Text consolidated by Valsts valodas centrs (State Language Centre) with amending laws of:

19 September 2013 [shall come into force on 10 October 2013];

9 November 2017 [shall come into force on 1 December 2017];

21 February 2019 [shall come into force on 18 April 2019];

5 December 2019 [shall come into force on 31 December 2019].

If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

The *Saeima*1 has adopted and

the President has proclaimed the following law:

**Law on Procurements in the Field of Defence and Security**

**Chapter I**

**General Provisions**

**Section 1. Terms Used in this Law**

The following terms are used in this Law:

1) **information subject to protection** – the information which in accordance with external laws and regulations is recognised as an official secret or is to be protected as an official secret, and also the information which in accordance with laws and regulations has been recognised as information for official use only;

2) **subcontract** – a contract which is concluded in writing between a tenderer selected by a contracting authority through a procurement procedure and one or several other economic operators in order to ensure performance of the contract concluded by and between the contracting authority and tenderer selected by the contracting authority through the procurement procedure and whose subject-matter is the performance of construction work, supply of products or provision of services for consideration;

3) **life cycle** – consecutive stages of a product (article) from research and development to waste disposal;

4) **works contracts, supply contracts, and service contracts** – procurement contracts for pecuniary interest concluded in writing by one or several contracting authorities and one or several economic operators and whose subject-matter is:

a) for a works contract – the performance, or both the performance and building design, of construction work referred to in Division 45 of the Common Procurement Vocabulary (CPV), or a structure, and also any other transaction as a result of which the contracting authority acquires the right to the structure which is built in conformity with the requirements laid down by it. For the purposes of this Law, the structure shall mean the outcome of the abovementioned construction work taken as a whole that is sufficient for the structure to fulfil the laid down purpose;

b) for a supply contract – purchase, hire-purchase, lease of a product or lease of a product with an option to buy. A contract whose subject-matter is the supply of products and the insignificant part of which is the process of building-in or installation of the product shall also regarded as a supply contract;

c) for a service contract – the services referred to in Annex 1 and 2 to this Law. If the subject-matter of the contract is both the products and services referred to in Annex 1 and 2 to this Law and if the monetary value of the services included in the contract exceeds the value of the products, such contract shall be considered as a service contract. If the subject-matter of the contract is the services referred to in Annex 1 and 2 to this Law and if the performance of the construction work referred to in Division 45 of the Common Procurement Vocabulary (CPV) is included in the contract and it is the insignificant part of the subject-matter of the contract, such contract shall be considered as a service contract;

5) **central purchasing body** – a contracting authority, except for the case when the contracting authority is the subject of the Law on the Procurement of Public Service Providers, other than the public authority within the meaning of the abovementioned Law, and also a European Union institution which:

a) purchases products or services for the needs of contracting authorities, or

b) performs procurement procedures in order to conclude a works contract, supply contract, or service contract or a framework agreement for the needs of contracting authorities;

51) **electronic invoice** – an invoice issued, sent, and received in a structured electronic form allowing to process it automatically and electronically;

6) **electronic auction** – a repetitive process involving electronic means for the presentation of descending prices or new values of the lots of certain tenders, which occurs after full evaluation of the tenders, enabling the ranking of the tenders in a certain sequence according to prices or values of the lots of certain tenders. Certain works contracts or service contracts whose subject-matter is intellectual work (such as designing) may not be the object of electronic auctions;

7) **electronic means** – means of electronic communication suitable for processing of the data received or sent via the electronic communications network (also for digital compression) and storage thereof, and also for transmission of data via electronic communications networks;

71) **procurement document**– any document drawn up or referred to by the contracting authority to describe or determine the elements of the procurement or procurement procedure, including notices, technical specifications, descriptive documents, a draft procurement contract, procurement procedure documents, and additional documents;

8) **procurement identification number** – a designation which includes the abbreviation of the name of the contracting authority, the relevant year and the procurement sequence number in ascending order. The contracting authority is entitled to indicate also other information in the end part of the procurement identification number;

9) **common procurement vocabulary (CPV)** – a vocabulary approved by the European Union which is applied in procurement procedures;

10) **procurement procedure** – a procedure (restricted procedure, negotiated procedure, competitive dialogue) in accordance with which the contracting authority selects economic operators and awards them the works contracts, supply contracts, or service contracts;

11) **contract price** – total remuneration for the performance of the contract, including all taxes, except for the value added tax;

12) **contracting authority** – the contracting authority within the meaning of the Public Procurement Law and public service provider within the meaning of the Law on the Procurement of Public Service Providers;

13) **research and development**– all activities related to the fundamental and applied research and experimental development (production), where the latter may include technological demonstrations with devices that demonstrate the performance of the developed concept in a real or simulated environment;

14) **tender security** – the payment of a sum of money provided for in the procurement procedure documents into the account indicated by the contracting authority, bank guarantee or insurance for a specific amount of money which the tenderer submits together with the tender to the contracting authority as a security for the validity of the tender;

15) **economic operator** – a natural person or a legal person or public entity, an association of such persons in any combination thereof, which offer on the market to perform construction work, supply products or provide services respectively;

16) **buyer profile** – the site of a contracting authority in the State electronic information system publicly available on the internet for acceptance of the tenders and applications, where the contracting authority posts information regarding subsequent invitations to tender, regarding planned procurements, concluded contracts, suspended procedures, as well as other information related to procurements as defined in the laws and regulations;

17) **tenderer** – an economic operator who has submitted a tender under a restricted procedure, negotiated procedure, or a competitive dialogue;

18) **publication management system**– the State information system under supervision of the Procurement Monitoring Bureau and available on the website of the Procurement Monitoring Bureau which ensures the preparation and submission of such information to the Procurement Monitoring Bureau or publication of such information on its website which, in accordance with laws and regulations, should be prepared and submitted to the Procurement Monitoring Bureau or published on its website and which contains information on such persons on whom an administrative penalty – the prohibition to exercise rights – the prohibition to hold such offices the duties of which include taking decisions in the field of public procurements and public-private partnership or the conclusion of procurement contracts, framework agreements, partnership procurement contracts, or concession contracts has been imposed for offences in the field of public procurement and public-private partnership;

19) **candidate** – an economic operator who has submitted an application to take part in a restricted procedure, negotiated procedure, or a competitive dialogue;

20) **competitive dialogue** – a procurement procedure where all interested economic operators may request the right to participate and where the contracting authority conducts a dialogue with the selected candidates with the aim of developing one or several alternative solutions capable of meeting its requirements, and on the basis of which the selected candidates are invited to submit a tender;

21) **common technical specifications** – technical specifications laid down in accordance with a procedure recognised in the European Union Member States and published in the Official Journal of the European Union;

22) **crisis** – such situation in any country in which a harmful event has occurred or is likely to occur which clearly exceeds the dimensions of harmful events in everyday life and which substantially endangers the life and health of people, or has a substantial impact on property values, or requires measures in order to meet the basic needs of the population. An armed conflict and war shall be regarded as crises in any case;

23) **related person** – a person over which the candidate or tenderer has a direct or indirect decisive influence within the meaning of the Group of Companies Law, and also a person which has a decisive influence over the candidate or tenderer or which (as the candidate or tenderer) is subject to the decisive influence of another person;

24) **negotiated procedure** – a procurement procedure where the contracting authority consults with the selected economic operators and organises negotiations with one or several of them regarding the conditions of the contract;

25) **restricted procedure** – a procurement procedure where all interested economic operators may request the right to participate, however, the tenders may only be submitted by the candidates invited by the contracting authority;

26) **technical reference** – any product produced by European standardisation bodies, other than official standards, according to the procedures adapted to market needs;

27) **framework agreement** – an agreement between one or several contracting authorities and one or several economic operators (or a tenderer selected through a procurement procedure and one or several subcontractors) the purpose of which is to establish and characterise the contracts to be concluded within a certain period of time and to provide for the conditions according to which such contracts will be concluded (especially in relation to the prices and, if necessary, the quantity envisaged);

28) **notice** – a review which demonstrates the course of a procurement procedure.

[*9 November 2017; 21 February 2019; 5 December 2019 /* *Amendment to Clause 18 regarding the prohibition to exercise rights shall come into force on 1 July 2020.* *See Paragraph 13 of Transitional Provisions*]

**Section 2. Purpose of the Law**

The purpose of the Law is to ensure:

1) openness of procurements;

2) free competition of economic operators, as well as equal and fair treatment for them;

3) effective use of the funds of contracting authorities, minimising the risk of the contracting authorities as far as possible.

**Section 3. Scope of Application of the Law**

(1) This Law shall be applied when concluding works contracts, supply contracts, and service contracts whose subject-matter is:

1) products which are especially developed or adapted for military needs and may be used as weapons, ammunition, or military equipment, including products of military nature referred to in a special list in accordance with Article 346 of the Treaty on the Functioning of the European Union, and their components and parts;

2) products intended for security purposes, including their components and parts which contain, process information subject to protection or are otherwise related to such information;

3) construction work, products or services which are directly related to the products referred to in Clauses 1 and 2 of this Paragraph in any stage of their life cycle;

4) construction work or services for specifically military purposes or such construction work or services intended for security purposes which are related to information subject to protection.

(2) The provisions of this Law shall apply also to such works contracts, supply contracts, and service contracts the purpose of which is ensuring the logistics needs of the unit of the National Armed Forces (for example, transportation, warehousing, health care services, food, and construction work necessary for logistics needs) and which are concluded in the country other than a European Union Member State in the situation when forces are deployed outside the territory of the European Union, and the contracts for the provision of international operations or international training shall be concluded with economic operators located in the area of such operations or training.

(3) If the subject-matter of the contract is the products, services, or construction work subject to this Law, and also the products, services, or construction work subject to the Public Procurement Law or Law on the Procurement of Public Service Providers, and it is not possible to separate, for objective reasons, the part of the contract which is not subject to this Law and conclude separate contracts, the contracting authority is entitled to apply this Law without applying the Public Procurement Law and Law on the Procurement of Public Service Providers.

(4) If the subject-matter of the contract is the products, services, or construction work subject to this Law, and also the products, services, or construction work not subject to this Law and additionally the Public Procurement Law or Law on the Procurement of Public Service Providers, and it is not possible to separate, for objective reasons, the part of the contract which is not subject to this Law and conclude separate contracts, the contracting authority is entitled to not apply this Law.

(5) The contracting authority shall not apply the Public Procurement Law and Law on the Procurement of Public Service Providers also in the case when this Law applies to the subject-matter of the contract and the contracting authority does not apply the procurement procedures laid down in Section 6, Paragraph three of this Law and the procedures laid down in Paragraph seven for awarding the contracts in accordance with Section 4 or Section 6, Paragraph one of this Law.

[*9 November 2017*]

**Section 4. Exceptions to the Application of the Law**

(1) This Law shall not be applied to the procurement contracts which are concluded by the contracting authority on behalf of the Republic of Latvia or derived public persons thereof with the contracting authority of another country which, upon concluding the procurement contract, acts on behalf of the relevant foreign country or derived public persons (persons equivalent to derived public persons) thereof on:

1) the products referred to in Section 3, Paragraph one, Clauses 1 and 2, and also construction work or services referred to in Clause 4 of this Law;

2) construction work or services which are directly related to the products referred to in Section 3, Paragraph one, Clauses 1 and 2 of this Law.

(2) This Law shall not be applied if the procurement contract is awarded in accordance with:

1) specific rules of procedure in conformity with international agreements concluded between one or several European Union Member States and one or several countries other than the European Union Member States;

2) specific rules of procedure in conformity with international agreements regarding the deployment of forces which apply to the economic operators of a European Union Member State or the economic operators of a country other than a European Union Member State;

3) a specific procedure of an international organisation regardless of whether the contracting authority of the Member State of the international organisation concludes the contract with the economic operator laid down by the international organisation to which the contract has been awarded by the relevant international organisation in accordance with the abovementioned procedure, or the contracting authority thereof awards the contract in accordance with the abovementioned procedure;

4) a cooperation programme implemented by two or several countries based on research and development to create a new product or necessary for further phases of the life cycle of this product or its parts. If the agreement on the implementation of such a cooperation programme has been concluded only between the European Union Member States, the Member States shall inform the Commission of the share of research and development expenditure in relation to the overall cost of the cooperation programme, the cost-sharing between the Member States, as well as the intended share of purchases per Member State.

(3) This Law shall not be applied if the contracting authority concludes a contract on:

1) the purchase or lease of land, existing structure or other immovable property or the acquisition of other rights to such immovable property by any financial resources;

2) arbitration and conciliation services;

3) the financial services, with the exception of insurance services;

4) the services of natural persons under the employment contracts;

5) research and development services, with the exception of the services which are fully paid for by the contracting authority and which are used by the contracting authority only for its own needs;

6) supplies, services, or construction work for ensuring intelligence and counterintelligence activities;

7) supplies, services, or construction work in the country other than a European Union Member State in the situation when the forces are deployed outside the territory of the European Union and procurement contracts for the provision of international operations or international training shall be concluded with economic operators located in the area of such operations or training.

(4) This Law shall not be applied if in the case of its application the contracting authority might have to provide such information the disclosure of which may endanger the national security, and the relevant permit of the Cabinet is obtained.

(5) This Law shall not be applied to supply contracts if the subject-matter thereof is any of the products referred to in Section 3, Paragraph one, Clause 1 of this Law, components or parts thereof, and significant national security interests and ability of the National Armed Forces to perform other tasks laid down in external laws and regulations depend on security of their supplies, and the permit of the Cabinet is obtained.

[*9 November 2017*]

**Section 5. Determining the Estimated Contract Price**

(1) The estimated contract price shall be determined prior to commencement of the procurement procedure as the total planned payment by the contracting authority for performance of the contract, which the economic operator may receive from the contracting authority and other persons. When planning the total payment, the contracting authority shall take into account any selection opportunity and any supplements of the contract, all taxes to be paid in relation to the contract (except for the value added tax), as well as the value of prizes and payments if the contracting authority intends to award prizes or payments to the candidates, tenderers, or participants to a dialogue.

(2) It shall not be allowed to divide estimated construction work projects, supplies or services into lots in order to avoid the application of this Law. It shall not be allowed to use such method for the determination of the estimated contract price which leads to non-application of this Law.

(3) The estimated contract price of the works contract shall be the total value of all construction work or structure, including the contract price of the supplies and services necessary for the performance of the works contract and which the contracting authority has intended to correspondingly perform or provide to the contractor of construction work. The contracting authority shall not add the estimated contract price of the supplies and services, which are not necessary for the performance of the specific works contract, to the estimated contract price of the works contract, if thus the application of the requirements of this Law may be avoided in relation to the relevant supply or service contracts.

(4) If the possible subject-matter of a works contract or service contract may be divided into lots, when concurrently concluding contracts for each of the lots, the estimated contract price shall be determined as the total amount of all the lots. The contracting authority shall apply the requirements of this Law to each lot, if the total amount of the lots is equal to or exceeds the contract price thresholds referred to in Section 6, Paragraph one of this Law. For those lots the total estimated contract price of which is less than 20 per cent of the total estimated contract price of all the lots, the contracting authority is entitled to apply such provisions of the procurement procedures which would apply to these lots in conformity with Section 6 of this Law by taking into account the estimated contract price thereof if the estimated contract price of these lots is less than the contract price thresholds laid down by the Cabinet, or to not apply the procurement procedures if the estimated contract price of these lots is less than the contract price thresholds referred to in Section 6, Paragraph one of this Law.

(5) If similar products are intended to be purchased, by concurrently concluding several supply contracts so that they are contracts concerning lots, the estimated contract price shall be determined as the total amount of all lots. The contracting authority shall apply the requirements of this Law to each lot, if the total amount of the lots is equal to or exceeds the relevant contract price thresholds referred to in Section 6, Paragraph one of this Law. For those lots the total estimated contract price of which is less than 20 per cent of the total estimated contract price of all the lots, the contracting authority is entitled to apply such provisions of the procurement procedures which would apply to these lots in conformity with Section 6 of this Law by taking into account the estimated contract price thereof if the estimated contract price of these lots is less than the contract price thresholds laid down by the Cabinet, or to not apply the procurement procedures if the estimated contract price of these lots is less than the contract price thresholds referred to in Section 6, Paragraph one of this Law.

(6) The estimated contract price for supply contracts providing for hire, hire-purchase or leasing shall be determined as follows:

1) for fixed-term contracts:

a) if the term is l12 months or less – as the total contract price for the term of the contract;

b) if the term is longer than 12 months – as the total contract price for the term of the contract, taking into account the residual value;

2) for contracts without a fixed term or the contracts the term of which cannot be defined – as the estimated monthly payment multiplied by 48.

(7) The estimated contract price for service contracts shall be determined as follows:

1) for insurance service contracts – as the total sum of the insurance premiums payable and other forms of remuneration;

2) for service contracts, which include construction, the designing and modelling of the architecture or engineering structures – as the total sum of the fee for services, commission, and other forms of remuneration.

(8) If the total contract price is not indicated for service contracts, the estimated contract price shall be determined as follows:

1) for fixed-term contracts where that term is less than 48 months – as the total contract price for the term of the contract;

2) for contracts without a fixed term or contracts the term of which exceeds 48 months – as the estimated monthly payment multiplied by 48.

(9) If regular supply or service contracts are concluded or the term of the contract is extended in a specific period of time, the estimated contract price shall be determined:

1) as the total actual value of the successive contracts of the same type during the preceding 12 months or the preceding financial year, taking into account the changes in quantity or value which could occur during the subsequent 12 months;

2) as the total estimated value of the successive contracts of the same type during the subsequent 12 months after the initial supply or during the next financial year (if it is longer than 12 months).

(10) If the estimated contract includes both the supplies and services, the estimated contract price shall be determined as the total amount of supplies and services regardless of the size of their share. In this case the estimated contract price shall include also the costs for building-in and installation of the product.

(11) The estimated contract price in case of a framework agreement shall be the total contract price of all contracts envisaged during the term of the framework agreement.

**Section 6. Types and Application of Procurement Procedures**

(1) The contracting authority which is the subject of the Public Procurement Law shall apply the procurement procedures laid down in Paragraph three of this Section and the procedures laid down in Paragraph seven of this Section for awarding the contracts if the contract price of the supply contracts or service contracts is equal to or exceeds EUR 42 000 and the contract price of the works contracts is equal to or exceeds EUR 170 000. Upon concluding works contracts, supply contracts, or service contracts, if their contract price is less than the abovementioned contract price thresholds, however is equal to or exceeds EUR 10 000 for supply contracts and service contracts, and is equal to or exceeds EUR 20 000 for works contracts, the contracting authority which is the subject of the Public Procurement Law shall carry out the procurement in accordance with the provisions of Paragraphs nine and ten of this Section. The contracting authority, which is the subject of the Law on the Procurement of Public Service Providers, shall apply the procurement procedures laid down in Paragraph three of this Section and the procedures laid down in Paragraph seven of this Section for awarding the contracts if the contract price of the works contracts, supply contracts, or service contracts is equal to or exceeds the contract price thresholds laid down by the Cabinet.

(2) The contracting authority is entitled to apply the procurement procedures laid down in Paragraph three of this Section and the procedures laid down in Paragraph seven of this Section for awarding the contracts also in the case when the contract price of the works contracts, supply contracts, or service contracts is less than the contract price thresholds laid down in Paragraph one of this Section.

(3) There are the following procurement procedures:

1) restricted procedure;

2) negotiated procedure;

3) competitive dialogue.

(4) The contracting authority is entitled to freely choose restricted procedure or negotiated procedure for concluding the works contracts, supply contracts, and service contracts by publishing a contract notice.

(5) The contracting authority is entitled to apply a competitive dialogue if the contract to be concluded is regarded to be particularly complex and the contracting authority is subject to substantial risk that it will not be able to award the procurement contract or framework agreement under a restricted procedure or negotiated procedure by publishing a contract notice. A contract shall be regarded as particularly complex if there are at least one of the following criteria:

1) it is not objectively possible for the contracting authority to prepare technical specifications appropriate to its requirements in accordance with Section 19, Paragraph four, Clause 2, 3 or 4 of this Law, and it cannot choose the best tender under restricted procedure or negotiated procedure by publishing a contract notice;

2) it is not objectively possible for the contracting authority to determine the legal or financial solution of the project.

(6) The contracting authority is entitled to apply a negotiated procedure without publishing a contract notice in accordance with Section 53 of this Law in the following cases:

1) when no applications or tenders have been submitted in response to a previously announced procurement procedure, or the tenders not complying with the requirements laid down in the procurement procedure documents have been submitted and provisions of the procurement contract do not significantly differ from the requirements necessary for the performance of the contract provided for in the relevant procurement procedure announced previously. The contracting authority shall send a notice to the European Commission upon its request;

2) when the tenders not complying with the requirements laid down in the procurement procedure documents have been submitted in response to a previously announced procurement procedure, the provisions of the procurement contract do not significantly differ from the requirements necessary for the performance of the contract provided for in the relevant procurement procedure announced previously, and if the contracting authority invites to participate in negotiations only those tenderers who have not been excluded from the participation in the procurement procedure in the relevant previously announced procurement procedure in accordance with Section 44 of this Law and who meet the set qualification requirements;

3) in the case of military or security crisis if, due to urgency considerations, it is not possible to apply a restricted procedure or negotiated procedure by publishing a contract notice and also in the case when the contracting authority uses all options of reduction of the terms for submission of applications and tenders laid down in this Law;

4) if as a result of extraordinary events unforeseeable by the contracting authority (for example, natural disasters or accidents) a situation has objectively occurred, where, due to urgency considerations, it is not possible to apply a restricted procedure or negotiated procedure by publishing a contract notice, and also in the case when the contracting authority uses all options of reduction of the terms for submission of applications and tenders laid down in this Law – insofar as necessary to prevent emergency situation. The abovementioned events which justify the emergency situation may not depend upon the activities of the contracting authority;

5) if due to technical or such reasons which are related to protection of exclusive rights the contract may be concluded only with a specific economic operator;

6) if the subject-matter of the contract is research and development services;

7) if the subject-matter of the contract is products which are produced only for research and development, except for the case when they are mostly produced in order to assess their commercial viability or recover research and development costs;

8) if the contracting authority is in need of additional deliveries by the original economic operator (producer) of products in order to extend or partially replace the already existing products or installations, because a change of economic operator (producer ) of products would oblige the contracting authority to purchase products which would technically differ from the products already at his or her disposal, and such difference would result in difficulties related to maintenance and operation of the products or installations. The duration of such contract, as well as that of recurrent contracts, may not exceed five years. In exceptional cases, the abovementioned duration may be longer by taking into account the expected service life of products, installations, or systems to be delivered, and also the technical difficulties which may be caused by a change of economic operator (producer);

9) if the subject-matter of the contract is the supply of the products quoted and purchased by the contracting authority on a commodity exchange;

10) if the contracting authority has a possibility to purchase the products on particularly advantageous terms from an economic operator who, upon terminating its business activities, organises sale, or from the liquidators or administrators of insolvency proceedings who organise the sale of the property of a bankrupt merchant in accordance with the laws and regulations in the field of insolvency;

11) if the contracting authority needs additional construction work or services not initially included in the contract or construction project but which have, through unforeseen circumstances, become necessary for the performance of the concluded contract, and if the following conditions are complied with:

a) the total contract price in the additional procurement contracts does not exceed 50 per cent of the contract price of the contract concluded previously;

b) the necessary additional construction work is performed or services are provided by the contractor of the contract concluded previously;

c) additional construction work or services may not be technically or economically separated from the construction work or services provided for in the contract concluded previously without causing significant difficulties for the contracting authority, or the additional construction work or services are substantially necessary for the performance of the contract concluded previously, although they can be separated from the construction work or services provided for in such a contract;

12) if the subject-matter of the contract is repeated performance of construction work or provision of the services provided for in the previously concluded contract which is entrusted to the contractor, and the repeatedly required construction work or services correspond to the project underlying the previously concluded contract. This condition shall apply to the cases when the initial contract is concluded as a result of a restricted procedure, negotiated procedure by publishing a contract notice, or competitive dialogue if in the contract notice a repeated conclusion of a contract is intended and, when determining the estimated contract price, the value of repeatedly necessary construction work or services is also taken into account. These provisions shall be applicable for five years from the conclusion of the initial contract. In exceptional cases, these provisions maybe applied for a longer period by taking into account the expected service life of products, installations, or systems to be delivered, and also the technical difficulties which may be caused by a change of economic operator;

13) if the contracting authority needs air and maritime transport services for deployment of armed forces or security forces abroad, provided that the contract is concluded with the economic operator who guarantees the validity of the tender only for such a short period of time that it is not possible to apply a restricted procedure or negotiated procedure by publishing a contract notice, and also in the case when the contracting authority uses all options of reduction of the terms for submission of applications and tenders laid down in this Law.

