Legal 500
Country Comparative Guides 2025

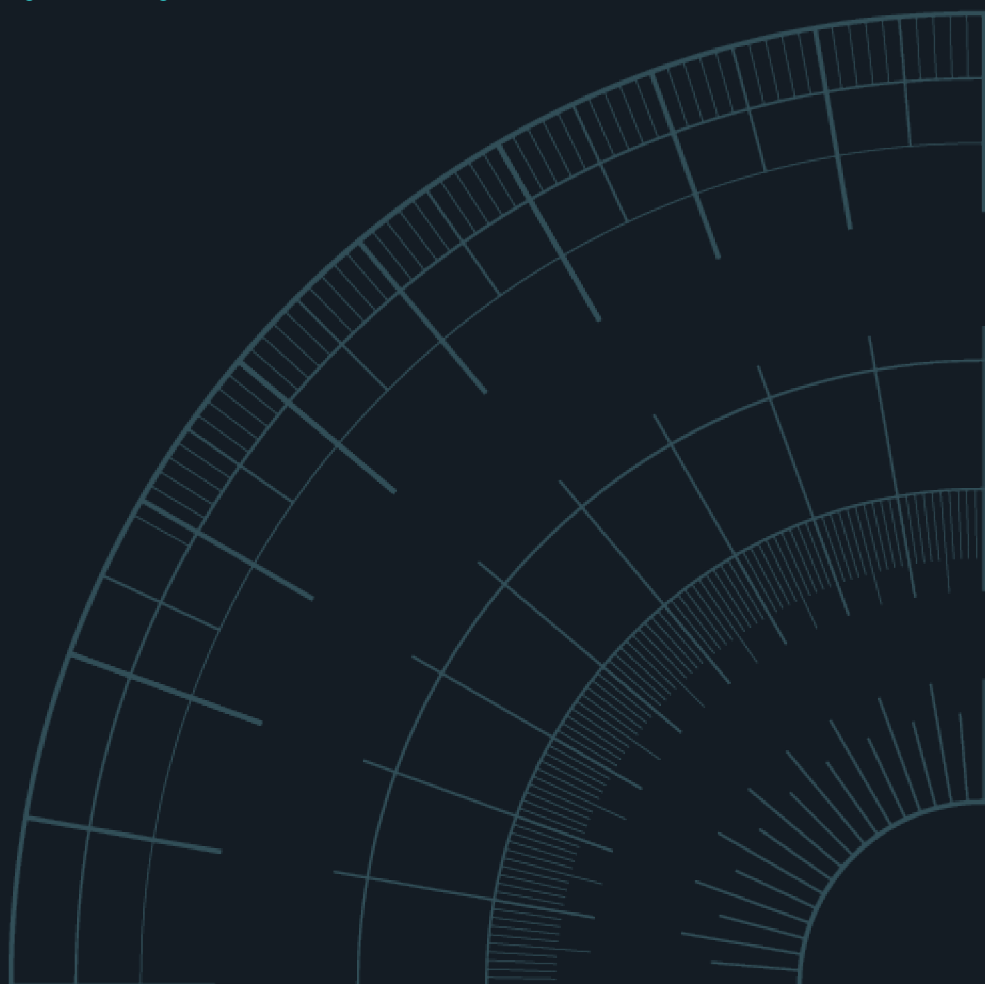
Armenia Public Procurement

Contributor

Concern Dialog Law Firm

This country-specific Q&A provides an overview of public procurement laws and regulations applicable in Armenia.

For a full list of jurisdictional Q&As visit **legal500.com/guides**



Armenia: Public Procurement

*"Complex contracts" refers to contracts including: where the needs of the contracting authority cannot be met without adaptation of readily available solutions; contracts involving design or innovative solutions; where prior negotiation is required before a contract can be awarded due to particular circumstances related to the nature, the complexity or the legal or financial make-up of a contract or because of risks attaching to these circumstances; and where technical specifications cannot be determined with sufficient precision with reference to established technical standards, references or specifications.

1. Please summarise briefly any relationship between the public procurement / government contracting laws in your jurisdiction and those of any supra-national body (such as WTO GPA, EU, UNCITRAL).

