



PUBLIC PROCUREMENT LAW IN SERBIA

- ▶ PUBLIC PROCUREMENT LAW ("Official Gazette of RS" no. 116/2008)
- ▶ This Law regulates the conditions, the manner and procedure for the procurement of **goods, services, and awarding work assignments** when the procuring entity is a government body, organization, institution or other legal person determined by this Law;

THE MOST IMPORTANT INNOVATION IN PUBLIC PROCUREMENT LAW

- ▶ Establishment of public e-procurement system <http://portal.ujn.gov.rs>
- ▶ Anti-Corruption Rules
- ▶ Establishes the Republic Commission for the Protection of Rights in Public Procurement Procedures
- ▶ Certification for public procurement officers

TYPE OF PUBLIC PROCUREMENT

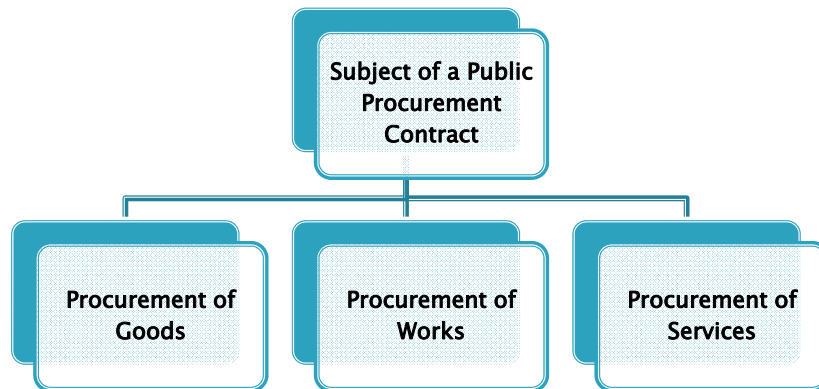
Article 20 of the “Law on Public Procurement“ provides for the following public procurement procedures:

- 1) open procedure;
- 2) restricted procedure;
- 3) negotiated procedure with a prior notice;
- 4) negotiated procedure without a prior notice;
- 5) design contest;
- 6) low-value public procurement procedure.

PROCURING ENTITIES

- ▶ Procuring entities for such procurements are: state authorities, organizations, institutions and other direct or indirect budget beneficiaries; compulsory social insurance organizations; public undertakings; legal persons also involved in activities of general interest; and legal persons founded by procuring entities that also perform activities of general interest, under the conditions prescribed by the Law.

SUBJECT OF A PUBLIC PROCUREMENT CONTRACT



PROCUREMENT OF WORKS

“Article 5“

- ▶ 1) the execution of works;
- ▶ 2) **the design and execution of works** linked to the specific activities listed in **Annex II**, attached to this Law and forming an integral part hereof;
- ▶ 3) construction works on a facility taken as a whole which meet all the economic and technical requirements of the procuring entity.

ANNEX II

Class	Group	Sub-group	Description
50			BUILDINGS AND CIVIL ENGINEERING
	500		General construction and civil engineering works (without special specifications) and demolition
		500.1.	General construction and civil engineering works (without special specifications)
		500.2.	Demolition
	501		Construction of objects and parts thereof
		501.1.	General construction works
		501.2.	Construction of eaves and roofs
		501.3.	Construction of chimneys, furnaces and fireplaces
		501.4.	Protection against water and damp
		501.5.	Renovation and maintenance of external walls (refilling brick contacts with mortar, cleaning, etc.)
		501.6.	Erecting and dismantling scaffolding
		501.7.	Other specialized activities in connection with construction works, including carpentry
	502		Civil engineering: building roads, bridges, railways, etc.
		502.1.	General civil engineering works
		502.2.	Earthworks
		502.3.	Building bridges, tunnels and shafts; drilling
		502.4.	Hydraulic engineering and water management (rivers, channels, ports, inflows, dams, etc.)
		502.5.	Building roads, railway lines, airports and sports facilities
		502.6.	Specialized civil engineering works connected with water (irrigation, drainage, water supply, waste water removal, sewage, etc.)
		502.7.	Other types of civil engineering works, including specialized activities in other civil engineering sectors

ANNEX II

	503		Installations during construction
		503.1.	General industrial works
		503.2.	Installations for supplying gas and water, and sanitary equipment installations
		503.3.	Installation of heating and ventilation appliances (district heating, air conditioning, ventilation)
		503.4.	Insulation works
		503.5.	Electric installations
		503.6.	Installation of aerials, lightning conductors, telephones, etc.
	504		Finishing construction works
		504.1.	General finishing construction works
		504.2.	Façade and stucco work
		504.3.	Interior woodwork (including laying parquet floors)
		504.4.	Painting, glazing and wallpapering
		504.5.	Laying tiles and other floor and wall coverings
		504.6.	Other types of finishing and additional construction works (installation of fireplaces, etc.)

