Annex No 8

to the Guidelines for the Applicants of the Call “Provision of Health Offices in Pre-schools and Schools with Methodological Tools“ under the Programme “Health“ of the European Economic Area Financial Mechanism 2014-2021

**Calculation of the project procurement price. Market research summary**

The objective of the market research conducted before submitting an application:

* To determine the ***objective and rational******amount of funds*** necessary for the procurement of the project. **The Applicant shall make the maximum effort to evaluate the greatest possible number of suppliers offering the object of procurement necessary for the Applicant and information on the price of the object of procurement;**
* To inform the market in advance of future procurement procedures and the existing demand, thus ensuring a greater transparency of the project and its procurements, creating conditions for more intense competition between suppliers and a possibility for new potential suppliers to emerge as well as for a more rational use of funds allocated for the project.

The CPMA shall not require to provide along with the application information and documents on the basis of which the Market Research Summary has been completed and the amount of funds necessary for project procurement has been calculated, but, if necessary, the CPMA may ask for this information at the time of the evaluation of the application. If the CPMA has a reason to suspect that the information provided on the amount of the funds necessary for the project procurement does not correspond to the prices actually available on the market (is excessive and unreasonable), the CPMA shall be entitled to reduce this price, substantiating its decision.

**\*Clauses which must be completed are marked in red in the summary.**

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| **Part I. Object of procurement** | | |
| 1. | **Object of procurement** | *Brief description of the object of procurement (what goods, services and works are planned to be procured and in what quantities).*  *If the procurement procedure is to be broken down into lots at the time of the implementation of the project and/ or when breaking down the procurement procedure into lots is necessary in accordance with the Law on Public Procurement on quantitative or qualitative basis, or according to different stages of its implementation, the recommendation is to conduct a market research for each lot of procurement (e.g. if the project requires services of translation into English and Norwegian, services should be procured separately, and conducting a research for each service separately is recommended).*  *Combining objects of procurement into a single one at this stage does not mean that in the implementation of the project, procurement procedure will not have to be broken down on the quantitative and qualitative basis, or according to different stages of its implementation (Article 28(1) of the Law on Public Procurement).* |
| 2. | **Technical specification**  *(the recommendation is to present the technical specification in a separate document only if its description is more than half a page long).* | *To be indicated:*  *1) characteristics that are necessary to achieve the objectives of the Applicant - the Contracting Authority (hereinafter - the CA); deadlines. The recommendation is to clearly distinguish the characteristics which mass-produced products do not meet, i.e. what the supplier has to produce (customize) to meet specific needs of the CA.*  *2) (where applicable) characteristics that are not mandatory, but preferred by the CA. When holding a procurement procedure in the future, characteristics preferred by the CA may be indicated as the criteria of evaluation of economic effectiveness.*  *Technical specification may not be discriminatory or unreasonably limit competition.*  *When conducting a market research,* ***the technical specification, which will be used in holding the procurement procedure, should be used***. *This will ensure a more accurate market research result.* |

