Republic of Lebanon

Ministry of National Defense

General Directorate of Administration

Department of Equipment

Special Conditions of Sale by Public Auction of Sikorsky Helicopters, Including associated Spare Parts and Equipment

No. 32/GDA/EQD/1

References: 1- The Public Accounting Law, as amended.

2- The Public Procurement Law, as amended.

3- The General Administrative Conditions for Army Supply Contracts, as amended.

4- Council of Ministers Decision No. 15 dated 25/6/2020, forwarded under No. 4428/M C/M dated 3/7/2020.

5- Letter No. 3590/M C/M dated 24/10/2026.

6- Referral No. 28802/E Q/A/F P dated 20/10/2026.

7- Memo No. 733/DGA/4 dated 3/11/2026.

These Special Conditions of Sale, prepared by the Department of Equipment, consist of thirteen pages, including this page, and contain all the administrative conditions and legal documents required for this transaction.

Authoritative Language

The Arabic version of this Tender Document shall be considered the official and authoritative version. The English translation is provided for reference purposes only. In the event of any discrepancy or difference in interpretation, the Arabic version shall prevail.

Article One: Definition and Subject Matter of the Auction:

1- The General Directorate of Administration – Department of Equipment shall, pursuant to the Public Procurement Law, as amended, conduct a public sealed - bid auction, on the basis of submitted price offers, for the sale of Sikorsky helicopters together with their spare parts and associated equipment, in accordance with these Special Conditions of sale.

2- In the event of any conflict between the provisions of these Special Conditions of sale and those of the Public Procurement Law, as amended, the provisions of the Public Procurement Law, as amended, shall apply.

3- The invitations to bid shall be published through a notice on the central electronic platform of the Public Procurement Authority, on the official website of the Lebanese Army, and through any other means designated by the Administration.

4- The Special Conditions of sale may be obtained from Baabda – General Directorate of Administration Building (Afif Mouaikel) – fifth floor – Department of Equipment. They shall also be published on the central electronic platform of the Public Procurement Authority, www.ppa.gov.lb, and on the official website of the Lebanese Army.

5- These Special Conditions of Contract shall be governed by the Public Procurement Law, as amended, and the other laws in force.

Article Two: Opening Price:

The opening price for this auction is fixed at USD /1,222,300/ (one million two hundred and twenty-two thousand three hundred United States dollars).

Article Three: Auction and Award Procedure:

1- This public auction shall be conducted on the basis of price offers for the Sikorsky helicopters complete with their spare parts and related equipment. The provisional award shall be made to the bidder whose bid is formally admissible from an administrative standpoint and who has submitted the highest total price for the auction.

2- Prices shall be quoted exclusively in United States dollars (the Price Schedule form shall be obtained from the Department of Equipment at the General Directorate of Administration).

3- If two or more bidders quote equal prices, the auction shall be repeated by sealed bids exclusively among those bidders during the same session. If they refuse to submit new price offers, or if their prices remain equal, the provisional successful bidder shall be selected by drawing lots among the bidders whose offers are equal.

4- The bidder must participate in the auction for one complete lot comprising all its items, namely:

- First item: Helicopter No. AD-1601.
- Second item: Helicopter No. AD-1602.
- Third item: Helicopter No. AD-1603.
- Fourth item: Spare parts (Major Parts).
- Fifth item: Spare parts (Remaining Parts).

Article Four: Eligibility Requirements for Bidders:

1- Bidders must meet the following conditions, which shall be demonstrated by the documents required under the paragraph "First: Envelope No. (1) – Administrative Documents and Supporting Records" of this Article:

a- They must not have been found to have breached professional ethics as prescribed in the relevant texts, if any.

b- They must have the legal capacity to enter into a contract with the Administration.

c- They must have fulfilled their tax obligations and social security contribution obligations.

d- Neither they nor their directors or employees involved in the auction process must have been the subject of any final civil or criminal judgments, even if not yet irrevocable, convicting them of any offence relating to their professional conduct, the submission of false or fabricated statements concerning their eligibility to enter into a procurement contract, or the corruption of a public procurement project or an award procedure, or any other judgments. Their eligibility must not otherwise have been withdrawn pursuant to administrative suspension or debarment proceedings, and they must not be excluded from participation in public procurement.

e- They must not be in liquidation or have been adjudged bankrupt.

f- They must not have been convicted of the offences of habitual usury or money laundering by a final judgment, even if not yet irrevocable.

g- They must not participate in the decision-making authority of the contracting authority, nor have any financial interests or conflicts of interest with any member of that decision-making authority.

