

2021

# Public Procurement Law

Republic of Lebanon

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## CHAPTER 1: GENERAL PROVISIONS

### Article 1 - Objective and general principles of the Law

This Law shall set out the rules for conducting, implementing and controlling public procurement. It shall be based on the following principles:

1. Application of competitive proceedings as a general rule;
2. Providing for equal opportunities to participate in public procurement;
3. Providing for the fair, equal and equitable treatment of all bidders and contractors;
4. Integrity, public aspect and professionalism of the procurement proceedings, in such a way to enhance control and accountability;
5. Promoting the local economy development, national employment and production, based on the best value for expenditure of public funds, while maintaining maximum efficiency.

Procurements shall be subject to good governance rules and take into consideration the requirements of sustainable development. The general principles contained in this article are considered legal order.

### Article 2 - Definitions

Unless otherwise indicated in the context, words and expressions contained in this Law shall have the meanings hereby assigned to them:

1. **State** The Lebanese State.
2. **Public Accounting Law** Promulgated by Decree 14969, on December 30<sup>th</sup>, 1963 and the amendments thereof
3. **Procuring entity / (Contracting Authority)** The State and the administrations and public institutions thereof, independent administrative bodies, courts having their own budgets, bodies, councils, funds, municipalities and federations of municipalities, security and military entities (institutions, administrations and units thereof), diplomatic legations abroad, regulatory bodies, companies where controlling stakes are owned by the State and working in a monopoly environment, public utilities run by private companies for the benefit of the State, and any common law persons spending public funds.
4. **Tender Board** Created by Decree 2460 on November 9<sup>th</sup>, 1959 (Regulation of the Central Inspection Board)



5. **Competent Authority** The competent authority in charge of engaging expenses in accordance with the laws in force
6. **Person** Natural or legal person.
7. **Public funds** Money owned or disposed of by procuring entities or any other natural or legal persons, or to whom the provisions of this Law shall apply, as well as funds deposited in the Treasury, whether they are originated from budget revenues, loans or donations.
8. **Public procurement** The acquisition of goods, works or services by a procuring entity.
9. **Supplies Goods** *or* Movables of any kind and description, and related services thereof if their value does not exceed the value of such supplies or goods.
10. **Works** Works of public interest carried out on the legally defined Lebanese territory for the account of a person of public law, or by such person, or under the direction thereof, which includes but not limited to, works related to construction, site preparation, demolition, repair, maintenance or renovation of roads and bridges, construction of infrastructure or superstructure, installation, or construction works related to excavation, construction and maintenance of buildings and factories, as well as installation of equipment, installations and materials, decoration, and the related services thereof if the value of these services does not exceed the value of such works.
11. **Consulting services** Services that are mainly intellectual or advisory, including but not limited to: engineering, professional, economic, financial, legal or ecological studies, and survey work, including design tasks, preparation of specifications, supervision of implementation, evaluation or acceptance, environmental impact study or economic feasibility studies.
12. **Non-Consulting services** Services where the contract is based on the performance of a physical work that can be described as non-consulting, such as guarding, cleaning, transport services, insurance, maintenance etc.
13. **Bidder** The party, or the potential party, that submits a proposal to participate in the procurement or the pre-qualification proceedings, or the participant in such proceedings.

- 14. Procurement proceedings** Proceedings related to the procurement from the announcement or solicitation of proposals until conclusion of the contract.
- 15. Bid** The proposal submitted by the bidder to provide goods, works or services.
- 16. Framework agreement** A valid agreement for a specified period of time between one or more procuring entities and one or more suppliers, contractors, consultants or service providers, with the purpose of defining the terms and conditions of the contract to be concluded within a specified time limit, in particular those terms and conditions related to prices and, where appropriate, quantities thereof.
- 17. Contract** An agreement signed between the procuring entity and the supplier, contractor, consultant or service provider, and resulting from the procurement proceedings.
- 18. Terms of reference** The conditions that define the goals, objectives, and scope of the consulting service and provide information in relation to the required service.
- 19. Supplier** The person who, under the contract concluded with the procuring entity, provides goods, supplies or services related thereto, as a result of the procurement proceedings.
- 20. Contractor** The person carrying out works under a contract concluded with the procuring entity, as a result of the procurement proceedings.
- 21. Service provider** The person who provides non-consulting services under a contract concluded with the procuring entity, as a result of the procurement proceedings.
- 22. Consultant** The person contracted to provide consulting services, as a result of the procurement proceedings.
- 23. Winning bidder** The supplier, contractor, service provider or consultant with whom the procurement contract was concluded.
- 24. Day** Any day of the week.
- 25. Working day** Any day of the week except for official holidays and days of forced cessation of work resulting from an event of force majeure.

- 26. Bidding documents** All documents related to the procurement, issued to bidders to be used for the purpose of preparing their bids, including technical specifications, other requirements, and procedures to be followed for submitting proposals, including the forms to be used and the general and specific conditions of the contract.
- 27. Electronic means** Use of electronic equipment for processing (including digital compression) and storage of information sent, transmitted and received by wire, wireless, optical or other electromagnetic means.
- 28. Pre-qualification** The procedure specified in Article 19 of this Law, which the procuring entity undertakes and makes public in order to ensure the availability of technical, financial, administrative, human and other capacities of the bidders to perform a contract with the required qualifications before soliciting them to submit proposals, in accordance with the requirements and criteria of qualification specified in the pre-qualification documents.
- 29. Collusion** An arrangement made between two or more parties before or after the submission of the bid to achieve an illegal purpose or to violate the principles of equal opportunity and fair competition, such as directly or indirectly influencing the actions of another party, and dividing contracts between bidders or fixing the prices of offers, or the manipulation thereof in a non-competitive manner.
- 30. Conflict of interest** The concept of conflict of interest includes any situation in which the public servant, one of the bidders, or other parties who have an influence on the outcome of the procurement procedure, have a private, financial, economic or any other interest, directly or indirectly, that threatens the impartiality and independence of the procurement proceedings. The conflict of interest also occurs in the following situations:
- a. Where the bidder or one of the employees thereof had, directly or indirectly, personally or in association with others, provided consulting services to prepare the study, specifications, or any other document related to the procurement. Also where the bidder or one of the employees thereof had worked during the previous two years for an institution that provided such services, except for the case in which the procurement is carried out on the basis of an

integrated project (turnkey project) where the contractor partially or completely implements multiple stages thereof, and the procuring entity sees a public interest in awarding the contract as such, then it is necessary to disclose such arrangement in advance with justified reasons;

- b. Where bidders have any kind of connection, such as having a common partner in control of their businesses, or the same legal representative in the tender;
- c. Where the bidder has submitted more than one proposal during the procurement process, except where procurement bidding documents so authorize;
- d. Any of the cases stipulated in the Code of Conduct pursuant to Article 10 of this Law, which shall state that employees are under the obligation to withdraw from any work they are performing in connection with the procurement, if they have kin relationships, up to the fourth degree, or clear common interests with the bidder or the employees thereof, or with partners in the bidding company, in such a way that that their work might be considered non-neutral or clearly raise suspicions of non-neutrality.

**31. Emergency**

Cases of imminent danger and disasters declared as such by the law.

**32. Relief case**

The urgent situation where it is necessary to save lives and protect properties after exposure to sudden dangers or disasters, including but not limited to, searching for and evacuating victims, taking measures to provide shelter and protection, and seizing and preserving property

**33. Specifications**

Technical, functional or performance specifications, meaning all technical, functional or performance instructions contained in the bidding documents, which specify the required functions and specifications for the required goods, works or services.

**34. Deliverables**

Goods, services or works delivered during the implementation of the procurement contract.

**35. Publication**

Mandatory publication shall take place on the central online platform of the Public Procurement Authority, and on the website of the procuring entity, if any. In addition, the publication may be made through any other means that the procuring entity deems appropriate, provided that the date of publication on the electronic

platform shall be the reference date for all deadlines stipulated in this Law.

- 36. Notification** Contrary to any other legal provision, general or specific, shall be irrelevant any notification that has not been mandatorily sent through the central electronic platform of the Public Procurement Authority.
- 37. Tranche** An amount ranging between a minimum and a maximum financial limit.
- 38. Decision-making authority** The legally authorized body to make decisions within the procuring entity.
- 39. Public Procurement Authority** The authority in charge of the organization of public procurement as defined in Chapter 6 of this Law,
- 40. Persons in charge of procurement** All employees and officers directly involved in the procurement process within the procuring entities and members of the tender and acceptance committees.
- 41. Weighting** Assigning grades or percentages to the financial and technical offers of the submitted bid, to be used when calculating the final grade obtained by each bidder.
- 42. Approved authority** A reliable body that constitutes a third party, whose approval of a particular topic is an official recognition of competence and conformity.
- 43. Subcontractor** Any natural or legal person contracted by the contractor to carry out one or more parts of the works that are the subject of public procurement.
- 44. Notification** An official notification in connection with a specific issue, sent to a specific party or parties, to be mandatorily published on the central electronic platform of the Public Procurement Authority, and on the website of the procuring entity, if any.
- 45. Standstill period** The period provided for in Article 24 of this Law.
- 46. Unfair competitive** An advantage that gives the bidder a preferential position that contradicts the principles of fair competition and equality between

*advantage* bidders, and the anti-monopoly and conflict of interest legislations.

**47. Forced cessation of work** An emergency and forced cessation of work, not included in public holidays, and representing a general situation.

### Article 3 - Scope of application

1. Shall be subject to the provisions of this Law all public procurements of goods, works and services made by procuring entities, whether the contract is financed through budgetary or treasury funds, or internal or external loans, or unrestricted donations, subject to the provisions of the international treaties and agreements concluded with the Lebanese State. No procuring entity shall, other than in the cases specified in this Law, perform a procurement unless in accordance with the provisions of this Law.
2. A specific procuring entity may perform procurements to meet common needs with other procuring entities, or on behalf of other procuring entities.
3. When the procurement is mixed, that is when it includes two or more types of goods, works and services, the procurement process shall be subject to the provisions related to the bid awarding of the predominating procurement type.
4. Shall be excluded from the provisions of this Law the procurement that aims to award any contract or concession to exploit any of the country's natural resources, a public interest utility, or any monopoly, except with regard to the procedures that precede the granting of the concession or monopoly, as such procedures are subject to the general principles stipulated in the first Article of this Law, to the extent that they do not conflict with any special provisions contained in other laws;
5. The provisions of this Law shall apply to PPP contracts in every matter that does not conflict with the PPP Law No. 48 passed on September 7<sup>th</sup>, 2017;
6. The provisions of this Law shall apply to procurements made by the Banque du Liban, with the exception of procurements related to the printing and issuing of national currency and the transfers thereof;
7. With regard to the above excluded cases, the general principles contained in Article 1 of this Law shall be applied.

### Article 4 – Language

The tender documents and the procuring entity decisions shall be formulated in Arabic. However, the procuring entity may issue all communications, technical specifications or terms of reference in English and / or French.

In case of conflict between the Arabic and foreign texts, the Arabic text shall prevail.

## Article 5 - Currency

The bidding documents shall determine the currency of the contract and the basis of accounting in foreign currency contracts.

## Article 6 – Confidentiality

1. The procuring entity and all procurement stakeholders shall not disclose any information related to the protection of essential security interests of the State, or if disclosure of such information would be contrary to the law, impede the law implementation, prejudice the legitimate commercial interests of the bidders or impede fair competition unless disclosure of that information is ordered by the relevant judicial authorities.
2. Other than when providing or publishing information pursuant to the laws in force, the procuring entity shall treat applications to pre-qualify and proposals in such a manner as to refrain from the disclosure of their contents, including professional and technical secrets, and secrets protected by intellectual property laws, the disclosure of which would cause unlawful harm to bidders, to competing bidders or to any other person not authorized to have access to this type of information.
3. Any discussions, communications, negotiations or dialogue between the procuring entity and a bidder, in all matters that are not inconsistent with the laws in force, shall be confidential. Unless required by law or ordered by the competent courts, no party to any such discussions, communications, negotiations or dialogue shall disclose to any other person any technical, financial or other information relating to these discussions, communications, negotiations or dialogue without the consent of the other party.

## Article 7 - Conditions of bidders' participation

### I – Conditions of participation

1. Bidders shall meet the following conditions, in addition to any other criteria deemed appropriate by the procuring entity and relevant to the procurement subject matter:
  - a. That there is no proven violation, by the bidders, of professional ethics generally accepted and stipulated in the relevant provisions, if any;
  - b. That they have the legal capacity to enter into the procurement contract;
  - c. That they have fulfilled their obligations to pay taxes and social security contributions;
  - d. That they have not been convicted, neither their directors nor employees concerned with the procurement process, by a court decision of any criminal offence - even if the verdict can still be appealed - related to their professional conduct or the making of false statements or misrepresentations as to their qualifications to enter into a procurement contract, or corrupting a public procurement or a contract awarding process, or have not been otherwise disqualified pursuant to administrative

- suspension or debarment proceedings, or have been in a situation of exclusion from participation in public procurements;
- e. That they are not the subject of legal proceedings for insolvency or bankruptcy, or were declared bankrupt by a court of law;
  - f. That they have not been convicted by a court decision - even if the verdict can still be appealed - of usury or money laundering;
  - g. That they have not participated in the decision-making process of the contracting authority or have any conflict of interest, or any material interest linking them to any of the decision makers;
  - h. Any other conditions set forth by the contracting authority in the tender documents that are commensurate with the required works.
  - i. For foreign companies, a statement from the Ministry of Economy and Trade proving the application of the provisions of the Israel boycott law.
2. Declaration of the beneficial owners until the last degree of ownership. Rehabilitation or proven cease of the legal impediment shall reinstate the right of the bidder to participate in the procurement proceedings.

## II – Qualifications of the bidders

1. Qualifications of the bidders are the necessary professional, technical and environmental qualifications, professional and technical competence, financial resources, equipment and other physical facilities, managerial capability, experience and human resources to implement the procurement contract, determined in the pre-qualification or the bidding documents, provided that such qualifications are determined in a manner consistent with the subject matter of the procurement;
2. The procuring entity shall establish no criterion, requirement or procedure with respect to the qualifications of bidders that discriminates against or among bidders or against categories thereof, or that is not objectively justifiable.
3. The procuring entity shall evaluate the qualifications of bidders in accordance with the qualification criteria and procedures referred to in the bidding documents.
4. The procuring entity shall disqualify a bidder:
  - a. if it is proven at any time that the information submitted concerning the qualifications of the bidder was false or constituted a misrepresentation or was materially inaccurate or materially incomplete;
  - b. if the qualified bidder fails to demonstrate its qualifications again in accordance with the same criteria used to pre-qualify such bidder in accordance with Article 19 of this Law.



## Article 8 - Exclusion of a bidder from the procurement proceedings on the grounds of inducements from the bidder, an unfair competitive advantage or conflicts of interest

1. A procuring entity shall exclude a bidder from the procurement proceedings if:
  - a. The bidder commits any violation, prohibited act by virtue of this Law, infamous crime or any crime covered by the Anti-Corruption law, especially the crimes of influence peddling and bribery, or if he offers, gives or agrees to give, directly or indirectly, to any current or former officer or employee of the procuring entity or other governmental authority a gratuity in any form, an offer of employment or any other thing of service or value, so as to influence an act or a decision of, or procedure followed by, the procuring entity in connection with the procurement proceedings; or
  - b. The bidder has an unfair competitive advantage, a conflict of interest in violation of the provisions of this Law and the laws in force.
2. Any decision of the procuring entity to exclude a bidder from the procurement proceedings under this article and the reasons therefor shall be included in the record of the procurement proceedings and communicated to the bidder concerned.

## Article 9 - Documentary record of procurement proceedings

1. The procuring entity shall establish a record of all information related to the procurement process, where all procurement proceedings shall be kept, and relevant files shall be created and saved. This record shall be made available in accordance with the provisions of this Article, and considered as an easy-to-access information reference, and shall be saved electronically, if available, and shall include the following information:
  - a. A brief description of the subject matter of the procurement that shall mandatorily include the dates of the launch of the procurement process, submission of tenders, requests for qualification, if any, opening of tenders, and determination of the winning bid;
  - b. The names and addresses of bidders that submitted proposals, the name and address of the winning bidder and the contract value (and, in the case of a framework agreement procedure, the name and address of the winning bidder with which the framework agreement is concluded);
  - c. A statement of the reasons and circumstances relied upon by the procuring entity for the decision as regards means of announcement;
  - d. If the procuring entity uses a method of procurement other than open tender, a statement of the reasons and circumstances relied upon by the procuring entity to justify the use of such other method;
  - e. In the case of a framework agreement procedure, a statement of the reasons and circumstances upon which it relied to justify the use of a framework agreement procedure;

- f. If the procurement is cancelled pursuant to paragraphs 1 and 2 of Article 25 of this Law, a statement to that effect and the reasons and circumstances relied upon by the procuring entity for its decision to cancel the procurement;
- g. If any socio-economic policies were taken into consideration in the procurement proceedings, details of such policies and the manner in which they were applied;
- h. If no standstill period was applied pursuant to paragraph 3 of Article 24 of this Law, a statement of the reasons and circumstances relied upon by the procuring entity in deciding not to apply a standstill period;
- i. In the case of a challenge or appeal under Chapter 7 of this Law, all requests of the applications for reconsideration, review or appeal, as applicable, the date and number of the registration thereof, and a copy of all decisions taken in the relevant proceedings, or any withdrawal of challenges, and the reasons therefor, must be expressly indicated;
- j. A copy of the notice of the standstill period given in accordance with paragraph 2 of Article 24 of this Law, if applicable;
- k. If the procurement proceedings resulted in the award of a procurement contract in accordance with paragraph 8 of Article 24 of this Law, a statement to that effect and of the reasons therefor;
- l. The contract value and other principal terms and conditions of the procurement contract, and a copy thereof. In the case of a framework agreement procedure, in addition a summary of the principal terms and conditions of the framework agreement or a copy of any written framework agreement that was concluded;
- m. For each proposal, the price and a summary of the other principal terms and conditions;
- n. Where information confidentiality was invoked under paragraph 1 of Article 6 or under Article 108 of this Law, the reasons and circumstances relied upon by the procuring entity in invoking such confidentiality;
- o. Other information required to be included in the record in accordance with the provisions of this Law or the laws in force, or the bidding documents.
- p. If a proposal is rejected pursuant to Article 27 of this Law, a statement to that effect and the reasons and circumstances relied upon by the procuring entity for its decision;
- q. A summary of any requests for clarification of the pre-qualification documents, if any, or of the bidding documents and the responses thereto, as well as a summary of any modifications to those documents;
- r. Information relative to the qualifications, or the lack thereof, if available, of bidders that presented applications to pre-qualify, and to bids, if any;
- s. If a bidder is excluded from the procurement proceedings pursuant to Articles 7 or 8 of this Law, a statement to that effect and the reasons and circumstances relied upon by the procuring entity for its decision;

2. The portion of the record referred to in subparagraphs (a) to (i) of paragraph 1 of this article shall be made available to any person after the provisional award or the cancellation of the procurement, on request.
3. Subject to paragraph 4 of this article, the portion of the record referred to in subparagraphs (j) to (o) of paragraph 1 of this article shall, after the decision on the provisional award has become known to them, be made available, upon request, to bidders that submitted proposals.
4. Provisions of Article 6 of this law shall apply for any information included in this record, especially the information relating to the opening and evaluation of tenders, other than the summary referred to in subparagraph (m) of paragraph 1 of this article.

