

GOVERNMENT OF THE REPUBLIC OF ARMENIA

DECISION

No 526-N of 4 May 2017

ON APPROVING THE PROCEDURE FOR ORGANISATION
OF THE PROCUREMENT PROCESS AND REPEALING DECISION
OF THE GOVERNMENT OF THE REPUBLIC OF ARMENIA
NO 168-N OF 10 FEBRUARY 2011

Taking as a basis points 1, 4, 6, 7, 8, 12, 16, 17 of part 1 of Article 5 and Article 17 of the Law of the Republic of Armenia “On procurement”, the Government of the Republic of Armenia hereby decides to:

1. Approve:

- (1) the procedure for organisation of the procurement process, according to Annex No 1;
- (2) the list of goods, works and services acquired in closed periodic tenders, according to Annex No 2.

2. Establish that:

- (1) procurement shall be carried out outside the territory of the Republic of Armenia:
 - a. through single source procurement, where the price of the goods, works or services to be procured within the scope of the given procurement procedure does not exceed seventy-fold of the procurement base unit;

- b. through the procedure approved by the head of the given state administration body, where the price of the goods, works or services to be procured within the scope of the given procurement procedure exceeds seventy-fold of the procurement base unit. Moreover, the approved procedures must comply with the objectives and principles defined by Article 3 of the Law of the Republic of Armenia “On procurement”;
- (2) contracting authorities shall independently publish in the bulletin information — as provided for by the legislation of the Republic of Armenia — about the procurement processes organised for the purpose of carrying out procurement for their needs, as prescribed by the Minister of Finance of the Republic of Armenia;
 - (3) the requirements of this Decision shall not extend to procurement processes initiated and incomplete, as well as contracts concluded and effective before entry into force of this Law;
 - (4) the framework agreements concluded as of the day of entry into force of this Decision shall be considered as rescinded.
- 3. Decision of the Government of the Republic of Armenia No 168-N of 10 February 2011 “On organisation of the procurement process” shall be repealed from the moment of entry into force of this Decision.
 - 4. This Decision shall enter into force on the tenth day following the day of its official promulgation.

PRIME MINISTER
OF THE REPUBLIC OF ARMENIA

K. KARAPETYAN

Annex No 1

to Decision of the Government
of the Republic of Armenia
No 526-N of 4 May 2017

PROCEDURE

FOR ORGANISATION OF THE PROCUREMENT PROCESS

I. GENERAL PROVISIONS

1. This Procedure shall regulate the relations pertaining to the procedure for procurement planning, approval of descriptions of a subject of procurement, preliminary control over procurement, implementation, management of contracts and financing thereof, the procedure for formation and functioning of the evaluation commission, and the procedure for application of procurement procedures provided for by this Law and peculiarities thereof, as provided for by part 1 of Article 5 of the Law of the Republic of Armenia “On procurement” (hereinafter referred to as “the Law”), shall define the concept of “affiliated persons”, the cases of limitation for participation of affiliated persons in procurement procedures, as well as the main terms of the invitation and the contract.
2. The contracting authority shall bear liability for including the main terms in the invitation and in the contract, as well as for fulfilling the requirements defined by the legislation of the Republic of Armenia on procurement for contracting authorities.
3. Norms not provided for by this Procedure may be defined by the decisions of the Government of the Republic of Armenia, preconditioned by peculiarities of the procurement process.

II. PROCUREMENT PROCESS

4. The procurement process is a set of processes (functions) which are as follows:
 - (1) procurement planning;
 - (2) organisation of the procurement process (including approval of the descriptions of a subject of procurement);
 - (3) conclusion of a contract;
 - (4) implementation and management of the contract.

III. PERSONS RESPONSIBLE FOR PROCUREMENT PROCESS

5. The head of the contracting authority, as well as the following persons with respect to the competences reserved thereto, shall be responsible for each procurement process:
 - (1) the procurement co-ordinator;
 - (2) the responsible subdivision;
 - (3) the evaluation commission.
6. The head of the contracting authority:
 - (1) as provided for by paragraph “a” of point 1 of part 1 of Article 2 of the Law shall be:
 - a. the chief of staff of the body, where the given body has a “Staff” State Administration Institution, except for the Staff to the President of the Republic of Armenia, the Staff of the National Assembly of the Republic of Armenia and the Staff of the Government of the Republic of Armenia where the head of the contracting authority is the official authorised by the chief of staff, as well as the Staff of the Ministry of

Defence of the Republic of Armenia where the head of the contracting authority is the official authorised by the Minister of Defence of the Republic of Armenia;

- b. the head of the body or the official authorised by the latter, where the given body does not have a “Staff” State Administration Institution;
 - c. within local self-government bodies — the head of community or the official authorised by the latter;
 - d. within state or community institutions — the head of an institution;
- (2) the head of the executive body within the organisations referred to in paragraphs “c”, “d”, “e”, “f” and “g” of point 1 of part 1 of Article 2 of the Law.

7. The head of the contracting authority:

(1) shall define:

- a. a procurement co-ordinator;
- b. a responsible subdivision;
- c. an evaluation commission, except for the cases provided for by this Procedure;

(2) except for the cases provided for by this Procedure:

- a. shall conclude a contract;
- b. shall approve the protocol of the procurement procedure.

8. The procurement co-ordinator shall:

- (1) be responsible for the organisation and co-ordination of the procurement process of the contracting authority;

- (2) provide an opinion on documents approved by the contracting authority within the framework of procurement, ensure compliance of the procurement procedure and the documents related thereto with the terms defined by the legislation of the Republic of Armenia on procurement;
 - (3) exercise powers of the secretary of the evaluation commission;
 - (4) draw up the protocol of the given procurement procedure and the procurement contract and submit them to the head of the contracting authority for approval.
9. In case of procurement defined by the head of a state administration body, where a state institution carrying out programmes operates within the system of a state administration body acting as a contracting authority, the office carrying out programmes shall exercise the powers of a procurement co-ordinator.
10. Within the meaning of this Procedure, construction projects shall include all types of construction works being carried out on the basis on the design documents approved and having passed expert examination as prescribed by the legislation of the Republic of Armenia.
11. The responsible subdivision shall:
 - (1) draw up and approve the procurement bid;
 - (2) follow the process of fulfilment of obligations assumed by the party to the contract (contractor, supplier, etc.) under the contract and, based on the results thereof, submit to the head of the contracting authority recommendations for applying sanctions provided for by the contract;
 - (3) accept the result of implementation of the contract;
 - (4) present the candidacy of the person (persons) who is/are nominated to be included within the composition of the evaluation commission;

- (5) submit, where necessary, a proposal to make amendments and supplements to the procurement plan.
12. The following may be defined as a responsible subdivision:
 - (1) the relevant structural subdivision of the contracting authority;
 - (2) the established professional group of the contracting authority, the composition of which may also include representatives of other bodies or organisations;
 - (3) the official of the contracting authority, where the given contracting authority lacks relevant structural subdivisions.
 13. The powers of a responsible subdivision may not be reserved to the procurement co-ordinator. The person (persons) of a responsible subdivision participating in the design of a procurement bid must have the professional capacity to describe the subject of procurement, which shall be determined based on the type of subject of procurement.
 14. The evaluation commission shall:
 - (1) approve the texts of the procurement or prequalification notice and of the invitation, except for the text of prequalification notice in the closed periodic tender;
 - (2) make changes in the texts of the procurement notice and the invitation, or of prequalification notice;
 - (3) provide clarifications on the procurement procedure;
 - (4) open and evaluate the bids;
 - (5) determine the successful bidder (bidders) of the procurement procedure;
 - (6) declare the procurement procedure as not having taken place.

15. The procurement co-ordinator, as well as the representative or employee thereof may not be included within the composition of the evaluation commission in the capacity of a member of the commission. The member of the evaluation commission must have the professional capacity required for evaluating the qualification and proposals of the bidders, which shall be determined in accordance with the subject of procurement. Moreover, where representatives of the staff of the contracting authority lack necessary professional capacities, a relevant expert (specialist) shall be invited to be included within the composition of the commission.

IV. PROCUREMENT PLANNING

16. The subject of procurement must be included in the procurement plan in order to initiate a procurement process. The day that the demand for procurement has arisen shall be the day of publication of the procurement plan approved or modified in case of procurement not containing state secret, and in case of procurement containing state secret — the day of approval of or modification to the procurement plan. Where financial resources are earmarked for an additional procurement not included in the initial procurement plan during the given year, a supplement shall be made to the procurement plan.
17. The legal ground for organisation of the procurement process shall be the availability of a procurement plan approved, and in cases provided for by the legislation of the Republic of Armenia on procurement — also published in accordance with the defined requirements.
18. In case of carrying out procurement pursuant to part 6 of Article 15 of the Law, the subject of procurement shall be included in the procurement plan without making a note on the total amount of procurement, provided that a relevant supplement is made to the procurement plan after financial resources are

earmarked. Moreover, within two working days following the day when the relevant financial resources are earmarked, the contracting authority shall, as prescribed, make a modification to the procurement plan and shall, within fifteen working days from the day that the modification is made to the procurement plan, send notification about conclusion of an agreement for the supply of goods, performance of works or provision of services provided for by the contract and the draft agreement to be concluded to the person having concluded the contract.

19. Financial resources for the procurement of construction projects shall be earmarked on the basis of the design documents approved and having passed expert examination as prescribed by the legislation of the Republic of Armenia. Moreover, at the expense of funds from the State Budget of the Republic of Armenia:

- (1) procurement of construction projects containing state secret and with an estimated value of up to AMD 70 million to be procured for the needs of the Ministry of Defence of the Republic of Armenia and the National Security Service of the Republic of Armenia, including procurement of services for development, expert examination of design documents, for designer and technical supervision required for implementation of those projects shall be respectively carried out by the Ministry of Defence of the Republic of Armenia, the National Security Service of the Republic of Armenia and the state administration bodies, under whose use and under the use of whose subordinate organisations the given property is;
- (2) procurement of services for the development and expert examination of design documents and for designer and technical supervision required for implementation of construction projects shall be carried out by the body (bodies) developing and implementing the policy of the Government of the Republic of Armenia in the construction sector, and procurement for

construction projects (construction works) — by the state administration bodies, under whose use and under the use of whose subordinate organisations the given property is, except for cases provided for by sub-point 1 of this point.

V. ORGANISATION OF PROCUREMENT PROCESS

20. For the purpose of organising the procurement process, the following shall be defined in writing within five working days following the day when the demand for procurement has arisen:
 - (1) a responsible subdivision, and
 - (2) a procurement co-ordinator.

21. Where a shorter term is not provided for by the act on establishing a responsible subdivision, the responsible subdivision shall, within sixty working days following the day when the demand for procurement has arisen, and in case of procurement, fuel, lubricants, agricultural goods and airline services provided for by sub-point 4 of point 23 of this Procedure, within the time limits defined by the head of the contracting authority:
 - (1) draw up and approve the procurement bid, which shall include:
 - a. descriptions of the subject of procurement. In case of procurement of goods the necessity to submit information on the trademark proposed by the first ranked bidder, the producer, the country of origin and the necessity to submit the certificate of compliance during the contract implementation phase shall also be indicated, where these are applicable for the given goods. Moreover, no certificate of the country of origin shall be required from the bidder having concluded the contract during the contract implementation phase;”

- b. qualification criteria for bidders, including:
- with respect to the “technical resources” qualification criterion, the requirements for a bidder, including the list of documents and information required from bidders for the purpose of substantiating them, where relevant technical resources are required for proper implementation of the contract to be concluded for the purpose of carrying out procurement, according to the existing standards or regulatory and technical requirements of the Republic of Armenia;
 - in case of procurement of construction projects, including services for development and expert examination of design documents, technical control, as well as vocational training or consultancy services, as well as in case of procurement when relevant labour resources are required for proper implementation of the contract to be concluded according to the existing standards or regulatory and technical requirements of the Republic of Armenia, the requirements for a bidder with respect to the “Labour resources” qualification criterion, including the list of documents and information required from bidders for the purpose of substantiating them. The requirements for the minimum number of personnel, required qualification and work experience (minimum number of years, sphere of activity and work performed) shall be defined exhaustively and without a possibility of ambiguous interpretation;
- c. the types of licences required for supply of goods, performance of works or provision of services, where implementation of the contract to be concluded is an activity subject to licensing by the legislation of the Republic of Armenia;

- d. in case of single source procurement, the data of the person (persons) (potential bidder) (name, location, e-mail, if possible) to whom the invitation for the given procurement shall be sent, except for cases of single source procurement through an electronic system. Moreover, in case of failure to carry out procurement on the grounds provided for by sub-point 5 of point 23 of this Procedure, through the electronic procurement system, the number of persons being presented (potential bidder) may not be less than three;
 - e. the required volume of the subject of procurement and the maximum price earmarked for acquisition of one unit;
 - f. the time limits, including the deadlines for the supply of goods, performance of works or provision of services;
 - g. possibility of allocating an advance payment and the maximum amount thereof;
 - h. the time limit for the supply of goods provided for by the contract to be concluded, and in case of supply in instalments, the time limit for the first instalment must be fixed at least 20 calendar days calculated from the day when the requirement for performance of obligations and exercise of rights by the parties provided for by the contract takes into effect, except for the case, where the selected bidder agrees to supply the goods within a shorter time limit. This paragraph shall not apply in case of applying the method of single source procurement.
- (2) where the procurement procedure is organised:
- a. on the basis of point 1 of part 6 of Article 15 of the Law, in case of procurement of goods, the bid shall also present one unit price fixed by the contract (transaction) concluded for the purpose of organising the procedure or acquiring such goods during the year preceding it,

where there is such a contract (transaction). Where there is no such contract, a note about that shall be made in the bid, whereas the price shall not be fixed;

b. on the basis of point 2 of part 6 of Article 15, and there are planned financial resources that are not earmarked for the given procurement as prescribed by law, the maximum price of one unit planned for the acquisition of similar goods, works or services shall also be presented in the bid;

(3) the list of persons (candidates) nominated for the purpose of being included within the composition of the evaluation commission, according to the priority of inclusion of those persons within the composition of the commission, making a note on the candidacy of the chairperson of the commission.

