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MARKET RESEARCH

- as an instrument for encouraging competition -

June 2018, Belgrade

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I. INTRODUCTION

This paper has been prepared within a framework of the project “Support for Further Improvement of Public Procurement System in Serbia” which is funded by the European Union and implemented by a consortium led by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

The main purpose of the project is to support the strengthening and developing of a stable, transparent and competitive public procurement system in the Republic of Serbia in accordance with EU standards, including improved implementation of the public procurement strategic and policy framework for an effective and accountable public procurement system.

The results required from the project include:

- strengthened and further developed the strategic, legal and institutional framework for public procurement aligned with the EU legislation,
- improved implementation of regulations in area of public procurement in practice
- E-procurement platform developed and established and
- strengthened capacities and professional skills of the Serbian Public Procurement Office and other relevant target groups.

Public procurement is a crucial pillar of services delivery for governments and a key element of public administration, which links the public financial system with social and economic results. Establishing an effective and credible public procurement system should focus not only on developing a sound legislative framework, harmonised with EU Directives, but also on strengthening the capacity of both central institutions and contracting authorities/entities. The correct and coherent implementation of public procurement rules results in benefits in terms of efficiency and effectiveness for public administrations, for economic operators and for citizens.

One of the most important objectives of the public procurement system is to ensure a competitive environment in the market, in order to achieve best value for tax payer’s money. Competition leads, in particular, to lower prices/costs, better quality of goods, services and works, and could serve as an important driver of innovation. Safeguarding free competition is one of the crucial principles in public procurement, and it is manifested indirectly in all the other procurement principles, including free access to procurement procedures, publicity and transparency of the procedures, non-discrimination and equal treatment of economic operators.

Transparency in public procurement is a key factor for ensuring a high level of competition. According to the ECJ case-law¹, transparency “consists in ensuring, for the benefit of any potential tenderer, a degree of advertising sufficient to enable the services market to be opened up to competition and the impartiality of the procedures to be reviewed”.

¹ Case C-324/98, *Telaustria* (paragraph 62)





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A superficial interpretation of the principle of transparency could lead to the conclusion that transparency is limited only to the obligation of publishing calls for competition for the contracts to be awarded by contracting authorities/entities. Indeed, publication of the contract notices is a crucial aspect for ensuring the necessary minimum level of information with regard to procurement procedures. However, transparency should be understood as the concept of ensuring openness and publicity **at all the stages of the procurement process**, so that to enable all stakeholders to ascertain that the contract has been awarded in a fairly manner.

In brief, the most relevant measures for ensuring a high degree of transparency are the following:

- **Publicity of procurement opportunities**
 - One single point for publication of the contract notices
 - Standard formats for notices
 - Searching mechanisms for identifying the procurement opportunities
- **Disclosure of the rules to be followed**
 - All the rules related to qualification and award criteria are provided in a detailed manner in procurement documents
 - Technical specifications are clearly defined in procurement documents
 - One single point for publication of the procurement documents
- **Public opening of tenders**
- **Informing all the participants regarding the results of the procurement procedure**
- **Publicity of the contracts awarded**
 - One single point for publication of the contract award notices
 - Standard formats for notices
 - Searching mechanisms
- **Information about the progress of contracts execution**

Is transparency sufficient for ensuring a high level of competition?

In the last years, the legislative framework in Serbia has been well developed and provides proper conditions for ensuring transparency in public procurement.

All procurement notices and documents must be published on the Public Procurement Portal (PP Portal), including those for low-value contracts. The PP Portal is an important tool to provide a transparent and well-structured source of information for the business community.





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However, despite the extensive publication rules and the preference for open procedures, the official statistics shows that the average number of tenders submitted for each competitive procedure is about 3.0, and in more than 40% of the procedures only one tender was submitted.

The evolution of certain key-indicators shows that even in EU – where public contracts above the EU thresholds have to be published on the “Tenders Electronic Daily” (TED) platform, and the average number of tenders submitted is relatively high² – the competitive process is losing intensity and, apparently, companies encounter difficulties accessing procurement markets³.

How to make a public contract more attractive for the market is sometimes a real challenge for the contracting authority/entity. Especially for complex contracts (but not limited to these), **market research is considered a useful tool to identify the main characteristics of the targeted market sector, to avoid imposing artificial barriers to competition and stimulate the participation of the economic operators in procurement procedures.**

II. MARKET RESEARCH IN PUBLIC PROCUREMENT

Market research is a process performed in the planning stage of a procurement procedure, by a contracting authority/entity or by a specialised expert/company on behalf of the contracting authority/entity, with the purpose of collecting information regarding a specific sector of the market and assessing the reaction of the potential tenderers to a proposed procurement approach. The findings and conclusions deriving from the market research represent the contracting authority/entity’s understanding of the environment in which it will conduct the public procurement processes. Market research can contribute significantly to the effective management of a procurement process and to positive delivery outcomes.

EU AND NATIONAL LEGAL FRAMEWORK

The 2004 Directives did not contain explicit provisions as regards market research/market consultation but, nevertheless, this process has never been forbidden.

During the preparation of the 2014 EU legislative package, it was considered that certain general rules in this respect should be provided in the new text, in order to secure the observance of the principles of non-discrimination, equal treatment and transparency. The rules provided in 2014 Directives focus only on cases implying direct contact/engagement with economic operators, particularly on the following two main aspects:

² The average number of tenders submitted per procedure was 5.4 in 2011 (according to a Study prepared in 2011 for the European Commission by PwC, London Economics and Ecorys)

<https://ukmin.lrv.lt/uploads/ukmin/documents/files/Studija%20d%C4%97l%20kainos%20ir%20efektyvumo%20vie%C5%A1uosiuose%20pirkimuose.pdf>

³ Between 2006 and 2016, the number of tenders with only one bid has grown from 14% to 29%. (EUROPEAN SEMESTER THEMATIC FACTSHEET – PUBLIC PROCUREMENT)

https://ec.europa.eu/info/sites/info/files/european-semester_thematic-factsheet_public-procurement_en.pdf





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- Preliminary market consultation
- Prior involvement of candidates or tenderers

It is worth to mention that EU 2014 Directives do not impose market research as an obligation for contracting authorities/entities. Moreover, EU Directives describe certain general rules only for cases where contracting authorities/entities enter in direct contact/engagement with the economic operators.