2- The bid shall be submitted in a very clear and legible manner, without any crossing-out, erasure or overwriting.

3- The bidder shall declare in their submitted bid that they have examined the Special Conditions of sale and supplementary documents and has obtained a copy thereof; accept the conditions set out therein and undertake to comply with and perform all of them without any reservation or qualification whatsoever; and submit their bid on that basis. Fiscal stamps in the amount of one million Lebanese pounds, covering all documents, shall be attached to the declaration.

4- Any bid containing a reservation or qualification shall be rejected.

5- The bidder shall specify in their bid a clear address and a place of residence so that any required notices may be served upon it as promptly as possible.

First: Envelope No. (1) – Administrative Documents and Supporting Records:

1- The letter of undertaking (declaration) to participate in the public auction session (to be obtained from the Department of Equipment at the General Directorate of Administration), bearing fiscal stamps or a stamp-duty payment mark in the amount of one million Lebanese pounds and containing no reservation. Any reservation in the declaration shall constitute grounds for its rejection. It shall also include an undertaking to waive banking secrecy and shall be dated, signed and stamped by the bidder or their legal representative.

2- An authorization to participate in Army contracts, valid for the year in which the auction takes place, issued by the General Directorate of Administration – Coordination Office.

3- A commercial circular identifying the person authorized to sign on behalf of the bidder and containing a specimen of that person's signature, or an acknowledgement of notification of establishment if the bidder is a non-profit association.

4- A notarized legal authorization, if the bid is signed by a person other than the person entitled to sign on behalf of the bidder under the commercial circular or, where the bidder is a non-profit association, the acknowledgement of notification of establishment.

5- A criminal record extract for the authorized signatory or "its legal representative", issued no more than three months before the bid-opening session.

6- Copies of identification documents (identity card/passport) for every person representing the bidder (any person acting on the bidder's behalf in its dealings with the contracting authority: legal agent, representative of the legal entity or its authorized signatory, etc.).

7- A certificate of the bidder's registration with the Value Added Tax Directorate if subject to VAT, or a certificate of non-registration if not subject thereto. In the latter case, the bidder shall remain bound by their price even if they become registered for VAT during the performance period.

8- A certificate of the bidder's registration with the Ministry of Finance – Revenue Directorate.

9- A clearance certificate from the National Social Security Fund, "comprehensive or valid for participation in public contracts", valid on the date of the bid-opening session and certifying that the bidders have paid all their contributions.

10- A certificate issued by the Commercial Register showing the founders, members, shareholders or partners, authorized signatories, manager, capital, the bidder's business activities and registered events; or a statement of the administrative body and general assembly issued by the Ministry of Interior and Municipalities if the bidder is a non-profit association.

11- A certificate issued by the competent authority confirming that the bidder is not subject to bankruptcy or judicial liquidation (not required where the bidder is a non-profit association).

12- The bid security (provisional letter of guarantee) as specified in Article Seven of these Special Conditions of sale and pursuant to Articles /34/ and /36/ of the Public Procurement Law, as amended.

13- A duly signed declaration of integrity by the bidder (to be obtained from the Department of Equipment at the General Directorate of Administration).

14- A notarized partnership or consortium agreement (or any other agreement constituting an alliance of companies), where more than one bidder submits a joint bid, whether they are companies, non-profit associations or a combination thereof. The agreement shall identify the consortium leader and provide for the joint and several liabilities of its members.

15- A declaration by the bidder identifying their beneficial owner(s), in accordance with Form M18 issued by the Ministry of Finance (every natural person who ultimately owns or effectively controls, directly or indirectly, the activity carried on by the bidder, whether that bidder is a natural or legal person).

16- Copies of identification documents (identity card/passport) for the beneficial owner(s).

17- A declaration from the Coordination Office confirming payment of the fee for the Special Conditions of sale.

18- A written undertaking to export the awarded materiel outside Lebanon without depositing it with or selling it to any entity, person or company within Lebanese territory.