The public procurement / government contracting laws are influenced by WTO GPA and UNCITRAL. RA is a member state of the WTO GPA and is obligated to comply with the rules set out in the GPA. UNCITRAL model law on Public Procurement serves as a guideline for legislative procedures.

2. What types of public procurement / government contracts are regulated in your jurisdiction and what procurement regimes apply to these types of procurements? In addition to any central government procurement regime please address the following: regulated utilities procurement regime (e.g. water, gas, electricity, coal, oil, postal services, telecoms, ports, airports), military procurements, non-central government (local, state or prefectures) and any other relevant regime. Please provide the titles of the statutes/regulations that regulate such procurements.

The public procurement is being conducted through electronic auction, tender (open-end, closed-end), request for quotation, single-source procurement. As a result of these procedures a government contract is being concluded.

The government contracts are regulated by the RA "Law on procurements" and by the Civil Code of the RA.

Accordingly, the procurement of utilities for the whole State is regulated by the same laws.

In Armenia, the supply of gas, electricity, and water is carried out by companies to which these systems have been transferred through the procurement process. The prices of these services, as well as the standard contract forms, are determined by a separate state body—the Public Services Regulatory Commission.

For this reason, contracts for services provided by these companies are signed by state bodies without a procurement process.

Although the electricity supply process in Armenia has been liberalized, there are still no private companies in the market that can supply significant capacities, allowing state bodies to conduct a procurement process when signing contracts with one of them. However, in the future, it is possible that the procurement process will also be applied to the purchase of electricity supply services by state bodies.

Military procurements are included in the procurement plan containing state secret. The process of procurement is being conducted through closed-end tender.

3. Are there specified financial thresholds at which public procurement regulation applies in your jurisdiction? Does the financial threshold differ depending on the nature of procurement (i.e. for goods, works or services) and/or the sector (public, utilities, military)? Please provide all relevant current thresholds in your jurisdiction. Please also explain briefly any rules

 © 2025 Legalease Ltd

on the valuation of a contract opportunity.

Law on procurements of the RA defines the basic unit of 1000.000 AMD of procurement, this amount is the same regarding all types of procurements. But the application of public procurement regulations is not contingent on financial value of the procurement. The regulations differ depending on procurements value being below or above the basic unit of procurement. For instance, public control is mandatory for contracts with a value exceeding the basic procurement unit in the context of contract execution and management. Or if the value exceeds the basic procurement unit, the procurement entity must prepare a procurement procedure report within three working days following the conclusion of the contract or the declaration of the procurement procedure as unsuccessful, in case of the value is below the basic procurement unit then the procurement entity ensures the existence and retention of relevant documents regarding the actions taken for the purchase and the basis for actions.

In conclusion, the procurement procedure is regulated by the law regardless of the price of procurement. When the value of procurement exceeds the basic unit then the procedure is more formal or complex than in cases when the value of procurement is below the basic unit.

4. Are procurement procedures below the value of the financial thresholds specified above subject to any regulation in your jurisdiction? If so, please summarise the position.

As already mentioned, all the procurement procedures are subject to regulation in RA regardless of their value, but the procurements below the value of the specified basic unit meet less formal procedural requirements than the ones exceeding the basic unit.

5. For the procurement of complex contracts*, how are contracts publicised? What publication, journal or other method of publicity is used for these purposes?

There are no distinctions in the publication process of contracts based on their complexity in the Republic of Armenia. To invite participants for public procurement through an open-end tender, a procurement notice, and invitation are published on the official website. Before the contract is concluded, the contracting authority is required to publish a notice regarding the decision to award the contract on the website. This notice must be published no later than the first working day following the decision on the selected participant. The timeline for responding to the advertisement is specified in the invitation. In the case of procurement conducted in a paper format, in general the deadline for submitting applications is at least forty calendar days, while for electronic procurement, it is at least thirty calendar days. The participant has the right to request written clarification of the invitation at least five calendar days before the application submission deadline.

6. For the procurement of complex contracts, where there is an initial selection stage before invitation to tender documents are issued, what are typical grounds for the selection of bidders? If there are differences in methodology between different regulated sectors (for example between how a utility might undertake a regulated procurement procedure and how a government department might do so), please summarise those differences.