22. When defining the descriptions of the subject of procurement and the criteria for evaluation of the characteristics of qualification of bidders, it is necessary to take into account the fact that those criteria need to be met by more than one potential bidder, except for cases of carrying out procurement under the conditions provided for by point 1 of part 1 of Article 23 of the Law.

23. When organising the procurement procedure, besides the conditions provided for by Section 3 of the Law, it is necessary to take into account the fact that:

(1) where the procurement price does not exceed the procurement base unit, the procurement may be carried out on the basis of point 4 of part 1 of Article 23 of the Law, irrespective of the fact whether the subject of procurement is included in the list of procurement being carried out through an electronic auction or in a centralised manner, or through a closed periodic tender;

- (2) where the price of the goods, work or service for final consumption included in the groups of goods, works and services referred to in the second level of the common procurement vocabulary does not exceed seventy-fold of the procurement base unit, the acquisition of the subject of procurement may be carried out through price quotation, provided that it must not be included in the list of procurement being carried out through an electronic auction or in a centralised manner, or through a closed periodic tender;
- (3) procurement is carried out from the commodity, labour or service exchanges through the procedure for acquisition, every time in the cases and as prescribed by the Government of the Republic of Armenia;
- (4) the following procurement may be carried out on the basis of point 1 of part 1 of Article 23 of the Law, on the ground of existence of the special or exclusive right:

1.	supply of natural gas and technical maintenance of gas consumption systems
2.	energy supply
3.	supply of irrigation, drinking water (through water pipelines), technical and industrial water
4.	acquisition — on the basis of the legal regulation or administrative norm granted by the competent body — of the given goods, work or service from the person acting as the sole supplier (contractor, executor) of the goods, works or services to be procured
5.	acquisition of goods, works and services necessary for providing military equipment, armament, ammunition and defence technology, as well as immovable property for military needs, containing state secret
6.	designer supervision by those developing urban development documents
7.	lease of immovable property
8.	hospital care, including unaffordable diagnostic examinations
9.	ambulatory polyclinic medical care

10.	acquisition of goods, works and services for the purpose of receiving delegations and organising visits abroad, except for the acquisition of air tickets from air transport agents
11.	publication, in the “Public Service” weekly, of announcements about competitions for vacant positions of public service
12.	goods, works and services required for ensuring protocol expenditures, accommodation, food and transport services for officials provided for by part 2 of Article 5 of the Law of the Republic of Armenia “On ensuring the safety of persons subject to special state protection”, including special hardware and software support in the field of technical maintenance and repair of vehicles, provision of military equipment, armament, ammunition and defence technology
13.	banking services
14.	postal service
15.	acquisition — in cases provided for by the contract on acquisition of a subject of procurement — of technical maintenance services, including accessories required for services for the subject of procurement from the person having produced the subject of procurement or acting as the sole representative thereof
16.	preparation of orders of the Republic of Armenia, the medals of the Republic of Armenia and the boxes thereof
17.	acquisition of goods produced, works performed and services provided by the foundation provided for by Article 8 of the Law of the Republic of Armenia “On Penitentiary Service” for the needs of the Penitentiary Service, provided that the prices of the goods, works and services to be procured are equal to or lower than the market prices thereof
18.	acquisition of services for insurance of vehicles in compliance with the requirements and minimum tariffs set by the “Armenian Motor Insurers’ Bureau” Union of Legal Entities
19.	acquisition — electronically — of air tickets offered through a public offer in the electronic system for purchase of air tickets or on the official websites of organisations carrying out air transportation
20.	acquisition of community-owned immovable property
21.	services for granting international rating
22.	goods are acquired from an organisation definitively winding up its entrepreneurial activities or bankruptcy liquidators or administrators, based on an agreement with creditors or through such a procedure
23.	Ensuring the implementation of forensic medical examinations and genetic examinations based on the decisions of law enforcement authorities of the

	Republic of Armenia — examinations of corpses aimed at revealing the causes of deaths, living persons, materials of biological origin
24.	Technical support to analytical activities related to the statistical reports of the healthcare sector of the Republic of Armenia
25.	Services on drawing up the report on the national health accounts
26.	Services on drawing up the annual report on evaluation of the effectiveness of the healthcare sector of the Republic of Armenia
27.	Services on drafting of normative documents pertaining to the healthcare field
28.	Services addressing the Strategy on fight against smoking and the Action Plan for implementation of that Strategy
29.	Services on mapping the healthcare systems of marzes of the Republic of Armenia and Yerevan city
30.	Services on certification of professional activities in the healthcare field

(5) the procurement may be carried out on the basis of point 2 of part 1 of Article 23 of the Law, in the following cases:

- a. the procurement is carried out for the purpose of meeting the needs that have emerged as a result of emergency situations or natural disasters having taken place in the territories of foreign states and deemed urgent as provided for by the Law of the Republic of Armenia “On protection of population in emergency situations”. Acquisition, on this ground, of goods, works and services required for state needs may be carried out, irrespective of the fact whether or not financial allocations are earmarked for the given procurement, upon the written consent of the Prime Minister of the Republic of Armenia, provided that the amounts are earmarked in the given or the following budget years. According to this sub-point, an urgent need shall be deemed the need that must be completely met — the result of implementation of the contract is completely accepted in the period between the day that the demand for procurement has arisen and

thirty calendar days, provided that supply of goods, performance of works or provision of services deemed urgent must start in such a period during which the application of any competitive procurement form is impossible in terms of time limit;

- b. in other cases deemed urgent by the Government of the Republic of Armenia in cases of procurement for state needs;
- c. in case of procurement caused as a result of unforeseen situations and procurement deemed urgent, except for the cases of declaring the procurement procedure as not having taken place on the ground of point 2 of part 1 of Article 37 of the Law. Moreover, an urgent need shall be deemed the need that must be completely met — the result of implementation of the contract is completely accepted in the period between the day that the demand for procurement has arisen and 40 calendar days, provided that supply of goods, performance of works or provision of services deemed urgent must start in a period during which the application of any competitive procurement form is impossible in terms of time limit;
- d. in case of procurement of aviation services not being provided for state needs, where provision of services must start in a time limit from the day of entry into force of the legal act permitting the given official secondment during which the application of any competitive procurement form is impossible in terms of time limit.

- 24. The responsible subdivision shall transfer the procurement bid, with subsequent numbering, to the procurement co-ordinator in writing on the day it approves it.
- 25. The procurement co-ordinator shall, within three working days following receipt of the procurement bid, evaluate compliance of drawing up of the procurement bid with the requirements defined by the legislation of the Republic of Armenia

on procurement. Where inconsistency is recorded, the procurement bid shall be returned to the responsible subdivision, noting the recorded inconsistencies. The responsible subdivision shall correct and, within two working days, submit to the procurement co-ordinator the adjusted procurement bid. In case of disagreement with the recorded inconsistency, the responsible subdivision shall, within two working days, return the procurement bid to the procurement co-ordinator who shall, within the working day following receipt thereof, report to the head of the contracting authority in writing. On the day of receipt of the reporting notice, the head of the contracting authority shall:

- (1) assign the legal service of the contracting authority to provide a legal opinion within two working days. The legal service may require and receive additional materials to provide an opinion;
- (2) upon receipt of the legal opinion:
 - a. assign the procurement co-ordinator to organise the process of conclusion of the contract, taking as a basis the submitted procurement bid, where the reporting notice with the legal opinion has been considered as groundless, or
 - b. assign the responsible subdivision to review the procurement bid, according to the legal opinion.

VI. EVALUATION COMMISSION

26. For the purpose of organising the process of conclusion of the contract, the procurement co-ordinator shall — within three working days following the receipt of the written instruction or the procurement bid provided for by point 25 of this Procedure — draw up a draft order on formation of an evaluation commission and submit it to the head of the contracting authority in writing for

approval and the head of the contracting authority shall approve it within two working days. As regards the evaluation commission:

- (1) It shall be composed of at least three members and have a chairperson and a secretary which shall be prescribed by the act on formation of the commission. Where it is impossible for the chairperson to participate in the session of the commission, the candidate — following the candidate for the chairperson in the priority list of candidates to be included in the composition of the commission — present at the session shall preside over the session;
- (2) It shall carry out its activities through sessions. The session of the commission shall have quorum if attended by two-thirds of the members of the commission. The bid opening session shall have quorum if attended by the secretary of the commission and at least two members of the commission;
- (3) Where the session does not have quorum, the secretary shall notify the contracting authority thereon in writing as soon as he or she becomes aware of it and the latter shall, in the following order:
 - a. suspend the procurement process for a period not exceeding two working days;
 - b. ensure the presence of the given member at the session of the commission or — based on the recommendation of the responsible subdivision — appoint a new member of the commission to substitute the given member;
 - c. decide on the date and time of the session which shall not be later than the deadline for suspension of the procurement procedure;

- (4) Its decision shall be considered adopted where more than half of the members present at the session of the commission have voted in favour of the given decision. Each member of the commission shall have one vote and shall cast an affirmative or a negative vote. In case of a tie vote, the chairperson of the commission and in the absence thereof — the person presiding over the session shall have the casting vote;
- (5) Its sessions shall be video- or audio-taped and recorded and as a result of each session the members of the commission present at the session and the secretary shall mandatorily sign the minutes of that session. The minutes shall form an integral part of the protocol of the procurement procedure;
- (6) Its members and the secretary shall be obliged to ensure the confidentiality of information marked by bidders as confidential and shall be held liable, as prescribed by the law of the Republic of Armenia, for the damage caused to the bidders as a result of disclosing such information, except for the information subject to mandatory disclosure provided for by law;
- (7) Its extraordinary sessions shall be convened by the secretary upon the written assignment of the head of the contracting authority or upon the written request of at least one-thirds of the members of the commission within the time limits and according to the agenda indicated thereby. The secretary shall — at least six hours prior to the commencement of the session — inform the members of the commission in writing or electronically of the extraordinary session, the agenda and time limits thereof;
- (8) Non-performance of obligations by a member or the secretary, as well as interference by an official who is not a member of the commission, in the activities of the commission shall constitute grounds for taking measures to subject the given member (official) to liability as prescribed by the law of the Republic of Armenia;

- (9) Its member shall be responsible for his or her decisions, as well as for the documents and requests approved by him or her, as well as for the substantiation of determination of the successful bidder of the procurement procedure;
 - (10) Each of its members shall evaluate the submitted bids, as well as the documents submitted by the first ranked bidder, include the results of the evaluation thereof in the evaluation sheets and approve them with his or her signature.
27. Where the evaluation commission does not ensure compliance with the requirements of the legislation of the Republic of Armenia on procurement, the secretary shall notify the head of the contracting authority thereof in writing on the day he or she becomes aware of it, and the head of the contracting authority shall:
- (1) on the day of receipt of the reporting notice:
 - a. issue an order to suspend the activities of the commission. Where no other time limit is provided for by the suspension order, the activities of the commission shall be suspended for a period of up to three working days;
 - b. assign the legal service of the contracting authority to provide a legal opinion prior to the end of the suspension period. The legal service may require and receive additional materials to provide an opinion;
 - (2) may apply to the competent (specialised) bodies for the purpose of receiving an expert opinion on the issue based on the written recommendation of the legal service. If this is the case, the period of suspension of the activities of the commission shall be extended until the working day following the day of receipt of the opinion, in respect of which the head of the contracting authority shall issue an order;

- (3) following the receipt of the legal opinion and upon an order:
 - a. the activities of the commission shall be resumed where the reporting notice with the legal opinion has been considered groundless, or
 - b. the evaluation commission shall be assigned to review the decisions of the commission according to the legal opinion. The reporting notice and the legal opinion shall be attached to the protocol.
28. Where no new order has been issued prior to the end of the period of suspension of the activities of the commission, the activities of the commission shall be considered resumed. The copies of the documents related to the suspension of the activities of the commission shall be attached to the protocol of the procurement procedure.
29. The commission shall be considered dissolved on the day following the day of declaring the procurement procedure as not having taken place or the day of conclusion of the contract.
30. Pursuant to Article 23 of the Law, where a procurement is carried out and no evaluation commission is formed, the powers of the evaluation commission shall be exercised by the head of the responsible subdivision, and where an expert group has been formed — by this group, and the powers of the secretary of the commission shall be exercised by the procurement co-ordinator.

VII. CONCLUSION OF CONTRACT

31. The secretary shall — within three working days following the formation of the evaluation commission — convene the first session of the evaluation commission. As a result of the session and based on the procurement bid, the commission shall approve:
 - (1) the text of the procurement or prequalification notice;

- (2) the text of the invitation;
- (3) the date, time and venue of the next session of the commission.

