

Public Establishment of Industrial Estates
Administrative Decision
No. 11/2017
Issuing the Tenders Regulations of the Public Establishment of
Industrial Estates

Pursuant to the System of the Public Establishment of Industrial Estates promulgated by Royal Decree No. 32/2015,
The approval of the Board of Directors of the Public Establishment of Industrial Estates,
The approval of the Minister of Commerce and Industry,
And as per the exigencies of the public good,

It is resolved

Article One

The provisions of the Tenders Regulations enclosed shall apply.

Article Two

Revoked shall stand all that contradicts or contravenes the provisions of the enclosed Regulations.

Article Three

This Decision shall be published in the Official Gazette and shall enter into force from the day following its publication date.

Issued on: 16 Rabi' Thani 1438 AH

CT: 15 January 2017 CE

Eng. Ahmad bin Hassan Al-Dheeb

Chairperson

Tenders Regulations of the Public Establishment of Industrial Estates

Chapter One Definitions and General Provisions

Article (1)

In the application of the provisions of these Regulations, the following terms shall have the respective meanings hereunder unless the context requires otherwise:

Establishment:

The Public Establishment of Industrial Estates.

Zone:

Any zone subordinate to the Establishment.

Board:

Board of Directors of the Establishment.

Chair:

Chairperson of the Board.

CEO:

The CEO of the Establishment.

Director General:

Director General of the zone, the relevant directorate or the center as per the case.

Concerned Office:

The relevant administrative division in the Establishment.

Department:

The Department of Tenders and Procurement.

Department of Administrative Affairs:

The Department of Administrative Affairs and Human Resources in the head office or the zone as per the case.

Department of Financial Affairs:

The Department of Financial Affairs in the head office or the zone as per the case.

Financial Director:

The Director of the Department of Financial Affairs.

Administrative Director:

The Director of the Department of Administrative Affairs and Human Resources.

Team:

The analysis team stipulated in Article (15) of these Regulations.

Bid:

The bid submitted in the tender, practice, or competition.

Public Tender:

The set of procedures announced according to the provisions mentioned in these Regulations. It may be local or international.

Committee:

The Public Tenders Committee, the Internal Tenders Committee, or Procurement Committee as per the case.

Register:

The register that includes a list of the names of suppliers, contractors, and consultant offices approved by the Establishment.

Article (2)

The provisions of these Regulations shall apply to the contracts concluded by the Establishment.

The provisions of the Tenders Law issued by Royal Decree No. 31/2008 and its Executive Regulations issued by Decision No. 29/2010 shall apply to the issues not covered by a specific text in these Regulations.

Article (3)

Contracts for supply, construction, and purchase or rental of the properties required for the execution of the projects of services, public utilities and other infrastructure projects shall be through public tender. However, the following methods are also permissible:

- 1- Limited tender
- 2- Engagement
- 3- Direct Assignment
- 4- Competition

Article (4)

The Establishment shall not contract for the supply of services for more than five (5) years.

Article (5)

The Establishment shall contract within the limits of the financial allocations set in its budget and after reserving these allocations for the required purpose. If the total contract cost exceeds these financial allocations, the Establishment shall amend the budget accordingly according to the approved procedures.

Article (6)

All contracts shall be approved according to the financial powers adopted in the Establishment.

Article (7)

The similar supplies, works, or services shall not be divisible.

Article (8)

The Chair may delegate some of his power mentioned in these Regulations to the CEO who can also delegate some of his powers to any of the Establishment staff provided not less than a director general.

Article (9)

The Chair shall issue a decision to set up a committee called "Public Tenders Committee" in the Establishment that consists of five (5) staff of the Establishment and other than the staff from among those who have expert and efficiency. The decision shall determine its chair and its deputy chair. The Director of the Department shall be the committee secretary.

This committee shall conclude the contracts whose price exceeds (3,000,000) three million Omani Rials.

Article (10)

The CEO shall issue a decision to set up a committee called "Internal Tenders Committee" in the Establishment that consists of five (5) staff of the Establishment. The decision shall determine its chair and its deputy chair. One of the Department staff shall be the committee secretary.

This committee shall conclude the contracts whose price exceeds (100,000) one hundred thousand Omani Rials and does not exceed (3,000,000) three million Omani Rials.

Article (11)

The CEO shall issue a decision to set up a committee called "Procurement Committee" in the head office of the Establishment and the zone that consists of three (3) staff of the Establishment. The decision shall determine its chair, its deputy chair and secretary. This committee shall conclude the contracts whose price does not exceed (100,000) one hundred thousand Omani Rials.

