### Law No. (6) For The Year 1999 Concerning Tenders For Governmental Works

Chairman of the Executive Committee for Palestine Liberation Organization

President of the Palestinian National Authority

Upon review of Law No. (8) for the year 1998 AD. concerning the General Supplies, of the Public Works Contracting Regulation No. 6 for the year 1960 AD. which is in force in the Governorates of the West Bank,

Of the Tenders General Conditions Regulation for the year 1953 AD. which is in force in Gaza Governorates,

Of the Palestinian Contractors Classification Instructions for the year 1994 AD. which is in force in Palestine,

Of the draft Law submitted by the Council of Ministers, and

Approval of the Legislative Council on 9<sup>th</sup> June 1999 AD.,

We have promulgated the following Law:

## Part One Definitions

### **Article One**

In applying the provisions of this law, the following words and expressions shall have the meanings assigned thereto hereunder unless the context provides otherwise:

Ministry:	Ministry of Public Works
Minister:	Minister of Public Works
Department:	Any public official Ministry, Council, Authority
	or Institution.
Competent Officer:	The Officer with respect to his Ministry,
	Departments and Institutions attached to him. For the purpose of
	this Law, the term "Competent Officer" includes:
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The Prime Minister with respect to the Prime Ministry

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Speaker of the Palestine Legislative Council with respect to the Palestine Legislative Council 3-					
The Minister with respect to his Ministry. 4-					
The Head of any Department who exercises the powers of the Minister with respect to that Department under special laws or regulations.					
Under Secretary :	The Under Secretary, Director General of the Department or whoever is appointed to act for him in the event of his absence.				
Director :	Director General of the Central Tenders Department.				
Governor:	The Governor who is working in one of the Governorates.				
Tenders Department: The Central Tenders Department which is formed according to the provisions of this Law.					
Works:	Construction of buildings, roads, installations and engineering projects of various types, supplies, maintenance, follow up of execution and supervision thereof.				
Technical Services: Studie	es, engineering and technical designs of the works and projects as well as its supervision, operation, survey work and any technical or engineering consultation relating to the works.				
Contractor :	Any natural or corporate person who contracts with the Department to execute the works.				
Consultant :	Any natural or corporate person who provides the technical services.				
Part Two					

#### Part Two Central Tenders Department

## Article Two

1- A Department in the Ministry of Public Works shall be established under the name of the Central Tenders Department and shall have its own staff. A Director

General shall be appointed to the Department by a decision of the Council of Ministers.

- 2- The necessary directorates and sections shall be set up in the Central Tenders Department to manage its affairs and the authorities thereof shall be established by a regulation to be issued by the Council of Ministers upon the recommendation of the Minister.
- 3- The Minister may name one of the senior employees of the Tenders Department as a deputy to the Director to assist him in managing the affairs of the department and assuming his functions in the event of his absence. The Director may commission him by a written authorization to preside over the meetings of the central tenders committees in special and specific cases.

# Article Three

The Tenders Department shall exercise the functions and powers vested in it pursuant to the provisions of this law including the following:

- 1- Supervise and follow up the classification of contractors and consultants as well as follow up their qualification in coordination with and participation of the competent and concerned associations and unions and the approved classification committee vide the contractors classification instructions and maintaining the information vested therein and in their work for the purposes of work within and outside the country as well as according to instructions issued for this purpose.
- 2- Verify and analyze the governmental technical works and services, collect, maintain and analyze the information pertaining to the tenders.
- 3- Unify the general conditions for the contracting contract, tendering procedures, develop such conditions and procedures according to the laws, regulations and instructions in force.
- 4- Issue the periodical publications concerning the construction sector, prices of construction materials and work items.
- 5- Carry out the secretarial works for the central tenders committees.

## **Part Three**

## Article Four Methods of Executing the Works and Services

The following works and services shall be executed in one of the following methods:

1- Public tenders: They are those which take the principle of publicity, equality and freedom of competition and are either local or international.

- 2- The tenders through the method of invitation of offers that is by addressing special invitations to a minimum number of three contractors or consultants.
- 3- Direct contracting in urgent special or exceptional cases.
- 4- Direct Execution: Is the execution which is carried out by the Ministry through its equipment and staff.