Directive 2014/24/EU⁴

Article 40

Preliminary market consultations

Before launching a procurement procedure, contracting authorities may conduct market consultations with a view to preparing the procurement and informing economic operators of their procurement plans and requirements.

For this purpose, contracting authorities may for example seek or accept advice from independent experts or authorities or from market participants. That advice may be used in the planning and conduct of the procurement procedure, provided that such advice does not have the effect of distorting competition and does not result in a violation of the principles of non-discrimination and transparency.

Article 41

Prior involvement of candidates or tenderers

Where a candidate or tenderer or an undertaking related to a candidate or tenderer has advised the contracting authority, whether in the context of Article 40 or not, or has otherwise been involved in the preparation of the procurement procedure, the contracting authority shall take appropriate measures to ensure that competition is not distorted by the participation of that candidate or tenderer.

Such measures shall include the communication to the other candidates and tenderers of relevant information exchanged in the context of or resulting from the involvement of the candidate or tenderer in the preparation of the procurement procedure and the fixing of adequate time limits for the receipt of tenders. The candidate or tenderer concerned shall only be excluded from the procedure where there are no other means to ensure compliance with the duty to observe the principle of equal treatment.

Prior to any such exclusion, candidates or tenderers shall be given the opportunity to prove that their involvement in preparing the procurement procedure is not capable of distorting competition. The measures taken shall be documented in the individual report [...]

Law on Public Procurement

The current 2012 Law on Public Procurement (henceforth 'LPP') does not contain an explicit provision requiring the contracting authorities to conduct, before launching of a procurement

⁴ The texts are similar in Directive 2014/25/EU, see Articles 58 and 59.





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procedure, of a market research. However, the existence of such obligation is somehow implied by provisions of LPP, in particular those dealing with the estimation of public procurement. Article 64 (3) of LPP states that *“The estimated value of public procurement must be based on completed inquiries, market research relevant for public procurement subject, including checking prices, quality, guarantee period, maintenance etc., and must be valid at the time of the initiation of procedure.”*

The issue of preliminary market consultations is regulated in Article 136 of the Serbian (draft) Law on Public Procurement in a very similar manner⁵ as in Article 40 of the Directive 2014/24 EU.

So far, at the EU level only few guidelines have been developed with the specific purpose to address the topic of market research in public procurement.

It is important to specify from the very beginning that some of the issues discussed in those documents⁶ are taken up in this material.

In conclusion, except the requirements provided in the above mentioned text of the EU Directives, uniform rules on how to organize different forms of market research do not exist. As part of the planning process of any procurement, market research should be decided in accordance with internal procedures of each contracting authority/entity.

A (general) methodology for performing market research should focus on the following main aspects:

- Objectives of market research
- Type of research (how to collect information)
- Analysis of collected data
- Record of the market research process

⁵ Draft PPL, Article 136: *“Before launching a public procurement procedure, procuring authority/entity may research the market with a view to preparing the public procurement procedure and informing economic operators of its procurement plans and requirements.*

Procuring authority/entity may seek or accept advice from independent experts, competent authorities or economic operators in relation with the public procurement procedure, provided that this does not violate the principles of ensuring competition, equality of economic operators, and transparency.”

⁶ See, in particular:

- Market Analysis, Preliminary Market Consultations, and Prior Involvement of Candidates/Tenderers. SIGMA OECD Brief 32 Public Procurement, September 2016 (SIGMA)

<http://www.sigmaweb.org/publications/Public-Procurement-Policy-Brief-32-200117.pdf>

- Supply Market Analysis: Guidance Note General 2. National Public Procurement Policy Unit, Dublin, Ireland, 2006 (NPPPU)

<http://etenders.gov.ie/Media/Default/SiteContent/LegislationGuides/23.%20Supply%20Market%20Analysis.pdf>





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II.1 INITIAL MARKET ANALYSIS

Efficient public procurement starts with an accurate and unbiased assessment of the contracting authority's needs. Goods, services or works should be procured only if there is an identified need in the foreseeable future. Needs assessment will in particular involve a decision as to whether the envisaged purchase is required, and whether the envisaged quantities and technical requirements are justified.

The annual public procurement plan (PP plan) is considered a useful management instrument for planning and monitoring the procurement processes at the contracting authority/entity's level. It summarises all procurement processes that must be initiated in a fiscal year, identifies the resources necessary for the implementation of these processes and reflects the manner in which the goals set forth in the procurement policy are fulfilled.

The annual PP plan is materialized into a list of public procurement contracts of different types (supplies, services, works contracts) and their estimated values.

The annual PP plan should also include the decisions as regards the type of procurement procedure to be applied and, where appropriate, the special procurement tools/technics to be used (such as framework agreements or dynamic purchasing systems).

For each contract, an individual procurement plan/strategy is usually recommended to be developed in order to ensure the fulfilment of the proposed targets. The time schedule of the procurement procedure, technical specifications, qualification requirements, award criteria, contractual clauses – all of these aspects are critical for the success of the procurement and should be taken into considerations during the pre-award phase.

Sound planning of public procurement requires good knowledge of the characteristics of the market. As an instrument for supporting the elaboration of annual and individual procurement plans and strategies, a minimum market research will involve the gathering of information that will help the contracting authority/entity in:

- Understanding the market structure and type of competition
- Understanding the marketplace from the economic operators' perspective
- Clarifying where the leverage points and opportunities exist in the market place
- Getting a view on the market prices

1. Market structure and level of competition

In the first stage, market research may focus in particular on **how many companies are active on the relevant market and how many tenders can be expected in response to a call for tenders.**

A "good market" for contracting authority/entity is the one where we can find a large number of economic operators and where an abundance of products is noted. In such cases, the prices usually reflect the outcome of the genuine competition and the profit of the economic operators





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falls within a normal margin. In consequence, the contracting authority may expect the many suppliers will respond to the call for tenders and submit responsive and competitive tenders.

A “bad market” for contracting authority/entity is the one where only few economic operators are active. If the number of economic operators (potential contractors) is low, there is always a danger for contracting authority/entity to get disproportionately high prices and receive very little or no tenders at all.

2. Sources for analysing the market structure, type of competition and market prices:

- own experience of the contracting authority/entity’s staff, related to the previous procedures or the knowledge of the market as consumers
- informal discussions and exchanges of information with other procurement specialists;
- websites (including PP portal), other publications;
- trade bodies/chambers of commerce;
- marketing materials of economic operators (leaflets, catalogues/e-catalogues), which can be significant sources of information in respect of detailed descriptions of products, business conditions, price lists, etc.