32. The invitation shall also envisage that:

- (1) the bidder shall submit the following:
 - a. a written request to participate in the procurement procedure by indicating the taxpayer identification number;
 - b. a statement confirmed by him or her on compliance with the eligibility requirements and qualification criteria prescribed by the invitation;
 - c. a price proposal;
 - d. in cases envisaged by the invitation — a bid security. Where the bid security is submitted in the form of a bank guarantee and the procurement procedure is arranged electronically, the printed (scanned) copy of the original of the guarantee shall be submitted, provided that where the bidder is declared first ranked, he or she shall submit the original thereof in the manner and within the time limits prescribed by sub-point 4 of point 43 of this Procedure;
 - e. a copy of the licence provided for by the invitation;
 - f. in case of procurement of goods, a statement confirmed by him or her on compliance of the proposed goods with the technical specification envisaged by the invitation, provided that in case of being declared a first ranked bidder, he or she shall submit the technical specifications of the goods, and in cases envisaged by the invitation — also the proposed trademark, the name of the producer, the country of origin (hereinafter referred to as the full description of the goods) as prescribed by the invitation;

- g. a statement on the absence of abuse of the dominant position and an anti-competitive agreement;
 - h. a statement on the absence of concurrent participation of affiliated persons prescribed by this Procedure in the given procurement procedure;
 - i. data on the natural person(s) directly or indirectly holding more than ten percent of the voting stocks (shares, units) in a statutory capital of the bidder, including bearer stocks, or the person(s) entitled to appoint to or dismiss from office the members of executive body of the bidder, or receiving more than fifteen percent of the profit generated from entrepreneurial activities or other activities carried out by that bidder. In case of absence of the persons referred to in this paragraph, the data on the head and members of the executive body shall be submitted. Moreover, where the bidder is declared a selected bidder, the information provided for by this paragraph shall be published in the bulletin together with the statement regarding the decision on conclusion of the contract;
- (2) the bidder shall submit the price proposal in the form of a calculation composed of the general components of the price (the total sum of the cost price and the expected profit) and the value added tax. In the calculation of the components of the price no particulars or any other details shall be required or submitted. Where the bidder must pay value added tax for the transaction concerned to the State Budget of the Republic of Armenia, the amount due for that tax type shall be earmarked in the price proposal in a separate line. The evaluation and comparison of the price proposals of the bidders shall be performed without calculating the amount of tax referred to in this sub-point. Moreover, the bid of the bidder shall not be subject to rejection, where:

- a. the columns “proposed price value” and “value added tax” are filled in only with figures, and the total price column — both with letters and figures or only letters,
 - b. there is an inconsistency between the amounts expressed in letters or figures in the columns “proposed price value” and “value added tax”, but the total sum of any of the amounts expressed in letters or figures corresponds to the amount expressed in letters in the total price column,
 - c. the number of the lot in the price proposal of the bidder is indicated wrongly, whereas the name of the subject of procurement is filled in correctly;
- (3) in case of procurement of construction projects, the bidder shall not submit the estimate drawn up by him or her, and in case of being declared a selected bidder, the payments for the acts of completion within the framework of the contract being concluded shall be made in accordance with the following formula — $SP_T = BP/EP \times VP_T \times V$, where:
- BP is the price proposed by the selected bidder;
- EP is the estimated price of the construction project;
- VP_T is the unit price prescribed by the estimate for the individual types of works;
- V is the volume of the work presented by the acts of completion;
- SP_T is the sum — prescribed by the estimate — paid for the individual types of works;
- (4) if requested, the secretary of the commission shall provide forthwith the copies of the bid of the bidder, including that of the price proposal, and in case of procurement of goods, the copies of the document(s) containing the

full description of the goods submitted by the bidder, including by the first ranked bidder to the other bidder having made such a request. Where it is impossible to fulfil the request, the person having made the request shall immediately be provided with the original copies of the documents which he or she shall examine on site and shall have the right to photograph them and return to the secretary during the session without interfering with the normal course of activities of the commission;

- (5) an indication of allocation of an advance payment and its maximum amount, provided that the selected bidder may refuse the proposed advance payment or a part thereof;
- (6) the contract to be concluded may be implemented by concluding an agency or a subcontractor agreement. The bidder having submitted a bid for the purpose of participating in the given procedure may not be a party to the agency or subcontractor agreement. Where the agreement is anticipated to be implemented through an agency or a subcontractor, the bidder shall also submit in the bid the copy of the agency or subcontractor agreement and data on the person who is a party thereto;
- (7) the bidders may participate in the procurement procedure as a joint venture (as a consortium). In such case:
 - a. the bid shall also include a joint venture agreement;
 - b. when evaluating the bid the fact that the qualification of each of the members of the joint venture agreement must conform to the qualification requirements prescribed by the invitation and assumed by the given member under that agreement shall be considered;
 - c. the invitation provides that none of the parties to the joint venture agreement may submit separate bid for the same procedure. In case of non-compliance with the requirement of this paragraph, both the

bids submitted as joint venture and those submitted separately shall be rejected at the bid opening session;

- (8) where the contract price is fixed, the bidder shall submit the price proposal in one figure — by the total price proposed for the implementation of the contract;
- (9) where the estimated price of the goods, works or services subject to procurement within the framework of this procedure does not exceed the seventy-fold of the procurement base unit, the bid security shall not be submitted. Where the estimated price of the goods, works or services subject to procurement within the framework of this procedure exceeds the seventy-fold of the procurement base unit, the bid security shall be submitted in the form of bank guarantee or cash, the amount of which equals to five percent of the bidder's price proposal. Moreover, where the bidder has submitted the bid security in an amount exceeding the amount prescribed by this sub-point, the bid shall be considered as complying with the requirements of the invitation and shall not be subject to rejection.
- (10) where the price proposal submitted by the selected bidder within the framework of the given procedure does not exceed seventy-fold of the procurement base unit, the contract security shall be submitted as unilateral statement, in the form of penalty or cash. Where the price proposal submitted by the selected bidder within the framework of the given procedure exceeds seventy-fold of the procurement base unit, the contract security shall be submitted in the form of bank guarantee or cash;
- (11) where the procurement procedure has been arranged based on part 6 of Article 15 of the Law and at the moment when the competence to conclude a contract has arisen no financial resources have been earmarked, the contract security shall be submitted as a unilateral statement, in the form of penalty or cash. Where at the moment when the competence to conclude a

contract has arisen, the prescribed financial resources exceed the seventy-fold of the procurement base unit but additional financial resources are required for the full implementation of the contract, the contract security shall — in terms of the allocated financial resources — be submitted in the form of bank guarantee or cash, and in terms of the required financial resources — as a unilateral statement, in the form of penalty or cash;

- (12) the notifications are being sent electronically by sending the information via e-mail, except for the procurements containing state secret in case of which the notifications are sent in a paper format. The e-mail addresses of the contracting authority and the bidder are envisaged to be indicated in the invitation and the bid. In case of electronic exchange of information (documents), the sender thereof shall confirm the information (documents) by an electronic digital signature and shall send the certificate — placed in the identification card issued as prescribed by the Law of the Republic of Armenia “On identification cards” — or the information (documents) in the form of a printed (scanned) copy of the confirmed original document. Where the procurement procedure is arranged through the e-procurement system, the bidders that are residents of the Republic of Armenia shall confirm the documents, to be confirmed by them and included in the bid, by an electronic digital signature, whereas the bidders that are not residents of the Republic of Armenia shall submit those documents in the form of a printed (scanned) copy of the confirmed original documents;
- (13) the secretary of the commission shall send the proposal to conclude a contract and the draft contract to be concluded to the bidder electronically. In case of procurement of goods, the full description of the goods submitted in the bid by the selected bidder shall be included in the draft contract;

- (14) the draft contract approved by the selected bidder shall be submitted to the contracting authority in writing and the notice on its submission shall be registered in the document circulation system. The draft contract shall be approved by the head of the contracting authority within two working days following the day such competence has arisen;
- (15) where advance payment is provided for by the contract, the Ministry of Finance of the Republic of Armenia shall be indicated as the beneficiary in the document supporting the advance payment security in case of procurement transactions being carried out at the expense of the funds of the State Budget of the Republic of Armenia;
- (16) concurrent participation of affiliated persons — prescribed by this Procedure — in the procurement procedure shall be prohibited;
- (17) the treasury account opened in the name of the person authorised to pay the appeal fee and the data on the requirement that the person must also indicate in the submitted appeal the name and the account of the bank to which the fee must be transferred in case his or her appeal is satisfied;
- (18) where the procurement procedure is arranged in lots, the bids shall be evaluated and the selected bidder shall be determined according to separate lots. Where within the framework of the procurement procedure arranged in lots:
 - a. the bidder submits bids for more than one lot, he or she may submit either a bid security for each lot separately or one bid security for all of the lots. In case of submitting one bid security, its value shall be calculated against the total sum of the price proposals of the submitted lots. Where the total sum exceeds the seventy-fold of the procurement base unit but the price proposals submitted for the lots separately do not exceed that amount, no bid security shall be submitted;

- b. the bidder is declared selected in terms of more than one lot, he or she may submit a contract security either for each lot separately or for all of the lots. In case of submitting one contract security, its value shall be calculated against the total price of the contract. Where the total price of the contract exceeds the seventy-fold of the procurement base unit but the prices according to separate lots do not exceed that amount, the contract security may be submitted as a unilateral statement, in the form of penalty or cash;
 - c. the bidder rejects any of the lots or refuses to conclude the contract, or is deprived of the right to conclude a contract, the bid security shall be paid only in the amount of the security calculated against that lot;
 - d. the contract is rescinded in terms of a specific lot in case of non-implementation or improper implementation of the concluded contract, the contract security shall be paid only in the amount of the sum calculated against that lot.
- (19) where the bidder has been enrolled in the lists provided for by parts 5 and 6 of part 1 of Article 6 of the Law following the day of submission of the bid, his or her given bid shall not be subject to rejection;
- (20) where the statements of the bidder submitted in the bid on the right of participation in the procurement envisaged by the invitation and (or) on meeting the qualification criteria are qualified as not corresponding to reality, or the bidder or the first ranked bidder fails to submit — in the manner and within the time limits prescribed by this invitation — the documents provided for by the invitation, the fact shall be deemed to be a violation of the obligation undertaken within the framework of the procurement process;

- (21) where the procurement procedure is organised on the basis of part 6 of Article 15 of the Law, the bidder shall not submit a bid security;
 - (22) the evaluation of the bids shall be conducted within at most five days from the day of expiry of the deadline for submission thereof, and the evaluation of the documents submitted by the first ranked bidder — within at most ten working days from the day of submission thereof. Where the quantity of lots of the procurement procedure exceeds seventy-five lots, the evaluation of the bids shall be conducted within at most twelve working days from the day of expiry of the deadline for submission thereof, and the evaluation of the documents submitted by the first ranked bidder — within at most seventeen working days from the day of submission thereof.
33. The contract (draft) shall also provide that:
- (1) a party to the contract shall bear responsibility for non-performance or improper performance of obligations of the agent or the subcontractor;
 - (2) where the agent or the subcontractor change during the period of implementation of the contract, a party to the contract shall inform the contracting authority thereon in writing by providing the copy of the agency or subcontractor agreement and the data on the person who is a party thereto within five working days following the occurrence of the change;
 - (3) in case of joint venture (consortium), the bidders shall be held jointly and severally liable. Moreover, where a member of the consortium leaves the consortium, the contract of the contracting authority concluded with the consortium shall be rescinded unilaterally and the sanctions provided for by the contract shall be imposed against the members of the consortium;
 - (4) penalties and fines shall be prescribed by the contract for non-performance or improper performance of the obligations assumed by the person having concluded the contract (the contractor). The amount of the fine may not be

less than 0.5 percent of the total price of the contract, and the amount of penalties — not less than 0.05 percent of the total price of the contract. The penalty shall be calculated in calendar days against the price of the unimplemented part of the contract. Where the contract has been concluded based on point 6 of Article 15 of the Law, the fine shall be calculated against the price of the part of the contract for which financial resources have been allocated and with regard to which an agreement has been concluded;

- (5) when making payments for procurements and in case of existence of the grounds prescribed by the contract, the contracting authority shall be obliged to ensure the calculation and offset of penalties and fines with the amounts subject to payment with regard to the party to the contract;
- (6) where during the warranty period prescribed for the outcome of implementation of the construction projects or its individual component, deficiencies of the performed works have been detected, the contractor shall be obliged to eliminate the deficiencies at own expense within a reasonable time limit prescribed by the contracting authority;
- (7) in case of procurement of construction projects which do not require design documents or goods constituting fixed assets, the warranty period shall be the period of 365 calendar days following the day of acceptance of the work or goods by the contracting authority. Where deficiencies of the performed works or supplied goods have been detected during the warranty period, the party to the contract shall be obliged to eliminate the deficiencies at own expense within a reasonable time limit prescribed by the contracting authority;
- (8) where as a result of control or supervision over compliance with the requirements of the Law or as a result of examination of the appeals as prescribed by law it is concluded that in the procurement process, prior to

the conclusion of the contract, the party to the contract had submitted false documents (information and data) or the decision on declaring him or her a selected bidder does not comply with the legislation of the Republic of Armenia, the contracting party shall — upon the emergence of these grounds — be entitled to unilaterally rescind the contract where pursuant to the legislation of the Republic of Armenia on procurement the detected deficiencies, having emerged prior to the conclusion of the contract, would have constituted a ground for not concluding the contract. Moreover, the contracting authority shall not bear the risk of losses or lost profit the party to the contract suffers as a result of unilateral rescission of the contract, and the latter shall be obliged to compensate for the losses suffered by the contracting party through his or her fault as prescribed by the law of the Republic of Armenia and to the extent to which the contract has been rescinded;

- (9) the contract may not be modified as a result of failure by the Parties to partially fulfil the obligations or may not be fully rescinded upon mutual consent of the parties, except for cases of reduction of financial allocations required for carrying out the given procurement as prescribed by the legislation of the Republic of Armenia. Moreover, mutual consent by the parties on failure by the parties to the contract to partially fulfil the obligations or on full rescission needs to be obtained prior to reduction of the financial allocations required for carrying out the given procurement as prescribed by the legislation of the Republic of Armenia. Furthermore, it shall be prohibited to earmark financial resources for the purpose of acquisition of the same goods, works or services during the same budget year;
- (10) when developing the design documents, the project designer shall:
 - a. draw up the technical specifications of the design assignments — in accordance with the requirements of Article 13 of the Law — which underlie designing;

- b. define minimum requirements for the warranty periods for the project under the contractor agreement, its individual parts (structures, etc.) and the materials used;
 - c. define the requirements for the licence, technical facilities and labour resources required for the implementation of the construction project;
 - d. submit the design documents to the contracting authority electronically or in a paper format;
 - e. submit the schedule of performance of individual types of works;
- (11) where design deviations are detected during the implementation of construction projects, the designer shall pay the contracting authority a fine in the amount of the loss having occurred as a result of each detected deviation. Furthermore:
- a. deviation shall mean the occurrence of works of additional volume exceeding the sum prescribed for the work expenses not prescribed by the summary estimate of the design documents approved as prescribed by the legislation of the Republic of Armenia and with regard to which an expert opinion has been given during the performance of works, including the value added tax, and the amount of the fine is equal to the amount of works of additional volume;
 - b. losses shall mean such design deviations which result in the change of actually completed works (demolition, restoration works, etc.) and the performance of additional works, and the amount of the fine is equal to the loss and the total amount of the works of additional volume exceeding the sum prescribed for the work expenses not prescribed by the summary estimate of the design documents approved as prescribed by the legislation of the Republic of Armenia and with

regard to which an expert opinion has been given during the performance of works, including the value added tax;

