



REPUBLIC OF ESTONIA  
MINISTRY OF FINANCE

# Introduction to Public Procurement in Estonia

**Evelin Karindi-Kask**

Public Procurement and State Aid Department

09.06.2022

# General

- ✓ Public procurement in Estonia is mostly decentralized
- ✓ There are approx 2700 contracting authorities
- ✓ Approx 8300 (~3,732 billion euros) public procurements are announced in Central Procurement Register annually
- ✓ 97-98% are conducted completely electronically
- ✓ <https://www.rahandusministeerium.ee/en/public-procurement-policy>

# Central purchasing

- ✓ Mandatory central purchasing body procuring IT hardware is Information and Communication Technology Centre
- ✓ Voluntary CPB, except ICT field and real estate, is The State Shared Service Center
- ✓ Voluntary CPB-s in ICT field are also Centre of Registers and Information Systems and ICT Centers for Ministry of Internal Affairs and Ministry of Finance
- ✓ Voluntary CPV in real estate is Riigi Kinnisvara AS
- ✓ Biggest CA in defence is Centre for Defence Investment

# Thresholds

- ✓ National thresholds simple procedure
  - services and supplies 30 000 eur
  - works 60 000 eur
- ✓ National thresholds defined procedure
  - services and supplies 60 000 eur
  - works 150 000 eur
- ✓ International thresholds

All procurements over thresholds are to be announced in central Procurement Register.

Purchases below thresholds should meet the criteria of general principles of public procurement.

# Simple procedure

- ✓ Contract notice in central procurement register
- ✓ Procurement documents must be drawn up
- ✓ Minimum time limit to submit tenders
  - services and supplies 10 days
  - works 15 days
- ✓ Negotiations are allowed
- ✓ Contracting authority needs to verify the absence of obligatory exclusion grounds of the successful tenderer
- ✓ Standstill period is 5 working days
- ✓ Contract award notice in central procurement register

# Defined procedure

Differences from the procedure described in the directives:

- Possibility, but no obligation to publish in TED
- Minimum time limits to submit tender or request to participate are shorter, i.e in open procedure:
  - services and supplies 15 days
  - works 25 days

# Defined procedure

- ❑ Additional grounds for using negotiated procedure without prior publication, i.e:

- subject matter of the contract is :
  - license to use documents or database of library
  - air transport services
  - food products
  - a record, publication, a license to use publications or a thing of cultural value for the purpose of including it in a museum collection, provided that the contracting authority is a museum, archive or library
- services, supplies or works are purchased for a diplomatic representation in a foreign country

# Choices in the procedures defined in the procurement directives

## □ Exclusion grounds

- Breach of obligations relating to the payment of taxes and social security contributions is always mandatory exclusion ground
- Other voluntary exclusion grounds are not mandatory
  - meaning of „not mandatory“: contracting authority has to verify the existence of an exclusion ground but has a right not to exclude the economic operator even if the voluntary exclusion ground exists
- National exclusion grounds
  - conviction by final judgement of tax offences
  - no right to submit a tender



# Choices in the procedures defined in the procurement directives

## ❑ Subcontracting

- Absence of mandatory exclusion grounds must be verified in case of works contracts and works concessions exceeding national thresholds during the procurement procedure and execution of the contract
- In case of late payments on main contractors' part, contracting authority may, upon request of the subcontractor, suspend payments to the main contractor
- Direct payments to subcontractors are possible under Law of Obligations Act

# Litigation

- Mandatory first instance litigation body in public procurement is Public Procurement Review Committee
- Economic operator may contest procurement documents or any decisions taken by the CA:
  - ✓ documents 5 working days before the deadline for submitting tender (2 working days in case of simplified procedure)
  - ✓ decisions within 10 days of notification by the CA
  - ✓ State fee:
    - 640 euros** if the estimated value of a public procurement is below the international threshold;
    - 1280 euros** if the estimated value of a public procurement equals or exceeds the international threshold.
- Decisions of the Committee may be appealed in first instance administrative court
- <https://www.rahendusministeerium.ee/en/objectivesactivities/public-procurement-policy/public-procurement-review-committee>



REPUBLIC OF ESTONIA  
MINISTRY OF FINANCE

# Thank You!

Evelin Karindi-Kask