PANORAMIC

PUBLIC PROCUREMENT

Israel

LEXOLOGY

Public Procurement

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LEGISLATIVE FRAMEWORK

Relevant legislation
What is the relevant legislation regulating the award of public contracts?

Under section 2(a) of the Mandatory Tenders Law of 1992:

> The State and any government corporation, religious council, health fund and institution of higher education may not enter into a contract for the execution of a transaction in goods or in land, or for the execution of work, or for the purchase of services, except pursuant to a public tender that allows every person an equal opportunity to participate in it.

Accordingly, in complying with the section, the following legislation bears relevance regarding the regulation of public contracts:

- the Mandatory Tenders Law 1992;
- the Mandatory Tenders Regulations 1993;
- the Municipal Regulations (Tenders) 1987;
- the Contract Law (General Part) 1973;
- the Contract Law (Remedies for Breach of Contract) 1970;
- the Municipal Ordinances (New Version) 1934;
- the Mandatory Tenders Regulations (Institutions of Higher Education) 2010;
- the Mandatory Tenders Regulations (Contracts of the Defence System) 1993;
- the Mandatory Tenders Regulations (Preference for Products made in Israel) 1995; and
- the Promotion of Competition and Reduction of Concentration Law 2013.

The above-mentioned legislation makes up the central legislation concerning the award of public contracts. However, there may be specific fields that have particular provisions or special legislation that would require compliance in order to engage in public procurement.

Law stated - 1 April 2026

Sector-specific legislation
Is there any sector-specific procurement legislation supplementing the general regime? If so, how does it differ from the general regime?

Yes. Aside from the general legislation pertaining to all public contracts, sector-specific compliance is found in various statutes, including:

- the Municipal Regulations (Tenders) 1987;
- the Mandatory Tenders Regulations (Institutions of Higher Education) 2010;
- the Mandatory Tenders Regulations (Contracts of the Defence System) 1993;
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the Mandatory Tenders Regulations (Preference for Products made in Israel) 1995; and

- the Municipal Ordinances (New Version) 1934.

Law stated - 1 April 2026

EU or international law
In which respects does the relevant legislation supplement obligations under applicable EU or international law, such as the EU procurement directives or the GPA?

Israel is not bound by the EU procurement directives or the Agreement on Government Procurement (GPA) as it is neither a member of the European Union nor a signatory to the GPA. However, section 5A(b) of the Mandatory Tenders Law states that the locally promulgated regulations will not be given preference and will accordingly not apply in an instance in which they conflict with the state's obligations in the international arena. In tenders that are subject to the GPA, the government authority will be required to conduct itself accordingly. There are certain exceptions to the aforementioned but, generally, the GPA directive will apply.

Law stated - 1 April 2026

Proposed amendments
Are there proposals to amend the legislation eg, to comply with EU law requirements, and if so when?

As far as we are aware, there are currently no proposals to change the legislation.

Law stated - 1 April 2026

APPLICABILITY OF PROCUREMENT LAW

Contracting authorities
Which, or what kinds of, entities are subject to procurement regulation?

The application of Israeli procurement legislation to entities is rooted in two sources: tender law and municipal regulations. In terms of section 2(a) of the Mandatory Tenders Law, a 'public body' is defined as the state and any government corporation, religious council, health fund and institution of higher education.

The local authorities issued the Municipal Regulations (Tenders), in terms of which the duty to conduct tender procedures (subject to specific circumstances) is incumbent upon all local authorities in Israel.

Entities that are not included in section 2(a) of the Mandatory Tenders Law and are not local authorities are not directly required to conduct tender procedures. However, the Supreme Court has previously held that even public entities that are not directly subject to the regulations are bound by the general principles of public procurement, even though this is not expressly stipulated by the law and the regulations.

According to section 1B(a) of the Mandatory Tenders Regulations, there is a preference that a public body conduct public tenders to the extent that the provision mandates that a public body shall opt to contract by way of a regular public tender, even where the Regulations permit to contract other than by way of a regular public tender. Accordingly, even a public body that is exempted from tendering should still follow this procedure.

However, in accordance with section 1B(d), if a public body elects to contract other than by way of a tender, this decision shall be made in accordance with the Regulations, after examining the feasibility of conducting a tender and insofar as this is justified and reasonable in the circumstances of the case. Therefore, the option of a public body not having to conduct a tender process is subject to the fulfilment of certain conditions.

In this regard, section 3 of the Regulations sets out numerous grounds on the basis of which a public authority may be exempted from tendering. These grounds are subject to factors such as the value of the contract, the subject matter thereof or whether the contract requires urgent execution. Since not contracting by way of a tender is subject to both statutory and subjective criteria, there is no automatic rule that exempts public bodies from the tender process.

Law stated - 1 April 2026

Contract value
Are contracts under a certain value outside the scope of procurement regulation? If so, what are these threshold values?

According to section 3(1) of the Mandatory Tenders Regulations, a ministry's entry into a contract for the execution of a transaction in goods or in land, for the performance of work or for the purchase of services does not require tendering where the contract is one of the following:

- A contract for a value of no more than 50,000 shekels. However, in any consecutive period of 12 months, the ministry may not contract with a particular party, without a tender, pursuant to this paragraph, for a total sum of more than 100,000 shekels, including contracts concluded in this period as continuation contracts, as defined in paragraph (4), of a contract originally made under this paragraph.
- A contract involving a transaction in respect of which the holding of a tender can cause significant harm to the state's security, its foreign relations and economy, public security or a professional or trade secret of the ministry if the value of the contract does not exceed 2.5 million shekels. If the value of the contract exceeds 2.5 million shekels, such a contract would require the approval of the Accountant General or whomever he or she has authorised in that regard.

In addition, according to section 34, which deals specifically with government companies, a contract of a government company for the execution of a transaction in goods or in land, for the execution of work or for the purchase of services does not require tendering if it is one of the following:

- a contract whose value does not exceed 200,000 shekels (or 600,000 shekels with respect to companies with an annual volume of contracts above 1 billion shekels); or
- a contract of a company in privatisation, as defined in the Government Companies Law 1975, with an annual volume of contracts above 2,080 million shekels, provided the contract value does not exceed 3 million shekels.

Falling below the financial threshold is not the only criterion that would dispense with the procurement procedure. In other instances, such as in respect of Bank of Israel contracts involving the production of currency or imports by the defence establishment that are funded by foreign military financing, there is no need for a procurement process. Regulations provide for numerous additional exemptions (subject to conditions and approvals), including certain urgent engagements, certain engagements where a tender could materially harm state security or other protected interests, and specific categories of engagements by particular public entities (eg, certain contracts of the Bank of Israel involving the production of currency).

Law stated - 1 April 2026

Exempt contracts
What types of contracts are exempt from procurement regulation?

There is no need for a procurement process in instances such as Bank of Israel contracts involving the production of currency or imports by the defence establishment that are funded by foreign military financing.

