

ENFORCEMENT DECREE OF THE ACT ON CONTRACTS TO WHICH THE STATE IS A PARTY

Amended by Presidential Decree No. 14710, Jul. 6, 1995
Amended by Presidential Decree No. 14973, Apr. 8, 1996
Presidential Decree No. 15186, Dec. 31, 1996
Presidential Decree No. 15433, Jul. 10, 1997
Presidential Decree No. 15581, Dec. 31, 1997
Presidential Decree No. 15582, Dec. 31, 1997
Presidential Decree No. 15614, Feb. 2, 1998
Presidential Decree No. 15661, Feb. 24, 1998
Presidential Decree No. 16308, May 13, 1999
Presidential Decree No. 16448, jun. 30, 1999
Presidential Decree No. 16548, Sep. 9, 1999
Presidential Decree No. 16682, Dec. 31, 1999
Presidential Decree No. 16919, Jul. 27, 2000
Presidential Decree No. 16943, Aug. 5, 2000
Presidential Decree No. 17019, Dec. 27, 2000
Presidential Decree No. 17344, Aug. 25, 2001
Presidential Decree No. 17546, Mar. 25, 2002
Presidential Decree No. 17585, Apr. 20, 2002
Presidential Decree No. 17688, Jul. 30, 2002
Presidential Decree No. 17791, Dec. 5, 2002
Presidential Decree No. 17824, Dec. 30, 2002
Presidential Decree No. 18155, Dec. 11, 2003
Presidential Decree No. 18359, Apr. 6, 2004
Presidential Decree No. 18666, Dec. 31, 2004
Presidential Decree No. 18903, jun. 30, 2005
Presidential Decree No. 19035, Sep. 8, 2005
Presidential Decree No. 19321, Feb. 8, 2006
Presidential Decree No. 19463, Apr. 28, 2006
Presidential Decree No. 19483, May 25, 2006
Presidential Decree No. 19494, May 30, 2006

Presidential Decree No. 19782, Dec. 29, 2006
Presidential Decree No. 19806, Dec. 29, 2006
Presidential Decree No. 20319, Oct. 10, 2007
Presidential Decree No. 20323, Oct. 15, 2007
Presidential Decree No. 20720, Feb. 29, 2008
Presidential Decree No. 20789, May 21, 2008
Presidential Decree No. 20947, Jul. 29, 2008
Presidential Decree No. 21202, Dec. 31, 2008
Presidential Decree No. 21480, May 6, 2009
Presidential Decree No. 21565, jun. 26, 2009
Presidential Decree No. 21578, jun. 29, 2009
Presidential Decree No. 21692, Aug. 18, 2009
Presidential Decree No. 21698, Aug. 21, 2009
Presidential Decree No. 21834, Nov. 20, 2009
Presidential Decree No. 22282, Jul. 21, 2010
Presidential Decree No. 22493, Nov. 15, 2010
Presidential Decree No. 22525, Dec. 13, 2010
Presidential Decree No. 22626, Jan. 17, 2011
Presidential Decree No. 22637, Jan. 24, 2011
Presidential Decree No. 22638, Jan. 26, 2011
Presidential Decree No. 22660, Feb. 9, 2011
Presidential Decree No. 23267, Oct. 28, 2011
Presidential Decree No. 23282, Nov. 1, 2011
Presidential Decree No. 23313, Nov. 23, 2011
Presidential Decree No. 23477, Dec. 31, 2011
Presidential Decree No. 23778, May 14, 2012

Article 1 (Purpose)

The purpose of this Decree is to prescribe the matters delegated by the Act on Contracts to Which the State is a Party and the matters necessary for its enforcement. <Amended by Presidential Decree No. 19035, Sep. 8, 2005>

Article 2 (Definitions)

The terms used in this Act shall be defined as follows: <Amended by Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 19035, Sep. 8, 2005; Presidential Decree No. 20319, Oct. 10, 2007; Presidential Decree No. 20720, Feb. 29, 2008>

1. The term "estimated price" means the price which is calculated pursuant to Article 7 in order to be used as criteria for judging whether goods, construction works, services, etc. are objects of international tender under Article 4 of the Act on Contracts to Which the State is a Party (hereinafter referred to as the "Act") before determining the projected cost in concluding the procurement contracts for goods, construction works, services, etc.;
2. The term "projected price" means the price which is determined in advance and maintained under Article 8 of this Decree in order to be used as criteria for determining the successful bidder and contract amount before proceeding with the tender or the conclusion of contract;
3. The term "notified amount" means the amount notified by the Minister of Strategy and Finance under the main sentence of Article 4 (1) of the Act;
4. The term "performance bond for construction work" means a written undertaking to perform any contractual obligations under a contract for construction work on behalf of the other party if the other party thereto fails to perform contractual obligations for construction work, and guarantees to pay a fixed amount if the guarantor fails to perform any obligation under a guarantee;
5. Deleted. <by Presidential Decree No. 22282, Jul. 21, 2010>

Article 3 (Relationship with Other Acts and Subordinate Statutes)

- (1) With respect to the contracts to which the State is a party, except as otherwise provided for in other Acts and subordinate statutes, such contracts shall be governed by the provisions of this Decree.
- (2) Matters which are applicable only to government procurement contracts through international tender shall be prescribed separately by Presidential Decree.

Article 4 (Principles of Contract)

The head of each central government agency or any public official who is delegated and commissioned by a central government agency (hereinafter referred to as the "public official in charge of contracts") shall, when concluding the contract, not enter into any special agreements or stipulate any conditions which unfairly limit the contractual profit of the other party to the contract prescribed in the Act, this Decree, and related Acts and subordinate statutes.

Article 5 (Notification of Proxy, Taking Partial Charge of Duties, and Appointment of Contract Official)

- (1) If the head of a central government agency has appointed an official who takes charge of the duties regarding a contract (hereinafter referred to as the "contract official") or has caused others to act for the contract official or to take partial charge of the duties of the contract official under the provisions of Article 6 (1) of the Act, he shall notify the finance officer and the disbursement officer provided for in the provisions of Article 22 of the Management of the National Funds Act and the Board of Audit and Inspection. <Amended by Presidential Decree No. 19035, Sep. 8, 2005>
- (2) The public official who takes charge of all of the duties of the public official under the provisions of Article 6 (1) of the Act shall be referred to as the "proxy contract official"; the public official who takes charge of a part thereof as the public official in partial charge of contracts; and the public official who acts

for the duties of the public official in partial charge of contracts as the "proxy public official in partial charge of contracts", respectively.

(3) The head of each central government agency, when intending to commission the duties of the public official to the public official under the control of another central government agency under the provisions of Article 6 (2) of the Act, shall obtain the approval in advance of the head of the other central government agency with respect to the public official to be entrusted with such duties and the scope of duties which the head of each central government agency intends to entrust to him, and shall notify the Board of Audit and Inspection thereof. In case of appointing the public official who acts for the whole duties or in partial charge of duties of the contract official, the same shall apply.

(4) The provisions of paragraph (3) of this Article shall apply mutatis mutandis to cases where the head of each central government agency commissions the duties regarding the contract falling under the jurisdiction of the head of each central government agency to another government agency under the provisions of Article 6 (3) of the Act.

Article 6 (Financial Guarantee for Public Official in Charge of Contracts)

(1) The head of each central government agency shall prescribe and operate matters concerning the financial guarantee for the public official under its control under the provisions of Article 6 (5) of the Act.

(2) Common matters necessary for the financial guarantee under the provisions of paragraph (1) of this Article shall be prescribed by the Minister of Strategy and Finance. *<Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 20720, Feb. 29, 2008>*

Article 7 (Calculation of Estimated Price)

The head of each central government agency or the public official in charge of contracts shall calculate the estimated price by using the amount, etc. appropriated in the budget as the criteria therefor and it shall be equal to the amount under the criteria falling under any of the following subparagraphs:

1. In case of a contract for construction work, the amount exclusive of the price for the portion to be furnished as government supplied resources;
2. In case of a unit cost contract, the amount calculated by multiplying the estimated price of the goods concerned by the estimated volume to be procured;
3. In case of a contract in which an individual remand for procurement is made in a multiple or divided way, the amount to be chosen from any one of the following items:
 - (a) The amount adjusted by the total amount of similar contracts which were concluded for the fiscal year immediately preceding or the twelve months immediately preceding the year when the related contract was concluded by taking into consideration the estimated fluctuating portion of the volume and the amount for the immediately following twelve months;
 - (b) The total amount of the contract which shall be concluded for the same fiscal year or the immediate next twelve months;
4. In case of a contract in which the total amount of the contract for lease, rent, or purchase by installment of goods or services is not fixed, the amount falling under any of the following items:

- (a) In case of a contract in which the duration of the contract is fixed, the amount to be estimated based on the entire duration of the contract;
 - (b) In case of a contract in which the duration of the contract is not fixed or is vague, the amount calculated by multiplying the estimated payment for one month by 48;
5. In case where optional items are included in the targeted goods or services to be procured, the maximum amount including such optional items to be procured.

Article 7-2 (Making Projected Price Available)

(1) The head of each central government agency or the public official in charge of contracts shall determine the projected price based on the related specifications and the design, etc. with regard to those matters which shall be referred to a public tender or negotiated contract, etc., and shall have them tightly sealed to be made available in advance at the place where the tender will be opened and the price will be negotiated in such a way that the projected price shall not be disclosed. *<Amended by Presidential Decree No. 16548, Sep. 9, 1999>*

(2) The head of each central government agency or the public official in charge of contracts, when he/she intends to conclude a private contract (excluding a case where an estimate is to be submitted pursuant to the main sentence of Article 30 (2)) under Article 26 (1) 5 (a) and (f), a contract by negotiation under Article 43 and a contract based on rough estimate under Article 70, may not fill out the projected price, and in case of a package deal tender under subparagraph 5 of Article 79 and a technical proposal tender for a basic design under subparagraph 3 of Article 98, he/she may not fill out the projected price. *<Amended by Presidential Decree No. 20319, Oct. 10, 2007; Presidential Decree No. 22282, Jul. 21, 2010>*

Article 8 (Methods for Determining Projected Price)

(1) The projected price shall be determined with respect to the total amount of the items for which the contract is to be concluded: Provided, That in case of a contract under which the manufacture, construction work, repair, processing, purchase and sale, supply, and renting are performed continually during a certain fixed period, the estimated price may be determined with respect to the unit cost.

(2) In case of a construction work which takes some years to perform and under which the contents of the whole business are fixed in accordance with the design, etc. (hereinafter referred to as "long-term continuous construction work") and a contract for the manufacture, etc. of goods which takes some years to perform and under which the contents of the object of the contract are fixed in accordance with the design or the specifications, etc. (hereinafter referred to as the "long-term manufacture, etc. of goods"), the projected price shall be determined within the limits of the total amount of the construction work (excluding the price of government-supplied resources) or the total amount of the manufacture (excluding the price of government-supplied resources), etc. appropriated in the budget. *<Amended by Presidential Decree No. 21202, Dec. 31, 2008>*

Article 9 (Criteria for Determination of Projected Price)

(1) The head of each central government agency or the public official in charge of contracts shall determine the projected price by using the price prescribed in the following subparagraphs as the criteria:

1. In a case where a suitable transaction is executed, an actual example price of that transaction (in a case where the price is determined under to the provisions of Acts and subordinate statutes, an actual price of that transaction within the limit of the determined price);
2. In case where there is no suitable actual example price of a transaction due to a newly-developed product or to special characteristics of a contract for special goods such as goods of extraordinary dimension, special construction work, or special services, etc., the price calculated by cost accounting. In this case, the price calculated by cost accounting shall be calculated on the basis of the cost of materials, labor cost, overhead expenses, general management expenses, and profits necessary for goods, construction work, and services, etc., which are the object of a contract;
3. In case of a construction work, the price approved by the head of a central government agency as the construction work performance cost which is accumulated on the basis of the construction work which has been already performed;
4. In case where it is impossible to use the price under the provisions of subparagraphs 1 through 3 above, an appraised value, and an actual example price or an estimated cost of transaction of similar goods, similar construction works, and similar services, etc.

(2) Notwithstanding the provisions of paragraph (1), where it is intended to make a contract with an enterprise which has localized the parts of war materials imported from abroad, the projected prices may be determined on the basis of prices acknowledged by the Administrator of the Defense Acquisition Program by taking account of the said import prices. <Newly Inserted by Presidential Decree No. 18155, Dec. 11, 2003; Presidential Decree No. 19321, Feb. 8, 2006; Presidential Decree No. 20319, Oct. 10, 2007>

(3) The head of each central government agency or the public official in charge of contracts, in determining the projected price under the provisions of paragraph (1) of this Article, shall take into consideration the volume of contract, duration of performance, supply and demand situation, contractual conditions or other various conditions.

(4) Matters necessary for the determination of the projected price, except for the matters prescribed in paragraphs (1) through (3) of this Article shall be determined by the Minister of Strategy and Finance. <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 18155, Dec. 11, 2003; Presidential Decree No. 20720, Feb. 29, 2008>

Article 10 (Methods for Competition)

(1) Competition under Article 7 of the Act shall be conducted by method of tender or by method of auction instead of the method of tender. <Amended by Presidential Decree No. 21202, Dec. 31, 2008>

(2) The head of each central government agency or the public official in charge of contracts may, if it is deemed necessary for the sale of movables, put such movables to auction, instead of using the method of tender under this Decree.

(3) The head of each central government agency or the public official in charge of contracts may, if deemed necessary for purchasing commodities, put such commodities to reverse auction, instead of using the method of tender under this Decree. <Newly Inserted by Presidential Decree No. 21202, Dec. 31, 2008>

Article 11 (Effectuation of Competitive Tender)

A competitive tender shall be effected by a valid tender in which two or more persons participate.

Article 12 (Requirements to Participate in Competitive Tender)

(1) The head of each central government agency or the public official in charge of contracts shall allow only those persons who satisfy the requirements referred to in the following subparagraphs to participate in a competitive tender: *<Amended by Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 20720, Feb. 29, 2008>*

1. Deleted; *<by Presidential Decree No. 16548, Sep. 9, 1999>*

2. A person who has obtained permission, authorization, license, or registration, and has filed a report, etc. if such items are required under the provisions of other Acts and subordinate statutes or who has satisfied certain qualifications if such qualifications are required;

3. A person who has been judged suitable by a related government agency if investigations, such as a security inspection, are required;

4. A person who has satisfied any other necessary conditions prescribed by the Ordinance of the Ministry of Strategy and Finance.

(2) Where the small and medium enterprise cooperatives under the Small and Medium Enterprise Cooperatives Act participate in a competitive tender for the manufacture and purchase of goods (limited to the case of having the cooperative members who satisfy the requirements stipulated in paragraph (1) 2 manufacture or purchase the competent goods), the provisions of paragraph (1) 2 shall not apply. *<Newly Inserted by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 19035, Sep. 8, 2005; Presidential Decree No. 19494, May 30, 2006; Presidential Decree No. 20319, Oct. 10, 2007>*

Article 13 (Prequalification to Participate in Tender)

(1) The head of each central government agency or the public official in charge of contracts may examine the prequalification to participate in the tender of construction works falling under any one of the following subparagraphs and select eligible persons to participate in the competitive tender. In such cases, the result of selection shall be notified to the selected eligible persons: Provided, That in the case of contracts for construction works for which a successful bidder would be selected under Article 42 (4), he/she shall examine the prequalification to participate in the tender of construction works and select eligible persons. *<Amended by Presidential Decree No. 22282, Jul. 21, 2010>*

(2) Where the head of each central government agency or the public official in charge of contracts examines the qualifications of tender participants under paragraph (1), he/she shall determine the detailed standards of examinations on qualifications to participate in a tender by comprehensively taking into account necessary factors to be considered when evaluating the capabilities to perform the contracts, such as the level of difficulties in the performance of construction contracts, past record of performances, engineering capabilities, financial status, social credibility, sincerity in the performance of construction contracts, etc. *<Amended by Presidential Decree No. 22282, Jul. 21, 2010>*

(3) Where the related Acts and subordinate statutes prescribe the procedures for selection of a businessman with respect to services, etc., the head of each central government agency or the public official in charge of contracts may select the eligible persons to participate in the competitive tender according to such procedures, notwithstanding paragraph (2). *<Amended by Presidential Decree No. 22282, Jul. 21, 2010>*

(4) The head of each central government agency or the public official in charge of contracts shall be equipped with documents stating the following matters to ensure that they are available for perusal by a person intending to participate in a tender prior to the opening of the tender, and he/she shall ensure that they are available for perusal and delivery at the request of a person intending to participate in a tender: Provided, That perusal and delivery of such shall be replaced by publishing such in the information processing unit (hereinafter referred to as "designated information processing unit") designated and announced by the Minister of Strategy and Finance: *<Newly Inserted by Presidential Decree No. 22282, Jul. 21, 2010>*

1. Standards of examination under paragraph (2);
2. Methods for preparing and submitting relevant evidential documents necessary for the preliminary examination of qualifications to participate in a tender;
3. Matters regarding the preliminary examination of qualifications to participate in a tender, other than matters specified in subparagraphs 1 and 2.

(5) Necessary matters regarding factors to be considered when evaluating the procedures for preliminary examinations of qualifications to participate in a tender under paragraph (1) and sincerity in the performance of the contract under paragraph (2) shall be prescribed by Ordinance of the Ministry of Strategy and Finance. *<Newly Inserted by Presidential Decree No. 22282, Jul. 21, 2010>*

Article 14 (Tender for Construction Work)

(1) When the head of each central government agency or the public official in charge of contracts intends to place a construction work to the tender, he/she shall prepare the following documents (hereinafter referred to as "documents related to the tender"): Provided, That where deemed necessary in consideration of characteristics of construction works, he/she may request a person intending to participate in a tender to directly prepare the bill of materials under subparagraph 2: *<Amended by Presidential Decree No. 22282, Jul. 21, 2010>*

1. Design;
2. Bill of materials of objects by work unit (hereinafter referred to as "bill of materials");
3. Documents related to the tender prescribed by Ordinance of the Ministry of Strategy and Finance, other than matters specified in subparagraphs 1 and 2.

(2) When the head of each central government agency or the public official in charge of contracts shall ensure that documents related to the tender are available for perusal by and delivery (limited only to cases where the delivery has been requested, in the case of design documents under paragraph (1) 1) to a person intending to participate in the tender: Provided, That the foregoing shall not apply where a person

intending to participate in the tender is required to prepare the bill of materials pursuant to the proviso to paragraph (1) with the exception of its subparagraphs. <Newly Inserted by Presidential Decree No. 22282, Jul. 21, 2010>

(3) The head of each central government agency or the public official in charge of contracts may, in lieu of the perusal or delivery of the documents related to the tender, place such documents on the information processing unit, notwithstanding paragraph (2). <Amended by Presidential Decree No. 22282, Jul. 21, 2010>
(4) and (5) Deleted. <by Presidential Decree No. 19483, May 25, 2006>

(6) A person intending to participate in a tender for construction works shall submit the following documents by the methods prescribed by the following classifications to the head of each central government agency or the public official in charge of contracts: <Amended by Presidential Decree No. 22282, Jul. 21, 2010>

1. Detailed statement of calculation (referring to the bill of materials on which the unit prices are stated; hereinafter the same shall apply): A bidder shall submit both tender documents and the detailed statement of calculation when bidding; Provided, That in the cases of construction works, the estimated price of which is less than ten billion won and construction works where the re-bidding process gets underway under Article 20 (1), the successful bidder shall submit the detailed statement of calculation when presenting the report of commencement of construction works;

2. The statement of reason for the tender amount sorted by type of construction works which is necessary for the review of appropriateness of the tender amount pursuant to Article 42 (4): A bidder shall submit both tender documents and the detailed statement of calculation when bidding; Provided, That the foregoing shall not apply where the submission deadline is separately determined by the head of each central administrative agency, as determined by the Minister of Strategy and Finance.

(7) The detailed statement of calculation under paragraph (6) 1 shall be prepared according to the following methods: Provided, That where a person intending to participate in a tender pursuant to the proviso to paragraph (1) with the exception of its subparagraphs is required to prepare the bill of materials, he/she shall state unit prices in the bill of materials directly prepared: <Amended by Presidential Decree No. 22282, Jul. 21, 2010>

1. Construction work of which estimated price is less than 30 billion won: The bill of materials delivered under the main sentence of paragraph (2) shall include unit prices;

2. Construction work, the estimated price of which is 30 billion won or more: A bidder shall directly prepare the bill of materials and state unit prices by referring to the bill of materials delivered under the main sentence of paragraph (2), and where there is any discrepancy between the bill of materials delivered and bill of materials directly prepared, he/she shall state the reasons for the discrepancy between them in the statement of reason for the tender price sorted according to types of construction works under paragraph (6) 2.

(8) In case of long-term continuous construction work, the construction work shall be wholly put to tender.

Article 14-2 (On-site Presentation on Construction Work)

(1) In cases of construction bidding, the head of each central government agency or the public official in charge of contracts may carry out an on-site presentation on construction work for the purpose of appropriate construction of bidders in an actual construction field, taking into account characteristics, volumes, etc. of the construction work.

(2) Notwithstanding paragraph (1), the head of each central government agency or the public official in charge of contracts shall carry out an on-site presentation on construction work, the estimated price of which is 30 billion won or more: Provided, That this shall not apply to cases where there are difficulties with accessing the site or any other grounds prescribed by the Ordinance of the Ministry of Strategy and Finance. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(3) Based on the volume of construction work, the on-site presentation provided for in paragraph (1) and the main sentence of paragraph (2) shall be carried out before the designated period, falling under the following subparagraphs, that is reckoned from the date preceding the submission deadline for the relevant bid document: Provided, That in the case of Article 35 (4), the period may be shortened:

1. Seven days where estimated price is less than one billion won;
2. 15 days where estimated price is not less than one billion won but less than five billion won;
3. 33 days where estimated price is not less than five billion won.

(4) Deleted. *<by Presidential Decree No. 22282, Jul. 21, 2010>*

Article 15 (Restriction on Participation in Tender for Continuous Construction Work)

The head of each central government agency or the public official in charge of contracts, in case of construction work for which a negotiated contract may be concluded with an immediately preceding or current person carrying out construction work under Article 26 (1) 2 (a) through (c) (hereinafter referred to as "continuous construction work"), shall prevent persons who have not concluded a negotiated contract from participating in a competitive tender related to a related construction work. *<Amended by Presidential Decree No. 22282, Jul. 21, 2010>*

Article 16 (Tender for Manufacture and Purchase of Goods, and for Services, etc.)

(1) When the head of each central government agency or the public official in charge of contracts intends to put the manufacture and purchase of goods, and services, etc. to the tender, he/she shall prepare and keep documents concerning the tender prescribed by Ordinance of the Ministry of Strategy and Finance, and if there are requests by persons who intend to participate in the tender, he/she shall make such documents available for inspection from the date of the public notice for the tender to the closing day of the registration for the tender: Provided, That in the case of a tender for the manufacture and purchase of goods and for services, etc., the estimated price of which is equal to or exceeds the notified amount, if there are requests by those persons who intend to participate in the tender, the head of each central government agency or the public official in charge of contracts shall deliver such documents to such persons. *<Amended by Presidential Decree No. 22282, Jul. 21, 2010>*

(2) The head of each central government agency or the public official in charge of contracts may, in lieu of the perusal or delivery of the documents related to the tender, place such documents on the information processing unit designated, notwithstanding paragraph (1). <Newly Inserted by Presidential Decree No. 22282, Jul. 21, 2010>

(3) If deemed necessary due to the special characteristics of the contract when carrying out software business under subparagraph 3 of Article 2 of the Software Industry Promotion Act, the head of each central government agency or the public official in charge of contracts may put goods and services on a package deal basis for a tender. <Amended by Presidential Decree No. 17019, Dec. 27, 2000; Presidential Decree No. 19035, Sep. 8, 2005>

(4) Where the head of each central government agency or the public official in charge of contracts puts the goods and services for a tender on a package deal under paragraph (2), he/she shall choose a method among the methods of selecting a successful bidder under Articles 42 (1) through (3) and 43 which are deemed suitable in view of the characteristics of the contract objects, and clarify the selected method at the time of public notice for the tender. <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 22282, Jul. 21, 2010>

(5) A tender for the manufacture and purchase of goods and for services, etc. shall be based on the bid documents in the forms prescribed by the Ordinance of the Ministry of Strategy and Finance, and the bid amount shall be indicated by the total amount in case of a tender conducted with respect to the total amount, and by the unit cost in case of a tender conducted with respect to the unit cost, respectively. <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 20720, Feb. 29, 2008>

(6) Article 14 (8) of this Decree shall apply mutatis mutandis to the long-term manufacture of goods, etc.

Article 17 (Tender for Large Quantity of Goods)

(1) A general competitive tender may, when selling off a large quantity of goods, be conducted for the quantity of goods which a consumer desires to purchase and for the unit cost of that quantity of goods within the limits of the quantity of goods which will be sold.

(2) A general competitive tender may, when manufacturing and purchasing a large quantity of required goods, be conducted for the quantity of goods which a supplier desires to supply and for the unit cost of that quantity of goods within the limits of the quantity of goods which will be required.

