

*(Published in «Official Gazette BiH» no 03/05, 24 January 2005)*

In accordance with Article 17 of the Law on the BiH Council of Ministers (“Official Gazette BiH” no.30/03 and 42/03) and Article 53 of the Law on Public Procurement of Bosnia and Herzegovina (“Official Gazette BiH” no. 49/04) the BiH Council of Ministers, on a proposal made by the Ministry of Finance and Treasury, at its 72nd session held on 16 December 2004, has adopted

**DECISION**  
**on implementation of Public Procurement Law BiH**

**SECTION I**

**Article 1.**

(Application of the Implementing Regulations)

This Decision elaborates in greater details implementation of the Law on Public Procurement BiH (“Official Gazette BiH” no. 49/04), “the Law” in the further text, as stipulated in Article 53 of this Law.

**Article 2.**

(Fundamental Elements of Public Procurement)

Contracting authorities are obliged to ensure in their internal Acts on internal organization that the awarding of public procurement contracts are done in such a way that ensure efficiency, transparency, equal treatment, non-discrimination and competition, in accordance to the Law and these Implementing Regulations.

**Article 3.**

(Communication and Information Exchange)

(1) During the conduct of public procurement procedure, the entire communication and information exchange between the contracting authority and suppliers shall take place in writing as defined in Article 2, paragraph (20) of the Law.

(2) The contracting authority has the right to choose the means of communication and information exchange, taking into account that the chosen means of communication must be accessible to all parties interested in the procurement procedure and must not restrict suppliers' access to the all phases of the procurement procedure.

(3) Communication and information exchange between the contracting authority and suppliers shall be carried out in a way that ensures that:

a) The integrity and totality of data is protected; and

b) Information of the supplier is clearly marked as confidential or as a professional secret, and contained in tenders or requests to participate in a procurement procedure is not made available

to any person not involved in the procurement procedure; and

c) The contracting authorities examine the content of tenders only after the expiration of the deadline fixed submitting them.

(4) Where electronic means of communication and information exchange are chosen, the following rules shall apply:

a) Provided confidentiality is ensured, including the measures serving to provide protection from unauthorized access, information exchanged in this way must be accessible to the interested parties.

b) The technical characteristics of the means to be used for communicating by electronic means must be compatible with the information and communication technology products in general use - in order to avoid possible restriction of suppliers to take part in the procurement procedure.

(5) Notwithstanding the provisions of paragraph (4) of this Article, all tenders as well as requests to participate in a procurement procedure must be submitted in hard copy with respect to the provisions of Article 21, paragraph (10) of the Law. The contracting authorities may allow requests for participation in procurement procedures to be submitted by fax or by electronic mail but these must subsequently confirmed by hard copy before the expiration of the relevant deadline.

(6) The contracted authority must include all details and terms related to the procedure of choosing the means of communication and information exchange in the procurement notice together with the fixed deadlines for submission of tenders.

(7) Requests for submission of tender documents may be made in writing, by fax or electronic mail, or by telephone, with an obligation for the tenderer to submit the request in written form, as soon as possible, and not later than the deadline determined in the notice on public procurement. If the tenderer fails to submit the written form by the determined deadline, it shall be considered that the tenderer renounces the participation in the public procurement, with an obligation that the tenderer shall pay to the contracting authority for all the costs for the tender documentation and for mail sent to the address of the tenderer.

#### **Article 4**

(Contracting authorities)

For the purposes of Article 3, paragraph (1), item c) of the Law, a “dominant influence” is presumed to be exercised by a contracting authority over a public enterprise when that contracting authority, directly or indirectly, in relation to the enterprise:

a) holds a majority of the enterprise's subscribed capital, or

b) controls the majority of the votes attaching to shares issued by the enterprise, or

c) can appoint more than a half of the members of the enterprise's administrative, managerial or supervisory body.

