



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



## AMENDMENTS

# TO THE PUBLIC PROCUREMENT LEGISLATION



According to the Decree of the President of the Republic of Azerbaijan No. 1376 dated June 22, 2021, the Law No. 330-VIQ of May 27, 2021 "On Amendments to the Law of the Republic of Azerbaijan "On Public Procurement", changes to the "Regulations on the single web portal for public procurement", approved by Decree No. 647 of April 16, 2019, and amendments to the Code of Administrative Offenses of the Republic of Azerbaijan came into force

# MAIN CHANGES

## Law of the Republic of Azerbaijan "On Public Procurement" (PPL)

- Preliminary qualification compliance determination
- Electronization of request for quotation method
- Payment procedures
- Tender Commission
- Newspaper announcements
- Setting deadlines for procurement procedures

## Code of Administrative Offenses of the Republic of Azerbaijan (CAO)

- Responsibility for violation of the deadline requirements provided for in the Law of the Republic of Azerbaijan "On Public Procurement"
- Responsibility for non-payment and delay in payments under the agreement



# QUALIFICATION COMPLIANCE DETERMINATION

## Article 7

Specification of the similarity between the requirements for the qualifications of consignors (contractors) (Article 6) and the determination of qualification compliance of consignors (contractors) (Article 7)

- Changing the notion indicated in the Law to **“preliminary qualification compliance determination”**

Articles 2, 6.4, 7, 10.3, 36.13





## ELECTRONIZATION OF REQUEST FOR QUOTATION METHOD



Inclusion of a procurement request in methods covered by e-procurement (Articles 16.1 and 50-1.1)



In the articles relating to the tender and the request for quotations, replace, where possible, the words “tender” with the word “procurement” or include conditions regarding the request for quotations.



In terms of quotations, change “individual invitation” to the announcement (individual invitations can be sent on a voluntary basis)



Articles 2, 10.1.12, 16.1, 25.3, 25.4, 26.1, 29.3, 40.1-1, 49-1, **50-1.1.**, 50-1.3, 50-2.1, 50-3.1



## PAYMENT PROCEDURES



Include “participation fee” definition(2)

For a non-electronic procurements, reduce the participation fee as following (29.1):



- from **0,5** percent of estimated price to **0,3** percent
- from **1,5-times** of tender costs to **1,2-times**



During e-procurement, instead of the purchasing organization, make payment to the portal operator (29.2)



The CM shall define e-procurement participation fee (29.3)



## TENDER COMMISSION

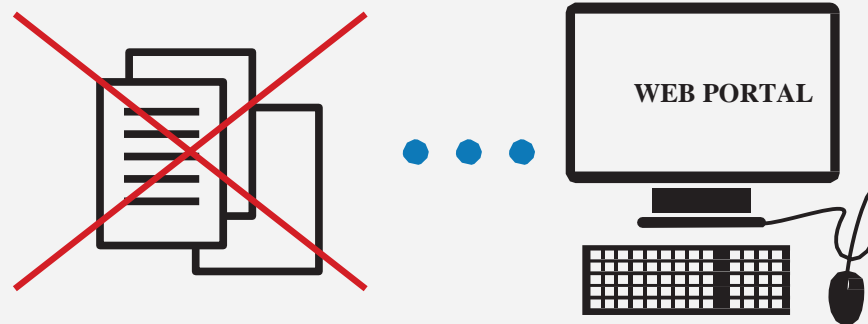
Determining the number of  
members of the Tender  
Commission – odd number,  
**at least 5 members (23.1)**





## NEWSPAPER ANNOUNCEMENTS

**Cancel posting newspaper  
announcements on e-procurement  
open tenders and request for  
proposals and publish such  
announcements *only on the portal*  
(41.1 and 50-3.1.)**







