

Bylaw No. () of 2011 Concerning Supplies, Services and Works at Palestine Monetary Authority

The President of the State of Palestine, Chairman of the Executive Committee of the Palestine Liberation Organization, Chairman of the Palestinian National Authority

After reviewing the amended Basic Law of 2003 and its amendments,

Palestine Monetary Authority Law No. 2 of 1997 and its amendments, Decree-Law on Banks No. 9 of 2010, and on the basis of the placement of the Board of Palestine Monetary Authority on 3/7/2011, and on the basis of the authorities vested in us, and for the public interest,

We issued the following Bylaw:

Chapter One

General Definitions and Provisions

Article (1)

Definitions

The following words and phrases, wherever they are contained in the Bylaw herein, shall have the meanings that are allocated to them below unless the presumption indicates otherwise:

Bylaw: Palestine Monetary Authority's supplies, services and works Bylaw.

PMA: Palestine Monetary Authority.

Board: The Board of Directors of Palestine Monetary Authority.

Governor: The Governor of Palestine Monetary Authority.

Assigned Committee: Any committee formed by the Governor under the provisions of this Bylaw, including the Procurement Committee, the Inspection and Receipt Committee and the Sales and Destruction Committee.

Supplies: Supplies include the tangible needs of the PMA's work of requirements, materials, machinery, tools, equipment as well as software requirements.

Services: Services include the intangible benefits of the PMA's work, including maintenance of all kinds. A transaction is considered service even if it includes supplies providing that the cost of supplies is below 50% of the total cost of the transaction.

Works: Works include the construction and rehabilitation work with a total cost of more than \$5,000. A transaction is considered works even if it includes supplies or services of all kinds, providing that the combined cost of the supplies and the services is less than 50% of the total cost of the transaction.

Purchases: Supplies, services or works purchased for the PMA.

Procurement: Procurement of supplies and/or contracting services and/or contracting works according to the Bylaw herein.

Financial Item: The availability of a financial balance in the budget for the procurement process as in the financial and accounting system of the PMA.

Financial Commitment: The disbursement permission by the Financial Department of the PMA.

Procurement Documents: All documents relating to any procurement process of the PMA.

Supplier: A supplier is the natural or legal person who supplies and/or executes purchases.

Bidder: The potential supplier who competes for a procurement for the PMA.

Bidding: The sale of supplies owned by the PMA. The bidder is the legal person who competes for a bid.

Engineer: An engineer is a specialist, technician, internal or external engineer in charge of design work, preparing documents and tender documents for the PMA's projects or supervising their implementation in accordance with the contracts concluded with him.

Warehouse: The designated and approved place to store, keep, disburse supplies, or deposit and recall documents.

Change Orders: The orders that include a change in specifications, quantity, execution duration, or value.

Article (2)

Bylaw Duration and Technical Responsibility

The provisions of this Bylaw apply to all departments of the PMA in accordance with the organizational structure adopted by the Board of Directors.

Chapter 2

General Rules of Procurement

Article (3)

Procurement of Supplies, Services and Works.

The procurement of supplies, services and works is carried out in accordance with tables 1 and 2 annexed to the Bylaw herein.

Article (4)

Procurement Policy

1. The administrative procurement activities (pre-awarding process) are initiated when a financial item is available. An awarding is not permissible later in an absolute manner except by referring to the structure of authorities to make the awarding decision, in order to achieve the principle of transparency and provide flexibility in the work procedures.
2. Open and transparent contracting is adopted in the procurement processes.

3. The authority structure is separated from the structure of the procurement methods by a clearer detail of the procurement methods and a more accurate definition of the authority limits.

