

Procurement Monitoring Report Template

**In view of the Member States' reporting process
under the Directives 2014/23/EU, 2014/24/EU and 2014/25/EU**

Abbreviations used in the Report	<p>Public Procurement Office – PPO.</p> <p>Law on Public Procurement of the Republic of Lithuania – LPP.</p> <p>Law of the Republic of Lithuania on Procurement by Contracting Entities Operating in the Water, Energy, Transport or Postal Services Sectors – LPU.</p> <p>Law on Public Procurement of the Republic of Lithuania and Law of the Republic of Lithuania on Procurement by Contracting Entities Operating in the Water, Energy, Transport or Postal Services Sectors – the National Law.</p> <p>Contracting authorities and contracting entities – Public buyers.</p> <p>Central purchasing body – CPB.</p> <p>National Central Procurement Organization Public Institution CPO LT – CPO LT.</p> <p>Central Public Procurement Information System – CPP IS.</p> <p>“Map of Public buyers – Scoreboard” – Scoreboard.</p>
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I. Key quantitative indicators

I.1. The number of procurement procedures

Public procurement is regulated by the Directives 2014/24/EU and 2014/25/EU

Table 1. Number of public procurement notices¹ by procurement value thresholds

Procurement notices	Number of procurement notices			Percentage		
	2021	2022	2023	2021	2022	2023
Above the threshold procurement	4 316	4 860	4 701	34,8%	37,2%	42,0%
Below the threshold procurement	8 099	8 195	6 485	65,2%	62,8%	58,0%
Total:	12 415	13 055	11 186	100,0%	100,0%	100,0%

Data updated on 18 March 2024

Table 2. Number of public procurement notices for the award of the contract

Contract award notices	2021	2022	2023
Above the threshold procurement	5 055	5 545	6 318

Data updated on 18 March 2024

Official public procurement statistics of Lithuania is prepared by the PPO.

The total volume of procurement (above the threshold and below the threshold (excluding low value procurement)) – number of concluded contracts, number of procurements completed, value of concluded contracts – is determined on the basis of the data of the procurement procedure reports published by the Public buyers in the CPP IS and the data provided by the CPBs to the PPO on the procurement performed centrally by the Public buyers (see Tables 3, 4, 8).

The volume of low value procurement is determined on the basis of the data of the annual reports published by the Public buyers in the CPP IS. On average about 890 000 low value procurement procedures are conducted annually, of which almost 90% contracts are concluded orally and less than 2% of low value procurements are published (see Table 5).

¹ Excluding low value procurement.

The results of public procurement are displayed in real time on the [Scoreboard](#).

Detail methodology for determining the scope of public procurement is provided in Annex I to this Report.

Table 3. Number of implemented public procurement procedures according to the procurement value thresholds

Implemented procurement procedures	Number of implemented procurement procedures			Percentage		
	2021	2022	2023	2021	2022	2023
Above the threshold procurement	3 589	3 934	4 157	36,6%	39,3%	42,9%
Below the threshold procurement	6 212	6 074	5 524	63,4%	60,7%	57,1%
Total:	9 801	10 008	9 681	100,0%	100,0%	100,0%

Data updated on 7 February 2024

Table 4. Number of public procurement contracts according to the procurement value thresholds

Awarded contracts	Number of awarded contracts			Percentage		
	2021	2022	2023	2021	2022	2023
Above the threshold procurement	38 170	43 930	49 763	80,0%	83,4%	86,4%
Below the threshold procurement	9 539	8 742	7 847	20,0%	16,6%	13,6%
Total:	47 709	52 672	57 610	100,0%	100,0%	100,0%

Data updated on 7 February 2024

Table 5. Scope of low value procurement (number of notices, number of procurement)

Low value procurement	2021	2022	2023
Number of procurement notices	16 213	16 723	11 572
Number of implemented procurement	823 601	891 645	966 105
<i>Including the number of procurement followed by awarded written contracts</i>	106 315	135 267	97 519
<i>Including procurement followed by awarded written contracts, in percent</i>	12,9%	15,2%	10,1%

Data updated on 7 February 2024

Procurement through concessions is governed by Directive 2014/23/EU

Table 6. Number of concessions notices by concession value thresholds

Concession notices	Number of concessions notices		
	2021	2022	2023
Above the threshold concession	0	5	1
Below the threshold concession	0	0	1
Total:	0	5	2

Data updated on 18 March 2024

The total volume of concessions (above the threshold and below the threshold) – number of concessions completed, value of award concluded concessions contracts – is determined on the basis of the data of the award concession procedure reports published by award institutions in the CPP IS (see Tables 7, 9).

Table 7. Number of implemented award of concession procedures by concession value thresholds

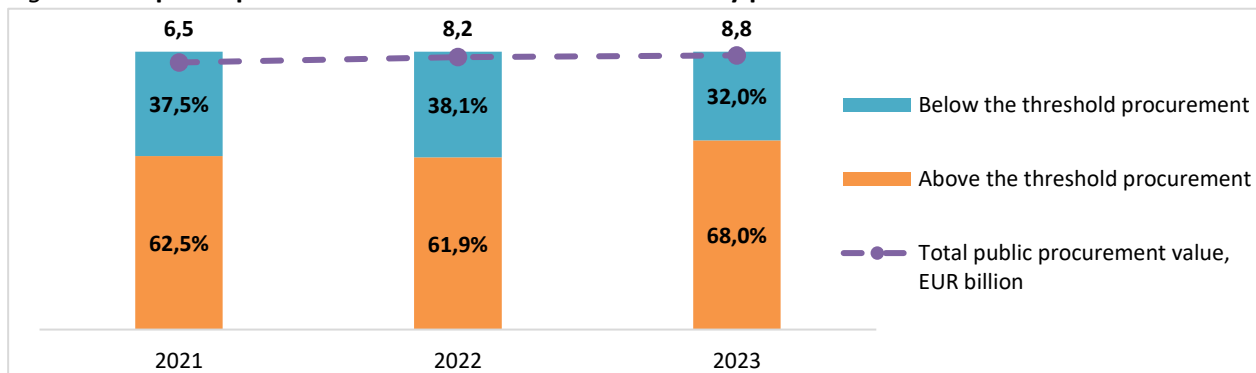
Implemented award of concessions procedures	Number of implemented award of concessions procedures		
	2021	2022	2023
Above the threshold concession	0	0	2
Below the threshold concession	0	0	1
Total:	0	0	3

Data updated on 18 March 2024

I.2. The total value of procurement procedures	Public procurement is regulated by the Directives 2014/24/EU and 2014/25/EU						
	The scope of public procurement implemented in Lithuania is determined as the total value of procurement contracts of the above the threshold and below the threshold procurement (including low value procurement) (Table 8). Detail methodology for determining the total value of public procurement is provided in Annex I to this Report.						
	<i>Table 8. Total public procurement value, EUR (percent)</i>						
	Public procurement value	Value of awarded contracts, EUR			Percentage		
		2021	2022	2023	2021	2022	2023
	Above the threshold procurement	4 089 078 957,14	5 096 062 787,88	5 986 984 980,98	62,5%	61,9%	68,0%
	Below the threshold procurement	2 455 537 744,24	3 132 987 311,12	2 813 727 818,00	37,5%	38,1%	32,0%
	<i>Below the threshold procurement (excluding low value procurement)</i>	1 468 598 558,05	1 936 012 934,37	1 462 804 717,17	22,4%	23,5%	16,6%
<i>Other² simplified procurement</i>	14 255 837,03	83 968 334,28	56 064 550,04	0,2%	1,0%	0,6%	
<i>Low value procurement</i>	972 683 349,16	1 113 006 042,47	1 294 858 550,79	14,9%	13,5%	14,7%	
Total:	6 544 616 701,38	8 229 050 099,00	8 800 712 798,98	100,0%	100,0%	100,0%	
Data updated on 7 February 2024							

² Procurement of the diplomatic missions of the Republic of Lithuania in foreign countries, missions of the Republic of Lithuania to international organizations, consular offices and special missions <...>, goods, services or works required for the organization of international events of special importance shall be carried out in accordance with paragraph 3 and 4 of Article 25 of the LPP; below the threshold procurement carried out in accordance with paragraph 3 of Article 72 the LPP / paragraph 2 of Article 80 the LPU.

Fig. 1. Total public procurement value and its distribution by procurement value threshold



Data updated on 7 February 2024

Procurement through concessions is governed by Directive 2014/23/EU

Table 9. Value of concluded concession contracts, EUR

Concession value	Value of concluded concession contracts, EUR		
	2021	2022	2023
Above the threshold concession	0	0	15 197 330,77
Below the threshold concession	0	0	24 634,17
Total:	0	0	15 221 964,94

Data updated on 18 March

II. Most frequent sources of wrong application or of, including possible structural or recurring problems in the application of the rules

II.1. Qualitative reporting on application of public procurement rules	
Main sources of wrong application or of legal uncertainty	<p>In the field of public procurement, the most frequent errors (violations) committed by Public buyers may be grouped according to the following stages: preparation for the procurement, preparation of the procurement documents, conducting the procurement procedures, awarding, amending and performing a contract award.</p> <ul style="list-style-type: none">➤ Preparation for procurement:<ul style="list-style-type: none">○ Division / non-division of the procurement object into lots:<ul style="list-style-type: none">● Providing unsubstantiated arguments for not dividing the procurement objects into lots mainly on the grounds of contract administration costs, human resources and the convenience of the Public buyer;● Public procurement procedures are split into smaller procedures in order to avoid the procedure of publication to procurement;● Artificially consolidating or combining procurement objects although separate objects are being purchased with a view to restricting competition, facilitating certain suppliers, or narrowing the market. For example, several objects are purchased which are attributed to different categories or groups of construction works, construction operations, while established qualification requirements are the same.○ Procurement from / through the central contracting authority:<ul style="list-style-type: none">● Giving inadequate (unsubstantiated) reasons or no reasons at all for not conducting purchases from / through the CPB.○ Determining the procurement value:<ul style="list-style-type: none">● Improper calculation of procurement values, failure to take account of price changes (e.g., failure to recalculate the estimated price of a detailed design, etc.), failure to carry out market research, and failure to ascertain other relevant circumstances affecting the price of the procurement object;● Inadequately planned funds allocated to the procurement, which prevents Public buyers from concluding purchase contracts when they receive tenders with higher prices, in which case tenders are rejected and procurement is terminated without determining the winning tenderer;● Purchase / contract value is calculated considering only a part of costs.○ Public procurement methods:<ul style="list-style-type: none">● Selecting the wrong procurement method due to an incorrect calculation of amounts of funds allocated for the procurement. For example, instead of the procedures used for international procurement, simplified procedures are used or a simplified low value

procurement (with or without publication of a notice) is conducted instead of a simplified procurement with publication of a notice);

- Most often irregularities are related to the negotiated procedure without publication of a notice when there is no legal basis for doing so:
- Conducting procurement of “extreme urgency” due to events “which could have been anticipated”;
- Conducting procurement without publication of a notice by calling one supplier is motivated by technical reasons and arguments that there are no other suppliers on the market capable of providing the services, works or goods. Public buyers tighten the procurement requirements so that only the goods or services of a particular supplier meet them and do not (cannot) provide evidence that there are no other alternatives or substitutes on the market;
- Conducting procurement without publication of a notice on the basis of the protection of exclusive rights, including intellectual property rights. Public buyers cannot justify the existence of exclusive or intellectual property rights in a particular case, since in many cases the suppliers, having developed the product, have transferred all the economic rights to the purchasing body under the initial contract.

➤ **Preparation of procurement documents:**

- Improperly formulated requirements for application / compliance with standards;
- Introducing a clause that unreasonably restricts the use of subcontractors.
- **ESPD:**
 - Mandatory requirements for the grounds of exclusion of suppliers are established improperly or incompletely;
 - The grounds for exclusion are established without taking into account the regulatory changes.
- **Requirements for qualification of suppliers:**
 - Application of qualification requirements individually or in aggregate (a set of requirements) is excessive, disproportionate and artificially restricts competition;
 - Established technical and professional capacity requirements are not related to the procurement object;
 - Established requirements for experience are disproportionate and excessive, based on criteria such as the number of previously awarded contracts, their value or require a disproportionate number or value of works and/or contracts;
 - Requirements established for specialists who will perform the contract are unreasonably high and excessive, indicating the particular number of specialists required, the participation of the same specialists in several positions is unreasonably restricted, or several competences are combined and required from one person;

- Established qualification requirements are too narrow;
- Established requirements are related to the performance of the contract, but not to the supplier's qualification;
- Too precise, extended list of tools, equipment, technical devices;
- Inappropriate, discriminatory financial and economic capacity requirements (excessively high financial criteria) established for turnovers of suppliers, financial ratio requirements, availability of working capital at the time of submission of tenders.
- **Technical specification:**
 - Established requirements for precise dimensions are very specific, unreasonable;
 - Established requirements for the procurement purpose are disproportionate;
 - Established requirements are excessive;
 - Disproportionate time limits are set for delivery and manufacturing of goods, provision of services;
 - Technical specifications are tailored to the particular suppliers and more favourable conditions are created for tenders of certain suppliers;
 - The set of requirements established of the technical specification are tailored to the equipment of a particular supplier (manufacturer).
- **Determining most economically advantageous tender evaluation criteria and the evaluation procedure:**
 - Established economic advantageousness evaluation criteria are not related to the procurement object;
 - Established criteria are inappropriate, formal and do not lead to the selection of the most economically advantageous tender;
 - Procedure for evaluation of tenders selected by the Public buyer is flawed, does not ensure objective and transparent evaluation of tenders (allocation of scores), gives the Public buyer unrestricted freedom of choice, and allows for subjective evaluation of tenders;
 - Procurement conditions for criteria of most economically advantageous tender do not lay down a detailed procedure for the evaluation of the criteria, and the evaluation of tenders depends on the evaluator's subjective judgement and the Public buyer's needs or motives;
 - Procedure (description) of criteria for the evaluation of tenders is unclear (evaluation concepts used are imprecise, biased and exclusively subjective), their content is not explained in detail, the meanings and impact on the allocation of scores and the overall evaluation of economic advantageousness criteria are not specified;
 - Requirements for linkage between the identified economic advantageousness criteria and the contract are not enshrined in the contract, i.e. control over fulfilment of the supplier's declared undertakings and the sanctions' mechanism in case the supplier fails

to fulfil / improperly fulfils the declared undertakings are not defined.

- **Pricing rules:**
 - Price review rules are not established;
 - Established price review rules do not comply with applicable regulation (review frequency is determined incorrectly).
- **Terms and conditions of the contract:**
 - Improperly worded, inaccurate and ambiguous provisions in purchase contracts, which subsequently complicate the performance of the contract and give rise to disputes between Public buyers and suppliers;
 - Possibilities and conditions for amending the purchase contract are not envisaged;
 - Contract price review is not discussed or is discussed improperly;
 - Adequate contract performance securities are not established;
 - Grounds and procedure for termination of the purchase contract are not defined;
 - Essential terms and conditions of the purchase contract which, if breached, would lead to the termination of the contract and to the inclusion of the supplier who breaches the essential terms and conditions of the contract in the list of the Unreliable Suppliers.
- **Conducting the procurement procedures:**
 - Time limits for carrying out procurement procedures are not met or minimum time limits for the submission of tenders and applications are set;
 - Following publication of the procurement notice, essential amendments are made to the contract documents which could influence the interest of potential suppliers in the procurement;
 - Claims are examined improperly or not examined at all;
 - Absence / non-presentation of declarations of impartiality and confidentiality undertakings signed by the persons involved in the procurement procedure or responsible for the decisions taken during the procurement.
- **Evaluation of tenders:**
 - Public buyers evaluate tenders not according to requirements set out in the procurement documents;
 - Suppliers' tenders are found to meet the technical specification or requirements of other procurement documents, although the tenders do not meet the requirements of the procurement documents;
 - Suppliers' tenders are found not to meet the technical specification or requirements of other procurement documents although the tenders met the established requirements;
 - Public buyers do not ask suppliers to clarify incomplete data concerning qualification requirements;

	<ul style="list-style-type: none"> • Suppliers are allowed to revise their tenders in such a way, or to revise the same aspect (inaccuracy) several times, so that tenders that do not comply with requirements of the procurement documents become compliant with requirements of the procurement documents, and the suppliers are declared successful tenderers; • Public buyers unlawfully close (terminate) procurement procedures by rejecting the suppliers' tenders without requesting to clarify inaccuracies; • Abnormally low price institute is treated formally, Public buyers do not seek to ascertain the capacity of suppliers to implement purchase contracts, or require excessive information; • Confidential part of the tender is evaluated improperly (insufficiently, formally); • Documents of Public buyers (minutes of the commission) are incomplete, without indicating the particular motives and reasons and/or explanations regarding decisions taken. <p>○ Publicity:</p> <ul style="list-style-type: none"> • Reports on procurement procedures are published improperly, not published at all, or published not in a timely manner; • Contracts, amendments thereto and tenders of successful suppliers are made available to the public improperly, are not made available to the public at all or are made available to the public not in a timely manner. <p>➤ Conclusion, amendment and performance of the purchase contract:</p> <ul style="list-style-type: none"> • Contracts are concluded not in compliance with the legal acts regulating public procurement; • Contractual terms and conditions are essentially amended although such amendments are not possible on the grounds set out in the National Law; • Accepted goods do not meet technical specifications (tenders); • Maximum quantities specified in the purchase contract are exceeded and new public procurement procedures are not conducted for their acquisition; • Economic entities performing the purchase contract are not named in the supplier's tender or in the purchase contract; • Time limits set in the purchase contract for the execution of works, provision of services or delivery of goods are not complied with; • Terms and conditions established in the purchase contract which were included by the supplier in the tender and as a result of which the supplier's tender was declared to be most economically advantageous are not complied with; • Qualitative criteria that have been evaluated and as a result of which the supplier was awarded the contract are not transposed into the contract and, consequently, the purpose of the procurement is not achieved and economic benefits are not generated; • Public buyers enter into supplementary agreements with suppliers but do not comply with the terms and conditions of the contract
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	<p>and do not properly document such changes;</p> <ul style="list-style-type: none"> • Additional contracts, agreements for purchase of additional works, goods or services are concluded illegally with suppliers to whom the main contracts have been awarded; • Additional purchase contracts are concluded for purchase of works, services, although such works / services should have been anticipated in advance. <p>To sum up the irregularities committed by Public buyers in the past year, it can be concluded that some irregularities can be explained by insufficient qualifications of Public buyers and their lack of knowledge of legal acts, while the reason for other irregularities is simple negligence. Of course, the possibility of deliberate infringements should not be excluded either. The result of all this is irrational use of public funds and inefficient management of state assets.</p> <p>In order to help Public buyers avoiding mistakes and inaccuracies in procurement documents and to ensure that in the future procurement procedures and contracts are performed properly, a strong emphasis is placed on preventive activities, and a preventive review of newly published procurement procedures is carried out each year, taking into account priority sectors. The purpose of the preventive work is to assess the procurement documents as a preventive measure before the time limit for the submission of tenders, and to make recommendations to Public buyers at the very beginning of the procurement procedure, in case of any inconsistencies and/or possible breaches of laws or legal acts related to their implementation, to revise the procurement documents containing unclear and ambiguous terms and conditions and to modify the procurement documents containing discriminatory, artificially restrictive terms and conditions, so that procurement procedures can be terminated already before the time limit for the submission of tender envelopes. The recommendations provided enable Public buyers themselves to correct inaccuracies, clarify terms and conditions that are ambiguous and do not comply with applicable legal regulation, and to proceed with the procurement procedures, without the need for control actions, or, after clarification (amendment) of requirements of the procurement documents, to terminate the procurement procedures and to announce them again.</p>
<p>Specific legal provisions (from EU or national law) which appear to raise</p>	<p>Article 2(1)(2) of Directive 2014/24/EU (list of central government authorities)</p> <p>Article 2(1)(2) does not define central government authorities by features. So, the principles of enlisting the organizations to the list of Annex I are not clear. The lists of different countries vary (some include just ministries, others – ministries and other very different public bodies subordinated to the Government, including, for example, museums). So that leads to a different scope of implementation of Directives in the countries. And in Lithuania it causes many disputes over the rules for assigning organization to this list.</p>