Article (12)

The Committee shall hold its meetings when required upon the invitation of its chair, deputy chair, or Director of Department. For the meeting of the Committee to be valid, the majority of its members should attend it including the chair or his deputy. The deputy chair shall replace the chair of the Committee in presiding over its meetings in case of the absence or

inability of the chair to preside over the meeting. The decisions of the Committee shall be by the majority of votes of the attending members. In case of a tie, the side of the chair shall prevail.

The Committee may seek the assistance of any expert it deems necessary in its meeting without having a vote.

Article (13)

The Committee shall:

- 1- Review the technical specifications, conditions and instructions provided by the concerned offices or the team and ascertain their propriety.
- 2- Specify the method of contract based on data and information submitted by the concerned office.
- 3- Receive bids, open their envelopes and then review or forward them to the concerned office or team for study.
- 4- Receive the results of the study and analysis of bid, review and evaluate them, and take decisions awarding them.
- 5- Fix the cost of the copies of the conditions and specifications of tenders.
- 6- Propose any amendments to these Regulations and refer the recommendations thereon to the CEO.
- 7- Perform any other functions assigned to it by the chair, the CEO, or the Board.

Article (14)

The Committee Secretary shall:

- 1- Prepare the meeting minutes.
- 2- Receive and deliver the documents related to the functioning of the Committee.
- 3- Keep all the documents of the contracting process until completion thereof and handing them over to the relevant administrative division.
- 4- Coordinate among the Committee, team, and Department.
- 5- Perform any other functions required for the functioning of the Committee.

Article (15)

The CEO shall form an analysis team for each contracting process that exceeds (100,000) one hundred thousand Omani Rials. The team shall consist of at least three (3) of the Establishment staff provided one of them

be from the division requesting the contract. One of the Department staff shall be the secretary of the team, which shall:

- 1- Review the conditions, specifications, and all the documents before publicizing them.
- 2- Review the bids submitted and ensure their conformity to the set specifications and conditions as well as all analysis requirements.
- 3- Review and approve the consultant's report, if any.
- 4- Analyze the technical proposals referred to it and refer a report including its recommendation to the concerned committee that referred the proposals to it.
- 5- Invite the tenderers to submit their bids and discuss the same if required. In this case, it may invite whoever it deems appropriate to attend these meetings.

Article (16)

The concerned office that demands procurement shall undertake the same functions stipulated in these Regulations for the team for the contracts whose price is less than (100,000) one hundred thousand Omani Rials.

Article (17)

The Committee shall be accountable to the Board, Chair, and CEO for all the works it undertakes.

Chapter Two Management of Tenders and Procurement

Article (18)

The Department shall:

- 1- Manage and organize the work of the Committee in the Establishment and follow up the work of the committees in the zones.
- 2- Ensure the availability of financial allocations dedicated to the contracts to be offered.
- 3- Manage and organize the tender documents and other methods of contracting stipulated in Article (4) of these Regulations and prepare the relevant correspondences.
- 4- Follow up the work of the team.
- 5- Publish the notices of tenders and other methods of contracting.

- 6- Receive the direct procurement offers that exceed twenty-five (25,000) thousand Omani Rials.
- 7- Undertake any other power stipulate in these Regulations or required by the CEO.

Article (19)

The Department of Administrative Affairs shall undertake the functions of the Department stipulated in these Regulations for the contracts that are less than (100,000) one hundred thousand Omani Rials.

Article (20)

The Department shall prepare and keep the register and update it annually according to the following procedures:

- 1- Publicizing the registration of suppliers, contractors, and consultancy offices in at least two daily newspapers indicating the period for submitting the registration applications.
- 2- Receive the registration applications according to the form prepared by the Department for this purpose accompanied by the required documents, classify them and refer the same to the concerned office. The concerned office shall review them, determine those who meet the conditions approved by the Establishment, add them to the register and give each of them a registration certificate with a unique code to use in all correspondences and financial dealings with the Establishment.

Article (21)

The invitations to contract through direct assignment or limited tender shall be limited to those included in the register. If they are less than five (5), invitation may be served to additional tenderers not included in the register whether from inside or outside the Sultanate.

Article (22)

Upon the recommendation of the Department, the CEO may issue a decision to exclude anyone from the register in the following cases:

- 1- If inclusion thereof in the register was according to false details.
- 2- In case of breaching any conditions of a previous contract with the Establishment.
- 3- If awarded the contract illegally due to an act perpetrated by him or his subordinates.