- (12) where the contract has been concluded on the bases of part 6 of Article 15 of the Law, but no financial resources are earmarked for the given year or the amount of the earmarked financial resources is less than the contract price, the contract shall provide that in the future, the supply of goods, performance of works and provision of services shall be carried out by way of concluding a contract. Where the amount of financial resources allocated for the implementation of the contract exceeds the seventy-fold of the procurement base unit, the contracting authority shall conclude the contract where the security submitted in the form of penalty by the person having concluded the contract in the amount of the earmarked financial resources is substituted by a bank guarantee or cash, having regard to the requirements of paragraph “b” of sub-point 18 of point 32 of this Procedure. Moreover, a party to the contract shall conclude the agreement, and in the event of substitution of the security — shall also submit new security to the contracting authority within fifteen working days following the receipt of notification on conclusion of the agreement. Otherwise, the contract shall be unilaterally rescinded by the contracting authority;
- (13) the contract concluded with the person exercising quality control over the implementation of the construction project shall specify the warranty periods for the project under the contractor agreement and its individual parts and provide that where deficiencies are detected during that period, the person exercising quality control shall — in case of non-performance or improper performance of his or her obligations provided for by the contract — pay the contracting authority a fine in the amount of the expenses actually incurred by the contractor or the contracting authority for the elimination of the detected deficiencies;

- (14) in the event of commencing liquidation or insolvency proceedings during the validity of the security, the person having submitted the contract security shall be obliged to submit a written notice thereon to the contracting authority in advance;
- (15) where the contracting authority does not accept or reject the outcome of the contract within the time limit prescribed by the contract, it shall be considered accepted, and the contracting authority shall — on the working day following the deadline prescribed by the contract — provide the delivery and acceptance protocol, confirmed thereby, to the party to the contract. Moreover, the fact of delivering the outcome of the contract to the contracting authority shall be established by a mutually confirmed document with the indication of the date the document has been drawn up;
- (16) the notification on full or partial unilateral rescission of the contract on the ground of non-performance or improper performance of the obligations assumed by the person having concluded the contract shall be published by the contracting authority in the bulletin with the indication of the day of publication. The person having concluded the contract shall be considered duly notified of the unilateral rescission of the contract on the day following the day of publication of the notification in the bulletin;
- (17) in case of procurements entailing obligations at the expense of the funds of the State Budget of the Republic of Armenia, the registration of the given transaction by the authorised body shall constitute a condition for the performance of the rights and obligations of the parties provided for by the contract, except for procurements provided for by points 1, 2, 3, 10, 12, 13, 14, 18, 19 and 21 of the list prescribed by sub-point 4 of point 23 of this Procedure.

34. Within two working days following the day of approval of the texts of the procurement notice and the invitation or the prequalification notice, the secretary shall:
- (1) publish in the bulletin the texts of the procurement notice and the invitation or the prequalification notice, and in case of procurement of construction projects — also the estimate of the construction project, including the prices for the performance of individual types of works, as prescribed by the Minister of Finance of the Republic of Armenia;
 - (2) in case of arrangement of the procurement procedure in a paper format, send electronically the invitation to the potential bidder (bidders) of the given procurement procedure where the procurement is carried out through the procedure provided for by Article 23 of the Law, and in cases provided for by this Procedure — also publish the invitation in the bulletin as prescribed by the Minister of Finance of the Republic of Armenia;
 - (3) take measures as prescribed by the Government of the Republic of Armenia to conclude the contract where the procurement is carried out from the exchanges.
35. The secretary shall — upon the decision of the evaluation commission — take additional measures to extend the scope of the bidders and encourage competition among them for the purpose concluding the contract and take the following actions as regards the information on the procurement process:
- (1) publish the procurement or prequalification notice also in the mass media, including by electronic means;
 - (2) provide (send) the invitation to the potential bidders of the procurement process determined by the evaluation commission.
36. For the purpose of receiving the invitation in hard copy, the bidder shall submit a written request to the contracting authority. The copy of the document issued by

the bank certifying the payment of the sum required for the provision of the invitation shall be enclosed with the request for receiving the invitation in hard copy where the procurement notice provides for a payment for the provision of the invitation in hard copy. The contracting authority shall ensure the provision of the invitation in hard copy on the day following the day of receipt of such a request. Where a request has been made for electronic provision of the invitation, the contracting authority shall ensure the electronic provision of the invitation on a free-of-charge basis within the working day following the day of receipt of the request.

37. For the purpose of provision of services pertaining to the copying and delivery of the invitation, the contracting authority shall conclude a service contract where these works are not performed through the resources of the contracting authority.
38. Prior to the bid opening session, the officials of the contracting authority shall be prohibited from providing to other persons information on persons having made a request for provision of an invitation or having received an invitation. The provision of clarifications or other information with regard to the procurement procedure by these officials to other persons in a manner not provided for by the legislation of the Republic of Armenia on procurements shall constitute grounds for taking measures to subject that person to liability as prescribed by law.
39. Except for procurements carried out through the e-procurement system, the secretary of the evaluation commission shall register the bids in the register according to the order of receipt by indicating in the register the number, date and time of the registration. A statement of information thereon shall be issued at the request of the bidder. The bids submitted after the deadline for submission of bids shall not be registered in the register and shall be returned by the secretary within two working days following the day of their receipt.

The printed (scanned) copy of the original of the register shall be published in the bulletin along with the protocol provided for by sub-point 1 of point 43 of this Procedure.

40. At the bid opening session:

- (1) the chairperson (person presiding over the session) shall declare the session open and announce the price of the goods, works or services — expressed in one figure — to be procured within the framework of the given procedure prescribed by the procurement notice. The secretary of the commission shall provide information on the records made in the register and send the bid register, other documents forming an integral part thereof and the registered bids to the chairperson of the commission;
- (2) having sent the documents referred to in sub-point 1 of this point to the chairperson (person presiding over the session), the commission shall evaluate:
 - a. the compliance of the preparation and submission of the envelopes containing the bids with the prescribed procedure and open the evaluated bids that are in compliance with the prescribed procedure;
 - b. the availability of the required (prescribed) documents in each of the opened envelopes and the compliance of preparation thereof with the requisites defined in the invitation;
- (3) the chairperson of the commission shall announce the price proposals — expressed in one figure — of the bidders having submitted the bids, taking as a basis the amount written in letters;
- (4) the commission shall reject the bids which lack a price proposal and/or the bid security or where these have been submitted in violation of the requirements of the invitation. Where the procurement is carried out through an electronic system, the price proposal included in the system and approved by the bidder shall be taken as a basis;

- (5) the commission shall determine and announce the first ranked and successively ranked bidders from among the bidders having submitted bids evaluated as complying with the requirements of the invitation. In case of equality of the lowest proposed prices or where the price proposals submitted by all the bidders having submitted bids evaluated as complying with the non-price conditions exceed the price prescribed by the procurement bid for the goods, works or services to be procured within the framework of the given procurement or the procurement is carried out on the basis of part 6 of Article 15 of the Law:
- a. in order to determine the first ranked and successively ranked bidders, simultaneous negotiations shall be conducted with all the bidders evaluated as complying with the non-price conditions for the purpose of reducing the prices proposed at the session of the commission where all the bidders (representatives having the relevant powers) are present at the session;
 - b. the session of the commission shall otherwise be suspended and the secretary of the evaluation commission shall concurrently — within one working day — electronically notify all the bidders evaluated as satisfactory of the date, time and venue of the simultaneous negotiations on reduction of prices;
 - c. the negotiations shall be conducted no sooner than the second day following the day of sending the notification and no later than the tenth working day following the day of sending the notification;
 - d. the price proposal of each bidder submitted at the given time shall be made available for other bidders and the bidder shall be able to review his or her price proposal prior to the end of the deadline set for the negotiations;

- e. at the time of expiry of the deadline set for the negotiations, the first ranked and successively ranked bidders shall be determined and announced based on the prices submitted by the bidders which do not exceed the amount of the financial resources allocated for the procurement;
 - f. at the time of expiry of the deadline set for the negotiations, where the prices submitted by the bidders exceed the price prescribed by the bid for the goods, works or services to be procured within the framework of the given procedure, or the minimum prices are the same, the procurement procedure shall be declared as not having taken place based on point 1 of part 1 of Article 37 of the Law.
41. Where as a result of the evaluation conducted at the bid opening session, inconsistencies with regard to the requirements of the invitation are detected in the bid of the bidder, except for cases where the bid does not contain a price proposal or a bid security, or the price proposal or the bid security are submitted in violation of the requirements of the invitation, the commission shall suspend the session for one working day, and the secretary of the commission shall electronically notify the bidder thereof on the same day, suggesting him or her to eliminate the inconsistency prior to the end of the suspension period.
42. Where the bidder eliminates the detected inconsistency within the time limit prescribed by point 41 of this Procedure, his or her bid shall be evaluated as satisfactory. The bid shall otherwise be evaluated as unsatisfactory and rejected.
43. No later than on the first working day following the end of the bid opening session, the secretary of the commission shall:
- (1) publish the printed (scanned) copy of the original of the protocol of the bid opening session in the bulletin;

- (2) publish in the bulletin the printed (scanned) copies of the originals of the statements on absence of conflict of interests signed by him or her and the members of the evaluation commission present at the bid opening session. Members of the evaluation commission that contribute to the activities of the commission at the sessions convened following the bid opening session shall sign the statements provided for by this sub-point which shall be published in the bulletin by the secretary on the working day following the day of signature;
- (3) submit by e-mail an enquiry with the State Revenue Committee adjunct to the Government of the Republic of Armenia (hereinafter referred to as the Committee) as regards the existence of conditions prescribed for the evaluation of the overdue liabilities of the first ranked bidder with regard to the incomes controlled by the tax authority as of the day of submission of the bid, as well as the qualification criterion of “Financial resources” defined by the invitation by providing the name of the bidder and the registration number of the taxpayer;
- (4) notify the first ranked bidder by e-mail suggesting him or her to submit by e-mail the documents prescribed by the invitation to substantiate the qualification criteria within three working days from the day of notification, except for cases provided for by this Procedure, in case of procurement of goods — also the document prescribed by paragraph “f” of sub-point 1 of point 32 of this Procedure and the original copy of the bid security submitted in the form of a bank guarantee — with a letter attached thereto. Where no documents are submitted within the time limit prescribed by this part, the commission shall reject the bid of the first ranked bidder at the bid opening session and request the successively ranked bidder to submit the documents.

44. The Committee shall — within three working days following the receipt of the enquiry provided for by sub-point 3 of point 43 of this Procedure — provide information on the enquiry by e-mail. Where the Committee fails to provide information within the time limit prescribed by this point, the statements submitted by the bidder shall be considered to be corresponding to reality. Where the information submitted after the deadline prescribed by the Committee establishes the fact that as of the day of submission of the bid, the first ranked bidder had overdue liabilities exceeding the threshold provided for by law with regard to the incomes controlled by the tax authority or he or she does not comply with the requirements of the qualification criterion of “Financial resources” defined by the invitation, and the contract has not been concluded, the bid of the given bidder shall be rejected. Where the statement submitted by the bidder is qualified as not corresponding to reality based on the information provided within the prescribed time limit, the bid of the given bidder shall be rejected upon the decision of the commission at the bid evaluation session, notwithstanding the fact that the bidder has submitted information other than the information provided by the Committee. When evaluating the qualification criterion provided for by this point, regard shall be had to the procedure provided for by point 47 of this Procedure.
45. The contracting authority shall — within five working days following the day of emergence of the grounds provided for by point 6 of part 1 of Article 6 of the Law — send the data on the given bidder, including the relevant grounds, to the authorised body in writing which shall provide them to the Procurement Appeals Board in writing within 5 working days following their receipt. In case of availability of the grounds for being deprived of the right to participation prescribed by point 44 of this Procedure, the data provided for by this point shall not be submitted to the authorised body where the bidder or the Committee has submitted the additional information before the third working day following

the session for the approval of the evaluation results of the bids. The additional information shall be submitted both by the first ranked bidder by submitting the written information received from the committee, to the evaluation commission and in the form of new information delivered by the committee. Moreover, no repeated inquiry shall be made to the committee by the evaluation commission or the secretary.

46. The secretary shall — on the day following the deadline provided for by sub-point 4 of point 43 of this Procedure — simultaneously provide the members of the commission by e-mail the copies of the documents submitted by the first ranked bidder, two copies of evaluation sheets and the information received from the Committee. The session for the approval of the evaluation results of the bids shall be convened no later than on the third working day following the provision of the documents to the members of the commission. Moreover, in case of procurement of goods, the commission shall also evaluate the compliance of the submitted technical specifications with the requirements of the invitation, and in case of detecting inconsistencies, the detected inconsistencies shall be described in detail in the minutes of the session of the commission.
47. Where the documents submitted by the first ranked bidder are incomplete, as well as in case of detecting inconsistencies with regard to the requirements of the invitation as a result of evaluation of the submitted documents that are provided for by the invitation and substantiate the qualification criteria provided by the Committee and in case of procurement of goods — also the documents provided for by paragraph “f” of sub-point 1 of point 32 of this Procedure, the secretary of the commission shall notify the first ranked bidder thereon by e-mail on the same day, suggesting the bidder to eliminate the inconsistency within one working day. The inconsistency detected with respect to the qualification criterion “financial resources” may be corrected both by the first ranked bidder by submitting the written information received from the committee, to the

evaluation commission and in the form of new information delivered by the committee. Moreover, no repeated inquiry shall be made to the committee by the evaluation commission or the secretary.

48. As regards the detected inconsistencies:

(1) where the first ranked bidder eliminates them within the prescribed time limit, the bid shall be evaluated as satisfactory and the first ranked bidder shall be declared a selected bidder;

(2) where the first ranked bidder fails to eliminate them within the prescribed time limit, the bid shall be rejected upon the decision of the commission and a request to submit the documents shall be made to the successively ranked bidder.

49. Where the selected bidder fails (refuses) to conclude the contract or he or she is deprived of the right to conclude a contract, the commission shall apply the conditions provided for by points 43-48 of this Procedure in order to determine the selected bidder.

50. The contract with the selected bidder shall be concluded as prescribed by Articles 10 and 36 of the Law. Moreover, in case of procurement of goods, the full description of the goods shall be included in the contract in accordance with the proposal submitted by the selected bidder pursuant to sub-point 4 of point 43 of this Procedure.

51. The contract price shall be fixed where the works prescribed by the contract are performed, the goods are supplied and the services are provided within a period of up to three years. Where neither in the invitation nor in the contract it is stated that the contract price is factor-based, the contract price shall be considered to be fixed, irrespective of the period of implementation of the contract.

