Federal Law No. (11) of 2023

Concerning procurement in the federal government

We Mohammed bin Zayed Al Nahyan, President of the United Arab Emirates,

- Upon reviewing the Constitution;
- Federal Law No. (1) of 1972 Concerning the Jurisdictions of Ministries and Powers of Ministers, as amended;
- Federal Law No. (5) of 1985 promulgating the Civil Transactions Law, as amended;
- Federal Law No. (8) of 2011 Re-organising the State Audit Institution;
- Federal Law No. (2) of 2014 Concerning Small and Medium Projects and Enterprises;
- Federal Decree-Law No. (9) of 2016 on Bankruptcy, as amended;
- Federal Decree-Law No. (13) of 2016 Establishing the Federal Tax Authority (FTA), as amended;
- Federal Decree-Law No. (7) of 2017 Concerning Excise Tax, as amended;
- Federal Decree-Law No. (8) of 2017 Concerning the Value Added Tax, as amended;
- Federal Decree-Law No. (11) of 2017 Concerning the entitlement of some powers to the Cabinet;
- Federal Decree-Law No. (9) of 2018 Concerning Public Debt, as amended;
- Federal Decree-Law No. (15) of 2018 Concerning the Collection of Public Revenues and Funds;
- Federal Decree-Law No. (16) of 2018 Concerning the Federal Government Union Owned Properties;
- Federal Decree-Law No. (26) of 2019 Concerning Public Finance, as amended;
- Federal Decree-Law No. (31) of 2021 Promulgating the Crimes and Penalties Law; and
- Federal Decree-Law No. (32) of 2021 Concerning Commercial Companies;
- Federal Decree-Law No. (38) of 2021 Concerning Copyright and Related Rights;
- Federal Decree-Law No. (28) of 2022 Concerning Tax Procedures;

- Federal Law by Decree No. (47) of 2022 Concerning Taxation of Corporations and Businesses; and
- Upon the proposal of the Minister of Finance as approved by the Cabinet and the Federal National Council; and as ratified by the Federal Supreme Council;

Have issued the following Law:

Chapter One

Definitions and Law objectives

Article (1) Definitions

In applying the provisions of this Law, the following words and expressions shall have the meanings ascribed thereto, unless the context requires otherwise:

State	:	United Arab Emirates (UAE).
Government	:	The Federal Government of the State.
Ministry	:	Ministry of Finance
Minister	:	Minister of Finance
Powers Delegation Matrix	:	A document prepared by the Ministry, specifying the powers of employees authorised to approve financial and non-financial decisions related to government purchases and the financial limits associated therewith in accordance with the procurement methods contained in this law and the regulations implementing thereof. Such Matrix shall be issued upon a decision of the Minister.
Federal Agencies	:	The Ministries established by virtue of Federal Law No. (1) of 1972 Concerning the Competences of Ministries and the Powers of Ministers, as amended, and the Federal Government bodies and authorities as classified in Article (3) of the present Law.
Procurement	:	Any product, service or business needed by federal agencies.
Procurement	:	A set of procedures undertaken by the federal agency to

Process		secure procurements thereof in accordance with the provisions of this law, and the executive regulations thereof
Annual Procurement Plan	:	The plan prepared by the federal agency to determine they procurement requirements and needs thereof, in a manner that achieves the public interest for the subsequent fiscal year
Emergency Procurements	:	Emergency procurement to obtain necessary purchases in situations where adhering to standard procurement procedures may result in undue delays, thereby jeopardising the ability of the pertinent federal agency to promptly secure the required purchases.
Procurement System	:	The electronic or digital system, or any analogous system employed by the federal agency, that regulates procurement processes. This system facilitates secure communication and interaction between suppliers and federal agencies, culminating in the secure finalisation of contracts. Furthermore, it empowers federal agencies to announce purchase orders and receive quotations from suppliers in accordance with the provisions delineated in this law and the executive regulations thereof.
Public Interest	:	Any direct or indirect benefits that accrue to the federal agency, the government, and society as a result of the purchase process and contribute to achieving the government strategic visions and priorities.
Overall Value	:	The best result that the federal agency can achieve in exchange for money by optimally exploiting resources effectively and economically.
Supplier	:	Any natural or legal person who provides procurements in accordance with the provisions of this law and the executive regulations thereof.
Participating	:	Any natural or legal person submitting an offer for a new

