STEPHENSON HARWOOD
ستيفنسون هاروود

KEY AMENDMENTS TO THE GOVERNMENT TENDERS AND PROCUREMENT LAW 1448AH
MINISTRY OF FINANCE

No.	Chapter	Article Number	Exact Amendment (Literal Translation)
1	Definitions	1	Addition of a number of definitions to the law, and amendment of the definition of the head of the government entity to be as follows: the minister, or the board of directors – or equivalent – or their delegate, or the first official in the government entity that does not have a board of directors or equivalent.
2	Advance Planning	12	Obligation for government entities to coordinate with the Local Content Authority when conducting advance planning for procurements.
3	Advance Planning	12	Exemption for government entities that are not allocated items in the state's general budget from coordinating with the Ministry of Finance to provide financial appropriations for them.
4	Institutional Regulation	13	Obligation for the Ministry of Finance to coordinate with the Local Content Authority when setting policies, issuing directives, instructions, and guidance manuals related to implementing the provisions of the law and its regulations, or when making any necessary amendments to them.
5	Institutional Regulation	15	Obligation for the unified procurement authority to issue its decision within [a period specified by the regulations], otherwise it is considered approved, regarding requests to execute works and procurements listed by the unified procurement authority (procurements for which unified purchase agreements have been concluded).
6	Competition Documents	21	Allowing the use of alternative means to the portal for publishing competition documents for reasons related to national security.

No.	Chapter	Article Number	Exact Amendment (Literal Translation)
7	Terms and Specifications	22	Obligation for government entities not to refer to the country of origin, and allowing exceptions according to cases and procedures specified by the regulations.
8	Estimated Cost	23	Emphasis that the estimated cost must include all costs, including fees and taxes.
9	Estimated Cost	23	The estimated cost must include a contingency percentage specified by the regulations.
10	Competitor Inquiries	26	Addition of a new chapter in the law to organize competitor inquiries after the competition is announced, and emphasis on the government entity to respond to inquiries received before the end of the offer submission period.
11	Public Competition	29	Allowing the use of alternative means [specified by the regulations] to the portal for announcing public competition for reasons related to national security.
12	Limited Competition	30	Cancellation of allowing the use of the limited competition method if the estimated value of works and procurements does not exceed (SAR 500,000).
13	Limited Competition	30	Requirement for the government entity to clarify the reasons for resorting to this method and explain the unsuitability of public competition.
14	Limited Competition	30	Allowing the use of the limited competition method if works and procurements are available among practitioners of free professions.
15	Direct Purchase	32	Raising the upper limit for estimated cost to allow the use of direct purchase method from (SAR 100,000) to (SAR 1,000,000).

No.	Chapter	Article Number	Exact Amendment (Literal Translation)
16	Direct Purchase	32	Requirement for the government entity to clarify the reasons for using this method and document it, without violating the principles of competition and spending efficiency.
17	Direct Purchase	32	Allowing the use of direct purchase method for purposes of research, development, or innovation.
18	Direct Purchase	32	Allowing the use of direct purchase method if works and procurements are available among practitioners of free professions.
19	Direct Purchase	32	Allowing the use of direct purchase method for purchases of licenses, electronic programs, or subscriptions to websites.
20	Direct Purchase	32	Allowing the use of direct purchase method for purchases of specialized scientific journals or subscriptions to them.
21	Direct Purchase	32	Allowing the use of direct purchase method for booking and renting spaces in exhibitions, events, and conferences.
22	Direct Purchase	32	Allowing the use of direct purchase method for training employees of government entities.
23	Localization and Knowledge Transfer	34	The use of contracting for localization of industry and transfer of knowledge; according to independent rules issued by the Ministry of Finance in partnership with the Local Content and Government Procurement Authority, and the provisions of the law apply otherwise to this method.
24	Offer Submission	36	Allowing submission of offers in sealed envelopes if it is not possible to submit them through the portal for reasons related to national security.

