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ARMENIA

Approved by decision #556
of September 13, 2000
of the Government of the RA

PROCEDURE

of Approval and Preliminary Supervision of Procurement Specifications

I. GENERAL PROVISIONS

1. Based on Articles 5 and 14 of the Law "On Procurement" of the Republic of Armenia (hereinafter, the law) this Procedure defines the procedure of approval and preliminary supervision of specifications of procurements.
2. The concepts defined by the law are used in the same meaning in this Procedure.
3. The purpose of this Procedure is to ensure:
 - a. the approval of the technical specifications of procurements, the schedules of acquiring goods, performing works and delivering services as well as effecting payments therefrom, in compliance with the law and other legal acts;
 - b. the compliance of technical specifications of procurements, acquisition of goods, performance of works and delivery of services and effecting payments for those with subparagraph "1" of this paragraph.

II. APPROVAL OF PROCUREMENT SPECIFICATIONS

4. The head of the Customer or the person authorized by him approves procurement specifications and administers the preliminary supervision of procurement based on the proposals and conclusions of the respective subdivision or subdivisions of the Customer (hereinafter, responsible subdivision), and in cases stipulated by this Procedure, the technical supervision committee (hereinafter, committee).
5. Before commencing the procurement process the responsible subdivision is established by the order of the head of the Customer, which performs the following functions:
 - a. drafting and submitting the technical specifications of goods, works and services being procured, schedules for acquiring goods, performing works and delivering services as well as effecting payments therefrom to the head of the Customer for approval;
 - b. drawing a conclusion on the compliance of technical specifications, determined by subparagraph "1" of this paragraph, of the works performed, goods and services delivered by the person having entered into a contract with the Customer with the schedule of acquiring goods, performing works and delivering services (hereinafter, the schedule);
 - c. undertaking measures specified by this Procedure to comply the payments established under the contract for acquiring goods, performing works and delivering services with the schedule of payments (hereinafter, payment schedule) for acquiring goods, performing works and delivering services stipulated by subparagraph "1" of this paragraph.

The Ministry of Finance and Economy of the Republic of Armenia defines the form of the payment schedule.

Procurement documents of the responsible subdivision are signed by its head.

6. Other persons, having a right to advisory vote (hereinafter, advisor), can participate in the works of the responsible subdivision. The nominal list of advisors is approved by the order of the head of the Customer. If the responsible subdivision adopts a decision based on the conclusion of the advisor, than the head of the responsible subdivision shall bear responsibility for that decision, according to the procedure stipulated by legislation, unless otherwise stipulated by the contract concluded between the advisor and the Customer, if such is available.

7. The responsible subdivision takes a decision as on approving the proposal on technical specifications of goods, works and services to be acquired.

8. The technical specifications must fully describe the goods, works and services procured, for them to be clearly defined, ruling out alternative interpretations.

9. The technical specifications include the clear description of the quality, standards, performance output, testing, safety, sizes, conventional signs, terminology, packaging, unloading, marking of goods, works and services procured, as well as other requirements and procedures related to them. The technical specifications, plans, drawings, designs and descriptions (if such are required) must also include:

a. the direct description of goods, works and services procured based on the technical and qualitative specifications (standards) established by the Republic of Armenia;

b. standards, indicators, requirements, conventional signs and conditions, standards of the terms of transactions related to the technical and qualitative specifications of the goods, works and services procured.

10. The technical specifications shall not include references to particular trademarks, firm names, patents, designs or models, specific source origin or producer, with the exception of cases when it is impossible to specify the object of the contract without them. If equivalent references are used, the technical specifications must contain the words "or equivalent".

11. The technical specifications are defined in accordance with the standards effective in the Republic of Armenia.

12. Given the procurement peculiarities, the head of the Customer can, according to this Procedure, create a technical supervising committee (hereinafter, committee) consisting of at least 4 members for performing the functions of the responsible subdivision. The nominal list of the members of the committee is approved by the order of the head of the Customer.

