



# Opportunities in Serbia: technical & practical information to bid





with with Stevan Radunovic

President of the Serbian Association of Public Procurement Experts.



Wednesday 14th June 2023



Wednesday 21th of June 2023



10 - 11:30 AM (CET)

#### **Programme**

Presentation of the project and the country
Tender opportunities: technical aspects
Tips for successful tendering
Meet the procurers and local SMEs
Q&A















recorded

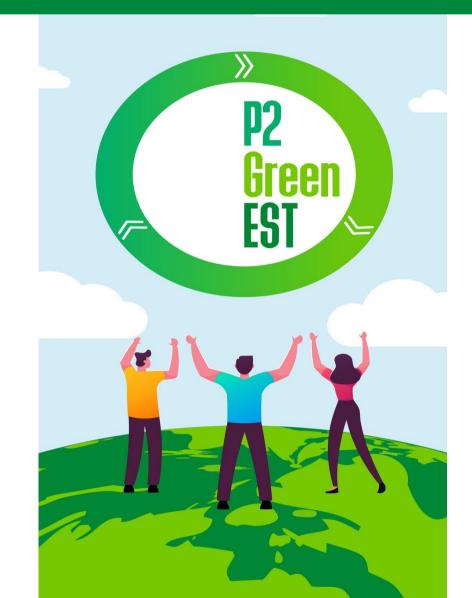
Write your questions into the chat Co-funded by the COSME programme



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## P2GreenEST

Supporting EU SMEs in the field of circular economy to participate in public procurement in Eastern countries





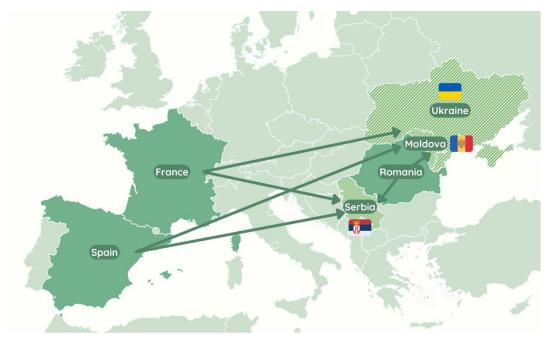
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### Who we are



#### **Because great ideas** do not understand borders...

We support innovative European SMEs to participate in circular public procurement in the Eastern Partnership countries introducing them as actors in public market opportunities in Moldova, Serbia and Ukraine.







Coordinating the project, Ea éco-entreprises is a cluster of enterprises from France (région Sud). It gathers in majority SMEs, working on circular economy topics such as water, waste and energy, biodiversity, sites and pulloted soils,



The Asturian Federation of Entrepreneurs represents 55.000 companies and self-employed workers in Asturias (Spain). In particular, 79 territorial and sectorial business associations and 66 singular companies. Founded in 1977, its guiding principle is entrepreneurial unity.



Green Energy Innovative Biomass Cluster has the aim to raise interest towards the production and utilization of the biomass, the most important renewable energy source in Romania.



The Chamber of Commerce



and Industry of the Republic of Moldova is a non-governmental and non-profit organization, which was created to represent, support and protect the common concerns of its members and of the entire business community in close cooperation with state authorities and other national and foreign institutions









## P2GreenEST support service

Supporting SMEs to participate to public market opportunities.







submission of offers

## Key events of the project





2023

b2match

Serbia (ECOFAIR)

February 2024

Moldova

(Made in Moldova)

P2 Green EST

Romania

offers though





#### P2GreenEST package of webinars: next steps









Replays





Multilateral tenders managed by national/regional authorities particularities and agencies



b2match

**Technical Webinar on Moldova** Legual framework, main institutions and tendering process





21

Practical webinar on Moldova Existing opportunities, success stories, consortia building

b2match



b2match

14 JUN **Technical Webinar on Serbia** tendering process



b2match

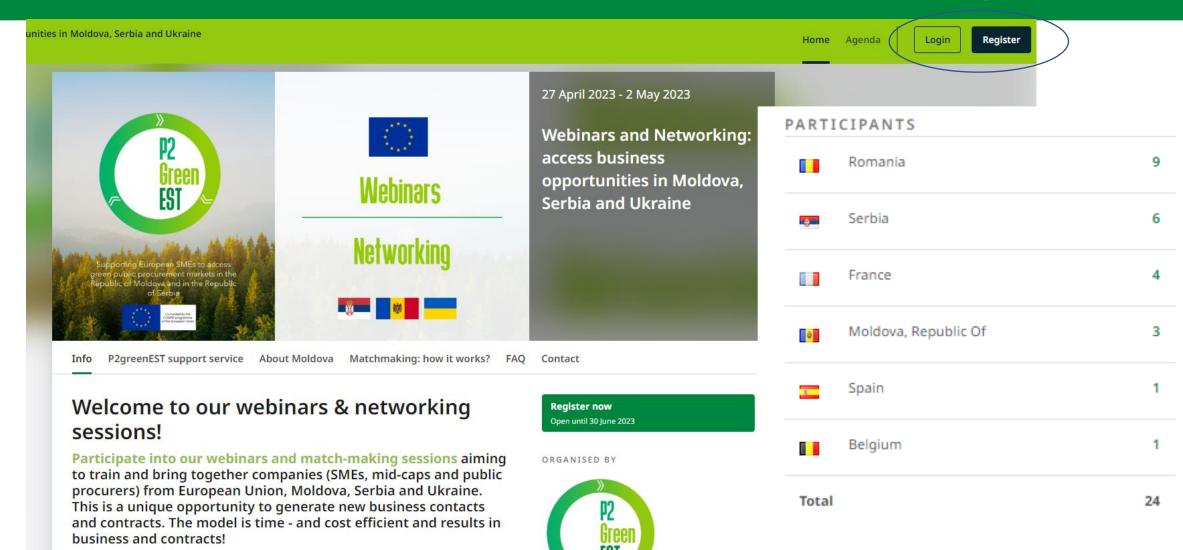
JUN **Practical webinar on Serbia:** Existing opportunities, success stories, consortia **building** 

#### P2greenEST services on B2MATCH

Meetings will take place in a dedicated area and will be arranged in advance by means of

this website.