## Article Five

Upon the issue of any tender relating to the general technical works or services, the following rules should be observed according to the provisions of this law:

- 1- The issue of the tender shall be made vide an advertisement in the local newspapers provided that the announcement of the issue of any tender or making any award is not made unless the financial appropriations are available for its execution or there is a commitment for providing same from the financing authority by a resolution of the Council of Ministers.
- 2- Apply the principle of competition and provide equal opportunities to the qualified parties to execute the works or provide the technical services in the manner deemed proper by the competent authority with due observance of giving sufficient period to the contractors and consultants to study the tender documents and submit the offers that are consistent with the required nature of works or technical services.
- 3- Comply, upon the award of the tender, with the best offers which meet the conditions of tender invitation and most suitable prices with due observance to the degree of the required quality and the possibility of execution within the fixed period and the extent of capability of the contractor or consultant to carry out the required work according to the conditions and specifications.
- 4- Place a provision in the conditions of tenders and specifications on the use of local materials and industrial products in the works as long as they comply with the approved specifications coupled with the requirement to avoid the defining of the commercial names to any industry.
- 5- All the agreements and contractual conditions should be in the Arabic language but the specifications, layouts, technical reports and correspondence may be in the English language. Also, the contracts may be translated into the English language provided that the Arabic language shall prevail in the contract.
- 6- Comply with the laws, regulations and instructions in force upon formulating the contractual conditions and not to provide for the exemption from any financial commitment which is imposed by any legislation except after the approval of the Council of Ministers of the exemption prior to the signing of the contract.

- 7- Give the priority in governmental work projects to local contractors if they meet the required conditions.
- 8- The foreign companies should observe the relevant laws and regulations in force in Palestine.

### Part Four Formation of the Tender Committees

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## Article Six

The following tender committees shall be formed pursuant to the provisions of this law:

- 1- Central Tender Committees
- 2- Department's Tenders Committee
- 3- Governorate's Tenders Committee

### **Article Seven**

1-	A specialized central tenders committee under the	chairmanship of		
	the Director shall be formed for every one of	of the following four fields and the		
	headquarters of such committees shall be in the C	Central Tenders Department and it may		
	hold its meetings in the Department concerned with			
a-	Government buildings field.			
b-	Water, irrigation, sewage and dams field			
с-	Roads, transportation and mining field			
d-	Electro-mechanic and communication works field			
u-	Electro-mechanic and commu	incation works neid		
2-	Each committee shall be composed of the:			
a-	Director	Chairman		
b-	Representative of the Ministry of			
	Finance to be appointed by the Minister	Member		
	Democrateting of the Ministry to be			
C-	Representative of the Ministry to be	Manakan		
	appointed by the Minister	Member		
d-	Two representative for the Department	nt		
	concerned with the tender to be appointed			
	by the competent officer	Two Members		
e-	Two specialized persons to be appoin	ted		
<b>U</b> -	by the Minister	Two Members		
	by the Minister	I wo includers		
3-	The period of membership on every committee	ee shall be one year, renewable.		

3- The period of membership on every committee shall be one year, renewable, provided that the members are experienced, capable and specialized. No person may be a member in more than two committees.

- 4- These committees shall hold the meetings thereof by an invitation of its chairman and the quorum of meetings shall be upon the attendance of a minimum of five of their members provided that the chairman thereof and one of the representatives of the department concerned with the tender are amongst them. The decisions thereof shall be taken by the majority of votes of four of the attending members thereof.
- 5- These committees shall be concerned with the issue and award of the tenders which are beyond the scope of authorities of the other committees provided for in this law or any other tender commissioned by the Minister for the issue of same upon the recommendation of the competent officer.
- 6- The decisions of the central tender committees shall be subject to the approval of the Minister.

7- The Minister or whoever is authorized by him in writing shall sign the agreements on behalf of the government in implementation of the decisions of the central tender committees.

