing the name of the bidder and number of financial Bid envelopes for every Bid separately sealed in the same condition as when received in order to be secured along with any other details the committee may deem necessary.

2. Securing financial envelopes in the same condition as when received in a sealed secure place out of reach until the Tenders committee completes approving the results of the technical analysis and a date is set for opening financial envelopes pertaining to Bids deemed technically eligible by the Competent Tenders Committee.

3. Prior to opening financial envelopes, the final results of the technical evaluation shall be announced in scores at the outset of the financial envelopes opening session.

4. Opening financial Bid envelopes on the date specified in the decision issued by the Competent Tenders Committee; whereby the envelope opening committee shall hold a public session to open the financial envelopes of bids technically approved by the Tenders committee in the same previous order, sign the same and state the date of opening. Financial envelopes pertaining to bids which are technically rejected shall be returned to bidders sealed as when received.

k. The chairman and members of the envelope opening committee shall sign the Bid form, price tables, totals, any reductions granted, special technical specifications and samples if required in the bidding document so as to precisely confirm the same. Other original Bid documents may be initially signed; adjustments to prices or obvious errors (missing information) shall be circled in red ink, signed and recorded in the annex to the minutes of the envelope opening session which shall also be signed.

l. All scratches or corrections shall be circled in red and a horizontal line shall be drawn next to, and mark, every item that is un-priced in the relevant Bid, and record every circled scratch or correction in the minutes of the envelope opening committee or a statement accompanied by the same containing a detailed explanation of circled items whenever possible unless said duty is assigned to the analysis committee, and the same shall be signed by the Chairman and all members of the committee.

m. The chairman and all members of the committee shall sign the minutes of the envelope opening session after recording all the above procedures.

n. Reviewing the samples provided by bidders as recorded in the relevant form upon delivery thereof after ensuring the integrity of stamps and packaging thereof and signing the same by the chairman and members of the committee who shall sign all samples delivered in Bid envelopes upon recording the same in said form. All samples shall be delivered to the secretary of the envelope opening committee as is the case with other bids.

o. Delivering original Bid guarantees to the representative of the financial administration who shall sign the minutes of the envelope opening session in acknowledgement of receipt thereof, recording said bonds in relevant accounts and keeping the same in a safe locker; provided that the analysis committee receives copies of said bonds for review thereof with bidding documents. The financial administration shall be responsible for the integrity of Bid bonds in case of loss or theft.

p. The envelope opening committee shall complete all work thereof in the same session.

q. All bids, relevant papers, envelopes and samples delivered with Bid envelopes shall be attached to the minutes of the envelope opening session and delivered to the technical committee which shall undertake technical and financial analysis and evaluation.

Article (162):

All details and amounts read and recorded in the minutes of the envelope opening session shall be dealt with on an as is basis and shall not be deemed an indicator of the competitive position of bidders.

Article (163):

Subject to the provisions of the Law and these Regulations, a sole Bid envelope may be opened and recorded in the minutes of the envelope opening session. Should said Bid, after analysis and evaluation thereof, prove to be in compliance with conditions and specifications and all other requirements specified in the bidding document within the estimated cost and prevailing current market prices at the time, the rest of legal procedures specified in the Law and these Regulations for determination and Contracting shall be followed. Nonetheless, should said Bid prove not to be in compliance with technical specifications and main conditions specified in the bidding document, the Tender shall be announced again upon conducting a thorough review of the bidding document and increasing the scope of competition.

Section Seven

Analysis and Evaluation of Bids

Article (164):

a. The technical committee or technical procurement unit set up in accordance with Article (74) of these Regulations shall undertake technical, financial and legal analysis and evaluation of Bids.

b. The head of the Entity may, upon approval of the Competent Tenders Committee, set up a special technical committee for analysis and evaluation depending on the nature and type of purchase involved.

Article (165):

a. The analysis and evaluation committee shall receive all bidding documents opened by the envelope opening committee, in addition to the minutes of the envelope opening session, estimated cost and submitted samples, and shall sort and verify integrity thereof according to what was received and recorded on the date of envelope opening by virtue of an official record of receipt executed between the chairman of the envelope opening committee and the chairman of the analysis committee; provided that said receipt occurs within a period not exceeding two working days as of the date of the envelope opening session.

b. Evaluation of Bids shall be subject to the criteria and methodology set forth in the bidding document and comparison of bids shall be based on evaluated prices so as to determine the lowest evaluated bid.

Article (166):

a. The head of the Entity shall, by written direction, set the deadline for the analysis and evaluation committee to complete analysis and evaluation of each purchase separately.

b. The deadline set for the analysis and evaluation committee to complete the work thereof shall precede the bidding deadline in an adequate time to complete the procedures of determination and notification of the party to whom the Tender is awarded in order to attend to sign the relevant contract; subject to the observance of the authorities of higher level committees pursuant to the financial authorities specified in these Regulations.

c. Should the committee not be able to complete the work thereof within the set deadline, said committee shall obtain approval of the head of the Entity to extend said deadline. Should bidding validity deadline need to be extended, bidders' approval shall be obtained.

Article (167):

a. The Entity may not, during analysis and evaluation of bids, enter into negotiations with any bidder for any reason whatsoever.

b. Those working in the area of procurement may not disclose any information related to evaluation, comparison, analysis and qualification of Bids to bidders or anyone else until all participants are notified of awarding the tender to the winning bid.

Article (168):

The analysis and evaluation committee shall undertake the following duties:

1. To review qualification documents fill it in tables prepared therefor pursuant to bases and criteria specified in said qualification document; so as to determine those qualified to Bid upon approval of the results by the Competent Tenders Committee in accordance with the legal procedures specified in these Regulations. Should pre-qualification not be carried out, a post-qualification shall be conducted for the lowest evaluated Bid that meets the conditions and technical specifications pursuant to the bases and criteria specified in the bidding document.

b. To commence evaluation of preliminary responsiveness of submitted bids in terms of submission of certificates and cards in accordance with the conditions specified in the bidding document. Should there be any missing information or doubt about the validity and integrity of said documents, the Entity may address bidders with missing information on equal basis without any discrimination so as to complete said missing information and verify correctness thereof within a specified period of time; excluding the Bid guarantee which may not be adjusted or corrected. Should missing information not be completed, the relevant Bid shall be rejected prior to completing analysis and evaluation thereof.

c. To study and review the technical and financial specifications of every Bid separately, transfer the relevant data in tables prepared therefor and compare the same with the technical specification set in the bidding document so as to determine the following:

1. To arrange bids in order of lowest evaluated prices which meet technical specifications and conditions and requirements specified in the bidding document.

2. To Record the reasons for approving bides or cases of rejections which are not included in the list of Bids which meet the conditions and technical specifications set in the bidding document.

Article (169):

The analysis and evaluation committee may, upon approval of the Competent Tenders Committee, request verification or clarification of any details provided in bids subject to the following:

a. Such requests for clarification, as well as reply thereto by bidders, shall be in writing.

b. Such requests may not affect the transparency of technical and financial analysis and evaluation or lead to change of competitive order of Bids.

c. Such requests may not affect the essence of technical and financial aspects of bids.

All compliant bids shall, in all cases, be treated equally, fairly and without any discrimination.

Article (170):

The Entity may inquire or request any additional data or technical documents to demonstrate eligibility of bidders during, prior or subsequent Qualification of the expected winning Bid.

Article (171):

Subject to the previous Articles, the analysis and evaluation committee shall ensure the following:

a. In Supplies and construction Work:

1. Experience in similar Work.

2. The volume of Work during the last three years.

3. The financial capacity of bidders.

4. Availability of main proposed tools and equipment to undertake the relevant Work and that said tools and equipment are in good condition.

5. Experience and qualification of key individuals in the relevant project management.

6. Undertaking to provide and deliver after sale services.

7. That important required dates or delivery schedule match the relevant Works or procurements.

8. Clear compliance of bidders with performance, operation and quality guarantees pursuant to what is specified in the bidding document.

9. That the technical specifications of provided items conform to applicable standard specifications set in the bidding document.

10. That sub-contracting for execution of certain work, particularly Supplies, installation, and operation, does not contravene the provisions of the Law or these Regulations.

11. To examine the samples provided with bids and its compliance with the technical specifications set in the bidding document.

b. In consulting services:

Detailed technical evaluation of bids approved in the preliminary examination shall be conducted in the manner specified in the bidding document for each of the following criteria:

1. Previous experience in the required field.
2. Compliance with terms of reference.
3. Qualifications and specialty of the basic staff for the job.
4. Convenience of the transfer of knowledge program.

5. Participation of local staff in the basic staff list provided by the Consultant in case of a foreign bidder.

Article (172):

In case of Two Envelope consulting services, the technical and financial ones, all analysis and evaluation procedures shall be completed as follows:

a. To analyze and evaluate technical proposals only in accordance with the bases and criteria specified in the bidding document and determine the Consultants who are technically approved and those rejected.

b. To submit the results of the technical analysis to the Tenders committee for approval. The Tenders committee shall state the reasons for approval of qualified proposals and rejection of unqualified ones, as well as the date for holding the session for opening financial envelopes pertaining to qualified proposals.

c. To open the financial envelopes of technically qualified proposals in accordance with the procedures set forth in these Regulations, and return the financial envelopes of rejected proposals to bidders in the same condition as when received therefrom.

d. To subject the evaluation of bids to the criteria and methodology described in the bidding document so as to determine the winning Bid.

Article (173):

Should the bidding document allow alternative Bids, in whole or part, the evaluation committee shall evaluate such alternative Bids so as to select the best alternative in terms of specifications and price, otherwise the relevant Bid shall be eliminated during analysis and evaluation.

Article (174):

The analysis and evaluation committee shall analyze any adjustments made to original bids prior to the date set for opening envelopes.

Article (175):

The analysis and evaluation committee shall make arithmetic corrections to bids pursuant to the following:

- a. If the amount in words does not match the amount in figures, the amount in words shall prevail.
- b. If unit price does not correspond to total units' price, the unit price provided in the Bid shall prevail.
- c. Any Bid the total arithmetic correction of which exceeds (3%) of the Bid value announced and recorded in the minutes of the bids opening session shall be rejected. Arithmetic correction shall be carried out in the following cases:
 1. Error in multiplying unit price by quantity.
 2. Error in aggregating price items; whether demonstrated in increase or decrease.
 3. Error in carrying totals forward from one page to another.

In all cases, failure to price any item shall not be considered an arithmetic error that should be taken into consideration when applying the percentage mentioned above.

- d. Should the total of un-priced items, after pricing them on the highest submitted items reach (10%) or more of the relevant Bid value, this Bid shall be rejected during analysis and evaluation.

- e. Should the bidding document allow bids in different convertible currencies, bids' prices shall be converted to Yemeni Riyals subject to the following:
 - 1. The date and source of determining the price shall be the selling price stated in Central Bank's exchange bulletin which shall be obtained from the Central Bank or a branch thereof.
 - 2. The exchange rate shall be determined (28) days prior to the date set in the bidding document for opening envelopes for evaluation.

- f. Should a Bid contain un-priced items, said items shall; for the purpose of evaluation; be assigned the highest price provided therefor in other bids conforming to the requirements for the purposes of evaluation. Should the Tender be awarded to said bidder, the same shall be paid based on the lowest price provided in the conforming bids.

- g. Should a sole bid, or one that became so upon rejection of other bids, contain un-priced items, estimated cost prices for said items shall be used for the purpose of awarding the Tender; provided that the value of said items does not exceed (10%) of the total Bid value announced and recorded in the minutes of the bids opening session.

Article (176):

Deductions provided in Bid envelopes which are not publicly read out and recorded in the minutes of the envelope opening session; and in the same session, shall be disregarded.

Article (177):

Discounts conditional on the awarding of contracts or lots shall be evaluated upon completion of all evaluation steps. Thenafter, conditional discounts shall be calculated in order to determine the lowest cost of execution.

Article (178):

Should the analysis and evaluation committee find that a compliant and technically approved Bid contains one or more highly priced items exceeding estimated cost, current market price or other bids, said item(s) shall be studied and analyzed to find out the justification and reasons therefor, and the committee shall have the right to request the relevant bidder to provide an analysis for the price of said item(s) so as to study the same and submit an opinion thereon to the Competent Tenders Committee.

Article (179):

Should the bidding document allow granting a margin of preference for domestic agricultural and industrial products, the analysis and evaluation committee shall observe so in final stage of evaluation; provided that said preference is granted in accordance with the ratio and conditions specified in the Investment Law upon submission of proof thereof by the Entity for the purpose of evaluation only.

Article (180):

Should bids, upon analysis and evaluation thereof, prove to contain reservations, the following measures shall be implemented:

- a. Bids containing reservations on primary specifications, conditions and requirements specified in the bidding document, or primary restrictions and conditions not provided for in the bidding document, shall be rejected.
- b. Conducting a financial review for secondary reservations, other than those provided for in the previous paragraph of this Article, and adding the same to the total value of the relevant Bid as follows:

1. Secondary reservations with financial values specified in the bidding document shall be evaluated accordingly.
2. Should a secondary reservation not have a clear financial value specified in the bidding document, the cost thereof shall be estimated according to a clear and fair reference to be recorded in the evaluation report along with supporting documents.
3. Should secondary reservations be less than (10%) of Bid value, said reservations shall be added to the total Bid value and Bids shall be re-arranged accordingly.

Should secondary reservations exceed (10%) of Bid value, the analysis and evaluation committee shall reject the relevant bid.

- c. Bidders may not object to rearrangement or rejection, and the decision of the relevant Entity based on analysis of reservations shall be deemed final.

Article (181):

Bids which conform to the technical conditions and specifications set for in the bidding document shall be arranged in order starting with the lowest evaluated prices.

Article (182):

Bids shall be rejected in the following cases:

- a. Any Bid based on percentage or lump sum discount from the lowest price provided in other bids.
- b. Any Bid containing a condition for price adjustment or award during the execution of the contract for whatever reason.
- c. Bids not accompanied by original Bid guarantee.
- d. Any Bid that does not satisfy the legal requirements specified in the bidding document.
- e. Any Bid in which arithmetic corrections exceed (3%) of the value thereof.
- f. Any Bid containing reservations on the primary specifications, conditions and requirements specified in the bidding document.
- g. Any Bid submitted by a Vendor belonging to a country boycotted by a decision of the Government of Yemen.
- h. Should anyone submit more than one Bid; whether individually or under a partnership or joint venture, in which case the guarantees relating to said bids shall be confiscated.
- i. If a bidder prove to have violated any ethical principles or rules of conduct specified in the Law and these Regulations.
- j. Bids submitted by black-listed individuals or companies pursuant to relevant regulations.
- k. If the total un-priced items reach, upon pricing thereof based on highest prices, (10%) or more of the Bid value.
- l. If the estimated cost of secondary reservations exceed (10%) of the Bid value.
- m. If the qualification bases and conditions specified in the bidding document not be met.
- n. Any other cases provided for in the Law and these Regulations.

Article (183):

The analysis and evaluation committee may request any additional information from bidders whose bids meet the primary technical specifications and conditions; so as to ensure completion or correctness of documents and information within the specified period and eliminate notes which have no impact on price or technical specifications and conditions. Said committee may also refer to banks to verify the financial positions of bidders.

Article (184):

The Entity may, upon approval of the Competent Tenders Committee, request extension of bids validity by a period not exceeding (50%) of the original period, and bidders may reject said request without being subject to confiscation of Bid guarantee. In case of approval, the validity of bids and guarantees shall be extended to the requested period. Said request and reply thereto shall be in writing.

Article (185):

Should the analysis committee find that the Bid with the lowest evaluated prices is less than the estimated cost and current market prices by more than (15%), said committee shall review the estimated cost to ensure the correctness thereof and then request the relevant bidder to provide price analysis. Should the committee be satisfied with analysis results and justifications, said committee shall complete the determination procedures expressing the technical and financial opinions thereof in the report prepared thereby; otherwise, said committee shall reject said Bid and move to the next Bid with the lowest evaluated prices.

Article (186):

- a. The technical and financial analysis and evaluation committee shall prepare clear and organized detailed reports and tables on all conclusions reached thereby along with recommendations, and submit the same to the Competent Tenders Committee.
- b. The analysis and evaluation committee shall specify in the final report thereof the legal reasons and justifications for approval or rejection of submitted Bids; stating the name of the winning bidder clearly and the recommended price in figures and words.

Section Eight

Procedures for Determination on Bids

Article (187):

All Entities subject to the provisions of the Law and these Regulations shall complete the procedures of analysis and determination in Tenders and bids within a period not exceeding the bids validity period specified in the bidding document and invitation.

Article (188):

- a. Competent Tender Committees shall, pursuant to authorities provided for in the Law and these Regulations, review technical reports and final statements arranged to transfer and analyze bids and recommendations submitted by the technical committee or technical procurement unit, verify correctness of the same and express its opinions thereon.
- b. Approval of the Tender awarding committee shall be in line with the financial authority thereof. Should the award amount exceed said authority, said committee shall submit all bidding documents, technical and financial reports and minutes to the Tender committee in the higher level accompanied with the final recommendations thereof stating the name of the winning bidder and the final award amount and specifying all legal, technical and financial justifications for said recommendations.

Article (189):

- a. Award of construction items may not, in any case whatsoever, be divided between bidders.
- b. It shall be permitted in Tenders pertaining to Supplies and Other Services to divide the award of items or quantities announced as consistent lots or coherent items according to the classification of the bidding document on the basis of the Bid with the lowest estimated price among the bids that conform to the technical specifications and other conditions and requirements specified in the bidding documents.

Article (190):

Award of Tenders for construction Works, Supplies, and Other Services shall be based on the lowest evaluated bidding price which meets all technical, financial and legal conditions and specifications, and other requirements specified in the bidding document.

Article (191):

Decisions of competent Tender committees shall be passed by the absolute majority of attending votes, and in case of equal voting chairpersons shall have casting votes.

