



University President Decision No. (10) of 2024

In Issuance of the Procurement Bylaw at the University of Khorfakkan*

We, Sultan bin Mohammad Al Qasimi, Ruler of the Emirate of Sharjah, President of the University of Khorfakkan,

After the perusal of:

- Law No. (4) of 2017 concerning the financial regulations of the Government of Sharjah,
 - Law No. (8) of 2017 concerning the purchases, tenders, auctions, and resources of the Government of Sharjah and its executive bylaws,
 - Decree Law No. (1) of 2022 concerning the Organization of the University of Khorfakkan and its executive bylaws,
 - Amiri Decree No. (40) of 2022 concerning the establishment of the University of Khorfakkan,
 - And based on the approval of the Board of Trustees, and upon public interest,
- We hereby issue the following decision:

Article (1)

This decision shall be named the “Procurement Bylaw at the University of Khorfakkan.”

Definitions

Article (2)

In the application of the provisions of this decision, the following terms and expressions shall have the meanings set against them unless otherwise indicated by the context:

The Country:	United Arab Emirates.
The University:	University of Khorfakkan.
The Board:	University Board of Trustees.
The Chancellor:	Chancellor of the University.
The Vice Chancellor:	Vice Chancellor for Financial and Administrative Affairs.
The Dean:	Dean of the College or whomever s/he delegates.
The Department:	The Procurement Department.
The Committee:	The Procurement Committee.
The Contractor:	The supplier or contractor contracting with the University to provide a supply or services.

Article (3)

Contracts Concluded at the Expense of the University

With respect to contracts governed by this decision, the contractor shall be selected by one of the following methods:

1. Limited Tender

2. Negotiated Tendering
3. Direct Procurement
4. Competition

Article (4)

1. The method for selecting the contractor and the approval thereof shall be authorized by the following parties, according to the value indicated in the following table:

Value of Order/Contract (VAT excluded)	Requirement	Approvals	Approval Prerequisites & Parameters
<=5,000	1 Quotation	Dean/Department Director	<ul style="list-style-type: none"> • CAPEX • Justification • Budget Availability • Contracted Item • Approved Supplier
<=10,000	1 Quotation	Dean/Department Director	<ul style="list-style-type: none"> • OPEX • Justification • Budget Availability • Contracted Item • Accredited Supplier
10,000-50,000	2 Quotations	Procurement Director+ AND Dean /Department Director	<ul style="list-style-type: none"> • OPEX or CAPEX • Justification • Budget Availability • Contracted Item • Approved Supplier
<= 50,000	2 Quotations	FMP Director AND Procurement Director	<ul style="list-style-type: none"> • OPEX or CAPEX • Justification • Budget Availability • Contracted Item • Accredited Supplier
50,001 -100,000	3 Quotations	Procurement Director vice Chancellor + Chancellor	<ul style="list-style-type: none"> • Justification • Budget Availability
100,001-500,000	3 Quotations (Secure)	VCFA AND Chancellor	<ul style="list-style-type: none"> • Justification • Budget Availability • If Capex, Capex review committee approval
>500,000	Open Tender/Invited Tenders (Secure)	VCFA OR Chancellor, AND Finance Committee, or Head of Finance for Strategic Initiatives*	<ul style="list-style-type: none"> • Justification • Budget Availability • If Capex, Capex review committee approval

*Strategic Initiatives are projects and programs unrelated to day-to-day operational activities and require detailed business case development. They are designed to deliver change and help the organization achieve its strategic goals.

2. Provision of services, materials and items by direct procurement may not be made in excess of (20%) of the value specified in item (1) of this article, with the exception of the

direct procurement cases set forth in Article (24) of this decision, provided the contract is signed by the Chancellor or his designee.

Article (5)

Tender-Opening Committee

1. The Tender-Opening Committee shall be formed by decision of the Chancellor, upon the recommendation of the Vice Chancellor, and shall be tasked with opening the envelopes containing tenders at the determined time.
2. The committee shall consist of five members and the opening of the envelopes containing tenders shall be undertaken in the presence of three members, according to specified procedures.