## **Article Eight**

1-	A tenders committee shall be formed in every department to be called the "Department's Tenders Committee" in the following manner:			
a-	Under Secretary	Chairman		
b-	Two persons to the appointed by the			
	Competent officer	Two Members		
c-	Two representatives of the Tenders Department to be appointed by the Minister upon the recommendation of the Director			
	General	Two Members		
d-	A Representative of the Ministry of F	inance		
	to be appointed by the Minister of Finance	Member		

- 2- The membership on this committee shall be for a period of one year, renewable for one time only. This committee shall be concerned with the issue and award of the work tenders where the value of each one thereof does not exceed one hundred and fifty thousand American Dollars or the equivalent thereof in the currency in legal circulation and the technical service tenders if the value of each one thereof does not exceed seven thousand American Dollars or the equivalent thereof in the currency in legal circulation.
- 3- The Department's Tenders Committee shall hold its meetings upon the invitation of its chairman and the quorum of the meetings shall be upon the attendance of a minimum of four of its members provided that its chairman is amongst them. It shall take its decisions by the majority of four votes of its attending members.
- 4- The decisions of this committee shall be subject to the approval of the competent officer who shall sign the agreements in implementation of the decisions issued by it.

## **Article Nine**

There shall be formed in every Governorate a committee called the "Governorate's Tenders Committee" in the following manner:

a- Director of Works in the Governorate

Chairman

b-	A representative of the Ministry of Local Government to be appointed by the Minister of Local Government.	Member
C-	A representative of the Ministry of Finance to be appointed by the Minister of Finance	Member
d-	A representative of the Department concerned with the tender to be appointed by the competent officer	Member
e-	A representative of the Tenders Department to be appointed by the Minister upon the recommendation of the Director	Member
f-	A representative of the Ministry of Interior to be appointed by the Governor	Member

- 2- The membership on this committee shall be for one year renewable for one time only. This committee shall be concerned with the issue and award of the work tenders where the value of each one thereof does not exceed twenty five thousand American Dollars or the equivalent thereof in the currency in legal circulation.
- 3- The Governorate's Tenders Committee shall hold its meetings upon the invitation of its chairman and the quorum of meetings shall be upon the attendance of a minimum of five of its members provided that its chairman is amongst them. It shall take its decisions by the majority of four votes of its attending members.
- 4- The decisions of this committee shall be subject to the approval of the Governor and the competent authority shall sign the agreements in implementation of these decisions.

## Article Ten

1- The tender committees should record a minutes for every one of its

meetings and prepare a report of its recommendations to be signed by its attending chairman and members thereof. A copy thereof should be kept in the file pertaining to the tender. The member who fails to attend the meeting should submit a statement signed by him of the reasons of his none attendance in order to attach it with the Committee's report.

2- The representative of the Public Control Authority should participate in the meetings of the tender committees provided for in this law in the capacity of an observer.

3- The concerned officer may appoint any of the members of the tender committees provided for in this law. He may substitute another member in his place at any time. However, it shall not be permissible to replace the representative of the department concerned with the tender which is presented to any such committee during its review of such tender until the issue of its recommendations or decision in respect thereof. Any measure taken to the contrary thereof shall be void.

### **Article Eleven**

The Central Tender Committees or any other tenders committee may, subsequent to the approval of the Minister or the competent officer, seek the assistance of experts and technicians in the matters relating to the tenders presented thereto. The Council of Ministers may, upon the recommendation of the Minister, grant such experts or technicians financial remunerations which are proportionate with the works they have carried out.

### Article Twelve

The tendering proceedings, conditions of participation therein, periods of notices, the required financial guarantees, methods of submission of offers, opening, studying and evaluation of offers, rules of award and other conditions to be fulfilled in the tender documents and contractors or consultants shall be regulated pursuant to the regulations issued by the Council of Ministers, published in the official gazette and shall be binding.

#### Article Thirteen

The head of the competent tenders committee shall issue the works or technical services taking into consideration the governmental tendering regulations which were issued pursuant to the foregoing article twelve (12) of this law and may, subsequent to the approval of the competent authority of passing the award, distribute the copies of the tender free of charge to those concerned.

### **Article Fourteen**

Competent technical committees shall be formed in each of the Central Tenders Department and other departments approved in this law to study the tender offers from the technical aspects and submit the recommendation thereof to the main committees to which the tender offers are referred.