Supplier		tender or bid opportunity related to a request to submit procurement to a federal agency
Confidential Information	:	Information designated as confidential pursuant to the provisions of this law and the directives implementing thereof.
Sensitive Business Information	:	Information that, if disclosed, could adversely impact the commercial interests of the supplier, encompassing details such as profit margins and proprietary innovations. Such sensitive information shall be determined pursuant to the provisions of this law and the directives implementing thereof.
Tender Announcement	:	A statement published on the procurement system to announce a new procurement opportunity in accordance with the provisions specified by this law and executive regulations thereof.
Public Tender	:	A procurement solicitation or invitation disseminated by a federal agency to the public via the procurement system. This mechanism ensures that all interested suppliers are accorded an equitable opportunity to submit proposals or offers thereof for the requisite supplies or services.
Executive Regulations	:	Regulations and policies issued by the Cabinet or its delegate to implement this law.
Directives	:	Directives and procurement procedures promulgated by the Minister to enforce the stipulations set forth in this law and the executive regulations thereof.

Article (2)

Law Objectives

1. This law shall regulate the general framework for procurement in the government; and
2. This Law aims at achieving the following:-
   a. Determine the principles, controls and standards for government procurement

processes;

b. Enhance and direct procurement processes in federal agencies in line with the government digital agenda;
c. Activate digital procurement systems and implement world-leading best policies and practices throughout the procurement process;
d. Ensure equality, fair treatment and non-discrimination among all participating suppliers;
e. Involve all relevant stakeholders and participants in the procurement process at federal agencies and ensure that they efficiently and effectively implement such processes in order to guarantee the quality and achieve spending efficiency;
f. Promote integrity, trust, transparency and competition in all procurement process procedures while providing public value and upholding public interest, ensuring adherence to quality benchmarks, sustainable development goals, and fostering support for small and medium enterprises, thereby bolstering the national economy; and
g. Provide flexibility, improve the performance of procurement and contracting processes, and enhance the efficiency of planning and procurement management at the federal level.

Chapter Two

Scope of Application and Exemptions

Article (3)

Scope of Application

The provisions of this law shall apply to all procurement and contracting activities and procedures at the following federal agencies:-

1. Ministries and Central Agencies: Ministries established pursuant to Federal Law No. (1) of 1972, as amended, regarding the competencies of ministries and the powers of ministers, councils and agencies and the like that exercise federal executive, legislative and judicial powers; and
2. Independent Federal Agencies: Federal agencies established or are slated for

establishment, in alignment with the prevailing legislation of the State with the aim of carrying out specific government tasks or services. They operate under governmental oversight and are characterised by the following attributes:-

a. Have the independent juristic personality and the legal capacity to act, prepare, organise and implement its own budget, as granted either by law or by the incorporation decision;
b. Have a special administrative and organisational structure; and
c. Non-Profit.

Article (4)

Exemptions to the Law Scope of Application

1. The provisions of this law shall not apply to the following entities:-

a. Armed forces and the Ministry of Defence;
b. State Security Service;
c. Federal agencies associated with international agreements, obligations, or international organisations in related to the procurements carried out by such agencies;
d. Construction projects and contracts;
e. Procurements of a military or security nature conducted by the Ministry of Interior or any security-oriented federal agency, sanctioned by the Minister or the relevant agency head;
f. Procurements for the State representative missions abroad;
g. Procurements made outside the State for the purpose of being used abroad;
h. Procurements related to establishing, furnishing and equipping government offices outside the State;
i. Procurements related to medicines and medical supplies;
j. Partnership contracts between federal agencies and the private sector categorised as "partnership projects," governed by the stipulations outlined in the relevant partnership project legislation;
k. Procurement and leasing processes of lands and existing building, as well as the sale,

