

## **The Law on Organizing Tenders,**

**Link for Persian version:** [https://rc.majlis.ir/fa/law/print\\_version/99652](https://rc.majlis.ir/fa/law/print_version/99652)

**Link for English translated version:**

Chapter One - Concept

Article 1 –

Application A -

This law is approved in order to determine the method and procedures of holding tenders and only in Transactions carried out in compliance with this law are applicable.

B- The three powers of the Islamic Republic of Iran, including the ministries, organizations, and institutions, State-owned companies, government-affiliated for-profit institutions, state-owned banks and credit institutions, State insurance companies, public non-governmental institutions and organizations (in cases where those foundations and Institutions use the budget of the whole country), public institutions, foundations and institutions of the Islamic Revolution, the Guardian Council of the Constitution, as well as the institutions and units that include the law requires mentioning or clarifying the name on them, regardless of whether it has its own law or follow the general rules and regulations, such as the Ministry of Agricultural Jihad, the National Oil Company of Iran, Iran National Gas Company, Iran National Petrochemical Industries Company, Expansion and Modernization Organization of Industries, Ports and Shipping Organization of the Islamic Republic of Iran, Development and Modernization Organization of Mines and civil industries of Iran, Broadcasting Organization of the Islamic Republic of Iran and companies and their subordinates are obliged to comply with the provisions of this law in holding tenders.

Article 2 - The definitions of the words used in this law are defined as follows

A- Bidding: It is a competitive process to ensure the desired quality (according to the tender documents), in which the obligations of the subject of the transaction to the bidder who offered the lowest appropriate price has done, it will be handed over.

B- Tenderer: the institution referred to in paragraph "b" of Article (1) of this law, which held the tender shows

Bidder: is a natural or legal person who receives the tender documents and participates in the tender he does.

D- Commercial Technical Committee: It is a board with at least three qualified commercial technical experts which is chosen by the official of the tendering body and the technical evaluation of the business undertakes the proposals and other duties stipulated in this law.

E- Qualitative evaluation of bidders: It consists of evaluating the ability to fulfill obligations of Bidders who are made by the bidder or at his discretion by the commercial technical committee.

F- Commercial technical evaluation of proposals: It is a process in which specifications, standards, Efficiency, durability and other commercial technical features of the bidders' proposals are reviewed. Acceptable evaluations and proposals are selected.

G- Financial evaluation: It is a process in which the most suitable price as described in the article (20) This law, among the proposals that have been accepted from the commercial technical point of view, is chosen

H- Formal assessment: It consists of checking the completeness of the document and their signature, unconditionally and Readability of the price offer.

i- Monopoly: Monopoly in the transaction is the only applicant to participate in the transaction It is determined in the following ways:

1- Announcement of the Board of Ministers for goods and services that are monopolized by the government.

2- Publish a public advertisement and require only one applicant to complete the transaction.

Tender schedule: It is a document that shows the time and deadline for holding different stages of the tender, the validity period of the offers and the time of conclusion of the contract are determined.

Article 3 - Classification of transactions in terms of cap (transaction price) divided into three categories:

1- Small transactions: transactions with a fixed price of less than twenty million in 2003 (20,000,000) Rials.

2- Medium transactions: Transactions where the transaction amount exceeds the amount of small transactions and does not exceed ten times the value of small transactions.

3- Large transactions: transactions which initial estimated amount is more than ten times of the transaction ceiling.

Note 1 - The Ministry of Economic Affairs and Finance is obliged to list the number of transactions at the beginning of each year based on the price index of goods and services announced by the Central Bank of the Islamic Republic of Iran, to propose to the Cabinet of Ministers for approval.

Note 2 – The cap for small and medium transactions, the transaction amount which is eligible for the transaction.

Note 3 - The amount or estimate of the transactions included in each of the above installations should not be separated that are conventionally considered a single set should be moved to a lower set.