Article (192):

- a. The Entity shall, prior to the end of bids validity period and upon obtaining the necessary ratifications, notify the winning bidder of awarding the Tender thereto by virtue of an official notice signed by the head of the Entity, or authorized representative thereof, and sealed with the Entity's stamp.
- b. All other bidders shall be notified of the name of the winning bidder and the award amount.
- c. Bidders shall be allowed ten days for appeal to the authorities specified in the Law and these Regulations starting on the date of official notification thereof of the name of the winning bidder.
- d. The notification referred to in paragraphs (a and b) of this Article shall be sent within a period not exceeding two working days as of the following day of the date the award decision is issued by the Tender committee, and shall include the following:
 1. Notice of acceptance of the winning bid.
 2. Total award amount after being reviewed and corrected.
 3. A request to provide the relevant performance guarantee and attend to sign the contract no later than fifteen days as of the date of receipt of said notification.
- e. The notice shall be delivered to the winning bidder by hand or by any other means of assured delivery.
- f. The name of the winning bidder shall be published on the Entity's web site.

Article (193):

Consulting services Tenders shall be awarded as per the following phases:

- a. Approving the qualification results for Consultants with the announced required level of qualification to express interest in advance in order to determine the exhaustive list of bidders who shall be invited to submit technical and financial proposals.
- b. Approving the results of the technical analysis to determine the bids that satisfy the required technical level to succeed and those to be rejected.
- c. Approving the results of the financial analysis of bids which pass the technical analysis, and award of Tender in accordance with the selection method specified in the bidding document.
- d. Approving the results of negotiations with the winning Consultant prior to signing the contract.

Article (194):

In case of external financing, and should the financing agreement so require, a written approval shall be obtained from the financing party prior to notifying the winning bidder of award so as to attend to sign the contract

Article (195):

- a. If the winning bidder fails to provide a performance guarantee within the period set therefor pursuant to the provisions of these Regulations, the Entity may withdraw its acceptance of the Bid thereof and confiscate the relevant Bid guarantee pursuant to a recorded delivery letter without the need for warning, take legal action or any other measures.
- b. A Consultant who refuses to attend to sign the contract shall be referred to the legally competent authority to take legal actions there against.

Article (196):

Without prejudice to the provisions of Article (195) of these Regulations, the Competent Tenders Committee may; if the awarded bidder refuse to attend to sign the contract within the specified period upon being officially notified of awarding the Tender thereto; move to the next bidder in terms of the lowest evaluated prices which meet the relevant conditions and specifications. This shall apply on next bids in said order should notifications of the Entity not being responded to; provided that said bids are within the estimated cost and current market prices.

Article (197):

The contract shall be drafted and signed as follows:

- a. A contract shall be drafted in two originals and three true copies, pursuant to the form prepared therefor, by the winning bidder. Said contract shall be signed by the head of the Entity, or authorized representative thereof, as the first party and the contractor; supplier or consultant as the second party.
- b. One original counterpart and one true copy of said contract shall be kept in the main project file to monitor execution of the contract.
- c. One original counterpart of said contract shall be delivered to the second party.
- d. One true copy, along with copies of the technical and financial reports and bids transfer lists, shall be delivered to the financial administration.
- e. One true copy of the contract, along with the Bid approval notice, shall be sent to the Tax Authority.
- f. All contracts shall be recorded in the register prepared therefor.

Article (198):

All Entities shall notify the Tax Authority of signed contracts using the form prepared therefor within one month as of the date of signing a contract. Such notification shall state the name and address of the relevant supplier, contractor or consultant and the value of the contract accompanied by a copy of said contract and any other conditions provided for in the contract articles, as well as any increase, decrease or repeal effected thereto and the period set for the execution of the contract.

Section Nine

Cancellation of Tenders Prior to and After Opening Envelopes

Article (199):

- a. A Tender may be canceled prior to opening envelopes by virtue of a justified decision of the head of the Entity upon approval of the Competent Tenders Committee; in any of the following cases:
 1. If the goods, constructions or services are no longer be needed; in which case the Tender will not be announced during the same year.
 2. If the type or nature of required goods, constructions or services is differ from what is stated in the bidding document.
 3. If the financing required for the Tender no longer be available to the Entity; in which case the relevant Tender shall not be announced again during the same year.
 4. Should bidding documents found not to be in compliance with the provisions of the Law and these Regulations.
- b. The Entity shall notify bidders of the decision of cancelling the Tender within three days as of the next day of the date said decision is issued through official letters. The cancellation decision shall be published on the Entity's web site, notifications shall be recorded in the register prepared therefor and copies thereof shall be kept in the Tender file.
- c. Any Vendor who purchased a bidding document shall be entitled to recover the value thereof upon returning the same to the Entity.
- d. Bid guarantees delivered prior to cancellation of the Tender shall be returned to bidders.

Article (200):

- a. A Tender may, after opening the envelopes, be cancelled by virtue of a justified decision of the head of the Entity upon approval of the Competent Tenders Committee; provided that all bidders are notified thereof in writing; in any of the following cases:
1. In case all bids are accompanied with unacceptable reservations.
 2. If the Competent Tenders Committee verifies that the value of the lowest evaluated Bid exceeds market price and estimated cost by more than (10%).
 3. Should procurements, constructions or services be no longer required; in which case the same shall not be tendered during the same year.
 4. If bidders are proved to be acting collusively.
- b. The Entity shall notify all bidders of the decision of cancelling the Tender within three days as of the next day of the date said decision is issued; through formal letters. The cancellation decision shall be published on the Entity's web site.
- c. Notifications shall be recorded in the register prepared therefor and copies thereof shall be kept in the Tender file.

Article (201):

In cases when retendering applies, the Tenders committee shall determine the reasons therefor and address the same in line with the provisions of the Law and these Regulations.

Section Ten

Consulting Services

Article (202):

For consulting services, request for proposals shall be made as per the following procedures:

- a. Invitation of expression of interest:
 1. Interested Consultants shall be invited to express the interest in bidding for consulting services.
 2. The invitation for expression of interest shall contain the following information as a minimum:
 - Name and address of the Entity.
 - A summary of the job with details of the scope of the required intellectual and professional services
 - The experience bidders need to have.
 - The place and deadline for submitting documents and details pertaining to expression of interest.
- b. A short list shall be prepared subject to the following:
 1. The bases and criteria for pre-qualification of Consultants upon invitation of expression of interest, so as to be used in evaluation in order to determine technically qualified Consultants.
 2. To select a short list comprising not less than six bidders who achieved the highest technical qualification points. If the qualified short list, pursuant to qualification results, comprises of less than three bidders, the invitation for expression of interest shall be re-announced on a larger scale.
 3. Upon approval of qualification results by the Competent Tenders Committee and determining the short list of qualified bidders with the required technical points in the expression of interest, said bidders shall be invited in writing to submit technical and financial proposals.
 4. All applicants participating in expression of interest shall be notified of the evaluation results which shall be published in the Entity's web site.
- c. Request for proposals:
 1. The Entity shall prepare the request for proposal using standard established documents of consulting services or those approved by the High Committee; which shall be prepared as required by the nature and type of the required consulting services.

2. The request for proposal document shall contain the following as a minimum:

- Name and address of the Entity.
- Description of the required job.
- Terms of reference.
- Method of selection of the winner, evaluation criteria and applicable relative weight.
- The provision of bids in two separate envelopes; financial and technical
- The place and deadline for submitting proposals.
- The draft of the contract specifying obligations of the Consultant and the Entity.
- Type of contract.

Article (203):

- a. Should a Consultant's assignment involve a possible conflict of interest, the Entity shall discharge every one related to this assignment.
- b. Should a Consultant have previously executed a job that is related to the required project and a possible conflict of interest is detected, said Consultant shall be excluded from participating in the latter job.

Article (204):

The criteria of technical quality and price shall be the basis for selecting the winning Consultant to provide the consulting services. The different method for executing consulting services shall be determined as follows:

- a. Quality and Cost-Based Selection method:
This method is used when determining the short list through an invitation for expression of interest to determine qualified Consultants.
- b. Fixed Budget selection method.
This method is used when the assignment is simple, can be accurately defined and within the approved amount therefor.
- c. Lowest Cost-Based selection method.

This method shall be used for assignments of standard or routine nature (financial audit or engineering and architectural design) for simple jobs.

d. Single Source selection method:

This method is used in any of the following cases:

1. When the required work is a continuity of previously completed job.
2. When there is a need for quick selection (as in emergencies and disasters).
3. When the cost of the assignment does not exceed (two million Riyals).
4. When there is a Consultant with exceptional experience pertaining to the required assignment.

e. Selection of individual Consultants:

Shall be used in the following cases:

1. When individual qualification and experience is a primary requirement.
2. When the relevant Consultant possess the ability to perform the job personally without assistance from others.

Article (205):

Evaluation of technical proposals shall be conducted in the first stage and only proposals which meet the required standard of technical quality shall be considered prior to announcement thereof in the second stage of the unified technical and financial evaluation. In case the evaluation prove that only one proposal meets the required standard of technical quality, the corresponding financial proposal may be considered in the second stage of the unified technical and financial evaluation.

Article (206):

Consulting services Tenders may be awarded in accordance with the evaluation criteria and selection method specified in the request for proposal document.

Article (207):

In case the winning Consultant fail to sign the contract, the Entity shall enter into negotiation with the next Consultant in order who satisfies the requirements upon approval of the Competent Tenders Committee in the authorized level.

Article (208):

Types of consulting service contracts provided for in bidding documents upon requesting proposals shall be as follows:

a. Lump sum contracts:

This type of contracts shall be used for assignments where the subject-matter and duration of services and the results required from Consultants are clearly defined; particularly the following:

1. Simple planning operations.
2. Feasibility studies.
3. Engineering designs and bidding documents preparation.
4. Environmental studies.
5. Preparation of data processing systems

b. Time-based contracts:

This type of contracts is used when it is difficult to define the scope of services and period of execution and evaluate the same; particularly the following:

1. Sophisticated studies.
2. Supervision of work execution.
3. Training jobs.

c. Percentage-based contracts:

This type of contract is used for testing companies in particular.

Section Eleven

Community-based Contracts

Article (209):

Small civil works and procurements may be executed in cases when participation of the benefiting community has a positive impact on supporting the economy and enhancing the quality of the required goods and services and sustaining the same, or if the objective of such process is to create job opportunities, involve the benefiting community, enhance and build the capacities and skills of beneficiaries and encourage the same to execute projects thereof efficiently, timely and with least costs. Approval of the Competent Tenders Committee shall, in all cases, be obtained prior to resorting to said method upon verifying that the quoted prices are close to market prices.

Article (210):

Execution of contracts to the benefit of the community shall be limited to creating job opportunities or encouraging the benefiting community to participate in and contribute to execution of the relevant project, for a specific population, subject to the following:

- a. That the maximum value of required work does not exceed (6,000,000) Riyals.
- b. Consent of the benefiting community to contribute in cash or in kind with no less than (5%) of the value of the required project.
- c. That the nature of projects executed or supplied is small works or supplies in connection with execution of projects, and of the type that can be assigned to a Contractor or association working within the relevant Administrative Unit.

Article (211):

Works referred to in the two previous Articles shall be executed within the framework of a small rehabilitation work for a benefiting local community based on unit or job price and using local labor and materials whenever possible by following the shopping method.

Article (212):

Should there be more than one local Contractor or association capable of execution, competition shall be allowed by inviting the same to submit technical and financial proposals, and awarding the Tender to the lowest evaluated proposal.

Article (213):

The financing Entity shall be responsible for the following:

- a. Accurate preparation of the technical study, designs, bills of quantity and estimated cost.
- b. Determining local associations or Contractors able to execute the work
- c. Preparation of contracts' condition in line with the nature of execution of community-based contracts.
- d. Supervision of contract execution.
- e. Preparation and implementation of training and qualification programs for individual and group executors with an emphasis on field training.

Said measures shall, in all cases, be approved by the Competent Tenders Committee in line with the procedures specified in these Regulations.

Article (214):

The financing institution may seek assistance from an individual consultant to provide the technical support needed to execute the project in the project's study and execution stages through supervision of execution or management of said project.

Article (215):

Local association or Contractor capable of undertaking a small job for a benefiting community shall be determined in accordance with the following criteria:

- a. To be a local association registered with the relevant authorities, or a Contractor from the same benefiting community.
- b. Previous experience in performing similar jobs.
- c. The availability of an adequate number of members or workers to manage the execution of the project and organize the accounts thereof; including maintaining the documents and keeping separate accounting records for the project's funds.
- d. Employment of local and skilled labor for execution of work in accordance with approved plans and technical specifications of the project.

Article (216):

Community-base contracts shall primarily include the following:

- a. The two Contracting parties.
- b. The total cost of required work.
- c. Specification of the method of payment; whereby payment shall be made for completed works which meet the specified technical specifications.
- d. Time required for completing the project.
- e. Duties and responsibilities of the Contracting parties with respect to the following:
 1. Providing drawings, blueprints, technical specifications and bills of quantity.
 2. Supervising the project.
 3. Regular meetings and communications to monitor work progress.
 4. Employment of domestic labor and utilization of domestic materials.
 5. Any other legal obligations under relevant laws in force.

Section Twelve

Negotiating with Bidders

Article (217):

Primary technical specifications or offered prices may not be negotiated with bidders for any reason whatsoever; excluding the following cases:

- a. In cases of purchase by direct order or job with respect to prices, specifications and conditions.
- b. In the first stage only of Two Stage Tenders.
- c. In consulting services, the technical proposal, method of execution, technical staff suggested for the job and any suggestions provided by the Consultant to improve the terms of reference, work periods, reports to be submitted and any facilitations for the job may be discussed with the nominated bidder to be awarded the Tender.

Article (218):

In cases when the High Authority deems it necessary to enter into negotiations with bidders, negotiations may not lead to:

- a. Material change in the technical quality or details or requirements specified in the bidding document.
- b. Material change in the contractual terms and conditions specified in the bidding document.
- c. Reduction of the volume of work specified in the bidding document; unless within legally permitted limits.
- d. Any matter that would affect the evaluation and order of bids.

Section Thirteen

Lists of Approved Suppliers, Contractors or Consultants

Article (219):

The Entity may keep and utilize lists of previously qualified suppliers, contractors or consultants provided that said lists are prepared in accordance with the principles of transparency and fair competition.

Article (220):

Lists of suppliers, contractors or consultants approved by the Entity shall, at all times, be open to those who wish to apply for qualification and registration with the Entity during official working days and hours; in accordance with specified bases and criteria for qualification.

Article (221):

Qualification requirements shall be as follows:

- a. Availability of the legal documents required by the provisions of the Law, these Regulations and relevant laws.
- b. Previous experience in similar executed projects subject to the verification of the truth of this experience.
- c. The scope of the executed works within the last three years.
- d. Technical ability (Qualifications of the basic technical staff, machinery and equipment.)
- e. Financial capacity.
- f. Any other requirements deemed necessary by the Entity as required by the nature of the case.

Article (222):

Any Entity that is subject to the provisions of the Law and these Regulations may utilize the qualified list developed by the Entity; subject to the following:

- a. That the required project is similar in nature, type and size to the previous project for which the qualification was conducted.
- b. That the list to be utilized is not older than eighteen months, with the right of the Entity to request updating the qualification data.
- c. The Entity shall verify the interest of those whose names appear in the list to be utilized; so that the number of those interested in participation, as expressed by virtue of official letters, is not less than six.

Article (223):

The Entity shall incorporate pre-defined criteria into the qualification document for separate evaluation of submitted data, whereby the evaluation shall be made for each criterion independently; provided that said criteria are objective.

Article (224):

The Entity shall compel the suppliers, contractors and consultants whose names are listed in the list of approved qualified bidders to update the data thereof on an annual basis.

Article (225):

Those applying for qualification shall submit correct documents and information. Should the Entity, at any time, find that information provided by any qualification applicant is incorrect, the Entity may disqualify said applicant and notify the Entity to take legal action in accordance with relevant laws and regulations in force.

Article (226):

The Entity may delete the name of a supplier, contractor or consultant from the list of approved qualified bidders in any of the following cases:

- a. In case a bidder proves to have committed any act or violation indicating lack of honesty or integrity.
- b. In case it is proved that a bidder has provided incorrect data or qualification documents.
- c. If a bidder fail to provide any required additional data or documents.
- d. Should a bidder, deliberately or out of negligence, fail to fulfill contractual obligations thereof under any contract.
- e. In case a bidder refuses to cooperate in any review, audit or investigation conducted by the Entity or any other legally competent authority.
- f. In case it is proved that a bidder is not in compliance with the provisions of the Law, these Regulations or other relevant legislations.

Article (227):

Decisions of removing the names of suppliers, contractors or consultants from the approved list shall be published on the Entity's web site; the relevant supplier, contractor or consultant shall be notified of said decision in writing and a copy of said notification shall be sent to the High Authority

Article (228):

Subject to the provisions of the black list, in case of temporary deletion or suspension, the relevant supplier, contractor or consultant may apply for relisting in the list of qualified bidders upon the end of the temporary prohibition or suspension period by submitting a new application demonstrating fulfillment of the effective listing requirements and criteria established by the Entity along with proof that the reasons for deletion or suspension no longer exist.

Article (229):

The High Authority shall undertake control of utilization of approved qualified bidders' lists at different authorities depending on the nature and type of activity thereof.

Article (230):

Suppliers, contractors and consultants may submit complaints or grievances with respect to qualification results to the High Authority.

Article (231):

Any supplier, contractor or consultant who is prevented from being registered or deleted from the qualified bidders' list may submit a written grievance to the High Authority within (10) ten days as of the date of being notified in writing of the deletion or suspension decision.

Section Fourteen

Contract Execution Procedures

Part One

General Provisions

Article (232):

A Tender contract shall specify the two parties, subject, specifications, place of execution, date of fulfillment, in kind and in cash obligations of each party in different stages of execution, delayed execution or default payment fines, performance guarantees and cases of termination of the contract in addition to any other legal conditions.