All administrative divisions in the Establishment shall inform the Department of any document that would affect the status of the person included in the register, indicates his lack of any of the required conditions for registration or proves his breach of any contract.

The person excluded from the register shall not be contracted unless he is registered again in the register.

Chapter Three Confidentiality and Liability

Article (23)

All Establishment staff participating in the contracting process or those whose work relates to it shall observe complete confidentiality concerning all the relevant information, details, and documents. It is impermissible to publish any of them without a written approval from the CEO.

Article (24)

No Establishment staff, and their spouses and relatives, up to the second degree shall submit bids or proposals, either directly or indirectly, to the contracts offered by the Establishment. They shall not be contracted for purchase of any items, execute any works or provide any services. This shall be without prejudice to the Law of Protection of Public Funds and Avoiding Conflict of Interest issued by Royal Decree No. 112/2011. In case of necessity, their publications and artistic works shall be exempted according to a reasoned decision by the CEO provided the amount does not exceed five thousand (5000) Omani Rials and by the Board if more than that on the condition that they shall not take part in the procurement procedures.

Article (25)

All documents and correspondences related to the contracting process shall be kept, classified and maintained in special files the electronic system of the Establishment.

These documents and correspondences shall be confidential and subject to the provision of Article (23) of these Regulations.

Chapter Four Procedures Preceding Submission of Tenders

Article (26)

Except for the sundries purchased from miscellaneous advances, the following procedures shall be followed concerning the contracts that do not exceed (100,000) one hundred thousand Omani Rials:

- 1- The concerned office requesting purchase shall prepare the purchase request including the reasons and objectives of the required contract as well as the technical specifications, reference conditions, and any information or details related to the materials or services to be supplied.
- 2- The Department of Administrative Affairs shall check that the commodities or services required are not available in the Establishment or that the available quantity is not enough to meet the need of the concerned office.
- 3- In coordination with the Department of Financial Affairs, the Department of Administrative Affairs shall ensure the availability of the financial allocations in the budget and reserve the amounts according to the estimated cost of the purchase order.
- 4- The Department of Administrative Affairs shall refer the issue to the CEO or the Director General as per the case along with recommendation on the method of contracting.

In case of disapproval, the Department of Administrative Affairs shall inform the concerned office and return the request to it, In case of approval, the Department of Administrative Affairs shall complete the procedures according to the provisions of these Regulations.

In all cases, the contract request shall be delivered to the Department of Administrative Affairs shall ensure at least five (5) business days before the set date for taking the procedures.

Article (27)

The following procedures shall be followed concerning the contracts that exceed (100,000) one hundred thousand Omani Rials:

- 1- The concerned office requesting purchase shall prepare a memo including the required commodities or services and their estimated cost, reference conditions, and technical specifications provided it include the confirmation of the Department of Financial Affairs or the Financial Controller of the availability of the financial allocations in the budget entries.
- 2- If the required materials or services do not relate to engineering or technical projects, the concerned office shall submit the contract request to the Department. However, if the required materials or services relate to engineering or technical projects for the construction of new zones, expansion of existing zones, or execution of infrastructure projects, the concerned office shall submit the

contract request to the Projects Department or the body that replaces it in the head office of the Establishment. The said memo shall be submitted to the CEO or his delegate for approval.

- 3- The Department or Projects Department, as per the case, shall set the appropriate time to float the operation and announce it in the local or international newspapers for one day. The Committee may increase the days of publication and determine the period for purchasing the bid requirements provided it be not less than five (5) business days and not more than (30) thirty business days unless the nature of the process requires a longer period determined by the Committee.
- 4- The request shall be referred to the Department to complete the procedures stipulated in these Regulations.

Article (28)

The concerned office requesting purchase shall prepare the bid requirements according to the following:

- 1- It shall prepare the detailed specifications for the required works and any conditions or provisions related to the execution of work. This shall include the execution timeframe, project stages, staged outputs, final outputs, criteria for accepting the outputs, financial limits of stage payments, human resources to be employed, various devices expected to be used, guarantee period, post-guarantee maintenance cost, and any other specifications related to this type of projects.
- 2- In preparing the bid requirements, the concerned office may seek assistance of technicians from the governmental units or consultancy offices inside or outside the Sultanate. It shall use this consultancy in preparing or choosing technical specifications that would prevent competition. The concerned office shall not request or accept the consultancy of a person or institution that may have a direct or indirect interest in the tender.
- 3- The concerned office shall send the bid requirements to the Department of Legal Affairs in the Establishment for final review.
- 4- The concerned office shall amend the bid requirements in light of the observations of the Department of Legal Affairs and coordinate with it in this regard, if required.
- 5- The concerned office shall finalize the bid requirements and refer the same to the Department to complete the procedures.