destruction, and disposal of assets and inventory, all governed by pertinent legislation, guidelines, and regulatory policies;

l. Investment activities undertaken by authorised federal agencies as per the governing provisions and legislations. Such activities aim to achieve a commercial return or financial profit for the agency, distinct from securing requirements and business thereof, and include transactions such as the acquisition and liquidation of stocks, bonds, currencies, and the like;

m. Financing operations and the issuance of guarantees by accredited federal agencies in conformity with the prevailing provisions and legislations governing such activities; and

n. Federal agencies and procurements exempted based on a Cabinet Resolution, subsequent to consultation with the Ministry perspective.

2. The exemptions stipulated herein shall not exempt the relevant federal agency from being guided by the provisions of this law, working to take into account objectives thereof, and striving to achieve the best public value for its purchases.

Chapter Three

Governance and Competencies

Article (5)

Procurement Process Governance

The present Law and the executive regulations thereof shall regulate the provisions related to the governance of the procurement process, including the role and responsibilities of federal agencies, councils, committees, and organisational units concerned therewith.

Article (6)

Powers Delegation Matrix

1. Decisions regarding the procurement process shall be issued according to the Power Delegation Matrix.
2. Each federal agency shall determine, by a decision of its head or an equivalent thereof,

the personnel entrusted with the authorities outlined in the Powers Matrix provided by the Ministry.

3. Federal agencies may review their own powers delegation matrix and request amendments thereon from the Ministry according to each agency requirements, without prejudice to the general framework of the Powers Delegation Matrix issued by the Ministry.
4. Independent federal agencies may adopt their own powers delegation matrix, guided by the Powers Delegation Matrix issued by the Ministry.

Article (7)

Federal Agencies Obligations

The Federal Agency shall abide by the following:-

1. Work on advance planning and determine its procurement requirements, including preparing the annual procurement plan, all while striving to uphold the public best interests.
2. Develop and implement mechanisms and plans to support the provision of procurement at the highest levels of quality and ensure the provision of the best public value;
3. Choose the appropriate procurement method in light of the requirements, risks, complexities, and supply strategy related to the targeted purchases;
4. Work to reduce the costs incurred when implementing the annual procurement plan, taking into account achieving the best public value;
5. Manage comprehensive procurement processes for procurement, starting from defining requirements to awarding procedures and signing contracts, with the involvement of the necessary organisational units;
6. Ensure compliance and harmonisation of procurement processes with the principle of transparency at all stages, including full transparency in disclosing bid evaluation criteria;
7. Work to attract the best suppliers, upholding principles of impartiality and equal treatment among all participating vendors, while fostering a competitive environment;

8. Create opportunities to attract and encourage small and medium enterprises, national procurement, local suppliers, and supporting the localisation policy, green companies, sustainable commercial activities, or products that reduce carbon emissions and environmental damage;
9. Act as a supervisory authority for all contracts, requests, procurement orders, amendment requests, and other relevant procurement documents;
10. Manage post-contractual activities such as disputes and amendments, following up on supplier performance, assessing risks, and appointing the appropriate people for management thereof; and
11. Any other obligations determined under the regulations implementing this law.

Chapter Four

Procurement system and Purchasing Principles

Article (8)

Procurement System

1. Procurements shall be submitted through the procurement system unless the law or its executive regulations stipulate otherwise. Independent federal agencies may submit their procurements through the electronic or digital procurement system or any system used in the federal agency;
2. The regulations implementing this law shall specify the procedures for using the procurement system, including correspondence and communication on the electronic system, signing contracts, and other related matters that have the necessary legal effect;
3. The procurement system shall have the highest levels of privacy, confidentiality, security, information transparency and ease of use, while ensuring the procedures integrity; and
4. The procurement system shall allow suppliers to access information and data related to bids determined by the law and the executive regulations thereof.

