



State Agency for Antimonopoly
Policy and Supervision of the
Consumer Market under the Ministry
of Economy of the Republic of
Azerbaijan



Center for Analysis of Economic
Reforms and Communication of
the Republic of Azerbaijan



PUBLIC PROCUREMENT REFORMS





STAGES OF A PUBLIC PROCUREMENT PROCESS

01

Development of a
procurement plan

02

Estimated price
determination

03

Setting up of a Tender
Commission

04

Preliminary qualification
compliance determination (when
applied)

05

Preparation and approval of
documents on procurement
procedures (conditions for requesting
quotations, a collection of basic
tender conditions, etc.)

06

Tender announcement

07

Explanation of documents on
procurement procedures and its
amending (when applied)

08

Preliminary receipt of
documents (excluding request
for quotations)

09

Opening of tender
packages

10

Evaluation of tender
proposal

11

Explanation on proposals
(when applied)

12

Selecting a tender
winner

13

Obtaining permits
(when applied)

14

Signing a
contract

15

Commencement of
work

16

Contract implementation
and payment

17

Changing the
terms of a contract
(when applied)

18

Contract completion and
payment



01. DEVELOPMENT OF A PROCUREMENT PLAN



4-1.1.

The procurement agency prepares and approves the primary procurement plan for the next year **no later than October 15 of the current year** and publishes it in the single web portal public procurement. The primary procurement plan remains in force until the approval of the state budget of the Republic of Azerbaijan for the next year.



4-1.2.

Within **the next 10 banking days** after the approval of the state budget of the Republic of Azerbaijan for the next year and receipt of budgetary indicators, the procurement agency makes a clarification in the primary procurement plan, approves the specified plan and posts it in the single web portal for public procurement



4-1.4.

The procurement agency can make a change to the procurement plan. Only one change can be made in a month. After the procurement agency makes a decision to amend the procurement plan, **within the next 5 banking days**, information about this is posted in the single web portal for public procurement with indication of the legal basis that caused the change.



02. ESTIMATED PRICE DETERMINATION

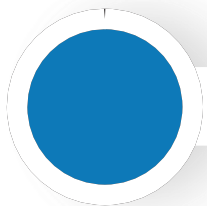
27.1.

Prior to the beginning of the procurement procedures, the procurement agency calculates and approves the estimated cost of the procured goods (works and services). Without approval by the procurement agency of the estimated cost of the procurement, procurement procedures cannot be commenced unless a single source procurement method is applied. Methods for calculating the cost of purchased goods (works and services) are approved by the body (organization) created by the relevant executive authority.

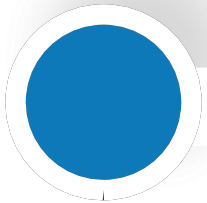




03. SETTING UP OF A TENDER COMMISSION



Tender Commission is set up of an odd number (at least 5 people) of procurement agency's specialists and representatives of the relevant organizations. Tender commission shall include experts of procurement agency and representatives of relevant organizations. Chairman of a Tender Commission shall be appointed among procurement agency's officials (except manager). Composition of a Tender Commission shall be approved by the manager of procurement agency (acting person).



If estimated price of tender subject exceeds **1 million manat, and in organizations funded from the budget – 300 thousand manat** or equivalent sum in convertible currency, representatives of respective executive authority shall under its proxy be included to Tender Commission.



04. PRELIMINARY QUALIFICATION COMPLIANCE DETERMINATION



Procurement agency prior to submission of tender proposals or offers may hold preliminary consignors (contractors) qualification compliance determination procedures. Preliminary qualification compliance determination procedures cannot be held after tender announcement.



If a procurement agency holds qualification compliance determination procedures, it shall give or send collection of documents relating to such procedures to consignor (contractor), which made an application and paid participation fee (if provided). The procurement agency sets a period of at least **10 banking days** for the submission of a collection of documents.



The procurement agency shall notify the consignor (contractor) on the results of the preliminary qualification compliance determination at **least 10 banking days from the final date for the submission of documents**. Consignors (contractors) who have passed the preliminary qualification compliance determination procedure may continue participating in tenders.