(3) The scope of the goods for a competitive tender in a desired quantity under paragraphs (1) and (2) of this Article shall be prescribed by the Ordinance of the Ministry of Strategy and Finance. <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 20720, Feb. 29, 2008>

Article 18 (Tender by Dual Stage Competition, etc.)

(1) If it is difficult to prepare appropriate specifications in advance or it is deemed necessary in view of the special characteristics of the contract in cases of a contract for the manufacture and purchase of goods and for services (excluding simple labor services as prescribed by the Ordinance of the Ministry of Strategy and Finance), the head of each central government agency or the public official in charge of contracts may conduct a tender for the price of goods or services after conducting first a tender for the specifications or

the technology. <Amended by Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 20720, Feb. 29, 2008>

(2) In a case of paragraph (1) of this Article, the qualifications to participate in a tender for the price of goods or services shall be granted only to those persons who have been confirmed as eligible persons after opening the tender for the specifications or the technology.

(3) If it is deemed necessary in view of the special characteristics of the contract for the manufacture and purchase of goods and for services (excluding simple labor services as prescribed by the Ordinance of the Ministry of Strategy and Finance, notwithstanding the provisions of paragraphs (1) and (2) of this Article, the head of each central government agency or the public official in charge of contracts may conduct a tender for the specifications and the price or a tender for the technology and the price at the same time. In this case, a tender for the price of goods and services shall be open only to those persons who have been confirmed as an eligible person after opening the tender for the specifications or the tender for the technology. <Amended by Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 20720, Feb. 29, 2008>

(4) When the head of each central government agency intends to perform a tender under the provisions of paragraphs (1) through (3) of this Article, he shall determine the criteria and procedures for evaluation before the tender, and shall make them available for inspection by the person who intends to participate in the tender. <Amended by Presidential Decree No. 15186, Dec. 31, 1996>

(5) Where it is impossible to determine a successful bidder as a result of opening tenders for the price of goods under paragraph (3), and where there are two or more eligible persons for specifications or technology, the head of each central government agency or the public official in charge of contracts may have eligible persons for specifications or technology submit tenders for the price of goods anew. <Newly Inserted by Presidential Decree No. 15614, Feb. 2, 1998>

Article 19 (Incidental Tender)

(1) The head of each central government agency or the public official in charge of contracts shall, when he/she intends to place a construction work corresponding to the standards prescribed by Ordinance of the Ministry of Strategy and Finance to the tender, make the bidders state in the calculation specifications the matters concerning the subcontracts, such as the portions to be subcontracted, amount of subcontract and subcontractors, from among the construction works constituting the tender amount and to submit it: Provided, That the same shall not apply to any of the following cases: <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

1. The case of re-tender under Article 20 (1);
2. The case of an urgent construction work tender;
3. The case of a construction work tender for which there exists no specialized constructor to make a subcontract, due to a necessity of special technology or the local features, etc.;
4. The case of a construction work tender for which it is deemed to be inadequate to make any subcontract, in view of the performance of obligations following the defects of construction works,

process control, or the needs for security, etc.

(2) In the case of making the bidders state the matters concerning the subcontract under paragraph (1), if activities are continuously conducted on a long-term basis, an entry of the tender amount for total construction works shall be made: Provided, That where deemed necessary in view of the implementation period of works, an entry may be made, limited to the tender amount for the works to be implemented during the first year.

(3) Procedures for the incidental tender under paragraph (1) and other necessary matters shall be stipulated and publicly notified by the Minister of Strategy and Finance. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

[This Article Newly Inserted by Presidential Decree No. 17546, Mar. 25, 2002] <<Effective Date: December 31, 2003>>

Article 20 (Re-Tender and Tender by Second Public Notice)

(1) If there are no two or more valid bidders or there is no successful bidder in the competitive tender, a re-tender may be conducted at the same place as that of the competitive tender. In this case, the re-tender shall not be considered as a new tender, and no limitations on the bidders or on the number of tenders shall be made.

(2) If there is no bidder or successful bidder, or if a successful bidder does not conclude a contract, a tender by second public notice may be conducted.

(3) At the time of a re-tender or a tender by second public notice referred to in paragraph (1) or (2) , no changes in prices or other conditions determined at the first tender, except for the time limit, shall be made. <Newly Inserted by Presidential Decree No. 15614, Feb. 2, 1998>

Article 21 (Contract to be subject to Limited Competitive Tender, and Limited Matters, etc.)

(1) Where qualifications of a participant in the competition may be limited under the proviso to Article 7 of the Act and the limited matters are specified in the following subparagraphs, and the criteria for limitation of such limited matters as referred to in subparagraphs 1 through 6 and 9 of this Article shall be prescribed by Ordinance of the Ministry of Strategy and Finance: <Amended by Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 15433, Jul. 10, 1997; Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 19035, Sep. 8, 2005; Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 20319, Oct. 10, 2007; Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 21834, Nov. 20, 2009; Presidential Decree No. 22282, Jul. 21, 2010; Presidential Decree No. 22626, Jan. 17, 2011; Presidential Decree No. 23267, Oct. 28, 2011>

1. In cases of a contract for construction work, the amount of which is determined by Ordinance of the Ministry of Strategy and Finance, the construction capabilities or the past records of construction performances which belong to the same type as the relevant construction work;

2. In cases of a contract for construction work which requires a special technology or a special method of construction, the status of possessing the technology necessary for the performance of the relevant construction work, or the past records of construction performances which belong to the same type as

the relevant construction work;

3. In cases of a contract for manufacture of goods which requires special facilities or a special technology, the status of possessing the facilities and technology necessary for the manufacture of the relevant goods, or the past records of manufacture of goods which belong to the same type as the relevant goods;

4. In cases of the purchase of goods that bear any of the following quality certification, etc. to ensure a special capacity or quality, whether the relevant goods bear such quality certification, etc.:

(a) Goods certified under Article 15 of the Industrial Standardization Act;

(b) Goods manufactured by anyone who obtains a quality management system certification under Article 7 of the Quality Control and Safety Management of Industrial Products Act;

(c) Goods that bear an environmental mark certification granted under Article 17 of the Environmental Technology and Industry Support Act;

(d) Recycled goods that conform to the standards under Article 33 of the Act on the Promotion of Saving and Recycling of Resources and bear a quality certification granted under Article 17 (1) 3 of the Enforcement Decree of the Industrial Technology Innovation Promotion Act;

5. In cases of a contract for service which requires a special technology, the status of possessing the technology necessary for the performance of the relevant service, or the past records of performance of service which belongs to the same type as the relevant service;

6. In cases of a contract, the estimated price of which is less than the amount prescribed by Ordinance of the Ministry of Strategy and Finance, the location of the principal place of business;

7. In cases where a contract for construction work is concluded on the basis of limitations under Article 22, the criteria for such limitations;

8. In cases of manufacturing and purchasing goods designated and publicly announced by the Administrator of the Small and Medium Business Administration under Article 6 of Enforcement Decree of the Act on Facilitation of Purchase of Small and Medium Enterprise-Manufactured Products and Support for Development of their Markets, small and medium enterprisers specified in Article 2 of the Framework Act on Small and Medium Enterprises;

9. In cases where the head of each central government agency or a public official in charge of contracts specially deems it necessary to avoid any failure to perform the contract, the financial status of a participant in the competition;

10. In cases of the manufacture and purchase of any goods or service whose price falls short of the notified amount (excluding any engineering project under subparagraph 3 of Article 2 of the Engineering Industry Promotion Act and any construction technology services under subparagraph 3 of Article 2 of the Construction Technology Management Act), the small and medium enterpriser under Article 2 of the Framework Act on Small and Medium Enterprises;

11. In cases of the purchase of any goods produced by an entity which is located in a specific area, whether it falls under any of the following items:

(a) An entity which is located in a special support region for the local small and medium enterprises (limited to a period designated under paragraph (2) of the same Article) under Article 50 of the Balanced Regional Development and Support for Local Small and Medium Enterprises Act;

(b) An entity which is located in an agricultural and industrial complex under the Rearrangement of Agricultural and Fishing Villages Act.

(2) Where the head of each central government agency or a public official in charge of contracts intends to place a limitation on the qualification of participants in the competition under paragraph (1) of this Article, he/she shall specify the limited matters and the criteria for limitation in the public notice of the tender.

(3) When deemed necessary for construction work in which the qualification of participants in the competition is limited under paragraph (1) 6 of this Article, the head of each central government agency or a public official in charge of contracts may substitute public notice of the tender under paragraph (2) of this Article by notifying the persons eligible to participate in the tender of the matters prescribed in each subparagraph of Article 36 as prescribed by Ordinance of the Ministry of Strategy and Finance. *<Amended by Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 20720, Feb. 29, 2008>*

Article 22 (Tender by Limitation according to Character and Size of Construction Work)

(1) The head of each central government agency or the public official in charge of contracts may cause the persons eligible to participate in the tender to apply for registration by categorizing the construction work according to character and volume thereof, by determining the criteria for limitation of competition corresponding to each category, and by notifying them publicly by means of placing the criteria in advance on the designated information processing unit. *<Amended by Presidential Decree No. 17688, Jul. 30, 2002; Presidential Decree No. 19483, May 25, 2006>*

(2) When the head of each central government agency or the public official in charge of contracts receives an application for registration under the provisions of paragraph (1) of this Article, he may make the registration by examining the application for registration, by registering persons eligible to participate in the tender after selecting persons eligible to participate in the tender according to the character and size of construction work, and by notifying those eligible persons of the matters prescribed in each subparagraph of Article 36 every time the tender for construction work is conducted to enable them to participate in the tender.

(3) When the head of each central government agency intends to determine the criteria for limitation of the competition under the provisions of paragraph (1) of this Article, he shall consult with the Minister of Strategy and Finance. *<Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 20720, Feb. 29, 2008>*

Article 23 (Contract Subject to Nominated Competitive Tender)

(1) Cases which may be put to a nominated competitive tender under the proviso to Article 7 of the Act shall be as follows: *<Amended by Presidential Decree No. 15614, Feb. 2, 1998; Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 17019, Dec. 27, 2000; Presidential Decree No. 18155, Dec. 11, 2003>*

Presidential Decree No. 19035, Sep. 8, 2005; Presidential Decree No. 20319, Oct. 10, 2007; Presidential Decree No. 20789, May 21, 2008; Presidential Decree No. 21480, May 6, 2009; Presidential Decree No. 21834, Nov. 20, 2009; Presidential Decree No. 23267, Oct. 28, 2011>

1. A case where not more than ten persons are expected to participate in the tender since it is difficult to accomplish the purpose of contract in light of the nature and purpose of the contract unless the prospective participants possess special facilities, technology, materials, goods, or performance records;
 2. A case of implementing any construction work (excluding any specialized work) under the Framework Act on the Construction Industry the estimated cost of which does not exceed 300 million won, any specialized work under the Framework Act on the Construction Industry the estimated price of which does not exceed 100 million won, any other construction work under other construction-related Acts and subordinate statutes the estimated price of which does not exceed 100 million won, or of manufacturing any goods the estimated price of which does not exceed 100 million won;
 3. A case of selling or purchasing property the estimated price of which is 50 million won or less;
 4. A case of leasing out or hiring articles the total estimated rental charge of which is 50 million won or less;
 5. A case of a contract, other than subcontracts for construction work or manufacture and contracts for selling property or for leasing out or hiring articles, of which the estimated price is 50 million won or less;
 6. A case of purchasing those articles certified under Article 15 of the Industrial Standardization Act or those goods manufactured by a person who has obtained certification of a quality management system under Article 7 of the Quality Control and Safety Management of Industrial Products Act;
 7. Deleted; <by Presidential Decree No. 16548, Sep. 9, 1999>
 8. A case where the negotiated contract may be concluded under the proviso to Article 7 of the Act and Article 26 of this Decree;
 9. A case where any recycled goods which meet the standards under Article 33 of the Act on the Promotion of Saving and Recycling of Resources and are quality-certified under Article 17 (1) 3 of the Enforcement Decree of the Industrial Technology Innovation Promotion Act or any other goods for which an environmental mark certification is granted under Article 17 of the Environmental Technology and Industry Support Act are manufactured or purchased;
 10. A case where manufacturing and purchasing goods designated and publicly announced by the Administrator of the Small and Medium Business Administration under Article 6 of the Enforcement Decree of the Act on Facilitation of Purchase of Small and Medium Enterprise-Manufactured Products and Support for Development of their Markets from the small and medium enterprisers under Article 2 of the Framework Act on Small and Medium Enterprises.
- (2) Where public officials entrusted by the head of each central government agency conclude a contract by nominated competitive tender under paragraph (1) 1 of this Article, they shall report the contents to the head of the central government agency to which they belong, and the head of each central government

agency shall notify the Board of Audit and Inspection thereof. <Amended by Presidential Decree No. 15614, Feb. 2, 1998>

Article 24 (Nomination of Prospective Participants in Nominated Competitive Tender)

(1) The head of each central government agency or the public official in charge of contracts shall, where he intends to conduct a nominated competitive tender under the provisions of Article 23, nominate five or more prospective participants in the tender, and thereafter two or more prospective participants shall apply for participation in the tender: Provided, That if the prospective participants to be nominated are less than five persons, he shall nominate all of them. <Amended by Presidential Decree No. 15614, Feb. 2, 1998>

(2) In case of paragraph (1) of this Article, the matters referred to in each subparagraph of Article 36 shall be announced to each prospective participant in the tender.

(3) The head of each central government agency or the public official in charge of contracts shall, where he intends to nominate prospective participants in the tender under the provisions of paragraph (1) of this Article, notify them thereof under the provisions of the Ordinance of the Ministry of Strategy and Finance, and thereafter shall confirm whether the prospective participants will participate in the tender. <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 20720, Feb. 29, 2008>

Article 25 (Plural Competition of Similar Goods)

The head of each central government agency or the public official in charge of contracts may, when intending to designate and purchase goods meeting certain requirements for quality, performance, or efficiency, etc. from among similar goods having a different quality, performance, or efficiency, etc., put them to a plural competition. In this case, the bidder presenting the lowest rate of the tendered amount for the projected price set for such similar goods shall become the successful bidder.

Article 26 (Cases where Negotiated Contract can be Concluded)

(1) Cases where a negotiated contract can be concluded under the proviso of Article 7 (1) of the Act shall be as follows: <Amended by Presidential Decree No. 22282, Jul. 21, 2010; Presidential Decree No. 23267, Oct. 28, 2011; Presidential Decree No. 23313, Nov. 23, 2011; Presidential Decree No. 23778, May 14, 2012>

1. Any of the following cases in which there is no time to conduct a competitive tender or it is deemed difficult to achieve the purpose of a contract by means of conducting a competitive tendering process;

(a) Natural disasters, movement of military forces for military operations, urgent events, emergency disasters, such as flood damage requiring urgent restoration, sharp rises in raw materials prices, or others similar thereto;

(b) Cases where a need for security exists or it is necessary for State agencies to secretly conduct activities for national security, national defense plan, intelligence service, management of military facilities, diplomatic relations or others similar thereto;

(c) Cases where the Administrator of the Defense Acquisition Program causes an enterprise engaged in research and development of standardized products for military use or an enterprise subject to intensive scrutiny under the Emergency Resources Management Act to manufacture standardized products for military use or purchases such products therefrom (in the case of an enterprise subject to

intensive scrutiny, it is limited to standardized products for military use as designated by the Administrator of the Defense Acquisition Program);

(d) Cases of selling state-owned materials for reconstruction to persons who have suffered damage due to the occurrence of an emergency or disaster;

2. Any of the following cases in which it is impossible to conduct a competitive tender because the technology of a particular person is needed or only one producer of the relevant goods exists:

(a) Cases where the contract is concluded with a person having carried out or carrying out construction works at the present time or at the time immediately preceding the present time for whom it is difficult to specify liability for the future defects of the facilities built under construction works;

(b) Cases where the contract is concluded with a person carrying out construction work at the present time since two or more contractors shall not carry out the construction work in the same place due to disorderly working conditions, etc.;

(c) Cases where the contract is concluded with a person having carried out or carrying out construction work at the present time or at the time immediately preceding the present time for finishing the work;

(d) Cases where it is actually impossible to conduct a competitive tender since the construction work is made in a special region such as a region adjacent to an enemy;

(e) Cases where it is actually impossible to conduct a competitive tender, such as a construction work by a patented construction method, a new technology as designated and announced under Article 18 of the Construction Technology Management Act, a new technology certified or a technology verified under Article 7 of the Environmental Technology and Industry Support Act, or a new technology under Article 6-2 of the Electric Technology Management Act (limited to that within the protection period designated under the same Act);

(f) Cases where a manufacturer or supplier of related articles directly installs, assembles, or maintains them;

(g) Cases where articles are procured to exchange for parts or to expand facilities already procured and their compatibility is lost if they are manufactured or supplied by others than the manufacturer or supplier;

(h) Cases where articles are manufactured or purchased which are patented or registered as a utility model or as a design and where there exist no appropriate substitutes or fungibles therefor

(j) Cases where a service contract is concluded for the examination, design, supervision, special surveying, and training contract which require the technology, quality, experience, and qualifications of a particular person or for academic research with a particular person or where a design service contract is concluded with a person who has won the prize in an open contest for the design, as prescribed by relevant Acts and subordinate statutes;

- (k) Cases where real estate, such as land and buildings of a particular person is purchased, or where the properties are leased out to or hired from a particular person;
3. Cases where the following products directly produced by the small and medium enterprisers under subparagraph 1 of Article 2 of the Small and Medium Enterprises Promotion Act are manufactured by or purchased from the relevant small and medium enterprisers;
- (a) Goods that bear a performance certification granted under Article 15 of the Act on Facilitation of Purchase of Small and Medium Enterprise-Manufactured Products and Support for Development of their Markets;
 - (b) Goods for which a quality certification under Article 13 of the Software Industry Promotion Act is granted;
 - (c) Goods certified as a new product under Article 16 of the Industrial Technology Innovation Promotion Act;
 - (d) Goods which are manufactured by using a new technology certified, designated, or announced under Article 15-2 of the Industrial Technology Innovation Promotion Act, Article 7 of the Environmental Technology and Industry Support Act, or Article 18 of the Construction Technology Management Act, and for which the competent Minister certifies the performance in the phase of commercialization;
 - (e) Goods which are designated and announced as exemplary procurement goods under Article 18 of the Enforcement Decree of the Government Procurement Act;
 - (f) Goods under joint trademark of excellent procurement designated and announced under Article 18-2 of the Enforcement Decree of the Government Procurement Act (limited to cases of purchasing goods that cost below the price announced by the Minister of Strategy and Finance);
4. Cases of concluding a contract for the manufacture and purchase of goods or a service contract with any of the following associations, etc. which is established for the purpose of providing employment-related services, Veterans services, or welfare services to persons with distinguished services or the disabled (limited to any goods directly produced and services directly provided by the relevant organization), or cases of directly selling or leasing out articles to such association, etc.;
- (a) A welfare factory of a self-support collective village by persons with distinguished services to the State as designated by the Minister of Patriots and Veterans Affairs;
 - (b) An association which is composed of wounded persons among associations established under the Act on the Establishment of Associations by Persons, etc. of Distinguished Services to the State;
 - (c) Welfare establishments for disabled persons or welfare organizations for disabled persons established under Article 9 (1) of the Special Act on the Preferential Purchase of Products Manufactured by Persons with Severe Disabilities;
 - (d) Social welfare corporations established under Article 16 of the Social Welfare Services Act;
5. Cases which are deemed inefficient to conduct a contract in accordance with a competitive tender process in view of the purpose and character of the contract, other than cases prescribed in

subparagraphs 1 through 4 shall be as follows;

- (a) Cases where the construction work (excluding a specialized work under the same Act) under the Framework Act on the Construction Industry with its estimated price not exceeding 200 million won, the specialized work under the same Act with its estimated price not exceeding 100 million won, or other construction work under construction work-related Acts and subordinate statutes with its estimated price not exceeding 80 million won is made, or where the manufacture and purchase of articles with their estimated price (in the case of hiring or leasing out articles, the basis is the annual amount or the total amount) not exceeding 50 million won, services, and other contracts are made;
- (b) Cases of purchasing materials used by overseas diplomatic and consular missions in an overseas location;
- (c) Cases where it is deemed disadvantageous to make any person process, load and unload, transport, or take custody of products under a competitive tender;
- (d) Cases where defense equipment and materials are manufactured by an enterprise in the defense industry and they are purchased from the said enterprise under the Defense Acquisition Program Act;
- (e) Cases of concluding a contract for a relevant project with persons who may be entrusted with a national project or may carry out such project vicariously under other Acts and subordinate statutes;
- (f) Cases where the contract is concluded with other State agencies and local governments.

(2) Where the head of each central government agency or a public official in charge of contracts intends to purchase any goods referred to in paragraph (1) 3, he/she may conclude a negotiated contract up to three years (limited to the period during which certification or designation granted to the relevant goods is valid) from the date on which the competent Minister (including a person who has been entrusted by the competent Minister) has granted certification or designation to the relevant goods: Provided, That where the competent Minister extends the period of certification or designation, he/she may conclude a negotiated contract during the extended period of certification or designation or the period during which three years will have elapsed since the extended date, whichever is shorter. <Newly Inserted by Presidential Decree No. 22282, Jul. 21, 2010>

(3) Where the head of each central government agency or a public official in charge of contracts makes a negotiated contract pursuant to paragraph (1) 4, he/she shall confirm the following matters: <Amended by Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 22282, Jul. 21, 2010>

1. Qualifications for objects of the negotiated contract;
2. Whether to directly produce the object goods of the negotiated contract.

(4) The head of each central government agency or a public official in charge of contracts may request the head of administrative agency in charge of supervising the objects of the negotiated contract to provide necessary support to confirm the matters specified in paragraph (2). <Newly Inserted by Presidential Decree No. 19483, May 25, 2006>

(5) When a public official in charge of contracts concludes a negotiated contract under paragraph (1) 1 (c) and (d), 2, 4 (b) and (c), and 5 (c) and (e) of this Article, he/she shall report it to the head of the central

government agency to which he/she belongs, and the head of such central government agency shall notify the Board of Audit and Inspection of the contract under paragraph (1) 2 among reported matters. <Amended by Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 15614, Feb. 2, 1998; Presidential Decree No. 22282, Jul. 21, 2010>

Article 27 (Tender by Second Public Notice and Negotiated Contract)

(1) Where it falls under any of the following subparagraphs as a result of a sale by competitive tender, a negotiated contract may be made:

1. Where there is only one bidder, though a competitive tender has been conducted under Article 10, and it is deemed evident that there is only one person qualified to participate in the tender referred to in Article 12 even if a tender by a second public notice is conducted under Article 20 (2);
2. Where there is no bidder or successful bidder for a tender conducted by second public notice under the provisions of Article 20 (2).

(2) In case of a negotiated contract referred to in paragraph (1), no changes in prices and other conditions determined at the first sale by tender shall be made except for the bid bond and time limit.

Article 28 (Negotiated Contract When Successful Bidder Fails to Conclude Contract)

(1) When a successful bidder fails to conclude the contract, a negotiated contract may be concluded in an amount not less than the lowest tender price: Provided, That the price and other conditions determined for the first tender shall not be modified except for the time limit.

(2) The provisions of paragraph (1) of this Article shall apply mutatis mutandis to cases where a successful bidder does not commence to carry out the contract within the prescribed date after concluding the contract or where the contract is cancelled or terminated because the successful bidder fails to fulfill contractual obligations after commencing to carry out the contract. <Amended by Presidential Decree No. 15186, Dec. 31, 1996>

Article 29 (Divided Negotiated Contract)

In the case of Articles 26 (1) 5 (d), 27, and 28, only if it is possible to divide and calculate the estimated price or the lowest tender price, the contract may be concluded by dividing it among several persons in an amount not less than the estimated price or the lowest tender price. <Amended by Presidential Decree No. 22282, Jul. 21, 2010>

Article 30 (Determination of Prices, etc. by Estimate)

(1) If the head of each central government agency or any public official in charge of contracts intends to conclude a negotiated contract, he/she shall receive written estimates from two or more persons: Provided, That in cases under any of the following subparagraphs, the negotiated contract may be concluded by a written estimate received from one person: <Amended by Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 17019, Dec. 27, 2000; Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 20319, Oct. 10, 2007; Presidential Decree No. 22282, Jul. 21, 2010>

1. Case of a contract under Articles 26 (1) 2 and 5 (e), 27, and 28;

2. Case of a contract, the estimated price of which is 20 million won or less;
3. Although the written estimate has been submitted by means of the designated information processing unit pursuant to the main sentence of paragraph (2), where there is only one person who submits the written estimate, and even if a written statement is re-submitted, where it is deemed evident that there will be only one person who submits the written statement.