The market research should not be performed by any means with the purpose of using the catalogues in order to simply copy the technical specifications of a particular product; the main goal of the research is to get acquainted with a wider variety of options, solutions or methods, and to identify the best approach for the contracting authority/entity.

3. Initial analysis of collected data

The collected information regarding the market structure and level of competition, will be used for a first analysis that should be performed in order to establish the “position/sensitivity” of the contract within the procurement portfolio of the contracting authority/entity. For this purpose, it is recommended to use a contract positioning matrix (adapted from Kraljic Matrix⁷), as a useful tool for determining where the contract is placed, in accordance with the perception of the contracting authority/entity. The matrix will take into consideration two

- Importance of the contract for the contracting authority/entity – irrespective if (i) the importance is given to the value of the contract or, (ii) although the value is not substantial, the contract is, nevertheless, paramount for the activity of the contracting authority/entity, for public interest and/or for its operations (*horizontal axis*)
- Supply risk/Complexity of the market (*vertical axis*)

The matrix divides the perceptions on the position of the contracts in four quadrants:

⁷ In 1983, Peter Kraljic created a matrix called *Kraljic portfolio purchasing model* that could be used to analyse the purchasing portfolio of a company. This matrix helps a company gain an insight into the working methods of the purchasing department and how they spend their time on various products.





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1. Quadrant I Non-critical contracts
 - usually, the contracts imply routine procurements but, due to their high number, may require the involvement of many resources and disproportionate costs
2. Quadrant II Leverage contracts
 - such contracts may be used in a way that can exploit the purchasing power of the contracting author/entity as well as for promoting innovative procurement, environmental and/or social goals
3. Quadrant III Bottle-neck contracts
 - in spite of their low value, as result of the structure of the market, these apparently non-important contracts may negatively affect the activity of the contracting authority/entity in the future
4. Quadrant IV Strategic contracts
 - usually, big value contracts or very important contracts are included here, and the response from the market is not expected to be satisfactory, as result of their complexity and/or their very high value

The contracts positioning matrix may have the following format (the more detailed explanation is provided immediately below the table):

Matrix 1

<i>High</i>	QUADRANT III Bottle-neck contracts <ul style="list-style-type: none"> - Low value (from the perspective of contracting authority/entity) - Not essential <u>NOW</u> for fulfilling the goals of the contracting authority/entity - No many potential contractors on the market, and/or - Production-based scarcity, and/or - Technical and/or commercial complexity <p>Examples: specialised equipment, spare parts needed for the operation of equipment/instruments, certain research services, electronic signature certification services, specialised works</p>	QUADRANT IV Strategic contracts <ul style="list-style-type: none"> - High value (from the perspective of contracting authority/entity), and/or - Essential for fulfilling the goals of the contracting authority/entity - No many potential contractors on the market, and/or - Production-based scarcity, and/or - Technical and/or commercial complexity <p>Examples: fuel, medicines, buses, research services, large transformational IT projects, big infrastructure projects/works (such as motorways)</p>
	QUADRANT I	QUADRANT II





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Supply risk	Non-critical contracts	Leverage contracts
	<ul style="list-style-type: none"> - Low value (from the perspective of contracting authority/entity) - Not essential for fulfilling the goals of the contracting authority/entity - Many potential contractors on the market - No production-based scarcity - No technical and commercial complexity <p>Examples: routine purchases, office supplies, newspapers, courier services, cleaning services, small renovations works</p>	<ul style="list-style-type: none"> - High value (from the perspective of contracting authority/entity), and/or - Essential for fulfilling the goals of the contracting authority/entity - Many potential contractors on the market - No production-based scarcity - No technical and commercial complexity <p>Examples: cars, equipment/instruments, software, design services, rural roads construction</p>
<i>Low</i>	<i>Low</i>	<i>High</i>
	Importance	

The main goal in public procurement should be to obtain, by way of competition, the best results, quantified in reduction of prices/costs and increasing the quality of the supplies/services/works. The contracts positioning matrix can be used in this respect, depending on the position where the contract is placed in the relevant Quadrants.

Here is the more detailed characteristics of the contracts located in the respective Quadrants:

➤ **Quadrant 1**

The number of economic operators is high or very high and the supplies/services/works are available on the market at any time. The contract is not critical for contracting authority/entity and its complexity is low. From the purchasing point of view, the contract is not expected to cause technical or commercial problems.

For such procurement, is generally not necessary to carry out supplementary market research A simple desk-based analysis that is used to clarify the market structure and understand prices should be sufficient in this case.

However, in spite of their simplicity, such routine purchases may consume the most part of the procurement department's time, while they often represent only a small part of the total (annual) procurement value. Therefore - rather than continuing to focus on the market research - the most important target should be the reduction of the internal costs of the contracting authority/entity, which may be obtained by using standard procurement documentation and/or aggregation of the demand at the level of contracting authority/entity or a central purchasing body.

➤ **Quadrant 2**





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The number of economic operators is high or very high and the supplies/services/works are available on the market at any time, but the contract may be considered critical, due to its value or its importance for the activity of the contracting authority/entity.

The best approach is not to set the technical requirements so that to enable participation of all the potential suppliers available on the market and, then, to award the contract on the basis of the price alone (the lowest price criterion). Quite the contrary, considering the potentially high competition, the contracting authority/entity should try to maximise the advantages of the existing situation on the market by using various incentives in order to obtain better quality and reduction of the global price.

Various award criteria can be identified provided that they are objective, transparent, non-discriminatory and linked to the subject-matter of the contract. If the above-mentioned conditions are fulfilled, the fact that certain criteria adopted by the contracting authority/entity to identify the economically most advantageous tender could not be satisfied by all economic operators available on the market is not in itself such as to constitute a breach of the principle of equal treatment⁸.

Therefore, if needed, **market research may be performed in a more detailed manner, focusing on aspects such as:**

- **Innovative solutions, new technologies**
- **Price discounts for big quantities**
- **Economic solutions from the perspective of whole life costs**
- **Additional features**
- **Faster delivery**

Market consultation is the recommended type of continuing the research in this case, which usually implies contact/dialog with economic operators and/or other organisations with relevant expertise, such as trade bodies or chambers of commerce.

