

[TRANSLATED FROM THE ICELANDIC]

(1 March 1998)

Act No 65/1993

on the Implementation of Invitation to Tender

Scope

Art. 1.

The present Act will apply when an Invitation to Tender is used in order to establish business between two or more parties concerning works, goods or services. The Act will, however, not apply to tendering in the financial and securities' market.

Definitions

Art. 2.

Invitations to Tender:- Where a buyer seeks in writing binding bids for the works, goods or services being tendered. The bids are acquired from more than a single party in accordance with the same information and within the same respite.

General Invitation to Tender:- Tendering whereby an unspecified number of parties is by means of an advertisement afforded an opportunity of submitting bids.

Closed Invitation to Tender:- Tendering whereby a specified number of parties alone is afforded an opportunity of submitting bids.

Buyer:- In the present Act a buyer means the buyer of the works, goods or services being tendered.

Bidder:- In the present Act a bidder means the party bidding for the works, goods or services being tendered.

Pre-qualification:- Buyer's choice of those permitted to participate in a Closed Invitation to Tender.

Advertisements on Invitation to Tender

Art. 3.

General Invitations to Tender shall be advertised in the press, on the air or in other general ways, stating where and when tendering documentation will be delivered. Bidders shall have access to information specifying the name of the buyer or his agent, that which is being tendered, the respite offered for the return of bids and the delivery time of that

which is being tendered.

Invitation to Tender documentation shall include all requisite information in order to render bidding possible.

The respite for the return of a bid shall at all times be suitable having regard for the extent of tendering.

Art. 4

. Upon a closed Invitation to Tender a special message concerning it shall be sent to those whom the buyer affords an opportunity of submitting a bid. In addition to that which is specified in Art. 3 the message shall reveal which parties are being afforded an opportunity of submitting bids.

Withdrawal of Bid

Art. 5.

In case a bidder withdraw his bid prior to the opening of bids he is not bound by his bid. Withdrawal is valid only provided it be effected in writing or in another verifiable manner.

Opening of Bids

Art. 6.

All bids submitted on the basis of the selfsame Invitation to Tender shall be opened simultaneously at the place and time stipulated in an advertisement or a special notification, cf., however, Art. 7. Bidders or their representatives shall be authorized to be present at the opening of bids.

Art. 7.

It is not permissible to open bids which are received after the passing of the respite which was stipulated for the delivery of bids. It is, however, permissible to open bids which have been received by facsimile at the place of opening of bids prior to the expiration of the respite for delivery, provided that documentation intended to attach to the bid has been mailed under registered cover at least a day before the opening of bids occurs.

Art. 8.

The names of bidders and the total amount of a bid shall be read aloud. An estimate of costs shall also be read aloud and recorded, if possible. Care shall be taken always to read corresponding figures from all bidders. The buyer and all bidders present or their representatives shall sign Minutes