Article (29)

If the process requires the appointment of a consultant, the concerned office requesting purchase shall prepare the bid requirements for the

appointment of the consultant including all the details and scope of work and deliver the same to the Department to float the tender.

Chapter Five Public Tender

Article (30)

The notice of the public tender shall be published in one or two newspapers in both Arabic and English well before the period stipulated for contracting to permit re-invitation of tender, if required. The notice may be published electronically on the e-tendering website of the Establishment.

The notice shall include the following:

- 1- Type of required contract.
- 2- Price of tender documents, and dates and places for purchasing them.
- 3- Bidding mechanism.
- 4- Bidding period, and date and venue of opening envelopes.
- 5- Date of visiting the site if required.
- 6- General description of the required services or materials.
- 7- Details of bid insurances.
- 8- The person or entity in charge of replying to any inquiries about the tender.
- 9- Validity of bids. Concerning the bids that require chemical analysis or technical examinations and analyses, their validity shall not be less than (90) ninety business days.
- 10- Any other details determined by the concerned office.

In all cases, the notice shall contain the following sentence:

"The Establishment may cancel the tender and the tenderers shall not have the right to claim any compensation in this case."

Article (31)

The Department shall keep the tender documents and deliver a copy thereof to whoever desires to purchase them after the payment of their price. The Department may collect the price of the tender documents through deposit into the bank account of the Establishment against the deposit receipt or electronically in case of using the e-tendering website of the Establishment.

In all cases, the person who has purchased the tender documents shall not re-sell or transfer the same to others.

Article (32)

The tender documents shall be translated into English if the tender is international.

Article (33)

In case of cancelling the tender before the date set for submitting the bids, the price of the tender documents shall be returned to those who had purchased them upon their request provided they deliver the original tender documents to the Department.

Article (34)

Each tender shall have a unique number of three (3) digits as follows:

- 1- The first digit refers to the number of code of the zone to which the requesting office belongs.
- 2- The second digit is a serial number that turns into zero every year.
- 3- The third digit refers to the calendar year.

Article (35)

The tender documents shall include the following:

- 1- Notice of tender.
- 2- Date of floating the tender.
- 3- Content of tender documents.
- 4- List of annexes (if any).
- 5- Requirements.
- 6- Date of submitting bids.
- 7- Contact person to reply to inquiries and receive bids.
- 8- Bank guarantees and their conditions.
- 9- Payments and their conditions.
- 10- Place for submitting bids.
- 11- Specifications and detailed layouts of required works or services (scope of work).
- 12- Documents to be delivered within the bid.
- 13- Execution period.
- 14- Contract form including the general terms and conditions of the Establishment.

Article (36)

The bidder shall abide by all the conditions and considerations set for the submission of the bid, and in particular the following:

- 1- The bidder shall submit the bid in an envelope closed tightly and indicating the name and number of the tender. There shall be separate envelopes for the technical and financial bids, if required. The technical bid shall not refer to the prices.

The bid envelopes shall not indicate the name or identity of the bidder.

- 2- The bid shall be printed legibly and free of erasure, amendment, or addition.
- 3- The prices shall be in Omani Rials in figures and letters. In case of difference, the amount in letters shall be adopted.
- 4- The bidder shall not amend any of the terms and conditions of the tender.
- 5- The bid shall indicate the name and address of the bidder that shall stamp and sign the same.
- 6- The bidder shall submit a copy of the commercial register, affiliation certificate of the Oman Chamber of Commerce and Industry, signature form, and a list of the signatories.
- 7- The bidder shall submit the bids within the period mentioned in the tender notice.
- 8- The bidder shall submit the required financial guarantee.
- 9- The bidder shall submit a proof on the financial solvency of the company and its ability to fulfill its obligations.
- 10- The bidder shall disclose any relation with any staff of the Establishment.

Article (37)

The bidders shall include in their bids the details of the previous expertise, value of the projects they executed, date of completion, and other details related to the nature of the tender.

Article (38)

Those who have purchased the tender documents may submit their inquiries and requests of clarification required in the tender. The person or entity mentioned in the tender notice should respond to these inquiries. The tender notice shall set the deadline for receiving inquiries and requests of clarification.

Article (39)

If the companies that have purchased the tender document would like to visit the site, the Department, in coordination with the requesting concerned office, shall arrange a field visit to the work site on the date mentioned in the tender notice.

