



TENDERIO

Improving SME's access to public procurement

Guide to country specific elements on public procurement: Latvia



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List of Acronyms

Acronym	Title
EU	European Union
SME	Small and Medium – sized Enterprise
CPV	Common Procurement Vocabulary
ESPD	European Single Procurement Document
GDP	Gross Domestic Product

The current guide was prepared under the Task 2.5 of the TENDERIO project which is funded by the COSME programme of the European Union (Grant Agreement No 739966) and aims to increase SME's access to public procurement in EU.

Within this concept, a series of national guides on public procurement was developed for Czech Republic, Estonia, Greece, Ireland, Latvia, Lithuania, Portugal, Slovakia, Spain and United Kingdom targeting to support in particular SMEs who are interested in participating in public procurement processes in EU Member States and need to know more regarding the national procedures.

National guides are available in the project's official website: www.tenderio.com

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Executive summary

The current guide aims to support European SMEs to access the Latvian public procurement market. In particular, it presents data and specific elements of public procurement in Latvia along with the procedures to be followed in order to submit a bid for a Latvian public contract.

The annual value of Latvian public procurement market is around **2,5 billion euros**. Construction work constitutes the highest share of the contracts' value at 35%, followed by energy sources at 7% and medical supplies and products at 6%.

The **new EU directives on public procurement (2014)** aim at simplifying the rules and have already been transposed into the Latvian legal framework with the Public Procurement Act **effective from 01.03.2017**. By fully adopting and implementing the latest EU common rules on public procurement, Latvia has a supportive environment for foreign SMEs to participate in its domestic public procurement market.

1 Introduction

The current guide was elaborated under the activities of the TENDERIO project. TENDERIO project is funded by the COSME program of the European Union (Grant Agreement No 739966) and aims to increase SMEs' access to public procurement in EU.

This guide is addressed to SMEs and to any other economic operator interested in participating in Latvian public contracts and wishes to know more about the public procurement procedures in Latvia.

Chapter one, introduces the scope and the content of this guide and lays out the concept within which it was developed.

The second chapter focuses on the potential of EU public procurement market, emphasizing the performance of European SMEs' in the cross-border procurement contracts and briefly presenting the key points of the new EU legislative framework (2014) on public procurement.

Moreover, the third chapter sets light on the current status of public procurement in Latvia. In particular, it provides an overview of the public procurement framework in Latvia along with a summary of key data regarding the Latvian market size, i.e the value of contract notices, the number of contract notices, and the top sectors.

Chapter four, briefly comments on the national procedures of public procurement in Latvia. More specifically, it includes information regarding:

- the contracting authorities;
- the award procedures;
- the eligibility of the potential bidders;
- the publication of the contracts notices;
- the time limits for the submission of an offer;
- the bid's submission and the bid's evaluation procedure;
- the award criteria;
- the complaints and the prejudicial objections.

In addition, the fifth chapter lists key points for the SMEs that are interested in submitting offers in Latvian public contracts.

The guide concludes with a reference on how TENDERIO platform could support European SMEs in applying for a public contract abroad.

2 Public Procurement in EU

According to European Commission, the term “Public Procurement” refers to the process by which public authorities, such as government departments or local authorities, purchase work, goods or services from companies, i.e. the building of a state school, purchasing furniture for a public prosecutor's office, contracting cleaning services for a public university etc¹.

Public procurement market in EU



Every year nearly 2 trillion euros are paid in Europe for public contracts, i.e. 14% of EU GDP.



At least 250.000 public authorities conduct public procurements annually.



Public authorities are the major buyers in sectors such as energy, transport, waste management, social protection and the provision of health or education services.



The estimated value of general government expenditures on works, goods, and services -excluding utilities- has increased by 4,2% in 2015. Almost all EU Member States increased their expenditure on public contracts between 2014 to 2015².



The estimated value of tenders published in the Tenders Electronic Daily³ (TED) in 2015 was 450.21 billion euros which stands for 6.9% more than it was in 2014.

Overall, the public procurement represents a substantial portion of the EU economy offering lot of opportunities and innovation prospects for the European SMEs.

¹ <http://ec.europa.eu/growth/single-market/public-procurement/>, 2017

² DG GROW G4, 2016. *Public Procurement Indicators 2015*.

³ The online version of the 'Supplement to the Official Journal' of the EU, dedicated to European public procurement.

European SMEs’ participation in cross-border procurement

The term “cross-border procurement” refers to a procedure by which a public contract in a Member State is partly or fully performed by firms located in another EU Member State.

SMEs account 99,8% of the registered enterprises in Europe (20,8 million SMEs) and they are considered to be the backbone of the EU28 economy. European SMEs could participate in procurements across borders either directly or indirectly through its local subsidiaries (Figure 1). However, the past years the overall participation of European SMEs in public procurement across borders is considered to be low.

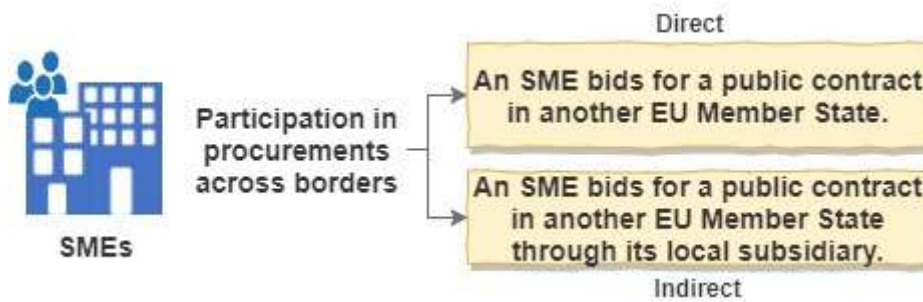


Figure 1: How European SMEs can participate in cross border public procurements

The share of European SMEs in direct cross-border procurement accounts for 27% in terms of number of awards and 24,5% in terms of the value of awards, which is significantly lower compared to their contribution to the European GDP (58%)⁴.