(7) If the contract is concluded on the services referred to in Annex 2 to this Law, the contracting authority is entitled to not apply the procurement procedures laid down in this Law, however, it shall apply the provisions of Section 19, Chapter IV, Sections 34, 41, 52, 54, 55, and 56 of this Law. The contracting authority shall, before carrying out the procurement, publish a notice on the relevant procurement on the website thereof by indicating the term for the submission of tenders and the place where the technical specifications are available.

(8) If the subject-matter of the contract is both the services referred to in Annex 1 to this Law and the services referred to in Annex 2 to this Law, the contracting authority shall apply the procurement procedures referred to in this Law if the contract price of the services referred to in Annex 1 to this Law exceeds the contract price of the services referred to in Annex 2 to this Law. If the contract price of the services referred to in Annex 2 to this Law exceeds the contract price referred to in Annex 1 to this Law, the contracting authority shall apply the provisions of Paragraph seven of this Section.

(9) If the contract price of a supply contract or service contract is equal to or exceeds EUR 10 000 but is less than EUR 42 000, and the estimated contract price of the works contract is equal to or exceeds EUR 20 000 but is less than EUR 170 000, the contracting authority who is the subject of the Public Procurement Law shall, when carrying out the procurement, comply at least with the provisions of Section 19, Chapter IV, Section 41, Section 52, Paragraph two, Clauses 1 and 2, Paragraphs four, five, six, and seven, Section 54, Paragraphs one, five, and six, Sections 55 and 56 of this Law, and also before carrying out the procurement shall, except when the procurement meets the conditions referred to in Paragraph six of this Section, publish a notice on the relevant procurement on the website thereof by indicating the time limit for the submission of tenders and the place where the technical specifications are available.

(10) A person who is or has been interested in being awarded a procurement contract or a framework agreement or who qualifies for award and who, in relation to the specific procurement to which the provisions of Paragraph nine of this Section apply, believes that his or her rights have been infringed upon or infringement of such rights is possible, and it may be caused by a potential infringement of laws and regulations, is entitled to appeal the decisions taken by the contracting authority to the Administrative District Court in accordance with the procedures laid down in the Administrative Procedure Law. Appeal of the decision taken by the contracting authority shall not suspend the execution thereof.

[*19 September 2013; 9 November 2017; 5 December 2019*]

**Section 7. Contract Price Thresholds**

The contract price thresholds referred to in Section 5, Paragraphs four and five, Section 6, Paragraph one, Section 36, Paragraph four, Section 37, Paragraphs two, three, four, and seven, Section 58, Paragraph five, Section 63, Paragraph two, Clause 3, Section 67, Paragraph three, Clause 2, Sub-clause “a”, Section 68, Paragraph one, Clause 6 and Paragraph two, Clause 2 of this Law shall be determined by the Cabinet on the basis of the international commitments of the European Union in relation to the contract price thresholds which must be observed by the contracting authorities who are the subjects of the Law on the Procurement of Public Service Providers. The Cabinet shall determine the abovementioned contract price thresholds at least once in every two years within one month after the European Commission has announced the relevant contract price thresholds in the Official Journal of the European Union.

**Section 7.1 Electronic Invoices**

(1) The contracting authority shall accept the electronic invoice conforming to the laws and regulations regarding the applicable standard of an electronic invoice and the specifications for the use of its core elements and the procedures for its handling, and, if it is provided for in the procurement contract, shall include additional core elements in conformity with the abovementioned laws and regulations. The Cabinet shall determine the applicable standard of an electronic invoice and specifications for the use of its core elements and the procedures its handling.

(2) The contracting authority is entitled to not apply Paragraph one of this Section and Section 54, Paragraph 1.1 if the performance of the procurement contract concluded under the procurement procedure is recognised as secret or special security measures are applied to it in accordance with laws and regulations.

[*21 February 2019 /* *See Paragraph 12 of Transitional Provisions*]

**Chapter II**

**General provisions in Procurement Procedures**

**Section 8. Privileged Contracts**

(1) If the subject-matter of the intended contract provides for it, the contracting authority is entitled to reserve the possibility to participate in procurement procedures only for those candidates or tenderers who are mostly (or more than 50 per cent of the average number of employees per year) employing persons with special needs who require special work conditions.

(2) When applying Paragraph one of this Section, the contracting authority shall refer to this Section in the contract notice.

**Section 9. General Provisions in Respect of an Economic Operator**

(1) The contracting authority shall not reject a candidate or a tenderer if only natural or legal persons are entitled to provide the relevant service in conformity with the laws and regulations of Latvia, but it is entitled to provide services in conformity with the laws and regulations of such European Union Member State where it is registered or where is its permanent place of residence.

(2) If works contract or service contract is being concluded or if the supply contract also includes building-in or installation of the product, the contracting authority is entitled to request that a tenderer indicates in its tender or a candidate indicates in its application on participation in the procurement procedure the persons responsible for the performance of the specific contract, and also their professional qualification.

(3) The economic operators which are associations of persons are entitled to apply as candidates or submit tenders. The contracting authority is not entitled to set a requirement on certain legal status of such association in order for it to submit the application for participation in the procurement procedure as a candidate or a tender – as a tenderer. However, the contracting authority is entitled to request that the association in respect of which the decision to conclude the contract has been taken is established in conformity with specific legal status, if necessary for successful performance of the contract.

(4) An economic operator who has participated in any of the previous phases of the relevant procurement project or development of the procurement procedure documents is not entitled to participate in the next phases of the same project or relevant procurement procedure if the abovementioned circumstances provide any advantages for such economic operator in this procurement procedure, thus hindering, restricting or distorting competition. Phases of the procurement project are to be understood as several procurements carried out consecutively which ensure achievement of the common final result.

(5) Upon establishing the circumstances referred to in Paragraph four of this Section, the contracting authority shall, before possible rejection of a candidate or tenderer, allow it to prove that there are no such circumstances that would provide any advantages to such candidate or tenderer in the relevant procurement procedure, thus hindering, restricting or distorting competition.

**Section 10. Confidentiality**

(1) The contracting authority is entitled to define conditions for the protection of the information which it has transferred to economic operators together with technical specifications, and also during the procurement procedure. The contracting authority is entitled to apply these conditions also to subcontractors of economic operators.

(2) Unless it is otherwise provided for in the Law, the contracting authority shall not disclose the information which has been transferred to it by other economic operators as commercial secret in accordance with laws and regulations in the field of commercial activity.

(3) An application and tender of the economic operator, and also the documents with which the economic operator supplements or explains the information included in the application or tender in conformity with the provisions of this Law, shall not be generally available information and these documents shall not be presented or issued to persons other than those related to the evaluation of applications and tenders, except for the persons who in accordance with laws and regulations have the right to become familiar with these documents and receive them for the performance of official duties.

**Section 11. Procurements by Central Purchasing Bodies**

(1) The contracting authority may purchase construction work, products, and services from the central purchasing body or receive construction work, products, and services through the intermediation thereof.

(2) If the contracting authority purchases construction work, products or services from the central purchasing body or receives construction work, products or services through the intermediation thereof, it shall be considered that the contracting authority has applied the requirements of this Law, provided that one of the following conditions exists:

1) the central purchasing body which is the contracting authority, upon making the relevant purchases or organising the relevant procurement procedures, has applied the requirements of this Law;

2) the central purchasing body other than the contracting authority has applied equivalent rules that correspond to this Law, and also the possibilities equivalent to the possibilities of contesting and appeal of decisions laid down in this Law are ensured.

(3) The contracting authority is entitled to not apply the requirements of this Law if a purchase for its needs is made by the contracting authority of another European Union Member State as the central purchasing body which, when performing the relevant purchase, applies the requirements of such laws and regulations which comply with the European Union law in the field of public procurement.

**Chapter III**

**Provisions Regarding Procurement Procedure Documents and Requirements to be Determined for Procurement Procedures**

**Section 12. Procurement Procedure Documents**

(1) Candidate selection regulations shall include:

1) the name, address of the contracting authority and other information on the contracting authority which is to be included in a contract notice;

2) the procurement identification number;

3) the description of the subject-matter of the procurement, but in the case of a competitive dialogue – the characterisation of needs and requirements;

4) the place, date, and time for the submission of applications;

5) the requirements in respect of documentation and submission of the application, and also information on the language or languages in which the application is to be submitted;

6) the provisions of Section 44 of this Law or reference to Section 44 of this Law, and also the information to be submitted which is required to assess the economic operator in accordance with the abovementioned provisions;

7) the requirements in respect of the suitability of an economic operator to pursue the professional activity (Section 13), economic and financial standing (Section 14), technical and professional abilities (Section 15), quality management system to be used (Section 16), and also the information to be submitted laid down in accordance with these Sections which is required to assess the economic operator in accordance with the laid down requirements;

8) the evaluation methodology of candidates if Section 18, Paragraph one of this Law is applied;

9) other information and other requirements prescribed in accordance with the provisions of this Chapter.

(2) The invitation to tender in a restricted procedure and competitive dialogue and the invitation to participate in negotiations in the negotiated procedure, when publishing a contract notice, shall include at least the following:

1) the reference to the published contract notice;

2) the indication of the date until which the candidate is entitled to request additional documents;

3) the indication of the term for submission of tenders, the address to which the tenders are to be sent, the language or languages in which the tender is to be submitted, and also the requirements in respect of the documentation and submission of tenders, and the form of financial tender;

4) in the case of a restricted procedure and competitive dialogue – an indication of the date, time and place of opening of tenders, but in the case of a negotiated procedure by publishing a contract notice – an indication of the place and time of the commencement of negotiations, and also the information on the aspects of the tender to be discussed during the negotiations;

5) information on the tender security, if any intended, the amount, term thereof, and its possible type, and disbursement conditions in accordance with Section 27 of this Law;

6) technical specifications (Section 19) and other required documents or indication of the website address where such documents are available if the contracting authority provides free and direct electronic access to the procurement procedure documents and all additionally required documents;

7) where necessary, the contract performance conditions mainly in relation to the protection of information (Section 21), contract performance security (Section 22), entering into subcontracts (Section 23), and also social circumstances or environmental protection requirements (Section 24);

8) where necessary, an indication of any additional documents to be submitted in order to verify the certifications submitted in accordance with the requirements laid down by the contracting authority, included in the contract notice, or candidate selection regulations, or to supplement the information included therein. Such additional documents shall be requested by complying with the provisions of Sections 14 and 15 of this Law;

9) an indication of the proportion of tender selection criteria and assessment criteria or the descending order of importance (Section 26), if they are not referred to in the contract notice or candidate selection regulations;

10) where necessary, information on the course of electronic auction in accordance with Section 25 of this Law;

11) the draft procurement contract or framework agreement;

12) where necessary, other information and other requirements which are laid down in accordance with the provisions of this Chapter.

(3) The invitation to the dialogue shall include at least the following:

1) the data referred to in Paragraph two, Clauses 1, 6, 8, 9, and 12 of this Section;

2) the indication of the place and time of the commencement of the dialogue, and also the language or languages in which the dialogue will take place;

3) where necessary, the information on payments and prizes for the participants to the dialogue.

(4) Where the procurement procedure documents and additionally required documents are available not at the contracting authority but in other body, the address shall be indicated in the invitation to tender or invitation to participate in negotiations where such documents may be requested, and also, where necessary, the date by which they may be requested, the amount of payment by taking into account Section 38, Paragraph seven of this Law and the payment procedures. The body responsible for the issue of the procurement procedure documents shall issue the documents or send them out immediately after receipt of the request.

(5) The contracting authority shall determine the minimum level of abilities requested in the procurement procedure documents, and also the amount of requirements for the performance of the specific contract, commensurately with the subject-matter of the contract. The laid down requirements may not cause unjustified restrictions for competition. The minimum suitability level requirements shall be included in the contract notice and procurement procedure documents.

[*9 November 2017*]

**Section 13. Suitability to Pursue the Professional Activity**

(1) The contracting authority is entitled to request evidence that the relevant economic operator is registered, licensed or certified in accordance with the requirements of the laws and regulations of the country where it is registered or where its permanent place of residence is.

(2) If in the case of a service contract an economic operator has to have a specific authorisation or be a member of a specific organisation in order to be able to perform the service concerned in the country where it is registered or where its permanent place of residence is, the contracting authority may request evidence of such authorisation or membership.

**Section 14. Economic and Financial Standing**

(1) The contracting authority is entitled to impose minimum requirements in respect of the economic and financial standing of an economic operator. Proof of an economic operator’s economic and financial standing may be mainly furnished by the following:

1) the certification of a credit institution or, where appropriate, evidence of the relevant professional risk insurance company;

2) the financial statement or an extract from the financial statement (where publication of such information is required under the laws and regulations of the country in which the economic operator is registered or where its permanent place of residence is);

3) a certification of its total financial turnover or, where appropriate, of financial turnover in relation to the specific procurement for a maximum of the last three financial years.

(2) The economic operator may rely on the capacities of other undertakings if it is necessary for the performance of the specific contract, regardless of the legal nature of mutual relations. In such case the economic operator shall prove to the contracting authority that it will have the necessary resources at its disposal, by submitting a certification of such undertakings or an agreement on cooperation for the performance of the specific contract. An economic operator which is an association of persons may rely also on the capacities of participants of the association.

(3) The contracting authority shall specify in the contract notice or procurement procedure documents which of the documents referred to in Paragraph one of this Section or other documents must be submitted by an economic operator.

(4) If the economic operator is unable to submit the documents requested by the contracting authority due to substantiated reasons, it is entitled to certify its economic or financial standing by any other documents which the contracting authority considers appropriate.

**Section 15. Technical and Professional Abilities**

(1) The contracting authority is entitled to impose minimum requirements in respect of technical and professional abilities of an economic operator. Technical and professional abilities of an economic operator in conformity with the nature, quantity, and significance level of construction work, supply or services may be mainly certified by the following:

1) information on the performed construction work, accompanied by statements and references on the performance of the most important works during the past five years. These statements shall include data on the volume of the relevant construction work, types of structures, date and location of the construction work, and shall also specify whether all the works were performed according to the relevant rules and properly completed. Where necessary, the contracting authority of the relevant construction work shall submit such statement directly to the contracting authority;

2) information on the most significant supplies performed or services provided in the past five years, indicating the sums, dates and recipients (public or private persons). The information shall be appended by references of a buyer, except for the case if a buyer has been a private person and it is no longer possible to obtain references. In such a case the certification of the economic operator shall be appended;

3) information on the technical personnel or institutions responsible for the quality control, but, if construction work is to be performed, on the technical personnel or institutions which will be involved in the performance of construction work;

4) a description of the technical equipment and resources used by the economic operator of products or service provider to ensure quality, to perform tests and studies, as well as of the rules regarding the use of intellectual property;

5) a check carried out by the contracting authority or on its behalf by a competent authority of the country of the economic operator of products. The abovementioned check covers the production capacities of the economic operator of the products or the technical capacity of the economic operator and, if necessary, the methods of tests and studies and the measures for ensuring quality control it will take;

6) documents which certify the education or professional qualification of the managerial staff of the economic operator – performer of construction work and service provider, in particular, of those persons who are responsible for managing the construction work or providing the services, including within the framework of the supply contract;

7) for works contracts and service contracts – a description by providing the measures for ensuring the environmental protection requirements that the economic operator is able to apply when performing the contract;

8) information on the average number of employees of the performer of construction work and the service provider per year, and the number of the managerial staff during the last three years;

9) information on tools, installations, and technical equipment, number of employees and their qualification, and also supply sources (by indicating their location if they are located in a country other than a European Union Member State) which are available to the economic operator for the performance of the contract, including for modernisation or adaptation of the products to be supplied, and also for required additional construction work, supplies or services in the case of crisis;

10) evidence on the capacity of an economic operator to ensure protection of the information subject to protection in accordance with the laws and regulations in the field of information for official use only and protection of the official secret. Facility security clearance of an appropriate level (for a legal person) and a personnel security clearance for access to an official secret (for a natural person) or a description on specific measures for ensuring protection of the information for official use only shall be regarded as such evidence;

11) with regard to the products to be supplied:

a) samples, descriptions, and photographs the authenticity of which must be certified if the contracting authority so requests;

b) a certificate of the quality control institution (the competence of which has been recognised in accordance with the laws and regulations in the field of standardisation) which certifies the conformity of the product with certain technical specifications or standards.

(2) If a procurement contract includes performance of construction work or provision of services, the ability of an economic operator to perform the construction work or provide the services shall be evaluated, in particular with regard to its experience, qualification, efficiency of activity, and reliability.

(3) The contracting authority shall specify in the contract notice or procurement procedure documents which of the documents referred to in Paragraph one of this Section or other documents must be submitted by an economic operator.

(4) The economic operator may rely on the capacities of other undertakings if it is necessary for the performance of the specific contract, regardless of the legal nature of mutual relations. In such case the economic operator shall prove to the contracting authority that it will have the necessary resources at its disposal, by submitting a certification of such undertakings or an agreement on cooperation for the performance of the specific contract. An economic operator which is an association of persons may rely also on the capacities of participants of the association.

(5) If the economic operator is unable to submit the documents requested by the contracting authority due to substantiated reasons, it is entitled to certify its technical and professional abilities by any other documents which the contracting authority considers appropriate.

(6) An economic operator registered or residing permanently abroad is entitled to meet the requirement referred to in Paragraph one, Clause 10 of this Section on the submission of a facility security clearance of appropriate level (for a legal person) and a personnel security clearance for access to an official secret (for a natural person) by submitting a certification that the competent authority (security institution) of its place of registration or permanent place of residence has issued a facility security clearance of appropriate level (for a legal person) or a personnel security clearance for access to an official secret (for a natural person). In such a case the contracting authority shall ask the Constitution Protection Bureau to provide the certification on the fact that the economic operator has obtained a facility security clearance of appropriate level (for a legal person) or a personnel security clearance for access to an official secret (for a natural person) which shall be recognised as valid for use in the Republic of Latvia.

(7) Where necessary, the contracting authority is entitled to give additional time to the candidate for the receipt of evidence referred to in Paragraph one, Clause 10 of this Section if such possibility and term is provided for in the contract notice.

(8) In addition to meeting the requirements of Paragraph one, Clause 10 of this Section, the contracting authority is entitled to request the Constitution Protection Bureau, where necessary, in cooperation with the competent authority of the country of the registration or permanent place of residence of an economic operator, to inspect the economic operator’s premises and equipment, production and administrative procedures, information circulation procedures, and also information on the personnel, necessary for the performance of the contract.

**Section 16. Quality Management Systems**

The contracting authority may require that the quality management system of an economic operator be inspected. In such case the contracting authority shall refer to quality management systems which comply with specific European certification standards and which have been certified by the relevant bodies conforming to the European certification standards. The contracting authority shall recognise equivalent certificates issued by the bodies in other European Union Member States, and shall also accept other evidence of equivalent quality assurance measures submitted by the economic operator.

**Section 17. Environmental Management Standards**

If the contracting authority, by taking into account the nature, quantity and significance of the construction work or services, requests, in accordance with Section 15, Paragraph one of this Law, that an economic operator certifies that, upon performance of the contract, it will be able to implement the measures for ensuring the environmental protection requirements, the economic operator is entitled to attest it:

1) by registration with the Eco-Management and Audit Scheme (EMAS);

2) by a certificate of the competent authority of Latvia or other European Union Member State which certifies the conformity thereof with the European or international environmental management standards;

3) by other evidence of equivalent measures for ensuring environmental protection requirements.

**Section 18. Reduction in the Number of Candidates, Solutions to be Discussed and Tenders**

(1) The contracting authority may determine the number of candidates it will invite to tender or participate in negotiations or a dialogue. In such a case the contracting authority shall indicate in the contract notice and candidate selection regulations objective and non-discriminatory criteria or rules it intends to apply, and also the minimum number of candidates they intend to invite and, where appropriate, the maximum number. The minimum number of candidates it intends to invite may not be less than three.

(2) The contracting authority may determine that a negotiated procedure by publishing a contract notice and a competitive dialogue will take place in a number of successive phases in order to reduce the number of those tenders or solutions during negotiations or dialogue which it will evaluate in accordance with the laid down tender selection criterion. In such a case the contracting authority shall indicate in the contract notice or procurement procedure documents that it will use this possibility.