Initial selection is carried out in the case of a two-stage tendering as well as in closed-end tendering. If the procurement involves state secret, it is conducted through a closed-end tender process to ensure confidentiality and security. The grounds for the selection of bidders are specified in the announcement of initial qualification. Only Initially qualified bidders granted the right to further participate in the procurement process.

7. Does your jurisdiction mandate that certain bidders are excluded from tendering procedures (e.g. those with convictions for bribery)? If so, what are those grounds of mandatory exclusion? Are there any notable features of how this operates in your jurisdiction e.g. central registers of excluded suppliers? Does your jurisdiction specify discretionary grounds of exclusion? If so, what are those grounds of discretionary exclusion?

The grounds of exclusion are specified in the Law on procurements of the RA. Accordingly the following persons are not eligible to participate in procurement:

1. those who have been declared bankrupt through judicial procedure as of the day of submitting the bid;
2. those who have been convicted or a representative of the executive body whereof has been convicted —

 © 2025 Legalease Ltd

within five years prior to submission of the bid — for financing of terrorism, child exploitation or a crime involving human trafficking, creation of a criminal association or participation therein, **receiving a bribe, giving a bribe or mediation in bribery** and crimes against economic activity, except for cases when the conviction is cancelled or expired as prescribed by law
3. an administrative act for anti-competitive agreement or abuse of dominant position in the field of procurement has been adapted in relation thereto has become unappealable within three years prior to the day of submitting the bid or if it was appealed but was upheld without changes.
4. those who have been included in the list of bidders ineligible to participate in the procurement process, published according to the legislation of member states of the Eurasian Economic Union on procurement, as of the day of submitting the bid. This exclusion does not apply to procurement processes funded by means provided for by international agreements. **4/7**

5. those that have been included in the list of bidders ineligible to participate in the procurement process as of the day of submitting the bid. The bidders shall be included in the indicated list, where:
    i. they have violated the obligation provided for by a contract or assumed within the procurement process, which resulted in unilateral rescission of the contract by the contracting authority or termination of further participation of the bidder concerned in the procurement process
    ii. they have refused to conclude a contract as a selected bidder or the right to conclude a contract has been revoked.

The register of excluded suppliers prescribed in point 5 is operated by the Ministry of Finance of RA.

8. Please describe a typical procurement procedure for a complex contract. Please summarise the rules that are applicable in such procedures. Please include a timeline that includes the key stages of the process, including an estimation for the total length of the procedure.

The general procurement procedure is regulated by the Law on procurements of RA as well as the Government decision N 526. Accordingly, the procurement process is a set of processes (functions) which are as follows:

1. Procurement planning: In general, this includes the inclusion of the subject of procurement in the procurement plan.
2. Organization of the procurement process (including approval of the descriptions of a subject of procurement): Within **five working days** after confirming the plan the timeline for organizing procurement processes is defined and a responsible subdivision, a procurement co-ordinator are appointed. If no other deadline is specified in the procurement process organization schedule, the responsible subdivision, within **twenty working days** following the date of the procurement requirement, prepares and approves the procurement bid, the list of persons (candidates) proposed for inclusion in the evaluation committee, according to the priority of their inclusion in the committee, indicating the candidate for the position of the committee chairperson. The responsible subdivision, with a sequential number, shall transfer the procurement bid in writing to the procurement coordinator on the day it is approved by them. The procurement coordinator, within **three working days** following the receipt of the procurement bid, evaluates the compliance of the procurement bid, with the requirements set forth by the legislation of the Republic of Armenia on procurement, and prepares and submits for the approval of the contracting authority's head a draft order on the formation of the evaluation committee, which is to be approved by the contracting authority's head within **two working days**.
3. Conclusion of a contract: Within **three working days** following the formation of the evaluation committee the secretary convenes the first session of the evaluation commission. As a result of the session and based on the procurement bid, the committee approves the text of the procurement or prequalification notice, the text of the invitation, the date, time and venue of the next session of the committee. Within two working days following the day of approval of the texts of, the secretary publishes the procurement notice and the invitation or the pre-qualification notice in the official website. The committee decides on the participants who have submitted applications that meet the requirements of the invitation and announces the selected participants as well as those who are not recognized as selected.
4. implementation and management of the contract.