Law stated - 1 April 2026

Regulation of concluded contracts
Does the legislation permit the amendment of a concluded contract without a new contract award procedure? If so, please explain in what circumstances and whether some types of amendments are expressly prohibited.

Section 8A(a)(11) of the Mandatory Tenders Regulations includes, as one of the powers of the Tender Committee, the ability to "approve a material change in the terms of a contract that was concluded pursuant to a tender". To this extent, amending a contract without a new procurement procedure generally requires the approval of the Tender Committee. Assuming the approval is not provided and the requested amendment is material, it is probable that a new procurement procedure will be required.

Notwithstanding the aforementioned, once the tender stage has been concluded and the project is in the contract stage, there are certain circumstances in which the contract can be changed or adjusted without a new procurement procedure. This is especially relevant to long-term contracts when circumstances arise that could not have been foreseen from the outset. Naturally, the ability to amend the contract will be subject to the rules of administrative and contract law.

In addition, public authorities that are governed by their own legislation will not be bound by the provisions of the Mandatory Tenders Law or Regulations. For example, as is set out in the definition section of the Regulations, a 'public body' specifically excludes the defence establishment from its ambit. Therefore, when an amendment to a concluded contract is required by an authority that is governed by specific legislation, section 8A must be read with the relevant applicable legislation.

Law stated - 1 April 2026

Regulation of concluded contracts

Has case law clarified the extent to which it is permissible to amend a concluded contract without a new contract award procedure?

Yes. In ***Millennium Services and Logistics Ltd v Israel Ports Development & Assets Company Ltd (***(Administrative Petition 45137-11-16, published in *Nevo*, 18 December 2016), the Tel Aviv Administrative Court stated the following to substantiate the grounds for changing a concluded contract:

> The relevant authority is entitled to draft additional sections that are forward-looking or that provide it with more tools to make changes in the tender conditions or contractual terms (or both) pursuant to law (regulation 8A(a)11) and, in accordance with the conditions of the tender, the contract and the 'spirit of the contract' and, pursuant to the authority conferred on it, as well as by virtue of case law, reasonableness and logic.

The Court held in paragraph 75 of its judgment that:

> need to change the contractual terms arises from a real change in circumstances, in which the original wording of the contract no longer correlates with the Authority's requirements and does not serve the purpose of the contract and a change in the terms of the contract is truly inevitable and occurred under unforeseeable circumstances, the foregoing long after conclusion of the tender procedure and execution of the long-term contract (many months) without any change having been made to the essence of the contract and the content dealt with therein and without it having been possible to foresee the new reality that has been created, which is also temporary.

There must be no concern of or opening for corruption, collusion or bad faith by any of the parties, and there is no room for the court to intervene in the decisions of the tender committee that accepted the decision to approve the change in the contractual agreement.

In addition, the Court stipulated that a contract may be changed where:

- policy considerations favour making it easier to implement changes and adjustments in a contract, especially in a complex long-term contract (between 15 and 25 years) (which depends on many factors and third parties) and in which a change is inevitable as the ability to foresee all of the circumstances associated with its execution barely existed (eg, in a case in which an unexpected difficulty in performance is discovered);
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the cancellation of the contract or the publication of a tender are not appropriate solutions;

- events occurred and under those circumstances, it was not possible to foresee difficulties – for example, where the implementation of a change is economically effective and beneficial, and the best and least damaging option;
- a strict approach was adopted of not changing the terms of the contract that was signed following the tender because of a possibility of corruption and fear of abuse and of creating a 'slippery slope', but these concerns were unfounded; and
- no harm has been caused to the principle of equality.

Accordingly, it is evident that court judgments – after examining criteria such as the potential for corruption and bad faith, ensuring the maintenance of equality, and considering the consequent impact of the legislative changes – are empowered to ratify changes to concluded tender contracts even if these changes affect the material nature of the tender.

Law stated - 1 April 2026

Regulation of concluded contracts
Does the legislation regulate any other aspects of the management and performance of concluded contracts?

Once the tender stage has been concluded and the project is in the contract stage, barring instances in which a change is required that prompts a new procurement procedure, the management and performance of the concluded contract – especially with regard to public authorities that are governed by their own legislation – will not be bound by the provisions of the Mandatory Tenders Law or Regulations. For example, as is set out in the definition section of the Regulations, a 'public body' specifically excludes the defence establishment from its ambit. Therefore, when an amendment to a concluded contract is required by an authority that is governed by specific legislation, section 8A(a)(11) – which allows the Tender Committee to approve a material change to a concluded contract – must be read with the relevant applicable legislation.

Law stated - 1 April 2026

Privatisation
In what circumstances do privatisations require the carrying out of a contract award procedure? For example, if a public entity or activity is transferred to the private sector, is a contract award procedure required?

According to section 34(2a) of the Mandatory Tenders Regulations, a contract of a government company for the execution of a transaction in goods or in land, for the execution of work or for the purchase of services does not require tendering if it is a contract of a company in privatisation, as referenced in the Government Companies Law 1975. According to this Law, a 'government company' is defined as a company in which more than half of the voting power in its annual general meeting or the right to appoint more than half of the number of its directors is held by the state or by a subsidiary thereof. If such a company has an annual volume of contracts above 2,080 million shekels and provided the value of the contract at stake does not exceed 3 million shekels, it will not require tendering.

In addition, even a public company that undergoes privatisation or a semi-private company (eg, Israel's national air carrier El Al) can be subject to the legal principles and obligations that would ordinarily apply to a public entity. Furthermore, in an instance in which a private body applies the procedures for a government body, administrative law doctrines will apply that will govern the procurement obligations of that body.

Law stated - 1 April 2026

Public–private partnership
In which circumstances does the setting up of a public–private partnership (PPP) require the carrying out of a contract award procedure?

In accordance with the tendering principles contained in section 1A(a) of the Mandatory Tenders Regulations, a public body is required to hold a tender or a specific invitation process pursuant to a central tender ensuring maximum advantages for the public body.

As the setting up of a public–private partnership (PPP) involves a partnership between a public and a private entity, the public entity's obligations will govern the nature and obligations of the contract. Accordingly, setting up a PPP will always require a procurement procedure unless specifically directed otherwise.

Law stated - 1 April 2026

ADVERTISEMENT AND SELECTION

Publications
In which publications are calls for the expression of interest in regulated contract awards advertised?