Article (6)

Procurement Committee

1. The Procurement Committee shall be formed by non-members of the Tender- Opening Committee, based upon the recommendation of the Vice Chancellor and by decision of the Chancellor, as follows:

a. Director of the Procurement Department	Chair
b. Director of the Finance Department	Member
c. Director of Physical Plant Department	Member
d. Faculty Member from the College of Law	Member
e. Representative from the party requesting the purchase	Member
f. Staff Member from the Procurement Department	Rapporteur
2. The Tenders Review Committee shall convene its meetings upon invitation from its chairperson whenever necessary. Meetings shall be considered a quorum if the committee chairperson, or whomever s/he delegates in his/her absence, is present in addition to half of the committee members. The committee shall take decisions by an absolute majority or by the majority vote of its members present. When the votes are equal, the side of the chairperson shall carry the motion.
3. The task of the Tenders Review Committee shall be to review the tenders, according to specified procedures, and submit its recommendations to the Vice Chancellor.

Article (7)

The Procurement Department shall be responsible for taking the necessary measures to conclude service contracts in accordance with the general provisions and within the limits specified in this decision. Permission to purchase items shall not be authorized if sufficient funds are unavailable in the budget, if the project is not included in the budget, or if the total cost for works and maintenance contracts is not stated.

Article (8)

Contract Regulations for Suppliers and Contractors

1. A contractor or supplier who enters into a contract with the University shall:
 - a. Be registered in one of the chambers of commerce and industry and hold a license

from one of the governmental departments in the country.

- b. Not be an employee of the University, nor a member of the tender, negotiated tendering, or arbitration committees related to the competition.
 - c. Not be prohibited from dealing with the University unless the prohibition is removed by the competent authority.
 - d. Not be prohibited from dealing with the University as an individual or company/institution, including external companies/institutions and services provided through correspondence.
 - e. Fulfill the financial, technical and professional requirements specified in the special conditions, if the University requires them.
2. A contractor is exempted from the provisions in items (1/ a, b) of this article in the case of contracts concluded outside of the country, by correspondence or with companies in the free zone. Contracts with these parties may be concluded upon the approval of the Chancellor and the recommendation of the Vice Chancellor.
 3. Notwithstanding item (2) above, the application of the provisions in items (1/ a, b) of this article are required in the case of maintenance contracts.

Article (9)

Records of Contractors and Suppliers

1. The Procurement Department shall maintain a record of the contractors applying to work with the University and apply the required conditions. Announcement of registration in the register shall be made annually by means of a public advertisement and shall be made for every group of goods and major and secondary items respectively.
2. The register shall include all of the main data on the suppliers or contractors, particularly the basis upon which they will be selected. The person in charge of the register shall review the names of those registered in the registry on a regular basis for the purpose of evaluating their dealings with the University.

Article (10)

Contractor and Supplier Data

1. The supplier or contractor in tenders or negotiated tendering must attach or present the following:
 - a. Name, address, P.O. Box number, email address, and telephone numbers.
 - b. Name of person(s) in charge of contracting and a sample of their signatures.
 - c. Names of agencies assigned to him/her.
 - d. The legal entities, commercial register number, branch if available, and registration at the local chamber of commerce and industry.
 - e. Previous experiences in implementation at other institutions and the volume and types of works completed.
 - f. Types of goods dealt with or the contracts and works practiced.

- g. Name of the bank it deals with.
 - h. Evidence that no less than (51%) of the establishment's capital is owned or shared by a UAE national in accordance with the operating laws in this regard.
 - i. The capital of the company or establishment and its last budget approved by an auditor.
 - j. Any other additional information required by the University.
 - k. A copy of the commercial license to practice business from one of the government departments in the country, and a copy of a valid membership card in the chamber of commerce in the country.
 - l. A list of the names of representatives of the company or establishment.
2. A contractor shall be exempted from the provisions in item (1/ h) of this article in the case of contracts signed outside the country, contracts by correspondence, or contracts with companies in the free zone. Contracts with these parties shall be concluded upon the approval of the Chancellor and the recommendation of the Vice Chancellor.

Article (11)

Limited Tender

A limited tender is a tender in which some contractors and suppliers are invited for their competence and/or their specialization. The rules and procedures applicable to the general tender shall apply to the limited tender except for the public advertisement.

Article (12)

Invitations shall be sent to the suppliers and contractors who are approved to deal within the required items or contracting works from the register of suppliers and contractors. However, those who are not registered in the register are permitted to participate in the tender provided they are registered in one of the local chambers of commerce and industry in the country as well as in the commercial register.