Article (233):

Contracts' execution shall commence as follows:

- a. The specified period for executing construction contracts shall start from the date the site is delivered to the Contractor free from obstacles, within a period not exceeding two weeks as of the date of signing the contract or the period specified therein. Said delivery shall be carried out by virtue of a written record signed by the Contractor, or the authorized representative thereof, the Contracting Entity and the supervising authority. Said record shall be executed in three copies; one copy of which shall be delivered to the Contractor, the other to the supervisory authority and the third shall be kept by the Entity to be added to bidding documents.
Should neither the contractor, nor official agent thereof, attend to take over the site, the Entity shall set a specific date for delivery and notify the Contractor thereof by a letter sent via secured delivery mail. Said date shall be deemed the date for commencement of work and the Contractor shall be accounted accordingly.
- b. The specified period for execution of procurement, consulting services and other services contracts shall start on the date specified in the bidding document and the relevant contract.
- c. The Entity shall complete the procedures for signing the relevant contract within a period not exceeding two weeks as of the date of receiving the performance guarantee which meets the legal requirements, and shall bear the responsibility for any delay therein.

Article (234):

- a. The site of execution of construction works, supplies or consultancy and Other Services, as specified in bidding documents, for which the Tender is opened and Bids are submitted and determined may not be changed.
- b. Notwithstanding the provisions of the previous Paragraph, the execution site may be changed in case of extreme necessity subject to serious justifications acceptable to the Competent Tenders Committee and approval of the second party to the contract; provided that said change does not result in any additional financial obligation. Should said change result in adjustments dictated by the circumstances associated with the new site, the provisions set forth in Article (242) of these Regulations shall apply.
- c. Should change of the execution site result in adjustment to specifications or requirements and the addition of new items, goods or services not provided for in the contract or exceeding the percentage specified in Article (242) of these Regulations, the Tender shall be reopened in accordance with the provisions of the Law and these Regulations, and the Entity shall bear the financial losses incurred by the second party after signing the contract.

Article (235):

A Contractor shall manage to cover workers thereof and all material, works, installations and equipment brought thereby to the site with insurance, and shall comply with relevant rules, conditions and procedures.

Article (236):

A Contractor or supplier may not move or relocate materials, machines or equipment from the execution site of the Tender to any other place or site without written approval of the Entity.

Part Two

Approval and Management of Contracts

Article (237):

Without prejudice to the provisions of the Law and these Regulations, should any amendments be made to the contract form specified in the bidding document, the Competent Tenders Committee's approval of the final contract shall be obtained.

Article (238):

No Contractor, supplier or consultant may assign the contract in whole to a third party.

Article (239):

In case of sub-Contracting, the following shall be observed:

- a. To obtain the Competent Tenders Committee's approval of every sub-contract. Said committee shall decide based on information and justifications submitted by said supplier, contractor or consultant.
- b. The value of a sub-contract may not exceed (30%) of the value of the principal contract.
- c. The terms and conditions provided for in the Law and these Regulations shall apply to sub-Contractors.
- d. The Contractor and sub-Contractors thereof shall be fully and jointly liable for all actions, errors, cases of negligence or violation to the terms of contract.

Any violation to the provisions of this Article shall be subject to legal accountability.

Article (240):

The head of the Entity, or authorized representative thereof, shall issue a decision assigning any person who has the necessary experience, as deemed fit thereby, to manage the relevant contract with respect to purchases the cost of which exceed ten million Yemeni Riyals, and the Entity shall notify the second party of said decision in writing.

Article (241):

The person responsible for managing a contract shall undertake the following duties:

- a. To review the execution timetable, ensure implementation thereof and solve any arising disputes promptly.
- b. To ensure timely execution of the contract in accordance with the conditions, technical specifications and other requirements set forth therein.
- c. To ensure that all contractual obligations are fulfilled.
- d. To solve technical, financial and legal problems in connection with the contract without delay.
- e. To maintain good working relations between contracting parties.
- f. To reject items, services or works which do not meet the conditions and specifications set forth in the contract.
- g. To review payment vouchers and verify compliance thereof with the conditions set forth in the contract.
- h. To ensure that payments are made in time and, in case of delay, submit a report thereon to the head of the Entity stating reasons for said delay and suggested treatment thereof.
- i. To study all correspondences during contract execution and prepare replies thereto pursuant to authorities granted thereto. Replies may not, in any case, be contrary to the provisions of the Law and these Regulations.
- j. To implement all other necessary procedures to fulfill contractual obligations.
- k. To keep the documents pertaining to contract execution.
- l. To document all correspondences between contracting parties.

Part Three

Amendment to Contracts

Article (242):

The Entity may, upon approval of the Competent Tenders Committee, amend a contract, by addition or reduction, at any stage of contract execution; provided that said amendment does not exceed (10%) of the value of the original contract in supplies or services and (20%) of the value of the original contract in construction work contracts; subject to the following bases and rules:

- a. That the amendment is limited to cases of extreme necessity with serious justifications and reasons.
- b. That the additional work are of the same items of the contracted construction work, goods or services and of the same prices provided for in the original contract without any addition.
- c. That the additional work does not include new clauses of construction work, goods or services which are not provided for in the original contract; even if within the above stated percentage.
- d. The provisions of the previous paragraph shall not apply to the following:
 1. The emergence of unexpected work during execution of road works, bridges, tunnels, rain water drainage systems or water and sewage networks projects; in which case, said new Work shall be identified and the cost thereof determined in coordination with relevant service authorities, and shall be dealt with immediately through independent contracts to be entered into between the Entity and the service Entity to which the project belongs after the same are approved by the Tenders committee as per the authorities and the financial limits provided for in these Regulations.
- e. In any case, should the quantity of work exceed the percentages specified in this Article, they shall be submitted to the High Authority for Tenders for prior approval before execution provided that the following details are attached:
 1. The technical justification for quantity items exceeding the specified legal percentage.
 2. An analysis of price items that constituted the basis for negotiations of execution between the Contracting parties.
 3. Ratification by the Competent Tenders Committee of the agreed upon extra quantities and prices.
 4. Any other details or technical documents the High Authority may deem necessary.

Should the High Authority not be satisfied with the technical justifications for approving extra works, said Authority shall have the right to refuse the application of the Entity whereby the reasons for such refusal shall be stated and appropriate solutions be suggested.

Article (243):

Amendments shall be subject to all provisions set forth in the Law and these Regulations with respect to executing supplementary contract to be signed by both parties and accompanied by a performance guarantee equivalent to the same percentage of the value of said supplementary contract specified in these Regulations.

Article (244):

Should the Government be responsible for raising the prices of items or services related to the components of contracts or part thereof, Competent Tenders Committees may, in light of treatments established by The Council of Ministers, adjust the value of the remaining part of the contract as of the effective date of said price change in accordance with the following:

- A. The High Authority shall, in coordination with relevant Entities, draft the rules, parameters, and guidelines and submit the same to The Council of Ministers for study and approval thereof. All Competent Tenders Committees shall act in accordance with said rules, controls and guidelines.
- B. The treatment of ongoing projects of remaining works shall be accounted for as of the effective date specified in the resolution of the Council of Ministers according to the execution timetable specified in the contract.
- C. Technical committees shall be set up in every Entity subject to the provisions of the Law and these Regulations; to study the status of ongoing projects, find out what has been accomplished and identify unaccomplished remaining Work compared to the relevant execution timetable.
- D. Competent Tenders Committees shall undertake approval of remedies in line with the parameters and instructions established by the Council of Ministers for every project independently.
- E. The following projects shall be excluded from compensational treatment :
 1. Nonperforming projects.
 2. Projects contracted after the specified date for calculating the compensational treatment.

Part Four

Inspection and Take-over of Procurements

Article (245):

The relevant Entity shall inspect and receive all contracted construction works, supplies and consulting services and verify compliance thereof with the technical, legal and financial specifications and conditions specified in the bidding document and the contract.

Article (246):

Specialized technical committees for inspection and takeover of construction works, supplies and consulting services shall be set pursuant to a decision of the head of the Entity; with due consideration of the nature of each purchase; taken independently, and as follows:

- a. An inspection and takeover committee to undertake initial and final takeover of construction works and consulting services; comprising no less than three engineers and technicians. Meetings of said committee shall be attended by the supervising engineer for the purpose of providing explanations and shall be chaired by no less than a director from the Entity.
- b. A committee for inspection and takeover of supplied items and jobs; comprising no less than three specialists and technicians in addition to the relevant Storekeeper and chaired by no less than a director from the Entity.
- c. A committee for takeover of consulting services; comprising experienced and qualified specialists for review and receipt of services outputs, commenting thereon and prompt approval thereof in accordance with contract documents.
- d. The inspection and takeover committee may, upon approval of the head of the Entity, use the services of technical specialists or a Consultant depending on the nature and type of purchase.
- e. Validity of inspection and takeover committees shall be specified in the respective set-up decisions. Should the nature of the purchase require extension of said periods, the relevant committee shall report the justification therefor to the head of the Entity for approval. A committee shall be held accountable for any none legally justifiable delay in completion of inspection and takeover beyond the date set therefor, and another committee shall be assigned in lieu thereof.

Article (247):

Should a purchase require a testing company, test and takeover costs shall be out of the relevant procurement contract and the Entity shall pay said testing company from its own budget in accordance with the provisions of the Law and these Regulations.

Article (248):

Testing, Inspection and take over committees shall be set up in accordance with the following:

- a. A testing, inspection and take over committee shall not comprise members who have participated in drafting technical conditions and specifications and other bidding documents; or analysis, evaluation and supervision procedures. Nonetheless, said persons may; upon approval of the head of the Entity; assist in explanation.
- b. Minutes of meetings of a committee shall be recorded in the form prepared therefor and signed by all members thereof. Decisions issued by a committee of the integrity of whether or not works are executed correctly or approval or refusal of supplied items shall be deemed final upon approval thereof by the head of the Entity. Any reservations by any member on what is stated in minutes shall be recorded therein, along with explanations of the reasons therefor, and signed.
- c. Should there prove to be any collusion on approval of faulty or false jobs, all those involved in said collusion shall be subjected to legal accountability by the Entity; and the relevant contractor, supplier or Consultant shall be responsible for the integrity and correctness of jobs undertaken thereby pursuant to the contract.

Article (249):

- a. Should any member of Tenders, technical, specialized or inspection and take over committees, directly or indirectly, utilize the work thereof in collusion with any contractor, supplier or consultant; by disclosing Tender-related secrets, receiving procurements contrary to specifications or signing transcripts or certificates of receipt of constructions or services contrary to specifications, shall be referred by the Entity to the Public Prosecutor to take action pursuant to effective laws; without prejudice to duties and jurisdictions of the High National Authority for Combating Corruption, the Central Organization for Control and Auditing.
- b. Without prejudice to duties and jurisdictions High National Authority for Combating Corruption, the High Authority, or the Central Organization for Control and Auditing; crimes of fraud, manipulation or bribery in procurement shall be referred to courts for necessary action.

Article (250):

Contracted items shall be delivered in the time and place specified in bidding documents and the contract; whether in Storehouses of the Entity or any other final location free from all expenses, fees, taxes or other charges; provided that said items conform to the technical specifications and conditions provided for in the contract.

Article (251):

One original invoice and two copies thereof shall be delivered with the contracted items stating the quantity, unit price and total price as per the contract, and the competent Storekeeper shall receive said items in return of a temporary receipt stating the apparent condition thereof in terms of integrity, until the inspection committee meets in the presence of the relevant Contractor for final inspection and receipt and addition thereof to stock. Invoices shall, upon receipt thereof, be recorded in the register prepared therefor stating procedures specific to every invoice as well as the date of every action made until said invoices are sent to the accounts department for payment; and determine those responsible for any delay in procedures.

Article (252):

The inspection and receipt committee shall convene in the presence of the relevant supplier, or agent thereof, within a period not exceeding three days as of the date of delivery of the relevant items to the Entity's Storehouses or the location specified in the supply contract. The supplier shall be notified of the date of said committee's meeting in order to attend the mentioned meeting.

Article (253):

The supplier shall, on the expense thereof, provide the necessary labor, machines, equipment and materials needed to open the relevant parcels and complete the inspection and receipt so as to deliver the same to the Storekeeper or the inspection and takeover committee in the presence of said supplier or authorized agent thereof; otherwise, the Entity may, on the expense of said supplier, provide all the required tools to open said parcels and complete the inspection and receipt thereof. Said inspection committee shall perform the tests by comparing the relevant items to samples and specifications; retaining rejected items until returning thereof to the supplier.

Article (254):

The Contractor shall, as soon as the relevant work is completed, notify the Entity, or representative thereof, in writing requesting inspection of said work which shall be performed no later than ten days as of the date of said notification.

Article (255):

The assigned inspection committee shall initially receive completed works free from any material reservations. Should there be any minor reservations that do not prevent utilization of the relevant project; a specific period of time shall be set for completion thereof within the relevant maintenance (warranty) period. In case of final receipt of a project, executed works shall be complete and free from reservations or comments.

Article (256):

The Entity, or representative thereof, may inspect and/or test goods for compliance with technical specifications and quantities stated in the relevant contract. Contract documents shall specify types and places of inspections and tests.

Article (257):

Inspections and tests may be conducted in the country of origin, the main office of the supplier or sub-suppliers thereof, the designated delivery site, the final destination of goods or in both locations, and the supplier shall provide all facilitations and assistance required for the relevant test; including enabling the Entity to access drawings and production data.

Article (258):

The Entity's right to inspect, test or reject goods upon delivery thereof to the designated delivery site shall not be deemed restrictive thereof or a waiver from its side of its right, or the representative thereof, to inspect; test and approve said goods prior to shipment thereof.

Article (259):

The committee inspecting supplied items shall explain in the report prepared thereby the results of said inspection compared to contracted technical specifications, and shall reject items that do not meet said specifications.

Article (260):

- a. Should a decision be made to reject the items supplied pursuant to the Purchase Contract, the Entity shall notify the supplier of said rejection and reasons therefor by means of written notice delivered by hand or any other assured means of delivery, in order for said supplier to withdraw said items from Storehouses and supply replacement thereof within the specified period; unless the supplier bears the costs of storage or any other costs.
- b. Should a supplier refuse to receive rejected items, said supplier shall bear the costs of storage and other relevant expenses and the Entity may sell said items by auction and recover all relevant expenses and fines from sale thereof and return the remaining amount to the supplier.

Article (261):

- a. The period of liability for maintenance (repair of defaults warranty) for construction works and small procurements the value of which does not exceed the limit set for the relevant Limited Tender shall be set to a period not less than three months as of the date of inspection and receipt unless the nature of the purchase requires a longer period.
- b. The period of liability for maintenance (repair of defaults warranty) for simple and regular construction works and procurements shall be set to a period not less than one year as of the date of initial receipt unless the bidding document specifies a longer period.

Article (262):

The Entity shall maintain a clear, fair and transparent system for monitoring the performance of suppliers, contractors or consultants in executing the contractual obligations thereof.

Article (263):

The head of the Entity shall decide in disputes arising between a supplier, contractor or consultant and the inspection and takeover committee, as well as differences in opinion between members of said committee; in accordance with the conditions and requirements specified in bidding documents, and may seek assistance of experienced persons from the Entity itself or any other Government authority, or specialized Consultant; in which case the head of Entity shall be responsible for such decision.

Part Five

Payment Procedures

Article (264):

The Entity may make advance payments subject to the following conditions:

- a. That the bidding document states so.
- b. That an advance payment does not exceed (20%) of the contract value.
- c. Provision of an irrevocable unconditional bank guarantee or certified cheque against the same value of the relevant advance payment; valid throughout the contract execution period.
- d. To use advance payments for the purpose of executing the contract.
- e. To recover advance payments from paid net amounts subject to full recovery thereof prior to payment of (80%) of the contract value. Should the contractor, supplier or consultant be behind the execution schedule for reasons out of the Entity's control, said Entity shall be responsible for recovery of the advance payment and taking the necessary action in accordance with the provisions of the Law and these Regulations.
- f. Not to make advance payments for construction works or procurements the value of which is less than (20) million Riyals.

Article (265):

Payment procedures for construction works, supplies and consulting services shall be as follows:

- a. Construction contracts:

The Contractor shall be paid for works completed pursuant to drawings, technical specifications, conditions, quantities and other requirements specified in the contract documents as follows:

1. A maximum of (90%) of the value of actually completed works in compliance with the conditions and technical specifications according to categories provided for in the contract and the timetable; by virtue of payment certificates (transcripts) signed by the Entity supervising executions.

2. The retained amount of (10%) for construction works shall be paid as follows:
 - (50%) of the retained amount shall be paid upon initial receipt free of reservations or comments according to the initial receipt record signed by the assigned committee and the relevant Contractor and ratified by the head of the Entity.
 - (50%) of the retained amount shall be paid upon final receipt free of reservations or comments and at the end of the warranty (repair of defaults) period by virtue of the final receipt record signed by the assigned committee and the relevant Contractor and ratified by the head of the Entity.
3. Items existing on site may not be accounted for (within net amounts) when paying due amounts to the Contractor against the completed works. With respect to projects which foreign parties participates in the financing of the same, the conditions of said financing institution shall apply.

b. Supplies:

The supplier shall be paid for materials and items supplied, or supplied and installed, upon inspection and takeover thereof in compliance with the technical specifications, conditions and requirements specified in the contract documents as follow:

1. Small amount of supplies the value of which does not exceed the limit specified for the Limited Tender:

The full amount shall be paid upon completion of all inspection and takeover procedures and verifying that supplied items conform to the technical specifications and required quantities without any reservations or comments by virtue of an inspection and takeover record signed by those assigned for receipt and ratified by the head of Entity or authorized representative thereof.

2. Supplies from the domestic market:

- In case of items with unified specifications to be supplied in full simultaneity, (85%) of the contract value shall be paid upon completion of the inspection and takeover procedures free from any reservations or comments, and paid advance payment shall be recovered. Remaining (15%) of contract value shall be retained for the period specified in the contract and upon releasing the performance guarantee, or otherwise releasing the retained amount and retaining the performance guarantee, until the end of the warranty (repair of defaults) period specified in the contract.
- In case of items with sophisticated specifications involving supply and installment; or supply, installment and operation; of items the quality of which requires verification; payment shall be made in accordance with payment percentages specified in contract documents; provided that said percentages be set in line with the nature of the purchase and method of execution thereof. Payment shall only be made upon completion of inspection procedures for every stage of execution free from any reservations or comments, and deduction of the advance payment, if any, from paid sum; retaining (15%) of every payment until completion of initial receipt and releasing the performance guarantee, or otherwise releasing the retained amount and retaining the performance guarantee, until the end of the warranty (repair of defaults) period; by virtue of an inspection and receipt record signed by those assigned for receipt.