### Article 10 - Code of conduct

The Public Procurement Authority shall enact, by virtue of a regulatory decision, a code of conduct, good professional ethics, and good citizenship in relation to public procurements processes, for all officers of the procuring entities and contractors thereof, provided that such code includes, inter alia, the standards referred to in this Law, in particular such standards related to integrity, transparency and prevention of conflict of interest, in addition to the rules of good governance, impartiality, fairness, knowledge and competence. The Code shall also include the measures to regulate matters regarding personnel responsible for procurement, and proceedings set to verify behavioral efficiency and good conduct and detect violations.

## CHAPTER 2: GENERAL RULES FOR THE PREPARATION, CONDUCT AND IMPLEMENTATION OF THE PROCUREMENT PROCESS

### Section 1: Planning and needs identification

#### Article 11- Procurement Planning

1. The provisions of this article apply to procurements projects with an estimated value exceeding ten billion Lebanese Pounds. This value can be modified by a recommendation of the Public Procurement Authority and by a decree issued by the Council of Ministers upon a proposal made by the President of the Council of Ministers, provided that this modification does not lead to a violation of the objectives of this Article and the principles established by this Law. Shall be excluded from the provisions of this article all confidential procurements related to national security and defense, under paragraph 4 of Article 46.
2. The procuring entity shall determine its needs and prepare its annual plan for the coming year while engaging its general expenses, in accordance with the appropriations required in the draft budget. The annual procurement plan shall be prepared on the basis of a unified form and procedures set by the Public Procurement Authority. A plan can be annual or multi-annual in case it involves projects that require scheduling commitments in a medium or long term framework, provided that they contain at least the following information:
  - a. The subject matter of the procurement;
  - b. The nature of procurement (goods, works or services);
  - c. The source of funding and the estimated value by tranches, where the announcement thereof can be made and included in the general budget;
  - d. A brief description of the project requiring the procurement;
  - e. The procurement method;
  - f. Possible date (by indication of the month) of commencement of the procurement proceedings;
  - g. The tranche within which the estimated value of the procurement subject matter falls;
  - h. Remarks and other useful information that would assist potential bidders to understand and prepare good proposals within the deadlines;
3. The procuring entity shall send its completed plan to the Public Procurement Authority within two months from the beginning of the fiscal year. The Public Procurement Authority shall consolidate plans in a unified annual procurement plan and shall publish this plan within 30 working days.
4. In the event of modification of the annual procurement plan, especially when obtaining loans or grants, the procuring entity shall, in accordance with the announcements

deadlines specified in Article 12, publish such modification on its website, if any, and on the central electronic platform of the Public Procurement Authority.

## Article 12 - Procurement notice

1. The invitation to tender shall be made by a procurement notice published on the central electronic platform of the Public Procurement Authority and on the procuring entity website, if available. The procuring entity may also decide to publish the procurement notice in any other media.
2. The duration of the notice shall be determined in accordance with the importance and complexity of the procurement, provided that it is not less than (21) twenty-one days prior to the deadline for submission of proposals. The duration may be reduced to (15) fifteen days when the general rule is practically impossible to adopt, in exceptional circumstances, and after the procuring entity issues a reasoned decision specifying the nature of such circumstances, and the reason thereof shall be recorded in the procurement proceedings record pursuant to Article 9 of this Law.
3. The day of the publication of the notice shall not be included in the calculation of the time limit. If the last day for submission of proposals falls on a public holiday or forced cessation of work, the deadline shall be extended to the first working day following the cessation of work without the need for prior notice.

## Article 13 - Estimated total value of the procurement

1. Each procuring entity shall update its estimation of the value of the procurement project prior to the announcement thereof, except in exceptional cases where this is not possible, provided that the reasons thereof shall be clearly and reasonably stated.
2. The procuring entity prepares the estimated total value of the procurement project based on the actual market prices and price inquiry with other administrations, taking into account any increase that may result from the application of the optional items stated in the bidding documents (for example, increase in quantities, incentives, etc...).
3. With respect to framework agreements, the maximum estimated value of all contracts expected over the life of the agreement shall be taken into account.
4. When procurement is made on the basis of lots, the value of all lots comprising the procurement shall be estimated.
5. The estimated total value of the procurement project should be fixed by the procuring entity upon the announcement thereof or the commencement of the procurement proceedings.
6. It is forbidden for the procuring entity to estimate the value of the procurement project below or above its actual value in order to avoid the application of the provisions of the Law.

7. In calculating the estimated total value of the procurement project, all elements required for the execution thereof shall be taken into account.
8. The estimated total value of the procurement project shall be kept confidential before and after the award, unless the procuring entity deems otherwise for purposes related to competition or to ensure the success of the award or in procurement projects which prices are clearly defined, and then the estimated total value shall be duly announced. In all cases, confidentiality shall not be invoked before the Court of Audit and oversight bodies.

#### Article 14 - Division of the procurement

1. A procuring entity is entitled to divide the procurement into independent lots only in the following two cases:
  - a. Where the nature of works, goods or services requires such division and where there are clear justifications like the diversity and the multiplicity of supply sources, or where parts are different in such a way that division will result in a definite benefit, provided that the decision is justified and subject to control in accordance with the laws in force.
  - b. When implementing government development policies such as encouraging the participation of SMEs in public procurement.
2. Procurement shall not be divided into lots in order to apply specific provisions to each portion thereof or for the purpose of reducing the estimated total value of the procurement project, evading control or the application of the provisions of this Law or other laws and regulations.

#### Article 15 - Sustainability and development policies

1. Where possible, procuring entities shall adopt sustainable public procurement to direct the procurement power of the State towards sustainable goods and services with a view to minimize the environmental impact and achieve the economic and social objectives set forth in international agreements and in accordance with national priorities, while ensuring a balance between the potential benefits and achieving the best value of spending public funds in such a way as to provide incentives to SMEs, local production and national expertise.
2. Where possible, bidding shall be made on the basis of lots, and the bidding documents shall specify the number and nature of such lots or groups and the requirements for participation in a lot or group of the procurement and the manner in which the contract is awarded, for the purpose of guaranteeing social and economic benefits. The sustainable public procurement rules and policies shall be set by decrees issued by the Council of Ministers, based on the proposal of the minister(s) concerned.

## Article 16 - Domestic Preferences

1. Contrary to any other provision, proposals containing supplies or services of national origin may be given a ten (10) percent ratio preference over proposals containing foreign supplies or services. Preference shall be given to proposal components of national origin. National supplies and services and the specifications thereof required to benefit from such preference are determined according to the rules of origin.
2. It is forbidden to include, in the bidding documents or pre-qualification documents, provisions that exclude supplies/goods manufactured in Lebanon or Lebanese consulting and intellectual services if such supplies or services are available and the quality thereof meet the technical requirements.

## Article 17 - Description of the procurement subject matter

1. The procuring entity shall set out in the bidding documents the clear description of the subject matter of the procurement and the criteria that it will use in the evaluation of tenders, including the minimum requirements that tenders must meet in order to be considered responsive and the manner in which those minimum requirements are to be applied.
2. The description of the subject matter of the procurement shall be objective and generic. It shall set out the relevant technical, functional and performance characteristics of that subject matter. Technical specifications and terms of reference shall be determined according to the following criteria:
  - a. In accordance with national or international standards issued by the competent authorities, technical approvals or official technical specifications for the design, calculation, implementation and use of works and goods; and/or
  - b. On the basis of functional characteristics or performance requirements where possible.
3. The description of the subject matter of procurement may include specifications, schemes, drawings, designs, requirements, tests and methods of conducting thereof, packaging, labels or conformity certificates, symbols and terms.
4. The description of the subject matter of the procurement may not refer to a particular trademark, trade name, patent, design, type, origin, or product, or include any reference thereto, except where it is otherwise impossible to describe the subject matter in a way that is precise and understandable enough to describe the characteristics, provided that the description includes the words "or equivalent".
5. Where available, qualities, requirements, symbols and unified terminology shall be used when drafting the description of the procurement subject matter to be included in the bidding or pre-qualification documents, if any, with respect to the technical and functional characteristics of the procurement subject matter and its performance characteristics.

6. When contracting authorities adopt the method of reference to the specifications abovementioned in paragraph 2(a) of this article, they cannot dismiss a bid on the grounds that the products and services that form the subject matter of the procurement do not meet such specifications requirements when the bidder demonstrates, by any means, that his offer meets the requirements stated in the technical specifications. For that purpose, the bidder may prepare and submit a technical report from the manufacturer or a certificate of conformity from an approved authority.
7. When procuring entities adopt the option of setting out specifications standards on the grounds on performance and functional characteristics, they cannot dismiss any bid that complies with international or national criteria if the specifications thereof meet the specified performance and functional characteristics. The bidder is entitled to demonstrate to the procuring entities, by any means and on the basis of the criteria, that the works, products or services meet the performance and functional characteristics set forth by procuring entities. For that purpose, the bidder may prepare and submit a technical report from the manufacturer or a certificate of conformity from an approved authority.
8. Whenever possible, the specific environmental characteristics shall be included by reference to a recognized environmental benchmark that all stakeholders can obtain.
9. The specifications shall be in accordance with the required need and shall not be formulated or drafted in a manner that leads to the exclusion of bidders in an illegal manner.

#### Article 18 – Evaluation criteria

1. The evaluation criteria shall be related to the subject matter of the procurement.
2. In addition to the price, the evaluation criteria related to the subject matter of the procurement may include the cost of operating, maintaining and repairing supplies or works; the time for supply of goods, completion of works or provision of services, the characteristics of the subject matter of the procurement, such as the functional characteristics of supplies or works, the environmental characteristics, the executive plan and team experience, the terms of payment of the price and the securities thereof, and other criteria;
3. The evaluation criteria may include any criteria that the applicable laws or other decrees or regulations in force authorize or require to be taken into account;
4. The procuring entity shall set out in the bidding documents:
  - a. The evaluation criteria established and whether award will be on the basis of the lowest price or best offer, based on other criteria than price;
  - b. All evaluation criteria established pursuant to this article, including price as modified by the preference stipulated in Article 16 of this Law, or any preference;



- c. The set ratios of each evaluation criterion, provided that they are proportionate to the importance of the criterion and the need thereof to the subject matter of the procurement;
  - d. The manner of application of the criteria in the evaluation procedure.
5. In evaluating proposals and determining the successful proposal, the procuring entity shall use only those criteria and procedures that have been set out in the bidding documents and shall apply those criteria and procedures in the manner that has been disclosed in those bidding documents. No criterion or procedure shall be used that has not been stipulated in this provision.

## Section 2 – Procurement proceedings

### Article 19 - Pre-qualification proceedings

1. The procuring entity may engage in pre-qualification proceedings, in accordance with the provisions of this Law, to identify qualified bidders. The provisions of Article 7 of this Law shall apply to pre-qualification proceedings.
2. The invitation to pre-qualify shall be published in accordance with Article 12 of this Law.
3. The invitation to pre-qualify shall include the following information:
  - a. The name and address of the procuring entity;
  - b. A summary of the principal required terms and conditions of the procurement contract or the framework agreement to be concluded in the procurement proceedings, including the nature, quantity and place of goods to be supplied, or the nature and location of the works to be carried out or the nature of the services and the location where they are to be provided, as well as the required time for the supply of goods, the completion of works or the provision of services;
  - c. The criteria and procedures to be used for ascertaining the qualifications of bidders, in conformity with article 7 of this Law. These criteria are subject to prior approval by the Public Procurement Authority; The means of obtaining the pre-qualification documents and the place where they may be obtained or viewed;
  - d. The manner, place and deadline for presenting applications to pre-qualify and, if already known, the manner, place and deadline for submission of tenders, in conformity with article 20 of this Law.
  - e. The place and time (by hour, day, month and year) of the opening of the pre-qualification submissions;
  - f. Time limits within which bidders should be informed of the pre-qualification results;
  - g. Procedure of notifying bidders of the pre-qualification results;
  - h. All additional information that the procuring entity decides to include in the invitation.

4. The procuring entity shall provide a set of pre-qualification documents on its website, if any, and on the central electronic platform of the Public Procurement Authority, simultaneously with the publication of the invitation.
5. The pre-qualification documents shall include the following information:
  - a. Instructions for preparing and presenting pre-qualification applications;
  - b. Any documentary evidence or other information that must be presented by bidders to demonstrate their qualifications;
  - c. The name, functional title and address of one or more officers or employees of the procuring entity who are responsible for directly communicating with and receiving communications from bidders in connection with the pre-qualification proceedings;
  - d. References to this Law, the secondary decrees thereof and other laws and regulations directly pertinent to the pre-qualification proceedings, and the secondary decrees thereof;
  - e. Any other requirements that may be established by the procuring entity in conformity with this Law relating to the preparation and presentation of applications to pre-qualify and to the pre-qualification proceedings. These other requirements shall not limit the participation of potential bidders.
6. The procuring entity shall evaluate the qualifications of each bidder presenting an application to pre-qualify, and take a decision to qualify the bidders who meet the required conditions. In reaching that decision, the procuring entity shall apply only the criteria and procedures set out in the invitation to pre-qualify and in the pre-qualification documents.
7. Only bidders that have been pre-qualified are entitled to participate further in the procurement proceedings, provided that the time period that separates between the date of announcing the results of pre-qualification and the commencement of the awarding procedure does not exceed a reasonable time limit commensurate with the importance of the project and the complexities thereof.
8. The procuring entity shall notify each bidder presenting an application to pre-qualify whether or not he has been pre-qualified.
9. The procuring entity shall communicate to each bidder that has not been pre-qualified the reasons therefor.
10. The Public Procurement Authority, in conjunction with the stakeholders, sets classification criteria for similar procurements and issues them by regulatory decision.

## Article 20 - Rules concerning the manner, place and deadline for presenting applications to pre-qualify and/or for submission of tenders

1. The manner, place and deadline for presenting applications to pre-qualify shall be set out in the invitation to pre-qualify and in the pre-qualification documents. Envelopes containing the proposals shall be sent by hand or by public mail or anonymous private

mail to the authorized party. The manner, place and deadline for submission of tenders shall be set out in the bidding documents.

2. The procuring entity shall keep all applications to pre-qualify and submission of tenders secure, safe and confidential, and ensure that the content thereof is not accessed until they have been duly opened.
3. Deadlines for presenting applications to pre-qualify or for submission of tenders shall be expressed as a specific date and time and shall allow sufficient time for bidders to prepare and submit their applications or proposals, taking into account the reasonable needs of the procuring entity and the delivery circumstances.
4. If the procuring entity issues a clarification or modification of the pre-qualification or tender documents, it shall, prior to the applicable deadline for presenting applications to pre-qualify or for submitting proposals, extend the deadline if necessary or as required under paragraph 4 of Article 21 – I - of this Law in order to afford bidders sufficient time to take the clarification or modification into account in their applications or proposals.
5. Notice of any extension of the deadline shall be communicated to each bidder to which the procuring entity provided the pre-qualification or tender documents. Such extension shall also be published on the central electronic platform of the Public Procurement Authority.

## Article 21 - Requests for clarification

### I – With regard to bidding documents and pre-qualification documents

1. A supplier or contractor may request a written clarification of the bidding documents or the pre-qualification documents within (10) ten days from the date of submission of proposals or pre-qualification applications. The procuring entity shall respond within (6) six days prior to the deadline for submission of proposals or pre-qualification applications. The procuring entity shall, without identifying the source of the request, communicate the written clarification to all bidders to which the procuring entity has provided the bidding documents.
2. When necessary, the procuring entity may set a specific date for the eventual bidders to inspect the site.
3. At any time prior to the deadline for submission of proposals or the pre-qualification applications, the procuring entity may for any reason, whether on its own initiative or as a result of a request for clarification by a bidder modify the bidding documents or the pre-qualification documents by issuing an addendum. The modification shall be communicated promptly to all bidders to which the procuring entity has provided the bidding documents or the pre-qualification documents and shall be binding on those bidders. Also, it shall be published on the electronic central platform of the Public Procurement Authority and on the website of the procuring entity, if any.

4. If as a result of a clarification or modification issued in accordance with this article, the information published in the bidding documents or the pre-qualification documents becomes materially different, the procuring entity shall cause the amended information to be published in the same manner and place in which the original information was published and shall extend the deadline for submission of proposals or pre-qualification applications as provided for in paragraph 4 of Article 20 of this Law.
5. If the procuring entity convenes a meeting of bidders, it shall prepare minutes of the meeting containing the requests submitted at the meeting for clarification of the bidding documents and its responses to those requests, without identifying the sources of the requests. The minutes shall be provided to all bidders to which the procuring entity provided the bidding documents or the pre-qualification documents, so as to enable those bidders to prepare their requests for qualification or bids in light of the information provided.

## II – Information related to qualifications and tenders

1. At any stage of the procurement proceedings, the procuring entity may ask, in writing, a bidder for clarification of information related to its qualifications or proposals, in order to assist in the ascertainment of qualifications or the examination and evaluation of proposals.
2. The procuring entity shall correct purely arithmetical errors that are discovered during the evaluation of proposals, in accordance with the bidding documents. The procuring entity shall give prompt notice of any such correction to the bidder.
3. No substantive change to qualification information or to a proposal, including changes aimed at making an unqualified bidder qualified or an unresponsive proposal responsive, shall be sought or permitted.
4. No negotiations shall take place between the procuring entity and a bidder with respect to qualification information or submitted proposals, nor shall any change in price be made pursuant to a clarification that is sought under this article.
5. All communications generated under this article shall be included in the procurement proceedings record, pursuant to Article 9 of this Law.

## Article 22 - Validity of the Proposal

1. The tender documents shall determine the validity of the proposal, provided that it shall be proportionate to the nature of the procurement, and no less than (30) thirty days from the final date of submission of proposals.
2. Prior to the expiry of the tenders' validity period, the procuring entity may request bidders to extend the period for an additional specified period of time. A bidder may refuse the request without forfeiting its tender security;

3. Bidders that agree to an extension of the validity period of their tenders shall extend the period of effectiveness of bid securities provided by them or provide new bid securities to cover the extended validity period of their tenders. A bidder whose bid security is not extended, or that has not provided a new bid security is considered to have refused the request to extend the validity period of his tender.
4. A bidder may modify or withdraw its tender prior to the deadline for submission of tenders without forfeiting its bid security. The modification or notice of withdrawal is effective when it is received by the procuring entity prior to the deadline for submission of tenders.
5. The validity of the offer shall be extended in the event that the Complaints Authority orders a prohibition period of procedures in accordance with the provisions of Chapter 7 of this Law, for a period of time equivalent to the prohibition period. The bidder shall extend his bid security period accordingly.