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| **Part II. Market review for calculating the amount of funds necessary for project procurement**  **1. Information to the Applicant on the number of suppliers to be evaluated and the sum of funds necessary for the procurement to be calculated on the basis of this evaluation:**   * 1. Where the planned value of the object of procurement is below EUR 1 000 exclusive of value added tax (hereinafter – VAT), information on the price of the object of procurement of *a single* supplier may be evaluated;   2. Where the planned value of the object of procurement is more than EUR 1 000 exclusive of value added tax, but does not exceed EUR 58 000 exclusive of VAT, information on the price of the object of procurement of *3 (three) suppliers at the least* shall be evaluated\*;   3. Where the planned value of the object of procurement is more than EUR 58 000 exclusive of VAT, and there are up to 10 (ten) suppliers in the market[[1]](#footnote-1), who can offer goods, services or works required by the CA, the CA shall take all measures to evaluate the information about the object of procurement of all the suppliers offering the object required by the CA. The amount of funds necessary for the procurement of the project shall be calculated having assessed the information on the object of procurement of *all* the suppliers offering the object required by the CA\*;   4. Where the planned value of the object of procurement is more than EUR 58 000 exclusive of VAT, and there are more than 10 (ten) suppliers, who can offer goods, services or works required by the CA, the CA shall take all measures to evaluate the information about the object of procurement of *at least 10 (ten) suppliers* offering the object required by the CA. The sum of funds necessary for the procurement of the project shall be calculated having assessed the information on the object of procurement of *at least 10 (ten)* suppliers offering the object required by the CA\*.   \* **Information of fewer suppliers may only be assessed in the cases provided for in subclauses 2.1 - 2.5 of Part II of this Summary, or where there are fewer suppliers offering the object of procurement in the market. Information about the price of the object of procurement shall be obtained in one or more ways specified in sub-clauses 3.2.-3.6 of Part II of this Summary. At least one of these sub-clauses shall be completed.**  **2.** **Cases where the amount of funds necessary for the procurement of the project may be calculated having evaluated fewer suppliers than indicated in sub-clauses 1.2.-1.4. of clause 1 of Part II of this Summary:**  2.1. The CA has made reasonable efforts to evaluate information of the required number of suppliers (searched for information on suppliers’ websites, the Central Public Procurement Information System (hereinafter - CPP IS), and contacted all the known suppliers, which the authority could identify with care, prudence and diligence, however, fewer suppliers than required presented a response on the price, and based on publicly available information (e.g. online), finding out information on the price of the object of procurement required by the CA is impossible, or;  2.2.if the sum of funds necessary for the procurement is substantiated by a valid procurement contract on the basis whereof the Applicant plans to acquire the object of procurement for the requested financing. In such as case, the amount of funds necessary for the procurement of the project shall be equal to the fixed price or the flat rate provided for in the procurement contract.  If in the substantiation of the amount of funds necessary for procurement, the CA prefers to rely on a valid procurement contract based whereon its does not plan to acquire the object of procurement necessary for the project, the price specified in this contract shall be considered to be a price of the object of procurement specified by one supplier (information should be provided in sub-clause 3.2 of clause 3 of Part II of this Summary) and in case where the value of the object of procurement is higher than EUR 1 000 exclusive of VAT, information of the number of suppliers specified in clauses 1.3-1.4 hereof should be assessed in addition, or  2.3. where the sum of funds necessary for the procurement is calculated according to the market analysis of service prices conducted by the European Social Fund Agency in case of procurement of services similar to those published on the website of the institution at: <https://www.esf.lt/lt/susisiekite-su-mumis/dokumentai/paraiskos-rengimas/88?sqid=8107d1374d9598271c8f6327e309550e4d61e217>, or according to the results of the market research of event organization-related services conducted by the CPMA available on CPMA’s website at: <https://www.cpva.lt/eee-ir-norvegijos-finansiniai-mechanizmai-2014-2021-m./dokumentai/682/act712?sqid=f8af11f880a69b7be6a58393cd8929977418fba>. The amount of funds necessary for the procurement of the project shall be equal to the service price indicated in the market analysis conducted by the ESFA or the CPMA, or;   * 1. where the sum of funds necessary for the procurement is calculated according to the calculations of competent experts (i.e. persons, who have special knowledge in the area related to the object of procurement). Applicable in exceptional cases only – in case of procurement of works, where there is no technical project, and in cases of other procurement procedures – only in case when having made reasonable efforts, the CA was unable to obtain it by other means, or;   2. where the plan is to procure from the Central Contracting Authority (the public institution CPO LT) (hereinafter – CPO), the sum of funds necessary for the project may be calculated as an arithmetic average of the forecasted order budget amount indicated in the CPO’s electronic catalogue (CPO LT or CPO IS) of the respective product or service (a basket of goods or services) (where a forecasted order budget is presented in the CPO catalogue for this product or service category).   *Information on CA’s efforts to receive information from a sufficient number of suppliers is indicated in respective sub-clauses of clause 3 of Part II of this Summary.*   1. **The actual summary of the market review conducted by the applicant:**   *(the recommendation is to complete this summary. However, the Applicant has the right to provide a summary in another form which it finds more acceptable and which clearly provides all the below-specified information necessary to calculate the amount of funds necessary for the procurement (e.g. information on the object of procurement necessary for the project, suppliers, their offered price of the object of procurement and information how the Applicant found out about the price of the object of procurement offered by the supplier can be provided using Excel, etc.). The summary shall not be completed when the amount of funds needed for the procurement is assessed on the basis of information provided by one supplier. In such a case, the Applicant shall provide information based whereon it has indicated the amount of funds needed for the procurement in the form acceptable to him).* | | |
| 3.1. | **All the suppliers whose information on the object of procurement was evaluated by the CA and/or whom the CA contacted, but the suppliers did not respond** (*optional, where the planned value of the object of procurement is below EUR 1 000 exclusive of VAT).*  The CA shall take every effort to identify a sufficient number of suppliers interested in the object of procurement. If there are more than 10 (ten) suppliers on the market, and they can be identified by a reasonable, prudent and diligent CA, at least 10 suppliers shall be identified, and price information of all of them shall be evaluated. If there are up to 10 suppliers on the market, and the value of the object of procurement exceeds EUR 58 000 exclusive of VAT, the CA shall list all the suppliers and evaluate the price information of all of them. | *Names of the suppliers shall be specified.* |
| 3.2. | Where the CA relies on its historical data on the object of procurement, the suppliers having taken part and/or won in analogous or similar procurement procedures in the past three years and the price offered by them shall be evaluated.  For the purposes of this summary, a similar procurement shall be a procurement the characteristics of the object of procurement of which are essentially the same as the characteristics of the object of procurement for which a market research is being carried out. Characteristics of the object of procurement may vary insignificantly, also quantities of the object of procurement and the terms of performance of the supplier’s contractual obligations may differ. The CA may *reasonably* take these differences into account when calculating the sum of funds necessary for the procurement. The arguments, on the basis of which the price offered in previous similar procurement procedures is adjusted, are set out in sub-clause 3.8 of clause 3 of part II hereof. | *If applicable, the names of the suppliers, the date when the tender was submitted to the CA, the price, the successful supplier, the date and number of the purchase – sale contract shall be specified.* |
| 3.3. | Suppliers having won similar procurement procedures of other CAs and their offered price shall be specified, if they are known to the CA. | *If applicable, the names of the suppliers, the date when the tender was submitted to the CA, the price, the successful supplier, the source of information (e.g. the Central Public Procurement Portal) shall be specified. Completing this section is recommended, if the CA knows that other CAs purchased an object of procurement of analogous or similar technical / functional parameters.* |
| 3.4. | Information received by the CA from publicly available sources of information (e.g. the Internet) on the suppliers and their offered price of the object of procurement. | *If applicable, the names of the suppliers, their offered price of the object of procurement, the source of information, e.g. by giving a link to a specific website and/or also saving the printed information, shall be specified. During the evaluation, the CPMA may ask for information substantiating the data entered in this summary.* |
| 3.5. | Information obtained in the course of a consultation of market participants (Article 27 of the Law on Public Procurement) (applicable if the CA has conducted a consultation of market participants). | *If applicable, the suppliers having participated in the consultation and their offered price shall be specified.* |