52. Where the contract price is fixed:

- (1) the bidder may not be requested to submit justifications of the price proposal or any other information or documents;
- (2) the invitation may not provide for any limitations on the amount of the profit of the bidder;
- (3) in case of proper implementation of the contract, the benefits (savings) of or the damages incurred by the parties (selected bidder or contracting authority) shall be the benefits of or the damages incurred by the given party;
- (4) obligations of the parties to the contract towards third persons, including other transactions carried out by the bidder having concluded the contract within the framework of implementation of the contract and the obligations arising from them shall be outside the scope of regulation of the contract and may not affect the acceptance of the outcome of implementation of the contract. Relations pertaining to the performance of the transactions provided for by this sub-point and the fulfilment of the obligations arising from them shall be regulated by the norms regulating the relations pertaining to those transactions, and the person having concluded the contract with the contracting authority shall be responsible for them.

53. The contract price may be factor-based where that condition is provided for by the invitation and the contract, if:

- (1) the goods provided for by the contract are supplied, the services are provided and the works are performed within a period exceeding three years following the day of conclusion of the contract, with the possibility of changing only the prices provided for by the contract for a period exceeding three years;
- (2) in other cases prescribed by the Government of the Republic of Armenia.

54. Where the contract price is factor-based, the invitation shall provide for:
- (1) all the conditions (hereinafter referred to as external factors), the modification of which may result in the change of the contract price;
 - (2) the procedure of changing the contract price as a result of changes in external factors.
55. Where the price of the contract concluded for state needs exceeds the procurement base unit, the modifications to that contract and the notice with regard thereto shall be published by the contracting authority in the bulletin as prescribed by the Minister of Finance of the Republic of Armenia within three working days from the day of introduction of the modification, and in case of procurements containing state secret, the modification shall be sent to the authorised body within three working days.
56. It shall be prohibited to make modifications to the contract and where the contract price is factor-based — also to any agreement attached to the contract concluded in the subsequent years, which result in the artificial change of the volumes of the goods, works and services to be procured or the price of the unit of the subject of procurement to be acquired or the contract price. Artificial changes shall include the following:
- (1) as long as the contract price remains unchanged, the reduction of volumes of the goods, works and services provided for by the contract or as long as the contract price is reduced — the disproportionate reduction of the volumes of the goods, works and services provided for by the contract which causes an increase of the acquisition price of the unit of the subject of procurement;
 - (2) increase of the volumes of the works or services provided for by the contract which exceeds the ten percent of the total price of the contract, except for the procurements mentioned in the list approved by sub-point 4

of point 23 of this Procedure. Volumes of the works or services provided for by the contract may increase only within the period for the performance of works or provision of services prescribed by the contract;

- (3) the substitution of the goods, works or services provided for by the contract by goods, works or services having other specifications which in monetary expression exceed the fifteen percent of the contract price. Substitution within fifteen percent of the contract price may be carried out where there is an expert opinion issued by the responsible subdivision stating that the substitution will result in the effective implementation of the contract;
- (4) a single extension of the period prescribed by the contract for the supply of goods, performance of works or provision of services for a period of more than thirty calendar days but for no longer than the period prescribed by the contract, except for procurements prescribed by paragraph “c” of sub-point 5 of point 23 of this Procedure or the procurement of scientific research and experimental design works for the purpose of meeting the military needs — containing state secret. Moreover, the time limit provided for by this sub-point may be extended until the expiry of the time limit initially prescribed by the contract at the suggestion of a party to the contract, provided that the demand of the contracting party for the use of the subject of procurement still exists;
- (5) the increase of the contract price where the technical specifications of the goods, works or services or the design assignments provided for by the contract remain unchanged;
- (6) the provision by the contract for an advance payment where the invitation did not provide for the possibility of allocation of an advance payment, except for the procurements included in the list approved by sub-point 4 of point 23 of this Procedure, or where the implementation of the contract is carried forward to the budget year following the year of conclusion of the contract.

57. Each case of modification to the contract under the influence of factors not dependent on the parties to the contract shall be defined by the Government of the Republic of Armenia.
58. Where no contract is concluded as a result of the procurement procedure, the procedure shall be declared as not having taken place and a new procurement procedure shall be arranged as prescribed by law. The procurement procedure arranged for the needs of the state and communities based on point 2 of part 1 of Article 37 of the Law may be fully or partially declared as not having taken place upon the decision of the Government of the Republic of Armenia or the council of elders of the community respectively, or in case of other contracting authorities — upon the decision of the head of the authorised body carrying out general administration and in case of funds — that of the Board of Trustees.

VIII. CONDITIONS FOR EVALUATING ELIGIBILITY FOR PARTICIPATION IN PROCUREMENT AND QUALIFICATION CRITERIA

59. The criterion “eligibility for participation” for bidders, provided for by part 1 of Article 6 of the Law, shall be evaluated in the following manner:
- (1) where the bidder has submitted in the bid a written statement on compliance of his or her data with the requirements provided for by part 1 of Article 6 of the Law, the given bidder shall be granted a right to participate in the procurement procedure;
 - (2) apart from the statement, no other documents may be required from the bidder, including the selected bidder, for the purpose of substantiation of the requirements provided for by part 1 of Article 6 of the Law.
60. The criterion “Compliance of professional activities with activities provided for by the contract” for the bidders, provided for by point 1 of part 3 of Article 6 of the

Law, shall be defined and evaluated in case of arrangement of prequalification procedure in the following manner:

(1) the bidder shall submit in the bid the following information:

With regard to contracts properly performed within the year of submission of the bid and three years prior to it:		
subject		data on the contracting authority and data for contacting it;
1		2
Date:		
1.		
2.		
...		
Date:		
1.		
2.		
...		
Date:		
1.		
2.		
...		

(2) the bidder shall be considered to meet the requirement provided for by this point, where he or she has submitted in the bid the required information.

61. The criterion “Professional experience” for bidders, provided for by point 2 of part 3 of Article 6 of the Law, shall be evaluated in the following manner:

(1) it shall be required by the invitation that the bidder submits in the bid a statement that he or she has properly performed at least one analogous (similar) contract within the year of submission of the bid and three years prior to it. A previously performed contract (or contracts) shall be evaluated

as similar, where the volume (or aggregate volume) of goods supplied, services provided and activities performed within the scope thereof, in monetary terms, is not less than 50 percent of the price proposal submitted by the bidder within the scope of the given procurement procedure, of which the volume of goods supplied, services provided and activities performed within the scope of at least one contract, in monetary terms, is not less than 20 percent of the price proposal submitted by the bidder within the scope of the given procurement procedure;

- (2) the first ranked bidder shall submit — as a document substantiating the qualification criterion prescribed by sub-point 1 of this point — the copies of the previously performed contract (contracts) and the invoices thereof, and for the evaluation of proper performance of that (those) contract (contracts), the copy of the act (protocol of delivery and acceptance, etc.) attesting to the performance of the contract within the prescribed time limit and confirmed by the parties to the given contract, or written confirmation by the party having accepted the performance of the given contract;
- (3) if the estimated price of the subject of procurement does not exceed — within the scope of the given procedure — five-fold of the procurement base unit, or immovable property is the subject of procurement, or the procurement procedure is arranged on the ground provided for by paragraph “c” of sub-point 5 of point 23 of this Procedure, then the requirements provided for by sub-points 1 and 2 of this point shall not be prescribed by the invitation, and the bidder shall only submit in the bid a statement on having experience in the performance of an analogous (similar) contract;
- (4) the qualification of the bidder shall be evaluated as satisfactory, where he or she meets the requirements provided for by this point.

62. The criterion “Technical resources” for bidders, provided for by point 3 of part 3 of Article 6 of the Law, shall be evaluated in the following manner:

- (1) it shall be required by the invitation that the bidder submits in the bid a statement on availability of technical resources necessary for the performance of the contract;
- (2) where relevant requirements with regard to the qualification criterion “Technical resources” are prescribed by the invitation, the first ranked bidder shall submit — as a document substantiating the qualification criterion prescribed by sub-point 1 of this point — the data of technical resources that he or she intends to use during the performance of the contract. Moreover, in order to substantiate the availability of technical resources, the first ranked bidder shall submit the copies of technical passports thereof and of documents attesting to the right of ownership or temporary use of the bidder over such resources;
- (3) if the estimated price of the subject of procurement does not exceed — within the scope of the given procedure — five-fold of the procurement base unit, or immovable property is the subject of procurement, or the procurement procedure is arranged on the ground provided for by paragraph “c” of sub-point 5 of point 23 of this Procedure, then the requirements provided for by sub-points 1 and 2 of this point shall not be prescribed by the invitation, and the bidder shall only submit in the bid a statement on availability of technical resources necessary for the performance of the contract;
- (4) the qualification of the bidder shall be evaluated as satisfactory, where he or she meets the requirements provided for by this point.

63. The criterion “Financial resources” for bidders, provided for by point 4 of part 3 of Article 6 of the Law, shall be evaluated in the following manner:

- (1) it shall be required by the invitation that the bidder who is a resident of the Republic of Armenia, except for a natural person not being an individual entrepreneur, submits in the bid a statement that:
 - a. the total sum of the gross income of the three reporting years prior to his or her submission of the bid is not less than the submitted price proposal;
 - b. the balance sheet value of liabilities within the reporting year prior to his or her submission of the bid has not exceeded the balance sheet value of assets;
 - (2) if the bidder is not a resident of the Republic of Armenia or the estimated price of the subject of procurement does not — within the scope of the given procurement procedure — exceed five-fold of the procurement base unit, or acquisition of immovable property is the subject of procurement, or the bidder is a natural person not being an individual entrepreneur, or the procurement procedure is arranged on the ground provided for by paragraph “c” of sub-point 5 of point 23 of this Procedure, then the requirement provided for by sub-point 1 of this point shall not be prescribed by the invitation, and the bidder shall only submit in the bid a statement on availability of financial resources necessary for the performance of the contract;
 - (3) the qualification of the bidder shall be evaluated as satisfactory, where he or she meets the requirements provided for by this point.
64. The criterion “Labour resources” for bidders, provided for by point 5 of part 3 of Article 6 of the Law, shall be evaluated in the following manner:
- (1) it shall be required by the invitation that the bidder submits in the bid a statement on availability of labour resources necessary for the performance of the contract;

(2) where relevant requirements with regard to the qualification criterion “Labour resources” are prescribed by the invitation:

- a. the first ranked bidder shall be required by the invitation to submit — as a document substantiating the qualification criterion prescribed by sub-point 1 of this point — data on the staff proposed by the bidder for the purpose of performance of the contract in the following manner:

Specialists included in the key staff				
Name, surname	Qualification	Work experience		Name of employer
		Period	Field of activities and activities performed	
1	2	3	4	5
1.				
2.				

- b. in order to substantiate the availability of labour resources, the first ranked bidder shall submit the copies of written consents, confirmed by the specialists involved in the nominated staff, to involving them in the activities to be performed, as well as of passports and documents (diploma, attestation, certificate, etc.) attesting to the qualification of the specialists;

(3) if the estimated price of the subject of procurement does not exceed five-fold of the procurement base unit, or immovable property is the subject of procurement, or the procurement procedure is arranged on the ground provided for by paragraph “c” of sub-point 5 of point 23 of this Procedure, then the requirement provided for by sub-point 1 of this point shall not be prescribed by the invitation, and the bidder shall only submit in the bid a

statement on availability of labour resources necessary for the performance of the contract;

(4) the qualification of the bidder shall be evaluated as satisfactory, where he or she meets the requirements provided for by this point.

65. Transactions shall be considered to be analogous (similar), where they are classified under the same groups of economic activity considered to be analogous and are provided for by the invitation or prequalification notice. Types of economic activity which are considered to be analogous and the procedure for evaluation thereof shall be prescribed in an exhaustive manner and without the possibility of ambiguous interpretation. In case of construction projects, the same groups of economic activity shall be prescribed taking account of the type of activity subject to licensing in the field of urban development and the transcripts. In case of possibility of multiple (ambiguous) interpretations of the types of economic activity considered to be analogous and prescribed by the invitation, the existing difference shall be interpreted in favour of the bidder.
66. The bidder may submit other additional documents, information and materials for the purpose of substantiating the compliance with the requirements to the bidder.
67. The evaluation commission may verify the authenticity of the data submitted by the bidder, using data received from official sources or receiving a written opinion thereon by competent bodies. In case such enquiry is sent, the relevant state and local self-government bodies shall provide a written opinion within two working days following the day of receipt of the enquiry. If, as a result of verification of the authenticity of the data submitted by the bidder, the data are qualified as not corresponding to reality, then the bid of the given bidder shall be rejected.

IX. PROCEDURE FOR APPLYING THE PREQUALIFICATION PROCEDURE

68. The contracting authority shall arrange a prequalification procedure, where the procurement is carried out through:
- (1) two-stage tender;
 - (2) closed targeted tender;
 - (3) closed periodic tender;
 - (4) price quotation containing state secret;
 - (5) open tender or closed targeted tender for the purpose of procurement of consultancy services.
69. The prequalification procedure shall be arranged under the conditions provided for by Article 24 of the Law and pursuant to the following procedure for applying them:
- (1) where procurement is carried out based on point 3 of part 1 of Article 24 of the Law, the time limits envisaged for the submission of prequalification bids shall be at least 7 and maximum 15 calendar days;
 - (2) the license required for the performance of the contract and the requirements prescribed by point 1 of part 3 of Article 6 of the Law for the qualification of the bidder shall be prescribed by prequalification notice, except for the case of carrying out procurement through closed periodic tender;
 - (3) in case of carrying out procurement through closed targeted or closed periodic tenders, the conditions prescribed by the legislation of the Republic of Armenia for providing an invitation containing state secret to the prequalified bidder, shall be envisaged;

- (4) the bidder shall submit the bid as prescribed by the prequalification notice, which shall be evaluated within at most three working days from the day of expiry of the deadline for submission of bids.