(2) With respect to any negotiated contract whose estimated price exceeds 20 million won among the negotiated contracts provided for Article 26 (1) 5 (a), the head of each central government agency or the public official in charge of contracts shall have a written estimate submitted by means of the designated information processing unit: Provided, That the foregoing shall not applied to a case where it is difficult to submit the written estimate by means of the designated information processing unit on the grounds of the objective and characteristic of such negotiated contract, which is prescribed by Ordinance of the Ministry of Strategy and Finance. <Amended by Presidential Decree No. 19782, Dec. 29, 2006; Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22282, Jul. 21, 2010>

(3) Where the head of each central government agency or the public official in charge of contracts has the written estimate submitted by means of the designated information processing unit pursuant to the main sentence of paragraph (2), he/she shall publish matters concerning the submission of the written estimate by means of the designated information processing unit. <Newly Inserted by Presidential Decree No. 19782, Dec. 29, 2006>

(4) Where the head of each central government agency or a public official in charge of contracts enters into the negotiated contract pursuant to paragraph (2), he/she may restrict persons who are eligible to submit their respective written estimates where it is deemed necessary taking into account the easiness and efficiency of contract fulfillment, etc. under the conditions prescribed by Ordinance of the Ministry of Strategy and Finance on the basis of the locations of their principal business offices. In such cases, restricted matters and restriction standards shall be clearly indicated in the publication under paragraph (3). <Newly Inserted by Presidential Decree No. 19782, Dec. 29, 2006; Act No. 20720, Feb. 29, 2008>

(5) The Minister of Strategy and Finance may determine necessary matters concerning standards and detailed procedures for submitting written estimates by means of the designated information processing unit under paragraph (2) and the time and the period, etc. for making the publication pursuant to paragraph (3). <Newly Inserted by Presidential Decree No. 19782, Dec. 29, 2006; Presidential Decree No. 20720, Feb. 29, 2008>

(6) When it is unable to determine the counterpart of a contract such as a case where the estimated price stated in a written estimate submitted under paragraph (1) or paragraph (2) is not included in the extent of the projected price (referred to an amount inclusive of value-added tax in the estimated price in case where it has been omitted to draw up the projected price under Article 7-2 (2)), etc., the contract price shall be determined through a written estimate to be newly submitted. <Newly Inserted by Presidential Decree No. 17019, Dec. 27, 2000; Presidential Decree No. 19782, Dec. 29, 2006; Presidential Decree No. 20319, Oct. 10, 2007>

(7) Notwithstanding paragraphs (1), (2), and (6) of this Article, a submission of a written estimate, where prescribed by the Ordinance of the Ministry of Strategy and Finance, may be omitted. <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 17019, Dec. 27, 2000; Presidential Decree No. 19035, Sep. 8, 2005; Presidential Decree No. 19782, Dec. 29, 2006; Presidential Decree No. 20720, Feb. 29, 2008>

Article 31 (Contract Amount of Negotiated Contract for Continuous Construction Work)

In case of continuous construction work, the contract amount, after the relevant construction work has been completed, shall not exceed the amount calculated by multiplying the estimated price by the ratio at which the first construction work has been awarded (referring to the ratio of the successful tender price or the contracted price of the first construction work to the estimated price): Provided, That in cases determined by the Minister of Strategy and Finance, this shall not apply. <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 20720, Feb. 29, 2008>

Article 32 (Application mutatis mutandis to Competitive Contract)

Article 12 (1) shall apply mutatis mutandis to the case of a private contract.

Article 33 (Public Notice of Tender)

(1) When a competition is to be conducted by method of tender, this shall be notified publicly by utilizing the designated information processing unit, unless otherwise prescribed by this Decree: Provided, That it may, if deemed necessary, be notified publicly by means of concurrently publishing in the daily newspapers. <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 17688, Jul. 30, 2002>

(2) In case where it is necessary to make a correction on matters publicly announced due to any error in the details or any violation of the Acts and subordinate statutes is found in the public announcement under paragraph (1), the head of each central government agency or the public official in charge of contracts shall publicly announce for at least five days more than the remaining term of the public announcement. <Newly Inserted by Presidential Decree No. 20319, Oct. 10, 2007>

Article 34 (Notification for Participation in Tender)

If necessary for the maintenance of the security of the State, the head of each central government agency or the public official in charge of contracts may give notification of the matters referred to in Article 36 to the persons eligible to participate in the tender under the provisions of the Ordinance of the Ministry of Strategy and Finance and cause them to submit an application for participation in the tender, notwithstanding the provisions of Article 33. In this case, with respect to the time for the notification, the provisions of Article 35 shall apply mutatis mutandis. <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 20720, Feb. 29, 2008>

Article 35 (Time for Public Notice of Tender)

(1) Public notice of tender shall be given at least seven days before the day preceding the deadline for submission of the tender documents. <Amended by Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 19483, May 25, 2006>

(2) In cases of a tender for construction work which is required to carry out on-site presentation pursuant to Article 14-2 (1) or the main sentence of paragraph (2) of Article 14-2, a public notice of tender shall be given at least seven days before the day preceding the day for on-site presentation on construction work: Provided, That in cases of a tender for construction works which aims to examine the prequalification to participate in the tender pursuant to Article 13, a public notice of tender shall be given at least thirty days before the day preceding the date for on-site presentation on construction work. <Newly Inserted by Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 22282, Jul. 21, 2010>

(3) In cases of a tender for construction work which is not required to carry out on-site presentation, a public notice of tender shall be given before the designated period, falling under the following subparagraphs, that is reckoned from the date preceding the submission deadline for the relevant tender document: <Amended by Presidential Decree No. 19483, May 25, 2006>

1. Seven days in cases where estimated price is less than one billion won;
2. 15 days in cases where estimated price is not less than one billion won but less than five billion won;
3. 40 days in cases where estimated price is not less than five billion won.

(4) Notwithstanding paragraphs (1) through (3) of this Article, in case of emergency and of a tender by second public notice under Article 20 (2), the public notice of tender may be given at least five days before the day preceding the submission deadline for the relevant tender documents. <Amended by Presidential Decree No. 15186, Dec. 31, 1996>

(5) In cases of a contract by negotiation under the provisions of Article 43, notwithstanding paragraph (1), a public notice shall be given 40 days before the date preceding the submission deadline for the relevant tender document: Provided, That in cases falling under any of the following subparagraphs, a public notice may be given ten days before the date preceding the submission deadline for the relevant tender document: <Newly Inserted by Presidential Decree No. 19483, May 25, 2006>

1. In cases of emergency;
2. In cases where the estimated price is less than the notified amount;
3. In cases of a tender by second public notice under Article 20 (2).

Article 36 (Contents of Public Notice of Tender)

The following matters shall be specified in public notice of a tender: <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 17546, Mar. 25, 2002; Presidential Decree No. 17688, Jul. 30, 2002; Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 23477, Dec. 31, 2011>

1. Matters to be put to the tender;
2. Place, and date and time of the tender or the opening of the tender;
3. In cases of a tender for construction work, matters concerning the place, and date and time of an on-site presentation on construction work, qualifications to participate in the tender, and whether it is obligatory to participate in the tender;

- 3-2. In cases of concluding a contract by negotiation under Article 43 and conducting explanation on a written request for proposal, matters concerning the place, date and time, and whether it is obligatory to participate in the tender;
4. Matters concerning the qualifications for participants in the tender;
 - 4-2. Matters concerning registration of tender participation and documents related to the tender;
5. Matters concerning a bid bond, and the reversion thereof to the National Treasury;
6. Methods to decide a successful tender (where a successful bidder is decided pursuant to Article 42 (1) or (4), the date of submission of documents necessary for deciding the successful bidder and the expected date of notification of the successful bidder shall be included);
7. Commencement day and completion day of the contract;
8. Place where the contractual conditions are publicly notified;
9. Matters concerning the invalidity of a tender under Article 39 (4);
10. Place where the documents for the tender can be made available for inspection, or delivery as well as the cost for delivery thereof;
11. Address, etc. of an agency from which additional information may be obtained;
12. In case of permitting the submission of tender by using the designated information processing unit or the information processing unit designated and publicly announced by the head of each central government agency pursuant to Article 39 (1), the procedure and method thereof;
 - 12-2. In case of permitting the submission of tender by mail pursuant to Article 39 (2), the address to which the notice to that effect and the documents for the tender are to be sent;
13. In case of permitting a joint contract under Article 72, the fact that a joint contract may be concluded (in case of a joint contract under Article 72 (3) and (4), including matters concerning the limitations on qualifications of members of a joint supply and demand organization) and methods of performing the joint contract;
14. In case of an incidental tender under Article 19, its purport;
15. In case of a tender under Article 78, matters concerning a tender by an alternative proposal or on a package deal;
16. Other necessary matters concerning the tender.

Article 37 (Bid Bond)

- (1) The bid bond under Article 9 of the Act shall be 5/100 or more of the tendered amount (in case of a tender by the unit cost, the amount calculated by multiplying the unit cost by the total estimated quantity of the tender). *<Amended by Presidential Decree No. 15186, Dec. 31, 1996>*
- (2) The bid bond shall be paid in cash (including a bank check issued by a postal service office or by a bank governed by the Banking Act; hereinafter the same shall apply) or with any of the following certificates, guarantees or securities: *<Amended by Presidential Decree No. 14973, Apr. 8, 1996; Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 15433, Jul. 10, 1997; Presidential Decree Nos. 15581 & 15582, Dec. 31, 1997; Presidential Decree No. 15614, Feb. 2, 1998; Presidential Decree No. 16308, May 13, 1999;>*

Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 16943, Aug. 5, 2000; Presidential Decree No. 17585, Apr. 20, 2002; Presidential Decree No. 17791, Dec. 5, 2002; Presidential Decree No. 18155, Dec. 11, 2003; Presidential Decree No. 18666, Dec. 31, 2004; Presidential Decree No. 19035, Sep. 8, 2005; Presidential Decree No. 19806, Dec. 29, 2006; Presidential Decree No. 20319, Oct. 10, 2007; Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 20947, Jul. 29, 2008; Presidential Decree No. 21578, Jun. 29, 2009; Presidential Decree No. 22493, Nov. 15, 2010; Presidential Decree No. 22626, Jan. 17, 2011; Presidential Decree No. 22637, Jan. 24, 2011; Presidential Decree No. 22638, Jan. 26, 2011; Presidential Decree No. 22660, Feb. 9, 2011; Presidential Decree No. 23778, May 14, 2012>

1. Written payment guarantee issued by a financial institution provided for in Article 46 (4) of the Enforcement Decree of the National Finance Act (hereinafter referred to as "financial institutions") or a foreign bank provided for in the Banking Act;
2. Securities under Article 192 of the Enforcement Decree of the Financial Investment Services and Capital Markets Act;
3. Policy of guarantee insurance issued by an insurance company under the Insurance Business Act;
4. Written guarantee for the payment of the debt amount, etc. that is issued by any of the following organizations:
 - (a) Mutual aid associations under the Framework Act on the Construction Industry;
 - (b) The Electric Constructors' Financial Cooperative under the Electric Constructors' Financial Cooperative Act;
 - (c) The Korea Credit Guarantee Fund under the Credit Guarantee Fund Act;
 - (d) The Korea Technology Credit Guarantee Fund under the Korea Technology Credit Guarantee Fund Act;
 - (e) The Information and Communication Financial Cooperative under the Information and Communications Construction Business Act;
 - (f) The Engineering Financial Cooperative under the Engineering Industry Promotion Act;
 - (g) Mutual aid associations under the Industrial Development Act;
 - (h) The Software Financial Cooperative under the Software Industry Promotion Act;
 - (j) Mutual aid associations under the Construction Waste Recycling Promotion Act;
 - (k) Mutual aid associations under the Aggregate Extraction Act;
 - (l) Credit guarantee foundations under the Regional Credit Guarantee Foundation Act;
 - (m) The Korea Tourism Association under the Tourism Promotion Act;
 - (n) Persons designated as the institutions performing guarantee business under Article 43 of the Defense Acquisition Program Act;
 - (o) The Korea Construction Consulting Engineers Association under the Construction Technology Management Act;
 - (p) The fire Guarantee under the Fire-Fighting Industry Promotion Act;

(q) The Cultural Heritage Maintenance Association under the Act on Cultural Heritage Maintenance, etc.;

(r) The Korea Institute of Registered Architects under the Architects Act;

(s) The Korea Federation of Small and Medium Business under the Small and Medium Enterprise Cooperatives Act;

5. Certificate of time deposit issued by a financial institution, a foreign financial institution referred to in subparagraph 1 of this paragraph or a postal service office;

6. Beneficiary certificate issued by a trust entity under the Financial Investment Services and Capital Markets Act;

7. Beneficiary certificate issued by a collective investment entity under the Financial Investment Services and Capital Markets Act.

(3) Persons who may be exempted from paying in whole or in part of the amount of the bid bond under the proviso to Article 9 (1) of the Act, shall be as follows: <Amended by Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 15433, Jul. 10, 1997; Presidential Decree No. 15581, Dec. 31, 1997; Presidential Decree No. 15614, Feb. 2, 1998; Presidential Decree No. 16448, Jun. 30, 1999; Presidential Decree No. 17019, Dec. 27, 2000; Presidential Decree No. 18666, Dec. 31, 2004; Presidential Decree No. 19035, Sep. 8, 2005; Presidential Decree No. 19463, Apr. 28, 2006; Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 20319, Oct. 10, 2007; Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 21565, Jun. 26, 2009; Presidential Decree No. 22638, Jan. 26, 2011; Presidential Decree No. 22660, Feb. 9, 2011>

1. State agencies and local governments;

2. Public agencies under the Act on the Management of Public Institutions;

3. Juristic persons to which the Government contributes 50/100 or more of the basic property (including the property reverted to the National Treasury in accordance with the relevant Acts; hereinafter the same shall apply);

4. Cooperatives, joint cooperative corporations and the Federation thereof under the Agricultural Cooperatives Act, fishing village fraternity, fisheries cooperatives and the Federation thereof under the Fisheries Cooperatives Act, forestry associations and the Federation thereof under the Forestry Cooperatives Act, small and medium enterprise cooperatives and the Federation thereof under the Small and Medium Enterprise Cooperatives Act, and the Korea Rural Community Corporation under the Korea Rural Community Corporation and Farmland Management Fund Act;

5. Juristic persons, registered under the Acts and subordinate statutes, such as the Framework Act on the Construction Industry, the Electrical Construction Business Act, the Information and Communications Construction Business Act, the Construction Waste Recycling Promotion Act, the Aggregate Extraction Act or the Act on Cultural Heritage Maintenance, etc., which meet the criteria determined by the Minister of Strategy and Finance;

5-2. Persons meeting the standards determined by the Minister of Strategy and Finance, among those persons who were certified as suitable to green technology or business or as corporations specialized

in green business in accordance with Article 32 (2) of the Framework Act on Low Carbon, Green Growth.

6. Other persons who are not feared to evade concluding contracts after they are determined as successful bidders in a competitive bidding.

(4) The head of each central government agency or a public official in charge of contracts shall, when the events for the reversion to the National Treasury arise under Article 9 (3) of the Act, request a person who is exempted from paying in whole or in part of the amount of the bid bond under paragraph (3) of this Article to submit the document of undertaking to pay in order to ensure the payment of an amount corresponding to the amount of the bid bond.

Article 38 (Reversion of Amount of Bid Bond to National Treasury)

(1) If the head of each central government agency or the public official in charge of contracts has received the bid bond with the certificates of guarantee, etc. under the provisions of Article 37 (2) , he shall, when the events for the reversion to the National Treasury arise under the provisions of Article 9 (3) of the Act, immediately give notification of that fact to the financial institutions or the guarantee institutions which fall under each subparagraph of Article 37 (2) , and the related receipts collectors or the public officials in charge of securities, etc., and shall have the relevant amount of the bid bond collected in cash or converted into securities possessed by the Government under the provisions of the Ordinance of the Ministry of Strategy and Finance. *<Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 18155, Dec. 11, 2003; Presidential Decree No. 20720, Feb. 29, 2008>*

(2) The head of each central government agency or the public official in charge of contracts shall, when the events for the reversion to the National Treasury under Article 9 (3) of the Act arise to a person who is exempted from paying in whole or in part of the amount of the bid bond under the proviso of Article 9 (1) of the Act, give notification of that fact to the related receipts collectors with the document of undertaking to pay under the provisions of Article 37 (4) , and shall ask the said collectors to collect in cash the amount corresponding to the amount of the bid bond from the related successful bidder. *<Amended by Presidential Decree No. 18155, Dec. 11, 2003>*

Article 39 (Submission and Receipt of Documents for Tender, and Invalidity of Tender)

(1) The head of each central government agency or any public official in charge of contracts shall require a bidder to submit documents for tender by using the designated information processing unit: Provided, That in cases where consultation with the Minister of Strategy and Finance was made in advance, the tender document may be submitted by using the information processing unit designated and publicly announced by the head of each central government agency, in addition to using the designated information processing unit. *<Amended by Presidential Decree No. 23477, Dec. 31, 2011>*

(2) In any of the following cases, the head of each central government agency or a public official in charge of contracts may require a bidder to submit documents for tender in person or by mail at the place and time indicated in the public notice for the tender, notwithstanding paragraph (1): *<Amended by Presidential Decree No. 23477, Dec. 31, 2011>*

1. In cases of a contract subject to international bidding pursuant to Article 4 of the Act;
 2. Where it is difficult to use the designated information processing unit or where deemed necessary by the head of each central government agency.
- (3) The bidder may not exchange, modify, or cancel the documents for tender which have been already submitted: Provided, That in cases prescribed by the Minister of Strategy and Finance, this shall not apply. <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 20720, Feb. 29, 2008>
- (4) A tender performed by a person disqualified from participation in a competitive tender under Articles 12 and 21, and a tender falling under reasons prescribed by the Ordinance of the Ministry of Strategy and Finance shall be invalidated. <Amended by Presidential Decree No. 15614, Feb. 2, 1998; Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 20720, Feb. 29, 2008>

Article 40 (Opening of Tender and Declaration of Successful Tender)

- (1) The head of each central government agency or any public official in charge of contracts shall conduct the opening of tender in the presence of bidders at the place and time indicated in the public notice for the tender. In such cases, when a bidder fails to be present at the opening of the tender, the public official not related to the tender may be asked to participate in the opening of the tender.
- (2) When the head of each central government agency or any public official in charge of contracts confirms the documents for tender presented and thus determines a successful bidder by comparing the tendered amounts indicated in effective documents for the tender with the projected price, he shall make without delay the declaration of successful tender: Provided, That where it takes him long time to determine a successful bidder since he should determine a successful bidder through examination of the capabilities to perform the contract under Article 42 (1) or examination of adequacy of tender price under Article 42 (4), the declaration of a successful bidder may be made after taking such necessary procedures. <Amended by Presidential Decree No. 19483, May 25, 2006>
- (3) In the case of submitting the tender document by using the designated information processing unit or the information processing unit designated and publicly announced by the head of each central government agency pursuant to Article 39 (1), the opening of tender and the declaration of successful tender shall be conducted in accordance with the procedures and methods indicated in the public notice for the tender, notwithstanding paragraphs (1) and (2). <Amended by Presidential Decree No. 17688, Jul. 30, 2002; Presidential Decree No. 23477, Dec. 31, 2011>

Article 41 (Determination of Successful Bidder in Competitive Tender Which becomes Source of Revenue)

In a competitive tender which becomes a source of revenue, a bidder participating in the tender with the highest price which is more than the projected price shall become the successful bidder.

Article 42 (Determination of Successful Bidder in Competitive Tender Charged to National Treasury)

- (1) The head of each central government agency or the public official in charge of contracts shall, in a public tender which is a charge to the National Treasury, determine a successful bidder by examining the capabilities to perform the contract concerned in the order of the bidder who has bidden with the lowest

price which is less than the projected price. <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 17019, Dec. 27, 2000; Presidential Decree No. 18155, Dec. 11, 2003; Presidential Decree No. 19483, May 25, 2006>

(2) Notwithstanding paragraph (1), the head of each central governmental agency or the public official in charge of contracts shall, in a tender for goods whose estimated price is not more than the notified amount, determine a bidder who has bidden with the lowest price which is less than the projected price as a successful bidder: Provided, That where a contract is required to take a long period to manufacture and supply goods or to carry out so that it is deemed necessary to examine the capabilities to perform the contract pursuant to paragraph (1), a successful bidder may be determined under paragraph (1). <Newly Inserted by Presidential Decree No. 19483, May 25, 2006>

(3) Notwithstanding paragraph (1), the head of each central governmental agency or the public official in charge of contracts shall, in a tender provided for in Article 18, determine a bidder who has bidden with the lowest price which is less than the projected price as a successful bidder. <Newly Inserted by Presidential Decree No. 19483, May 25, 2006>

(4) Notwithstanding paragraph (1), the head of each central governmental agency or the public official in charge of contracts shall, in a tender for construction work whose estimated price is not less than ten billion won, determine a successful bidder by starting with those who have bidden with the lowest price which is less than the projected price, after examining the adequacy of the bidding price. <Newly Inserted by Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 22282, Jul. 21, 2010>

(5) In examining the capabilities to perform the contract under paragraph (1), whether any bidder is eligible shall be determined on the basis of detailed examination criteria which are prescribed according to the examination criteria established by the Minister of Finance and Economy in comprehensive consideration of past performance records, technological capabilities, financial status, integrity shown in the past performance of contracts, the appropriateness of the prices of supplying materials and human resources, subcontract management plans, performance plans for outsourcing workers' working conditions, degree of the observation of contractual order, degree of the quality of past construction performances and the tendered price, etc. of the relevant bidders; and the relevant person who is deemed eligible by the results of examination shall be decided as the successful bidder: Provided, That if deemed necessary in view of the specific character of construction work or goods, etc., the head of each central government agency may directly determine the examination criteria through consultation with the Minister of Strategy and Finance. <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 17019, Dec. 27, 2000; Presidential Decree No. 19035, Sep. 8, 2005; Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 20319, Oct. 10, 2007; Presidential Decree No. 20720, Feb. 29, 2008>

(6) In examining the adequacy of the tender price pursuant to paragraph (4), the head of each central governmental agency or the public official in charge of contracts shall determine the detailed examination criteria according to the examination criteria established by the Minister of Strategy and Finance in comprehensive consideration of the tender price (including the tender price by work unit), price

appropriateness in the supply of materials, manpower and equipment, etc. of the relevant bidders, and allow those who intend to participate in the tender to refer to such criteria before offering the tender. <Newly Inserted by Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 20720, Feb. 29, 2008>

(7) In examining the adequacy of the tender price pursuant to paragraph (4), the head of each central governmental agency or the public official in charge of contracts shall go through the review by the Committee for Examining the Adequacy of Tender Prices (hereafter referred to as the "Committee" in this Article). <Newly Inserted by Presidential Decree No. 19483, May 25, 2006>

(8) The Committee shall be established in each central governmental agency, and composed of the public officials who belong to the relevant central governmental agency (including public officials who belong to the requesting administrative agency where the conclusion of a contract for the construction work is requested to the Administrator of the Public Procurement Service pursuant to Article 15 of the Enforcement Decree of the Government Procurement Act), those who have profound learning and experience in the contract and others, and the detailed matters necessary for the composition and operation of the Committee shall be prescribed by the head of each central governmental agency. <Newly Inserted by Presidential Decree No. 19483, May 25, 2006>

Article 43 (Conclusion of Contract by Negotiation)

(1) If deemed necessary in view of the special nature, technical nature and urgency of the execution of contract, the safety of public installations and other national security purposes, the head of each central government agency or the public official in charge of contracts may, notwithstanding the provisions of Article 42, conclude a contract by negotiation with a person deemed to be most favorable to the State after evaluating the written proposals submitted by many suppliers. <Amended by Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 18155, Dec. 11, 2003>

(2) When the head of each central government agency or the public official in charge of contracts intends to conclude a contract under the provisions of paragraph (1) , he shall state clearly that the contract is a contract by negotiation at the time of the public notice. <Newly Inserted by Presidential Decree No. 15186, Dec. 31, 1996>

(3) The head of each central government agency or the public official in charge of contracts shall issue and deliver necessary documents such as a written request for proposal, etc. to persons who intend to participate in a contract by negotiation. <Newly Inserted by Presidential Decree No. 15186, Dec. 31, 1996>

(4) The head of each central government agency or the public official in charge of contracts may replace issuing necessary documents, including a written request for proposal, etc. under the provisions of paragraph (3) by placing necessary documents, including a written request for proposal, etc., on the designated information processing unit. <Newly Inserted by Presidential Decree No. 19483, May 25, 2006>

(5) Where the head of each central government agency or the public official in charge of contracts intends to conclude a contract pursuant to the provisions of paragraph (1) , he may, if it is deemed necessary, conduct explanation on a written request for proposal, etc. in consideration of the characteristics and volumes of the contract. <Newly Inserted by Presidential Decree No. 19483, May 25, 2006>

(6) Where the head of each central government agency or the public official in charge of contracts conducts explanation on a written request for proposal, etc. pursuant to the provisions of paragraph (5) , he may allow only those who take part in the explanation session to participate in the contract. <Newly Inserted by Presidential Decree No. 19483, May 25, 2006>

(7) Where the head of each central government agency or the public official in charge of contracts intends to conclude a contract by negotiation under the provisions of paragraph (1) , he shall determine detailed criteria according to the criteria for concluding a contract which is established by the Minister of Strategy and Finance in comprehensive consideration of the past record of performances, engineering capabilities, business action plans, financial status, and tender price of those who intend to conclude the contract and allow them to refer to the detailed criteria: Provided, That in case where he/she intends to conclude a contract by negotiation for the performance of the defense capacity improvement project under the Defense Acquisition Program Act, the criteria and procedures of conclusion of such contract shall be determined by the Commissioner of the Defense Acquisition Program Administration. <Amended by Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 20319, Oct. 10, 2007; Presidential Decree No. 20720, Feb. 29, 2008>

(8) Where the head of each central government agency or the public official in charge of contracts evaluates written proposals under paragraph (1) , he shall go through the review of the Committee for Evaluating Written Proposals (hereafter referred to as the "Committee" in this Article): Provided, That in case where he/she intends to conclude a contract by negotiation in connection with the defense capacity improvement project under the Defense Acquisition Program Act, the review of an evaluation team on the research and development project proposal under Article 18 (6) of the same Act may replace the review of the committee. <Newly Inserted by Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 20319, Oct. 10, 2007>

(9) The Committee shall be established in each central governmental agency, and composed of the public officials who belong to the relevant central governmental agency, those who have profound learning and experience in the contract and others, and the detailed matters necessary for the composition and operation of the Committee shall be prescribed by the head of each central governmental agency. <Newly Inserted by Presidential Decree No. 19483, May 25, 2006>

Article 43-2 (Methods of Contract for Knowledge-Based Business)

(1) Where the head of each central government agency or a public official in charge of contracts concludes a contract for any of the following business or industries (hereinafter referred to as the "knowledge-based business") which create the high added values by utilizing the highly intensive knowledge, such as information science technology, he/she may preferentially apply the method of concluding contracts through negotiations under Article 43: <Amended by Presidential Decree No. 19035, Sep. 8, 2005; Presidential Decree No. 21692, Aug. 18, 2009; Presidential Decree No. 21698, Aug. 21, 2009; Presidential Decree No. 22626, Jan. 17, 2011>

1. Engineering business under subparagraph 3 of Article 2 of the Engineering Industry Promotion Act: Provided, That in case of construction technology providing services under subparagraph 3 of Article 2 of the Construction Technology Management Act, it shall be limited to the case requiring high level of difficulty and techniques;
2. The information and communications industry under subparagraph 2 of Article 2 of the Information and Communications Technology Industry Promotion Act;
3. Business relating to the informatization under subparagraph 2 of Article 3 of the Framework Act on National Informatization;
4. Business relating to the industrial design under Article 2 of the Industrial Design Promotion Act;
5. Cultural business under subparagraph 1 of Article 2 of the Framework Act on the Promotion of Cultural Industries;
6. Online digital contents business under subparagraph 3 of Article 2 of the Online Digital Contents Industry Development Act;
7. Scientific research services relating to the basic science and applied science;
8. Other businesses deemed by the head of each central government agency to be corresponding thereto.