<p>significant problems of application</p>	<p>Article 57 of Directive 2014/24/EU (exclusion grounds)</p> <p>In practice contracting authorities and economic operators face a high administrative burden in execution of the obligation of Article 57(1) of Directive 2014/24/EU, as this obligation to exclude an economic operator also applies where the person convicted by final judgment is a member of the management or supervisory body of that economic operator or has powers of representation, decision, or control. The spectrum of persons to be verified based on this exclusion ground might be extensive and not always self-evident. If those persons are from different EU countries, many documents from different states are needed for verification whether this exclusion ground exists. In the revised legal framework, it should be defined how many cascades need to be checked (for example, do we need to check persons with indirect power of control, if so – how many levels). Additionally, means of proof should be reconsidered for the improvement of non-existence of this exclusion ground, as a principal rule allowing declarations, and only in the cases of suspicion, asking for production of an extract from the relevant register, such as judicial records or, failing that, of an equivalent document issued by a competent judicial or administrative showing that those requirements have been met.</p> <p>In practice contracting authorities face a high administrative burden, when they have to make a decision whether measures taken by the economic operator are sufficient to demonstrate its reliability despite the existence of a relevant ground for exclusion (the cases of self-cleaning, Article 57 (6)), etc. These decisions are hard to make even for very professional contracting authorities due to the limited knowledge on effectiveness of the measures of self-cleaning mechanism and there is a high risk that these decisions will lead to the disputes and stop the process of acquisition. So, as an alternative solution to this problem could be short period (for example 1 year) of exclusion in the case of existence of exclusion ground, but without the right of self-cleaning.</p> <p>Article 35 (5) of Directive 2014/24/EU and Article 53 (5) of Directive 2014/25/EU (e-auctions)</p> <p>Article 35 of Directive 2014/24/EU allows contracting authorities to invite only the tenderers that have submitted admissible tenders to participate in the electronic auction. Tenderers whose price exceeds the budget of contracting authority are not considered to be acceptable (and therefore not admissible). This provision needs to be revised in a way to allow for that group of tenderers to participate in the electronic auction, as during the auction their final prices may fall and become acceptable. That change could increase the level of competition, which is the essential element for the efficiency of this procedure.</p> <p>The same rules are set in Article 53 of Directive 2014/25/EU.</p> <p>Buying from auctions, organized by economic operators</p> <p>The Directives do not set the framework for Public buyers to procure supplies from auctions organized by the economic operators. And in some</p>
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cases that is the only way in the market to acquire certain supplies. Negotiated procedure without prior publication cannot be used in these cases, due to application of the obligation to check the exclusion grounds and compliance of economic operator to selection criteria as well as obligation to require the submission of a tender by electronic means.

Article 32(2) (b) (i) of Directive 2014/24/EU (procurements of museum exhibits)

Museums are facing challenges to acquire the museum exhibits, which are not works of art. Usually, in these cases there is sole source situation. But the Article 32(2) (b) (i) does not include possibility to use this procedure for acquiring the museum exhibits, which are not works of art.

In the cases where it is objectively possible to procure supplies, services or works from the only one economic operator, the requirements to check the mandatory exclusion grounds, compliance to selection criteria or obligation to require the submission of a tender by electronic means create an unreasonable administrative burden and significant problems of application.

Articles 33 and 34 of Directive 2014/24/EU and Articles 51 and 52 of Directive 2014/25/EU (limitations of dynamic purchasing systems and framework agreements)

The practice of application of dynamic purchasing system (hereinafter – DPS) shows that Public buyers face the limitation of this procedure because they have no leverage to request from economic operators to be active and provide the tenders for specific procurements or at least in part of them. So, during the cases of high demand and low supply, no tenders are provided, and the DPS stops working.

Framework agreements have superiority in this regard; however, their disadvantage is that they cannot be open to entry of new economic operators once they have been concluded.

The practice shows that revision of these provisions is needed to ensure more flexibility in application of these instruments.

Additionally, we would suggest the following amendments on DPS regulation:

- Article 34(2)(b) of Directive 2014/24/EU by giving the reference to Article 28(4) allows only for sub-central contracting authorities to set the time limit for the receipt of tenders by mutual agreement between contracting authority and selected candidates. This provision should be applicable for all contracting authorities. If shorter time limits are suitable for candidates, that is the way to speed up the processes.
- Article 34(5) of Directive 2014/24/EU sets 10 working days the time limit for the assessment of requests, which may be prolonged to 15 working days. From practise, those time limits are not sufficient and need to be 15 working days with possibility to prolong to 20.

- In accordance with Article 55(1) of the Directive 2014/24/EU, information on the decisions reached concerning the award of the contract of each specific procurement shall be provided to both tenderers and candidates. Given that not all candidates in a specific procurement of DPS submit bids, the information to them is redundant and increases the administrative burden. Suppliers themselves express dissatisfaction and reluctance to receive information on procurement in which they did not provide a bid.
- Article 34 (1) allows to divide DPS into categories of products, works or services, that are objectively defined on the basis of characteristics of the procurement to be undertaken under the category concerned. Such characteristics may include reference to the maximum allowable size of the subsequent specific contracts or to a specific geographic area in which subsequent specific contracts will be performed. In Annex V Part B II (7), regulating the information to be included in notices, it is required to provide estimated total magnitude for each lot, if contract is divided into lots. The ambiguity arises, whether category of DPS is the same as a lot, and whether there is a requirement to include in the notices the estimated total magnitude of categories.

Article 26 (4) of Directive 2014/24/EU (limited grounds for selecting competitive procedure with negotiations or competitive dialogue)

In some cases, contracting authorities could reach higher value for money using competitive procedure with negotiations or competitive dialogue, but the grounds for selecting those procedures are limited. In the revised framework, it would be better to set no limits or less restrictive grounds for selecting those procedures.

Article 2 (1) (4) of Directive 2014/24/EU (determination whether body is governed by public law)

In practice many organizations (especially, non-governmental organization (NGO), subsidiaries of state-owned companies, etc.) face a huge challenge in determining whether they fall under a category of "bodies governed by public law". The case law of the European Court of Justice regarding this point is so complex, assessment of the set of circumstances is very subjective, that in practise many disputes arise between organisations and controlling institutions, and legal disputes are brought on this basis.

Simplified criteria should be defined in legal framework.

Articles 42, 43, 62 of Directive 2014/24/EU (evaluation of equivalence)

Contracting authorities do not have the knowledge and skills to evaluate equivalence of certificates for certain standards or labels required. That process is time consuming and brings a high risk of wrong assessment and litigations.

CPV codes

Public buyers face difficulties in selecting the appropriate CPV code for the procedure, since the list in some cases is overlapping and ambiguous. So, the revision of CPV codes would be needed.

Guidance on calculation of estimated value of procurement

The guidance on calculation of estimated value of procurement and on what is the contracts of the same type would be very helpful.

Article 25 of Directive 2014/24/EU (the access of economic operators from third countries and provision of supplies from third countries)

In practice, contracting authorities face difficulties in assessing the access rights to the European public procurement market granted under various international agreements. Given the large scale of bilateral and multilateral agreements, the complexity of the text of these documents (for example, numbers of exclusions) it is very difficult to determine to what extent economic operators from third countries can obtain access. E-tool for the verification of the coverage of international agreements could be a tool to simplify the process.

It should be mentioned that in practice exists the need for the provision in Directive 2014/24/EU allowing to reject any tender submitted for the award of a supply contract where the proportion of the products originating in third countries, exceeds 50 % of the total value of the products constituting the tender (as is Article 85 of Directive 2014/25/EU).

Article 53 of Directive 2014/24/EU and Article 73 of Directive 2014/25/EU (full access to procurement documents at the time of notice)

Public buyers must offer full access to the procurement documents from the date of publication of the notice. However, in two-phases procedures (such as negotiated procedure, restricted procedure) electronic availability of full procurement documents at the moment of publication of the notice is not always efficient. We would support provisions, allowing at the time of notice to make an access to the essential information, which is sufficient for economic operators to decide whether to participate in the procedure, and in the second stage submitting details (full procurement documents). This could save time in implementation of strategic and complex projects.

Article 63 of Directive 2014/24/EU (Different treatment of economic operators in cases of evaluation of selection criteria)

In the cases of reliance on the capacities of other entities Article 63 (1) of the 2014/24/EU Directive provides for the obligation to replace entity, which does not meet selection criteria with another qualifying entity, i.e. to include a new entity whose capacity will be used to demonstrate compliance with the selection criteria. However, the Directive does not provide for the possibility for an economic operator to replace its employees that do not have necessary educational or professional qualifications with an eligible employee. This uncertainty undermines the principle of equal treatment of economic operators. In practice, situations arise where, the tenders of economic operators in the same situation are evaluated differently: one economic operator which does not meet the selection criteria because of an entity it has relied on is allowed to substitute such an entity with another, but the other economic operator whose employee does not meet the selection

criteria is not allowed to substitute him/her. We would recommend revising relevant provisions in a way, that more flexibility is given to economic operators to replace their employees to meet selection criteria.

Article 67 (2) and 70 of Directive 2014/24/EU (award criteria and conditions for performance of contracts links to subject-matter of the contract)

Using best price-quality ratio contracting authorities may include qualitative, environmental and/or social aspects, linked to the subject-matter of the public contract in question. Regarding the social aspects the limitation to evaluate only aspects linked to the subject-matter of the contract limits the possibility to evaluate sustainability of social policy of the economic operator, for example, its ability to ensure decent working conditions and decent salaries for employees in the longer period of time (including the past) or its employment of disabled people (even though, those people do not work of particular contract). That would have more sustainable effect to the society. The same flexibility is needed for regulation on conditions for the performance of contracts. For example, when requiring applying Code of Ethical Conduct, contracting authorities would expect complying with ethical standards in all activities of supplier, not just in the performance of the particular contract, because any unethical behaviour creates the reputational risks.

Article 67 of Directive 2014/24/EU (implementation of provisions on the best price-quality ratio)

Due to the requirement to set up award criteria, that are linked to the subject matter of the contract, contracting authorities are not allowed to use past performance evaluation of the supplier. But that criterion could be of great help in the cases where it is difficult to set up easily verifiable quality criterion, for example, in the procurement of intellectual services. If Member States were allowed to establish past performance assessment reporting systems (as in the U.S), that could be very useful tool to raise quality level of services provided.

Article 47 of 2014/24/EU Directive (amendments of procurement documents)

Article 47 of 2014/24/EU Directive requires to extend the time limits for the receipt tenders where significant changes are made to the procurement documents. In Borta case C-298/15 court ruled that “the amendments concerned, although they may be substantial, must not be so substantial that they have attracted potential tenderers which, in the absence of such changes, would not be in a position to submit a tender.” This ruling drastically increased the percentage of cancelled procedures, which had to be restarted ab initio with wasted costs. Controlling institutions evaluate changes of procurement documents very formally – whether exists even theoretical possibility of new economic operators to participate in the tender after those amendments, and if so, financial corrections are applied. To address this issue, a solution is needed, how (with the respect of the principle of transparency), to reframe legal provisions allowing more flexibility for changes of tender documents after publication of notices.

A system of qualification of economic operators

Under 2014/24/EU Directive, contracting authorities are not allowed to establish and operate a system of qualification of economic operators. This possibility is envisioned in 2014/25/EU Directive (Article 77). It would be useful to set the same possibility in the classical Directive as well.

Revision of framework in the light of digitalisation

Directives need to be revised having in mind the progress of digitalisation. For example, Article 84 (1) of 2014/24/EU requires contracting authorities to draw up a written report on the procedures for the award of contracts, but due to electronic processes the data on contract awards could be obtained without reports. Also, the provision of Article 84(2) that requires contracting authorities to document the progress of all procurement procedures, whether or not those are conducted by electronic means, is outdated.

Article 21 of Directive 2014/24/EU (confidentiality) (requires constant guidance)

Contracting authorities have an obligation not to disclose the information forwarded to it by economic operators which they have designated as confidential. That leads to claims by other economic operators, who argue the confidentiality nature of the protected information, and make the contracting authority to become an arbitration institution regarding the justification of confidentiality. In many of such cases Contracting authorities are unwilling to take the risk of getting into disagreements with the winning economic operator, even though the confidentiality of certain aspects has only been stated before the publication of the contract and (or) the basis for claims of confidentiality hasn't been evaluated.

Use of AI in public procurement

The provisions of the Directive 2014/24/EU should not hinder the development and enablement of AI in public procurement. It should be considered when changes are made.

Article 32 of Directive 2014/24/EU

It is necessary to cover the cases of how to ensure the public interest, when due to the inactivity or improper functioning of the contracting authority, it is necessary to buy urgently.

Article 69 of Directive 2014/24/EU (abnormally low tenders) (requires constant guidance).

Checking whether tenders are abnormally low is a very complex procedure. Contracting authorities often lack the skills to verify the data provided. If done formally, that creates a risk of improper implementation of the contracts.

<p>An assessment of patterns and behaviours that are not illegal or non-compliant, but still indicate possible problems</p>	<p>Examples of patterns and behaviour that are not illegal or non-compliant, but still indicate possible problems:</p> <ul style="list-style-type: none">• When purchasing goods, many documents are required to be submitted, which complicates the submission of suppliers' proposals and leads to their rejection.• Due to the national case law and the practice of controlling bodies, Public buyers are limited in formulating the best price-quality ratio criteria to very objectively assessed criteria, because subjectively assessed criteria are not considered to be suitable. Therefore, the trend is to use only price as award criteria too extensively, to avoid any risk of the improperly set price-quality ratio criteria, or to set them very formally (with very little added value).
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II.2 Supporting documents

PPO assessment conclusions and verification reports are publicly available:

<https://vpt.lrv.lt/lt/pirkimu-vykdyimo-prieziura/isvados-ataskaitos/>

“Info-tree” of guidance documents, FAQs, court decisions, etc.:

<https://klausk.vpt.lt/hc/lt>

Reports on state control audits of the Republic of Lithuania for 2021–2023, related to the implementation of the Operational Programme for EU Structural Funds Investments for 2014–2020:

<https://www.valstybeskontrole.lt/LT/Product/24135/20142020-m-europos-sajungos-fondu-investiciju-veiksmu-programos-igyvendinimui-s>

<https://www.valstybeskontrole.lt/LT/Product/24162/20142020-m-europos-sajungos-fondu-investiciju-veiksmu-programos-igyvendinimui-s>

<https://www.valstybeskontrole.lt/LT/ESInvesticijuAuditas>

Policy document, discussing issues in relation to the implementation of the rules:

[“Viešųjų pirkimų problematika ir sprendimų kryptys” \(2021\)](#)

[“Viešųjų pirkimų problematika ir sprendimų kryptys” \(2023\)](#)

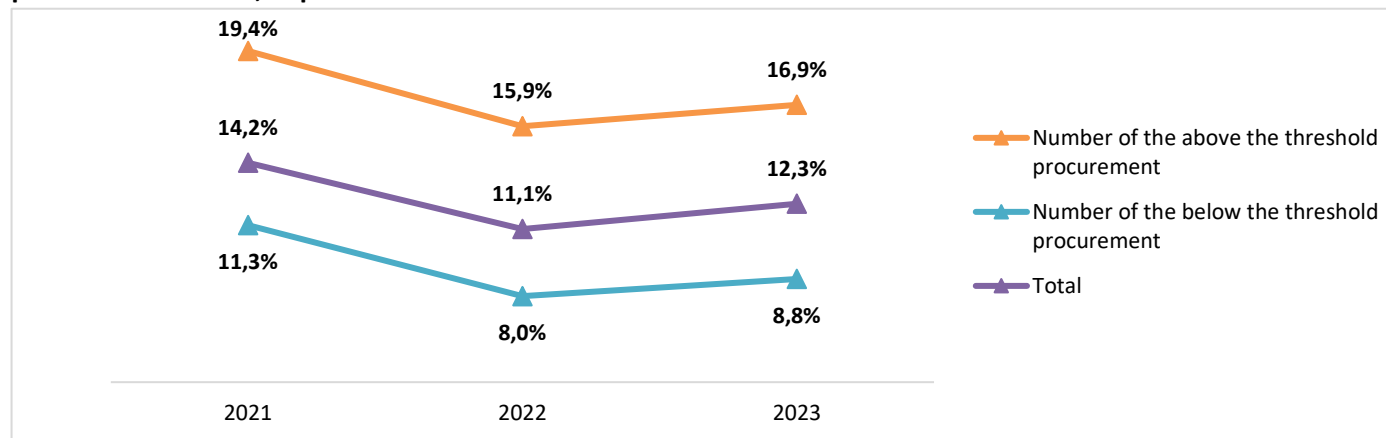
Additional interpretative guidance documents published in order to clarify legal issues:

[Commentary of Law on Public Procurement of the Republic of Lithuania \(LPP\)](#)

[Commentary of Law of the Republic of Lithuania on Procurement by Contracting Entities Operating in the Water, Energy, Transport or Postal Services Sectors \(LPU\)](#)