### Article 23 - Collective proposals or joint tenders

Several suppliers, service providers or contractors who meet the technical and legal requirements of this Law may participate in the execution of one contract, provided that they address an official letter to the contracting authority, within the documents of the submitted proposal, where they appoint a lead partner who represents them jointly and severally, signs on their behalf, and whose acts shall be binding to them.

Other conditions of participation set forth in this article shall be specified in the documents relative to each procurement.

### Article 24 - Acceptance of the successful tender (or provisional award) and entry into force of the procurement contract

1. The procuring entity shall accept the successful proposal unless:
  - a. The supplier or contractor presenting the successful proposal is disqualified in accordance with Article 7 of this Law; or
  - b. The procurement is cancelled in accordance with paragraph 1 of Article 25 of this Law; or
  - c. The proposal found successful at the end of evaluation is rejected as abnormally low under Article 27 of this Law; or
  - d. The supplier or contractor presenting the successful proposal is excluded from the procurement proceedings on the grounds specified in Article 8 of this Law.
2. After the successful proposal was ascertained, the procuring entity shall dispatch the notice of award to the bidder that presented that proposal, and simultaneously publish its decision to accept the successful proposal (provisional award) that comes into force at the end of the standstill period of (10) ten working days starting with the date of the publication that shall contain, at a minimum, the following information:

- a. The name and address of the bidder presenting the successful proposal (winning bidder);
  - b. The proposal total value or, where the successful proposal was ascertained on the basis of price and other criteria, the contract value and a summary of other characteristics and relative advantages of the successful proposal;
  - c. The duration of the standstill period in accordance with this paragraph.
3. The standstill period shall not apply in the following cases:
  - a. In contracts subsequent to framework agreements without second-stage competition, that are concluded according to such agreements;
  - b. Where procurement is made by invoice;
  - c. Where procurement is made by mutual agreement, pursuant to paragraphs 2 and 4 of Article 46 of this Law.
4. Promptly after the expiry of the standstill period, the procuring entity shall dispatch a notice to the winning bidder requesting the signature of the contract within (15) fifteen days.
5. The competent authority in the procuring entity shall sign the contract within (15) fifteen days from the signature thereof by the winning bidder. This time limit can be extended to (30) thirty days in certain cases specified by the competent authority.
6. The procurement contract shall come into force when the contract is signed by the winning bidder and the competent authority at the contracting authority.
7. Between the time when the notice of provisional award is dispatched to the bidder concerned and the entry into force of the procurement contract, neither the procuring entity nor the winning bidder shall take any action that interferes with the entry into force of the procurement contract or with the performance thereof.
8. If the winning bidder fails to sign the contract, the procuring entity shall forfeit his bid security. In such event, the procuring entity may either cancel the procurement or decide to select the next successful proposal from among those remaining in effect, in accordance with the criteria and procedures set out in this Law and in the bidding documents. In the latter case, the provisions of this article shall apply mutatis mutandis to such proposal.

## Article 25 - Cancellation of the procurement and/or any of the procedures thereof

1. The procuring entity may cancel the procurement and/or any of the procedures thereof at any time prior to the dispatch of the notice of award to the winning bidder, in the following cases:
  - a. When the contracting authority finds it necessary to make substantial, unforeseen changes to the tender documents after the procurement announcement has been made;
  - b. When unexpected changes occur in the budget of the procuring entity;

- c. When the need for procurement is no longer required due to unforeseen and objective circumstances. In such case new tender proceedings shall not be engaged under the same budget or during the same fiscal year;
2. The procuring entity may also cancel the procurement and/or any of the procedures thereof if no proposal has been made and / or unacceptable proposals have been made.
3. The procuring entity may also cancel the procurement and/or any of the procedures thereof after accepting the winning proposal in the case referred to in paragraph 8 of Article 24 of this Law.
4. The procuring entity shall cancel the procurement and/or any of the procedures thereof if only one acceptable proposal has been made. However the procuring entity has the right to make a justified decision to enter into contract with the sole bidder if all the following conditions are met:
  - a. The principles and provisions of this Law are applied and the sole proposal is not the result of exclusive conditions included in the bidding documents related to the procurement project.;
  - b. The need is essential, and the price is in line with the estimated total value of the procurement;
  - c. The published decision by the procuring entity to accept the successful proposal (winning bid) explicitly mentions the submission of a proposal by a sole bidder and the intention to enter into contract with that bidder.
5. The decision of the procuring entity to cancel the procurement and/or any of the procedures thereof and the reasons therefor shall be included in the record of the procurement proceedings and communicated to all bidders that submitted a proposal within (5) five days of the decision date of the cancellation. The procuring entity shall in addition publish a notice of the cancellation of the procurement in the same manner and place in which the original information regarding the procurement proceedings was published, and return any bids or proposals that remain unopened at the time of the decision to the bidders that presented them, and redeem the bid securities submitted.
6. The procuring entity shall incur no liability, solely by virtue of its invoking paragraphs 1 and 2 of this article, towards bidders that have submitted proposals.
7. The procuring entity shall open no bids or proposals after a cancellation of the procurement decision has been made.

## Article 26 - Regulations related to the public notice of the award of a procurement contract

1. Upon the entry into force of the procurement contract or conclusion of a framework agreement, the procuring entity shall publish notice of the award of the procurement contract or the framework agreement, specifying the name of the winning bidder and the contract value.

2. Paragraph 1 is not applicable to awards where the contract value is less than the threshold amount set out in the conditions of using the method of procurement by invoice. Nevertheless, the procuring entity shall publish a notice of such awards at least once a year. Paragraph 1 is not also applicable to the awarding of confidential contracts related to the national security and defense, according to paragraph 4 of Article 46.
3. Information included in this article shall be published on the procuring entity's website, if any, and the central electronic platform of the Public Procurement Authority.

## Article 27 - Regulations related to abnormally low proposals

1. The procuring entity may reject a proposal if it determines that the price, in combination with other constituent elements of the proposal, is abnormally low in relation to the subject matter of the procurement and the total estimated value thereof, and raises concerns with the procuring entity as to the ability of the bidder to perform the procurement contract, provided that the procuring entity has requested in writing from the bidder details of the submitted tender in a way that allows the procuring entity to analyze the detailed information and conclude whether the bidder will be able to execute the procurement contract at the offered price. The details that the procuring entity can request include, but not limited to:
  - a. Information, samples, or the like., to prove the quality of the procurement subject matter made in the proposal;
  - b. Relevant manufacturing methods;
  - c. The chosen technical solutions and/ or any exceptionally favorable conditions available to the bidder to execute the procurement contract.
2. The decision of the procuring entity to reject a proposal in accordance with this article, the reasons for that decision, and all communications with the bidders under this article shall be included in the evaluation report. The decision of the procuring entity and the reasons therefor shall be promptly communicated to the bidder concerned.

## Article 28 - Work sites

Procurement proceedings related to the execution of works can only commence once all legal procedures in relation to the preparation of work sites have been completed by the procuring entity, including the issuance of seizure decisions of such sites.



## Section 3 – Execution of the contract

### Article 29 - The contract value and the conditions of its modification

1. The allowances agreed upon in the contract shall be fixed and the modification and review thereof shall not be authorized unless such modification and review are approved during the contract execution in conformity with specific controls required by the conditions of modification and review, and explicitly stipulated in the bidding documents and in the following exceptional cases:
  - a. The application of formulas based on official domestic price indexes and, where appropriate, international, when such formulas are not covered within the contract value;
  - b. The application of tax modifications that increase the cost of contract execution;
  - c. Where additional quantities of supplies, equipment, technology or services from the same supplier or contractor are required, for reasons of standardization of the specifications or the need for compatibility with existing supplies, equipment, technology or services, taking into account the efficiency of the original procurement process in meeting the needs of the procuring entity, provided that the value of addition does not exceed 20% of the original contract value for supplies and services contracts, and 15% for works contracts;
  - d. In the case provided for in paragraph 3 of Article 46;
  - e. When laws and decrees that affect the contract value are enacted, provided that such modification is justified by a report submitted by the procuring entity.
2. The conditions of announcement provided for in Article 26 of this Law are taken into account upon modification of the contract value.

### Article 30 - Subcontracting

1. The main contractor shall personally execute the contract and shall remain liable to the contracting authority for the execution of all the terms and conditions thereof, and shall be forbidden from subcontracting the entire contracting obligations to other parties.
2. For contracts of works and services, if the bidding documents so authorize, the contractor may contract a subcontractor to execute part of the contract within the allowed percentage thereof specified in the bidding documents, provided that such percentage does not exceed 50% of the contract value. The contractor shall seek a prior approval for subcontracting from the contracting authority, which shall reach a decision of approval or justified rejection within a period of time specified in the terms of the contract. Once such period has expired, silence of the contracting authority shall be considered as an implicit decision of acceptance.
3. Provisions of (I) of Article 7 of this Law shall apply to the subcontractor.

## Article 31 - Supervision of the execution and statements of works

### I – Supervision

1. In works contracts, and in other contracts that require supervising such as services and manufacturing contracts for the benefit of the contracting authority, supervision shall be carried out in conjunction with the execution of the required works in such a way as to ensure the continuity of work and achieve the required specifications and the desired results before the date of provisional acceptance.
2. Supervision shall be carried out by the person designated by the contracting authority from among those having the competence and the ability to conduct periodic follow-ups of works, from inside the contracting authority, or from outside the contracting authority, where appropriate. The supervisor shall then be contracted in accordance with the provisions of this Law.
3. The supervisor shall submit periodic reports on the progress of work and the execution thereof, and notify the contracting authority of any violations or irregularities occurring at the work sites.
4. The supervisor shall come to the work site in a way to ensure the relevance and the continuity of work, check statements of works, attend the process of handing over work sites and the provisional and final acceptances, provide an opinion regarding the suggestions of the contractor and the required modifications to work, offer suggestions as to the execution of work in a more appropriate manner, and submit a relevant report to the contracting authority in order to take the appropriate decision.
5. The supervisor of work shall bear personal responsibility for any failure to fulfill the obligations thereof under this Article, and shall be subject to the penalties stipulated in Chapter 8 of this Law.

### II – Statements of works

The terms of the contract shall determine:

1. The obligation of submitting statements of supplies, works and services by the contractor, and the obligation of validating such statements by the contracting authority;
2. The maximum time limit within which the contractor should prepare such statements, and the approval or modification time limits thereof by the contracting authority;
3. The maximum time limit within which the payment order must be issued.

## Article 32 - Execution of the contract and acceptance

1. Goods, works and services shall be received by the acceptance committee referred to in Article 101 of this Law. The committee shall submit its report within (30) thirty days, starting from the date of submitting of the acceptance request by the contractor.
2. The acceptance of consulting services shall be made by the entity supervising the execution of the contract, if any.

3. If the nature and size of the project requires more than (30) thirty days, the committee shall justify the reasons thereof in writing and make its suggestions in this regard, provided that the time limit does not in all cases exceed (60) sixty days starting from the date of submitting of the acceptance request by the contractor.
4. The acceptance time limit shall be stipulated in the terms of the contract.
5. The acceptance shall be made in accordance with Article 101 of this Law.

## Article 33 - Reasons for the termination of the contract and the results thereof

### I – Debarment

1. The bidder shall be considered to be debarred if the bidder violates the terms of the contract or the provisions of the bidding documents, and after a warning to comply with all obligations had been formally sent thereto by the contracting authority, within a (5) five to (15) fifteen days' time limit, and if such time limit expires without compliance by the bidder.
2. The bidder shall not be considered debarred except by a justified decision issued by the contracting authority based on the approval of the Public Procurement Authority.
3. Debarment of the bidder shall be considered a reason for breach of contract without notice, and the debarment provisions stipulated in paragraph 1 of section IV of this article shall apply.

### II – Termination

1. The contract shall be terminated without notice in any of the two following cases:
  - a. Upon the death of the bidder if the bidder was a natural person, unless the contracting authority accepts to continue the execution of the contract by the heirs thereof.
  - b. If the bidder becomes bankrupt or insolvent, or if the company is dissolved, in which case the provisions of paragraph 2 of section IV of this article shall apply.
2. The contracting authority may terminate the contract if the bidder fails to perform any of its contractual obligations as a result of the force majeure.

### III – Breach of contract

1. Shall be considered reasons for breach of contract without notice the following cases:
  - a. If the contractor is sentenced by a court of law for any crime of corruption, collusion, fraud, money laundering, terrorist financing, conflict of interest, forgery, or fraudulent bankruptcy, in accordance with applicable laws.
  - b. If any of the cases referred to in Article 8 of this Law applies.
  - c. If the contractor loses the legal capacity thereof.
2. If any of the reasons stipulated in paragraph 1 of section III leads to a breach of contract, provisions of paragraph 1 of section IV of this article shall apply.

#### IV – Results of the termination of the contract

1. If any of the cases of debarment or termination specified in this article applies, the contracting authority shall either engage in new tender proceedings as required by this Law, or execute the contract by its own means if it has sufficient qualifications and resources, without resorting to a new contract. If engaging in new tender proceedings or execution of the contract by the contracting authority own means results in cost savings, the savings shall be returned to the Treasury, if it results in a cost increase, the increase shall be incurred by the debarred bidder. In all cases, the performance bond shall be temporarily forfeited until liquidation of the procurement.
2. If the bankruptcy or insolvency of the bidder is declared, the following procedure shall be applied, contrary to any other provision:
  - a. The performance security shall be temporarily forfeited to the benefit of the Treasury.
  - b. The contracting authority shall organize a detailed statement of the executed works, supplied goods, provided services, or stocked materials prior to the date of filing for bankruptcy and the value of such statement shall be temporarily disbursed in the name of the Treasury.
  - c. The contracting authority shall engage in new tender proceedings as required by this Law, or execute the contract by its own means if it has sufficient qualifications and resources, without resorting to a new contract. If engaging in new tender proceedings or execution of the contract by the contracting authority own means results in cost savings, the savings shall be returned to the Treasury, and the performance security and the value of the statement stipulated in the preceding paragraph shall be paid to the trustee in bankruptcy. If the new awarding or execution of the contract by the contracting authority own means results in a cost increase, the increase shall be deducted from the performance security and the value of the statement, and the remaining sum shall be paid to the trustee in bankruptcy. If the performance security and the value of the statement are not enough to cover the totality of the cost increase, only such performance security and value of the statement shall be seized.
3. In the event of the death of the contractor and failure to continue the execution of the contract by the heirs thereof, the works, services executed, or the goods provided shall be accepted, and the value of the deceased contractor dues shall be disbursed in the name of the heirs thereof.
4. No compensation shall be due for the services provided or the works executed by any person convicted for any of the crimes stipulated in subparagraph “a” of paragraph 1 of section III of this article.
5. The decision of the termination of the contract and the reasons thereof shall be published on the contracting authority website, if any, and the central electronic platform of the Public Procurement Authority.

## Section 4 – Financial aspects and securities

### Article 34 - Bid Security (or Bid Guarantee)

1. The bid security is defined as an amount that guarantees the bidder's seriousness and takes into account the value and importance of the procurement project without limiting competition, provided that such security is a lump sum and does not exceed three percent of the estimated total value of the procurement project.
2. The performance guarantee shall not be mandatory to the procurement projects estimated at less than (5) five billion Lebanese pounds. This value can be modified by a recommendation of the Public Procurement Authority and a decree issued by the Council of Ministers upon a suggestion of the President thereof, provided that such modification does not lead to the violation of the objectives of this Article and the principles established by this Law.
3. The bid security shall not be mandatory in cases of direct contracting specified in Article 46 of this Law.
4. The validity of the bid security is determined by adding (28) twenty-eight days to the validity of the proposal.
5. The bid security shall be returned to the winning bidder upon submitting of a performance guarantee by this bidder, and to the bidders who were not awarded the contract within a period of time not exceeding the date of the contract's entry into force.

### Article 35 - Performance Guarantee (or performance Bond)

1. The amount of the performance guarantee is set not to exceed ten percent of the contract value.
2. Shall be exempted from the performance guarantee all contracts concluded through direct contracting, which cases are specified in paragraph 5 of Article 46, and in cases of procurement by invoice.
3. The performance guarantee shall be submitted within the time period stipulated in the terms of the contract, provided that it does not exceed (15) fifteen days from the date of the contract's entry into force. In the event of failure to submit the performance guarantee, the bid security shall be forfeited.

### Article 36 - Method of payment of guarantees

The bid security as well as the performance guarantee are paid either in cash to the Treasury fund or to the contracting authority, or by an irrevocable letter of guarantee issued by a Lebanese bank approved by Banque du Liban, indicating that such security is payable upon request.

## Article 37 - Payment of the contract value

1. The contract value shall be paid after the execution thereof pursuant to the provisions of article 5 of this Law.
2.
  - a. The contract terms may specify a payment method according to the stages of execution or to deliverables, provided that payments are proportionate to deliverables, and that they do not exceed nine-tenths of the amount due. The tenth shall be withheld in the Treasury until final acceptance.
  - b. Such withheld amounts shall be refunded upon final acceptance if the contract does not specify a warranty period for the goods, works or services. The contracting authority may stop withholding tenths of the due amounts when the guarantees given are deemed to cover the remaining parts of the contract, and is entitled to replace such withheld amounts by a parallel guarantee.
  - c. When payments are made in accordance with the provisions of this paragraph, it shall be taken into consideration that the necessary amounts required to pay the advances referred to in paragraph 3 below.
3.
  - a. The contract may allow the contracting authority to pay the contractor advances not exceeding (20) twenty percent of the contract value, provided that they do not exceed in any case a financial ceiling set at fifteen billion Lebanese pounds. This value can be modified by a recommendation of the Public Procurement Authority and a decree issued by the Council of Ministers upon a suggestion of the President thereof, provided that such modification does not lead to the violation of the objectives of this Article and the principles established by this Law. The contracting authority may, if the value specified in this paragraph has been exceeded, and if the terms of the contract so stipulate, pay the contractor advances in exchange for bank guarantees, after a notice thereof is sent to the Public Procurement Authority.
  - b. The bank guarantee referred to in this paragraph shall be reimbursed to the contractor, when the full amount of the advances has been deducted.

## Article 38 - Penalties

The contractor shall comply with the time limits set forth in the contract, subject to payment of the penalties specified therein.