Article (13)

Every supplier and contractor invited to participate in a limited tender that does not submit a bid in response nor apologize for the non-submittal of a bid for three consecutive times shall be prohibited from dealing with the University for one year.

Article (14)

Limited Tender documents shall be prepared by the Department, subject to the following regulations:

- 1. The Department, in coordination with the concerned departments at the University, shall prepare in detail the complete technical specifications of the items required for supply or the services to be carried out or implemented.
- 2. The University may require, in some aspects of the contract, the bidders participating in the tender bid to submit brochures, illustrations or samples of the materials to be purchased.

Article (15)

1. Selection criteria for tender offers shall be based on the lowest price, subject to conformity with conditions and specifications.
2. The Committee, upon the official recommendation of the Technical Committee, may accept a higher price offer provided its decision is justified and approved by the Chancellor.

Article (16)

If members of the concerned Technical Committee do not reach an agreement on comparing the offers, which are compatible in their conditions and specifications, the matter shall be recorded in the minutes and a vote of the majority shall be taken. When the votes are equal, the side of the committee chairperson shall carry the motion.

Article (17)

The Department shall follow up with the contractor the procedures for the implementation of the contract up to supply or completion.

Article (18)

Negotiated
tendering

Negotiated tendering is a special method for selection of the contracting party, which may be used in limited cases within this decision. Procedures for tender shall apply to negotiated tendering in all matters not provided for in this decision.

Article (19)

Procurement by means of negotiated tendering shall be made within the financial jurisdictions of the Committee, which shall be formed by decision of the Chancellor in accordance with the authority and limitations set forth in this decision. Procurement by means of negotiated tendering shall be made within the above-mentioned jurisdictions in the table of authorities under Article (4) of this decision.

Article (20)

Procurement of items or execution of services or works by means of negotiated tendering shall be carried out in the following cases:

1. Items and work contracts that cannot wait until tender procedures are completed or whose value does not match the costs for conducting a tender.
2. Items and work contracts that have previously been submitted for negotiated tendering but where no bids were offered against them or those for which the bids were unacceptable, or were given one bid only and thus where there was no need to resubmit them in another tender.
3. Negotiated tendering may be conducted among more than one supplier submitting bids

in the tenders that include equal prices or conditions or high prices where the need does not permit the reoffering the tender.

4. Items that are monopolized, manufactured, imported or available exclusively from a particular dealer or agent.
5. Items that are difficult to define with precise specifications.
6. Technical works required for completion by certain technicians or specialists.
7. Supply of items or completion of works or maintenance works or provision of service in place of a supplier or a contractor due to his/her negligence and/or delay of implementation or upon termination of the contract.
8. If the aim is to conduct research or experiments requiring a certain method of implementation far different from the tender method.

Article (21)

The Procurement Committee shall obtain the offers of a number of contactors, and shall submit the negotiated tendering offers during the period specified in the application, signed and stamped by the applicants and accompanied by all required documents and papers.

Article (22)

1. The Procurement Committee shall convene on the date set for it. After opening the tender documents, the committee shall examine all papers attached to each offer, check for the bidders who meet the requirements, eliminate those who did not meet the above requirements, and read out the name of each applicant and the applicant's total value.
2. In administering the procedures of the negotiated tendering, the committee shall observe the provisions of Article (20 / 4, 5, 6, 7) in this decision and determine the applicant with the best price and quality as a result of negotiating with the applicants.
3. The committee shall submit its recommendations to the concerned department for approval of the result of the negotiated tendering, according to the provisions of this decision.

Article (23)

1. Articles (7) and (11) concerning the regulations of the limited tender shall apply to the negotiated tendering in so far as they are compatible with the nature of negotiated tendering and its provisions as provided for in this decision.
2. Procedures for contracting in general tenders shall apply in contracting by negotiated tendering if the value of a contract is more than (AED50,000). However, if the value is less than this, or if delivery of items or completion of works is to be made during a period no later than ten days, a written statement by the contractor undertaking to implement the subject matter of the negotiated tendering in a time not beyond that period shall suffice. The contractor shall be exempted from payment of the insurance if the items to be purchased are available in the possession or at the store of the contractor or if it is possible to inspect them and make final delivery immediately after concluding the agreement.