### Article Fifteen

The decisions and recommendations of the tender committees should be forwarded to the authorities concerned with the approval of same within seven days from the issue thereof and these authorities are to issue the decision thereof with respect to the tender within thirty days from its receipt. If such authorities do not issue a decision of approval or otherwise within such period, the decision of the tenders committee shall be considered as approved.

## Article Sixteen

If a tender is issued more than once and insufficient number of contractors have participated therein, the prices in the submitted offers were not reasonable, the offers were conditional or incomplete the tenders committee in such a case should submit a report on the subject to the authority which is competent with the approval of the tender. Such authority may decide to re-issue the tender or carry out direct contact for the lowest price from amongst the submitted offers.

## Article Seventeen

It shall be permissible to execute the works or provide the technical services by inviting offers or enter into direct contracting according to the powers provided for under article eighteen of this law in any of the following cases:

- 1- In urgent cases for meeting a contingent situation or due to the existence of a necessity that does not permit the carrying out of the proceedings of issue of a tender.
- 2- Unify the machinery and equipment, reduce the diversification thereof or for the purpose of saving the acquisition of spare parts or to provide the expertise for the use thereof.
- 3- The purchase of spare parts, accessory parts, machines, tools, supplies or provisions which are not available with more than one source with the same degree of efficiency.
- 4- Upon entering into contract for technical services or provision of scientific services.
- 5- If the contracting for the execution of works or provision of services is made with governmental institutions, scientific institutions or if the prices are fixed by the official authorities.

### Article Eighteen

- 1- The execution of works shall be made through the invitation of offers or direct contracting according to the following authorities and the agreements relating thereto shall be signed by the competent authority by:
- a- A resolution of the Council of Ministers upon the recommendation of the Minister, if the tender relates to the Ministry and upon the recommendation of the Minister and the competent officer if the tender relates to any other department and the value of works in any of the two cases is over one hundred and fifty thousand Dollars and does not exceed four hundred thousand

Dollars or the equivalent thereof in the currency in legal circulation provided that the decision is coupled with a recommendation of a technical committee formed by the Minister and the competent officer from amongst those who are specialized and experienced in the subject of the tender.

- b- A decision of the Minister upon the recommendation of a technical committee formed by the Minister under the chairmanship of the Under Secretary or the Director if the value of the tender does not exceed one hundred and fifty thousand Dollars or the equivalent thereof in the currency in legal circulation.
- 2- The contracting for the provision of the technical services shall be made by inviting the offers or through direct contracting according to the following authorities and the signing of the agreements relating thereto shall be made by the Minister or by whoever he authorizes in writing by:
  - a- A resolution of the Council of Ministers upon the recommendation of the Minister if the value of the technical services are in excess of seventy five thousand Dollars and does not exceed two hundred and fifty thousand Dollars or the equivalent thereto in the currency in legal circulation provided that the resolution be coupled with the recommendation of a technical committee which is formed by the Minister for this purpose.
- b- A decision from the Minister upon the recommendation of a technical committee which is formed by the Minister under the chairmanship of the Under Secretary if the value of the technical services does not exceed seventy five thousand Dollars or the equivalent thereto in the currency in legal circulation.
- c- A decision from the competent officer upon the recommendation of a technical committee which is formed by the competent officer under the chairmanship of the Under Secretary if the value of the technical services does not exceed twenty five thousand Dollars or the equivalent thereto in the currency in legal circulation.
- d- A decision from the Under Secretary upon the recommendation of a technical committee which is formed by the competent officer if the value of the technical services does not exceed seven thousand (7,000) Dollars or the equivalent thereto in the currency in legal circulation.

## **Article Nineteen**

1- It should be observed that no amendment, addition or change in the shape, quality or quantity of the works nor in the volume of the technical services should be made during the execution and the employer and the supervising party should comply with the execution of the work according to the tender layouts, specifications and conditions. The mentioning of the provision on any work in any of the documents constituting the tender shall be considered sufficient to substantiate the necessity to execute such work.