The share of European SMEs in indirect cross-border procurement is estimated at 3% both in terms of number and value of awards⁵.

⁴ European Commission, Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, 2017. *Measurement of impact of cross-border penetration in public procurement.*

⁵ European Commission, Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, 2017. *Measurement of impact of cross-border penetration in public procurement.*

Obstacles to SMEs’ participation in cross-border procurement

The low level of SMEs’ participation in cross-border procurement the past years was due to (Figure 2):



Figure 2: Main obstacles that SMEs face when they participate in cross-border public procurement

Despite the fact that SMEs are facing difficulties in their participation to cross-border public procurement, however the contracting authorities/entities see high potential in cross border contractors as they could benefit by having a better choice in terms of quality and price and by concluding contracts when there is absence or limited availability of suppliers at national level.



European Commission has introduced legislative measures to improve SMEs’ access to public contracts, aiming to open up national public procurement markets and increase the levels of cross-border public procurement.

Legislative Framework

In 2014, the EU Parliament and the European Council introduced a new common legislative framework on public procurement and concessions aiming to simplify the procedures and encourage the SME's to access public contracts and concessions contracts. The reform included the following directives:

- 2014/23/EU on the award of concession contracts;
- 2014/24/EU on public procurement;
- 2014/25/EU on procurement by entities operating in the water, energy, transport and postal services sectors.

More specifically the new EU directives aim to (Figure 3):

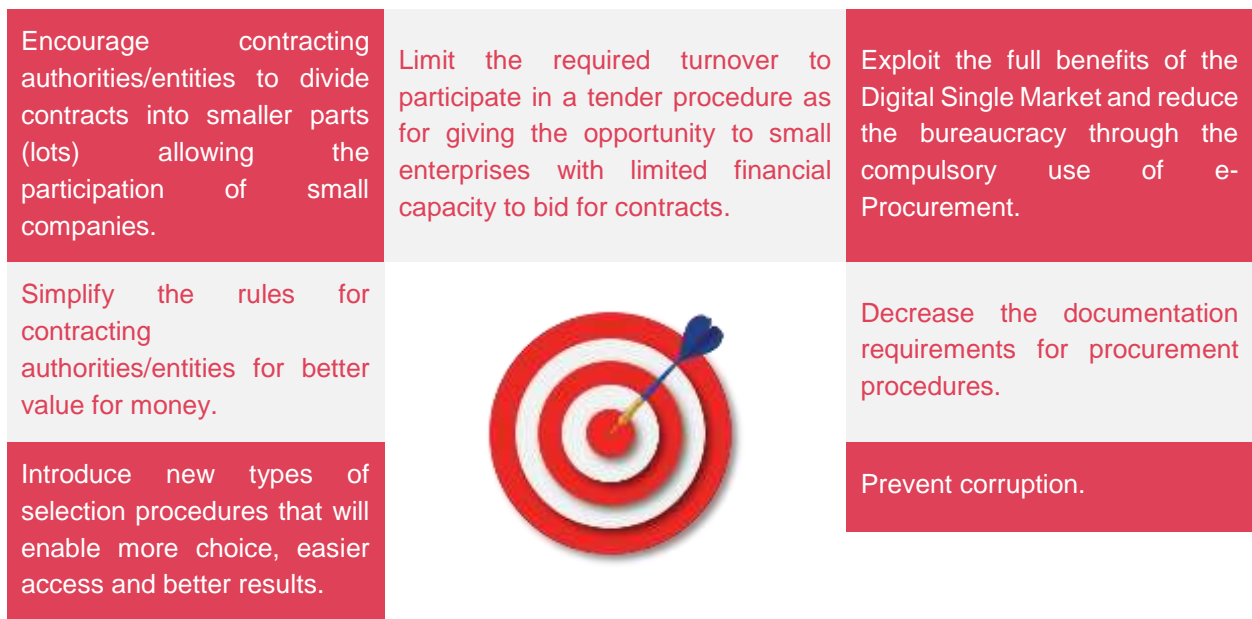


Figure 3: Objectives of the new EU directives on public procurement

The reform of public procurement legislation reduces the bureaucracy and makes public procurement in Europe more efficient within a single market facilitating that way the SMEs' participation in public contracts.

3 Public Procurement in Latvia

Total number of the public purchases in Latvia announced from 2009 until 26th of July, 2017 (last information update) is 104 763 billion euros and the total value 19 billion euros. Annually the volume of public procurement is around 2,5 billion euros and 13 000 contracts.