➤ **Quadrant 3**

The number of economic operators is low or very low. The contract is not critical for contracting authority/entity at the moment, but it is expected to become important in the near future. Few suppliers and/or high complexity make it difficult to obtain those products/services/works on the market or the costs may be disproportioned. To avoid this potential bottle-neck, the purchasing strategy commonly recommended is based on reduction of the negative effects of this situation.

One approach is to establish when is the best moment for making the procurement, taking into consideration the characteristics of the commercial cycle.

⁸ Case C-513/99 *Concordia Bus Finland* (paragraph 85)





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Market research may focus on the **commercial cycle**, with the purpose of identifying what commercial stage the product is in. The commercial life cycle model consists of four stages:

- a. Introduction;
- b. Growth;
- c. Maturity;
- d. Decline.

Understanding the commercial cycle might help the contracting authority/entity to understand the manner in which the economic operators will compete, taking into consideration that each stage of the commercial life cycle is characterized by various marketing strategies.

For instance, during the introduction stage, economic operators may use penetration (lower) prices to gain market share by offering their goods and services at prices lower than those of the competitors or, on contrary, they may use premium (higher) prices when they are introducing a new product that has distinct competitive advantages over similar products.

During the growth and maturity stages, economic operators shall use all the means to increase the efficiency and obtain competitive costs.

During the decline stage, economic operators will seek to exit the market, often providing significant discounts or trying by various means to rekindle buyers' interest.

In conclusion, analysis of the commercial cycle may give answer to an important question, such as "buy now or it is better to wait and buy later?" This question is particularly important for contracts included in Quadrant 3, but its applicability may also be taken into account in all the cases, irrespective of the position of the contracts within the matrix.

Another approach is to check on the market if there are any substitutes.

Market research, including **market consultation**, may focus on the **availability of similar/substitute products/services** that can provide an alternative for meeting the needs of contracting authorities. Focus on the outcome, instead of on the products/services existing on the market, often opens a relatively wider range of solutions and suppliers. Substitute products/services are sometimes overlooked, because there is a trend of focusing solely on certain existing products/services or just because technical specifications are too strict.

In some cases, such as very expensive spare parts of certain equipment, it could be more advantageous for the contracting authority/entity to replace that equipment with a new one, than to continue to ensure its functionality by purchasing spare parts from a supplier who tries to exploit the position of "captive client" of that contracting authority/entity.

➤ Quadrant 4





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The number of economic operators in the market is low or very low and the contract is critical for contracting authority/entity.

The basic rule of attracting competition is to prepare the **technical requirements/specifications in a generic way**, paying attention more on the outcome and not on the description of certain characteristics in a precisely manner.

However, in some cases, only to define a generic specification will not be sufficient for attract economic operators. For instance, if the value of the contract is low, probably is not attractive for economic operators, even if the technical specifications are prepared in a fair manner. Therefore, the best strategies to be applied by the contracting authorities/entities would be to analyse the possibility to:

- **conclude a framework agreement**, for a longer period of time and including a larger package of similar supplies/services/works (bigger quantities), which could become more attractive for the market; and/or
- **set up consortia of contracting authorities/entities** in order to create the prerequisites for obtaining a better price, based on the larger amount of such products/services.

The opposite of the above example is the case where the value of the contract is very high; this may be the main cause for having only one or two large economic operators available in the market. A solution is to **divide the contract into smaller lots**, either geographically or by their nature.

Market research, including **market consultation**, may be performed with focus on the aspects mentioned above.

The gathering of information through market research is essential, particularly for high value projects. In such cases, good practices require that the market research be carried out by more than one member of the procurement team, with the purpose to strengthen the contracting authority/entity's understanding of the market. If contracting authorities/entities do not have the necessary personnel and know-how to make the market research they may hire external consultants.

4. Identifying potential restrictions of competition

Analyse of the market structure and level of competition may lead to the conclusion that the contract to be awarded is placed in Quadrants 1 or 2, but at the same time the past experience of the contracting authority/entity may show that a low number of tenders were received for similar contracts. In such cases, the main question is why the level of participation of the economic operators was not satisfactory, and far below what could be expected from a "good market". The crucial question is then what went wrong? The answer could be that insufficient competition had happened as result of the fact that contracting authority/entity – with or without intention – imposed certain restrictions during the previous procurement procedures, which artificially narrowed competition.





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Thus, to avoid this problem and ensure that genuine competition takes place it is essential to stipulate reasonable requirements, suitable technical specifications and award criteria, adequate to the scope and value of the contract.

What are the main barriers which discourage economic operators from responding to call for competition or even lead them to avoid such opportunities?

- Too short time to prepare the tender

Indeed, the law provides for minimum time limits which contracting authorities/entities are obliged to observe. It should be noted that those time periods are set as minimum – the contracting authorities/entities may not shorten time periods, but in specific cases they should consider whether a nature or complexity of the procurement requires additional time for elaborating a responsive and competitive tender.

Issuing a Prior Information Notice (PIN) to draw the attention of the potentially interested economic operators before the actual procedure is launched is an additional way of avoiding weak participation of the economic operators at certain procurement procedures. At the same time, publication of PIN leads to shortening of time periods – and this could be perceived as an incentive for contracting authorities/entities to make such decision.

- Use of irrelevant or redundant qualification criteria

Qualification requirements must be relevant with regard to the subject matter of the procurement and defined in such manner as to ensure that the tenderer has the legal, financial and technical capacity to perform the contract. However, qualification requirements should also be reasonable in order to make competition possible. If they are too restrictive, competition will fail.

- Costs of preparing the tender, too high administrative burdens

Especially SMEs are affected by the tendency of contracting authorities/entities to impose a high number of formalistic requirements.

Requirements of cumbersome means of proof, which sometimes exceed the limitative list provided by the Directives - such as notarized, certified documents, copies of all invoices for proving the turnover, copies of labour contracts of all staff - may lead to a very low number of tenderers participating at the procurement procedures or a very high number of tenderers rejected from the procurement procedures as result of non-fulfilling the qualification criteria.

Issues regarding equivalence/recognition of professional qualifications could also be a source of uncertainty. Level of financial guaranties required is sometimes perceived as a barrier which discourages SMEs from participating in procurement procedures.

- Unclear or bias technical specifications (imprecise, unclear, restrictive or even “tailored-made” in favour of one economic operator and/or one product)

Technical specifications, which are the descriptions of the minimum technical requirements of what must be delivered under the public procurement contract, must be objective in the sense





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that they do not be defined in favour of an economic operator or particular products or services and also sufficiently clear in order to ensure that they are understood in the same way by all economic operators. Confusions or complexities in the procurement documents may result in a low number of submitted tenders or a biased evaluation.