**Section 19. Technical Specifications**

(1) The technical specifications shall be included in the procurement procedure documents. Technical specifications shall ensure equal opportunities to all tenderers and may not cause unjustified restrictions for competition in procurement procedures.

(2) Technical specifications for works contracts is a summary of technical descriptions which determines the requirements of the contracting authority in relation to materials, products, technical equipment or objects and characterises materials, products, technical equipment or objects so that, upon acquisition thereof, they would conform to the purposes intended by the contracting authority. These descriptions shall include environmental protection requirements, designing requirements (also requirements in respect of access possibilities for persons with special needs), conformity assessment and performance requirements, production processes and methods, safety rules, quality assurance system, technology, measurements, symbols, testing rules and methods, requirements for the packaging, labelling, and user manuals. Technical specifications shall also include rules regarding work completion tests and work acceptance, requirements in relation to methods and technology for the performance of construction work and other technical rules which the contracting authority has provided for construction work or the structure at large, or for materials and objects intended to be used in the structure.

(3) The requirements prescribed for the necessary supplies and services shall be included in the technical specifications in respect of the supply contracts and service contracts, for example, quality level, environmental protection requirements, construction requirements (also requirements in respect of the access possibilities for persons with special needs), performance requirements, requirements for product use, safety rules, measurements, terminology, symbols, testing rules and methods, requirements in relation to the product name under which it is sold, the packaging and labelling, user manuals, production processes and methods, and also conformity assessment methods. The purpose of the services, the methods and resources to be used (where necessary), and also result shall be additionally determined for service contracts.

(4) Technical specifications shall be prepared in one of the following ways:

1) with reference to the technical specifications referred to in Paragraphs two and three of this Section and standards in the following sequence: European standards adapted in the status of a Latvian national standard, European technical approvals, common technical specifications, international standards adapted in the status of a Latvian national standard, other international standards, other technical reference systems established by the European standardisation institutions, or, where these do not exist, Latvian national standards, national technical approvals or national technical specifications, and also technical specifications developed by and mutually recognised amongst producers, standards in the military field (sectoral standards which might not be publicly accessible information) or technical specifications of military products similar to those standards. Each reference shall include the words “or equivalent”;

2) by determining the functional or performance requirements which may include also environmental protection requirements. The requirements must be precisely defined to allow tenderers to determine the subject-matter of the contract and to allow the contracting authority to compare tenders;

3) by determining functional requirements or performance requirements in accordance with Clause 2 of this Paragraph and with reference to the specifications in accordance with Clause 1 of this Paragraph in order to ensure conformity with the functional requirements or performance requirements;

4) with reference to the specifications in accordance with Clause 1 of this Paragraph, but specifying other requirements as functional requirements or performance requirements in accordance with Clause 2 of this Paragraph.

(5) If the contracting authority prepares the technical specification in accordance with Paragraph four, Clause 1 of this Section, it shall not reject a tender on the grounds that the product or service offered does not comply with the standards or technical specifications specified in the reference, if the tenderer proves, by the documentation of the producer or a test report issued by a competent authority, that the tender is equivalent and satisfies the requirements of the contracting authority which are defined in the technical specification. Within the meaning of this Section, a testing and calibration laboratory and certification and inspection body of Latvia or other country complying with the European standards shall be considered as a competent authority.

(6) If the contracting authority prepares the technical specification by determining functional or performance requirements, it shall not reject a tender which complies with European standards adapted in the status of a Latvian national standard, with European technical approvals, common technical specifications, other international standards, other technical reference systems established by European standardisation institutions, Latvian national standards or other technical reference systems if these standards, technical specifications or reference systems determine the same functional requirements or performance requirements which have been laid down by the contracting authority. In such a case the tenderer must prove in its tender, by the documentation of the producer or test report issued by a competent authority, that the construction work, product or services which comply with the abovementioned standards, technical specifications or reference systems satisfy the functional requirements or performance requirements laid down by the contracting authority.

(7) If the contracting authority determines the environmental protection requirements in terms of functional or performance requirements in accordance with Paragraph four, Clause 2 of this Section, it is entitled to apply the detailed specifications, or parts thereof, as defined by European, multinational eco-labels, or by any other eco-label, provided that:

1) such specifications are appropriate for defining the products or services that are the subject-matter of the estimated contract;

2) the requirements for the eco-label are drawn up on the basis of scientific information;

3) the eco-labels are established using procedures in which all stakeholders – State authorities, consumers, producers, distributors, and environmental organisations – can participate;

4) the specifications determined by eco-label are accessible to all stakeholders.

(8) When applying Paragraph seven of this Section, the contracting authority is entitled to indicate that the products and services bearing the eco-label are presumed to comply with the requirements laid down in technical specifications and procurement procedure documents. In such a case the contracting authority may accept technical dossier from the producer or a test report issued by a competent authority as equal evidence of conformity with the requirements laid down in technical specifications and procurement procedure documents.

(9) Unless justified by the existence of subject-matter of the contract, technical specifications shall not refer to a specific source, a particular process, trademark, patents, or specific types of products with the effect of favouring or eliminating certain economic operators or certain products. Such a reference shall be permitted on an exceptional basis, where a sufficiently precise and intelligible description of the subject-matter of the contract in accordance with Paragraphs four and five of this Section is not possible. In such a case the reference shall be accompanied by the words “or equivalent”.

**Section 20. Variants**

(1) If the criterion for award is that of the economically most advantageous tender, the contracting authority is entitled to provide for a possibility to submit variants.

(2) The contracting authority shall indicate in the contract notice whether or not it authorises variants. Submission of variants shall not be authorised without such an indication.

(3) The contracting authority shall indicate in the procurement procedure documents the minimum requirements to be met by the variants and any specific requirements for their presentation in a tender.

(4) Only variants meeting the minimum requirements laid down by the contracting authority shall be taken into consideration.

(5) If within the procurement procedures it is intended to award a supply or service contract and the contracting authority has authorised to submit variants in conformity with Paragraph two of this Section, it shall not reject a variant on the sole ground that it would, if the tender is successful, lead to either a service contract rather than a supply contract, or to a supply contract rather than a service contract.

**Section 21. Protection of Information**

(1) If in preparation of an application or tender, or performance of the procurement contract an economic operator must create, obtain, keep or use information subject to protection, the contracting authority shall indicate in the contract notice or procurement procedure documents all those elements of the procurement contract which are related to information subject to protection by indicating also whether the relevant information is recognised as the information for official use only, confidential information, secret information or top secret information, and also indicate all the requirements for the protection of the information subject to protection by complying with the laws and regulations in the field of information for official use only and protection of an official secret.

(2) The requirements indicated by the contracting authority for the protection of information subject to protection shall fully apply to every economic operator which as a candidate or tenderer plans to participate or participates in the procurement procedure, and also to subcontractors of the abovementioned economic operators, insofar as these requirements are related to the part of the procurement contract to be transferred for the performance to the subcontractor.

(3) The contracting authority shall determine in a contract notice or procurement procedure documents which of the documents referred to in Paragraph four of this Section or other documents must be submitted by an economic operator in order for it to certify the capacity to ensure protection of information subject to protection in accordance with the requirements indicated in the contract notice or procurement procedure documents.

(4) The capacity of the economic operator to ensure meeting of the requirements laid down in the contract notice or procurement procedure documents may be proven mainly by:

1) a certification that it and the subcontractors indicated in the tender will ensure protection of information subject to protection throughout the duration of the procurement contract and after termination thereof in accordance with the requirements indicated by the contracting authority;

2) a certification that the economic operator will submit the certification referred to in Paragraph four, Clause 1 of this Section for each subcontractor which is not indicated in the tender but will be involved in the performance of the contract;

3) a description of certain measures for ensuring the protection of information for official use only or a certified copy of the facility security clearance of appropriate level (for a legal person) and a personnel security clearance for access to an official secret (for a natural person) issued to an economic operator and subcontractors indicated in its tender (if the relevant subcontractor must create, obtain, keep or use information subject to protection);

4) a certification that an economic operator will submit the documents referred to in Paragraph four, Clause 3 of this Section to the contracting authority during the performance of the contract in respect of each subcontractor of the economic operator which is not indicated in the tender but will be involved in the performance of the contract before involvement of the subcontractor in the performance of the contract if the relevant subcontractor must create, obtain, keep or use information subject to protection.

(5) A economic operator registered or residing permanently abroad is entitled to meet the requirement referred to in Paragraph four, Clauses 3 and 4 of this Section on the submission of a facility security clearance of appropriate level (for a legal person) and a personnel security clearance for access to an official secret (for a natural person) by submitting a certification that the competent authority (security institution) of its place of registration or permanent place of residence has issued a facility security clearance of appropriate level (for a legal person) or a personnel security clearance for access to an official secret (for a natural person). In such a case the contracting authority shall ask the Constitution Protection Bureau to provide the certification on the fact that the economic operator has obtained a facility security clearance of appropriate level (for a legal person) or a personnel security clearance for access to an official secret (for a natural person) which shall be recognised as valid for use in the Republic of Latvia.

(6) Incapacity of the tenderer selected through the procurement procedure to meet the requirements indicated by the contracting authority for the protection of information subject to protection shall be the basis for unilateral withdrawal from the procurement contract by the contracting authority. Incapacity of the subcontractor of the tenderer selected through the procurement procedure to meet the requirements indicated by the contracting authority for the protection of information subject to protection shall be the basis for the contracting authority to assign the tenderer selected through the procurement procedure to replace the subcontractor in accordance with the procedures laid down in this Law.

**Section 22. Contract Performance Security**

(1) The contracting authority is entitled to determine the requirements which are to be complied with by economic operators during the contract performance in order to ensure the construction work, supplies, and services necessary for the contracting authority within the term laid down in the procurement contract, also in the situations of crisis, in conformity with the requirements laid down by the contracting authority (hereinafter – the contract performance security). The capacity of an economic operator to ensure the contract performance security can be mainly confirmed by:

1) the information on such restrictions for use and transfer of the products and services and the information on such restrictions for disclosure of information on the products and services which apply to the contracting authority. The contracting authority shall also indicate such information which arises from export control and safety rules;

2) the documents which certify the capacity of the economic operator to obtain the licence for goods of strategic significance or other documents which grant the right to perform export, transit, and transfer of goods of strategic significance, if obtaining such licence or other documents is required in accordance with the laws and regulations in the field of control of circulation of goods of strategic significance. Such documents may include:

a) the information on the supplies of the same products performed previously;

b) the documents of competent authorities which certify the capacity of the economic operator to obtain the relevant licences, certificates or other documents (for example, the documents of competent authorities which certify that the economic operator has previously obtained the relevant licences, certificates or other documents, or a statement or similar document issued by the competent authority on the right of the economic operator to obtain the relevant licences, certificates or other documents in the particular situation);

c) the information on all licensing and certification requirements, and also other restrictions which are applicable to the offered products, their components and parts, and also an evaluation prepared by the economic operator on its conformity with the requirements of laws and regulations which determine the requirements for obtaining the abovementioned licences, certificates or other documents;

3) the documents which certify that the organisational measures used by the economic operator and location of the persons involved in the performance of the supply ensure the performance of the requirements for the contract performance security laid down in accordance with this Section, and also the certification that the economic operator will ensure that the change of the location of the persons involved in the performance of the abovementioned organisational measures and supply during the contract performance will not affect the performance of the requirements for the contract performance security laid down by the contracting authority;

4) the certification that the economic operator will ensure construction work, supplies or services in such amount which may be necessary for the contracting authority in the case of crisis. The contracting authority may additionally agree with the economic operator on necessary additional construction work, supplies or services in the case of crisis;

5) the documents which have been issued by the competent authorities of the country of the economic operator and which certify the capacity of the economic operator to meet the requirements laid down in accordance with Paragraph one of this Section in the case of crisis in respect of construction work, supplies or services;

6) the certification that the economic operator will modernise or adapt the offered products in accordance with the requirements laid down in the contract notice and procurement procedure documents;

7) the certification that the economic operator will warn the contracting authority in a timely manner of the changes in the organisation of construction work, supplies or services, activities of the economic operator, and also in the supply chain if such changes may affect the contract performance;

8) the certification that in case the economic operator will not be able to ensure the contract performance it will transfer all the means that are necessary for the production of spare parts, components, and parts, performance of equipment inspections, and also technical drawings, licences, and instructions for use to the contracting authority. Where necessary, the contracting authority may agree additionally with the economic operator on the conditions of transfer.

(2) The contracting authority shall specify in the contract notice or procurement procedure documents which of the documents referred to in Paragraph one of this Section or other documents must be submitted by an economic operator.

(3) The contracting authority shall not impose the obligation on the economic operator to submit such documents by which a European Union Member State should undertake to not apply the provisions for export, transit, and transfer of goods of strategic significance which are in conformity with international agreements or legal acts of the European Union and shall be applicable at the time of taking the decision to issue the relevant licence, certificate or other document.

**Section 23. Subcontracts**

(1) The contracting authority shall not restrict the right of economic operators to freely select subcontractors for ensuring the performance of the contract, except for the case when the contracting authority determines the requirements for concluding subcontracts with subcontractors other than persons related to the tenderer (hereinafter – the unrelated subcontractors) in accordance with Paragraphs three, four, and six of this Section.

(2) Where necessary, the contracting authority may determine that a tenderer indicates in its tender those parts of the contract which it will transfer for the performance to the unrelated subcontractors, all intended unrelated subcontractors, the subject-matter of these subcontracts, and also the obligation to notify the contracting authority of any changes in respect of the unrelated subcontractors during the performance of the contract.

(3) The contracting authority may provide the possibility to impose the obligation on the tenderer selected through the procurement procedure to apply the provisions of Chapter IX of this Law in respect of all contracts with subcontractors which the tenderer has, in the tender, intended to conclude with the unrelated subcontractors, or a part of them.

(4) The contracting authority may determine that the tenderer selected through the procurement procedure shall transfer a part of the contract for the performance to the unrelated subcontractors by applying the provisions of Chapter IX of this Law. The contracting authority shall determine the minimum amount of the contract to be transferred for the performance to the unrelated subcontractors (by taking into account the subject-matter of the contract to be concluded, contract price, relevant industrial sector, and the level of technical development thereof, and also competition level on the market), express it in percentage and indicate as a range of values the maximum limit of which does not exceed 30 per cent of the total contract price of the contract.

(5) If the contracting authority applies Paragraph four of this Section, it shall also impose the obligation on tenderers:

1) to indicate those shares of the contract in the tender which they may intend to subcontract to the unrelated subcontractors in order to meet the requirement laid down in accordance with Paragraph four of this Section;

2) to indicate all related persons in the tender, and also notify the contracting authority of any changes in relation to the related parties, including such changes which have occurred during the performance of the procurement contract or framework agreement.

(6) The tenderer may, in addition to the minimum amount of the contract which is laid down in accordance with Paragraph four of this Section to be subcontracted to the unrelated subcontractors, intend to transfer a larger amount of the contract for the performance to the unrelated subcontractors. In such a case the contracting authority may impose the obligation on the tenderer to indicate specific parts of the contract to be additionally transferred for the performance to the unrelated subcontractors, and also such subcontractors. The contracting authority may apply the provisions of Paragraph three of this Section in respect of those parts of the contract which the tenderer intends to additionally transfer for the performance to the unrelated subcontractors.

(7) The contracting authority shall include in the contract notice and procurement procedure documents all the requirements which it determines in accordance with Paragraphs two, three, four, and six of this Section. If the provisions of Paragraph three of this Section are applied, the contracting authority shall include the indication in the contract notice and procurement procedure documents on the possibility to impose the obligation referred to in Paragraph three of this Section, but the decision to impose the obligation in respect of particular parts of the contract which the tenderer has intended to transfer for the performance to the unrelated subcontractors shall be taken upon evaluation of the submitted tenders.

(8) The contracting authority may provide in the contract notice and procurement procedure documents the right for itself to reject the subcontractors selected by the tenderer selected through procurement procedure in accordance with the provisions of Section 60 of this Law on the basis of the same requirements which the contracting authority has laid down for economic operators in the contract notice or procurement procedure documents. The contracting authority shall clarify in the contract notice or procurement procedure documents which of the requirements for economic operators laid down in the procurement procedure documents apply to subcontractors and what documents are to be submitted in order to certify the conformity with the abovementioned requirements.

(9) If in complying with the provisions of Paragraph eight of this Section the contracting authority rejects the subcontractor selected by the tendered selected through the procurement procedure, it shall inform such tenderer in writing of the reasons for rejecting the subcontractor. In such a case the tenderer shall select another subcontractor in accordance with Section 60 of this Law.

(10) In a contract notice and procurement procedure documents the contracting authority may provide the obligation for the tenderer selected through the procurement procedure to coordinate with the contracting authority the requirements and criteria which the tenderer selected through the procurement procedure shall include in the notice of the additional requirements for subcontracts which have been determined in conformity with Paragraph eight of this Section.

(11) Application of the provisions of this Section shall not affect the liability for the performance of the procurement contracts of that tenderer with whom the contracting authority has concluded the abovementioned contract.

**Section 24. Obligations Relating to Taxes, Environmental Protection, Labour Protection, and Working Conditions**

(1) The contracting authority may indicate in the procurement procedure documents the institutions from which candidates or tenderers may obtain information on the applicable regulations relating to taxes, to environmental protection, to labour protection, and to working conditions in the administrative territory in which the construction work will be performed or services will be provided.

(2) If the contracting authority indicates the institutions referred to in Paragraph one of this Section, it shall define the requirement in the procurement procedure documents that a tenderer has to indicate in the tender that the provisions which govern ensuring appropriate working conditions and labour protection in the relevant administrative territory have been taken into account in it.

**Section 25. Application of an Electronic Auction**

(1) If technical specification can be established with precision, in restricted and negotiated procedure by publishing a contract notice, the contracting authority is entitled to determine that an electronic auction is applied before the selection of a tender. The electronic auction may also be organised prior to the selection of a tender within the scope of the framework agreement in accordance with Section 55 of this Law.

(2) The object of an electronic auction may be:

1) price or the price and the new value of the characterisation referred to in technical specifications, where the tender selection criterion is economically most advantageous tender;

2) solely the price, where the tender selection criterion is the tender with the lowest price.

(3) The contracting authority shall determine in the contract notice that it will apply electronic auction, and shall state the following in the procurement procedure documents:

1) the characteristics of the objects of electronic auction, provided that such characteristics are quantifiable and their value can be expressed in figures or percentages;

2) any thresholds (which may be submitted and modified) taking into account the technical specifications of the subject-matter of the contract;

3) the information which will be made available to tenderers in the course of the electronic auction and, where appropriate, when it will be made available to them;

4) the relevant information concerning the organisation of the electronic auction;

5) the conditions to be complied with by the tenderers within the electronic auction and, in particular, the minimum differences which will, where appropriate, be required;

6) the relevant information concerning the electronic equipment used and the specifications and arrangements for connection.

**Section 26. Tender Selection Criteria**

(1) There are the following criteria for selection of a tender:

1) the economically most advantageous tender in which the terms for supplies or performance of the contract, service costs and other costs, efficiency thereof, quality of construction work, products or services, aesthetic and functional characteristics, environmental protection requirements, technical advantages, availability of spare parts, contract performance security, price, and other factors related to the subject-matter of the contract which shall be precisely expressed and objectively comparable or assessable have been taken into account;

2) a tender with the lowest price.

(2) In the case of selection of the economically most advantageous tender, the contracting authority shall indicate in the contract notice or procurement procedure documents all assessment criteria and proportions or numerical values thereof, and it shall also indicate the tender selection algorithms in accordance with these criteria in the procurement procedure documents and describe how each of the indicated assessment criteria will be assessed. The proportion granted to criteria and numerical values thereof may be indicated in a certain range. If the contracting authority can justify that it is not possible to determine proportions and numerical values for the assessment criteria, the contracting authority shall indicate all the assessment criteria in the order of their importance.

(3) If the contracting authority applies a competitive dialogue, it shall determine the economically most advantageous tender as the tender selection criterion.

**Section 27. Tender Security**

(1) The contracting authority is entitled to request that the tenderer submits or pays in a tender security, provided that:

1) the request applies to all tenderers equally and without exceptions;

2) the amount of the tender security and terms are specified in the procurement procedure documents.

(2) The amount of the tender security shall be determined commensurately, taking into account the estimated contract price of the relevant procurement and the subject-matter of the contract, but not more than five per cent of the estimated contract price.

(3) The time limit of the tender security shall be determined commensurately, taking into account the complexity of the relevant procurement and the estimated time limit for evaluation of tenders, but it may not exceed six months counting from the day of opening the tenders.

(4) The economic operator is entitled to submit a tender security as a bank guarantee, insurance policy or, if the contracting authority has provided for such a possibility in the procurement procedure documents, as payment of a sum of money in the account indicated by the contracting authority.

(5) The tender security shall be in effect for the shortest of the following time limits:

1) within the minimum time limit of validity of the tender security laid down in the procurement procedure documents;

2) if the contracting authority recognises any of the tenderers as selected in the procurement procedure – until the day when the selected tenderer submits a contract security (if any is provided for in the procurement procedure documents);

3) until conclusion of a procurement contract.

(6) The provider of security shall disburse to the contracting authority or the contracting authority shall deduct the amount of the tender security paid in by the tenderer if:

1) the tenderer withdraws its tender during the period of validity of the tender security;

2) the tenderer whose tender has been selected in accordance with a tender selection criterion has not, within the time limit laid down by the contracting authority, submitted the contract security intended for it in the procurement procedure documents and procurement contract;

3) the tenderer whose tender has been selected in accordance with a tender selection criterion fails to sign a procurement contract or framework agreement within the time limit laid down by the contracting authority.

**Chapter IV**

**Procurement Commission**

**Section 28. Establishment of the Procurement Commission**

(1) The contracting authority shall establish the procurement commission for performance of the procurement procedures referred to in Section 6, Paragraph three and for carrying out the procurements referred to in Section 6, Paragraphs seven and nine of this Law. The commission shall consist of persons on whom the administrative penalty – a prohibition to exercise the rights – the prohibition to hold the offices the duties of which include taking decisions in the field of public procurements and public-private partnership or the conclusion of procurement contracts, framework agreements, partnership procurement contracts, or concession contracts has not been imposed for offences in the field of public procurement and public-private partnership, or the execution of such penalty has ended. The contracting authority shall, before establishment of the procurement commission or inclusion of a new member in the procurement commission, obtain the abovementioned information on the person from the publication management system.

(2) The procurement commission shall be established for each procurement separately or for a certain period of time, or as a permanently functioning body. At least three members shall be in the composition of the procurement commission.