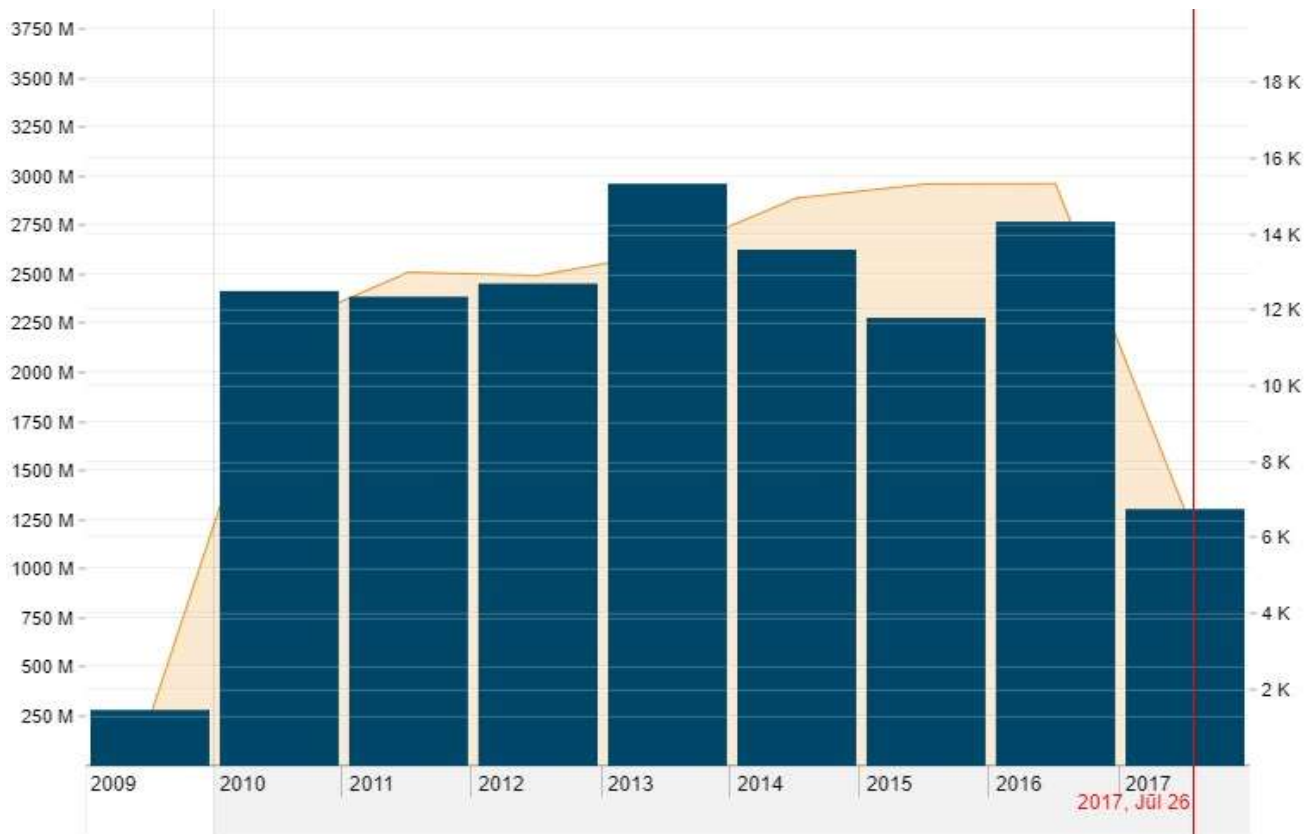


Figure 4: Total volume of public procurement

Construction work constitutes the highest share of the contracts' value at 35%, followed by energy sources at 7% and medical supplies and products at 6%. The proportion of other types of award procedures was below 5% of the total value of procurements (Figure 5).

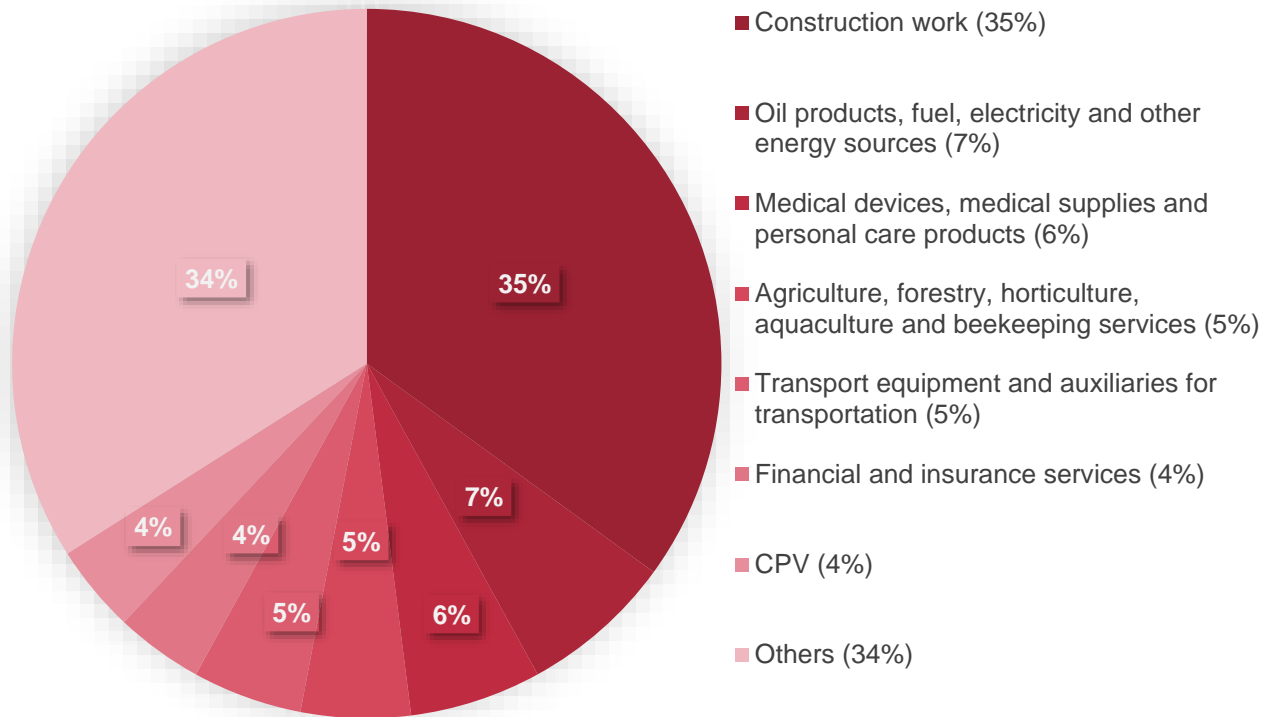


Figure 5: Most popular areas of public procurement

4 National Procedures on Public Procurement

The EU directives on public procurement i.e. 2014/24 and 2014/25, have been transposed in the Latvian legal system, enacted in the new Public Procurement law effective from 01.03.2017. The new law is harmonized with the objectives of the European Strategy on public procurement and sets out the rules on the implementation of all type of public procurement contracts in Latvia irrespective their value.

