



ISLAMIC REPUBLIC OF IRAN
ISLAMIC CONSULTATIVE ASSEMBLY

TENDER'S LAW



President Deputy Strategic Planning And Supervision

Technical Affairs Department

NATIONAL DATABASE PORTAL OF IRAN TENDER'S INFORMATION

IN THE NAME OF GOD

Present document as Bidding Law, passed by Islamic Republic Parliament, translated by Technical Affairs Department of President Deputy Strategic Planning And Supervision, with cooperation of Rahpooyan Monaghesate Pars Institute. This document is guidance for participating of foreign bidders in tenders of Islamic Republic of Iran, however only its Farsi text has legal validity.

At present this law comprising four bylaw passed by Government and must taking into account it's regulations in organizing the Bidding, Bidding Avoidance and in case in which bidding is not necessary.

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Index

| | |
|----------------------------------------------------------------------|-----------|
| Bidding Law | 4 |
| Section one- Generalities | 4 |
| Article 1- Application | 4 |
| Article 2- Definitions | 5 |
| Article 3- Procurement Types | 6 |
| Article 4- Classification of Bidding Types | 6 |
| Section Two- Bidding Organization | 7 |
| Article 5- Bidding Committee | 7 |
| Article 6-Functions of the Bidding Committee | 8 |
| Article 7- Appeal Committee | 8 |
| Article 8-Functions of the Appeal Committee | 8 |
| Section Three- Organizing Biddings | 9 |
| Article 9- The Process of Organizing Biddings | 9 |
| Article 10- Securing Adequate Financing | 9 |
| Article 11- Bidding Methods | 10 |
| Article 12- Prequalification of bidders | 10 |
| Article 13- Invitation for bids | 11 |
| Article 14 - Bidding documents | 12 |
| Article 15- Order of bids preparation and submission | 13 |
| Article 16- Conditions for submission of bids | 13 |
| Article 17- Clarification | 14 |
| Article 18- Bids opening | 14 |
| Article 19- Technical/commercial evaluation of bids | 15 |
| Article 20- Financial evaluation and determining the winner | 15 |
| Article 21- Awarding the Contract | 16 |
| Section Four- Bidding regulations | 16 |
| Article 22-Conditions of sending documents and correspondences | 16 |
| Article 23-Documentation and Information | 16 |
| Article 24- Reorganization and Cancellation of Biddings | 17 |
| Article 25- Complaint review procedure | 18 |
| Article 26- The process of limited bidding | 18 |
| Article 27- Bidding Avoidance | 19 |
| Article 28 - Composition of the Bidding Avoidance Committee | 19 |
| Article 29- Cases in which bidding is not necessary | 21 |
| Article 30- Invalidation of rules | 23 |

Parliament of Islamic Republic of Iran

No: 130890

February 15, 2005

Reverend Sayyed Mohammed Khatami
President of the Islamic Republic of Iran

Dear Sirs,

The bill on Bidding Law, the first priority of which was approved in the open session on Sunday November 23, 2003 and was passed with alterations in the open session on Tuesday April 14, 2004. Based on the objection of the Guardian Council to Article 1, paragraph (b) and Article 28, paragraph (b) and according to Article One Hundred Twelve (112) of the Constitution of the Islamic Republic of Iran, it was referred to Expediency Council and was approved with alterations. It is attached herewith in accordance with Article One Hundred Twenty Three (123) of the Constitution of the Islamic Republic of Iran.

Gholamali Haddad Adel
Speaker
Islamic Parliament

**In the Name Of the Most High
President's Office**

NO: 67490

February 15, 2005

The Ministry of Economy and Financial Affairs

The Bidding Law, passed in the open session of Tuesday, April 14, 2004, of the Islamic Parliament, referred to the Expediency Council due to the objections of the Guardian Council, was approved with alterations on January 23, 2005 by this Council. It was received as attached to the Parliament letter of February 6, 2005 [No: 130890] is sent herewith for implementation.

