

The Republic of the Union of Myanmar
President Office
Directive No.1/2013
(5th April 2013)

Tender rules in allowing conduct activities of investment and economic activities

1. The economic system of the State is enacted as economic marketing system in section (35) of Constitution of the Republic of the Union of Myanmar, and in sub-section (b) of section (36), the State is liable or responsible to prevent affecting the welfare of citizens, to shatter fair competitive for businesses by monopolizing or manipulating market price by one or group.
2. As business investment and economic activities are increasing in Myanmar in accordance with the enacted constitution laws, apparels, liability, responsibility, and scrutiny shall be heard as government department, organizations allowed carrying on relevant business investment and business enterprise.
3. Therefore, in carrying out for enabling doing business investment and economic activities by government department and organizations, the following tender rules and regulations shall be instructed;
 - a) To form the required organizations such as tender bid committee, floor price computing committee, tender inspecting committee, quality scrutinizing committee and details terms and rules to be followed,
 - b) In forming tender scrutinizing committees and if it is tender business to be supervised by government of region and state, representatives of relative region or state shall be granted to provide liability, cooperation and advises and scrutiny.
 - c) In order to be apparent tender business, specific rules and regulations for respective tender offers of organized committees are required.
 - d) Value of prices, less/more has to be recorded and tender scrutiny committee shall scrutinize the price. A scrutinizing date has to be specified and those who import tenders shall be invited and scrutinized at once.

- e) Type of business to be carried out shall be clearly described and announced apparently for one week in newspapers owned by government and tender opening shall be offered one month prior of specified date.
- f) Further more, it shall be announced two week prior in notice board and government ministry websites.
- g) Tender forms, tender rules and tender standards shall be provided and take a records of it to tender importers.
- h) Permitting to Import tender or tender importers shall be invited in specified day and open tenders shall be put into tender box of a hall where tender announcing is celebrated at the presence of the people. Keys of tender boxes shall, not be kept by a person only and be opened at all key keepers' presence for its secure.
- i) All tenders shall be opened at the presence of every committees and tender importers on specified day.
- j) It shall be scrutinized by tender scrutiny committee at the presence of relative committees, to see if it's in accordance with prescribed rules and regulations.
- k) To choose the lowest bid from bidders, which corresponds tender rules without bargaining price as it has re-calculated in accordance with the local price since Lottery Office specified tender floor price.
- l) Tender business related to the issue of maintaining natural circumstance should be carried out in accordance with international standard that has being practiced by the State.
- m) In accordance with primary deals of political, economy, socialization, it shall be acceptable tender business for the interests of government, business owner and the state.
- n) Relating to tender purchasing;
 - I. Lists of purchased assets and standards (specification) shall be announced,
 - II. To buy priority products of factory and industries supervised by ministry department and if such products and tasks to be carried out are allergic, ability to buy from outside by permission of relative ministry department,
 - III. To get the right price by buying after scrutinizing from branch offices of foreign companies established legally within the State,

- IV. Only if there is no legal representative branch office in the State, purchasing by ministry from foreign countries, and the company that provides the right price and assets shall be chosen by using competitive marketing system.
- V. If any difference is found after scrutinizing the right price and quality, tender winner shall be disputed by relative rules and regulations.
- VI. If it is late for importing specified in the contract, rule and regulations for disputing of being late shall be addressed in the agreement.

o) Relating to establishing tenders;

- I. If free service of measuring capacity of possibility and impossibility in carrying out the task is proposed, it may be accepted and performed, but the owner of the company only shall, not be allowed for services and be competing for tender as same as others.
- II. It shall be chosen by fair competitive tender as same as others and no be preference servicing of ministry departments by providing their necessities.
- III. To propose the costs of assets to be used in accordance with the region unit price of local authority and it shall be scrutinized by region unit price of auditor-general office.
- IV. For assets purchased from foreign country, service charges, transportation fees and the price of the assets specified by original company shall be reported.
- V. Assets price, wages and casual charges and percentage of service charge shall be described.
- VI. Records of casual expenses and extra costs of assets and transportations fees if it is used shall be reported with the approval of relevant organization in orderly.
- VII. The main standards for choosing tender are as follows;
 - (aa) The one who pays the smallest percentage for wage and service charge of occupier shall be selected that the price of all assets is to be scrutinized and accepted by lottery office with local price as importers are all the same.
 - (bb) To be chosen by approval guarantee and quality inspection method and correctly, which is to avoid doing sub-contract by big company, and though small company which provides best quality by qualified administrators and lower price but being rejected and, higher price but making sub-contract,
 - (cc) The company, which competes and cheapens with lowest price shall not be chosen by ministry department by intimating each others and recording.