Technical specifications always represent a high-risk area during the preparation of procurement documents. In order to mitigate that risk, good practice requires - where appropriate - that technical specifications be set out in terms of performance and functional requirements rather than design or descriptive standards.

There are situations where, instead of specifying carefully a particular technical solution, a contracting authority/entity may find more appropriate to simply describe the problem that needs to be solved and the desired outcomes. In such cases, the tenderers will have the opportunity to use their technical know-how and innovative capacities to design the optimal technical approach.

- Contract terms and conditions are not well-balanced

Contract terms and conditions should be fair and balanced, and should reflect the best available business practice.

Inappropriate allocation of risks between the contracting authority/entity and the contractor may be one of the reasons for low participation at the procurement procedure. The tendency to allocate the most important risks to the contractor, even those depending on the contracting authorities/entities (access to the site, authorisations, permits), rather than distributing each risk to the party the most able to assume it, may artificially narrow down competition, as serious competitors will be discouraged to participate. Moreover, in some cases, it may be more expensive to allocate a specific risk to the contractor than assuming it by the contracting authority/entity.

The maximum duration of the contract provided in the procurement documents, if is not well dimensioned in accordance with the whole range of envisaged activities and their complexity, may hinder some economic operators to participate in the procurement procedure.

Contract clauses that do not allow interim payments during the performance of the contract or only very rare interim payments may create cash-flow problems for the contractor and even affect its financial stability. This issue is sometimes combined with the information that contracting authority/entity encountered financial difficulties in other previous contracts and did not make payments on time.

The estimated value of the contract may also be perceived by economic operators as an important barrier, where that value has been underrated in relation with the subject-matter of the contract.

- Award criteria

Non-incentive award criteria, such as the use of lowest price only, can make some economic operators to refrain themselves from participating in procurement procedures, particularly





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where the value of the contract is rather low, but the cost of participation is perceived as being high.

Good practice requires that contracting authority/entity set out all award criteria and their relative weighting in detail in the procurement documents. As a practical matter, the use of predetermined points to decide on the winning tender helps to shelter the process from the corruption and ensures that the evaluation process will be more transparent.

- Large size of the contracts

Certain qualification requirements are usually related to the size of the contract. If the contract is a big one, also the qualification criteria - such as turnover and professional experience – will be required at a high level, which is proportional with the value of the contract. In such cases, especially the participation of SMEs will not be possible.

Breaking down the contracts into lots by special tasks could be a good solution for enabling SMEs to take part in the contract.

5. Analysis of the perspective of potential tenderers on contractual relations with the contracting authority/entity

As a complement to the analysis of the artificial restrictions, it is important to understand the manner in which the potential tenderers could perceive a contracting authority/entity as client.

In general, economic operators assess the “value” of each client, in order to determine the level of effort they have to use in order to gain a certain profit. Contracting authority/entity may develop a similar matrix with that presented at point 3, but the classification of the contract shall be made from the perspective of “seller” and not “buyer”.

The matrix divides the perceptions on the contracting authority/entity in four quadrants, depending on two dimensions (Horizontal axis: Contract Value and Vertical axis: Attractiveness of the Contracting Authority/Entity):

1. Quadrant I Nuisance
2. Quadrant II Development
3. Quadrant III Exploitable
4. Quadrant IV Core Business





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Matrix 2

<i>High</i>	Development	Core Business
Attractiveness of the contracting authority/entity		
<i>Low</i>	Nuisance	Exploitable
	<i>Low</i>	<i>High</i>
	Contract Value	

In more general terms, this analysis shall determine the level of the economic operator's wish or reluctance to submit tender in the public procurement procedure organized by the contracting authority/entity. At the same time, changes which should be made in order to be viewed as a more attractive client may be identified. This will increase the level of competitiveness among economic operators.

The value of a contract in itself doesn't make a public procurement procedure or a contracting authority/entity more attractive for a potential contractor. Therefore, the analysis should rather focus on the combination between the value of the contract and the behaviour of the contracting authority/entity, in order to know how the potential contractor could react.

- If the contracting authority/entity is perceived as an unattractive client - due to low profitability or other factors, such as the period of time in which payments are performed - and if the value of the contract is low, the procurement procedure may be avoided by the potential tenderers because of excessive costs involved.
- If the contracting authority/entity is deemed as an unattractive client, but the value of the contract is high, there will be economic operators willing to participate in the procurement





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procedure, but they will try to maximise their profit by any means, exploiting/speculating the vulnerabilities of the contracting authority/entity or deficiencies of the contract.

- If the contracting authority/entity is deemed to have a development potential, even if the contract value is low, the economic operators may be willing (at least in the short term) to meet the requirements of the contracting authority/entity, hoping there will be a chance to win more contracts awarded by the contracting authority/entity in the future. e

- If the contracting authority/entity is regarded as a key part in the business of the economic operators, they are generally willing to comply with the requirements of the contracting authority/entity and to ensure a high level of services, for the purpose of maintaining the relation in the future.

II.2 MARKET CONSULTATION

The 2014 Procurement Directive explicitly allows for preliminary market consultations before the procurement procedure itself and defines the principles to be respected.

The contracting authorities may seek or accept the advice from independent experts or authorities or from market participants to be used in the planning and conduct of the procurement procedure, provided that such advice does not have the effect of distorting competition and does not result in a violation of the principles of non-discrimination and transparency.

Brief examples on how other countries regulated the rules related to market consultation are provided in the following box:

CROATIA:

Before the launching of the procurement the contracting authority, in principle, shall conduct the market analysis in order to prepare the public procurement and inform economic operators about its plans and requests related to that procurement.

The contracting authority may request or accept the advice of independent experts, responsible bodies or participants on the market which it may use in planning and preparation of procurement procedure as well as procurement documents on the condition that such advice will not lead to distortion of competition on the market and will not contravene the principle of prohibition of discrimination and transparency.

Before the launching of the open or restricted public procurement procedure for works or public procurement procedures of high value for supplies or services, the contracting authority is obliged to make available to economic operators on the internet website (<https://eojn.nn.hr/Oglasnik>), subsection - preliminary consultations: the description of the subject matter of procurement, technical specifications, criteria for qualitative selection of economic operators, contract award criteria and special conditions for execution of contract for at least 5 days.