Article (5)

Procurement Process Activities

1. The procurement activities of the PMA result from the impact of the relationship between the inputs and outputs of the procurement process. The General Services Department may formulate its policies and develop its procedures and ensure that they are achieved and monitor them optimally for the benefit of the PMA.
2. Procurement inputs are based on five elements and are organized manually or automatically in the manner and tools that are deemed necessary and appropriate by the General Services Department. These elements, that are to be available to initiate procurement transactions, are:
 - a. Proper planning (through budget).
 - b. Internal control (by conducting procurement activities with forms).
 - c. Transparency (by equal cost for similar circumstances).
 - d. Disclosure (by making available all procurement transactions' documents and information).
 - e. The principle of competition (by providing equal opportunities for suppliers to compete for procurement).
3. Procurement outputs adopt the principle of "best value for money" for each timely procurement transaction and its circumstances, which means taking into account a package of four criteria that must be made available for the evaluation prior to the issuance of the procurement decision:
 - a. Quality (getting the best possible level).
 - b. Speed (supply/execution as quickly as possible).
 - c. Price (lowest possible economic cost).
 - d. Benefit (overall benefit during the virtual life of purchases such as warranty, maintenance and alternative opportunities).

Article (6)

Pre-qualification for Suppliers

1. Preference is given for local procurement. Procurement may be conducted outside Palestine in justified cases in the interest of the PMA.
2. Prior qualification of suppliers may be adopted for purposes of ensuring procurement outputs standards within the principle of "best value of money," to achieve efficiency and sufficiency, to assemble activities of similar nature and to reduce the multiplicity of transactions.
3. A database regarding potential suppliers called the "suppliers' database" must be updated by inviting potential suppliers, through advertising in newspapers as needed, to apply for inclusion in the database after submitting the necessary documents within the procedure adopted by the General Services Department.
4. Pre-qualification is carried out using the suppliers' database, as far as possible, based on pre-determined evaluation criteria for each area.

5. When selecting a potential supplier (or more), the supplier(s) must be the best in each of the areas of the PMA needs to contract them on the long term to cover those needs flexibly and in accordance with the conditions agreed in advance with them and with the approval of the Procurement Committee.

Article (7)

Justified Purchases

Any services or supplies relating to the operational functions of the PMA and cease once the function is discontinued. They are usually not subject to competition and are contracted directly by the General Services Department. They are justified in the following cases:

1. Periodic or frequent purchases, which have fixed price by official entities or specified at prices known such as electricity, telephone, water, fuel and gas, to name but a few.
2. Purchases from a supplier who is the only one who monopolizes them or maintenance contracts with the original supplier or technical support services for technological assets.
3. Complementary parts and maintenance parts needed for existing assets in the PMA.
4. Special services related to vital work of the PMA such as external advertisements, tickets, logistics abroad requirements, and travel requirements, to name but a few.

Article (8)

Emergency Purchases

Emergency purchases include any supplies created as a result of conditions such as fire, earthquakes, wars, riots, vandalism, emergency conditions, blockades, crossing closures and urgent conditions. They are purchased immediately, in accordance with the authorities specified in this Bylaw, and by the method of passing or telephone contact with the emergency purchases authorized person. The procedures for which are subsequently documented.

Article (9)

The Purchase of Technological Assets

1. Due to the renewed nature of this type of assets, it is necessary to update standard specifications of these items, and on a maximum semi-annual basis, within a general standards policy called the "Technology Asset Standards and Specifications Policy".
2. The procurement of the technological assets may be contracted by pre-qualification through annual contracts.
3. Current assets may be replaced by new assets for the purposes of upgrading the specifications from the supplier himself provided that the economic benefit of this replacement is achieved within the principle of "best value for money", according to a technical report and the approval of the General Services Department.

Article (10)

The Procurement of Furniture and Office Equipment

1. The furniture and office equipment are procured through the implementation of the policy of the General Services Department and the executive instructions it issues in

this regard. They shall be as typical as possible depending on the tasks and rank of the employee.

2. It is permissible to contract the procurement of furniture and office equipment through pre-qualification on annual contracts that will be renewed for a maximum of three years.
3. It is not permissible to procure new assets instead of assets that have become zero value except with a technical report.