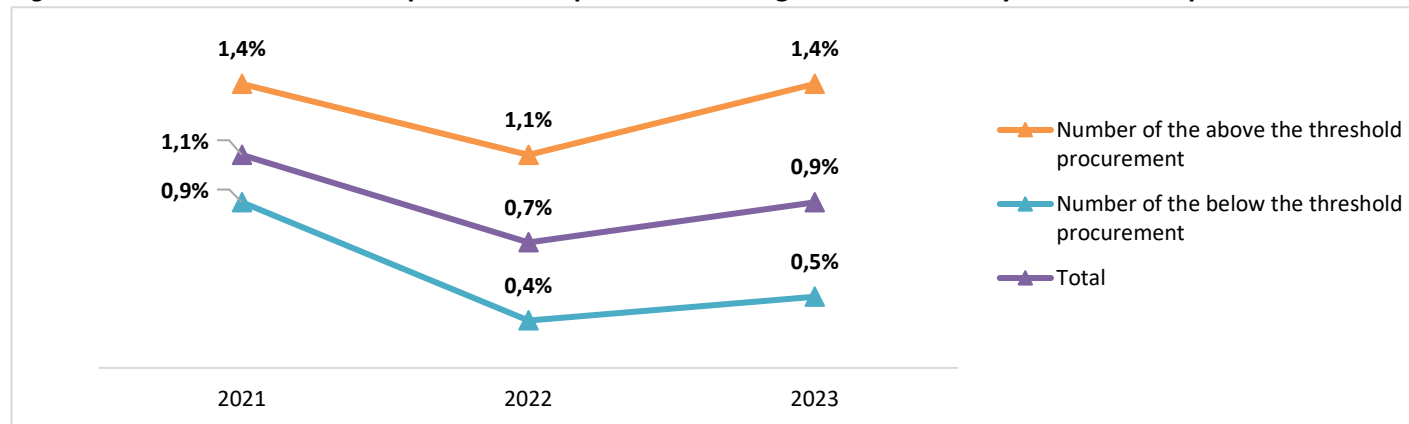
II.3. Quantitative indicators	
Indicators about the national review system	<p>National review system</p> <p>According to the national regulations, the supplier has the right to submit a claim to the Public buyer: 1) within 10 days (in the case of procurement below the threshold – within 5 business days) from the date of sending a notice of the Public buyer of the decision to the suppliers, and if this notice has not been sent by electronic means, – within 15 days from the date of sending the notice to suppliers; 2) within 10 days (in the case of procurement below the threshold – within 5 business days) from the day of publication of the decision taken by the Public buyer, if there is no requirement in the National Law to inform suppliers in writing about the decisions taken by the Public buyer.</p> <p>Submission of a claim to the Public buyer is a mandatory pre-trial dispute examination stage. If the Public buyer fails to examine the claim submitted to him within the set time limit, the supplier has the right to submit a request or bring an action to court within 15 days from the date on which the Public buyer was required to notify the claimant, interested candidates and interested parties in writing on the decision regarding the claim.</p> <p>The action is brought to a court of general jurisdiction as a court of first instance.</p> <p>The decision made by the court of first instance may be appealed to the Lithuanian Court of Appeal. The decision of the Lithuanian Court of Appeal may be appealed to the Supreme Court of Lithuania. The Supreme Court of Lithuania is the final instance.</p> <p>The supplier shall also have the right to bring an action for annulment of the procurement contract or framework contract within 6 months from the date of conclusion of the procurement contract.</p> <p>Extent of filing of claims against contractors and complaints to courts</p> <p>Data sources, calculation methods</p> <p>Information on whether claims have been filed against the Public buyer and whether a complaint has been filed to the court is collected in the procurement reports published by the Public buyers in the CPP IS. Based on this information, it is possible to determine how many procurement procedures have been challenged by claims or complaints. The indicators are calculated for above the threshold and below the threshold procurement, except for low value procurement.</p> <p>In 2021–2023, procurements for which the Public Buyers received claims made up about 12.5% of all procurements (see Fig. 2), while procurements which resulted in court actions accounted for around 0.9% of all procurements, on average (see Fig. 3).</p> <p><i>Fig. 2. Division of the number of procurement procedures for which the Public buyers received claims according to the thresholds of</i></p>

procurement values, in percent



Data updated on 7 February 2024

Fig. 3. Division of the number of procurement procedures brought to the courts by thresholds of procurement values, in percent



Data updated on 7 February 2024

Extent of public procurement cases, duration of examination and results

Data sources, calculation methods

Information on cases examined in Lithuania is prepared by the PPO according to the data provided by the National Courts Administration (hereinafter referred to as the NCA³). According to the structure of the data stored in the NCA database, it is not possible to distinguish the information on the above the threshold and below the threshold procurement, therefore the values of the indicators together with the NCA data are presented in a way that entails the procurement of above the threshold and below the threshold, without discerning them.

Figures 4 to 7 below provide information on the number of cases heard by courts of first instance and the Lithuanian Court of Appeal in 2021–2023. The number of cases heard by courts of first instance includes only those cases to which provisions of Article 423⁸(4) of the Code of Civil Procedure of the Republic of Lithuania (hereinafter – the CCP) regarding the time limit for adopting a decision in a case apply. In addition, the respective information for the previous reporting period of 2018–2020 is provided.⁴

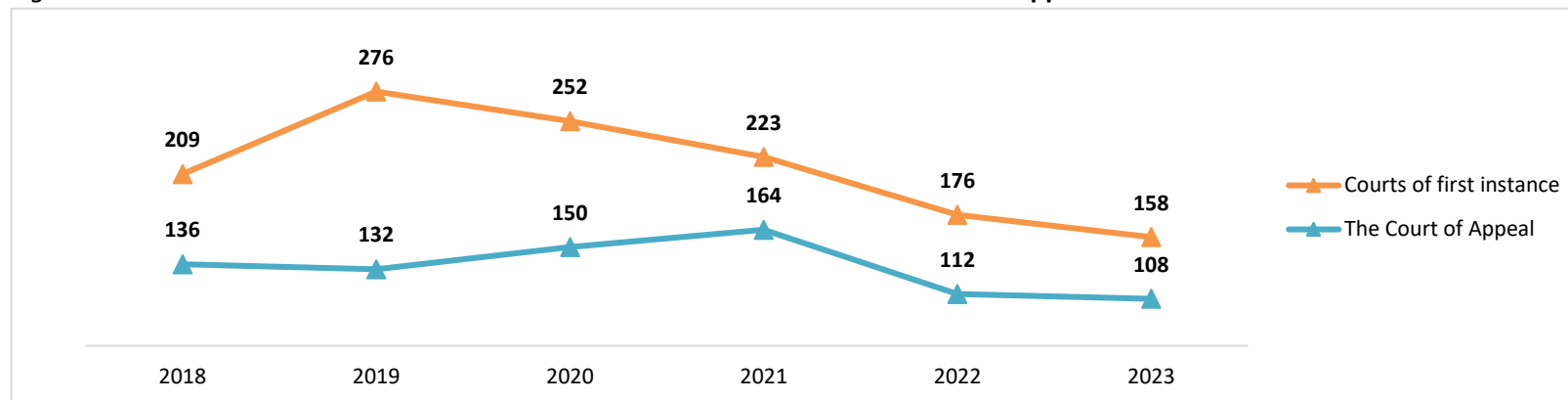
³ NCA web page address: <http://liteko.teismai.lt>.

⁴ The NCA revised the data of 2018–2020 on cases examined by courts of first instance taking account of the provisions of Article 423⁸(4) of the CCP regarding the application of the time limit for adopting a decision in a case.

In 2021–2023, a downward trend in the number of public procurement cases heard by courts of first instance and the Lithuanian Court of Appeal (see Fig. 4) was observed. In 2021, courts of first instance examined 223 cases, in 2022 – 176 and in 2023 – 158. The Lithuanian Court of Appeal in 2021 examined 164 cases, in 2022 – 112 and in 2023 – 108 cases.

The decrease in the number of public procurement cases heard by courts of first instance and the Court of Appeal of Lithuania in 2021–2023 may have been influenced by factors such as the COVID-19 pandemic, the war in the Ukraine, growing inflation, higher litigation costs, etc.

Fig. 4. The number of cases examined in the courts of first instance and the Court of Appeal⁵



Data updated on 21 March 2024

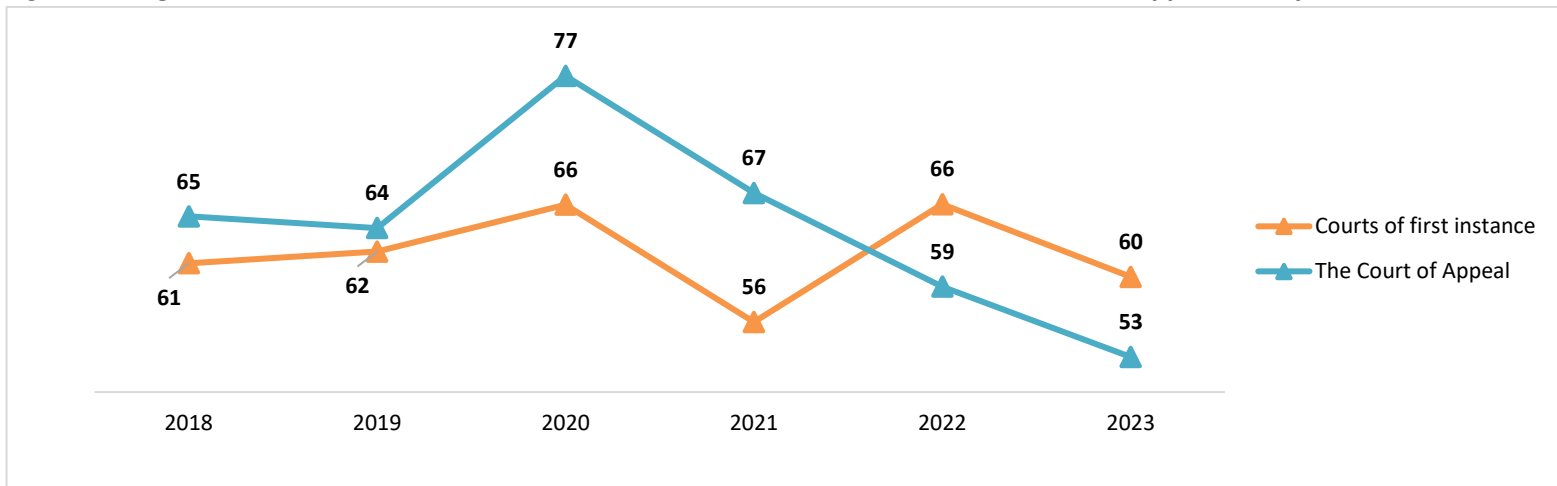
The duration of proceedings in courts of first instance is regulated by Paragraph 4 of Article 423⁸ of the CCP⁶: “The decision must be taken no later than within sixty days from the date on which the action was brought to the court.” The actual duration of the proceedings is calculated from the date of filing the plaint until the date of examination.

⁵ The number of cases examined by courts of first instance includes only those cases to which provisions of Article 423⁸(4) of the CCP on the time limit for adopting a decision in a case apply.

⁶ <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.162435/asr>

In 2021–2023, the average duration of hearing cases by courts of first instance varied between 56 and 66 days, on average: in 2021 – 56 days, in 2022 – 66 days and in 2023 – 60 days (see Figure 5). In 2021–2023, the average duration of hearing the cases by the Lithuanian Court of Appeal reduced: in 2021 – 67, in 2022 – 59 and in 2023 – 53 days (see Fig. 5).

Fig. 5. Average duration of case examination in both courts of first instance and the Court of Appeal, in days⁷

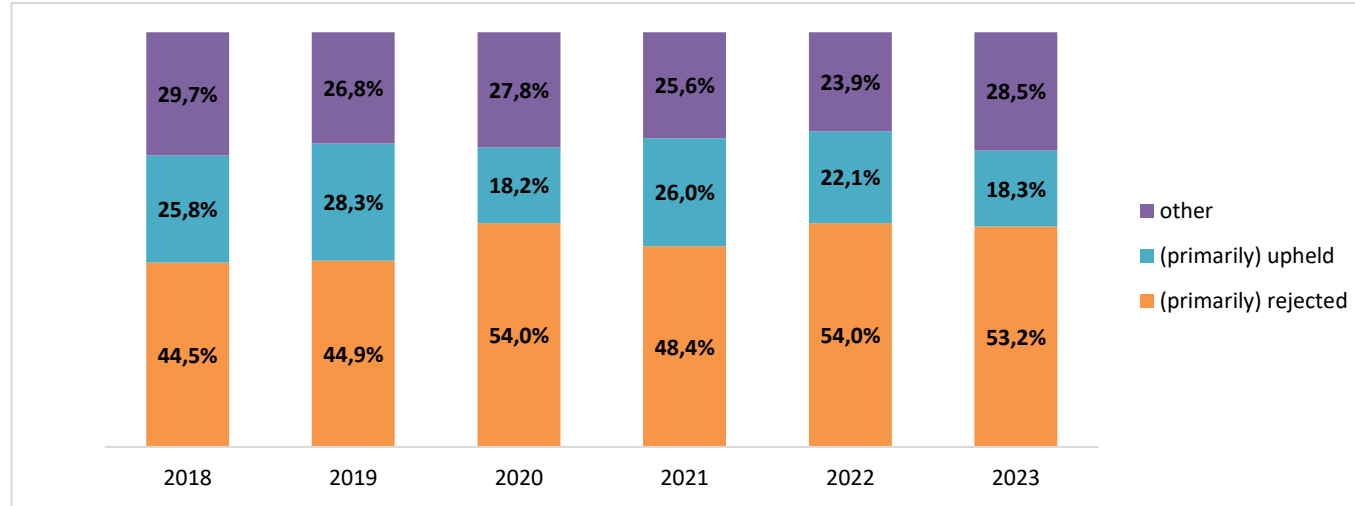


Data updated on 21 March 2024

⁷ The same as in ⁵.

The results of the examination of cases by courts of first instance show that about half of all actions were rejected and their share went up from 48.4% to 53.2% in 2021–2023. The share of actions granted in full or in part saw a decline: from 26% in 2021 to 22.1% in 2022 and 18.3% in 2023 (see Fig. 6).

Fig. 6. Division of the number of cases heard in the courts of first instance according to the results of the examination of cases, in percent⁸

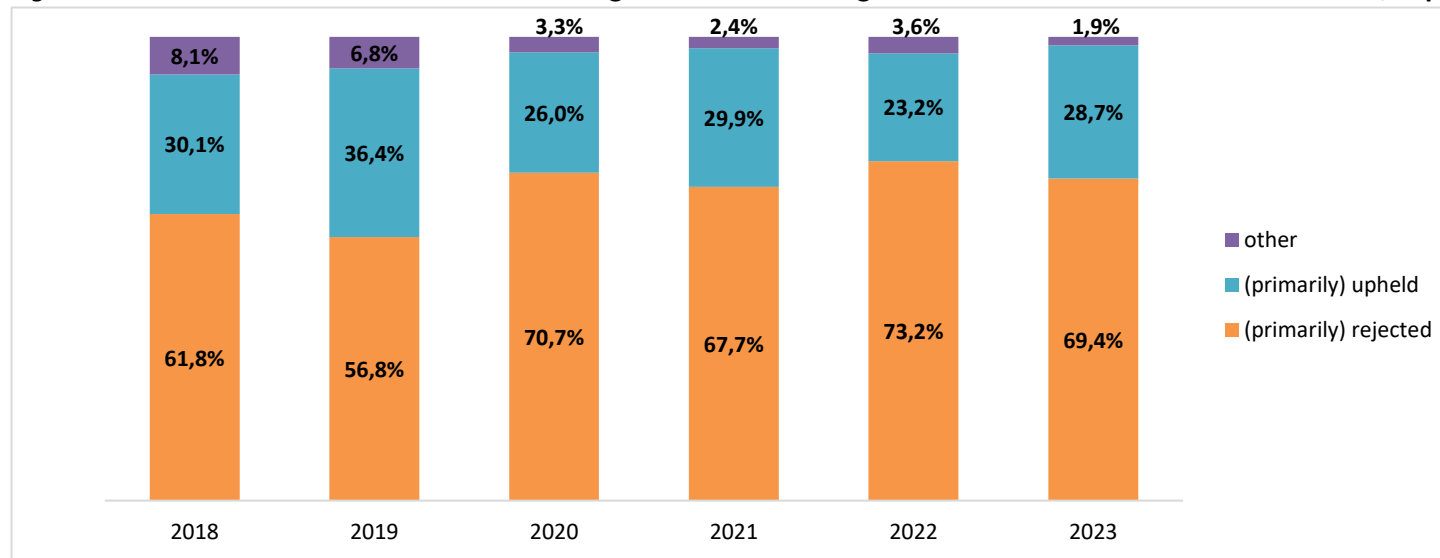


Data updated on 21 March 2024

⁸ The same as in ⁵.

In 2021–2023, the Court of Appeal rejected appeals in 70% of cases on average, and annulled or partially modified decisions in more than a quarter of cases: in 2021 – 29.9%, in 2022 – 23.2% and in 2023 – 28.7% (see Fig. 7).

Fig. 7. Division of the number of cases heard in higher courts according to the results of the examination of cases, in percent⁹



Data updated on 7 February 2024

⁹ The same as in⁵.

III. Prevention, detection and adequate reporting of cases of procurement fraud, corruption, conflict of interests and other serious irregularities

III.1. Qualitative reporting on fraud, corruption, conflict of interests etc.

Law on the Adjustment of Public and Private Interests in the Civil Service¹⁰, Art. 5(6):

Members of the procurement commissions of Public buyers, persons appointed by the head of the Public buyer for conducting simplified procurement, experts participating in the procedures of the procurements conducted by the Public buyer, initiators of the procurement shall file a declaration (if it has not been filed yet) before the start of participation in the procurement procedures. Members of the procurement commissions of Public buyers, persons appointed by the head of the Public buyer for conducting simplified procurement, experts participating in the procedures of the procurements conducted by the Public buyer, initiators of the procurement who fail to file a declaration shall not be entitled to participate in the procurement procedures and must be removed from the respective position.

Such declarations have to be renewed no later than 30 calendar days after the change of circumstances that are relevant for ensuring the compliance with the before mentioned law.

Declarations are presented through a dedicated declaration system PINREG¹¹, administered by Chief Official Ethics Commission¹². Declarations, provided by persons, involved in public procurement, are public, and can be accessed by using the same PINREG system.

Criminal code¹³, Art. 227 establishes criminal liability (restriction of liberty, fine, arrest or a custodial sentence) for bribery of civil servant or a person, considered to be in the same position.

Code of Administrative offences¹⁴, Art. 184 establishes administrative liability for infringement of public procurement rules (warning or fine of 250–3 000 Eur) for the head of Public buyer or the person, performing as such, public procurement commission members (only those who voted for the unlawful decision), experts, civil servants or employees; if administrative offense committed repeatedly (fine of 2000–6 000 Eur);

¹⁰ In Lithuanian: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.41669/asr>. In English: <https://vtek.lt/en/legal-information/relevant-laws/> (last amendment on 1st of January 2020).

¹¹ PINREG: <https://pinreg.vtek.lt/app/>

¹² Official website of COEC: <https://vtek.lt/en/home/>

¹³ In Lithuanian: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.111555/asr>. In English: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/28b18041843311e89188e16a6495e98c?ifwid=-1djceg4yu2> (consolidated version valid until 30th of September 2018).

¹⁴ In Lithuanian: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/b8d908c0215b11e58a4198cd62929b7a/asr>. In English: https://europam.eu/data/mechanisms/PF/PF%20Laws/Lithuania/Lithuania_Code%20of%20administrative%20offences_1985_amended2016_eng.pdf (consolidated version valid until 1st of December, 2016) article 173³.