19- **With respect to foreign companies supervised or recommended by their governments, or owned by their governments:**

- The letter of undertaking (declaration) to participate in the public auction session (to be obtained from the Department of Equipment at the General Directorate of Administration), bearing fiscal stamps or a stamp-duty payment mark in the amount of one million Lebanese pounds and containing no reservation. Any reservation in the declaration shall constitute grounds for its rejection. It shall also include an undertaking to waive banking secrecy and shall be dated, signed and stamped by the bidder or its legal representative.
- A duly authenticated letter issued by the foreign company identifying the company's representative in Lebanon who is permitted to follow up all stages of the transaction, and the person legally authorised to sign in the company's name.
- A certificate from the Ministry of Economy and Trade establishing compliance with the provisions of the Law on the Boycott of the Israeli Enemy.
- A certificate issued by the competent authorities stating that the company is registered, supervised and recommended by its government. This certificate must be duly authenticated by the competent authorities and must relate to the year in which the auction takes place.
- The certificates required under the paragraph "First" above, in accordance with the laws of the country in which the bidder is located, duly authenticated by the competent authorities.
- The Administration may exempt foreign companies supervised and recommended by their governments, or owned by their governments, from the conditions relating to place of residence, security, penalties and the requirement of taking delivery before receipt of payment, pursuant to Article222 of the Public Accounting Law, provided that such companies submit a certificate, duly

issued and authenticated by the competent authorities for the year in which the auction takes place, stating that the company is registered, supervised and recommended by, or owned by, its government.

20- Upon submission, the first envelope must contain the required documents numbered in the sequence specified under "First: Envelope No. (1) – Administrative Documents and Supporting Records" of this Article, together with two photocopies. The bidder must also bring the original documents to the bid-opening session.

- A bidder wishing to participate in this auction must submit the administrative documents and supporting records (originals or certified true copies).

Second: Envelope No. (2) – Price Schedule:

1- The bidder shall submit a Price Schedule and place the bid in a closed envelope signed by the bidder, in accordance with the Price Schedule form obtained from the Department. The bidder shall state the price of each item and the grand total for the lot in United States dollars, in figures and words, without any erasure, crossing-out, overwriting or insertion of words that has not been countersigned.

2- The price shall include taxes, duties and expenses of every kind. In the event of a discrepancy between figures and words, the unit price stated in words shall prevail. Any price not stated both in full words and in figures shall be rejected.

Article Five: Requests for Clarification:

1- A bidder may submit a written request for clarification concerning the Special Conditions of sale within a period no later than ten days before the deadline for submission of bids. The Administration shall respond within a period no later than six days before that deadline. The clarification shall be sent in writing simultaneously, without identifying the requester, to all bidders to whom the Administration has provided the auction documents. Article /21/ of the Public Procurement Law, as amended, shall apply if the Administration considers it appropriate to amend the Special Conditions of sale for any reason, either on its own initiative or as a result of a request for clarification submitted by a bidder, and to all matters relating to meetings with bidders.

2- A specific date shall be set for prospective bidders to inspect the materiel being auctioned, in accordance with the notice of this auction.

Article Six: Bid Validity Period:

1- The provisional successful bidder shall remain bound by the price quoted in the bid for sixty days starting from the deadline for submission of bids.

2- Before the expiry of the validity period of their bids, the Administration may request bidders to extend that period for a specified additional period. Bidders may refuse such a request without forfeiture of their bid security.

3- Bidders agreeing to extend the validity period of their bids must extend the validity of their bid securities or provide new bid securities covering the extended bid validity period. Bidders that fail to extend their bid security or provide a new bid security shall be deemed to have refused the request to extend their bid validity period.

4- Bidders may amend or withdraw their bid before the deadline for submission of bids without forfeiture of their bid security. An amendment or request to withdraw a bid shall take effect when received by the Administration before the deadline for submission of bids.

5- Bid validity shall be extended automatically if proceedings are suspended for a specified period by the Review Authority pursuant to Chapter Seven of the Public Procurement Law, as amended, for a period equal to the suspension period. The bidder shall extend the validity period of its bid security accordingly.