Article (9)

Transparency and Competition

1. All procurement process procedures shall be subject to the principles of transparency, freedom of competition and equal opportunities at all stages and shall be implemented in accordance with the rules and procedures stipulated in this law and its implementing regulations.
2. To uphold the tenets of transparency and equal opportunities, the relevant federal agency shall inform the participating suppliers of all major information and decisions related to the bid or affecting fair competition amongst them.

Article (10)

Impartiality

Each federal agency shall adopt mechanisms that enhance the impartiality of the procurement processes and procedures thereof, including at least the following:-

1. All procurement procedures shall be sound, giving due consideration to the public interest;
2. All personnel involved in procurement processes shall strictly adhere to principles of integrity, neutrality, and the provisions of the law;
3. Any employee of a federal agency shall be restricted from engaging, either directly or indirectly, in the procurement processes of their respective agency, or via affiliated companies, institutions, partnerships, or agencies in which they hold an interest; and
4. Employees in charge of the procurement process shall be educated on detecting and reporting potential conflicts of interest, and equipping them with protocols to address such situations, in alignment with the regulations governing such matters.

Article (11)

Equality

In procurements procedures, the federal agency shall take into account non-discrimination between participating suppliers, unless it decides to limit participation to certain categories

in accordance with the stipulations of the law and the executive regulations thereof.

Article (12)

Protecting Supplier Information

1. Federal agencies shall protect suppliers confidential information and sensitive business information, including information that affects fair competition between participating suppliers.
2. The federal agency may not disclose confidential information or sensitive business information except in the following cases:-
   a. Upon a written consent of the relevant participating supplier;
   b. Due disclosure in accordance with the provisions of the law, an international agreement, a judicial order or the order of a regulatory authority;
   c. Shall there arise a necessity for selective disclosure, it shall be explicitly stated in the tender announcement documents and ratified by the suppliers upon participation thereof in the tender process; or
   d. Any other cases or provisions stipulated in the regulations implementing this law.

Article (13)

Public Interest

1. Federal agencies shall attainment of public interest when submitting any of their procurements.
2. The public interest includes benefits that help achieve the government's strategic visions and priorities, such as creating commercial opportunities for local companies and commercial activities, supporting small and medium enterprises, national products, local suppliers, green companies, sustainable commercial activities, or products that reduce carbon emissions and environmental damage. The regulations issued in implementation of this law shall specify the special provisions and preferential features with regard to the public interest in procurements processes.

Article (14)

Procurements Overall Value

1. Purchasing decisions shall be based on achieving the highest public value and securing the best possible outcomes against the cost of procurement throughout the procurement cycle and the contract duration and in accordance with the provisions of this law and its executive regulations.
2. The procurements overall value is achieved in the following cases:-
   a. If the costs thereof offset the total benefits of the purchases;
   b. If such value contributes to achieving the results sought to be achieved by the federal agency in terms of purpose, quality, etc.; or
   c. If such value achieves the State public interest, whether social, environmental, economic, cultural, or otherwise.

Article (15)

Procurement Planning

1. Each federal agency shall annually prepare a procurement plan concurrently with the preparation of its annual budget. This plan shall entail a strategic approach to address the federal agency requirements, informed by a comprehensive analysis of market conditions, proposed procurement methodologies, and associated risks. The plan shall detail estimated costs budget, anticipated timelines, and evaluation metrics. Furthermore, it shall articulate the public interest objectives sought through such procurements. Amendments to this procurement plan by the federal agency during the fiscal year shall align with the evolving priorities and exigencies thereof.
2. Federal agencies shall, before submitting procurements thereof, assess the public interest to be achieved and whether the purchases contribute to achieving any of the government priority strategic outputs.
3. The federal agency may publish information about procurement plan thereof for the coming months or years, including key information about its work and purchases for such period. The federal agency may also publish a prior announcement about any potential

purchases.

4. Publishing any information about the relevant federal agency procurement plan does not entail any obligation thereon to submit such procurements.