70. Prequalification bid shall include the following documents confirmed by the bidder:

- (1) written application for participation in prequalification procedure;
- (2) written statement confirmed by the bidder, on compliance of his or her data with the requirements envisaged for qualification criterion prescribed by the prequalification notice;
- (3) copy of the license provided for by the notice;
- (4) joint venture contract, where bidders participate in the prequalification procedure as a consortium;
- (5) prequalification bid may be submitted electronically, through an electronic letter addressed to the secretary of the evaluation commission;
- (6) prequalification bid of the bidder shall be evaluated as prescribed by the prequalification notice;
- (7) bidders included in the list of prequalified bidders shall be granted the right to further participation in the procurement process, and the invitation, together with the protocol on summarising the results of their prequalification procedure drawn up by the evaluation commission, shall be provided electronically or in hard copy. In case of carrying out procurement through closed targeted and closed periodic tenders, the provision of the invitation to the bidders shall be carried out under the conditions prescribed by the prequalification notice.

X. PROCEDURE FOR APPLYING SINGLE SOURCE PROCUREMENT

71. In case of carrying out single source procurement, the requirements prescribed by Section 7 of this Procedure shall apply, taking account of the following peculiarities:
- (1) where the procurement is carried out on the grounds provided for by paragraphs “b”, “c” and “d” of sub-point 5 of point 23 of this Procedure:
 - a. the invitation shall be sent to the bidders referred to in the procurement bid through simultaneous notification, also through publication thereof in the bulletin on the same day;
 - b. the time limits for submission of bids shall be prescribed not earlier than two and not later than five working days following the day of sending the invitation;
 - c. the bidder shall submit, in the bid, an application for participating in the procurement procedure, a joint venture contract if the bidders participate in the procurement procedure as a consortium, a price proposal, documents, provided for by the invitation, supporting the eligibility for participation and the qualification, full description of goods in case of procurement of goods;
 - d. the bidder shall submit the bid to the secretary (procurement coordinator) as prescribed by the invitation — in a closed envelope, where the procurement process is paper-based;
 - e. in case of procurement containing state secret, the invitation shall not be published in the bulletin;
 - f. the selected bidder shall submit a contract (advance payment) security;

- (2) where the procurement is carried out based on point 3 of part 1 of Article 23 of the Law or paragraph “a” of sub-point 5 of point 23 of this Procedure:
 - a. the bidder shall not submit a bid security;
 - b. the bidder shall submit a contract (advance payment) security, where the procurement is carried out based on point 3 of part 1 of Article 23 of the Law;
 - c. the bid of the bidder shall include a price proposal, a full description of goods in case of procurement of goods, a statement on compliance of his or her data with the qualification requirements provided for by part 3 of Article 6 of the Law, and, in case the procurement is carried out based on paragraph “a” of sub-point 5 of point 23 of this Procedure, also a statement confirmed thereby on compliance with the eligibility for participation prescribed by the invitation;
- (3) where the procurement is carried out based on point 4 of part 1 of Article 23 of the Law or sub-point 4 of point 23 of this Procedure, the bidder shall:
 - a. not submit a bid security or a contract (advance payment) security;
 - b. submit only a price proposal.

72. If the procurement is carried out based on point 4 of part 1 of Article 23 of the Law or sub-point 4 of point 23 of this Procedure, in case the price of the contract to be concluded does not exceed half of the procurement base unit and is subject to performance at the point of conclusion of the contract, then the conclusion of a written contract shall not be mandatory, and the transaction may be carried out based on other documents (invoice, etc.) provided for by the legislation of the Republic of Armenia.

73. In the cases provided for by sub-points 2 and 3 of point 71 of this Procedure, the bid shall be submitted to the secretary (procurement co-ordinator) as prescribed by the invitation, with a letter confirmed by the bidder. The bid may also be submitted electronically, through a letter addressed to the secretary.

XI. PROCEDURE FOR APPLYING PROCUREMENT PROCEDURE THROUGH CLOSED PERIODIC TENDER

74. The head of the contracting authority shall — within three working days following the day of including the subject of procurement in the list of goods, works and services acquired through closed periodic tender:
- (1) appoint the secretary of the given procurement process;
 - (2) approve the text of the prequalification notice submitted by the secretary;
 - (3) publish the text of the prequalification notice in the bulletin on the day following the day of approval thereof. The prequalified notice published in the bulletin shall have effect for an unlimited term. Moreover, the conditions prescribed by the legislation of the Republic of Armenia for providing an invitation to the prequalified bidder shall be prescribed by the prequalification notice.
75. The prequalification notice shall not include descriptions of procurement, and the subject of procurement shall be described in the invitation according to its definition referred to in the list of goods, works and services acquired through closed periodic tender.
76. Following the publication of the prequalification notice, the person willing to participate in the procurement process shall submit to the contracting authority a written application in hard copy or electronically for the purpose of being registered as a potential bidder. The application and the documents attached thereto shall be evaluated by the secretary of the procurement process.

77. Within three working days following the day when the application drawn up in the prescribed manner was filed with the contracting authority or received electronically, if the bidder meets the conditions for provision of the invitation, prescribed by the prequalification notice and the legislation of the Republic of Armenia, then the head of the contracting authority shall conclude an initial contract with the bidder. The contracting authority shall publish the initial contract in the bulletin on the working day following the conclusion thereof.
78. The initial contract shall also stipulate that:
- (1) the submission of a bid by the bidder having concluded it shall not be mandatory;
 - (2) the bid shall be submitted within seven calendar days following the day of notification;
 - (3) the bidder may terminate the initial contract by notifying the contracting authority thereof in writing or electronically. The termination of the initial contract shall not automatically terminate the contracts concluded previously based thereon. The initial contract shall terminate on the third working day following the day of filing the application related thereto with the contracting authority. Meanwhile, the contracting authority shall remove from the bulletin the initial contract concluded with the given bidder.
79. The following conditions shall apply when carrying out procurement through closed periodic tender:
- (1) the process of submission, evaluation of bids, determination of the selected bidder and conclusion of the contract shall be carried out under the conditions prescribed by this Procedure;
 - (2) in case of procurement of goods, the contract (draft) shall define that the contracting authority shall — before the expiry of each sixth month of the

period from the day of entry into force of the contract until the end of the time limit for the supply of the goods in full volume — organise a new procedure for the acquisition of such goods according to the requirements prescribed for carrying out procurement through closed periodic tenders. If, as a result of that procedure, the minimum unit price formed in the prescribed manner is lower, in respect of a certain commodity, than the price prescribed by the contract, then the contracting authority shall conclude a new contract with regard thereto with the selected bidder, prescribing the circumstance of receiving a relevant notification thereon from the contracting authority as a condition for the entry into force of the rights and obligations of the parties. As a result of the new procedure, the contracting authority shall — on the working day following the day of conclusion of the contract — submit to the party to the valid contract a requirement for supplying goods at a price lower than the formed price and the draft on the modification of the contract to be concluded. Where a party to the valid contract does not sign and submit to the contracting authority the modification of the contract within two working days, the contracting authority shall unilaterally rescind, in that respect, the valid contract without applying the measures of liability provided for by the contract against the party thereto, and shall notify the party to the new contract of the entry into effect of the rights and obligations of the parties.

XII. PROCEDURE FOR APPLYING PROCUREMENT THROUGH PRICE QUOTATION

80. In case of carrying out procurement through price quotation, the conditions prescribed by Section 7 of this Procedure shall apply, taking account of the fact that the time limit envisaged for the submission of the bids must not be less than seven and more than fifteen calendar days, which shall be calculated from the

day of publishing of the procurement notice and invitation in the bulletin, and in case of procurement containing state secret, from the day of provision of the prequalified bidders with the invitation.

XIII. PROCEDURE FOR APPLYING TWO-STAGE TENDER

81. In case of arrangement of a tender in two stages:
 - (1) the secretary of the commission shall simultaneously provide (send) the invitation to all the bidders electronically within three working days following the day of approval of the protocol on the summarisation of the results of the prequalification procedure by the evaluation commission;
 - (2) under the invitation, characteristics of the subject of procurement shall be defined as initial versions of performance-related or functional descriptions.
82. Bids shall be submitted in two stages. The time limit envisaged for the submission of the first-stage bids must not be less than fifteen calendar days calculated from the day of the provision of the invitation. The first-stage bid not containing the price proposal shall include the proposals of the bidder on performance-related or functional descriptions of the subject of procurement submitted in the invitation (proposal on descriptions). With the view to substantiating the proposal on descriptions, the bidder may, through the first-stage bid, submit supporting documents, information, opinions, and other materials.
83. The bidder shall submit the first-stage bid in a letter addressed to the secretary of the evaluation commission in hard copy or electronically, before the expiry of the time limit for the submission of the first-stage bids, provided for by the invitation.
84. The secretary of the evaluation commission shall:

- (1) within three working days following the day of expiry of the time limit for the submission of first-stage bids, refer the copies of the bids to the responsible subdivision;
- (2) not later than within ten days following the day of expiry of the time limit for the submission of first-stage bids, invite all the qualified bidders for concurrent negotiations. The secretary of the evaluation commission shall send to the bidders the notification on arranging negotiations electronically, indicating the venue, date and time of holding the negotiations, not later than three working days before the day of holding the negotiations. Other persons may also be invited for negotiations in the capacity of advisors. Separate negotiations with the bidder having submitted a proposal on descriptions shall be prohibited. As a result of negotiations, a written protocol shall be drawn up, which shall be signed by the participants of the negotiations. The protocol shall be part of the protocol of the procurement procedure.

85. As a result of negotiations, the responsible subdivision shall approve and submit — within three working days following the day of approval — to the secretary of the evaluation commission the revised procurement bid which shall include:

- (1) the final performance-related or functional descriptions of the subject of the procurement which must be submitted with sufficient accuracy, allowing bidders and the contracting authority to have a precise understanding of the subject of the contract;
- (2) the requirements for evaluation of qualification criteria for bidders, submitted in this Procedure;
- (3) the list of licenses required for supply of goods, performance of works or provision of services being the subject of procurement, where the performance of the contract to be concluded is deemed to be activity subject to licensing in accordance with law;

- (4) the time limit for evaluation of the bids of bidders, which may not exceed thirty working days. Moreover, the calculation of the time limit shall be carried out from the day of expiry of the deadline for submission of bids.
86. The secretary of the evaluation commission shall:
- (1) evaluate and ensure, according to this Procedure, the compliance of the revised procurement bid with the requirements prescribed by the legislation of the Republic of Armenia on procurement;
 - (2) within five working days following the day of receipt of the revised procurement bid, simultaneously send the second-stage invitation (the final invitation) electronically, together with a letter attached thereto, to all the prequalified bidders, offering to submit the second-stage bid.
87. The time limit envisaged for the submission of the second-stage bids must not be less than twenty calendar days calculated from the day of sending the final invitation to the prequalified bidders.
88. The bidder shall submit the second-stage bid in an envelope drawn up in accordance with parts 2 and 3 of Article 30 of the Law. Moreover, the price proposal which must be enclosed in the mentioned envelope, shall be submitted in a separate closed, glued envelope, on which the following marks shall be made:
- (1) the words “Price proposal”;
 - (2) the code of the procedure;
 - (3) the words “Do not open until the session for the opening of price proposals”;
 - (4) name, registered office, and telephone number of the bidder.
89. The second-stage bid shall include the following as confirmed by the bidder:

- (1) application for participation in the procurement procedure;
- (2) price proposal: one original document;
- (3) documents, substantiating the compliance of the bidder with the qualification criteria: one original document and the copies in number provided for by the invitation;
- (4) technical proposal: one original document and the copies in number provided for by the invitation. The technical proposal shall, to the extent possible, comply with the requirements of parts 1, 2, 3 and 5 of Article 13 of the Law;
- (5) bid security: one original document.

90. The second-stage bids shall be opened in accordance with Article 33 of the Law, taking into consideration that:

- (1) envelopes containing price proposals compliant with the invitation shall not be opened, but shall be enclosed in a separate envelope (box) to be glued and closed;
- (2) members of the evaluation commission present at the session and the secretary of the evaluation commission shall sign on the envelope (box), and the Secretary shall deposit it and ensure individual keeping thereof in a special depository;
- (3) opening of the box or of the envelopes therein, or actions aimed at becoming familiar, in any other way, with the price proposals of bidders shall be prohibited.

91. Bids shall be evaluated based on the following criteria:

Evaluation criterion	Minimum points	Maximum points
Professional experience	Available or not available	
Technical resources		
Financial resources		
Labour resources	15	25
Technical proposal	55	75
<i>Total</i>	<i>70</i>	<i>100</i>

- (1) the qualification of the bidder with regard to the criteria “Professional experience”, “Technical resources” and “Financial resources” shall be evaluated as “Available”, where the bidder complies, in respect of such criteria, with the minimum requirements provided for by the invitation in accordance with this Procedure;
 - (2) the qualification of the bidder having the maximum compliance with the invitation requirements in respect of the criterion “Labour resources” shall be given “25” points, being the best proposal. The qualifications of all the remaining bidders shall be evaluated in comparison with the best proposal;
 - (3) the proposal of the bidder (bidders) having submitted the best technical proposal shall be given maximum “75” points, envisaged in respect of evaluation of the criterion “Technical proposal”. All the remaining technical proposals shall be evaluated in comparison with the technical proposal evaluated as the best.
92. Bids not complying with the minimum requirements of the invitation shall be considered unsatisfactory and shall be rejected.
93. The members of the commission shall sign a protocol on the results of the evaluation of the bids. The secretary of the evaluation commission shall, within three working days, simultaneously send the protocol, through written

notification, electronically, to all the bidders having submitted bids. The notification shall also set the day, venue, and time of the session for the opening of price proposals, but not earlier than within five working days following the day of sending the notification.

94. The bidders having submitted bids evaluated as satisfactory or the representatives thereof may be present at the session for the opening of price proposals. At the session for the opening of price proposals, the secretary of the evaluation commission shall:

- (1) publish the results of evaluation of the qualification criteria and technical proposals of the bidders, according to the protocol on evaluation;
- (2) open the envelopes containing price proposals of the bidders evaluated as satisfactory and announce the price proposal, in its total amount, of each bidder, taking as a basis the amount in letters.

95. Minutes shall be taken during the session for the opening of price proposals. The minutes shall be signed by the members of the commission present at the session and the secretary of the commission. The secretary of the evaluation commission shall — within the working day following the session — simultaneously send the minutes electronically, together with a written notification, to all the bidders having submitted bids evaluated as satisfactory.