(dd) To follow regulations by stating in details in the agreement and, to obey regulations stated in the agreement, if department and private organization got conflict,

p) In relating to tenders service,

- 1) To specify the price by bringing out the primary bases which could rises the price with aiming the lower living expenses of citizens and to prescribe regulations for bid winners to carry out in accordance with the specified prices (e.g. Taxation tender for using street and bridge).
- 2) To carry out by aiming for local people to get job opportunities.
- 3) To inform all tender bidders about rules to solve the issues such as not being carried out in line with the specified price and breaking the regulations sated in the agreement.
- 4) To describe methods in tender rules by Tender Call Central Committee by inspection of organization to solve the issues such as failing to carry out business project and being weak in carrying out such plans.
- 5) To choose the company in priority which provides job opportunities for relevant local people, if bidders have the same qualities.

q) In relating to hire/purchase tenders,

- 1) The businesses transferred by government departments and organizations to private shall be carrying out in line with the notifications of Private Commission organized by President Office.
- 2) For other cases,
 - (aa) In carrying out sessions such as hiring and purchasing, going on field study basically to get fast and easy to carry out hiring and purchasing of both sizes shall be done to get along.
 - (bb) If the proposed price rate of those who call for highest prices are the same, the one who calls the highest price from the highest proposed price shall be chosen by competitive system.
 - (cc) Board shall do transferring and giving out after tender price is completely charged.

- (dd) If government building in work field, machinery and stores are being rented in line with procedure, it shall be the same condition of the services begins in submitting back after the service term dues date,
 - (ee) To carry out apparently by organizing floor price specifying committee and rental committee in selling part of one's property if it is necessary.
 - (ff) Rental term shall be prescribed in separate forum.
-
- r) To scrutinize good background of company or occupier and staffs if they are qualified and recommended or not, which is not to take place canceling carrying out tasks by risking insurance premium though a company or occupier entitled insurance premium, if they win tender.
 - s) Tender winner shall describe his responsibilities specifically in relating to expire date of building, equipment and machinery or term for warrantee.
 - t) Deemed to be liable after scrutinizing the qualities by Quality Inspection Committee unless it found it corresponds with specified qualities. According to the nature of business, in stead of doing inspection after completing all businesses, quality inspection shall be taken while task has being carried on by specifying task limits as there are cases which cannot be reformed.
 - u) Task shall be carried out in completely for type of work with work schedule system, if not, specific liabilities shall be prescribed.
 - v) Maintaining price shall remain within three months from closing price date and if it exceeds, the current price, acceptable for both sizes shall be re-prescribed.
 - w) Acceptable time in relating to making payment in cash system shall be regarded by mutual agreement.
 - x) Shall be carried out in accordance with taxation procedures enacted by government.
 - y) Company who wins tender shall not be allowed to transfer Sub-contract.
 - z) In according to the nature of business, arrangements in relating with some tenders (e.g. Petroleum, mineral services) shall be prescribed apparently.
 - aa) Tender Ceremony activities of big company shall be recorded in photos and video files.

- bb) Tender winner shall make agreement to carry out in line with rules of tender rules and regulations specified by Lottery Office.
- cc) Besides the above rules, ministry department shall add some specified regulations, and liabilities and responsibilities are required.
- dd) After sending draft contract to Union Department or Region or State Government Board, Naypyi Taw Council and Autotomized Division/ Local chief management Ministry Committee meeting and approving, the agreement shall be made.
- ee) The record for carrying out all tasks apparently shall be kept.
- ff) Rules to solve confliction issue between Government Department, Organizations and private shall be added in the agreement.

Hla Htun
Chief Director
President Office

Letter No. 158(1)/8/President Office
Date – 5th April 2013

Distribution

All Union Ministry departments
Chairman, Economy and Social Adviser Council
Vice Chairman, Myanmar Traders and Industrial Head-Office

Chief Director
Book Printing and Publishing
Service

}

To be announced in
Myanmar Gazette Part (1)

Copy for -

Chief President office
Chief Vice President Office
Union Government Organization Office
Union Attorney General Office
Naypyi Taw Council Office
All Region/State Government Offices