Section 15 of the Mandatory Tenders Regulations provides the following requirements with regard to publication:

- If a ministry wishes to enter into a contract that requires a public tender, the Tender Committee shall publish a notice to that effect in a widely circulated Hebrew newspaper, an Arabic-language newspaper and on its website. The notice on the website must also be in Hebrew and Arabic, and it must be published within a reasonable period of time before the deadline for the submission of bids.
- A notice regarding the holding of a public tender shall set out, among other things:
    - the nature of the proposed contract and a description of its subject, including an option to expand the scope of the contract;
    - the period of the proposed contract, including an option for extending the period;
    - preconditions, if any, for participation in the tender under section 6 (Preliminary Conditions for Participation in a Tender) or for the rejection of a bid in a tender

for the purchase of manpower-intensive work or services under section 6A (Conditions for Rejection of a Bid);

- the time and place where additional details and the tender documents can be received, and the payment for the tender documents, if any is required;
- the deadline and place for submitting bids; and
- whether the tender is a negotiated tender, a tender with a pre-qualification stage, a tender with a two-stage evaluation, a public tender with an additional competitive process, a dynamic automated tender or an expedited automated tender.

- If notice of the holding of a public tender is published as stated in this regulation, the tender committee may publish the contents of the notice publicly in one or more foreign countries or by sending it to at least two bidders domiciled in a foreign country.
- In addition to that stated in section 15(a), a notice of the holding of a public tender shall be disseminated by email to any person who requested to be included in the list of subscribers for notices under this section.
- The Accountant General shall publish, on the website, in a notice in Reshumot (Israel's law gazette) and at reasonable intervals in a widely circulated newspaper and in an Arabic-language newspaper, the manner of joining the list of subscribers as stated in section 15(e).

Law stated - 1 April 2026

Publications
Does the relevant legislation stipulate when the procurement documents must be made available to interested parties and participants?

According to section 17(c) of the Mandatory Tenders Regulations, a tendering notice (provided for in section 15) shall specify the time and place for perusal of the documents.

Law stated - 1 April 2026

Publications
Does the relevant legislation impose any other specific requirements in relation to the conduct of preliminary market engagement?

Section 6 of the Mandatory Tenders Regulations sets out the preliminary conditions for participation in a tender:

- Registration in any register maintained by law that is relevant to the subject of the contract, as well as the existence of the licences required by law;
- If an official Israeli standard, within the meaning of the Standards Law, 5713-1953, exists for the subject of the contract – compliance with the requirements of the standard;
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The existence of all the approvals required under the Public Bodies Transactions Law, 5736-1976; and

- In a tender for the purchase of manpower-intensive work or services, the provision of a written affidavit of the bidder and the holders of control therein regarding the bidder's compliance with the duties relating to the preservation of employee rights under the labour laws, the extension orders and the collective agreements applying to the bidder as an employer for purposes of providing the work or services. In this regard, 'holder of control' is as defined in section 6A(a)(2) of the Mandatory Tenders Regulations and 'written affidavit' is within the meaning of Title A in Chapter B of the Evidence Ordinance [New Version] 5731-1971.

In addition, section 6(b) of the Regulations states:

> Participation in a tender may be made subject to other pertinent conditions, including conditions relating to the experience of the party interested in participating in the tender, its qualifications, the scope of its activity, compliance with the requirements of any unofficial Israeli standard, the importance of the place where its business is carried on, and the availability of recommendations about it.

Law stated - 1 April 2026

Conditions of participation
Are there any limits on the ability of contracting authorities to determine the basis on which to assess whether an interested party is qualified to participate in a contract award procedure?

An authority’s Tender Committee can set threshold conditions to assess qualifications to participate in a tender procedure. However, these criteria and threshold conditions must correlate to the requirements and nature of the tender, so that the imposed criteria do not limit or broaden the qualifications to the extent that they no longer fit the tender requirements. If it becomes clear that the criteria are incompatible with the tender requirements, the court should review the authority’s discretion to prevent a situation in which a concern may be raised that the tender will be construed in favour of a bidder.

Law stated - 1 April 2026

Conditions of participation
To the extent that past irregularities constitute a relevant consideration in assessing whether an interested party should qualify for participation in a contract award procedure, is there a centralised platform for monitoring such irregularities?

According to section 24(a)(5) of the Mandatory Tenders Regulations, the Accountant General has the discretion to, without derogating from their powers under any law, establish in the Administrative Code administrative provisions regarding the implementation of the Law and these Regulations, including:

> Provisions for assessing the quality of suppliers' implementation of their contracts with the State, and the score weighting which shall be determined based on such assessments in other tenders in which they participated, including conditions under which a supplier shall be prevented from participating in tenders owing to the quality of his implementation of such contracts in the past.

Law stated - 1 April 2026

Conditions of participation
Is it possible for bidders to rely on third parties to satisfy participation criteria and if so, is this subject to certain conditions?

Generally speaking, the specific requirements of the tender will dictate whether or not bidders may rely on third parties to satisfy various requirements. Similarly, the conditions to which such reliance may be sought (if applicable) will also be stated. For example, in major infrastructure projects in which a new company is being formed for the express purpose of participating in the tender, it will have to rely on its parent company in order to satisfy the threshold requirements, the financial requirements or both. Alternatively, a tender may insist that certain works must be able to be demonstrated by the bidders itself while other works in the project may rely on a parent company or subsidiary to satisfy contractual requirements. Furthermore, the bidding documents may require the bidder to demonstrate that they possess all of the necessary experience to fulfil the tender's requirements without reliance on any other party.

Law stated - 1 April 2026

Conditions of participation
Is it possible to limit the number of bidders that can participate in a contract award procedure? If so, on what basis, and what is the minimum number of bidders that must be invited to participate?

Yes. There are various ways to limit the number of bidders participating in a tender procedure, including:

- via a closed tender procedure (in accordance with section 4 of the Mandatory Tenders Regulations and pursuant to the procedure set out in section 16A);
- via a referral from a supplier list (in accordance with section 3A of the Mandatory Tenders Regulations and pursuant to the procedure set out in section 16A); and
- pursuant to a restriction made on a conditional basis that, although the tender may appear to be open to any potential body to submit a bid, there is a practical factor that would distinguish between entities that are eligible to apply and those that are not. This option may be rendered possible only in instances in which the conditions imposed by the authority do not contradict the requirements and the nature of the tender.

Law stated - 1 April 2026

Regaining status following exclusion
How can a bidder that could be excluded from a contract award procedure because of past irregularities regain the status of a suitable and reliable bidder?

There is no built-in mechanism to 'clean' a body that has been convicted of criminal activity and, therefore, a company's criminal record may well result in disqualification from the tender. In each instance, whether disqualification is applicable to the company will depend on the circumstances. For example, in tenders in which one of the threshold conditions is contingent upon the absence of a criminal record for a specific number of years or where there exists a requirement for a certificate of integrity from the company's management, the inability to comply therewith will exclude the company from participation in the tender. However, the Criminal Register and Return Regulations Law 1981 provides that after a certain period of time – depending on the offence – the offence can no longer be considered by a public body in its deliberations. Nevertheless, the periods of time are usually significant.

Furthermore, according to section 22(a)(6) of the Mandatory Tenders Regulations, one of the categories of criteria to be taken into account for bid selection is the bidder's conduct with respect to the preservation of employee rights, including the existence of a written negative opinion or a negative audit report in that regard by a ministry with which the bidder contracted during the three years prior to the deadline for the submission of bids.