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After the conclusion of consultations, the contracting authority is obliged to consider all proposals and suggestions of interested economic operators, prepare the report about accepted and rejected proposals and suggestions and publish it on the same internet website.

ROMANIA:

Before the launching of the procurement the contracting authority/entity may organise market consultation in order to prepare the public procurement and inform economic operators about its procurement plans, particularly in case of products/services/works which are of high technical or financial complexity, or in areas with rapid technological progress.

Contracting authority/entity shall inform the economic operators about the market consultation by publishing a notice in this respect on the Electronic Public Procurement System (EPPS). (<http://www.e-licitatie.ro/Public/MarketConsulting/MarketConsultingList.aspx>)

The notice must contain at least the following:

- a) the name of the contracting authority/entity and the contact details;**
- b) the internet address where the information on the market consultation process is published;**
- c) a description of the technical, financial and/or contractual needs and constraints related to the contract;**
- d) issues and topics that are subject to consultations;**
- e) the deadline for the consultation process;**
- f) description of how to conduct the consultation and interact with economic operators**

Consultation may address potential technical, financial or contractual solutions as well as aspects of the contracting strategy, including division of the contract into lots or the possibility of requesting alternative offers.

The contracting authority may invite in consultations independent experts, public authorities and economic operators, including their representative organisations.

Any interested person/organization may provide the contracting authority/entity with opinions, suggestions or recommendations, using the forms and means of communication specified in the notice of consultation. The contracting authority/entity may decide that such opinions, suggestions or recommendations are to be transmitted only by electronic means to a dedicated address.

The contracting authority/entity may hold meetings with interested person/organization in order to discuss the views, suggestions or recommendations that have been sent.

The contracting entity may consider the opinions, suggestions or recommendations received during consultations if it considers them relevant, and provided that their use does not have the





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effect of distorting competition and breaching the principles of non – discrimination and transparency.

The contracting entity has the obligation to publish on EPPS the outcome of the market consultation process, before the start of the procurement procedure.

POLAND:

Before commencing a contract award procedure, the contracting authority may inform the economic operators about plans and expectations relating to the contract, and in particular **conduct technical dialogue**, by addressing experts, public authorities, or economic operators, seeking for advice or for information necessary for preparation of the description of the subject-matter of contract, technical specification, of conditions of the contract.

Technical dialogue should be conducted in a manner ensuring fair competition and equal treatment of potential economic operators and their solutions.

The contracting authority shall place information on the intention to conduct technical dialogue and on its subject on internet webpage.

The contracting authority shall place information on application of technical dialogue in a contract notice to which the technical dialogue pertains.

Where there is a possibility that an entity participating in the preparation of the award procedure for a contract will apply for the award of that contract, the contracting authority shall ensure that the participation of this entity in the procedure does not distort competition, and in particular shall provide to other economic operators information obtained and conveyed during the preparation of the procedure, and shall set a relevant time limit for the submission of tenders. In the record of the procedure, the contracting authority shall specify measures to prevent distorting competition.

SPAIN:

The contracting bodies may carry out market studies and direct inquiries to the economic operators that are active in that market in order to correctly prepare the tender, and inform them about their plans and the requirements. For this purpose, the contracting bodies may avail themselves of the advice of third parties, which may be independent experts or authorities, professional associations, or, even, **exceptionally**, economic operators active in the market. Before starting the consultation, the contracting authorities will **publish in their profile within the Public Sector Contracting Platform** (or equivalent information service at the regional level), the purpose of the consultation, when it will be initiated, the names of the third parties that are going to participate in the consultation as well as the reasons why those external advisors were selected.

The advice will be used by the contracting body to plan the procurement procedure, provided that this does not have the effect of distorting competition or of violating the principles of non-discrimination and transparency. The consultations carried out may not result in a specific contractual object that **meets the technical characteristics of only one of the respondents**. The





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results of the studies and consultations should, where appropriate, be specified by introduction of generic characteristics, general requirements or abstract formulas that ensure a better satisfaction of public interests; these shall not bring particular benefits with respect to the award of the contract for the economic operators who participated in the study/consultation.

When the contracting body has carried out the consultations, it shall **record the actions carried out in a report. The report will relate to the studies carried out and their authors, the entities consulted, the questions that have been formulated and the answers to them. This report will be motivated, will form part of the contracting dossier, and will be subject to the same publicity obligations as the specifications;** it will be published at least in the profile of the contracting body.

In no case during the consultation process the contracting body may disclose to the participants the solutions proposed by the other participants. In general, the contracting bodies must take into account the results of the consultations carried out when drawing up the specifications; otherwise, they must record the reasons in the report. Participation in the consultation process does not prevent subsequent participation in the procurement procedure.

FRANCE:

The guidelines for public buyers include a short set of advices related to market consultation. It is clearly provided that, in order to prepare the award of a public contract and for getting a better understanding of the structure of the market and practices of economic operators in the field concerned, the buyer has the possibility to carry out consultations or market research, to solicit opinions or to inform the economic operators of his project and his requirements.

This research may consist for example of:

- monitoring in the economic sector concerned,
- organizing or participating in trade fairs in order to make companies aware of contracting authorities' needs or identify new needs, particularly in the innovation sector;
- meeting, well before the launch of the consultation, several economic operators in order to obtain information regarding the market in question, the actors operating in that sector, the services or products offered etc. This collection of information can also take the form of questionnaires sent to several suppliers or service providers.

Exchanges of views and meetings with economic operators may not result in the submission of a tender by the latter or the commitment of the buyer to contract with one of them.

The buyer is required to take the appropriate measures to ensure that competition is not distorted by the participation in the procurement procedure of an economic operator who had access - because of his direct or indirect prior involvement the preparation of the procurement procedure - to information unknown by other candidates or tenderers. However, such an economic operator shall be excluded from the procurement procedure only when this situation





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cannot be remedied by other means, such as making available, within the public procurement documents, all the information communicated by the buyer during the market consultation.

Preliminary market consultation is an efficient method for acquiring information from primary sources. From a practical perspective, it should take place when, following initial market analysis and research, the contracting authority/entity considers that added-value can be gain by asking opinion of the economic operators, with the view to prepare the procurement in such a manner as to attract a higher number of participants to the competition and to secure the position of the contracting authority/entity as a client.