Sayyed Mohammad Khatami
President

Bidding Law

Section one- Generalities

Article 1- Application

a) This law is passed with the purpose of stipulating the bidding method and procedure and is applicable only in the procurement undertaken in accordance with this Law.

b) All three powers of the Islamic Republic of Iran shall follow the stipulations of this Law in organizing a bidding; this includes: ministries; public organizations, institutions, and companies; profitable institutes affiliated to the Government; public financial establishments and banks; public insurance companies; nongovernmental public institutions and foundations (in cases where the institutions or foundations uses governmental budget); public institutions; Foundations and organizations of Islamic Revolution; Guardian Council of the Constitution; as well as organizations and bodies which the applicability of this Law requires mention or stipulation of their name, regardless of their specific regulations or the application of the general rules and regulations, namely Ministry Jihad Agriculture, National Iranian Oil Company, National Iranian Gas Company, National Iranian Petrochemical Industries Company, Iranian Industries Renovation and Development Organization, Ports and Shipping Organization of Islamic Republic of Iran, Iranian Mining Industries and Mines Renovation and Development Organizations, Islamic Republic of Iran Broadcasting, and the companies affiliated to them.

Note: The armed forces are subject to their specific regulation and are exempted from this Law.

Article 2- Definitions

Terms used in this Law are defined as follows:

- a) Bidding: A competitive process for provision of required quality (as per bidding documents) in which the assignment of the bidding are awarded to the bidder with the least evaluated cost.
- b) Organizing Agency: bodies mentioned in Article 1 (b) of this Law, organizing the bidding.
- c) Bidder: individuals or companies who receive bidding documents and participate in the bidding.
- d) Technical/Commercial Committee: a Committee comprising of at least three qualified technical/commercial expert members selected by the authorized official of the Organizing Agency, responsible for technical/commercial evaluation of bids and other functions mentioned in this Law.
- e) Qualification of Bidders: assessment, by the Organizing Agency or delegated to the Technical Commercial Committee, of bidders' capacity to undertake the assignment.
- f) Technical/Commercial Evaluation of Bids: a process for review and evaluation of specifications, standards, efficiency, durability and other technical/commercial aspects of the bid to select acceptable bids.
- g) Financial Evaluation: a process for selecting the least evaluated price as described in Article 20 of this Law from the bids rendered acceptable in the technical/commercial evaluation.
- h) Evaluation of Bid Responsiveness: examining whether documents are complete, signed, and bid price is legible and not conditional.
- i) Single-source: single source procurement means that there is only one provider for awarding the contract determined by:

- 1) The announcement of the Cabinet for goods and services provided exclusively by the Government; or
 - 2) Publication of a general notice with only a single bidder participating.
- j) Bidding Schedule: a document stipulating the date, time limits for various stages of bidding, validity period of bids and date of awarding the contract.

Article 3- Procurement Types

There are three procurements types in terms of size (contract amount):

- 1) **Small Procurement:** procurement with a contract amount less than twenty million Rials (Rls 20,000,000) based on 2003 fixed prices.
- 2) **Medium Procurement:** procurement with a contract amount more than the maximum amount of small procurement and less than ten times the maximum amount of small procurement.
- 3) **Big Procurement:** Procurement, the initial cost estimate of which is more than ten times the maximum amount of the small procurement.

Note 1: At the beginning of every year, the Ministry of Economy and Finance shall propose to the Cabinet, the contract prices based on price index of goods and services as determined by the Islamic Republic of Iran's Central Bank.

Note 2: The maximum amount for small and medium procurements is based on the contract amount; while for big procurements is based on the estimate of the Organizing Agency.

Note 3: The procurement amount or estimate shall not be decreased to a lower threshold by segregating items which are normally considered to be inseparable.

Article 4- Classification of Bidding Types

a) The following types of bidding are recognized based on Stages of evaluation:

1- Single Stage Bidding: In this type of bidding there is no technical/commercial evaluation and the bids are opened in a single meeting in which the winner is determined.

2- Two-Stage Bidding: In this type of bidding, a technical/commercial evaluation is deemed necessary by the Organizing Agency. In such bidding, a Technical/Commercial Committee is established who reports the results of the technical/commercial evaluation to the Bidding Committee. The winner is selected in accordance with Article 19 of this Law.

b) The following types of bidding are recognized based on invitation for bids:

1- Open Bidding: bidding in which invitation for bids is announced through a general advertisement.

2- Limited Bidding: bidding limited at the discretion and the responsibility of the highest ranking official of the Organizing Agency according to mentioned justification. Invitation for bids is announced by sending invitation to qualified bidders according to provisions of Articles 13 and 27 of this Law.