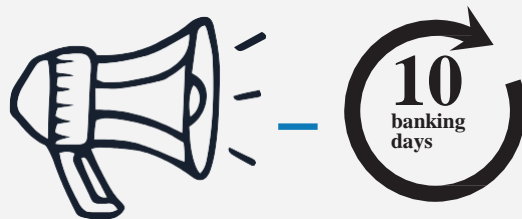
# SETTING DEADLINES FOR PROCUREMENT PROCEDURES

- Preliminary qualification compliance determination
- Request for quotations
- Request for proposals
- Review of proposals received using other procurement methods
- Opening a tender package
- Evaluation of proposals
- Rejection of proposals
- Signing a contract
- Permits related to the contract and commencement of its implementation
- Procurement contract performance guarantee
- Payments under the contract
- Changing the terms of the contract



# PRELIMINARY QUALIFICATION COMPLIANCE DETERMINATION

Announcing preliminary  
qualification compliance  
determination -  
**at least 10 banking days in  
advance (7.2)**



Announcing the  
results of preliminary  
qualification  
compliance  
determination - **no  
later than 10  
banking days (7.6)**





# REQUEST FOR QUOTATIONS

Announcing request for  
quotations – **at least 10  
banking days in advance**  
(25.1-1)





## REQUEST FOR PROPOSALS

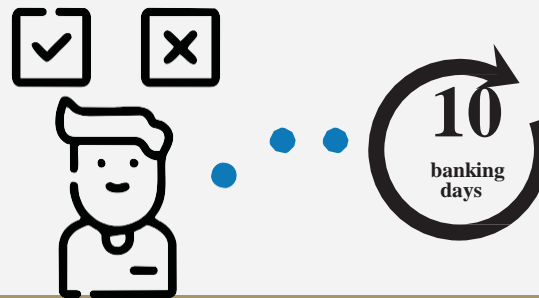
Announcing a request for  
proposals **only on the  
portal** – **at least 10  
banking days in  
advance**(48.2)





## REVIEW OF PROPOSALS

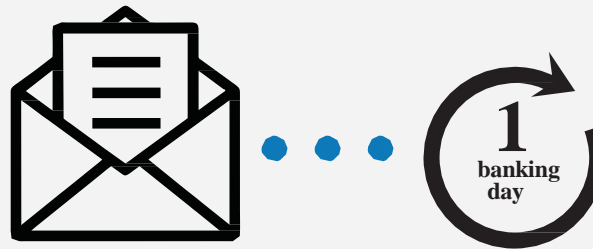
The appropriate executive authority  
(SAAPSCM) **decides** on the  
application of other procurement  
methods (one source, request for  
proposals, etc.) **within 10**  
**banking days (17.3)**





## OPENING A TENDER PACKAGE

A tender package is  
opened after the final date of  
the determined period during  
**1 banking day (35.1)**





## EVALUATION OF PROPOSALS

Evaluation of proposals for electronic and other procurements is carried out **10 banking days** prior to the expiration of the validity period of the proposals, specified in the collection of the main tender conditions (37.3, 37.7)



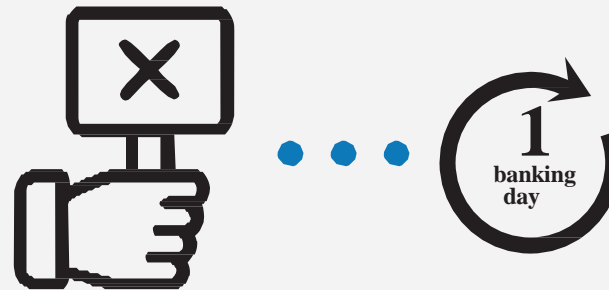
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## REJECTION OF PROPOSALS

After making a **reasoned decision** to reject proposals, information about this is provided to the consignor (contractor) **within 1 banking day** (36.5, 36.5-1)







## SIGNING A CONTRACT

Prior to the expiration of the validity period of the proposal, the procurement agency send the signed contract **within 3 banking days**.  
(40.1).



If necessary, the superior management body approves the submitted procurement contract **no later than 5 banking days** (40.8).