Public contracts are divided into the following types (Figure 6):



Figure 6: Types of public contracts

The procurement life cycle in Latvia follows the steps presented in Figure 7 below:

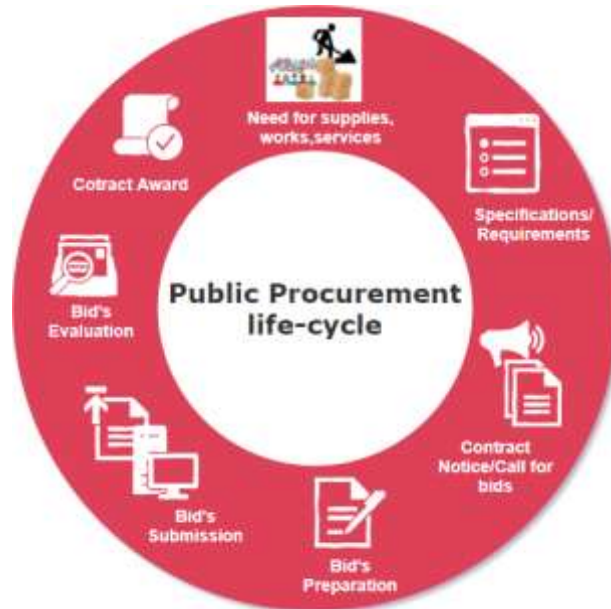


Figure 7: Public Procurement life-cycle

The chapters to follow constitute a brief guide on specific elements of public procurement in Latvia and its procedures, as they are regulated by the new Public Procurement Act on public contracts.

4.1 Contracting Authorities & Contracting Entities

The terms “contracting authorities” and “contracting entities” refer to the bodies that may conduct a public procurement to ensure the execution of works, the supply of products or the provision of services. Contracting authorities/entities define the specifications of the works/products/services along with the terms of reference and they carry out the procedure of a public contract award (Figure 8). In other words, within the concept of a public procurement, the contracting authorities and the contracting entities are the purchasers (Table 1 **Error! Reference source not found.**).

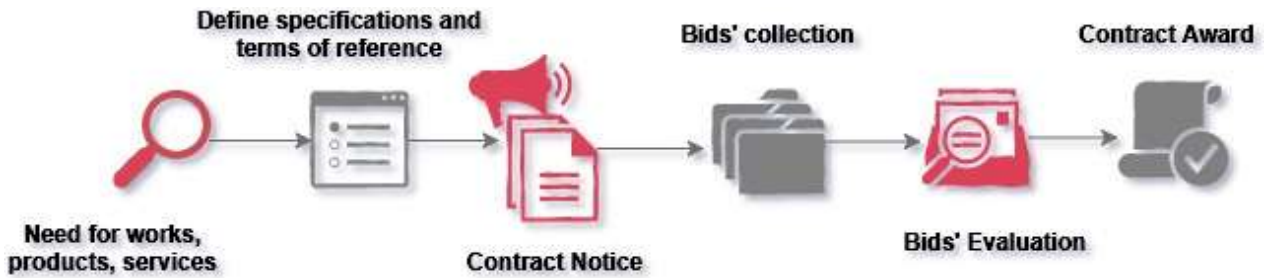


Figure 8: The role of Contracting Authorities in a public procurement procedure

Contracting Authorities (Central Government Authorities & Sub-central Contracting Authorities)	
<ul style="list-style-type: none"> • State or local government institutions; • Local government; • Other derived public person or institution; • Association, in which all members are public authorities; • Foundation, in which all founders are public authorities; • Legal person governed by private law, which currently complies with the following criteria: <ul style="list-style-type: none"> a) is established or operates in order to ensure the needs of the public, which are not of commercial or industrial nature; b) - is a subordinate or subject to the decisive influence of a State or local government institution, a local government, other derived public person or; <ul style="list-style-type: none"> - institution or subject to the decisive influence of a legal person governed by private law or; - more than 50 per cent of financing for activities of such legal person governed by private law comes from the State, local government, other derived public person, institution. 	

Table 1: Contracting Authorities implementing public procurement in Latvia

4.2 Threshold Amounts

The latest EU Directives on public procurement have set minimum thresholds for public contracts and as a result the public procurement can be divided into two categories:

- I. National thresholds: Public contracts whose value falls below the EU thresholds. The Public Procurement Law includes specific provisions regarding the procedures to be followed for their proper implementation (Table 2).

Type of procurement procedure	Type of contracts (services, products, works, supplies)	Lowest Threshold (EUR)	Covered by law
Simplified procurement	Goods & Services	10 000	Public Procurement Law's (PPL) Article 9.
	Works	20 000	PPL Article 9.
	Goods & Services for Defence and Security	4000	Defence and Security Procurement Law (DSPL) Article 6 Section 9;10
	Works for Defence and Security	14000	DSPL Article 6 Section 9;10
Specific procurement	Social and other specific services (PPL Annex 2)	42 000	PPL Article 10.

	Health, social and related services mentioned in Social and other specific services (PPL Annex 2)	75 000	PPL Article 10.
Public procurement	Goods & Services	42 000	PPL, The Regulation of Cabinet of Ministers No (RCM) 107 of February 28, 2017
	Works	170 000	PPL, RCM No 107 of February 28, 2017
	Goods & Services for Defence and Security	28 000	DSPL
	Works for Defence and Security	170 000	DSPL
Green Public Procurement	Supplies, services & works with a reduced environmental impact throughout their life-cycle when compared to supplies, services and works with the same primary function	Til 41 999,99	RCM No 353 of June 20, 2017

Table 2: Public contracts with value below the EU thresholds

* There is a different regulation for Public service providers which is covered by Procurement Law for Public service providers.

- II. EU international thresholds: Public contracts whose value is equal to or greater than the EU thresholds which are presumed to be of cross-border interest. In this case the detailed provisions of the EU directives (which have been transposed in the Public Procurement Law) must be followed (Table 3).

