Hawija Technical College

Mechanisms for Contracting with External Parties 2026

Five contracting methods and the framework agreement under the Public Contracts Implementation Instructions No. (1) of 2025, in force from 15 February 2026.

The Legal Frame

THE INSTRUCTIONS

Public Contracts Implementation Instructions No. (1) of 2025

Issued by the Ministry of Planning, together with annexed controls.

IN FORCE

From 15/2/2026

The date from which the instructions and controls take effect.

REPLACES

Instructions No. (2) of 2014

The earlier instructions, which the 2025 instructions repealed.

Iraqi private-sector companies, and foreign consultancy companies and offices, are the external parties these mechanisms cover.

Five basic methods, plus a framework agreement. The method is chosen by the nature, specialisation and estimated value of the contract.

From 15 February 2026, every contract with an outside party follows Instructions No. (1) of 2025 and their annexed controls.

Five Ways to Contract, From Open to Exceptional

1

Open tender

The general rule

2

Limited tender

Few qualified firms

3

Two-stage tender

Technically complex

4

Direct invitation

Exceptional cases

5

Sole supplier

One rights holder

Most open competition — **Most restricted**

\+ **Framework agreement** — A long-term wrapper (3 to 4 years) for recurring, continuous or urgent needs, activated later by purchase orders.

The more open the competition, the more it looks like the general rule; the further right, the more it needs a legal justification.

Open Tender: the General Rule

The principle

The basic means and the general rule for contracting in state departments. It rests on openness, free competition and equal opportunity among all qualified bidders.

How it works

A public announcement addressed to everyone interested, inside and outside Iraq, who meets the legal, technical and financial qualification conditions.

Mandatory publication

1. **The Unified Electronic Platform for Announcements and Tenders**
2. **Two widely circulated daily newspapers**
3. **The contracting entity's own website**

International tender

When the tender is open to foreign companies, the announcement is also circulated through the commercial attachés at Iraqi embassies abroad.



Publicity, free competition and equal opportunity: the announcement is published in three places, and abroad too if the tender is international.

Limited Tender: When Only a Few Firms Can Do It

When it is used

When the goods, works or services needed are available from a limited number of firms or specialised bodies, local or foreign.

How it works

The invitation is sent directly and free of charge to qualified, accredited bodies, no fewer than the legal minimum in the controls. They then compete under standard tender documents.

Narrowing the field

All firms in the market

Expression of interest or pre-qualification

Qualified, accredited firms invited (not below the legal minimum)

Commercial offers compared

Pre-qualification screens reputable firms technically, financially and legally before they submit commercial offers.

An invitation goes only to qualified, accredited bodies, and pre-qualification usually narrows the field first.

Two-Stage Tender: Technical First, Prices Second

When it is used: For technically advanced contracts, high-technology projects, or design, implementation and turnkey contracts, where final detailed technical specifications cannot be set in advance.

1 Stage 1: technical offers

- Bidders submit preliminary technical offers with no prices
- Offers contain proposals, designs and technical solutions
- The entity discusses them and negotiates technically
- Offers are amended and the specifications unified

2 Stage 2: final offers

- Qualified bidders from stage 1 are invited
- They submit final technical and commercial (price) offers
- Offers follow the amended specifications
- Then comparison and award

Used when the entity cannot write final detailed specifications in advance, so the technical solution is shaped before any price is asked.

Direct Invitation: Only on Legal Grounds

The invitation goes directly to one or more parties, such as a reputable manufacturer or a specialised consultancy office, without the general tender procedures. One of the exclusive legal justifications must apply:

Security or confidentiality

Security reasons or confidentiality requirements in the contracting or implementation procedures.

Emergencies and disasters

Emergencies and natural disasters that need speed in handling.

Two failed tenders

Bidders withdrew from public tenders announced twice in a row.

Highly specialised work

Very advanced technical contracts, or completing or amending consultancy contracts already carried out.

Approvals required: The competent bodies must approve: the Central Committee for Review and Ratification, or higher sector authorities, depending on the financial ceiling and the powers in force.

An exceptional method that skips general tender procedures, so one of four legal justifications must exist and authorised bodies must approve.

Sole Supplier: One Holder, No Alternative

Three conditions together

1. **One external party alone holds the patent, the exclusive rights or the licence**
2. **The right covers manufacturing the goods, providing the service, or upgrading and maintaining existing equipment**
3. **No competing alternative exists in the market**

Result

Direct contracting with the rights holder, because there is no alternative.

Not the same as direct invitation

Direct invitation rests on circumstances (security, emergency, failed tenders). Sole supplier rests on a monopoly of rights.



When one outside party alone holds the right and nothing comparable exists in the market, the contract goes directly to it.

Framework Agreement: Buy Repeatedly Without Re-Tendering

Meant for: Recurring, continuous or urgent needs, such as periodic equipment supply, maintenance, or non-consultancy services, without repeating tender procedures each time.

Closed agreement

up to 3 years

A fixed number of contractors for the whole term.

Open agreement

up to 4 years

New qualified contractors may join throughout the term.

Call-off: how it is activated

1 Conclude the agreement

Contractors are selected and included

→

2 Call off

The entity calls on the included contractors when a need appears

→

3 Order or mini-competition

Purchase orders are issued, or contractors bid prices in a small competition

One long agreement covers recurring needs; each time a need appears, the entity calls on the contractors instead of running a new tender.

The Six Mechanisms Side by Side

Method	Scope and rationale	Key feature
Open tender	All contracts, goods, works and services.	Open announcement and free competition through the e-platform and newspapers.
Limited tender	Specialisation held by a limited number of reputable firms.	Free direct invitations to qualified firms after pre-qualification.
Two-stage tender	Technically complex or advanced-technology projects.	Technical offer separated, and specifications unified, before prices are submitted.
Direct invitation	Emergencies, confidentiality, two failed tenders, or very advanced technology.	Direct invitation to one or more firms, after authorised approval.
Sole supplier	Monopoly, patents or exclusive rights.	Direct contract with the rights holder, as there is no alternative.
Framework agreement	Recurring, continuous or urgent needs.	Long-term agreement (3–4 years) activated later by purchase orders.

The agreement type changes the shape of the process; the contract's nature and value decide which one applies.

Which Method, and When? A Quick Guide

1	Do you need the same thing again and again, or urgently?	Then use **Framework agreement**
2	Does one outside party alone hold the patent, exclusive rights or licence?	Then use **Sole supplier**
3	Security, secrecy, an emergency, two failed tenders, or very advanced technology?	Then use **Direct invitation**
4	Can you not fix the final technical specification in advance?	Then use **Two-stage tender**
5	Can only a limited number of qualified firms supply it?	Then use **Limited tender**
6	None of the above?	Then use **Open tender**

A reading aid built from the guide's own criteria; it is not part of the instructions themselves.

Four Controls Before and During Contracting

1 Before tendering

A ratified financial allocation; an updated estimated cost (reviewed if more than a year has passed without referral); quantity schedules and accurate technical specifications prepared from the Ministry of Planning's standard documents.

2 Specialised experience

The decisive qualification test for external parties: proof of similar projects or earlier contracts in type, size and complexity.

3 Guarantees and insurances

Initial insurance at submission; a good-performance guarantee letter (final insurance of 5%) before signing; foreign companies get extra flexibility on the period for final insurance.

4 Internationally financed contracts

Contracts fully financed by foreign states or organisations under international or regional agreements follow those agreements. Iraq's instructions apply only where the agreement is silent and does not forbid it.

Whatever the method, these four controls apply: funding, experience, guarantees, and the exception for internationally financed contracts.

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