The Law on the Protection of Whistleblowers of the Republic of Lithuania¹⁵ establishes the protection mechanism for persons who have submitted information about a violation in an institution with which they are connected or were connected by service or employment relations or contractual relations. Public buyers can inform the PPO about detected infringements in public procurement by filling in a report form (non-anonymous, as otherwise collection of reliable information would be impossible) and about corruption in PPO itself (by dedicated email): <https://vpt.lrv.lt/lt/pranesk-apie-korupcija>. It is important to mention, that the Prosecutor's Office of the Republic of Lithuania is the competent authority under the Law of the Protection of the Whistleblowers of the Republic of Lithuania.

Institutional arrangements made

Institutional cooperation in the sphere of public procurement proved to be most efficient when arrangements and agreements are made.

According to the Article 8 of the Law on the Special investigations service (hereinafter – the Law on the STT)¹⁶, pursuing its activity objective and implementing tasks assigned to it, the Special Investigation Service of the Republic of Lithuania (hereinafter – STT) has the right to receive free of charge data of the state information resources and documents as well as other information necessary to carry out the functions of the STT from government and municipal authorities, institutions and enterprises, the State and municipality managed enterprises, enterprises whose shareholder is the State or a municipality, public institutions that are established, owned or co-owned by the State or a municipality. Based on this provision, the STT has established and signed an institutional data provision agreement with the PPO according to which the STT has the right to get the public procurement data.

The STT also provides information about the risks related to the subject or its' responsible persons (their criminal records according to the competence of the STT, other possible risks arising from participating in the procurement) upon receiving an official request from the other institutions. This procedure is stated in the Article 72 of the LPP¹⁷.

New developments of the LPP

In 2022, Article 21 (“Conflict of interest in contracting authority”) of the LPP was amended:

- 1) In order to reduce the administrative burden on contracting authorities by removing overlapping requirements, the provisions have

¹⁵ In Lithuanian: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/3832a702d8ea11e782d4fd2c44cc67af/asr>. In English: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/267de1c2a9b911eb98ccba226c8a14d7?ifwid=-1djceg4wo2> (last amended on 20th of December 2018)

¹⁶ In English: https://www.stt.lt/data/public/uploads/2021/04/stt_istatymas_eng_2021_04_08.pdf (consolidated version valid until 8th of April 2021).

¹⁷ In Lithuanian: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.30614/asr>. In English: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/badfca72b36811e982dae1db4290b1a9?ifwid=-1djceg4vcy> (last amended on 28th of June, 2018).

been clarified to allow persons participating in procurement procedures or taking procurement decisions not to make a declaration of impartiality if they are obliged to declare their private interests as provided for in the Law on the Harmonisation of Public and Private Interests.

2) Additionally, taking into account the analytical anti-corruption intelligence studies carried out by the STT, the corruption risks related public procurement, and to further increase transparency in public procurement and prevent collusion in procurement, new obligation for the contracting authority was set to publish, after the end of the procurement, the names of the persons, which are related to the procurement. The same changes have been made in LPU.

Soft-law and soft measures

Former National Anti-Corruption Programme for 2015–2025¹⁸ foreseen 8 priority areas in which possibility of the spread of corruption was considered the highest. One of the priority areas was public procurement.

In order to manage risks in this area, the former Action Plan for 2020-2022¹⁹ of the National Anti-Corruption Programme for 2015–2025 provided 8 measures:

1) **To increase the efficiency of public procurement using methodological measures** (implemented).

2) **To modernise CPP IS** (in progress). In implementing this measure, the PPO had to modernise the CPP IS (SAULÉ IS). To that end, on 26 May 2021, the CPP IS Modernisation Services Agreement No 11F-18 was concluded with UAB Novian Systems. Due deficiencies in the performance and material breaches of the terms and conditions of the Agreement it was terminated on 5 January 2024, and UAB Novian Systems was included on the list of the Unreliable Suppliers. Given that in 2023 the outcome of legal disputes was not clear to the PPO it could not take any actions related to the modernisation of the CPP IS. The first procurement, including the preparation and implementation (which has never been completed), has lasted for more than five years; therefore, in 2024, the PPO will organise a new CPP IS modernisation procurement process, including obtaining the funding, etc.; but will seek to divide the modernisation into stages so that the CPP IS users can have a reliable and modern system as soon as possible. It is estimated that a full-scale modernisation of the CPP IS could take between 3 and 5 years.

3) **To improve the provisions of the LPP and ensure that suppliers who have concluded prohibited agreements as defined in the Law on Competition of the Republic of Lithuania are eliminated compulsorily and not taking into account the will of the contracting authority (except for low value procurements)** (implemented).

¹⁸ In Lithuanian: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/e42b7360100211e5b0d3e1beb7dd5516?fwid=-fxdp8swm>. In English: <https://www.stt.lt/en/legal-information/laws/4975>

¹⁹ https://www.stt.lt/data/public/uploads/2021/04/tvp-2020-2022_eng.pdf.

4) **To promote and hasten the development of the system of management of centralised public procurements carried out through the electronic catalog of the CPO LT and quality and efficiency assurance of goods and services** (implemented).

5) **To centralise public procurements of institutions subordinated to the Government of the Republic of Lithuania** (partially implemented). During the implementation of the measure, Resolution of the Government of the Republic of Lithuania No. 1108 "On the Government of the Republic of Lithuania in 2007 January 19 resolution no. 50 "Regarding the execution of centralized public procurements", amendment" was prepared, which came into force on 2023 January 1. The amendment gives the Ministry of Economy and Innovation the right to assess the results, progress and impact of centralization of public procurement by Public buyers in all areas of state activity, if needed – to submit proposals to ministries regarding the centralization of public procurement by Public buyers in areas of management assigned to ministers, and to the Government – regarding the centralization of public procurement by Government institutions. Taking into account the model of the practical implementation of the measure, it is necessary to further monitor the developing practice of implementing the Government's resolution, so that the centralization of purchases is realistic and effective.

6) **To centralise the public procurements of institutions in the area of management of the Minister of the Interior and the procurements of construction and repair works of cultural buildings of the institutions in the area of management of the Minister of Culture and procurements for the implementation of heritage management programmes** (partially implemented). In 2022 December 23, the action plan for the centralization of public procurement of statutory bodies under the management of the Ministry of the Interior of the Republic of Lithuania was approved, according to which the procurement of the CPBs will be centralized from 2024. By centralizing the procurement of construction and repair works of cultural buildings of the institutions under the control of the Minister of Culture, Cultural Infrastructure Center carried out centralized public procurement and performed customer functions to implement the program of funding of inheritance in 2021-2023. By centralizing the procurement of construction and repair works for cultural buildings of institutions under the control of the Minister of Culture, Cultural Infrastructure Center was also granted the right to carry out the procurement of construction and repair works of cultural buildings of institutions under the control of the Minister of Culture, and cultural institutions use this right in cases where they do not have the resources themselves. Therefore it is necessary to continue to ensure the centralization of public procurement of institutions assigned to the areas of ministerial management.

7) **To assess the impact of centralisation of public procurements of institutions subordinated to the Government and provide recommendations to municipalities regarding centralisation of procurements** (partially implemented). From 2022 January 1, the decision on the establishment of CPBs, their legal form or the granting of the right to perform the functions of the CPB to the procurement organization, as well as on the performance of specific purchases on behalf of other procurement organizations, is taken by the municipal councils according to their competence. In each municipality, it must be ensured that the purchases of CPBs controlled (managed) by the municipality, with the exception of municipal companies, joint-stock companies, closed joint-stock companies and public institutions, with a contract value exceeding

EUR 15 000 (excluding value added tax) are carried out from the CPBs. Taking this into account, it is needed to ensure the proper preparation of municipalities to centralize public procurement in accordance with the procedure established by LPP, by providing recommendations and sharing good practices of Ministry of Economy and Innovation and the CPO LT on the centralization of procurement.

8) **To consider the practical application of the inclusion of suppliers in the [list of the Unreliable Suppliers](#) and make proposals for a more effective application of this measure** (implemented). In implementing this measure, the PPO carried out the following actions:

a) In 2023, Public buyers submitted 63 requests to the PPO for inclusion of suppliers on the list of the Unreliable Suppliers. In 53 cases, the Public buyers decided that the supplier had committed a material breach of the contract leading to a decision to terminate the contract, and in 10 cases suppliers were included on the List because Public buyers decided that the supplier had performed the essential clause of the contract with serious or persistent deficiencies. In 2023, 7 suppliers were removed from the List (taking into account the fact that 5 peaceful settlement agreements have been concluded between the contracting parties and in 2 cases courts have ruled that the contract with the supplier was terminated without reasonable grounds). 8 suppliers submitted to the PPO the clarification questionnaire of the supplier included on the List requesting to make public the information provided on the List.

b) The PPO prepared the information notice concerning the inclusion of suppliers in and removal from the lists of the Unreliable Suppliers and Suppliers providing false information ([Dėl tiekėjų įtraukimo į Nepatikimų tiekėjų ir Melagingą informaciją pateikusių tiekėjų sąrašus ir išbraukimą iš šių sąrašų - Viešųjų pirkimų tarnyba \(lr.v.lt\)](#)) outlining in a concise manner the key points to be considered by Public buyers who apply the tool and discussing the challenges related to its application.

c) The target set for measure 2.7.2 for 2023 – percentage share of Public buyers applying the unreliable supplier institute of – 1.34% was achieved.

Current document for the corruption prevention is – the National Anti-corruption Agenda for the period of 2022–2033²⁰. One of the progress targets to pursue the strategic objective of the National Anti-corruption Agenda for the period of 2022-2033 is – Ensure the operation of a transparent, simple and efficient public procurement system. The 2023–2025 Plan for the Implementation of the National Anti-Corruption Agenda for 2022–2033²¹ (hereinafter – Plan) foresees 3 measures for this progress target:

- 1) Develop and implement a digital tool to ensure the integrity and openness of procurement data, enabling analysis and data-based decision making.

²⁰ In English: https://www.stt.lt/data/public/uploads/2022/08/stt_darbotvarke_en.pdf

²¹ In English: <https://www.stt.lt/data/public/uploads/2023/06/the-plan.pdf>

- 2) Analyse the practice of applying the institution of unreliable suppliers and the factors that may be undermining the effectiveness of this institute. Develop guidelines for procurers and proposals for other measures to promote the proper and effective application of the institution of unreliable suppliers.
- 3) Centralise public procurements in the Ministry of Health's subordinate bodies.

Information about the implementation of the Plan cannot be provided at the moment, because monitoring and evaluation of this Plan is being carried out²².

In 2023 PPO has implemented the project "Attracting suppliers to public procurement". During the project activities PPO provided training for suppliers. These trainings strengthening suppliers' competences, not only in terms of competence to identify corruption, but also through increased competition, to reduce the risk of corruption. In 2024 PPO will continue this activity.

As part of public procurements specialist attestation program, in 2023 PPO included questions related to ethics of public procurement's proceedings into attestation program, which also includes corruption prevention topics.

Use of data analysis to perform control such as red-flag systems:

1) Every Public buyer in Lithuania that is obligated to follow the procedures of public procurements according to the National Law is monitored through the Scoreboard²³, which provides freely accessible data on the total percentage of single-bidder procurement, volume of such procurement, competition, prevalent buyers, suppliers, types of purchases and other indicators. In 2023 the Scoreboard was supplemented with the following indicators:

- Number of "single bidder" procurement procedures (without / with centralised procurement), in percent .
- Average number of bids for a procurement (without / with centralised procurement), number and etc.

Based on the results of this Scoreboard, the PPO selects the Public buyers to be inspected, determines the target audience for the training, etc.

The detailed methodology for the calculation of indicators is published in the document drawn up by the PPO "Map of Public Buyers – Scoreboard. Methodology for the calculation and assessment of indicators"²⁴.

²² According to paragraph 17 of the Plan, the STT shall develop and submit to the President of the Republic, the Seimas of the Republic of Lithuania and the Government of the Republic of Lithuania an annual report on the implementation of the Plan no later than by the end of Q2 of the current year.

²³ <https://vpt.lrv.lt/lt/statistika-ir-analize/pirkimu-vykdytoju-zemelapis-svieslente-1/>

²⁴ <http://vpt.lrv.lt/public/canonical/1703762692/16676/>

	<p>2) Most of the risk indicators (red flags) that might be related to the public procurement procedure are most often expected to be noticed during regular Analytical Anti-Corruption intelligence investigations performed in the STT. Analytical Anti-Corruption intelligence is one of the functions of the STT. Its purpose is to identify and neutralise corruption threats and risks before they develop into corruption-related crimes. According to the Article 9 of the Law on the STT, the results of the performed analysis can be presented to the state and municipal institutions or officials competent to make relevant decisions significant in terms of reducing the prevalence of corruption.</p> <p>In most cases, STT carries out an ex post risk assessment, since not every procurement must undergo the screening procedure by the STT in compliance with the Law on the STT. In the instances of recognition of possible risks, the Public buyer can be informed about it and advised on the measures that must be taken to control these risks. Indicating them (both before and after the procurement) might require checking the history of the participant's wins in previous procurements, the relations between the buyer and the seller, also it is important to evaluate the main aspects that determined the win of the procurement and the list of other participants, the requirements of the procurement and the winner's compliance with them.</p> <p>3) The Prevention and Announcements Department of the PPO carries out a preventive review of procurements, taking into account the priority areas of activity. In 2023, it conducted 101 medical procurement reviews. After the preventive evaluation of procurement documents, 44 recommendations were made to the Public buyers, and 18 procurement procedures were terminated by the Public buyers themselves only after receiving a request to submit documents for preventive evaluation. More information: Prevenčinis darbas vertinant 2023 m. paskelbtų brangios medicinos įrangos pirkimų dokumentus - Viešųjų pirkimų tarnyba (lrv.lt). A preventive inspection of international and simplified (except for low value procurements) procurement of road (street) works was also carried out. More information: Prevenčinės kelių (gatvių) darbų pirkimų dokumentų peržiūros apžvalga. - Viešųjų pirkimų tarnyba (lrv.lt)</p> <p>More information: Overview of the preventive review of the road / street works' procurement documents (Prevenčinės kelių (gatvių) darbų pirkimų dokumentų peržiūros apžvalga. - Viešųjų pirkimų tarnyba (lrv.lt))</p>
III.2. Supporting documents	
	<p>Law on the Adjustment of Public and Private Interests in the Civil Service:</p> <ul style="list-style-type: none"> • In Lithuanian: https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.41669/asr; • In English: https://vtek.lt/en/legal-information/relevant-laws/ (last amendment on 1st of January 2020) <p>Criminal code</p> <ul style="list-style-type: none"> • In Lithuanian: https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.111555/asr; • In English: https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/28b18041843311e89188e16a6495e98c?ifwid=-1djceg4yu2 (consolidated)

	<p>version valid until 30th of September 2018)</p> <p>Code of Administrative offences</p> <ul style="list-style-type: none"> In Lithuanian: https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/b8d908c0215b11e58a4198cd62929b7a/asr; In English: https://europam.eu/data/mechanisms/PF/PF%20Laws/Lithuania/Lithuania_Code%20of%20administrative%20offences_1985_amended2016_eng.pdf (consolidated version valid until 1st of December, 2016) article 173³ <p>The Law on the Protection of Whistleblowers of the Republic of Lithuania</p> <ul style="list-style-type: none"> In Lithuanian: https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/3832a702d8ea11e782d4fd2c44cc67af/asr; In English: https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/267de1c2a9b911eb98ccba226c8a14d7?jfwid=-1djceg4wo2 (last amended on 20th of December 2018) <p>The National Law</p> <ul style="list-style-type: none"> In Lithuanian: https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.30614/asr; https://www.e-tar.lt/portal/lt/legalAct/9116a35030a011e78397ae072f58c508/asr In English: https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/badfca72b36811e982dae1db4290b1a9?jfwid=-1djceg4vcy (just LPP, last amended on 28th of June, 2018) <p>Former National Anti-Corruption Programme for 2015–2025:</p> <ul style="list-style-type: none"> In Lithuanian: https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/e42b7360100211e5b0d3e1beb7dd5516?jfwid=-fxdp8swm; In English: https://www.stt.lt/en/legal-information/laws/4975 <p>The former Action Plan for 2020–2022:</p> <p>https://www.stt.lt/data/public/uploads/2021/04/tvp-2020-2022_eng.pdf</p> <p>The Scoreboard</p> <p>https://vpt.lrv.lt/lt/statistika-ir-analize/pirkimu-vykdytoju-zemelapis-svieslente-1</p>
III.3. Quantitative indicators	
Quantitative assessment of	The Financial Crimes Investigation Service under the Ministry of the Interior of the Republic of Lithuania has no such data. In 2021–2023, the PPO did not investigate any cases of prohibited agreements in public procurement.

collusion risks	<p>The Competition Council of the Republic of Lithuania does not carry out a prior assessment of the risk of entering into agreements restricting competition in public procurement organised in the Republic of Lithuania. When assessing the likelihood of prohibited agreements in public procurement on a case-by-case basis, the Competition Council is guided, inter alia, by the Recommendation on Fighting Bid Rigging in Public Procurement adopted by the Organisation for Economic Co-operation and Development. When assessing the risk of entering into agreements that restrict competition in public procurement and in order to ensure effective competition in all stages of public procurement, the Competition Council also encourages Public buyers to follow the principles set out in the aforementioned Recommendation. In individual cases, the Competition Council advises Public buyers, upon their request, where the Public buyer suspects that suppliers have entered into agreements aimed at distorting competition in a public procurement it is conducting.</p>
Risk of undiscovered conflict of interest	<p>From 2021 to 2023, the Chief Official Ethics Commission (COEC) had not received any reports and conducted investigations regarding potential conflicts of interest in the field of public procurement.</p> <p>According the Law on the Adjustment of Public and Private Interests (LAPPI) (Article 22) compliance of persons in the civil service with the provisions of this Law is be controlled by:</p> <ol style="list-style-type: none"> 1) the Chief Official Ethics Commission; 2) heads of appropriate state or municipal institutions, bodies or their authorised representatives; 3) the heads of Public buyers or their authorized persons (regarding the members of the procurement commission, persons appointed by the head of the Public buyer to perform simplified procurements, and experts participating in the procurement procedures, the procurement initiator); 4) other state institutions in accordance with the procedure laid down by legal acts. <p>Under the Article 9 of LAPPI, the data and private interests contained in the declaration may be verified by the head of the institution or body where the declaring person works or his authorized person, the head of the Public buyer or his authorized person or the Chief Official Ethics Commission.</p> <p>Article 22(1)(2) of LAPPI directly obligates heads of state and municipalities institutions to control that the institution under their control would duly perform provisions of LAPPI related to prevention of conflicts of interest and their elimination. The LAPPI and the Chief Official Ethics Commission, controls its supervision, have established certain actions for the implementation of the requirements for the said persons:</p> <ul style="list-style-type: none"> • solve issues of exclusion of subordinates in terms of office: satisfy expressed self-exclusion, if it is not done – exclude a person himself; or with a reasoned written decision not to accept the self-exclusion and obligate a person to continue to participate in procedures of solving issues causing the conflict of interest, while taking responsibility for the resulting consequences (Article 11(2 and 6) of the LAPPI);

• continuously monitor and ensure that official subordinates complete and submit their declarations of private interests in accordance with the established procedures and deadlines, to know and to take interest in the relevant data of declarations, in other words, to make a permanent control of private interests;

• at the requests of official subordinates or regarding data or any other known (disclosed) circumstances indicated in their private interests' declaration, that may cause a conflict of interest; to prepare and provide prior written guidelines on how employees must behave in each case (Article 11(3) and Article 22(2) of the LAPPI).