Penalties shall necessarily be incurred by the bidder as soon as soon as the bidder violates the provisions of the contract, without the need to prove the damages occurred.

## Article 39 - Deduction from a security

If, during the execution, the contractor becomes liable for a certain amount, in accordance with the provisions of the terms of the contract, the contracting authority shall have the right to deduct such amount from the performance guarantee and require the bidder to compensate it within a specified period. Failure to compensate shall lead to the debarment of the contractor, in accordance with the provisions of section I of Article 33 of this Law shall apply.

## Article 40 - Exclusion

1. The debarred bidder, pursuant to the provisions of section I of Article 33, shall be excluded from public procurements:
  - a. For one full year when such provisions apply for the first time, starting from the date of publication of the first exclusion decision.
  - b. For two years when such provisions apply for the second time starting from the date of publication of the second exclusion decision.
  - c. For five years when such provisions apply for the third time or more.
2. Shall be necessarily excluded from public procurements the bidder against whom a court decision was issued, in relation to any of the termination cases, referred to in Article 33 of this Law.
3. The exclusion decision shall be communicated by the contracting authority to the excluded bidder, and published on the central electronic platform of the Public Procurement Authority, and the contracting authority website, if any.
4. Rehabilitation or proven cease of the legal impediment shall reinstate the right of the bidder to participate in the procurement proceedings.
5. The Public Procurement Authority shall regularly update the exclusion records on its central electronic platform, and write off the names of the bidders whose rights to participate in public procurements have been restored, with time lapse or upon request.
6. Exclusion decisions may be challenged before the Council of State.

## CHAPTER 3 - PROCUREMENT METHODS

### Article 41 - Procurement methods

1. The procuring entity may conduct procurement by means of:

<b><i>Open tender</i></b>	in accordance with the provisions of Article 42 and Section 2 of this Chapter,
<b><i>Two-stage tendering</i></b>	in accordance with the provisions of Articles 42 and 43 and Section 3 of this Chapter,
<b><i>Request for quotations</i></b>	in accordance with the provisions of Articles 42 and 44 and Section 4 of this Chapter,
<b><i>Request for proposals for consulting services</i></b>	in accordance with the provisions of Articles 42 and 45 and Section 5 of this Chapter,
<b><i>Direct contracting</i></b>	in accordance with the provisions of Articles 42 and 46 and Section 7 of this Chapter,
<b><i>Shopping (or by invoice)</i></b>	in accordance with the provisions of Articles 42 and 47 and Section 6 of this Chapter,

2. The procuring entity may engage in a framework agreement procedure in accordance with the provisions of Section 8 of this Chapter.

### Article 42 - General rules applicable to the selection of a procurement method

1. Public procurement shall essentially be conducted by means of open tender. However other procurement methods may be used in the cases provided for in Articles 43 to 48, when the requirements thereof are met.
2. If the open tendering is not possible because the requirements thereof are not met and another method is used, the procuring entity shall seek to raise competition to the maximum extent practicable.
3. If the procuring entity uses a method of procurement other than open tendering, it shall issue an explicit and justified decision to be included in the record required under Article 9 of this Law with a statement of the reasons and circumstances upon which it relied to justify the use of that method.



## Section 1 – Conditions for the use of methods of procurement

### Article 43 - Conditions for use of the two-stage tendering

1. A procuring entity may engage in procurement by means of two-stage tendering in accordance with Section 3 of this Chapter where:
  - a. It is not possible for the procuring entity to define the subject matter of the procurement, due to the complexity of the nature thereof, and to formulate it with the required accuracy pursuant to the provisions of Article 17 of this Law. In such an event the procuring entity has to right to enter into discussions with bidders in order to obtain the most satisfactory solution to its procurement needs; or
  - b. An open tender was engaged in by the procuring entity for two consecutive times, but no tenders were presented, or the procurement was cancelled by the procuring entity pursuant to paragraphs 3 and 4 of Article 25 of this Law, and where, in the judgment of the procuring entity, engaging in new open-tendering proceedings or a procurement method under Chapter 3 of this Law would be unlikely to result in a procurement contract.
2. In all cases, the procuring entity shall request the prior approval of the Public Procurement Authority to use the two-stage-tendering method. The Public Procurement Authority shall decide on the request for approval sent by the procuring entity within (15) fifteen days. The absence of a decision by the Public Procurement Authority after such period has expired shall be considered as an approval.

### Article 44 - Conditions for use of the request for quotations

A procuring entity may engage in procurement by means of request for quotations in accordance with Section 4 of this Chapter if the estimated value of the procurement project does not exceed fifteen billion Lebanese pounds. This value can be modified by a recommendation of the Public Procurement Authority and by a decree issued by the Council of Ministers upon a proposal made by the President of the Council of Ministers, provided that this modification does not lead to a violation of the objectives of this article and the principles established by this Law.

### Article 45- Conditions for use of request for proposals for consulting services

A procuring entity may engage in procurement by means of request for proposals for consulting services in accordance with Section 5 of this Chapter, when the procuring entity is purchasing consulting services which main theme is to provide services that have an intellectual or an artistic effect.

Consulting services include, but are not limited to:

- Training, control, IT software programming projects and other specialized consultancy work;

- Preparing studies, designs and bidding documents, monitoring the implementation of works and projects, and monitoring the provision of services.

In such case, the procuring entity shall examine the financial aspects of the proposals separately and only after the technical, qualitative and performance characteristics of the proposal have been examined and evaluated.

## Article 46 - Conditions for direct contracting

A procuring entity may engage in direct contracting in accordance with the provisions of Section 7 of this Chapter in the following exceptional circumstances:

1. The subject matter of the procurement is available only from a particular supplier or contractor, or a particular supplier or contractor has exclusive intellectual rights in respect of the subject matter of the procurement, such that no reasonable alternative or substitute is possible;
2. In emergency and relief cases following an unexpected catastrophic event, where engaging in any other method of procurement would be impractical;
3. When the procuring entity needs to enter into contract with the main contractor where the following conditions are jointly met:
  - a. The need occurs during the execution of the contract;
  - b. There is an extreme urgency with an obligation to enter into contract in order to prevent delays in execution;
  - c. There is a need for the standardization of specifications and compatibility with existing goods, equipment, technology, services or works;
  - d. Additions do not change the basic objective of the contract, harm the economy thereof or prejudice the principle of competition;
  - e. Goods, works or services are considered to be complementary to the original procurement and form a constituent thereof, or the works have to be carried out on location;
  - f. The supplementary need was not foreseeable during the initial contracting process.
4. When procuring goods or services or when carrying out works that the obligations of public safety, security or national defense require preserving their confidential nature, by virtue of a decision taken by the Council of Ministers upon the proposition of the competent minister who determines the confidential nature of the procurement and the reasons for direct contracting;
5. When contracting public law entities such as public institutions, municipalities or international organizations;
6. When contracting hospitals, medical centers and laboratories.

## Article 47 - Conditions for use of shopping (or procurement by invoice) method

The procuring entity may use the shopping (or procurement by invoice) method in accordance with Section 6 of this Chapter, if the estimated value of the procurement project, including the consulting services, does not exceed **(1.5) billion** Lebanese pounds. This value can be modified by a recommendation of the Public Procurement Authority and by a decree issued by the Council of Ministers upon a proposal made by the President of the Council of Ministers, provided that this modification does not lead to a violation of the objectives of this article and the principles established by this Law.

## Article 48 - Conditions for use of a framework agreement procedure

1. A procuring entity may engage in a framework agreement procedure in accordance with Section 8 of this Chapter in one of the following cases:
  - a. When the need is expected to arise frequently and on uncertain dates;
  - b. By virtue of the nature of the subject matter of the procurement, the need for that subject matter may arise on an urgent basis during a given period of time.
2. The framework agreements shall be concluded in cases of central procurement of goods, services and simple works included in a decree issued by the Council of Ministers for this purpose based on the recommendation of the Public Procurement Authority, in accordance with the provisions of the second paragraph of Article 3 of this Law. Otherwise, the procuring entity shall inform the Public Procurement Authority of its intention to use the framework agreement at least (10) ten days before the commencement of the procedures. The procuring entity shall not use framework agreements to prevent or limit competition.
3. The procuring entity shall include in the record required under Article 9 of this Law a statement of the reasons and circumstances on which it relied to justify the use of a framework agreement procedure and the type of framework agreement selected.

## Section 2 – Procedures of the open tender

### Article 49 - Solicitation of open tender

Every procurement made using the open tender method shall be preceded by a public announcement, in accordance with the provisions of Article 12 of this Law, except for the procurements preceded by a pre-qualification in conformity with Article 19 of this Law.

### Article 50 - Contents of solicitation to open tender

The solicitation to submit tenders shall include the following information:

- a. The name and address of the procuring entity;

- b. A summary of the principal required terms and conditions of the procurement contract including the nature, quantity and place of the goods to be supplied, the nature and location of the construction to be effected or the nature of the services and the location where they are to be provided, as well as the desired or required time for the supply of the goods, the completion of the construction or the provision of the services;
- c. The basis on which the tender shall be engaged in;
- d. A summary of the criteria and procedures to be used for ascertaining the qualifications of suppliers or contractors, and of any documentary evidence or other information that must be submitted by bidders to demonstrate their qualifications, in conformity with Article 7 of this Law;
- e. The amount of the bid security, if it applies;
- f. The means of obtaining the bidding documents and the place where they may be obtained;
- g. The date and location where the bidding documents can be accessed;
- h. The price charged by the procuring entity for the bidding documents, if any, and the means and currency of payment;
- i. The language (Arabic) or languages in which the bidding documents are available;
- j. The entity with which proposals are deposited or to which they are addressed;
- k. The procedure, place and deadline (by hour, day, month and year) for submission of tenders;
- l. The location and date of bid opening, provided that the date is fixed by hour, day, month and year;
- m. All data and information that the procuring entity decides to include in the announcement;

#### Article 51 - Provision of bidding documents

The procuring entity shall make the bidding documents available to bidders on its website, if any, and on the central electronic platform of the Public Procurement Authority simultaneously with the announcement of the procurement. If pre-qualification proceedings have been engaged in, the procuring entity shall make available a set of bidding documents to each bidder that has been pre-qualified and that pays the price, if any, charged for those documents. The price that the procuring entity may charge for the bidding documents shall reflect only the cost of providing them to bidders.

#### Article 52 - Contents of the bidding documents

1. The bidding documents shall include the following information:
  - a. Instructions for preparing tenders;

- b. The criteria and procedures, in conformity with the provisions of article 7 of this Law, that will be applied in the ascertainment of the qualifications of bidders and in any further demonstration of their qualifications;
- c. The requirements related to the qualifications demonstrating documents or other information that bidders have to submit to demonstrate their qualifications;
- d. A detailed description of the subject matter of the procurement, in conformity with Article 17 of this Law; the quantity of the goods; the services to be performed; the location where the goods are to be delivered, works are to be executed or services are to be provided; and the desired or required time, if any, when goods are to be delivered, works are to be executed or services are to be provided;
- e. The terms and conditions of the procurement contract, and the form of the contract, if any, to be signed by the parties;
- f. If alternatives to the characteristics of the subject matter of the procurement, the contractual terms and conditions or other requirements set out in the bidding documents are permitted, a statement to that effect and a description of the manner in which alternative tenders are to be evaluated;
- g. If bidders are permitted to submit tenders for only a lot of the subject matter of the procurement, a description of the lot(s) for which tenders may be presented;
- h. The manner in which the tender price is to be formulated and expressed, including a statement as to whether the price is to cover elements other than the cost of the subject matter of the procurement itself, such as any applicable customs duties and taxes;
- i. The currency or currencies in which the tender price is to be formulated and expressed;
- j. The language (Arabic) or languages, in conformity with Article 4 of this Law, in which tenders are to be prepared;
- k. Any requirements of the procuring entity with respect to the issuer and the nature, form, amount and other principal terms and conditions of any bid security to be provided by bidders submitting tenders in accordance with Articles 34 and 35 of this Law, and any such requirements for any security for the performance of the procurement contract to be provided by the supplier or the contractor that enters into the procurement contract, including securities such as labor and material bonds;
- l. The manner, place and deadline for submission of tenders, in conformity with Article 20 of this Law;
- m. The means by which, pursuant to Article 21 of this Law, bidders may seek clarification of the solicitation documents and a statement as to whether the procuring entity intends to convene a meeting of bidders at this stage;
- n. The period of time during which tenders shall be valid, in conformity with Article 22 of this Law;

- o. The manner, place, and date (by hour, day, month and year) for the opening of tenders, in conformity with Article 54 of this Law;
- p. The criteria and procedure for evaluating tenders against the description of the subject matter of the procurement in conformity with Articles 18 and 55 of this Law;
- q. The currency that will be used for the purpose of evaluating tenders;
- r. References to this Law and to secondary decrees (if any) and other laws and regulations directly pertinent to procurement proceedings, including those applicable to procurement involving classified information;
- s. The name, functional title and address of one or more officers or employees of the procuring entity who are authorized to communicate directly and to receive direct communications from the bidders in connection with the procurement proceedings;
- t. Notice of the right provided for in Chapter 7 of this Law to challenge or appeal decisions or actions taken by the procuring entity that are allegedly not in compliance with the provisions of this Law, together with information related to the duration of the applicable standstill period and, if none will apply, a statement to that effect and the reasons therefor;
- u. Any formalities that will be required once a successful tender has been accepted in order for a procurement contract to enter into force pursuant to Article 24 of this Law;
- v. Any other requirements established by the procuring entity in accordance with this Law and the secondary legislation thereof.

### Article 53 - Submission of tenders

1. Tenders shall be presented in the manner, at the place and by the deadline specified in the bidding documents.
2. A tender shall be presented in writing, signed and in a sealed envelope. Tenders may be submitted according to the two-envelope system or the one-envelope system, as required by the bidding documents.
3. The procuring entity shall provide to bidder with a receipt showing a serial number, and the date (by hour, day, month and year) and time when the bidder tender was submitted;
4. The procuring entity shall preserve the security, integrity and confidentiality of a tender and shall ensure that the content of the tender is examined only after it is duly opened.
5. A tender received by the procuring entity after the deadline for submission of tenders shall not be opened and shall be returned unopened to the bidder that presented it.

### Article 54 - Opening of tenders

1. Tenders shall be opened by the tender committee referred to in Article 100 of this Law, in public session in the presence of the authorized persons in the bidding documents, at the time and place and in accordance with the manner and procedures specified in the

bidding documents. That public session shall be held once the deadline for presenting tenders has expired.

2. All bidders participating in the procurement process or their duly authorized representatives, and the observer delegated by the Public Procurement Authority are entitled to participate in the opening of tenders. The procuring entity may also invite the media to attend the opening of tenders, provided that the bidding documents so stipulates.
3. The tenders shall be opened in accordance with the procedure set out in the bidding documents.
4. Minutes of tender openings proceedings shall be prepared in writing and signed by the head and members of the tender committee. A list of attendance shall be drawn up to be signed by the participating representatives of the procuring entity and the Public Procurement Authority, and the bidders and their representatives, as a proof of participation in the proceedings. All information and documents related to the proceedings of the tender opening session shall be included in the record of the procurement proceedings required under Article 9 of this Law.

#### Article 55 - Evaluation of tenders

1. The procuring entity shall examine the financial proposals in the tenders separately, after completing the review and evaluation of the administrative and technical proposals.
2. Subject to paragraph 3 of this article, the procuring entity shall regard a tender as responsive if it conforms to all requirements set out in the bidding documents in accordance with Article 17 of this Law;
3. If the information or documents submitted in the tender were incomplete or wrong, or if a particular document is missing, the procuring entity may ask the bidder for clarifications in connection with the tender thereof, in writing, or ask the bidder to present or complete the information or the relevant documents within a specific period, provided that all communications are in writing and that transparency and equal treatment among bidders are observed in requests for clarification or completion of documents, subject to the provisions of Article 21 (section II, paragraph 3) of this Law;
4. The procuring entity shall reject a tender:
  - a. If the bidder is not qualified in view of the qualification requirements set out in the bidding documents and pursuant to the provisions of Article 7 of this Law;
  - b. If the tender is not substantially responsive to all requirements set out in the bidding documents;
  - c. In the circumstances referred to in Articles 8 or 25 of this Law.
5. The procuring entity shall evaluate the tenders that have not been rejected in order to ascertain the successful tender, in accordance with the criteria and procedures set out in the bidding documents. No criterion or procedure shall be used that has not been set out in the bidding documents;
6. The successful tender shall be:

- a. Where price is the only award criterion, the tender with the lowest price; or
  - b. Where there are other award criteria than the price, the most economically advantageous tender ascertained on the basis of the criteria and procedures for evaluating tenders specified in the bidding documents in accordance with Article 18 of this Law.
7. The procuring entity shall evaluate the tenders within a reasonable time limit consistent with the validity period of the proposal and the nature of the procurement, and shall prepare minutes of such evaluation, to be included in the record of the procurement proceedings in accordance with Article 9 of this Law.

### Article 56 - Prohibition of negotiations with bidders

Negotiations between the procuring entity and a bidder with respect to a tender submitted by that bidder shall be prohibited.

## Section 3 – Two-stage tender

### Article 57 - Procedures for two-stage tender

1. The provisions of Section 2 of this Chapter shall apply to two-stage-tendering proceedings, except to the extent that those provisions are derogated from in this Section.
2. The procuring entity shall call upon bidders to present, in the first stage of two-stage-tendering proceedings, initial tenders containing their proposals without a financial proposal. The bidding documents may solicit proposals relating to the technical, quality or performance specifications, and to the contractual terms, as well as information and supporting documents related to the professional, technical and financial competence and qualifications of the bidders.
3. The procuring entity may, in the first stage, engage in discussions with bidders whose initial tenders have not been rejected, concerning any aspect of their initial tenders. When the procuring entity engages in discussions with any bidder, it shall extend an equal opportunity to participate in discussions to all bidders. The procuring entity shall commit to the standards of absolute transparency and fairness in dealings. Discussions shall be kept on written or electronic records, or conducted by online videoconferences and recorded in meeting minutes signed by the participants. Upon completion of the examination of the proposals and discussions, the procuring entity shall prepare a detailed report of the first phase of the process upon which the preparation of the final technical requirements shall be based. The report and the discussions meetings shall be included in the record of procurement proceedings required under Article 9 of this Law.
4.
  - a. In the second stage of two-stage-tendering proceedings, the procuring entity shall invite all bidders whose initial tenders were not rejected in the first stage to present



- final tenders with prices and technical proposals in response to a revised set of terms and conditions of the procurement;
- b. In revising bidding documents and the relevant terms and conditions thereof, the procuring entity may not modify the subject matter of the procurement but may refine aspects of the description of the subject matter of the procurement by:
    - i. Deleting or modifying any aspect of the technical, quality or performance specifications initially provided and adding any new specifications that conform to the requirements of this Law;
    - ii. Deleting or modifying any criterion for examining or evaluating tenders initially provided and adding any new criterion that conforms to the requirements of this Law, only to the extent that the deletion, modification or addition is required as a result of changes made in the technical, quality or performance specifications.
  5. The invitation to present final tenders shall be communicated to the bidders, and the final bidding documents shall be made available to them after the modification thereof, in accordance with subparagraph (b) of paragraph 4 of this Article;
  6. A bidder not wishing to present a final tender may withdraw from the tendering proceedings without forfeiting any tender security that the bidder may have been required to provide;
  7. The final tenders shall be evaluated in order to ascertain the successful tender as defined in paragraph 5 of Article 55 of this Law.