| 3.6. | Information on the suppliers and their offered price of the object of procurement received by the CA by other means. | *For example, when surveying suppliers by e-mail or phone, having received information from foreign embassies in Lithuania* *or the Chamber of Commerce, referring to independent experts, the names of the suppliers, their contact telephone or e-mail address, the price of the object of procurement offered by the suppliers and the manner in which this information was received shall be specified.*  *If not all of the surveyed suppliers have responded, the CA shall indicate this in this section.*  *All suppliers shall be provided with the same information.* |
| 3.7. | Product models that are in line with the requirements of the technical specification. | *It shall be specified if an investigation is conducted for products.*  *A market research may not be conducted for a single specific model.* |
| 3.8. | Other objective and reasonable factors and calculations (if applicable), which may affect changes in the price of the object of procurement *(this section shall be completed only if the CA has objective, reasonable and accurate information on factors that may affect the amount of funds necessary for the procurement).* | *The following shall be evaluated:*  *1) whether there are amendments to legal acts governing the regulation of tax systems adopted but not yet having taken effect (e.g.: VAT or other taxes that affect the final product/ service price);*  *2) an increase in the general inflation is forecasted according to the information published by the Bank of Lithuania (*[*https://www.lb.lt/lt/mv-ekonomikos-analize-ir-prognozes*](https://www.lb.lt/lt/mv-ekonomikos-analize-ir-prognozes)*) or the Ministry of Finance of the Republic of Lithuania (*[*http://finmin.lrv.lt/lt/aktualus-valstybes-finansu-duomenys/ekonomines-raidos-scenarijus*](http://finmin.lrv.lt/lt/aktualus-valstybes-finansu-duomenys/ekonomines-raidos-scenarijus) *);*  *3) actual inflation according to the data of Statistics Lithuania;*  *4) a detailed, reasoned and objective analysis by the Contracting Authority of its own contracts for the same object of procurement and calculations of the percentage increase of the price of the object of procurement;*  *5) other objective factors based on accurate and generally accepted information (e.g. data published by the Statistics Lithuania) that have a direct impact on the price of the object of procurement.*  *If an increase of the price of procurement is affected by several factors, the maximum percentage value of one factor only may be selected when calculating the percentage value, which is added to the average. The percentage of multiple factors may only be chosen if a justification is presented that percentage values of multiple factors do not cover one another. When carrying out the said analysis and calculations, the sources of the information, based whereon calculations and conclusions are made, shall be indicated in this section. If calculations are to be made, they shall be presented (this may also be done in a separate document).*  ***The calculated or otherwise objectively determined percentage value may be added to the calculated average, which is used to determine the amount of funds necessary for procurement (for more information, refer to clauses 1 and 2 of part III “Conclusions”).*** |
| **Part III. Conclusions** | | |
| 1. | **Prices offered by suppliers and arithmetic average of the prices[[2]](#footnote-2).**  **It shall be calculated automatically, after the CA enters information in the sections “Supplier name” and “Tender price” on the right.**  *It should be noted that suppliers often offer an excessive price because of having misunderstood the object of procurement. Therefore, if the tender price of one of suppliers significantly (more than 30 %) exceeds the arithmetic average of other tenders, the recommendation is for the Applicant to find out (for example, by contacting the supplier) why the price offered by this supplier is much different, and having found out that the supplier misunderstood the object of procurement, to additionally question this supplier regarding its offered price of the object of procurement.* |  |
| 2. | **Amount of funds necessary for the procurement** | *The amount of funds necessary for the procurement shall be set as the average of the reviewed prices (automatically calculated and indicated on the right side of clause 1 of part III “Conclusions”) and adding to this average the percentage specified in sub-clause 3.8 of clause 3 of part II of this summary (if applicable), and by rounding the sum received to integers.*  *The Applicant shall have the right to include in the project budget the amount of funds lower than the arithmetic average of the price offered by suppliers and all the prices.* |

1. Recommendation for identifying suppliers active in the market:

   To conduct an analysis of similar procurement procedures held by the CA;

   To conduct an analysis of similar procurement procedures carried out by other CAs on CPP IS;

   To conduct an analysis of information published online;

   To contact associations operating in the field. [↑](#footnote-ref-1)
2. The sum shall be calculated automatically, having entered in the summary information on suppliers and their offered price. [↑](#footnote-ref-2)