Article (24)

Direct Procurement

Direct procurement shall be made by means of issuing a purchase order to the supplier who is dealing with the required materials in accordance with the following procedures:

1. Items and services issued or governed by compulsory prices or international stock markets or specific tariffs.
2. Items, tasks and services that are not produced, supplied or carried out except by a specific entity, making it impossible to conduct a tender or negotiated tendering.
3. Items, tasks, and services that are urgently required, provided that direct procurement is limited to the least quantity needed for university functioning, until procedures for selecting a contractor by other methods are completed.
4. Items, tasks, and services that the public interest requires to be carried out confidentially.
5. Items, services or tasks that are offered to the University by the public departments of the government or the Emirate and its public institutions or corporations, of which the government or the Emirate has at least (51%) of its capital, this shall be by virtue of a contract signed by the University with these parties directly.
6. Items, tasks, or services of any type and whose value does not exceed (AED10,000).
7. Services and tasks that require highly specialized competencies and qualifications pursuant to a general invitation that contains a statement of the conditions of such qualifications and competencies, addressed to the competent authorities, where selection is made by a technical committee formed by the Chancellor upon the recommendation of the Vice Chancellor.
8. Books, periodicals, literature, tapes, manuscripts, and practical slides necessary for laboratories.
9. Hotel reservations, procurement of spare parts, and car rental.

Article (25)

A contractor shall be selected through direct procurement by any of the following means:

1. Through the Committee, whose recommendations will be approved within the authorities prescribed in Article (4) of this decision.
2. Through a representative directly appointed by the Director of the Procurement Department, who shall submit a receipt for the value of purchases in cases for which the value of the materials, works or services exceeds no more than AED2,000 or if they have fixed prices.

Competition

Article (26)

Competition is a special method under which a contractor is selected to prepare studies, designs or technical drawings for a certain project, according to the regulations laid down.

Article (27)

1. The competition shall be conducted on the basis of a previously made program that defines in detail the goals, specifications and scope of the project as well as the awards and prizes that will be granted for successful contestants, the compensations that may be given to unsuccessful contestants, and the future of the ownership of the successful and unsuccessful reports, studies, designs, and drawings.
2. Persons will be invited to participate in the competition in the same manner in which bidders are invited for a public tender or limited tender provided they are highly-skilled and have specialized world-class experience in preparing the reports, drawings, designs and plans required for the project.
3. Applications for participation in the competition as well as the attached reports, drawings, designs, and plans shall be submitted for consideration by the Tender-Opening Committee, which shall be formed in accordance with Article (5) of this decision, and which shall examine and decide upon the successful application, subject to the approval of the concerned committee. The committee may, for those matters, call upon the participants and discuss with them their designs, drawings, and plans, and may also make whatever modifications it may deem appropriate.
4. The Tender-Opening Committee shall record its procedures in a report that states each presentation submitted and identifies the basis upon which the committee adopted selection of the successful presentation, and the notes or the reservations it may deem necessary.
5. The committee is entitled to decide the non-eligibility of any of the participants in the competition for the prizes or the award or the compensations, in whole or part, if the committee considers these reports, plans, designs and drawings to be in non-compliance with the conditions of the competition or if they are below the required technical standards.
6. The same procedures for contracting with a successful applicant in a general tender shall apply to a successful contestant in a competition.

Article (28)

Procedures

Contract Implementation Procedures

1. The fixed term for the implementation of the contract shall start following the day of the contract signing or from the date of handing the location to the contractor, as the case may be, unless otherwise provided for in the contract.
2. If the contractor or his/her representative is not present to hand over the contract on

the specified date, such shall be recorded in a report and the contractor shall be formally notified with a copy. The receipt date of the notification shall be the approved date for implementation of the contract.

Article (29)

1. In case of bankruptcy or insolvency of the contractor, the University is entitled to terminate the contract, confiscate the final insurance and implement the contract at the expense of the contractor, while reserving its right for compensation.
2. In case the contractor commits fraud, swindling or receives a bribe, the University is entitled to terminate the contract, confiscate the final insurance and implement the contract at the expense of the contractor, while reserving its right for compensation.
3. In case contractor's death, the University is entitled to terminate the contract, return the insurance to the heirs, or retain the contract and allow the heirs to continue its implementation.