3. Supplies from outside the domestic market:

- In case of items with unified specifications and large quantities supplied from abroad in full simultaneity. Payment procedures for not more than (85%) of the contract value shall be completed in proportions specified in contract documents in line with the nature of the purchase, or by means of a confirmed irrevocable letter of credit established to the benefit of the manufacturer or exporter in accordance with the procedures and conditions approved by the Ministry of Finance, subject to deduction of the advance payment made upon signing the contract, if any, whether as a lump sum or in accordance with installments specified in the contract documents; provided that initial inspection and receipt procedures are completed without any reservations or comments; the performance security shall be released, and (15%) of the contract value shall be retained until the end of the warranty (repair of defaults) period specified in the contract, and complete the procedures of inspection and final takeover free of comments and reservations.
- In case of items with various specifications supplied from abroad and involving supply and installation or supply, installation, operation and training; payment procedures shall be completed in installments the proportions of which are specified in contract documents in line with the nature of the purchase; subject to deduction of (15%) of every due installment as a retained amount with the possibility to continue payment procedures for items, equipment or machines imported from abroad by means of a supported irrevocable letter of credit established to the benefit of the manufacturer or exporter in accordance with procedures and conditions approved by the Ministry of Finance.
The Entity shall, in all cases, inquire and verify availability and adequacy of Financial Allocations for execution and compliance thereof with the execution period prior to establishment of the letter of credit.
- The retained amount for procurements (of 15% of the contract value) shall be paid upon the end of the warranty (repair of defaults) period specified in the contract; by virtue of a final inspection and receipt record which shall contain a clear final opinion stating that Works are completed and items are

supplied in compliance with the technical specifications and conditions specified in contract documents and that it has been verified that the technical outputs of items meet the technical specifications and details based on which the Tender is awarded by the Competent Tenders Committee in the authorized level .

In any case, should there prove to be material defects due to manufacturing faults or fraudulent execution, after completion of final inspection and receipt, said final receipt shall not relieve the supplier from responsibility nor shall it prejudice the Entity's right to resort to courts to claim the necessary compensation.

c. Consulting services:

1. A Consultant shall be paid for completed Work received and approved by the Entity without any reservation in accordance with the duties and terms of reference specified in contract documents.

The Entity shall review the Works through a specialized technical committee within the Entity itself or any other competent Entity.

Receipt of Works shall not, in any case, relieve the Consultant from responsibility for the quality and professionalism of work in line with common standards for execution of consultancy Works.

In case default is discovered, the Entity may resort to courts to claim the necessary compensation.

2. Payment for consultations shall be subject to the following:

- Submission of an invoice accompanied by copies of the outcomes of completed Works and the record of receipt (free from any reservations or comments).
- Deduction of the advance payment, if any, from the amount of said invoice pursuant to the advance payment recovery table.
- Deduction of (15%) of every invoice as a retained amount until the completion of the final report, free from any reservations or comments.

d. Payment for projects financed, in whole or part, by foreign loans or grants shall be in accordance with the relevant financing agreement.

Part Six

Liquidated Damages and Payment Default

Article (266):

Delay and payment default fines shall be calculated as follows:

- a. Calculation of liquidated damages:
 1. Should the supplier or contractor fail to execute the contracted works within the deadlines specified in the timetable and period specified in the contract, a liquidated damages of (7.5%) of the value of uncompleted items for the first month shall apply as follows:
 - (1%) of the value of items subject to fine for the first week or parts thereof.
 - (1.5%) of the value of items subject to fine for the second week or parts thereof.
 - (2%) of the value of items subject to fine for the third week or parts thereof.
 - (3%) of the value of items subject to fine for the fourth week or parts thereof
 - In case of further delay, a delay fine of (4%) shall apply for every month or parts thereof; for every period separately, provided that total fines do not exceed (10%) of the total value of the relevant contract with regard to Supplies, constructions or Other Services , and the delay period does not exceed three months.
 2. Should the fine exceed the percentage or period specified in the previous Paragraph, specified fines shall suffice in addition to confiscation of the final guarantee and implementation of the procedures provided for in the Law and these Regulations and terms of contact.
 3. No liquidated damages shall apply to delays caused by the Entity or Force Majeure.

b. Calculation of payment default fines:

1. Payment default fines shall be effected to the benefit of the Contractor or supplier in accordance with the following conditions:
 - The absence of any legal justification for default in payment.
 - The absence of any missing documents or legal details supporting payment.
 - The lapse of more than (90) days as of the date of submitting entitlements (net amounts) by the engineer, project Consultant, or the Entity authorized to manage and sign the contract without any comments and ratification thereof by the head of the Entity.
 - When the supplier or Contractor is not responsible for the delay in payment procedures.
 2. A payment default fine of (7.5%) of the value of the delayed net amount shall apply for the first month; and shall be calculated as follows:
 - (1%) of the value of items subject to fine for the first week or parts thereof.
 - (1.5%) of the value of items subject to fine for the second week or parts thereof.
 - (2%) of the value of items subject to fine for the third week or parts thereof.
 - (3%) of the value of items subject to fine for the fourth week or parts thereof.
 - In case of further delay, a liquidated damages of (4%) shall apply for every month or parts thereof; for every period separately, provided that total fines do not exceed (10%) of the total value of relevant procurements, constructions or Other Services , and the delay period does not exceed three months.
- c. Should the Entity be responsible for delay, said Entity shall extend the contract execution period with a period equal to the period of delay. Should the Contractor or supplier be responsible for delay, the liquidated damages specified in paragraph (a) of this Article shall apply.
- d. With respect to contracts with foreign finance, the delay or payment default fines shall be calculated pursuant to the financier's conditions; and should said conditions not provide for the method of calculating fines, the provisions of the Law and these Regulations shall apply.

Part Seven

Conflict Resolution

Article (267):

Without prejudice to the provisions of Articles (28) and (30) of the Law, the Entity may, prior to commencement of contract termination procedures with the contractor, supplier or consultant upon approval of the Competent Tenders Committee and in line with contract terms and documents, undertake the following procedures:

- a. To settle any conflicts arising between the two parties amicably in such way that preserves the rights and obligations thereof through direct negotiation. Should an amicable settlement result in any financial burdens, the prior approval thereof by the High Authority shall be obtained upon submission of all documents, details and justification pertaining to settlement of said conflict.
- b. To examine the contract carefully in order to identify all contractual terms relating to conflict resolution, and take the appropriate action to address the problem prudently.
- c. The competent administration at the Entity shall prepare a projection of the subject of conflict and provide technical, legal and financial opinions thereon to the head of the Entity, and may seek assistance from a specialized Consultant to help study the conflict and provide an opinion thereon.
- d. The supplier, Contractor or Consultant shall be invited to an official meeting within (14) days as of the date the relevant conflict arises in order to discuss the conflict. Minutes shall be recorded for said discussions and signed by both parties. Should the parties agree on a solution that requires changing any of the contractual terms, approval of the Competent Tenders Committee shall be obtained prior to the implementation of said agreement.
- e. Should no agreement be reached within thirty days as of the commencement of negotiations, the conflict shall be referred to arbitration and as provided by the terms of the contract; subject to prior approval of the High Authority which shall undertake the following:
 1. To study and review all legal and technical grounds based on which the Competent Tenders Committee approved recourse to arbitration.

2. The person or Consultant assigned by the Entity as a representative thereof in arbitration in terms technical and legal experience in the required field.
 3. Any other details the High Authority may deem necessary to be reviewed prior to approval of recourse to arbitration. Should the High Authority refuse recourse to arbitration, said Authority shall explain the reasons for said refusal and propose appropriate solutions.
- f. Arbitration shall be conducted in Yemen, and shall be governed by the Yemeni Law of Arbitration.
 - g. Agreement on arbitration shall be in writing and signed by both parties. Parties shall continue performance of the contractual obligations thereof.
 - h. Arabic shall be the language of arbitration unless otherwise stated in the contract document.
 - i. In case of a contract with foreign financing, it shall be insured that the financing party is kept informed and updated on all conflict resolution procedures and the Entity shall obtain a written no-objection statement from said financier approving continuation of the agreed upon procedures which shall be in line with the provisions of the contract document approved by the financing party.
 - j. Should the parties fail to reach an agreement with respect to arbitration, the Entity may terminate the contract and deduct all losses incurred thereby during arbitration from the performance guarantee or the amounts due, or shall fall due, for the Contractor, supplier or Consultant from the relevant Entity or any other Entity governed by the Law and these Regulations, and the aggrieved party may resort to courts.

Article (268):

Any Entity undertaking large strategic projects shall agree with the second party to the relevant contract on selection of a council called the Conflict Resolution Council representing both contracting parties to undertake prompt resolution of conflicts that may arise during execution; provided that the relevant regulating conditions and parameters are incorporated into the bidding document and the contract in line with observed procedures in similar international projects.

Part Eight

Termination of Contracts

Article (269):

A contract shall not be terminated unless all possible alternatives to resolve the relevant conflict are exhausted; except in the case when termination of the contract is the proper action in accordance with Tender conditions and the contract.

Article (270):

The Entity shall seek the assistance of lawyers and technicians specialized in purchases to study the contract documents carefully and identify all the conditions thereof.

Article (271):

Without prejudice to the rules provided for in laws in force, should a contractor, supplier or consultant become bankrupt pursuant to a final court judgment, the completed works, remaining amounts, uncompleted works, and the rights and obligations shall be determined, without prejudice to the relevant party's right to claim necessary compensations and deduct outstanding entitlements thereof from the value of completed Works and any other guarantees held by the Entity. Should any entitlements remain unsettled, the Entity shall notify the competent court thereof and follow up on the case until a final judgment is issued.

Article (272):

- a. Should the Contractor, supplier or consultant die, the Entity shall assign a special committee attended by the heirs of the deceased to determine completed works and cost thereof, disbursed amounts up-to-date, and remaining contracted amounts and works, and allow said heirs; upon request and subject to financial capacity thereof; to continue relevant work under the conditions and specifications specified in the contract and documents attached thereto; provided that said heir appoint a legal attorney approved by the competent court within a period not exceeding one month as of the date of said death; to complete unexecuted works. Should said heirs be unable or unwilling to complete said works, the Entity shall settle with the same and execute the remaining work by means of Tender the type of which shall be specified by the Competent Tenders Committee pursuant to the procedures provided for in the Law and these Regulations.
- b. Should the contract be concluded with a partnership and one of the partners dies, the remaining partners shall be bound to implement the contract.

Article (273):

Should the contractor, supplier or consultant abstain from, or delay in the execution the Contracting Works, supplying the contracted items or performing the contracted services in the times specified in the relevant contract, the Entity shall take the following actions:

- a. Notify said Contractor, supplier or Consultant in writing of the commencement to accrue liquidated damages and apply the penalty clauses provided for in the contract as of the end of the notice period specified in said notification.
- b. Apply the liquidated damages and penalty clauses provided for in the contract.
- c. Terminate the contract, evaluate remaining Works and assign another party to complete uncompleted Works in accordance with the same specifications at the expense of said Contractor, supplier or Consultant, and confiscate the performance guarantee; provided that said assignment is conducted by any of the methods provided for in the Law and these Regulations upon approval of the Competent Tenders Committee.

Article (274):

- a. Should the Contractor, supplier or Consultant prove to have used fraud or manipulation; either personally or through a third party directly or indirectly, attempted to, or actually committed the offering of a bribe or conspiring with any official for the purpose of unlawfully winning a contract or any privileges or gains or repudiate any obligations thereof specified in the contract, the Entity shall, upon approval of the Competent Tenders Committee, confiscate the guarantee, terminate the contract therewith and take the following actions thereagainst:
 1. Suspend said party permanently from work in the project.
 2. Review executed works, submit a report on the correctness of execution and damages incurred, determine completed; supplied or delivered Works as well as uncompleted work, determine the cost of damages caused by said party along with the damages resulting from interruption of work and the cost of execution of remaining works and calculate total accruals and deduct the same from entitlements of said party with the Entity.
 3. Prohibit dealing with said party, submit a detailed report thereon to the Ministry of Finance and the High Authority and notify the authorities

involved in issuance of practice permits or registration, classification and Qualification certificates thereof.

b. The authorities involved in issuance of practice permits or classification and qualification certificates, each as per jurisdiction thereof, shall commence the following actions as soon as they receive the report referred to in clause (3) of the previous Paragraph:

1. Assign a specialized team to identify Works executed by the contractor, supplier or consultant for the Entities which previously contracted the same, and review said Works to verify correctness and integrity thereof.
2. Should the results of said review confirm integrity of execution of all works excluding the work reported by the Entity; dealing with said party shall be suspended for one year by all the Entities governed by the provisions of the Law and these Regulations, as well as authorities with independent regulations.

Nonetheless, and without prejudice to the right of the Entity or other Entities concerned of claiming compensation, should Works, or part thereof, be incorrect; practice of said party shall be suspended and the classification or qualification certificate or practice permit thereof shall be revoked; any aggrieved party may recourse to courts.

Article (275):

Should the Entity decide, at any time, to terminate a contract, in whole or part, said termination shall be effected by means of written notice sent to the supplier, contractor or consultant.

Chapter Eight
Auctions and Procedures Thereof

Section One

General Provisions

Article (276):

Sale of all assets, items, jobs or any other properties the nature of which requires sale by Public Auction, or those dispensed or which are of no use to the Entity or any other Entity governed by the Law and these Regulations, shall be by means of Public Auction announced in the Republic only or both in and outside the Republic, depending on the nature of auction, and may be by means of Limited Auction subject to the conditions specified in the Law and these Regulations.

Article (277):

Assets or items intended for sale may not, in any case, be divided in order to change the method of sale thereof.

Article (278):

All Entities governed by the provisions of the Law and these Regulations shall, at the end of every fiscal year, determine the assets, items, jobs and other properties which are of no use, as well as stagnant, unfit for use and perishable items; during Inventory based on Warehouse records provided for in these Regulations, and submit the same to the competent committee to issue the appropriate decision thereon in accordance with the provisions of the Law and these Regulations.

Article (279):

All Entities governed by the provisions of the Law and these Regulations shall accumulate all items which are subject to sale by auction in economic quantities to ensure receiving prices appropriate to the value thereof.

Article (280):

The auctions committee at any Entity shall be the Tenders committee thereat and shall be governed by the provisions of the Law and these Regulations.

Article (281):

Auctions committees shall undertake the following duties and authorities:

- a. To review and approve classification records of assets, items and properties intended for sale.
- b. To review and approve valuation records of assets, items and properties intended for sale.
- c. Determine method of sale.
- d. Approve method of announcing the sale.
- e. Determine and approve the bidding security deposit in line with the rates specified in these Regulations.

Section Two

Auction Procedures

Article (282):

- a. Sale of any item or set of items in line with financial limits shall be subject to the approval of the competent Tenders and auctions committee. Such approval shall be attained prior to commencing the procedures to execute the sale
- b. Tenders and auctions committees at Administrative Units shall obtain approval of the central authority prior to commencement of procedures for disposal of public properties by sale or mortgage.

Article (283):

New assets, items, properties or jobs which are not bought for the purpose of sale thereof may not be sold without approval of the Minister of Finance, or authorized representative thereof, upon which implementing procedures for sale of the same shall be completed in accordance with the provisions of Law and these Regulations.

Article (284):

- a. A specialized classification and valuation committee shall be set up by decision of the head of the Entity; comprising experienced specialists and chaired by an employee of the Entity of the degree of not less than a director from said Entity. A person who participated in the preparation or execution of procurement procedures may not be members of the said committee; however the committee shall have the right to seek assistance thereof when needed.
- b. The classification and valuation committee may, whenever necessary, seek assistance of any specialized technicians whether from the Entity or any other government Entity, or any Consultant, depending on the nature of the auction; to assist in performing any of the duties specified therefor in these Regulations.
- c. The Storekeeper of the Entity shall accompany said committee to direct the same to items intended for sale without having the right to participate in the work thereof.

Article (285):

The classification and valuation committee shall undertake the following duties:

- a. To classify assets, items, jobs and properties intended for sale in coherent groups.
- b. To state the details of every item separately; such as: color, weight, quantities and measurements, condition, or any other specifics the committee may deem necessary for accurate description of items.
- c. To confidentially value items, assets, jobs and properties intended for sale.
- d. To prepare the auction documents.
- e. To propose the appropriate method of sale and announcement thereof and the required security deposit.
- f. To record the results of work thereof in detail on the form prepared therefor and sign and submit the same to the Tenders and auctions committee for approval prior to offering thereof for bidders.

Article (286):

The classification and valuation committee shall, when in course of valuating items:

- a. Be guided by market price of items intended for sale.
- b. Be guided by previous sale prices of similar items at the Entity or any other governmental Entity.
- c. Record estimated prices on the form prepared therefor and sign the same by all members of the committee.

Article (287):

The classification and valuation committee shall be deemed fully responsible for the integrity and correctness of the documents and details pertaining to pricing and classification, as well as auction documents.

Article (288):

The Tenders and auctions committee shall select the appropriate time and place for setting the date for the auction to sell assets, items or other properties; so as to ensure receiving highest prices.