(2) Where the head of each central government agency or a public official in charge of contracts intends to conclude a contract through negotiations under paragraph (1), he/she shall determine a detailed criteria pursuant to the evaluation method of written proposals and negotiation procedures set by the Minister of Strategy and Finance, and conclude the competent contract. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

Article 44 (Determination of Successful Bidder according to Quality, etc.)

(1) If deemed necessary for a contract for the manufacture and purchase of goods, the head of each central government agency or the public official in charge of contracts shall, notwithstanding the provisions of Article 42, determine the participant in the tender who has quoted the price which is most economical within the range of the projected price as the successful bidder by taking into consideration comprehensively not only the tendered price but also the quality, etc. of the related goods. <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 17019, Dec. 27, 2000>

(2) The head of each central government agency or the public official in charge of contracts shall, when intending to determine the successful bidder under the provisions of paragraph (1) of this Article, determine the criteria for evaluation of the quality, etc. concerning related goods, and shall make them available for inspection by the participants in the tender. <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 17019, Dec. 27, 2000>

Article 45 (Determination of Successful Bidder When Selling Off Large Quantity of Goods)

When intending to sell off a large quantity of goods by dividing them according to the desired quantity to be sold under the provisions of Article 17 (1), notwithstanding the provisions of Article 41, the successful bidders shall be determined according to the order of the bidders who have quoted the highest price from among the participants in the tender who have quoted a unit price which is not less than the projected price

until the required quantity is reached.

Article 46 (Determination of Successful Bidder When Manufacturing and Purchasing Large Quantity of Goods)

When intending to manufacture and purchase a large quantity of goods by dividing them according to the desired quantity to be manufactured or purchased under the provisions of Article 17 (2), notwithstanding the provisions of Article 42, the successful bidders shall be determined according to the order of the bidders who have quoted the lowest price from among the participants in the tender who have quoted a unit price which is not more than the projected price until the required quantity is reached. <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 18155, Dec. 11, 2003>

Article 47 (Determination of Successful Bidder in Case of Tender with Equal Price)

(1) Where there are not less than two persons who have quoted the same price which may be the successful price, and it falls under any of the following subparagraphs, the head of each central government agency or the public official in charge of contracts shall determine a successful bidder according to the methods in the following subparagraphs: <Amended by Presidential Decree No. 19483, May 25, 2006>

1. In cases of a general competitive tender according to a desired quantity under the provisions of Article 17: The participant who has tendered for more quantity than other participants shall be determined as the successful bidder. If the tendered quantity is the same, a successful bidder shall be determined by means of drawing lots;
2. Where a successful bidder is determined under the provisions of Article 42 (1) : The participant who has obtained the best marks as a result of examining the capability to perform the contract shall be determined as the successful bidder. If a result of examining the capability to perform the contract is the same, a successful bidder shall be determined by means of drawing lots;
3. Where a successful bidder is determined under the provisions of the main sentence of Article 42 (2) : A successful bidder shall be determined by means of drawing lots;
4. Where a successful bidder is determined under the provisions of Article 42 (3): The participant who has excellent specifications and technology shall be determined as the successful bidder. If a result of evaluating specifications and technology is the same, a successful bidder shall be determined by means of drawing lots; and
5. Where a successful bidder is determined under the provisions of Article 42 (4) : The participant who passes the examination of adequacy of bidding price shall be determined as the successful bidder. If there are not less than two persons who have passed the examination, a successful bidder shall be determined by means of drawing lots.

(2) In case of paragraph (1) of this Article, when there are persons not present or persons not drawing lots from among the bidders, the public officials not related to the tender may be asked to draw lots instead of those persons.

(3) Deleted. <by Presidential Decree No. 19483, May 25, 2006>

Article 48 (Preparation of Written Contract)

(1) The form of the contract which the head of each central government agency or the public official in charge of contracts prepares under the provisions of the main sentence of Article 11 (1) of the Act and other necessary matters shall be prescribed by the Ordinance of the Ministry of Strategy and Finance.

<Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 20720, Feb. 29, 2008>

(2) The public official in charge of contracts shall write the name and seal the written contract: Provided, That if the contract is concluded with a foreigner or where there are special reasons, the signature may take the place of writing the name and of the seal.

Article 48-2 (Overseas Construction Contract)

(1) The head of each central government agency or the public official in charge of contracts shall, when contracting overseas construction projects, make a contract in local currency, in principle: Provided, That where it is difficult to contract in local currency, he/she may make a contract in Korean won or U.S. dollar after consulting with the other contracting party.

(2) The head of each central government agency or the public official in charge of contracts may, when contracting overseas construction projects, set exceptions concerning the adjustment of contract prices, in consideration of the foreign exchange rates, the practice of the international trade, etc.

Article 49 (Omission of Preparation of Written Contract)

Cases where preparation of a written contract may be omitted under the proviso of Article 11 (1) of the Act shall be specified in each of the following subparagraphs: <Amended by Presidential Decree No. 16548, Sep. 9, 1999>

1. Cases of concluding a contract of which the amount is not more than 30 million won;
2. Cases of conducting an auction;
3. Cases where a buyer instantly pays the price and acquires the goods when related goods are sold;
4. Cases where each government agency and a local government conclude a contract each other;
5. Cases where the preparation of a written contract is not required due to the characteristics of the contract such as a contract for the supply of electricity, gas, and piped water, etc.

Article 50 (Deposit for Contract)

(1) The head of each central government agency or a public official in charge of contracts shall cause the deposit for the contract under Article 12 of the Act to be paid for 10/100 or more of the contract amount.

(2) In cases of a unit-cost contract to be performed by being divided into several stages, notwithstanding the provisions of paragraph (1) of this Article, 10/100 or more of the amount calculated by multiplying the maximum quantity out of the estimated quantities which shall be performed at each stage by the contractual unit cost shall be made to be paid as the deposit for the contract.

(3) In cases of a long-term continuous contract, 10/100 or more of the amount of whole construction work or whole manufacture, etc., which is additionally entered at the time of concluding the first contract, shall be made to be paid as a contract deposit. In such cases, the relevant contract deposit shall be deemed as the

contract deposit for whole construction work or whole manufacture, etc., and when the annual contract is completed, the amount equivalent to the contract price on an annual basis, the work of which is completed among the initial contract deposit shall be refunded. *<Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 19035, Sep. 8, 2005; Presidential Decree No. 20319, Oct. 10, 2007>*

(4) and (5) Deleted. *<by Presidential Decree No. 16548, Sep. 9, 1999>*

(6) Cases where all or some of the contract deposit may be exempted under the proviso to Article 12 (1) of the Act shall be as follows: *<Amended by Presidential Decree No. 15614, Feb. 2, 1998; Presidential Decree No. 19035, Sep. 8, 2005; Presidential Decree No. 19782, Dec. 29, 2006; Presidential Decree No. 22282, Jul. 21, 2010; Presidential Decree No. 22660, Feb. 9, 2011>*

1. Cases of concluding a contract with a person under Article 37 (3) 1 through 4 and 5-2;

2. Deleted; *<by Presidential Decree No. 19782, Dec. 29, 2006>*

3. Cases of concluding the contract of which the contract amount is not more than 50 million won;

4. Cases where the collection of the deposit is not appropriate in view of contractual customs generally recognized to be fair and reasonable;

5. Cases of purchasing parts of already introduced foreign capital facilities, machinery, equipment and of having difficulty purchasing the parts unless the supplier concerned purchases them.

(7) The deposit for contract shall be paid in cash or with the certificates of guarantee, etc. prescribed in each subparagraph of Article 37 (2). *<Amended by Presidential Decree No. 15614, Feb. 2, 1998>*

(8) If the other party to the contract requests to substitute the contract deposit paid in cash or with securities prescribed in Article 192 of the Enforcement Decree of the Financial Investment Services and Capital Markets Act for a certificate of guarantee, etc. prescribed in the Article 37 (2) 1 through 5, it may be paid with such certificate of guarantee, etc. in an amount corresponding to or more the said cash or securities. *<Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 19035, Sep. 8, 2005; Presidential Decree No. 20947, Jul. 29, 2008>*

(9) Deleted. *<by Presidential Decree No. 15614, Feb. 2, 1998>*

(10) Article 37 (4) shall apply mutatis mutandis to cases where the payment of the whole or part of the deposit for the contract may be exempted under paragraph (6) 1 through 3 and 5 of this Article. *<Amended by Presidential Decree No. 18155, Dec. 11, 2003>*

(11) Deleted. *<by Presidential Decree No. 17019, Dec. 27, 2000>*

Article 51 (Reversion of Deposit for Contract to National Treasury)

(1) When the other party to the contract fails to fulfill contractual obligations without justifiable reasons, the head of each central government agency and the public official in charge of contracts shall revert the contract deposit under Article 50 (including an amount guaranteed under Article 52 (1) 2 and 3; hereinafter the same shall apply) to the National Treasury under Article 12 (3) of the Act. In this case, the provisions of Article 75 (1) shall apply mutatis mutandis. *<Amended by Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 15614, Feb. 2, 1998; Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 17019, Dec. 27, 2000>*

(2) The provisions of paragraph (1) of this Article shall apply mutatis mutandis to cases where the other party to a long-term continuous contract fails to conclude the contract for construction work or manufacture, etc. after the second stage under the provisions of the latter part of Article 69 (2) and the provisions of Article 69 (3) . <Newly Inserted by Presidential Decree No. 15186, Dec. 31, 1996>

(3) In reverting the deposit for the contract to the National Treasury under the provisions of paragraphs (1) and (2) of this Article, that deposit may not be offset by any unpaid amount for the completed parts: Provided, That where the deposit for the contract is exempted in whole or part, the deposit for the contract which should be reverted to the National Treasury may be offset by any unpaid amount for the completed parts. <Newly Inserted by Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 19483, May 25, 2006>

(4) The provisions of Article 38 (1) and (2) shall apply mutatis mutandis to cases of reversion of the deposit for the contract to the National Treasury.

Article 52 (Performance Bond for Contract for Construction Work)

(1) Where the head of each central government agency or the public official in charge of contracts intends to conclude a contract for construction work, he/she shall have the other party of contract guarantee the performance of relevant contract by selecting the method falling under any one of the following subparagraphs: Provided, That where the head of each central government agency or the public official in charge of contracts deems it necessary in consideration of the character of the contract for construction work, he/she may limit the methods of guaranteeing the performance of the contract to the methods under subparagraph 3, and with respect to the contract for construction work under Article 42 (4), and Chapters VI and VIII, he/she shall have the other party guarantee the performance of the contract only by the methods under subparagraph 3: <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 17019, Dec. 27, 2000; Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 22282, Jul. 21, 2010>

1. Deleted; <by Presidential Decree No. 22282, Jul. 21, 2010>

2. The method of paying the contract deposit of not less than 15/100 of the contract amount;

3. The method of submitting a performance bond [it shall be the one which guarantees that the agency, which has guaranteed the execution of contractual obligations of the relevant construction works, shall pay on behalf of the other party of contract not less than 40/100 (50/100 in cases of the construction contract awarded successfully in the amount of less than 70/100 of the projected price) of the contract amount in the event of failure to execute the said contractual obligations] without paying the contract deposit under Article 50 (1) through (3).

(2) Where the other party of the contract, which has guaranteed the performance of relevant contract according to the main sentence of paragraph (1), requests to change the methods of guaranteeing the performance of the contract, the head of each central government agency or the public official in charge of contracts may allow the other party of the contract to change the methods of guaranteeing the performance of the contract only once. <Newly Inserted by Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 22282, Jul. 21, 2010>

(3) Deleted. <by Presidential Decree No. 22282, Jul. 21, 2010>

(4) The Minister of Strategy and Finance may determine matters necessary for submission, etc. of the performance bond under paragraph (1). <Newly Inserted by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 20720, Feb. 29, 2008>

(5) Paragraphs (1) through (4) may apply mutatis mutandis to the case of a service contract. <Newly Inserted by Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 19483, May 25, 2006>

Article 53 (Insuring of Non-life Insurance)

(1) The head of each central government agency or the public official in charge of contracts may, if it is deemed necessary in concluding a contract, have objects under the related contract insured non-life insurance, or ask the other party to the contract to insure them non-life insurance (including the mutual aid for damage under Article 56 (1) 5 of the Framework Act on the Construction Industry; hereinafter the same shall apply). <Amended by Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 20319, Oct. 10, 2007>

(2) The Minister of Strategy and Finance may determine the necessary matters concerning effecting the non-life insurance under the provisions of paragraph (1) . <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 20720, Feb. 29, 2008>

Article 54 (Supervision)

(1) The term "contract prescribed by Presidential Decree" in the proviso of Article 13 (1) of the Act means a contract falling under any one of the following subparagraphs: <Amended by Presidential Decree No. 19035, Sep. 8, 2005; Presidential Decree No. 19483, May 25, 2006>

1. A contract for construction work which is required to mandatorily carry out the responsible supervision under the provisions of Article 27 of the Construction Technology Management Act, Article 12 of the Electric Technology Management Act or other construction related Acts and subordinate statutes; and

2. A contract for manufacture and any other contract for work for which the supervision prescribed in the main sentence of Article 13 (1) of the Act may not be executed due to the need for expert knowledge or technology or due to other unavoidable reasons.

(2) In the case of the construction work contract concluded by a successful bid of less than 70/100 of the projected prices, the head of each central government agency or the public official in charge of contracts may add the number of supervisory officials (referring to the number of supervisory officers as referred to in the Construction Technology Management Act, etc. in the case of construction work contract from among the contracts under paragraph (1)) within the limit of 50/100 of the relevant criteria for posting in order to prevent the unconscientious works. <Newly Inserted by Presidential Decree No. 18155, Dec. 11, 2003; Presidential Decree No. 19035, Sep. 8, 2005>

(3) Expenses for supervision or superintendence additionally required pursuant to paragraph (2) may be appropriated by the difference in price of successful bid from among the relevant construction work

budgets (referring to the difference between the projected price and the price of successful bid). <Newly Inserted by Presidential Decree No. 18155, Dec. 11, 2003>

Article 55 (Inspection)

(1) An inspection under the provisions of Article 14 (1) of the Act shall be completed within 14 days from the date on which the notice has been received from the other party to the related party to the effect that the performance of the related contract has been completed: Provided, That if it is prescribed by the Minister of Strategy and Finance, the inspection period may be extended within the limit of seven days. <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 20720, Feb. 29, 2008>

(2) When executing the inspection under paragraph (1) of this Article, in case of a research and design service contract, the question of whether the other party to the related service contract has calculated reasonably the total costs of the project shall be also examined.

(3) The term "contract as prescribed by Presidential Decree" referred to in the proviso of Article 14 (1) of the Act means a contract falling under any of the following subparagraphs of Article 54 (1) . <Amended by Presidential Decree No. 18155, Dec. 11, 2003>

(4) In case of concluding contracts by separating the basic design (including a feasibility study; the same shall apply to the following provisions) from the shop design, when inspecting the performance of the shop design service under paragraph (1) of this Article, the question of whether the calculation of the total costs of the project under the shop design is reasonable shall be examined by comparing the total costs under the basic design with the total costs under the shop design. In this case, if there is a difference between the total costs under the basic design and the total costs under the shop design, the other party to the contract for the shop design service shall be asked to present the materials and data which explain the reasons therefor.

(5) In case the inspection has failed to be completed due to force majeure such as natural disasters during the prescribed period under paragraph (1) of this Article, the inspection shall be completed within 3 days from the date on which such force majeure has disappeared.

(6) The head of each central government agency and the public official in charge of contracts, when discovering the fact that in whole or in part of the contract performed by the other party to the contract violates the original contract or is inappropriate in course of the inspection under Article 14 (1) of the Act, shall take corrective actions without delay. In this case, the period under paragraph (1) of this Article shall be calculated from the date on which the notice has been received from the other party to the contract to the effect that such corrective actions have been completed.

(7) In case where the inspection of the completed parts at the time of paying the costs for the completed parts under Article 58 (3) may be replaced by the verification of the protocol of supervision prepared by the person executing the supervision under Article 13 of the Act: Provided, That every three times such an inspection is executed, the inspection under Article 14 shall be executed once. <Newly Inserted by Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 16548, Sep. 9, 1999>

Article 56 (Omission of Preparation of Protocol of Inspection)

Cases where preparation of a protocol of inspection may be omitted under to the proviso of Article 14 (2) of the Act shall be specified in each of the following subparagraphs: <Amended by Presidential Decree No. 16548, Sep. 9, 1999>

1. Cases of a contract whose contract amount is less than 30 million won;
2. Cases of a contract for sale; and
3. Cases of a contract not requiring the preparation of a protocol of inspection due to the characteristics of the contract such as the contract for supply of electricity, gas, and piped water, etc.

Article 57 (Concurrent Performance of Supervision Duty and Inspection Duty by Same Person)

The duty for supervision under Article 54 and the duty for inspection under Article 55 may not be concurrently performed by the same person: Provided, That in cases falling under any of the following subparagraphs this shall not apply: <Amended by Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 18155, Dec. 11, 2003>

1. Cases where it is extremely difficult to ask a person other than the one who executes the supervision to execute the inspection if the inspection requires a special technology;
2. Cases where it is difficult to confirm the performance without inspecting the performance of a related contract immediately after the completion of the performance of the contract such as a contract for construction work for the repair and maintenance;
3. Cases of a contract for the manufacture of goods or construction work of which the contract amount is less than three hundred million won;
4. Cases of a contract for construction work prescribed in Article 54 (1) 1;
5. Cases of a substitution of the inspection of completed parts for a verification of the protocol of supervision under the main sentence of Article 55 (7) .

Article 58 (Payment of Cost)

(1) The cost of a contract which becomes a burden on the National Treasury under Article 15 (2) of the Act shall be paid within five days from the date on which a request of the other party to the contract has been received after the inspection under Article 55 has been completed. In such cases, a special agreement which may postpone the time limit for payment of the cost within the period not exceeding five days may be concluded by entering into the agreement with the other party to the contract. <Amended by Presidential Decree No. 19782, Dec. 29, 2006; Presidential Decree No. 21578, Jun. 29, 2009>

(2) If it is impossible to make the payment of the cost due to force majeure such as natural disasters within the time limit of payment, the cost shall be paid within three days from the date on which force majeure has disappeared. <Amended by Presidential Decree No. 15186, Dec. 31, 1996>

(3) In case of paying the cost for completed parts or supplied parts under Article 15 of the Act, notwithstanding paragraph (1) of this Article, the cost for the completed parts or the supplied parts shall be paid at least every 30 days by taking into consideration the contract volume, the prospect for performance, and the period of performance, etc. <Newly Inserted by Presidential Decree No. 15186, Dec. 31, 1996>

(4) For the payment of the cost under paragraph (3) of this Article, the other party to the contract may be asked to request the payment of the cost before the date on which the inspection under Article 55 is completed, and the cost shall be finalized and paid according to the inspected contents within five days from the date on which the inspection is completed: Provided, That when the other party to the contract requests the payment of the cost after the date on which the inspection is completed, the cost shall be paid within five days from the date on which such request has been received. <Newly Inserted by Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 21578, Jun. 29, 2009>

(5) When the head of each central government agency or the public official in charge of contracts discovers the fact that in whole or in part of the contents of the request is inappropriate after the request for the payment of the cost under paragraph (1) or (4) of this Article has been received, he/she may return the related request to the other party to the contract by clearly stating the reasons therefor. In such cases, the period from the date on which the request is returned to the date on which the re-request has been received shall not be included in the payment period under paragraph (1) or (4) of this Article. <Amended by Presidential Decree No. 15186, Dec. 31, 1996>

(6) Legal holidays and Saturdays shall be excluded from the calculation of the period referred to in the provisions of paragraphs (1) and (2). <Newly Inserted by Presidential Decree No. 19782, Dec. 29, 2006>

Article 59 (Interest for Delayed Payment of Cost)

If the head of each central government agency or the public official in charge of contracts fails to pay the cost by the time limit for the payment period of the cost under Article 58 (in case of a contract by an action of the National Treasury to bear the liability, 20 days from the date on which the related budget is allocated under the National Finance Act after the next fiscal year has started) after having received the request for the payment of the cost under Article 15 (2) of the Act, the unpaid amount plus the interest on such unpaid amount calculated by multiplying the number of days from the day following the time limit for the payment to the day on which the payment has been made (hereinafter referred to as the "number of days of the delayed payment of the cost") by an average of interest rate (referring to an average of interest rate on loans in a Monthly Report of Statistics provided by the Bank of Korea), which is applicable to loans extended by financial institutions at the time of delayed payment, shall be paid. <Amended by Presidential Decree No. 19035, Sep. 8, 2005; Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 19806, Dec. 29, 2006>

Article 60 (Defect Security Liability Period of Contract for Construction Work)

(1) When the head of each central government agency or the public official in charge of contracts concludes a contract for construction work, he shall determine the defect security liability period in order to guarantee the repair of defect in the related construction work during the period prescribed by the Ordinance of the Ministry of Strategy and Finance within the limit of one year to ten years from the earlier one of either the first date on which whole objects have been delivered or the date on which the inspection on the completion of the construction work has been finished: Provided, That if it is not required to repair the defect in view of the nature of the construction work under the provisions of the Ordinance of the

Ministry of Strategy and Finance, this shall not apply. <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 20720, Feb. 29, 2008>

(2) In case of a long-term continuous construction, the defect deposit liability period under paragraph (1) shall be determined by annual contract: Provided, That the defect security liability period shall, in case where it is the construction work for which the defect security liability cannot be divided by annual contract, be determined for the entire construction works at the time of concluding the first contract.

<Newly Inserted by Presidential Decree No. 16548, Sep. 9, 1999>

Article 61 (Inspection of Defects)

(1) The head of each central government agency or the public official in charge of contracts shall inspect the defects periodically twice or more a year or entrust the inspection affairs to the public official under its control to ask him to inspect the said defects periodically twice or more a year during the defect security liability period under the provisions of Article 60 of this Decree.

(2) If the inspection of defects under paragraph (1) of this Article requires an expert knowledge or technology or is executed with respect to construction work awarded in the amount of less than 86/100 of the projected price which is made for the installation under subparagraph 1 of Article 2 of the Special Act on the Safety Control of Public Structures, the head of each central government agency or the public official in charge of contracts shall request a specialized organization to perform the said inspection.

<Amended by Presidential Decree No. 18155, Dec. 11, 2003; Presidential Decree No. 19035, Sep. 8, 2005>

(3) The person who inspects the defects under the provisions of paragraphs (1) and (2) shall prepare a protocol of defect inspection: Provided, That in case of a contract for construction work of which the contract amount is not more than 30 million won, the preparation of the said protocol may be omitted.