Section Two- Bidding Organization

Article 5- Bidding Committee

a) Bidding Committee consists of the following members:

1) Head of the Organizing Agency or his/her representative;

2) Financial Controller or the highest ranking financial official of the Organizing Agency, as appropriate;

3) Technical Head of the Organizing Agency or the unit requesting the bidding.

b) In biddings organized by municipalities, one person shall participate as observer in the Bidding Committee meeting on behalf of the City Council.

c) The Committee shall have quorum with the participation of all three members. All

members are required to participate in the meeting and express their views. Committee decisions are valid with a majority of votes.

- d) Two-Stage bidding will be held with the presence of the head of the Organizing Agency.
- e) Bidding Committee members shall be appointed by the Board of Directors in governmental companies.

Article 6-Functions of the Bidding Committee

The main functions of the Bidding Committee are as follows:

- a) Holding Bidding Committee meetings on the dates specified in the invitation for bids;
- b) Examining whether documents are complete, signed, and bid price is legible and not conditional (examination of bid responsiveness);
- c) Examining of bids to indicate bids responsive to the bidding conditions and documents;
- d) Refer the technical review report to the technical/commercial committee in two stage biddings;
- e) Specify the first and second top bidders (in accordance with conditions of Articles 19 and 20 of this Law);
- f) Prepare the bidding minutes of meeting; and
- g) Decide to renew or cancel the bidding.

Article 7- Appeal Committee

An Appeal Committee shall be established to examine disputes between the Organizing Agency and bidders. The statutes of the Appeal Committee will be approved by the Parliament.

Article 8-Functions of the Appeal Committee

- a) Reviewing objections indicating non-compliance with any article of this Law;
- b) Decide on cancellation or repetition of the bidding;

Note 1: the following cases are not considered by the Appeal Committee:

- 1) Bidding evaluation criteria and methods
- 2) Domestic preference for local bidders
- 3) Objections sent one month after bid validity
- 4) Bid winners' complaint after award of the contract

Note 2: After approval of this Law, and the statues mentioned under Article 7 above, the bylaw for this article shall be proposed by the Management and Planning Organization and the Ministry of Economy and Finance for approval by the Cabinet.

Section Three- Organizing Biddings

Article 9- The Process of Organizing Biddings

The Process of Organizing Biddings follows the following steps:

- a) Secure adequate financing;
- b) Specifying the type of bidding for big procurement (single or two Stage, open or limited);
- c) Preparation of bidding documents;
- d) Bidders prequalification, in case necessary;
- e) Invitation for bids;
- f) Bid evaluation; and
- g) Determining the bid winner and awarding contract.

Article 10- Securing Adequate Financing

- a) Any procurement, by whatever method requires adequate financing by the entities subject of Article 1 (b) of this Law for the duration of contract, which should be specified in relevant documents.
- b) Adequate financing and methods for compensating delays in fulfilling contract

obligations shall be explicitly specified and warranted by the Organizing Agency in the bidding conditions and in documents.

Article 11- Bidding Methods

Biddings shall be in the following methods:

- a) In case of small procurement, the shopping officer shall make a query on the procurement cost with due regard to its nature (goods, service or wages). By taking into account efficacy and obtaining the respective invoice, undertake at his/her discretion and responsibility the procurement to obtain the lowest price without compromising the quality.
- b) In medium procurement, the shopping officer shall make a query on the procurement cost with due regard to its nature (goods, service or wages). By taking into account efficacy and obtaining at least three written invoices, undertake the procurement to obtain the required quality if the price is approved by the head of the procurement unit or a same-ranking official. In case it is not possible to obtain three written invoices, the existing number of invoices will suffice as approved by the head of the procurement unit or a same-ranking official.

Note: In case responsibility of the procurement unit rests with the shopping officer, his signature shall represent the signature of the head of the procurement unit. If the company does not have a shopping officer, the duties specified in this Law can be delegated to persons of similar organizational position or to the shopping agent.

- c) In big procurement, one of the following methods shall be employed:
 - 1) Organizing an open bidding by advertising in newspapers of high circulation;
or
 - 2) Organizing a limited bidding.