(3) Upon establishing the procurement commission, the contracting authority shall ensure that such commission would be competent in the field of that procurement on which the contract is concluded and, where necessary, all the members of the procurement commission would have obtained a personnel security clearance of appropriate level for access to an official secret. The procurement commission, when performing its duties, is entitled to invite experts.

[*9 November 2017; 5 December 2019 /* *The new wording of Paragraph one shall come into force on 1 July 2020.* *See Paragraph 13 of Transitional Provisions*]

**Section 29. Basic Operating Principles of the Procurement Commission**

(1) The person preparing the procurement documents (official or employee of the contracting authority), members of the procurement commission and experts may not represent the interests of a candidate or tenderer, and also may not be connected to the candidate or tenderer. Within the meaning of this Paragraph, the person preparing the procurement documents (official or employee of the contracting authority), member of the procurement commission or expert is connected to a candidate or tenderer if he or she is:

1) the current or former employee, official, shareholder, stockholder, proctor, or member of a legal person – candidate, tenderer, or subcontractor, and if this connection with the legal person has ended within the last 24 months;

2) the father, mother, grandmother, grandfather, child, grandchild, adoptee, adopter, brother, sister, half-brother, half-sister, or spouse (hereinafter – the relative) of a stockholder who owns at least 10 per cent of stocks, shareholder, proctor, or official of a legal person – candidate, tenderer, or subcontractor;

3) a relative of a natural person – candidate, tenderer or subcontractor.

(2) Connection of the person preparing the procurement documents (official or employee of the contracting authority), members of the procurement commission and experts with a candidate or tenderer shall also apply to the cases where the candidate or tenderer is an association of persons whose members are natural or legal persons with whom the person preparing the procurement documents (official or employee of the contracting authority), the member of the procurement commission or the expert has the connection referred to in Paragraph one, Clause 1, 2 or 3 of this Section.

(3) Before commencement of the evaluation of the submitted applications and tenders (if the persons referred to in Paragraph one of this Section differ in applications and tenders or in procurements where there are only tenders), the person preparing the procurement documents (official or employee of the contracting authority), the members of the procurement commission and the experts shall sign a certification that there are no such circumstances due to which it might be regarded that they are interested in selection or activities of a particular candidate or tenderer or that they are connected to the particular candidate or tenderer within the meaning of Paragraph one of this Section. The members of the procurement commission and experts who are involved in the work of the procurement commission later shall sign the certification prior to commencement of the performance of the duties of the member of the procurement commission or expert.

(4) The procurement commission shall ensure the evaluation of the submitted applications and tenders and take the decision to select one or several tenders, and also take the minutes of the course of the procurement process.

(5) The procurement commission shall select candidates and evaluate the tenderers and tenders submitted by them in accordance with the procurement documents, this Law, and also other laws and regulations. The decision of the procurement commission shall be binding on the contracting authority if the procurement contract or framework agreement is being awarded.

(6) The chairperson of the procurement commission shall organise and manage the work of the commission, determine the venue, time, and agenda of commission meetings, convene and chair the commission meetings, and also ensure signing of the certifications referred to in Paragraph three of this Section.

[*9 November 2017; 5 December 2019*]

**Section 30. Procedures for Taking the Decisions of the Procurement Commission**

(1) The procurement commission shall take decisions at meetings. The procurement commission shall have a quorum if at least two thirds, but not less than three members of the members of the commission are present at the meeting. The procurement commission shall take decisions with a simple majority of votes. In the event of a tied vote of the members of the procurement commission, the chairperson of the commission shall have the casting vote. The member of the commission may not abstain from taking the decision.

(2) If the economically most advantageous tender is determined as the tender selection criterion, each member of the procurement commission shall evaluate the tender individually according to all evaluation criteria indicated in the procurement documents. A tender shall be recognised as the economically most advantageous tender if it, upon summarising individual evaluations, has obtained the highest score.

[*9 November 2017; 5 December 2019*]

**Chapter V**

**Provisions for Announcement and Observance of Transparency**

**Section 31. Prior Information Notice**

(1) The contracting authority may publish a prior information notice in accordance with Section 36, Paragraph two of this Law. The publication of the abovementioned notice is mandatory if the contracting authority uses reduced terms for the submission of tenders in accordance with Section 37, Paragraph eight of this Law. The following shall be indicated in the prior information notice:

1) in the case of supply contracts – the total estimated contract price of those contracts or framework agreements which the contracting authority is going to conclude within the next 12 months in respect of certain [by referring to the Common Procurement Vocabulary (CPV)] group of products;

2) in the case of service contracts – the total estimated contract price of those contracts or framework agreements which the contracting authority is going to conclude within next 12 months in respect of certain category of services;

3) in the case of works contracts – the general characterisation of those contracts or framework agreements which the contracting authority is going to conclude.

(2) The contracting authority shall publish a prior information notice in accordance with Section 36, Paragraph two of this Law within as short period of time as possible after taking the decision on the necessity to carry out a procurement.

(3) [9 November 2017]

(4) The provisions of this Section shall not be applied to the cases referred to in Section 6, Paragraph six of this Law.

[*9 November 2017*]

**Section 32. Contract Notice and Notice of Amendments, Termination or Suspension of the Procurement Procedure**

(1) The contracting authority shall publish a contract notice if it applies a restricted procedure, negotiated procedure by publishing a contract notice, or a competitive dialogue.

(2) The contracting authority shall publish a notice of amendments, termination or suspension of the procurement procedure if it makes amendments to the procurement procedure documents or extends the terms laid down for the submission of applications or tenders, or terminates or suspends the procurement procedure.

(3) The contracting authority shall publish a contract notice and notice of amendments, termination or suspension of the procurement procedure in accordance with Section 36, Paragraph two of this Law.

**Section 33. Subcontract Notice**

(1) The tenderer selected through the procurement procedure shall publish the subcontract notice if it applies the provisions of Section 60 of this Law.

(2) The tenderer selected through the procurement procedure shall publish the subcontract notice in accordance with Section 36, Paragraph two of this Law.

**Section 34. Notice of the Results of the Procurement Procedure**

(1) The contracting authority shall publish a notice of the results of the procurement procedure if the decision to conclude a procurement contract or framework agreement has been taken.

(2) The contracting authority shall publish a notice of the results of the procurement procedure in accordance with Section 36, Paragraph two of this Law after concluding the procurement contract, however not later than within 48 days after informing the tenderers in accordance with Section 56, Paragraph two of this Law if the procurement contract is not concluded within this term.

(3) The contracting authority is entitled to not publish a notice of the results of the procurement procedure if the decision to conclude a procurement contract within the framework of the framework agreement in accordance with Section 55 of this Law has been taken.

(4) In a notice of the results of the procurement procedure the contracting authority is entitled to not include information the disclosure of which may harm the public interests, especially defence and security interests, or the lawful commercial interests of an economic operator or fair competition rules would be thereby infringed.

**Section 35. Voluntary Notice of the Procurement Results**

(1) The contracting authority is entitled to publish a voluntary notice of the procurement results in the exceptional cases of application of this Law and in the cases referred to in Section 6, Paragraphs six and seven of this Law, in addition to the publication of the notice referred to in Section 34, Paragraph one of this Law.

(2) The voluntary notice of the procurement results shall be published so that the stakeholders could contest the justification of such procurement which has been carried out due to the fault of the contracting authority without applying a corresponding procurement procedure and without publishing a contract notice, and in order to concurrently eliminate the consequences referred to in Section 69, Paragraph one of this Law.

(3) The contracting authority shall publish a voluntary notice of the procurement results in accordance with Section 36, Paragraph two of this Law.

**Section 36. Publication of Notices**

(1) The Cabinet shall determine the content of and procedures for preparation of the notices referred to in Section 31, Paragraph one, Section 32, Paragraphs one and two, Section 33, Paragraph one, Section 34, Paragraph one, and Section 35, Paragraph one of this Law.

(2) The contracting authority and the tenderer selected through the procurement procedure shall draw up the relevant notice referred to in Paragraph one of this Section and submit it to the Procurement Monitoring Bureau for publication by using the publication management system. The Procurement Monitoring Bureau shall, within one working day after the receipt of the notice referred to in Paragraph one of this Section, post it on the website of the Procurement Monitoring Bureau.

(3) The contracting authority shall publish the notices referred to in Paragraph one of this Section in the official language.

(4) If the estimated contract price of works contracts, supply contracts, and service contracts is equal to or exceeds the contract price thresholds laid down by the Cabinet, the Procurement Monitoring Bureau shall, concurrently with the posting of notices on the website of the Procurement Monitoring Bureau, send them for publication in the Official Journal of the European Union.

(5) The contracting authority and the tenderer selected through the procurement procedure have the right to publish the relevant notices referred to in Paragraph one of this Section on the website of the Procurement Monitoring Bureau, and also to indicate that notices are to be sent for publication in the Official Journal of the European Union also in the case when the obligation to publish such notices is not imposed by this Law.

(6) The Publication Monitoring Bureau shall post information on its website on whether, upon sending notices for publication in the Official Journal of the European Union, it uses the electronic system for the receipt of documents of the Official Journal of the European Union and the contracting authorities may use the options of reduction of the term for the submission of applications laid down in Section 37, Paragraph ten, and the first sentence of Paragraph twelve, Clause 1 of this Law.

(7) The Procurement Monitoring Bureau shall keep the information in the publication management system on the day when the notices referred to in Paragraph one of this Section are submitted for publication, posted on the website of the Procurement Monitoring Bureau and, if determined by this Law, sent for publication in the Official Journal of the European Union. The contracting authority shall keep the confirmation sent by the Official Journal of the European Union on the publication of the relevant notice in the Official Journal of the European Union if the publication of the notice is prescribed by this Law. In the case of dispute, the confirmations saved in the publication management system and received from the Official Journal of the European Union shall serve as proof for the publication of notices.

[*9 November 2017*]

**Section 37. Terms for Submission of Applications and Tenders**

(1) The contracting authority, when determining the terms for submission of applications and tenders, shall take into account the level of complexity of the potential contract and the time required for drawing up the documents for selection of candidates and tenders, as well as restrictions for terms laid down in this Law.

(2) In a restricted procedure, negotiated procedure by publishing a contract notice, and in a competitive dialogue the term for the submission of applications after the contract notice is published on the website of the Procurement Monitoring Bureau may not be less than 37 days if the estimated contract price of the works contracts, supply contracts, and service contracts is equal to or exceeds the contract price thresholds laid down by the Cabinet. If the estimated contract price for works contracts, supply contracts, and service contracts is less than the contract price thresholds laid down by the Cabinet, the term for the submission of applications may not be less than 25 days from the day when the contract notice is published on the website of the Procurement Monitoring Bureau.

(3) The contracting authority may make amendments to the procurement procedure documents if the qualification or other requirements are not significantly changed thereby. If amendments have been made to the procurement procedure documents and half of the term referred to in Paragraph two of this Section or more has passed, the term for the submission of applications after the notice of amendments is published on the website of the Procurement Monitoring Bureau may not be less than 21 days if the estimated contract price of the works contracts, supply contracts, and service contracts is equal to or exceeds the contract price thresholds laid down by the Cabinet. If the estimated contract price for works contracts, supply contracts, and service contracts is less than the contract price thresholds laid down by the Cabinet, the term for the submission of applications may not be less than 13 days from the day the notice of amendments is published on the website of the Procurement Monitoring Bureau.

(4) In a restricted procedure, the term for the submission of tenders after the invitation to tender is sent to the selected candidates may not be less than 40 days if the estimated contract price of the works contract, supply contracts, and service contracts is equal to or exceeds the contract price thresholds laid down by the Cabinet. If the estimated contract price for works contracts, supply contracts, and service contracts is less than the contract price thresholds laid down by the Cabinet, the term for the submission of tenders may not be less than 25 days from the day when the invitation is sent.

(5) In a negotiated procedure by publishing a contract notice, and in competitive dialogue the contracting authority shall agree with all the selected candidates on the term for the submission of tenders. If the contracting authority fails to agree with the candidates on the term for the submission of tenders, it shall determine the term for the submission of tenders which, after the invitation to participate in negotiations or to tender has been sent, is not less than 30 days or 15 days if there is a reasonable justification for such reduction of the term.

(6) The contracting authority may make amendments to the procurement procedure documents if the requirements laid down in the invitation to tender are not significantly changed thereby. If amendments are made to the procurement procedure documents, the contracting authority shall agree with all the selected candidates on the term for the submission of tenders.

(7) The contracting authority is entitled to extend the laid down terms for the submission of applications and tenders by publishing a notice of amendments, termination or suspension of the procurement procedure or by sending a repeated invitation to tender or participate in negotiations. If the estimated contract price for works contracts, supply contracts, and service contracts is equal to or exceeds the contract price thresholds laid down by the Cabinet, the minimum term by which the contracting authority is entitled to extend the term for the submission of tenders shall be seven days. Such extension of terms shall not be regarded as amendments to the procurement procedure documents within the meaning of Paragraphs three and six of this Section.

(8) If the contracting authority has published a prior information notice, the minimum term for the submission of tenders in the restricted procedure shall be 36 days from the day when the invitation to tender has been sent to the selected candidates. If there is a reasonable justification for additional reduction of the term, the contracting authority is entitled to determine the term for the submission of tenders which is not less than 22 days. In such a case the contracting authority shall keep all the documents which justify reduction of the term.

(9) The minimum terms for the submission of tenders referred to in Paragraph eight of this Section may be determined if a prior information notice includes all the information intended in such notice, insofar as it was available at the time of publication, and if such prior information notice which has been submitted for publication in accordance with Section 36, Paragraph two of this Law has been published on the website of the Procurement Monitoring Bureau and sent for publication in the Official Journal of the European Union not less than 52 days and not more than 12 months before the day when a contract notice has been published on the website of the Procurement Monitoring Bureau and sent for publication in the Official Journal of the European Union.

(10) If a contract notice is prepared and sent to the Official Journal of the European Union by electronic means using the system for electronic receipt of documents of the Official Journal of the European Union, the term for the submission of the applications referred to in the first sentence of Paragraph two of this Section, for the restricted procedure, negotiated procedure by publishing a contract notice, or for the competitive dialogue may be reduced by seven days.

(11) If starting from the day when a contract notice is published on the website of the Procurement Monitoring Bureau the contracting authority provides free and direct electronic access to the procurement procedure documents and all additionally required documents, the terms for the submission of tenders referred to in Paragraph four of this Section may be reduced by five days. The address of the website where the abovementioned information is available shall be indicated in the contract notice. The reduction of the term referred to in this Paragraph may be additionally applied for the reduction of the term referred to in Paragraph ten of this Section.

(12) If the contracting authority applies the restricted procedure or negotiated procedure by publishing a contract notice, and it is not possible to comply with the terms referred to in this Section in the case of extreme necessity, the contracting authority may determine:

1) the term for the submission of applications which may not be less than 10 days from the day when a contract notice is published on the website of the Procurement Monitoring Bureau or, if prescribed by this Law, sent for publication to the Official Journal of the European Union by using the system for electronic receipt of documents of the Official Journal of the European Union. If a contract notice is sent for publication to the Official Journal of the European Union without using the system for electronic receipt of documents of the Official Journal of the European Union, the term for the submission of applications may not be less than 15 days;

2) in the restricted procedure – the term for the submission of tenders which is not less than 10 days from the day when the invitation to tender is sent to the selected candidates.

(13) If, due to some reason, the technical specifications and other documents or additional information is requested, however is not issued within the terms referred to in Section 38 of this Law, or if the tenders may be prepared only after having seen the site of performance of the contract or after becoming familiar with additional documents of the procurement procedure at the contracting authority, the contracting authority shall extend the term for the submission of tenders by providing the possibility for economic operators to obtain the information which is necessary for the preparation of tenders.

[*9 November 2017*]

**Section 38. Issue of Procurement Procedure Documents and Provision of Additional Information**

(1) The candidate selection regulations and all additionally required documents for the selection of candidates shall be available not before the day when a contract notice is published on the website of the Procurement Monitoring Bureau and not later than one day after the contract notice is published on the website of the Procurement Monitoring Bureau.

(2) If the contracting authority fails to provide free and direct electronic access to the procurement procedure documents and all additionally required documents, the contracting authority shall send them or issue to the interested economic operators within six days after the request for these documents has been received, conforming to the condition that the request for documents is received in a timely manner before the term for the submission of applications or tenders. However the interested economic operators are ensured with a possibility to become acquainted with the procurement procedure documents at the contracting authority starting from the moment when the relevant procurement procedure is announced.

(3) If the interested economic operator has requested additional information on the requirements for the selection of candidates in a timely manner, the contracting authority shall provide it as soon as possible, however not later than four days before the end of the term for the submission of applications. If the contracting authority has received the request for information later than four days before the end of the term for the submission of applications, the contracting authority shall not provide additional information.

(4) If the interested economic operator has requested additional information on the requirements included in the procurement procedure documents in respect of preparation and submission of tenders in a timely manner, the contracting authority shall provide it as soon as possible, however not later than six days before the end of the term for submission of tenders. If a candidate has requested the abovementioned additional information in a timely manner in the case referred to in Section 37, Paragraph twelve, Clause 2 of this Law, the contracting authority shall provide it as soon as possible, however not later than four days before the end of the term for the submission of tenders. If the contracting authority has received the request for information later than the abovementioned terms for the submission of additional information, the contracting authority shall not provide additional information.

(5) If the contracting authority provides additional information, it shall concurrently send such information to all economic operators who have received the procurement procedure documents, indicating also the question asked. If the contracting authority provides free and direct electronic access to procurement procedure documents, it shall, concurrently with sending additional information to the economic operator who has asked the question, post such information on the website where the procurement procedure documents are available, indicating also the question asked.

(6) If the contracting authority has made amendments to the procurement procedure documents, it shall send the information on amendments to all economic operators who have received the procurement procedure documents. If the contracting authority provides free and direct electronic access to the procurement procedure documents, it shall post such information on the website where these documents are available. The contracting authority shall send this information to economic operators or post it on the website not later than one day after the notice of amendments, termination or suspension of the procurement procedure has been submitted to the Procurement Monitoring Bureau for publication.

(7) Procurement procedure documents shall be available in electronic format free of charge. The contracting authority is entitled to request a fee for the issue of those procurement procedure documents which may not be issued in electronic format, and such a fee does not exceed expenses for actual reproduction and sending of documents.

[*9 November 2017*]

**Section 39. Exchange of Information in Procurement Procedures**

(1) The contracting authority and economic operators shall carry out exchange of information by post, fax, electronic means (in accordance with the provisions referred to in Paragraphs five, six, and seven of this Section) or by phone (in the cases referred to in Paragraph eight, Clauses 1 and 2 of this Section), depending on the choice of the contracting authority.

(2) The contracting authority shall choose such means for the exchange of information which are generally accessible in order not to hinder the access by the economic operators to the procurement procedures. The contracting authority shall choose such method of sending the documents referred to in this Law which ensures that the addressee receives information as soon as possible.

(3) The exchange and storage of information shall be carried out so as to protect all the data included in applications and tenders and that the contracting authority might examine the content of applications and tenders only after expiry of term for submission thereof.

(4) The contracting authority shall not provide any information on the existence of other applications or tenders during a time period from the day of submission of applications and tenders until the time of opening thereof. The contracting authority shall not, during the evaluation of applications and tenders, provide information on the evaluation process until the notification of results.

(5) If electronic means are used for the exchange of information, the contracting authority shall choose such means which are publicly accessible and compatible with generally used information and communication technology products, thus preventing the possibility of discriminating economic operators on these grounds.

(6) The provisions of Section 40 of this Law shall be applied to electronic equipment which is used for the submission and receipt of applications and tenders.

(7) If applications and tenders are submitted electronically, the candidates or tenderers shall submit the certificates, certifications, and other documents laid down in Sections 13, 14, 15, 16, 17, and 44 of this Law until the end of the term for the submission of applications or tenders, unless these documents are in electronic format.

(8) The following provisions shall be complied with in the submission of applications:

1) applications for participation in the procurement procedure may be sent in writing or notified by telephone;

2) if an application is notified by telephone, a written confirmation shall be sent before expiry of the term for the submission of applications;

3) if an application is sent by fax, the contracting authority shall request that an economic operator approves the application in writing within the time period indicated in the contract notice by sending it by post or electronic means, or by submitting in person.

**Section 40. Requirements in Respect of Receipt of Electronic Documents**

The following provisions shall be complied with when using electronic means with which applications and tenders are received in procurement procedures:

1) the information on specifications which apply to electronic submission of applications and tenders is available to all the interested economic operators;

2) electronic documents are submitted in conformity with the requirements of the Electronic Documents Law;

3) the date and time when the applications or tenders are submitted in the procurement procedure may be precisely identified;

4) nobody can access the submitted documents before the end of the specified term;

5) an infringement may be detected if anyone has infringed the prohibition referred to in Clause 4 of this Section;

6) only authorised persons may set or change the time for opening the received documents;

7) access to the submitted documents or part thereof at different stages of the procurement procedure is possible only after the activities performed simultaneously by the authorised persons;

8) as a result of the simultaneously performed activities, the authorised persons may access the submitted documents not earlier than on the specified date;

9) only those authorised persons have access to the submitted and opened documents to whom such access has been granted.

**Section 41. Procurement Procedure Notice**

(1) The contracting authority shall document a procurement procedure, including the procurement procedure which takes place by using electronic means, and draw up a procurement procedure notice after the decision on the results of such procedure has been taken.

(2) At least the following information shall be included in the procurement procedure notice:

1) the name and address of the contracting authority, procurement identification number, type of the procurement procedure, and also the subject-matter of the contract or framework agreement;

2) if a competitive dialogue is applied – the justification for the application of the procedure in accordance with Section 6, Paragraph five of this Law;

3) if negotiated procedure is applied without publishing the contract notice – the justification for the application of the procedure in accordance with Section 6, Paragraph six of this Law. If the contracting authority has applied a negotiated procedure without publishing the contract notice in accordance with Section 6, Paragraph six, Clause 8 or 12 of this Law and has exceeded the restriction of the specified term of five years – also justification for the existence of exceptional circumstances which justify such exceeding of the abovementioned term;

4) if the term of the framework agreement exceeds seven years – justification for the determination of such term;

5) if the procurement commission is to be established – its composition and justification for the establishment thereof;

6) the date when the contract notice and prior information notice is published on the website of the Procurement Monitoring Bureau;

7) the requirements laid down for candidates or tenderers, the tender selection criterion, and also evaluation criteria in the descending order of importance or proportion thereof, if the economically most advantageous tender is determined as the tender selection criterion;

8) the term for the submission of applications and tenders, and also the justification for the reduction of the term if in the negotiated procedure the contracting authority determines, in accordance with Section 37, Paragraph eight of this Law, the term for the submission of tenders which is less than 36 days from the day when the invitation to tender is sent to the selected candidates, or if the contracting authority reduces the term in accordance with Section 37, Paragraph twelve of this Law;

9) the names of those economic operators which have applied for the selection of candidates and the names of those tenderers which have submitted tenders, and also the prices offered, and other information characterising the tender;

10) the place, date, and time of the opening of tenders;

11) the names of those tenderers which have been selected in accordance with the provisions for the selection of candidates and invited to tender or participate in negotiations, and also the justification for the relevant decisions;

12) the name of the tenderer (or tenderers) with which it is decided to conclude a procurement contract or framework agreement, the contract price, and also the summary for the evaluation of tenders and justification for the selection of the tender;

13) the information (if such is known) on that part of the contract or framework agreement which the tenderer selected through the procurement procedure has planned to transfer to subcontractors;

14) the names of those economic operators whose applications or tenders have been rejected, and also the justification for such rejection;

15) if the contracting authority has taken the decision to terminate or suspend the procurement procedure – the justification for such decision.