Chapter Five

Procurement Provisions and Methods

Article (16)

Procurement Methods

1. Federal agencies shall submit procurements thereof in a public tender announced through the procurement system, and they may use other procurement methods in accordance with the provisions specified by this law and its implementing regulations, provided that this shall not lead to limiting competition.
2. Taking into account the provisions of Clause (1) of this Article, federal agencies shall choose the best purchasing method that achieves the highest public value for their purchases.
3. The regulations implementing this law shall specify all types of purchasing methods and their provisions and procedures.
4. When the federal agency wishes to solicit offers, it may pre-qualify the participating suppliers to verify the availability of the necessary qualifications and capabilities, including their technical capabilities, financial and administrative capabilities, the size of their obligations, and their ability to perform.

Article (17)

Tender and Procurements Announcement

1. The federal agency shall publicly submit procurement bids, unless specific conditions outlined in the regulations promulgated under this law necessitate alternative bidding methodologies.
2. The advertisement process shall, at a minimum, encompass the following stages:-
   a. Publish the procurement or tender opportunity announcement via the electronic or

digital procurement system or any other system used by the federal agency; and

b. Provide the ability for participating suppliers to view all relevant bid documents.

Article (18)

Tender Announcement Content

The tender announcement shall encompass comprehensive details necessary for participating suppliers to formulate and submit their bids, including, but not limited to, the following:-

1. Name of Concerned Federal Agency;
2. Clarification of the used purchasing method;
3. Description of the required purchases, technical specifications thereof, plans and drawings, if any, along with instructions and outputs;
4. Determination of the required or estimated quantities of purchases;
5. Contracting terms and conditions and contract duration;
6. The levels of service and implementation required to be achieved by the supplier;
7. Evaluation mechanism and criteria and the weight of each criterion;
8. Deadline for submitting bids and procedures for submitting the same on the procurement system; and
9. Any other data deemed necessary by the federal agency to be included in the announcement.

Article (19)

Duration of submissions and response to the announcement

1. Participating suppliers shall have sufficient time to address the tender announcement. The federal agency shall judiciously determine this time-frame, factoring in pertinent elements such as the nature and complexity of procurement, as well as the extent of information and specifications essential for bid preparation.
2. In all cases, bidding period shall not be less than the periods specified by the regulations implementing this law, and the federal agency may extend the period if deemed necessary thereby.

3. If the federal agency issues clarifications or amendments to the tender announcement, the deadline for addressing the tender announcement may be extended in a way that allows participating suppliers to take them into consideration.

Article (20)

Inquiries and requests from participating suppliers and providing timely responses thereto

1. Participating suppliers may raise inquiries and request reasonable and necessary data to evaluate the tender within the period specified by the tender announcement.
2. The federal agency shall respond to all reasonable inquiries and requests urgently. Shall the agency find itself unable to provide a timely response that allows participating suppliers to formulate their submissions, it reserves the right to extend the response deadline accordingly.
3. All participating suppliers in competition shall be notified of inquiries directed to the federal agency concerning the bid and the corresponding responses provided. Nonetheless, the identity of the inquiring party or any confidential or sensitive commercial information pertaining to individual suppliers shall remain undisclosed to competitors.
4. A meeting may be held with the participating suppliers before submitting the final responses, upon the request of any of them, to provide general information about the project and clarify inquiries (if any). Notes for these meetings shall be recorded and made available to all participating suppliers.

Article (21)

Tender Announcement Cancellation or Modification

1. The federal agency may cancel or amend the procedures for bidding or announcing the tender at any time before the deadline for submitting responses, in accordance with the conditions and procedures specified by the regulations implementing this law, and no bids may be opened after the cancellation decision.

2. The federal entity shall publish on the procurement system and inform all suppliers participating in the tender at the same time of any cancellation or change that occurs in the bid requirements or the tender announcement.
3. The federal agency shall provide sufficient time for participating suppliers, who have previously submitted bids, to address any amendments. Shall it be deemed essential, the agency may extend the bid submission deadline to facilitate suppliers in revising responses thereof.

