



## **IV CONSTITUTIONAL GOVERNMENT**

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### **DECREE-LAW NO.        /2011 OF ....**

#### **4<sup>th</sup> Alteration to Decree-Law no. 10/2005 of 21 November, approving the Procurement Legal Regime**

The Procurement Legal Regime approved by Decree-Law no. 10/2005 of 21 November and changed by Decree-Law no. 24/2008 of 23 July and by Decree-Law no. 1/2010 of 18 February, sets essential rules for the country, namely rules concerning the acquisition of goods and services by the State.

Law no. 1/2011 of 14 February, approving the 2011 State General Budget, created the Infrastructure Fund and the Human Capital Development Fund. The Administration Boards of these Funds will be the entities responsible for their operations and consequently they will also be responsible for approving procurement procedures concerning projects under their competence.

Therefore it becomes necessary to change the Procurement Legal Regime so as to include two new entities responsible for approving procurement projects concerning infrastructure and human capital development projects and programs. This will enable improvements in terms of accountability and transparency in the spending of public monies towards the development of the Nation.

Thus,

Under sections 115.1 (e), 116 (a) and 116 (d) of the Constitution of the Republic, the Government decrees the following, to prevail as law:

## **Article 1**

### **Change to Decree-Law no. 10/2005 of 21 November**

Articles 15 and 21 of Decree-Law no. 10/2005 of 21 November, approving the Procurement Legal Regime, in the wording given to it by Decree-Law no. 14/2006 of 11 October, Decree-Law no. 24/2008 of 23 July and Decree-Law no. 1/2010 of 18 February, will now read the following:

## **“Article 15**

### **Entities entitled to authorize procurement procedures**

1. The following entities are entitled to approve procurement procedures prior to the signing of the contract by the relevant minister:
  - (a) In procedures over \$5,000,000 (five million dollars) – the Council of Ministers;
  - (b) In procedures between \$1,000,000 (one million dollars) and \$5,000,000 (five million dollars), included within the scope of the Infrastructure Fund – the Administration Board of the Infrastructure Fund;
  - (c) In procedures up to \$5,000,000 (five million dollars), included within the scope of the Human Capital Development Fund – the Administration Board of the Human Capital Development Fund;
  - (d) Regarding other procurement procedures between \$1,000,000 (one million dollars) and \$5,000,000 (five million dollars) – the Prime Minister, who may delegate this authority unto another person.
2. (...)
  - (a) (...)
  - (b) (...)
  - (c) (...)

## **Article 21**

### **Delegation of competences**

1. (...)
2. The entities indicated in articles 15.1 (d), 15.2 (a) and 15.2 (b) may delegate in writing the competence for carrying out procurement procedures.
3. (...)
4. (...)”

## **Article 2**

### **Repeals**

Article 23-A of Decree-Law no. 10/2005 of 21 November, in the wording given to it by Decree-Law no. 14/2006 of 11 October, Decree-Law no. 24/2008 of 23 July and Decree-Law no. 1/2010 of 18 February, is hereby repealed.

**Article 3**  
**Entry into force**

The present Decree-Law enters into force on the day after its publication.

Approved by the Council of Ministers on 16 March 2011.

The Prime Minister,

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Kay Rala Xanana Gusmão

The Minister of Finance,

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Emília Pires

Promulgated on

Publish it.

The President of the Republic,

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José Ramos-Horta