(3) The contracting authority shall draw up a notice and inform tenderers on the results of the procurement procedure in accordance with Section 52, Paragraph two of this Law. If the provisions of Section 52, Paragraph two of this Law are not applicable, the contracting authority shall draw up the notice not later than within five working days after taking the decision on the results of the procurement procedure.

(4) The notice, upon a request, shall be issued within two working days. Other documents of the procurement procedure, except for the tenders, shall be issued within the time period and the procedures laid down in the Freedom of Information Law, if not prescribed otherwise by this Law. Tenders shall not be issued or presented to economic operators and other persons unrelated with the evaluation of tenders.

(5) The contracting authority shall send the notice to the European Commission if the European Commission requests it.

[*9 November 2017*]

**Section 42. Storage of Procurement Procedure Documents**

The contracting authority shall keep all originals of the procurement procedure documents, and also originals of the tenders, at least during the entire term of the procurement contract or framework agreement, and also within the term of the procurement contracts concluded within the framework thereof and two years after the end of the term thereof, however not less than for five years after taking the decision in the procurement procedure.

**Chapter VI**

**Selection of Candidates and Tenderers, Dialogue, and Selection of Tenders in a Restricted Procedure, Negotiated Procedure, and Competitive Dialogue**

**Section 43. Selection of Candidates and Tenderers**

(1) The economic operator shall submit an application which has been drawn up in conformity with the laid down requirements at the place and time indicated in the contract notice.

(2) The contracting authority shall select candidates after the end of the term for the submission of applications by complying with the provisions for exclusion referred to in Section 44 of this Law, the requirements laid down in the contract notice and candidate selection regulations in accordance with Sections 13, 14, 15, 16, and 17 of this Law and other requirements laid down in accordance with Section 12 of this Law, and also complying with the evaluation methodology of candidates laid down in accordance with Section 18, Paragraph one of this Law if the contracting authority has intended to reduce the number of candidates.

(3) After selection of candidates, the contracting authority shall simultaneously and in writing invite all the selected candidates to submit a tender (in the case of a restricted procedure) or to participate in a dialogue (in the case of a competitive dialogue) or negotiations (in the case of negotiated procedure by publishing a contract notice). The invitation to tender in a restricted procedure and invitation to negotiations or dialogue shall include the information and requirements laid down in accordance with the provisions of Chapter III of this Law, or indication of the website address where the documents which include the abovementioned information and requirements are available, if the contracting authority provides free and direct electronic access to the procurement procedure documents and all additionally required documents.

(4) If the contracting authority reduces the number of candidates, it shall invite to tender or participate in a dialogue or negotiations a certain number of the selected candidates which may not be less than the number specified in the contract notice and candidate selection regulations, provided that a sufficient number of appropriate candidates is available.

(5) If the number of those candidates who comply with the requirements referred to in Paragraph two of this Section is less than the specified number, the contracting authority is entitled to invite the candidates complying with the abovementioned requirements.

(6) If the number of those candidates who comply with the requirements referred to in Paragraph two of this Section is less than the specified number and the contracting authority considers that it is not possible to ensure sufficient competition, it may terminate the procurement procedure and announce a new procurement procedure by inviting also the candidates selected in this procurement procedure to tender or participate in a dialogue or negotiations, or suspend the procurement procedure.

(7) The contracting authority is not entitled to invite to tender or participate in a dialogue or negotiations such economic operators who have not submitted applications or fail to comply with the laid down requirements.

(8) The candidates who are not invited by the contracting authority to tender or participate in a dialogue or negotiations in accordance with Paragraph three of this Section shall be informed by it in accordance with Section 52 of this Law.

[*9 November 2017*]

**Section 44. Provisions for Exclusion of Candidates and Tenderers**

(1) The contracting authority shall exclude a candidate or tenderer from participation in a procurement procedure in any of the following cases:

1) a candidate, a tenderer or a person who is a member of the board or council, a person with representation rights or a proctor of the candidate or tenderer, or a person who is authorised to represent the candidate or tenderer in activities related to a branch, has been found guilty of any of the following criminal offences by such prosecutor’s penal order or a court judgment that has entered into effect and has become incontestable and unappealable, or a coercive measure has been applied thereto:

a) accepting bribes, giving of bribes, misappropriation of a bribe, intermediation in bribery, unlawful participation in property transactions, unauthorised receipt of benefits, commercial bribery, unlawful requesting, receiving and giving of benefit, trading with influence;

b) fraud, misappropriation or money laundering;

c) terrorism, financing of terrorism, invitation to terrorism, terrorism threats or recruitment and training of a person for the commitment of acts of terrorism;

d) participation in such group of persons in which three or more persons are joined in order to jointly commit criminal offences for the purpose of acquiring property, or joint participation in the criminal offences committed by such group of persons if deprivation of liberty for a term of not less than four years is provided for in the law for the criminal offences committed by such group of persons;

e) movement of radioactive or hazardous substances, goods of strategic importance or other valuable properties, explosives, weapons or ammunition across the State border of the Republic of Latvia in any illegal way;

f) evasion of tax payments and payments equivalent thereto;

2) the contracting authority has received the opinion of the State security institution that conclusion of the procurement contract with a candidate or tenderer may cause threat to the national security;

3) a candidate or tenderer, when performing previously concluded procurement contract, has failed to comply with those obligations which have been laid down for it in the procurement contract in conformity with the provisions referred to in Sections 21 and 22 of this Law, or it has failed to perform previously concluded procurement contract in the field of defence and security, and the contracting authority who has been a party to the relevant contract has, due to the infringement of the procurement contract admitted by the economic operator, unilaterally withdrawn from the contract in accordance with the provisions of the concluded procurement contract, and:

a) a candidate or tenderer, within a year after the contracting authority has notified it of the unilateral withdrawal from the contract, has not brought an action to the court against the contracting authority on the performance of the procurement contract in accordance with the procedures laid down in the law or

b) a court has, by a judgment which has entered into effect and has become unappealable, recognised the action of the contracting authority as justified;

4) it has been detected that a candidate, on the last day of the term for the submission of applications, and a tenderer, on the day when the decision is taken to possibly award the procurement contract, have tax debts in Latvia or in the country of registration or permanent place of residence thereof, including the debts of the mandatory State social insurance contributions which exceed 150 EUR in total in any of the countries. In respect of the tenderers registered and permanently residing in Latvia, the contracting authority shall take into account the information posted in the information system determined by the Cabinet on the date of the last data update of the public tax debtors’ database of the State Revenue Service and Administration System of Immovable Property Tax;

5) a candidate or a tenderer, by such a decision of a competent authority, a court judgment or prosecutor’s penal order which has entered into effect and has become incontestable and unappealable, has been found guilty of and punished for an infringement which manifests as:

a) employment of one or several persons if they do not have the necessary work permit or they are not entitled to reside in a European Union Member State;

b) employment of a person without entering into a written employment contract, failing to submit an informative declaration regarding employees in respect of such person within the time period specified in the laws and regulations governing taxes which is to be submitted regarding persons who commence work;

6) insolvency proceedings have been declared for the candidate or tenderer, the economic activity of the candidate or tenderer has been suspended, the candidate or tenderer is being liquidated;

7) a candidate or tenderer, by such a decision of a competent authority or a court judgment which has entered into effect and has become incontestable and unappealable, has been found guilty of infringement of competition law manifested as a horizontal cartel agreement, except for the case when the relevant authority, upon determining infringement of the competition law, has released the candidate or tenderer from a fine or reduced fine for cooperation within the framework of the leniency programme;

8) a candidate or tenderer has provided false information to certify the conformity with the provisions referred to in this Section or the qualification requirements for candidates and tenderers laid down in accordance with this Law, or has failed to submit the requested information;

9) the conditions referred to in Clauses 1, 2, 3, 4, 5, 6, 7, and 8 of this Paragraph are applicable to the person indicated by the candidate or tenderer on whose capacities the candidate or tenderer relies upon to certify that the qualification thereof conforms to the requirements specified in the contract notice or procurement procedure documents.

(2) If reorganisation or other set of measures of similar type which is addressed towards prevention of the possible bankruptcy of the debtor and renewal of solvency is applied in the insolvency proceedings of the candidate, tenderer or the economic operator referred to in Paragraph one, Clause 9 of this Section, the contracting authority is entitled, upon evaluating the possible economic risks and taking into account the subject-matter of the contract, to decide on the non-exclusion of the relevant candidate or tenderer from the procurement procedure in accordance with Paragraph one, Clause 6 of this Section.

(3) The contracting authority shall not apply the conditions for the exclusion referred to in Paragraph one, Clauses 1, 3, 5, and 7 of this Section in respect of the candidate, tenderer and the person referred to in Paragraph one, Clause 9 of this Section if:

1) three years have passed from the day when the court judgment, prosecutor’s penal order or the decision taken by another competent authority on the infringements referred to in Paragraph one, Clause 1 of this Section has become incontestable and unappealable until the day of submission of the application;

2) three years have passed from the day when the candidate or tenderer has failed to comply with those obligations which have been determined for it in the procurement contract in conformity with the provisions referred to in Section 21 and 22 of this Law, or when the relevant contracting authority has notified the candidate or tenderer of the unilateral withdrawal from the contract and the term laid down in Paragraph one, Clause 3, Sub-clause “a” of this Section has passed, or when the court judgment referred to in Paragraph one, Clause 3, Sub-clause “b” of this Section has become unappealable, until the day of submission of the application;

3) three years have passed from the day when the court judgment, public prosecutor’s penal order or the decision taken by another competent authority on the infringements referred to in Paragraph one, Clause 5, Sub-clause “a” of this Section has become incontestable and unappealable until the day of submission of the application;

4) 12 months have passed from the day when the court judgment or the decision taken by another competent authority on the infringements referred to in Paragraph one, Clause 5, Sub-clause “b” and Clause 7 of this Section has become incontestable and unappealable until the day of submission of the application.

(4) If the contracting authority establishes that, based on information posted on the information system determined by the Cabinet on the date of the last data update of the public tax debtors’ database of the State Revenue Service and the Administration System of Immovable Property Tax, the candidate, tenderer or the person referred to in Paragraph one, Clause 9 of this Section has tax debts, including the debts of mandatory State social insurance contributions in total exceeding EUR 150 on the last date of the term for submission of applications or on the day when the decision has been adopted on possible award of the procurement contract, the contracting authority shall determine a time period – 10 days following the day of issuing or sending the information – for the submission of certification that on the last day of the term for submission of applications the candidate or on the day when the decision is taken to possibly award the procurement contract the tenderer did not have tax debts, including debts of State social insurance mandatory payments which exceed EUR 150 in total. If the certification is not submitted within a time period laid down, the contracting authority shall exclude a candidate or tenderer from the participation in the procurement. If the contracting authority establishes that, based on information posted on the information system determined by the Cabinet on the date of the last data update of the public tax debtors’ database of the State Revenue Service and the Administration System of the Immovable Property Tax, the candidate, the tenderer or the person referred to in Paragraph one, Clause 9 of this Section does not have tax debts, including debts of mandatory State social insurance contributions in total exceeding EUR 150 on the last date of the term for submission of applications or on the day when the decision has been adopted on possible award of the procurement contract, the contracting authority shall not request the certification.

(5) In order to certify that it, and also the person referred to in Paragraph one, Clause 9 of this Section had no tax debts, including the debts of mandatory State social insurance contributions in total exceeding 150 EUR in Latvia, the candidate or tenderer shall submit the following within the time period laid down in Paragraph four of this Section:

1) a printout from the Electronic Declaration System of the State Revenue Service certified by the relevant person or a representative thereof or the statement of the State Revenue Service that the relevant person had no relevant tax debts, including the debts of mandatory State social insurance contributions;

2) a statement issued by a local government that the relevant person did not have immovable property tax debts;

3) a copy of the decision issued by the State Revenue Service or the competent authority of a local government on the extension or postponing of the deadline for payment of taxes, or other objective evidence on non-existence of tax debts.

(6) In order to verify whether a candidate or tenderer is to be excluded from participation in the procurement procedure due to the criminal offences and infringements referred to in Paragraph one, Clauses 1, 5, and 7 of this Section regarding which the relevant person referred to in Paragraph one of this Section has been punished or a coercive measure has been applied to it in Latvia, and also due to the facts referred to in Paragraph one, Clauses 4 and 6 of this Section, the contracting authority, and also the economic operator on itself, shall, in accordance with the procedures specified by the Cabinet, acquire the following information by using the information system determined by the Cabinet in respect of the person registered or permanently residing in Latvia:

1) on the infringements and criminal offences referred to in Paragraph one, Clauses 1, 5, and 7 of this Section – from the Information Centre (Punishment Register) of the Ministry of the Interior. The contracting authority is entitled to receive the abovementioned information from the Information Centre (Punishment Register) of the Ministry of the Interior without asking for a consent from a candidate, tenderer, and other persons referred to in Paragraph one of this Section;

2) on the facts referred to in Paragraph one, Clause 4 of this Section – from the State Revenue Service and local governments of Latvia. The contracting authority is entitled to receive the abovementioned information from the State Revenue Service and local governments of Latvia without asking for a consent of a candidate, tenderer and other persons referred to in Paragraph one of this Section;

3) on the person who is a member of the board or council, a person with representation rights, a proctor of the candidate or tenderer, or a person who is authorised to represent the candidate or tenderer in activities related to a branch, and on the facts referred to in Paragraph one, Clause 6 of this Section – from the Enterprise Register.

(7) In order to verify whether the candidate or tenderer is to be excluded from participation in the procurement procedure in accordance with Paragraph one, Clause 2 of this Section if the performance of procurement contract is related to ensuring the national security, a contracting authority shall request an opinion on a candidate or tenderer and the person referred to in Paragraph one, Clause 9 of this Section from the National Security Institution of the Constitution Protection Bureau.

(8) In order to verify whether the conditions for exclusion determined in Paragraph one, Clauses 1, 3, 4, 5, 6, and 7 of this Section apply to a member of the board or council, a person with representation rights or a proctor of a candidate or tenderer registered in Latvia, or a person who is authorised to represent the candidate or tenderer in activities related to a branch and who is registered or permanently resides abroad, or to the candidate or tenderer registered or permanently residing abroad, or to a person referred to in Paragraph one, Clause 9 of this Section and registered or permanently residing abroad, the contracting authority shall request, except for the case referred to in Paragraph nine of this Section, that the candidate or tenderer submit the statement from the corresponding competent authority certifying that the cases referred to in Paragraph one, Clauses 1, 3, 4, 5, 6, and 7 of this Section do not apply to a member of the board or council, a person with representation rights or a proctor of the candidate or tenderer registered in Latvia, or to a person who is authorised to represent the candidate or tenderer in activities related to a branch and who is registered or permanently resides abroad, or to the candidate or tenderer, or to the person referred to in Paragraph one, Clause 9 of this Section. If in accordance with the laws and regulations of the country of registration of the candidate or tenderer, or a person referred to in Paragraph one, Clause 9 of this Section a person to whom the conditions for exclusion specified in Paragraph one of this Section are applied may not be a member of the board or council, a person with representation rights or a proctor, or a person who is authorised to represent the candidate or tenderer in activities related to a branch, a candidate or a tenderer is entitled to provide a relevant explanation instead of the statement. The contracting authority shall determine the time period for the submission of the explanation or the statement of at least 10 working days following the day of issue or sending of the request. If the relevant candidate or tenderer fails to submit the abovementioned explanation or statement within the laid down time period, the contracting authority shall exclude it from participation in a procurement procedure. If the contracting authority fails to ascertain from the explanation that the conditions for exclusion determined in Paragraph one, Clauses 1, 3, 4, 5, 6, and 7 of this Section are not applicable to the relevant persons, it is entitled to request that the statements of competent authorities are submitted in respect of such persons.

(9) Paragraph eight of this Section shall not be applicable to the persons referred to in Paragraph one, Clause 9 of this Section which are registered in Latvia or are permanently residing in Latvia and are indicated in the application or tender submitted by the candidate or tenderer. In such case the verification shall be carried out in accordance with Paragraph six of this Section.

(10) The contracting authority is entitled to obtain information in relation to Paragraph one, Clause 3 of this Section by requesting information on the candidate and the other contracting authorities of the economic operators referred to in Paragraph one, Clause 9 of this Section who are concluding the procurement contracts in the field of defence and security.

(11) If the documents by which a candidate or tenderer may certify that the cases specified in Paragraph one of this Section do not apply to it and the person referred to in Paragraph one, Clause 9 of this Section are not issued or these documents are not sufficient to certify that the cases laid down in Paragraph one of this Section do not apply to the candidate or tenderer and the person referred to in Paragraph one, Clause 9 of this Section, such documents may be replaced by an oath, or if laws and regulations of the relevant country do not provide for giving of an oath – by a certification of the candidate or tenderer itself or the person referred to in Paragraph one, Clause 9 of this Section to the competent executive authority or judicial authority, a sworn notary or a competent organisation in the relevant sector in the country of registration or permanent residence thereof.

(12) If the contracting authority establishes that all candidates or tenderers are to be excluded from participation in the procurement procedure in accordance with the provisions referred to in Paragraph one of this Section and therefore the procurement procedure is to be terminated in accordance with Section 51, Paragraph one of this Law, the contracting authority is entitled to not apply the cases of exclusion referred to in Paragraph one, Clauses 3, 4, 5, and 7 of this Section in respect of the relevant candidates or tenderers and the persons referred to in Paragraph one, Clause 9 of this Section if they are able to prove that they have performed the activities to rectify the consequences of the admitted infringements and prevent recurrence of infringements. For example, replacement of those persons who have the representation right of the candidate or tenderer, or decision-making or supervision rights in respect of such candidate or tenderer may be regarded to be such proof.

(13) The Cabinet shall determine:

1) the information system in which the verification referred to in Paragraph six of this Section is to be carried out, and also the procedures for maintaining and using such system;

2) the purpose and scope of processing the information to be verified and referred to in Paragraph six, Clause 1 of this Section, and also the cases when the verification laid down in Paragraph six, Clause 1 of this Section is to be carried out;

3) the procedures by which the information system referred to in Clause 1 of this Paragraph receives and processes information from the information systems maintained by the institutions referred to in Paragraph eight of this Section.

(14) The contracting authority shall carry out the verification on the cases of exclusion of the candidates and tenderers referred to in Paragraph one of this Section:

1) in a restricted procedure and negotiated procedure by publishing a contract notice, and in competitive dialogue – in respect of each candidate who meets other requirements laid down in the contract notice and candidate selection regulations and should be invited to tender. If the contracting authority applies reduction in the number of candidates, it shall carry out verification before the reduction in the number of candidates. The contracting authority shall carry out the verification on the existence of the case of exclusion of candidates and tenderers referred to in Paragraph one, Clause 4 of this Section in respect of each tenderer to whom the procurement contract should be awarded in conformity with other requirements laid down in the contract notice and procurement procedure documents and selected tender evaluation criteria;

2) in a negotiated procedure without publishing a contract notice and in the procurement referred to in Section 6, Paragraph seven of this Law (if the contracting authority has intended in the procurement documents to apply the conditions for exclusion referred to in Paragraph one of this Section) – in respect of each tenderer to whom the procurement contract should be awarded.

[*9 November 2017; 21 February 2019*]

**Section 45. Verification of the Submitted Information and the Right to Request Additional Information**

(1) The contracting authority shall accept and recognise the statements and other documents which are issued by the competent authorities of Latvia in the cases laid down in this Law if they have been issued not earlier than one month prior to the submission thereof, but the statements and other documents issued by the competent authorities of foreign countries shall be accepted and recognised by the contracting authority if they have been issued not earlier than six months prior to the day of submission thereof, and the issuer of the statement or document has not indicated a shorter term of validity thereof.

(2) The contracting authority is entitled to verify the submitted information, including with the competent authority, in publicly accessible databases and other publicly accessible sources. Such right applies also to the cases when the contracting authority has not determined in the notice of the procurement contract the documents to be submitted for the confirmation of performance of the laid down requirements.

(3) If the contracting authority has acquired the information in the manner referred to in Paragraph two of this Section and the information obtained indicates to non-conformity of a candidate or tenderer with the requirements laid down in the contract notice and procurement procedure documents, the contracting authority shall inform the relevant candidate or tenderer thereon and it is entitled to submit a statement or other document on the relevant fact which proves the conformity of the candidate or tenderer.

(4) The contracting authority is entitled to ask that an economic operator or competent authority supplements or explains certificates and documents which have been submitted in order to certify the conformity with the requirements laid down in the contract notice and procurement procedure documents.

(5) If the contracting authority has doubts on the authenticity of the copy of the submitted document, it shall request that a candidate or tenderer present the original of the document or submit a certified copy of the document or other certified derivative of the document.

[*9 November 2017*]

**Section 46. Process of a Dialogue**

(1) The contracting authority shall commence a dialogue with the selected candidates at the place and time indicated in the invitation to a dialogue during which the contracting authority is entitled to negotiate with them all the aspects related to the contract.

(2) During the dialogue, the contracting authority shall negotiate with each candidate individually. The contracting authority shall ensure equal treatment for all candidates, and shall not give an advantage to any candidate.

(3) The contracting authority shall not disclose to other candidates, without the consent of the candidates, the solutions, information which is a commercial secret offered thereby, and also other information which is transferred to the contracting authority by the candidates.