Article (11)

The Procurement of Maintenance Services

The procurement of maintenance services is carried out through:

1. Compliance with the executive instructions issued by the General Services Department, which determines each of the cases in which internal maintenance (Maintenance Unit in the PMA) and external maintenance (external maintenance suppliers) are carried out.
2. It is permissible to contract procurement of maintenance services through pre-qualification contracts that are renewed for a maximum of three years.
3. Contracting or renewal procedures are met in periodic contracts prior to the expiry of the contract in accordance with its terms in sufficient time to provide supplies or service in a timely manner.

Article (12)

Insurance Procurement

1. It is permissible to contract the procurement of all types of insurance, except health insurance, through pre-qualification on annual contracts that are renewed for a maximum of three years.
2. The procurement of health insurance is contracted under renewable annual agreements provided that their provisions are reviewed by the Procurement Committee.

Article (13)

The General Services Department

In addition to the provisions in the Bylaw herein, the General Services Department exercises the following responsibilities and authorities:

1. Prepare and manage the budget of administrative expenditures, capital assets and projects and the implementation of all their activities, and the relevant parties shall coordinate with the General Services Department in this regard.
2. Determining and updating the procedures and instructions for the optimal use of assets in accordance with developments and Board of Directors' policies.
3. Standardize and simplify procurement, planning and coordination activities for supply, materials and transport activities.
4. Maintain supplies transactions.
5. Cooperate with the departments to find out the best means and methods in the keeping and the maintenance of supplies.

Article (14)

Authorities to Issue and Approve Procurement Documents

When a request is made, the General Services Department verifies the appropriateness of the need with applicable policies before initiating the procurement process that is associated with some or all of the following procedures:

1. The authority to sign the request for need is that of the most senior official of the department or the office or the person delegated by such most senior official.
2. The authority of the approval of the financial commitment request, regardless of the amount of the commitment, shall be that of the Director of the General Services Department or the regional supervisor taking into account the availability of a balance in the budget.
3. The authority to approve the request for quote orally or in writing, and to sign it, shall be that of the Director of the General Services Department regardless of the amount of the financial commitment, and that of the regional supervisor according to his authorities.
4. The authority of granting the awarding decision shall be for the authorized person according to authorities' arrangement and the method of procurement, and to the Procurement Committee regarding the transactions referred to it.
5. The authority to sign all purchase orders and contracts for all procurement methods and ceilings shall be for the Director of the General Services Department, and for the regional supervisor or authorized official, according to their authorities.
6. The authority to approve receipt certificates for all procurement methods and ceilings shall be for the Director of the General Services Department, and for the regional supervisor or authorized official, depending on their authorities, signed by them or authorize others to do the approval, or approve a recommendation of assigning people for receipt. And for procurement transactions above \$5,000, a prior recommendation minutes of the assigned Control and Receipt Committee is required. Having resolution of the Procurement Committee's awarding decision is required.
7. The authority of the approval of invoices and disbursement requests shall be for the Director of the General Services Department, as well as the regional supervisor or authorized official according to their authorities. The approval of the requestor for the need shall be considered upon receipt. The Director of the General Services Department has direct authority to approve all documents of justified purchases, under the provisions of this Bylaw.
8. The authority of the approval of exemptions and penalties shall be for the Director of the General Services Department. However, the approval of the Procurement Committee for procurement transactions above \$5,000 is required.
9. The authority to sign the supportive administrative correspondence and the follow-ups with suppliers for all procurement transactions shall be for the Director of the General Services Department, alone or authorized, in particular notifying awarding letters, inquiries regarding existing contracts, letters of following up on fines, penalties and exemptions, cancellation of purchase orders, and requesting supporting documents.