Law stated - 1 April 2026

THE PROCUREMENT PROCEDURES

Fundamental principles
Does the relevant legislation require compliance with certain fundamental principles when designing and carrying out a contract award procedure?

The legislation considers equality, transparency and competition as paramount in procurement procedures. Section 1A of the Mandatory Tenders Regulations requires that:

- a public body shall hold a tender or a specific invitation process pursuant to a central tender as transparently as possible in the circumstances of the case and on a fair and equitable basis, ensuring maximum advantages for the public body; and
- a public body that has decided to contract other than by way of a tender pursuant to these Regulations shall conduct the processes leading to the contract as closely as possible to the principles specified in section 1A(a).

Law stated - 1 April 2026

Conflicts of interest

Does the legislation address expressly the issue of conflicts of interest?

According to section 10(c) of the Mandatory Tenders Regulations, if a member of the Tender Committee, their relative, a corporation in which they hold an interest, an expert or adviser, or a member of a subcommittee has a personal or institutional interest in a matter under consideration by the Committee, they may not participate in the meeting, and another member shall be appointed in their place in respect of that matter. For the purposes of the clause, a 'relative' includes a person's spouse, sibling, parent or child and the parent or spouse of each of them, and an 'interest holder' carries the meaning set out in the Securities Law 1968. In addition, Tender Committees are independent and are subject to the authority of the Accountant General and the Attorney General, and not to any other political authority. The accountant and legal adviser in the Committee have veto power regarding decisions in financial or legal matters, respectively.

A significant portion of tender law precedent has been devoted to the issue of conflicts of interest and external considerations. Courts have designed a series of tests to examine the nature and extent of conflicts of interest in the tender committee's work, and this is one of the significant stop-gap mechanisms that courts use when evaluating the decisions of the committee. With reference to precedent, the test of whether a conflict of interest exists, specifically in the realm of tender law, is an objective test according to which the very existence of a conflict of interest may cause the invalidity of the Tender Committee's decision, taking into account the severity of the violation of the principles of tender law and equality.

Furthermore, in the matter held in the Administrative Court of Tel Aviv 15827-12-11 ***Mahanav HaBehad City Ltd v State of Israel et al*** (published in ***Nevo***, 10 January 2012), the court quoted ***IBM Israel v Ministry of Justice*** (HCJ 202/90) and stated that the question of where the 'chain' of conflict of interest stops will be from the same link from which an objective conflict of interest will no longer arise. The test is not causal factual, but rather normative. Conflicts of interest reflect a socio-ethical view of the proper conduct of a person acting on behalf of others. This view is derived from public employees and a company's will to maintain public trust in government authorities.

Each case is examined on the basis of its circumstances, and to the extent that it seems important to ensure that no conflicts of interest exist, then it will be necessary to examine whether the appearance of such a conflict carries with it the intensity to warrant a disqualification or, alternatively, whether enough time has elapsed between the termination of the work that could have suggested a conflict but a sufficient cooling-off period has passed.

Accordingly, there is no rule of automatic disqualification in any potential conflict of interest situation and even if there is some degree of conflict of interest, this does not lead to a prohibition of a connection being created.

Law stated - 1 April 2026

Bidder involvement in preparation
Are there any restrictions on the ability of a bidder to be involved in the preparation of a contract award procedure?

The responsibility for drafting the tender documents and the contract attached thereto is that of the Tender Committee in conjunction with the professional body or bodies that accompany the committee in the execution of its duties. The authority for the tender and any consideration with regard thereto fall solely under their auspices. However, there are a number of actual or potential practices recognised by Israeli law that allow for a dialogue between the tender committee and the bidders with regard to the tender provisions, some of which will be presented below.

The tender documents are presented upon publication of the tender and are provided to all bidders. Several options have been developed in Israel to try to change certain provisions in the tender documents and the accompanying contract, primarily by the submission of clarification questions. The 'clarification questions' stage is a preliminary procedure within the tender process that occurs prior to bid submission. Bidders may refer questions and requests for amendment to existing provisions to the Committee. The Committee has the discretion to accept or reject suggested amendments and will provide clarity on any questions posed.

To the extent that the Committee does not accept the proposed changes, the bidder may lodge an appeal in an administrative proceeding, request a postponement to the bid submission date or request the court's intervention. In exceptional cases, there is also a stage known as the 'request for information' stage, in which the committee initiates a preliminary procedure for potential bidders and requests that they demonstrate their capabilities in a particular area. Compliance with this step can help the bidder to formulate where the focus of its activity lies in relation to the tender documents.

Law stated - 1 April 2026

Procedure

Which procurement procedure is primarily used for the award of regulated contracts?

Section 1A of the Mandatory Tenders Regulations requires that public bodies hold either a tender or a specific invitation process pursuant to a central tender, as transparently as possible in the circumstances of the case and on a fair and equitable basis, ensuring maximum advantages for the public body. Moreover, section 1A(b) states that a public body that has decided to contract other than by way of a tender pursuant to the Regulations shall conduct the process as closely as possible according to the principles required for a tender. The preference for the aforementioned procedure – as reflected in both the legislation and case law – stems from reasons of good governance, the implementation of the principle of equality and ensuring the greatest possible inclusion of bidders.

The Regulations set out various other types of tenders utilised by contracting authorities, including a restricted public tender or a closed tender, or the granting of an exemption from the tender procedure in accordance with the unique requirements relevant to the particular tender process.

Law stated - 1 April 2026

Procedure
Do contracting authorities have the flexibility to choose which of the available procedures to use in the procurement of a contract or are certain procedures available only when certain conditions are met?

Notwithstanding the flexibility afforded to contracting authorities in certain instances, section 1B(a) of the Mandatory Tenders Regulations expresses the prevailing position of the legislative view in this regard:

> A public body shall opt to contract by way of a regular public tender, even where it is permitted under these Regulations to contract other than by way of a regular public tender.

Accordingly, even in instances in which there is flexibility to choose, contracting authorities are encouraged to use public tenders.

Law stated - 1 April 2026

Procedure
In what circumstances does the legislation permit the direct award of a regulated contract?

Section 1A of the Mandatory Tenders Regulations requires that public bodies hold either a tender or a specific invitation process pursuant to a central tender, as transparently as possible in the circumstances of the case and on a fair and equitable basis, ensuring maximum advantages for the public body. Moreover, section 1A(b) states that a public body that has decided to contract other than by way of a tender pursuant to the Regulations shall conduct the process as closely as possible according to the principles required for a tender. The preference for the aforementioned procedure – as reflected in both the legislation and case law – stems from reasons of good governance, the implementation of the principle of equality and ensuring the greatest possible inclusion of bidders. Accordingly, the direct award of a regulated contract that dispenses with these requirements is unlikely to be sanctioned by the legislation.