- 2- Every amendment, addition or change which was not provided for in any of the tender documents upon the signing of the agreement and the circumstances of the project required the execution thereof shall be considered as an additional work. The increase in the actual quantities of the works which are executed according to the layouts and the execution thereof does not require the issue of a variation order shall not be considered as an additional work.
- 3- If work circumstances require the creation of new items which were not originally mentioned in any of the tender documents, the determination of the names of such items shall be subject to the approval of the competent officer upon the recommendation of the supervising engineer.
- 4- If the necessity calls for carrying out any amendment, addition or change during execution, the award decision shall remain in effect and the party undertaking the supervision of the execution of the tender should submit an advance technical report to the competent authority comprising the justifications for carrying out the additional works, the extent of need thereto and its effect on the value of the tender.

The execution of the additional works and variation orders shall be executed based on a report of a technical committee which is formed for this purpose from a minimum of three capable and experienced persons in this field according to the following authorities:

- a- By a decision from the survising engineer if the total value of the excess is less than five (5%) percent of the tender value or five thousand (5,000) Dollars, which ever is less.
- b- By a decision from the Under Secretary if the total excess in the value of the additional works and quantities during the execution ranges between five and fifteen (5-15%) percent of the value of tender or the sum of fifty thousand (50,000) Dollars, which ever is less.

c-

By a decision from the competent officer if the total excess in the value of the additional works and quantities during the execution is in excess of fifty thousand (50,000) Dollars or the equivalent thereto in the currency in legal circulation or of the percentage thereof is over fifteen (15%) percent of the value of the tender and does not exceed twenty five (25%) percent thereof. In all cases, it shall be a pre-requisite that such excess should not exceed the sum of two hundred and fifty thousand Dollars or the equivalent thereto in the currency in legal circulation. By a resolution of the Council of Ministers if the value of the executed works as a result of the additional works and increase of the quantities during the execution exceed in percentage or value the authority of the competent officer provided for under paragraph (c) of this article.

## Part Five Opening of Tender Returns

## **Article Twenty**

The tenders box shall be closed at the time set in the tender notice and no bid shall be considered which has been received after the closing time.

## **Article Twenty One**

The committee shall open the tenders box after ascertaining its soundness on the designated day and fixed hour for opening the returns as the last date for submitting the bids and should take the following measures:

- 1- Substantiate the condition in which the envelopes were received.
- 2- Substantiate the number of envelopes in the minutes of meeting of opening the returns.
- 3- Open the bids successively and the chairman of the committee shall place on every bid which is opened and on the envelope thereof a serial number in the form of a ordinary fraction wherein the numerator of which is the tender number and the denominator thereof is the number of incoming bids.
- 4- Number the papers comprising the tender and substantiate the number of such papers.
- 5- Read the name of the bidder, prices and total bid to those present of the bidders or their representatives.
- 6- Substantiate the total bids in words and the amount of the submitted bid bond.
- 7- The chairman of the committee and all attending members are to sign on the tender and envelope thereof as well as on every one of its papers.
- 8- The chairman of the committee and all attending members are to sign on the minutes of meeting of the committee after substantiating all the foregoing steps.

## **Article Twenty Two**

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The Tenders Committee shall calculate the amounts of bonds or documents relating thereto and promptly hand over same to the requesting authority for recording same as trusts and kept in a locked safe until the finalization of all of its work.

## **Article Twenty Three**

The Tenders Committee should check the samples submitted by the tenderers against the statement in which these samples were recorded upon the receipt thereof, ascertain the description and volume thereof as well as keep same in a safe place with the requesting party provided that the same is substantiated in the minutes of meeting of the committee.

### **Article Twenty Four**

Following the reconcilation of the bids on the transfer statement, ascertain its correctness and conformity with the tender conditions, the bids and all papers of the tenders should be submitted to the Tenders Committee coupled with the comments of the technical committee.

## Part Six Finalization of Bids and Signing of Contracts

## **Article Twenty Five**

It is not permissible to enter, after the opening of tender returns, into negotiations with one of the bidders concerning the amendment of his bid. However, the committee may negotiate with the lowest bidder which is coupled with one reservation or more in order to waive all or some of his reservations so as to render his bid to comply with the tender conditions as much as possible. The committee may also negotiate with the lowest bidder whose bid is not coupled with reservations in order to reduce his price to that of the market level. The negotiation shall be conducted in both cases referred to by a decision from the competent officer.