<Amended by Presidential Decree No. 16548, Sep. 9, 1999>

Article 62 (Deposit for Repair of Defects)

(1) The deposit for the repair of defects under Article 18 of the Act shall be between 2/100 or more and 10/100 or less of the contract amount under the conditions prescribed by Ordinance of the Ministry of Finance and Economy: Provided, That if it is not required to repair the defects due to the nature of the construction work under Ordinance of the Ministry of Strategy and Finance, the deposit for the repair of defects may not be paid. <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 20720, Feb. 29, 2008>

(2) The head of each central government agency or the public official in charge of contracts shall cause the deposit for the repair of defects under paragraph (1) to be paid before paying the cost for construction work after the inspection on completion of the relevant construction work, and shall keep it during the defect security liability period under Article 60.

(3) The deposit for repair of defects under paragraphs (1) and (2) shall, in case of the continuous long-term construction, be paid by annual contract: Provided, That the deposit for repair of defects shall, in case where it is the construction work for which the defect security liability cannot be divided by annual contract, be paid after the inspection of completion of whole construction. <Newly Inserted by Presidential

Decree No. 16548, Sep. 9, 1999>

(4) Cases where the payment of deposit for the repair of defects may be exempted under the proviso to Article 18 (1) of the Act shall be specified in each of the following subparagraphs: *<Amended by Presidential Decree No. 15186, Dec. 31, 1996>*

1. Deleted; *<by Presidential Decree No. 22282, Jul. 21, 2010>*

2. Cases of concluding a contract with a person under Article 37 (3) 1 through 4.

(5) Articles 37 (2) and (4) and 38 shall apply mutatis mutandis to the payment of deposit for the repair of defects and to the reversion thereof to the National Treasury. *<Amended by Presidential Decree No. 15614, Feb. 2, 1998>*

Article 63 (Direct Use of Deposit for Repair of Defects)

(1) In case of intending to use directly the deposit for the repair of the defects under the proviso of Article 18 (3) of the Act, the related deposit for the repair of defects shall not be paid into the revenue account but shall be entered separately under the title of accounts other than revenue and expenditure.

(2) Procedures for the direct use of the deposit for the repair of defects under the provisions of paragraph (1) of this Article shall be prescribed by the Ordinance of the Ministry of Strategy and Finance. *<Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 20720, Feb. 29, 2008>*

Article 64 (Adjustment of Contract Amount Due to Price Fluctuations)

(1) The head of each central government agency or the public official in charge of contracts shall, in case where 90 days or more have passed since the date on which a contract forming a burden on the National Treasury was concluded under Article 19 of the Act (referring to the conclusion of a first-stage contract in the case of a continuous long-term construction and a long-term manufacture of goods, etc.) and where at the same time it falls under any of the following subparagraphs, adjust the contract amount (referring to the amount of whole construction works and whole manufacture, etc. entered additionally at the time of concluding the first-stage contract in the case of a continuous longterm construction work and a long-term manufacture of goods, etc.; hereafter the same shall apply in this Chapter) under the conditions as prescribed by the Ordinance of the Ministry of Strategy and Finance. In this case, the contract amount shall not be adjusted again within 90 days from the base day of adjustments (referring to the date on which the grounds of adjustments have occurred; hereafter the same shall apply in this Article): *<Amended by Presidential Decree No. 15661, Feb. 24, 1998; Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 18359, Apr. 6, 2004; Presidential Decree No. 19035, Sep. 8, 2005; Presidential Decree No. 19782, Dec. 29, 2006; Presidential Decree No. 20720, Feb. 29, 2008>*

1. When the adjustment rate of the goods that is calculated under the conditions as prescribed by the Ordinance of the Ministry of Strategy and Finance on the base date that is the bidding date (referring to the date on which a negotiated contract is concluded in the case of negotiated contract and the immediately preceding adjustment base date in the adjustment of contract amount after the second bidding; hereafter the same shall apply in this paragraph and paragraph (6)) increases or decreases by not less than 3/100; and

2. When the adjustment rate of the index number that is calculated under the conditions as prescribed by the Ordinance of the Ministry of Strategy and Finance on the base date that is the bidding date increases or decreases by not less than 3/100.

(2) In adjusting the contract amount under paragraph (1), the head of each central government agency or public official in charge of contracts shall be based on one of the methods from among those falling under each subparagraph of paragraph (1) for the identical contracts, and indicate clearly that the contract amount shall be adjusted by the method of paragraph (1) 1, except a case where the other party of the contract wants the method of paragraph (1) 2, on the contract at the time of concluding the contract. *<Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 19035, Sep. 8, 2005>*

(3) If any advance payment has been made to relevant other party of the contract under Article 40 of the Enforcement Decree of the Management of the National Funds Act, the amount calculated under the Ordinance of the Ministry of Strategy and Finance shall be deducted from the increased amount calculated under paragraph (1). *<Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 17824, Dec. 30, 2002; Presidential Decree No. 19035, Sep. 8, 2005; Presidential Decree No. 20720, Feb. 29, 2008>*

(4) The head of each central government agency or public official in charge of contracts may, in case where he purchases the goods for which the maximum selling price is publicly notified under the relevant Acts and subordinate statutes, and where it is difficult to procure the goods under the provisions of paragraph (1), determine on the adjustment of contract amount, when the contract is concluded, in a way different from the provisions of paragraph (1). *<Newly Inserted by Presidential Decree No. 16548, Sep. 9, 1999>*

(5) If it is deemed difficult to execute a contract without adjusting the contract amount within the relevant adjustment restriction period due to natural disasters or sharp rises in raw materials prices, etc. in applying the provisions of paragraph (1), the contract amount may be adjusted within 90 days from the date on which the contract is concluded or the immediately preceding base date of adjustment, notwithstanding the provisions of the same paragraph. *<Newly Inserted by Presidential Decree No. 18359, Apr. 6, 2004; Presidential Decree No. 19035, Sep. 8, 2005>*

(6) Notwithstanding each subparagraph of paragraph (1), when the price increase and decrease rate of the relevant materials, which is calculated as of the date of bidding, is in excess of 15/100 on the grounds of price fluctuations, etc. of the material of specific specifications (limited to the material in excess of 1/100 of the aggregated amount of material costs, labor costs, and overhead expenses that constitute the costs of the relevant construction works) in the case of contract for construction work, the head of each central government agency or the public official in charge of contracts shall adjust the contract amount only for the relevant materials. *<Amended by Presidential Decree No. 19806, Dec. 29, 2006; Presidential Decree No. 22282, Jul. 21, 2010>*

(7) The head of each central government agency or the public official in charge of contracts shall adjust the contract prices, where there are any factors for the adjustment of contract prices under paragraph (1). *<Newly Inserted by Presidential Decree No. 21202, Dec. 31, 2008>*

Article 65 (Adjustment of Contract Amount Due to Modification of Design)

(1) The head of each central government agency or the public official in charge of contracts shall, if the volume of construction increases or decreases due to the modification of design in the case of a contract for construction works, adjust the said contract amount under the provisions of Article 19 of the Act: Provided, That where a person intending to participate in the tender pursuant to the proviso to Article 14 (7) with the exception of its subparagraphs directly prepares the bill of materials and submits the detailed statement of calculation after stating unit prices therein, and where any change is made to the design due to omissions or errors in the bill of materials, such contract amount shall not be changed. <Amended by Presidential Decree No. 20319, Oct. 10, 2007; Presidential Decree No. 22282, Jul. 21, 2010>

(2) When intending to increase the contract amount of the construction work awarded successfully in the amount of less than 86/100 of the projected price by adjustment under paragraph (1) of this Article, if the contract amount increased by adjustment (referring to all of the amount obtained by adding up the amount that is decreased or increased by a change in the design or the amount that is increased by adjustment and the amount to be increased by adjustment in the adjustment of the contract amount on and after the second contract) is not less than 10/100 of the original contract amount noted on the contract (referring to the total amount of the construction work which is additionally noted under Article 69 (2) in case of a long-term continuous construction work), the public official in charge of contracts shall obtain approval therefor from the head of the central government agency to which he belongs after going through the deliberation thereof of the Contract Council under Article 94, the Budget Expenditure Council under Article 49 of the Enforcement Decree of the National Finance Act, or the Design Advisory Committee under Article 21 of the Enforcement Decree of the Construction Technology Management Act (hereinafter referred to as the "Design Advisory Committee"). <Amended by Presidential Decree No. 18155, Dec. 11, 2003; Presidential Decree No. 19035, Sep. 8, 2005; Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 19806, Dec. 29, 2006>

(3) When adjusting the contract amount under paragraph (1) of this Article, the criteria prescribed in each of the following subparagraphs shall be applied: <Amended by Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 19035, Sep. 8, 2005>

1. The unit cost for the increased or decreased volume of construction shall be the unit cost indicated in the statement of particulars concerning calculation which is submitted under Article 14 (6) or (7) (hereinafter referred to as the "contractual unit cost"): Provided, That if the contractual unit cost is more than the unit cost of the projected price under the provisions of Article 9 (hereinafter referred to as the "unit cost of the projected price") and if the volume is increased, the unit cost applicable to the increased volume shall be the unit cost of the projected price;

2. The unit cost for the new item in the absence of a contractual unit cost shall be the amount calculated by multiplying the unit cost calculated as of the time of modifying the design by the ratio of the successful tender;

3. If the Government requests a change in the design (including a case where any contracting party is not responsible for such change), notwithstanding subparagraphs 1 and 2 of this paragraph, the unit cost for the increased volume and the unit cost for the new items shall be determined by consultation between the contracting parties within the limits of the unit cost calculated as of the time of the modification of design and of the amount calculated by multiplying the said unit cost by the ratio of the successful tender: Provided, That where no agreement is reached between the contracting parties, the unit cost shall be 50/100 of the amount obtained by adding up the unit cost that is calculated at the time when the design is changed to the unit cost that is obtained by multiplying the successful tender rate by the unit cost.

(4) If the head of each central government agency or the public official in charge of contracts has conducted the necessary modification of design at the request of the other party to the contract because the use of the new technology and a new method of construction by the other party is deemed to have a remarkable effect on saving the costs of construction and shortening the construction period, etc., he/she shall, in the adjustment of contract amount, reduce the amount equivalent to 30/100 of the relevant savings. *<Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 18155, Dec. 11, 2003; Presidential Decree No. 21202, Dec. 31, 2008>*

(5) In the case of paragraph (4), when objections are raised against the scope and limits of new technologies, methods of construction, etc., they shall undergo deliberation by the Design Advisory Committee (where the Design Advisory Committee has not been established, referring to the Deliberation Committee on Construction Technology under Article 5 of the Construction Technology Management Act). In such cases, the scope and limits of new technologies, methods of construction, etc., methods of dealing with objections as they arise, and other detailed implementation procedures shall be determined by the head of each central government agency. *<Amended by Presidential Decree No. 21202, Dec. 31, 2008>*

(6) The general and administrative expenses and profits, etc. to be incurred or to be accrued in connection with the increased or decreased portion of the contract amount shall be based on the rate of general and administrative expenses and the rate of profits, etc. specified in the statement of particulars concerning calculation submitted under Article 14 (6) or (7), but shall not exceed the rate prescribed by Ordinance of the Ministry of Strategy and Finance. *<Amended by Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 20720, Feb. 29, 2008>*

(7) Paragraphs (1) through (6) may apply mutatis mutandis to an adjustment of the contract amount in the case of a contract for manufacture and service, etc.

Article 66 (Adjustment of Contract Amount Due to Modification of Other Contents of Contract)

(1) The head of each central government agency or the public official in charge of contracts shall, if it is necessary to adjust the contract amount in the case of a contract for construction works and manufacture, etc. under Article 19 of the Act except for the cases under Articles 64 and 65, due to modifications of the contents of the contract, such as construction period and the transport distance, adjust the contract amount within a limit not exceeding the actual expenses incurred according to the modified contents of the

contract. <Amended by Presidential Decree No. 15186, Dec. 31, 1996>

(2) Article 65 (6) shall apply mutatis mutandis to paragraph (1) of this Article.

Article 67 (Contract Prior to Commencement of Fiscal Year)

The head of each central government agency or the public official in charge of contracts shall, when he intends to conclude any contract before the fiscal year commences pursuant to the provisions of Article 20 of the Act, get such contract to take its effect after the date on which the relevant fiscal year commences.

Article 68 (Prohibition of Contract for Divided Construction Work)

The head of each central government agency or the public official in charge of contracts may not conclude a contract by dividing it in terms of either the period or the volume of construction work on the same structure and the single construction work prescribed by the Minister of Strategy and Finance of which the whole contents are finalized by design, etc.: Provided, That the same shall not apply to the case where the construction work falls under any of the following subparagraphs: <Amended by Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 17688, Jul. 30, 2002; Presidential Decree No. 20720, Feb. 29, 2008>

1. Construction work which shall be ordered separately from other types of construction work under other Acts;
2. Construction work which can be efficiently carried out by being divided in view of the nature or the size, etc. thereof; and
3. Construction work in which a separation of liability for defects is easy and no hindrance exists in process control, and which is deemed to be efficient if it is done by a separate working.

Article 69 (Long-Term Continuous Contract and Contract by Continuing Expenditure)

(1) In the case of a contract falling under one of the following subparagraphs when a long-term continuous contract under the provisions of Article 21 of the Act is to be concluded, a contract by unit cost may be concluded with the approval of the head of each competent central government agency:

1. A contract for service related to transport, custody, experiment, investigation, research, measurement, and facilities management, etc., or the lease contract;
2. A contract for the supply of electricity, gas, and piped water, etc.; and
3. A contract for the maintenance and repair of equipment.

(2) Long-term continuous construction work shall be concluded in such a way that the amount of the whole construction work determined by the successful bidding, etc. may be recorded in a book and the first stage construction work may be executed within the limit of the budget of the corresponding year. In this case, a contract concerning the second-stage construction work shall stipulate additional clauses that the contract shall be concluded within the limit of the amount calculated by deducting the amount already contracted from the total amount of the construction work recorded in the book (in case the adjustment of the contract amount under to the provisions of Articles 64 through 66 is performed, it means the total amount of the adjusted construction work).

(3) With respect to methods for the conclusion of contracts for longterm manufacture of goods, the provisions of paragraph (2) of this Article shall be applied mutatis mutandis.

(4) The contract amount following the first stage or the second stage construction work under the provisions of paragraphs (2) and (3) of this Article shall be determined in accordance with the contractual unit cost of the whole construction work and whole manufacture, etc.

(5) In case of construction work executed by continuing expenditure, the contract shall be concluded after specifying matters related to the whole construction work and the annual construction work.

Article 70 (Contract by Rough Estimate)

(1) The head of each central government agency or the public official in charge of contracts, when intending to conclude a contract by rough estimate under the provisions of Article 23 of the Act, shall determine in advance the price roughly estimated. *<Amended by Presidential Decree No. 15186, Dec. 31, 1996>*

(2) The head of each central government agency, when intending to conclude a contract by rough estimate under the provisions of paragraph (1) of this Article, shall determine the criteria and procedures, etc. necessary for the examination of the cost by taking into consideration the special characteristics of the objects of the contract, contracted volume, and performance period of the contract, etc. before the tender, and shall make them available for inspection by the persons who intend to participate in the tender. *<Amended by Presidential Decree No. 15186, Dec. 31, 1996>*

(3) When the public official in charge of contracts concludes a contract by rough estimate under the provisions of paragraph (1) of this Article, he shall inform the Board of Audit and Inspection thereof, and shall keep an accurate account according to the criteria, etc. under the provisions of Article 9 and paragraph (2) of this Article and obtain the approval of the head of the competent central government agency after the performance of the contract has been completed. *<Newly Inserted by Presidential Decree No. 15186, Dec. 31, 1996>*

Article 71 (Integrated Contract)

The Minister of Strategy and Finance may, if he deems it necessary to conclude an integrated contract under the provisions of Article 24 of the Act, determine the methods to conclude the integrated contract and other necessary matters. *<Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 20720, Feb. 29, 2008>*

Article 72 (Joint Contract)

(1) The Minister of Strategy and Finance shall determine the methods to conclude a joint contract under Article 25 of the Act and other necessary matters. *<Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 20720, Feb. 29, 2008>*

(2) When the head of each central government agency or the public official in charge of contracts intends to conclude a contract by competition, he/she shall conclude a joint contract as far as possible, unless the joint contract is deemed inappropriate in light of the purpose and characteristics of the contract.

(3) The head of each central government agency or a public official in charge of contracts shall, when concluding a joint contract under paragraph (2), if the relevant project falls under any of the following

subparagraphs, assign one or more persons as members of a joint supply and demand organization from among the persons whose principal business places are located in a Special Metropolitan City, a Metropolitan City, a Do or a Special Self-Governing Province which exercises jurisdiction over the site of construction works: Provided, That the foregoing shall not apply where the persons who have the qualifications necessary for the execution of construction works in the relevant area are less than ten: <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 17546, Mar. 25, 2002; Presidential Decree No. 19782, Dec. 29, 2006; Presidential Decree No. 21578, Jun. 29, 2009; Presidential Decree No. 22282, Jul. 21, 2010; Presidential Decree No. 22660, Feb. 9, 2011>

1. Projects the estimated cost of which is less than the announced amount and that are deemed necessary for the balanced development of the construction industry, etc.;
2. Projects that are announced by the Minister of Strategy and Finance as particularly deemed necessary for the efficient implementation of low-carbon and green growth, the sustainable development of the national land, the revitalization of local economies, etc.: Provided, That projects in which foreign constructors (referring to foreigners or foreign corporations that have registered on the construction business under Article 9 of the Framework Act on the Construction Industry) are included among the other parties to the contract, shall be excluded.

(4) In case of a joint contract under paragraph (3), the relationship between the businesses of the relevant area and those of other areas from among the members of a joint supply and demand organization shall not be the same as that between the affiliated firms under the Monopoly Regulation and Fair Trade Act. <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 19035, Sep. 8, 2005>

Article 72-2 (Joint Contract for Knowledge-Based Business)

Where the participants to a bidding intend to make a joint participation in the complex business requiring several professional fields from among the knowledge-based business, the head of each central government agency or the public official in charge of contracts shall permit it unless he has any special grounds.

Article 73 (Contract Subject to Condition of Ex Post Facto Examination of Prime Cost)

- (1) If the head of each central government agency or the public official in charge of contracts is unable to determine a part of the amount because of items having an the estimated price before the tender, he may conclude the contract subject to an ex post facto examination of the prime cost.
- (2) When the head of each central government agency intends to conclude a contract under the provisions of paragraph (1) of this Article, he shall determine the criteria and procedures, etc. necessary for the ex post facto examination of the prime cost by taking into consideration the characteristics of the objects of the contract, contracted volume, and performance period of the contract, etc. before the tender, and shall make them available for inspection by a persons who intend to participate in the tender.
- (3) The prime cost shall be examined and the accounts shall be settled according to the criteria, etc. under the provisions of Article 9 and paragraph (2) of this Article after the performance of the contract has been completed.

Article 73-2 (Service Contract for Construction Business Management)

(1) Where the head of each central government agency or a public official in charge of contracts concludes a contract for construction work pursuant to the Framework Act on the Construction Industry, he/she may, if it is deemed necessary, conclude a service contract for construction business management with those who are able to carry out works related to the construction business management under the provisions of subparagraph 8 of Article 2 of the Framework Act on the Construction Industry in consideration of the characteristics and size of the objects of the contract, performance period of the contract, etc. <Amended by Presidential Decree No. 23282, Nov. 1, 2011>

(2) Methods of concluding the contract under paragraph (1) and other necessary matters shall be determined by the Minister of Strategy and Finance. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

Article 74 (Compensation for Delay)

(1) When the other party of the contract (excluding State agencies and local governments) delays the performance of contractual obligations, the head of each central government agency or the public official in charge of contracts shall have the said other party pay in cash an amount calculated by multiplying the contract amount (referring to the contract amount on an annual basis in cases of a contract for long-term continuous construction work, a contract for long-term continuous goods manufacturing and a contract for long-term continuous service; hereafter the same shall apply in this Article) by the rate prescribed by the Ordinance of the Ministry of Strategy and Finance and the number of days delayed as the compensation for delay. In this case, if the execution of contract is deemed to be delayed due to the events not attributable to the other party of the contract, the number of relevant days shall not be included in the number of days delayed. <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 20720, Feb. 29, 2008>

(2) In case of paragraph (1), where the completed part or the supplied part is accepted through inspection (including the cases where the relevant part is not accepted but only managed or used; hereafter the same apply in this Article), the compensation for delay shall be calculated on the basis of the amount calculated by deducting the amount corresponding to the said part from the contract amount. In this case, the acceptance of the completed part or the supplied part shall be limited to the cases where it is accepted as the completed part of the construction work, goods or services, etc. which may be divided as to the characteristics thereof. <Amended by Presidential Decree No. 16548, Sep. 9, 1999>

Article 75 (Cancellation and Termination of Contract)

(1) When reverting the deposit for the contract to the National Treasury under Article 12 (3) of the Act, unless otherwise provided for in the contract, the head of each central government agency or the public official in charge of contracts shall cancel or terminate the related contract and shall notify the other party to the contract of the reasons therefor.

(2) If reasons for collecting compensation for delay under Article 74 (1) have arisen and the amount of such compensation for delay has reached an amount corresponding to the deposit for the contract

(including the deposit for the contract which is exempted) under Article 50 (1), the head of each central government agency or the public official in charge of contracts may cancel or terminate or maintain the related contract according to the methods prescribed by the following classifications: *<Amended by Presidential Decree No. 22282, Jul. 21, 2010>*

1. Where it is deemed clearly impossible to perform the contract due to the cause imputable to the other party to the contract: The head of each central government agency or the public official in charge of contracts may revert the deposit for the contract to the National Treasury under Article 12 (3) of the Act and may cancel or terminate the related contract;
2. Where the other party to the contract is likely to perform the contract, and it is deemed necessary to maintain the contract, among cases other than those prescribed in subparagraph 1: The head of each central government agency or the public official in charge of contracts shall have the other party to the contract make additional payments on the deposit for the contract corresponding to a portion for which the performance of the contract has not been completed and shall maintain the contract. In such cases, Article 50 (6) through (8) and (10) shall apply mutatis mutandis to the additional payments on the deposit for the contract.