Article (40)

The Establishment may amend the tender documents provided it notify all those who have purchased these documents of these amendments well enough before the time set for submitting the bids.

Chapter Six Submission of Bids

Article (41)

The bids shall be submitted to the entity mentioned in the tender notice by twelve (12) p.m. on the date mentioned in the notice.

The bids submitted after that time shall not be considered even if they have a date prior to the set submission date.

Article (42)

The Committee may extend the deadline set in the notice for submitting the bids by not more half the period mentioned in the notice upon the request of at least one third of tenderers. In this case, all those who have purchased the tender documents shall be informed of the new date. In all cases, extension of the said deadline shall not be only once.

Article (43)

A bid on the supply of items to the concerned office shall be consistent with the standard specimen, specifications or approved drawings, which the bidder must peruse. His submission of the bid shall be treated as an acknowledgement of his perusal thereof.

Article (44)

A special box shall be prepared in the head office of the Establishment and in every zone to keep the bids with an opening designed in a way that does not allow taking out any of its contents. The box shall have two locks the keys of one shall be with the Committee Chair or his deputy while the second with the Director of Department or his deputy.

Article (45)

The bidders themselves or their agents shall submit the bids by depositing them in the designated box until submitting them to the Committee on the date set for opening the bids.

Article (46)

The Establishment may receive bids through its website and assign one or more of the Department staff to print them and place them in a closed envelope before placing them into the designated box.

Article (47)

Dealings with the bidders shall be according to documented official correspondences (letters or emails) through the Department or the concerned office requesting purchase. In all cases, the Establishment shall disclose the same information to all bidders and share the answers to their inquiries with all of them.

Article (48)

The bids submitted shall remain valid from the date of their delivery to the entity mentioned in the tender documents until their expiry date.

Any amendment in the bid received in the same way of submitting the bid itself shall be valid if received before the date of opening the envelopes while the amendments received after that date shall not be considered.

Chapter Seven Opening Envelopes and Analyzing Bids

Article (49)

The Committee shall open the bids on the date and venue mentioned in the tender notice. Neither of the date of venue shall be changed except in cases of force majeure and after informing the CEO of the same. Then another date and venue shall be determined and the bidders shall be informed of the same well enough before that date. During that period, no new bids shall be received and no documents of the already submitted bids shall be replaced or withdrawn.

Article (50)

The Committee shall open the bids box in the presence of any bidder who would like to that or his agent. It shall:

- 1- Take the envelopes out and ensure the integrity of their stamps, their number and their closure.
- 2- Open the envelopes and ensure the completion of the required documents and details. It shall then order the bids serially and read the name of the bidder, the prices submitted by him, and total bid price loud for the attendees to hear. The information related to the bids shall be recorded and signed by the officer in charge on behalf of the concerned office with procurement and the Committee Chair.
- 3- The Committee shall exclude the bids that do not meet the conditions after the approval of the majority of members.
- 4- The Committee secretary shall write the details of the bids in the envelope opening minutes that shall indicate the number of bids, name of bidders, and total price in case of opening the financial bids. The Committee members shall sign the minutes.

- 5- Deliver the provisional insurance to the Department that would then deliver it to the Department of Financial Affairs to undertake the stipulated financial procedures and sign the report prepared in this regard on the same day or the following day at maximum. The report shall indicate the review of the insurance details and recording the same in the debit side in the financial books of the Establishment.

This report shall be enclosed with the bids in addition to the supporting documents and shall be kept in safe place.

- 6- Refer the bids to the team for analysis. If the tender has two envelopes, only the technical envelopes shall be opened and referred to the team. The financial envelopes shall be kept after ensuring they are tightly closed in the way deemed appropriate. The Committee secretary shall deliver them to the Department to keep them in a safe place until the date of opening them.

Article (51)

If the Committee finds that a bid is unusually below the bids submitted, it shall be entitled to ascertain from the bidder the extent to which the latter has satisfied the conditions of the tender and his ability to execute the contract.

Article (52)

The team shall analyse and evaluate the technical bids based in the specific standards, criteria, and points according to the nature of the tender, works or services required. The team may seek the assistance of the experts and specialists from among the staff of the Establishment or otherwise if required. If the project has a consultant, the technical bids shall be submitted to him for analysis according to his scope of work.

The technical evaluation shall be seventy percent (70%) while the financial evaluation shall be thirty percent (30%) of the total evaluation grade unless the Committee determines another percentage according to the best interests of the Establishment.