#### **Article 5.**

(Establishment of Procurement Commission)

(1) The contracting authority shall set the tasks to be conducted by the Procurement Commission (hereinafter: “the Commission”) and grant it the powers required for the fulfillment of the set

tasks, in accordance with the Law.

(2) The Commission shall be responsible to the contracting authority for carrying out the tasks and shall execute only the tasks or assignments of the contracting authority that are given in writing.

(3) In respect of the establishment of the Commission:

(a) The Commission shall be formed by order of the contracting authority and shall consist of at least 3 (three) members or, in the case of contracts whose estimated value exceeds the international threshold values referred to in the Law, Article 6, paragraph (3), of at least 5 (five) members. There shall always be an odd number of voting members. In case when some members of the Commission are employed outside of contracting authority they may not constitute the majority of the Commission.

(b) The contracting authority is obliged to appoint among the members of the Commission a Chairperson of the Commission that shall direct its work and ensure compliance with to the provisions of the law and these implementing regulations.

(c) The contracting authority also appoints a Secretary of the Commission, with no voting rights, who provides administrative assistance to the Commission, prepares minutes of its meetings and reports of its work, keeps the documentation and performs other tasks as requested by the Chairperson of the Commission.

(d) When appointing the Commission members, the contracting authority must ensure that selected individuals are conversant with the Law and these implementing regulations and that at least 1 (one) Commission member has special expertise in the subject matter of the concerned public procurement.

(4) The contracting authority shall not appoint any individuals who, notably, in the past 5 (five) years:

(a) has been determined by any court of competent jurisdiction to have committed a criminal offence involving corrupt practices, money laundering or bribery including those regarding the financial interests of BiH or the any other country;

(b) been determined by a court of competent jurisdiction to have committed or in any other way participated in an act of counterfeiting;

(c) has been determined by a court of competent jurisdiction or other administrative body that the person is responsible for misuse of the position or authority, by which this person violated the standards of professional behavior in performance of his/ her assigned tasks and working obligations.

(d) been determined by the PRB on the basis of substantial facts, to have engaged in abuse of office or made misrepresentations in documents submitted in connection with a public procurement proceeding or activity governed by public law in BIH.

(5) The contracting authority or entity which forms the Commission shall have the right to invite, on their own or on the initiative of the Commission, experts where specific technical or specialized knowledge is required by the object of the public procurement and is not otherwise available within the contracting authority. These experts shall not have voting rights.

## **Article 6**

(Functioning of the Procurement Commission)

(1) Functioning of Procurement Commission includes the following:

- (a) The Commission shall function on behalf of the contracting authority within the scope of the powers granted to it.
  - (b) The Commission, at the end of the procedure, shall provide the contracting authority with a recommendation together with a report on work and a statement of reasons supporting that recommendation.
  - (c) The final decision on the award of the contract remains the responsibility of the contracting authority which shall be held accountable for the public procurement. It may accept the Procurement Commission's recommendation or reject it. Where the Commission's recommendation is rejected, the contracting authority must explain its reasons in writing.
  - (d) The Commission shall function from the day of adoption of the decision concerning its establishment until the fulfillment of all tasks given by the contracting authority in writing, or until the decision to terminate the procurement is taken.
  - (e) The Commission shall adopt decisions at the meetings by a simple majority vote, voting by open ballot.
  - (f) The Commission's decisions shall be recorded in the minutes. The minutes shall specify the reasons of the Commission's decision, give explanations and the opinion of each dissenting Commission member. The minutes shall be signed by all the members who participate in the work of the Commission and who are present at the meeting of the Commission.
  - (g) All members of the Commission, members employed outside of contracting authority and all experts engaged and appointed by the Commission are explicitly subject to Article 9 of the Law which is related to confidentiality.
  - (h) Every Commission member whether the person is employed by contracting authority or a member working outside of contracting authority as well as an expert working outside of contracting authority may take part in the work of the Commission only upon signing a declaration of impartiality with respect to the suppliers and a statement of confidentiality.
- (2) A report on the number and object of the Commission's meeting, including the meeting minutes, shall be prepared and attached to the report on the total contract award procedure prepared pursuant to Article 41 and, as appropriate Article 45, paragraph (3), of the Law.