After intensive final implementation works, on 4 January 2021, the Register of Private Interests (PINREG) of the COEC was put into service allowing for a more convenient declaration of interests and control of their reconciliation. The system automatically fills in a preliminary declaration with certain data from more than 10 public registers and information systems, and a declaring person has just to check the information and, if necessary, supplement and confirm it. The person also receives an email from the PINREG reminding that it is time to declare. All this facilitates in providing timely and accurate information and implementing the prevention of the conflicts of interest.

RIKKIS – information system for control of risks and conflicts of interests, will function in parallel with the PINREG. The aim is to enable the COEC, heads of institutions and bodies and persons submitting declarations to assess and manage the risks of conflicts of interests in their official activities. The launch of RIKKIS is scheduled for the third quarter of 2024.

Furthermore, one of the most effective means of preventing conflicts of interest is the declaration of private interests and the use of the Information System for Legal Entities Participants (JADIS). When carrying out procurement procedures, members of the Commission must produce impartiality declarations of a standard form which prevents potential conflicts of interest. JADIS is the tool used to enter information on beneficial owners in accordance with the Anti-Money Laundering Directives of the EU. In accordance with the Republic of Lithuania Law on the Prevention of Money Laundering and Terrorist Financing, all legal entities must provide to the Manager of the JADIS the information on the beneficial owners.

IV. Level of SMEs participation in public procurement

SMEs are defined in the Commission Recommendation (2003/361/EC) as having less than 250 persons employed and an annual turnover of up to EUR 50 million or a balance sheet total of no more than EUR 43 million. Further information is available at

http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en.

IV.1. Qualitative reporting on SME participation	
New developments	<p>Project "Attracting suppliers to public procurement"</p> <p>In 2023 PPO has implemented the project "Attracting suppliers to public procurement", which aims was to assist businesses, and in particular SMEs, which may have or have the potential to participate in public procurement, and thus to create the preconditions for business development and a competitive environment in the internal market. In this project:</p> <ul style="list-style-type: none">• A survey was carried by sending an anonymous questionnaire to all Lithuanian economic operators (90 000), to analyse the reasons for non-participation in procurement (2 000 responded).• Regional events-trainings are organized for businesses interested in becoming suppliers who have not yet participated in public procurement but want to start doing so.• Newsletters, videos sent to suppliers with inspirational and training material.• Help desk personnel devoted to helping suppliers (for example, registration to Public Procurement Portal) and etc. <p>During this project more than 3 500 new suppliers have registered in CPP IS.</p> <p>Measures targeting SME participation in aggregated procurement:</p> <p>The CPO LT is using different market engagement techniques to promote SMEs participation in aggregated public procurement: market consultations, open door events, webinars, etc. Additionally, targets on the share of contracts awarded to SMEs by number and by value is set in CPO LT strategy. In 2023, the CPO LT has awarded 65 percent of contracts to SMEs by value, and 81 percent – by number.</p>

IV.2. Quantitative indicators

Indicators of SMEs participation in public procurement²⁵

Data sources, calculation method

The following data sources were used to compile the indicators on SME participation in public procurement²⁶: data of procurement procedure reports published by Public buyers in CPP IS and centralized procurement data submitted to the PPO by the CPBs.

When developing indicators of SME participation in public procurement the PPO cooperates with State Data Agency²⁷, which provides the PPO with the data in the characteristics of companies that have participated and won public procurement in Lithuania (companies being classified as very small, small, medium and large). The values of the indicators are determined by combining the characteristics of companies with the public procurement data collected from CPP IS. The indicators are calculated separately for above the threshold and below the threshold procurement (excluding low value procurement), including both individual suppliers and suppliers participating as groups of economic operators.

When analysing success indicators of SMEs in public procurement, contracts where the successful supplier was not included in the report or it was not possible to identify the SME characteristic (very small, small, medium and large) are not included in the calculation. The calculation of the SME indicators includes all framework agreements concluded for the same part of the procurement object and their values. Due to these specificities of the methodology, the total procurement volume (number and value of contracts) (see Tables 4, 8) differs from the procurement volume (number and value of contracts) used for the calculation of the SME indicators (see Annex IV, Tables 14, 15).

Number of SMEs winning public procurement

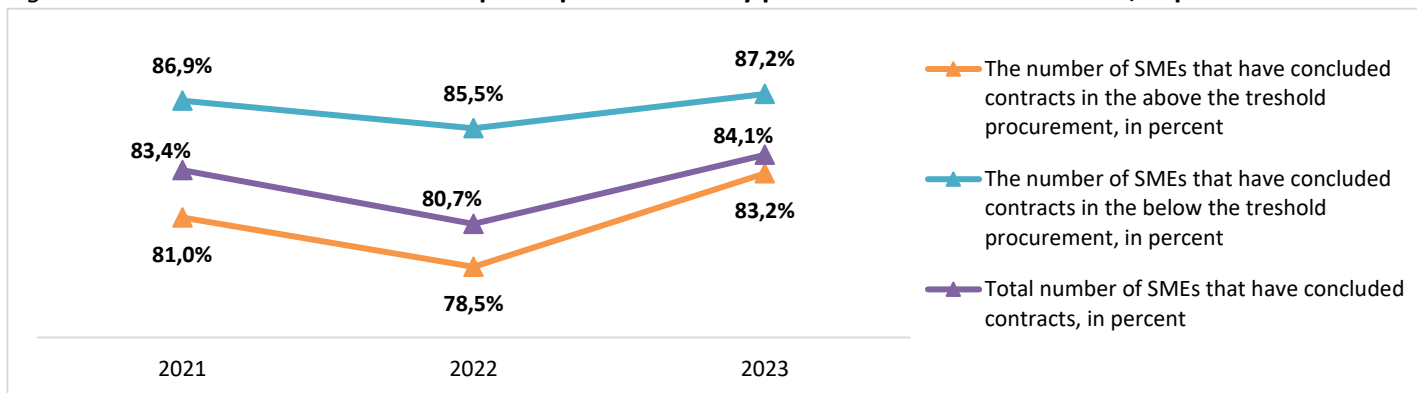
The majority of companies winning in Lithuanian public procurement are SMEs, which accounts for about 83% of all contracting companies. Part of SMEs that have concluded contracts in the above the threshold procurement 2021-2023 varied from 81 to 83%, in the below the threshold procurement accounts for about 87% (see Fig. 8, Annex IV, Table 13).

²⁵ SME indicators are calculated by the PPO.

²⁶ The data sources are described in detail in Annex I to this report.

²⁷ [Home - Valstybės duomenų agentūra \(lrv.lt\)](https://www.valstybesduomenyagentura.lt/)

Fig. 8. Number of SMEs that have won public procurement by procurement value thresholds, in percent

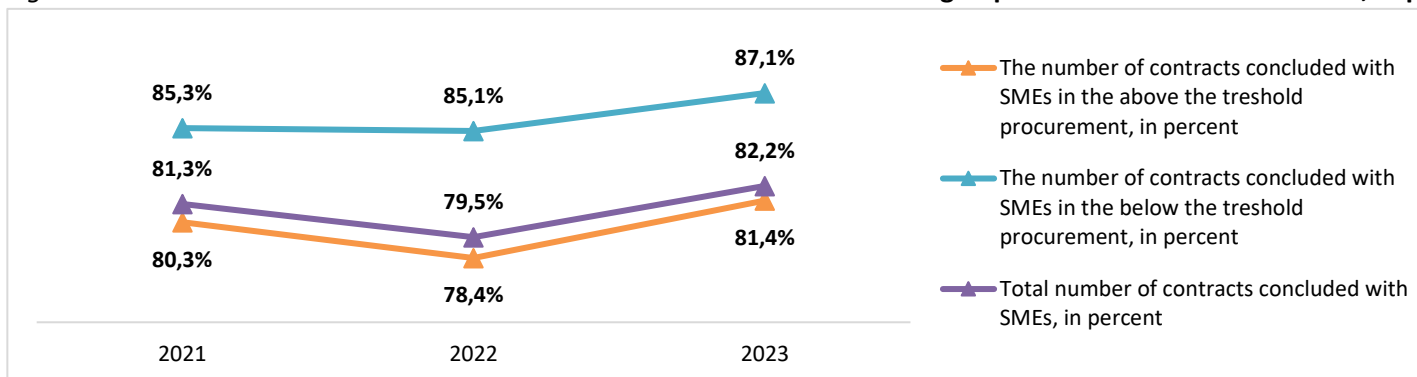


Data updated on 7 February 2024

Number of contracts awarded to SMEs

The share of contracts awarded to SMEs in the total number of public procurement contracts has slightly increased in 2021–2023: from 80% to 81% for the above the threshold procurement and from 85% to 87% for the below the threshold procurement (see Fig. 9, Table 14 of Annex IV).

Fig. 9. Distribution of the number of contracts concluded with SMEs according to procurement value thresholds, in percent

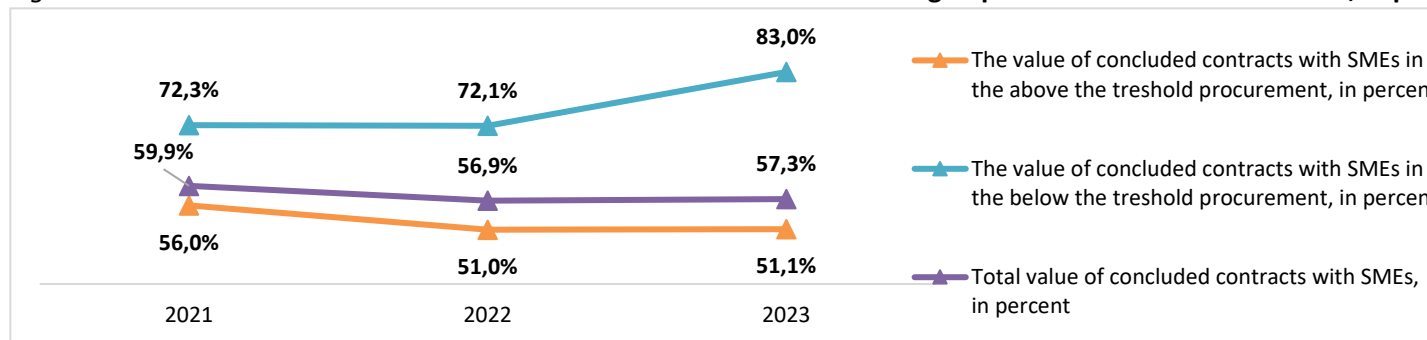


Data updated on 7 February 2024

Value of contracts awarded to SMEs

In 2021–2023, the share of contracts awarded to SMEs in the total number of contracts awarded increased slightly; the share of the value of contracts awarded decreased from 56% to 51% in the above the threshold procurement and increased from 72% to 83% in the below the threshold procurement (see Fig. 10, Table 15 of Annex IV).

Fig. 10. Distribution of the value of contracts concluded with SMEs according to procurement value thresholds, in percent



Data updated on 7 February 2024

Detailed statistics on the participation of SMEs in Lithuanian public procurement are provided in Annex IV to this report.

V. Information on the practical implementation of national strategic procurement

V.1 Green procurement ('GPP')	<p>Green Public Procurement ('GPP') is defined as "a process whereby public authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured."²⁸ A voluntary target of 50% GPP per Member State in number and value of relevant procedures was proposed by the Commission and welcomed by the Council in 2008.</p>
V.1.1 Qualitative reporting	
<p>Key challenges encountered</p>	<p>Government Resolution No. 1133 On Green Public Procurement Goals and Implementation was signed on 21st June 2021, which established national targets for GPP % of all public procurement value²⁹. In Lithuania, GPP goals are:</p> <ul style="list-style-type: none"> • at least 10% by value of such procurements between 1 July 2021 and the end of 2021; • at least 50% by value of such procurements in 2022; • at least 100% by value of such procurements each year from 2023. <p>Share of GPP in value from public procurement for which environmental criteria have been established:</p> <p>2021 – 16.2%; 2022 – 60.2%; 2023 – 89.3% (see Fig. 11). Although the GPP targets for 2021 and 2022 have been achieved, Public buyers and suppliers have faced difficulties in achieving in such a short timeframe that all procurements are carried out with environmental criteria.</p> <p>Key challenges encountered in using GPP:</p> <p>Based on the surveys conducted in 2022 and 2023, public procurement specialists and Public buyers in Lithuania identified some challenges to implementing GPP. These challenges hinder their organizations from achieving the government's goal of greening all public procurement.</p> <ul style="list-style-type: none"> • The primary challenges include a shortage of suppliers, a lack of methodologies, guidelines, and information, a lack of capacity to identify environmental criteria independently, and a lack of environmental knowledge at the organizational level. • Most Public buyers highlighted three aspects: a lack of information on verifying compliance with the environmental criteria, environmental criteria not matching market opportunities, and environmental criteria being challenging to understand. • Although specific product groups have environmental criteria set by the Minister for the Environment's Order, challenges still exist. The

²⁸ Commission Communication (COM (2008) 400) "Public procurement for a better environment".

²⁹ <https://www.e-tar.lt/portal/lt/legalAct/TAR.7BD90628EAE1/asr>

most challenging product groups that contracting authorities highlight are construction materials and road vehicles of categories “M” and “N”. The product groups with the most minor challenges are water heaters, water taps and showers, indoor lighting, paper, and paper products.

Measures taken to overcome them:

The results of surveys are used to address various challenges in applying environmental criteria. Those challenges are primarily addressed by updating Minister of Environment Order No D1-508³⁰, which sets GPP procedures and defines product groups and environmental criteria for GPP procurement.

In order to help Public buyers to meet the national GPP targets, a Competence centre of Sustainable Procurement (“SPP”) in PPO of Lithuania has been established in Lithuania in 2021. SPP competence centre, which provides advice to Public buyers and suppliers on various issues related to GPP, provides direct assistance, and organises remote individual consultations to Public buyers and suppliers. Conducts GPP training, publishes various information notices on the identification and application of environmental criteria in GPP, and shares good GPP practices among Public buyers.

Also:

- PPO website has been improved and education has continued. The Sustainable Procurement sub-site provides training material, seminars, good practice examples and relevant news: <https://vpt.lrv.lt/lt/darnieji-pirkimai/zalieji-pirkimai-1/>.
- During 2021 a GPP helpdesk was established.
- E-learning platform “E-Vedlys”³¹ with GPP module has been developed.
- A Fair “Buyers meet Suppliers for Energy Efficiency” in 2022 was organised by PPO during the days of Climate Week. It was the first Green Fair in Lithuania dedicated to green procurements. The event attracted the attention of Public buyers, entrepreneurs and others involved in the public procurement system. The event aimed to open up sustainable solutions to the procurement market, to demonstrate what and how to buy green so that everyone can contribute to Lithuania's environmental goals.
- In 2023 a podcast called "Green Talks" was launched and published 6 episodes on various green procurement topics³².
- A new Analytical monitoring tool “Green public procurement according to the information filled in the procurement notices”³³ has been

³⁰ <https://www.e-tar.lt/portal/lt/legalAct/TAR.4B60A8C9678B/asr>

³¹ <https://vedlys.vpt.lt/>

³² <https://vpt.lrv.lt/lt/darnieji-pirkimai/zalieji-pirkimai-1/tinklalaides-zalieji-pokalbiai/>

	<p>developed to make it easier and simpler for Public buyers, suppliers and all interested parties to find information on the environmental requirements set out in GPP and which parts of the procurement documents contain them. The tool allows to analyse GPP data and search for examples of environmental requirements in GPP.</p> <ul style="list-style-type: none"> • During 2021 till 2023, a series of activities and measures from GPP 2021-2025 Strategy and Implementation Plan³⁴ were undertaken in the following areas: <p>Education:</p> <ul style="list-style-type: none"> • About 40 free of charge seminars were organized by PPO on the theme of GPP for Public buyers for approx. 5 000 participants. • In preparation for the certification of procurement professionals, the PPO has developed and published the requirements for the testing of procurement professionals' knowledge (the training program), which are divided into separate modules for 2022. One of the modules of the training programme is “Green Procurement”. <p>Promotion:</p> <ul style="list-style-type: none"> • Work was continued on the Sustainable Procurement sub-site (https://vpt.lrv.lt/lt/darnieji-pirkimai/zalieji-pirkimai-1/) in the Lithuanian language for the publication of all information relevant for the GPP (examples of good practice, training materials, e-learning materials, webinars, photos, and multimedia content, and other). • Quarterly GPP newsletter from 2022 was published on PPO website (9 newsletters³⁵). • The Ministry of the Environment every year organize GPP Leaders Awards event and congratulated the GPP Leaders. Public buyers and suppliers that made the greenest procurements and the businesses that won the greenest procurements received certificates.
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³³ <https://vpt.lrv.lt/lt/statistika-ir-analize/temines-viesuju-pirkimu-analizes/zalieji-pirkimai-pagal-pirkimu-skelbimuose-pildoma-informacija/> and <https://klimatokaita.lt/umbraco/Surface/TemplateSurface/DisplayFile/54406>

³⁴ <https://www.e-tar.lt/portal/lt/legalAct/cf5494e0f36711eb9f09e7df20500045>

³⁵ <https://vpt.lrv.lt/lt/darnieji-pirkimai/zalieji-pirkimai-1/aktualijos-ir-geroji-praktika/naujienlaskiai/>

V.1.2. Supporting documents

In 2022 and 2023, a public consultation was organized with Public buyers about Lithuania's green public procurement policy and legislation.

Reports:

- [April 2022](#)
- [December 2022](#)
- [September 2023](#)

National definition of 'green public procurement':

GPP is part of the key principles of the National Law³⁶: “the Public buyers must aim to minimize the impact on climate change, environmental pollution, waste generation, use of natural resources, the condition of ecosystems and their services and/or other negative environmental impacts when procuring goods, services or works <...>”.