### Article Twenty Six

If the tenderer had previously breached, neglected or failed in his former obligations or was subject to an effective decision of deprivation, the Tenders Committee has the right to exclude his bid.

### **Article Twenty Seven**

The Tenders Committee has the right to cancel the tender if all the bids are violating the conditions or incomplete thereby making them invalid for consideration. In such a case, it shall have the right to re-issue the tender anew and in the same steps which were made upon the announcement at the first time.

### **Article Twenty Eight**

It is permissible to split the tender between more than one bidder if the conditions of the tender permits doing so or if there is a condition in the condition book that permits doing so.

## Part Seven Responsibilities and Obligations of the Contracted Party

## **Article Twenty Nine**

If the contracting party defaults in the execution of the contract beyond the time set for him, the contracting party may, if public interest requires, give the contracted party an additional grace period for the completion of the execution provided that a fine for the period of delay is imposed against him in the proportion, according to the basis and within the limits provided for in the contract whereby the total fine may not exceed ten (10%) percent with respect to the contracting contracts and five (5%) with respect to the supply contracts. The fine shall be imposed promptly upon the occurrence of the delay without the need for a notice or warning or taking any other judicial actions. The imposition of the fine will not breach the right of the contracting party to claim full compensation from the contracted party for the damages it has sustained as a result of his default in fulfilling his obligations.

## **Article Thirty**

The contract shall be revoked and the performance bond confiscated in the following cases:

- 1- If the contracted party uses cheating or manipulation in his dealing with the contracting party.
- 2- If it has been substantiated that the contracted party has set to attempt himself or through a third party, directly or indirectly, in bribing one of the employees of the parties which are subject to the provisions of the law.
- 3- If the contracted party has become bankrupt or insolvent in a manner which would not allow him to execute the tender.

The annulment of the contract and confiscation of the security (bond) do not breach the right of the contracting party to have recourse towards the contracted party with the necessary compensations.

### **Article Thirty One**

If the contracted party breaches any of the conditions of the contract, the contracting party shall have the right to annul the contract or execute it at his account.

The annulment or execution of the contract at the contracted party's account shall be determined by a decision from the competent party which shall be notified to the contracted party by a registered letter against receipt at his address which is shown in the contract.

### Article Thirty Two

The contracting party shall have the right, in the event of annulment or execution of the contract at the contracted party's account, to confiscate the performance bond and obtain all the payable fines thereto from the dues of the contracted party with it or amounts with any other administrative party without the need to take any judicial proceedings. The contractor or consultant shall have the right to request arbitration or resort to the courts of law within seventy five (75) days from the date of the contract's annulment decision.

## **Article Thirty Three**

If the contracted party passes away, the contracting party may annul the contract, and refund the bond unless the contracting party has dues towards the contracted party or permit the heirs to continue in the execution of the contract provided that they appoint an attorney to be approved by the competent authority.

If the concluded contract with more than one contracted joint venture party or partners and one of them passes away, the contracting party shall have the right to request the remaining contracted parties to continue with the execution of the contract.

## **Article Thirty Four**

- 1- The contracted party shall not absorb the damages arising out of the delay in executing the contract or none fulfillment thereof if the delay or none fulfillment is due to force majeure.
- 2- The contracted party should, in all cases of the existence of force majeure, give written and immediate notification to the contracting party of the circumstances and reasons which prevent the execution of the contract or delay in the fulfillment thereof as well as submit every thing that substantiate same.
- 3- The temporary force majeure shall be of the justifications of the delay and fulfilment should be made after the end thereof. The permanent force majeure shall be of the justifications of none fulfilment.

### Part Eight Guarantees and Fines

## **Article Thirty Five**

- 1- The guarantees of the works tender shall be set in the following manner:
  - a- Bid Bond: Shall be specified by a fixed amount. This amount shall be calculated on the basis of two-three (2-3%) percent of the estimated tender value and shall be stated in the supplement of the tender offer form.
  - b- Performance Bond: It shall be at the rate of 10% of the value of contract.