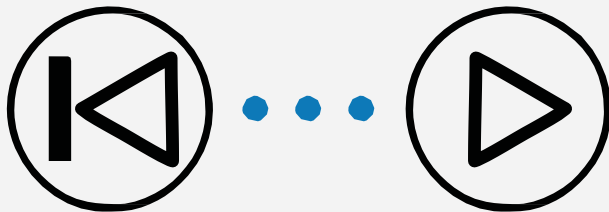
The winner of the tender signs the contract submitted for the period specified in the collection of basic tender conditions **within 5 banking days** (40.2).



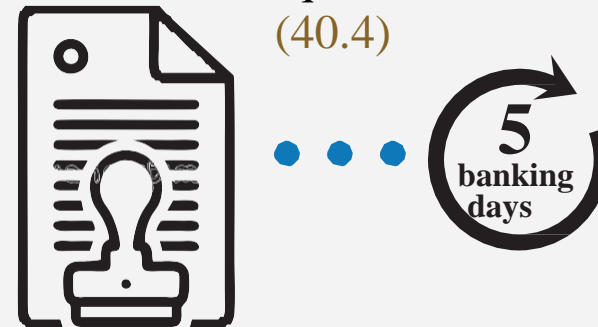


## PERMITS RELATED TO THE CONTRACT AND COMMENCEMENT OF ITS IMPLEMENTATION

To start implementing the contract, the **procurement agency** ensures receiving of permits from appropriate bodies (institutions) **prior to the commencement of the contract implementation**  
(40.4)



**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  
(40.4)





## PROCUREMENT CONTRACT PERFORMANCE GUARANTEE

The validity period of the procurement contract performance guarantee shall be 30 banking days longer than the validity period of the procurement contract performance (including the period of technical provision, if required) (40.9-2.)





## PAYMENTS UNDER THE CONTRACT

After the consignor (contractor) submits the documents 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  
(40-1.4)

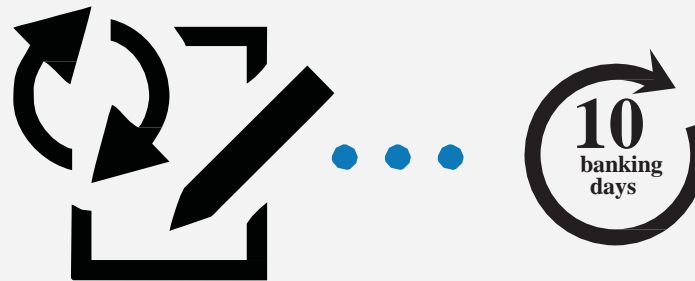




# MAKING CHANGES IN TERMS OF THE CONTRACT

Official requests of the parties to each other about changing the terms of the procurement contract are considered **within 10 banking days.**

(51.1)





## CHANGES IN THE CODE OF ADMINISTRATIVE OFFENSES

### **Article 445-1.** Violation of the legislation on public procurement

445-1.4.2. failure to publish announcements on public procurement tenders, request for proposals, and request for quotations and information on their results, as well as on the procurement contract signed as a result of the tender, on the official website on public procurements within the time limits established by the Law of the Republic of Azerbaijan "On Public Procurement" or placing false information; as well as failure to meet requirements arising from the Article 7.4, the second sentence of the Article 28.4, the third sentence of the Article 30.1, Articles 30.2, 32.1, 37.3, 37.7, 40.1, the second sentence of the Article 40.2-1, Articles 40.4, 40-1.2, 43.1, 56.3 and 59 regarding the time limits for organization of procurement and tender procedures,

shall involve the fine on officials in the amount **from two thousand to three thousand manats.**

- (NEW) 445-1.7. failure to make payments by the procurement agency under the procurement contract in the manner, amount and within the time frame specified in the collection of the main conditions of the tender and special conditions of the procurement contract; as well as failure to make payments within the period specified in the procurement contract, which shall be provided after the completion of the procurement contract (including the period of technical provision) and preparation of documents confirming the completion of the procurement contract; and failure to pay to the consignor (contractor) of the late payment interest accrued under the procurement contract due to unreasonable delay in payment.

shall involve the fine on officials in the amount **from three thousand to six thousand manats.**



**THANK YOU!**

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