The Ministry of Environment is responsible for the formation of GPP policy in Lithuania. The Environment Minister Order No. D1-508 sets the rules for conducting a green procurement, defines GPP and establishes product groups for which the minimum environmental criteria are set. GPP is defined as “a procurement in which the Public buyers procure goods, services or works (products) that have the least possible negative impact on the environment at one, several, or all stages of the life cycle of those products.”³⁷

Public buyers can also procure products that have I type Ecolabels, such as EU Ecolabel, Nordic Swan, Blue Angel etc. When procuring services or works, the environmental management systems that are ISO 14001 certified or EMAS are applicable, if they fulfil environmental objectives for the services or works that are being procured. The GPP regulation allows Public buyers to list environmental criteria based on the environmental principles independently if the product is outside the Environment Minister Order.

Independent environmental criteria by Public buyers based on the 5 environmental principles:

1. Circularity – use of second-hand and recycled material.
2. Energy efficiency – low energy consumption or renewable energy use.
3. Toxic substances – reduced toxic substances in products.
4. Durability – the product is durable, functional, and easily fixed or reused.

³⁶ <https://www.e-tar.lt/portal/lt/legalAct/TAR.C54AFFAA7622/asr> and <https://www.e-tar.lt/portal/lt/legalAct/9116a35030a011e78397ae072f58c508/asr>

³⁷ <https://www.e-tar.lt/portal/lt/legalAct/TAR.4B60A8C9678B/asr>

5. Reuse – the product can be recycled or easily reused.

Targets for the uptake of GPP and the way they are defined

In Lithuania, GPP is monitored using two key indicators: 1. the value of GPP as a percentage of total public procurement; 2. the number and percentage of procurement based on the total public procurement numbers.

The monitoring of these indicators is implemented on the [Scoreboard](#), which is published on the website of the PPO.

In addition, PPO also releases an annual [GPP report](#) with additional information about the GPP uptake, which includes specific product groups, types of procurement (goods, works, services), procurement values, and other angles on this topic.

Any legal obligation to include green or circular requirements in tenders

The XVIII Programme of the Government of the Republic of Lithuania, approved by Government Resolution on December 11th, 2020, has set the vision for GPP as one of the critical instruments in greening the public sector and shifting the market towards a green economy. As a horizontal principle, it is also integrated into the key Lithuanian strategic development document – National Progress Plan 2021–2030.

By Government Resolution No. 478 in July 2021, the Government of the Republic of Lithuania endorsed the national GPP targets. Public buyers must apply the GPP requirements to all procurements except for the procurements carried out through verbal contracts, (in the context of) international donor-funded development cooperation projects abroad, food products procurement (carried out in the context of national defence tasks/commitments to NATO) and the procurements related to the use of the national reserve (hereinafter - Exemptions of GPP). From 2023 onwards, all public procurements must include environmental criteria in their contracts.

Any recommendations to use the GPP criteria developed by the European Commission, respectively for which product groups

The Minister of Environment Order No. D1-508 sets the rules for conducting GPP, defines GPP, and establishes product groups for which the minimum environmental criteria are set out. This Order and the environmental criteria for product groups set out in it are updated periodically to account for market development. The minimum GPP criteria are established for 18 product groups: 1. Paper and paper products, 2. Packaging, 3. Office equipment and household appliances, 4. Computers and tablets, 5. Mobile phones, 6. TVs and monitors, 7. Furniture, 8. Food and catering services, 9. Textile products, 10. Road vehicles of categories “M” and “N”: 10.1. “M1”, “M2” and “N1” vehicles; 10.2. vehicles in classes “M3”, “N2” and “N3”, 11. Maintenance and management of public spaces, green areas, and plantations: 11.1. soil improvers; 11.2. irrigation systems; 11.3. motorized machinery for the maintenance of plantations and green spaces, 12. Building design services and construction work, 13. Building materials: 13.1. timber and timber products; 13.2. paints; 13.3. thermal insulation materials; 13.4. plasterboard; 13.5. tiles; 13.6. windows, skylights, and external glazed doors, 14. Indoor lighting: 14.1. electric lamps; 14.2. design services for indoor lighting, 15. Water taps and

showers, 16. Water heaters, 17. Road design services and construction works, road elements: 17.1. road design services and construction work; 17.2. road signs, markings, and noise barriers; 17.3. street lighting equipment; 17.4. traffic signals, 18. Electricity.

The GPP criteria are primarily based on the official EC recommendations for GPP.

The Ministry of the Environment also provides additional guidance on environmental criteria and practical advice based on the European Commission's recommendations and good practices in Lithuania and abroad. This set of guidelines aims to raise environmental awareness and to make it easier for Public buyers to apply environmental criteria:

[Guidelines for applying environmental criteria based on environmental principles.](#)

[Recommendations for catering services.](#)

[Recommendations for event management services.](#)

[Recommendations for medical equipment, goods, and services.](#)

[Recommendations for representative gifts, merchandise, and stationery.](#)

[Recommendations for digital services and IT equipment.](#)

Activities in the area of capacity-building for procuring 'green'

On July 30th, 2021, the Minister of Environment signed Order No. D1-448 for GPP 2021–2025 Strategy and Implementation Plan. The plan is a framework that outlines how all institutions in Lithuania need to work together to achieve ambitious GPP targets. Each institution in this plan is being assigned various objectives by 2025.

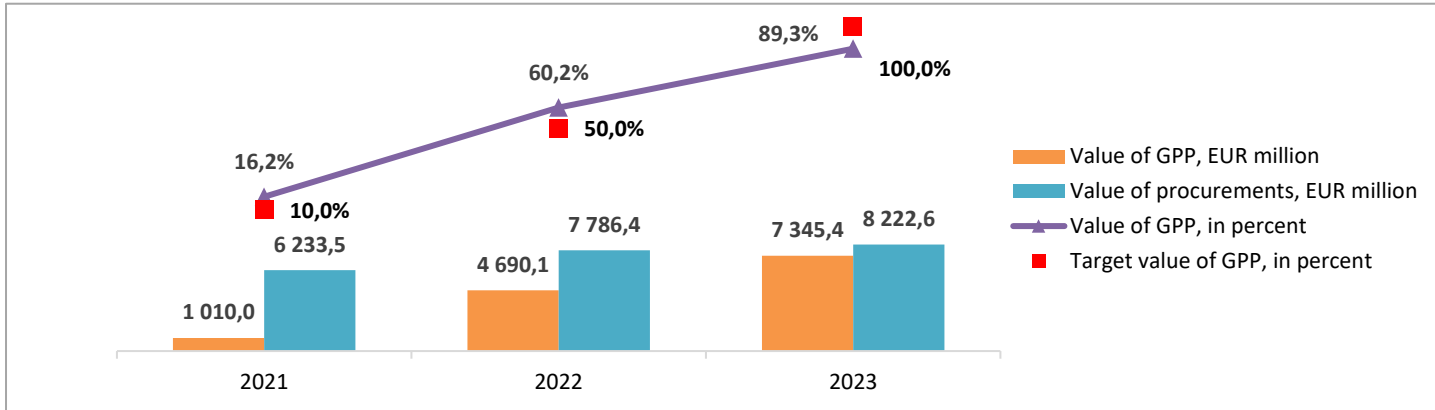
The PPO has established SPP Competence Centre, which provides methodological assistance to Public buyers in sustainable procurement and participation in formulating and implementing Lithuania's policy on sustainable procurement. The PPO periodically conducts GPP-related training for Public buyers and practitioners involved in public procurement. The PPO established 3 innovative tools that help Public buyers and public procurement specialists in everyday work:

1. [Information Tree](#) for searching methodological material and FAQs (helpdesk).
2. [Scoreboard](#) for monitoring GPP uptake.
3. [Interactive Tool](#) for searching practical examples.

The Ministry of Environment and PPO collaborate on quarterly GPP newsletters that provide information on GPP, best practices, new legal obligations, and FAQs. The Ministry of the Environment also consults with market players and Public buyers to clarify emerging challenges and market news. This allows for quicker reactions and appropriate decisions to be taken to achieve the objectives of the GPP more quickly and for

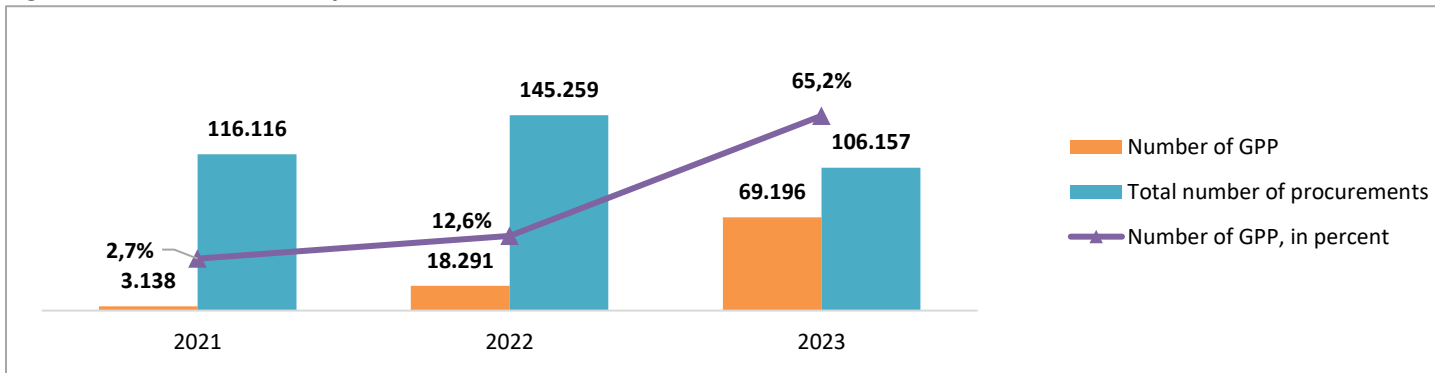
	<p>the GPP system to function more efficiently.</p> <p>The Ministry of Environment manages a network of more than 500 specialists specializing in GPP in Lithuania. This network directly links the specialists and Public buyers involved in GPP. Every month, the members of this network are sent letters to keep them informed about recent legislative changes, good practices, training opportunities, and other relevant updates.</p>
V.1.3. Quantitative indicators	
	<p>GPP indicators:</p> <p>Data sources, calculation methods</p> <p>GPP indicators calculated for procurement regulated by Directives 2014/24/EU and 2014/25/EU.</p> <p>Data sources used to calculate the GPP indicator values:</p> <ul style="list-style-type: none"> • data from reports on procurement procedures and annual reports published by Public buyers in the CPP IS; • data from reports on centralised procurement submitted by the CPB to the PPO; • data on contracts published by Public buyers in the CPP IS. <p>GPP indicators by value / number are calculated by comparing the total value / number of green procurements to the total value / number of completed procurements. The calculation of the GPP targets shall include data for international and simplified procurements (including low value procurements contracts concluded in writing). From 2023 onwards, the methodology for calculating the GPP targets has been revised by eliminating procurements that were subject to Exemptions of GPP.</p> <p>The methodology for the calculation of GPP indicators is published in the document Map of Public buyers – Scoreboard. Methodology for the calculation and assessment of indicators (see INDICATOR: Share of the number and value of green procurement in the total procurements / RODIKLIS: Žaliųjų pirkimų skaičiaus ir vertės dalis nuo visų pirkimų).</p> <p>GPP results by number / value in real time are reflected on the Scoreboard. Reports on results of conducted GPP are also posted on the website of the PPO at: https://vpt.lrv.lt/lt/statistika-ir-analize/temines-viesuju-pirkimu-analizes/zalieji-pirkimai/.</p> <p>GPP value and number</p> <p>During 2021–2023, the GPP indicator by value increased from 16.2 to 89.3%; and respectively by number – from 2.7 to 65.2% (see Figs. 11 and 12).</p>

Fig. 11. Value of GPP, in percent



Data updated on 7 February 2024

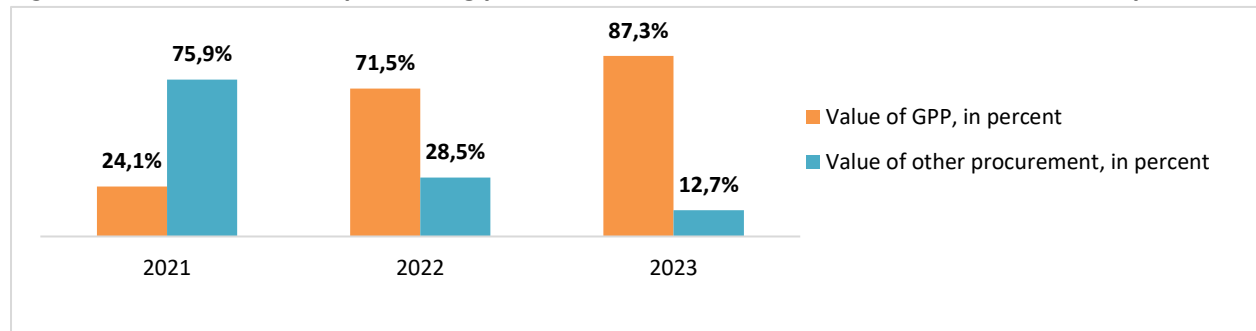
Fig. 12. Number of GPP, in percent



Data updated on 7 February 2024

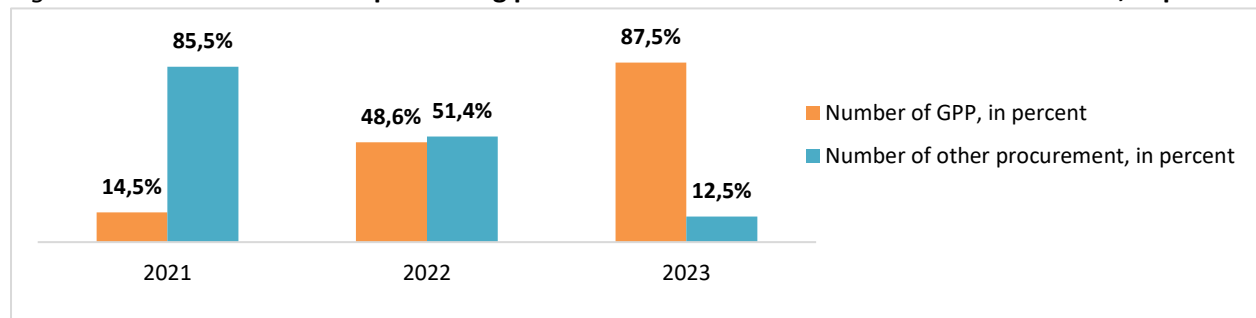
In addition, GPP results are calculated by groups of products the procurements of which were subject to minimum environmental criteria³⁸ (see Figs. 13, 14). These indicators are calculated by value and number for the above the threshold and below the threshold procurements, excluding low value procurements.

Fig. 13. Value of GPP when purchasing products with environmental criteria from the list, in percent



Data updated on 7 February 2024

Fig. 14. Number of GPP when purchasing products with environmental criteria from the list, in percent