Article 12- Prequalification of bidders

- a) In prequalification of bidders, the following shall be taken into account:

- 1) Guarantee on quality of services and goods
 - 2) Experience and knowledge in the relevant field
 - 3) Reputable record
 - 4) Work permit or qualification certificates, if necessary
 - 5) Financial capacity of the bidder for implementation, if necessary.
- b) Prequalification is undertaken in the following manner:
- 1) Specifying prequalification criteria and their relative importance;
 - 2) Preparation of prequalification documents;
 - 3) Receipt, completion and submission of prequalification documents by the bidders;
 - 4) Evaluation of received prequalification documents to determine their rating and the respective ranking;
 - 5) Announcing the names of qualified bidders to the client, with their rating and ranking (preparation of the short list);
 - 6) Documenting the bidders prequalification.
- c) The Management and Planning Organization shall prepare within a maximum of three months after adoption of this Law, with the cooperation of executive agencies, the bylaw for the bidders prequalification; taking into account the conditions mentioned herein indicating measurement indices and prequalification methods for approval by the Cabinet.

Article 13- Invitation for bids

- a) The invitation shall contain at least the following:
- 1) Name and address of Organizing Agency;
 - 2) Type, quantity and quality of the goods or service;
 - 3) Type and amount of security for participating in bidding;
 - 4) Venue, time and deadline for receiving and submitting documents and bid opening;

- 5) Estimated contract amount and its bases (if possible or appropriate)—the estimate shall be prepared in accordance with the basic price list if available;
- b) Invitation to open bidding shall at the discretion of the Organizing Agency be published two to three times in at least one of the highly circulated national or provincial newspapers.
- c) The Organizing Agency may in addition to the methods mentioned in paragraph (b) of this article, further publish the invitation in other media, communication or information networks.
- d) In case it is necessary to organize an international bidding, or use foreign financing, relevant permissions should be obtained with due consideration for the Law on Maximum Utilization of National Technical, Engineering, Production, Industrial and Implementation Capacity (approved March 3, 1996), and the relevant notice should be published in one of the highly circulated newspapers and at least once in one of the domestic English newspapers and one international magazine or newspaper related to the bidding subject.

Article 14 - Bidding documents

- a) All bidding documents shall be submitted equally to all applicants.
- b) Bidding documents shall consist of the following:
- 1) Name and address of Organizing Agency;
 - 2) Type and amount of security;
 - 3) Venue, time and deadline for obtaining and submitting documents and for bid opening;
 - 4) Amount of advance payments and performance guarantee;
 - 5) Validity period of bids;
 - 6) Terms of reference, commercial/technical specifications, standards, type, quantity and quality of goods or services;
 - 7) Schedule for implementation or supply of goods;

- 8) Prequalification method and criteria;
- 9) Bid preparation method, number of copies and submission deadline;
- 10) Text of contract including agreement, general and special conditions of contract, and its appendices;
- 11) Minutes of meeting and clarifications given in accordance with article 17;
- 12) Other documents deemed necessary by the Organizing Agency

Article 15- Order of bids preparation and submission

- a) Bidders shall, after receiving or purchasing documents, prepare their bids in the following manner and submit them to the Organizing Agency:
 - 1) Obtaining and completing documents and bids;
 - 2) Submitting of bids before the deadline specified in the invitation for bids;
 - 3) Obtaining bid submission receipt;
- b) The deadline for receipt of local and international bid offers shall not be less than ten days and one month since the deadline for obtaining bidding documents, respectively.

Article 16- Conditions for submission of bids

- a) No bidder shall submit more than one bid, except when specified in the bidding documents.
- b) Bidders shall place their bids and bidding documents in separate envelopes including bid security (envelop A), technical/commercial proposal (envelop B) and financial proposal (envelop C) and place all these envelopes in a suitable sealed package.
- c) The Organizing Agency shall register all bids received before the deadline, and protect envelopes until the opening session.
- d) Any submission, delivery, modification, substitution or withdrawal of any bid shall be effected at the place and before the deadline specified in the bidding documents, in a manner possible to testify.

Article 17- Clarification

- a) In case a bidder finds ambiguities or mistakes in the bidding documents, the bidder may ask for clarification from the Organizing Agency.
- b) The clarification and replies to bidders' questions as well as the minutes of the “Documents Clarification Meeting” in case such a meeting is held, similar minutes of meeting shall be sent in accordance with article 22 of this Law to all participants in the bidding.