No.	Chapter	Article Number	Exact Amendment (Literal Translation)
25	Offer Submission	36	Allowing the use of an alternative means to the portal for announcing the names of persons who submitted their offers, for reasons related to national security.
26	Offer Submission	39	Amending the offer validity period in competitions from (90) calendar days to (90) working days.
27	Offer Submission	39	Amending the mechanism for extending the offer validity period, and the regulations will clarify the necessary provisions for its application.
28	Initial Guarantee	42	Addition of cases where the initial guarantee is not required (contracting with practitioners of free professions, emergency cases, urgent cases).
29	Opening and Reviewing Offers and Contract Validity	43	Merging the committees for opening and reviewing offers into one committee (Committee for Opening and Reviewing Offers).
30	Opening and Reviewing Offers and Contract Validity	43	Cancellation of the obligation for the Committee for Opening Offers to refer its report and offers to the Committee for Reviewing Offers within (three) days from the date of opening the offers.
31	Opening and Reviewing Offers and Contract Validity	43	Allowing the participation of a representative from the Local Content and Government Procurement Authority in the discussions of reviewing offers, and shall have the same powers as the members of the Committee for Opening and Reviewing Offers.

No.	Chapter	Article Number	Exact Amendment (Literal Translation)
32	Opening and Reviewing Offers and Contract Validity	Disclosure tool	Allowing the participation of the owner of the strategy or initiative in the discussions of reviewing offers in competitions for projects and programs funded through financial items for strategies, programs, plans, and transformation initiatives belonging to the Council of Economic and Development Affairs, and shall have the same powers as the members of the Committee for Opening and Reviewing Offers.
33	Opening and Reviewing Offers and Contract Validity	43	Introducing rewards for members of the Committee for Opening and Reviewing Offers and their secretaries.
34	Opening and Reviewing Offers and Contract Validity	45	Allowing negotiation by the Committee for Opening and Reviewing Offers if the price of the best offer exceeds (the estimated cost + contingency percentage).
35	Opening and Reviewing Offers and Contract Validity	45	Cancellation of the requirement for approval from the unified procurement authority to cancel or reduce some items when government entities negotiate with the competitor.
36	Opening and Reviewing Offers and Contract Validity	45	Obligation for government entities not to award to a single offer unless its prices do not exceed (the estimated cost + contingency percentage) in case several offers were submitted and withdrawn before the end of the offer validity period except for one offer.

No.	Chapter	Article Number	Exact Amendment (Literal Translation)
37	Opening and Reviewing Offers and Contract Validity	45	Cancellation of the requirement for approval from the head of the government entity to accept an offer if only one offer was submitted, or several offers were submitted and it turned out that only one offer complies with the competition documents.
38	Opening and Reviewing Offers and Contract Validity	48	Obligation for government entities to cancel the competition if the period specified for offer validity expires without awarding or extending the validity period of those offers.
39	Opening and Reviewing Offers and Contract Validity	48	Allowing re-announcement of the competition without needing to repeat several procedures (review by the unified procurement authority, procedures for referring to a specific trademark or trade name or country of origin), or any other procedure mentioned in the regulations as clarified by the regulations, in several cases as follows: (if the period specified for offer validity expires without the government entity awarding or extending the validity period of those offers; if all offers are withdrawn; if all offers are excluded).
40	Opening and Reviewing Offers and Contract Validity	48	Obligation for government entities to cancel the competition if all offers submitted are withdrawn or excluded, or if the need to secure the procurements or works subject to the competition ceases.
41	Opening and Reviewing Offers and Contract Validity	49	Obligation for government entities to notify the General Court of Audit in case of competition cancellation except in the case where the reason for cancellation is that the prices of all offers exceeded (the estimated cost + contingency percentage) or there are not enough financial appropriations to continue the competition.