Article Seven: Bid Security:

1- The bidder shall provide a provisional letter of guarantee issued by an acceptable Lebanese bank, or cash paid into the Lebanese public treasury, in the amount of USD /10,000/ (ten thousand United States dollars), or its equivalent in Lebanese pounds at the exchange rate adopted by Bank of Lebanon, valid for eighty-eight days from the deadline for submission of bids according to the date specified in the tender

notice and in accordance with the approved form of letters of guarantee (to be obtained from the Department of Equipment at the General Directorate of Administration), in favour of the Ministry of National Defense –General Directorate of Administration – Department of Equipment, for participation in the public auction session for the sale of Sikorsky helicopters complete with their spare parts and related equipment. The bid security shall be returned to the successful bidder upon submission of the performance security. For unsuccessful bidders, the bid security letter shall be returned no later than the date on which the contract enters into force.

2- The validity of the bid security shall be automatically extended until a decision is made to return it to the bidder.

Article Eight: Performance Security:

1- The successful bidder (except foreign companies supervised or recommended by their governments, or owned by their governments) shall provide the General Directorate of Administration – Department of Equipment with a bank guarantee issued by a recognized bank, or cash paid into the Lebanese public treasury, in the amount of 3% (three per cent) of the contract value, as security for the due performance of the transaction.

2- The performance security must be provided within a period not exceeding /15/ fifteen days from the date of entry into force of the contract. Failure to provide the performance security shall result in forfeiture of the bid security.

3- The performance security shall remain in force throughout the duration of the auction, and any amount due as a result of penalties, breaches, losses or damage caused by the successful bidder shall be deducted directly therefrom without prior notice until all its obligations have been fulfilled.

4- The performance security shall be valid for one year from the date of approval of the contract by the competent authority.

5- The successful bidder shall submit a document extending the validity of the performance guarantee within five working days from the date of its expiry.

6- The Administration shall be entitled to forfeit the performance guarantee if it determines that the successful bidder is unable to continue performing its obligations in accordance with the conditions and the specified deadline for taking delivery, pursuant to a decision of the competent authority.

7- The performance security shall be returned to the successful bidder after the end of the contract period in accordance with item /4/ of Article Sixteen below, after the Administration has ascertained that the auction has been duly conducted and the competent authority has approved the final handover report.

8- If any amount becomes payable by the successful bidder in the course of performance pursuant to the terms and conditions of the sale, the contracting authority may deduct that amount from the performance security and require the successful bidder to replenish the amount within a specified period. Failure to do so shall constitute default pursuant to paragraph (First) of Article /33/ of the Public Procurement Law, as amended.

Article Nine: Method of Providing Securities:

1- Both the bid security and the performance security shall be provided either in cash paid into the Lebanese public treasury or by an irrevocable bank guarantee issued by a bank acceptable to central bank of Lebanon and expressly payable on demand. The letter of guarantee shall be issued in favor of the Ministry of National Defense –General Directorate of Administration – Department of Equipment.

2- Securities may not be replaced by a bank check or by a Lebanese public treasury receipt relating to security for a previous transaction, even if repayment of its amount has been authorized.

Article Ten: Submission of Bids:

1- The administrative documents and supporting records constituting the bid shall be placed in two sealed envelopes:

a- First envelope: It shall contain the administrative documents specified in Article Four of these Special Conditions of sale. The documents contained therein shall be listed and numbered on its exterior.

b- Second envelope: It shall contain the Price Schedule obtained from the Department of Equipment (the price in the Price Schedule shall be stated in figures and words). Any price not stated both in full words and in figures shall be rejected.

2- The contents of each envelope shall be indicated on the outside of the envelope, together with its number and the bidder's name and stamp.

3- The first and second envelopes referred to in item (1) above shall be placed inside a third envelope obtained from the Department of Equipment, bearing only the following wording printed and affixed to its exterior:

a- Address: Baabda – General Directorate of Administration Building (Afif Mouaikel) – fourth floor – Finance Department – Expenditure Commitment Office.

b- Subject of the auction: Sale of Sikorsky helicopters complete with their spare parts and related equipment.

c- The scheduled date of the session.

d- Department concerned with the auction: Department of Equipment.

No wording or distinctive mark, such as the bidder's name, capacity or address, shall be shown.

4- The Price Schedule form and the third envelope referred to above shall be obtained upon collection of the Special Conditions of Contract.

5- Bids must be delivered by hand or by anonymous registered mail to the following address:

Baabda – General Directorate of Administration Building (Afif Mouaikel) – fourth floor – Finance Department – Expenditure Commitment Office, before the date and time set for the auction. If registered mail is used, the parties concerned must lodge their bids with the postal services in sufficient time to ensure their arrival within the specified time limits. No bid arriving after expiry of that period shall be recognised.