Article (30)

1. The University is entitled to modify the quantities of any items or services specified in the contract, either by increase or decrease in the same contracted categories of prices, without obtaining any authorization within the limit of (20%) of the value of the financial consideration of the contract.
2. In exceptional cases, it is allowed to exceed the limit specified in item (1) of this article, provided that such is made within the said budget and subject to the approval of the contractor not to increase the prices specified in the contract if these prices are still appropriate and do not exceed the market prices. The modification mentioned in the above item may include the addition of items, or services, or works or maintenance not specified in the contract but relevant to its implementation upon which consultation with the original contractor may be made directly.
3. Calculating the limit mentioned above in item (1) of this article shall be made on the basis of the increase processes separated from the decrease processes, whether each of these two types of processes occurred at or within a short distance in space or time.
4. All modification processes shall be presented to the Committee, as the case may be, in order to take the necessary decision in this regard, subject to the approval of the party that approved the original tender. A contract supplement shall be prepared and signed by the two contracting parties.

Article (31)

1. The contractor shall implement the contract in accordance with the terms and conditions specified therein; otherwise the contractor shall be subject to the penalties set forth in the contract and in this decision.
2. If the contractor submits documentary evidence that the delay in the implementation of the contract is due to unforeseeable circumstances or by cause of the management within 15 days of the occurrence of the force majeure or cause, this matter shall be brought to the attention of the Committee for consideration. However, this period may be waived if the Committee deems valid upon the approval of the Vice Chancellor.
3. The contractor may not assign this contract without the written consent of the University. If the contractor assigns the contract, s/he shall be jointly responsible with the assignee for its implementation.

Article (32)

The contract may include provisions that allow payment of amounts in excess of the balance within the limits and conditions governed by the contract. Payment shall be made in return of a bank guarantee of the same value and currency.

Article (33)

In case the contractor delays implementation of the contract during the stated period, s/he shall be subject to the provisions in Article (35) of this decision.

Article (34)

Without prejudice to the special regulations set forth in this decision, the Chancellor shall be responsible for forming the necessary committees and regulating their procedures to ensure the implementation results of University contracts if receiving is a requirement for implementation of the contract.

Article (35)

Implementation Procedures for Supply Contracts

In case of a supplier's delay in the delivery of all or some of the required quantities by the date specified in the contract, including rejected materials or materials that have not been supplied, the University is entitled to take one of the following actions:

1. Give the supplier extra time for delivery if it deems this will best serve the interests of the University, provided its prior consent is obtained. The extra time shall not exceed 15 days in the interest of the University as approved by the Committee and subject to the approval of the Chancellor. In case of a supplier delay in the delivery of all or some of the required materials, a fine of (1%) shall be imposed on the supplier for the materials delayed for the first week or beyond. Afterwards, the fine will be raised to (2%) for every week or part thereof to a maximum of (10%) of the value of the items or materials that the supplier failed to deliver after the expiration of the extra time.

2. Purchase of the items or materials that the supplier fails to supply shall be at the supplier's expense, in addition to charging back the supplier an extra (10%) of the value of the purchased materials as an administrative expense. The foregoing does not preclude the University from imposing delay charges pursuant to item (1) of this Article.
3. Terminate the contract, confiscate the final insurance, and claim the required compensation. The foregoing does not preclude the University from imposing delay charges pursuant to item (1) of this Article.

Article (36)

Upon delivery of the items on the specified date, they shall be temporarily received at the site designated by the University in accordance with the terms of the contract. A temporary delivery receipt signed by the storekeeper if delivery is done through the Central Stores or by his/her designee will be issued if the delivery is made at the work location, which shall be approved by the responsible person in the receiving party until the inspection and final acceptance of the items are completed.

Article (37)

Upon temporary receipt of the items, the employee shall ensure that the items belong to the University and that they are identical to the contents specified in the supply contract and those in the approved samples or (catalogs) and that they match the supplier invoice in terms of number, weight, size and/or delivery authorization. The delivery shall be considered temporary while the items are under inspection and testing until all inspection and delivery procedures are finally completed.

Article (38)

One committee or more for inspection and receiving shall be established within seven (7) days from the delivery date by decision of the Chancellor upon the recommendation of the Vice Chancellor. The Finance Department as well as the Stores Department shall be represented on these committees, in addition to the requisitioning party if so required by the nature of the item/s and if their values is in excess of (AED50,000).