## Thank you!





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## P2GreenEST

Supporting EU SMEs in the field of circular economy to participate in public procurement in Eastern countries

REPUBLIC OF SERBIA COUNTRY PRESENTATION





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## SERBIA – basic facts & figures













## SERBIA – basic facts & figures

- Official name: Republic of Serbia
- Geographical position: Central and Southeastern Europe, Balkan Peninsula
- Location (according to Greenwich), between 41° 53' and 46° 11' of north latitude and 18° 49' and 23° 00' of east longitude
- **Territory:** 88,499 km2
- **Time zone:** Central European, CET (GMT +1 hour)
- Clime: moderate continental
- Population: 6,690,887 (according to the preliminary data of the 2022 Population and Housing Census, excluding the Autonomous Province of Kosovo and Metohija)
- Capital: Belgrade (1,685,563 citizens, according to the preliminary data of the 2022 Population and Housing Census)
- Longest river: The Danube (international river, 588 km through Serbia), the Velika Morava (with its tributary Zapadna Morava, 493 km)
- Bordering countries: Hungary, Romania, Bulgaria, Macedonia, Albania, Montenegro, Bosnia and Herzegovina, Croatia



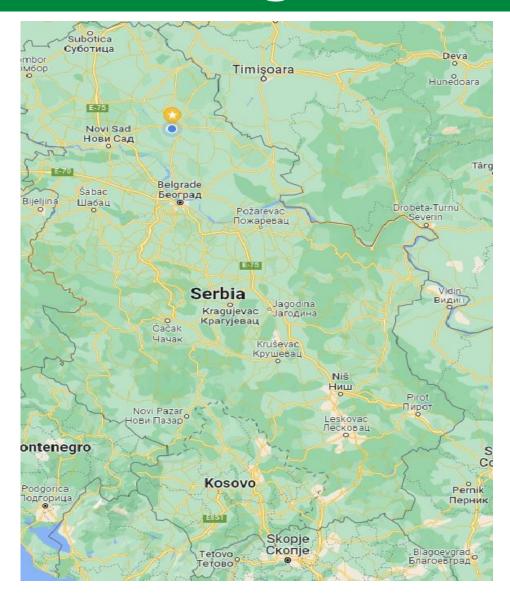




## SERBIA – basic facts & figures

- Other big cities: Novi Sad, Niš, Kragujevac...
- **Currency:** Serbian dinar
- **GDP**: approx. 65 billions USD
- EU CANDIDATE from 2012.
- Industrial country
- Agricultural country
- EU Candidate from 2012.
- Free trade agreements:
  - EU
  - EFTA
  - CEFTA...





#### **WHY SERBIA?**

- Fairly large public procurement market 5.650.000.000 EUR
   (approx.) 9,34% of GDP in 2022. (+ over 6 billions EUR of
   procurments which are exceptions from PP procedure or under
   tresholds, mostly energy related)
- Public Procurement Law and bylaws harmonized with EU rules (EU directives 2014/24/EU & 2014/25/EU)
- Very good Public Procurement Portal
- Environmental standards & rules are integrated in PP Law in almost every aspect (from common principles, technical specifikations, criterias, contract implementation..)





#### MOST IMPORTANT CONTRACT AUTHORITIES

- BIG 10 in 2022:
  - Republic Fund for Health Insurance
  - Public company "Elektroindustry of Serbia,"
  - Elektrodistribution of Serbia
  - Railway infrastructure of Serbia
  - EMS JSC Belgrade
  - Service for centralized public procurement and procurement control, Belgrade
  - Office for Information Technologies and Electronic Administration
  - Public company Posta Serbia Belgrade
  - Directorate for Building Land and Construction of Belgrade
  - Ministry of Interior
- + local & regional govrenments





#### **TARGET SECTORS – WASTE MANAGMENT**

- Serbia today has a waste management system based on underdeveloped and disorganised landfills and an obsolete or simply non-existent infrastructure for solid waste treatment.
- Most landfills do not meet the minimum technical requirements and there is a high number of illegal landfills that should be closed or sanitised ("wild landfills").
- Multiple opportunities for the provision of consultancy services, construction, supply of goods and equipment, in the medium and long term (PP and PPP's)





#### TARGET SECTORS – WASTE MANAGMENT

- Among the main projects planned is the construction of regional waste management centres by 2030 in Nova Varoš, Belgrade, Kruševac, Kragujevac, Valjevo (Kolubara), Požarevac, Vranje, Novi Sad, Inđija, Sombor, Smederevo, Pančevo, Kraljevo, Niš, Zrenjanin and Vršac.
- There are expectations there will be billions of investment in this targeted area in the coming years.