## **Article 7.**

### **(Joint public procurement of more contracting authorities)**

- (1) Contracting authorities can make a decision that they shall perform the public procurement procedure jointly, for a public procurement or for all public procurements in a certain period of time.
- (2) When there is more than one contracting authorities in a public procurement procedure or more public procurements in accordance to procedures set within the Law, each of contracting authorities taking part in the joint procedure of the procurement shall be clearly specified in tender documentation. Each contracting authority that was participating in the joint procurement procedure shall sign a special contract with the chosen tenderer.
- (3) Contracting authorities can transfer the responsibility to perform public procurement procedures or assignment of contracts or frame agreements, onto a contracting authority.
- (4) BiH Council of Ministers or governments on the local levels can decide to organize a joint public procurement for certain types of goods, services or construction works for

contracting authorities. In that case BiH Council of Ministers or a government on the local level shall designate the body responsible for conducting of the joint procurement.

## SECTION II

### **Article 8.**

#### (Calculation of the Contract Value)

(1) Pursuant to the Law, Article 6, paragraph (1), the estimated value of a public procurement contract shall be calculated as follows:

a) The estimated value of a supplies, services or works contract shall equal the total net amount to be paid by the contracting authority for all products, services, works, immovable property, and other objects covered thereby; including - in the case of a works contract - objects that are needed to execute such contract and that are to be made available to the contractor of works by the contracting authority;

b) The estimated value of such supplies, services or works shall be their estimated net price at the time when the procurement notice is published, or in cases where such notice is not required, at the moment at which the contracting authority commences the contract award procedure.

(2) In determining the estimated value of a proposed supplies, services or works contract, the contracting authority shall include all elements of the ultimate net price to be paid by the contracting authority for such supplies, services and objects for the contract on assignment of works.

(3) Where supplies, services or works are subdivided into several lots, each one the subject of a separate contract, the aggregate estimated value of all such lots shall be used to determine the threshold of each such contract under Article 6 of the Law.

(4) In the case of contracts for the lease, rental or hire-purchase of supplies, or of a proposed service contracts that do not specify a total price the value to be taken as the basis for calculating the estimated value of the contract shall be:

a) in the case of a fixed-term contract, the total net contract value including the estimated residual value on the domestic market;

b) In the case of a contract for an indefinite period or where there is doubt as to the duration of the contract, the monthly net value multiplied by 48 (forty eight).

(5) Where it is reasonably foreseeable that a proposed contract may be extended, renewed or followed by a successor contract for new supplies, services or works, the basis for calculating the estimated net contract value of such proposed contract shall be the maximum potential total amount to be paid under the proposed contract, including the maximum potential total amount to be paid under any such reasonably foreseeable extension, renewal or successor supplies, services or works contract.

(6) Where a proposed contract contains a variant, the basis for calculating the estimated net contract value shall be the maximum potential total amount of the public procurement, lease, rental, or hire-purchase, including any amounts that may become payable as a result of the exercise of the variant clause.

(7) For the purposes of calculating the estimated net value of a proposed service contracts covering insurance services, banking and other types of financial services, or design services, account shall be taken, where appropriate:

- a) in the case of insurance services, of the premium payable
- b) in the case of banking and other financial services, of fees, commissions and interest as well as other types of remuneration; or
- c) in the case of design services, of fees and/or commissions.

### **Article 9.**

#### (Amendments of Threshold Values)

(1) The Director of the Agency for Public Procurement (in the following text: the Agency) may initiate the procedure for amendment of the value thresholds provided for by the Law in the duly justified cases, especially in case of:

- a) significant change of inflation rate,
- b) serious change of economic conditions in BiH,
- c) change of the EU public procurement legislation.