Article (39)

1. The Inspection and Receiving Committee shall convene within a maximum of seven days from the date of temporary receipt of the items or from the date of completion of inspection after being notified by the stores of the delivery date of the items. The head of the section shall inform the suppliers of the date of the committee meeting for their attendance or to send their representatives if the nature of the items so requires. The mandate of the committee is to:
 - a. Inspect and receive delivered items in accordance with the conditions and specifications specified in the contracts and relevant documents, and in light of the approved samples and catalogs. The committee shall be responsible for its decisions once it signs the inspection and receives the report.

- b. Seek the assistance from any technical party to ensure that the delivered items are consistent with the terms and conditions of the contract. The report of the technical party or requisitioning party, as the case may be, shall be considered part of the receiving document.
 - c. Inspect the items delivered from abroad during the period specified in the insurance contract and in the presence of a representative of the insurance company. Items shall also be checked against the commercial invoice after ensuring the safety of the seals, brands, and boxes in which items have been stored. The committee shall record any increase, shortage, damage, breakage or any violation to the specifications in order to establish the accountability of the insurance company or the supplier, as the case may be, in accordance with the agreed terms and conditions.
 - d. Remove the rejected items in order to return them to the supplier at the supplier's expense in accordance with the general provisions of the guarantee.
 - e. Prepare a report on inspection and receiving, including particularly all procedures undertaken and the results of the item inspection. The committee's decision for acceptance or rejection, in part or in whole, shall be justified and signed by the Committee Chairman and its members. After their approval, reports shall be sent to the Department.
2. Upon receiving items from outside the country prior to receipt of the commercial voucher, and if the Inspection and Receiving Committee deem it necessary to receive the items for justified reasons, all receiving procedures stipulated in this decision shall be followed, and the supplier will be required to send the commercial voucher immediately. However, the initial voucher may be approved as a document until the commercial voucher is presented. If any discrepancy exists between the items and the initial voucher, final delivery shall be postponed until the final commercial voucher is received.

Article (40)

The receiving reports shall be submitted to the Procurement Committee to decide upon, in the following cases:

1. If disagreement regarding such occurs among the committee members and the technical member/s, provided each party prepares a report clarifying its point of view.
2. If disagreement occurs between the supplier and the Inspection and Receiving Committee.
3. If the committee accepts some replacement items, having specifications corresponding to the specifications and conditions set out in the contract and attached documents, and decides that they meet the requirements and that their acceptance does not cause any harm to the interests of the University. In this case, the items may be accepted at the same price or less at the discretion of the Procurement Committee.

Article (41)

The storekeeper shall maintain the rejected items separately until they are delivered to the supplier. The Department shall notify the supplier of the reasons for rejection by registered mail with a return receipt requested in order to withdraw these items and for the items to be replaced during the period specified in the letter. In case the supplier fails or delays the receipt of the rejected items on the specified date, storage charges of (1%) shall be imposed on the supplier weekly according to the value of rejected items up to a maximum of (10%), effective from the date specified by the Department up to a maximum of four weeks. Upon the expiration of this period, the University shall be entitled to sell the items in a public auction for reimbursement of all expenses and fines, provided that any amount (if any) above this shall be returned to the supplier.

Article (42)

The University shall not be liable for any damage or impairment to the rejected items until the day of withdrawal by the supplier or their disposal by the Department.

If the supplier requests reanalysis or technical testing of the rejected items that fail to meet the country's standard specifications, either regarding the approved sample or both, and the University so approves, the expenses of the second analysis and testing shall be at the expense of the supplier unless the results are in favor of the supplier.

Article (43)

The technical party charged with the analysis or technical testing of the items shall clarify, in the analysis or test reports, the results of its work in comparison to the conditions and specifications upon which the contract is based. Acceptance or rejection of the items will be based on these results.

Article (44)

University Income-Generating Contracts

These contracts include the sale of University items or returned materials, or their rental or items being determined for sale or rental by any of the following methods:

1. Direct Agreement
2. Negotiated tendering
3. Auctioning

Article (45)

1. Direct agreement shall be adopted in the following cases:
 - a. If the sale will be made to one of the public departments in the country.
 - b. If the value of sales at each time does not exceed AED5,000.
 - c. Rental may be conducted whether the rental value is by direct agreement through a committee formed for that purpose by decision of the Chancellor (members of the committee shall hold positions that are consistent with the importance and the value of the items and materials to be rented), which shall include the procedures to be followed by the committee.