Article (53)

The team shall make a report of its works and refer it to the Committee including its recommendation. If there is a report by the consultant, the team shall be attach it to the team report or discuss with the consultant if required before referring the team recommendation to the Committee.

Article (54)

After the opening of the envelopes, negotiation may not be made with a bidder on the modification of his bid unless the lowest bid is accompanied by reservation or reservations.

Negotiation may be made with the bidder of the lowest bid accompanied by reservations to make him withdraw all or some of his reservations to make his bid consistent with the conditions of the tender to the extent possible. If he refuses to do so, negotiation may be made with the next bidder. No negotiation shall be made on the modification with a bidder unless such modification has been turned down by all the lower bidders.

There may also be negotiation with the bidder to be awarded the tender if this would achieve the best interests of the Establishment.

Article (55)

Comparison shall be made between the bids for the selection of the best one in accordance with the technical and financial criteria and grounds specified in the tender documents. If the concerned office decides to exclude one or more bids that do not meet the conditions and specifications, its opinion shall be grounded.

Article (56)

Bids may be submitted, opened, referred, approved, and their results announced via electronic means according to the procedures adopted by the Board.

Article (57)

Upon the approval of the Committee, the only bid may be accepted if it meets the conditions and if the work needs do not warrant re-invitation of the tender.

Article (58)

The Committee may divide the works of the contract among a number of bidders based on the evaluation results if this is in the best interests of the Establishment and the nature of the contract so warrants.

Article (59)

Priority in bids shall be given to national products that meet the conditions and specifications. The priority shall include priority in prices in the range of a ten percent (10%) increase.

Article (60)

The Committee secretary shall invite the bidders of the bids technically accepted to the session for opening the financial envelopes.

Article (61)

The Committee shall open the financial envelopes of the bidders of the bids technically accepted and take a decision on awarding the tender or refer the financial bids to the team for analysis and present its recommendations thereon if required to take the awarding decision.

In all cases, the tender shall be decided and the awardee notified before the expiry of the bids. If this is not possible, the Committee shall request the bidders to extend the validity of their bids for an appropriate period without any increase in prices.

Article (62)

The Committee shall prepare minutes of its works including the awarding decision and refer a copy thereof to the Department to complete the procedures.

**Chapter Eight
Announcing Results**

Article (63)

The Department shall inform the bidder awarded the tender and send a copy of the awarding decision to all concerned offices in the Establishment.

The Department shall also announce the results on the website of the Establishment, on the notice board in the headquarters of the Establishment, or by any other appropriate method.

Article (64)

The bidders not awarded the tender or whose bids were excluded may object in grievance to the Committee within five (5) business days from the date of notification of the Committee decision. The Committee shall decide on the grievance within three (3) business days from date of submission. The lapse of the said period without a decision shall be a dismissal of the grievance.

Article (65)

The Committee may cancel the tender by a grounded decision after publishing its notice and before deciding thereon if it is dispensed with altogether or if the best interests of the Establishment so requires. The Committee may also cancel the tender at the recommendation of the concerned office in any of the following cases:

- 1- If a single bid is submitted or only one bid remains after the rejection of other bids.
- 2- If all or most of the bids are accompanied by essential reservations.
- 3- If the value of the lowest bid exceeds the market value.
- 4- If the bids submitted are incomplete, ambiguous or are in violation of the conditions of the tender documents.

The Committee may also cancel the tender after the issuance of the awarding decision and before signing the contract by a grounded decision if this is in the best interests of the Establishment or upon the recommendation of the concerned office that should indicate the reasons for requesting cancellation.

Article (66)

The Committee may exclude the bid by a grounded decision in any of the following cases:

- 1- If public interest so demands.
- 2- If the bid does not satisfy the conditions and specifications stipulated in these Regulations.
- 3- If the bid is not accompanied by full provisional insurance.
- 4- If the bidder does not prove the soundness of its financial status.
- 5- If the bid documents are incomplete, not signed or not stamped by the bidder.
- 6- If a final judgement has been issued on the insolvency or bankruptcy of the bidder or judicial measures taken against him for this reason.
- 7- If the bidder has previously violated any of provisions of these Regulations.

Article (67)

The Committee may re-invite the tender if this is in the best interests of the Establishment in the following cases:

- 1- The cases stipulated in Article (65) of these Regulations.
- 2- If the number of bidders is less than three (3).

Chapter Nine Contracts

Article (68)

If the price of the contract exceeds ten thousand (10,000) Omani Rials, a contract shall be concluded between the Establishment and the contractor that includes the rights and obligations of both parties. The purchase order shall be treated as a contract between the Establishment and the other party

if the amount is less than that provided it include a statement of the purchased materials, their prices and the date of delivery thereof.