(4) If the contracting authority has determined in accordance with Section 18, Paragraph two of this Law that a dialogue will take place in a number of successive phases in order to reduce the number of the solutions to be discussed in a dialogue, it shall apply the tender evaluation criteria laid down in the contract notice and procurement procedure documents and take the decision to reject one or several such solutions which have obtained the lowest evaluation. In any case the remaining number of solutions must be sufficient to ensure the competition, provided that sufficient number of solutions meeting the needs of the contracting authority is available.

(5) The contracting authority shall continue a dialogue until such solution or solutions are developed which comply with the needs determined by the contracting authority.

(6) The contracting authority shall close a dialogue and inform all the selected candidates thereon by sending the invitation to tender on the basis of a solution or solutions which were developed and clarified during the dialogue. The contracting authority shall indicate in the invitation that all the elements necessary for the performance of the project which are included in the developed solution are to be included in the tender.

(7) The contracting authority shall determine the term for the submission of tenders in the invitation to tender in accordance with Section 37, Paragraph five of this Law.

(8) The contracting authority is entitled to grant payments to the participants to a dialogue for the participation in the dialogue and prizes for the best developed solutions if the contracting authority has intended granting of such payments and prizes in the contract notice or invitation to a dialogue.

**Section 47. Submission and Opening of Tenders, Commencement of Negotiations**

(1) The economic operator shall submit a tender to a security (if any is intended) prepared in conformity with the laid down requirements at the place and time indicated in the invitation to tender in a restricted procedure or competitive dialogue.

(2) The contracting authority shall open the submitted tenders immediately after the end of the term for the submission of tenders at the place and time indicated in the invitation to tender in a restricted procedure or competitive dialogue. The contracting authority shall convene a meeting for opening of tenders. The abovementioned meeting shall be open.

(3) Tenders shall be opened in the order of submission thereof by naming the tenderer, the time of submission of the tender, the price offered and (if it is intended) other information characterising the tender.

(4) The economic operator shall submit an initial tender to negotiations and tender security (if any is intended) prepared in conformity with the laid down requirements at the place and time indicated in the invitation to negotiations in the negotiated procedure by publishing a contract notice.

**Section 48. Negotiations, Conformity Check of Tenders and Selection Thereof**

(1) In a restricted procedure and competitive dialogue the contracting authority shall check the conformity of tenders with the specified requirements and select appropriate tender or tenders in accordance with the determined tender selection criterion.

(2) In a negotiated procedure by publishing a contract notice the contracting authority shall negotiate the submitted tenders with tenderers in order to coordinate them with the determined requirements and select the most appropriate tender in accordance with the determined tender selection criterion.

(3) During negotiations the contracting authority shall ensure equal treatment for all tenderers, and also shall ensure equal access to the information on the procurement for everybody. The contracting authority shall not give an advantage to any tenderer.

(4) If the contracting authority has determined in accordance with Section 18, Paragraph two of this Law that negotiations will take place in a number of successive phases in order to reduce the number of the tenders to be discussed in negotiations, it shall apply the tender evaluation criteria laid down in the contract notice and procurement procedure documents and take the decision to reject one or several such tenders which have obtained the lowest evaluation. In any case the remaining number of tenders must be sufficient to ensure the competition, provided that sufficient number of tenders meeting the needs of the contracting authority is available.

(5) In the case of a competitive dialogue the tenderer is entitled to explain, clarify and finally coordinate the tender upon the request of the contracting authority where it is necessary for the conformity check of the tender and selection thereof. Such explanation, clarification, coordination, and provision of additional information may not cause changes to the main conditions which are included in a tender or invitation to tender, and thus limit the competition and promote discrimination.

(6) If it is necessary for the conformity check of the submitted tender in accordance with the determined requirements or evaluation thereof in accordance with the determined tender evaluation criteria, the contracting authority is entitled to request that product samples are submitted or presented during the evaluation of tenders.

(7) During the evaluation of tenders the contracting authority shall check whether there are arithmetical errors in a tender. If the contracting authority detects such errors, it shall correct such errors and notify the tenderer whose errors have been corrected thereof. When evaluating the tender, the contracting authority shall take the corrections into account.

(8) When evaluating a financial tender, the contracting authority shall ascertain that all the taxes to be paid in relation to the contract to be concluded regardless of the person who has intended to pay them, except for the value added tax, have been included in the financial tender. If the contracting authority detects that these taxes are not included in the financial tender, the contracting authority shall calculate them and include in the financial tender. The contracting authority shall notify the tenderer whose tender has been adjusted of the adjustment of the tender and the adjusted contract price.

(9) If in accordance with a contract notice and procurement procedure documents the subject-matter of the procurement is divided into lots, the contracting authority shall take the decision to conclude a procurement contract on each lot separately. The contracting authority may submit a notice of the results of the procurement procedure for publication in respect of each lot separately.

(10) In the case of a competitive dialogue the contracting authority is entitled to ask that the tenderer selected through this procurement procedure explains the elements of its tender and confirms to undertake the obligations referred to in the tender. Such explanation and confirmation of the obligations may not cause changes to the main conditions of the tender included in a tender or invitation to tender, and thus limit the competition and promote discrimination.

(11) If the tenderer selected through the procurement procedure refuses to conclude the procurement contract with the contracting authority, the contracting authority shall take the decision to conclude the procurement contract with the next tenderer who has offered the lowest price or submitted the economically most advantageous tender, or to suspend the procurement procedure without selecting any tender. If the decision is taken to conclude the procurement contract with the next tenderer who has offered the lowest price or submitted the economically most advantageous tender, but it refuses to conclude the procurement contract, the contracting authority shall take the decision to suspend the procurement procedure without selecting any tender.

(12) Before the decision is taken to conclude the procurement contract with the next tenderer who has offered the lowest price or submitted the economically most advantageous tender, the contracting authority shall assess whether it and the initially selected tenderer who refused to conclude the procurement contract with the contracting authority are considered both together as one market participant within the meaning of the Competition Law. Where necessary, the contracting authority is entitled to request a certification and evidence that it and the initially selected tenderer who refused to conclude the procurement contract with the contracting authority are not regarded as one market participant within the meaning of the Competition Law. If the next tenderer and the initially selected tenderer who refused to conclude the procurement contract with the contracting authority are regarded as one market participant within the meaning of the Competition Law, the contracting authority shall take the decision to suspend the procurement procedure without selecting any tender.

(13) If the contracting authority takes the decision to conclude the procurement contract with the next tenderer who has offered the lowest price or has submitted the economically most advantageous tender, the contracting authority shall inform the Competition Council thereof by indicating the specific procurement procedure, and also the information (name and registration number or other identifying information if there is no registration number) on the tenderer who has refused to conclude the contract and the tenderer who has offered the lowest price or has submitted the economically most advantageous tender, and in respect of whom the decision to conclude the contract is taken.

**Section 49. Process of Electronic Auction**

(1) If the contracting authority has intended to apply an electronic auction in accordance with Section 25 of this Law, it shall, after initial evaluation of the tenders in accordance with the tender selection criterion, concurrently invite all the tenderers who have submitted appropriate tenders to submit electronically new prices or prices and values. The invitation to electronic auction shall contain all the necessary information concerning individual connection to the electronic equipment being used in the auction and shall state the date and time when the electronic auction will be initiated. The electronic auction may take place in a number of successive phases. It shall not be initiated earlier than two working days after sending the invitation to participate in this auction.

(2) In addition to the data referred to in Paragraph one of this Section, the contracting authority shall define one or several of the following conditions in the invitation to the electronic auction for closing the electronic auction:

1) the date and time;

2) the condition that the auction will be closed after the receipt of the last bid if the time indicated in the invitation to an electronic auction has expired and no new bid is placed during this period;

3) the condition that the auction will be closed if all the stages of the electronic auction referred to in the invitation are completed.

(3) If the contracting authority wishes to close the auction by complying with both the provisions of Paragraph two, Clause 2 and Clause 3 of this Section, it shall indicate in the invitation to the electronic auction the time intended for each stage of the auction.

(4) If it is intended to select the economically most advantageous tender, the invitation to the electronic auction shall be appended by the summary of evaluation of tenders. The invitation shall also state the mathematical formula or algorithm to be used in the electronic auction which reflects the notional values of all criteria and which, taking into account the initially specified proportion of criteria, shall determine the re-ranking of positions, using the newly submitted values and prices or only prices. If variants are authorised, a separate formula shall be provided for each variant.

(5) In each phase of an electronic auction the contracting authority shall continuously communicate information to all tenderers to enable them to ascertain their relative rankings at any moment. The contracting authority is entitled to communicate also information on other offered prices or values if it is provided for in the procurement procedure documents. The contracting authority is entitled also to announce the number of the auction participants at any time in the particular phase of the electronic auction, however, it is not entitled to disclose the identity of the participant.

(6) The contracting authority shall close the electronic auction by observing the conditions laid down in the invitation to auction in accordance with Paragraph two of this Section.

(7) When the electronic auction is closed, the contracting authority shall, using the results of such auction, select the tender in accordance with the specified tender selection criterion.

(8) The contracting authority is not entitled to use the electronic auction to hinder, restrict or distort the competition or change the subject-matter of the procurement which is determined in the contract notice and procurement procedure documents.

**Section 50. Abnormally Low Tender**

(1) The contracting authority shall reject the tender of a tenderer if it detects in accordance with the procedures laid down in this Section that the tender of the tenderer is abnormally low.

(2) If the contracting authority considers that the tender for the given works contract, supply contract or service contract is abnormally low, it shall, before possible rejection of such tender, request in writing detailed explanation of the constituent conditions of the tender from the tenderer.

(3) The detailed explanation may relate in particular to:

1) the costs of the construction method, production process or the services to be provided;

2) the technical solutions chosen and any exceptionally favourable conditions available to the tenderer for the performance of construction work, the supply of the products or provision of services;

3) the qualities and originality of the construction work, products or services proposed;

4) the compliance with the provisions relating to labour protection and working conditions at the place where the construction work is performed, products are supplied or services are provided;

5) the possibilities of the tenderer to obtain aid for commercial activity.

(4) The contracting authority shall, upon consultation with the tenderer, evaluate all those factors referred to in Paragraph three of this Section, taking into account the evidence submitted by the tenderer.

(5) If the contracting authority establishes that a tender is abnormally low because the tenderer has received aid for commercial activity, the tender can be rejected after consultations with the tenderer only on the basis of the fact that the tenderer is unable to prove, within a reasonable time period specified by the contracting authority, that the received aid for commercial activity is legal. If the contracting authority rejects the tender due to this reason, it shall inform the European Commission and Procurement Monitoring Bureau on the rejection of the tender and the reason for rejection.

**Section 51. Termination and Suspension of the Procurement Procedure**

(1) If applications or tenders have not been submitted for the particular procurement procedure, or candidates or the submitted tenders fail to comply with the specified requirements, the contracting authority shall take the decision to terminate the procurement procedure, send the information referred to in Section 52, Paragraph three of this Law to all candidates or tenderers, and publish the notification on amendments, termination or suspension of the procurement procedure. The contracting authority may take such decision also in the case referred to in Section 43, Paragraph six of this Law.

(2) The contracting authority is entitled to suspend the procurement procedure at any time if it has an objective justification for it. The contracting authority shall send the information referred to in Section 52, Paragraph three of this Law to all candidates or tenderers and publish the notice of amendments, termination or suspension of the procurement procedure.

(3) If the contracting authority has taken the decision to terminate or suspend the procurement procedure, it shall publish the notice of amendments, termination or suspension of the procurement procedure not later than within five working days after sending the information referred to in Section 52, Paragraph three of this Law to candidates or tenderers. If applications or tenders have not been submitted for the particular procurement procedure, the notice of amendments, termination or suspension of the procurement procedure shall be published not later than within five working days after the decision to terminate the procurement procedure is taken.

(4) If the contracting authority has taken the decision to terminate the procurement procedure, it may apply the negotiated procedure in accordance with Section 6, Paragraph six, Clause 1 or 2 of this Law without publishing a contract notice, or organise a new procurement procedure by complying with Section 43, Paragraph six of this Law. If the procurement procedure is suspended, it shall not be continued.

**Section 52. Procedures by which Candidates and Tenderers shall be Informed on Results**

(1) The contracting authority shall, within five working days after taking the decision, concurrently inform all the candidates on the decision taken in respect of the results of candidate selection. The contracting authority shall indicate to each rejected candidate also the reasons for the rejection of the submitted application. The contracting authority shall inform all the candidates on the term within which a person is entitled to submit a complaint in accordance with Section 63, Paragraph two, Clause 1 or 2 of this Law to the Procurement Monitoring Bureau on the infringements of the procurement procedure.

(2) The contracting authority shall, within five working days after taking the decision, concurrently inform all the tenderers on the decision taken in respect of concluding the procurement contract or framework agreement. The contracting authority shall notify the name of the selected tenderer or the names of the selected participants to the framework agreement by indicating:

1) to the rejected tenderer – the reasons for rejecting the tender submitted by it, but in the cases specified Section 19, Paragraphs five and six of this Law – by justifying the decision on non-conformity with equivalence or the decision on the non-conformity of the relevant tender with the functional or performance requirements;

2) to the tenderer who has submitted a conforming tender – the characterisation of the selected tender and relative advantages thereof if the economically most advantageous tender has been specified as the tender selection criterion;

3) the term within which a tenderer is entitled to submit a complaint in accordance with Section 63, Paragraph two, Clause 1 or 2 of this Law to the Procurement Monitoring Bureau on the infringements of the procurement procedure.

(3) If the procurement procedure is terminated or suspended, the contracting authority shall, within five working days after taking the decision, concurrently inform all the candidates or tenders on all the reasons due to which the procurement procedure was terminated or suspended. If the contracting authority has taken the decision to terminate the procurement procedure in accordance with Section 43, Paragraph six of this Law, the contracting authority shall inform all the selected candidates also on the fact that the selected candidates will be invited to tender or participate in the dialogue or negotiations in the new procurement procedure concurrently with the candidates selected therein. The contracting authority shall inform all the candidates or tenderers on the term within which a person is entitled to submit a complaint in accordance with Section 63, Paragraph two, Clause 1 or 2 of this Law to the Procurement Monitoring Bureau on the infringements of the procurement procedure.

(4) Within the meaning of Paragraphs one, two, and three of this Section, it shall be deemed that information has been concurrently transferred to all candidates or all tenderers if the information has been transferred to them on the same day.

(5) When informing of the results, the contracting authority is entitled to not disclose the specific information the disclosure of which may harm the public interests, especially defence and security interests, or if disclosing such information would infringe the lawful commercial interests of an economic operator or fair competition rules.

(6) The contracting authority shall send information on the results by post, fax or electronically, using a secure electronic signature or attaching a scanned document to the electronic mail, or shall deliver it in person.

(7) When informing on the results, the contracting authority shall keep evidence on the date and manner of sending or transfer of the information.

[*9 November 2017*]

**Section 53. Special Provisions in respect of a Negotiated Procedure without Publishing a Contract Notice**

(1) If the contracting authority applies a negotiated procedure without publishing a contract notice and carries out negotiations with several economic operators, it shall ensure equal treatment for all economic operators, and also equal access to the information on the procurement for everybody. The contracting authority shall not give an advantage to any tenderer.

(2) In the negotiated procedure without publishing a contract notice, the contracting authority is entitled to not apply the provisions for the exclusion of candidates and tenderers determined in Section 44, Paragraph one of this Law, except for the provisions provided for in Section 44, Paragraph one, Clauses 1 and 2 of this Law. The contracting authority is entitled also to not apply the provisions for the exclusion of candidates and tenderers provided for in Section 44, Paragraph one, Clause 1 of this Law, provided that the only candidate or tenderer meeting the specified requirements should be excluded from participation in the negotiated procedure without publishing a contract notice in accordance with Section 44, Paragraph one, Clause 1 of this Law, but conclusion of the procurement contract is necessary for the protection of significant national interests.

(3) In the notice of the results of the procurement procedure the contracting authority shall additionally indicate all the circumstances on the basis of which the negotiated procedure without publishing a contract notice is being applied in accordance with the conditions of Section 6, Paragraph six of this Law.

**Chapter VII**

**Procurement Contract and Framework Agreement**

**Section 54. Concluding a Procurement Contract and Framework Agreement**

(1) The contracting authority shall conclude a procurement contract or framework agreement by complying with the provisions included in the contract notice and procurement procedure documents.

(11) The contracting authority shall include the condition in the procurement contract that if the economic operator submits an electronic invoice it shall conform to the laws and regulations on the applicable standard of an electronic invoice and specification for the use of its core elements and the procedures for its handling. Additional core elements to be mandatory indicated in the electronic invoice may be specified in the procurement contract in conformity with the laws and regulations on the applicable standard of an electronic invoice and specification for the use of its core elements and the procedures for its handling.

(2) The procurement contract or framework agreement shall be concluded no sooner than on the next working day following the end of the waiting period, unless the complaint on the infringements of the procurement procedure has been submitted to the Procurement Monitoring Bureau in accordance with the procedures specified in Section 63 of this Law.

(3) The waiting period referred to in Paragraph two of this Section shall be:

1) 10 days after the day when the information referred to in Section 52 of this Law has been sent to all the tenderers by fax or electronically by using a secure electronic signature or handed over in person, and one additional working day;

2) 15 days after the day of sending the information referred to in Section 52 of this Law if it has been sent by post to at least one tenderer, and one additional working day.

(4) The procurement contract or framework agreement may be concluded without complying with Paragraph two of this Section if:

1) the contract is awarded to the only tenderer and there are no candidates who would be entitled to submit a complaint in accordance with the procedures laid down in Section 63 of this Law;

2) the negotiated procedure is applied without publishing the contract notice in accordance with Section 6, Paragraph six, and Section 53 of this Law;

3) the contract is concluded within the scope of the framework agreement in accordance with Section 55 of this Law.

(5) The framework agreement shall be concluded for a period of time up to seven years. In exceptional cases, the contracting authority is entitled to conclude the framework agreement for a longer period of time by taking into account the expected service life of the products, installations, or systems to be delivered, and also the technical difficulties which may be caused by a change of economic operator (producer). In such a case the contracting authority shall additionally indicate the justification for the presence of such conditions in the notice of the results of the procurement procedure.

(6) The procurement contract shall be concluded for a period of time up to five years. In exceptional cases, the contracting authority is entitled to conclude the procurement contract for a longer period of time by taking into account the expected service life of the products, installations, or systems to be delivered, the technical difficulties which may be caused by a change of economic operator (producer), and also other conditions which are directly related to the subject-matter of the procurement. In such a case the contracting authority shall additionally indicate the justification for the presence of such conditions in the notice of the results of the procurement procedure.

[*21 February 2019 /* *See Paragraph 12 of Transitional Provisions*]

**Section 55. Application of a Framework Agreement and Provisions Thereof**

(1) If it is provided for in a contract notice, the contracting authority is entitled to conclude a framework agreement with the tenderer selected (or tenderers selected) through the procurement procedure and conclude procurement contracts within the framework thereof. The contracting authority shall not conclude the framework agreement if concluding thereof would hinder, restrict or distort the competition.

(2) The contracting authority shall comply with the procurement procedures provided for in this Law in all phases thereof up to concluding the framework agreement. The contracting authority shall determine the participants to the framework agreement by taking into account the determined tender selection criterion.

(3) The contracting authority shall conclude procurement contracts within the scope of the framework agreement in accordance with the provisions of Paragraphs five, six, seven, and eight of this Section. The procurement contracts shall be concluded within the scope of the framework agreement only with those economic operators who are laid down to be the participants in the provisions of the framework agreement on the day of its conclusion.

(4) When concluding procurement contracts within the scope of the framework agreement, the parties shall not make substantial amendments to the provisions of the framework agreement, particularly in the cases provided for in Paragraph six of this Section.

(5) If the framework agreement is concluded with one economic operator, the procurement contracts shall be concluded within the scope of this agreement in accordance with the provisions of the framework agreement. In order to conclude these contracts, the contracting authority may consult with the economic operator in writing, where necessary, requesting to supplement the tender.

(6) If the framework agreement is concluded with several economic operators, their number may not be less than three, provided that there is a sufficient number of economic operators in the particular market who comply with the specified selection requirements and if it is possible to receive a sufficient number of appropriate tenders.

(7) If the framework agreement is concluded with several economic operators, the specific procurement contracts within the scope of the framework agreement shall be concluded in one of the following ways:

1) following the provisions of the framework agreement and without re-evaluating the tenders;

2) by re-evaluating the tenders in accordance with the provisions of the framework agreement (where necessary, in detail) or other provisions provided for in the documents of the initial procurement procedure if all the necessary conditions for concluding the procurement contract are not provided for in the provisions of the framework agreement.

(8) In the case referred to in Paragraph seven, Clause 2 of this Section the following procedure shall be applied for concluding the procurement contract:

1) the contracting authority shall consult in writing with the participants to the framework agreement;

2) the contracting authority shall determine the term which is sufficient for the submission of the relevant tender, taking into account the complexity of the subject-matter of the contract and the time required for the preparation of tenders;

3) the participant to the framework agreement shall submit a tender in writing and the tender shall be confidential until the expiry of the term for submission of tenders.

4) the contracting authority shall conclude the specific contract with the tenderer who has submitted the most appropriate tender on the basis of the tender evaluation criterion provided for in the procurement procedure documents.

**Chapter VIII**

**Amendments to the Procurement Contract and Change of the Staff and Subcontractors Involved in the Performance of the Contract**

**Section 56. Amendments to the Procurement Contract**

(1) The procurement contract may be amended only in the specific cases provided for in the contract or in this Law.

(2) Each of the contracting parties is entitled to request amending of the procurement contract also in case if significant unforeseeable changes which apply to the performance of the procurement contract have been made to laws and regulations, provided that such changes set in after the expiry of the term for the submission of tenders and they cannot be avoided and are not depended on the will and control of the contracting parties.

**Section 57. Change of the Staff and Subcontractors Involved in the Performance of the Contract**

(1) The staff of the tenderer selected through the procurement procedure which the tenderer has involved in the performance of the contract on which it has provided information to the contracting authority and the contracting authority has assessed the conformity of its qualification with the defined requirements, and also subcontractors on which the tenderer has informed the contracting authority and in respect of which the requirements have been specified in the procurement procedure documents, or subcontractors on whose capacities it has relied upon to certify that the qualification thereof conforms to the requirements specified in the contract notice and procurement procedure documents, may be changed after concluding the contract only upon written consent of the contracting authority.