Article (22)

Bid Evaluation Criteria

1. Bids regarding tenders shall be evaluated in a transparent and fair manner using evaluation criteria related to the procurement subject, which may include the following:-
   a. Financial Cost
   b. Procurement operating and maintaining cost.
   c. Duration of procurement delivery and completion.
   d. Procurements conformity to the required characteristics and specifications (technical, environmental, practical, or otherwise).
   e. Terms of payments and guarantees.
   f. The experience, reputation, competence and professionalism of the supplier involved in providing the type of required procurements.
   g. Any other evaluation criteria stipulated in the regulations implementing this law.
2. A margin of preference may be granted in favour of participating suppliers who achieve the best public interest or added national value, or in favour of locally produced procurements, or to stimulate local small and medium enterprises, in accordance with the stipulations of the regulations implementing this law.
3. Non-price evaluation criteria shall be impartial, aligned with the nature of the intended procurements, and quantitatively measurable to the greatest extent feasible.
4. The tender announcement shall explicitly and comprehensively delineate the criteria, evaluation methodology employed, and the relative significance or weight assigned to each criterion.

5. Bids shall be evaluated in accordance with the evaluation criteria, methodology, and assigned weights as delineated in the tender announcement. Any standards or procedures not explicitly announced may not be employed, consistent with the stipulations of this article.

Chapter Six

Awarding Provisions and Controls

Article (23)

Negotiation

1. The federal agency may negotiate with participating suppliers to reach a technical or financial agreement in the cases specified by the executive regulations of the present law.
2. Negotiating with participating suppliers is a mandatory step in the supply process if the total value of the contract is higher than the value determined by the executive regulations of the present law.

Article (24)

Excluding suppliers and cancelling the award decision

1. The federal agency may exclude participating suppliers from the bid for one of the following reasons:-
   a. The bid submitted by the participating supplier does not meet the minimum basic requirements specified in the tender announcement.
   b. Failure of the participating supplier in the implementation of previous procurement proposed by one of the federal agencies, or any of the cases of stopping dealing with the supplier as determined by the regulations implementing this law;
   c. Failure of the participating supplier to fulfil the financial obligations thereof towards the government, including taxes, fees, etc.;
   d. Failure of the participating supplier to adhere to the timelines stated in the bids request; or

e. Any other reason specified by the Regulations implementing the Law.

2. The federal agency has the right to cancel the award decision if the awarded supplier commits a serious error that affects transparency, integrity, or competition, such as detecting any of the following:-
   a. The supplier engagement in unethical practices or provision of incorrect data;
   b. It is proven that the bid violates any of the legislation in force in the State;
   c. If the award results in a negative impact on national security or the confidentiality of sensitive government information; or
   d. If the supplier offers bribery, illegal kickbacks, bid rigging, fraud, or power abuse with the aim of illegally influencing the procedures of the procurement process, without prejudice to the provisions of any other relevant law or legislation.
3. The federal agency shall inform the excluded participating supplier of the exclusion decision and provide reasons on which this decision was based.
4. The regulations implementing this law shall determine the competent authority to issue the exclusion decision in the federal agency.

Article (25)

Exclusion of a bid due to low price

1. A bid shall not be dismissed solely on the basis of a low price unless the federal agency determines that such a price is notably below the projected cost and current market rates, potentially jeopardising the supplier capability to meet contractual obligations. In such instances, the concerned federal agency shall engage in deliberations with the supplier submitting the lower-priced offer, seeking a comprehensive breakdown of the bid components and justification for the reduced price. Shall the agency entity remain unconvinced of the supplier capacity to honour contractual commitments, it reserves the right to decline the bid.
2. The federal agency shall inform the excluded supplier of the exclusion decision and provide reasons on which this decision was based.

Article (26)

Award

The bid shall be awarded in accordance with the procedures specified by the regulations implementing this law and based on the evaluation criteria contained in the tender announcement. The bid shall be awarded to the participating supplier who submitted the bid that meets the following elements:

1. Fulfilling the contract requirements and conditions and proving the ability and capabilities necessary to implement the contract in accordance with the required provisions.
2. Achieving the public interest and the best public value during the entire contract period.

