

Government Procurement Act (Republic of Korea)

By Ministry of Legislation

INTRODUCTION

Details of Enactment and Amendment

● This Act was enacted on January 5, 1994 as Act No. 4697 in order to increase clarity in the operation of government procurement services and heighten the efficiency of the government procurement services conducted under the previous Government Procurement Fund Act as the scale of procurement services that the government requires has grown in size.

Main Contents

- Government procurement services are provided by the Administrator of the Supply Administration and are divided into four areas.
- Purchase, transportation, operation, storage, and supply of the commodities required by government agencies, local governments, and other demanding administrative agencies and the commodities reserved by the government to ensure smoothness in the supply of commodities and price stabilization.
- Contracts involving construction of facilities for demanding administrative agencies.
- Administration and operation of facilities for demanding administrative agencies.
- Other services that the Administrator of the Supply Administration may perform under the provisions of Acts and subordinate statutes.
- Details regarding the procedures and scope of procurement services, such as the purchase and supply of procurement commodities and contracts for facilities construction, are prescribed by the Presidential Decree.

Jan. 5, 1994 Act No. 4697

■ Article 1 (Purpose)

The purpose of this Act is to provide the necessary matters concerning the administration and management of the government procurement service for the efficient performance of the government procurement service.

■ Article 2 (Definitions)

The definitions of terms used in this Act shall be as follows:

1. The term "procured commodities" means demanded commodities and reserved commodities;
2. The term "demanded commodities" means the commodities required by the demanding administrative agency as defined in subparagraph 4. below, which are stipulated in the Presidential Decree;
3. The term "reserved commodities" means the necessities of life, raw materials, and facility materials that the government directly purchases, reserves for emergencies or supplies for the effectiveness of the long and short term supply and demand of commodities as well as for the price stabilization, which are stipulated in the Presidential Decree ; and
4. The term "demanding administrative agency" means any of the following administrative agencies requiring for the procured commodities, conclusion of construction contracts of facilities or management of facilities :
 - (a) National administrative agency(s) ;
 - (b) Local government(s) ; and
 - (c) Other administrative agency(s) which shall be prescribed by the Presidential Decree.

■ Article 3 (Scope of Government Procurement Service)

The Administrator of the Supply Administration shall perform the scope of the government procurement service in accordance with the following:

1. The purchase, transportation, operation, storage, and supply of procured commodities as well as any and all businesses ancillary thereto;
2. The construction contract(s) of facilities for the demanding administrative agency as well as any and all businesses ancillary thereto;
3. The administration and operation of facilities for the demanding administrative agency as well as any and all businesses ancillary thereto; and
4. Any and all businesses of the same type as referred to in the preceding subparagraphs 1 through 3 which the Administrator of the Supply Administration may or is required to perform by any other Act(s) and/or its subordinate statute(s).

■ Article 4 (Futures Trading)

- (1) The Administrator of the Supply Administration may deal in the futures, if necessary, in order to perform the government procurement service.

(2) The content and scope of futures trading and other necessary matters shall be provided for by the Presidential Decree.

■ Article 5 (Special Case of Contract)

The Administrator of the Supply Administration may conclude the contract(s) by the contracting method as prescribed by the Presidential Decree for the purpose of the purchase and supply of commodities or reserved commodities, if necessary, that are commonly needed by each demanding administrative agency.

■ Article 6 (Fee)

(1) The Administrator of the Supply Administration may levy the fee(s) to the demanding administrative agency concerning the government procurement service.

(2) The fee(s) as provided in paragraph (1) shall be regarded as the revenue(s) of the special procurement account.

(3) The necessary matters pertaining to the assessment and collection procedure of the fee(s) as provided in paragraph (1) shall be prescribed by the Presidential Decree.

■ Article 7 (Entrustment of Facilities Administration)

(1) The Administrator of the Supply Administration may, if he deems it necessary to perform the government procurement service, entrust to another administrative agency, a juridical person or a private individual with regard to the management and operation of the warehouse, open storage yard as well as other facilities belonging to the special procurement account.

(2) The Administrator of the Supply Administration or any person(s) who has been entrusted under paragraph (1) above, may keep and manage the commodities in the facilities as a trustee, other than the procured commodities.

■ Article 8 (Procurement Procedure, etc.)

The necessary matters concerning the procedure and scope of the government procurement service, such as the purchase and supply of procured commodities as well as construction contract(s) of facilities, shall be prescribed by the Presidential Decree.

ADDENDA

(1) (Effective Date) This Act shall become effective on January 1, 1995.

(2) (Repeal of Act) The Government Procurement Fund Act shall hereby be repealed.

(3) (Transitional Measure) The government procurement service in the course of performance pursuant to the Government Procurement Fund Act at the time this Act enters into force, shall be

considered as the government procurement service established under this Act, and the government procurement fund established pursuant to the Government Procurement Fund Act shall be considered as the inherent capital of the special procurement account, and such special procurement account shall succeed to the government procurement fund in any of its claim(s) or debt(s).

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