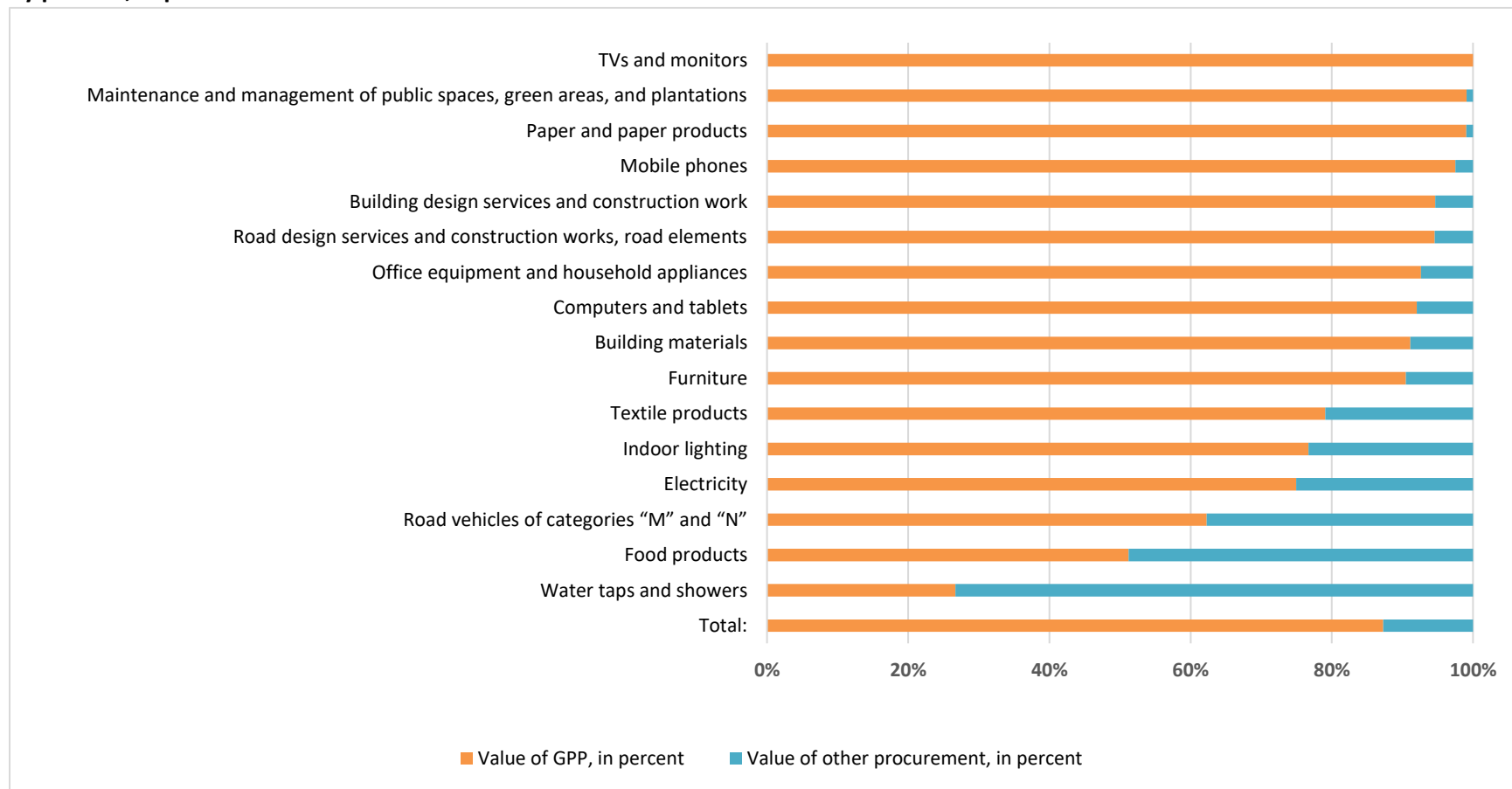


Data updated on 7 February 2024

³⁸ <https://www.e-tar.it/portal/It/legalAct/TAR.4B60A8C9678B/asr>

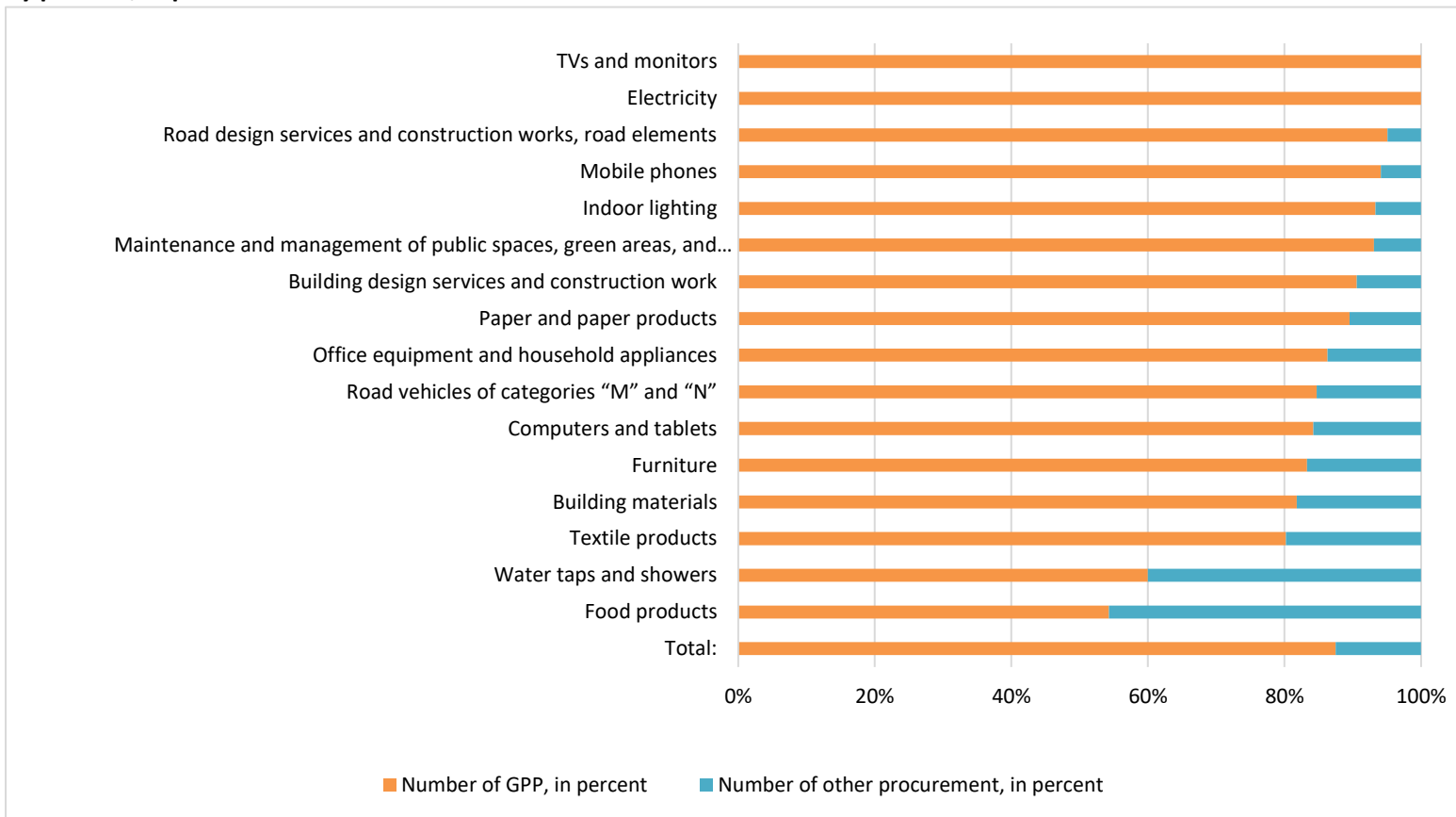
As the lists of products for which procurement is subject to minimum environmental criteria changed in 2021, 2022 and 2023, GPP indicators by product group are only presented for 2023 (see Figs. 15, 16).

Fig. 15. Breakdown of value of green procurements for products subject to minimum environmental criteria from the list carried out in 2023 by product, in percent



Data updated on 7 February 2024

Fig. 16. Breakdown of number of green procurements for products subject to minimum environmental criteria from the list carried out in 2023 by product, in percent



Data updated on 7 February 2024

V.2 Socially responsible public procurement ('SRPP')	Socially Responsible Public Procurement ('SRPP') is defined as procurement that takes into account one or several social considerations for advancing social objectives. SRPP covers a wide spectrum of social considerations, such as for example employment opportunities, decent work conditions, compliance with social and labour rights, social inclusion, equal opportunities and accessibility.
V.2.1 Qualitative reporting	
Key challenges encountered	<p>Key challenges could be listed as follows:</p> <ul style="list-style-type: none"> • lack of motivation, competences, and finances. Additionally, when social criteria are set in the procurement, Public buyers are facing additional administrative burden while controlling whether these requirements are fulfilled in contract management phase; • lack of knowledge about vulnerable groups; • insufficient inter-institutional cooperation; • lack of sustainable practices in economic operators. <p>Article 67 (2) of Directive 2014/24/EU (award criteria links to subject-matter of the contract). The limitation to evaluate only aspects linked to the subject-matter of the contract limits the possibility to evaluate sustainability of social policy of the economic operator, for example, his ability to ensure decent working conditions and decent salaries for employees in the longer period of time (including the past).</p> <p>LPP obliges contracting authorities reserve no less than 2% of their budget for social undertakings (mandatory only for the below the threshold procurement) (hereinafter – simplified reserved procurement). The 2% target for simplified reserved procurement set in Article 23 of the LPP has not been achieved: 2021 – 1,3%; 2022 – 0,6%; 2023 – 0,6% (see Fig. 19).</p> <p>Measures taken to overcome them:</p> <p>Article 23 of the LPP and 2% target for simplified reserved procurement is currently under revision.</p> <p>The value of this indicator can be monitored in real time on the Scoreboard.</p>

	<p>PPO intends to start to collect the data on the use of all the social criteria in the procurements by the end of the 2024.</p> <p>The Competence centre of SPP in PPO provides consultations through the helpdesk, direct assistance and organise remote individual consultations to Public buyers and suppliers. E-learning platform “E-Vedlys”³⁹ with SRPP module has been developed.</p> <p>In 2023 the PPO together with the Ministry of Social Security and Labour and its subordinate institutions, the Ministry of Economy and Innovation and the Office of the Equal Opportunities Ombudsperson prepared the Guidelines for Socially Responsible Procurement (hereinafter – the Guidelines for SRPP) and set out the examples of social criteria in them. The Guidelines for SRPP was presented to Public buyers. Training material is published in web page of PPO.</p> <p>Additionally, Lithuania has established public procurement certifications system. One of the mandatory topics for certification is about SRPP. That helps strengthening the competences on this topic.</p> <p>Ministry of the Economy and Innovation together with PPO organizes the public procurement awards and one of the categories for award is for sustainable public procurement. The best awarded practices are presented in the conferences.</p> <p>From 2024 Quarterly Newsletter with the information of SRPP news, good SRPP practices etc. will be published.</p>
<p>V.2.2. Supporting documents</p>	
	<p>National SRPP definition: National definition of SRRP is provided in the Guidelines for SRPP: SRPP is a procurement that aims to take into account the impact of the goods, services and works procured on society, contributing to the solution of social issues.</p> <p>List and brief description of national policy initiatives launched in the area of SRPP:</p> <p>Article 17(2)(5) of the LPP and Article 29(2)(5) of the LPU provide that the Public buyers must seek to ensure that the acquisition of goods, services or works contributes to addressing social issues, such as the employment of assisted persons, the payment of fair wages, the implementation of the principles of gender equality and non-discrimination on other grounds, the prevention of psychological violence in the workplace and the implementation of measures to assist persons who have suffered such violence.</p> <p>Additionally, Article 23 of the LPP requires contracting authorities to reserve no less than 2% of their below the threshold procurement budget for economic operators whose main aim is the social and professional integration of disabled or disadvantaged persons (prisoners, patients, etc.).</p>

³⁹ <https://vedlys.vpt.lt/>

Contracting entities have no such obligation.

The results of implementation of this requirement (achievements) could be monitored in real time on the [Scoreboard](#).

Any information on social labels in use:

The Guidelines for SRPP recommend a social criterion that is not mandatory: the goods procured must be sourced in a fair-trade manner, using Fairtrade, Rainforest Alliance, Utz Certified or equivalent standards.

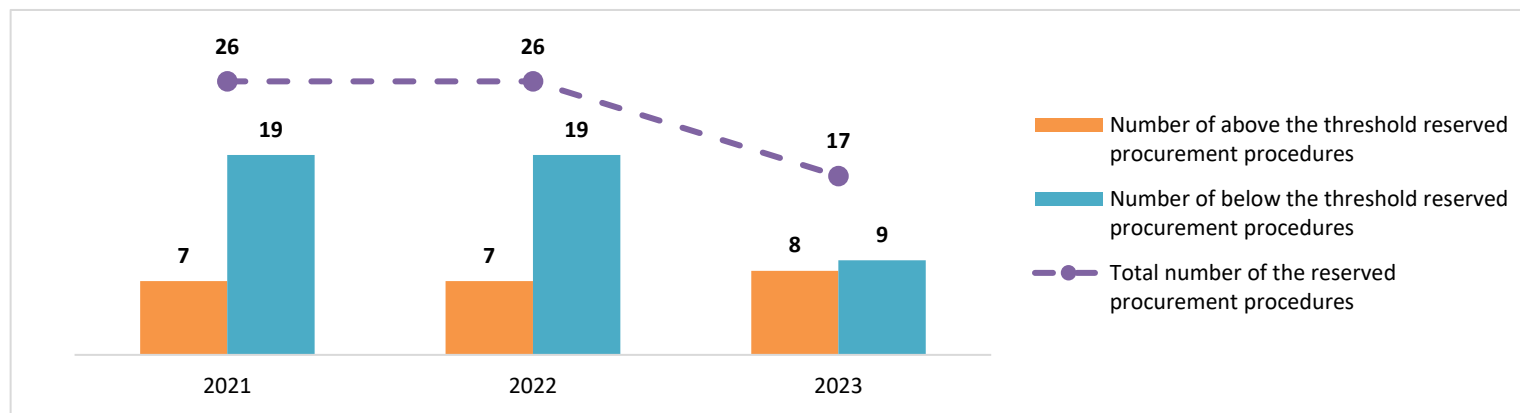
V.2.3. Quantitative indicators

The volumes (number of procurement, value) of public procurement procedures reserved to sheltered workshops and economic operators in line with article 20 of the Directive 2014/24/EU (reserved procurement)

The number of reserved procurement procedures is set for the above and the below threshold procurement on the basis of the data of procurement procedure reports published by the Public buyers in the CPP IS and the data provided by the CPBs to the PPO. The number of low value reserved procurement procedures is not included in the calculations, as such information is not collected in the CPP IS.

The total number of reserved procurement procedures in 2021–2023 shows a downward trend of such procurement procedures (see Fig. 17).

Fig. 17. Number of reserved procurement by procurement value thresholds

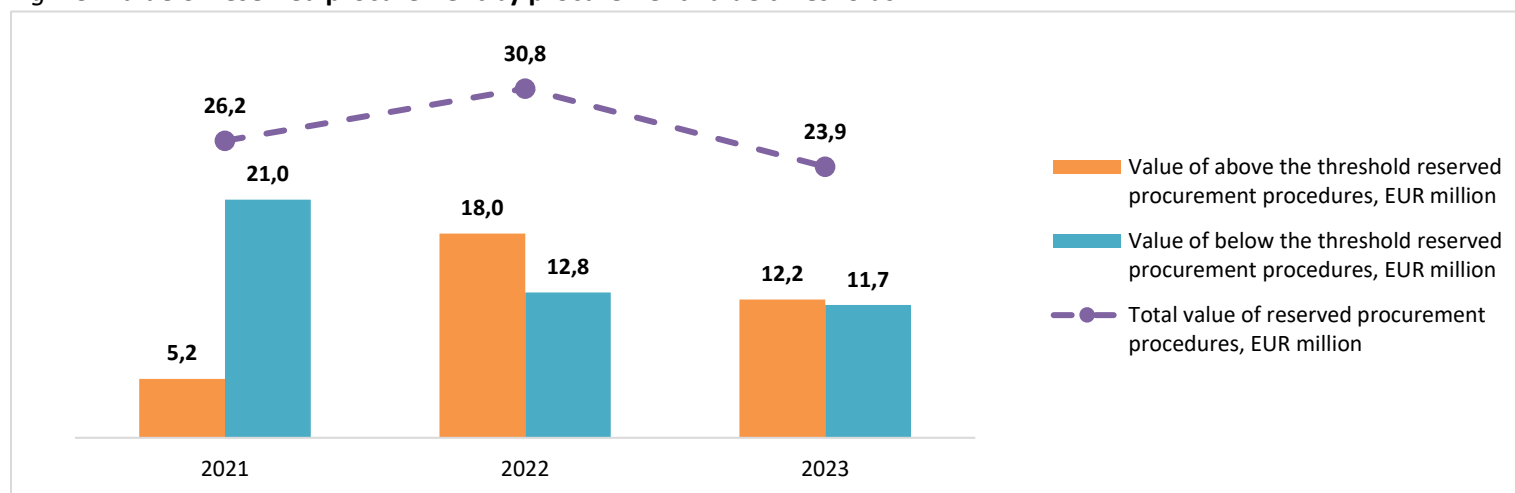


Data updated on 7 February 2024

The value of contracts for reserved procurement procedures is determined for above-threshold and below-threshold procurement, including low value procurement. In addition to the above-mentioned data sources, the data of the annual procurement report published by the Public buyers in the CPP IS are used for the calculation of this indicator – in accordance with the provisions of the LPP the Public buyers must indicate in their annual procurement reports the value of the reserved below the threshold procurement, including low value procurement.

The share of the value of the below the threshold reserved procurement decreased during the 2021–2023 period, while the value of such procurement procedures decreased significantly in 2022–2023 compared to 2021. This was due to holding centralised reserved procurement procedures of the above the threshold value through the CPO LT.

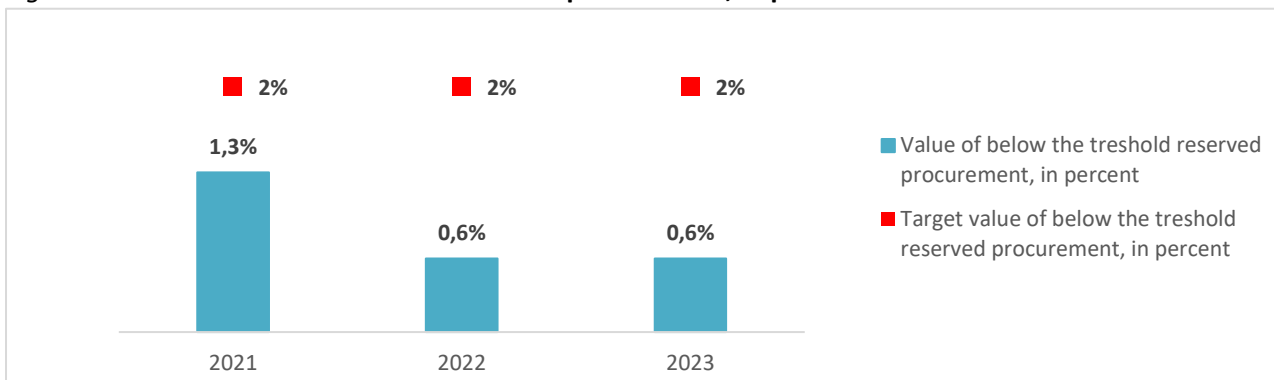
Fig. 18. Value of reserved procurement by procurement value thresholds



Data updated on 7 February 2024

The percentage share of the value of below the threshold reserved procurement ranged from 1.3% to 0.6% in 2021–2023, and the target value of 2% was not achieved (see Fig. 19).

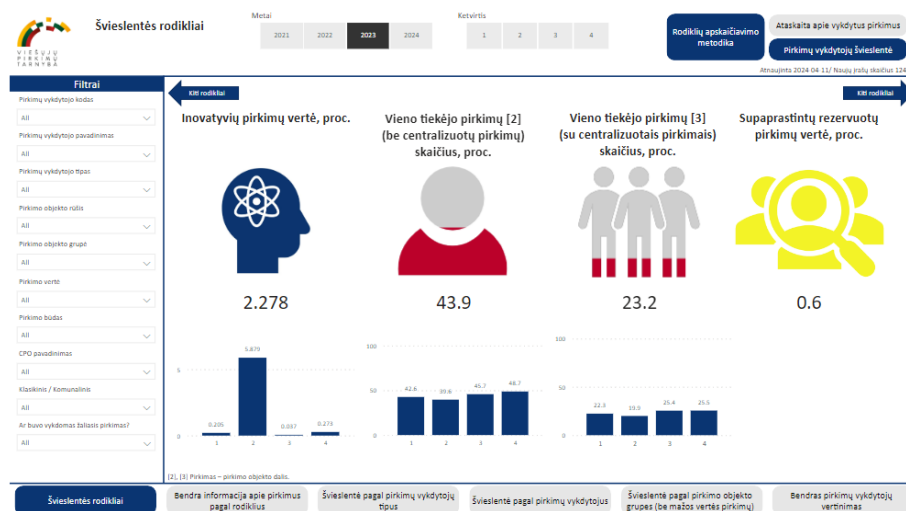
Fig 19. Value of below the threshold reserved procurement, in percent



Data updated on 7 February 2024

The value share of the below the threshold reserved procurement can be monitored on the [Scoreboard](#) in real time (see Fig. 20).