(2) The Director will submit the initiative for amendment of thresholds to the Council of Ministers BiH, upon the prior approval of the Agency's Board.

## SECTION III

### **Article 10.**

#### (Tender Documents)

(1) The tender documents shall be prepared so that they, along with the information stipulated by Article 21 (10), also contain the information in accordance to Article 13 (3) of the Law, so at least the following:

- a) regarding the contracting authority: its full name, address, and the telephone, fax number and/or e-mail address of the person or persons authorized to communicate with the suppliers regarding the public procurement procedures;
- b) time limits for completion/ delivery of works, supplies or services or the duration of the contract; where appropriate any date by which works must be commenced, or by which delivery of supplies or services will begin; in case of a framework agreement the dates for the commencement and the duration of the agreement;
- c) where variants are acceptable, the minimum requirements to be met by the variants;
- d) selection criteria regarding the situation of suppliers pursuant to the provisions of Article 23 of the Law:
  - the required information proving that they do not fall within the cases justifying exclusion;
  - selection criteria regarding economic and financial standing and technical and/or professional ability required of the suppliers pursuant to the provisions of Articles from 24 to 26 of the Law, as well as the required information for the assessment thereof;
  - indication of qualification requirements for a group of individual suppliers submitting a single tender;
- e) in the event that the public procurement award criterion of the 'most economically advantageous tender' is chosen, according to the provisions of Article 34 of the Law, the

- subcriteria are to be applied during the assessment of tenders, in descending order of importance, along with the relative weighting given to each sub-criterion;
- f) terms and conditions of the contract proposed to the suppliers by the contracting authority, and a draft contract (if it is possible to prepare it);
  - g) exact place, date and hour for opening of tenders; indication of persons authorized to be present at the opening of tenders other than those referred to in Article 33 of the Law;
  - h) information that the prices offered shall be in KM (convertible marks), or if the prices are quoted in foreign currency, with an indication that the prices shall be, for the sake of evaluation and comparison with tenders of other qualified tenderers, converted into KM at the exchange rate fixed by the Central Bank of Bosnia and Herzegovina on the day of the opening of tenders (or such other date or manner as fixed by the contracting authority);
  - i) information relating to the methods and formulation of price calculation, including all taxes;
  - j) if they are required, formats for bank guarantees for or equivalent securities for the purposes of providing tender securities and performance securities in accordance to Article 16 of the Law;
  - k) whether and what proportion of subcontracting is permitted;
  - l) language requirements subject to Article 8 and 13 (3) s) of the Law.
  - m) When a tender is submitted by a group of suppliers, the requirement that such group shall submit with its tender a signed original of the agreement on their cooperation.
- (2) The tender documents shall be drawn up according to the models and/or standard tender documents adopted and published by the Public Procurement Agency, with a prior approval by the Steering Board of the Agency, not later than 90 (ninety) days from establishment of the Agency.

## **Article 11.**

### (Content of Notices)

- (1) Pursuant to Article 19 (3) of the Law, the procurement notices shall at least include the following information as appropriate in accordance with the award procedure:
- a) the name of contracting authority, its address, telephone and/or fax numbers, internet (website) address and/ or e-mail address, if any;
  - b) name of the service from which the tender documents may be obtained, address, telephone and/or fax numbers and e-mail address, if any
  - c) type of contract award procedure, and whether a framework agreement is envisaged;
  - d) intended procurement of supplies, works or services indicated by a short description of the characteristics of the object of the contract, including an indication of whether the object of the contract is sub-divided in lots and the possibility of tendering for one or more lots;
  - e) place and time limits for execution/performance of the works, for delivery of the supplies or the provision of the services; duration of the contract where appropriate;
  - f) whether variants are admitted or prohibited;
  - g) the exact place, date and hour for receipt of written tenders and exact place, date, and hour for opening of tenders - in case of an open procedure;
  - h) the exact place, date and hour for receipt of written requests to participate in case of restricted or negotiated public procurement procedure;
  - i) tender evaluation criteria fixed as “lowest price only” or “most economically advantageous tender”; in the latter case including the sub-criteria to be applied during the assessment of

tenders, in descending order of importance, along with the relative weighting given to each sub-criterion;

j) a brief description of the requirements regarding the tender security and security for the performance of the contract, if they are required;

k) language requirements;

l) possible fee for tender documents, fixed according to the provisions of Article 18, paragraph (4) of the Law;