Article (289):

Sale by Public Auction shall be conducted through invitation to those interested in purchasing the assets, items or any other properties intended for sale by means of sealed envelopes. The auction shall commence publicly upon opening the relevant envelopes based on the highest bid; subject to the following procedures:

- a. Sale of the items intended for sale by Public Auction shall be announced in the name of the Entity at units of the Entity and in the name of the local council at the Administrative Unit; in one of the official daily newspapers for one time or two consecutive times depending on the significance of the transaction. Public Auction announcements may also be published in any other means of announcement in addition to official daily newspapers; not less than fifteen days prior to the date set for Public Auction; provided that announcements state the following:
 1. The name and address of the selling Entity.
 2. The name(s) of item(s) intended for sale.
 3. The location of items intended for sale.
 4. The dates set for inspection of items intended for sale.
 5. The date of the auction.
 6. The security deposit required for bidding.
 7. Any other detail the Entity may deem necessary.
- b. A Public Auction sale committee shall be set up from members of the competent Tenders and auctions committee selected by the Chairman thereof. Said committee shall comprise no less than three members and shall undertake the following duties:
 1. To open bidding envelopes.
 2. To commence Public Auction sale procedures for the highest Bid submitted. Should the committee find that the high Bid value achieved is less than the estimated cost of the assets or items intended for sale, said committee may immediately terminate sale procedures and submit a detailed report to the competent Tenders and auctions committee which may resume sale procedures after a certain period specified thereby. The competent committee shall, in all cases, award the sale to the highest Bid in the auction
- c. The financial or accounts director, as the case may be, at the Entity shall join the auction sale committee so as to receive security deposits in the auction.

Article (290):

- a. Bidding envelopes shall be accompanied by a Bid security of no less than (25%) of the Bid value specified in the Tender by means of either an unconditional irrevocable bank guarantee or certified cheque payable to the Entity announcing the auction.
- b. Securities submitted by bidders who did not win the auction shall be returned thereto in the same session upon recovering temporary security receipts and signature of said bidders in acknowledgement of receipt.

Article (291):

Public Auction sale conditions shall provide for the following:

- a. Should the bidder who wins the auction fail to pay the remainder of the price within fifteen days as of the date of winning said auction, the security deposit paid thereby shall be confiscated, the auction shall be reopened upon approval of the competent Tenders and auctions committee and said bidder shall be prohibited from bidding in the same auction after reopening thereof.
- b. Should the bidder who wins the auction fail to collect the relevant items within one week as of the date of payment of the price thereof without justification acceptable by the Entity, demurrage of (2%) of the uncollected items shall be collected therefrom for every week of delay, or part thereof; and the Entity may, at the end of the third week, sell said items immediately to the benefit of said bidder subject to sale procedures provided for in these Regulations; in which case, said bidder shall be liable for price difference, demurrage and other expenses incurred by the Entity in this respect.

Article (292):

A contract shall be executed with the winning bidder, upon payment of the remainder of the price of sold items, in two counterparts; and each party shall receive a copy thereof.

Article (293):

Delivery of sold items shall be made upon verifying the payment of the price thereof to the Entity through a committee chaired by a member of the auction sale committee.

The committee shall, in all cases, ensure that delivery is in line with the classification provided for in the minutes of the classification committee and the sale contract.

Article (294):

- a. Sale by Limited Auction shall be conducted in any of the following cases:
1. Should the estimated Bid value be within the financial limit of Limited Auction sale not exceeding (500,000) Riyals.
 2. In case the two Public Auctions be conducted without achieving the desired outcome.
 3. If the assets, items or other properties intended for sale be associated with a limited number of Vendors and, thus, rendering a Public Auction ineffective.

Approval of the Competent Tenders Committee shall, in all cases, be obtained prior to resorting to said method.

- b. Sale by Limited Auction shall be conducted by means of notices sent by the Entity to a limited number of Vendors registered therewith for the purpose of allowing open competition for sale of assets, items or other properties by submitting sealed envelopes. The auction shall commence openly between bidders upon opening envelopes with the highest Bid submitted; in accordance with the following procedures:
1. The application of all the procedures, measures and conditions relating to the Public Auction sale method excluding announcement thereof.
 2. Those registered with the Entity shall be notified, the other Entities may be utilized for similar auctions, or the selection of the parties who deal with the same types or properties as those intended for sale in market as well as those interested in such type. The number of bidders so selected may not be less than six.

Article (295):

Cafeterias, restaurants, markets, yards and the like, which belong to Entities governed by the provisions of the Law and these Regulations shall be leased as follows:

- a. The cost of leasing the desired premises shall be estimated based on the leases of equivalents in terms of time and place.
- b. The lease by auction shall be announced in an official newspaper or any other appropriate means, and the approval of the competent Tenders and auctions committee upon preparation of the lease contract document and conditions.
- c. Bidders shall submit temporary security of no less than one month rent of the proposed bid.
- d. The party who wins the auction shall, prior to signing the relevant contract, submit a final security equal to three months rent; either by certified cheque or unconditional letter of credit valid throughout the term of contract.
- e. The rent shall be collected on a monthly basis in advance no later than the end of the first week of every month, and the Entity shall retain the final security until the end of the contractual term to secure payment of rent on agreed upon dates and fulfillment of the conditions provided for in the lease contract.
- f. The term of contract for leased premises shall not exceed three years.

Article (296):

- a. A contract shall be executed with the winning bidder, upon payment of the final security amount, in two counterparts and each Contracting party shall receive a counterpart thereof.
- b. A lease contract shall contain a condition compelling the lessee to pay service charges due for relevant authorities.

Article (297):

The Chairman and members of the competent auctions, classification and valuation or sale committees at any level, and employees of the Entity and up to fourth degree relatives thereof, may not bid in public or Limited Auctions.

Article (298):

The value of sold items, or rents, shall be sent to the Central Bank, branches thereof or any other bank authorized thereby as follows:

- a. Amounts collected by Central Authority agencies and its branches in Administrative Units shall be sent to the relevant revenue account.
- b. Amounts collected by Administrative Units shall be sent to the relevant revenue account (general local authority account).

Any disposal of said amounts, or part thereof, shall be deemed an offence subject to penalties provided for in the Law, these Regulations and other laws and regulations in force.

Section Three

Auction Records and Forms

Article (299):

Uses of the records, books and forms necessary for auctions and methods of keeping the same and recording therein shall be as follows:

a. Auctions records:

The minutes record of the classification and valuation committee shall be used to record data relating to procedures implemented by the committee for classification of items intended for sale. This record shall be signed by all members of the committee after stating the condition of items intended for sale and division thereof into coherent groups, and determining prices with a basic price for every item and prices of previously sold similar items.

1. The minutes record of Public Auction shall be used to record data relating to procedures of sale by Public Auction, the value of security paid by every bidder, sale details, and names of buyers of every item, item sale price and basic price thereof. Said record shall be signed by all members of the committee.
2. The minutes record of Public Auction sale committee:
Shall be used to record procedures of sale by auction and prices bided by the buyer or winning bidder with respect to every item. This record shall also be used to record minutes of Public Auctions and shall be signed by all members of the committee.
3. The minutes record of envelope opening committee:
To record the amount bided by every bidder and securities provided with bids, and shall be signed by all members of the committee.

b. Auction forms:

1. Sealed envelope Bid form.
2. Notice of approval of Bid form.
3. Sale contract of items in Storehouses form.
4. Lease contract form.

Article (300):

Any Entity governed by the provisions of the Law an these Regulations may, if necessary and in line with the nature of auction, use additional records to supplement, and not replace, the records provided for in the previous article.

Chapter Nine

Government Storehouses

Section One

Types, Contents and Relationship between Storehouses

Article (301):

Organs of the Central Authority, branches thereof in Administrative Units and executive bodies in Administrative Units shall have Storehouses to store movable assets which may only be received and dispensed at said Storehouses through Storekeepers in charge thereof.

Article (302):

Organs of the central authority, branches thereof in Administrative Units and executive bodies in Administrative Units shall identify the nature and size of main and secondary Storehouses needed depending on the nature of work and daily activities thereof in accordance with the provisions of the Law and these Regulations.

Article (303):

Every unit of the Central Authority shall send to the Ministry of Finance, and every Administrative Unit shall send to the financial department thereof, in January of every year; a list of Storehouses attached thereto and locations thereof stating the purposes served by said Warehouse, whether the same are owned by the Government or leased and the rent thereof. Moreover, the Ministry of Finance shall be kept updated on any new Storehouses established, the purposes thereof and any relevant details. The same procedures shall apply should any existing Warehouse be dispensed of.

Article (304):

The responsibility of a Storekeeper who dispenses perpetual items and consumables from a main Warehouse to a secondary one shall end upon dispensing thereof. Dispensed items by use of the Warehouse's trust record and journal shall be dispensed in return for recording the same in the Warehouse ledger kept by the purchases and Storehouses administration.

Article (305):

In case of transfer of items from one main Warehouse to another main or secondary Warehouse managed by the same unit, or vice versa, the purchases and Storehouses administration shall execute a dispensing permit for said items and record the same in the journal and deletion ledger as a deduction from the Warehouse from which the dispense is made. And the Storekeeper of the receiving Warehouse shall; upon receipt of said items; notify the purchases and Storehouses administration thereof by virtue of a stock receipt voucher in order for said administration to add the same to incoming stock by virtue of an addition permit.

Article (306):

- a. A file shall be created for every holder of personal trust in which the trust record form shall be kept along with dispensing permits. New items may not be dispensed in lieu of old ones without a new items return form.
- b. A trust shall be distributed to those actually in charge of different departments as per the trust to be held by every Vendor therefor, and consumables shall only be recorded in the books prepared therefor.

Article (307):

Perpetual items received as a personal trust for employees to perform work thereof shall be deducted upon dispensing thereof from stock book and recorded in the personal trust book. Every employee with a personal trust of perpetual items shall keep a personal trust recording form to record items received thereby as well as returned items in order to be able, from time to time, to reconcile the same to the list kept in the trust file thereof.

Article (308):

A dispensing permit in four copies shall be executed with regard to perpetual items transferred from one person's trust to another's upon adjustment of the destination thereof changing the same into a trust transfer request signed by the recipient of said new trust who shall retain a copy thereof in order to add items by virtue thereof to the his personal trust list, and the second copy shall be delivered to the employee from whose trust said items are transferred. The remaining two copies shall be sent to the employee keeping Personal trust books in order to keep one copy in the original trust file and the other in the new trust holder's file upon indicating that the necessary settlement in the Personal trust book is made. Trusts may not be transferred from one employee to another without approval of the head of the Entity or the authorized representative thereof.

Article (309):

Perpetual items dispensed for permanent installation in government establishments and all fixed items therein shall be recorded in a special register and added to the trust of the services and maintenance official at the Entity as is the case with perpetual items; excluding items deemed an integral part of the premises.

Article (310):

Stock shall be divided into three types:

- a. Perpetual items.
- b. Consumables.
- c. Items unfit for use.

Article (311):

Perpetual items shall be divided into similar coherent types as follows:

- a. Leather products.
- b. Weapons, accessories thereof and the like.
- c. Furniture and utensils.
- d. Machines, equipment, tools and means of transport.
- e. Tools and equipment in factories, hospitals, colleges and institutes.
- f. Sanitary and electrical tools.
- g. Perpetual office tools.
- h. Books of value.
- i. Portable hospital tools.
- j. Spare parts for machines, cars and the like.
- k. Fruitful trees which can be used for wood.
- l. Installations which can be removed from Government establishments without harming the premises – such as sanitary and electrical tools – to be used elsewhere.
- m. Wood, iron and other raw materials used in production.

Article (312):

Consumables shall be divided into similar coherent types as follows:

- a. Clothes and accessories thereof.
- b. Raw materials which are consumed in operation such as paint, oils, nails, cement, plaster and the like.
- c. Medicines, serums, vaccines, medical cotton, bandages and the like.
- d. Fuel of all types.
- e. Laboratories consumable tools such as test tubes, injectors, and the like.
- f. Food of all types
- g. Consumable stationery; such as paper, ink, pens, and publications; excluding books of value.
- h. Threads, ropes and the like.

Article (313):

Items which are not fit for use shall be divided into similar types as follows:

- a. Metals; such as iron, copper, cast and the like.
- b. Fabrics which are not fit for use.
- c. Broken wood.
- d. Damaged leather.

Section Two

Storing and Storehouses' Accounts and Records

Article (314):

Items shall be stored in Storehouses – separately – in good safe places in a manner fit for work; with new items completely separated from used ones. All necessary measures shall be implemented to protect items from loss, damage or fire, depending on the nature of every item, by using an electronic Warehouse system and, possibly, the manual card system with cards carrying the name, index number and quantity in stock of every item.

Article (315):

The Storekeeper, or official in charge, shall monitor items with limited validity, perishable items, those exposed to pests and similar items; inspect the same from time to time and submit reports thereon to the direct supervisor thereof at the Entity in central or local authority units to take the necessary action in time; otherwise, said official shall be held responsible for any damaged or expired unused items.

Article (316):

The Entity may not, in any case, keep in its Warehouse items which are not the property thereof. Should such items be found in Storehouses during Inventory or inspection thereof, said items shall be added to the trust of said Warehouse to the benefit of the Government and the person in charge thereof shall be questioned on the reason for keeping the same in Storehouses.

Article (317):

- a. Movables in excess of need or which are dispensable, no longer used, perishable or unfit for use may not be stored in Warehouse and shall, if found therein, be disposed of in accordance with the provisions of the Law and these Regulations; provided that disposal thereof does not inflict harm on people or the environment.
- b. Every Government Entity shall, at the end of every fiscal year, determine items which are useless, stagnant, and unfit for use or perishable during Inventory based on the stock books specified in these Regulations; and submit the same to the competent committee to issue the appropriate decision thereon in accordance with the Law and these Regulations.

Article (318):

Radioactive, flammable, poisonous, explosive or materials harmful to the environment may not be stored near residential areas, public utilities or water resources, and methods of storage thereof shall; in all cases; conform to public safety rules.

Article (319):

All purchased movables and jobs shall, upon inspection and receipt thereof, be added to the trust of Storehouses at the Entity, and the procedures described above shall apply to items delivered to Storehouses as grant, aid or gift upon approval of the Entity; excluding small purchases the value of which does not exceed (30,000) Riyals, and used directly upon acknowledgement of the relevant Storekeeper and ratification of the purchases and Storehouses director.

Article (320):

Uses of books and record necessary for Storehouses, method of keeping thereof and recording therein and forms related thereto shall be determined in accordance with the Law and these Regulations as follows:

- a. Warehouse journal: To record, under the supervision of the purchases and Storehouses administration, all details pertaining to documents of receipt of delivered items as well as dispensed items. Said records shall be affected to books as per the serial numbers thereof stating the value of every delivered or dispensed item.
- b. Warehouse deletion ledger: To record, under the supervision of the purchases and Storehouses administration, all items delivered to or dispensed from the Warehouse, as they are delivered or dispensed, stating the prices thereof. The balance of remaining stock of every item shall be stated after every addition or dispensing such that the balance in the record matches actual stock in the Warehouse. A special record shall be kept for perpetual items, another for consumables and a third for used (returned) items. Said ledger shall be closed annually and a new page shall be opened for the following year the first line of which shall state the remaining stock of every item. This ledger may not be kept by Storekeepers responsible for storing items.
- c. Warehouse trust record: Used in main Storehouses to keep a separate account for items distributed separately to every secondary Warehouse. A

special record shall be kept for perpetual items, another for consumables and a third for returned (unfit for use) items. This record shall be used under the supervision of Storekeepers in every Entity to record items delivered to and dispensed from Storehouses as they are delivered or dispensed; stating the remaining balance of every items in trust after every addition or dispensing.

- d. Personal trust record: Used to record items in trust with every employee. One or more pages shall be assigned to every holder of a personal trust and an alphabetical index of the names thereof shall be prepared with the number or numbers of pages assigned to every trust holder indicated against the name thereof.
- e. Inspection committee's minutes record: To record decisions of the delivered items inspection committee, results of said inspections, approved and rejected items, the name of the receiving Storekeeper, the name of the supplier and date of delivery.
- f. Valuables record: To record all valuables at the Entity with precise detailed description of every item and the price thereof.
- g. Theft, fire and negligence incidents record: To record a summary of every incident of theft, fire or negligence and action taken with respect thereto. This record shall be kept under the supervision of the purchases and Storehouses administration.
- h. Total stock in Storehouses and personal trusts record: This record shall be kept under the supervision of the purchases and Storehouses administration to record the total value of stock in every Warehouse at the end of every fiscal year; including perpetual items, consumables, and items unfit for use, in addition to all fixed items at Government establishments and premises such as installations and the like.
- i. Allocation record: To record amounts allocated to purchase items, execute constructions or perform services; in chapters, sections and items in the Entity's budget.
- j. Items index record: This record shall state al perpetual items, and another record shall be kept for all consumables, at the Entity. Items in this record shall be in alphabetical order with a serial number for every item; a space

shall be left between every alphabetical letters and the following letter to add new items not listed therein.

- k. Record of books, scientific journals and periodicals: This record shall be kept in libraries to record books, scientific journals and periodicals delivered thereto as they arrive. One record shall be assigned for books, another for scientific journals and a third for periodicals; and shall state the price, delivery date and name of author or publisher of every copy.
- l. Lent books record: This record shall be kept in libraries to record books and journals that the library lends for reading, the record shall show the name of the lent book, the name of the borrower, the Entity to which the borrower belongs, the date of lending, so as to track the lent books until returned back to the library.
- m. Library index record: This record shall be kept in libraries to help locate books and periodicals easily based on the book title. Another record shall be based on author's name.
- n. Workshops jobs record: This record shall be kept in all Government Workshops in the Entities governed by the Law and these Regulations to record jobs performed in said Workshops stating types, numbers, values, the Entities requesting such jobs, request dates and delivery dates thereof.
- o. Record of consumable items in Workshops: To record details of perpetual and consumable items used in the production of jobs; including raw material, fuel, oils, grease and the like for every operation independently.
- p. Warehouse sheets and forms shall be as follows:
 1. Budget form.
 2. Items procurement request form.
 3. Items request and dispensing permit form.
 4. Items receipt request form.
 5. Items return to Storehouses form.
 6. Personal trust record form.
 7. Items Inventory record form.
 8. Increase and decrease form.
 9. Lost or damaged items deduction request form.
 10. Workshops budgeting form.
 11. Workshop items request form.
 12. Items lease contract form.

Article (321):

Recording in the records and forms set forth in the previous articles shall be effected upon receipt or dispensing of any perpetual or consumable item, purchase or sale of any item or execution of any construction job. Recording of transactions may not be delayed to next day and shall allow for distinction between different types of every item as per features and specifications thereof; including size, weight, material durability and so on, and as per the samples; if any. Every record shall be executed in one original and one or more copies.