Chapter 3

The Provisions of Procurement through Committees

Article (15)

The Procurement Committee and its Provisions and Procedures

1. The Governor may assign whom he deems appropriate of the employees of the PMA and issues them executive instructions to act as a procurement committee, control, receive, destroy or sell, give as gifts or conduct inventory count in any of the PMA's premises, including sending those the Governor deems appropriate abroad; if needed. Their recommendations in this regard shall serve as the committee's recommendations.
2. The General Services Department assumes its responsibilities until offers are received, exercises its authorities in accordance with the Bylaw herein, and submits the full documents of a transaction to the Procurement Committee.
3. Transactions are completed through the Procurement Committee, which performs the following responsibilities:
 - a. Organize procurement transactions through tenders from opening tenders to contract awarding.
 - b. Evaluate the offers for procurement transactions that are above \$5,000.
 - c. Issue the schedule for the regular meetings of the Committee, to be in line with the general procurement schedule issued by the General Services Department.
4. The Procurement Committee has the following authorities:
 - a. To seek the help of the appropriate staff of the PMA, or outsource consultants, to review tenders.
 - b. To decide on the award transactions for procurement transactions that are above \$5,000.
 - c. The Committee's decisions shall be effective regardless of the transaction ceiling, as long as there are approvals for transactions in accordance with the Bylaw herein.
 - d. The Chair of the Committee may delegate any of the members to chair the committee.
5. The Committee meets periodically, or as needed, at the invitation of its Chair or his deputy in his absence.
6. The quorum of the Committee is completed in the presence of two thirds of the members of the Committee, with the Chairman or his deputy are among them.
7. The Committee's decisions are taken by majority, and if the votes are equal, the side supported by the Chair of the Committee, or his deputy, shall take precedence. A member who has reservation is to state his reservation in the minutes of the meeting explaining the reasons for this reservation.

Article (16)

The Special Provisions for Procurement through Tenders

In addition to what is stated in the Bylaw herein, tenders are regulated by the following rules:

1. Open tenders are announced in at least two daily newspapers at least once or twice.

2. In the case of closed tenders and for the purpose of qualifying and examining the competencies of suppliers, an invitation may be sent without the announcement in newspapers to potential suppliers who had been previously qualified.
3. As part of the initial tender stages, it is permissible to determine the technical specifications and the bill of quantities in a tender document, before submission of offers, and then request technical offers only from the potential suppliers and submit those offers to the PMA, and then evaluate these initially by the Procurement Committee, and then invite the bidders to explain the details of their offers through a presentation session to the Procurement Committee, after which technical adjustments are requested, and then the final technical and financial offers are submitted.

Article (17)

Special Provisions for Works

In addition to what is stated in the Bylaw herein, assigned works tenders are regulated by the following rules:

1. The tender and its terms are prepared on the basis of the designs prepared by an internal technical entity, or the engineer assigned by the PMA, and with the help of the Fédération Internationale des Ingénieurs-Conseils (FIDIC) as a reference for works tenders.
2. The tender documents may include special conditions, general conditions, bill of quantities, project plans, special specifications schedules, and any other instructions in this regard.
3. Potential suppliers may be qualified and added to the PMA's approved suppliers' database.
4. The contractor is handed the work site and commencement date is determined after contract awarding in writing within an appropriate period in agreement with the PMA.
5. Payments are made to the supplier on the basis of the recommendations of the engineer or technical specialist, based on the requests submitted by the supplier and approved by the engineer, and according to the duration or conditions specified in the tender document and signed contract.
6. The Governor's approval is required from the Procurement Committee to approve any change orders for works executed through tenders after being approved by the requesting department and recommended by the engineer.
7. The Control and Receipt Committee shall report on the final receipt and record its observations on the implementation of the work described in all contracts. These reports are considered as confirmation of the final disbursement request for payments made after the committee's notes have been implemented.
8. In the event of any dispute with the supplier, arbitration is first option. Jurisdiction shall be for Palestinian courts in all cases where adjudication requires recourse to the judiciary.
9. In projects of special works, the Board of Directors or the Governor, with the special authorization of the Board of Directors, may assign employees or committees members to exercise the role of purchasing or receipt, which is an exception to the provisions of this Bylaw, under special executive instructions governing the purchasing or receipt

procedures of the project in question and provided that the Governor endorses the justifications of the relevant transactions.