#### **TARGET SECTORS – WASTE MANAGMENT**

#### Waste generation and treatment, 2021

During 2021 in the Republic of Serbia, the sections of economic acitivities generated 69.9 million tons of waste. Treated waste amounted to 64.5 million tons, whereof 16.7% more waste was recycled relative to the previous year.

During 2021, the sections: Agriculture, forestry and fishing, Mining and quarrying, Manufacturing, Electricity, gas, steam and air conditioning supply, Water supply, sewerage, waste management and remediation activities, Construction and Other service activities of the Republic of Serbia generated waste amounting to 69.6 million tons.

#### 1. Generated waste in the Republic of Serbia by sections

	2020	2021		
	t	t	Non-hazardous waste, %	Hazardous waste, %
Generated waste – total	56592461	69585036	79.6	20.4
Agriculture, forestry and fishing Mining and quarrying Manufacturing Electricity, gas, steam and air conditioning supply	89033 45710305 1099711 7896311	59505634 1129093	76.3 98.0	0.6 23.7 2.0 0.0
Water supply, sewerage, waste management and remediation activities	490354	465430		2.7
Construction Other service activities	729118 577629			0.4 4.4 Download table in Evcel

Generated waste quantities, observed by sections and relative to the previous year, noted in 2021 the following trends: Agriculture, forestry and fishing – increase of 41.6%, Mining and quarrying – increase of 30.2%, Manufacturing – increase of 2.7%, Electricity, gas, steam and air conditioning supply – decrease of 8.1%, Water supply, sewerage, waste management and remediation activities – decrease of 5.1%, Construction – decrease of 19.0% and Other service activities – decrease of 11.4%.

#### Share of generated waste in the Republic of Serbia, by sections







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#### **TARGET SECTORS – WATER**

- The water sector in Serbia is characterised by lack of modern infrastructure in many areas, which makes the country a potentially interesting market for European companies
- Problems with water treatmen im many areas drinking water quality
- Waste water treatmans also. Underdeveloped sewerage systems in many palces (latent polution of rivers)
- Opoptunities drinking water, waste water, sewerage constructions





#### TARGET SECTORS – RENEWABLE ENERGIES

• The energy sector, which represents around 5% of GDP, is one of the key sectors of the Serbian economy and is undergoing an intense process of harmonisation with EU standards and transition to a new, more sustainable framework. In order to support the country's energy transition and in the framework of its accession to the EU, Serbia is increasingly relying on European and multilateral funding.

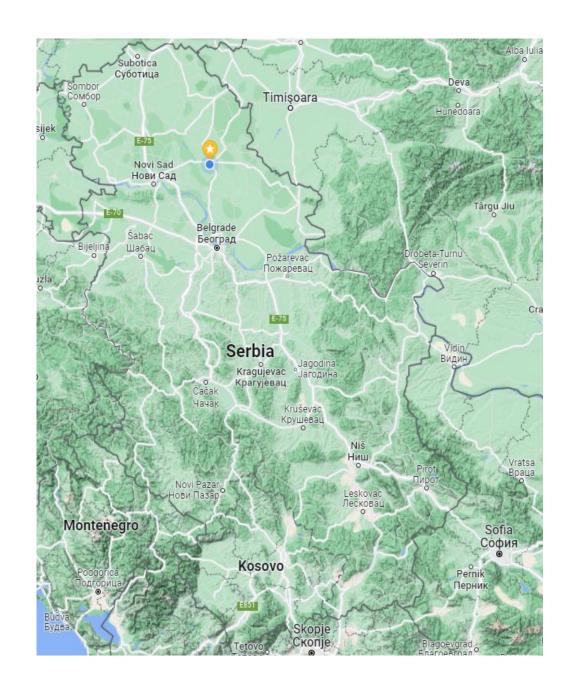




## TARGET SECTORS – RENEWABLE ENERGIES

- Coal is the largest source of energy in Serbia, generating around 60% of total electricity
- Next is hydropower approx. 30% most used renewable energy source (16 hydro plants)
- Everything else up to approx. 10% (natural gas, wind power, biomass, solar power etc).
- Biomass is greatest potential among renewable resources!
- There are positive examples Sremska Mitrovica (first and bigest), Priboj, Mali Zvornik...





### PUBLIC PROCUREMENTS IN SERBIA









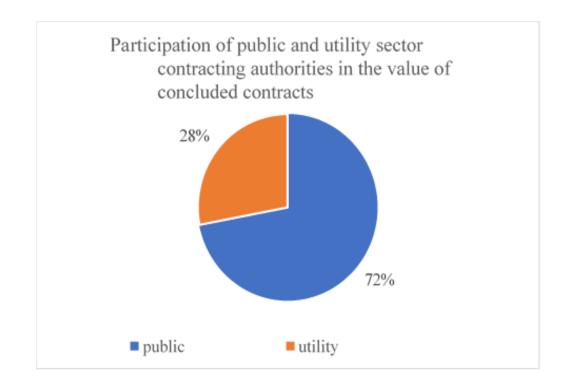




#### SIZE OF THE PP MARKET IN SERBIA

#### BASIC FACTS 2022:

- value of PP in Serbia
- -5.650.000.000 EUR (approx.) -9,34% of GDP
- No of PP contracts
- -251.949
- average contract value
- 22.420 EUR (approx.)
- No of PP contracting authorities
- -5500 (approx.)
- Average No of bids per PP
- -2.5 (51.6% of PP's just 1 bid!)