Law stated - 1 April 2026

Separate bids in one procedure
Can related bidders submit separate bids in the same procurement procedure? If yes, what requirements must be fulfilled?

Although neither the Mandatory Tenders Law nor the Regulations contain provisions that deal with the submission of separate bids by related bidders, in accordance with the basic principles of administrative and tender law, a bidder will not be able to submit more than one tender per procurement procedure and, accordingly, related entities will not be able to submit parallel bids. Any possibility enabling this practice could undermine the tenets of tender law, most notably the principle of equality. In exceptional cases only, such as special circumstances that justify such an exception (eg, a tender of few bidders or entities operating in different and separate segments of the activity for which the tender has been published), and with the prior written approval of the tender authority, bids from related entities may be submitted as long as the principle of equality is maintained.

Law stated - 1 April 2026

Negotiations with bidders

Is the use of procedures involving negotiations with bidders subject to any special conditions? If so, what are these conditions?

According to section 7(a) of the Mandatory Tenders Regulations, negotiations can be conducted as part of a tender process, but only if provisions allowing these negotiations are contained in the tender documents.

In such circumstances, section 7(c)(2) of the Regulations requires that, subsequent to the Tender Committee determining the final group of bidders, it shall hold negotiations with every bidder therein, giving a fair opportunity to all the bidders with whom it negotiates. These negotiations should be conducted:

- in a manner that ensures the writing of minutes that reflect the content of the negotiations;
- in the presence of the legal adviser who is a member of the Committee or their representative; and
- without there being any contact between a member of the tender committee or anyone on their behalf and any of the bidders, except by way of documented negotiations.

Additional conditions for the negotiations are set out in section 7(c)(3) to (6) of the Regulations, as follows:

- Any action done in the framework of the negotiations, including the application to the bidder, any exchange of words and documents and the contents of the negotiations, shall be recorded in minutes;
- At the conclusion of the negotiations, every bidder in the final group of bidders shall be entitled, on a date to be determined by the Tender Committee, to submit a final bid to the tender box. If a bidder does not submit an additional bid, its first bid shall be the final one;
- Following the submission of the final bids, no further negotiations shall be conducted with the bidders; and
- The Tender Committee shall examine all the bids, including the bidders' first bids, and shall reach a decision.

Furthermore, complex bids must be recognised from the perspective of practicality in the process of the negotiations by promoting the success of the 'best and final' submission. In accordance with this approach, the tender procedure comprises two separate bidding phases. In the first phase, all qualifying financial proposals are opened and assessed. The price is then raised, which, in turn, triggers the second phase in which only the proposals that meet the higher price will be considered. In practice, this additional negotiation process may be carried out between several bidders either in an open meeting with the bidders or via an online submission.

Law stated - 1 April 2026

Negotiations with bidders
If the legislation provides for more than one procedure that permits negotiations with bidders, which one is used more regularly in practice and why?

Section 7 of the Mandatory Tenders Regulations sets out the format and practice commonly used for negotiations with bidders. This is an acceptable and easy-to-implement format that enables an authority to receive the best financial offers from all eligible bidders, in a way that maintains transparency and the principle of equality.

Law stated - 1 April 2026

Framework agreements
What are the requirements for the conclusion of a framework agreement?

According to section 17F of the Mandatory Tenders Regulations, a 'framework tender' is a public tender in which more than one supplier is selected and framework agreements are signed with each one in accordance with the tender terms. The identity of the supplier from whom each procurement order for goods, work or services will be made is determined during the period of the framework agreement in accordance with the terms of the framework tender. The framework agreement is for the purchase of goods, work or services, which have been concluded with a particular supplier on a particular subject and for a defined period where the details of the goods, the work or the services, as well as their quantity or scope, are not known at the time the agreement is concluded and are determined by the employer by way of procurement orders during the period of the agreement.

The Tender Committee may hold a framework tender for the minimum period required in the circumstances (this period may not exceed five years), during which time the tender confers on the tender holder a substantial advantage in the terms of purchase of the goods, the work or the services, or where the holding of such tender will serve to substantially increase the efficiency of the ministry's work, provided one of the following conditions is fulfilled:

- the contract involves the provision of standard goods, work or services that can be accurately described; or
- the contract involves the provision of complex goods, work or services whose characteristics or features can be described in general terms only.

According to section 17F(e), if a framework tender is held, every procurement order for goods, work and services pursuant thereto shall be executed in the following manner:

- The Tender Committee shall invite bids from all the framework tender suppliers, in the manner provided for, if at all, in the tender (in this regulation, via specific invitation);
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The framework tender suppliers shall submit their bids in response to the specific invitation according to the terms established in the framework tender. The bid price for each item or unit procured may not exceed the bid price per item or per unit specified in the framework tender, where such price was set;

- The Tender Committee shall select a supplier that shall supply the specific procurement order in accordance with the terms of the framework tender;
- The tender committee shall not hold negotiations with the framework tender suppliers pursuant to the specific invitation;
- If the framework tender is held as a central tender, the Tender Committee for that purpose shall be the Tender Committee of the procuring entity; and
- The Accountant General may publish in the Administrative Code:
    - instructions as to the manner of execution of the specific invitation, the manner of submission of the response to the specific invitation and the manner of selection of the supplier to supply the goods, the work or the services pursuant to the specific invitation; and
    - instructions as to the terms of execution of a specific invitation for a contract with a value of no more than 50,000 shekels, and it may determine that such an invitation shall be executed other than by the Tender Committee or that such an invitation shall not be made to all the framework tender suppliers.

Law stated - 1 April 2026

Framework agreements
Are there any limitations on the duration of framework agreements?

According to section 17F(c) of the Mandatory Tenders Regulations, the Tender Committee may hold a framework tender for the minimum period required in the circumstances (this period may not exceed five years), during which time the tender confers on the tender holder a substantial advantage in the terms of purchase of the goods, the work or the services, or where the holding of such tender will serve to substantially increase the efficiency of the ministry's work, provided one of the following conditions is fulfilled:

- the contract involves the provision of standard goods, work or services that can be accurately described; or
- the contract involves the provision of complex goods, work or services whose characteristics or features can be described in general terms only.

Law stated - 1 April 2026

Framework agreements
Is it possible to conclude a framework agreement with several suppliers? If yes, does the award of a contract under such framework agreement require an additional competitive procedure?

Yes. According to Israeli law, a framework agreement may be concluded with several suppliers, with a variety of options and mechanisms, as long as this is set out in the tender documents and in accordance with the applicable law.

First, there is the possibility of splitting the winning bid between multiple suppliers in accordance with disciplines, regions or performance ranges, in which several of the highest-ranked winners (based on a financial component, a quality component or a combination of each as determined by the Committee) are selected by the Tender Committee. The tender documents may also require the additional winners to compare their financial proposals to determine the most beneficial option from the point of view of the employer.