6- The deadline for submission of bids shall precede the date and time set for the auction, as provided in the notice relating to this transaction published on the central electronic platform of the Public Procurement Authority.

7- The Administration shall preserve the security, integrity and confidentiality of the bid and ensure that its contents are not examined until it is duly opened.

8- Any bid received by the Administration after the deadline for submission of bids shall not be opened and shall be returned sealed to the bidder that submitted it.

9- A bidder may not submit more than one bid, failing which all its bids shall be rejected.

Article Eleven: Opening and Evaluation of Bids:

1- Bids shall be opened by the Award Committee, which shall have exclusive responsibility for examining the auction file, opening and evaluating bids and, consequently, identifying the most suitable bid, in a public session held immediately upon expiry of the deadline for submission of bids.

2- The chair and each member of the Committee shall recuse themselves from their duties on that Committee if they are in, or anticipate entering into, any situation involving a conflict of interest, immediately upon becoming aware of that conflict.

3- Where necessary, the Award Committee may seek assistance from experts within or outside the Administration, by decision of the competent authority within the Administration. The selection of experts from outside the Administration shall be subject to the Public Procurement Law, as amended.

4- Experts shall observe confidentiality and impartiality in their work. They may not decide on behalf of the Committee, participate in its deliberations or disclose those deliberations publicly. They may be called upon by the relevant bodies to be heard and to provide explanations. Experts must also submit a written report to the Committee, which must be annexed to the auction minutes.

5- If the Committee's members differ in their views, decisions shall be taken by a majority of its members. The member concerned shall record the reasons for disagreement when signing the minutes.

6- All bidders participating in the auction process, or their duly authorized representatives, as well as the observer delegated by the Public Procurement Authority, may attend the bid-opening session.

7- Bids shall be opened according to the following procedure:

a- The standard outer envelope of each bidder shall be opened separately, and the bidder's name shall be announced among the auction participants, in the order of the serial numbers recorded on the outer envelopes supplied to bidders.

b- The first envelope (the administrative documents and supporting records specified in Article Four above) shall be opened, and the required documents shall be sorted and examined in preparation for determining and announcing the names of the administratively admissible bidders qualified for inclusion in the price comparison statement.

c- The second envelope (Price Schedule) of each administratively admissible bidder shall be opened separately, the necessary calculations shall be made and each bidder's price recorded, in preparation for comparison and announcement of the name of the provisional successful bidder.

d- The Award Committee shall correct any purely arithmetical errors discovered during its examination of submitted bids in accordance with the Special Conditions of Contract and shall immediately notify the bidder concerned of the corrections.

8- The bid-opening proceedings shall be recorded in written minutes signed by the chair and members of the Award Committee. An attendance list shall also be prepared and signed by the participating representatives of the Administration and the Public Procurement Authority, and by bidders and their representatives, as evidence of their attendance. All information and documents relating to the session proceedings shall be entered in the procurement proceedings record provided for in Article /9/ of the Public Procurement Law, as amended.

9- No substantive change to information concerning qualifications or to a submitted bid may be requested or permitted, including changes intended to render an unqualified bidder qualified or a non-responsive bid responsive.

10- No negotiations may take place between the Administration or the Award Committee and the bidder concerning qualification information or submitted bids. No change in price may be made following a request for clarification from any bidder.

11- All correspondence conducted pursuant to this Article shall be entered in the procurement proceedings record in accordance with Article /9/ of the Public Procurement Law, as amended.

12- If information or documents submitted in a bid are incomplete or erroneous, or if a particular document is missing, the Award Committee may request in writing that the bidder concerned clarify its bid or submit or complete the relevant information or documents within a specified period, provided that all correspondence is in writing and that the principles of transparency and equal treatment of bidders are observed in written requests for clarification or completion, subject to paragraph /3/ of item Two of Article /21/ of the Public Procurement Law, as amended.

13- The Head of the Expenditure Commitment Office at the General Directorate of Administration – Finance Department may attend Award Committee meetings or delegate a representative in an advisory capacity.

Article Twelve: Exclusion of a Bidder:

A bidder shall be excluded from the auction proceedings for offering benefits, having an unfair competitive advantage or having a conflict of interest, in either of the two cases provided for in Article Eight of the Public Procurement Law, as amended.