Article 18- Bids opening

- a) The bidders' offer shall be opened at the specified time and place.
- b) The bids opening order shall be as follows:
 - 1) Preparing list of names of documents recipients (bidders), persons present and participants in the meeting;
 - 2) Opening bid security envelop (envelop A) and checking it;
 - 3) Opening technical/commercial envelop;
 - 4) Opening the envelop containing financial proposal, checking it for responsiveness, completeness of documents and having been signed, rejecting unacceptable bids in one-stage biddings;
 - 5) In two stage biddings submitting technical/commercial envelops to technical/commercial committee;
 - 6) Preparing and signing the minutes of the bid opening meeting by the Bidding Committee;
 - 7) Submitting rejected financial proposals and bid security envelops to Organizing Agency for returning them to the beneficiaries.
- c) In two-stage bidding, the time and venue for opening financial proposal envelops shall be announced in the bid opening meeting. This period can be extended only once and at the latest by to the bid validity date. In such a case, the financial proposal envelops shall be guarded by the Organizing Agency in a sealed package. In one stage bidding the financial proposal envelops shall be opened immediately and the bid winner shall be

announced in accordance with Article 20 of this Law.

d) The Organizing Agency shall invite the bidders or their representatives to take part in the financial proposal opening session.

Article 19- Technical/commercial evaluation of bids

- a) In two stage biddings, the Organizing Agency shall, on the basis of criteria and methods specified in bidding documents, carry out prequalification of bidders and technical/commercial evaluation of bids.
- b) Should it be necessary to conduct technical/commercial review of bids, the result of review shall be forwarded to the next committee meeting within the period specified by the bidding Committee. Based on the technical/commercial report, the price envelop of bidders who have secured the qualifying technical-commercial point shall be opened.
- c) Any technical/commercial evaluation shall be allowed only prior to opening of financial proposal envelopes.
- d) Financial proposal envelopes of bidders not qualified in the technical/commercial evaluation shall be returned back without opening.

Article 20- Financial evaluation and determining the winner

- a) During the financial evaluation, the bidders with the lowest price shall be declared as the winner; the second winner shall be announced, provided that the difference of his bid price with that of the first winner is less than the bid security amount. The financial evaluation method shall be mentioned in detail in the bidding documents indicating the conclusions of price evaluation.
- b) After opening the bid price envelopes should it be necessary to check the prices and to analyze and control its bases, the bidding Committee can refer it to technical/commercial committee. The technical commercial committee shall report results of evaluation to the Committee within two weeks.
- c) After opening financial proposal envelopes, the bid security of first and second

winners shall be kept with the Organizing Agency, and the bid security of the remaining bidders shall be returned back.

- d) In international bidding, domestic bidders shall have preference over foreign bidders. The domestic preference procedure shall be specified in the bidding documents. The Economy Council will determine those biddings in which the provision of this rule is not apposite.

Article 21- Awarding the Contract

- a) The Contract with the bid winner shall be awarded prior to expiration of bid validity period. This period can be extended once only, for the period envisaged in the bidding documents. After Awarding the Contract the bid security of second bidder shall be returned back.
- b) Contract shall be awarded to the first winner within the period envisaged in the bidding documents. Should the first winner decline to accept the contract or does not provide the performance guarantee, his bid security shall be forfeited and the contract awarded to the second winner. In case the second winner also declines, his bid security shall be forfeited and the bidding reorganized.

Section Four- Bidding regulations.

Article 22-Conditions of sending documents and correspondences

Sending correspondences or documents related to biddings subject of article 20 of this Law is be valid if their sending can be confirmed, except in case of change of address or place, such as by registered post, telegram, telex and such.

Article 23-Documentation and Information

- a) The government shall establish within one year a data bank and national site for bidding data and record and save the following data and documents:

- 1) Bidding invitation notice;
 - 2) Name and particulars of the Committee members, bidders and persons present in bidding meeting;
 - 3) Summary of bidding documents;
 - 4) Method and procedures for bidders prequalification and its results;
 - 5) Minutes of meeting and evaluation respects;
 - 6) Name and particulars of bidding winner(s) and the procedures of their selection.
- b) The Organizing Agency shall record in a file and save data subject of paragraph (a) above as well as all bidding documents in a secure manner and forward a copy of them to the bidding data bank.
- c) Information regarding all procurement including biddings and bidding avoidance cases shall be published publicly through the national information network—except for the confidential procurement as determined by the Cabinet.
- d) The bylaw on documentation and announcement of biddings shall be prepared by the Management and Planning Organization with the cooperation of the Ministry of Economy and Financing Affairs and approved by the Cabinet at the latest by six months after approval of this Law.