Article 76 (Limitation of Qualification of Under-qualified Persons to Participate in Tender)

(1) If the other party to the contract, a bidder, a person who submits a written estimate by using the designated information processing unit under Article 30 (2) (hereafter referred to as the "other party to the contract, etc." in this paragraph), or the agent, manager or any other employee of the other party to the contract, etc. falls under any of the following subparagraphs, the head of each central government agency shall set limitation on the qualification of the other party to the contract, etc. to participate in a bidding for a period between one month or more and two years or less without delay thereafter under Article 27 of the Act: Provided, That if grounds for setting limitation on the qualification to participate in a bidding arise due to any offense committed by the employee of the other party to the contract, etc., the foregoing shall not apply to where the other party to the contract, etc. had not neglected to pay due attention and supervision in order to prevent the employee of the other party to the contract from committing an offense: *<Amended by Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 15581, Dec. 31, 1997; Presidential Decree No. 15614, Feb. 2, 1998; Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 17019, Dec. 27, 2000; Presidential Decree No. 18155, Dec. 11, 2003; Presidential Decree No. 19035, Sep. 8, 2005; Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 19782, Dec. 29, 2006; Presidential Decree No. 20319, Oct. 10, 2007; Presidential Decree No. 22282, Jul. 21, 2010; Presidential Decree No. 22525, Dec. 13, 2010; Presidential Decree No. 23477, Dec. 31, 2011>*

1. A person who has, in the execution of contractual obligations, performed deficiently, crudely or unreasonably, or committed a malpractice;
2. A person who has concluded a subcontract, in violation of the provisions concerning the limitation of the subcontract (excluding the case of violating the liability for notification of the subcontract) under the Framework Act on the Construction Industry, the Electrical Construction Business Act, the Information

and Communications Construction Business Act, or other Acts and subordinate statutes, and a person who has concluded a subcontract without the approval of the government agency which has placed the order or has changed the conditions of the subcontract approved by the said government agency;

3. A person for whom a request for a limitation of qualifications to participate in the tender is made by the Fair Trade Commission due to violation of the Monopoly Regulation and Fair Trade Act or the Fair Transactions in Subcontracting Act;

3-2. A person for whom the Administrator of the Small and Medium Business Administration has requested to limit his/her eligibility to participate in a tender under Article 27 (5) of the Act on the Promotion of Collaborative Cooperation between Large Enterprises and Small-Medium Enterprises;

4. A person who has, in the contract of survey and design services or of cost accounting services, failed to appropriately calculate the amount of survey and design or cost accounting by intention or gross negligence;

4-2. A person who has, in a service contract for feasibility study under Article 2 of the Construction Technology Management Act, inflicted a damage on the ordering agency by improperly carrying out feasibility studies such as demand forecast, etc. by either intention or gross negligence;

5. A person who has inflicted an injury on the general public by neglecting safety measures while fulfilling any contract or a person who has inflicted a serious injury, such as death, on employees, etc. by neglecting safety and health measures at a work place under the Occupational Safety and Health Act;

6. A person who has, without any just cause, failed to conclude or perform a contract (including the performance of matters concerning an incidental tender under Article 19, matters concerning the subcontract management plan and the performance plan for outsourcing workers' working conditions submitted for the review of the contract performance capability under Article 42 (5) and matters concerning a joint contract under Articles 72 and 72-2);

7. A person who has agreed upon the tendered price in advance by having discussed it between bidders or has committed a collusion for the purpose of successful tender by a specific person in the competitive tender;

8. A person who has forged or altered documents concerning tender or contract (including any written public certification provided for in subparagraph 8 of Article 2 of the Digital Signature Act in case where the documents for the tender are submitted in use of the designated information processing unit) or used them unjustly, or a person who has produced the false document;

9. A person who has executed an invalid tender by intent;

10. A person who has, in relation to a bid, successful bid, or conclusion of a contract and execution thereof, offered a bribe to the relevant public official (including members of the International Contract Dispute Conciliation Committee under Article 29 (1) of the Act, the Committee for Examining the Adequacy of Tender Prices under Article 42 (7) of this Decree, the Committee for Evaluating Written Proposals under Article 43 (8) of this Decree, the Contract Council under Article 94 (1) of this Decree, the Central Construction Technology Deliberation Committee, the Special Construction Technology

Deliberation Committee, and the Design Advisory Committee under the Construction Technology Management Act);

11. A person who has failed to participate in the bidding (excluding any bidding for which a written bidding is submitted by using the designated information processing unit or the information processing unit designated and publicly announced by the head of each central government agency pursuant to Article 39 (1)) three times or more during the corresponding fiscal year without just cause even after having submitted a written application for participation in the tender or a written consent to participation in the tender;

12. A person who has interfered with participation in the tender or hinders a successful bidder from concluding the contract and executing it;

13. A person who has interfered with the performance of duties in the course of supervision or inspection;

14. A person who has, without any justifiable ground, failed to submit the full or part of the documents which are required for an examination of capabilities to perform the contract pursuant to Article 42 (1) or a person who has abandoned the examination after submitting the required documents before a successful bidder is finalized;

14-2. A person who has, without any justifiable ground, failed to submit the full or part of the documents which are required for an examination after he/she was chosen as a participant in the examination of the adequacy of bidding prices pursuant to Article 42 (4) or a person who has abandoned the examination after submitting the required documents before a successful bidder is determined;

15. Where a successful bidder is determined for the package deal tender under Article 87, a person who has failed to submit a written execution design within the time limit without any justifiable reasons after being selected as a person suitable for the execution design;

16. A person who has, in a service contract for supervision, changed a supervision serviceman without relevant reasons and procedures to change supervision servicemen under Article 105 of the Enforcement Decree of the Construction Technology Management Act and the contract, etc.;

17. A person who has caused damage to the State in a tender or a successful bid or during the process of the conclusion or performance of the contract by deceit or other fraudulent means;

18. A person who has leaked information that the head of each central government agency or the public officials in charge of contracts have designated as confidential in advance and specified in the statement of the contract, as the leakage of such information is deemed likely to cause damage to the State, among information that comes to his/her knowledge during the process of performing the contract for the establishment, maintenance, and repair of the information system under subparagraph 13 of Article 2 of the Electronic Government Act.

(2) The period of limitation on the qualification to participate in a tender under paragraph (1) of this Article, the extension and reduction of such period, and other necessary matters shall be prescribed by

Ordinance of the Ministry of Strategy and Finance. <Amended by Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 20720, Feb. 29, 2008>

(3) In case of the joint contract, paragraph (1) of this Article shall apply to a person who is responsible for the causes of limitation of qualification to participate in the tender. <Amended by Presidential Decree No. 17019, Dec. 27, 2000>

(4) If a person who is subject to limitation of the qualification to participate in the tender under paragraphs (1) through (3) of this Article is a juristic person or another organization, paragraph (1) of this Article shall apply to a representative of such juristic person or organization, and in case of a small and medium enterprise cooperative, paragraph (1) of this Article shall apply to a member of such a cooperative who is directly responsible for the causes of limitation of qualification to participate in the tender: Provided, That if there are several representatives of such juristic person or organization, this shall not apply to the representatives who do not perform any duties related to the related tender or contract.

(5) If an original representative is involved in the tender by using a person who is subject to limitation of qualification under paragraphs (1) through (4) of this Article as a representative, the head of each central government agency shall apply paragraph (1) of this Article to a person who has used such representative.

(6) When the head of each central government agency places a limitation on the qualification to participate in the tender, he/she shall specify the following matters and publish them in the designated information processing unit before the date of posting the period of limitation of qualification to participate in the tender in accordance with subparagraph 2, as prescribed by Ordinance of the Ministry of Strategy and Finance: <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 17688, Jul. 30, 2002; Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22660, Feb. 9, 2011>

1. Business(trade) name, address, name (in cases of a juristic person, name of the representative, corporation registration number, etc.), resident registration number, trader's registration number, license or registration number under related Acts and subordinate statutes;
2. Period of limitation of qualification to participate in the tender;
3. Specific reasons for place a limitation on the qualification to participate in the tender.

(7) The head of each central government agency shall prevent a person, who has been subject to the limitation of qualification to participate in a tender under paragraphs (1) through (5) from participating in all tenders executed by the said government agency during the competent period of limitation. <Amended by Presidential Decree No. 17688, Jul. 30, 2002>

(8) The head of each central government agency may prevent a person, who has received a notification of the fact that a limitation of qualification to participate in a tender has been made or who has been so published in the designated information processing unit under the Act on Contracts to Which a Local Government is a Party or the Act on the Management of Public Institutions from participating in a tender: Provided, That a person who has been subject to the limitation of qualification to participate in a tender on account of the causes under paragraph (1) 1 through 5, 7, 8 and 10 shall be prevented without fail from

participating in the tender. <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 17688, Jul. 30, 2002; Presidential Decree No. 19035, Sep. 8, 2005; Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 20319, Oct. 10, 2007; Presidential Decree No. 22660, Feb. 9, 2011>

(9) The head of each central government agency shall identify the resident registration number, corporation registration number, licence or registration number under related Acts and subordinate statutes, etc. in order to prevent a person whose qualification is limited under paragraphs (1) through (4) of this Article from participating in a tender during the period of limitation by means of changing its trade name and its representative, etc.

(10) The head of each central government agency or the public official in charge of contracts shall not conclude a contract with a person who has been subject to the limitation of qualification to participate in a tender under paragraph (1) before the contract is concluded even though he/she is determined as a successful bidder in the competitive tender: Provided, That the foregoing shall not apply where the other party to a long-term continuous contract becomes subject to any limitation on the qualification to participate in a tender, during the course of performing the contract, and concludes a contract on an annual basis in order to perform the relevant long-term continuous contract. <Amended by Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 21202, Dec. 31, 2008>

(11) The matters necessary for the procedures for the notification of limitation of qualification to participate in a tender, etc. under paragraphs (6) and (7) shall be determined by Ordinance of the Ministry of Strategy and Finance. <Newly Inserted by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 20720, Feb. 29, 2008>

Article 77 Deleted. <by Presidential Decree No. 15614, Feb. 2, 1998>

Article 78 (Applicable Objects, etc.)

A contract by an alternative plan tender or a package deal tender and a contract for specified construction works among the contracts for large construction works shall be based on the provisions of this Chapter, however the matters which are not specially prescribed in this Chapter shall be based on the provisions of other Chapters of this Decree. <Amended by Presidential Decree No. 16548, Sep. 9, 1999>

Article 79 (Definitions)

(1) For the purpose of this Chapter, the definitions of the terms shall be as follows: <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 20319, Oct. 10, 2007>

1. The term "large construction work" means a construction work of new compound type of which the estimated price of whole construction cost is 30 billion won or more;
2. The term "specified construction work" means a construction work for which the head of each central government agency deems it advantageous to execute it by an alternative plan tender or a package deal tender from among the construction works of new compound type of which the estimated price of whole construction cost is 30 billion won or more;

3. The term "alternative plan" means the design which is capable of executing the works by the methods, for which the cost on the competent execution design is lower than that on the execution design prepared by the Government and its work period is not exceeding that on the execution design prepared by the Government (in case of a reduction of work period, limited to a period shorter than that on the execution plan prepared by the Government), with respect to the work type capable of a replacement from among the types on the execution design prepared by the Government, and the design which reflects a new technology and a reduction of construction period, etc. carrying the equal or superior functions and effects capable of substituting the plan prepared by the Government without changing a basic policy;
 4. The term "tender by alternative plan" means a tender for construction work in which an alternative plan under the provisions of subparagraph 3 of this paragraph is permitted according to the separate intention of the bidders together with a tender by original design;
 5. The term "tender on a package deal" means a tender of the combined plan and construction under which a plan of construction work and other necessary drawings and documents in carrying out the construction work (hereinafter referred to as the "drawings and documents") shall be prepared and submitted together with the documents for tender at the time of the tender in accordance with the basic plan and guidelines of the tender for construction on a package deal presented by the Government;
 6. The term "tender by basic design" means a tender under which a basic design, and drawings and documents thereof shall be prepared and submitted together with the documents for tender prior to the shop design in accordance with the government's basic plan and guidelines for a tender on a package deal basis;
 7. The term "guide to competitive tender" means the document including the scope, size, plan, construction standards, control of quality and process and other basic plans and guidelines for the tender or the execution of contract, which a person intending to participate in a tender under items 4 and 6 shall know well prior to a participation in the tender of relevant construction;
 8. The term "execution plan" means a plan necessary for a construction work (including a literature attached to the plan) which is prepared in detail in accordance with the basic plans, guidelines and the basic design;
 9. The term "large construction work by a continuous expenditure" means a large construction work of which the construction cost is earmarked in the budget as a continuous expenditure; and
 10. The term "general large construction work" means a large construction work of which the construction cost is not earmarked in the budget as a continuous expenditure.
- (2) If any objections are raised against the scope and limit of design which can be replaced as referred to in paragraph (1) 3 of this Article, the head of each central government agency shall determine such scope and limit by undergoing the deliberation of the Central Construction Technology Deliberation Committee under Article 5 of the Construction Technology Management Act (including the Special Construction Technology Deliberation Committee; hereinafter referred to as the "Central Construction Technology

Deliberation Committee"): Provided, That the head of each central government agency who has established and operated the Design Advisory Committee (including the heads under his jurisdiction; hereafter the same shall apply in this Chapter) may determine the scope and limit via a deliberation by the Design Advisory Committee. <Amended by Presidential Decree No. 15614, Feb. 2, 1998; Presidential Decree No. 19035, Sep. 8, 2005; Presidential Decree No. 19483, May 25, 2006>

Article 80 (Deliberation, etc. of Bidding Methods for Large Constructions)

(1) The head of each central government agency shall, in case of the bidding methods for large construction work and specified construction work (hereafter referred to as "large construction work, etc." in this Article), go through the deliberation by the Central Construction Technology Deliberation Committee in regard to the method of tender. <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 19483, May 25, 2006>

(2) When the head of each central government agency intends to undergo the review of the Central Construction Technology Deliberation Committee under paragraph (1) , he/she shall submit the basic execution plan of large-scale construction works, etc. to be implemented after the year concerned to the Minister of Land, Transport and Maritime Affairs in order as prescribed by the following subparagraphs, and the method of preparation for, and the period of presentation of the basic execution plan of large-scale construction works, etc. shall be prescribed by the Ordinance of the Ministry of Strategy and Finance: <Amended by Presidential Decree No. 20319, Oct. 10, 2007; Presidential Decree No. 20720, Feb. 29, 2008>

1. To submit the basic execution plan by the classification of construction works to be ordered by a package deal tender and other construction works prior to drawing up the basic design; and
2. To submit the basic execution plan for construction works to be ordered by alternative tender after drawing up the design documents for performance for construction works determined not to be ordered by a package deal tender.

(3) When the Minister of Land, Transport and Maritime Affairs has gone through the review by the Central Construction Technology Deliberation Committee with respect to the basic plans for executing the large construction works, etc. or the plans for execution submitted under paragraph (2) , he shall give a public notice of the large construction works, etc. to be executed by the method of an alternative plan tender or a package deal tender in accordance with the results of review. <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 20720, Feb. 29, 2008>

(4) Deleted. <by Presidential Decree No. 19483, May 25, 2006>

(5) The head of each central government agency shall, in case of the large construction works, etc., make a tender by the methods publicly announced under paragraph (3) if there exist no special causes. <Amended by Presidential Decree No. 19483, May 25, 2006>

Articles 81 through 83 Deleted. <by Presidential Decree No. 15186, Dec. 31, 1996>

Article 84 (Qualification to Participate in Package Deal Tender, etc.)

(1) The head of each central government agency or the public official in charge of contracts shall allow only those who satisfy all the requirements falling under each of the following subparagraphs to

participate in a package deal tender or alternative tender: Provided, That where the persons, who satisfy only one of the requirements falling under subparagraphs 1 and 2, intend to participate in the package deal tender or alternative tender after jointly satisfying all the requirements falling under each of the following subparagraphs, he shall allow their participation in the tender:

1. A person shall be the one who has registered a construction business which is necessary for executing the relevant construction work under Article 9 of the Framework Act on the Construction Industry;
2. A person shall be the businessman of services for design, etc. under Article 20-2 of the Construction Technology Management Act, or a person who has reported on his business as a certified architect under Article 23 of the Certified Architects Act.

(2) Notwithstanding the provisions of paragraph (1) , in the case of an alternative tender, the head of each central government agency or the public official in charge of contracts shall allow those who intend to participate in the tender by an original plan without submitting an alternative plan to take part in the tender even through they satisfy only such requirements as provided for in paragraph (1) 1.

Article 84-2 Deleted. <by Presidential Decree No. 22282, Jul. 21, 2010>

Article 85 (Procedures for Tender on Package Deal Basis, etc.)

(1) Under a tender on package deal basis, only a person who is selected eligible for the execution design under the provisions of Article 87 (1) after having executed the tender by basic design shall be allowed to submit the execution design document.

(2) If the participant in the alternative tender submits an alternative together with the original tender, then the drawings and documents prescribed in each of the following subparagraphs shall be submitted accompanied by the documents for the tender: Provided, That two or more alternative tenders may not be submitted at the same time: <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 19035, Sep. 8, 2005; Presidential Decree No. 19483, May 25, 2006>

1. A particular explanatory note concerning the alternative design;
2. Related documents under Article 13 of the Enforcement Decree of the Construction Technology Management Act;
3. A calculation statement of particulars specifying the unit cost and quantity of the original tender and alternative tender;
4. Documents in which the advantages derived from the adoption of an alternative tender, and other reference matters are specified; and
5. Deleted. <by Presidential Decree No. 19483, May 25, 2006>

(3) A bidder on a package deal basis shall submit the documents for tender by basic design or execution design documents accompanied by the drawings and documents thereto classified according to each of the following subparagraphs: <Amended by Presidential Decree No. 19035, Sep. 8, 2005>

1. In case of the documents for tender by basic design:
 - (a) An explanatory note concerning the basic design;

- (b) Related documents under the provisions of Article 13 of the Enforcement Decree of the Construction Technology Management Act; and
- (c) Other matters required by public notice; and

2. In case of execution design documents:

- (a) A concrete explanatory note concerning the execution design;
- (b) Related documents under the provisions of Article 13 of the Enforcement Decree of the Construction Technology Management Act;
- (c) A statement of particulars concerning calculation in which the unit cost and quantity are specified; and
- (d) Documents in which other reference matters are specified.

(4) Deleted. <by Presidential Decree No. 16548, Sep. 9, 1999>

(5) The head of each central government agency or the public official in charge of contracts shall, when it falls under any one of the following subparagraphs, request the Central Construction Technology Deliberation Committee to deliberate on the eligibility of the relevant design and make an assessment of a design score. In this case, the Construction Technology Deliberation Committee shall examine the technical feasibility and notify the relevant head of each central government agency or the public official in charge of contracts of the document specifying the eligibility of design (excluding the case of original tender) and the marks scored by the design: <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 19483, May 25, 2006>

1. In the case of an alternative tender, where the original design and the alternative bid which is selected as the one eligible for a successful tender under Article 86 (1) are submitted; and

2. In the case of a package deal tender, where the basic design bid or the execution design under paragraph (3) is submitted.

(6) The head of each central government agency or the public official in charge of contracts may replace a deliberation of the design under the provisions of paragraph (5) of this Article with a deliberation by the Design Advisory Committee on the design: Provided, That if the Design Advisory Committee is not established, this shall not apply. <Newly Inserted by Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 15614, Feb. 2, 1998>

(7) In deliberating on the design under paragraph (5) or (6), the Central Construction Technology Deliberation Committee or the Design Advisory Committee may, where the drawings and documents attached to an alternative tender, a tender by basic design or an execution design are insufficient or vague in their contents in the light of the contents of the basic plans and guidelines for the tender or the contents of the basic design, request the complement to them. <Amended by Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 16548, Sep. 9, 1999>

Article 85-2 (Methods, etc. of Selecting Persons Qualified for Design or Successful Bidder of Package Deal Tender, etc.)

(1) In case of a package deal tender, the head of each central government agency or the public official in charge of contracts shall determine a person qualified for design from among persons selected under Article 87 (1) considering the purpose and characteristics, etc. of construction work by the following methods: <Amended by Presidential Decree No. 22660, Feb. 9, 2011>

1. Method of selecting the lowest bidder as the person qualified for design, from among those persons whose design score exceeds the standard determined by the head of each central government agency or a public official in charge of contracts, within the scope specified by the Minister of Strategy and Finance;
2. Method of selecting the person whose adjusted result of the tender price divided by design score is the lowest or whose adjusted result of design score divided by the tender price is the highest as the person qualified for design;
3. Method of selecting the person whose total score of each result evaluated by giving weight to design score and price score respectively is the highest as the person qualified for design; and
4. Method of selecting the person whose design score is the highest as the person qualified for design, in case where the contract price has been determined and submission of the basic design only is requested.

(2) In case of an alternative tender, the head of each central government agency or the public official in charge of contracts shall determine the successful bidder from among bidders based on original invitation to the tender and persons who have submitted alternatives adopted as prescribed by Article 86 (2) through (4) in consideration of the purpose and characteristics, etc. of construction work by the methods falling under any of the following subparagraphs:

1. Method of selecting the lowest bidder as the successful bidder;
2. Method of selecting the person whose result of tender price divided by design score is the lowest, or whose adjusted result of design score divided by tender price is the highest as the successful bidder; and
3. Method of selecting the person whose total score of each result evaluated by giving weight to design score and price score respectively is the highest as the successful bidder.

(3) The head of each central government agency or the public official in charge of contracts shall specify the method of selection of the person qualified for design or the successful bidder under paragraphs (1) and (2) at the time of making a public announcement of the tender.

(4) In case of determination of the person qualified for design under paragraph (1) 4 in a package deal tender, notwithstanding Article 79 (1) 5 and 6, submission of tender documents is not required at the time of a tender for the basic design.

(5) The Minister of Strategy and Finance shall determine the calculation method of design score and price score and the weight thereon, the formula for design and price adjustment necessary for the method of selection of the person qualified for design and the successful bidder under the subparagraphs of paragraphs (1) and (2) and other necessary matters. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

Article 86 (Selection of Alternative Plan and Determination of Successful Bidder in Alternative Tender)

(1) Where the alternative tender price (including the alternative tender price that is adjusted under paragraph (3) or (4)) of the alternative tender which is submitted under Article 85 (2) meets all the requirements falling under the following subparagraphs, the head of each central government agency or the public official in charge of contracts shall select such alternative tender as the one eligible for the successful tender:

1. The alternative tender price is required to be lower than the bidder's own original tender price; and
2. The alternative tender price is required to be lower than the projected price for the total construction works and the tender price for the alternative construction work unit is required to be lower than the projected price for the alternative construction work unit.

(2) When the head of each central government agency or the public official in charge of contracts receives the notification on the eligibility of designs and the design scores under Article 85 (5) with regard to the alternative tenders selected as those eligible for the successful tender under paragraph (1) , he shall select a maximum of six alternative tenders (all alternative tenders notified as eligible ones in the case where the number of such alternative tenders is less than six) in the order of the highest marks scored for their designs from among the alternative tenders notified as eligible ones and adopt the alternative tender whose design score is higher than that of the original tender as a successful alternative tender: Provided, That where alternative design scores marked for some of the alternative construction work units are lower than those marked for their original construction work units, such alternative construction work units shall not be adopted. *<Amended by Presidential Decree No. 19782, Dec. 29, 2006>*

(3) Where some of construction work units have not been adopted pursuant to the proviso of paragraph (2) , the head of each central government agency or the public official in charge of contracts shall substitute the tender price for relevant construction work unit in the alternative tender with that for relevant construction work unit in the calculation specifications that is submitted at the time of the original tender and adjust the total alternative tender price.

(4) As a result of the adjustment referred to in paragraph (3) , where the head of each central government agency or the public official in charge of contracts inevitably modifies part of designs for adopted construction work units due to the construction work units that have not been adopted under the proviso of paragraph (2) , he may modify them: Provided, That the tender price for construction work units to be modified shall not be increased.

(5) The head of each central government agency or the public official in charge of contracts shall determine a successful bidder by applying the method of selection of the successful bidder pursuant to Article 852 (2) from among those who have submitted the original tenders and those who have submitted the alternative tenders adopted under paragraphs (2) through (4) . *<Amended by Presidential Decree No. 20319, Oct. 10, 2007>*

(6) Where there is no one who has submitted alternative tenders or there is no successful bidder under paragraph (5) , the head of each central government agency or the public official in charge of contracts shall determine a person who has submitted the original tender with the lowest price which is not more than the projected price as a successful bidder in a sequential manner according to the following methods:

1. Construction work whose estimated price is not less than 30 billion won: He shall determine a successful bidder by examining adequacy of tender price pursuant to the provisions of Article 42 (4) ; and
2. Construction work other than subparagraph 1: He shall determine a successful bidder by examining capability to perform a contract pursuant to the provisions of Article 42 (1) .

(7) The determination of a successful bidder under paragraphs (1) through (6) shall be completed within 80 days from the date of the tender unless unavoidable reasons exist.

(8) Where the head of each central government agency or the public official in charge of contracts makes adjustment or modification pursuant to the provisions of paragraphs (3) or (4) , he shall go through the deliberation by the Central Construction Technology Deliberation Committee and the Design Advisory Committee in advance.

Article 87 (Selection of Successful Bidder in Package Deal Tender)

(1) When the head of each central government agency or the public official in charge of contracts receives the notification under the provisions of Article 85 (5) in respect of a tender by basic design, after he/she shall select a maximum of six bidders (all bidders notified as eligible ones in the case where the number of such bidders is less than six) in the order of the highest marks scored for their designs and shall select a person who meets the review criteria for capability to perform the contract by applying the method of selecting the person qualified for design under Article 85-2 (1) as the qualified bidder for the design: Provided, That where the number of eligible bidders for the basic design under Article 85 (5) is not more than one, a tender by second notice shall be carried out. <Amended by Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 19782, Dec. 29, 2006; Presidential Decree No. 20319, Oct. 10, 2007>

(2) When the head of each central government agency or the public official in charge of contracts receives the notification on the eligibility of related execution design from the Central Construction Technology Deliberation Committee or the Design Advisory Committee under the provisions of Article 85 (5) and (6) , he shall determine a person who has submitted the related execution design as the successful bidder. <Amended by Presidential Decree No. 15186, Dec. 31, 1996>

(3) Where the tendered amount of a bidder determined as the person eligible for the execution design under paragraph (1) exceeds the budget of continuing expenditure in the case of large construction work by continuing expenditure and that of the whole construction works in the case of general large construction work respectively, the head of each central government agency or the public official in charge of contracts shall consult with the bidder in order to adjust the tendered amount to the budget limit, and when the consultation is not succeeded, he shall conduct the tender by a second public notice. <Amended by Presidential Decree No. 16548, Sep. 9, 1999>

(4) The determination of a successful bidder under paragraphs (1) and (2) of this Article shall be completed within 60 days from the date on which the execution design has been submitted unless unavoidable reasons exist.