Type of contract		Lowest Threshold Amount (net of VAT)
<i>Directive 2014/24/EU on public procurement</i>		
Works contracts, subsidised works contracts		5 225 000€
All services concerning social and other specific services listed in Annex XIV of the 2014/24/EU		750 000€
All subsidised services		209 000€
All other service contracts and all design contests.		135 000€
All supplies contracts awarded by contracting authorities/entities not operating in the field of defence.		135 000€
Supplies contracts awarded by contracting authorities/entities operating in the field of defence	Concerning products listed in Annex III of the 2014/24/EU	135 000€
	Concerning other products	209 000€

All other service contracts, all design contests, subsidised service contracts, all supplies contracts	209 000€
<i>Directive 2014/25/EU on procurement by entities operating in the water, energy, transport and postal services sectors</i>	
Works contracts	5 225 000€
All services concerning social and other specific services listed in Annex XVII of the 2014/25/EU	1 000 000€
All other service contracts, all design contests, all supplies contracts	418 000€

Table 3: Thresholds triggering EU-wide rules on public procurement contracts



Every two years the European Commission shall revise the lowest thresholds amounts presented in Table 3.

4.3 Award procedures

The term “award procedures” refers to the process followed during a public procurement in order to evaluate the submitted offers and select the best one.

When **value of the contract is under national simplified procurement threshold**, the procurement is **not subject to public procurement rules** and may be based on an **internal procurement plan/regulations**. Then Contracting Authority usually uses **pricing survey** (Contracting Authority develops the pricing survey regulation, announce the pricing survey and evaluate all submitted tenders by pricing survey regulation) or **value research** (Contracting Authority contacts at least 3 free chosen suppliers asking for price of service, supply or work need to be performed and afterwards choose an offer with the lowest price).

The available types of award procedures that a contracting authority/entity could use towards the implementation of a public procurement are listed in Table 4.

Type of Procedure	Short Description
Open procedure	Anyone interested in the contract can submit the tender in order to ensure maximum competition.
Restricted procedure	Anyone interested in the contract may request to participate, but only candidates invited by Contracting Authority can submit tenders.
Competitive procedure with negotiation	<ul style="list-style-type: none"> Anyone interested in the contract may request to participate, but only candidates invited by Contracting Authority can submit tenders. Gives the opportunity to tenderers to improve the content of their proposals during the negotiations, according to the needs of the Contracting Authority. In PPL there is an exhaustive list of situations when the Competitive procedure with negotiation is allowed.

<p>Competitive dialogue</p>	<ul style="list-style-type: none"> • Anyone interested in the contract may request to participate, but only candidates invited by Contracting Authority can submit tenders. • Identifies and describes, in the negotiations with the selected candidates, the means best suited to meet the needs of the Contracting Authority. • In PPL there is an exhaustive list of situations when the Competitive dialogue is allowed.
<p>Innovation partnership</p>	<ul style="list-style-type: none"> • Anyone interested in the contract may request to participate, but only candidates invited by Contracting Authority can submit tenders. • Used to create a long-term innovation partnership for the development and further acquisition of a new, innovative product, service or works.
<p>Negotiated procedure</p>	<ul style="list-style-type: none"> • The Contracting Authority can consult with self-chosen suppliers without publishing the Notice regarding Contract and negotiate the terms of the Procurement Contract with one or more chosen suppliers afterwards. • In PPL there is an exhaustive list of situations when the Negotiated procedure is allowed.
<p>Design competition</p>	<p>Winning supplier is chosen by its anonymously submitted design or plan. Prizes or payments can be offered to participants.</p>

Table 4: Types of award procedure

4.4 Who is eligible to participate?

- Individuals;
- Legal persons;
- Association of the Persons in any combination. The Commissioning Authority may require them to register as a partnership after getting contract award.

4.5 Publication of public contracts notice

All the Latvian public procurement contract notices irrespective of the award procedure and whether their value is above or below the EU thresholds, are published in the following repository:



The Procurement Monitoring Bureau (PMB)

<https://www.iub.gov.lv/>

The public contracts whose value is above the respective EU thresholds are also published, in full, in the following repository:



Tenders Electronic Daily - [TED](http://ted.europa.eu) - page of the Official Journal of the EU

<http://ted.europa.eu>

The table below presents how public contract notices are published (Table 5).

Procurement	Threshold		Publication
Value of the contract is under simplified procurement threshold	Goods & services	Under 10'000	Personal invitation from contracting authority, if value research is used;
	Works	Under 20'000	Institution homepage, if pricing survey used; The Procurement Monitoring Bureau (PMB) (www.iub.gov.lv) – free choice if pricing survey used.
Procurement contract value is equal or over simplified procurement threshold	Goods & services	10'000	The PMB (www.iub.gov.lv); Institution homepage; Personal contact from contracting authority.
	Works	20'000	
	Goods & Services for Defence and Security	4'000	
	Works for Defence and Security	14'000	
Procurement contract value is equal or over national threshold	Goods & services	42'000	The PMB (www.iub.gov.lv); Institution homepage; Personal contact from contracting authority.
	Works	170'000	
	Goods & Services for Defence and Security	28'000	
	Works for Defence and Security	170'000	
Procurement contract value is equal or over international threshold	Threshold is determined by European Commission periodically and it will be published in the Official Journal of the European Union (OJ)		The PMB (www.iub.gov.lv); The OJ (http://eur-lex.europa.eu/oj/direct-access.html?locale=en) Institution homepage; Personal contact from contracting authority.

Table 5: Publication of public contract notices

Access to public contracts all around the EU is provided also by the **TENDERIO** platform (<http://www.tenderio.com/>). SMEs can access public procurement in their country or abroad by using a tender search engine that aligns live tender opportunities most suited to their business needs and expertise.