After formation of the committee the head and secretary of the committee are appointed by the decision of the committee. The constitution of the committee remains unchanged up to the last day of the works stipulated by paragraph 5 of this Procedure, with the exception of cases when the performance of responsibilities by the members of the committee or a part of them becomes impossible.

The activity of the committee is performed by collegial principle. The session of the committee is valid if three fourths and more of the members of the committee are present at the sitting. The decision of the committee is considered adopted if more than half of the committee members have voted in favor of it. Each committee member has the right for one vote and in case of a tie the chairman of the committee (presiding person) has the right for a tie-breaking vote.

The chairman and the members of the committee shall sign the decisions of the committee.

13. In case of centralized procurements the authorizations reserved to the Customer by this Procedure are performed by those ministries, agencies, bodies of territorial state administration and local self-government of the Republic of Armenia (hereinafter, bodies of administration), for the needs of which procurements are performed (will be performed). Moreover, in case of performance of centralized procurements for the needs of more than one body of administration, the authorizations reserved to the head of the Customer by this Procedure shall be performed by the heads of the bodies of administration, each one separately.

III. APPROVAL OF PROCUREMENT AND PAYMENT SCHEDULES

14. By the decision specified in paragraph 7 of this Procedure the procurement and payment schedules are also approved.

15. While approving the payment schedule the fact shall be taken into consideration that the appropriations provided by that schedule shall be included in the expenditure estimate approved by the prescribed procedure and effective at the moment of payment. Before the approval of the payment schedule it is presented to the Local Treasury Subdivision of the Ministry of Finance and Economy providing services to the Customer (hereinafter, LTS) for securing agreement.

The LTS ratifies the payment schedule by its seal, if the appropriations prescribed by it and their payment schedule are in compliance with the expenditure estimate approved by the defined procedure and effective at the moment of payment. Otherwise the payment schedule is returned.

IV. DECISION AND CONTRACT ON APPROVAL OF PROCUREMENT SPECIFICATIONS

16. The technical specifications, procurement and payment schedules approved by paragraphs 7 and 14 of this Procedure together with an attached note are submitted to the head of the Customer within 3 working days after their approval. In case of agreeing with the submitted proposal the head of the Customer approves it and enters into the contract according to the procedure stipulated by the law. In case of centralized procurements the head of the body of administration, after approving the proposal of the responsible subdivision, submits it to the State Procurement Agency within 3 business days, according to the defined procedure.

17. The technical specifications as well as procurement and payment schedules prescribed by the contract shall be in compliance with the technical specifications and procurement and payment schedules approved according to paragraph 16 of this Decision.

V. CONCLUSION ON THE PERFORMANCE OF THE CONTRACT

18. The results of performing the contract or part thereof are summarized by signing a delivery-acceptance protocol between the head of the Customer or a person authorized by him and the person having entered into a contract with the Customer, which is signed on the basis of the conclusion of the responsible subdivision (hereinafter, conclusion). The obligation of the Customer to pay for the procurements specified by the contract is considered subject to performance, if there is a positive conclusion of the responsible subdivision and the delivery-acceptance protocol signed on the basis of this conclusion.

19. The responsible subdivision issues a positive conclusion on the results of performing the contract or a part thereof if the supplied goods, the performed works and the delivered services are consistent with the technical specifications and procurement schedule stipulated by the contract. Otherwise, a negative conclusion is issued and recommends the person who has entered into the contract with the Customer to adjust the noticed inconsistencies according to the procedure prescribed by the contract.

20. In case of a positive conclusion the responsible subdivision submits it to the head of the Customer with an attached notice with the purpose of signing a delivery-acceptance protocol, as well as recommends to ensure the appropriation of the payments provided by the contract in accordance with the payment schedule.

Within 3 working days after receiving the positive conclusion of the responsible subdivision and agreeing with it, the head of the Customer or a person authorized by him signs a delivery-acceptance protocol with the person having entered into a contract with Customer.