(5) The head of each central government agency or the public official in charge of contracts may, with respect to the determination of a successful bidder under paragraph (2), have the person eligible for the execution design under paragraph (1) to prepare the execution design by classifying the relevant construction work in the order of priority by work stage, in case where he deems it necessary due to the urgency of construction and other special circumstances; and in case where he has received the notification on the eligibility of relevant execution design from the Central Construction Technology Deliberation Committee or the Design Advisory Committee, the said person eligible for the execution design may be determined as a successful bidder and may execute the construction work in the order of priority. <Newly Inserted by Presidential Decree No. 16548, Sep. 9, 1999>

(6) The head of each central government agency or the public official in charge of contracts shall have the person who has been determined as a successful bidder under paragraph (5) submit, prior to an execution of construction works, the statement of particulars of calculation with respect to whole construction works and the work which has received a notification of the eligibility for the execution design, and conclude a contract with him in accordance with the said statement. <Newly Inserted by Presidential Decree No. 16548, Sep. 9, 1999>

(7) The head of each central government agency or the public official in charge of contracts shall, in case where there exists a notification of the eligibility for the final execution design of whole construction works, have the person who has concluded the contract under paragraph (6) reprepare a statement of particulars of calculation and substitute it for the initial statement of particulars of calculation. In this case, the initial contract amount shall not be increased. <Newly Inserted by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 17019, Dec. 27, 2000>

(8) The head of each central government agency or the public official in charge of contracts shall, in case where he intends to determine a successful bidder under paragraphs (5) and (6) or conclude a contract, specify the scope of work types and the submission period under which the execution design shall be submitted in preference and the matters for the preparation and submission of the statement of particulars of calculation, etc. on the guide to competitive tender so that the persons who intend to participate in a tender shall know them prior to the tender. <Newly Inserted by Presidential Decree No. 16548, Sep. 9, 1999>

Article 88 Deleted. <by Presidential Decree No. 16548, Sep. 9, 1999>

Article 89 (Compensation for Design Cost)

(1) The head of each central government agency or a public official in charge of contracts may compensate any of the following persons for a part of design costs within budget limit: <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 23477, Dec. 31, 2011>

1. A person who has not been determined as a successful bidder from among those selected under Articles 86 (2) and 87;

2. A person who has participated in the tender by an alternative proposal or a package deal cancelled due to the reasons attributable to the order-placing agency.

(2) Necessary matters related to the criteria and procedures, etc. for the payment of compensation for design cost under the provisions of paragraph (1) shall be prescribed by the Minister of Strategy and Finance. <Amended by Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 20720, Feb. 29, 2008>

Article 90 Deleted. <by Presidential Decree No. 19483, May 25, 2006>

Article 91 (Restriction of Adjustment of Contract Amount Due to Change of Design)

(1) Even if the content of a contract for large construction work is changed due to a design change in the alternative tender or the package deal tender, the contract amount shall not be increased unless such change is due to the causes attributable to the Government or force majeure such as natural disasters. <Amended by Presidential Decree No. 15186, Dec. 31, 1996; Presidential Decree No. 16548, Sep. 9, 1999>

(2) In case of a package deal tender, in case where the performance design has been modified prior to the conclusion of contract by reasons falling under any of the following subparagraphs not attributable to the person qualified for design, the head of each central government agency or the public official in charge of contracts shall adjust the contract amount according to the modification of design immediately after the conclusion of contract: <Newly Inserted by Presidential Decree No. 20319, Oct. 10, 2007>

1. In case where it is necessary to modify the design with regard to civil appeals, evaluation of impact on environment and traffic, or conditions for authorization or permission pursuant to related Acts and subordinate statutes;

2. In case where the agency placing an order requests the modification of matters not specified nor reflected in the basic plan, invitation to tender or basic design produced by the agency placing an order; and

3. In case where the Central Construction Technology Committee or the Design Advisory Committee requests the modification in the process of the review of the performance design.

(3) When he intends to adjust the contract amount in case of paragraph (1) or (2), it shall be based on the criteria falling under each of the following subparagraphs: <Amended by Presidential Decree No. 15614, Feb. 2, 1998; Presidential Decree No. 16548, Sep. 9, 1999; Presidential Decree No. 19035, Sep. 8, 2005; Presidential Decree No. 20319, Oct. 10, 2007>

1. The unit cost of a decreased quantity of construction work: The unit cost on the statement of particulars of calculation which has been submitted under Article 85 (2) and (3);

2. The unit cost of increased quantity of construction work: The unit cost determined by mutual agreement between parties to a contract within the limit of the unit cost calculated at the time of change of design and unit cost specified in a statement of particulars concerning calculation referred to in subparagraph 1: Provided, That where no agreement is reached between the parties to a contract, the unit cost shall be 50/100 of the amount obtained by adding the unit cost calculated at the time when the design is changed to the unit cost specified in a statement of particulars concerning calculation referred to in subparagraph 1;

3. The unit cost of a new item which is not listed on the statement of particulars of calculation under subparagraph 1: The unit cost calculated on the basis of the time of a design change.

Article 91-2 Deleted. <by Presidential Decree No. 19483, May 25, 2006>

Article 92 (Evaluation)

The head of each central government agency or the public official in charge of contracts may organize a group for evaluation and conduct an evaluation with respect to a business plan, construction process, performance, and effects of the related construction work after the inspection of completion of large construction work.

Article 92-2 (Publication of Information Pertaining to Contracts)

(1) The head of each central government agency or a public official in charge of contracts shall publish matters concerning the quarterly plan to place orders, to conclude contracts and to change contracts, which are prescribed by Ordinance of the Ministry of Strategy and Finance, in the designated information processing unit or the information processing unit that is designated and published by the head of each central government agency pursuant to the proviso to Article 39 (1): Provided, That the foregoing shall not apply where any negotiated contract is concluded on the grounds of the movement of troops for military operations in Article 26 (1) 1 (a) and on the grounds provided for in Article 26 (1) 1 (b) and 5 (d). <Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22282, Jul. 21, 2010; Presidential Decree No. 23477, Dec. 31, 2011>

(2) Where the contents published pursuant to the main sentence of paragraph (1) are changed, the head of each central government agency concerned or a public official in charge of contracts shall publish the fact of such change without delay.

Article 93 (Reporting on Contract Records)

The head of each central government agency and the public official in charge of contracts shall submit matters concerning the conclusion of contracts and changes in such contracts, which are prescribed by Ordinance of the Ministry of Strategy and Finance, to the Minister of Strategy and Finance within 30 days from the date on which such contracts are concluded and such changes are made in contracts: Provided, That the foregoing shall not apply to a case where any negotiated contract is concluded on the grounds of the movement of troops for military operations in Article 26 (1) 1 (a) and on the grounds provided for in Article 26 (1) 1 (b) and 5 (d). <Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22282, Jul. 21, 2010>

Article 94 (Establishment of Contract Council)

(1) The head of each central government agency or the head of an institution under his jurisdiction may establish and operate the Contract Council to provide advice and suggestions concerning the following matters that are related to goods, construction works, services, etc.: <Amended by Presidential Decree No. 19035, Sep. 8, 2005; Presidential Decree No. 19483, May 25, 2006; Presidential Decree No. 20319, Oct. 10, 2007>

1. Matters to be questioned by an ordering agency about qualifications to participate in a tender, limitation of qualifications to participate in a tender by unjust persons, or other contract-related matters;

2. Matters to be questioned or required to be corrected by a participant in a tender or the other party to the contract concerning the bidding, conclusion of the contract and performance of the contract;
3. Matters concerning the method of selecting the person qualified for design or the successful bidder under Article 85-2 or Article 102.

(2) The Contract Council under paragraph (1) shall consist of public officials of such agency or institution, persons with extensive learning and experience in the field of contracts, persons recommended by civic organizations (referring to nonprofit non-governmental organizations under Article 2 of the Assistance for Non-Profit, Non-Governmental Organizations Act), etc. *<Amended by Presidential Decree No. 19035, Sep. 8, 2005>*

(3) Detailed matters necessary for the composition and operation of the Contract Council under paragraph (1) shall be determined by the head of each central government agency.

Article 95 Deleted. *<by Presidential Decree No. 19035, Sep. 8, 2005>*

Article 96 (Utilization of Designated Information Processing Unit)

(1) The Minister of Strategy and Finance may designate the persons who manage and operate the designated information processing unit. In this case, the Minister of Strategy and Finance shall publicly announce them. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(2) The head of each central government agency or the public official in charge of contracts and the persons who manage and operate the designated information processing unit under the provisions of paragraph (1), shall not use such information as related to the limitation on qualification of unjust persons to participate in a tender under the provisions of Article 76, to the report on performances of contract under the provisions of Article 93, and to other contracts, for other usages than the purpose of competent duties.

Article 97 (Applicable Objects, etc.)

The head of each central government agency or the public official in charge of contracts may conclude a contract by a technical proposal tender for the shop design or the basic design with respect to construction works for facilities which need to be symbolic, monumental, or artistic or which require high technology, and such contract shall be in accordance with the provisions prescribed by this Chapter, but matters which are not specifically provided for in this Chapter shall be in accordance with the provisions of other Chapters in this Decree. *<Amended by Presidential Decree No. 22282, Jul. 21, 2010>*

Article 98 (Definitions)

The definitions of terms used in this Chapter shall be as follows: *<Amended by Presidential Decree No. 22282, Jul. 21, 2010>*

1. The term "technical proposal" means documents in which a bidder proposes a plan for construction cost reduction, a plan for shortening construction period and a plan for construction management, etc. after reviewing design documents, etc. issued by an agency placing an order;
2. The term "technical proposal tender for the shop design" means a tender for which a bidder prepares a technical proposal under subparagraph 1 and submit it along with tender documents according to

performance design documents and the invitation for tender issued by an agency placing an order;

3. The term "technical proposal tender for the basic design" means a tender for which a bidder prepares a technical proposal under paragraph 1 and submit it along with tender documents according to basic design documents prepared by the invitation for tender issued by an agency placing an order.

Article 99 (Review, etc. of Methods for Tender of Technical Proposal Tender for Shop Design and Technical Proposal Tender for Basic Design)

(1) Where the head of each central government agency intends to implement the technical proposal tender for the shop design or the technical proposal tender for the basic design (hereinafter referred to as the "technical proposal tender, etc. for the shop design") for construction work as prescribed by Article 97, he/she shall undergo the review of the Central Construction Technology Deliberation Committee concerning the review on the method of tender. *<Amended by Presidential Decree No. 22282, Jul. 21, 2010>*

(2) When the head of each central government agency intends to undergo the review by the Central Construction Technology Deliberation Committee under paragraph (1), he/she shall submit the basic execution plan of construction work prescribed by Article 97 to be implemented after the year concerned to the Minister of Land, Transport and Maritime Affairs in the following order, and the matters concerning the method of preparation for and the period of presentation of the basic execution plan such as technical proposal tender, etc. for the shop design shall be prescribed by Ordinance of the Ministry of Strategy and Finance: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22282, Jul. 21, 2010>*

1. To submit the basic execution plan classified into the construction works to be ordered by the technical proposal tender for the basic design and other construction works prior to preparing the basic design documents: Provided, That in case where it is difficult to review without the basic design, the basic execution plan shall be submitted after preparation for the basic design documents;

2. To submit the basic execution plan for the construction works to be ordered by a technical proposal tender for the shop design after preparing design documents with respect to construction work determined not to be ordered by a technical proposal tender for the basic design.

(3) Article 80 (3) and (5) shall apply mutatis mutandis to cases, such as the public announcement of methods of tender, etc.

Article 100 (Qualification for Participation in Tender of Technical Proposal Tender, etc. for Shop Design)

Article 12 (1) shall apply mutatis mutandis to a technical proposal tender for the shop design, and Article 84 (1) shall apply mutatis mutandis to a technical proposal tender for the basic design.

Article 101 Deleted. *<by Presidential Decree No. 22282, Jul. 21, 2010>*

Article 102 (Method, etc. of Selection of Successful Bidder of Technical Proposal Tender, etc. for Shop Design)

(1) In case of a technical proposal tender for the shop design, the head of each central government agency or the public official in charge of contracts shall determine the successful bidder from among persons

selected under the main sentence of Article 104 in consideration of the purpose and characteristics, etc. of construction work by any of the following methods: <Amended by Presidential Decree No. 22282, Jul. 21, 2010>

1. Method determining the lowest bidder as a successful bidder;
 2. Method determining the person whose adjusted result of the tender price divided by the technical proposal score is the lowest or a person whose adjusted score of the technical proposal score divided by the tender price is the highest as a successful bidder;
 3. Method determining the person whose total score of each result evaluated by giving weight to technical proposal score and price score respectively is the highest as a successful bidder.
- (2) In case of a technical proposal tender for the basic design, the head of each central government agency or the public official in charge of contracts shall determine a person qualified for design from among the selected persons qualified for technical proposal under Article 106 (1) in consideration of the purpose and characteristics, etc. of construction work by the methods falling under any of the following subparagraphs: <Amended by Presidential Decree No. 22282, Jul. 21, 2010>

1. Method determining the lowest bidder as a person qualified for design;
 2. Method determining the person whose adjusted result of the tender price divided by technical proposal score is the lowest or the person whose adjusted score of technical proposal score divided by tender price is the highest as the person qualified for design;
 3. Method determining the person whose total score of each result evaluated by giving weighted value to technical proposal score and price score respectively is the highest as the person qualified for design .
- (3) The head of each central government agency or the public official in charge of contracts shall specify the method of determination of the successful bidder and the person qualified for design selected under paragraph (1) or paragraph (2) when publicly announcing the tender.
- (4) The head of each central government agency shall determine the calculation method of, and weight to technical proposal score and price score, the technology and formula for price adjustment necessary for the method of determination of the successful bidder and the person qualified for design under the subparagraphs of paragraphs (1) and (2), and other necessary matters, and offer them for perusal of the persons intending to participate in tender.

Article 103 (Procedures for Tender of Technical Proposal Tender for Shop Design)

(1) In case of the technical proposal tender for the shop design, the head of each central government agency or the public official in charge of contracts shall have bidders submit the technical proposal including the details of the following subparagraphs: Provided, That a part of such contents may be modified, if necessary, in consideration of the characteristics, etc. of construction work: <Amended by Presidential Decree No. 22282, Jul. 21, 2010>

1. Plan for construction cost reduction through the review of efficiency of implementation of construction;

2. Plan for improvement of life cycle cost;
 3. Plan for shortening construction period;
 4. Plan for construction management;
 5. Detailed statement of calculation specifying quantities and unit prices reflecting design documents delivered by an agency placing an order and the details of a technical proposal submitted by a bidder;
 6. Other matters requested at the time of public announcement of tender.
- (2) The head of each central government agency shall determine detailed review criteria for evaluation of a technical proposal submitted under paragraph (1) and have them perused by persons intending to participate in tender.
- (3) When the head of each central government agency or the public official in charge of contracts has received a technical proposal under paragraph (1), he/she shall request the Central Construction Technology Deliberation Committee to review the proper qualification of the technical proposal concerned and evaluate score, and the Central Construction Technology Deliberation Committee shall examine the propriety of the technical proposal requested and notify the head of central government agency concerned or the public official concerned in charge of contracts of documents, clearly stating the propriety of the technical proposal and evaluation score.
- (4) The head of each central government agency or the public official in charge of contracts may replace the review and score evaluation of the Design Advisory Committee for the review and score evaluation of the technical proposal under paragraph (3).
- (5) Where the Central Construction technology Deliberation Committee or the Design Advisory Committee reviews a technical proposal under paragraph (3) or paragraph (4), it may request complementary measures to it if a technical proposal is insufficient or its details are not clear in the light of the basic plan of tender and the details of guide or design documents.

Article 104 (Determination of Successful Bidder of Technical Proposal Tender for Shop Design)

In case of a technical proposal tender for the shop design, when the head of each central government agency or the public official in charge of contracts has been notified under Article 103 (3), he/she shall determine a successful bidder by the application of the method of determination of the successful bidder selected under Article 102 (1) after selecting a maximum of six persons (in case where the number of bidders notified as qualified are less than six, all bidders notified as qualified) in descending order of score of the technical proposal from among bidders: Provided, That where the number of qualified person of a technical proposal under Article 103 (3) is less than one person, it shall be in accordance with the public announcement of re-tender. *<Amended by Presidential Decree No. 22282, Jul. 21, 2010>*

Article 105 (Procedure for Tender of Technical Proposal Tender for Basic Design)

(1) In case of the technical proposal tender for the basic design, the head of each central government agency or the public official in charge of contracts shall have bidders submit technical proposals including the details of the following subparagraphs: Provided, That a part of such details may be modified, if necessary, in consideration of the characteristics, etc. of the construction work; *<Amended by Presidential*

Decree No. 22282, Jul. 21, 2010>

1. Plan for construction cost reduction through the review on efficiency of implementation of construction;
 2. Plan for improvement of life cycle cost;
 3. Plan for shortening construction period;
 4. Plan for construction management;
 5. Other matters requested at the time of public announcement of tender.
- (2) The head of each central government agency shall determine detailed examination criteria for the evaluation of a technical proposal submitted under paragraph (1) and have them perused by persons intending to participate in tender.
- (3) The head of each central government agency or the public official in charge of contracts shall have only persons selected as qualified for the performance design under the main sentence of Article 106 (1) submit design documents, and have them attach the following papers to performance design documents:
1. Specification for performance design;
 2. Related documents under Article 13 of the Enforcement Decree of the Construction Technology Management Act;
 3. Detailed statement of calculation, specifying the unit prices and quantities;
 4. Other documents stating matters for reference.
- (4) When the head of each central government agency or the public official in charge of contracts has received the technical proposal under paragraph (1) or the performance design documents under paragraph (3), he/she shall request the Central Construction Technology Deliberation Committee to review on the proper qualification of the technical proposal concerned or the performance design documents concerned and evaluate the score, and the Central Construction Technology Deliberation Committee shall examine the propriety of the technical proposal or the performance design documents requested and notify the head of central government agency concerned or the public official concerned in charge of contracts of the documents specifying the proper qualification and evaluation score of the technical proposal or the performance design documents.
- (5) The head of each central government agency or the public official in charge of contracts may take the place of the review and the evaluation of score of the Design Advisory Committee for the review and the evaluation of score of the technical proposal or the performance design documents under paragraph (4).
- (6) Where the Central Construction Technology Deliberation Committee or the Design Advisory Committee reviews the technical proposal or the performance design documents under paragraph (4) or paragraph (5), it may request the supplement to it if books attached to the technical proposal or the performance design documents are insufficient or their contents are not clear in the light of the basic plan of the tender and the contents of the guide or the basic design (including a technical proposal in case of review of the performance design documents).

Article 106 (Selection of Successful Bidder of Technical Proposal Tender for Basic Design)

(1) In case of the technical proposal tender for the basic design, when the head of each central government agency or the public official in charge of contracts has been notified under Article 105 (4), he/she shall select a person qualified for design documents by using the method of determination of a person qualified for design documents under Article 102 (2) after the selection of six persons maximum (in case where the number of bidders notified as qualified are less than six, all bidders notified as qualified) in descending order of score of a technical proposal from among bidders: Provided, That where the number of qualified person for technical proposal under Article 105 (4) is less than one person, its shall be in accordance with the public announcement of re-tender. *<Amended by Presidential Decree No. 22282, Jul. 21, 2010>*

(2) When the head of each central government agency or the public official in charge of contracts has been notified of the qualification of the performance design concerned by the Central Construction Technology Deliberation Committee or the Design Advisory Committee under Article 105 (4) and (5), he/she shall select a person who submitted the performance design documents concerned as a successful bidder.

(3) Article 87 (3) through (8) shall apply mutatis mutandis to the determination of a successful bidder of the technical proposal tender for the basic design. *<Amended by Presidential Decree No. 22282, Jul. 21, 2010>*

Article 107 Deleted. *<by Presidential Decree No. 22282, Jul. 21, 2010>*

Article 108 (Adjustment of Contract Amount due to Modification of Design)

In case of a construction contract by a technical proposal tender for the shop design, Article 65 shall apply mutatis mutandis to the adjustment of contract amount due to modification of design, and in case of a construction contract by a technical proposal tender for the basic design, Article 91 shall apply mutatis mutandis to the adjustment of contract amount due to change of design. *<Amended by Presidential Decree No. 22282, Jul. 21, 2010>*

Article 109 (Evaluation)

(1) The head of each central government agency or the public official in charge of contracts may organize an evaluation group and evaluate the propriety of method of placing order, process of implementation of construction, performance record and effect, etc. of the construction work concerned after the inspection of completion of the construction work under this Chapter.

(2) Organization and administration of an evaluation group under paragraph (1) and other matters necessary for evaluation shall be determined by the head of each central government agency.

ADDENDA

Article 1 (Enforcement Date)

This Decree shall enter into force on July 6, 1995: Provided, That the provisions of Article 9 (1) 3 shall enter into force on January 1, 1996.

Article 2 Deleted.*<by Presidential Decree No. 15186, Dec. 31, 1996>*

Article 3 (Transitional Measures concerning Conclusion of Contract, etc.)

With respect to a tender, the determination of a successful bidder, and the conclusion of contracts which are executed after the enforcement of this Decree where public notice of the tender has been made before the enforcement of this Decree, and with respect to contracts concluded after the enforcement of this Decree after being selected as the successful tender in a tender conducted before the enforcement of this Decree, the previous provisions shall apply.

Article 4 (Repeal and Amendment of Other Acts and Subordinate Statutes)

(1) The Special Regulations of the Enforcement Decree of the Act on the Budget and Accounts Related to Contracts for Large Scale Construction Work shall be repealed.

(2) through (6) Omitted.

Article 5 (Relation to Other Acts and Subordinate Statutes)

If Chapter VI of the Enforcement Decree of the Budget and Accounts Act or the provision of the said Chapter of the said Decree have been cited in other Acts and subordinate statutes at the time when this Decree enters into force, or if the Special Regulations of the Enforcement Decree of the Act on Budget and Accounts Related to Contracts for Large Scale Construction Work or the provisions of the said Special Regulations have been cited in other Acts and subordinate statutes, this Decree and Chapter VI of this Decree, or the corresponding provisions of this Decree shall be deemed to have been cited therein.

ADDENDA <Presidential Decree No. 14973, Apr. 8, 1996>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation.

Article 2 Omitted.

ADDENDA <Presidential Decree No. 15186, Dec. 31, 1996>

Article 1 (Enforcement Date)

This Decree shall enter into force on January 1, 1997.

Article 2 (Examples of Application concerning Replacement of Guarantee Certificate of Deposit for Difference to be Paid in Cash)

(1) The head of each central government agency or the public official in charge of contracts may have, for construction work of which the deposit for the difference is paid in cash under the proviso of Article 123 (1) of the Enforcement Decree of the Budget and Accounts Act amended under Presidential Decree No. 14295 (hereinafter referred to as the "former Enforcement Decree of the Budget and Accounts Act"), cash amount in all paid replaced by a guarantee certificate in an amount equivalent to the cash: Provided, That this shall not apply to those whose qualifications have been restricted to participation in the tender and who are under such restriction for a cause under Articles 76 (1) 1 through 5, 7 and 8.

(2) The head of each central government agency or the public official in charge of contracts may have a guarantee certificate submitted under the purview of Article 123 (1) of the former Enforcement Decree

of the Budget and Accounts Act replaced by a certificate guaranteeing an equal amount where the deposit of the difference is paid in cash.

(3) The necessary matters on the replacement methods and procedures for a guarantee certificate referred to in paragraphs (1) and (2) shall be determined by the Minister of Finance and Economy.

Article 3 (Examples of Application concerning Treatment of Deposit for Difference Paid in Cash at Time of Prolongation of Contract Period)

If the head of each central government agency or the public official in charge of contracts has received the deposit in cash under the proviso of Article 123 (1) of the Enforcement Decree of the Budget and Accounts Act amended by Presidential Decree No. 14295, he may allow the other party to the contract to replace the cash with a guarantee certificate in an amount equal to or exceeding the said cash to be paid after the expiration of the original period of the contract upon the request of the other party to the contract when the period of the contract is extended due to causes not attributable to the other party.

Article 4 (Transitional Measures concerning Conclusion of Contract)

With respect to the tender, of which the public notice has been made before the enforcement of this Decree, the determination of successful bidder, and the conclusion of the contract, which are executed after the enforcement of this Decree, and with respect to contracts concluded after the enforcement of this Decree after being selected as a successful tender in a tender executed before the enforcement of this Decree, the previous provisions shall apply.

ADDENDA <Presidential Decree No. 15433, Jul. 10, 1997>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation. (Proviso Omitted.)

Articles 2 through 10 Omitted.

ADDENDA <Presidential Decree No. 15581, Dec. 31, 1997>

Article 1 (Enforcement Date)

This Decree shall enter into force on January 1, 1998. (Proviso Omitted.)

Articles 2 through 7 Omitted.

ADDENDA <Presidential Decree No. 15582, Dec. 31, 1997>

(1) (Enforcement Date) This Decree shall enter into force on January 1, 1998.

(2) Omitted.

ADDENDA <Presidential Decree No. 15614, Feb. 2, 1998>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation: Provided, That an amendments to Article 42 shall enter into force one year following the date of its promulgation.

Article 2 (Abolition of Other Regulations)

The Contract Deliberation Committee Regulations shall be hereby abolished.

Article 3 (Examples of Applications concerning Replacement of Guarantee Certificate of Deposit for Difference to be Paid in Cash)

(1) An amendment to Article 2 (1) of the Addenda of the Presidential Decree No. 15186 shall apply to bids submitted under the previous provisions.

(2) An amendment to Article 2 (1) and (3) and Article 3 of the Addenda of the Presidential Decree No. 15186 shall apply mutatis mutandis to contract deposits paid in cash under the proviso of the previous Article 50 (7) .

Article 4 (Transitional Measures concerning Conclusion of Contracts)

Tenders, determination of successful bidders, and conclusion of contracts conducted after the entry into force of this Decree after announcing invitation for bids prior to the entry into force of this Decree, and contracts concluded after the entry into force of this Decree after succeeding in tenders conducted prior to the entry into force of this Decree shall be governed by the previous provisions.

Article 5 Omitted.

ADDENDA <Presidential Decree No. 15661, Feb. 24, 1998>

(1) (Enforcement Date) This Decree shall enter into force on the date of its promulgation.