4.6 Time limit of submitting an offer for a public contract

The time limit of submitting a tender starts from the next day the contract notice is published. Time limits established by the Contracting Authority always must be proportional and these limits cannot be shorter than they are set by law.

The deadline of submitting a tender or application must be in the period from Monday to Friday during the working hours of the Contracting Authority, except national holidays. If the date of submission is on Saturday or Sunday, the submission date will be on Monday. If any national holiday is during the time limit, time limit will be extended by the number of holidays.

The following tables present the minimum time limits for submitting an offer.

Open procedure		
	Procurement contract value is equal or over EU international threshold (after sending to OJ)	Procurement contract value is under EU international threshold (after publishing on www.iub.gov.lv)
In general	35	20
If Prior Indicative Notice (hereafter – PIN) is published	15	15
In case of urgency	15	15
If electronic submission of tenders is envisaged	30	15
After making changes in the procurement regulation	At least half of the initial term but not less than 7 days	At least half of the initial term but not less than 7 days

Table 6: Minimum time limit in open procedures

Restricted procedure				
	Procurement contract value is equal or over EU international threshold (after sending to the OJ)		Procurement contract value is under EU international threshold (after publishing on www.iub.gov.lv)	
	For submission of request to participate	For submission of tender	For submission of request to participate	For submission of tender
In general	30	30	20	20
If PIN is published	30	10	20	10
In case of urgency	15	10	15	10
If electronic submission of tenders is envisaged	30	25	20	15
After making changes in the procurement regulation	At least half of the initial term but not less than 7 days		At least half of the initial term but not less than 7 days	

Table 7: Minimum time limit in restricted procedure

Competitive procedure with negotiation				
	Procurement contract value is equal or over EU international threshold (after sending to the OJ)		Procurement contract value is under EU international threshold (after publishing on www.iub.gov.lv)	
	For submission of request to participate	For submission of tender	For submission of request to participate	For submission of tender
Generally	30	30	20	20

If PIN is published	30	10	20	10
In case of urgency	15	10	15	10
If electronic submission of tenders is envisaged	30	25	20	15
After making changes in the procurement regulation	At least half of the initial term but not less than 7 days		At least half of the initial term but not less than 7 days	

Table 8: Minimum time limit in competitive procedure with negotiation

Minimum number of days for submission of request to participate			
Type of PP procedure and object	Procurement contract value is equal or over EU international threshold (after sending to OJ)	Procurement contract value is under EU international threshold (after publishing on www.iub.gov.lv)	
Simplified procurement	-	10	
Green Public Procurement	-	If Contract value is under EUR 42'000	Proportional to the object of the public contract, amount of the documents need to prepare etc.
		If Contract value is equal or over EUR 42'000	10
Competitive dialogue	30	20	
Innovation partnership	30	20	
Design competition	35	35	

Table 9: Minimum number of days for submission of request to participate

4.7 Public Contract Notice Contents

The PPL and RCM No 107 of February 28, 2017 sets the minimal requirements that need to be included in procurement regulation. There are several differences between procurement regulations for each type of procurement procedure, e.g. regulation of the simplified procurement does not consist as much information and requirements as open procedure. Since the open competition is one of the most popular types of procurement, information that open procedure notice should contain is listed below:

- Type of procurement procedure, its title and ID Number;
- Information about the commissioning authority, contact information;
- Description of subject-matter (incl. requirements for subject-matter, information about execution time and place, financial source, CPV Code, etc.);
- Information about the procedure of requests for additional information;
- Information about tenderers (e.g. who can participate, reliance on the capabilities of other people);
- Date, place and procedure of submission of tenders;
- Requirements for design of tenders (incl. requirements for the tender's package);
- Selection criteria for tenderers (requirements and information about documents needed to submit);
- Information about grounds for exclusion of tenderers and procedure description about checking them;
- Information about possibility to submit an European Single Procedure Document (ESPD);
- Information about proposal (bid) security or commitment performance security (if applicable);

- Requirements for technical and financial proposal;
- Information about subcontracting;
- Information about opening of proposals (if applicable) – place, date, procedure;
- Contract award criteria and procedure of evaluating the tenders;
- Rights and obligation of the procurement commission;
- Rights and obligation of the tenderer;
- Decision making, announcement of results and entering into a contract;
- Annexes (application, technical specification, draft contract and different kind of forms, e.g. information about subcontractors, experience of tenderer, experience of experts etc.)

4.8 How to submit a bid

4.8.1 What are the specific elements that a bid must include

Typically, tenderers are asked to include at least:

- an application;
- documents proving the compliance of the tenderer with the procurement requirements;
- technical offer;
- financial offer.



e-Certis

Tool for mapping of certificates issued as evidences in public procurement procedures across the EU where the data are verified and updated by national ministries in charge.

<http://ec.europa.eu/growth/ecertis>.

If **tenderer (the legal person) is foreigner**, a document should be submitted that proves that he/she is registered in accordance with national laws and regulations of the country the tenderer is coming from (e.g. certificate of registration) and documents that proves person's rights to represent the tenderer.

4.8.2 Where you submit the tender and what are the steps

- The tender **can be submitted only on paper**, but the PPL states that Contracting Authority must provide electronic submission of applications and tenders from October 1st, 2017 for procurements with contract value equal or over international threshold and from April 1st, 2018 for procurements with contract value under international threshold.
- Tenderer must **deliver tender** with all needed documents on paper **in sealed and marked envelope** to address named by Contracting Authority. Additionally, on the envelope should be information that is requested in procurement regulation, e.g. tenderers title, title of procurement procedure.
- The tender **can be sent by mail or** brought to the Contracting Authority office **by tenderer or a third person** (e.g. courier). If tender is sent by mail or delivered by courier, responsibility of timely delivery is assumed by tenderer itself.
- The tender **must be signed** by tenderer and **delivered on time** that is fixed by Contracting Authority as the deadline.

4.9 What are the key phases after submitting the bid

There are eleven key phases after submitting the proposal for tender (Figure 9).