Another possibility is that the tender allows for the selection of a series of winners, which will be potential suppliers for future tenders of the authority (the preparation of a framework tender).

Law stated - 1 April 2026

Changing members of a bidding consortium

Is it possible to change the members of a bidding consortium during the course of a contract award procedure? If so, explain whether this is subject to any conditions.

The Mandatory Tenders Regulations do not contain any specific provisions in this respect. However, the bidding documents will either allow or prohibit a change to the consortium members. In the event that provision is made for a change, it will usually be subject to additional conditions, such as preventing the change for a specified duration following a specific event in the process, providing written notification to the relevant authority and obtaining approval for the change. In accordance with the basic principles on which Israeli tender law is based – first and foremost being the principle of equality – a change to the bidding consortium's structure should be avoided during the tender process, as this may result in a violation of equality and, in effect, create a new bidding structure at a late stage close to the final date for bid submission.

However, tender law makes accommodation for complex tenders (mainly in the field of infrastructure), which may last for years and include preliminary stages such as a pre-qualification stage during which the employer can change the structure of the consortium during the tender process – in special circumstances that justify such a change and subject to advance written and preliminary approval, which will be extensively considered by the Tender Committee.

Law stated - 1 April 2026

Participation of small and medium-sized enterprises

Are there specific rules which seek to encourage the participation of small and medium-sized enterprises in contract award procedures?

There are no mechanisms to further the participation of small and medium-sized enterprises (SMEs). That said, the courts have repeatedly stated that the tender provisions – and, in particular, the threshold conditions thereof – should be determined in accordance with the requirements of the tender in such a way that they serve to expand the circle of bidders and to allow for combinations of companies and SMEs to participate.

SMEs have the same access to information as larger consortiums, in respect of public tenders and the regulations that allow the division of the bids into smaller lots to increase the possibilities of SMEs participating in public procurement. For example, section 8A(5) of the Mandatory Tenders Regulations allows the tenderer to choose several suitable bids as provided in the Regulations.

Law stated - 1 April 2026

Variant tenders
What are the requirements for the admissibility of variant tenders? Are bidders free to decide whether to submit a variant tender or is the subject to the contracting authority expressly permitting this in the tender documentation?

The Mandatory Tenders Regulations do not contain any specific provisions in respect of variant bids. To that extent, contracting authorities may allow bidders to submit variant bids if so provided in the tender documents. It would be expected that in an instance in which the tender documents make provision for variant bids, contracting authorities must set out the requirements that should be met to comply with the tender conditions. Design–build tenders are an example of tenders in which bidders can offer different design alternatives to be executed. Naturally, for the most part, the employer will retain the option and discretion as to which alternative to choose out of the several alternatives offered by the bidder.

Law stated - 1 April 2026

Variant tenders
Is a contracting authority obliged to consider any variant tenders that might have been submitted?

A contracting authority is not required to take variant bids into account.

Law stated - 1 April 2026

Tender specifications
Does the relevant legislation stipulate how the tender specifications must be prepared?

According to section 20(d) of the Mandatory Tenders Regulations, the Tender Committee is required to disqualify bids if they are lacking, erroneous or based on incorrect assumptions or on a misunderstanding of the subject matter of the tender, as well as bids from which it is apparent that implementation of the contract will result in an infringement of employee rights (unless the committee has decided otherwise for special reasons to be recorded). According to section 20(e), the committee may invite a bidder to clarify details of its bid, as well as other details needed by it to reach a decision. The extent to which the bidder has infringed the principle of equality in its submission will be derived from the characteristics of the proposal.

Law stated - 1 April 2026

Award criteria

Does the relevant legislation specify the criteria that must be used for the evaluation of submitted tenders? What are the legal limits for a contracting authority when determining the award criteria?

According to section 22 of the Mandatory Tenders Regulations, the criteria for the selection of the bid conferring maximum advantages on the tender holder are, wholly or partly:

- the price proposed or requested, as the case may be;
- the quality and any special features of the goods or the land, the work or the service proposed, and their suitability for the tender holder;
- the bidder's credibility, qualifications, experience, expertise and areas of specialisation;
- recommendations about the bidder, if required under the tender conditions, and the degree of satisfaction with the manner of performance of previous contracts;
- special requirements of the tender holder; and
- the bidder's conduct with respect to the preservation of employee rights, including the existence of a written negative opinion or a negative audit report in that regard by a ministry with which the bidder contracted during the three years prior to the deadline for the submission of bids.

In addition, in accordance with section 22(b), the Tender Committee is required to set out in detail in the tender documents all the criteria and secondary tests, the relative weight to be given to the selection of the bid that confers maximum advantages on the tender holder and the weighting method.

Law stated - 1 April 2026

Award criteria

Does the relevant legislation permit the refinement of the award criteria during the procurement procedure and, if so, in what circumstances?

According to section 22(c) and (d) of the Mandatory Tenders Requirements, the Tender Committee is indeed entitled to refine the award criteria. For example, if it has assigned relative weight to the criteria:

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the Committee shall specify in the tender documents the relative weight to be given to bids for the price proposed or requested, as the case may be, compared to the quality score and the weighting method; and

- the Committee shall specify in the tender documents the relative weight of each of the criteria and of the secondary tests for the criteria if any were set. The Committee shall be entitled, in exceptional cases, not to publish the relative percentages of the criteria under this paragraph, the aforesaid secondary tests and the weighting method, if it is persuaded that such publication could hinder the proper conduct of the tender process, for reasons to be recorded.

The Committee may also set in the tender documents a minimum quality score, and it may determine in the tender documents, if so required in the circumstances of the case, that if the number of bids of the final group of bidders is higher or lower than a particular number, the minimum quality score shall change.

Law stated - 1 April 2026

Abnormally low tenders
Does the relevant legislation specify what constitutes an 'abnormally low' tender?

Neither the Mandatory Tenders Law nor the Regulations define an 'abnormally low bid'. Rather, it is the discretion of the tender holder to decide whether or not a submitted bid appears to be abnormally low, considering the requirements of the bid.

Law stated - 1 April 2026

Abnormally low tenders
Does the relevant legislation specify how to deal with abnormally low tenders?

In accordance with section 5A of the Mandatory Tenders Regulations, a ministry's entry into a contract for the performance of professional work requiring special knowledge and expertise shall carry a specified contract value depending on the nature of the tender (ie, a competitive invitation for bids will differ in value from a public tender). According to subsection 5A(c)(2), bids that deviate by more than 15% from the median of the price proposals, in an instance in which at least five bids have been submitted, must be disqualified, provided that at least half of the valid bids submitted in the tender have not been disqualified. Accordingly, the disqualification of the bid will be the course of action in handling an abnormally low bid.