- c- Maintenance Guarantee: It shall be at the rate of 5% of the actual project value after completion.
- 2- A performance bond at the rate of ten (10%) percent of the value of contract shall be set for the technical service tenders.
- 3- The period of execution of the tender and amount of the delay fine for every day shall be set in the supplement of the tender offer form provided that such fine is in proportion with the value of contract and the period of its execution, that the rate of the daily delay fine of the overall value of the tender shall not exceed ten (10%) percent of the daily production average and that the percentage of the fine of the tender's overall value may not exceed ten (10%) percent.
- 4- It shall be pemissible, with the approval of the Minister or the competent officer, to make advance payments of the cost of the project on account against a certified letter of guarantee of the amount of the paid payment according to the conditions, rates and limits which are shown in the instructions or conditions pertaining to the tender.

## Part Nine <u>Classification of Contractors and Consultants</u> (and Engineering Offices)

## Article Thirty Six

- 1- The contractors in the various types of works shall be classified within categories and grades according to the financial, technical and administrative qualifications, equipment and experience in the execution of works vide the approved contractors classification instructions.
- 2- The Council of Ministers shall form, upon the recommendation of the Minister, one committee or more to study the applications for the classification of contractors for the different types of works, categories or grades of classification provided that the Contractors Union and Engineers Association are represented on these committees. The Council of Ministers may, upon the recommendation of the Minister, grant remunerations to the members of the classification committees.
- 3- The officially approved tables of classification of contractors shall be adopted in all official and semi official institutions for the purposes of tenders in the governmental work tenders.

### **Article Thirty Seven**

1- A Section in the Tenders Department shall be assigned to keep the information on the local and none local contractors and consultants who are

operating in the country as well as on the works or general technical services for statistical purposes.

- 2- All department and tender committees which undertake the award of public work tenders or technical tenders pursuant to this law or any special regulations should provide the Central Tenders Department within a maximum period of the one month from the date of award of the tender with a copy of the agreement, conditions, prices, decision of the Tenders Committee and amount of the award.
- 3- Every department that follows up the execution of works and technical services should provide the Tenders Department, subsequent to the completion of projects for the works or services, with the final information on the project showing the final cost of the work, period of execution, variation orders, additional works, extensions, fines and any other information requested by the Tenders Department.

### **Article Thirty Eight**

Every department should, upon the execution of works and technical services pertaining thereto, adopt the unified general conditions for the tenders provided that any amendments or additional conditions should be provided for in the particular conditions of the contract.

## Part Ten <u>General Provisions</u>

### **Article Thirty Nine**

The Council of Ministers may, notwithstanding the provisions of this Law, entrust to the Ministry the execution of works that belong directly to any department if the potentials of the Ministry, from the technical and machinery aspect, permit same.

### **Article Forty**

Upon the rise of any contingent situation which cannot be dealt with pursuant to the provisions of this Law, the Council of Ministers may, upon the request of the Minister or competent officer, finalize same as it deems proper and the decision thereof shall be final.

### **Article Forty One**

- 1- It is not permissible for any person or corporate entity to conclude a constructional agreement with a none licensed and classified contractor.
- 2- It is not permissible for any none licensed and classified contractor to carry out contracting work, under the penal liability.

### **Article Forty Two**

The Council of Ministers shall issue the by-laws and regulations which are necessary for implementing the provisions of this Law within three months from the date of operation of the Law.

### **Article Forty Three**

The General Conditions Regulation for Tenders and Supply of Materials for the year 1953 as amended which is in force in the Governorates of Gaza, the Public Works Contracting Regulation No. (1) for the year 1953 which is in force in the Governorates of the (West) Bank and any provision that contradicts with the provisions of this Law shall be repealed.

## **Article Forty Four**

The Palestinian Contractor Instructions for the year 1994 shall remain in force until it is substituted with a regulation issued by the Council of Ministers.

## **Article Forty Five**

All competent authorities, each in so far as it is concerned, should implement the provisions of this Law and shall be put into operation after thirty days from its publication in the official gazette.

Issued at Gaza city on 28<sup>th</sup> December 1999 AD. corresponding to 20<sup>th</sup> Ramadhan 1420 AH.

Yaser Arafat - Chairman of the Executive Committee of the Palestine Liberation Organization - President of the Palestinian

National Authority