No.	Chapter	Article Number	Exact Amendment (Literal Translation)
42	Stopping Period	50	Reduction of the minimum stopping period from (5) working days to (3) working days.
43	Stopping Period	50	Exemption of the government entity from the stopping period in cases specified by the regulations.
44	Authorities	51	Raising the limit for delegation by the head of the government entity for decision-making and taking actions from (SAR 10 million) to (SAR 50 million) for public competition for reasons related to national security.
45	Authorities	51	Allowing the head of the government entity to delegate the authority to sign contracts and other documents that require the head's signature to whomever he deems appropriate among the officials of the government entity.
46	Contract Drafting and Execution Periods	56	Allowing the government entity to specify a date for contract signing, notify the winning bidder if he fails to attend the specified date without an acceptable excuse, cancel the award decision and move to the next bidder or cancel the competition if not signed within (10) working days from the date of notification, and not return the final guarantee – if any – or require payment of a penalty equal to (5%) of the value of his offer if he is exempt from submitting the final guarantee, and the government entity shall refer the matter to the committee mentioned in Article (87) if (60) days pass without payment of the penalty.
47	Contract Drafting and Execution Periods	57	Reduction of the maximum period for contract approval by the Ministry of Finance from (15) days to (4) working days.
48	Framework Agreement	58	Referral of the determination of provisions for the framework agreement to the executive regulations, and the government entity shall apply the provisions of the law otherwise.

No.	Chapter	Article Number	Exact Amendment (Literal Translation)
49	Final Guarantee	59	Obligation for suppliers exempted from submitting the initial guarantee to pay a penalty to the government entity equal to (2%) of the value of the offer in case any situation arises that requires not returning the initial guarantee, and the government entity shall refer the matter to the committee mentioned in Article (87) if (60) days pass without payment of the penalty.
50	Final Guarantee	59	Raising the value of procurements exempted from submitting the final guarantee from (SAR 100,000) to (SAR 300,000).
51	Final Guarantee	59	Addition of several cases exempted from submitting the final guarantee (when contracting with practitioners of free professions, emergency or urgent cases, and any other case specified by the regulations).
52	Final Guarantee	59	Cancellation of the exemption for submitting the final guarantee when contracting with companies in which the state owns no less than (51%) of their capital.
53	Financial Consideration	62	Exemption of entities that are not allocated items within the state's general budget from obtaining approval from the Ministry of Finance to pay the value of contracts in a currency other than the Saudi Riyal.
54	Financial Consideration	62	Addition of a period (specified by the regulations) for the Ministry of Finance to respond to requests for approval to pay the value of contracts in a currency other than the Saudi Riyal, otherwise it is considered approved.
55	Financial Consideration	64	Allowing the government entity to pay the full value of the contract in advance according to what is clarified by the regulations.

No.	Chapter	Article Number	Exact Amendment (Literal Translation)
56	Financial Consideration	64	Allowing cases (specified by the regulations) to be exempted from the requirement to submit a bank guarantee for the advance payment.
57	Change Orders and Price Adjustments	67	Allowing issuance of change orders to add new items to the contract or to the purchase order for a framework agreement up to (10%) after obtaining the contractor's approval.
58	Change Orders and Price Adjustments	67	Allowing issuance of change orders to increase existing items in the contract or purchase order for a framework agreement up to (20%), provided the contractor's approval is obtained for the increase that exceeds (10%) of this increase.
59	Change Orders and Price Adjustments	67	Amendment of issuance of change orders to reduce the contract so that it is limited to reducing existing items in the contract or purchase order for a framework agreement up to (20%), and it is permissible to exceed this percentage provided the contractor's approval is obtained.
60	Change Orders and Price Adjustments	67	Obligation for government entities when issuing change orders to add new items or increase existing items not to exceed the total increase of (20%) of the value of the contract or purchase order.
61	Change Orders and Price Adjustments	67	Allowing change of non-financial terms in the contract by agreement with the contractor.
62	Contract Assignment and Subcontracting	68	Obligation for government entities to notify the Ministry of Finance and the General Court of Audit when approving the contractor's transfer of the contract or part of it.