05. PREPARATION AND APPROVAL OF DOCUMENTS ON PROCUREMENT PROCEDURES



For organization of procurements, procurement agency shall prepare a collection of basic tender conditions and publishes a tender announcement after a Tender Commission approves a collection of basic tender conditions and tender announcement or send personal invitation to consignors (contractors) for participation in tender.



06. TENDER ANNOUNCEMENT

25.1.

The announcement of an **open tender** must be published in state newspapers and internationally distributed mass media of the republic, as well as on the official website **no later than 30 banking days**, and the **second time** - **no later than 20 banking days** before the day of opening tender packages.

25.1-1.

The announcement of an open tender by **e-procurement** is published through the single web portal for public procurement at least **20 banking days** prior to the evaluation of the tender proposals, and the announcement of a **request for quotations** - **at least 10 banking days** before the evaluation of quotations

50-3.1.

The announcement of (invitation to) the tender, to be held in accordance with Article 50-1.1 of the given Law, is published ~~in the official state newspapers and~~ on the single web portal for public procurement.

25.2.

The announcement of a **two-stage tender** must be published in state newspapers and internationally distributed mass media of the republic, as well as on the official website **no later than 60 banking days**, and for the **second time** - **no later than 40 banking days** before the day of opening of tender bids.

48.2.

To arouse interest in the submission of proposals, the procurement agency shall publish an announcement on the single web portal for public procurement at least **10 banking days before** the date of opening of the tender bids.

Regarding the method of request for proposals, the announcement ~~the notice~~ shall be published ~~in local and internationally distributed media~~ on the single web portal for public procurement **no later than 10 banking days** before the opening of bids.



07. EXPLANATION OF DOCUMENTS ON PROCUREMENT PROCEDURES AND ITS AMENDING



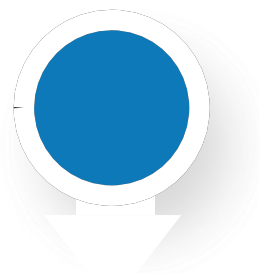
Consignor (contractor) shall be entitled to send to the Tender Commission a request relating to explanation of the collection of basic conditions. A request shall be sent not later than **4 banking days** before completion of tender proposals submission term. Procurement agency shall respond to such requests not later than **2 banking days** before the completion of tender proposals submission term. This response shall be sent to all consignors (contractors), which received collection of basic tender conditions without indication of address of requester.



Procurement agency may **before expiry of deadline of submission of tender proposals** ~~upon own initiative or~~ as a response to request of any consignor (contractor) **make changes and additions** to collection of basic tender conditions. Information about it shall be immediately sent to all consignors (contractors), which received collection of basic tender conditions. Changes and additions shall be binding on consignors (contractors).



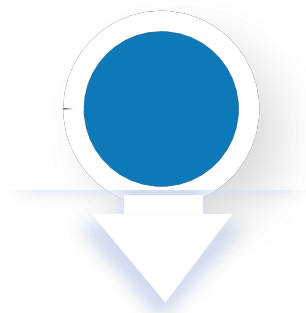
08. RECEIPT OF REQUIRED DOCUMENTS FROM CONSIGNORS (CONTRACTORS)



Documents specified in the article 28.1. of the present Law (with the exception of the tender proposal) must be submitted to the procurement agency **no later than 7 banking days before the launching the tender procedure**. If the procurement agency concludes that one or more documents are missing or that it is necessary to amend one or more documents, it must, no later than 2 banking days after the submission of the documents, offer the consignor (contractor) to prepare the missing document, or make a corresponding change in the submitted documents. In this case, the consignor (contractor) submits the documents to the procurement agency in full and with appropriate amendments no later than 3 banking days before the start of the tender procedure.



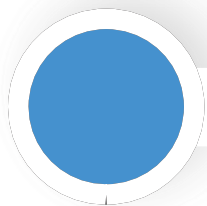
09. SUBMISSION OF PROPOSALS



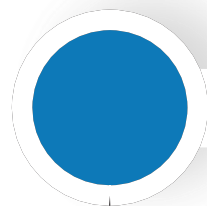
Consignor (contractor) shall prepare its tender proposal as determined by the present Law and submit it to the organizer of a tender **not later than 1 banking day** before the commencement of tender procedure. A tender proposal, submitted after this term, shall be returned to a consignor (contractor) without opening, and its participation in tender shall not be allowed.