Article (18)

Purchase Request Preparation

1. The requesting department shall ensure that the requisition is expressly within the planned needs, that it is approved in the budget allocated to it and determine the budget code for the requisition.
2. If it is necessary to identify or update technical specifications of the requisition, the requesting department shall obtain them through the General Services Department with technical experts to update the technical description of the need, obtain its exact details and prepare a supplement with detailed technical specifications.
3. The requesting department shall submit the requisition with the technical specifications supplement directly to the General Services Department, or through it to top management, using the procedure and form made for this purpose by the General Services Department.
4. If the need is new and unplanned in advance in the budget, the request shall be submitted to the General Services Department after all procedures had been taken in accordance with the financial bylaw.
5. The General Services Department shall request financial commitment regardless of the amount or authority level.

Article (19)

Price Quotation (Tender) Preparation

1. The tender document is prepared in cooperation with the requesting or assigned department whenever possible.
2. The tender document must specify the need, technical specifications and required securities.
3. It should be noted in the tender document that this Bylaw is the main reference for any inquiries, ambiguities or disagreements with the suppliers and that the submission of their quotes is an absolute approval and acceptance of all that it stipulates.
4. The General Services Department determines the price of the tender document if it deems it necessary and in coordination with the requesting department.
5. The date of delivery or execution completion is determined in the tender document.

Article (20)

Financial Securities

1. The Procurement Committee may require a tender security of (5%) of the value of the offer, valid for a minimum period of (3) months from the end date of submission of offers, for contracts valued at more than \$10,000.
2. Taking into account the provisions of Article (5) and Article (7) of this Bylaw, performance security of 10% of the value of the purchase order or contract must be

- provided, valid from the beginning of the purchase order or contract until the issuance of the final acceptance certificate, and at a minimum of one month, whichever is longer.
3. The Procurement Committee may require free maintenance security, where necessary, in the form of a bank guarantee of (5%) of the contract or purchase order final value, valid for the free maintenance period.

Article (21)

Invitation to Tender

Tenders are invited by direct invitation to receive or purchase tender documents, or by sending the tender document to potential suppliers registered in the suppliers' database according to their competence, or by inviting them to receive tender documents through any other means.

Article (22)

Delivery and Retention of Offers

1. Offers are made in two closed envelopes enclosed in a third closed envelope, so that the technical offers are in an envelope and the financial offer is in another envelope.
2. Technical offers and financial offers are submitted by the same bidder in one closed and sealed envelope, which shall have the name of the PMA and the name and number of the tender before the time specified in the tender document.
3. The tender envelopes are delivered to the Mail Room, which stamps them, registers them, and documents the date of their duly submission, and then places them in a designated box for this purpose, which has two different locks. The Chair of the Procurement Committee or the one who is delegated by him keeps a key and the rapporteur or his deputy keeps the other key.
4. If the envelopes are too large to be inserted in the box, then they are handed over to the Mail Room official who keeps them and must organize a list of them and duly hands them over to the rapporteur of the Procurement Committee.

Article (23)

Holding Procurement Committee Meetings

1. The General Services Department submits an agenda to the Committee within a maximum of a working day before the date of the meeting.
2. The Procurement Committee meetings are held according to a special schedule made for this purpose.
3. The Procurement Committee decides on the procedure for opening the offers envelopes as it deems appropriate.
4. If offers cannot be opened on time, the opening shall be postponed to another date set by the Committee. The Committee shall inform relevant parties of this in the event of public sessions.

Article (24)

Procurement Committee's Procedures

1. The Procurement Committee examines the offers and enclosed samples and the members of the Committee sign all pages.

2. Offers that are not duly signed and sealed shall not be accepted.
3. The Procurement Committee shall, through its chair or deputy, shall officially submit any securities to the Financial Department for safekeeping.
4. The Procurement Committee records its observations about the submitted offers and delivers all documents and their attachments to the General Services Department.