Article 24- Reorganization and Cancellation of Biddings

a- Biddings shall be reorganized in the following cases:

- 1) When the number of bidders is less than the required number specified in bidding documents;
- 2) Declination by the first and second bidders to accept the contract.
- 3) Expiry of validity of the bids;
- 4) Order by the Appeal Committee;
- 5) When the financial proposals are so high that the project is not economically justifiable.

b- Biddings shall be cancelled in the following cases:

- 1) There is no further need for goods or services of the bidding;
 - 2) There are too many changes required in the bidding documents, to the extent that the nature of the bidding is substantially changed;
 - 3) In case of unexpected circumstances such as war, earthquake, flood and such;
 - 4) Order by the Appeal Committee;
 - 5) Collusion among the bidders, as determined by the Organizing Committee.
- c- The Organizing Agency shall notify all bidders of reorganization or cancellation of bidding in accordance with Article 22 of this Law.

Article 25- Complaint review procedure

- a- Should any of the bidders have an objection regarding non-compliance with any article of this Law, a complaint can be made to the highest authority of the Organizing Agency.
- b- The Organizing Agency shall, within a deadline of fifteen working days since the receipt of the complaint, undertake the necessary investigation. If the complaint is considered valid, it shall take necessary actions in accordance with the regulations, and in case the complaint is found to be invalid, it shall notify the complainant within the prescribed validity period.
- c- If the complainant does not concur with the result, the Appeal Committee shall consider the complaint and announce its final verdict within fifteen working days. In case of objection by either of the parties, the matter shall be referred to relevant authorities for legal investigation and the bidding shall continue its normal process.

Article 26- The process of limited bidding

Limited bidding shall be held taking into account Articles 4 and 13, in the following cases:

- a- Where there is a list of qualified bidders recommended by the government authorized authority. Preparation of this list, shall take place in concordance with the principle of competition amongst all qualified bidders, in accordance with the regulation proposed by the Management and Planning Organization and approved by the Cabinet.

b- Availability of a short list of qualified bidders prepared in accordance with Article 12 of this Law before a maximum of two years.

In limited bidding, there is no need for advertising (procedures of items b, c and d of Article 13 of this Law are not necessary.)

Article 27- Bidding Avoidance

In cases when bidding is not possible on the basis of the justification report of the Organizing Agency and approval by a three-member Committee consisting of officials mentioned in Article 28 of this Law, the procurement can be conducted in another method. In such cases, the Bidding Avoidance Committee shall specify and notify, with due consideration for the interests of the Organizing Agency, the process of conducting such procurement, while taking into account all other rules and regulations in each case for a certain type of goods or services.

Article 28 - Composition of the Bidding Avoidance Committee

The composition of the Bidding Avoidance Committee subject of Article 27 of this Law and applicable to agencies stipulated in item (b), Article 1 of this Law is as follows:

a- In case of procurement by central units of agencies stipulated in item (b) Article 1 of this Law, the Financial and Administrative Deputy or a similar authority of the ministry or governmental organization as appropriate, and Financial Controller or similar authority and an expert and committed official as selected by the highest authority of the implementing agency;

b- For procurement of implementing agencies using provincial budget and in non-central units of agencies stipulated in item (b), Article 1 of this Law, the governor general or his representative and the highest-ranking officer of the local implementing agency unit, and the respective Financial Controller or head of financial unit.

Note 1: In agencies with no Financial Controller, the highest financial authority shall replace the Financial Controller.

Note 2: The Bidding Avoidance Committee in the provincial government shall consist of the Provincial Governor or his representative, the relevant deputy of the Provincial Governor and the Financial Controller of the provincial government.

c- For procurement in government-owned companies the managing director or the highest executive officer, the Financial Controller or the Financial Manager as appropriate, and one person selected by the general assembly or the highest board, as appropriate.

d- The Committee subject of this Article which in each particular case shall have a session at the invitation of the highest executive officer or the authorized official shall have a quorum with participation of all three members. All members are required to participate in the session and express their views concerning the justification report of the implementing agency requesting to avoid bidding and also regarding the method of contracting under review. However, the decision of the Committee with majority of votes shall be valid.

e- In the light of Article 27 of this Law, in case the contract amount exceeds fifty times the amount specified for small procurement, the contract shall be awarded after approval of the Three-Member Committee subject of this Article and confirmation by the following authorities, as appropriate:

1- For central units of ministries, government organizations and companies: the minister or the head of the organization, respectively; and for companies: the board of directors.