Article Thirteen: Waiver of Banking Secrecy:

Upon submission of its bid, the bidder shall be deemed to have undertaken to waive banking secrecy in respect of the bank account into which any public funds relating to this auction are deposited or transferred, pursuant to Council of Ministers Decision No. 17 dated 12/5/2020.

Article Fourteen: Cancellation of the Auction and/or Any of Its Procedures:

The Administration may cancel the auction and/or any of its procedures at any time before notifying the provisional successful bidder of the conclusion of the contract, in the cases provided for in Article /25/ of the Public Procurement Law, as amended.

Article Fifteen: Rules for Acceptance of the Winning Bid (or Provisional Award) and Commencement of Contract Performance:

1- The Administration shall accept the winning bid submitted in accordance with paragraph (1) of Article /24/ of the Public Procurement Law, as amended.

2- After ascertaining the winning bid, the Administration shall notify the bidder that submitted it and simultaneously publish its decision accepting the winning bid (provisional award), which shall take effect upon expiry of the standstill period of ten working days commencing on the date of its publication.

3- Immediately upon expiry of the standstill period, the Administration shall notify the provisional successful bidder that it must sign the contract within a period not exceeding /15/ fifteen days.

4- The competent authority within the Administration shall sign the contract within /15/ fifteen days from the date on which the provisional successful bidder signs it. This period may be extended to /30/ thirty days in specific cases determined by the competent authority.

5- The contract shall enter into force upon signature by both the provisional successful bidder and the competent authority of the contracting authority.

6- Neither the contracting authority nor the provisional successful bidder shall take any action inconsistent with the entry into force of the contract or the implementation of the procurement during the period between notification of the provisional award to the bidder concerned and the date of entry into force of the contract.

7- If the provisional successful bidder refuses to sign the contract, the Administration shall forfeit its bid security. In that event, the Administration may cancel the auction process or select the best bid among the other winning bids whose validity remains in effect, in accordance with the criteria and procedures specified in this Law and in the auction documents. The provisions of this Article shall apply to that bid with the necessary modifications.

Article Sixteen: Obligations of the Successful Bidder:

1- To remove the materiel covered by these Special Conditions of sale from its location, in a single consignment or in instalments, provided that no single item is split, and arrange for its export outside Lebanon, subject to submitting to the Administration an Import License for the materiel issued by the relevant authorities in the destination country.

2- To inform the Administration in writing of the intended date for removing the materiel from its location at least /15/ fifteen days in advance, so that the necessary procedures to facilitate the release, removal and export of the materiel may be completed.

3- To complete the export of the materiel covered by these Special Conditions of sale within a maximum period of four months commencing on the date on which the bank check referred to in item One of Article Twenty-Three below is delivered to the Administration.

4- To deliver to the General Directorate of Administration – Department of Equipment all documents evidencing the export of the materiel covered by these Special Conditions of Contract, for the purpose of releasing the performance security (a copy of the final export declaration "EX1", a copy of the bill of lading and the Shipping Order, and any other document, if any).

5- To comply fully with the contents of its written bid submitted during the auction session and refrain from submitting requests after the contract has been awarded to it.

6- To have the End User Certificate signed by the competent authorities and return it to the Administration if required.

7- To submit a written request to the General Directorate of Administration – Department of Equipment for the issuance of an Export Authorization for the awarded materiel.

8- To maintain the confidentiality of the contract, including notices delivered by the Administration to the successful bidder, before, during and after performance. Failure to comply with this condition shall render the successful bidder liable to legal proceedings under the Lebanese laws in force.

Article Seventeen: Obligations of the Administration:

1- To facilitate the successful bidder's entry to and exit from the location of the equipment covered by these Special Conditions of sale for inspection purposes, subject to approval by the competent authorities.

2- To facilitate the access of the successful bidder's workers and vehicles to the location of the materiel, following approval by the competent authorities.

3- To escort the shipment and dispatch of the materiel handed over for the benefit of the successful bidder from its location to a Lebanese port or other transport facility.

4- To hand over the materiel covered by these Special Conditions of sale to the successful bidder in due course, against a declaration signed by the Head of the Department of Equipment at the General Directorate of Administration, after the successful bidder has paid the Administration the full value of the materiel handed over.

5- To provide the helicopters' maintenance and service history records to the successful bidder.

6- To issue an Export Authorization for the awarded materiel to the successful bidder.