(2) The contracting authority shall not agree to the change of the staff and subcontractors referred to in Paragraph one of this Section in any of the following cases if:

1) the staff or subcontractor offered by the economic operator fails to comply with the requirements specified in the contract notice and procurement procedure documents which apply to the staff or subcontractors of the economic operator;

2) the subcontractor on whose capacities the tenderer selected through the procurement procedure has relied upon to certify that the qualification thereof conforms to the requirements specified in the contract notice and procurement procedure documents is replaced, and the offered subcontractor does not have at least the same qualification to which the tenderer selected through the procurement procedure has referred to, when certifying the conformity thereof with the requirements specified in the procurement procedure;

3) the offered subcontractor complies with the conditions for the exclusion of candidates and tenderers referred to in Section 44, Paragraph one of this Law, observing the provisions of Section 44, Paragraphs two, three, four, five, six, seven, eight, nine, ten, eleven, twelve, thirteen, and fourteen of this Law.

(3) If the subcontract has been awarded to the subcontractor, which is being changed, in accordance with the provisions of Chapter IX of this Law by taking into account the requirement specified by the contracting authority in accordance with Section 23, Paragraph four of this Law, the tenderer selected through the procurement procedure shall award a new subcontract in accordance with the procedures laid down in Chapter IX of this Law. (3) If the subcontract has been awarded to the subcontractor, which is being changed, in accordance with the provisions of Chapter IX of this Law by taking into account the requirement specified by the contracting authority in accordance with Section 23, Paragraph three or six of this Law, the contracting authority may impose the obligation on the tenderer selected through the procurement procedure to award a new subcontract in accordance with the procedures laid down in Chapter IX of this Law.

[*9 November 2017*]

**Chapter IX**

**Awarding the Subcontracts**

**Section 58. Regulation to be Applied for Awarding the Subcontracts**

(1) If the tenderer selected through the procurement procedure is the contracting authority within the meaning of this Law, it shall award subcontracts in accordance with the procedures laid down in this Law by applying the procurement procedures referred to in Section 6, Paragraph three of this Law or the procedures referred to in Paragraph seven for carrying out the procurements, provided that they are applicable by taking into account Section 4 and Section 6, Paragraph one of this Law.

(2) If the tenderer selected through the procurement procedure is not the contracting authority within the meaning of this Law, it shall award subcontracts in accordance with the procedures laid down in this Chapter, provided that the contracting authority has imposed the obligation on it in accordance with Section 23, Paragraphs three, four or six of this Law to apply the provisions of this Chapter.

(3) The tenderer selected through the procurement procedure is entitled to apply the provisions of this Chapter also if it does not have an obligation to apply these provisions.

(4) The provisions of this Chapter shall apply to awarding subcontracts and concluding subcontracts with economic operators who are not related persons with the tenderer selected through the procurement procedure. Within the meaning of this Chapter the participants of the economic operator – association of persons – are related persons.

(5) The tenderer selected through the procurement procedure shall apply the procedures specified in Section 60 of this Law if the contract price of the subcontract to be concluded with a subcontractor or framework agreement within the framework of which it is intended to conclude subcontracts (hereinafter – the framework agreement of subcontractors) is equal to or exceeds the contract price thresholds laid down by the Cabinet. If the contract price of the subcontract or the framework agreement of subcontractors is lower than the contract price thresholds laid down by the Cabinet, the tenderer selected through the procurement procedure is entitled to conclude a subcontract or framework agreement of subcontractors without applying the procedures specified in Section 60 of this Law.

(6) The tenderer selected through the procurement procedure is entitled to not apply the procedures specified in Section 60 of this Law also in any of the following cases if:

1) the subcontract to be concluded complies with the conditions of Section 6, Paragraph six of this Law in order to apply a negotiated procedure without publishing a contract notice;

2) the tenderer selected through the procurement procedure has received a consent of the contracting authority to not apply the procedures specified in Section 60 of this Law in respect of the specific subcontract. The contracting authority is entitled to provide such a consent if the tenderer selected through the procurement procedure has applied the procedures specified in Section 60 of this Law and proves to the contracting authority that all of the economic operators who applied for the award of subcontract failed to comply with the requirements specified in the subcontract notice and therefore it will not be possible for the tenderer selected through the procurement procedure to perform the procurement contract.

(7) Regardless of whether the tenderer selected through the procurement procedure in accordance with the provisions of Paragraphs five and six of this Section awards the subcontract by applying the procedures specified in Section 60 of this Law or without applying these procedures, it shall comply with the laws and regulations governing transparency and competition rights, when concluding subcontracts, and it shall not discriminate other economic operators (subcontractors).

(8) In order to determine whether the procedures for awarding the subcontracts specified in Section 60 of this Law are to be applied for the tenderer selected through the procurement procedure in accordance with Paragraph four of this Section, the tenderer selected through the procurement procedure shall determine the estimated contract price of the relevant subcontract or framework agreement of subcontractors in accordance with Section 5 of this Law.

**Section 59. Requirements to be Determined for Subcontractors and Criteria for the Selection Thereof**

(1) The tenderer selected through the procurement procedure shall determine all those requirements for subcontractors which the contracting authority has indicated in accordance with Section 23, Paragraph seven of this Law.

(2) The tenderer selected through the procurement procedure may, in addition to the requirements specified in accordance with Paragraph one of this Section, determine for the subcontractors other non-discriminating, objective, and commensurate requirements which the contracting authority has determined in the contract notice and procurement procedure documents and which are directly related to the subject-matter of the subcontract.

(3) The tenderer selected through the procurement procedure shall determine the criteria in accordance with which it will select one or several such subcontractors of the subcontractors complying with the requirements with which it will conclude the subcontract or framework agreement of subcontractors.

(4) The tenderer selected through the procurement procedure is entitled to request that a subcontractor submits or pays in a tender security. In such a case the tenderer selected through the procurement procedure shall comply with the provisions of Section 27 of this Law.

(5) The tenderer selected through the procurement procedure shall include all the requirements and criteria which it has determined in accordance with Paragraphs one, two, three, and four of this Section in the subcontract notice.

(6) The tenderer selected through the procurement procedure shall, before publication of the subcontract notice, obtain a consent of the contracting authority for the specified requirements and criteria, provided that the contracting authority, in accordance with Section 23, Paragraph ten of this Law, has provided for the obligation in the subcontract notice or procurement procedure documents to co-ordinate the requirements and criteria to be included in the subcontract notice with the contracting authority.

**Section 60. Procedures for Awarding the Subcontracts**

(1) The tenderer selected through the procurement procedure shall publish a subcontract notice in accordance with Section 33, Paragraph two of this Law and in addition to the requirements and criteria laid down in accordance with Section 59 of this Law shall indicate therein also the term for the submission of the tenders of the subcontractors which is determined commensurately with the subject-matter and scope of the subcontract to be concluded, and also other provisions in respect of the technical specifications and performance of the subcontract which it considers necessary.

(2) After the expiry of the term for the submission of the tenders of the subcontractors, the tenderer selected through the procurement procedure shall evaluate the tenders of the subcontractors and take the decision on the selection of the subcontractor (or subcontractors) for concluding the subcontract or framework agreement of subcontractors in accordance with the requirements and criteria specified in the subcontract notice.

(3) If in accordance with Section 23, Paragraph eight of this Law the contracting authority has provided for the right to reject the selected subcontractors, the tenderer selected through the procurement procedure shall submit the decision on the selection of the subcontractor (subcontractors) for approval to the contracting authority for concluding the subcontract or framework agreement of subcontractors.

(4) If the contracting authority has agreed to the decision on the selection of the subcontractor (or subcontractors) for concluding the subcontract or framework agreement of subcontractors, or the consent of the contracting authority is not required, the economic operator selected through the procurement procedure shall conclude the subcontract or framework agreement of subcontractors with the selected subcontractor (subcontractors). The framework agreement of subcontractors and subcontracts within the framework thereof shall be concluded in accordance with the provisions of Paragraphs six, seven, eight, and nine of this Section.

(5) If the selected subcontractor refuses to conclude the subcontract or framework agreement of subcontractors, or the contracting authority rejects the selected subcontractor, the tenderer selected through the procurement procedure is entitled to conclude the subcontract or framework agreement of subcontractors with the subcontractor who has submitted the next economically most advantageous tender in accordance with the specified requirements and criteria, complying with the provisions of Paragraph three of this Section.

(6) The framework agreement of subcontractors shall be concluded for a period of time up to seven years. In exceptional cases, the tenderer selected through the procurement procedure is entitled to conclude the framework agreement of subcontractors for a longer period of time by taking into account the expected service life of products, installations, or systems to be delivered, and also the technical difficulties which may be caused by a change of economic operator (producer).

(7) The tenderer selected through the procurement procedure shall conclude subcontracts within the scope of the framework agreement of subcontractors in accordance with the provisions provided therein.

(8) The tenderer selected through the procurement procedure within the scope of the framework agreement of subcontractors shall conclude subcontracts only with those economic operators who are specified as the participants in the provisions of the framework agreement of subcontractors on the day of concluding thereof.

(9) The economic operator selected through the procurement procedure shall not conclude the framework agreement of subcontractors if concluding it would hinder, restrict or distort the competition.

**Chapter X**

**Procurement Monitoring Bureau**

**Section 61. Competence of the Procurement Monitoring Bureau**

(1) The Procurement Monitoring Bureau shall carry out monitoring of compliance with this Law and laws and regulations arising therefrom.

(2) The legal status, rights, and obligations of the Procurement Monitoring Bureau shall be determined by the Public Procurement Law.

**Section 62. Complaint Examination Commission**

(1) The procedures for the establishment and activity of the Complaint Examination Commission (hereinafter – the commission) and competence thereof shall be determined by the Public Procurement Law, insofar as not prescribed otherwise by this Law.

(2) The members of the Commission shall be officials who comply with the criteria laid down in the Public Procurement Law for the chairperson of the commission and members thereof. If the information to be verified, when examining the complaint on infringements of the procurement procedure, is the official secret object, the commission shall be established of those officials of the Procurement Monitoring Bureau who have obtained the personnel security clearance of the relevant level for access to the official secret.

(3) The commission shall examine the information which is the official secret object in a closed meeting without participation of other persons in accordance with the procedures laid down in the laws and regulations in the field of protection of the official secret.

[*9 November 2017*]

**Chapter XI**

**Procedures for Submission and Examination of Complaints on Infringements of the Procurement Procedure**

**Section 63. Right to Submit a Complaint on Infringements of the Procurement Procedure**

(1) A person who is or has been interested in being awarded a procurement contract or a framework agreement or is qualifying for award, and who in relation to the specific procurement to which this Law applies believes that its rights have been infringed upon or infringement of these rights is possible, and it may be caused by a potential infringement of the legal acts of the European Union or other laws and regulations, is entitled to submit a complaint on the provisions for selection of candidates or tenderers, technical specifications, and other requirements which relate to the specific procurement procedure, or on the activities of the contracting authority or procurement commission (if any is to be established) during the course of the procurement procedure.

(2) The complaint on the infringements referred to in Paragraph one of this Section (except for the cases referred to in Paragraph three of his Section) may be submitted to the Procurement Monitoring Bureau until the conclusion of procurement contract or framework agreement within the following time periods:

1) within 10 days after the day when the information referred to in Section 52 of this Law has been sent to the relevant person by fax or in electronic form, using a secure electronic signature or attaching a scanned document to the electronic mail message, or handed over in person;

2) within 15 days after the day when the information referred to in Section 52 of this Law has been sent to the relevant person by post;

3) within 10 days after the day when the notice referred to in Section 35, Paragraph one of this Law has been published on the website of the Procurement Monitoring Bureau or in the Official Journal of the European Union if the contract price of the procurement is equal to or exceeds the contract price thresholds laid down by the Cabinet.

(3) The complaint on the requirements included in the contract notice and candidate selection regulations may be submitted to the Procurement Monitoring Bureau not later than four working days prior to the expiry of the term for the submission of applications, but the complaint on the requirements included in the invitation to tender in a restricted procedure or competitive dialogue or invitation to negotiations in a negotiated procedure may be submitted to the Procurement Monitoring Bureau not later than four working days prior to the expiry of the term for the submission of tenders.

(4) The complaint may be submitted to the Procurement Monitoring Bureau by sending it by post, fax or electronically, using a secure electronic signature or attaching a scanned document to the electronic mail message, or by handing it over in person. The complaint shall be deemed submitted to the Procurement Monitoring Bureau within the term specified in Paragraphs two and three of this Section if it has been received during the working hours of the Bureau not later than on the last day of the term.

(5) The complaint shall be submitted in writing and shall include the following information:

1) the name and address of the submitter of the complaint;

2) the name and address of the contracting authority in respect of which the complaint has been submitted;

3) the title of the procurement procedure and the procurement identification number;

4) the facts in respect of which the complaint has been submitted, indicating the infringement;

5) the legal basis for the complaint;

6) the claim of the submitter of the complaint.

(6) The Procurement Monitoring Bureau shall, within one working day after the complaint on infringements of the procurement procedure has been received, post information to this effect on its website, indicating the submitter of the complaint, the contracting authority and the procurement procedure the lawfulness whereof is contested by the submitter of the complaint, and also shall inform the contracting authority on the initiation of an administrative case by sending a notice of the received complaint and a copy of the complaint to the fax number or electronic mail address indicated by the contracting authority, and the contracting authority shall not conclude the procurement contract or framework agreement until the decision of the commission on the results of examination of the complaint or termination of the administrative case is received.

(7) If the complaint on the activities of the contracting authority in respect of the lawfulness of the procurement procedure is submitted and the complaint on the same procurement procedure has already been submitted by another submitter, but it has not been examined yet, such complaints may be combined and examined together.

(8) The submitter of the complaint is entitled to revoke its submission in writing at any time, unless the commission has taken the decision thereon.

[*9 November 2017*]

**Section 64. Leaving Complaint Unexamined**

(1) The Procurement Monitoring Bureau is entitled to leave a complaint unexamined in any of the following cases if:

1) the complaint fails to comply with the requirements of Section 63, Paragraph one, two, three or five of this Law;

2) a complaint has already been submitted and examined in respect of the procurement procedure on the same subject-matter and on the same grounds;

3) the information included in the complaint is evidently insufficient to satisfy the claim of the submitter of the complaint or the complaint is evidently inadmissible on its merits.

(2) The decision of the Procurement Monitoring Bureau on leaving the complaint unexamined may be appealed to the Administrative District Court in accordance with the procedures laid down in the Administrative Procedure Law. The case shall be examined in the composition of three judges. The appeal of the decision shall not suspend the operation thereof.

(3) The ruling of the Administrative District Court may be appealed in accordance with the cassation procedures in the Department of Administrative Cases of the Supreme Court.

**Section 65. Examination of a Complaint**

(1) The commission shall examine a complaint within one month after receipt thereof in the Procurement Monitoring Bureau. If it is not possible to observe this time limit due to objective reasons, the commission is entitled to extend it by notifying the submitter of the complaint and the contracting authority thereon.

(2) When examining the complaint on infringements of the procurement procedure, the commission is entitled to decide on the following:

1) to allow to conclude a procurement contract or framework agreement and leave the requirements specified in the procurement procedure documents or the decision of the contracting authority in effect if the complaint is not justified or is justified, however, the infringements established by the commission cannot affect the decision to award the procurement;

2) to prohibit to conclude a procurement contract if the contracting authority has not complied with the requirements of Section 52 of this Law;

3) to prohibit to conclude a procurement contract or framework agreement and revoke the requirements specified in the procurement procedure documents or the decision of the contracting authority if the complaint is justified and the infringements established by the commission can affect the decision to award the procurement;

4) to leave the decision of the contracting authority on the termination or suspension of the procurement procedure in effect if the complaint is not justified;

5) to revoke the decision of the contracting authority on the termination or suspension of the procurement procedure if the complaint is justified.

(3) In the cases referred to in Paragraph two, Clauses 2, 3, and 5 of this Section, the commission shall decide on the measures for eliminations of the infringements established. The commission may assign the contracting authority to suspend the procurement procedure only in case if it is not possible to otherwise eliminate the infringements of the procurement procedure committed by the contracting authority.

(4) If the commission establishes that a complaint must be left unexamined, it shall take the decision to terminate the administrative case. If the submitter withdraws the complaint, the relevant administrative proceedings shall be considered terminated.

(5) The Procurement Monitoring Bureau shall invite the submitter of the complaint, the tenderer whose tender has been selected in accordance with the criteria laid down for the evaluation of a tender, and the contracting authority (hereinafter – the participants) to the complaint examination meeting by publishing an invitation on its website at least three working days in advance. The invitation shall be considered notified on the next working day after the publication thereof on the website of the Procurement Monitoring Bureau. If the participants have notified to the Procurement Monitoring Bureau the fax number or electronic mail address to which the invitation is to be sent, the Procurement Monitoring Bureau shall send the information on the complaint examination meeting to the participants also by fax or electronic mail not later than on the day when the invitation is published on the website of the Procurement Monitoring Bureau.

(6) The commission shall hear the opinion of all the participants present. After hearing the participants, it shall continue work without the presence of the participants.

(7) The commission shall evaluate the complaint on the basis of the facts referred to by the participants and, where necessary, the view or opinion provided by an expert. If the participants have not arrived to the complaint examination meeting, the commission shall examine the complaint on the basis of the facts available to it. The commission shall take a decision and, within three working days after taking it, prepare and post it on the website of the Procurement Monitoring Bureau. The decision shall be considered notified on the next working day after the publication thereof on the website of the Procurement Monitoring Bureau.

(8) The commission shall indicate in the decision:

1) the justification for the establishment of the commission;

2) the members of the commission and the expert who has participated in the commission meeting;

3) the representatives of the submitter of the complaint, the contracting authority, and other participants who have participated in the commission meeting;

4) the identification number of the procurement procedure in respect of which the complaint has been submitted;

5) the facts in respect of which the complaint has been submitted and the claim of the submitter of the complaint;

6) the most important arguments of the submitter of the complaint and the contracting authority;

7) the justification of the decision;

8) the legal norms applied;

9) the duty imposed on the contracting authority and the term for the performance thereof if the commission decides on the measures for elimination of the infringements established;

10) the prohibition or permission for the contracting authority to conclude a procurement contract or framework agreement;

11) where and in what term this decision may be appealed.

(9) The Procurement Monitoring Bureau and the commission shall not append the information which is the official secret object to the materials of the administrative case and the commission shall not include it in the ruling, but shall indicate that it has become familiar with such information and has evaluated it.

(10) If the commission has decided on the measures for elimination of the infringements established, the contracting authority shall eliminate the infringements, take a decision, and notify it in accordance with the procedures laid down in this Law, and also send all the information on decision-taking and elimination of the infringements established by the commission to the Procurement Monitoring Bureau.

[*9 November 2017*]

**Section 66. Appealing a Decision of the Commission**

(1) Participants may appeal the decision of the commission in the Administrative District Court in accordance with the procedures prescribed by the Administrative Procedure Law. The case shall be heard by the court in the composition of three judges.

(2) The judgment of the Administrative District Court may be appealed in accordance with the cassation procedures in the Department of Administrative Cases of the Supreme Court. Other court rulings may be appealed in accordance with the Administrative Procedure Law.

(3) Appeal of the decision of the commission shall not suspend the operation thereof.

**Chapter XII**

**Recognition of a Procurement Contract or Framework Agreement as Invalid, Amending or Repealing the Provisions Thereof, Reduction of the Term of the Contract or Framework Agreement**

**Section 67. Submission of an Application and Examination of the Case of Recognition of a Procurement Contract or Framework Agreement as Invalid, Amending or Repealing the Provisions Thereof, or Reduction of the Term of the Contract or Framework Agreement**

(1) An application on the recognition of the procurement contract or framework agreement as invalid, amending or repealing the provisions thereof, or reduction of the term of the contract or framework agreement may be submitted by the persons referred to in Section 63, Paragraph one in the cases referred to in Section 68, Paragraph one of this Law.

(2) The application shall be submitted to the Administrative District Court which shall examine the case in the composition of three judges. The examination of the application and the case shall be subject to the norms of the Administrative Procedure Law, inter alia, the norms regarding examination of the contract governed by public law in the court, insofar as not prescribed otherwise by this Law.

(3) An application on the infringements referred to in Section 68, Paragraph one of this Law may be submitted within the following time limits:

1) within six months after the day when the procurement contract or framework agreement was concluded, except for the cases referred to in Clause 2, Sub-clauses “a” and “b” of this Paragraph;

2) within one month after the day when:

a) such notice of the results of the procurement procedure has been published on the website of the Procurement Monitoring Bureau or the Official Journal of the European Union, where the procurement contract price is equal to or exceeds the contract price thresholds laid down by the Cabinet, where the contracting authority has included the justification for the decision to award the procurement contract or framework agreement without publishing a contract notice;

b) the contracting authority has informed the relevant candidate on conclusion of the procurement contract or framework agreement, indicating the reasons for rejecting the application submitted by it, or the relevant tenderer on conclusion of the procurement contract or framework agreement, indicating the information referred to in Section 52, Paragraph two, Clauses 1 or 2 of this Law.

(4) Concurrently with the submission of an application or during examination of the case the applicant may, in the cases and in accordance with the procedures laid down in the Administrative Procedure Law, request that a provisional regulation is applied by determining a prohibition to perform certain activities which are related to the performance of the procurement contract or framework agreement as the means thereof.

(5) The judgment of the Administrative District Court may be appealed in accordance with the cassation procedures in the Department of Administrative Cases of the Supreme Court. Other court rulings may be appealed in accordance with the Administrative Procedure Law.

[*9 November 2017*]

**Section 68. Cases when a Procurement Contract or Framework Agreement may be Recognised as Invalid, the Provisions Thereof may be Amended or Repealed, or the Term of a Contract or Framework Agreement may be Reduced**

(1) The court may recognise the procurement contract or framework agreement as invalid, amend or repeal the provisions thereof or reduce the term of the contract or framework agreement in any of the following cases if:

1) the procurement contract or framework agreement has been concluded without applying the procurement procedures specified in this Law or the procedures for carrying out of the procurement referred to in Section 6, Paragraph seven of this Law if the contracting authority had to apply them;

2) the contracting authority has applied a negotiated procedure without publishing a contract notice, without complying with the provisions of Section 6, Paragraph six of this Law, or has unjustifiably carried out the procurement in accordance with the procedures specified in Section 6, Paragraph seven of this Law;

3) the procurement contract or framework agreement has been concluded by awarding the procurement contract or framework agreement, unjustifiably failing to publish a contract notice in the Official Journal of the European Union;

4) the procurement contract or framework agreement has been concluded without complying with the term determined in Section 54, Paragraph two of this Law;

5) the procurement contract or framework agreement has been concluded, violating the prohibition determined in Section 63, Paragraph six of this Law to conclude a procurement contract or framework agreement;

6) the procurement contract has been concluded without complying with the requirements of Section 55, Paragraph seven of this Law if the contract price of the specific contract is equal to or exceeds the contract price thresholds laid down by the Cabinet.