Article (27)

Informing suppliers of bid awarding decision

1. Upon the conclusion of bid evaluations and the subsequent award decision, all participating suppliers shall be duly notified of the selection of the winning bidder.
2. Shall the selected winning supplier fail to submit the requisite documents or execute the contract within the time-frame prescribed by the regulations under this law, without a valid justification, the federal agency reserves the right, following due notice, to rescind the award. Subsequently, the agency may opt to award the contract to the next most suitable participating supplier or decide to re-bid.

Article (28)

Publication of the Award Decision

The details of the award decision may be published on the procurement system within (30) thirty days from the completion of the award and the signing of the contract, and the publication shall include all the main data of the bid in accordance with the stipulations of the regulations implementing this law.

Article (29)

Award Decision Justifications

Without prejudice to the right of the participating supplier to file a grievance before the relevant federal agency within the deadlines stipulated in Article (38) of this law, any supplier not selected as the winner may petition the federal agency for elucidation on the reasons for their non-selection, encompassing both the merits and demerits observed during the award process. Upon such a request for clarification, the federal agency shall furnish a response within the duration stipulated in the regulations governing this law.

Chapter Seven

Contract Provisions and Controls

Article (30)

Procurement contract

The procurement contract shall regulate the provisions of the contract and the obligations and rights of parties thereto and shall be prepared in a manner that shall not contravene this law and the regulations implementing it. In the event of any disputes or disagreements between the federal agency and the supplier, reference shall be to the procurement contract as it is the legal document regulating the contractual relationship between them.

Article (31)

Preparing Procurement Contracts

1. The regulations issued in implementation of the present law shall specify the types and forms of standard procurement contracts.
2. Federal agencies may draft contracts for their procurement processes as deemed necessary depending on the nature and complexity of the procurement.

Article (32)

Contract Signing

The procurement contract shall be signed between the federal agency and the awarded

supplier after being informed of the award decision and submitting a letter of guarantee of good performance if required, in accordance with the procedures and forms specified by the regulations implementing this law.

Article (33)

Amendment to the contract

1. Shall there arise a necessity to modify the contract or introduce alterations to the proposal encompassing adjustments to project scope, timelines, expenses, or contractual terms (such changes shall align with the guidelines, procedures, and prescribed limits delineated in the regulations that accompany this law.) Furthermore, requisite approvals shall be secured in adherence to the Powers Delegation Matrix.
2. Any request to amend a procurement contract shall be based on acceptable reasons and justifications, and the availability of the necessary financial funds for any amendment shall be verified, regardless of its value.

Article (34)

Contract Waiver and Subcontracting

1. The contracting supplier may not waive the contract or any part thereof to another supplier nor may they subcontract except after obtaining prior written approval from the federal agency. The regulations implementing this law shall specify the conditions and controls in this regard.
2. The federal agency may provide payments directly to the sub-supplier, and the regulations implementing this law shall determine the conditions and controls in this regard.
3. The contracting supplier, in all cases, shall bear joint responsibility with any subcontractor for the fulfilment and execution of the contract.

Article (35)

Payment to Suppliers

1. Federal agencies shall make payments to suppliers in accordance with the stipulated provisions and dates.
2. In the event of subcontracting, the contracting supplier shall remunerate the sub-suppliers promptly upon the agreed-upon payment timelines. It is imperative that the payment terms established for sub-suppliers shall align with those mutually agreed upon between the primary supplier and the relevant federal agency.

Article (36)

Intellectual Property

If the procurement includes the creation of new intellectual property rights that are expected to benefit federal agencies, the tender announcement shall clearly state the purpose of such rights and whether the federal agency intends to own them, obtain a licence to use them, or intends to exploit them for its activities in the future.

Article (37)

The enforced law and dispute resolution

1. The laws in force in the State shall be applied to the procurement contract. However, based on the approval of the minister or head of the relevant federal agency, when deemed appropriate, it may be agreed upon to apply a foreign law on contracts executed abroad.
2. The parties shall implement obligations thereof stipulated in the contract in accordance with its terms and conditions without prejudice to this law and the executive regulations thereof. If any party fails to implement its obligations, the other party may resort to the competent courts within the State.
3. The executive regulations of the present law shall determine other means of settling disputes resulting from the implementation of a procurement contract concluded in accordance with the provisions hereof and the procedures and conditions for resorting

to such means.