Article (322):

Record or forms may not be changed, altered or used for purposes other than those assigned therefor without written approval of the Ministry of Finance.

Article (323):

No entry may be erased, scratched or inserted in books, records or forms, and every necessary correction shall be effected by means of a reverse entry followed by the correct entry and signed by the official in charge and direct supervisor thereof stating the date under each signature. Corrections of totals shall be rewritten in letters and figures.

Article (324):

The Storekeeper shall record the items delivered to or dispensed from the Warehouse in the trust record as they are delivered or dispensed; stating the remaining stock of every item according to the trust balance book which shall match the actual balances in stock.

Article (325):

The following procedures shall be implemented with respect to the provision of purchased items:

- a. Receipt procedures shall be implemented by virtue of the items receipt form. The Storekeeper shall retain a copy of said form as well as a copy of the Contractor's or supplier's invoice in order to record the same in the Warehouse trust record.
- b. The original form and invoice and copies thereof shall be sent to the Purchases and Storehouses Administration to record incoming items in the Warehouse journal and ledger.
- c. The Purchases and Warehouse Administration shall retain the copies of said form and invoice and send the originals to the accounts administration to start the dispensing procedures in accordance with the provisions of these Regulations. Should items be delivered from another Government Entity, an items request and dispensing permit form shall be used in lieu of the items' or Contractor's invoice.

The provisions of the previous Paragraph shall not apply to small consumable items purchased for direct use and are consumed and cannot be reused or re-dispensed with a value not exceeding (30,000) Riyals; in which case the execution of an approved statement in acknowledgement of receipt and direct use of the relevant item without addition thereof to Warehouse trust by the Entity shall suffice; provided that said acknowledgement states that said items fulfils the need in question.

Article (326):

Every Entity governed by the provisions of the Law and these Regulations shall, whenever possible, make use of electronic systems in Storehouses in general.

Section Three

Storehouses **Staff and Responsibilities thereof**

Article (327):

Storehouses shall be managed and supervised by the purchases and Storehouses director at the Entity. Said Director may assign a Storekeeper for every Warehouse and assistants thereto, as work may necessitate, who shall furnish securities pursuant to the provisions of these Regulations.

Article (328):

The purchases and Storehouses director, or anyone acting in such capacity, shall be responsible for the following:

- a. Implementation of all regulations and instructions pertaining to Storehouses; including control of accounts and regulation of work thereof, as well as storing and dispensing items,
- b. Supervising Storekeepers and assistants thereof in terms of honest and accurate performance of duties thereof without delay.
- c. Establishing an accurate solid system for monitoring dispensing of items from Storehouses to prevent unauthorized release of items.
- d. Establishing a system for monitoring items with limited validity independently, as well as perishable items in stock in order to take the necessary action with respect thereto before the same expire or perish.
- e. Determining the necessary labor to complete temporary Warehouse work.

Article (329):

Storekeepers and assistants thereof shall provide commercial guarantees from traders registered with the Entity. Said guarantees shall be renewed annually and shall state the liability of the guarantor and guaranteed parties in accordance with effective laws and regulations.

Article (330):

Storekeepers shall undertake the following responsibilities:

- a. To safeguard items in trusts thereof and take due care of the same and insure the accuracy of the weights, numbers, sizes, types and cleanliness; as well as the maintenance thereof and protect the same from damage or loss. Storekeepers shall not be held harmless unless the Entity is satisfied that the loss or damage of any item is due to reasons or circumstances out of control thereof and that said Storekeepers are unable to prevent said incidents or have taken all necessary actions to protect items in trusts thereof from theft, loss, fire, damage or expiry.
- b. To keep lists and accounts organized according to items and conduct an accurate Inventory of items or materials in trusts thereof so as to enable conciliation between actual stock and books.
- c. To submit to the purchases and Storehouses director lists of all items in stock which may perish or expire within sufficient time to prevent expiry of validity without use or perishing thereof. The purchases and Storehouses director shall dispose of said items promptly in accordance with the Law and these Regulations.
- d. To review, on the first day of every month, entries of Warehouse trust records for the previous month and conciliate the same to the deletion ledger, and signing thereof by the competent Storekeeper and the deletion ledger accounts clerk in acknowledgement of review and accuracy of entries. Should said review and conciliation not be possible due to the distance between the relevant Warehouse and the office of the deletion ledger accounts clerk, the relevant Storekeeper shall, in set time, prepare statements stating balances of items as in Warehouse (trust) records and send the originals and copies of the same to the purchases and Storehouses director to be conciliated to the deletion ledger. Said originals shall be signed by the competent official and returned to the relevant Storekeeper.
- e. To notify the purchases and Storehouses director in writing of every item that is about to run out of stock within adequate time before said items run out according to relevant consumption rates in order to take the necessary action for purchasing said items and supplying the Warehouse therewith.
- f. To ensure that received items match standard samples or samples approved by the Entity and conform to specifications; stating the condition of perished or expired items in receipt records.
- g. To personally open and close respective Storehouses thereof in person and not to assign the same to guards or workers at any time. Should any

Warehouse key be lost or broken, a record thereof shall be executed and submitted to the head of the Entity to decide thereon; provided that the relevant lock is replaced. No copies may be made for lost or broken keys, and the relevant Storekeeper shall; in both cases; be responsible for the trust thereof.

- h. To observe complete accuracy in verifying the types, numbers, sizes, weight and specifications of items delivered to or dispensed from Storehouses.
- i. To bear the responsibility for any decrease or increase detected in inventories. Increase in stock shall be deemed State's property without prejudice to any other law or regulations providing for Storekeeper's liability in such cases. Storekeepers shall be held accountable for missing or damaged items and shall be liable to pay the value thereof as per market prices. Items shall be dispensed on a first in first out basis so that Storehouses always contain the newest stock.

Article (331):

- a. Should a Storekeeper be substituted, the same and his predecessor shall verify that the stock stored in the relevant Warehouse matches the entries of Warehouse records by conducting an Inventory of stock in terms of numbers, weights and sizes.
- b. The receiving Storekeeper shall sign the balances in Warehouse records in acknowledgement of receipt upon verifying that said balances match actual stock pursuant to Paragraph (a) of this Article.
- c. The receiving Storekeeper and predecessor thereof shall sign the certificate of receipt and delivery on the relevant Warehouse form.
- d. A list of missing and excess stock detected upon receipt and delivery and sudden and annual inventories shall be prepared and a copy thereof sent to the head of the Entity along with the receipt and delivery certificate; and the delivering Storekeeper shall state the reasons for missing and excess stock in detail.
- e. Missing and excess stock detected upon receipt and delivery and sudden and annual inventories shall be handled in accordance with the provisions of these Regulations.

Section Four

Warehouse work

Part One

Annual Budgeting and Storehouses Supply

Article (332):

All current and expected items needed by the Entity for the following fiscal year shall be listed in the annual Budgeting from by the competent administration.

The budgetary items from which the prices of said items are to be deducted and the amount allocated for every item shall be stated at the end of said Budget.

Article (333):

The annual Budgeting shall be prepared at the end of July of every year for authorities of the Central Authority and at the end of May of every year for Administrative Units of the local authority in line with a unified classification of goods prepared by the Ministry of Finance.

Article (334):

Assessment of quantities needed of every item shall first observe the actual need for every item and available quantities thereof in stock. The following method shall be used to assess quantities needed for normal consumption:

- a. The assessment shall be based on the average consumption for the last three years.
- b. Said average shall be doubled to represent the needed quantity for both the current and upcoming years.
- c. The quantity available in stock at the end of the previous fiscal year and the quantity approved in the last Budget for the current year shall be deducted from the sum above.
- d. The remainder shall be recorded as the need for the following fiscal year for which the assessment is prepared.

Article (335):

Remaining items shall be put to optimum use by making the necessary adjustments or repairs.

Article (336):

Prices of items listed in Budgeting shall be estimated based on prices thereof in last contracts and market prices unless there are reasons requiring otherwise.

Article (337):

- a. Annual budgeting prepared by Central Authority units shall be submitted in one original and two copies to the Ministry of Finance, in the set date, for

discussion and incorporation thereof into the Entity's budget upon approval of the head of the Entity.

- b. Annual assessments prepared by Administrative Units shall be submitted in one original and two copies to the plan and budget committee at the governorate for review and incorporation thereof into the aggregate budget of the governorate.

Article (338):

All Entities shall make sure not to exceed the Financial Allocations incorporated into budgets thereof for purchase of items within the limits permitted in the Financial Law, the Law of Approval of the Public Budget and the Implementing Regulations of the Budget.

Article (339):

Purchases and Storehouses Directors shall be deemed responsible for timely supply of Storehouses with required items in the quantities necessary for work and within approved budgeting.

In case the purchases and Storehouses Directors predict a shortage in the in-stock quantities to satisfy the necessary needs, the same shall request that additional quantities shall be supplied to the Storehouses within the limits of the budgetary items approved and the approved annual budgeting

Article (340):

Stock balances available in Storehouses shall be reviewed, addition and dispensing activities shall be observed in order to identify stagnant or unwanted items and stop supplying Storehouses with additional quantities thereof; subject to submission of quarterly reports at the end of every year to the head of the Entity to take the necessary action with respect to disposal of stagnant items in accordance with the provisions of the Law and these Regulations.

Article (341):

A special record for purchases undertaking shall be kept in which the approved amounts for purchasing items shall be separately recorded for every budgetary item. No purchase may be undertaken without referring to said record in order to determine the remaining provisions within which undertakings may be made, and the purchases and Storehouses director shall be deemed responsible for any undertaking to purchase items not approved in assessments or the purchase of which leads to exceeding approved provisions, and shall refer to the undertaking record prior to authorizing any purchase.

Part Two

Stock Dispensing Requests and Permits

Article (342):

Stock shall be requested for the following purposes:

- a. To perform Works and services undertaken by the Entity in order to achieve the purpose for which said items are acquired.
- b. To be transferred to another Warehouse.
- c. For repair and maintenance.
- d. For destruction of items which are no longer fit for use or sale thereof upon approval of the Ministry of Finance.

Article (343):

Stock dispensing requests for perpetual items shall state the reasons for such request, and collective requests shall be made for every coherent set of consumables. Corrections made to dispensing request forms shall be signed by the issuing employee, and corrections shall be made by means of striking through the relevant detail with a single line, and writing and signing the correct one next to the same. No details may be erased, scratched or inserted in said form.

Article (344):

In case of requesting an item in lieu of other items which are not fit for use, the relevant request shall be accompanied by an item return form, and in case of requesting items needed for operation of workshops or repair; the relevant request shall be accompanied by the relevant workshops' assessments.

Article (345):

The Storekeeper shall, when requesting items, state and sign the quantity actually dispensed thereby; writing dispensed quantities in letters, and shall; with respect to non-dispensed items; state the reasons for non-dispensing thereof. A Storekeeper may not dispense any items from the Warehouse unless the relevant dispensing request is approved by the purchases and Storehouses Director, and shall be deemed responsible for the validity of dispensing.

Article (346):

Dates for dispensing items from Storehouses shall be set in line with work requirements in every Entity and items dispensing requests may only be accepted in said dates; excluding the cases of urgent or emergency by virtue of a written exceptional dispensing order issued by the purchases and Storehouses director. Storehouses shall stop receiving dispensing requests every day no less than half an hour prior to the end of official working hours.

Article (347):

Every Storekeeper shall ensure delivery of items to persons authorized by the requesting Entities or approved representatives thereof upon verification of identities thereof.

Article (348):

Dispensed items shall be immediately deducted from the Warehouse trust record, and the relevant Storekeeper shall indicate the number of entry page in the record on the dispensing permit and retain a copy thereof as a supporting document for deduction. The purchases and Storehouses administration shall undertake deduction of dispensed items from the Storehouses journal and deletion ledger upon assigning serial numbers thereto and recording the same in the trust record. Remaining copies of the dispensing permit shall be sent with the relevant items to the requesting administration which shall be required to sign said copies in acknowledgement of receipt and return two copies thereof upon delivery of said items to the relevant Storekeeper. Said Storekeeper shall retain one copy of said permit as a supporting document for receipt, and the second copy shall be sent to the purchase and Storehouses administration to be kept, after review and conciliation thereof, with the copy already held thereby.

Article (349):

A dispensing permit for items sold from Storehouses due to redundancy or unfitness for use shall be executed in three copies, and said items shall be deducted from the trust in the Warehouse trust record. Said permit shall be attached to the approved sale record and sent to the purchases and Storehouses administration to be recorded in books accordingly as follows:

- a. One copy shall be kept at the purchases and Storehouses administration.
- b. One copy shall be returned to the relevant Storekeeper.
- c. The original shall be sent, along with the sale record and price receipt voucher, to the financial administration at the Entity to make the necessary offset in books. Should sold items be new or be publications previously purchased for the purpose of sale, only the price receipt voucher shall be attached to the items dispensing permit.

Article (350):

Items which are not fit for use or sale and decided to be destroyed shall be dispensed from Storehouses by virtue of a dispensing permit and deducted from the Warehouse trust upon approval of the Ministry of Finance after verifying that the relevant damage is not caused by negligence or recklessness. A committee set up for this purpose from legally competent authorities shall supervise said destruction and submit a report thereon to the head of the Entity.

Article (351):

- a. The purchases and Storehouses director shall authorize return of perpetual items to the Warehouse upon completing the term of uses thereof or proving to be unfit for use by decision of a committee set up for this purpose, and shall also authorize return of items in excess of need or those returned for any other reason approved thereby. Return requests shall be submitted to the purchases and Storehouses director in one original and two copies stating the reasons therefor.
- b. The committee referred to in the previous paragraph shall verify the inability to repair said items and that the same are unfit for use as a result of normal use thereof and not misuse or deliberate damage, and shall also verify that the item to be returned is of the same model or type as the dispensed one.

Article (352):

Should the purchases and Storehouses Director at the Entity find that certain items in stock become unfit for use or no longer used, said items shall be presented to the Competent Tenders Committee to decide thereon in accordance with the provisions of the Law and these Regulations.

Article (353):

Should new items be returned to the Warehouse, for any reason, after dispensing thereof without being used, said items shall be presented to the inspection committee to determine the condition thereof and then be admitted to the Warehouse, by virtue of a receipt form, and be added to new items upon verifying that the same have not been used and are of the same model and type as the dispensed ones.

Article (354):

A receipt permit shall be prepared for items decided to be returned to Storehouses for any reason in one original and two copies; one copy of which shall be sent to the administration which sent said returned items and the other copy shall be kept in the relevant trust holder's file upon deduction of items accordingly from said trust whether in the trust book or in the Personal trust record. Said items shall be recorded at the prices determined by the inspection committee depending on the condition thereof. A dispensing permit shall be prepared for items returned from secondary or Personal trusts which shall be deducted from the Warehouse trust record and the Personal trust record and then added to the receiving Warehouse trust and recorded, in weight and number, in said Warehouse trust record, as used or unfit for use items, by virtue of a receipt voucher.

Part Three

Packaging, Clearance, Inspection and Receipt of Incoming Items

Article (355):

The Storekeeper shall review and weigh items requested to be dispensed to another Entity or secondary Warehouse prior to packaging thereof, and shall take all precautions to ensure safe delivery thereof. Parcels shall be weighed in the presence of the relevant Storekeeper and the gross weight of every parcel shall be stated thereon. A packaging report shall be prepared in one original and two copies stating the contents and weight of every parcel and the Storekeeper shall be deemed responsible for the loss or damage of any item prior to delivery thereof to the requesting authority due to bad packaging. In case of large parcels, the Storekeeper may seek assistance from any employee deemed fit thereby to package and pack parcels. The Storekeeper shall place a copy of said report inside the parcel and seal and stamp the same. The second copy of the store dispensing order, along with an official memorandum from the Entity and a copy of the dispensing request shall be sent to the Entity receiving said items, and the Storekeeper shall retain the original report.

Article (356):

Should financing terms and the donor party; in case of materials, items and machines provided as a grant or aid; require the Entity to clear the same through customs, said Entity shall follow the following procedures:

- a. The Entities governed by the provisions of the Law and these regulations shall write to the Ministry of Finance and the Ministry of Planning and international Cooperation on obtaining approval of clearance of the imports thereof at ports as soon as possible upon offloading of the same, and the Entity shall ensure the safety and oversee the transportation of said imports to Storehouses. The officials at said Entities shall be deemed responsible for any damage inflicted on said imports due to recklessness or delay in clearance thereof at ports, as well as any financial liabilities (demurrage, wordage and the like) arising therefrom.
- b. Should imports arrive at ports before the relevant bills of lading based on which imports are cleared, said imports shall be cleared pursuant to procedures implemented by the Customs Authority and branches thereof based on bank guarantees issued by the Central Bank, branches thereof or commercial banks approved thereby, as the case may be, or by virtues of administrative guarantees submitted by the heads of Entities and approved by the Customs Authority in accordance with the rules and provisions stipulated in the Customs Law and Implementing Regulations thereof.
- c. The customs authorities at ports and representatives of shipping, airline and land transport companies shall be permitted to clear Government imports through ports based on stamped bills of lading or bank or administrative guarantees.

Article (357):

The Storekeeper at the Entity receiving parcels shall verify that the number of said parcels matches the number stated in the bill of lading, the validity of stamps and that there is no manipulation or apparent fault causing suspicion of decrease or manipulation of contents; in which case said Storekeeper shall weigh the relevant parcels again to ensure conformity to the bill of lading. Should there prove to be any decrease, the relevant parcels shall be opened to review the contents thereof in the presence of one of the shipping or mail staff, as the case may be, and a report shall be prepared and signed to establish the result of said review. Parcels shall, upon opening and unpacking thereof at the destination Warehouse, be weighed and the contents thereof matched with the packaging report or dispensing permit. A report shall be prepared thereon under the supervision of a special committee which shall record in the report thereof any damage, decrease or breakage and send said report, along with a copy of the dispensing permit, after correction thereof in line with preceding basics, to the purchases and Warehouse administration to take the necessary action towards determining the responsibility therefor. Received items shall be recorded in the receiving Warehouse's trust record and the dispensing permit shall be corrected and returned with the report to the sending Entity to set off the number. Damaged or missing items shall be added to the trust of the dispensing authority until set-off upon determining responsibility therefor and approving the deduction.