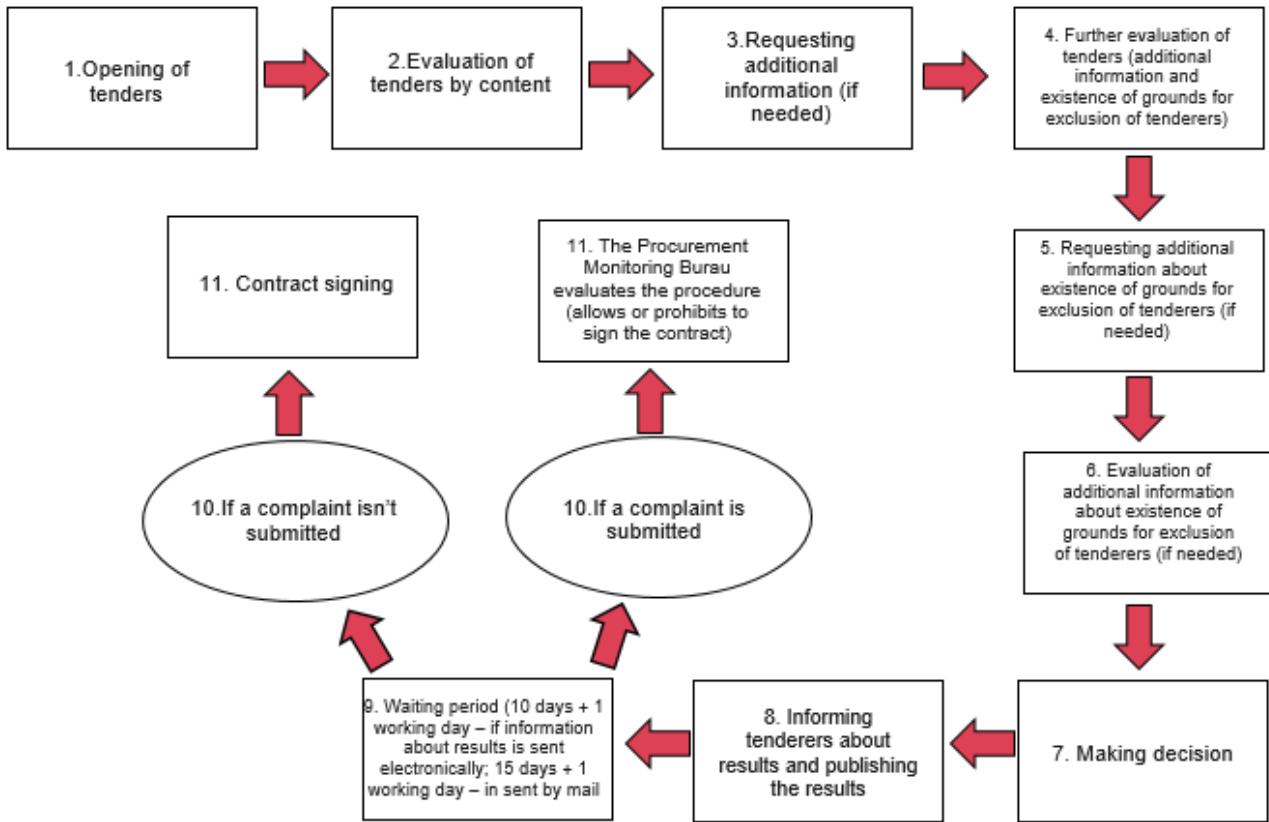


Figure 9: Key phases after submission

The process of each submission phase is described in Table 10.

Phase	Process
1.	In the open procedure, everyone can participate. Tenderers may ask for tenders opening protocol.
2.	Contracting Authority evaluates the compliance of the tender with the procurement requirements, e.g. is all documents added to tender, does technical proposal compliances the technical specifications requirements.
3.	Contracting Authority may ask tenderers for some additional information about their tenders or explain some information (allowing to change the information in tender is forbidden). If there is no need for it, Contracting Authority may skip step 3 and 4 (and evens step 5 and 6 too).
4.	Evaluating the submitted additional information and checking the existence of grounds for exclusions of tenderers.
5.	Contracting Authority asks foreigner tenderers documents that proves that there is no existence of grounds for exclusions of them. Additional information may be asked to Latvian tenderers too.
6.	Evaluating the submitted additional information. If information doesn't prove that there is no existence of grounds for exclusion of tenderers, the Contracting Authority may return to step 4 or even to step 3, e.g. if other tenderer now may be awarded with contract.
7.	Procurement committee makes a contract award decision.

8.	after making decision during 3 working days procurement committee must inform in writing all tenderers about results of tender. Tenderer, who is gets contracting award, must be informed about reasons why did he got contracting award, but other tenderers must be informed about reasons why they didn't get contracting awards (or reasons why they were excluded from tender) and about tenderer who got contracting award. Results must be published on Contracting Authority's website and on PMB's website www.iub.gov.lv .
9.	Contracting Authority must wait 10 or 15 days (Time starts from next day of <u>sending</u> the letter of results) + 1 working day and only after this waiting period procurement contract may be concluded. During this period tenders may submit a complaint regarding infringements of the procurement procedure in the PMB (doesn't concern to simplified procedure).
10.	If a complaint is not submitted , procurement contract can be concluded.
	If a complaint is submitted , procurement contract can't be concluded until the PMB decides about allowing or prohibiting to conclude the procurement contract.
11.	If a complaint is not submitted or if a complaint is submitted, but PMB allows to sign the contract, the procurement contract is signed.
	If a complaint is submitted , the PMB evaluates procurement procedure and makes decision during 1-month term. If the PMB decides to forbid signing the contract, Contracting Authority eliminates the breach of Law or terminates the procurement.

Table 10: Key phases after submission

4.10 Award criteria

Contract award criteria is set in procurement regulation along with their proportion in the evaluation. Contract award criteria cannot restrict competition and must be objectively comparable.