9. If different from the approach for a complex contract, please describe how a relatively low value contract would be procured. (For these purposes, please assume the contract in question exceeds the relevant threshold for application of the procurement regime by less

© 2025 Legalease Ltd

than 50%)

The general procedure of procurement prescribed under question 8 is the same for all contracts irrespective of the value of the contract.

10. What is seen as current best practice in terms of the processes to be adopted over and above ensuring compliance with the relevant regime, taking into account the nature of the procurement concerned?

The procurement process in RA is based on the following principles:

1. organization of the procurement process based on uniform rules of competition, transparency, proportionality, publicity and non-discrimination,
2. enlargement of the circle of bidders and promotion of competition among them for the purpose of concluding a contract,
3. equality of rights for every person to participate in the procurement process, irrespective of the fact of being a foreign natural person, an organization or a stateless person.

The rules and regulations governing the process of the procurement shall be accepted in implementation of the mentioned principles.

11. Please explain any rules which are specifically applicable to the evaluation of bids.

The bidder is selected based on the principle of giving preference to the participant who has submitted the lowest price offer or by the method of selecting the bidder, the total sum of coefficients given to the price proposal and the non-price criteria thereof is the highest.

12. Does your jurisdiction have specific rules for the treatment of bids assessed to be "abnormally low" for the purposes of a particular procurement (i.e. a low priced bid, significantly lower than any other bid or a bid whose pricing raises questions of sustainability/viability over the contract term)? If so, is there a definition of what "abnormally low" means and please can you provide a short summary of the specific rules?

The legislation of RA does not provide specific rules regarding the treatment of the bids assessed to be "abnormally law" neither there are any criteria specified by the law based on which could be inferred that the price significantly low. But according to the Government decision N 526 the bidder submits the price offer in the form of a calculation consisting of the value (the sum of the cost and the expected profit) and the VAT.

13. Please describe any rights that unsuccessful bidders have that enable them to receive the reasons for their score and (where applicable in your jurisdiction) the reasons for the score of the winning bidder. Are regulated procuring bodies required to provide these reasons for their award decision before awarding the contract in question?

Bids are evaluated according to the procedure defined in the invitation. Bids that meet the conditions specified in the invitation are considered satisfactory; otherwise, they are deemed unsatisfactory and rejected. The selected participant is determined by:

1. Giving preference to the participant who submitted the lowest price offer among those whose bids were evaluated as satisfactory, or
2. Using a selection method in which the sum of the coefficients assigned to the proposed price and non-price criteria is the highest. When applying this method, in cases and procedures defined by the invitation, non-price criteria in addition to the proposed price are also considered during bid evaluation.

Based on the results of the bid evaluation, a protocol of the bid evaluation meeting is prepared and attached to the procurement procedure protocol. On the first working day following the conclusion of the bid evaluation meeting, the protocol is published in the bulletin. In cases of procurements containing state secrets, the protocol specified in this section is sent to all participants who submitted bids on the first working day following the bid opening meeting.

14. What remedies are available to unsuccessful bidders in your jurisdiction? In what circumstances (if any) might an awarded contract be terminated due to a court's determination that procurement irregularity has occurred?

Every person has the right to appeal against the actions

 © 2025 Legalease Ltd

(inaction) and decisions of the contracting authority, the evaluation committee to the Civil court of First instance. As prescribed by the Civil Code of RA transaction, not complying with the requirements of the law or other legal acts is invalid. If the court finds that an awarded contract is invalid, then such contract cannot entail legal consequences.

15. Are public procurement law challenges common in your jurisdiction? Is there a perception that bidders that make challenges against public bodies suffer reputational harm / harm to their prospects in future procurement competitions? If so, please provide brief comment. Assuming a full hearing is necessary (but there are no appeals), how much would a typical procurement claim cost: (i) for the defendant and (ii) for the claimant?

A participant's failure to win in a procurement process cannot in any way create a reputational risk for them or affect their ability to participate in future procurement processes.

The state fee for filing a lawsuit to challenge procurement processes in court (paid by the plaintiff) ranges from 30,000 to 100,000 AMD, depending on the specific nature of the claim.