Article (358):

After completing all items inspection and receipt procedures, the Storekeeper shall send the relevant documents to the purchases and Storehouses administration at the Entity to execute a receipt form in one original and three copies. The original and two copies shall be sent to the Storekeeper who shall sign the same in acknowledgement of receipt and return the original and one copy thereof to the purchases administration, as the case may be. The original form and invoice shall then be sent to the financial administration at the Entity and the purchases and Storehouses administration shall retain the second copy as a supporting document by virtue of which said items shall be recorded in the Warehouse journal and the deletion ledger in Storehouses.

Article (359):

Packs in which the delivered items were delivered shall be added separately to trust upon assessing the value thereof under the supervision of the inspection committee. Prices shall be stated in the items receipt voucher under the area designated for comments and the area designated for total value shall state "free of charge".

Article (360):

The purchases and Storehouses administration shall fill and send the first part of the dispensing voucher by virtue of a receipt voucher to the financial administration accompanied by the original supplier's invoice, the original report of the inspection committee, a copy of the procurement order or contract, the original receipt form and all bidding documents and records and any financial authorization issued related thereto; in order for the financial administration to complete disbursement in accordance with relevant laws and regulations in force.

Article (361):

Without prejudice to the disciplinary liability specified in relevant laws and regulations in force, any employee who authorizes admitting items to or dispensing thereof from Warehouse prior to completing the procedures provided for in these Regulations shall be deemed responsible for the consequences of said behavior.

Article (362):

Any Storekeeper entrusted with goods or items, particularly valuable or flammable items, shall implement the appropriate procedures to secure and store the same in a proper manner; including implementing the necessary measures to maintain the appropriate temperature or circumstances therefor.

Part Four

Loss or Damage of Items and Claiming Compensation

Article (363):

Should any items be lost or damaged due to theft, burglary, fire, manipulation, replacement or any other accident, the following measures shall be implemented:

- a. The purchases and Storehouses director at the Entity shall immediately notify the head of the Entity of the accident in writing.
- b. The heads of Entities shall immediately implement the security measures and legal procedures which would ensure protection of the Entity's movable and immovable assets and notify the competent authority thereof immediately.
- c. A committee shall be set up to investigate the accident comprising a representative of the Ministry of Finance, a representative of the Central Organization for Control and Auditing and no less than three of the Entity's employees selected by the head of said Entity. Said committee shall undertake the following:
 1. Conduct an Inventory of items available at the accident location to determine lost or missing items.
 2. Prepare a report in three copies accompanied by investigation papers and two copies of the Inventory report prepared thereby and submit the same to the head of the Entity to take the appropriate action.
- d. The head of the Entity shall, upon completion of the investigation, submit a comprehensive report on the accident to the Ministry of Finance and the Central Organization for Control and Auditing explaining the decision reached by the committee on the accident and measures implemented thereby toward collecting the value of losses; accompanied by a copy of the investigation committee's report and attachments thereto and a copy of the instructions issued by said head to avoid similar accidents.

Article (364):

The purchases and Storehouses administration shall keep a record in which all the incidents of theft, fire, manipulation, waste or else shall be recorded; next to each incident the phases of the same shall be clarified as well as the procedures taken in its regard.

Article (365):

- a. Should perpetual items, whether with or without specific validity, be lost or damaged due to negligence or misuse and not be returned to Storehouses upon the end of validity specified therefor, the original book value or market price thereof at the time of said loss or damage, whichever is greater shall be collected from the person who caused said loss or damage; and if the damage could be repaired, said person shall only be charged for the relevant repair cost. The head of the Entity may deduct an adequate amount of the price against depreciation of the item during the period it was used prior to loss or damage thereof. Should a damaged item prove to be usable a price shall be set therefor and deducted from the price of the replacement.
- b. Should the head of the Entity decide to collect the price from the person who caused the accident, the purchases and Storehouses Director shall notify the financial administration at the Entity thereof in order to implement collection procedures and perform the necessary set-off in Warehouse books upon collection of the relevant amount.
- c. The head of the Entity may relieve the person who caused the accident from payment of the value of lost or damaged items, or part thereof, should investigation prove, beyond any doubt, that said loss or damage was caused by theft under coercion, burglary, fire, collapsing buildings or any other causes out the trust holder's will or control pursuant to a final court judgment.
- d. Items lost or damaged as a result of any of the accidents set forth in the previous paragraph shall be deducted from the trust and the value thereof shall be set off pursuant to the accounting treatments specified in the Accounting system Manual.

Article (366):

Insurance and reinsurance companies shall, upon being notified of loss or damage of imports, implement all the procedures required by the insurance system; including inspecting and determining the size of damage and issuing the certificates and documents which establish the Entity's right to claim compensation.

Article (367):

- a. Every Entity which imports items shall keep a special record called the compensations claims record.
- b. The head of the Entity shall review the compensations claims record provided for in Paragraph (a) of this Article to ensure that compensation claim procedures are implemented and compensation is paid; otherwise, the Ministry of Finance shall be notified thereof.
- c. Compensation claim shall end upon recovering the full value of claim or receiving a replacement for missing items.
- d. The value of received compensations for imports shall be recorded in the compensation claims account and transferred to the resources account.

Part Five
Disposal of Items

Article (368):

- a. An item may be deemed in excess of need, damaged or unfit for use if said item is of no use to the Entity, and justifications for deeming said item as such shall be established by a committee set up for this purpose.
- b. The committee referred to in the previous Paragraph shall determine the book value, indicative price and estimated value based on which excess items shall be disposed of in accordance with the provisions of the Law and these Regulations.

Article (369):

Should an item become unfit for use due to negligence or misuse on the part of an employee, said employee shall be obliged to pay the value thereof.

Article (370):

The Entity shall immediately dispose of or destroy damaged items or those unfit for use which constitute a hazard or are unfit for human consumption; such as expired medicines, foods or ammunition; in the best manner without harming the environment.

Article (371):

Damaged items, equipment or documents, or those unfit for use, which involve security concerns (such as banknotes, convertible bonds, invoices, stamps and the like) shall be disposed of in accordance with relevant laws in force.

Part Six

Inventory and Inspection of Storehouses

Article (372):

- a. Every Entity shall conduct a mandatory general Inventory of stock in Storehouses at the end of every fiscal year or upon changing the relevant Storekeeper, and several sudden, comprehensive, or partial inventories shall be made during the year whenever necessary.
- b. The Entity may conduct an Inventory of the Warehouse in the absence of the Storekeeper in any of the following cases:
 1. Death of said Storekeeper.
 2. Imprisonment thereof for a period exceeding (21) days.
 3. Serious disabling illness thereof.
 4. Disappearance or unjustified absence thereof for a period exceeding (21) days.

Article (373):

- a. Inventory of Storehouses shall be conducted by an Inventory committee in accordance with the provisions of the Law and these Regulations and in the presence of the competent Storekeepers.
- b. Inventory committees shall be as follows:
 1. Annual Inventory committee.
 2. Sudden Inventory committee
 3. Other Inventory committees.

Article (374):

Inventory committees shall be set up by decision of the head of the Entity. Said committees shall not comprise competent Storekeepers or those involved in Warehouse work or control.

Article (375):

Annual and other Inventory committees shall, upon changing Storekeepers, conduct Inventory of each and every perpetual item, consumable and item not fit for use in Storehouses; subject to the following procedures:

- a. To notify the concerned Entities of the set date of Inventory.
- b. To secure inventoried Storehouses with special locks under the supervision of the Inventory committee until the Inventory is completed.

Article (376):

On the day prior to Inventory, items balances in the deletion ledger and Storekeeper(s) trust books shall be obtained and recorded by the competent employee at the purchases and Storehouses administration with acknowledgement of the correctness thereof, and Inventory committees shall record in Inventory record the actual stock of every item in Storehouses regardless of book balances.

Article (377):

The committees shall take stock of every item separately according to said item's weight, size, number or quantity as per the unit stated in books, state the actual amounts in the Inventory record, state the difference between actual Inventory and book balances and state the increase and decrease in the Inventory record. The chairman of the committee shall sign next to every inventoried item stating the date of Inventory thereof, and the committee shall write a statement indicating that it has conducted an actual Inventory of items. Nominal Inventory shall hold committee members liable for legal accountability.

Article (378):

The Inventory committee shall prepare lists of increases and decreases in one original and two copies based on the Inventory record stating the opinion and justification of the Storekeeper with respect to increases and decreases of every item. The purchases and Storehouses administration shall record the prices of decreased items according to book value or market prices, whichever is greater, the purchases and Storehouses director shall state comments thereof on said lists and the same shall be presented to the head of the Entity for approval thereof or to decide thereon prior to dispatching the same to the Ministry of Finance for approval. Decreases shall be stated in terms of quantity for every item independently without deducting the increase that may appear with other items.

Article (379):

The head of the Entity shall approve Inventory records which are free from increases or decreases and the same shall be then sent to the Ministry within a period not exceeding one month as of the date of completing the relevant Inventory.

Article (380):

The following procedures shall be implemented with respect to Inventory records which show increases or decreases:

- a. The increase shall, upon completing the Inventory, be added to the Warehouse trust and a copy of the addition permit shall be attached to the Inventory record upon sending the same to the Ministry of Finance.
- b. The decrease shall be deducted pursuant to a dispensing permit and a copy thereof shall be sent to the financial administration at the Entity where the relevant Warehouse is to set off the amount pursuant to accounting treatments in accordance with the Accounting System Manual implemented in the Entity; provided that the acknowledgement of the financial administration is recorded by the number and date of set-off in Inventory records upon sending the same to the Ministry of Finance for approval stating the name of the person or Entity which will bear all or part of the value of said decrease.
- c. A copy of the Inventory record, along with the relevant increase and decrease lists completed pursuant to the provisions of the previous Paragraphs, shall; upon approval thereof by the head of the Entity; be sent to the Ministry of Finance, and another copy thereof to the Central Organization for Control and Auditing; within a period not exceeding one month as of the date of completing the Inventory.

Article (381):

Receipt and delivery between Storekeepers may not replace actual annual Inventory unless receipt and delivery occurs in time of annual Inventory; provided that said receipt and delivery is supervised by the Inventory committee.

Article (382):

The same procedures and regulations implemented in inventories of main Storehouses shall apply to inventories of secondary and workshops Storehouses in accordance with provisions of these Regulations.

Article (383):

Subject to the provisions of the previous Articles, the Inventory committee shall undertake the Inventory of the secondary trusts distributed throughout Governmental institutions subordinate thereto such as hospitals, schools, employee offices and others; once a year.

Article (384):

In regards to perpetual items delivered as a trust to the employees, it shall suffice to receive an acknowledgement from said employees at the beginning of each fiscal year that the items they have been entrusted with do really exist and are in good condition. The purchases and Storehouses director shall make note on the acknowledgements that the items shown are identical to the personal trust forms which are in his possession.

Article (385):

At the end of the fiscal year, the items assembled or fixed in the Governmental buildings, installations and transportation means shall undergo the Inventory process, as will libraries, museums and exhibitions in accordance with the provisions of these regulations.

Article (386):

- a. A record shall be kept with the administration of purchases and Storehouses for the overall items and the values thereof whether these are perpetual or consumable items in the Storehouses subordinate thereto up till the end of the fiscal year. The items that came into the Storehouses for no consideration as gifts, samples or packages shall be listed in the record and their prices shall be recorded based on report written in the Warehouse ledger. As for agricultural products and crops, the prices thereof shall be estimated in accordance with the average market price. In regards to consumable items, their prices shall be determined next to every item as per the last procurement price in the Warehouse ledger. As for items manufactured in a Governmental Workshop and added to the Warehouse prior to the end of the final budgeting; the value thereof shall be estimated approximately based as estimated by the Workshop supervisor.
- b. Two copies of the record mentioned in the above along with the final statement of account shall be sent to the Ministry of Finance and the Central Organization for Control and Auditing.

Article (387):

- a. After completion of the Inventory process, the Inventory committees shall prepare their reports on the form prepared for such purpose in four copies, and the reports shall include the following:
 1. The condition in which the Warehouse records and other books and documents are preserved
 2. The condition of Storehouses in general and in particular the condition with regard to precautions taken for the safety of the matters stored.
 3. The responsibility of the Storekeepers for any loss, deficiency or damage to the stock stored.
 4. Lists of materials in excess, materials missing, and those unfit for use.
- b. The heads of Entity shall submit the originals of the Inventory committees' reports to the Ministry of Finance and the Central Organization for Control and Auditing; accompanied with lists of extra materials as well as missing and unfit for use materials.
- c. The Ministry of Finance shall take the appropriate decisions in relation to materials in excess and missing materials and shall notify the heads of the competent authorities to take necessary measures in their regards.

Article (388):

Without prejudice to the duties and authorities of the High National Authority for Combating Corruption and the Central Organization for Control and Auditing, the Ministry of Finance shall be entitled to inspect Governmental Storehouses at any time as it deems fit and in a manner that does not violate the provisions of the Law and these Regulations.

Article (389):

All Entity subject to the provisions of the Law and these Regulations shall respond to the inspection observations they are notified with within a period of no later than one month from the date of being notified with such observations in regard to secondary Storehouses; and no later than two weeks as of said date with respect of main Storehouses. In the case of not responding within the specified period, such shall be considered as an acknowledgement that the content of the report is correct.

Article (390):

In every Entity of the Entities subject to the Law and these Regulations, there shall exist a department or employee specializing in monitoring the Storehouses and subordinate to the administration of purchases and Storehouses. Said employee/department shall keep monitoring records for the Entity's assets in accordance with the following:

- a- Recording all data pertaining to delivery documents for the supplied items as well as items dispensed from the Warehouse, recording the value of each of the delivered or dispensed items on the journal of the Warehouse.
- b- Recording in the deletion ledger all items delivered to the Warehouse and dispensed therefrom as they occur along with showing clearly the price of delivered or dispensed items and the amount of the remaining balance of each item; so that the balance in the book shall match the actual assets in the Warehouse,
- c- Recording all items in the trust of every employee whereby one page or more shall be designated for every entrusted person in the personal trust record.

Part Seven

Libraries, Workshops and the Like

Article (391):

Books, scientific journals and periodicals shall be dispensed from Storehouses to the libraries per a dispensing request and permit. After these are received by the librarian, the librarian shall record the same in the book register and shall clarify in this register the name of the book, the number of its parts and volumes, the author's name and the book's serial number as per the index and such shall be recorded in the Warehouse books as entrusted with the librarian.

Article (392):

Each Entity shall select one of its employees as a librarian, who shall be responsible for the receipt and dispensing of books and other library contents and preserve the same. The librarian shall stamp the outside cover of every book along with the page that carries the book's title with a special seal that affirms that the book is the Entity's property.

Article (393):

- a. The librarian shall prepare a special index that contains the library's contents in alphabetical order which shows the name of the book and its serial number.
- b. The librarian shall add to the index every new book that is added to the library as soon as this takes place, in accordance with forms prepared for this purpose.

Article (394):

The librarian shall keep the register of lent books. When lending out any book, the signature of the recipient must be obtained prior to handing the book thereto as per a form that should clarify that the recipient shall be responsible for returning the book(s) in its (their) original condition in which it was received, and that the recipient shall be required to pay for the book in the case of its loss or damage on the basis of its market value. The librarian shall be in charge of following up on the return of lent books at their specified times.

Article (395):

The Workshop or the factory and the like shall have a Warehouse assigned thereto. The Storekeeper shall keep the trust book as is the case with the secondary Storehouses and provisions concerning secondary Storehouses and their relationship with the main Warehouse shall be applicable to the Workshop's Warehouse in accordance with the provisions of these regulations.

Article (396):

Workshops subordinate to Entities shall not conduct Works or repairs for the public unless they have a permission to do so from the head of the Entity. Amounts received by the Workshop in Central Authority's units shall be recorded as public revenue and transferred to the general Government account and amounts received by the Administrative Unit shall be recorded as local revenue and transferred to the local revenue account.

Article (397):

The Entity that intends to operate items in the Workshop shall prepare a request in that regard and submit the same to the Workshop with regard to every item individually and on a separate form prepared for such purpose.

Article (398):

- a. The manager of the Workshop that will conduct the operation shall prepare a Budgeting to be made in two copies on the form prepared for such purpose for every operation in which the supervisor shall detail the raw materials to be used, the remuneration for labor needed to complete the job along with a clarification of the cost of the raw materials as per their book value or their market price with the addition of (20%) of the total actual costs for general expenditure and others. Operation shall not be allowed to commence prior to the preparation of the relevant Budgeting and approval thereof.
- b. After the Workshop obtains written permission from the requesting Entity, the operation is recorded with serial numbers in the jobs record along with the name of the requesting Entity, the requested job, the date of the arrival of the request and the start date.

Article (399):

Perpetual items necessary for every operation shall be requested from the Workshop's Warehouse on the form prepared for such purpose, and then the same shall be recorded in the consumable items register in the Workshop. Items that are requested from the main or secondary Warehouse, in case no Warehouse assigned to the Workshop, shall be requested from the Warehouse pursuant to an items request form, which shall be accompanied with a copy of the assessment. Upon delivery of the requested items, the same shall be recorded in the Workshop trust book, and the needed items may not be dispensed at once if it becomes apparent that the completion of the operation will take a long period of time whereby dispensing shall be segmented for essential items.

Article (400):

Items intended for consumption at the Workshop such as fuel, oils and others needed to execute the daily activities such as running the machines and equipment shall be dispensed from the Storehouses in accordance with an items' dispense request for the Workshop signed in acknowledgement of receipt. The dispensed quantities shall be recorded in a special record and at the end of each week the mentioned requests shall be collected and a list of same shall be prepared along with copies of dispense permits and shall be sent to the administration of purchases and Storehouses for review and deducting items accordingly in the books kept by the administration pertaining to the trust of the Workshop's Warehouse or the Warehouse that undertook the dispensing.