Article Eighteen: Duties and Taxes:

1- The successful bidder shall bear all customs duties, regardless of their designation, within and outside Lebanon, that may arise from the shipment and export from Lebanon of the entire subject matter of the contract covered by these Special Conditions of Contract.

2- The successful bidder shall pay fiscal stamp duty within five working days commencing on the date of being notified of approval of the award. Delay in paying such duty shall render the successful bidder liable to the statutory penalty.

Article Nineteen: Contract Value and Conditions for Its Amendment:

1- The prices agreed upon in the contract shall be fixed and shall not be subject to amendment or revision unless authorized during performance within specified limits, in accordance with the conditions for amendment and revision in the exceptional cases provided for in Article /29/ of the Public Procurement Law, as amended.

2- The publication requirements prescribed in Article /26/ of the Public Procurement Law, as amended, shall be observed when the contract value is amended.

Article Twenty: Service of Notices on the Contractor:

Articles /30/ and /31/ of the General Administrative Conditions for Army Supply Contracts shall form the basis for every notice served on the contractor concerning performance of the contract, in addition to the provisions of the Public Procurement Law, as amended, relating to service of notices.

Article Twenty-One: Contract Performance and Taking Delivery:

1- The Committee shall specify in its report the items to be handed over to the successful bidder in accordance with the contractual terms and the provisions of the Special Conditions of sale for the auction. It shall hand them over to the successful bidder after the latter has paid all consideration, duties and amounts due. If delivery takes place in several stages, a separate report shall be prepared for each stage.

2- After completion of the delivery and handover, verification that it has been carried out in accordance with the contractual conditions and the provisions of the Special Conditions of sale for the auction, and confirmation that the successful bidder has fulfilled all contractual and financial obligations, the contracting entity shall return the performance security to the successful bidder.

3- A handover committee of no more than five members shall be formed to supervise and follow up all details of handing over the materiel to be sold to the successful bidder and to address obstacles that may arise at the various stages of performance of this transaction. It is proposed that the Committee include a member from the General Directorate of Administration, a member from the Air Force, a member from

Army Command – Army Staff for Equipment, and a member from the Directorate of Intelligence, in addition to technical experts.

4- The Committee shall prepare a provisional handover report upon handing over an item or items to the successful bidder at the loading location, and a final handover report upon completion of the export of all items. These reports shall be submitted to the General Directorate of Administration – Department of Equipment so that the necessary administrative procedures may be completed.

Article Twenty-Two: Accidents and Liabilities:

1- The successful bidder shall bear full liability for all risks and accidents affecting the materiel, third parties and persons working under their authority throughout the contract performance period (loading, transport from the loading location to Lebanese ports or other transport facilities, unloading, etc.).

2- The successful bidder shall be liable for all damage to the Administration's facilities arising from and during contract performance, and shall take all measures to prevent such damage and undertakes to repair all damage resulting therefrom.

3- In the event of a breach, the contracting entity shall take the necessary measures at the successful bidder's expense and deduct the costs from the performance security.

4- The purchaser shall bear, at sole expense and under full responsibility, all work and costs relating to dismantling, loading, transporting and removing the equipment from the site, including provision of the equipment, tools and labour required for that purpose.

5- The purchaser undertakes to clear the sold equipment from the site within the time limit previously specified in these Special Conditions of sale, in a manner ensuring that no damage is caused to the building or its associated facilities.

Article Twenty-Three: Method of Payment:

1- The successful bidder shall pay the contract value by bank check in United States dollars (Fresh money), made payable to the Central Lebanese public treasury Cashier.

2- Payment shall be made as follows:

- 50% (fifty per cent) of the contract value within 10 days of notification to the successful bidder of approval of the contract by the competent authority.

- 50% (fifty per cent) when the successful bidder submits the written notification of readiness to remove the materiel referred to in item /2/ of Article Sixteen above.

Article Twenty-Four: Penalties:

The successful bidder shall comply with the time limits specified in the contract, failing which the successful bidder shall be liable to the penalties prescribed in accordance with Article /38/ of the Public Procurement Law, as amended. Penalties shall be imposed automatically upon the successful bidder merely upon breach of the contractual provisions, without any need to prove damage, in accordance with Article /38/ of the Public Procurement Law, as amended.