(2) Pursuant to Article 40 (3) of the Law, the contract award notices shall at least include the following information:

a) the name of contracting authority, and its address, telephone and/or fax numbers, internet (website) address and/ or e-mail address, if any;

b) information which identifies the procurement notice published in respect of the contract awarded;

c) type of the contract award procedure, and whether a framework agreement is concluded;

d) object of the contract;

e) contract award criteria;

f) number of tenders received;

g) price of the minimum and maximum tender received (range of prices);

h) date of contract conclusion;

i) name and address of the successful tenderer;

j) price of the selected tender;

k) where appropriate, value and proportion of the contract likely to be subcontracted to third parties;

(3) Cancellation notices shall at least include the information mentioned in paragraph (2), items

a), c) and f) of this Article as appropriate, together with information which identifies the procurement notice published in respect of the envisaged contract.

## SECTION IV

### **Article 12.**

(Conduct of the Negotiated Procedure with or without Publication of a Procurement Notice)

(1) Conduct of the Negotiated Procedure with or without Publication of a Procurement Notice pursuant to Article 30, paragraph (3) of the Law, the following provisions apply:

a) Contracting authorities may provide for the negotiated procedure to take place in successive stages in order to reduce the number of tenders to be negotiated by applying the award criteria stated in the tender documents. In such cases the contracting authority shall inform the tenderers of the results of each stage. The tender documents shall indicate whether this method applies;

b) The time limits fixed for receipt of initial and final tenders shall be sufficiently long to give the participants reasonable time for drawing up and submitting their tenders;

c) The final tenders shall be opened as provided for in Article 33 of the Law.

## SECTION V



### **Article 13.**

#### **(Opening of the Tender)**

(1) A contracting authority shall open all tenders, submitted prior to the expiration of the deadline for submission of tenders, at place and time specified in the tender documents, according to Article 33 of the Law.

(2) Tenders submitted after the provided deadline shall not be opened and shall be immediately returned, unopened, to the tenderer.

(3) At the opening of each tender, the contracting authority shall communicate to the attending parties for each of the accepted tenders, as follows:

a) the name of the concerned tenderer,

b) the total tender price specified in such tender, except where the concerned document is only the technical proposal component of a two-part tender,

c) any discounts offered in the tender forms; any discounts not so announced shall not be considered for the evaluation of tenders.

(4) All information communicated shall be immediately recorded in the minutes of the Commission, which shall, at the conclusion of such meeting, be signed by the Chairperson of the Procurement Commission and each representative of a tenderer attending the meeting. Such minutes shall be immediately included in the tender documentation and copies of such minutes shall immediately be sent to all tenderers, including the ones whose representatives were not present at the tender opening.

### **Article 14.**

#### **(Examination, Evaluation and Comparison of Tenders)**

(1) A contracting authority may, in writing, request a tenderer to provide a written clarification of any aspect of its tender in order to assist in the examination, evaluation and comparison of tenders. None of the requested information or clarifications may constitute or be accepted by a contracting authority as a modification of the tender.

(2) A contracting authority shall correct an error in a tender that is of a purely arithmetical nature if such an error is discovered during the examination of tenders. A contracting authority shall promptly provide to the concerned tenderer written notice of any such correction and may proceed to amend the error, only after the tenderer has approved in written the notice on such correction. If the tenderer refuses to endorse the proposed correction, the tender shall be rejected without forfeiture of the tender security, if any.