10. OPENING OF PROPOSALS



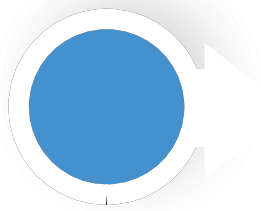
Tender procedure shall be conducted by Tender Commission in established place and time in accordance with procedures provided for in the collection of basic tender conditions and **at the end of the period provided for in Article 28.3 of the present Law**, tender proposals shall be opened **during 1 banking day in the same consecution as they have been received**. Late tender proposals shall not be accepted by the Tender Commission and shall be returned unopened.



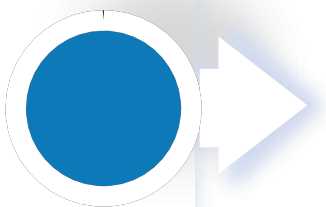
If the tender is carried out through a single web portal for public procurement, the results of the procurement are determined automatically through a single web portal for public procurement **immediately after the end of the period provided for in Article 25.1 of the present Law**, in accordance with the sequence of price offers, and sent to the tender commission electronically for making a decision.



11. EVALUATION OF TENDER PROPOSALS



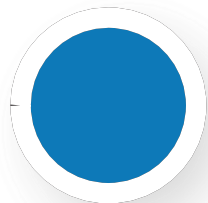
10 banking days prior to the expiration of the validity period of the proposals, specified in the collection of the main tender conditions, the Tender Commission, based on the evaluation and comparison of tender proposals, makes one of the following decisions.



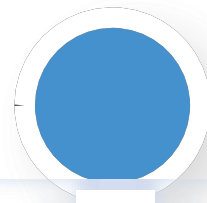
Following the Article 50-6.1 of the present Law, the Tender Commission shall evaluate the proposal and make a decision ~~during 1 banking day~~ 10 banking days prior to the **expiration of the validity period of the proposals**, specified in the collection of the main tender conditions and on the same day publish the decision in the single web portal for public procurement.



12. RECEIVING EXPLANATION ON PROPOSALS

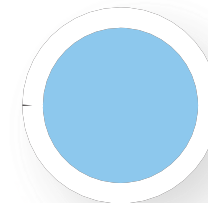


In order to simplify review, assessment, and comparison of tender proposals, procurement agency shall be entitled to request from consignors (contractors) explanation of their tender proposals.



If a procurement agency establishes that, in order to fulfill the procurement contract, the cost proposed by any consignor (contractor) is 20 percent or more lower in comparison with the estimated cost, it may reject those proposals after the conditions specified below are met:

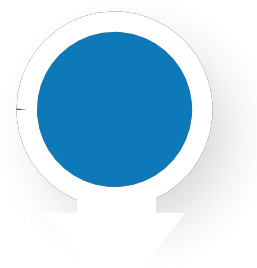
1. obtaining from the consignor (contractor), the ability to fulfill the procurement contract of which raise suspicions, of detailed information about its proposal on the basis of a written request;
2. if suspicions regarding non-fulfillment of the procurement contract remain even after receiving all the explanations and information provided by the consignor (contractor) on the basis of a written request.



The decision on rejection is sent to the suspended consignor (contractor) **within 1 banking day**



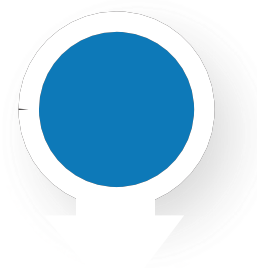
13. SELECTING THE WINNER



Tender proposal, considered as a winner in accordance with article 36.7 of present Law, shall be accepted. Procurement agency shall send notice to consignor (contractor), which submitted such tender proposal, **within 3 banking days until expiry of proposal's validity, defined in the collection of main conditions.**



