Bid Bonds and Evaluation Methods under the 2019 Tender Regulations in Qatar

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On 20 June 2019, the Qatar Cabinet issued Decision No. 16/2019 On the issuance of the Implementing Regulation to the Tenders and Bids Law (the "Regulations").

Long-awaited, the new Regulations govern the tendering process as have been established by Law No. 24/2015 Regulating Tenders and Bids, providing detailed provisions regarding the step-by-step procedures that take place.

Below are the important takeaways for tenderers looking to bid for projects in the State of Qatar with respect to bid bonds and evaluation methods:

Bond Forms

For both bid bonds and performance bonds, the Regulations permit either submission of a cashier's cheque, or of a bank guarantee letter issued by a local or a bank accredited by decision of the Prime Minister after obtaining the approval of the Qatar Central Bank, whether such bank is located inside or outside the State of Qatar ("Accredited Bank").

Cheques that are drawn on foreign banks shall be accepted if they are annotated with the acceptance of a local or an Accredited Bank that the local or the Accredited Bank undertakes to pay the amount equal to the required bond and that it is bound to pay it in full upon first request to do so.

Bank guarantees for both bid bonds and performance bonds must

be unconditional, unrestricted, fully payable and irrevocable.

Bid Bonds

Every bid shall be submitted with a bid bond within the conditions of the announcement or the invitation. The maximum amount that may be requested would not exceed five percent (5%) of the estimated value. The bidder who fails to submit the required bid bond shall be excluded.

Exemption from the bid bond requirement shall be possible in the following:

1. In tenders related to consultancy services.
2. In tenders related to technical, research, media, sponsorship and marketing services.
3. In tenders whose value is less than 500,000 Qatari Riyals.

In supply tenders which may be split, the amount of the bid bond may be set at not more than five per cent (5%) of the estimated value of each item separately, in which case the bidder shall submit the required bid bond for the items he wishes to bid for.

If the tenderer submits a bank guarantee as opposed to a cashier’s cheque, the guarantee must be valid for no less than one hundred twenty (120) days from the date set for the submission of the bids.

The bid bonds shall be returned to the unsuccessful bidders within a period not exceeding seven working days from the date of issuance of the decision rejecting their bids, or from the expiration of the bond without its renewal. The bid bond shall be returned to the successful bidder within a period not exceeding seven working days from the date of collecting the performance bond.

Performance Bond

The announced tender conditions shall determine the amount of the performance bond at not less than ten percent (10%) of the contract value. The full performance bond shall be kept until the final execution of the contract, including the warranty or maintenance period pursuant to the tender conditions.

Exemption from submitting the performance bond in full or in part shall be possible in tenders, bids Mumarasa* and direct agreements related to the following:

1. Consultancy services.
2. Technical, research, media, sponsorship and marketing services.
3. If the value of the process is less than 500,000 riyals.
4. Warranty and maintenance services.

*Mumarasa contracts are those that are executed for procurement, works, or services which are requested in urgent cases, or that were tendered but for which no bids were submitted, or for which bids were submitted with unacceptable prices but urgent requirements to the end that they cannot be put out to tender again.

Language of Documents

The documents of the tenders, bids and contracts shall be drafted in Arabic, but English documents may be accepted if accompanied with an Arabic summary. However, the bidding shall be in Arabic except in certain cases where the Tenders and Bids Committee approves submissions in another language so long as they are accompanied by a summary translated into Arabic.

Evaluation by Points

In the cases where the tender requires the evaluation of bids using a points system, the tender conditions shall include the elements and the basis for evaluation as well as the details and basis for scoring points. They shall likewise specify the

evaluation points and the minimum limit for the technical acceptance of the following elements:

1. The length of experience in the required field of execution.
2. The permanent technical and administrative cadres working for the bidder.
3. The projects that were successfully executed, and the value of the project executed at the highest cost.
4. The permits for exercising the technical works of specialized nature.
5. The financial capacity of the bidder shown by an audited budget.
6. The equipment, machines and devices available with the bidder, which are necessary for the completion of the requested work.
7. Any data or information that is deemed necessary.

The tender shall be awarded to the lowest bidder whose bid meets the requirements of minimum technical acceptance. The evaluation by points may be based on the calculation of the common points for joint technical and financial acceptance, in which case the contract shall be awarded to the bidder whose bid has scored the highest points in the joint evaluation provided that the price he has submitted is within the limits of the estimated value or the limit accepted.

Tender Documents and Approvals

Tender documents shall sufficiently be delivered to whoever requests them, after the payment of the financial consideration prescribed in the announcement. The documents shall include the following:

1. The form of announcement of the tender.
2. The form of the tender (the bid).
3. The instructions and general conditions of the tender, which refer to the legal provisions to be complied with

by the bidders when submitting their bids.

4. The special conditions of the tender, which refer to the technical matters that are specific to each tender according to its type.
5. The forms of the bid bond and the performance bond.
6. The accurate and detailed bills of quantities showing the particulars of the items.
7. The full detailed drawings and specifications.
8. The form of the contract.
9. The elements and basis for evaluation and the details and basis for scoring points.
10. The general conditions of contracting set by the Government Authority, after notifying the Department.
11. Any other relevant documents which the Department decides to add in coordination with the Competent Department

Samples

The Regulations require that where a tender requires the provision of samples; the weight, size or volume of the samples shall be stipulated. For items which need to be supplied inside boxes; the type, capacity, and specifications of these boxes shall be indicated. A bid that is not accompanied by said samples shall not be accepted, and samples at the showrooms of the bidders may be inspected on-location in the cases that so require. The samples shall be returned to the unsuccessful bidders within seven working days from the date of rejecting their bids. The samples submitted by the contracted party shall be kept throughout the validity period of the contract.

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