(2) (Examples of Application) An amendment to Article 64 shall also apply to contracts concluded prior to the entry into force of this Decree.

ADDENDA <Presidential Decree No. 16308, May 13, 1999>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation.

Articles 2 through 10 Omitted.

ADDENDA <Presidential Decree No. 16448, Jun. 30, 1999>

Article 1 (Enforcement Date)

This Decree shall enter into force on July 1, 1999.

Articles 2 through 5 Omitted.

ADDENDA <Presidential Decree No. 16548, Sep. 9, 1999>

(1) (Enforcement Date) This Decree shall enter into force on the date of its promulgation: Provided, That the amendments to Article 19, subparagraph 14 of Article 36, and Article 72 (3) shall enter into force on January 1, 2002. <Amended by Presidential Decree No. 17019, Dec. 27, 2000>

(2) (Transitional Measures concerning Conclusion of Contracts, etc.) The previous provisions shall be applied to the tenders, determination of a successful bidder, and conclusion of contracts which are made after

the entry into force of this Decree and after the announcement of invitation to bids prior to the entry into force of this Decree, and the contracts which are concluded after the entry into force of this Decree after a successful bidding at a tender conducted prior to the entry into force of this Decree.

(3) (Transitional Measures concerning Orders for Large Scale Construction to be Executed under Means of Execution Design and Construction Work Tender) The previous provisions shall be applied to the large scale constructions which have been publicly notified to be executed by means of an execution design and construction work tender under Article 80 prior to the entry into force of this Decree.

(4) (Transitional Measures concerning the Korea Association of Electrical Engineers) The Korea Association of Electrical Engineers under paragraph (2) of the Addenda of the Electric Technology Management Act amended by Act No. 5784, shall be deemed as an organization of electrical engineers which has been publicly notified by the Minister of Commerce, Industry and Energy under the amendments of Article 37 (2) 4.

ADDENDA <Presidential Decree No. 16682, Dec. 31, 1999>

Article 1 (Enforcement Date)

This Decree shall enter into force on January 1, 2000.

Articles 2 through 4 Omitted.

ADDENDA <Presidential Decree No. 16919, Jul. 27, 2000>

Article 1 (Enforcement Date)

This Decree shall enter into force on July 29, 2000.

Articles 2 through 6 Omitted.

ADDENDA <Presidential Decree No. 16943, Aug. 5, 2000>

(1) (Enforcement Date) This Decree shall enter into force on the date of its promulgation.

(2) and (3) Omitted.

ADDENDA <Presidential Decree No. 17019, Dec. 27, 2000>

(1) (Enforcement Date) This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of the proviso of Article 42 (1) and the proviso of Article 52 (1) excluding the subparagraphs thereof shall enter into force on January 1, 2001.

(2) (Applicable Cases concerning Limitation of Qualification of Unjust Persons to Participate in Tender) The amended provisions of Article 76 (1) 10 shall apply to those on which any cause for limitation occurs on or after the enforcement date of this Decree.

(3) (Transitional Measures concerning Conclusion, etc. of Contracts) With respect to a tender the public notice of which is made before the enforcement of this Decree and which is conducted after the enforcement thereof, the determination of a successful bidder therefor, and the conclusion of a contract therefor, and with

respect to a contract for which a successful tender is made in the tender conducted before the enforcement of this Decree and which is concluded after the enforcement thereof, the previous provisions shall apply.

ADDENDA <Presidential Decree No. 17344, Aug. 25, 2001>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation.

Articles 2 and 3 Omitted.

ADDENDA <Presidential Decree No. 17546, Mar. 25, 2002>

(1) (Enforcement Date) This Decree shall enter into force on the date of its promulgation.

(2) (Validity Term) The amended provisions of Article 19 and subparagraph 14 of Article 36 shall hold their validity not later than December 31, 2003.

(3) (Transitional Measures for Conclusion of Contracts, etc.) The previous provisions shall govern in the cases of a tender, a decision on successful bidder, and a conclusion of contract which are to be executed after the enforcement of this Decree in the wake of a tender notification made prior to the enforcement of this Decree, and the case of a contract to be concluded after the enforcement of this Decree in the wake of a successful bid achieved prior to the enforcement of this Decree.

ADDENDA <Presidential Decree No. 17585, Apr. 20, 2002>

(1) (Enforcement Date) This Decree shall enter into force on the date of its promulgation.

(2) through (4) Omitted.

ADDENDA <Presidential Decree No. 17688, Jul. 30, 2002>

(1) (Enforcement Date) This Decree shall enter into force on September 30, 2002: Provided, That the amended provisions of Article 68 shall enter into force on the date of its promulgation.

(2) (Transitional Measures for Designated Information Processing Unit) The head of each central government agency or the public official in charge of contracts may follow the previous provisions not later than December 31, 2002, where it is difficult to utilize the designated information processing unit due to inevitable reasons, notwithstanding the amended provisions of Articles 22 and 33, subparagraph 12-2 of Article 36, and Articles 39, 40 (3) and 76 (6) through (8) .

(3) (Transitional Measures for Conclusion of Contracts, etc.) The previous provisions shall govern the bidding, decision on a successful bidder and conclusion of contracts, which are effected after the enforcement of this Decree subsequent to the public notice of bidding before the enforcement of this Decree, and the contracts to be concluded after the enforcement of this Decree subsequent to a successful bid in the bidding executed before the enforcement of this Decree.

ADDENDA <Presidential Decree No. 17791, Dec. 5, 2002>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation.

Articles 2 and 3 Omitted.

ADDENDA <Presidential Decree No. 17824, Dec. 30, 2002>

Article 1 (Enforcement Date)

This Decree shall enter into force on January 1, 2003. (Proviso Omitted.)

Articles 2 through 6 Omitted.

ADDENDA <Presidential Decree No. 18155, Dec. 11, 2003>

(1) (Enforcement Date) This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of Article 37 (2) 7 shall enter into force on January 5, 2004.

(2) (Example of Application to Restrictions on Qualification for Participation in Tender by Unjust Persons) The amended provisions of Article 76 (1) 15 shall apply starting with the portion of causes for relevant restrictions occurring after the enforcement of this Decree.

(3) (Transitional Measures for Contract Conclusions, etc.) The previous provisions shall govern the tender which a public notice of tender was made for prior to the enforcement of this Decree and is executed after the enforcement of this Decree, the decisions on successful bidders and the contract conclusions, and the contract concluded after the enforcement of this Decree for the successful bidder in the tender executed prior to the enforcement of this Decree.

ADDENDA <Presidential Decree No. 18359, Apr. 6, 2004>

(1) (Enforcement Date) This Decree shall enter into force on the date of its promulgation.

(2) (Transitional Measures regarding Adjustment of Contract Amount Due to Price Fluctuations) The amended provisions of Article 64 shall also apply to a contract concluded before the enforcement of this Decree.

ADDENDA <Presidential Decree No. 18666, Dec. 31, 2004>

(1) (Enforcement Date) This Decree shall enter into force on January 1, 2005. (Proviso Omitted.)

(2) and (3) Omitted.

ADDENDA <Presidential Decree No. 18903, Jun. 30, 2005>

Article 1 (Enforcement Date)

This Decree shall enter into force on July 1, 2005.

Article 2 Omitted.

ADDENDA <Presidential Decree No. 19035, Sep. 8, 2005>

(1) (Enforcement Date) This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of Articles 21 (1) 8 and 23 (1) 10 shall enter into force on January 1, 2006.

(2) (Applicable Examples concerning Ways of Payment of Bid Bond and Exception Thereof) The amended provisions of Article 37 (2) 4 and (3) 5 shall apply to the bidding for which the closing date for submitting the documents for the tender arrives after the enforcement of this Decree.

(3) (Transitional Measures concerning Adjustment of Contract Amount on Grounds of Price Fluctuation or Design Change) The amended provisions of Articles 64 (1) and (5) , 65 (2) and (3) 3 and 91 (2) 2 (proviso) shall also apply to any contract that is concluded prior to the enforcement of this Decree.

ADDENDA <Presidential Decree No. 19321, Feb. 8, 2006>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation.

Articles 2 through 5 Omitted.

ADDENDA <Presidential Decree No. 19463, Apr. 28, 2006>

Article 1 (Enforcement Date)

This Decree shall enter into force on April 30, 2006.

Articles 2 and 3 Omitted.

ADDENDA <Presidential Decree No. 19483, May 25, 2006>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation.

Article 2 (Applicable Examples concerning Changes in Methods of Guaranteeing Performance of Contract)

The amended provisions of Article 52 (2) shall also apply to the contracts that have been concluded before this Decree enters into force.

Article 3 (Applicable Examples concerning Limitations of Qualification to Participate in Tender by Unjust Persons)

The amended provisions of Article 76 (1) 4-2, 10, 14, 14-2 and 16 shall apply, starting with the portion for which the grounds of limitation happen after the enforcement of this Decree.

Article 4 (Transitional Measures concerning Interest for Delayed Payment of Cost)

The payment of interest caused by the delayed payment of cost for the concluded contract before this Decree enters into force shall be governed by the previous provisions, notwithstanding the amended provisions of Article 59.

Article 5 (Transitional Measures concerning Conclusion of Contract, etc.)

With respect to a tender to be executed after this Decree enters into force, whose public notice has been made before the enforcement of this Decree, the determination of a successful bidder thereof, and the conclusion of contracts therefor, and with respect to contracts concluded after the enforcement of this Decree after being selected as a successful bidder in a tender conducted before the enforcement of this Decree, the previous provisions shall apply.

Article 6 Omitted.

ADDENDA <Presidential Decree No. 19494, May 30, 2006>

Article 1 (Enforcement Date)

This Decree shall enter into force on June 4, 2006.

Articles 2 through 6 Omitted.

ADDENDA <Presidential Decree No. 19782, Dec. 29, 2006>

(1) (Enforcement Date) This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of Articles 26 (1) 6 (b) and 50 (6) 2 shall enter into force on January 1, 2007.

(2) (Application Example concerning Payment of Cost) The amended provisions of Article 58 (1) shall apply, starting with the portion for which a claim is filed after the enforcement of this Decree.

(3) (Application Example concerning Restrictions on Tender Participation Qualifications of Unjust Persons) The amended provisions of Article 76 (1) 11 shall apply, starting with the part for which the grounds of restrictions accrue after the enforcement of this Decree.

(4) (Transitional Measures concerning Conclusions of Contracts, etc.) With respect to a tender to be executed after this Decree enters into force, whose public notice has been made before this Decree enters into force, the determination of a successful bidder thereof, and the conclusion of contracts therefor, and with respect to contracts concluded after the enforcement of this Decree after being selected as a successful bidder in a tender conducted before this Decree enters into force, the previous provisions shall apply: Provided, That the amended provisions of Article 64 (6) shall also apply to any construction contract that has not been completed when this Decree enters into force (excluding any construction contract that was completed before January 1, 2009) and the rate of price increase according to the type of construction materials of specific specifications is 15/100 or higher. In such cases, where a contract was concluded before December 29, 2006, the bidding date and contracting date shall be deemed December 29, 2006; where a tender was made before December 29, 2006, the bidding date shall be deemed December 29, 2006. <Amended by Presidential Decree No. 21202, Dec. 31, 2008>

ADDENDA <Presidential Decree No. 19806, Dec. 29, 2006>

Article 1 (Enforcement Date)

This Decree shall enter into force on January 1, 2007.

Articles 2 through 6 Omitted.

ADDENDA <Presidential Decree No. 20319, Oct. 10, 2007>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of the proviso to Article 14 (6) 3 and the proviso to Article 65 (1) shall enter into force on January 1, 2008.

Article 2 (Example of Application concerning Restriction of Qualification of Participation in Tender of Improper Business Operator)

The amended provisions of Article 76 (1) 6 shall apply from the first case of occurrence of reasons for restriction after this Decree enters into force.

Article 3 (Example of Application concerning Adjustment of Contract Amount due to Modification of Design of Large-Scale Construction Contract)

The amended provisions of Article 91 (2) shall apply from the first case of contract price adjustment after this Decree enters into force.

Article 4 (Transitional Measures concerning Modification of Method of Contract Performance Guarantee)

The amended provisions of Article 50 (3) shall also apply to a contract concluded before this Decree enters into force.

Article 5 (Transitional Measures concerning Conclusion of Contract, etc.)

The previous provisions shall apply to a tender which was publicly announced before this Decree enters into force and is executed after this Decree enters into force, the selection of the successful bidder and the conclusion of contract, and a tender which was awarded before this Decree enters into force and was concluded after this Decree enters into force.

ADDENDA <Presidential Decree No. 20323, Oct. 15, 2007>

Article 1 (Enforcement Date)

This Decree Shall enter into force on the date of its promulgation.

Articles 2 and 3 Omitted

ADDENDA <Presidential Decree No. 20720, Feb. 29, 2008>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation. (Proviso Omitted.)

Articles 2 through 8 Omitted

ADDENDA <Presidential Decree No. 20789, May, 21, 2008>

Article 1 (Enforcement Date)

This Decree shall enter into force on May 26, 2008.

Articles 2 through 6 Omitted.

ADDENDA <Presidential Decree No. 20947, Jul. 29, 2008>

Article 1 (Enforcement Date)

This Decree shall enter into force on February 4, 2009. (Proviso Omitted.)

Articles 2 through 28 Omitted.

ADDENDA <Presidential Decree No. 21202, Dec. 31, 2008>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation: Provided, That Article 10, and the amended provisions of Article 4 of the Addenda of Presidential Decree No. 19782 for the Enforcement Decree of the Act on Contracts to which the State is a Party, shall enter into force on January 1, 2009.

Article 2 (Applicability to Adjustment of Contract Price Due to Change in Exchange Rate)

The amended provisions of Article 64 (7) shall also apply to any contract that is being performed as at the time this Decree enters into force, for which there are any factors for the adjustment of contract prices under Article 64 (1) before this Decree enters into force, as a result of the change in exchange rates.

Article 3 (Applicability to Limitation on Qualification of Unjust Business Entities to Participate in Tender)

The amended provisions of Article 76 (10) shall apply starting from the first contract that will be made on an annual basis after this Decree enters into force.

ADDENDA <Presidential Decree No. 21480, May 6, 2009>

Article 1 (Enforcement Date)

This Decree shall enter into force on May 8, 2009.

Articles 2 and 3 Omitted.

ADDENDA <Presidential Decree No. 21565, Jun. 26, 2009>

Article 1 (Enforcement Date)

This Decree shall enter into force on June 30, 2009: Provided, That ...(Omitted.)... Article 3 of the Addenda shall enter into force on the date of its promulgation.

Articles 2 through 4 Omitted.

ADDENDA <Presidential Decree No. 21578, Jun. 29, 2009>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation.

Article 2 (Effective Period)

The amended provisions of Article 72 (3) 2 shall be effective until December 31, 2010: Provided, That in regard to projects for which a tender was publicly announced on or before December 31, 2010, the amended provisions of Article 72 (3) 2 shall apply until such projects are completed.

Article 3 (Applicability to Scope of Deposit for Those Subject to Payment of Bid Bond)

The amended provisions of Article 37 (2) shall apply starting from the first bid bond paid after this Decree enters into force.

Article 4 (Applicability to Compulsory Regional Joint Contract)

The amended provisions of Article 72 (3) shall apply starting from projects for which a tender is first publicly announced after this Decree enters into force.

Article 5 (Transitional Measures concerning Time Limit for Payment of Cost)

Projects for which the payment of cost was claimed under the previous provisions before this Decree enters into force, shall be governed by the previous provisions, notwithstanding the amended provisions of Article 58 (1) and (4).

ADDENDA <Presidential Decree No. 21692, Aug. 18, 2009>

Article 1 (Enforcement Date)

This Decree shall enter into force on August 23, 2009.

Articles 2 through 6 Omitted.

ADDENDA <Presidential Decree No. 21698, Aug. 21, 2009>

Article 1 (Enforcement Date)

This Decree shall enter into force on August 23, 2009.

Articles 2 through 4 Omitted.

ADDENDA <Presidential Decree No. 21834, Nov. 20, 2009>

Article 1 (Enforcement Date)

This Decree shall enter into force on November 22, 2009.

Articles 2 and 3 Omitted.

ADDENDA <Presidential Decree No. 22282, Jul. 21, 2010>

Article 1 (Enforcement Date)

This Decree shall enter into force three months after the date of its promulgation: Provided, That the amended provisions of Articles 7-2 (2) (limited to the part of a technical proposal tender for the basic

design), 72 (3) 1, 97 through 100, 102 through 106, and 108 shall enter into force on the date of its promulgation, the amended provisions of Article 52 (excluding paragraph (1) with the exception of its subparagraphs) and Article 9 (4) of the Addenda shall enter into force on January 1, 2011, and the amended provisions of Article 42 (4) shall enter into force on January 1, 2012.

Article 2 (General Applicability)

This Decree shall apply to the first contract for which public notice of the tender is made after this Decree enters into force.

Article 3 (Applicability concerning Determining Price based on Estimate by One Person)

The amended provisions of Article 30 (1) 3 shall apply from the first contract for which public notice for guidance is made by the designated information processing unit after this Decree enters into force.

Article 4 (Applicability concerning Additional Payment of Deposit of Contract)

The amended provisions of Article 75 (2) shall apply to cases where the amount of the compensation for delay has reached an amount corresponding to the deposit for the contract under Article 50 (1) for the first time after this Decree enters into force.

Article 5 (Applicability concerning Limitation of Qualification of Under-Qualified Persons to Participate in Tender)

The amended provisions of Article 76 (1) shall apply to the first person for which a ground for limiting his/her qualification arises after this Decree enters into force.

Article 6 (Special Examples concerning Preparation of Detailed Statement of Calculation)

"30 billion won" in the amended provisions of Article 14 (7) 1 and 2 shall be deemed "100 billion won" until December 31, 2010, respectively, and deemed "50 billion won" from January 1 to December 31, 2011, respectively.

Article 7 (Transitional Measure following Abolition of Private Contract for Corporation Established by Special Act)

(1) The head of each central government agency or the public official in charge of contracts may, notwithstanding the amended provisions of Article 26, enter into a private contract within the scope of amount prescribed by the following classifications with a Saemaul factory under the former Article 26 (1) 6 (d) or a corporation with which a private contract may be entered into pursuant to Article 26 (1) 8 (c):

1. From January 1, 2011 to December 31, 2013: The annual average amount of a private contract which the head of the relevant central government agency has entered into with the relevant Saemaul factory or corporation from January 1, 2008 to December 31, 2010;
2. From January 1 to December 31, 2014: The amount corresponding to 70 percent of the annual average amount of a private contract which the head of the relevant central government agency has entered into with the relevant Saemaul factory or corporation from January 1, 2008 to December 31, 2010;

3. From January 1 to December 31, 2015: The amount corresponding to 40 percent of the annual average amount of a private contract which the head of the relevant central government agency has entered into with the relevant Saemaul factory or corporation from January 1, 2008 to December 31, 2010.

(2) The head of each central government agency or the public official in charge of contracts may, notwithstanding paragraph (1), enter into a private contract with the Association of the Persons Engaged in Special Military Mission of the Republic of Korea established under Article 54 of the Act on Assistance to the Persons Engaged in Special Military Mission and Establishment of their Organizations among corporations with which a private contract may be entered into pursuant to the former Article 26 (1) 8 (c) pursuant to the former provisions until December 31, 2015.

(3) If a corporation with which a private contract may be entered into pursuant to the former Article 26 (1) 8 (c) enters into a private contract under paragraph (1) or (2), notwithstanding the amended provisions of Articles 26 (3) and (5) and 30 (1), the provisions of the former Article 26 (2) and (4) and the proviso to Article 30 (1) shall apply.

Article 8 (Transitional Measure concerning Private Contract for Technology Products, etc.)

The amended provisions of Article 26 (1) 3 and (2) shall also apply to the articles certified or designated to which the former Article 26 (1) 6 (f) and 7 (i) applied. In such cases, in applying the amended provisions of Article 26 (2) to the articles certified or designated to which the former Article 26 (1) 6 (f) and 7 (i) applied, it shall be reckoned from the enforcement date of this Decree.

Article 9 Omitted.

ADDENDUM <Presidential Decree No. 22493, Nov. 15, 2010>

Article 1 (Enforcement Date)

This Decree shall enter into force on November 18, 2010.

Articles 2 through 5 Omitted.

ADDENDUM <Presidential Decree No. 22525, Dec. 13, 2010>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation.

Articles 2 through 14 Omitted.

ADDENDUM <Presidential Decree No. 22626, Jan. 17, 2011>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation.

Articles 2 through 6 Omitted.

ADDENDUM <Presidential Decree No. 22637, Jan. 24, 2011>

Article 1 (Enforcement Date)

This Decree shall enter into force on January 24, 2011. <Proviso Omitted>

Articles 2 through 23 Omitted.

ADDENDUM <Presidential Decree No. 22638, Jan. 26, 2011>

Article 1 (Enforcement Date)

This Decree shall enter into force on February 5, 2011. <Proviso Omitted>

Articles 2 through 5 Omitted.

ADDENDUM <Presidential Decree No. 22660, Feb. 9, 2011>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of Articles 37 (3) 5-2, 50 (6) 1 and 85-2 (1) 1 shall enter into force three months after the date of its promulgation.

Article 2 (Term of Validity)

The amended provisions of Article 72 (3) 2 shall be effective until December 31, 2013: Provided, That with respect to the business publicly notified for tender until December 31, 2013, the amended provisions of Article 72 (3) 2 shall apply thereto until termination of the business.

Article 3 (Applicable Case concerning Payment of Bid Bond)

The amended provisions of Article 37 (2) 4 (q) shall begin to apply from the first payment of a bid bond after this Decree enters into force.

Article 4 (Applicable Case concerning Exemption of Payment of Bid Bond and Deposit for Contract For Corporations Specialized in Green Business, Etc.)

The amended provisions of Articles 37 (3) 5-2 and 50 (6) 1 shall begin to apply from the contract publicly notified for tender for the first time after the enforcement of amended provisions of Articles 37 (3) 5-2 and 50 (6) 1 pursuant to the proviso to Article 1 of this Addenda.

Article 5 (Applicable Case concerning Mandatory Limitation on Qualification of Under-qualified Persons to Participate in Tender)

The amended provisions of the proviso to Article 76 (8) shall begin to apply from the person who violates Article 76 (1) 10 for the first time after this Decree enters into force.

Article 6 (Applicable Case concerning Method of Selecting Persons Qualified for Design of Package Deal Tender)

The amended provisions of Article 85-2 (1) 1 shall begin to apply from the contract subject to the public notice of a tender for the first time after enforcement of the amended provisions of Article 85-2 (1) 1 pursuant to Article 1 of this Addenda.

Article 7 (Special Case concerning Mandatory Regional Joint Contract)

In case of the business of developing the Gwangju/Jeonnam common innovative cities which were designated as the district to be developed as innovative cities pursuant to Article 2 of the Addenda of the Special Act on the Construction and Support of Innovation Cities Following Relocation of Public Agencies, Act No. 8238, from among those businesses publicly notified by the Minister of Strategy and Finance pursuant to Article 72 (3) 2, Gwangju Metropolitan City and Jeollanam-do shall be deemed a single jurisdiction, instead of dividing the two into different jurisdictions.

ADDENDUM <Presidential Decree No. 23267, Oct. 28, 2011>

Article 1 (Enforcement Date)

This Decree shall enter into force on October 29, 2011.

Articles 2 and 3 Omitted.

ADDENDUM <Presidential Decree No. 23282, Nov. 1, 2011>

Article 1 (Enforcement Date)

This Decree shall enter into force on November 25, 2011. <Proviso Omitted>

Articles 2 through 6 Omitted.

ADDENDUM <Presidential Decree No. 23313, Nov. 23, 2011>

Article 1 (Enforcement Date)

This Decree shall enter into force on November 25, 2011.

Articles 2 through 10 Omitted.

ADDENDUM <Presidential Decree No. 23477, Dec. 31, 2011>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of Article 89 (1) shall enter into force three months after the date of its promulgation.

Article 2 (Applicable Case concerning Method, etc. of Submitting Tender)

The amended provisions of subparagraphs 12 and 12-2 of Article 36, Article 39 (1) and (2), Article 40 (3), Article 76 (1) 11 and the main sentence of Article 92-2 (1) shall begin to apply from the contract subject to the public notice of a tender for the first time after this Decree enters into force.

Article 3 (Applicable Case concerning Compensation of Design Cost)

The amended provisions of Article 89 (1) shall begin to apply from the contract subject to the public notice of a tender for the first time after enforcement of the amended provisions of Article 89 (1) pursuant to the proviso to Article 1 of this Addenda.

ADDENDUM <Presidential Decree No. 23778, May 14, 2012>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of Article 26 (1) 4 (c) shall enter into force on July 27, 2012.

Article 2 (Transitional Measures concerning Private Contract for Welfare Facilities for Disabled Persons, Etc.)

As to the private contracts entered into with the welfare facilities or groups for disabled persons before July 27, 2012, the former provisions shall apply thereto, notwithstanding the amended provisions of Article 26 (1) 4 (c).