(3) A contracting authority shall regard a tender as responsive if it complies with the requirements set forth in the contract notice and the tender documents. Notwithstanding the foregoing, a contracting authority may regard a tender as responsive if:

(i) it contains any errors or oversights that are capable of being corrected without altering any material term or aspect of such tender or prejudicing competition, or

(ii) it contains only minor deviations that do not materially alter or depart from the characteristics, terms, conditions and other requirements set forth in the contract notice and the tender documents; provided, however, that any such deviations shall be quantified, to the extent possible, and appropriately taken account of during the evaluation and comparison

of tenders.

(4) Except for the communications that are specifically authorized by paragraph 1 and 2 of this Article, no other communication, discussion or negotiation of any description shall be allowed between the contracting authority and a supplier with respect to a submitted tender.

### **Article 15.**

(Sub-contracting)

The successful tenderer may not, without the prior written consent of the contracting authority, sub-contract to third parties more than the amount of contract specified in its tender.

## SECTION VI

### **Article 16**

(Tender Security)

(1) For tenders to which the procedure provided under Chapter II of the Law applies and pursuant to Article 16 of the Law, a contracting authority may require a tenderer to submit a tender security.

(2) If the contracting authority imposes a tender security requirement, the contracting authority shall reject and not evaluate tenders received from tenderers that failed to comply with an applicable tender security requirement.

(3) A tender security posted by a tenderer shall be forfeited in the event:

a) such tenderer withdraws its tender after the deadline for the submission of tenders but prior to the expiration of the tender validity period specified in the tender documents; or

b) such tenderer is awarded the contract and the tenderer then refuses or fails

- to sign the contract, or

- to comply with any other condition precedent to the signing of the contract

that was specified in the tender documents, or

- to conclude/ sign a contract that conforms to the terms and conditions

specified in the tender documents.

(4) Pursuant to Article 16 of the Law, if the contracting authority imposes a tender security requirement, the amount of the tender security required shall be no higher of 2% (two percent) of the offered prices, but shall in no case be less than 2000 KM (two thousand Convertible Marks).

### **Article 17**

(Types and ways of submitting the tender security)

(1) The contracting authority shall specify in the tender documents any requirements regarding the nature, form, amount and other terms and conditions applicable to the required tender security.

(2) A tender security may always be posted in the form of a certified check, bond, unconditional bank guarantee or letter of credit. A tender security may also be posted in cash or a

cash equivalent, such as a bank wire or bank transfer provided the security is received before the specified deadline.

(3) The contracting authority shall specify in the tender documents any requirements that the issuer of such a check, bond, letter of credit or guarantee must meet.

(4) With the approval of the Agency's Steering Board, the Agency shall produce an instruction containing details on the minimum qualification requirements that issuers of certified checks, bonds, letters of credit and bank guarantees must meet in order for such instruments to be acceptable.

(5) If the contracting authority decides to impose a tender security requirement, the tender documents shall contain specific indication on the following:

- a) the precise amount of the tender security and the related validity period of the same;
- b) the deadline for the receipt of the tender security;
- c) a statement of the events that will cause such security to be forfeited, including the fulfillment of the requirements provided under Article 19, Paragraph 4 of this Decision.

### **Article 18**

(Obligations of contracting authority about tender security)

(1) A contracting authority shall return the funds or document constituting such tender security, within ten (10) business days in case of cash deposit and within five (5) business days in other cases, after the occurrence of any of the following events:

- a) rejection of the tender, evaluation of the tender as unsuitable or expiration of the tender validity period;
- b) the award and entry into force of the public procurement contract;
- c) the formal cancellation or termination of the procurement activity prior to the award or entry into force of the public procurement contract; or
- d) the withdrawal of the tender prior to the deadline set for the submission of tenders, unless the tender documents specifically state that no such withdrawal is permitted.