Chapter Eight

Considering Complaints

Article (38)

Grievance against the decisions of the federal agency

1. Every participating supplier shall have the right to file a grievance before the federal agency regarding any decision taken thereby prior to the awarding decision, within (5) five business days as of the date of being notified of the decision. Each supplier shall also have the right to file a grievance before the federal agency regarding the awarding decision, within (5) five business days as of the date of issuing the award decision.
2. The federal agency shall impartially decide on the grievance within the period specified in the regulations implementing this law. If such period lapsed without responding to the grievance, this shall be considered a rejection of the grievance.
3. The regulations implementing this law shall specify the mechanisms and controls for grievance and response, the relevant time limits, its procedures, and the authority competent to decide thereon.

Chapter Nine

General Provisions

Article (39)

Procurement Contracts and Offering Documents Language

1. Contracts, offering documents, annexes thereof, and related correspondence shall be drafted in Arabic, and English may be used instead as per the federal agency deems necessary.
2. The procurement contract shall include clarification of the language adopted for interpretation and implementation, and determine its specifications, plans, and correspondence related thereto when two languages are used in drafting the contract or document.

Article (40)

Contracting Among Federal Agencies

Federal agencies and wholly government-owned companies, whether at the local or federal level, may contract with each other by direct agreement without substantive or procedural subjection to this law, provided that they themselves shall undertake the implementation of the works or secure procurements, and they may also act on behalf of each other in initiating contracting procedures.

Article (41)

Exception from the provisions of the law

The Cabinet may make an exception to any provision of this law, as deemed necessary, and upon the request of the relevant federal agency, specifying the subject of the exception and justifications thereof.

Article (42)

Regulations implementing the Law

1. The Cabinet shall issue the regulations implementing this law, including the following:
    a. Detailed terms, procedures and conditions of the procurements process on the procurement system;
    b. Roles of organisational units concerned with procurement in federal agencies;
    c. Define the tasks and roles of procurement committees in federal agencies;
    d. Determine the methods, categories and levels of purchasing and the provisions related thereto;
    e. Provisions related to the procurement Powers Delegation Matrix;
    f. Define procurement processes and detailed provisions related thereto;
    g. Determine the types and forms of contracts;
    h. Non-conformities;
    i. Forms used in procurement; and
    j. Any provisions, procedures or work directives that may regulate procurement

processes in federal agencies, along with determining the entities concerned with issuing them.

2. The Minister shall issue the necessary directives and procedures to implement the provisions of this law and the executive regulations thereof.
3. Independent federal agencies may adopt their own procurement regulations or policies in accordance with the provisions of this law, provided that their preparation is guided by the regulations implementing this law.

Article (43)

Repeals

1. Any provision that violates or contradicts the provisions of this Law shall be repealed.
2. Cabinet Resolution No. (1/1) of 2022, pertaining to the endorsement of the digital procurement policy for the federal government, and Cabinet Resolution No. (4) of 2019, addressing the procurement and warehouse management Regulations within the federal government, shall persist in application, provided they shall not contradict the stipulations of this law. Such continuity remains in effect until the formulation and issuance of regulations, directives, and any pertinent policies aligned with this legislation.

Article (44)

Contracts concluded prior to this law

Provisions of this law shall not apply to procurements by federal agencies concluded prior to its enactment. Such procurements shall remain governed by the contracts and legislations applied thereto at the time of their formation. Any modifications, renewals, or extensions thereof shall only be permissible in alignment with the regulations set forth in this law.

Article (45)

Law Publication and Enforcement

This Law shall be published in the Official Gazette and shall enter into force as of the day following the date of its publication.

Mohammed Bin Zayed Al Nahyan

President of the United Arab Emirates

Issued by Us at the Palace of the Presidency in Abu Dhabi:

On: Jumada I 13, 1445 H

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