1. Questionnaires

Carrying out market consultation with questionnaires is an effective way to generate the required information, especially in situations where the data collected through other means (such as desk-based research) are either not easily obtained or not completely reliable. The questions included in these surveys/questionnaires should be designed in order to obtain the needed information required for a productive market analysis.

Surveys/questionnaires may be distributed to a selected set of economic operators, who, due to their direct involvement, can be expected to respond with accurate feedback. However, this approach can be vulnerable as long as, in many cases, it is really difficult to identify all the interested stakeholders in the market.

Contracting authorities/entities may find as more efficient to contact known economic operators directly on a confidential basis, thereby limiting participation in the market engagement process. The advantage of this approach is that it may lead to more open discussions with economic operators. A major disadvantage, however, is that it is likely to be seen as lacking in transparency and that it may therefore entail allegations of unequal treatment or even corruption.

Market consultation might also involve engagement with other organisations. For example, a contracting authority/entity may find it beneficial to engage with an active trade organisation rather than with individual economic operators. It might, alternatively, advertise the opportunity to participate in market engagement widely but then limit participation to a maximum number of economic operators selected at random. However, any selection process is likely to increase the risk of legal challenge.

Another option would be to openly publish the questionnaire so it can be completed by any interested economic operator.

The questionnaire may be published on the web-site of the contracting authority/entity or in a dedicated section of the electronic PP portal. One disadvantage of this approach would be the large number of economic operators that may wish to participate in the market engagement process, which would result in the contracting authority/entity having to manage the large amount of information received from economic operators.





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The questionnaire may be a general one, with the main role of getting information about the current capacities, experience and geographical coverage of the economic operators⁹.

More specific questions related to the planned procurement may be developed within the questionnaire with the purpose to identify the artificial barriers in competition and opportunities to stimulate the participation of the economic operators in procurement procedure. In this context, prior to inviting the economic operators to participate in the consultation, the contracting authority/entity must be able to outline a minimum number of requirements for the desired product/service/work.

Contracting authority/entity may also encourage economic operators to provide supporting documents. These may include further details on the products/services/works that they provide, the methodologies used and the pricing schemes.

The list of (supplementary) questions/request for opinions presented below could be used as a starting point for identifying the main areas of risks related to artificial restriction of competition as well as the leverage points and opportunities that exist in the market.

Depend on the objectives establish for the market consultation, the template may contain questions/request for opinions, such as:

Time to prepare the tender

- *Do you consider that a period of [...] days would be enough for preparing the tender?*
- *If the answer is NO, please provide explanations on the main difficulties that will prevent you from meeting the planned deadline, and indicate your estimation regarding the appropriate period for preparing the tender*
- *Are there any particular conditions which contracting authority/entity should fulfil and/or adjustments to the subject-matter of the contract which contracting authority/entity should make, so that the proposed deadline to become acceptable?*

Qualification criteria

- *Do you consider that, within the list of qualification criteria, some of them are restrictive in relation to the subject-matter and size of the contract?*
- *If the answer is YES, please indicate which of them lead to an artificial restriction of competition and provide explanations why those criteria/requirements are not relevant for the contract in question or they are disproportionate in the context of the planned procurement.*
- *Please provide any other comments, which can be useful for an efficient selection of the economic operators capable to execute the contract.*

Costs of preparing the tender, administrative burdens

⁹ Annex 2 (Box 2 and 3) of Market Research Methodology - WYG International Limited, 2017





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- *Do you consider that, within the list of means of proof asked for demonstrating that qualification requirements are met, some of them are irrelevant or artificially limit the possibility of economic operators to participate in the procurement procedure?*
- *If the answer is YES, please indicate which of them lead to an artificial restriction of competition and provide explanations in this respect.*
- *Are there reasonable alternatives – less expensive and/or easier to obtain – having the same degree of relevance as the means of proof proposed by contracting authority/entity?*

Technical specifications

- *Do you consider that technical specifications are intelligible and the results desired by the contracting authority/entity are clear enough for preparing the tender?*
- *Do you consider that technical specifications are prepared in manner that does not artificially restrict the competition, taking into consideration the needs and the final goals defined by the contracting authority/entity?*
- *If the answer to one of the above questions is NO, please provide explanations on the main difficulties that will prevent you from preparing a tender.*
- *Do you have specific proposals to improve the quality of the technical specifications?*
- *Are there any relevant performance and functional characteristics that have not been taken into consideration or they have not been given due importance by the contracting authority/entity?*
- *Can you suggest alternative solutions/new technologies/additional features, which might be taken into consideration during the process of drafting technical specifications? Please describe the risks and advantages of such proposals.*
- *Please provide any other comments, which can be useful for the process of drafting technical specifications as well as for verification/evaluation of the technical tenders which will be submitted during the procurement procedure.*

Contract terms and conditions

- *Do you consider that contract terms/conditions cover all the relevant aspects for a proper execution of the contract?*
- *Do you consider that contract terms/conditions contain well-balanced allocation of risks between contracting authority/entity and contractor?*
- *Do you consider that the funds allocated for the contract are sufficient for performing all the tasks/activities required by contracting authority/entity?*
- *Do you expect prices stability throughout the supply channel?*
- *Do you consider that the maximum duration for the execution of the contract is feasible?*





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- *Do you consider that the payments schedule ensures a reasonable financial support for execution of the contract?*
- *If the answer to one of the above questions is NO, please provide explanations on the main difficulties that it is expected to hamper you during the execution of the contract.*
- *Please provide any other comments that you consider useful for the adjustment of the contract terms and conditions.*

Award criteria

- ❖ If the criterion is the “lowest price”, or in cases where contracting authority/entity wishes to develop more award criteria:
 - *Do you have suggestions on what other criteria – reflecting technical, commercial, environmental or social advantages – might be used for awarding the contract?*
 - *Please provide your view on the most relevant costs during the whole life-cycle of the products/services/works that are subject-matter of the contract.*
- ❖ If the contracting authority/entity has already proposed “the best price-quality ratio” as the method for determining the most economically advantageous tender:
 - *Is the system of attributing points to the award criteria transparent and understandable?*
 - *Do you consider that the proposed criteria are objective and linked to the subject-matter of the contract in question?*
 - *Do you consider that the weights allocated for each criterion reflect in a fair manner the importance of those characteristics of the product/service/work?*
 - *Do you consider that the methodology proposed for calculating the life-cycle costs covers the relevant aspects?*
 - *If the answer to one of the above questions is NO, please provide explanations in this respect and, if possible, propose alternative solutions.*
 - *Please provide any other comments that you consider useful for the adjustment of the award criteria.*

Other issues

- *Should the contract be divided into lots? If yes, what is your proposal in this respect? What contract activities are suitable for division into lots?*
- *Do you consider that the conclusion of a framework agreement would be more attractive than the conclusion of a single contract?*
- *What any other administrative barriers or artificial restrictions (not mentioned within the answers to the previous questions), you would like to highlight as regards the procurement documents and organisation of the procurement procedure?*





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- *What other suggestions for improving the procurement documents (not mentioned within the answers to the previous questions) you would like to be analysed by the contracting authority/entity?*

2. Meetings with economic operators

Another option for carrying out market consultation may be to organise so-called “meet the buyer” events or “open days”, where the representatives of contracting authority/entity are available to meet persons from prospective economic operators.