Article Twenty-Five: Grounds for Cessation of the Contract and Their Consequences:

First: Default:

1- The successful bidder shall be deemed in default if it breaches the conditions for performance of the contract or the provisions of the Special Conditions of Contract, after being formally served by the contracting authority with notice requiring compliance with all its obligations within a period of no less than five days and no more than fifteen days, and that period expires without the successful bidder having done what was required of it. If the successful bidder is deemed in default, the contract shall be rescinded automatically without any further notice, and the procedures prescribed in the first paragraph of item (Fourth) of Article /33/ of the Public Procurement Law, as amended, shall apply.

2- The successful bidder may be declared in default only by a reasoned decision issued by the contracting authority with the approval of the Public Procurement Authority.

Second: Termination:

1- The contract shall terminate automatically, without any notice, in the following two cases:

a- Upon the death of the successful bidder, if a natural person, unless the contracting authority approves a request by the heirs to continue performance.

b- If the successful bidder becomes bankrupt or insolvent, or the company is dissolved, in which case the procedures prescribed in the second paragraph of item (Fourth) of Article /33/ of the Public Procurement Law, as amended, shall apply.

2- The contracting authority may terminate the contract if the successful bidder is unable to perform any of their contractual obligations as a result of force majeure.

Third: Rescission:

1- The contract shall be rescinded automatically, without any notice, in any of the following cases:

a- If a final judgment is rendered against the successful bidder for any offence of corruption, collusion, fraud, deceit, money laundering, terrorist financing, conflict of interest, forgery or fraudulent bankruptcy, in accordance with the laws in force.

b- If any of the circumstances referred to in Article /8/ of the Public Procurement Law, as amended, occurs.

c- If the successful bidder loses legal capacity.

2- If the contract is rescinded for any of the reasons stated in item (1) above, the procedures prescribed in the first paragraph of item (Fourth) of Article /33/ of the Public Procurement Law, as amended, shall apply.

Fourth: Consequences of Cessation of the Contract:

1- If any of the cases of default or rescission specified in Article /33/ of the Public Procurement Law, as amended, applies, or if the successful bidder becomes bankrupt or insolvent, or dies and the heirs do not continue performance, the provisions of item (Fourth) of Article /33/ of the Public Procurement Law, as amended, shall be applied immediately, notwithstanding any other provision.

2- No compensation shall be payable for services provided or works performed by any person proven to have committed any of the offences specified in subparagraph "a" of the first paragraph of item (Third) of Article /33/ of the Public Procurement Law, as amended.

3- The decision declaring cessation of the contract and its grounds shall be published on the Army Command website and on the central electronic platform of the Public Procurement Authority.

Article Twenty-Six: Complaints and Challenges:

Any person having standing and an interest, including the Public Procurement Authority, may challenge any measure or express or implied decision taken, adopted or applied by any entity involved in the auction process before the contract enters into force, that contravenes the Public Procurement Law, as amended, and the general principles relating to public procurement, as amended. Chapter Seven of the Public Procurement Law, as amended, shall apply in this regard, provided that the challenge procedures applicable before the Council of State shall be followed until the Review Authority provided for in the Public Procurement Law, as amended, is established.

Article Twenty-Seven: Force Majeure:

If exceptional circumstances beyond the successful bidder's control prevent it from taking delivery within the specified period, it must immediately submit those circumstances in writing to the (Administration), which alone shall have the right to assess and accept or reject them. The successful bidder shall abide by its decision in that respect.

Article Twenty-Eight: Debarment:

The debarment provisions shall apply to a successful bidder that is declared in default or against which a judicial judgment is rendered, as provided for in Article /40/ of the Public Procurement Law, as amended.

Article Twenty-Nine: Integrity:

Article /110/ of the Public Procurement Law, as amended, shall apply.

Article Thirty: Documents Governing the Auction:

1- The Public Accounting Law promulgated by Decree No. 14969 dated 30/12/1963, together with all amendments thereto.

2- Lebanon's Public Procurement Law No. 244/2021, as amended.

3- The General Administrative Conditions for Army Supply Contracts issued by Decree No. 11574 dated 30/12/1968, together with all amendments thereto.

4- The Special Conditions of Contract.

Article Thirty-One: Competent Courts:

The Lebanese courts alone shall have jurisdiction to hear any dispute that may arise between the Administration and the successful bidder as a result of performance of this contract.

- Last Page -