Article (25)

Review and Evaluation of Offers

1. The Procurement Committee reviews the offers and takes into account all evaluation criteria stated in the tender document, so that technical offers are reviewed first and separately from financial offers and may assign another committee to analyze and review technical offers.
2. Three percentages are determined for the evaluation, whenever possible, related to the technical and financial aspects and another that is clarified by the evaluation table such as financing conditions and the availability of financial, commercial and technical capabilities.
3. The Procurement Committee may cancel or reissue invitation to tender or extend the date of opening the offers for any reasons it deems necessary and substantial, provided that this action is justified.
4. If the number of bidders is less than three, an invitation to tender shall be issued again. And if this is not possible or at least three bidders submit offers in the second time, the tender will be awarded based on the best submitted offer. This shall be upon decision by the Governor.
5. The Procurement Committee shall exclude the value of any additions or items that are not required to be priced in the tender document in accordance with the provisions of this bylaw.
6. If there is an error in the offer related to the total price, the unit price shall be the applicable price.
7. If the number mentioned in figures differs from the one mentioned in writing in words, the writing in words is binding and the value is corrected accordingly.
8. If one or more items are not priced, the Procurement Committee may decide what it deems appropriate to exclude the offer or consider the unapproved items parts of other items.
9. Offers are accepted for the supply or execution of full or part of the items unless the tender document requires otherwise.
10. With regard to change orders, the Director of the General Services Department may approve additional needs in addition to what is stated in the tender document, provided that they are not valued at more than 10% of the total value of the original offer and provided that the financial item is available and sufficient for them. More than that and up to 30% shall be approved by the Procurement Committee.

Article (26)

Negotiating

1. The Procurement Committee may, with the approval of the Governor, only after the opening of technical proposals, ask the bidders to re-examine their proposals for a final time and resubmit them, and the Committee must justify this case in writing.
2. It is permissible to negotiate with the first candidate after opening the offer envelopes, and if no agreement is reached with him, the next candidate will be negotiated with and so on.
3. After the opening of the offers and preliminary evaluation, the Procurement Committee may initially award the first candidate and renegotiate the submitted offer. Committee's resolution shall be issued to document this.

Article (27)

Awarding

1. The final award shall be made to the bidder who meets the requirements as deemed appropriate by the Procurement Committee under the provisions of this Bylaw.
2. If the Procurement Committee finds that a lower offer is not in accordance with quality and delivery standards compared to other offers, it shall not be considered as a more appropriate offer.
3. If any of the offers are equal in all aspects of the evaluation, the award may be divided between the bidders depending on the circumstances of the case.
4. The Director or the General Services Department shall inform the winning bidder of the awarding decision in writing through awarding letter. If the bidder refrains from receiving the letter, a recommendation shall be submitted to the Procurement Committee to make a decision accordingly.
5. Contracting is carried out using the PMA's contracting references and forms, especially general terms and conditions, with the possibility of allocating and modifying the special terms and conditions of contractual documents.

Article (28)

Receipt and Payment

1. Receipt is made by the designated Control and Receipt Committee for all supplies, services and works purchased through tenders and bids. Minutes shall be prepared for this purpose.
2. The Control and Receipt Committee may seek the help of specialists to verify the matching and testing of materials or the performance of services or works.
3. The following is followed for the receipt of supplies:
 - a. They are handed to the warehouse keeper, as a custody once they come to the PMA from the suppliers and the Control and Receipt Committee is informed.
 - b. As soon as it is informed, the Control and Receipt Committee will go to the warehouse to check the supplies properly and prepare minutes about the matching or nonconformity of the supplies to the required specifications.
 - c. In the event of matching, the warehouse keeper will verify the quantity of supplies delivered and their final receipt using an official receipt voucher.

- d. In case of nonconformity, the General Services Department shall be notified. The Department shall notify the supplier. The supplier shall take back the supplies. They are then considered as unreceived supplies.
4. The Control and Receipt Committee documents any deviations through the receipt minutes showing the differences and their amounts, their financial impact and recommends taking necessary actions. The General Services Department may suspend the payment until the Procurement Committee takes a decision in this regard.
5. The Control and Receipt Committee may recommend that the supplier be obliged or exempted from penalties of delay if the reasons are found to be beyond the supplier's control.
6. In the absence of any observations requiring fulfilment by the Procurement Committee, the General Services Department duly prepares the transaction and forwards it with a memo to the Financial Department indicating that the supplies are duly completed and recommending the disbursement of dues to the suppliers.