Article (401):

If, during the execution of a work, it became apparent that amendments need to be made to the Budgeting that will result in an increase in the dispensed items previously approved, then a revised Budgeting shall be prepared prior to the completion of work.

Article (402):

The supervisor of the Workshop assigned with the job shall fill out the areas designated in the assessment for the actual paid wages and the amount of raw materials used in operating the items shown in the assessment or those used in the repairs shown therein, and shall clarify in the areas designated for returned items the amounts of remaining raw materials and their price. The Workshop manager shall sign these statements indicating an acknowledgement formulated as follows "I acknowledge that the Works or repairs have been executed as per the request".

Article (403):

Items that are not used after the completion of the Works or repairs shall be returned to the Warehouse in accordance with an items' return form that shall be made in two copies and submitted to the Warehouse with a receipt permit. A copy of the form and the permit shall be sent to the administration of purchases and Storehouses to record the items returned accordingly.

Article (404):

The new items manufactured in the Workshop shall be delivered to the Warehouse after their examination by a committee formed for such purpose and the acknowledgement of said committee that the work was executed as required. A receipt permit shall be prepared and shall be accompanied by the assessment; the same procedures shall be followed as in the case that the items are delivered directly to the Warehouse of the requesting Entity.

Article (405):

Repair requests shall be made in four copies and shall be approved by the competent party in the Entity, then three copies of which shall be sent to the Workshop along with the items requested to be repaired. The Workshop shall conduct an assessment for the repair, which shall be approved first, and then the acknowledgement and the consent of the requesting Entity shall be attained before the commencement of the repairs.

Article (406):

Items sent to the Workshop for repair shall not be deducted from the trust when sent to the Workshop, rather, these shall remain in the custody of the trust holder provided that that the trust holder keeps a copy of the repair request as evidence of the existence of items in the Workshop for repair purposes.

Article (407):

Should it become apparent to the Workshop that the items to be repaired are irreparable, then the same shall notify the requesting Entity accordingly, which in its turn shall recollect the items, send the same back to the Warehouse, and deduct them from the custody in accordance with the provisions of these Regulations.

Article (408):

Minor repairs the value of which is less than 30.000 Riyal shall be carried out without Budgeting, whereby the request of the necessary materials from the Workshop's Warehouse after the approval of the Workshop manager shall suffice.

Article (409):

Repaired items shall be handed to the Entity that requested the repair, which shall inspect the same. The representative of the Entity shall sign a declaration of two copies indicating that the repairs were performed and the repaired items were received, and shall then return the declaration to the Workshop with a copy of the measurement attached thereto.

Article (410):

After performing the repairs and operations, the person in-charge in the Workshop shall fill the designated areas in the Works record indicating the date on which the work ended the costs of raw materials, the costs of labor, general expenses, and the total expenses. When reaching the end of the page in which such record is being made, the mentioned person shall carry forward the total of the designated areas in the ledger to the next page and so forth till the end of the fiscal year.

Article (411):

The Workshop manager shall prepare a monthly statement based on the record of the items consumed in the Workshop on the items dispensed in the Works and repairs to attach the request forms to the monthly statement and send them at the beginning of the next month to the procurements and Storehouses management for review and initiation; in order to deduct the raw materials from the Workshop Warehouse custody book.

Article (412):

- A) It shall be clarified in a special page in the Works and Budgeting book of the repairs or the Works that have not been operated till the end of the fiscal year, and next to each assessment, the actual expenditures made in its regard till the end of the fiscal year.
- B) A list of the dispensations made till the end of the fiscal year with regard to the uncompleted Works and repairs.
- C) The Budgeting that has not been initiated or completed before the end of the fiscal year to be carried over to the Budgeting book of the new year, and shall be assigned new numbers in addition to their old numbers, and the amounts spent thereon in the previous fiscal year shall be affixed next to them.

Article (413):

It shall not be permitted to carry forward the budgeting of the operations for more than one subsequent fiscal year without the approval of the Entity pursuant to a memorandum from the Workshop manager indicating the justifications for the mentioned carrying over.

Chapter Ten

Complaints and Grievances

Article (414):

- A) Each bidder shall have the right to submit to the head of the Entity, in accordance with the provisions of the Law and these Regulations, a written request to review the decision, to clarify the grounds of such, or the cancellation thereof; provided however, that such request is made prior to signing the contract. Any request for the cancellation of the decision shall not be considered if not supported by supporting documents.
- B)
- (1) If the bidder requested the cancelation of the award decision, the head of the Entity shall suspend the Tender procedures and respond to the complaint in writing within five days from receipt of the review request, indicating the grounds for rejection. In case of accepting the review request, the decision shall be subjected to corrective actions.
- (2) If the review request contains a written explanation to the decision taken by the Entity, the head of the Entity shall respond in writing within five days indicating the award reasons.
- C) Should the bidder suffer any damage due to the Entity's breach of any of its duties provided for in the Law and these regulations, the bidder shall have the right to file a review request with the High Authority at any stage of the Tender procedures in accordance with the Law and these Regulations.
- D) The High Authority may not consider the complaint in any of the following cases:
1. If the complaint does not contain a statement of the violation made by the Entity.
 2. If the complaint is not submitted within ten days from the date of receiving the Entity's decision on the award.
 3. If it is found that the complaint is malicious, the complainant shall be penalized by prevention from submitting Tenders for one year.
- E) The High Authority shall comply with the objectives of the Law and these Regulations when studying and reviewing the complaint, and shall publish the decisions it takes for each complaint independently, taking into consideration the confidentiality of the commercial information of some complainants. The High Authority shall also establish schedule to review such complaints in the governorates capitals on a periodic basis, provided not to be less than once every three months.

F)

1. The bidder may recourse to courts to review the decisions taken by the High Authority or to interfere in case the Authority fails to take decision within the time specified in these regulations.
2. The competent court shall receive the complaints against the decisions taken by the High Authority in accordance with the Law, these regulations, and applicable laws.

Article (415):

The Entity shall grant all bidders a period of ten days to file their grievances at the Entities provided for in the law and these regulations starting from the date of officially notifying thereof with the name of the winner in the Tender.

Article (416):

The bidding documents shall contain all information necessary with regard to the method to be followed for submitting a complaint.

Article (417):

- (A) The High Authority and all Entities governed by the Law and these Regulations shall consider the following upon handling complaints or grievances:
1. Impartiality and independence upon handling the complaints or grievances, and compliance with transparency when taking decisions.
 2. The Authority may seek the help of any person from within or outside the Entity in studying the complaints or grievances when needed to help make the proper decision.
 3. Compliance with the provisions of the Law and these regulations, giving consideration to their purposes in a manner serving competition and equal treatment for all without discrimination or favoritism.
- (B) The High Authority or the Entity shall issue their decisions on the complaints or grievances and publish the same in another suitable media means, and post the same on its web site. The party who submits complaint or grievance may recourse to the court in case of being unsatisfied with the decision of the Authority or the Entity.

Article (418):

The High Authority shall take the following procedures with regard to the complaints:

- A. To record all submitted complaints in a special record indicating the date and time of receiving the same.
- B. To review the submitted complaints on the timeframes specified in this Law and these regulations.
- C. To reject any complaint not accompanied with supporting documents provided however, that a reply in writing shall be submitted to the complainant indicating the grounds for rejection.
- D. If the complaint contains written request to interpret the award decision, the Head of the Authority or his delegate shall reply within five days from the date of receiving the request and shall give the award justifications.
- E. If the complaint contains a request to cancel the award decision, the Head of the Authority or his delegate shall:
 1. Promptly suspend the Tender procedures to allow sufficient time to accurately review the complaint.
 2. Delegate any of the Entity's senior staff who did not participate in any of the Tender stages to verify the complaint or seek the help of a specialized from outside the Entity to investigate the seriousness of the complaint by reviewing all the minutes and records as well as other documents related to the Tender, and inquire from the technical committee and Tendering committee members and other related persons.
 3. If it is found that the complaint is untrue, a written reply shall be made to reject the complaint indicating the reasons of the rejection within five days from the date of the complaint receipt.
 4. If it is found that the complaint is not true, the Head of the Entity or his delegate shall take the following corrective actions:
 - Cancel the award decision and notify the High Authority with the cancellation decision and reasons.
 - Re-evaluate the submitted Bids or re-invite the Tender.

Article (419):

Upon reviewing the complaints, the High Authority shall:

- A. Consider and verify the submitted complaints.
- B. Entrust its technical office to study and review the complaint, submit initial report indicating the technical opinion concerning accepting or not accepting the complaint within the time limit specified by the High Authority.
- C. Refer the complaint to be studied in details to its technical office to undertake the following:
 1. Review the documents of the Tender, the submitted Bids and all minutes and records, as well as the Tender-related documents.
 2. Enquire from the analysis and evaluation committee, the competent Tendering committee at the Entity subject to the complaint, and the Tender-related parties.
 3. Review, analyze and evaluate the Tenders.
 4. Provide the High Authority with a report on the results.
- D. The High Authority shall study the report received from the technical office and take final decision on the complaint in accordance with the following:
 1. Reject the complaint, in which case the complainant shall be notified with the decision in writing.
 2. Accept the complaint, and take corrective procedures in accordance with the Law and these Regulations.

Article (420):

- A. The bidder may recourse to the courts to review the decisions taken by the Authority or to interfere in case the Authority fails to take decision within a period of thirty days from the date of issuing the Authority decision.
- B. The competent court receives grievances against the decisions taken by the High Authority in accordance with the Law and the applicable relevant laws.

Chapter Eleven

Code of Ethics

Article (421):

Head and members of the High Authority, Chairman and members of High Committee, heads of Entities, heads and members of Tender committees, as well as other committees specified in the Law and these regulations and whoever related to the Tendering procedures, implementation and supervision thereof shall be responsible in full for the implementation of the Law and these regulations.

Article (422):

The persons in-charge of the Tenders Works and supervision, whatever their levels are, and the bidders for Works of Supplies, Contracting, consulting services, and Other Services shall comply with the ethical principles and shall respect the highest standards of ethics in course of implementing their tasks and Works throughout all the Tenders stages to avoid exposing themselves to the legal responsibility and the penalties provided for in the relevant applicable laws.

Article (423):

- A. All persons in-charge of the Tenders shall comply with the following during all stages:
1. Perform their job duties with high degree of impartiality to achieve fair competition among all bidders with due consideration to the public good in accordance with the provisions of the law and these Regulations.
 2. Avoid conflict of interests and the possibility thereof at all times when performing the job duties specified by the law.
 3. Not to commit any malicious or fraud practices or provoke to such conducts.
 4. Maintain the confidentiality of the information and data that come to their knowledge during the course of the Tender, including the private information of the bidders.

- B. Persons in-charge of the Tenders shall not enter any of the Tendering Works the procedures of which is to be finalized if he or any of his first-degree relatives has a direct or indirect interest, and if such emerged, the same shall withdraw from the procedures of this Tender till the time in which such procedures complete, and shall inform the higher level in Tender authority of the fact in writing.
- C. No employee may enter into or participate in any Tendering for the Entity in which the same serves.
- D. Persons in charge of the Tenders shall provide all data and information as required by the High Authority, High National Authority for Combating Corruption, Central Organization for Control and Auditing, and other relevant authorities.
- E. All employees of the High Authority, High Committee, and all persons in-charge of the Tendering works shall comply with the code of ethics provided for in the Law and these Regulations.

Article (424):

- A. All persons in-charge of the Tenders at the Entities governed by the Law and these Regulations, and the persons in charge of supervision thereon, whatever their levels are, shall maintain the confidentiality of the documents, records, information, and discussions and not to disclose the same before the final decision is taken by the competent Tendering committee.
- B. If any bidder influences any of the persons in-charge of the Tenders at any of the Tenders stages in order to obtain confidential information, then Bid thereof shall be rejected or eliminated, and the Entity may take legal actions thereagainst.
- C. Any persons who discloses secret or provide information to the bidders shall be penalized in accordance with the applied laws and regulations.

Article (425):

- A. The officials and employees of the Entities subject to the Law and these Regulations may not submit their Tenders in person, through others, or in the names of partners thereof, directly or indirectly, to implement any Supplies, consulting services, or Other Services, whatsoever. Furthermore, they may not purchase items, jobs, or properties sold by the Entity in which they serve.
- B. No contracts may be concluded between the local authority or the branches of the central authorities at the Administrative Unit and any of the Administrative Unit local council members either in person, through others, by subcontracting, or in the names of partners thereof, directly or indirectly, to implement any executions, Supplies, Contracting, consulting services, or Other Services, whatsoever, or to purchases items, jobs, or properties sold by the local authority or the Central Authority branches.
- C. The arrangements and contracts entered into in violation to the provisions of this Article shall be null and void without prejudicing the right of the central monitoring authorities or the local council at the Administrative Unit to take the legal actions provided for in the applied laws and regulations.

Article (426):

- A. All bidders shall comply in full with all established obligations in accordance with the law, these Regulations, Tender contracts, and other applicable laws and regulations.
- B. All bidders must not engage in any corruption or fraud practices or assist such practices with the objective of influencing any of the Tendering procedures, including provocation of any improper act or threatening to cause damage, directly or indirectly, to persons or properties, or influence the other bidders to participate in the competition or execute the contract.
- C. All bidders must not engage in any collusion before or after submitting the Bid that may lead to the distribution of the Tender contracts among the bidders, or fix their prices at unreasonable and uncompetitive levels, or deprive the bidder from the free open fair competition.

- D. A Bid shall be eliminated if it is proved that the submitter of which offered or agreed to offer a bribe or engaged in any of the other practices described above in this Article, including the attempt to obtain confidential information, provided however, that the Entity notifies the same with the exclusion decision in writing and to notify the High Authority and the other authorities concerned with the application of the relevant laws.
- E. Any person who prepares the Tender specifications or conditions may not enter in the same Tender.
- F. The bidders proved to be engaged in any corruption or fraud practices in any of the Tender procedures shall be subjected to the judicial procedures and penalties stipulated by the applicable laws and regulations.
- G. Any bidder shall be deprived from the actual participation in any Tender in accordance with the periods specified in the blacklist if it is proved that the same:
 - 1. Provided false information in the bidding documents regarding his previous Works and experience.
 - 2. Colluded with any employee during the preparation of the bidding documents.
 - 3. Directly or indirectly engaged to limit competition between the bidders either by force, concealing, collusion, or coordination to limit the prices.
 - 4. Submitted malicious complaint involving cheating.
 - 5. Convicted with a crime pertaining to obtaining or the attempt to obtain contract or subcontract.
 - 6. Convicted with a crime related to the practice of professional activities or work implementation.
- H. The High Authority may suspend any bidder from participating in any Tender in case the same violates the provisions of the law and these Regulations in accordance with the procedures specified in the blacklist, provided however, that such bidder shall be notified in writing with the reason of such suspension after studying the same from all legal and technical aspects, and that the bidder be given a reasonable time to reply on the procedures to be taken.
- I. In case of suspending any company from participating in the Tender, such suspension shall apply to all other participants who were the cause of such suspension.

Chapter Twelve

Final Provisions

Article (427):

All Entities subject to the provisions of the Law and these Regulations must provide the Tax Authority and its offices at the Administrative Units with copies of the Tender and auction contracts they sign, and any amendments thereof, within one month from the date of signing such contracts.

Article (428):

Each of the Tender and auction committees described in the Law and in these Regulations shall hold its meetings on a periodic basis, or as needed, and write the minutes and results of their meetings in official meeting minutes signed by the committee present chairman and members, and keep the same with their secretary. These committees may not give final decision on any Tender presented to the same by passing-on.

Article (429):

- A. The Prime Minister shall, upon a joint recommendation of the Chairman of the High Authority and the Minister of Finance, and after the approval of the Council of Ministers, issue a regulation to regulate the payment of the financial incentives to the members of the Tender committees, technical committees, or the technical procurement specialized units established under the provisions of these Regulations.
- B. The Prime Minister shall, upon a joint recommendation of the Chairman of the High Authority and the Minister of Finance, and after the approval of the Council of Ministers, issue a regulation to regulate the remunerations of supervising the Work implementation, the costs of investigations Works and receiving the Supplies, costs of reviewing the outputs of the consultation services.

Article (430):

The High Authority shall prepare and print the standard manuals and documents for the Works, Supplies, consulting services, records, and forms of the Tendering Works in coordination with the Ministry of Finance and circulate the same to all authorities subject to the provisions of the law and this regulation.

Article (431):

The authorities concerned with the issuance of registration and classification certificates and other legal cards shall be responsible for the legal records in accordance with the laws and regulations issued therefore.

Article (432):

All Entities subject to the provisions of the Law and these regulations shall comply with the bookkeeping, records, documents and forms specified in these Regulations.

Article (433):

The competent Tendering committees at the Entities subject to the provisions of the Law and these Regulations shall be in charge of changing the committees of preparing the Tenders documents and analysis and evaluation Works, as well as the test, inspection and receiving committees on a periodic basis after evaluating the performance of these committees in accordance with the provisions of the Law and these Regulations, and provide the High Authority with periodical reports.

Article (434):

The competent Tendering committees at the Entities subject to the provisions of the Law and these Regulations shall undertake the responsibility of following up the performance of the suppliers, Contractors, or Consultants in accordance with the signed contracts, and any breach to any obligation provided for in the contract shall be reported by the Tendering committee supported with all documents and data to the Entity concerned with the blacklist for the purposes of study, review and take legal actions in accordance with the relevant applicable laws and Regulations.

Article (435):

The procedures and penalties provided for in the applicable laws and regulations shall be taken against those who violate the provisions of the law and these regulations.

Article (436):

The Prime Minister Decision No. (234) for the year 1997 on the Regulation of the Government Tenders and Storehouses Law No. (3) for 1997 shall be cancelled.

Article (437):

This decision shall come into force as from the date of its issuance and shall be published in the Official Gazette.

Issued at the Council of Ministers

On / / 1430 AH corresponding to / / 2009 AD

Dr. Ali Mohammad Mejawar
Prime Minister