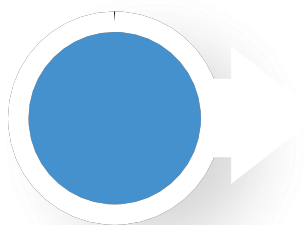
14. OBTAINING PERMITS



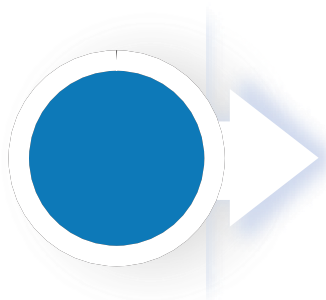
If permits of the relevant state bodies (institutions) are required to start the implementation of the contract (taking into account the requirements arising from Article 6.2.7 of the present Law), the procurement agency ensures that these permits are obtained before the start of the performance of the contract



15. SIGNING A CONTRACT



The winner of the tender signs the submitted procurement agreement **within 5 banking days** and provides a guarantee of the fulfillment of the agreement (upon request for quotations and in tenders with an agreement value of more than 100 thousand US dollars)



Coming to conducting of an open tender through a single web portal and a request for quotations, an electronic procurement agreement is concluded with the winner of the tender through a single web portal for public procurement, and, if required, in accordance with this Law, a guarantee of performance of the contract is provided through the specified portal. To conclude an electronic contract through a single web portal for public procurement, the procurement agency, after accepting the tender offer, prepares a procurement contract **no later than 3 banking days**, places it in the mentioned portal, and signs. The consignor (contractor) signs the specified agreement **within 5 banking days**.



16. COMMENCEMENT OF WORK



Unless otherwise provided by the procurement contract, **within 5 banking days after signing the contract**, the procurement agency sends the consignor (contractor) a notification *on the start date of the contract implementation, as well as regarding the permits received, in case they are required*



17. CONTRACT IMPLEMENTATION AND PAYMENT

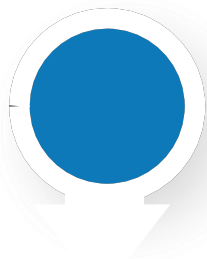


The procurement agency shall make payments under the procurement contract (with the exception of advance payment) to the consignor (contractor) in the manner and within the time specified in the procurement contract, in proportion to the performance of the work specified in the contract.

After the consignor (contractor) submits the documents (*preliminarily determined in the procurement agreement*) on the execution of the contract, the procurement agency must confirm these documents **within 15 banking days** or refuse confirming by providing explanations. If, during this period, the procurement agency does not confirm the documents or does not provide a refusal to confirm these documents with an explanation, the submitted documents are considered approved by the procurement agency...

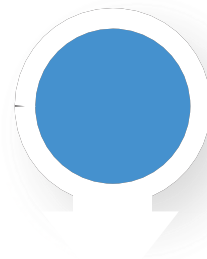


18. CHANGING THE TERMS OF A CONTRACT

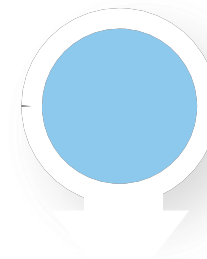


A procurement agency may use, upon approval by the relevant executive authority in accordance with Article 50 of this Law, the one source procurement method in the following cases:

21.1.4. if procurement agency after procurement of goods, equipment, technology or services from any consignor (contractor) arrives to decision to procure them from the given consignor (contractor) in view of ensuring their compliance with standardization considerations of existing goods, equipment, technology or services..



The agency(institution) determined by the relevant executive authority makes a decision on the application of other procurement methods in accordance with the first sentence of this article **within 10 banking days** from the date of receipt of the application.



After the procurement contract enters into force, makings changes in the terms of the contract are not allowed, except for the cases stipulated by the Article 422 of the Civil Code of the Republic of Azerbaijan, . According to this Article, official requests of the parties to each other about changing the terms of the procurement agreement are considered within **10 banking days**.



19. CONTRACT COMPLETION AND PAYMENT



After the completion of the procurement contract (including the period of technical support) and the preparation of documentation confirming this (taking into account the elimination of deficiencies), **during 15 banking days**, the final calculations are carried out between the procurement agency and the consignor (contractor), and within the specified period the cumulative amount is paid to the consignor (contractor) .



THANK YOU!

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