The submission of a bid that significantly deviates from the estimate may indicate the unreasonableness of bid prices and may even be grounds for rejecting the offer. A significant deviation from the estimate raises concerns that such a bid will result in a deficit or a loss by virtue of being an offer that is unreasonably low in relation to the estimate or in relation to the price that the tenderer considers reasonable in the circumstances. In such an instance, the bidder may be unable to meet its bid obligations or they will be of poor quality, even if it has good-faith intentions to meet its obligations.

This principle was noted in the matter of ***Gili & Joel Azaria Ltd v Israel Ports Development and Assets Company Ltd,*** 6926/10, v 21 (published in ***Nevo***, 22 November 2010), in which the court held that such a substantial deviation from the estimate requires the Tender Committee to convene a hearing with the bidder in front of the employer, to examine whether the bidder's offer is unreasonable and whether or not the bidder is able to meet the conditions of the tender on the price it has offered.

Law stated - 1 April 2026

REVIEW PROCEEDINGS

Competent review bodies
Which bodies are competent to review alleged breaches of procurement legislation? Is it possible to appeal against a review body's decisions?

The Court for Administrative Matters Act 2000 established courts for administrative matters to adjudicate administrative disputes, which were previously confined to the jurisdiction of the Israel Supreme Court. This does not mean that the tribunal of an administrative court is always the court of first instance for tender-related disputes; many authorities will be required to refer such disputes to the relevant district court for adjudication. In the instance that the decision of the district court is brought on appeal, the appeal will be lodged with the Supreme Court.

Notwithstanding the aforementioned, courts do not view themselves as the address for appeals against the decision of an authority. Rather, decisions of an authority that are brought before the court will be considered only if the relevant authority's decision contains serious administrative defects. In such an instance, the Court for Administrative Matters Act provides for the filing of an administrative petition, which is a petition challenging a decision of an administrative agency.

Law stated - 1 April 2026

Competent review bodies
Do the powers of competent review bodies to grant a remedy for a breach of procurement legislation differ?

The Court for Administrative Matters is the authority to which review applications are to be addressed. There is no intervening authority in this regard and, accordingly, any remedies granted will be granted solely by the Court for Administrative Matters.

A judgment handed down in either an administrative petition or in an administrative action can be brought on appeal to the Supreme Court. Additionally, administrative proceedings are sometimes conducted in a civil court – for example, a private body tender (as opposed to a public tender), a claim relating to a contract that was awarded following a tender and certain types of financial claims against an authority.

Furthermore, tenders are often urged to be handled by district courts – for example, municipal company tenders.

Law stated - 1 April 2026

Competent review bodies

Is there a procurement regulator or other body with oversight responsibilities over the conduct of procurements? If so, what powers does it have?

For the purposes of this question, the Court for Administrative Matters operates as the 'procurement regulator' and has the power to grant judgments pursuant to an administrative petition or an administrative action.

Law stated - 1 April 2026

Time frame and admissibility requirements

How long do administrative or judicial review procedures generally take?

Once successfully lodged, the proceedings will be subjected to the normal duration in which a decision is generally rendered, except in an instance of urgency. In the ordinary course, the duration will depend on the frequency of interim applications and decisions, and on whether or not witnesses are required. In an urgent matter, the aggrieved tenderer will have to prove urgency prior to trying the merits of its case and, assuming its urgency plea succeeds, the court will likely expedite its decision.

As a general rule, administrative procedures are usually dealt with much more expeditiously than other civil cases as they do not involve the usual submission of documents process, nor are the parties afforded the opportunity to cross-examine each other. Instead, the court conducts an examination.

Law stated - 1 April 2026

Time frame and admissibility requirements

What are the admissibility requirements for an application to review a contracting authority decision?

In accordance with the law, any bidder that took part in a tender process, including a potential bidder, is entitled to make an application to a court and contest the decision of the Tender Committee. This right will apply whether the application arises from a preliminary decision to make changes to the tender provisions, from significant decisions regarding the rejection of bids, from the transition from one stage to another in the tender process or from a decision on a winning bid.

The ability to contest the Tender Committee's decisions will be subject to the tender provisions that relate to the applicable stage of the tender (eg, there are tenders that allow for a decision to be challenged only once the winner of the tender has been selected). In addition, the relevant tender stage will also determine the nature of the remedies that can be applied for in appealing the tender committee's decision (eg, there are tenders that prohibit the submissions seeking temporary relief, which may have the effect of delaying or suspending the continued conduct of the tender procedure). Naturally, contesting a decision of the Tender Committee will also be subject to delays.

An aggrieved tenderer that wishes to file an administrative petition is likely to go through several stages, the first of which – to prevent the contract from being awarded and executed by the successful tenderer – is the application for an interim order. The court may grant an interim order simply to preserve the status quo during the trial, subject to the fulfilment of the following three requirements:

- the aggrieved tenderer must show an arguable cause of action against the contracting authority;
- the aggrieved tenderer must show that it is likely to suffer irreparable harm if the interim order is refused; and
- the aggrieved tenderer must convince the court that, on the balance of probabilities, the harm that it will suffer should the interim order be refused will be greater than the harm that the contracting authority would endure if the relief applied for was awarded.

Law stated - 1 April 2026

Time frame and admissibility requirements

What are the time limits within which applications for the review of contracting authority decisions must be made?

According to the Courts for Administrative Matters Regulations (Regulation 3), an administrative petition must be lodged within 45 days of the publication date of the contracting authority's contested decision or the date the contested decision was presented to the petitioner or the date when it was known to it. Notwithstanding this fact, even an aggrieved tenderer that lodges an administrative petition within this statutory time limit still runs the risk of its petition being denied on the basis of 'objective circumstances', which mark the petition as being lodged in delay, in spite of the fact that the delay may have been borne from circumstances over which it had no control.

Law stated - 1 April 2026

Suspensive effect

Does an application for the review of a contracting authority decision have an automatic suspensive effect on the contract award procedure? If so, is it possible for the contracting party to seek an order for the lifting of an automatic suspension, and on what basis will the review authority decide whether to lift it?

Unless an injunction is successfully obtained or an interim order granted, there is nothing preventing the successful tenderer from commencing the execution of the works. In such an instance, the aggrieved tenderer will seek relief by way of a damages claim.

There are tenders that contain provisions that prohibit the possibility of submitting claims for temporary relief. In addition, in the case of tenders in which the contract is carried out over time (eg, a tender for services), even without an automatic suspension of the tender procedure, the service provider can be substituted as long as the court has accepted its claims and the applicant was announced as the second successful bidder (under the successful bidder), which was named by the authority as such from the outset.

Law stated - 1 April 2026

Suspensive effect

Approximately what percentage of applications for the lifting of an automatic suspension are successful in a typical year?

While there are no specific numbers recorded regarding the success of removing automatic suspensions, the chances for success when bringing an administrative petition are generally low. Moreover, when an aggrieved tenderer successfully manages to lodge an administrative petition but fails to obtain an interim order, the continuation of the matter will not prevent the winning bidder from being awarded the tender by the contracting authority.