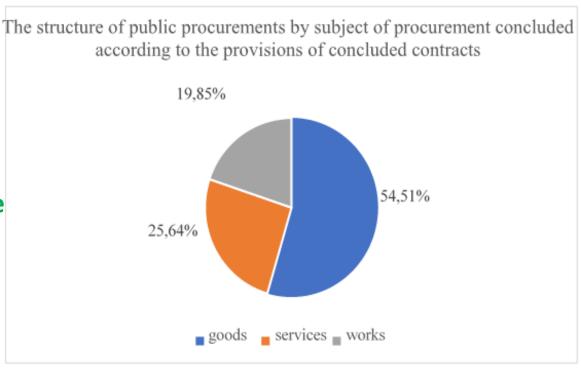




#### SIZE OF THE PP MARKET IN SERBIA

#### BASIC FACTS 2022:

- Open procedure in PP PREVAILING!
  - 98.76% of contracts No
  - 97.3% of contracts value
- Most open, transparent and most available procedure!!
- -There are no privileges for Serbian companies in PP law!
- Foreigner friendly law!

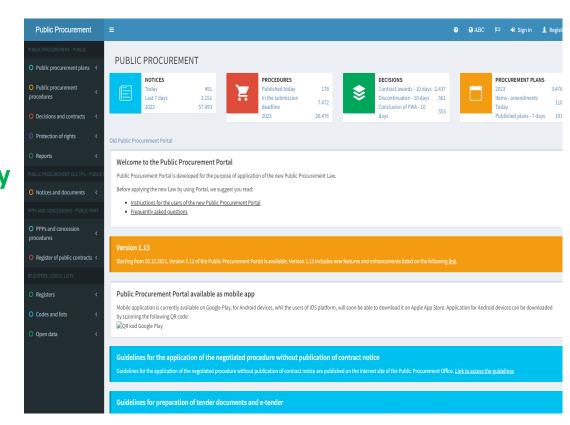






#### **PUBLIC PROCUREMENT PORTAL**

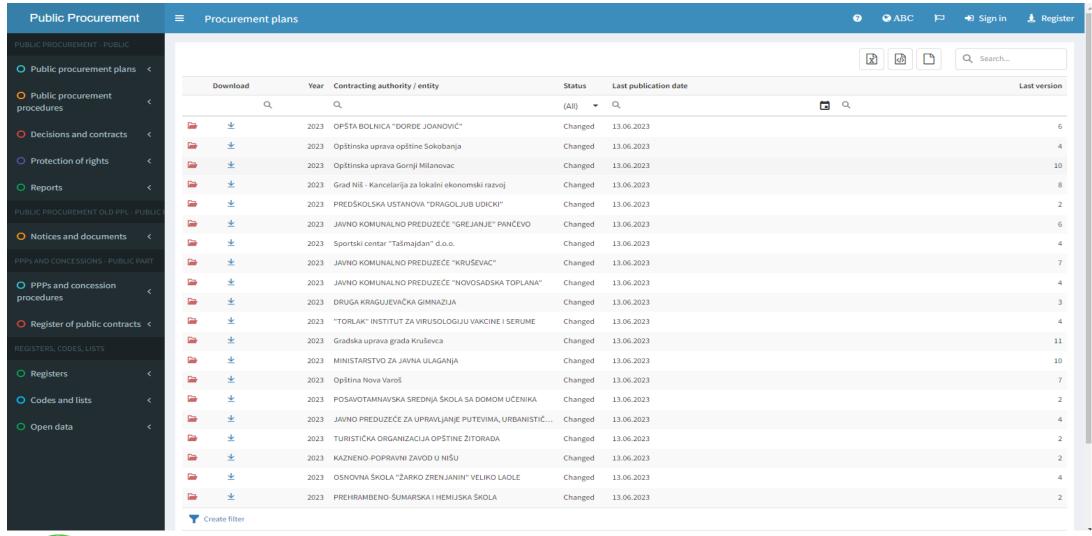
- Digital PP's! Platform for PP procedures
- Everything is online, transparent and available
- Easy registration (in order to use it in full capacity you must register)
- Everything is there annual PP Plans, every PP (with very few exceptions), public notices, tender documentations, every communication, decisions, even appealing procedure...
- Offers easy tracking of PP's of interest and update about every step & change in real time