2. In all cases, the Chancellor shall decide upon the sale or rental and approval of the results. Sale and rental by the direct agreement method shall be made through the above-mentioned committee in item (c) of Article (1) above. The committee is entitled to obtain written offers from the parties wishing to purchase items.

Article (46)

Negotiated tendering shall be practiced in the following two cases (specified in detail in Article 48):

1. If the auction fails.
2. If the value of sales does not exceed (AED100,000). Procedures set forth in Article (48) shall apply for the implementation of this method.

Article (47)

The following regulations apply to items offered for sale by negotiated tendering:

1. The Department shall determine the estimated values of the materials or items offered for sale. The Department shall take into account the cost value, market prices, the period of use and consumables allocated, and shall observe strict confidentiality regarding the price and/or the estimated basic rental value.
2. The Department at the University shall inform other government departments of the University's desire for sale and attach a list of the assets including their details in terms of type, quantity, number, and any other particular information or necessary clarifications. The department shall inquire from these departments about their wish to purchase during a period specified in the sent letter.
3. In case no department wishes to utilize the materials or items offered for sale (whether in writing or by not responding during the specified period), the Department shall request quotations from other departments wishing to purchase. This may be done by a public invitation during the period specified for that purpose or by direct contact with these departments, if deemed necessary, at the discretion of Vice Chancellor based upon a recommendation, including justifications, from the Department Director.
4. The Committee shall examine the submitted quotations and choose the best price depending on the estimated value of the items and materials that are to be offered for sale, and shall prepare a report containing all of the procedures it takes, especially the quotations and the prices and its decision in this regard. The report shall be approved by the Chancellor and be considered the basis upon which the contract will be concluded with the purchaser.

Article (48)

Auction

Sale by auction is conducted when the estimated value of the items or materials exceeds (AED50,000) or when the Committee deems it necessary to use this method irrespective of the value of the materials, provided the auction is conducted in accordance with the following:

1. Auction by sealed envelopes:

The best quotation that includes the highest price shall be selected by the Auctions

Committee, which shall be formed by decision of the Chancellor upon the recommendation of the Vice Chancellor. If this method fails, sale will be implemented through a:

2. Public Auction:

Which shall be conducted under the supervision of the above-mentioned Committee in a public session in the presence of all parties wishing to participate that fulfil the requirements for participation in the auction, where the Committee will set an initial price to open the auction process.

Article (49)

The following regulations and procedures shall apply upon conducting an auction:

1. The Department shall determine the estimated value for the auction items that are to be offered for sale as well as the insurance value that must be paid to participate in the auction before it is conducted, provided this value is approved by the Vice Chancellor.
2. The announcement of the auction shall be made in accordance with standard procedures for tenders, and in all cases, the auction shall be cancelled if the University does not receive a price equivalent to or above the estimated value of the materials.
3. In case of canceling or conducting the auction one time, the negotiated tendering method shall be adopted.

Article (50)

The sold items shall be handled by the party awarded the auction after payment of the value. If the purchaser does not pay the price within a month from the award date, and without acceptable reason, the University shall be entitled to confiscate the final insurance paid by the purchaser and resell the items. In case of payment, the purchaser is required to repossess all purchased items from the University stores within one month from the date of the award date. In case the delay extends beyond the above-mentioned period, the purchaser shall be charged the storage and maintenance fees and any other expenses or charges at the percentage of (1%) daily from the price of the items awarded to the purchaser, up to a maximum of (10%) of the value of these items, which the purchaser is required to pay in cash before the items are handed over to him/her.

Article (51)

The procedures for selling items and materials pertaining to the University provided for in the above articles shall apply to rental spaces offered by the University, provided the Auctions Committee determines a minimum limit for the rental of such spaces prior to the rental space auction.

Article (52)

Initial Insurance

The bid shall be accompanied by an initial insurance within the percentage of 2% to 5% of the bid value provided the insurance is defined in a lump-sum amount with regard to tenders for which a financial counterpart cannot be determined. Any bid that is not accompanied with

such insurance shall be rejected. The initial insurance shall be in the form of a letter of guarantee issued by one of the banks operating in the country and must be valid for a period beginning from the date of submitting the bid and extend to the end of the duration of the validity of the bid for at least sixty days. If the University extends the length of validity for the extra period, in accordance with provisions of the previous paragraph, the bidder must, after due notification, extend the duration of the letter of the guarantee for as long as the extra period. Otherwise, the University will confiscate the initial insurance.