(2) In the cases referred to in Paragraph one, Clauses 1, 2, and 3 of this Section the procurement contract or framework agreement shall not be recognised as invalid, its provisions shall not be amended or repealed, the term of the contract or framework agreement shall not be reduced, even though the law has been violated, provided that the following conditions are concurrently present:

1) the contracting authority has published the notice referred to in Section 35, Paragraph one of this Law;

2) the procurement contract or framework agreement has been concluded at least 10 days and additionally one working day after the day when the notice referred to in Section 35, Paragraph one of this Law has been published on the website of the Procurement Monitoring Bureau or in the Official Journal of the European Union if the procurement contract price is equal to or exceeds the contract price thresholds laid down by the Cabinet;

3) the prohibition specified in Section 63, Paragraph six of this Law to conclude a procurement contract or framework agreement has been complied with.

(3) In the case referred to in Paragraph one, Clause 6 of this Section the procurement contract shall not be recognised as invalid, its provisions shall not be amended or repealed, the term thereof shall not be reduced, even though the law has been violated, provided that the following conditions are concurrently present:

1) the contracting authority has informed the tenderers in accordance with Section 52 of this Law;

2) the specific contract has been concluded in compliance with the time limit referred to in Section 54, Paragraph two of this Law;

3) the prohibition determined in Section 63, Paragraph six of this Law to conclude a procurement contract has been complied with.

[*9 November 2017*]

**Section 69. Court Judgment on a Procurement Contract or Framework Agreement**

(1) If a court establishes that a procurement contract or framework agreement has been concluded violating the norms of this Law and concludes that the application should be satisfied, it shall, in compliance with the conditions of this Law, select itself one of the following types of judgments:

1) recognise the procurement agreement or framework agreement as invalid from the moment of conclusion thereof;

2) amend or repeal the provisions of the procurement contract or framework agreement which should be still performed. When taking such judgment, the court shall reduce the term of the procurement contract or framework agreement;

3) reduce the term of the procurement contract or framework agreement.

(2) The court, when selecting one of the judgment types referred to in Paragraph one of this Section, shall not be bound by the subject-matter of the application indicated by the applicant and the limits of the claim. The court shall evaluate which judgment type is commensurate, effective, and preventive in the particular case in order to ensure that the contracting authority would not commit the infringements of this Law in future. The court shall take the judgment referred to in Paragraph one, Clause 3 of this Section only in the cases referred to in Paragraphs three and four of this Section.

(3) The court shall not take the judgment referred to in Paragraph one, Clause 1 or 2 of this Section if it is essential for the public interest, including national defence and security interests, to preserve the consequences caused by the procurement contract or framework agreement. The financial consequences (for example, costs due to delay in performance, change of the performer, sanctions or other legal liabilities) shall not be deemed per se sufficient grounds for not taking the judgment referred to in Paragraph one, Clause 1 or 2 of this Section, except for the case if they cause significant threats for the implementation of a large-scale national defence or security programme.

(4) If the procurement contract or framework agreement has been concluded without complying with the term specified in Section 54, Paragraph two of this Law or violating the prohibition specified in Section 63, Paragraph six of this Law to conclude a procurement contract or framework agreement, and it is established that until the time when the decision to determine the selected tenderer is taken the procurement procedure has been carried out in accordance with the requirements of this Law and the abovementioned decision has not affected the chances of the tenderer who has submitted the application to be awarded with the contract, the court shall take the judgment referred to in Paragraph one, Clause 2 or 3 of this Section.

(5) When taking any of the judgments referred to in Paragraph one, Clauses 1 and 2 of this Section, the court shall decide on validity of such contracts which have been concluded on the basis of the relevant framework agreement.

(6) The court shall send a true copy of the judgment to the Procurement Monitoring Bureau.

**Chapter XIII**

**Compensation for Losses**

**Section 70. Compensation for Losses**

(1) The losses which the contracting authority has caused by violating the provisions of this Law shall be compensated in accordance with the Administrative Procedure Law and the Law on Compensation for Losses Caused by the State Administration Institutions. The cases on compensation for losses shall be examined by the Administrative District Court under the court proceedings in the composition of three judges.

(2) The compensation for the losses not referred to in Paragraph one of this Section may be requested by submitting an application to the court of general jurisdiction in accordance with the procedures laid down in The Civil Procedure Law.

(3) If the compensation for losses is requested concurrently with the claim provided for in Section 67 of this Law, the court shall adjudge it by examining the relevant application and taking any of the judgments referred to in Section 69, Paragraph one of this Law. The burden of proof on the existence of such losses and the amount of compensation shall lie with the applicant. Following the day when the judgment enters into effect, the compensation for such losses may be requested in accordance with the civil legal procedures.

(4) The judgment of the Administrative District Court may be appealed in accordance with the cassation procedures in the Department of Administrative Cases of the Supreme Court. Other rulings of the Administrative District Court may be appealed in accordance with the Administrative Procedure Law.

(5) When submitting a complaint to the Procurement Monitoring Bureau in accordance with Section 63 of this Law, the compensation for losses shall not be requested. The compensation for losses caused by the contracting authority may be requested concurrently with the submission of the application to the court or by addressing the contracting authority in accordance with the procedures laid down in the Law on Compensation for Losses Caused by the State Administration Institutions. The Procurement Monitoring Bureau shall not be held liable for the losses caused by the contracting authority.

**Chapter XIV**

**Statistical Reports**

**Section 71. Statistical Reports**

The contracting authority shall, each year by 1 March, submit a statistical report to the Procurement Monitoring Bureau in accordance with the procedures determined by the Cabinet. The Cabinet shall determine the content of the statistical reports.

[*9 November 2017*]

**Section 72. Content of the Statistical Report**

[9 November 2017]

**Chapter XV**

**Administrative Offences in the Field of Procurements of Defence and Security and Competence in the Administrative Offence Proceedings**

[*5 December 2019 /* *Chapter shall come into force on 1 July 2020.* *See Paragraph 13 of Transitional Provisions*]

**Section 73. Unlawful Conclusion of a Contract**

(1) For the conclusion of a procurement contract or a framework agreement or for the performance of any other transaction which corresponds to the nature of a procurement contract or a framework agreement, if the procurement procedure laid down in this Law or other procedures for the contract awarding laid down in this Law which had to be applied have not been applied, a fine from fourteen to two hundred and forty units of fine shall be imposed.

(2) For the conclusion of a procurement contract or a framework agreement if inappropriately selected procurement procedure or other procedures for the contract awarding laid down in this Law have been applied, a fine from fourteen to two hundred and forty units of fine shall be imposed.

(3) For the conclusion of a procurement contract or a framework agreement if the notice specified in this Law has not been published on the website of the Procurement Monitoring Bureau and in the Official Journal of the European Union, provided that it should have been published on both websites upon commencement of the procurement, a fine from fourteen to two hundred and forty units of fine shall be imposed.

(4) For the activities referred to in Paragraph one, two, or three of this Section if the contract price of the concluded procurement contract or framework agreement or of other transaction made is EUR 145 000 or more, a fine from seventy to four hundred units of fine and a prohibition to exercise rights – the prohibition to hold such offices for the time period from one to two years the duties of which include taking decisions in the field of public procurements and public-private partnership or the conclusion of procurement contracts, framework agreements, partnership procurement contracts, or concession contracts – shall be imposed.

[*5 December 2019* / *Section shall come into force on 1 July 2020.* *See Paragraph 13 of Transitional Provisions*]

**Section 74. Failure to Comply with the Provisions for the Prevention of a Conflict of Interests**

(1) For the failure to ensure the signing of the certification specified in this Law on non-existence of such circumstances due to which it could be regarded that the person preparing the procurement documents, members of the procurement commission, or experts are interested in the selection or activity of a particular candidate or tenderer, or are connected to a particular candidate or tenderer, a warning or a fine from fourteen to seventy units of fine shall be imposed.

(2) For the failure to comply with the prohibition specified in this Law in respect of the officials and employees of the contracting authority who are drawing up the procurement documents, the members of the procurement commission, and experts to represent the interests of a candidate or tenderer, and also for the failure to comply with the prohibition to be connected to a candidate or tenderer, a fine from fourteen to one hundred and forty units of fine shall be imposed.

[*5 December 2019* / *Section shall come into force on 1 July 2020.* *See Paragraph 13 of Transitional Provisions*]

**Section 75. Failure to Comply with the Provisions for the Exclusion of Candidates and Tenderers, the Requirements for Their Selection, and the Requirements of Technical Specifications**

(1) For the failure to comply with the provisions for the exclusion of candidates and tenderers laid down in this Law if the candidate or tenderer has been unjustifiably excluded or has not been unjustifiably excluded from the participation in the procurement and it has affected the decision on the results of candidate selection or the decision on awarding the contract, a fine from fourteen to seventy units of fine shall be imposed.

(2) For the failure to comply with the requirements for the selection of candidates and tenderers or the requirements of technical specifications laid down in the procurement documents if the application of the candidate or the tender of the tenderer has been unjustifiably rejected or unjustifiably recognised as non-complying with the requirements laid down in the procurement documents and it has affected the decision on the results of candidate selection or the decision on awarding the contract, a fine from fourteen to seventy units of fine shall be imposed.

[*5 December 2019* / *Section shall come into force on 1 July 2020.* *See Paragraph 13 of Transitional Provisions*]

**Section 76. Failure to Comply with the Provisions for Concluding and Amending a Procurement Contract and Framework Agreement**

(1) For the conclusion of a procurement contract or a framework agreement if the waiting period specified in this Law has not been complied with, however, it should have been complied with, a fine from fourteen to two hundred and forty units of fine shall be imposed.

(2) For the conclusion of a procurement contract or a framework agreement if the prohibition laid down in this Law to conclude a procurement contract or a framework agreement after the Procurement Monitoring Bureau has received a submission on violations of the procurement procedure has not been complied with, or if the prohibition specified by the submission examination commission of the Procurement Monitoring Bureau to conclude the relevant procurement contract or framework agreement has not been complied with, a fine from fourteen to two hundred and forty units of fine shall be imposed.

(3) For the conclusion of a procurement contract or a framework agreement if the provisions provided for in the procurement documents have not been included or different provisions have been included therein, and if such possibility has not been provided for in the procurement documents in accordance with the requirements of this Law or other provisions for amending a procurement contract and a framework agreement laid down in this Law have not been complied with, a fine from fourteen to two hundred and forty units of fine shall be imposed.

(4) For making amendments to a procurement contract or the text of a framework agreement if the provisions for amending a procurement contract or framework agreement laid down in this Law have not been complied with, a fine from fourteen to two hundred and forty units of fine shall be imposed.

(5) For the activities referred to in Paragraph one, two, three, or four of this Section if the contract price of the concluded procurement contract or framework agreement or the total contract price of amendments is EUR 145 000 or more, a fine from seventy to four hundred units of fine and a prohibition to exercise rights – the prohibition to hold such offices for the time period from one to two years the duties of which include taking decisions in the field of public procurements and public-private partnership or the conclusion of procurement contracts, framework agreements, partnership procurement contracts, or concession contracts – shall be imposed.

[*5 December 2019* / *Section shall come into force on 1 July 2020.* *See Paragraph 13 of Transitional Provisions*]

**Section 77. Failure to Provide Procurement Documents and Information**

(1) For the failure to comply with the provisions provided for in this Law during preparation of applications or tenders in respect of ensuring the accessibility of procurement documents, the issue of procurement documents, or the provision of additional information, a warning or a fine from fourteen to seventy units of fine shall be imposed.

(2) For the failure to comply with the procedures by which candidates and tenderers are to be informed of the results of a procurement, a warning or a fine from fourteen to seventy units of fine shall be imposed.

(3) For the failure to comply with the provisions for the preparation or issue of a procurement procedure report, a warning or a fine from fourteen to seventy units of fine shall be imposed.

(4) For the failure to submit a statistical report within the time limit specified in this Law or for the submission of an incomplete report, a warning or a fine from fourteen to seventy units of fine shall be imposed.

[*5 December 2019* / *Section shall come into force on 1 July 2020.* *See Paragraph 13 of Transitional Provisions*]

**Section 78. Competence in the Administrative Offence Proceedings**

Administrative offence proceedings for the offences referred to in Sections 73, 74, 75, 76, and 77 of this Law shall be conducted by the Procurement Monitoring Bureau.

[*5 December 2019* / *Section shall come into force on 1 July 2020.* *See Paragraph 13 of Transitional Provisions*]

**Section 79. Procedures for the Execution of the Decision on the Prohibition to Hold Offices**

(1) Within one working day after the decision in an administrative offence case has been communicated to the person on whom a prohibition to exercise the rights – the prohibition to hold such offices the duties of which include taking the decisions in the field of public procurements and public-private partnership or conclusion of procurement contracts, framework agreements, partnership procurement contracts, or concession contracts – has been imposed, the Procurement Monitoring Bureau shall inform all the authorities known to the Procurement Monitoring Bureau in which the relevant person holds such office, and also the higher authorities of such authorities (except for the case when there is no higher authority or the Cabinet is the higher authority) or owners or holders of capital shares, if the relevant authority is a capital company, of the decision taken.

(2) Within three working days after receipt of the information on the fact that the decision has entered into effect in the administrative offence case in which a prohibition to exercise the rights – the prohibition to hold such offices the duties of which include taking the decisions in the field of public procurements and public-private partnership or conclusion of procurement contracts, framework agreements, partnership procurement contracts, or concession contracts – has been imposed, the Procurement Monitoring Bureau shall send the relevant information to the authorities referred to in Paragraph one of this Section, and also publish on the publication management system the given name, surname, personal identity number of the person held administratively liable and the time period for the execution of the penalty. The abovementioned information shall be available in the publication management system for the users registered therein for the performance of the duties specified in the law until the day when the execution of the penalty ends.

(3) The authority in which the person on whom a prohibition to exercise the rights – the prohibition to hold such offices the duties of which include taking the decisions in the field of public procurements and public-private partnership or conclusion of procurement contracts or concession contracts has been imposed holds such offices – has an obligation to ensure that after entering into effect of the decision in the administrative offence case the relevant person does not hold such offices, does not take the decisions, and does not conclude contracts.

[*5 December 2019* / *Section shall come into force on 1 July 2020.* *See Paragraph 13 of Transitional Provisions*]

**Transitional Provisions**

1. [9 November 2017]

2. [9 November 2017]

3. [9 November 2017]

4. Amendment to Section 6, Section 44, Paragraph one, Clause 4 and Paragraph four, Clause 2 on conversion of lats into euro shall come into force on 1 January 2014.

[*19 September 2013*]

5. The procurement procedures referred to in Section 6, Paragraph three of this Law announced by 31 December 2013 and the procurements referred to in Section 6, Paragraphs seven and nine of this Law shall be completed, including contested or appealed, in accordance with the provisions of this Law which were in force on the day of announcing the relevant procurement procedures or procurement by complying with the conditions referred to in Paragraphs 6, 7, and 8 of these Transitional Provisions.

[*19 September 2013*]

6. [9 November 2017]

7. If the amounts of money in the tender on the basis of which the contract or framework agreement is entered into after 31 December 2013 are indicated in lats, the contracting authority shall express the relevant information to be included in the text of the contract or framework agreement in euro in conformity with the principles of rounding laid down in Section 6 of the Law on the Procedure for Introduction of Euro.

[*19 September 2013*]

8. When publishing the notice after 31 December 2013, the contracting authority shall calculate the amount indicated in lats into euro in conformity with the principles of rounding laid down in Section 6 of the Law on the Procedure for Introduction of Euro and indicate the relevant information in the notice in euro.

[*19 September 2013*]

9. The contracting authority is entitled to amend the procurement contract or framework agreement in order to convert the amounts laid down therein in lats to euro in compliance with Section 4, Paragraph two of the Law on the Procedure for Introduction of Euro.

[*19 September 2013*]

10. If the procurement or procurement procedure has been announced or the decision to commence procurement or procurement procedure, where the procurement or procurement procedure need not be announced, is taken until 30 November 2017, the procurement or procurement procedure shall be completed, including contested or appealed, in accordance with the provisions of this Law which were in force on the day of announcing the relevant procurement or procurement procedures or on the day of taking the decision to commence it, insofar as not prescribed otherwise in Paragraph 11 of these Transitional Provisions.

[*9 November 2017*]

11. The provisions of Section 44, Paragraph one, Clause 7 and Paragraph six of this Law (in the wording as of 1 December 2017) shall be applied also to those procurements and procurement procedures which were announced or commenced before 1 December 2017, unless a candidate or tenderer is excluded from participation in the procurement or procurement procedure before 1 December 2017. Section 44, Paragraph one, Clause 7 and Paragraph four of this Law (in the wording prior to 1 December 2017) shall not be applied to the announced or commenced procurements and procurement procedures which have been announced or commenced before 1 December 2017, unless a candidate or tenderer is excluded from participation in the procurement or procurement procedure before 1 December 2017.

[*9 November 2017*]

12. Section 7.1and Section 54, Paragraph 1.1 of this Law shall be applied by institutions of direct administration for the payment of those procurement contracts the procurement procedure of which has been announced starting from 18 April 2019, other contracting authorities – starting from 18 April 2020.

[*21 February 2019*]

13. Amendments to Section 1, Clause 18 of this Law (regarding the prohibition to exercise rights), to Section 28 regarding the new wording of Paragraph one thereof, and also Chapter XV of this Law shall come into force concurrently with the Law on Administrative Liability.

[*5 December 2019*]

**Informative Reference to European Union Directives**

[*21 February 2019*]

This Law contains norms arising from:

1) Directive 2009/81/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities or entities in the fields of defence and security, and amending Directives 2004/17/EC and 2004/18/EC;

2) Directive 2014/55/EU of the European Parliament and of the Council of 16 April 2014 on electronic invoicing in public procurement.

This Law has been adopted by the *Saeima* on 13 October 2011.

President A. Bērziņš

Riga, 2 November 2011

Law on Procurements in the Field of Defence and Security

**Annex 1**

**Vocabulary of those Services for the Procurement of which the Procurement Procedures Laid down in Section 6, Paragraph Three of the Law on Procurement in the Field of Defence and Security shall be Applied**

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| Category No. | Service | CPV code |
| 1. | Repair and maintenance services | 50000000-5, from 50100000-6 to 50884000-5 (except from 50310000-1 to 50324200-4 and 50116510-9, 50190000-3, 50229000-6, 50243000-0) and from 51000000-9 to 51900000-1 |
| 2. | Foreign military-aid-related services | 75211300-1 |
| 3. | Defence services, military defence services, and civil defence services | 75220000-4, 75221000-1, 75222000-8 |
| 4. | Investigation and security services | From 79700000-1 to 79720000-7 |
| 5. | Land transport services | 60000000-8, from 60100000-9 to 60183000-4 (except 60160000-7, 60161000-4) and from 64120000-3 to 64121200-2 |
| 6. | Air transport services of passengers and freight, except transport of mail | 60400000-2, from 60410000-5 to 60424120-3 (except 60411000-2, 60421000-5), from 60440000-4 to 60445000-9 and 60500000-3 |
| 7. | Transport of mail by land and by air | 60160000-7, 60161000-4, 60411000-2, 60421000-5 |
| 8. | Rail transport services | From 60200000-0 to 60220000-6 |
| 9. | Water transport services | From 60600000-4 to 60653000-0 and from 63727000-1 to 63727200-3 |
| 10. | Supporting and auxiliary transport services | From 63100000-0 to 63111000-0, from 63120000-6 to 63121100-4, 63122000-0, 63512000-1 and from 63520000-0 to 6370000-6 |
| 11. | Telecommunications services | From 64200000-8 to 64228200-2, 72318000-7 and from 72700000-7 to 72720000-3 |
| 12. | Financial services; insurance services | From 66500000-5 to 66720000-3 |
| 13. | Computer and related services | From 50310000-1 to 50324200-4, from 72000000-5 to 72920000-5 (except 72318000-7 and from 72700000-7 to 72720000-3), 79342410-4, 9342410-4 |
| 14. | Research and development services which are fully paid and solely used by the contracting authority for its own needs, and also test performance and evaluation services  | From 73000000-2 to 73436000-7 |
| 15. | Accounting and auditing services | From 79210000-9 to 79212500-8 |
| 16. | Management consultancy services and related services, except for arbitration services and services which are provided for conciliation of the parties | From 73200000-4 to 73220000-0, from 79400000-8 to 79421200-3 and 79342000-3, 79342100-4, 79342300-6, 79342320-2, 79342321-9, 79910000-6, 79991000-7, 98362000-8 |
| 17. | Architectural services; engineering services and integrated engineering services; urban planning and environmental planning services; related scientific and technical consulting services; technical testing and analysis services | From 71000000-8 to 71900000-7 (except 71550000-8) and 79994000-8 |
| 18. | Building-cleaning services and property management services | From 70300000-4 to 70340000-6 and from 90900000-6 to 90924000-0 |
| 19. | Sewage and refuse disposal services; sanitation and similar services | From 90400000-1 to 90743200-9 (except 90712200-3), from 90910000-9 to 90920000-2 and 50190000-3, 50229000-6, 50243000-0 |
| 20. | Training and simulation services in the fields of defence and security | 80330000-6, 80600000-0, 80610000-3, 80620000-6, 80630000-9, 80640000-2, 80650000-5, 80660000-8 |

Law on Procurements in the Field of Defence and Security

**Annex 2**

**Vocabulary of those Services for the Procurement of which the Provisions of Section 6, Paragraph Seven of the Law on Procurements in the Field of Defence and Security may be Applied**

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| Category No. | Service | CPV code |
| 1. | Hotel and restaurant services | From 55100000-1 to 55524000-9 and from 98340000-8 to 98341100-6 |
| 2. | Supporting and auxiliary transport services | From 63000000-9 to 63734000-3 (except 63711200-8, 63712700-0, 63712710-3), from 63727000-1 to 63727200-3 and 98361000-1 |
| 3. | Legal services | From 79100000-5 to 79140000-7 |
| 4. | Personnel placement and supply services, except for employment contracts | From 79600000-0 to 79635000-4 (except 79611000-0, 79632000-3, 79633000-0) and from 98500000-8 to 98514000-9 |
| 5. | Health and social services | 79611000-0 and from 85000000-9 to 85323000-9 (except 85321000-5 and 85322000-2) |
| 6. | Other services |  |