#### **PUBLIC PROCUREMENT PORTAL**

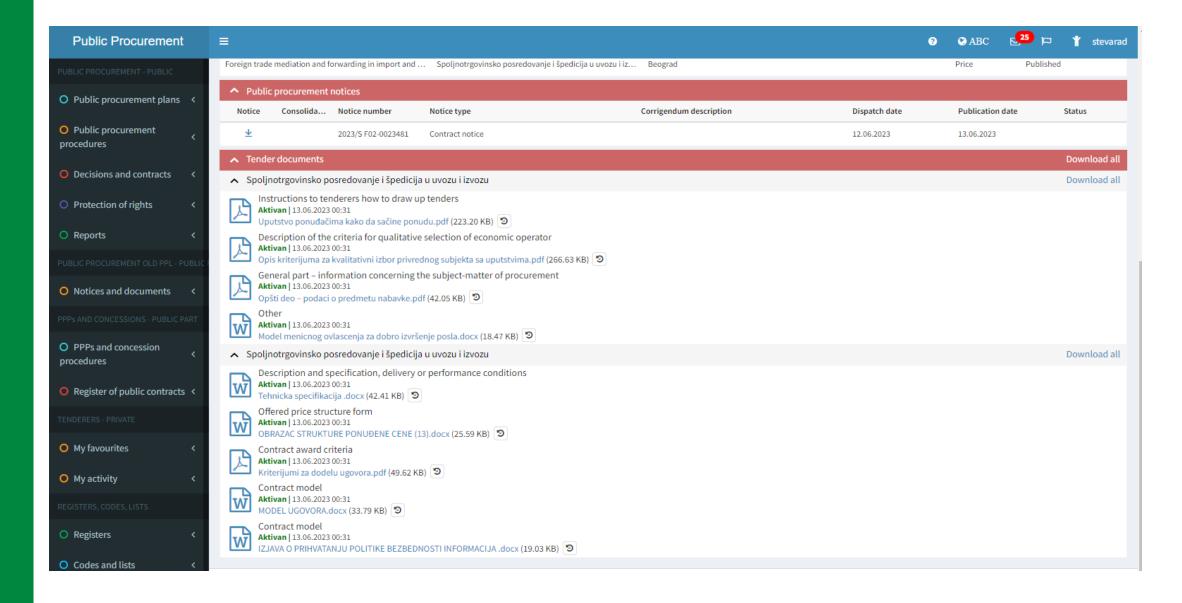






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#### **PUBLIC PROCUREMENT PORTAL**



#### **LEGAL FRAMEWORK**

- Law on Public Procurement (+bylaws)
- Law on Public Private Partnership and Concessions
- Law on Obligations
- Administrative Procedure Act
- State Audit Law





#### INSTITUTIONAL FRAMEWORK

#### PUBLIC PROCUREMENT BUREAU

- regulatory authority, bylaws, interpretation of laws and regulations, conduct training and education, maintains electronic public procurement system, monitor the situation in the field of public procurement ...
- THE STATE COMMISSION FOR APPEALS IN PUBLIC PROCUREMENT
  - Decide on appeals in public procurement
- STATE AUDIT OFFICE
  - Controls the legality and regularity of operations of users of public funds
- MINISTRY OF FINANCE
  - The relevant ministry, proposing & adopting legislation, bylaws, budget inspection...
- PPP Comission
  - Central authority in PPP's, gives an opinion and evaluates whether a specific project can be implemented in the form of a PPP or not
- Judicial system
  - Court protection







- WHY ARE PRINCIPLES IMPORTANT?
- They tell us about the basic values and goals of the regulations
- They provide a framework for interpreting the legal norm
- Significant for filling the legal gap
- They are important for the application of procurements to which the public procurement procedure is not applied
- In practice, they are often used as platform for appealings







- Common rules art. 5 of PP Law
- Contracting authorities are obliged to act in an economical and efficient manner, to ensure competition, equal position of all business entities, without discrimination, as well as to act in a transparent and proportional manner.
- Business entities are obliged to comply with obligations in the field of environmental protection, social and labor law, as well as obligations from collective agreements, i.e. provisions of international law related to environmental protection, social and labor law, in the execution of public procurement contracts.



- PRINCIPLE OF ECONOMY AND EFFICIENCY -Article 6 of the PP Law
  - Substance is in rule to procure what is needed according to its subject and nature is acquired, in the quantity that is needed, of a quality that enables the achievement of the purpose and without unnecessary waste of time. Price/quality ratio, "value for money".



- PRINCIPLE OF ENSURING COMPETITION AND PROHIBITION OF DISCRIMINATION - Article 6 of the PP Law
  - -Dicrimination of any kind is forbiden and the contracting authority is obliged to enable **as much competition as possible** in the public procurement procedure



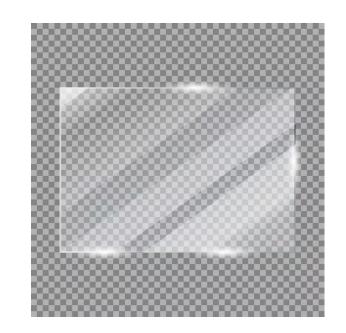


- PRINCIPLE OF TRANSPARENCY OF THE PUBLIC
   PROCUREMENT PROCEDURE-Article 8. of the PP Law
  - The contracting authority is obliged to ensure the transparency of the public procurement procedure. In order to ensure the principle of "value for money", as well as the necessary competition, it is necessary that all participants in the procedure can easily and transparently access the necessary data. Main tool is PP Portal.



-The contracting authority is obliged to provide an equal position to all business entities in all stages of the public procurement procedure. No favoritism or discrimination.







- PRINCIPLE OF PROPORTIONALITY-Article 10. of the PP Law
  - The contracting authority is obliged to carry out the public procurement in a manner that is proportionate to the subject of the public procurement and the goals it should achieve.
  - Criteria for the qualitative selection of a business entity in the public procurement procedure, technical specifications, contract award criteria and deadlines, as well as evidence must be proportionate to the scope, nature and complexity of the public procurement and the contract resulting from that procurement.
  - Conditions, rules and formalities in procurement must be adapted to the needs of the client, the nature and degree of complexity of the procurement. Without unnecessary complications!