Article 4 - Classification of types of tenders A - Tenders are divided into the following types in terms of review stages are classified as:

1- One-stage tender: It is a tender in which there is no need for technical evaluation of business suggestions. In this tender, the bidders' proposal envelopes are opened in a meeting. In the same meeting, the winner of the tender will be determined.

2- Two-stage tender: It is a tender in which, at the discretion of the tenderer, technical review Commercial offers are required. In this tender, a commercial technical committee is formed. It reports the results of the commercial technical evaluation of the proposals to the tender commission and based on the provisions of Article (9) of this law determine the winner of the tender.

B- Tenders are classified into the following types in terms of the method of inviting bidders:

1- Public tender: It is a tender in which the call for tenders is made through a public announcement to bidders will be notified.

2- Limited tender: It is a tender in which the decision and responsibility of the highest authority of the organization the bidder should confirm the restriction of public bidding by mentioning the evidence.

Call for tenders by sending invitations to qualified bidders based on [[ ] the criteria of articles (13) and (27) of this law] will be notified to the bidders.

## **Chapter Two** - Organization of Tenders Article 5 - Tender Commission

A - Tender Commission is formed from the following members:

1- The head of the bidding body or his representative.

2- The accountant or the highest financial authority of the bidding body, as the case

3- The technical officer of the tendering agency or the unit that held the tender at his request:

B- In the tender related to municipalities, one person from the city council as supervisor. He will participate in the meetings of the tender commission.

C- The commission is official with the presence of all three members and all members are required to attend. They are in the meeting and expressing their opinion. The decisions of the commission will be valid with the majority of the members.

D- In the commission's two-stage tenders, the tender is attended by the head of the tendering body. Is formed.

The members of the tenders commission in government companies are chosen by the board of directors.

Article 6 - Duties of the Tender Commission The main duties of the Tender Commission are as follows:

A- Convening the meetings of the tender committee at the time specified in the tender call.

B- Examining the offers of the bidders in terms of the completeness of the documents and their signatures and also Readability and unconditionality of price offers (form evaluation).

C- Evaluating the offers and determining the acceptable offers according to the tender conditions and documents.

d) Referral of the technical review of the proposals to the Technical Trade Committee in two-stage tenders.

E- Determining the first and second tender winners (according to the provisions of articles (19) and (20) of this law).

F - preparation of tender minutes.

G- Making decisions while renewing or canceling the tender.

Article 7 - Complaints handling board for handling claims between bidders and the tenderer of the hearing board is formed. The statutes of the complaints handling board are approved The Islamic Council will arrive.

Article 8 - Responsibilities of the Complaints Board A - Dealing with objections related to implementation and failure to comply with any of the provisions of this law.

B- Issuing a decision to renew or cancel the tender.

Note 1 - The following cases are not subject to consideration by the complaints handling board:

1- The criteria and methods of evaluation of proposals.

2- Preference of domestic bidders.

3- Objections that an article has been sent after the validity of the proposals.

4- Complaints of the tender winners after the conclusion of the contract.

Note 2 - The executive regulations of this article after the approval of this law and the articles of association (7) At the suggestion of the country's management and planning organization and the Ministry of Economic Affairs and Finance. It will be approved by the Cabinet.

Chapter 3 - Holding tenders Article 9 - The process of holding tenders The process of holding tenders

Tenders include the following steps:

A- Provision of financial resources.

B- Determining the type of tender in large transactions (one-stage or two-stage, general or limited).

C- Preparation of tender documents.

D- Quality evaluation of bidders if necessary.

E- Call for proposals.

F - Evaluation of proposals.

G- Determining the tender winner and concluding the contract.

Article 10 - Provision of financial resources A - Conducting a transaction in any way is conditional on the fact that the devices subject to paragraph "b" of article (1) of this law in an appropriate manner in relation to the forecasting of resources the financing of the transaction is guaranteed during the contract period and the level is stated in the related documents.

B- The issue of predicting financial resources and how to guarantee the delay of obligations to carry out the transaction to be explicitly stated and committed in the terms and documents of the tender by the tendering body.

To be continued....