Article (69)

All contracts concluded by the Establishment shall be according to the standard form of contracts adopted by the Establishment. In case of necessity as decided by the Committee, there may be exceptions for special contracts approved by the Board. In all cases, the Department of Legal Affairs, Department of Financial Affairs, and International Audit Department shall review the contracts before both parties sign them.

Article (70)

The contract shall include all the issue related to the awarded works, and in particular:

- 1- Period and stages for executing the contract from the commencement date until the final handover date to the requesting concerned office.
- 2- The security submitted by the contractor and its validity.
- 3- The procedures taken against the contractor in case of violation of any of the terms and conditions of the contract.
- 4- The provisions of sub-contracting.
- 5- The rights and obligations of the Establishment and the contractor.
- 6- The procedures that the Establishment is entitled to take if the contractor does not meet his obligations on the date stipulated in the contract. They shall be one of the following two procedures:
 - A- To give the contractor an additional period to execute the works in addition to collection of a delay fine of one percent (1%) of the total contract price for each week of delay up to ten percent (10%) of the contract price. The Establishment may exempt the contractor from this fine or part thereof if he submits documents that prove that the said delay resulted from force majeure outside his control or that it was because of the Establishment.
 - B- To execute the works at the expense of the original contractor without prejudice to the right of the Establishment to claim all the compensations for all damages it incurred due to that in addition to collecting administrative expenses of twelve percent (12%) of the total value of works not executed.
- 7- The mechanism for settlement of disputes with the contractor.
- 8- The mechanism for amending the contract during the execution period.

Article (71)

The Department shall keep a copy of the contract along with all the documents related to it and ensure it submitted copies thereof to the contractor and the concerned office.

Chapter Ten Variation Orders

Article (72)

The Committee may approve the issuance of variation orders by increase or decrease concerning the period, value, type, quantities, item specifications, works, and services the subject of the contract during its validity. This variation shall not exceed ten percent (10%) of the approved original tender provided the prices of variation orders are the same prices agreed in the contract.

Article (73)

- 1- The concerned office requesting purchase shall prepare the variation order that shall contain the original items to be changed, required change, and all the details related to the variation order. It shall refer it to the Department for review of its financial value, ensure the availability of the additional amount and reserve the required financial allocations taking into account the maximum limit of total variation orders.
- 2- The Committee shall decide on the variation order. In case of approval, the Committee shall send it to the other party and complete the relevant procedures.
- 3- In all cases, the Committee shall not approve any variation order of more than one hundred thousand (100,000) Omani Rials without the approval of the Board.

Chapter Eleven Guarantees

Article (74)

An unconditional provisional security equivalent to one percent (1%) of the total value of the bid shall be submitted with each bid valid for the period of the bid. If the bidder withdraws his bid before the expiry of the period specified for the validity of the bid, the provisional security submitted by him shall become the property of the Establishment without the need for a notice or any other measure.

The provisional security shall be refunded to the bidders of the unaccepted bids immediately after the tender is awarded to a bidder by the Committee.

The provisional security shall be refunded to the winning bidder if he submits a guarantee for adequate execution.

Article (75)

The winning bidder shall, within ten (10) business days from the day after the day on which he is notified of the acceptance of his bid, submit a guarantee for the adequate execution of the contract equivalent to five percent (5%) of the total awarded value or submit a professional insurance policy in case of companies and consultancy offices. In respect of the contracts concluded with a contractor abroad, the guarantee shall be submitted within twenty (20) business days.

The grace period specified in the two cases referred to in the preceding paragraph may be extended for an additional period not extending ten (10) business days with the approval of the head of the concerned office.

The guarantee for the adequate execution shall remain valid until the completion of contract execution or end of maintenance period, whichever is later, unless agreed otherwise.

Article (76)

If the winning bidder does not submit a guarantee for adequate execution within the period stipulated in these Regulations, the CEO may, by a written letter, cancel the award and confiscate the provisional security without prejudice to the Establishment right to compensation if it has a reason.

Article (77)

The bidder of the accepted bid shall be exempted from the guarantee for adequate execution if he supplies the contracted items and the concerned office accepts them finally within the period specified for submitting the guarantee for adequate execution.

Article (78)

The Department of the Financial Affairs shall receive a bank security from the contractor or supplier equivalent to the advance payment paid to him of not more than ten percent (10%) of the concluded contract provided it return the same to him after the completion of the execution of contract.