Article (29)

Returning Securities

Securities are returned as follows:

- a. The tender security is returned to the bidders who have not been awarded or those whose offers have expired, or who have been awarded after a performance security had been provided.
- b. The performance security is returned to the supplier after the implementation of the terms of the purchase orders or all contract terms, on the basis of a receipt minutes recommending this and after the provision of maintenance security, if included in the terms of the contract after the final receipt, and under a written authorization to return the security by the General Services Department.
- c. The maintenance security is returned to the supplier after the expiry of its specified period, after the supplier had fulfilled all his obligations, and under a written letter from the General Services Department.

Article (30)

Noncompliant Suppliers

1. If the supplier to which the final awarding is made ceases to execute the contract, delays in its implementation or implementation of any of the matters or conditions contained in it without justification, or if it is proven to the PMA that a supplier had provided it with supplies, services or works in a fraudulent manner, the Procurement Committee may take one or more of the following actions that must be included in the agreement or contract, taking into account the penal conditions contained in the contract or agreement with the supplier that do not conflict with these procedures.
 - A. A delay penalty is imposed and determined by instructions.
 - B. Confiscation of security or part of it, which shall be entered as revenue for the PMA.

- C. Provide supplies, works or services from commercial markets at prevailing prices, and make the noncompliant supplier pay the price difference.
 - D. Award the tender to the bidder who comes second to the noncompliant supplier, in terms of preference, and make the noncompliant supplier pay the price difference.
 - E. Reissue the invitation to tender and make the noncompliant bidder pay the price increase.
 - F. Require the noncompliant supplier to compensate for any malfunction or damage to the PMA.
 - G. Prevent the noncompliant supplier from participating in the tenders of the PMA for a certain period.
2. The Procurement Committee, with the recommendation of the Director of the General Services Department, shall deprive any supplier of the implementation of the PMA's work for a certain period if it is proven to the PMA that the supplier is unable to meet his obligations or repeatedly fails to implement them.
 3. If the supplier fails to provide the required maintenance security, the General Services Department may request the confiscation of the value of security and to carry out maintenance at the expense of the supplier and to charge him the price difference.

Chapter 4

Receipt and Supplies Management

Article (31)

Receipt Provisions and Procedures

1. Where necessary, the warehouse keeper and the representative of the requesting department shall receive the supplies obtained by direct order under a formal entry voucher after verifying the specifications and quantity under the invoice and technical report if necessary.
2. The Receipt Committee receives supplies, services and works purchased through solicitation, tenders and bids in accordance with the provisions of Article (28) of this bylaw.
3. Supplies are handed to relevant departments and/or sent from one warehouse to another, depending on the procedures in the General Services Department.

Article (32)

Supplies Registration and Control

1. Acquired assets must be entered in the asset register and a copy of the register page must be attached to the transaction components.
2. Periodic, annual and sudden inventory checks must be conducted to ensure the integrity and control of the inventory.
3. Programs for asset register and custody, warehouse records and any other records required must be managed.

Article (33)

Asset Maintenance

Maintenance agreements shall be concluded and procurement of supplies required for maintenance with the supplier from which the supplies were purchased, whenever possible. And if this is not possible, a specialized party shall be contracted to maintain and repair furniture, tools, machinery, electrical and electronic appliances and other assets, in accordance with the provisions of this Bylaw after the expiry of the free maintenance warranty period.