(2) At the occurrence of one of the circumstances indicated in paragraph 2 of this Article, the contracting authority shall notify the tenderer in writing of such decision and take all necessary measures to obtain the funds from the issuer or, in the case where the tender security has been posted in the form of a certified check, bond, or unconditional bank guarantee or letter of credit, shall undertake all necessary measures in order to allow the tenderer who submitted the security, to obtain the funds from the issuer.

(3) Where the forfeiture of the tender security is contested by the tenderer, the contracting authority shall leave any liquidated funds on deposit in the account specified above until the tenderer has exhausted all of its rights to appeal the contracting authority's determination.

### **Article 19**

(Performance Security)

(1) A contracting authority may, if indicated in the tender documents, require the successful tenderer to submit a performance security as a pre-condition to the signing and entry into force of a public procurement contract.

(2) A contracting authority shall ensure that the amount of any performance security that is required under paragraph 1 above is not higher than ten percent (10%) of the contract value and is otherwise set at a level that is sufficient to cover any damages and expenses that the contracting authority reasonably expects it will incur in the event of a breach of such contract by the supplier.

(3) A contracting authority shall ensure that the tender documents and the relevant public contract contain detailed provisions on the nature, form, amount, status, term, forfeiture and return of any required performance security. The contract shall include provisions:

(a) requiring the contracting authority to provide the supplier with written notice of any alleged failure of the supplier to perform the contract, and

(b) giving the supplier reasonable time to correct such failure.

(4) If no event has occurred requiring the forfeiture of performance security, the contracting authority shall return the funds or the document constituting such performance security in accordance with the terms of the contract.

## SECTION VII

### Article 20

#### (Use of Domestic Preferences)

(1) With the aim of protecting the reconstruction and development of the economy of BiH and for a transitional period only as specified in item b) and f) of this paragraph, the contracting authorities may with reference to Article 37 of the Law and in accordance with the defined economic policy:

a) apply a price preference only for the purpose of comparison of tenders according to Article 35 of this Law;

b) in calculating the prices of tenders for the purpose of comparison of tenders, the price of domestic tenders are decreased by a preference factor, which shall not exceed :

- 15% for contracts awarded in 2005-2006;

- 10% for contracts awarded in 2007-2008;

- 5% for contracts awarded in 2009-2010;

c) for the purpose of this article, the domestic tenders are tenders submitted by companies (or physical persons) located in BiH, established according to the law of BiH where, in case of supply contracts, at least 50 % (fifty percent) of goods offered originates in BiH, and in case of service and work contracts, at least 50% (fifty percent) of labor force for the execution of the contract originates from BiH;

d) in case of service or work contracts, in calculating the prices of tenders for the purpose of comparison of tenders, the price of tenders other than domestic are decreased by 5% (five percent) if at least 50% (fifty percent) of labor force for the execution of the contract originates from BiH ;

e) any domestic preference applied pursuant to this Article must be stated and its application explained in the tender documents;

(f) The provisions of this Article shall cease to have effect by 01.01.2011.

(2) Within the framework of this article, the Council of Ministers of BiH may define the policy, more details and other conditions for application of domestic preferences, especially sectors, in

which application of the domestic preferences would be mandatory or recommended.

## SECTION VIII

Final and concluding regulations

### **Article 21**

Pursuant to art. 49 (5) of the Law, the Council of Ministers BiH within 8 (eight) days after publication of this Decision in the “Official Gazette of BiH” shall launch an open competition procedure for selection of members of the Procurement Review Body.

### **Article 22**

Implementing regulations from Article 53 of the Law in relation to Articles 48, 49, 50 and 52 of the Law shall be issued by the Agency and Procurement Review Body when necessary conditions are met.

### **Article 23**

- (1) This Decision shall be published in the “Official Gazette of BiH”.
- (2) This Decision shall enter into force 8 (eight) days after being published in the “Official Gazette of BiH”.

*VM number 300/04*

*Chairman Council of Ministers BiH  
Adnan Terzić*

16th December 2004  
Sarajevo