## **Section 4 – Request for quotations**

### **Article 58 - Procedures for request for quotations**

1. The provisions of Section 2 of this Chapter shall apply to the request for quotations proceedings, except for the provisions of Article 49 (invitation to open tender).
2. The procuring entity shall specify the suppliers or contractors it wishes to invite to participate in the competition in accordance with Article 44 of this Law, and send them direct invitations by a fast and safe way. For this purpose, lists prepared by the procuring entity shall be adopted, and the selected list shall be included in the record of procurement proceedings provided for in Article 9 of this Law. This list shall be regularly updated to include new bidders, based on the instructions of the Public Procurement Authority in this regard.
3. The number of invited bidders shall not be less than three.
4. The duration of the notice shall be determined in sufficient time allowing the bidders to prepare their proposals in accordance with the importance and complexity of the procurement, provided that it is not less than (10) ten days prior to the deadline for submission of proposals. The duration may be reduced to (5) five days by a reasoned

decision when such reduction is justified, and the reason thereof shall be recorded in the procurement proceedings record required under Article 9 of this Law.

## **Section 5 – Request for proposals for consulting services**

### **Article 59 - Procedures for request for proposals for consulting services**

1. When a procuring entity engages in procurement by means of request for proposals in accordance with the provisions of Article 45, the invitation to participation shall be caused pursuant to Article 12 of this Law.
2. The invitation shall include:
  - a. The name and address of the procuring entity;
  - b. A detailed description of the subject matter of the procurement, in conformity with article 17 of this Law, and the time and location for the provision of such subject matter;
  - c. The terms and conditions of the procurement contract and the form of the contract, if any, to be signed by the parties;
  - d. The criteria and procedures to be used for ascertaining the qualifications of bidders and any documentary evidence or other information that must be presented by suppliers or contractors to demonstrate their qualifications;
  - e. The criteria and procedures for opening the proposals and for evaluating the proposals in accordance with Articles 15 and 18 of this Law, including the minimum requirements with respect to technical, quality and performance specifications that proposals must meet in order to be considered responsive in accordance with Article 17 of this Law, and a statement that proposals that fail to meet those requirements will be rejected as non-responsive;
  - f. An announcement pursuant to Article 12 of this Law;
  - g. The means of obtaining the request for proposals and the place where it may be obtained;
  - h. The price, if any, to be charged by the procuring entity for the request for proposals;
  - i. If a price is to be charged for the request for proposals, the means and currency of payment;
  - j. The language (Arabic) or languages in which the request for proposals is available;
  - k. The manner, place and deadline for presenting proposals.
3. The procuring entity shall issue the request for proposals on its website, if any, and the central electronic platform at the Public Procurement Authority:
  - a. To each bidder responding to participate in the request-for-proposals-for-consulting-services in accordance with the procedures and requirements specified therein;
  - b. In the case of pre-qualification, to each bidder pre-qualified in accordance with Article 19 of this Law;

4. The request for proposals shall include, in addition to the information referred to in subparagraphs (a) to (e) and (k) of paragraph 2 of this article, the following information:
  - a. Instructions for preparing and submitting proposals, including instructions to bidders to present proposals to the procuring entity in two envelopes simultaneously: one envelope containing the technical, quality and performance specifications of the proposal, and the other envelope containing the financial aspects of the proposal;
  - b. If bidders are permitted to present proposals for only a lot of the subject matter of the procurement, a description of the lot or lots for which proposals may be presented;
  - c. The currency or currencies in which the proposal price is to be formulated and expressed;
  - d. The manner in which the proposal price is to be formulated and expressed, including a statement as to whether the price is to cover elements other than the cost of the subject matter of the procurement itself, such as custom duties or taxes;
  - e. The means by which, pursuant to Article 21 of this Law, bidders may seek clarification of the request for proposals, and a statement as to whether the procuring entity intends to convene a meeting of bidders at this stage;
  - f. References to this Law, the secondary legislation thereof and other laws and regulations directly pertinent to the procurement proceedings;
  - g. The name, functional title and address of one or more officers or employees of the procuring entity who are authorized to communicate directly with and to receive communications directly from bidders in connection with the procurement proceedings;
  - h. Notice of the right provided under Chapter 7 of this Law to challenge or appeal decisions or actions taken by the procuring entity that are allegedly not in compliance with the provisions of this Law;
  - i. Any formalities that will be required, once the successful proposal has been accepted, for a procurement contract to enter into force;
  - j. Any other requirements that may be established by the procuring entity in conformity with this Law and the secondary legislation thereof.
5. Before opening the envelopes containing the financial aspects of the proposals, the procuring entity shall examine and evaluate the technical, quality and performance of proposals in accordance with the criteria and procedures specified in the request for proposals.
6. The results of the examination and evaluation of the technical, quality and performance characteristics of the proposals shall immediately be included in the record of the procurement proceedings.
7. The proposals whose technical, quality and performance characteristics fail to meet the relevant minimum requirements shall be considered to be non-responsive and shall be rejected on that ground. At the end of the procurement procedures, a notice of rejection and the reasons for the rejection, together with the unopened envelope containing the

financial aspects of the proposal shall be dispatched to each respective bidder whose proposal was rejected.

8. The proposals whose technical, quality and performance specifications meet or exceed the relevant minimum requirements shall be considered to be responsive. The procuring entity shall communicate to each bidder presenting such a proposal the score of the technical, quality and performance specifications of its respective proposal. The procuring entity shall invite all such bidders to the opening of the envelopes containing the financial aspects of their proposals.
9. The score of the technical, quality and performance specifications of each responsive proposal and the corresponding financial aspect of that proposal shall be read out in the presence of the bidders invited, in accordance with paragraph 8 of this Article, to the opening of the envelopes containing the financial aspects of the proposals.
10. The procuring entity shall compare the financial aspects of the responsive proposals and on that basis identify the successful proposal in accordance with the criteria and the procedure set out in the request for proposals. The successful proposal shall be the proposal with the best combined evaluation in terms of: (a) the criteria other than price specified in the request for proposals; and (b) the price.
11. The procuring entity shall duly publish the result of the bid award.

## **Section 6 – Procurement method of shopping (by invoice)**

### **Article 60 - Invitation for shopping (by invoice) procurement**

1. Where the procuring entity engages in procurement by this means in accordance with Article 47 of this Law, it shall request quotations from as many suppliers and contactors as practicable, but from at least two. Each supplier or contractor from which a quotation is requested shall be informed whether any elements other than the charges for the subject matter of the procurement itself, such as any applicable transportation and insurance charges, customs duties and taxes, are to be included in the price.
2. Each bidder is permitted to give only one price quotation and is not permitted to change the quotation thereof. No negotiations shall take place between the procuring entity and a bidder with respect to a quotation presented by that bidder.
3. When it is not possible to submit an invoice, a statement signed by the rights holders that includes details of the services, supplies or works is sufficient. The invoice may also be sufficient when it is not possible to obtain two offers.

## Article 61 - The successful quotation in the shopping (by invoice) procurement method

The successful quotation shall be the lowest-priced quotation meeting the needs of the procuring entity as set out in the request for quotations.

## Section 7 – Direct contracting

### Article 62 - Procedures for direct contracting

Where the procuring entity engages in single-source procurement in accordance with Article 46 of this Law:

1. The procuring entity shall notify the Public Procurement Authority of its intention to engage in single-source procurement, and shall publish a notice to that effect on the central electronic platform of the Public Procurement Authority, and on its website, if any, at least (10) ten days prior to the date of the conclusion of the agreement. The notice shall include, as a minimum, the following information:
  - a. The name and address of the procuring entity;
  - b. A summary of the principal required terms and conditions of the procurement contract, including the nature, quantity and place of goods to be supplied, the nature and location of the works to be effected or the nature of the services and the location where they are to be provided, as well as the required time for the supply of goods, the completion of works or the provision of services;
  - c. The contract shall be concluded using the direct contracting method.
2. The provisions of paragraph 1 of this Article shall not be applied in the cases referred to in paragraphs 2 and 4 of Article 46 of this Law.
3. The procuring entity shall solicit a proposal or a price quotation from a single bidder and engage in negotiations with the bidder unless such negotiations are not feasible in the circumstances of the procurement concerned.
4. The procuring entity may award the procurement contract to the bidder without engaging any competitive procedures.

## Section 8 – Framework agreements

### Article 63 - Award of a framework agreement

1. The procuring entity shall award a framework agreement:
  - a. By means of open-tender proceedings, in accordance with provisions of Section 2 of this chapter, except to the extent that those provisions are derogated from in this section; or

- b. By means of other procurement methods, in accordance with the relevant provisions of Sections 1, 3 and 4 of this chapter, except to the extent that those provisions are derogated from in this section.
2. When adopted, the provisions of this Law regulating pre-qualification and the contents of the solicitation shall apply to the information to be provided to bidders when first soliciting their participation in a framework agreement procedure, except to the extent that those provisions are derogated from in this section. The procuring entity shall in addition specify at that stage:
  - a. That the procurement will be conducted as a framework agreement procedure;
  - b. Whether the framework agreement is to be concluded with one or more than one supplier, contractor, consultant or service provider;
  - c. If the framework agreement will be concluded with more than one supplier, contractor, consultant or service provider, any minimum or maximum limit on the number of suppliers, contractors, consultants or service providers that will be parties thereto;
  - d. The form, terms and conditions of the framework agreement in accordance with article 64 of this Law.
3. The provisions of article 24 of this Law shall apply to the award of a framework agreement, after making the necessary adjustments.

#### Article 64 - Requirements for framework agreements

1. A framework agreement shall be concluded in writing and shall set out:
  - a. The duration of the framework agreement, that shall not be less than one year or exceed four years. This duration shall not be extendable or renewable in any circumstance and the conditions thereof cannot be changed;
  - b. The description of the subject matter of the procurement and all other terms and conditions of the procurement established when the framework agreement is concluded;
  - c. To the extent that they are known, estimates of the terms and conditions of the procurement that cannot be established with sufficient precision when the framework agreement is concluded;
  - d. Whether, in a framework agreement concluded with more than one supplier, contractor, consultant or service provider, there will be a second-stage competition to award a procurement contract under the framework agreement and, if so:
    - i. A statement of the terms and conditions of the procurement that are to be established or refined through second-stage competition;
    - ii. The procedures for and the anticipated frequency of any second-stage competition, and envisaged deadlines for presenting second-stage proposals;
    - iii. The procedures and criteria to be applied during the second-stage competition, including the relative weight of such criteria and the manner in which they will be

applied, in accordance with articles 17 and 18 of this Law. If the relative weights of the evaluation criteria may be varied during the second-stage competition, the framework agreement shall specify the permissible range;

- iv. Whether the award of a procurement contract under the framework agreement will be to the lowest-priced or to the most economically advantageous tender; and
  - v. The manner in which the procurement contract will be awarded.
2. A framework agreement with more than one supplier, contractor, consultant or service provider shall be concluded as one agreement between all parties.
  3. The framework agreement shall contain, in addition to information specified elsewhere in this article, all information necessary to allow the effective operation of the framework agreement, including information on how the agreement and notifications of forthcoming procurement contracts thereunder can be accessed and appropriate information regarding communication, including, but not limited to, electronic communication.

#### Article 65 - Second stage of a framework agreement procedure

1. Any procurement contract under a framework agreement shall be awarded in accordance with the terms and conditions of the framework agreement and the provisions of this article.
2. A procurement contract under a framework agreement may be awarded only to a supplier, contractor, consultant or service provider that is a party to the framework agreement.
3. The provisions of Article 24 of this Law, except for paragraph 2, shall apply to the acceptance of the successful tender under a framework agreement without second-stage competition.
4. In a framework agreement with second-stage competition the following procedures shall apply to the award of a procurement contract:
  - a. The procuring entity shall issue a written invitation to submit proposals, simultaneously sent to:
    - i. Each supplier, contractor, consultant or service provider party to the framework agreement; or
    - ii. Only to those suppliers, contractors, consultants or service providers who are parties to the framework agreement then capable of meeting the needs of that procuring entity in the subject matter of the procurement, provided that at the same time notice of the second-stage competition is given to all parties to the framework agreement so that they have the opportunity to participate in the second-stage competition;
  - b. The invitation to tender shall include the following information:
    - i. A restatement of the existing terms and conditions of the framework agreement to be included in the anticipated procurement contract, a statement of the terms and

- conditions of the procurement that are to be subject to second-stage competition and further detail regarding those terms and conditions, where necessary;
- ii. A restatement of the procedures and criteria for the award of the anticipated procurement contract, including their relative weight and the manner of their application;
  - iii. Instructions for preparing tenders;
  - iv. The manner, place and deadline for submission of tenders;
  - v. If suppliers, contractors, consultants or service providers are permitted to submit proposals for only a lot of the subject matter of the procurement, a description of the lot or lots for which proposals may be presented;
  - vi. The manner in which the submission price is to be formulated and expressed, including a statement as to whether the price is to cover elements other than the cost of the subject matter of the procurement itself, such as any applicable customs duties and taxes;
  - vii. Reference to this Law, the secondary legislation thereof and other laws and decrees directly pertinent to the procurement proceedings, including those applicable to procurement involving classified information, and the place where those laws and regulations may be found;
  - viii. The name, functional title and address of one or more officers or employees of the procuring entity who are authorized to communicate directly with and to receive communications directly from bidders in connection with the second-stage competition;
  - ix. Notice of the right provided under Article 103 of this Law to challenge or appeal decisions or actions taken by the procuring entity that are allegedly not in compliance with the provisions of this Law, together with information about the duration of the applicable standstill period and, if none will apply, a statement to that effect and the reasons therefor;
  - x. Any formalities that will be required once a successful proposal has been accepted for a procurement contract to enter into force, including, where applicable, the execution of a written procurement contract pursuant to Article 24 of this Law;
  - xi. Any other requirements established by the procuring entity in conformity with this Law and the secondary legislation thereof relating to the preparation and submission of proposals and to other aspects of the second-stage competition;
- c. The procuring entity shall evaluate all proposals received and determine the successful proposal in accordance with the evaluation criteria and the procedures set out in the invitation to tender;
  - d. The procuring entity shall accept the successful proposal in accordance with Article 24 of this Law.



## CHAPTER 4 – SPECIFIC PROVISIONS FOR ELECTRONIC PROCUREMENT

### Article 66 - Electronic procurement system (E-procurement)

The Public Procurement Authority shall establish and operate a central electronic platform for public procurement using digital information means and technologies to meet the needs of the procuring entities for goods, works and services.

The e-procurement platform shall include an electronic registration mechanism that allows suppliers, contractors, consultants and service providers to register online to be eligible to participate in electronic public procurement.

The platform shall allocate special pages to submit and receive proposals electronically. Such pages shall be functioning only from the date of launching the competition until the time of its closing. The closing date and time of the electronic biddings shall be the same as the closing date and time of the conventional biddings.

The E-procurement system shall include the procurement notice, submitting and opening bids, electronic contracting, as well as a virtual marketplace, and shall be a single unified portal for conventional announcements, and for use of standard documents.

### Article 67 - E-procurement proceedings

E-procurement proceedings shall be subject to the highest degree of privacy, confidentiality, security and transparency of information. Electronic exchanges shall have a probative value. The E-procurement system shall ensure the confidentiality and integrity of transactions on an open information network without discrimination between users, and shall be subject to the applicable legislation related to electronic exchange.

The electronic signature of documents by users shall apply in conformity with the legislation in force related to the electronic signature.

### Article 68 - Registration with the electronic system

Users shall register with the e-procurement system in order to access it. This registration entitles each user to obtain a personal ID (user name) that enables such user to use the E-procurement system. When submitting registration requests and bids electronically the system shall confirm the transmission and the date and time thereof.

## Article 69 - Electronic submission of proposals

When the procuring entity uses the E-procurement system, all bids shall be submitted electronically. When it is impossible, for technical reasons, to submit the bid electronically, the bid or a part thereof may be submitted by conventional methods within fixed deadlines for accepting requests or proposals.

## Article 70 - Electronic opening and evaluation of the bids

The opening and evaluation of bids shall be subject to the provisions stipulated in this Law. An electronic public session shall be held through virtual communication tools. Awarding, contracting and work orders shall be performed electronically.

## Article 71 - Application of the E-procurement

The Public Procurement Authority shall prepare the regulations for application of the electronic procurement. Such regulations shall be determined by a decree issued by the Council of Ministers upon the proposal of the President of the Council of Ministers.

## CHAPTER 5 – PROFESSIONALIZATION AND CAPACITY BUILDING

### Article 72 - Professional training

1. Public procurement officers shall be subjected to mandatory continuous and specialized training run by the Ministry of Finance – Institut des Finances Basil Fuleihan.
2. The training shall be coordinated with the Ecole Nationale d'Administration (ENA) and other stakeholders while maintaining the principles of synergy and complementarity of roles between various institutes and training centers responsible for the development of capacities at the national level, and encouraging the cooperative approach with centers of knowledge including but not limited to, universities, research centers or policy centers.
3. Part of the training may be addressed to the private sector.
4. The training shall include programs to enhance the integrity of procurement officials, in public and private sectors, to raise awareness about the risks of lack of integrity, such as corruption, fraud, collusion, discrimination, and the sanctions therefor, and to develop knowledge about ways to confront such risks.
5. Regular training shall include administrative and financial judges in charge of the implementation of this Law, upon the approval of the head of the State Council and the head of the Court of Audit.
6. The training shall include supporting the implementation of the Sustainable Development Goals.

### Article 73 - Job Description

1. Public procurement shall be included as a specific profession within the Lebanese public service organizational structure. Secondary legislation shall define the qualifications frameworks, skills, professional experience, conduct, job description, recruitment and promotion conditions of the procurement personnel, as defined by the Public Procurement Authority in coordination with the Civil Service Board, in addition to providing motivational and competitive career options based on merit.
2. A public procurement unit shall be created in the organizational structure of the procuring entity. Such structure may be modified, as appropriate. This unit shall be responsible for procurements in accordance with the provisions of this Law, and shall consist of personnel trained in conformity with the provisions of the abovementioned Article 72. The number of staff of such unit and the skills thereof shall be appropriate with the size and type of the procurement executed by the procuring entity.
3. The staffing of the procurement unit shall be determined by a decree issued by the Council of Ministers upon the proposal of the competent authority.
4. The procuring unit can seek technical advice, when required, from the Public Procurement Authority, or request the opinion thereof on a specific subject related to procurement.