Meetings with economic operators can be organised with the only purpose of informing them about the proposed project. The range of information should include an insight into contracting authority/entity's business, its vision, objectives and constraints, performance specification and the flexibility around the time frames for the proposed work, making clear any mandatory deadlines. Such events may be also useful in cases where the requirements of the contracting authority/entity are not standard or require innovation or where it is important for economic operators to actually see the geographical location of the contract delivery.

Attendees may have the option of submitting written feedback after the event, if they did not want to discuss some issues in front of their competitors.

The event should be advertised on a nationwide scale, with advertisements placed on the website of the contracting authority/entity and/or on the PP portal.

Meetings with economic operators can be also organised as a final stage of the market consultation after receiving answers to the questionnaire/survey. The main goal of such event is to clarify the sensitive issues that have been mentioned by the responded economic operators to the questionnaire/survey, and to gain a better understanding of why they are reluctant to take part in the procurement procedure.

All of the information provided to economic operators during the meetings must also be made available to candidates and tenderers in the subsequent tender process, as part of the procurement documents. It may also be appropriate to provide a web-link to a recording of the live event so that economic operators that were not able to participate in the event would have the opportunity to hear and see the presentations and discussions.

3. Final analysis of collected data

Based on the final results of the market consultation, the decisions of the contracting authority/entity might be the following:

- (re)estimating the price of the procurement and assessing the budget more accurately
- (re)defining the duration of the contract
- adjusting the qualification criteria at a proper level, in accordance with the real capacity of the economic operators in the market
- refining the technical specifications





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- identifying the contract risks
- dividing the contract in lots
- establishing other award criteria than the lowest price
- using of procurement tools or (even) choosing another type of procurement procedure

The contracting authority/entity is not bound to take into consideration all the proposals received. The decision of what is to be considered and included in the procurement documents should be justified by the objectives set by the contracting authority/entity from the outset, namely to increase the degree of participation in the procurement procedure and, at the same time, to identify the most appropriate solutions for achieving its needs in an efficient and effective manner.

It is important to recall that market research is performed before initiating the procurement procedure; thus, it is not a part/phase of such procedure. Economic operators cannot submit complaints against the activities carrying out by contracting authority/entity during the market research process. However, any complaint may be submitted after the publication of the contract notice and procurement documents, particularly in case where, after the market consultation, the decisions have been made in a discretionary manner.

On the other hand, if the decisions of the contracting authority/entity are well substantiated in accordance with the “messages” received from the market, the risk of having a high number of complaints against the published procurement documents or later in the procurement process can be drastically reduced.

III. RECORD OF THE MARKET RESEARCH PROCESS

Contracting authority/entity should prepare a market research document to identify issues that are to be considered and the process that will be followed to gather relevant information.

It is also important to record the process used to conduct the market research so that there is a clear understanding within the contracting authority/entity of the purpose and aims of the market analysis and of the need to ensure the transparency of the process and equal treatment. The staff involved in market research and the sources and information used shall be mentioned.

Particularly in case of direct engagement of the economic operators, contracting authorities/entities must be transparent in their decision making, and it is advisable to prepare a report, which shall contain at least:

- description of the main topics for which the opinion of the economic operators has been requested;
- description of proposals and comments sent by/discussed with the business community;
- explanation for accepting those proposals and comments that have been implemented in the procurement documents;





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- explanation for not accepting those proposals and comments that have not been implemented in the procurement documents.

The market research document/report shall be a part of the public procurement dossier.

IV. CONCLUSIONS

Market research can contribute significantly to the effective management of a procurement process and to positive delivery outcomes.

There are no uniform rules on how to organize market research and the contracting authorities/entities should adapt the methods of research to their specific objectives.

As a general approach, the overall objectives of the contracting authorities/entities should focus on how to:

- Ensure a higher level of competition, by:
 - Taking into account the market structure and the perspective of economic operators, in relation with the contract to be awarded
 - Identifying and removing artificial restrictions within the procurement process
 - Identifying incentives for attract more economic operators
- Achieve best value for money, by obtaining better quality of goods, services and works and reduction of the global price
- Use the public procurement as leverage for better meet their policy objectives, such as environmental protection, innovation, job creation and the development of small and medium enterprises.

The main requirement in case of direct contact/engagement with economic operators is that such process shall not distort competition and the principles of non-discrimination and transparency shall be always observed. The more economic operators are involved in market consultation, the more is reduced the risk of favouring someone.

As a requirement derived from principle of transparency, records of the market research process should be prepared by contracting authority/entity and included in the procurement dossier.

A summary of the results of the market research should be published on the contracting authority/entity web-site and/or on the PP Portal.

SUMMARY OF THE STEPS FOR CONDUCTING MARKET RESEARCH

Defining the overall market research objectives

Performing Initial market research, by using primary and secondary available sources





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Positioning of the contract (from the perspective of contracting authority/entity) and defining the expected answer from the market

Identifying what artificial restrictions could affect the participation of the economic operators in procurement procedure

Defining how of the economic operators will perceive the contract, based on its value as well as on the contracting authority/entity's notoriety/"bad reputation"

Preparing a first draft of the tender documents

Identifying the main issues that could be clarified by organising market consultation (direct engagement/contact) with economic operators

If needed, preparing a questionnaire/survey template to be disseminate to the market

Deciding whether the questionnaire will be published or will be sent to a selected target group

If needed, organising meetings with economic operators

Deciding on the changes that are to be made of the procurement documents

Finalising the market research document/report

Publishing a summary of the market research results