Article (34)

Destroy, Sell, and Write-Off of Supplies

The Governor may approve the destruction or selling in an auction of damaged supplies or the supplies that no longer meet the need of work with the PMA, or if they are replaced by better supplies, upon the recommendation of the Sales and Destruction Committee, whose function is organized in coordination with the General Services Department. The destruction or sale process in this regard is organized as follows:

1. The concerned departments submit a request for any decision in this regard to the General Services Department, which evaluates the requests, prepares the transaction, indicates the condition of the supplies to be destroyed or sold, the type and reason, the Financial Department completes their net book value. The General Services Department invites the Committee for meeting.
2. The Committee prepares its recommendations in special minutes and submits them through the General Services Department to the Governor for approval.
3. The destruction of supplies or delivery of sold supplies process is carried out after the price has been paid using official minutes in this regard, all after taking into account any additional expenses determined by the General Services Department.
4. Destroyed or sold supplies are removed from administrative and financial records in coordination with the Financial Department.

Final Provisions

Article (35)

Issuing Instructions

1. The necessary instructions shall be issued to implement the provisions of the Bylaw herein upon the decision of the Governor based on the placement of the General Services Department.
2. Modern international tenders and bidding standards (the UNCITRAL Model Law on Public Procurement) shall apply to all that is not provided in the provisions of the Bylaw herein.

Article (36)

Cancellation

All that is contrary to the provisions of the Bylaw herein shall be annulled.

Article (37)

Enforcement and Publication

All relevant parties, each in its own right, must implement the provisions of this Bylaw, and it shall be enforced thirty days after it is published in the Official Gazette.

Issued in Ramallah on December 27, 2011

Mahmoud Abbas

President of the State of Palestine

Chairman of the Executive Committee of the Palestine Liberation Organization

President of the Palestinian National Authority

Table (1)

Procedures of Procurement Methods

Direct Procurement	Up to USD 249	<ol style="list-style-type: none"> 1. It is made at the oral offer from one supplier and an oral request for quote, after direct negotiation. 2. The disbursement of invoices of direct procurement is requested on the basis of disbursement note sent to the Financial Department, with an invoice that complies with the provisions of the applicable financial bylaw.
Requests for Quotes	Up to USD 4,999	<ol style="list-style-type: none"> 1. A written request for quotes to one or more potential suppliers to submit their offers. This is made by at least two suppliers in cases of supplies and works, and at least one supplier in the case of services, even if supplies are included. 2. Quotes must be in writing. 3. Requires a purchase order. 4. Change orders are up to 30%. 5. Disbursement, to a minimum, under receipt minutes and disbursement memo with an invoice that complies with the provisions of the financial bylaw in this regard.
Tender	Up to USD 29,999	<ul style="list-style-type: none"> ✓ Requesting written offers through a tender document sent to potential suppliers from the qualified supplier database. ✓ Suppliers' offers are made using the two separate envelopes system (financial and technical). ✓ The award and completion of the transaction are conditional on the prior approval of the Procurement Committee on the awarding. ✓ It requires a conditional purchase order that supplier accepts, in writing, its terms (signature and stamp of the supplier on the same purchase order) or concluding a prior agreement. ✓ Change orders up to 30%. ✓ Disbursement, to a minimum, under receipt minutes and disbursement memo with an invoice that complies with the provisions of the financial bylaw.
Public Tender	More than USD 29,999	<ul style="list-style-type: none"> ✓ Requesting written offer in a tender document through advertisement in the newspapers. ✓ Written invitation may be sent to potential suppliers from the pre-qualified suppliers' database. ✓ Offers are submitted using the two separate envelopes method (financial and technical). ✓ At least three offers are required, two of which are classified as technical compliant. ✓ The award and completion of the transaction are conditional on the prior approval of the Procurement Committee on the awarding.

		<ul style="list-style-type: none"> ✓ Requires a contract. ✓ Disbursement, to a minimum, under receipt minutes and disbursement memo with an invoice that complies with the provisions of the financial bylaw.
--	--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Table (2)

Procurement Mandates

Code	Method of Procurement	Mandated person and mandate ceiling
A	Direct Procurement	Regional Supervisor, Director of General Services Department, Governor, or Board of Directors
B	Request for Quotes	Regional Supervisor up to \$500, Director of General Services Department, Governor, or Board of Directors
C	Tender	Director of General Services Department, Governor, or Board of Directors
D	Public Bid	Director of General Services Department up to \$29,999, Governor up to \$200,000, or Board of Directors