96. The bids of the bidders shall be evaluated in the following manner:

- (1) the financial proposal of the bidder having submitted the lowest price proposal from among the qualified bidders shall be given one hundred points, and the points given to the financial proposals of the rest of the bidders shall be calculated using the following formula:

$$PP = LP \times 100/EP,$$

where:

PP is the point given to the price proposal;

LP is the lowest price;

EP is the price proposed by the bidder to be evaluated;

- (2) the score given to each bidder whose technical proposal has been evaluated as satisfactory shall be calculated using the following formula:

$$BS = (PP \times 0.7) + (TP \times 0.3),$$

where:

BS is the score given to the bidder;

PP is the point given to the price proposal of the bidder;

TP is the point given to the qualification characteristics and technical proposal of the bidder.

97. The bidder having received the highest score (BS) shall be declared the selected bidder.
98. Where the price proposal of the selected bidder exceeds the amount of the financial allocations envisaged for carrying out that procurement, the contracting authority may offer the selected bidder to reduce his or her price proposal. In case no agreement has been reached, the bid of the given bidder shall be rejected, and the contracting authority shall invite the bidder holding the next place for negotiations, and in case of disagreement thereof, the tender shall be declared not having taken place.
99. A contract shall be concluded with the selected bidder as prescribed by Articles 10 and 36 of the Law.

XIV. ARRANGEMENT OF CENTRALISED PROCUREMENT PROCESS
FOR STATE NEEDS

100. During the arrangement of centralised procurement for state needs, the requirements prescribed by Sections 6 and 7 of this Procedure shall have effect, taking account of the following peculiarities:

- (1) centralised procurement processes shall be arranged by the authorised body or the state institution or the legal person (hereinafter referred to as “the body”) authorised by the Minister of Finance of the Republic of Armenia, according to the procedure prescribed for carrying out procurement through electronic auctions;
- (2) the list of goods and services to be procured through centralised procedure shall be approved by the Government of the Republic of Armenia;
- (3) the procedure for the acquisition of goods or services included in the list provided for by sub-point 2 of this point shall be arranged by the Government of the Republic of Armenia in case the procedure for and conditions of splitting the lots of acquisition of the given subject of procurement are defined. Moreover, conditions other than the main requirements for applying the conditions provided for by this Procedure, as well as of the invitation and the contract may be defined by the decision of the Government of the Republic of Armenia provided for by this sub-point;
- (4) the head of the body shall, within 35 working days from the day of defining the conditions provided for by sub-point 3 of this point:
 - a. approve the technical descriptions, conditions and time limits for supply of the subject of procurement subject to centralised acquisition, reaching prior agreement thereon with all the republican executive bodies;

- b. form an evaluation commission for the procurement procedure arranged for the purpose of acquisition of each subject of procurement. Moreover, the evaluation commission shall include representatives from among the five contracting authorities, referred to in paragraph “a” of this sub-point, for the purpose of meeting whose needs the acquisition of the given subject of procurement and — where the procedure is arranged in lots — of goods and services included in a similar group of the subject of procurement, except for the procurement containing state secret, has a comparatively larger share according to the procurement plan approved for the year of declaring the procedure, and the powers of the procurement co-ordinator (secretary) shall be exercised by the employees of the body;
- (5) the validity of the principal contract concluded for the first time through centralised procedure shall be set at six months, and the validity of the subsequent contracts shall be set at one year;
- (6) when approving the text of the invitation, the evaluation commission shall take into consideration that the following conditions must also be envisaged by the principal contract concluded with the selected bidder:
- a. based on the requirements prescribed by this Procedure, a new procurement procedure shall be arranged before the expiry of the sixth month of validity of the principal contract from the day of entry into force thereof. Where, as a result of that procedure, the minimum unit price, formed in the prescribed manner, is lower, in respect of the given goods or services, than the price prescribed by the contract, the body shall — on the working day following the day of concluding the new principal contract with the bidder selected as a result of the new procedure — submit an offer on supplying the goods or providing services at a price lower than the formed price to the party

to the principal contract which has effect with regard thereto. Moreover, the body shall submit the offer, including the draft modification of the contract to be concluded, through forwarding them to the electronic mail thereof and also publishing such documents in the bulletin on the same day. If a party to the valid principal contract does not — within two working days following the publishing of the documents provided for by this paragraph in the bulletin — sign and submit to the body the modification of the contract, then the body shall unilaterally rescind the valid contract in that regard without applying the measures of liability provided for by the contract against the party thereto;

- b. the validity of the new contract to be concluded as a result of the procurement procedure arranged before the expiry of the sixth month of the validity of the principal contract from the day of entry into force thereof shall be set at one year, thus envisaging the notification of the party to the contract by the body as a condition for performance of obligations and exercise of rights of the parties provided thereby. Moreover, the body shall, within two working days following the conclusion of the contract provided for by this paragraph, publish it in the bulletin, indicating the condition for which it did not enter into force;
- c. the rights of the buyer shall be exercised and his or her obligations shall be performed by the contracting authority prescribed by the agreement concluded based on the principal contract, except for the function of settlement of disputes through judicial procedure and the function of levying contract performance (advance payment) security, which shall be carried out by the body. Moreover, where the person having concluded the principal contract is included — during the

validity of the contract — in the manner prescribed by law in the list of bidders not having the right to participate in the procurement process, the principal contract shall not be rescinded and shall terminate according to the conditions and (or) time limits provided thereby;

- d. contract performance (advance payment) security shall be submitted based on the agreement concluded each time;
 - e. the agreement shall be concluded based on the principal contract within ten working days following the day of submission of such requirement by the body, and in case an advance payment is envisaged, within fifteen working days. Moreover, the body shall submit the requirement for concluding an agreement within two working days following the day of its submission by the contracting authority, attaching thereto the draft agreement to be concluded;
- (7) the criterion “Professional experience” of bidders, provided for by point 2 of part 3 of Article 6 of the Law, shall be evaluated in the following manner:
- a. the invitation shall require that the bidder submits a statement in the bid that he or she has properly performed at least one analogous (similar) contract within the year of submission of the bid and three years prior to it. A previously performed contract (or contracts) shall be evaluated as similar, where the volume (or aggregate volume) of goods supplied and services provided within the scope thereof is not less, in monetary terms, than 30 percent of the total amount (hereinafter referred to as “the total amount”) provided for by the procurement plan of the contracting authority having the largest volume among republican executive bodies in respect of the given subject of procurement in the year of starting the procurement procedure, except for procurement containing state secret;

- b. the first ranked bidder shall submit — as a document substantiating the qualification criterion prescribed by paragraph “a” of this sub-point — the copies of the previously performed contract (contracts) and invoices thereof and, for the evaluation of the proper performance of that contract, the copy of the act (protocol of delivery and acceptance, etc.) attesting to the performance of the contract within the prescribed time limit, approved by the parties to the given contract, or written confirmation by the party having accepted the performance of the given contract;
 - c. the qualification of the bidder shall be evaluated as satisfactory, where he or she meets the requirements provided for by this sub-point;
- (8) the criterion “Technical resources” of bidders, provided for by point 3 of part 3 of Article 6 of the Law, shall be evaluated in the following manner:
- a. the invitation shall require that the bidder submits in the bid a statement on availability of the technical resources necessary for the performance of the contract;
 - b. the qualification of the bidder shall be evaluated as satisfactory, where he or she meets the requirements provided for by this sub-point;
- (9) the criterion “Financial resources” of bidders, provided for by point 4 of part 3 of Article 6 of the Law, shall be evaluated in the following manner:
- a. the invitation shall require that the bidder who is a resident of the Republic of Armenia, except for natural persons not being individual entrepreneurs, submits in the bid a statement that:
 - the total sum of the gross income of the three reporting years prior to his or her submission of the bid is not less than the total amount;

- the balance sheet value of liabilities within the reporting year prior to his or her submission of the bid has not exceeded the balance sheet value of assets;
 - b. where the bidder is not a resident of the Republic of Armenia or the bidder is a natural person who is not an individual entrepreneur, the bidder shall only submit in the bid a statement on availability of financial resources necessary for the performance of the contract;
 - c. the qualification of the bidder shall be evaluated as satisfactory, where he or she meets the requirements provided for by this sub-point;
- (10) the criterion “Labour resources” of bidders, provided for by point 5 of part 3 of Article 6 of the Law, shall be evaluated in the following manner:
- a. the invitation shall require that the bidder submits in the bid a statement on availability of labour resources necessary for the performance of the contract;
 - b. the qualification of the bidder shall be evaluated as satisfactory, where he or she meets the requirements provided for by this sub-point;
- (11) the body shall publish the principal contract concluded with the selected bidder in the bulletin on the first working day following the conclusion thereof;
- (12) for the purpose of carrying out procurement within the scope of the contract referred to in sub-point 11 of this point, the contracting authority shall submit a written request for carrying out procurement, also submitting the conditions and time limits of supply, as well as payment conditions;
- (13) the body shall provide the contracting authority with the concluded contract on the first working day following the conclusion thereof;

- (14) if the person having concluded the contract refuses or is deprived of the right to conclude an agreement; and
- a. the contract provided for by paragraph “b” of sub-point 6 of this point is available, then the request for concluding an agreement shall be submitted to the person having concluded the given contract;
 - b. the contract provided for by paragraph “b” of sub-point 6 of this point is not available, then the body shall — on the first working day following the day when it became known — notify the contracting authority thereof, and the contracting authority may acquire the goods or services, prescribed by the procurement request submitted to the body, based on sub-point 2 of part 1 of Article 23 of the Law through single source procurement, provided that the price of the subject of procurement according to the contract to be signed is not more than the price prescribed by the principal contract.

XV. ARRANGEMENT OF CENTRALISED PROCUREMENT PROCESS FOR NEEDS OF STATE AND COMMUNITY NON-COMMERCIAL ORGANISATIONS

101. The procurements carried out for the needs of state (community) non-commercial organisations and organisations with more than 50% of state (community) shares operating within the administration system of the contracting authority provided for by paragraph “a” of point 1 of part 1 of Article 2 of the Law, which are included in the plan on procurements carried out through centralised procedure prescribed by the head (minister, head of body, etc.) of the state administration body (community), may be carried out through centralised procedure.
102. Before 1 November of the year preceding each year, the head of the organisation shall draw up and submit to the authorised body, carrying out its general

administration (hereinafter referred to as “the superior authority”), referred to in point 101 of this Procedure, the procurement bids approved as prescribed by this Procedure, according to the technical description, amount of the subject of procurement, maximum price of a single unit, venue of and time limits for supply, payment conditions, and, where necessary, according to the requirement for submitting an expert opinion for the purpose of evaluating the quality of the goods to be supplied, works to be performed or services to be provided, as well as a written consent on the conclusion of the contract by the superior contracting authority as a result of the procurement process. The candidacy of the evaluation commission shall also be submitted simultaneously with the procurement bid for the purpose of inclusion in the composition of the evaluation commission. Based on the received bids, the superior contracting authority shall draw up and publish in the bulletin — before 1 December of the given year — the procurement plan carried out through centralised procedure. Where:

- (1) five and more organisations operate within the administration system of the superior contracting authority, each organisation shall nominate one candidacy, and the candidates of the five organisations the procurements whereof have a comparatively larger share within the scope of the given procedure shall be included in the composition of the evaluation commission;
- (2) less than five organisations operate within the administration system of the superior contracting authority, each organisation shall nominate three candidacies, and candidates from all the organisations shall be included in the composition of the commission, taking account of the restrictions with regard to the number of the members of the evaluation commission;
- (3) the representative of the organisation, for the purpose of meeting the needs whereof the procurement carried out has the largest share within the scope of the given procedure, shall be appointed as the chairperson of the commission.

103. In compliance with the requirements of the legislation of the Republic of Armenia on procurement with regard to goods, works and services included in the plan on centralised procurements, procurement processes shall be organised by the superior contracting authority. Moreover, where possible, the goods, works and services procured for the needs of organisations located in the same administrative-territorial unit shall be united in a single lot or the lots shall be formed taking account of the needs of individual organisations. The selection of the procurement procedure shall be carried out by the superior contracting authority, taking account of the requirements of the Law and this Procedure, except for the process of single source procurement. Where the process in the form of the selected procurement — in case of carrying out procurements for the needs of the superior body — is carried out through e-procurement system, such procedure shall also be arranged through that system.
104. Arrangement of centralised procurement, conclusion of contracts, acceptance of the results of contracts and making payments therefor shall be carried out in compliance with the requirements prescribed by this Procedure, taking into consideration that for the purpose of meeting the needs of each organisation, the superior contracting authority shall conclude a separate contract with the selected bidder, according to which the exercise of rights and performance of obligations of the contracting authority (buyer) shall be vested in the organisation.

XVI. REGISTRATION OF PROCUREMENT TRANSACTIONS ENTAILING OBLIGATIONS FOR THE STATE

105. For the purpose of registration of procurement transactions entailing obligations for the state, the head of the contracting authority shall — in the manner prescribed by part 2 of Article 9 of the Law — submit a report on the

procurement process (hereinafter referred to as “the report”) to the authorised body, the form whereof, registration procedure of transactions based on the report, as well as the cases when the copy of the contract is an integral part of the report shall be prescribed by the Minister of Finance of the Republic of Armenia.

106. Failure to submit a report to the authorised body or detection of non-compliance with the requirements of the legislation of the Republic of Armenia on procurements in the report submitted thereby or failure to accept the clarification on the detected non-compliance provided by the contracting authority shall lead to suspension of financing of the given procurement contract until submission of the protocol or an acceptable clarification or adoption of the relevant decision by the Government of the Republic of Armenia.
107. In case of procurements entailing obligations for the state or communities the contracting authority shall — within ten days after the day of concluding a contract or making amendments thereto — submit an extract from the contract (hereinafter referred to as “the extract”) to the authorised body, the form whereof shall be prescribed by the Minister of Finance of the Republic of Armenia.

XVII. ACCEPTANCE OF RESULTS OF IMPLEMENTATION OF CONTRACT

108. Preliminary control over implementation of a contract shall be carried out by the responsible subdivision. The results of implementation of a contract or a part thereof shall be accepted by signing the delivery and acceptance protocol (hereinafter referred to as “the protocol”) — the form whereof shall be prescribed by the Minister of Finance of the Republic of Armenia — between the head of the responsible subdivision and the person having concluded the procurement contract.