No.	Chapter	Article Number	Exact Amendment (Literal Translation)
63	Penalties and Extension of Contract Periods	70	Amendment of the maximum delay penalty in contracts other than supply from (20%) to (15%) of the contract value.
64	Penalties and Extension of Contract Periods	71	Amendment of the maximum deficiency penalty in contracts with continuous execution from (20%) to (15%) of the contract value.
65	Contract Termination	75	Obligation for government entities to notify the relevant authority if it becomes clear that the contractor obtained the contract through bribery or fraud.
66	Contract Termination	75	Allowing continuation of the contract and not terminating it after obtaining ministry approval in case the contractor assigns the contract without written approval from the government entity.
67	Contract Termination	76	Upon contract termination according to the cases mentioned in the article, obligation for contractors exempted from submitting the final guarantee to pay a penalty equal to the value of the final guarantee within (60) working days from the date of contract termination, and if the specified period passes without payment of the penalty, the government entity shall refer the matter to the committee mentioned in Article (87) of the law to consider issuing a decision to prevent dealing with government entities.
68	Sale of Movable Property	79	Obligation for government entities to clarify the reasons for determining the chosen method for selling movable property whose estimated value is less than (200,000) except if the chosen method is public auction.

No.	Chapter	Article Number	Exact Amendment (Literal Translation)
69	Sale of Movable Property	81	Obligation to provide a guarantee (a lump sum determined by the government entity) to participate in the public auction.
70	Sale of Movable Property	81	Allowing disposal of movable property in cases where it cannot be awarded.
71	Review of Complaints, Violations, and Grievances	87	Allowing the committees mentioned in Articles (84, 87) to continue performing their duties until a decision is issued to reconstitute them.
72	Review of Complaints, Violations, and Grievances	84	Obligation for the grievant to submit an amount at a rate of (0.5%) of the value of his offer or (SAR 15,000) in case of grievance about the prequalification decision.
73	Review of Complaints, Violations, and Grievances	84 87	Amendment of the minimum number of members of the committees mentioned in Articles (84, 87) to three instead of five.
74	Review of Complaints, Violations, and Grievances	88	Establishment of a general secretariat for the committees of the Government Tenders and Procurement Law mentioned in Articles (84, 87).

No.	Chapter	Article Number	Exact Amendment (Literal Translation)
75	Final Provisions	89	Contracting between government entities shall be by direct purchase instead of direct agreement.
76	Final Provisions	89	Allowing contracting for any works or services that do not result in the government entity paying a financial consideration by any method it deems appropriate and without adhering to the provisions of the law, provided it does not violate the principles of integrity, transparency, competition, and preference for local content.
77	Final Provisions	90	Emphasis that contracting must be with those authorized to work directly, and mediation in contracting is not allowed, and the distributor or authorized agent of the original producer or franchise holder and their equivalents or those licensed by law to act as intermediaries are not considered mediators.
78	Final Provisions	91	Addition of a new article stating that the government entity – in the case where it has dues to contractors for executing works and securing procurements and has not taken the necessary actions despite ministry notification – may not issue a new award decision; as clarified by the regulations in this regard. Exception if the non-payment of the government entity's dues to contractors for executing works and securing procurements is due to ministry procedures or claims for which the government entity has taken the necessary actions but there are not enough financial appropriations.
79	Final Provisions	93	Addition of cases (clarified by the regulations) where the government entity may not adhere to the approved contract templates.
80	Final Provisions	95	Addition of optional exemption for some provisions of the law (clarified by the regulations) for companies that execute works and secure procurements on behalf of government entities from applying the provisions of the law and regulations.

No.	Chapter	Article Number	Exact Amendment (Literal Translation)
81	Final Provisions	97	Amendment of the requirements for requesting exemption from some provisions of the law.
82	Final Provisions	98	Addition of a new regulation (Regulation for Supporting Research, Development, and Innovation) to be prepared by the ministry in partnership with relevant entities, to include provisions for tendering and contracting for this purpose, and the government entity shall apply the provisions of the law otherwise.
83	Final Provisions	100	The law replaces the Government Tenders and Procurement Law issued by Royal Decree No. (M/128) dated 13/11/1440 AH, and cancels any provisions that conflict with it.