16. Typically, assuming a dispute concerns a complex contract, how long would it take for a procurement dispute to be resolved in your jurisdiction (assuming neither party is willing to settle its case). Please summarise the key stages and typical duration for each stage.

Disputes related to procurement are examined and resolved within thirty days after the filing of the claim. The court, with a reasoned decision, may extend the deadline only once, for up to ten calendar days.

17. What rights/remedies are given to bidders that are based outside your jurisdiction? Are foreign bidders' rights/remedies the same as those afforded to bidders based within your jurisdiction? To what extent are those rights dependent on whether the host state of the bidder is a member of a particular international organisation (i.e. GPA or EU)?

In general, foreign bidders have the same rights/remedies in RA as the bidders based within RA's jurisdiction. In particular, any person, regardless of whether they are a foreign individual, organization, or a person without citizenship, has the equal right to participate in the purchasing process. Such right can only be restricted by Government resolution of RA, if this follows from the national security and defense interests of RA. Accordingly, foreign bidders are entitled to the same remedies, as nationals and there are no restrictions provided by RA legislation on this matter.

18. Where an overseas-based bidder has a subsidiary in your territory, what are the applicable rules which determine whether a bid from that bidder would be given guaranteed access to bid for the contract? Would such a subsidiary be afforded the same rights and remedies as a nationally owned company bidding in your jurisdiction?

The subsidiary based in the territory of the RA is considered as a resident company, but irrespective of this, all the bidders have the same rights and remedies.

19. In your jurisdiction is there a specialist court or tribunal with responsibility for dealing with public procurement issues? In what circumstances will it have jurisdiction over a public procurement claim?

Procurement-related matters are considered civil relations and are governed by the civil legislation of the RA. Issues regarding public procurement are addressed in accordance with the procedures outlined in the Civil Procedure Code of Armenia, which provides specific rules for the examination of claims related to public procurement. In particular, the court in a specific manner examines and resolves disputes related to the appeal of the actions (or inactions) and decisions of the procuring entity and the evaluation committee.

20. Are post-award contract amendments/variations to publicly procured, regulated contracts subject to regulation in your jurisdiction? Are changes to the identity of the supplier (for example through the disposal of a

 © 2025 Legalease Ltd

business unit to a new owner or a sale of assets in an insolvency situation) permitted in your jurisdiction?

Post-award contract amendments/variations are generally permissible. Only the modification of the descriptions of goods, works and services provided for by the contract is prohibited by the Law on procurements of RA.

21. How common are direct awards for complex contracts (contract awards without any prior publication or competition)? On what grounds might a procuring entity seek to make a direct award? On what grounds might such a decision be challenged?

According to the Law on procurements of RA Procurement may be carried out from a single source where:

1. it is possible to acquire goods, works or services only from single source, which is preconditioned by the copyright and related rights thereof, existence of the special or exclusive right
2. due to emergency or other unforeseen situation, an urgent need for procurement has arisen and, due to emergency or other unforeseen situations the use of other procurement forms is impossible in terms of the time limits, provided that it has been objectively impossible to foresee such need
3. by carrying out procurement of goods from any source, the contracting authority decides to carry out additional procurement of goods from the same source, which have not been included in the initial contract, but due to objectively unforeseen circumstances have become necessary for the performance of the initial contract, provided that: a) the contract of additional goods supply may not be technically or economically separated from the initial contract without causing major inconvenience to the contracting authority, and b) the price thereof does not exceed 10% of the total price of the initial contract. Moreover, additional procurement from the same source, by applying this point, may be carried out once, and the price of additional goods may not be more than provided by the contract
4. the procurement price does not exceed the procurement basic unit

The decision on conducting the procurement from a single source can be challenged to the court if the grounds for making such decision lack.

22. Have your public procurement rules been sufficiently flexible and/or been adapted to respond to other events impacting the global supply chain (e.g. the war in the Ukraine)?

The RA legislation does not specifically cover events that may affect the global supply chain in the context of public procurement. However, the relevant laws include provisions that offer flexibility regarding the procurement procedure in cases of emergency situations including wars.

 © 2025 Legalease Ltd