PUBLIC PROCUREMENT OF SERVICES

▶ Annex IA:

“11) management consulting services (other than arbitration, settlement and related services)

12) architectural, engineering, urban planning and landscape architecture services; technical testing and analyses”

PROCUREMENT EXEMPT FROM THE LAW

- ▶ Article 7
- ▶ The provisions of this Law shall not apply to the procurement:
- ▶ “2) to which different procurement rules apply and which is conducted:
 - ▶ a) based on of an **international agreement** pertaining to the supply of goods, performance of works, provision of services or design contests,
 - ▶ b) from the proceeds of **foreign credits (loans)** in accordance with special procedures of international organizations;”
 - ▶ ...
 - ▶ The Minister in charge of financial activities shall define the list of the international organizations referred to in paragraph 1 item 2) indent b) of this Article whose **special public procurement procedures may be applied instead** of the provisions of this Law. “

LISTING OF INTERNATIONAL ORGANIZATIONS WHOSE OWN
PUBLIC PROCUREMENT PROCEDURES MAY BE APPLIED INSTEAD
OF LAW (Official Gazette of the Republic of Serbia)

- ▶ 1) **World Bank Group** (International Bank for Reconstruction and Development and International Development Association);
- ▶ 2) **European Bank for Reconstruction and Development** (EBRD);
- ▶ 3) **European Investment Bank** (EIB);
- ▶ 4) **Council of Europe Development Bank** (CEB);
- ▶ 5) **Development banks, or other financial institutions of donor countries** where bilateral financial cooperation is based on the principles of the **OECD** Development Committee.

CRITERIA FOR THE SELECTION OF
THE MOST ADVANTAGEOUS BID

- ▶ **Types of Criteria:**
- ▶ 1) **The economically most advantageous bid**
- ▶ 2) **The lowest price offered**

DIFFERENCES BETWEEN DOMESTIC AND FOREIGN CRITERIA

▶ **The economically most advantageous bid:**

The procuring entity must select the bid of the most advantageous domestic bidder provided that the difference in the final sum of weighted points between the most advantageous bid of the foreign bidder and the most advantageous bid of the domestic bidder is **NOT HIGHER THAN 20** in favor of the bid of the foreign bidder.

▶ **The lowest price offered:**

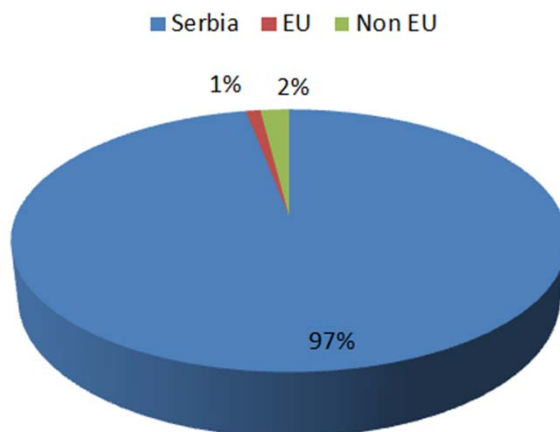
The procuring entity must select the bid of the domestic bidder provided that its price offered is **NOT MORE THAN 20 %** higher compared to the lowest price offered by the foreign bidder.

DIFFERENCES BETWEEN DOMESTIC AND FOREIGN CRITERIA

▶ The priority given to domestic bidders in public procurement procedures in which bidders from the signatories of the Central Europe Free Trade Agreement (CEFTA 2006) participate is completely abolished since 1 May of 2010.

▶ After the Stabilization and Association Agreement concluded between the European Communities and their member states, on the one side, and the Republic of Serbia, on the other side, comes into effect, the advantage given to domestic bidders shall become an advantage expressed in the price and shall gradually decrease **over a five-year period (completely abolished)** in accordance with the schedule specified in that Agreement.

FOREIGN AND DOMASTIC RATIO OF AWARDED CONTRACTS IN 2010

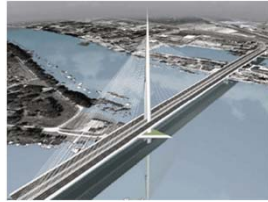


MOST IMPORTANT CONTRACTS AWARDED TO BIDDERS

- ▶ According to rules of EIB, EBRD and WB

Project	CONTRACTORS	Total cost
New Bridge over River Sava	Consortium: Austria's PORR Technobau und Umwelt AG, Slovenia's SCT dd. and German DSD Bruckenbau GmbH	€ 160 million
"Gazela" Bridge – Reconstruction	STRABAG, Austria	€ 58 million
Corridor X	KORIDOR 10, Serbia	€ 1.3 billion

MOST IMPORTANT CONTRACTS AWARDED TO FOREIGN BIDDERS



The Sava's Bridge



Corridor X



Gazela Bridge over Sava river

PREPARING TECHNICAL DOCUMENTATION FOR THE CONSTRUCTION FOR FOREIGN ENTITIES

LAW ON PLANNING AND CONSTRUCTION, ("Official Gazette of the Republic of Serbia", No. 72/2009, 81/2009 and 24/2011)

Article 126

"§9 A foreigner can prepare the technical documentation under conditions of reciprocity and other conditions prescribed by this Law.

§10 The person referred to in paragraph 9 of this Article can prepare the technical documentation if he obtained the right to complete competition work in the Republic of Serbia on and international competition and if he is member of the engineering chamber in his own country.

§11 The engineering chamber of Serbia determines the fulfillment of conditions referred to in paragraphs 9 and 10 of this Article."