In addition, the court does not generally consider an appeal brought against the work of the authority. Rather, it examines only whether or not the decision taken by the authority represented an extreme departure from the rules of administrative law. Moreover, the court will not examine whether another decision could have been made by the authority unless the decision of the authority is so unreasonable that it requires the intervention of the court (eg, serious conflicts of interest, incorrect arithmetic examination, disregarding threshold conditions or standards). As a result, there is relatively little intervention in decisions taken by the authority.

Notwithstanding the aforementioned, the winning bidder may be substituted subsequent to a successful application to the court.

Law stated - 1 April 2026

Notification of unsuccessful bidders

Is the contracting authority required to notify unsuccessful bidders of its intention to conclude the contract with the successful bidder and, if so, when does that obligation arise?

According to section 21(d) of the Mandatory Tenders Regulations, every participant in a tender shall receive a notice of the results of the tender committee's final decision. The Regulations do not stipulate whether this is before or after the contract with the successful bidder is concluded. It is inevitable that the notification provided to an unsuccessful bidder will be provided after signing the tender with the successful bidder as this will serve to impede an attack on the Tender Committee's decision.

Law stated - 1 April 2026

Notification of unsuccessful bidders

Is the contracting authority required to observe a minimum standstill period before it is permitted to conclude the contract with the successful bidder and, if so, does the relevant legislation regulate the minimum length of this period?

While section 21(e)(1) of the Mandatory Tenders Regulations allows for any participant, within 30 days from the date of delivery of the notice of the award to peruse the minutes of the tender committee, its correspondence with the bidders, the professional opinions that were prepared at its request, the position of the committee's legal adviser and the winning bid in the tender, the Regulations do not mandate a minimum standstill period prior to conclusion of the contract with the successful bidder.

Law stated - 1 April 2026

Access to procurement file

Is it possible for a claimant or potential claimant seeking the review of a contracting authority's decision to have access to that authority's procurement file, , including evaluation documents?

According to section 21(e) of the Mandatory Tenders Regulations:

> Any participant may, within 30 days from the date of delivery of the notice, peruse the minutes of the Tender Committee, its correspondence with the bidders, the professional opinions that were prepared at its request, the position of the committee's legal adviser and the winning bid in the tender, and receive a copy of these documents.

Notwithstanding this allowance, the provision of information may exclude parts of the decision or bid, the perusal of which could, in the opinion of the tender committee, reveal a trade secret or a professional secret or harm the state's security, foreign relations, economy or public security. Furthermore, a legal opinion that was prepared in the framework of legal counselling to the committee, including an examination of possible alternatives to an action or decision of the Tender Committee, or an assessment of the prospects and risks resulting from such decisions in future legal proceedings, if applicable, will also not be provided.

If a bidder does not request the procurement file within 30 days, it will not be barred from reviewing the documents and may do so by exercising its rights in accordance with the right to freedom of information, through the appropriate legislation.

The late decision to exercise this right will make it more difficult to prepare a petition and may cause delays in the submission thereof.

Law stated - 1 April 2026

Challenges to contracting authority decisions

How customary is it for contracting authority decisions to be challenged?

For the purposes of answering this question, we shall assume that the disadvantaged bidders met the requisite threshold requirements in the tender documents and were unsuccessful for other reasons. In a number of cases, the winning bid will be contested, especially when the tender's financial scope is significant, or if the tender is valuable to the bidders or the industry in which they operate. The right to apply for an administrative review is sometimes exercised for reasons of legitimising a 'fishing expedition' between competitors in an attempt to learn valuable characteristics pertaining to these tenders and the pricing of their bidders.

Law stated - 1 April 2026

Violations of procurement law

If a violation of procurement law is established in review proceedings, can this lead to the award of damages? If yes, please specify the requirements for such awards.

Yes. For the infringement of procurement rules, bidders may claim for damages. However, damages arising from the infringement of procurement rules – especially when the relief sought is damages for loss of profits – are particularly difficult to achieve. Aggrieved tenderers will have to obtain an interim order, launch an application to set aside the award and only then proceed to the administrative action. In the administrative petition appeal of *Ports Authority v Tzomet Engineers, Planning, Coordination and Projects Administration Ltd,* PD 59(2) 145, the judge held that expectation damages should be awarded only in cases of bad faith on behalf of the contracting authority – an element that is difficult to prove. Moreover, the courts for administrative matters have adopted – as a rule – the strict limitation in respect of damages claims as set out in the administrative petition appeal of *The Broadcasting Authority v Katimora Ltd, Tak-Al* 2007(3) 2403 (2007), which often results in the aggrieved tenderer not having an opportunity to put forward the merits of the case before it is dismissed on procedural grounds.

Law stated - 1 April 2026

Violations of procurement law

Is it possible for a concluded contract to be set aside following successful review proceedings?

The court's decision following the completion of a review application regarding defective conduct of an authority in a tender process – either in relation to the successful bidder or in relation to the actions carried out by the Tender Committee itself – may result in the cancellation of the tender procedure or in the cancellation of the winning bid and, by default, the cancellation of the contract with the successful bidder that came about by virtue of that tender procedure. In respect of an ongoing tender, it will be easier to cancel the contract as the procedure is ongoing and continuous.

Law stated - 1 April 2026

Violations of procurement law

What must the claimant demonstrate in order to be successful when bringing a claim? What is the standard of proof? Must a breach be 'sufficiently serious' (or similar) before a remedy can be awarded?

The burden of proof in administrative matters is that which is required in all civil suits – the claimant must prove its claim on a balance of probabilities. The extent to which the breach is considered 'sufficiently serious' will be dictated by the circumstances of the matter that can only be determined on a case-by-case basis by the court.

Law stated - 1 April 2026

Legal protection
Is legal protection afforded to parties interested in a contract which might have been awarded (unlawfully) without an advertised contract award procedure?

Contracting authorities that award tenders categorised in the Mandatory Tenders Regulations without any procurement procedure would be liable for a breach of the Regulations barring an express statutory exemption to the contrary. Any aggrieved bidder that wishes to oppose the decision of a contracting authority in respect of an illegal direct award or a de facto award has the right to address an administrative review to the Court of Administrative Appeals.

Law stated - 1 April 2026

Typical costs
What are the typical costs involved in making an application for the review of a contracting authority decision?

For an administrative procedure, the costs involved would include attorneys' fees as well as the court's fees and are estimated to amount to approximately 2,000 shekels. Of course, this amount does not include the cost of legal representation for filing the petition and conducting the litigation, which depends on the scope of the petition, the type and scope of the tender, the issues underlying the petition and the law firm hired to provide the services.

Law stated - 1 April 2026

UPDATE AND TRENDS

Emerging trends
Are there any emerging trends or hot topics in public procurement regulation in your country? In particular, has the scope of applicability of public procurement law been broadened into areas not covered before or, on the contrary, been restricted?

There are no updates and trends to be reported on currently.

Law stated - 1 April 2026