Chapter Twelve Limited Tender

Article (79)

A contract may be entered into through a limited contract in the cases the nature of which requires restricting the participation in the tender to specific suppliers, contractors or consultants within or outside the Sultanate who satisfy the required conditions.

Article (80)

An invitation shall be extended to the suppliers, contractors and consultancy offices operating in the activity related to the tender subject whose names are registered in the register of suppliers, contractors and consultancy offices who proved their technical and financial efficiency and are of good reputation. The number of the companies and institutions shall not be less than three (3).

Invitation to submit bids in the limited tenders shall be direct by a registered letters or by use of electronic means. All the provisions regulating the public tender shall apply to the limited tender.

Article (81)

The Committee may convert the limited tender into an engagement if it finds this in the best interests of the Establishment to get better conditions under the contract.

Chapter Thirteen Engagement

Article (82)

The Committee may contract through engagement by negotiation in order to secure the best bids at the lowest prices in any of the following situations:

- 1- Articles the manufacture or import of which is monopolized or whose nature or the purpose of whose obtainment entails that they should be purchased from the places of their production or those available only with an individual.
- 2- Articles for which no exact specifications may be made.
- 3- Technical and consultancy works or services that require specific technical knowhow or specific specialization.
- 4- Supplies and contracts for works that urgency does not permit tendering procedures.
- 5- Execution of works or provision of services by concerned entities outside the Sultanate.
- 6- Purchase and leasing of real estate.

Chapter Fourteen Direct Assignment

Article (83)

The Establishment may contract through direct assignment provided the choice of the contractor from among the best bids received and provided further that the prices are appropriate along with indicating the reasons for his choice. Contract through direct assignment shall not exceed two hundred fifty thousand (250,000) Omani Rials according to the following powers:

- 1- The Board up to two hundred fifty thousand (250,000) Omani Rials.
- 2- The Chair up to twenty-five thousand (25,000) Omani Rials.
- 3- The CEO up to fifteen thousand (15,000) Omani Rials.
- 4- The Director General up to three thousand (3,000) Omani Rials.

Article (84)

The Establishment shall get the largest number of quotations to allow fair assessment provided in all cases they are not less than three (3) quotations.

Article (85)

The concerned office shall decide the specifications and estimated cost of the purchase orders, specifications and reference conditions. It may seek the assistance of any of the specialized employees of the Establishment or others to prepare the detailed specifications if required provided there is no conflict of interests.

Article (86)

The quotations shall be received directly from the suppliers in envelopes or through fax or email of the Department for contracts that exceed twenty-five thousand (25,000) Omani Rials and the Department of Administrative Affairs for the contracts that do not exceed twenty-five thousand (25,000) Omani Rials.

Article (87)

The purchase order shall include the following details:

- 1- Number of purchase order and date of issuance.
- 2- Name of contractor as mentioned in the quotation.
- 3- The articles required in terms of type, number and complete description thereof.
- 4- Price of articles and services.
- 5- Period for execution of the contract and the general conditions and rules for purchasing.

- 6- Any special specifications or requirements that the Establishment would like to add.

Article (88)

The concerned office requesting purchase shall review the purchase order, approve the validity of all details related to the required articles or services, and refer it to the head of the Department or the administrative director for approval. The purchase order shall be sent to the contractor and keep the delivery receipt and date with the Department or Department of Administrative Affairs as per the case.

Article (89)

Except for the sundry expenses, a purchase order shall be issued for all the purchases by the Establishment.

Article (90)

The purchase order shall not be amended before sending it to the supplier unless by the same employee who prepared it taking into account the financial powers.

Article (91)

The concerned office requesting purchase may cancel the purchase order before its execution if this is in the best interests of the Establishment provided its decision be grounded in this regard.

**Chapter Fifteen
Competition**

Article (92)

Competition is a special method for contracting for conducting studies or preparing designs, layouts, models or other technical works required for a specific project.

Article (93)

The Establishment shall specify the objectives, framework and specifications of the project in detail and the prizes, remunerations or compensations to be granted to the winners, in addition to the status of the ownership of the winning and non-winning reports, studies, designs and models and any other conditions the Establishment deems fit.

Article (94)

Invitation for participation in the competition shall be extended either through advertising in the printed or electronic media or through direct

invitation to those possessing expertise and skills required for the project or the purpose of the competition.

Article (95)

The CEO shall constitute an ad hoc to study the bids submitted and refer a report thereon for approval.

The committee may summon the participants and discuss their bids with them.

Article (96)

The provisions of Chapter Eleven of these Regulations shall not apply to the competition.