#### **TENDER DOCUMENTATION**

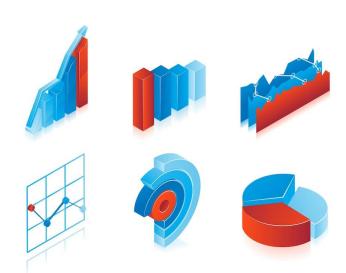
- Tender documentation is available on the PP Portal, and even part of TD is generated by PP Portal
- TD is made of:
  - Tecnical specification
  - criteria for the qualitative selection of a bidder
  - contract award criteria
  - contract model
  - bid form
  - Price structure form
  - bid cost form
  - instructions to bidders on how to prepare a bid (instructoms about deadlines, financial guaranties, commercial elements, how to fill forms, elemnts of proposal, contract award criterias expalined...)
  - other forms...





#### CRITERIA FOR THE QUALITATIVE SELECTION OF A BIDDER

- Those are formal conditions for bidders in order to participate in PP
- If they not meet those criteria (conditions), the offer is rejected as unacceptable
- Very important in formal meaning, and also very imortant for selecting credibile and compentent contarct partner
- They consist from:
  - grounds for exclusion (committed crimes, unpaid taxes, broken rules about environmental protecton, social and working duties, negative references..etc)
  - fulfillment of the conditions for performing professional activities (among them can be <u>licences/certifications from</u> state - serbian authorities!)
  - financial, economic, technical and professional capacities



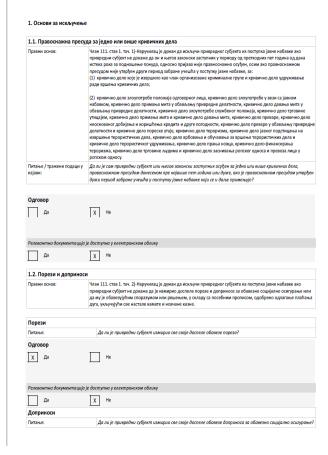




#### CRITERIA FOR THE QUALITATIVE SELECTION OF A BIDDER

First and initial proof would be Statement on the fulfillment of the criteria for the qualitative selection of the business entity. This statement MUST be part of the bid documentation, otherwise it will be rejected as unacceptable

After the expert evaluation of the bids, and before making the decision on the award of the contract, the contracting authority will invite the most favorable bidder to submit concrete evidence within a period not shorter than 5 working days, in order to verify the data from the statement. If the bidder does not provide proof, or if it is not valid, the bid will be rejected as unacceptable.







## **CONTRACT AWARD CRITERIA**

- 1) price or
- 2) **costs** by applying **the cost efficiency** approach, such as the life cycle cost in accordance
- 3) the ratio of price and quality, that is, cost and quality, which is evaluated on the basis of criteria, including qualitative, ecological and/or social aspects, related to the subject of the public procurement contract, which in particular may include:
- (1) quality, including technical features, aesthetic and functional features, availability, solution for all users, social, **environmental** and innovative features, trade and terms of trade;
- (2) the organization, qualifications and experience of the personnel entrusted with the execution of the contract, when the quality of the personnel can have a significant impact on the level of success of the execution of the contract, or
- (3) after-sales service and technical assistance, delivery terms, such as delivery date, delivery process and delivery time or performance time.

PRICE CRITERIA IS PREDOMINANT IS SERBIAN PP – 96%!







## STARTING WITH PROCEDURE

- In order to start with PP procedure, public procurement **must be in annual PP Plan** (there are some rare exceptions related with urgent situations). Elelemnts of PP Plan:
  - -1) subject of public procurement and CPV mark; 2) estimated value of public procurement; 3) type of public procurement procedure; 4) approximate time of initiation of the procedure.
- In order to start with procedure, contrating authority must make a decision on the implementation of the public procurement procedure, which in particular contains data on the subject of the public procurement, the type of procedure and the estimated value of the public procurement in total and for each lot separately, as well as data on the composition of the **public procurement commission**, i.e. the person conducting the public procurement procedure.





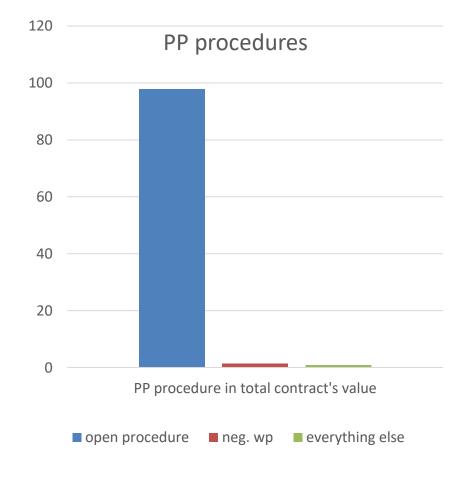
# **PP PROCEDURES**

- Open procedure!
- Restrictive procedure
- Competitive procedure with negotiation
- Competitive dialogue
- Partnership for Innovation
- Negotiating procedure without publishing a public invitation
- Negotiation procedure with the publication of a public invitation



## **OPEN PP PROCEDURE**

- An open procedure is a procedure in which all interested business entities can submit an offer.
- It basic and most often procedure. **98%** of PP's in Serbia.
- Most bidder friendly.
- The contracting authority is obliged to publish a public invitation in an open procedure. And that is formally beggining of PP procedure.
- Deadlines depends from estimated value of PP.