109. The protocol shall be signed where a written positive opinion of the representative (representatives), having designed the procurement bid, of the responsible subdivision is available. The person referred to in this point shall give a positive opinion on the results of the implementation of the contract or a part thereof, where the goods supplied, works performed or services provided are in compliance with the terms of the contract. In cases of violation of the time limits for supply of goods, performance of works or provision of services prescribed by the contract, a positive opinion shall be given unless a decision on rescission of the contract is adopted by the contracting authority. In case of a negative opinion the responsible subdivision shall, within two working days, inform about it to the head of the contracting authority in writing by making proposals on the measures to be taken in respect of the party to the contract. In such cases the head of the contracting authority shall take measures in compliance with the proposals made to settle the issue.
110. In case of procurements carried out electronically, the actions prescribed by this Section in relation to the acceptance of the result of implementation of the contract shall be carried out through the electronic procurement system by taking into account the following peculiarities:
- (1) for the purpose of acceptance of the contract or a part thereof, the person having concluded a contract shall, within the time limits prescribed thereby, provide — through the electronic procurement system — the delivery and acceptance protocol confirmed by himself or herself to the head of the contracting authority. The head of the contracting authority shall, on the working day following the receipt of the delivery and acceptance protocol, provide it to the relevant subdivision through the same system;
 - (2) the representative of the responsible subdivision having designed the procurement bid shall, upon receipt of the delivery and acceptance protocol referred to in sub-point 1 of this point, provide the head of the

responsible subdivision — through the electronic procurement system — with an opinion on implementation of the contract or a part thereof confirmed by electronic signature;

- (3) where the representative, having designed the procurement bid, of the responsible subdivision has given:
 - a. positive opinion, the head of the responsible subdivision shall — on the day of the receipt of the opinion — confirm, by electronic signature, the delivery and acceptance protocol and the opinion and send them through the electronic system to the head of the contracting authority, which shall provide them through the system to the person having concluded the contract, within 1 working day;
 - b. negative opinion, the head of the responsible subdivision shall on the day of the receipt of the opinion provide — through the electronic procurement system — the opinion and the delivery and acceptance protocol not confirmed thereby, to the head of the contracting authority, which shall provide them to the person having concluded the contract, within 1 working day.

111. The form of the written opinion provided for by point 109 of this Procedure shall be prescribed by the Minister of Finance the Republic of Armenia. Moreover:

- (1) the availability of the protocol confirmed by the head of the responsible subdivision on the basis of the written opinion on compliance with the requirements provided for by the contract shall serve as a basis for the accounting of goods supplied, works performed or services provided within the framework of the contract, and the person responsible for the storage shall make the entry of supplied goods into storage based on the copy of the protocol (including the written opinion) confirmed by the responsible subdivision, and in case of purchase of goods — based on the document,

the copy thereof containing full description of goods, which shall be provided to him or her on the day it has been drawn up;

- (2) the responsible subdivision shall provide the copies of the protocol, including the written opinion and in case of goods — of the order of entry into storage, to the financial service of the contracting authority on the day they have been drawn up.

112. In case of procurement of construction projects the following conditions shall apply:

- (1) the head of the contracting authority shall, upon receipt of information on completion of the construction by the contractor, take measures for formation of the commission prescribed by Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015 and for accepting the works performed;
- (2) the result of implementation of the contract shall be considered to be fully accepted where the commission (hereinafter referred to as “the accepting commission”) formed — as prescribed by Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015 — by the head of a state administration body accepts the works performed;
- (3) before the acceptance of the completed construction facility, the commission established in compliance with Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015 shall, as prescribed by the legislation of the Republic of Armenia, document the completed construction facility and draw up the act of the commission for acceptance of the facility for exploitation;
- (4) the responsible subdivision shall, upon receipt of the act referred to in sub-point 3 of this point as prescribed, verify the compliance of the completed construction facility (the works performed) with the requirements of the contract and where the work performed:

- a. complies with the terms of the contract, a final delivery and acceptance protocol on accepting the result of implementation of the contract shall be signed;
 - b. does not comply with the terms of the contract, the protocol shall not be signed;
- (5) before signing the final delivery and acceptance protocol on accepting the result of implementation of the contract provided for by this point, the contracting authority shall not pay five percent of total amount of the works performed for capital construction, and in case of payment on a time share basis — the amount of the last payment, that cannot be less than five percent of the total amount of the works performed for capital construction.

XVIII. FINANCING OF PROCUREMENT

113. For the purpose of effecting a payment for the procurement made for the needs of the state or the community, the contracting authority shall, within three working days following the day of signing the protocol, enter the payment order (hereinafter referred to as “the payment order”) and the copy of the protocol into the treasury system of the authorised body. The payment for the procurement not being carried out for the needs of the state or the community shall be made in the manner and within time limits provided for by the legislation of the Republic of Armenia and the contract.
114. Where an advance payment is provided for by the contract:
- (1) the payment order and the copy of the document certifying the availability of an advance payment security shall be entered into treasury system of the authorised body for allocating an advance payment;

- (2) redemption of an advance payment shall be carried out by making deductions (withholdings) from the payments made on the basis of the protocols. In any case the amount deducted (redeemed from the advance payment) shall be determined in proportion to the amount paid in respect of the total price of the contract.
115. The authorised body shall, within three working days from the deadline — prescribed by the contract — for making the given payment, make a payment on the basis of the document submitted according to this Procedure.
116. The authorised body shall, after having made the payment according to this Procedure, provide the account holder with an extract from the treasury account on the transaction made.

XIX. REFUNDING THE APPEAL FEE

117. The person having filed the appeal shall make the payment of the appeal fee to the treasury account opened in the name of the authorised body.
118. A member of the Appeals Board having examined the given appeal and having adopted the decision shall, on the working day following publication of the decision on satisfying the appeal, including partially satisfying the appeal adopted by the Appeals Board in the bulletin, provide the authorised body in writing with the copy of the document certifying the payment of the appeal fee, as well as the name of the bank and the account to which the refundable amount must be transferred. The authorised body shall, within five working days following the day of the receipt of the copy of the document referred to in this point, transfer the appeal fee back to the person having paid it, by transferring it to the bank account submitted.

XX. AFFILIATED PERSONS

119. Within the meaning of the legislation of the Republic of Armenia regulating relations pertaining to procurement:

- (1) natural persons shall be considered to be affiliated, if they are a member of the same family or run a common household or joint enterprise or if they have been acting in agreement based on common economic interests;
- (2) natural and legal persons shall be considered to be affiliated, if they have been acting in agreement based on common economic interests or if the given natural person or a member of his (her) family is:
 - a. a participant possessing more than 10 percent of the stocks of the legal person concerned;
 - b. a person able to predict the decisions of the legal person in other manners not prohibited by the legislation of the Republic of Armenia;
 - c. the chairperson of the Board, deputy chairperson of the Board, member of the Board, executive director, deputy executive director, the head, member of the collegial body performing functions of the executive body of the given legal person;
 - d. an employee of a legal person that works under the immediate supervision of the executive director, or has a significant influence on the decision-making process of the management bodies of the legal person;
- (3) the participants not having a status of a natural person shall be considered to be affiliated, where:
 - a. the given legal person — with the right to vote — holds ten percent and more of voting stocks (shares, units, hereinafter referred to as “the stocks”) of another person, or — by virtue of its participation or

in accordance with the contract concluded between the given entities — is able to predetermine the decisions of the other;

- b. the participator (shareholder) and/or participators (shareholders) holding more than ten percent of the voting stocks of one of them or able to predetermine its decisions in another manner not prohibited by law, or their family members (where the participator is a natural person) are entitled to directly or indirectly hold (including on the basis of trade, trust management, joint venture agreement, instruction or other transactions) more than ten percent of voting stocks of the other entity or are able to predetermine decisions of the other person in another manner not prohibited by legislation of the Republic of Armenia;
- c. any managing body of one of them or other persons fulfilling such obligations, as well as one of their family members are, at the same time, a member of the managing body of the other person or another person fulfilling such obligations;
- d. they have acted or are acting in agreement based on common economic interests.

120. Within the meaning of point 119 of this Procedure members of the family shall be considered to be the father, the mother, the spouse, parents-in-law, the grandmother, the grandfather, sister, brother, children, sister's or brother's spouses and their children.

ACTING MINISTER-CHIEF
OF STAFF OF THE GOVERNMENT
OF THE REPUBLIC OF ARMENIA

D. HARUTYUNYAN

Annex No 2

Decision of the Government
of the Republic of Armenia
No 526-N of 4 May 2017

LIST

OF GOODS, WORKS AND SERVICES ACQUIRED IN CLOSED PERIODIC TENDERS

1. Flowers
2. Flower baskets
3. Wreath
4. Visual and agitation panel for living premises
5. Printed posters of national heroes
6. Portable visual and agitation set for the company command (squadron)
7. Souvenirs
8. Books
9. Visual and agitation placards
10. Disc
11. Coat of Arms
12. Flag
13. Flag of Honour
14. Badges

15. Audio facilities necessary for the centre of psychological aid
16. Chess
17. Checkers
18. Backgammon
19. Pictorial photograph
20. Photograph
21. Picture
22. Brief educational, visual and agitation materials for furnishing of information and entertainment rooms
23. Printed posters of national heroes on metal base and with fasteners
24. Posters of national heroes
25. Painting and sculpture tools
26. Didactic panels for visitors' room
27. Placards
28. Aviation fuel
29. Auto-petrol - premium
30. Auto-petrol - regular
31. Summer diesel fuel
32. Winter diesel fuel
33. Oils
34. Lubricants
35. Special liquids

36. Aviation oils and lubricants
37. Motor oils
38. Gearbox oils
39. Other oils
40. Lubricants and additives
41. Special liquids
42. Food
43. Clothes
44. Footwear
45. Linen
46. Bedding items
47. Clothing items
48. Gloves
49. Uniform
50. Tents
51. Ropes for tents
52. Fur sheepskin coat
53. Fur short coats
54. Sleeping bags
55. Canteens
56. Canteen cases
57. Saucepans

58. Backpacks
59. Water-proof capes
60. Field bags
61. Special eyewear
62. Runner carpets
63. Carpets
64. Special fittings for schooling of service dogs
65. Fittings for service horses
66. Shoulder boards and insignia
67. Textiles
68. Washing machine
69. Dry cans
70. Ironing cylinders
71. Centrifugal machines
72. Vacuum cleaner
73. Television set
74. Video projector
75. Radio- receiving set
76. Wall clock
77. Camera
78. Digital photcamera
79. Digital dictaphone recorders

80. Laser monochrome printer for printing papers
81. Sound equipment
82. Loudspeaker
83. Telephone devices
84. Microphone
85. Digital photo camera
86. Coat of Arms Clock
87. Informational panels
88. Record player
89. Music centre
90. Satellite antenna
91. Radio centre
92. Load trolleys
93. Sewing-machines
94. Field laundry
95. Field bathhouses (mobile)
96. Disinfection equipments
97. Water tanks
98. Household electronic irons
99. Scissors
100. Shoemaker tools
101. Electronic block for hats

102. Service and repair materials
103. Clothes brushes
104. Shoe brushes
105. Calkins
106. Metallic screws
107. Paints
108. Synthetic paints
109. Liquid colours
110. Threads
111. Needles
112. Artificial leather
113. Artificial leather
114. Straps
115. Abrasive papers
116. Fasteners
117. Bands
118. Cords
119. Hygiene items and household goods
120. Hand soaps
121. Liquid soaps
122. Household soaps
123. Detergents

124. Shoe creams
125. Uniform, footwear, clothes and property of special investigative subdivisions
126. Gaiters
127. Mittens
128. Boots tridents
129. Mountaineering equipment
130. Multi-purpose hammer
131. Protective eyewear
132. Mountaineer belt
133. Protecting mask
134. Rope
135. Securing clip
136. Carabine with socket — for a mountaineer
137. Climbing irons — with 12 teeth, anti-freezing, with casing
138. Icebreaker
139. Securing system
140. Snowmobile
141. Equipment for descending
142. Eyewear — for a mountaineer
143. Block winch — double
144. Block winch — with clamps
145. Carabine — for mountaineering

146. Cliff hook
147. Ice hook (ice drill)
148. Piercing hook
149. Shovel — for snowslide
150. Rock hammer
151. Ice hammer
152. Pulling rings
153. Fixed rings
154. Handle of stone-cutter's punch
155. Lifting equipment
156. Attaching elements
157. Extractor
158. Panama
159. Mosquito repellent awning
160. Camouflage suit
161. Cloak-shawl
162. Small carpet — heat insulator
163. Boiler — compound
164. Cases for compound boilers
165. Recording devices
166. Devices for missile troops and artillery
167. Artillery compass

- 168. Subtense instrument
- 169. TB-16 battery thermometer
- 170. AK-3 aiming circle
- 171. MPL-50 ruler
- 172. Planimeter for checking
- 173. Quadrant
- 174. Night and optical devices
- 175. Belt for a bayonet-knife
- 176. Case with PM pistol cleaner
- 177. Plastic cork of artillery ammunition
- 178. Firewood
- 179. Wooden coal brick
- 180. Goods used in construction
- 181. Furniture
- 182. Communication cables

Services

- 183. Organisation of cultural events
- 184. Current repair and maintenance of electric equipments
- 185. Library fund modernisation
- 186. Bread baking service

187. Catering services
188. Renovation services
189. Paid sewing services
190. Repair services
191. Laundry services
192. Dry-cleaning services
193. Services provided by driver training centres
194. Renting of passenger cars
195. Repair services of communication and means of communication
196. Services relating to educational — martial, professional manual
197. Management of a signalling system of missile artillery armament protection base
198. Installation of a signalling system of missile artillery armament protection base
199. Repair of motors of armoured vehicles and armoured cars
200. Repair of supportive slipping wheels of tank armament techniques
201. Building cleaning services
202. Repair and maintenance services of electric motors
203. Repair and maintenance services of pumps
204. Telephone services

Works

205. Supplementary works connected with telecommunications

206. Restoration works on grounding contours

207. Antiseptic works

ACTING MINISTER-CHIEF
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D. HARUTYUNYAN