## CHAPTER 6 – GOVERNANCE OF PUBLIC PROCUREMENT

### Section 1 – Public Procurement Authority

#### Article 74 - Creation of the Public Procurement Authority

1. Shall be created by virtue of this Law an independent administrative authority called “The Public Procurement Authority” who shall exercise the powers and duties set forth in this Law, and the headquarters thereof shall be in the city of Beirut.
2. The Public Procurement Authority shall have a legal personality, and be financially and administratively independent. It shall have the capacity and legal interest to appeal against decisions relating to the procurement process, in accordance with the provisions of Chapter 7 of this Law.
3. The powers of the Public Procurement Authority shall extend to all procuring entities as defined in this Law.
4. The staff and the duties of the officers of the Public Procurement Authority, as well as the conditions for appointment shall be fixed by a decree issued by the Council of Ministers upon the proposal of the President of the Council of Ministers, after a termination in this regard has been submitted by the Public Procurement Authority and consultations with the State Council, within a period of six months from the date of issuance of the decree creating the Public Procurement Authority.
5. The Public Procurement Authority shall not be subject to the provisions of the decree 4517 issued on December 13<sup>th</sup>, 1972 (General regulations of public institutions). However the Public Procurement Authority shall be subject to the provisions of this Law, the ex-post audit of the Court of Audit, and to the control of the Central Inspection Board and the Civil Service Board.

#### Article 75 - Formation of the Public Procurement Authority

1. The Public Procurement Authority shall consist of a president and four members appointed by a decree issued by the Council of Ministers upon the proposal of the President thereof in accordance with the process of appointment set out in detail in Article 78. The mandate of the president and the four members is limited to five years, renewable only once.
2. The Public Procurement Authority shall take its decisions by the majority of the members of whom it is legally composed. It shall collectively fulfill duties and exercise powers as stipulated in this Law, in accordance with its internal bylaws specifying the distribution of tasks among its members, and the means of implementing the decisions reached by the Public Procurement Authority.
3. With the exception of the president subject to the provisions of paragraph 1 of Article 81 of this Law, each member of the Public Procurement Authority shall be responsible, in

terms of conduct, for any failure of compliance, intentionally or by negligence, with duties assigned to such member by the laws and regulations in force. Disciplinary action against the Public Procurement Authority members or president does not prevent them from being prosecuted, when necessary, before the competent civil or criminal courts.

## Article 76 - Duties of the Public Procurement Authority

The Public Procurement Authority shall undertake the organization, supervision, control and development of proceedings, systems and performance of the public procurement. It shall also undertake the coordination between various procuring entities and the provision of technical support and guidance thereto. The Public Procurement Authority has the mandate to perform the tasks assigned thereto including, but not limited to:

1. To suggest general public procurement policies to the Council of Ministers;
2. To design, manage and operate the central electronic platform of public procurement and E-procurement;
3. To consolidate the annual procurement plans received from procuring entities according to a standardized template designed by the Public Procurement Authority, classify and duly publish such plans on the electronic platform, in accordance with Article 11 of this Law; provided that such plans include detailed information about types, quantities, contracting methods and relevant sectors, in such a way to allow the market to prepare for competition;
4. To duly publish all announcements and notifications related to procurements and to pre-qualification and awarding proceedings on the central electronic platform of the Public Procurement Authority and require the procuring entities to do so;
5. To prepare and update a list of small supplies, services and works that can, if centrally purchased, achieve the best value for public money, and to suggest an entity responsible for the central procurement of each type. Such list shall be approved by a decree issued by the Council of Ministers upon a proposal made by the President thereof;
6. To express opinion on the framework agreements referred to in Chapter 3 of this Law;
7. To decide on the approval of use by the procuring entity of the two-stage-tendering method;
8. To provide interpretations and clarifications related to the procurement legislation in force, and publish manuals and guidelines related thereto;
9. To monitor and evaluate the implementation of public procurement laws and rules. In this context, the Public Procurement Authority may peruse the procurement records of the procuring entity, subject to the provisions of Article 6 of this Law related to confidentiality. The Public Procurement Authority shall prepare, submit periodic reports on the shortcomings and violations of laws in all procuring entities to the Presidency of the Republic, the Parliament, the Council of Ministers, the Court of Audit and the Central Inspection Board, and duly publish such reports;

10. In the event of any suspected violation punishable by penal laws, to submit any documents related to a contract or procedure subject to the provisions of this Law to the competent penal authority, and request to bring the employee whose collusion is suspected before the competent disciplinary body;
11. To consolidate data and documents related to public procurement operations at all levels, on the central electronic platform, including types and methods of contracting, participating economic sectors, data related to the implementation of projects funded by donors, etc, in a central database, in such a way to allow the easy reading and analysis of such data and documents, in accordance with applicable international standards;
12. To keep and update public contract records and publish such records on its website, subject to the confidentiality required for contracts related to security and national defense, and the provisions of Article 6 of this Law;
13. To maintain exclusion decisions in a special, public record of exclusion including any eventual comments made by the Public Procurement Authority, and to include such decisions in the reports thereof. The record of exclusion shall be published on the central electronic platform of the Public Procurement Authority who shall be responsible for updating this record, in accordance with Article 40 of this law;
14. To verify the qualifications of the members of the procuring entities' tender and acceptance committees, and including in its reports, when necessary, the extent to which these qualifications match the required experience and specialization conditions.
15. To process and analyze information related to the public procurement processes, to set the performance criteria and to prepare and publish analytic and statistical reports;
16. To propose standard documents and forms for public procurement procedures, including standard bidding and pre-qualification documents, and make such documents available for mandatory use by procuring entities;
17. To suggest regulations for internal audit with relation to procurement proceedings and processes in the procuring entities;
18. To enact the Code of conduct related to the public procurement processes provided for in Article 10 of this Law;
19. To prepare guidelines, manuals and comments in relation to public procurement rules and procedures, give advice and assistance to procuring entities and potential bidders, and provide information on the central electronic platform of the Public Procurement Authority;
20. To suggest a training policy related to the public procurement taking into consideration the priorities and needs of the procuring entity, the available national expertise and the best international practices;
21. To make suggestions and recommendations with regard to the means of developing and encouraging innovation in public procurement, motivate SMEs to participate in public procurement, improve implementations, and suggest amendments of laws and regulations;

22. To submit recommendations related to the modification of the financial thresholds set in this Law to the Council of Ministers through the President thereof ;
23. To survey the private sector and the general public when proposing regulatory or legal amendments to the public procurement system, and explain the options that have been adopted by, including but not limited to, publishing the amendment drafts on the central electronic platform, and calling upon the general public to present suggestions and comments thereto;
24. To cooperate with international organizations and other bodies locally and internationally to develop the public procurement system;
25. To submit periodic performance reports, when required, and annual reports on the performance of the Public Procurement Authority that shall be communicated to the Parliament, the Council of Ministers and the oversight bodies and made available to the public.

### Article 77 - Powers of the President of the Public Procurement Authority

The president of the Public Procurement Authority shall be entrusted with the following powers:

1. To preside over the administrative staff in the capacity thereof as president of the Public Procurement Authority and highest-ranking officer in the Public Procurement Authority's staff;
2. To represent the Public Procurement Authority vis-à-vis third parties and courts and sign on the Public Procurement Authority's behalf;
3. To call extraordinary meetings when required, and prepare and manage agendas for all meetings;
4. To operate the Public Procurement Authority's account at the Banque du Liban in association with the accountant or the financial manager of the Public Procurement Authority, in accordance with the provisions of the financial regulations thereof;
5. To enforce decisions, implement the relevant in force provisions, manage the Public Procurement Authority and conduct the day-to-day business activities thereof;
6. To prepare an annual draft budget for the Public Procurement Authority in accordance with the laws and regulations in force;

To delegate, whenever needed, a representative of the Public Procurement Authority to attend the award meetings at the procuring entity premises as an observer. Such representative shall not have the right to vote;

7. The right to file appeals before the Complaints Authority or the State Council and any other competent authority;
8. To submit projects, opinions, recommendations, decisions and periodic reports stipulated by law to the competent constitutional, administrative and oversight authorities.

## Article 78 - Conditions and process of appointment of the President and members of the Public Procurement Authority

Subject to the conditions of appointment stipulated in Article 4 of legislative decree 112/59 of 6/12/1959 (Staff Regulations) and the amendments thereof, with the exception of the conditions of age and entrance examination, the following conditions and process of appointment of the President and members of the Public Procurement Authority shall be applied:

- a. The candidate must have at least 10 years of professional experience;
- b. As a minimum, the candidates must hold a master's degree in public procurement, public administration, financial sciences, economics, law, engineering, political and administrative sciences, business administration, financial management, or information technology;
- c. The candidates must have proven experience in public procurement of no less than 7 years;
- d. The Civil Service Board shall prepare an announcement to fill the positions of president and members of the Public Procurement Authority, including the qualifications and requirements to be met, in addition to the criteria for evaluation of candidates set forth by the committee as referred to in subparagraph «h», and publish such announcement on the website of the Civil Service Board. The announcement shall include a deadline for the submission of applications.
- e. Applications shall be submitted by candidates who meet the required qualifications and conditions within the specified period, by a unified electronic form on the website of the Civil Service Board. Applications submitted by hand or otherwise shall not be accepted.
- f. The Civil Service Board shall accept applications that fulfill the conditions and requirements in accordance with paragraph 1 of this Article.
- g. The Civil Service Board shall prepare a report including digital lists of the accepted applications, and nominal lists of the refused applications, indicating the reasons for the refusal thereof. The report shall be sent to the candidate selection committee referred to in subparagraph «h» herein below.
- h. Accepted applications shall be evaluated by a committee consisting of:
  - President of the National Anti-Corruption Authority
  - President of the Court of Audit
  - President of the Civil Service Board
  - President of Central InspectionThe President of the Civil Service Board shall be responsible for the coordination and management of the work of this committee.
- i. Accepted applications shall be evaluated according to, inter alia, the criteria of specialization, qualifications, degrees, years and diversity of experience, mastery of foreign languages, and the results thereof shall be scored according to a general average



to be agreed upon, and on the basis of which a list of the names of candidates accepted for the oral interview phase shall be drawn up, indicating the reasons for the refusal of the other applications. The committee shall prepare a report on the results of its work.

- j. The names of the accepted candidates shall remain undisclosed until the date of the oral interviews is set. Oral interviews shall be conducted with the candidates whose applications are accepted by the selection committee in a meeting scheduled for that purpose. The interviews shall be conducted at the Civil Service Council.
- k. Upon completion of the oral interviews, the committee shall submit to the President of the Council of Ministers the names of the candidates who succeeded at their oral interviews for each position by order of grades. The names shall be presented to the Council of Ministers in order to select the candidates to be appointed, after the production of documents proving the eligibility of such candidates and the validity of the qualifications thereof.

#### Article 79 - Incompatibility and full-time basis

1. The President and members of the Public Procurement Authority shall, throughout their term of office and even after its end, be bound by professional confidentiality with regard to all information that they have accessed while, or as a result of, performing their duties. They shall be prohibited from disclosing such information except before oversight and judicial bodies. This obligation includes information that is classified by the Public Procurement Authority as confidential in accordance with the regulations and decisions thereof.
2. The President and members of the Public Procurement Authority shall perform their duties on a full-time basis.
3. The President and members of the Public Procurement Authority shall not be appointed from among the following categories:
  - a. Any person who has any direct or indirect interest in any company or organization participating in public procurement or with any procuring entity;
  - b. Any person who has declared cessation of payment or is judicially declared bankrupt;
  - c. Any person against whom a disciplinary action, other than caution or blame, has been ordered.
4. The President and members of the Public Procurement Authority are prohibited from exercising any other public or private, paid or unpaid work during their tenure, including, for instance, the presidency or membership of the Council of Ministers, or the Parliament, the presidency or membership of the board of directors of a public institution, a private company, or a bank, the presidency or membership of a public body, and the presidency or membership of a municipal council or a private company that manages a public utility.

5. During their term of office and for no less than two years after the end thereof, the President and members of the Public Procurement Authority are prohibited from assuming, directly or indirectly, any responsibility in companies that have participated in procurement procedures under this Law during the tenure thereof.
6. The President and members of the Public Procurement Authority shall disclose in writing any developments that may affect his membership in accordance with the provisions of this Law. In the event that any member violates such obligation, the provisions in force shall apply to him.
7. Prior to exercising their duties, the President and members of the Public Procurement Authority shall take the following legal oath before the President of the Republic: «I swear by Almighty God that I shall faithfully, independently and sincerely perform my duties, attentively implement laws and regulations, and preserve the secrets and dignity of my office. »

#### Article 80 - Meetings of the Public Procurement Authority

1. The Public Procurement Authority shall meet periodically, at least once every week, without need of being convoked by the president thereof. Decisions shall be taken by majority vote.
2. The date of the periodic meeting shall be decided in the first session held by the Public Procurement Authority. In the event that the meeting does not take place for any reason, it shall be held on the following day.
3. The agenda of the aforementioned periodic meetings shall be dedicated to the discussion of the Public Procurement Authority business, and any topics raised by the President or any of the members thereof.
4. The President of the Public Procurement Authority shall prepare the agenda and communicate it to the members at least two days prior to the date of the meeting.
5. The agenda shall be communicated to the members by any appropriate means, including e-mail.
6. In the absence of the President, the oldest member of the Public Procurement Authority shall preside over the meeting thereof.
7. If the president of the Public Procurement Authority or any of the members thereof fails, without legitimate excuse, to attend three consecutive meetings or six meetings throughout the year, the president of the Public Procurement Authority or any of the members thereof shall be deemed to have resigned or been discharged from office.

#### Article 81 - End of membership

1. The term of office of the President of the Public Procurement Authority and any of the four members thereof shall end either with the end of the period specified in Article 75 of

this Law, or by death, resignation, loss of capacity or any of the conditions of appointment, incompatibility or free-time basis, or if the physical or mental health thereof prevents the President of the Public Procurement Authority or any of the members thereof from performing their duties, or by a decree issued by the Council of Ministers upon the proposal of the President thereof in the event of breach of duty by the President of the Public Procurement Authority or any of the members thereof, after such breach of duty has been ascertained by a committee consisting of the President of the National Anti-Corruption Commission, the President of the Civil Service Board, and the President of the Court of Audit, and a decision has been taken by majority vote based on a referral from the President of the Central Inspection in this regard.

2. In the event that the position of the President of the Public Procurement Authority becomes vacant, the oldest member shall act on the behalf thereof. The Council of Ministers shall fill the vacancy within a maximum of one month, in accordance with the appointment process specified in this Law.

## Article 82 - Compensations

The President and members of the Public Procurement Authority shall receive monthly fixed compensations set by a decree issued by the Council of Ministers upon the proposal of the President of the Council of Ministers.

## Article 83 - Financial resources of the Public Procurement Authority

1. The Public Procurement Authority shall have an independent budget, and the financial resources thereof shall consist of:
  - a. A special annual financial contribution to be included in a special chapter in the section «Presidency of the Council of Ministers» in the Lebanese General Budget Law. Such contribution shall be sufficient to cover the Public Procurement Authority's expenses and activities;
  - b. Unrestricted grants and donations by international donor institutions, subject to the provision of conflict of interests.
  - c. Any resources stipulated in other laws that are not referred to in this Article.
2. The funds of the Public Procurement Authority shall be deposited in a special account with the Banque du Liban; the president of the Public Procurement Authority shall be responsible for engaging the expenses thereof in accordance with the provisions the Public Accounting Law as well as the laws and regulations in force.
3. The Public Procurement Authority shall draft an annual budget in accordance with the laws and regulations in force, and specify in the financial regulations thereof how to prepare the budget, the expenditure process, and all other financial matters related to the functioning thereof.

4. An additional appropriation shall be duly opened in the general budget of the Public Procurement Authority for the first operational year following the adoption of this Law.

#### Article 84 - Data disclosure

1. The Public Procurement Authority shall make available to the public, by digital and/or hard copy means, all data, documents and records subject to confidentiality invoked with regard to public contracts related to national security and defense and in compliance with the provisions of Article 6 of this Law.
2. At the end of each fiscal year the Public Procurement Authority shall publish, on the central electronic platform thereof at least, a statement on the state of the Public Procurement Authority assets and a summary of the budget thereof.

#### Article 85 - Decisions of the Public Procurement Authority

1. The decisions of the Public Procurement Authority are subject to the principle of reasoning; The Public Procurement Authority shall state the reasons and objectives for the decision taken.
2. The decisions of the Public Procurement Authority shall come into force only from the date of the notification or publication thereof in accordance with the provisions of this Law.

#### Article 86 - Methods of review of the decisions of the Public Procurement Authority

1. Every stakeholder shall have the right to appeal against the decisions related to the operations of public procurement issued by the Public Procurement Authority in accordance with the provisions of Chapter 7 of this Law.
2. All other administrative decisions issued by or against the Public Procurement Authority that are not related to public procurement procedures, shall be subject to review before the State Council when the legal conditions thereof are met.

#### Article 87 - Rules of procedure, administrative and financial regulations and staff regulations

The Public Procurement Authority shall prepare the Rules of procedure, the administrative and financial regulations and the staff regulations thereof, after consultation with the Civil Service Board and the State Council, within a maximum of three months from the date of the creation thereof. Such Rules of procedure, administrative and financial regulations and staff regulations shall be issued by decrees of the Council of Ministers upon the proposal of the

President thereof, within a maximum period of two months from the date of submission by the Public Procurement Authority of the draft decrees thereto.

## Article 88 - Transitional provisions

1. The Tender Board shall be dissolved and the staff and officers thereof shall be transferred to the Public Procurement Authority without any modification in rank and salary; they shall keep their right of seniority that qualifies them for upgrading, provided that they fulfill the conditions of appointment stipulated in Article 4 of legislative decree 112/59 of 6/12/1959 (Staff Regulations) and the amendments thereof, with the exception of the conditions of age and entrance. The Director General of the Tender Board shall be President of the Public Procurement Authority; the current staff, contractual personnel and officers of the Tender Board shall be part of the administrative structure of the Public Procurement Authority.
2. Until the members of the Public Procurement Authority are appointed, the President of the Public Procurement Authority shall perform the duties thereof.