## **OPEN PP PROCEDURE**

- The minimum deadline for submitting bids in the open procedure is:
- 1) **35 days** from the day of sending the public invitation for publication, for public procurement whose estimated value **is equal to or greater** than the amount of the European thresholds;
- 2) **25 days** from the day of sending for publication of the public invitation, for public procurement whose estimated value **is less than the amount of the European thresholds**;
- 3) **15 days** from the day of sending the public invitation for publication, for the procurement of works whose estimated value is lower than 30,000,000 dinars (approx. 25.000 EUR);
- 4) **10 days** from the day of the public invitation for the procurement of goods and services whose estimated value is lower than RSD 10,000,000 (approx. 9.000 EUR)







## **OPEN PP PROCEDURE**

- The deadlines could be prolonged as a result of changing tender documentation. If TD is substantionally changed (tecnical specifications, qualification criteria, award criteria...), deadline must be prolonged.
- Bidders have rights to ask questions, clarifications, or or indicate deficiencies/shortcomings in the documentation up to 8 (value even or above EU tresholds) or 6 days (value below EU tresholds) before deadline expitration.



- Bids are open automaticaly on PP Portal.
- A Record of the opening of bids is automatically generated on the portal.
- All participants can see it online in real time.
- They can also see Proposal form of other participants. They can not see other parts of bids in this phase, until they request it after publishing contract award decision.



- After the opening of the bids, the public procurement commission enters the stage of expert evaluation of the bids, in which it examines whether the bids are in accordance with the technical requirements of the tender documents, whether they meet all the conditions in accordance with the set criteria for the selection of the business entity.
- Bids that do not comply with the requirements and criteria from the tender documentation will be rejected by the public procurement commission as unacceptable.
- Acceptable bids will be ranked in accordance with the criteria for awarding the contract (mostly price in Serbia)
- The Public Procurement Commission prepares a Report on the public procurement procedure, which contains data on the evaluation and in which it is proposed to make a decision on the award of the contract or a decision on the suspension of the public procurement procedure, if the conditions for awarding the contract are not met.





- Bids will be rejected if contarcting authority:
- 1) determine that there are grounds for exclusion of the bidder;
- 2) the criteria for the selection of a business entity are not met;
- 3) requirements and conditions related to the subject of procurement and technical specifications have not been met;
- 4) security for the seriousness of the offer was not provided in accordance with the procurement documentation;
- 5) there is valid evidence of infringement of competition or corruption
- 6) determine other defects due to which it is not possible to determ the actual content of the offer or it is not possible to compare it with other offers.























- The contracting authority can reject as unacceptable:
  - if exceeds the amount of the estimated value of the PP
  - If he finds price to be unusually low in accordance with PP Law.
- Bids that have not been rejected are evaluated and ranked according to the contract award criteria specified in the procurement documents.
- If there are two or more bids that are equal by applying the contract award criteria, then:
  - reserve criteria will be applied. If even after applying the reserve criteria there are two or more bids that are equally ranked, then:
    - bidder will be drawn by lot.







# **CONTRACT AWARD DECISION**

- The contracting authority makes a decision on the award of the contract if the expert evaluation of the bids determines that the conditions for the award of the contract have been met (1 good bid).
- The contracting authority shall make a decision on awarding the contract within 30 days from the expiration of the deadline for submission of bids, unless the contracting authority has specified a longer period in the tender documentation. The decision to award the contract must be explained and contain, in particular, data from the report on the public procurement procedure and instructions on legal remedies.
- The contracting authority must publish the decision on the award of the contract on the Public Procurement Portal within **three days** from the date of adoption.





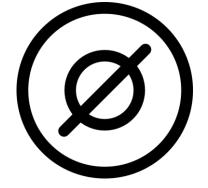


## **DECISION ON SUSPENSION OF PP PROCEDURE**

- WHEN:
- 1) there are demonstrable reasons, which could not have been foreseen before and which make it impossible for the procedure to be completed;
- 2) thereis no need for the procurement in question anymore, and it will not be repeated during the same budget year, that is, in the next six months;
- 3) circumstances become known which, if they had been known earlier, would have caused a significant change in the content of the procurement documentation;
- 4) no bid or application has been submitted;
- 5) no candidate meets the criteria for the qualitative selection of a business entity;
- 6) PP estimated value is less than the amount of the European thresholds, but bids are equal to or higher;
- 7) did not receive a predetermined number of candidates or offers for concluding a framework agreement
- 8) after reviewing and expertly evaluating the bids, determine that all bids are unacceptable.
- The decision must be explained, and published on the Public Procurement Portal within three days from the date of adoption.







- There is independent state authority -Republic Commission for the Protection of Rights in Public Procurement Procedures
- The Republic Commission has a law-based authority to resolve disputes in the area of rights protection in public procurement. It is the central body in the appeals procedure.
- The Republican Commission has a president and eight members, who are elected by the National Assembly of the Republic of Serbia for a period of 5 years. In order to achieve greater efficiency in work, the republican commission is organized in councils of three members each.





- A request for protection of rights (appeal) can be submitted at any stage of the public procurement procedure. However, two basic moments stand out:
- 1. Before the deadline for submitting bids. In this phase, bidders most often dispute the legality and regularity of the public invitation and tender documents. At this stage, the request for the protection of rights must be submitted no later than three days before the deadline for submitting bids. In order to file a complaint at this stage, the bidder had to warn the contracting authority beforehand of the irregularity.



- 2. Within ten days from the date of publication of the contracting authority's decision on the Public Procurement Portal. In this phase, bidders most often dispute the legality and regularity of the decision to award the contract or the decision to suspend the public procurement procedure.
- First decision making level is **contracting authority itself**. Within period of **5 working days** it can accept the appeal, partially annul the public procurement procedure and change its decision.



