**GOVERNMENT OF THE REPUBLIC OF ARMENIA**

**DECISION**

No 442-N of 1 April 2021

**ON ESTABLISHING THE TERMS FOR APPLICATION OF THE ANTI-CRISIS INTERIM MECHANISM IN THE PROCEDURES FOR STATE PROCUREMENT**

Taking as basis points 4, 6, and 8 of part 1 of Article 5 of the Law of the Republic of Armenia "On procurement" and for the purpose of ensuring the measure envisaged by point 13 of the Package of Instruments and the assistance programmes within the framework of the economic response programme, approved by Annex No 3 to the Decision of the Government of the Republic of Armenia No 142-L of 4 February 2021, the Government of the Republic of Armenia hereby ***decides***:

1. Prescribe, that:

(1) the requirements of this Decision shall apply to the procedures for the tender, the price quotation and those arranged as electronic auction, envisaged by the Law "On procurement" at the expense of the state budget funds, the price of the contract concluded within the scope whereof, per lots, shall not be less than the base unit of procurement, and the given contract should be funded during 2021;

(2) the invitation for the procurement procedure (the draft contract) shall envisage that:

a. where under the contract to be concluded within the procedure concerned the bidder undertakes to direct, in the course of implementing the contract, more than 50 per cent of the cost submitted in the price proposal as a total sum, to implementation of a contract by use of labour and (or) production resources having origin of Armenia, the latter shall compensate 1 per cent of the contract price under the terms established by the contract to be concluded. Moreover, in case of accepting the condition envisaged by this paragraph, the bidder shall submit, in a bid, a statement on assuming the obligation confirmed thereby:

- also attaching, in case of procurement of works and services, the list of materials to be used, indicating the names, prices and quantities,

- also indicating the number of employees, who will ensure the implementation of the contract. Where as a result of evaluation of the statement submitted in a bid, inconsistencies with the requirements of this sub-point are identified and the bidder fails to rectify them within the time limit established by the legislation of the Republic of Armenia on procurement, the bid of the bidder shall not be rejected and in case he or she is recognised as a selected bidder, the contract to be concluded shall not envisage conditions for the opportunity to compensate the sum;

b. the bider shall, along with the handover-takeover act for each stage within the implementation of the contract, submit to the contracting authority the copies of the certificates of the country of origin of the production resources having origin of Armenia used to ensure the implementation of the stage concerned and of the invoices for acquisition of resources, as well as of the statement of information approved thereby, concerning the sums paid to the relevant number of employees, by indicating the amounts of sums paid per employees and the public service numbers thereof;

c. the compensation shall be made where the information submitted is evaluated as complying with the established requirements;

(3) the compensation shall be made from the 2021 reserve fund of the Government of the Republic of Armenia of the 2021 state budget of the Republic of Armenia, based on the letter from the Ministry of Economy of the Republic of Armenia addressed to the Ministry of Finance of the Republic of Armenia, pursuant to the information envisaged by point 3 of this Decision. The operations performed shall be record-registered under the measure 12010. "Supporting consumption of labour and (or) production resources having origin of Armenia" of the programme 1224. "Counteracting the crisis as well as reducing and eliminating the consequences of emergency situations" of the programme classification of the budget expenditures of the 2021 state budget of the Republic of Armenia and shall be reflected, in a prescribed manner, in the reports on execution of the 2021 state budget of the Republic of Armenia. Where due to the end of the budget year, it is impossible to make the compensation during 2021, it shall be made during 2022, within 30 working days from the date of the entry into force of the decision of the Government of the Republic of Armenia on envisaging the relevant financial means for that purpose.

2. The head of the contracting authority shall, within two working days following the full takeover of the outcome of the contract implementation in case the amount of sums indicated in the information given in the submitted documents is not less than 50 per cent of the cost provided for by paragraph "a" of sub-point 2 of point 1 of this Decision, submit to the Ministry of Economy of the Republic of Armenia a written assertion on implementation of the contract by use of labour and (or) production resources having origin of Armenia, by attaching the copy of the statement(s) of information provided for by paragraph "b" of sub-point 2 of point 1 of this Decision. Moreover, the fact the obligations for the revenues controlled by the tax authority for the part of the sums paid to the employees indicated in the statement of information are met shall be verified by the Ministry of Economy of the Republic of Armenia through the State Revenue Committee of the Republic of Armenia.

3. The documents envisaged by point 2 of this Decision shall be studied within twenty working days following the receipt thereof. Based on the information given,

(1) the Ministry of Economy of the Republic of Armenia shall, within three working days following the date the fact is confirmed, submit to the Ministry of Finance of the Republic of Armenia a letter for making the compensation of the sum, indicating the amount of the sum, the name of the recipient, the TIN, the date and the code of the contract, within the scope whereof the compensation is made. The Ministry of Finance of the Republic of Armenia shall make the compensation of the sum within three working days following the receipt of the letter envisaged by this point. Moreover, the Ministry of Economy of the Republic of Armenia shall simultaneously provide the copy of the letter envisaged by this sub-point to the person having concluded the contract and the contracting authority;

(2) the Ministry of Economy of the Republic of Armenia shall, within three working days following the date the fact is not confirmed, notify the person having concluded the contract and the contracting authority thereon, indicating the grounds for rejection.

4. This Decision shall enter into force on the tenth day following its official promulgation and shall apply, till the entry into force of this Decision, to the following.

(1) the procurement procedures, initiated and not completed,

(2) the concluded contracts the supply of goods, performance of works or provision of services under which is not completed as of the date of the entry into force of this Decision, provided that the bidder shall submit the documents to the contracting authority with a handover-takeover act.

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| **Prime Minister  of the Republic of Armenia** | **N. Pashinyan** |
| **Yerevan** |  |

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|  | 01/04/2021  CERTIFIED BY ELECTRONIC SIGNATURE |

**Date of official promulgation: 2 April 2021.**