2- For local implementing agencies receiving provincial budget, and for contracts financed by non-provincial budget contributed to non-central units by ministries and government organizations, and also in the case of government organizations situated out of center: the relevant provincial governor.

Note: In case the provincial governor participates personally in the meeting of the Bidding Avoidance Committee and signs, in concurrence, the minutes of meeting, his/her reconfirmation is not required.

3- In the case of procurement by the Judiciary, the Guardians Council, the Islamic Republic of Iran Radio and Television Broadcasting, the State Audit Tribunal, and other government organizations operating independently and not

affiliated to any ministry or government organization: the judiciary chief or one of his related deputies selected by him, the chief of Islamic Republic of Iran Radio and Television Broadcasting, the chief of State Audit Tribunal, and the head of the relevant executive organization, respectively.

4- In the case of procurement by the non-governmental public organizations and institutions, the highest executive authority of the relevant organization or institution.

f- To implement paragraph(e) of this Article, if contract amount exceeds the amount of small procurement by two hundred times, awarding the contract shall, after approval of the three member Committee as specified by this Article, by the end of Third Economic, Social and Cultural Development Plan of Islamic Republic of Iran period, be subject to confirmation by the Economic Council, after which it shall be subject to confirmation by a committee including the head of the Management and Planning Organization (the Committee secretary), the Minister of Economy and Finance and the highest executive authority mentioned in paragraph (e) of this Article.

Article 29- Cases in which bidding is not necessary

In the following cases bidding is not necessary and the organizations mentioned in item (b) of Article 1 of this Law may, without undertaking bidding procedures, carry out the relevant procurement:

- a- Purchase of movable property, services and wages which are unique (exceptional) with no similar product as decided and with the responsibility of the minister or the chief official of the executive agency in the capital or provinces, or the officials authorized by them;
- b- Purchase, renting for ownership or leasing immovable property by obtaining the price evaluations of at least three legally recognized experts or should legal experts be not available, of a committee of experts;

- c- Purchase of movable and immovable property, goods and services at the specified price or lower, or wages the rate of which is determined by authorized legal officials;
- d- Repair of fixed or movable equipment and machinery, and replacing machinery related to continuity of production in manufacturing units but not related to the expansion of existing units, as decided and with the responsibility of the minister or the chief official of the executive agency in the capital or provinces, or the officials authorized by them.
- e- Procurement of consulting services, whether from consulting engineers, technical/commercial consultations, including studies, design or management of projects, implementation and supervision or any other type of expertise and consulting services.

The bylaw for this paragraph stipulating the regulations, procedure and the criteria for consultative services shall be proposed by the Management and Planning Organization to be adopted by the Cabinet at the at the latest by three months after approval of this Law.

f- Cultural, artistic, educational, athletic and similar services for which bidding is not possible at the discretion and responsibility of the minister or the highest-ranking authority of the executive, taking into account the interests of the country.

g- Purchase of spare parts for replacement or supplementing the present movable and fixed equipment and machinery as well as tools and accurate measurement devices, tools for technical and scientific laboratories and such, the supply of which is not possible by bidding process, as deemed by the highest-ranking executive; the contract value by shall be determined by at least one expert in the relevant field appointed as appropriate, by the minister or the head of the implementing agency in the capital or province, or appointed by officials authorized by them.

h- In the case of confidential procurement as determined by the Cabinet, by taking into account the interests of the country.

i- Purchase of shares and obligations arising from enacting judiciary verdicts.

Article 30- Invalidation of rules

As from ratification date of this Law all contrary rules and regulations of the relevant organizations shall be considered invalid.

The above Law comprising thirty articles and ten notes was approved in the open session on Tuesday the fourteen day of April two thousand four, by the Islamic consultative Assembly (the parliament) and was ratified by the Expediency Council by making amendments in item (6) Article 1 and item (b) Articles 28 and 30 and deleting items (d) and (e) and part 3 item (g) Article 28, on January 23, 2005.