- If the contracting authority considers that the appeal is unfounded and should be rejected, or that the entire public procurement procedure would have to be completely canceled, then the case is handed over to the Republic Commission and it makes a decision on the submitted request for the protection of rights.
- The Republic Commission can reject the appeal, or accept it, and partially or completely cancel the procedure. With its decision, it will simultaneously give the contracting authority an order on how to proceed. Deadline for decision of republican Commission is 30 days.
- Unsatisfied bidders can file a complaint with the Administrative Court, if they believe that the decision of the Republic Commission is irregular.





## CONDITIONS FOR CONCLUDING THE CONTRACT

- The contracting authority may conclude a public procurement contract, i.e. a framework agreement, after making/publishing decision if a request for the protection of rights (appeal) has not been submitted within the period of 10 days after sending decision on PP Portal to publish, as well as if the rights protection procedure is suspended/over.
- The contracting authority can conclude a public procurement contract even before the above deadline:
- 1) based on the framework agreement;
- 2) in the case of application of the dynamic procurement system;
- 3) if only one offer was submitted, which is acceptable;
- 4) in the case of "urgent" negotiation procedure without prior publication.







- Amendments and additions (annexation) of the contract on public procurement can be initiated.
- This enables the contracting authority to procure the necessary much more simply and quickly, without the application of complex and lengthy procedures of the Public Procurement
- Amendments to the contract must strictly comply with the provisions and reasons provided for by the Public Procurement Act, the freedom of the contracting authority is limited here. Amendments to the contract are regulated by Art. 155 to Art. 161. ZJN



- Art. 160 PP Law
- The contract on public procurement can be amended in such a way as to increase the volume of procurement, if all the following conditions are met:
- 1) the value of the change must be **less than 10%** for goods or services, i.e. less than 15% for works and
- 2) less than 15.000.000 dinars (approx. 128.000 EUR) for of goods or services, or less than 50.000.000 dinars (approx. 427.000 EUR) for works.
- Because of above limitations, by far the simplest ground for amendment, it does not require any special reasons for the amendment to be made.
   No notice is published on the PP Portal regarding this basis for the change



- Art. 157 PP Law
- The contract can be amended for the additional goods, services or works, which have become necessary, if the change of the business entity:
- 1) is not possible due to economic or technical reasons,
- 2) may cause significant difficulties or a significant increase in costs for the contracting authority.
- Increase in the value of the contract cannot exceed **50%** of the value of the original contract
- A notice on the amendment of the contract must be published within ten days from the day of the change.



- Art. 158 PP Law
- The PPcontract can be amended when all the following conditions are met:
- 1) the **need** for change arose due to **circumstances** that a conscientious contracting authority **could not foresee**;
- 2) the amendment does not change the nature of the contract.
- Increase in the value of the contract cannot exceed **50% of contract**
- There must be a causal link between thec ontracting authorithie's need to change the contract and unforeseen circumstances. This was the most commonly used basis for change in the era of Covid19, for example.
- A notice on the amendment of the contract must be published within ten days from the day of the change.





## FRAMEWORK AGREEMENTS

- A framework agreement is a special type of pre-contract!
- It can be concluded in any public procurement procedure.
- PP procedure ends with the signing of the framework agreement, instead of ending with contract.
- It can last for several years up to 4 years (in specially justified cases even longer)
- It is usefull for medium therm relations and for situation where quantities of goods and services cannot be precisely determined, but only approximately (maitenance, spare parts. Failures, break downs...)







## FRAMEWORK AGREEMENTS

- One or more contracting authorities and one or more bidders.
- Framework agreements regulate the content and conditions of future public procurement contracts, but framework agreements do not assume a contractual obligation.
- On the basis of and in accordance with the framework agreements, a public procurement contract is concluded or a purchase order is issued with quantity, price, deadline.,,
- If the framework agreement is concluded with one bidder, the contract is concluded within the limits of the conditions stipulated in the framework agreement with that one bidder.





## FRAMEWORK AGREEMENTS

- If the framework agreement is concluded with several bidders/business entities, the public procurement contract is awarded to:
- 1) according to the conditions for awarding the contract established in the framework agreement, without re-opening competition among bidders, if the framework agreement specifies all the conditions and rules (directly on the basis of the framework agreement! Extremely fast and efficient way of concluding the contract and procuring the necessary)
- 2) by re-opening competition among bidders, if the framework agreement does not establish all the conditions for the delivery of goods (so-called minitender, there is a procurement procedure before the contract)
- 3) combination of the previous two cases





## PUBLIC PRIVATE PARTNERSHIP & CONCESSIONS

- Serbia has Public Private Partnership and Concession Law from year of 2011.
- There are two different procedures in this Law:
  - Public Procurement procedures same as in PP Law but with some specific rules (usually longer deadline for example)
  - Concession procedure, which is formally different, but based on similar principles
  - For both procedures there is same appealing procedure as in PP Law Contracts are concluded for periods from 5 to 50 years!
- This could be usefull for complex agreements in selected areas, because of **long term relations** with contracting authorities, and due to the possibility for the private partner to **act proactively** it has the possibility to propose public-private partnership projects to public bodies, instead of passively waiting for the announcement of a public call for public procurement or the concession procedure.









# Thank you!



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