## Section 2 – Complaints Authority

### Article 89 - Creation of the Complaints Authority

1. By virtue of this Law, an independent authority called «The Administrative Complaints Authority» shall be created to handle challenges and complaints with relation to all explicit or implicit procedures or decisions issued by or against the procuring entity or any of the stakeholders in the procurement process, including the bidding documents.
2. Contrary to any other provision, the Complaints Authority shall be the sole and exclusive adjudicator of any administrative challenge or complaint with relation to the explicit or implicit decisions on pre-contractual procurement proceedings.
3. The Complaints Authority shall not be subject to the provisions of the decree 4517 issued on December 13<sup>th</sup>, 1972 (General regulations of public institutions). However the Complaints Authority shall be subject to the provisions of this Law, the ex-post audit of the Court of Audit, and to the control of the Central Inspection Board and the Civil Service Board.

### Article 90 - Formation of the Complaints Authority

1. The Complaints Authority shall consist of a president and three members appointed by a decree issued by the Council of Ministers upon the proposal of the President thereof in accordance with the process of appointment set out in detail in Article 91 herein below. The term of office of the president and the three members is limited to four years, renewable only once.

2. The Complaints Authority shall be assisted by a specialized administrative staff to perform the functions thereof.

## Article 91 - Conditions and process of appointment of the president and members of the Complaints Authority

1. Subject to the conditions of appointment stipulated in Article 4 of legislative decree 112/59 issued on December 6<sup>th</sup>, 1959 (Staff Regulations) and the amendments thereof, with the exception of the conditions of age and entrance examination, the following conditions and process of appointment of the president and members of the Complaints Authority shall be applied:
  - a. The candidate must have at least 10 years of professional experience;
  - b. As a minimum, the candidates must hold a master's degree in public law, public procurement, public administration, financial sciences, economics, law, engineering, political and administrative sciences, business administration, financial management, or information technology or the equivalent thereof;
  - c. The candidates must have proven experience in public procurement of no less than 7 years;
2. The appointment process stipulated in Article 78 of this Law shall be applied for the appointment of the president and members of the Complaints Authority.
3. The administrative staff shall be duly appointed.

## Article 92 - Incompatibility and full-time basis

1. The president and members of the Complaints Authority shall, throughout their term of office and even after its end, be bound by professional confidentiality with regard to all information that they have accessed while, or as a result of, performing their duties. They shall be prohibited from disclosing such information except before oversight and judicial bodies. This obligation includes information that is classified by the Complaints Authority as confidential in accordance with the regulations and decisions thereof.
2. The president and members of the Complaints Authority shall perform their duties on a full-time basis.
3. The president and members of the Complaints Authority shall not be appointed from among the following categories:
  - a. Any person having any direct or indirect interest in any company or organization participating in public procurement or with any procuring entity;
  - b. Any person who has declared cessation of payment or is judicially declared bankrupt;
  - c. Any person against whom a disciplinary action, other than caution or blame, has been ordered.

4. The president and members of the Public Procurement Authority are prohibited from exercising any other public or private, paid or unpaid work during their tenure, including, for instance, the presidency or membership of the Council of Ministers or the Parliament, the presidency or membership of the board of directors of a public institution, a private company, or a bank, the presidency or membership of a public body, and the presidency or membership of a municipal council or a private company that manages a public utility.
5. The president and members of the Complaints Authority must disclose in writing any developments that may affect the office thereof in accordance with the provisions of this Law. In the event that any member violates such obligation, the provisions in force shall apply to him.
6. Prior to exercising their duties, the president and members of the Complaints Authority shall take the following legal oath before the President of the Republic: «I swear by Almighty God that I shall faithfully, independently and sincerely perform my duties, attentively implement laws and regulations, and preserve the secrets and dignity of my office. »

#### Article 93 - End of membership

1. The term of office of the president of the Complaints Authority and any of the three members thereof shall end in either of the two following cases:
  - a. with the end of the period specified in Article 90 of this Law, or by death, resignation, loss of capacity or any of the conditions of appointment, incompatibility or free-time basis, or if the physical or mental health thereof prevents the president of the Complaints Authority or any of the members thereof from performing their duties, as determined by a decree issued by the Council of Ministers upon the proposal of the President thereof; or
  - b. in the event of breach of duty, as determined by a decree issued by the Council of Ministers upon the proposal of the President thereof, after such breach of duty has been ascertained by a committee consisting of the President of the National Anti-Corruption Commission, the President of the Civil Service Board, and the President of the Court of Audit, and a decision has been taken by majority vote based on a referral from the President of the Central Inspection in this regard.
2. In the event that the position of the president of the Complaints Authority becomes vacant, the oldest member shall act on the behalf thereof. The Council of Ministers shall fill the vacancy within a maximum of one month, in accordance with the appointment process specified in this Law.
3. If the president of the Complaints Authority or any of the members thereof fails, without legitimate excuse, to attend three consecutive meetings or six meetings

throughout the year, the president of the Complaints Authority or any of the members thereof shall be deemed to have resigned or been discharged from office.

## Article 94 - Compensations

The president and members of the Complaints Authority shall receive monthly fixed compensations decided by a decree issued by the Council of Ministers upon the proposal of the President of the Council of Ministers.

## Article 95 - Financial resources of the Complaints Authority

1. The Complaints Authority shall have an independent budget, and the financial resources thereof shall consist of the following:
  - a. A special annual financial contribution to be included in a special chapter in the section «Presidency of the Council of Ministers» in the Lebanese General Budget Law;
  - b. Fees collected in application of the rules of procedures thereof, in the event that fees are charged.
  - c. Any resources stipulated in other laws that are not referred to in this Article.
2. The Complaints Authority shall draft an annual budget in accordance with the laws and regulations in force, and specify in the financial regulations thereof how to prepare the budget, the expenditure process, and all other financial matters related to the functioning thereof.
3. The funds of the Complaints Authority shall be deposited in a special account with the Banque du Liban; the president of the Complaints Authority shall be responsible for engaging the expenses thereof in accordance with the provisions the Public Accounting Law as well as the laws and regulations in force.
4. An additional appropriation shall be duly opened in the general budget of the Complaints Authority for the first operational year following the adoption of this Law.

## Article 96 - Work process of the Complaints Authority

1. For each complaint file, the president shall form a small committee called the «complaint committee» chaired by the president and consisting of two of the three members who compose the Complaints Authority according to the specialization thereof.
2. The Complaints Authority may seek the assistance of experts from the private sector, depending on the type of the complaint file and the nature of the procurement process. The expert from the private sector shall be selected according to the specialization thereof and by lot from among the lists of experts in the subject matter of the procurement for which the complaint has been filed; Such lists shall be obtained according to the process stipulated in paragraph 5 below, in the presence of the members of the Complaints



Authority; The services of the same expert from the private sector shall not be sought more than three consecutive times, and subject to compliance with the non-conflict of interest obligation. In such event, the expert shall prepare a report, as applicable, and submit such report to the complaints committee.

3. The president shall preside over the Complaints Authority as well as all other committees and direct the meetings and discussions thereof.
4. The complaint committees shall study the complaints filed with them and take their decisions by majority vote. The complaint committees shall justify such decisions, present in detail the technical and factual elements thereof, and indicate the reasons on which the decisions were based, in accordance with the provisions of Chapter 7 of this Law. In the event that the services of an expert from the private sector were sought, and the opinion thereof was disregarded by the committee, the committee must then justify the reasons therefor.
5. Prior to October of each year, the president of the Complaints Authority shall request lists of experts' names with their respective resumes from the Beirut Bar Association, the Tripoli Bar Association, the Beirut Order of Engineers, the Tripoli Order of Engineers, the Lebanese Order of Physicians in Beirut and Tripoli, the Syndicate of Computer Sciences, the Association of Lebanese Industrialists, the Lebanese Contractors Syndicate for Public Works, the Order of Pharmacists of Lebanon, the Lebanese Association of Certified Public Accountants, the Federation of Chambers of Commerce, Industry and Agriculture in Lebanon, as well as other professional unions, provided that such experts hold higher education degrees and have proven experience in their respective fields of expertise, good reputation and high professional ethics. The president of the Complaints Authority shall choose by the lot, from among those lists and as appropriate, the expert from the private sector according to the specialization thereof and the subject matter of the procurement.
6. Experts or representatives from the private sector may not be chosen if there is evidence that they have been prosecuted or convicted for any misdemeanor, felony or disciplinary action, if they are in a conflict of interest, or if the bankruptcy thereof has been declared.

## Article 97 - Rules of procedure, administrative and financial regulations, and staff regulations

The Complaints Authority shall prepare the Rules of procedure, the administrative and financial regulations and the staff regulations thereof, after consultation with the Civil Service Board and the State Council, within a maximum of three months from the date of the creation thereof. Such Rules of procedure, administrative and financial regulations and staff regulations shall be issued by virtue of decrees of the Council of Ministers upon the proposal of the President thereof, within a maximum period of two months from the date of submission by the Public Procurement Authority of the draft decrees thereto.

## Article 98 - Reports

1. The Complaints Authority shall prepare an annual report detailing the nature of the issues brought before it for review, how to address such issues and the suggested recommendations. The report shall be duly published and a copy thereof shall be submitted to the Parliament, the President of the Court of Audit, the President of the Civil Service Board, the President of the Central Inspection Board, the President of the Public Procurement Authority, and the President of the High Disciplinary Council.
2. The Complaints Authority shall submit periodic reports to the oversight bodies based on the subject matter of the violations, whether they are financial irregularities or professional misconducts, and attach its recommendations thereto.

## Article 99 - Confidentiality

The members of the Complaints Authority shall be bound to maintain the confidentiality of the deliberations in a manner that does not conflict with the provisions of this Law.

## Section 3 – Tender Committees and Acceptance Committees

### Article 100 - Formation and functions of the tender committees

#### I – Formation of tender committees

1. The tender committee at the procuring entity shall consist of a chairperson and two original members, at least, and an alternate chairperson and two alternate members who shall complete the committee in the absence of the chairperson or a member; the number of members of the committee shall always be odd. The chairperson or the members shall not be in any situation of conflict of interest with the participants in the procurement procedures. The committee shall act independently of the procuring entity in all actions and decisions thereof.
2. Tender committees shall be formed by the procuring entities from people of expertise and specialization according to principles established by the Public Procurement Authority, provided that priority in forming these committees shall be given to persons trained in public procurement.

#### II – Functions of tender committees

1. Tender committees shall exclusively study the pre-qualification files, open and evaluate the tenders, then determine the most suitable tender.
2. The chairperson of the committee and each of the members thereof shall resign from the committee if they are – or expect to be – subject to any situation of conflict of interest, as soon as they become aware of such situation.
3. The tender committee may seek the assistance of experts from within or outside the administration to assist in the financial and technical evaluation if necessary, by a

decision of the competent authority at the procuring entity. The selection of experts from outside the administration shall be subject to the provisions of this Law. Experts shall maintain confidentiality and impartiality in their work and shall not be entitled to decide on behalf of the committee, participate in the deliberations thereof, or disclose such deliberations in public. They may be invited by competent authorities to be heard and to provide explanations, and shall submit a written report to the committee, to be mandatorily included in the tender minutes.

4. In the event of a divergence of opinion among the members of the committee, decisions shall be made by a majority vote, and each member who disagrees with such decisions shall record the reasons therefor.

### Article 101 - Acceptance committees: creation and functions thereof

1. Acceptance committees at procuring entities shall be formed from people of expertise and specialization according to principles established by the Public Procurement Authority, provided that priority in forming these committees shall be for persons trained in public procurement.
2. The acceptance committee for each procurement process is appointed by decision of the director general in public administrations and institutions, and of the decision making authority in the municipalities and other bodies. The acceptance committee is different from the tender committee in terms of the constitution and members thereof, and shall not include those persons who participated in the supervision of the execution, performed market studies, or decided the estimated total value of the procurement. Each committee shall at least consist of a chairman and two members from within the administration, and the creation thereof shall take into consideration the inclusion of specialized personnel.
3. Acceptance shall be made in two phases, provisory and final, and may take place either in a single time or in several stages, each covering a part of the contract.
4. The committee shall determine in the provisory acceptance whether the contracted works, goods or services have been executed or delivered in accordance with the terms and conditions of the contract, and the agreed upon bid that has become part of the contract, and if all obligations incumbent upon the winning bidder had been performed. The committee shall confirm during the acceptance of goods that the items received and the numbers thereof are in conformity with the technical requirements and specifications stipulated in the contract, valid, defect-free and that the quantities thereof match the delivery schedule. The minutes shall record the date and time at which the delivery takes place, and be signed by the chairperson and members of the committee regardless of their vote (acceptance or no acceptance). The final acceptance shall take place after the security period has ended, and the bid security shall be returned to the winning bidder.
5. The acceptance committee shall refuse to conclude the acceptance if the committee finds any breach in the terms and conditions of the contract. However, if it considers that the contract was generally executed in accordance with the terms of the tender documents,

despite the presence of some minor deficiencies or defects that do not preclude the use of the goods, works or services in accordance with the purpose for which the contract was concluded, the acceptance committee may conclude the acceptance and impose on the winning bidder penalties that are commensurate with the deficiencies discovered. The details of the execution of this paragraph shall be specified in a decree issued by the Council of Ministers upon the proposal of the President thereof, and a termination submitted by the Public Procurement Authority.

6. If at least one of the acceptance committee's members does not have the required expertise to perform the acceptance in a good manner, the committee may request the assistance of external technical expertise, provided that the selection of external experts is made in accordance with the provisions of this Law.
7. If the assistance of external expertise was requested, the expert shall submit a written report to the acceptance committee.
8. The acceptance committee shall complete its work in a timely manner and in accordance with the provisions of this Law and the terms and conditions of the contract. Any acceptance made otherwise shall be without any legal consequences. Any member of the acceptance committee who refuses or fails to perform the duties thereof without a legitimate excuse shall be liable for the actions thereof, and subject to disciplinary measures before competent authorities. Any implied or actual acceptance made without duly executed minutes detailing the deriving rights shall not be valid.
9. The competent authorities shall not pay any sums due as a result of any form of acceptance made in violation of this Law.

## **Section 4 – Contracting Authorities**

### **Article 102 - Contracting authorities**

Contracting authorities shall perform their duties with regard to the procurement and contracting procedures in accordance with the provisions of this Law, such as:

1. To plan public procurements thereof and include annual procurement plans in the respective budgets thereof in such a way to ensure that funds are available, and schedule such procurements in multi-year plans if necessary;
2. To design processes to study, evaluate and analyze their procurement needs, as required by the provisions of this Law;
3. To send information and data to the Public Procurement Authority, in accordance with the provisions of this Law and the secondary legislation thereof;
4. To commit to publish the required information in accordance with the provisions of this Law and the secondary legislation thereof, on their websites, if any, and on the central

electronic platform at the Public Procurement Authority in such a way to guarantee transparency, subject to the right to access information;

5. To design clear processes to prepare market studies in accordance with the provisions of this Law;
6. To prepare the bidding documents and make such documents available in accordance with the provisions of this Law;
7. To duly announce respective procurements thereof in accordance with Article 12 of this Law and on the central electronic platform at the Public Procurement Authority;
8. To manage and follow up on the implementation of contracts in such a way to ensure achieving the best value for public money and preserving the public interest, as required by the provisions of this Law;
9. To make plans to manage risks and achieve sustainable development goals in public procurement;
10. To prepare an annual report on the procurement operations carried out according to a template designed by the Public Procurement Authority, and to send it to the Court of Audit and the Public Procurement Authority, and duly publish such report;
11. To perform other functions specified in this Law and other laws and regulations.

## CHAPTER 7 – CHALLENGE PROCEEDINGS

### Article 103 - Right to challenge and appeal

1. Any stakeholder having a standing legal capacity, including the Public Procurement Authority, has the right to challenge any explicit or implicit decision or action taken, adopted or applied by any of the entities involved with the procurement, prior to the entry in force of the contract, that is not in compliance with the provisions of this Law and the general principles of the public procurement.
2. The challenge shall relate to the previously determined decisions, and anyone who meets the requirements mentioned in the first paragraph of this Article shall have the right to challenge such decisions according to the following mandatory process:
  - a. **An application for reconsideration** pursuant to article 105 of this Law, or
  - b. **A complaint** pursuant to article 106 of this Law, or
  - c. **A review** of the decisions of the Complaints Authority before the State Council.

### Article 104 - Effect of a challenge

1. The challenge shall lead to the prohibition of the signature of the contract or framework agreement or the entry into force thereof before the final administrative or judicial decisions thereon are rendered, or the expiry of the time limits set for the issuance thereof, and the procuring entity shall comply with such prohibition:
  - a. When it receives the application for reconsideration or the complaint in accordance with the method of notification (electronically); or
  - b. When it receives a notice of review before the State Council, in accordance with any of the regular methods of notification before the State Council.
2. The prohibition period referred to in paragraph 1 of this Article shall end five (5) working days after the decision of the procuring entity pursuant to Article 105, or the Complaints Authority pursuant to Article 106 has been communicated to the complainant or appellant, as the case may be, and to all other participants in the challenge proceedings.
3. The Complaints Authority or the State Council may decide to end the prohibition and authorize the procuring entity upon the request thereof, or automatically, to resume all procedures leading to the signing of the procurement contract or framework agreement in exceptional cases justified by the urgent public interest, in order to avoid obvious damages that could be incurred by the procuring entity because of the cessation of works or the delay in the execution of the contract. The decision to end the prohibition and the reasons therefor shall be made part of the record of the procurement proceedings, and be promptly communicated to the procuring entity, to the applicant, and to all other participants in the challenge proceedings and the procurement proceedings;

4. Challenges made directly before the Council of State regarding explicit or implicit decisions related to procurement procedures at the pre-contractual phase shall not be accepted.
5. The decision to prohibit the signing of the contract shall remain in effect upon filing a application for review before the State Council for a period of seven (7) working days from the date of submitting the application, following which the prohibition shall be lifted unless the State Council decides to maintain it by an express decision.
6. Reasons related to violations of the procurement process that the stakeholders, except the Public Procurement Authority, have not raised within the time limits specified in this Chapter shall be considered irrelevant, and therefore stakeholders may not subsequently resort to in order to submit a challenge pursuant to the provisions of this Chapter.

### Article 105 - Application for reconsideration

1. Any stakeholder may submit an application for reconsideration regarding a decision or a measure taken by the procurement entity in the procurement procedures. Contrary to any other provision, applications for reconsideration shall be exclusively submitted to the Complaints Authority stipulated in Section II of Chapter 6 of this Law.
2. The application for reconsideration shall be submitted to the Complaints Authority in writing:
  - a. prior to the deadline for submission of tenders if the applications for reconsideration are related to the terms of solicitation, pre-qualification or decisions or actions taken by the procuring entity in this context;
  - b. within the ten (10) days standstill period, starting from the date of dispatch to the winning bidder of the notice of award pursuant to paragraph 2 of Article 24 of this Law, if the standstill period is related to other decisions or actions taken by the procuring entity in the procurement decisions. If no standstill period has been applied, then at any time prior to the entry into force of the procurement contract or the framework agreement.
3. Promptly after receipt of the application, the Complaints Authority shall communicate the application for reconsideration to the procuring entity, and publish a notice in this regard on the central electronic platform of the Public Procurement Authority, with a summary of the application and the reasons therefor.
4. The procuring entity shall take a decision on the application for reconsideration, in accordance with paragraph 5 of this Article within five (5) working days from the date of receipt of the electronic communication from the Complaints Authority, then promptly submit such decision to the Complaints Authority who shall notify the applicant and all other participants in the challenge proceedings and the procurement proceedings within one working day after receipt of the decision of the procuring entity.