Article (53)

The initial insurance shall be reimbursed to bidders whose bids have been rejected without the bidders having to request so once the validity of the bid has expired or prior to such if the initial insurance has been secured from the bidder whose bid has been accepted.

Article (54)

If one of the participants in the tender decides to withdraw his/her bid before the specified deadline for opening the envelopes (which shall be done by a letter submitted to the University), the initial insurance submitted by the participant will be confiscated to the benefit of the University and shall be considered as part of its revenues without the need to issue a warning or take any legal action.

Article (55)

Final Insurance

1. The final insurance shall be determined by the amount of (10%) of the bid value, without calculating the interests of this insurance and shall take the same form of the initial insurance.
2. The final insurance shall be determined by a lump-sum amount for contracts for which the financial counterpart cannot be determined.
3. The winning bidder need not submit final insurance if the supply duration as specified in the contract does not exceed ten days from the date of its signature provided the validity period of the initial insurance is extended in order to ensure coverage of the implementation of the contract if its duration is insufficient.
4. The final insurance may be gradually reduced according to the percentage of the contract implementation provided it is not less than the required guarantee for the value of implementing the remaining part, the subject matter of the contract with respect to the supply contracts, which are continued or implemented upon request, or services contracts except for those pertaining to consultations.
5. The validity period of the guarantee letters submitted as final insurances will be extended to (90) days after the expiration of the term of the contract with respect to supply and services contracts, and after the final delivery with respect to works contracts and provision of engineering services. The committee may extend that period as the case may be.

Article (56)

If the successful party fails to pay the final insurance within 15 days of notification of the acceptance of its bid, the University may confiscate the initial insurance and implement the subject matter of the tender, in part or in whole, at the expense of the said party without taking any legal action and without prejudice to its right to claim any other compensations and deduct them from the party's entitlements held by any other party or claim them by law. The University may also remove the said party's name from the suppliers and contractors register for a period that shall be determined by the Chancellor upon the recommendation of the Procurement Committee.

Article (57)

Without prejudice to the provisions of Article (52) of this decision, the final insurance shall be fully retained by the University until the implementation of the contract or the final delivery of materials or works with respect to supply and works contracts after fulfilling all conditions and requirements. At this time, the said party shall be reimbursed fully or what remains, and the contractor or his/her creditors may not seize the insurance amount prior to that.

Article (58)

If the value of insurance decreases as a result of any deduction of any amounts thereof, or works, supplies and services increase more than that which is specified in the contract, the contractor shall be required to complete the final insurance according to the determined amount within 15 days of the claim date. If the contractor delays completion of the insurance amount, the University shall be entitled to deduct the required amount from the contractor's entitlements under the contract or any other contract in its possession, without prejudice to the provisions of Article (52) of this decision.

Final Provisions

Article (59)

In the event that a disagreement or dispute arises between the two parties, and if the said disagreement or dispute cannot be settled amicably, the matter shall be referred to arbitration in the Emirate of Sharjah by a panel of three arbitrators. Each party will select one arbitrator, and the two arbitrators will select the third arbitrator. The arbitration decision shall be binding upon both parties.

Article (60)

Law No. (4) of 2017 regarding the financial regulations of the Government of Sharjah shall be applied in cases of purchases, tenders, auctions, and assets for the Government of Sharjah, and according to its executive bylaws, not covered in the text of this decision.

Article (61)

The Chancellor, upon the recommendation of the Vice Chancellor, shall issue the decisions, procedures, and regulations required for the implementation of the provisions of this decision.

Article (62)

This decision shall come into force from the date of its issuance. All relevant bodies, as concerned, shall comply with this decision. Any provision that contradicts with this bylaw shall be repealed to the extent required, and this decision shall be published in the Official Gazette.

Issued by us on:

Monday, Rajab 17, 1445 A.H.

corresponding to: January 29, 2024 A.D.

Sultan bin Mohammad Al Qasimi,

Ruler of the Emirate of Sharjah

President of the University of Khorfakkan