Contracting Authority chooses economically advantageous tender using one of the following contract award criteria:

- Price or costs using a cost-effectiveness approach (e.g. life cycle cost estimation);
- Price or costs + quality criteria related to the subject of the procurement contract (e.g. quality, including technical merit, accessibility, social, environmental and innovative characteristics, etc. Now qualification of the personnel involved may be evaluated, if qualification and experience of the personnel involved may affect the quality of performance of the procurement contract). Each member of the procurement commission evaluates each tender by evaluating procedure and proportion set in the procurement regulation.

Additionally, the decisive contract award criteria must be set in procurement regulation, in case there are two or more tenderers that may be winners of procurement (e.g. two or more tenderers have offered the same lowest price (if contract award criterion is price) or two or more tenderers have the same number of points if contract award criteria are price or costs + quality).

4.11 Complaints/Prejudicial Objections

Any economic operator interested in participating in a public procurement bidding procedure can challenge an action undertaken by the contracting authority/entity if it finds that this action violates its rights or harms its interests (Table 11).

Simplified procurement	WHO?	Only tenderer, which has submitted a tender and which deems that the rights thereof have been infringed or an infringement of such rights is possible
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	WHEN?	After decision of contracting award or decision that excludes tenderer is made
	WHERE?	In the Administrative District Court (ADC)
	HOW?	<ul style="list-style-type: none"> • During 1-month term after receiving the decision; • Appeal of the decision doesn't suspend its operation (Contracting Authority still can sign the contract until judgement is made); • A judgment of the ADC may be appealed in accordance with cassation procedures.
Public procurement	WHO?	A person who is or has been interested in a procurement contract or who is qualifying for winning and who regards that his or her rights have been infringed upon or infringement of these rights is possible, which is caused by a potential infringement of regulatory enactments of the EU or other regulatory enactments
	WHEN?	About requirements in procurement regulation: <ul style="list-style-type: none"> • 2 working days before deadline of submission of tenders – for procurements about social and other specific services (PPL Annex 2); • 4 working days before deadline of submission of tenders – for restricted procedure, competitive procedure with negotiation, competitive dialogue, innovation partnership; • 7 days before deadline of submission of tenders – for open procedure and design competition.
		About any other situation: till the signing of procurement contract but during 10 days – if information about the results is sent to tenderer electronically or after information is published on the OJ; 15 days - if information about the results is sent to tenderer by mail.
	WHERE?	In the PMB
HOW?	<ul style="list-style-type: none"> • Complaint may be regarding the provisions for selection of tenderers, technical specifications and other requirements or regarding the activities of the Contracting Authority during the course of the procurement procedure; • Deposit must be paid 0,5% from the estimated contract price, but not more than 15 000 EUR for works and 840 EUR for goods & services. If the estimated contract price not indicated, 3400 EUR for works and 840 EUR for goods & services (deposit is paid back if the PMB forbids to Contracting Authority conclude the contract or other situations mentioned in PPL); • The PMB makes decision during one-month term. PMB invites all involved persons to decision meeting. All decisions are published on PMB's website; • PMB's decision may be appealed in the ADC; • A decision of the ADC may be appealed in accordance with cassation procedures; • The appeal of a decision of the PMB does not suspend the operation thereof. 	

Table 11: Submission of a complaint/prejudicial objection

5 Key points when submitting a tender in Latvia

01

Make sure that you are an eligible candidate – check the requirements and the bidder's profile.

02

Choose other involved persons positions in tender wisely.

There is the difference between experts, persons on whose capabilities the tenderer is relying, subcontractors and associations of the persons.

03

Make sure that exclusion grounds do not apply.

Most common exclusion grounds that applies is having tax debts. Procurement commission checks exclusion grounds for each member of the partnership, subcontractors and persons on whose capabilities the tenderer is relying. In this case Contracting Authority will exclude tenderer from further participation in the procurement.

04

Make sure you submit the correct documents.

Double check that all required documents are attached and they meet the requirements set in procurement regulation. Contracting Authority may ask tenderers for some additional information about their tenders or explain some information included in their tenders, but allowing to change the information in tender is forbidden.

05

Make sure that person who has the rights to represent the company signs all documents added to tender.

All tender documents must be signed by person who has the rights to represent the tenderer. It may be board member, who has the right to represent the company on the basis of the company's statutes, or authorized person (in this case, power of attorney must be added to the tender). Particular attention should be paid to this aspect if tenderer is the partnership.

06

Know that changing the proposal for the tender is not allowed.

Contracting Authority may ask tenderers for some additional information about their tenders or explain some information included in their tenders, but that does not mean that tenderer may change information in the proposal.

6 What Tenderio offers

TENDERIO project is funded by the COSME program of the European Union (Grant Agreement No 739966) and aims to increase SMEs' participation in public procurement in EU through the development and the implementation of innovative activities that will inform, educate and support European SMEs to access international tenders.

TENDERIO helps SMEs to overcome the barriers that inhibit their participation in cross-border procurement, i.e. the language, the bureaucracy, the difficulties in finding local partners and the lack of knowledge about local tender procedures, by providing the following tools and services:

- a tender search engine which allows access to 1.500 new tenders in Europe every day;
- a benchmarking model on public procurement;

- national training sessions;
- business-to-procurers days and matchmaking opportunities;
- tailored coaching and mentoring services;
- e-conference and webinars on “how to win a tender abroad”.

Other services include a helpdesk, through which companies can access valuable information about specific tenders, country guides on public procurement, regular workshops, and an innovative “bidding laboratory” where guidance on developing successful bids is delivered.

TENDERIO also identifies possible partners and recommends expert consultancies to help you write bids and translate materials into the appropriate language for each offer.

Registration to Tenderio is free and is performed through the project’s official website: www.tenderio.com

7 References

Documents

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