5. In taking its decision on an application that it has entertained, the procuring entity may overturn, correct, vary or uphold any decision or action taken in the procurement proceedings to which the application relates.
6. If the procuring entity does not submit its decision on the reconsideration to the Complaints Authority, pursuant to paragraph 4 of this Article, and within the time limit specified therein, this shall constitute an implicit decision of rejection by the procuring entity.
7. All decisions of the procuring entity under paragraph 5 of this article, except for implicit decisions of rejection shall be in writing, and state the actions taken and the reasons therefor. The procuring entity shall include in the record of procurement proceedings stipulated in Article 9 of this Law:
  - a. The decisions thereof;
  - b. The communication of the Complaints Authority, under this Article.

#### Article 106 - Filing a complaint before the Complaints Authority

1. Contrary to any other provision, complaints shall be exclusively filed before the Complaints Authority with regard to any decision or action taken by the procuring entity or any other procurement stakeholder in the procurement proceedings, or to the abstention of the procuring entity from taking a decision under Article 105 of this Law within the time limits prescribed in that Article, with the legal and factual reasons upon which such complaints are based.
2. Complaints shall be filed in writing within the following time periods:
  - a. prior to the deadline for submission of tenders if the applications for reconsideration are related to the terms of solicitation, pre-qualification or decisions or actions taken by the procuring entity in this context;
  - b. within the ten (10) days standstill period, starting from the date of dispatch to the winning bidder of the notice of award pursuant to paragraph 2 of Article 24 of this Law, if the standstill period is related to other decisions or actions taken by the procuring entity in the procurement decisions. If no standstill period has been applied, at any time prior to the entry into force of the procurement contract or the framework agreement.
  - c. Complaints with regard to the abstention of the procuring entity from taking a decision under article 105 of this Law within the time limits prescribed in that Article shall be submitted within five (5) working days after the decision of the procuring entity should have been communicated to the applicant for reconsideration in accordance with the provisions of Article 105 of this Law.
3. Following receipt of the complaint, the Complaints Authority shall promptly:
  - a. Order the suspension of the procurement proceedings, if it deems that such suspension is necessary to protect the interests of the complainant, and if the complaint was valid and based on substantial grounds. In such case the suspension



- period shall be of ten (10) working days, if the complaint was received prior to the deadline of the submission of tenders; The Complaints Authority may also order that any suspension applied be extended or lifted, under the provisions stipulated in this Article;
- b. Notify the procuring entity and all identified participants in the procurement proceedings related to the complaint, of the substance thereof;
  - c. Where the Complaints Authority decides to suspend the procurement proceedings it shall specify the period of suspension and notify all identified participants in the procurement proceedings of the decision thereof;
  - d. Publish a notice with a summary of the complaint and the reasons thereof on the central electronic platform of the Public Procurement Authority.
4. The Complaints Authority may dismiss the complaint where it decides that the complaint is without any legal grounds. The Complaints Authority shall notify the complainant, the procuring entity and all other participants in the procurement proceedings of the dismissal and the reasons therefor. Such a dismissal constitutes a decision on the complaint.
  5. The notices shall be dispatched to the complainant, the procuring entity and other participants in the procurement proceedings under paragraphs 3 and 4 of this article shall be given no later than three (3) working days after the relevant decisions have been taken.
  6. Promptly upon receipt of a notice under paragraph 3 (b) of this article, the procuring entity shall provide the Complaints Authority with effective access to all documents relating to the procurement proceedings in its possession.
  7. The Complaints Authority shall take one or more of the following actions, as appropriate:
    - a. Prohibit the procuring entity and other public stakeholders from acting or following a procedure that is not in compliance with the provisions of this Law;
    - b. Overturn in whole or in part any act or a decision of the procuring entity that is not in compliance with the provisions of this Law in the pre-contractual framework;
    - c. Require the procuring entity that has acted or proceeded in a manner that is not in compliance with the provisions of this Law to act to correct such actions, and correct any decision thereof that is not in compliance with the provisions of this Law in the pre-contractual framework;
    - d. Confirm any decision taken by the procuring entity;
    - e. Dismiss the complaint;
    - f. Take such alternative action as is appropriate in the circumstances.
  8. The Complaints Authority shall inform the Court of Audit and the public prosecutor thereof, the Public Procurement Authority, and the Central Inspection of the violations found at the time of ruling on the complaint, in order to take the necessary measures.
  9. The decision of the Complaints Authority under paragraph 7 of this Article shall be rendered within (20) twenty working days after receipt of the complaint. The Complaints Authority shall immediately thereafter communicate the decision to the procuring entity, to the complainant, and to all other participants in the challenge proceedings and the

procurement proceedings. After the decision has been taken, any suspension of procurement procedures decided by the Complaints Authority shall be rendered void.

10. All decisions of the Complaints Authority under this Article, except for the implicit rejection decisions, shall be in writing and reasoned, and state the actions taken and the reasons therefor. The procuring entity shall include in the record of procurement proceedings stipulated in Article 9 of this Law:
  - a. The complaint filed before the Complaints Authority under this Article;
  - b. The decisions taken by the Complaints Authority;
11. Decisions of the Complaints Authority shall be subject to review by the State Council with seven (7) working days from the date of notification thereof. The expiry of the time limit specified in paragraph 9 of this Article and the silence of the Complaints Authority with regard to the application submitted thereto or the abstention of the Complaints Authority from communicating the decision thereof in accordance with the provisions of this Law, shall be considered as an implicit decision of rejection which in turn shall be subject to review by the Council of State.
12. Filing the complaint shall bring to standstill any oversight measures, if any, until the complaint is settled and a decision with relation thereto is rendered.
13. When the decision of the Complaints Authority is overruled by any other oversight entity, such entity shall justify its decision and publish it on the central electronic platform in order to be effective.

#### Article 107 - Rights of participants in challenge proceedings

1. Any stakeholder having a standing legal capacity has the right to challenge under Article 103 of this Law.
2. A person duly notified of the proceedings, including the proceedings of pre-qualification, that fails to participate in such proceedings is barred from subsequently challenging, under articles 105 and 106 of this Law, the decisions or actions taken by the Public Procurement Authority or the procuring entity.
3. Subject to the provisions of Article 103 of this Law, the procuring entity shall have the right to participate in the challenge proceedings under article 106 of this Law.
4. The participants in challenge proceedings under this Law shall have the right to be present, represented and accompanied at all hearings during the proceedings; the right to be heard; the right to present evidence by all means available; the right to request any adversarial hearing; and the right to seek access to the record of the challenge proceedings subject to the provisions of Article 108 of this Law.

#### Article 108 - Confidentiality in challenge proceedings

No information shall be disclosed in challenge proceedings if so doing would impair the protection of essential security interests of the State, would be contrary to law, would impede

law enforcement. Should such information prejudice the legitimate commercial interests of the suppliers or contractors or impede fair competition, any party requesting confidentiality shall seek the approval of the Public Procurement Authority.

Unofficial Translation

## CHAPTER 8 – INTEGRITY AND ACCOUNTABILITY

### Article 109 - Transparency

1. The contracting authorities shall adopt a mandatory publication policy whereby they shall announce their plans and the details of execution thereof, including the progress of the procurement process, awarding proceedings, contract, result of acceptance, execution and final value of the procurement, in accordance with the provisions of this Law and the secondary legislation thereof.
2. The contracting authorities shall use all means of publishing available to announce the aforementioned information, including the conventional means such as the official gazette and local newspapers, or the modern means such as websites. Publishing shall be mandatory on the central electronic platform of the Public Procurement Authority and the website of the procuring entity, if any.
3. Only what is of a confidential nature shall be prohibited from publishing, pursuant to Article 6 of this Law.
4. Public procurement data, at all levels in accordance with the provisions of this Law, shall be consolidated in a central database created for this purpose at the Public Procurement Authority, as part of the central electronic platform. This database shall be accessible free of any charges to the public and to all stakeholders under Article 6 of this Law.
5. Access to public procurement information shall be made possible free of any charges through the central electronic platform at the Public Procurement Authority and the websites of the procuring entities.

### Article 110 - Integrity

1. Subject to the provisions of Article 6 of this Law, the contracting authority shall commit its procurement officers:
  - a. Not to disclose any information or data related to technical or commercial secrets and confidential aspects of the proposals, which came to their knowledge or they may have obtained during the performance of their duties.
  - b. Not to disclose any information which came to their knowledge or they may have obtained during the performance of their duties, that would be deemed as beneficial to third parties and contrary to the principle of fair and equal treatment of all bidders provided for in Article 1 of this Law.
2. The contracting authority officers shall abide by the code of conduct provided for in Article 10 of this Law. They shall also commit to the highest ethical and professional standards, and avoid any corruptive practices, including but not limited to fraud,

collusion, misappropriation, abuse of influence, threat, or conflict of interests as defined in Article 2 of this Law and other relevant laws.

3. The contracting authority shall exclude from participating in the procurement procedures any officer responsible for evaluating or concluding a procurement contract or monitoring the execution thereof, who violated the provisions of this Law, and refer such officer to the competent authorities to decide on the penal and disciplinary sanctions provided for in the relevant laws in effect.
4. The contracting authority shall commit its officers to pursue training programs for enhancing integrity, in order to raise awareness about the risks of lack of integrity, such as corruption, fraud, collusion, discrimination, and the sanctions therefor, and to develop knowledge about ways to confront such risks and promote a culture of integrity.
5. The contracting authority shall require from all contractors thereof to commit to the highest ethical and good citizenship standards, especially during the period of procurement and execution of the contract. Failing to comply with such requirements shall lead to exclusion decisions in accordance with Article 8 of this Law. In order to achieve this obligation, the bidders and the contractors shall avoid the following practices:
  - a. “Corruptive practices”, which means offering, receiving or soliciting anything of value, whether directly or indirectly to influence the work of a public official in the procurement process or in the execution of the contract;
  - b. “Fraudulent practices”, which means the misrepresentation or omission of facts to influence the procurement process or the execution of the contract;
  - c. “Collusive practices”, which means any plan or arrangement between two or more bidders with the aim of offering prices at false and non-competitive levels;
  - d. “Coercive practices” which means harming or threatening to harm people or their property, either directly or indirectly, to influence their participation in the procurement process or the execution of a procurement contract.
  - e. Any practice that leads to a negative impact on the procurement process and contrary to the principles of this Law.
6. The contractor, or the partners or employees thereof shall not be entitled to receive any other remuneration, commissions, rebates or payments related to the project other than the amounts due and set forth in the contract concluded with the contracting authority.

## Article 111 - Internal audit

1. By decision of the head of administration thereof, one or more officers of the procuring entity shall be assigned to internally audit the execution of all the provisions of this Law and the secondary legislation thereof, in accordance with the size of the procuring entity and the number and value of the contracts it concludes.
2. The officers mentioned in paragraph 1 of this Article shall inform the Public Procurement Authority and the competent oversight and control authorities of any violations or

negligence identified by the internal audit, and submit a copy thereof to the head of administration.

3. The internal audit shall abide by the standards and principles set by the Public Procurement Authority.
4. The Public Procurement Authority and the procuring entities shall inform the competent oversight and control authorities of violations committed by public servants in order to take the necessary measures in accordance with the laws and regulations in force. Disciplinary and financial prosecutions do not prevent criminal prosecution before the competent courts.

## Article 112 - Sanctions

In addition to the sanctions provided for in this Law and other laws, including the Penal Code, the following sanctions shall be applied:

### I – Criminal Sanctions

1. Anyone who violates the provisions of paragraph 1 of Article 110 of this Law shall be punished by imprisonment for a term of two months to two years, and a fine of twenty times to two hundred times the minimum wage in force on the date of the violation, or either of these two penalties. The fine shall be doubled in the event of a repeated offense.
2. Anyone who violates the provisions of paragraph 5 of Article 110 shall be punished by imprisonment for at least two years and a fine of two to three times the material benefit expected or achieved, and in the event that it is not possible to determine precisely the value of the material benefit expected, a fine of twenty to two hundred times the minimum wage in force on the date of the violation shall be applied.
3. The officer or supervisor, as well as any person who participates in the supervision and acceptance of the services, supplies or works performed, shall be punished by imprisonment of one to three years and a fine of two to three times the value of the share of the contract for which such officer or supervisor is responsible for monitoring the performance, receipt or supervision thereof, if such officer or supervisor fails to detect the violations committed, violates the execution of the terms and conditions of the contract, neglects supervision, or fails to take necessary measures or to perform duly required duties, each within the specified responsibility thereof. The penalty shall be increased in case of repeated offence.
4. The Criminal Code and the laws relating to the fight against corruption, mainly the Anti-Corruption Law in the Public Sector, establishing the National Anti-Corruption Authority (Law 175/2020 of 08/05/2020) and the amendments thereof, and the Law on the Declaration of assets and other interests and the Punishment of illicit enrichment (Law 189 of 16/10/2020) and the amendments thereof, and all other relevant laws shall be applied on all crimes and offenses that fall under such laws and that are related to the

implementation of this Law. Where these laws are in conflict with each other, the most severe penalty shall be applied against those persons who are under criminal prosecution.

5. The co-perpetrator, instigator, accomplice and beneficiary shall be punished with the same penalty as that imposed on the original perpetrator of the above crimes.
6. Among legal persons, the winning bidder shall be criminally liable for the acts of the directors, members of the management, representatives and workers thereof when they perform such acts in the name of the same legal person or by any means thereof, in accordance with the provisions of Article 210 of the Penal Code.

## II – Disciplinary and financial sanctions

The Court of Audit and the Central Inspection shall, each in the area of jurisdiction thereof, prosecute the decision makers, staff and employees of procuring entities and all other authorities involved with public procurement.

## III – Financial penalties

1. The Court of Audit, at the discretion thereof or the request of the Public Procurement Authority, shall impose fines on procuring entities and require them to pay a fine ranging from twenty times to two hundred times the minimum wage in force on the date of the violation, depending on the extent and seriousness of the violation, in the event that such procuring entities are in violation of the provisions set forth in this Law and the secondary legislation thereof, mainly with regard to:
  - a. Violation of procurement procedures provided for in this Law;
  - b. Division of the procurement in violation of this Law;
  - c. Violation of anti-corruption provisions while conducting procurement operations;
  - d. Failure to take appropriate measures to avoid, identify and prevent conflict of interests in procurement procedures;
  - e. Non-compliance with the principles of the use of legal procurement methods;
  - f. Violation of the principles of publication and announcement set by the provisions of this Law;
  - g. Failure to duly submit the required information and documents to the Public Procurement Authority, oversight and supervisory bodies, and the Complaints Authority;
  - h. Non-compliance with the planning obligation provided for in Article 11 of this Law;
  - i. Non-compliance with the legal time limits for the announcement, submission of bids and acceptance, and non-compliance with the standstill period;
  - j. Violation of the time limits for the submission of bids securities and performance securities;
  - k. Awarding of a bid that does not meet the required conditions or does not constitute the best offer presented;
  - l. Cancellation of the procurement in violation of the principles set forth by this Law;

- m. Failure to create a record for the procurement proceedings as provided for in Article 9 of this Law, or to include information therein in violation of the principles set forth by this Law;
  - n. Failure to prepare the annual report provided for in Article 102 of this Law;
  - o. Making errors in the registration of the tenders submitted;
  - p. Impeding the access of bidders to legally made available information and documents;
  - q. Pre-contractual and post-contractual altering of conditions and specifications in violation of the provisions of this Law.
2. The winning bidder shall be administratively bound by the Public Procurement Authority to pay a fine ranging from twenty times to two hundred times the minimum wage in force on the date of the violation, in the event of violation by the winning bidder of the provisions of this Law and the secondary legislation thereof.
  3. The procuring entity and the winning bidder shall have the right to appeal against the decisions on fines before the State Council.

IV – Abuse of the right to appeal

1. Bidders who abuse the right to appeal thereof provided for in Chapter Seven of this Law shall be punished by a fine of twenty to two hundred times the minimum wage in force on the day of the abuse of the right to appeal.
2. This fine shall be imposed by the Public Procurement Authority upon request of the Complaints Authority.
3. The abuse of the right to appeal shall be confirmed when complaints filed are rejected three times in a row, or when it is proven that the complaint was filed for the sole purpose of procrastination or apparent lack of seriousness.
4. When the fine is imposed by the Public Procurement Authority in accordance with this subparagraph, the procuring entity shall apply the exclusion procedures provided for in Article 40 of this Law.
5. The winning bidder shall have the right to appeal the fines and the exclusion decisions before the State Council.



## CHAPTER 9 – FINAL TRANSITORY PROVISIONS

### Article 113 - Ongoing Procurement

Ongoing procurements announced prior to the entry into force of this Law shall be processed in accordance with the laws in force on the date of procurement announcement.

### Article 114 - Repeal of contrary provisions

1. Shall be repealed the articles 121 to 151 inclusive and articles 220, 221 and 233 of the Public Accounting Law in force by virtue of decree 14969 of 30/12/1963, and the amendments thereof.
2. Shall be repealed the article 157 of the Public Accounting Law in force by virtue of decree 14969 of 30/12/1963 and the amendments thereof, in addition to the two related decrees, namely decree 9333 of 26/12/2002 on the classification of contractors and study offices to participate in the execution of public works contracts, and decree 3688 of 25/1/1966 on the determination of conditions for participation in the execution of certain public contracts, and the pre-qualification stipulated in Article 19 of this Law shall be adopted.
3. Shall be repealed the articles 22, 23 and 24 of decree 2460 of 19/11/1959 and the amendments thereof (Regulations of the Central Inspection), and paragraph (c) of table 1 attached thereto.
4. Any provision contrary to this Law or inconsistent with the content thereof shall be repealed.

### Article 115 - Minutes of implementation

The minutes of application of this Law shall be determined, where necessary, by secondary legislation issued by the Council of Ministers upon the proposition of the President of the Council of Ministers. However, the implementation of this Law cannot be bound by the issuance of such secondary legislation. Until such secondary legislation is issued, in force regulations and decisions issued in implementation of the Public Accounting Law shall remain temporarily valid and applicable in so far as they do not conflict with this Law and the secondary legislation thereof.

### Article 116 - Entry into force of the law

This Law shall come into force twelve months after its enactment.