Fig 20. The below the threshold reserved procurement indicator by value on the [Scoreboard](#)



	<p>The methodology for calculating the value-based simplified reserved procurement indicator is published in the document Map of Public buyers – Scoreboard. Methodology for the calculation and assessment of indicators (see INDICATOR: Share of simplified reserved procurement by value of total procurement / RODIKLIS: Supaprastintų rezervuotų pirkimų vertės dalis nuo visų pirkimų).</p> <p>The report on simplified reserved procurement under Article 23 of the LPP is updated and published by the PPO annually on its website, in the section Statistics and Analysis / Thematic Public Procurement Analyses / Reserved procurement /.</p> <p>Number of public procurement procedures for the provision of health, social or cultural services as referred to in Article 77.1 reserved to organisations fulfilling the conditions listed in article 77.2</p> <p>In 2021–2023 there was no one procurement procedure with the reserved right to participate only for the organisations carrying out a public service mission and meeting the conditions set out in Article 77 (2) of Directive 2014/24/EU.</p>
<p>V.3 Public procurement of innovation</p>	<p>An innovative solution is defined in 2014/24/EU Art.2 (1.22) as "a new or significantly improved product, service or process". This includes not only those solutions resulting from Research and Development but also those solutions resulting from activities, "including but not limited to production, building or construction processes, a new marketing method, or a new organisational method in business practices, workplace organisation or external relations."</p>
<p>V.3.1 Qualitative reporting</p>	
<p>Key challenges encountered</p>	<p>Key challenges encountered in promoting innovation procurement:</p> <p>The Organization for Economic Co-operation and Development (hereinafter – OECD) study identified the key challenges in conducting public procurement of innovations, which are common to Lithuania, as well:</p> <ul style="list-style-type: none"> • Management and Coordination – innovative ideas arise through collaboration among the public sector, business, and end users / beneficiaries of the service, requiring proper management and coordination. • Capacities – Lithuania lacks a sufficient number of qualified employees who know how to carry out innovative public procurements are required. • Political Support – it’s needed to identify initiatives aimed at increasing knowledge about public procurement of innovations and fill legislative gaps by providing guidelines and offering funding opportunities. • Resistance to Change – when individuals responsible for procurement lack motivation, the institution requires a 'top-down' approach, for managers to support creative solutions and encourage individuals to seek innovations in public procurement. • Financial Support – innovations are often the result of a costly process: greater risks arise, and experimentation is necessary, which

	<p>consumes more funds. Adequate resources are crucial for all organizations involved in conducting innovation public procurements.</p> <p>Measures taken to overcome them:</p> <ul style="list-style-type: none"> • Guidelines. A working group, comprising representatives from the Ministry of the Economy and Innovation, PPO, and the Innovation Agency, prepared and published the guidelines for innovative public procurements in December 2022. These guidelines are of a recommendatory nature, aiming to assist Public buyers in taking the initial steps toward implementing innovative public procurement by providing the latest and most comprehensive information. • Competence network. A part of the innovative public procurement competence network has been established within the Innovation Agency, and PPO. The objective of the Innovative Public Procurement Competence Center is to create methodological materials for suppliers and Public buyers, curate and disseminate experiences from successfully completed innovative public procurements. The Center for Innovative Public Procurement Competences will also develop document templates for innovative procurement conditions and offer consultations to the public sector, as well as to representatives from business and science aiming to participate in procurements. • GovTech Lab is a part of the Innovation Agency. It helps the public sector to identify challenges that can be solved by emerging technologies and engages startups and SMEs to co-create solutions. Overall, since 2019, when GovTech Lab was established, it dealt with almost 100 unique public sector challenges. These challenges were solved via a process called GovTech Challenge Series and subsidies which are intended to develop and buy innovative solution for current challenges via public procurement process. • Financial instrument. As part of the planned financial instrument of the New Generation Lithuania plan, Public buyers will be funded to make 55 innovative procurements by the IV quarter of 2025. The overarching goal is to achieve a share of at least 5% of the value of innovative public procurements from the total value of all public procurements by the end of 2025. An allocation of 4 500 000 EUR is planned for Public buyers to achieve this goal.
<p>V.3.2. Supporting documents</p>	
	<p>National (or Regional) Action Plan and / or targets for innovation procurement and its stage of implementation. Information on how are they defined:</p> <p>Resolution of the Government of the Republic of Lithuania of 9 September 2020 on the adoption of the National Progress Plan 2021–2030. National Progress Plan sets the target of 5 percent of innovative public procurement in 2025 and 20 percent – in 2030. The indicator is defined as the share of public investment in innovative public procurement, pre-commercial procurement and public procurement of research,</p>

experimental development, and innovation activities as a share of the value of total public procurement.

Any additional provisions for innovation procurement in the national legislation that go beyond the provisions in the EU public procurement directives:

Article 17(2)(3) of the [LPP](#) and Article 29(2)(3) of the [LPU](#) requires from Public buyers to seek encouragement of the supply of innovative products in the procurement of goods, services or works.

[Law on technology and innovations](#) establishes the structure of the technology and innovation system, the institutions that formulate and implement technology and innovation policy, the entities involved in technology and innovation activities, the financing and promotion of technology and innovation activities.

In the Guidance on innovative public procurement, innovation procurement must be seen as a means to acquire innovative products that stimulate innovation at the level of the Public buyers. Public buyers must also be one of the "early adopters", i.e. the first 20% of customers in the market who procure a new or substantially improved products. In this case, the market is the Lithuanian public sector. The products, services, or processes to be procured are those that have already been demonstrated on a small scale and are likely to be made available to the Lithuanian public sector in the near future or in small quantities but are not yet widespread. This also includes existing solutions that are intended to be implemented in new and innovative ways.

National (or Regional) guidelines on innovation procurement:

[Guidance on innovative public procurement](#)

National (or Regional) activities on capacity-building on innovation procurement:

During 2021 national helpdesk was established in PPO. The PPO advises all Public buyers and suppliers among Lithuanian on the conduct of innovative public procurement. The Innovation Agency advises Public buyers on the innovativeness of the subject of procurement.

E-learning platform "E-Vedlys" with public procurement of innovation module has been developed. Additionally, Lithuania has established public procurement certifications system. One of the mandatory topics for certification is about innovative public procurement. That helps strengthening the competences on this topic.

To add more, Ministry of the Economy and Innovation together with PPO organize the public procurement awards and one of the categories for award is for innovative public procurement. The best awarded practices are presented in the [conferences](#).

Statistics on innovative procurement

Data sources, calculation methods

The innovative procurement indicator by value is calculated for procurements regulated by Directives 2014/24/EU and 2014/25/EU.

This indicator is calculated for above the threshold procurement and below the threshold procurement, except for low value procurement.

Data sources used to calculate the innovative procurement indicator value:

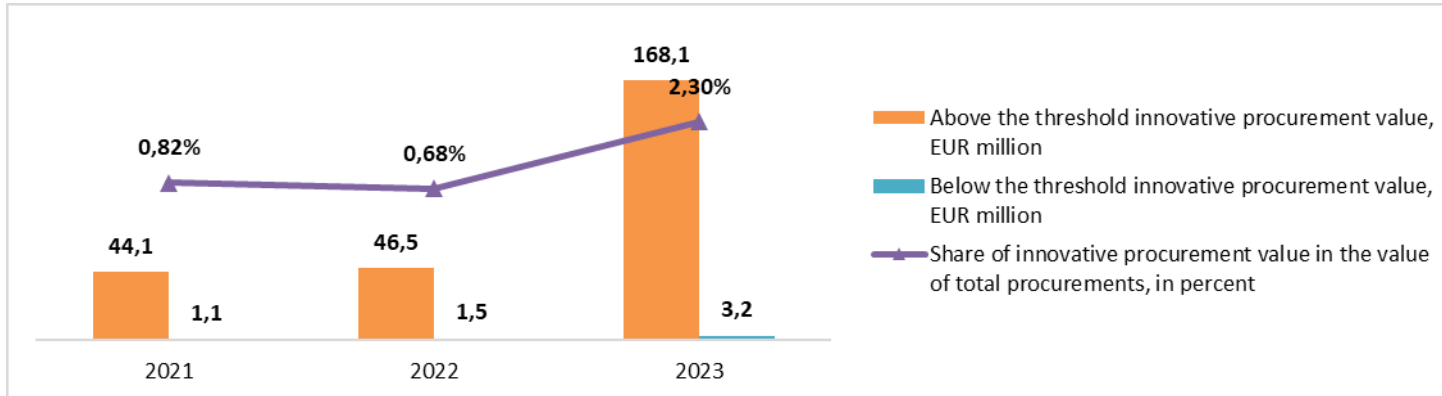
- data from reports on procurement procedures published by Public buyers in the CPP IS;
- data from reports on centralised procurement submitted by the CPBs to the PPO.

The innovative procurement indicator by value is calculated by comparing the total value of innovative procurements carried out with the total value of procurements carried out. The value of innovative procurements includes the value of contracts to which Public buyers have assigned an attribute indicating that the innovative procurement criteria have been applied in the procurement. Procurements carried out through innovation partnership are also included.

The methodology for calculating the value-based innovative procurement indicator is published in the document [Map of Public buyers – Scoreboard. Methodology for the calculation and assessment of indicators](#) (see INDICATOR: Share of innovative procurement by value of total procurement / RODIKLIS: Inovatyvių pirkimų dalis pagal vertę nuo visų pirkimų).

In 2023, compared with 2021–2022, the value of innovative procurement increased and made up about 2.3% from the value of total procurements (see Fig. 21).

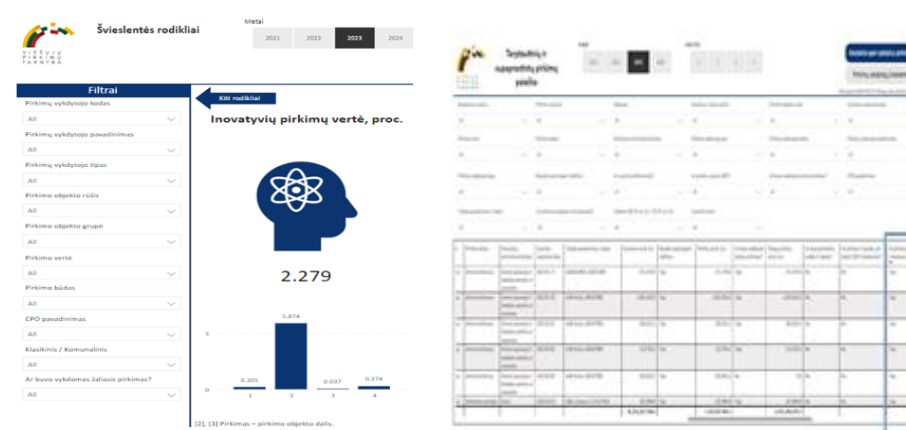
Fig. 21. Value of innovative procurement, in percent



Data updated on 7 February 2024

The innovative procurement indicator results are shown and updated in real time on the [Scoreboard](#). In addition to monitoring the dynamics of the aggregate value of the indicator, this analytical tool also makes it possible to analyse the innovative procurement indicator by individual Public buyers, public procurement sectors, procurement methods, individual procurements, etc. (see Fig. 22).

Fig 22. Innovative procurement indicator by value on the [Scoreboard](#)



VI. The level of competition in public procurement

VI.1. Monitoring the level of competition in public procurement

Monitoring tools

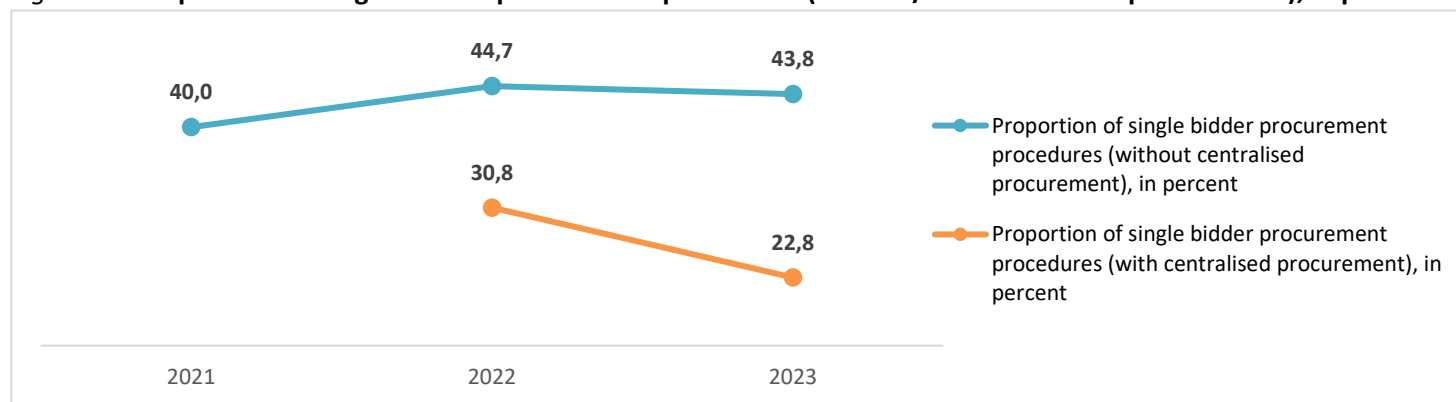
The PPO monitors the competitiveness of Lithuanian public procurement in real time using analytical tools such as the [Scoreboard](#) and the [Single Bidder Procurement Monitoring Report](#). In addition, the indicators measuring the competitiveness of procurement, together with the set of indicators for monitoring the efficiency of the Lithuanian public procurement system, are updated annually and published on the website of the PPO at: <https://vpt.lrv.lt/lt/statistika-ir-analize/viesuju-pirkimu-efektyvumo-stebesenos-rodikliai/2020-2023>.

Indicators measuring the level of competition in public procurement

The indicators that measure the competitiveness of these procurements can be analysed in real time [on the Scoreboard](#) and in [the Single Bidder Procurement Monitoring Report](#):

- Number of "single bidder" procurement procedures (without/with⁴⁰ centralised procurement), in percent

Figure 23. Proportion of "single bidder" procurement procedures (without/with centralised procurement), in percent



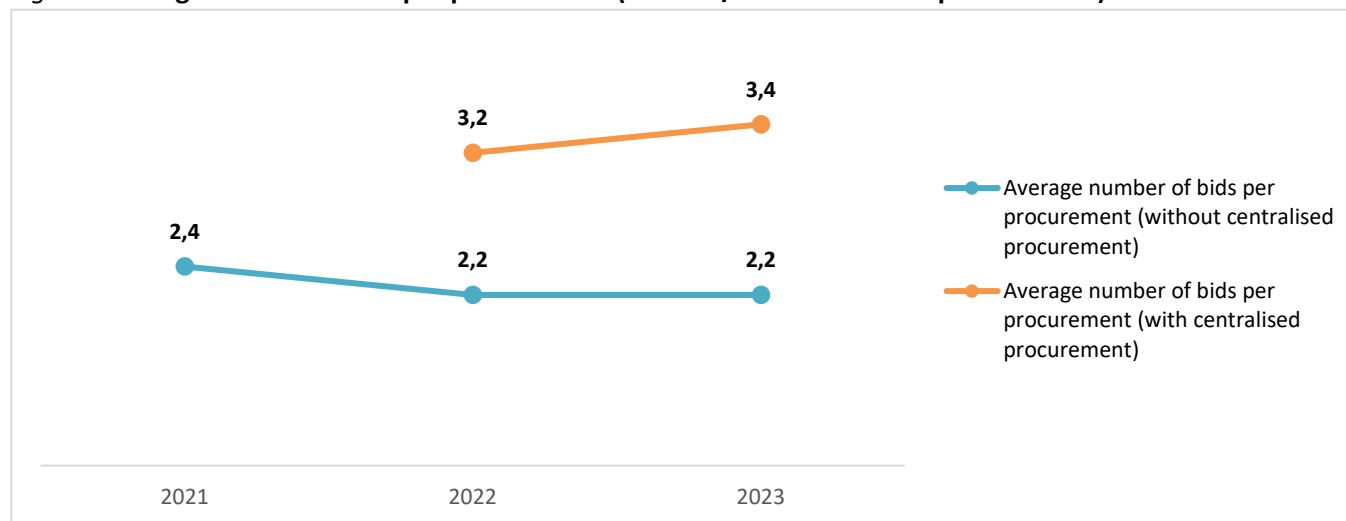
Data updated on 7 February 2024

⁴⁰ The value of the "single bidder" procurement indicator (with centralised procurement) according to the number of procurement procedures has been calculated since 2022.

The methodology for the calculation of "single bidder" procurement indicators is published in the document [Map of Public buyers – Scoreboard. Methodology for the calculation and assessment of indicators](#) (see INDICATORS: Proportion of the number of single-bidder procurement procedures (with centralised procurement) / RODIKLIS: Vieno tiekėjo pirkimų (su centralizuotais pirkimais) skaičiaus dalis; Proportion of the number of single-bidder procurement procedures (without centralised procurement) / RODIKLIS: Vieno tiekėjo pirkimų (be centralizuotų pirkimų) skaičiaus dalis.

- Average number of bids for a procurement (without/with⁴¹ centralised procurement), number

Fig. 24. Average number of bids per procurement (without/with centralised procurement)



Data updated on 7 February 2024

The methodology for the calculation of the indicators of the average number of bids for procurement is published in the document [Map of Public buyers – Scoreboard. Methodology for the calculation and assessment of indicators](#) (see INDICATORS: Average number of bids per procurement (without centralised procurement) / RODIKLIS: Vid. pasiūlymų skaičius pirkimui (be centralizuotų pirkimų); Average number of bids

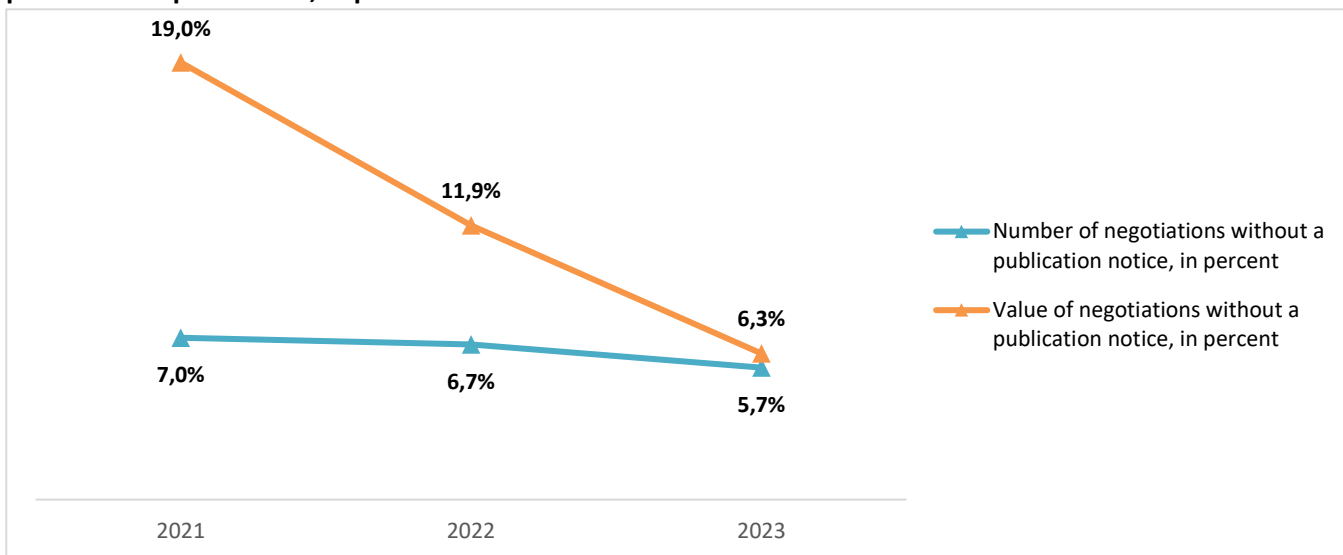
⁴¹ The average number of bids per procurement (with centralised procurement) is calculated from 2022.

per procurement (with centralised procurement) / RODIKLIS: Vid. pasiūlymų skaičius pirkimui (su centralizuotais pirkimais).

[The Scoreboard](#) provides real-time monitoring of the indicators that measure the competitiveness of these purchases:

- The number and value of the above the threshold value negotiations without a publication notice, in percent

Fig. 25. Proportion of the number / value of the above the threshold negotiations without a publication notice in the total number / value of procurement procedures, in percent

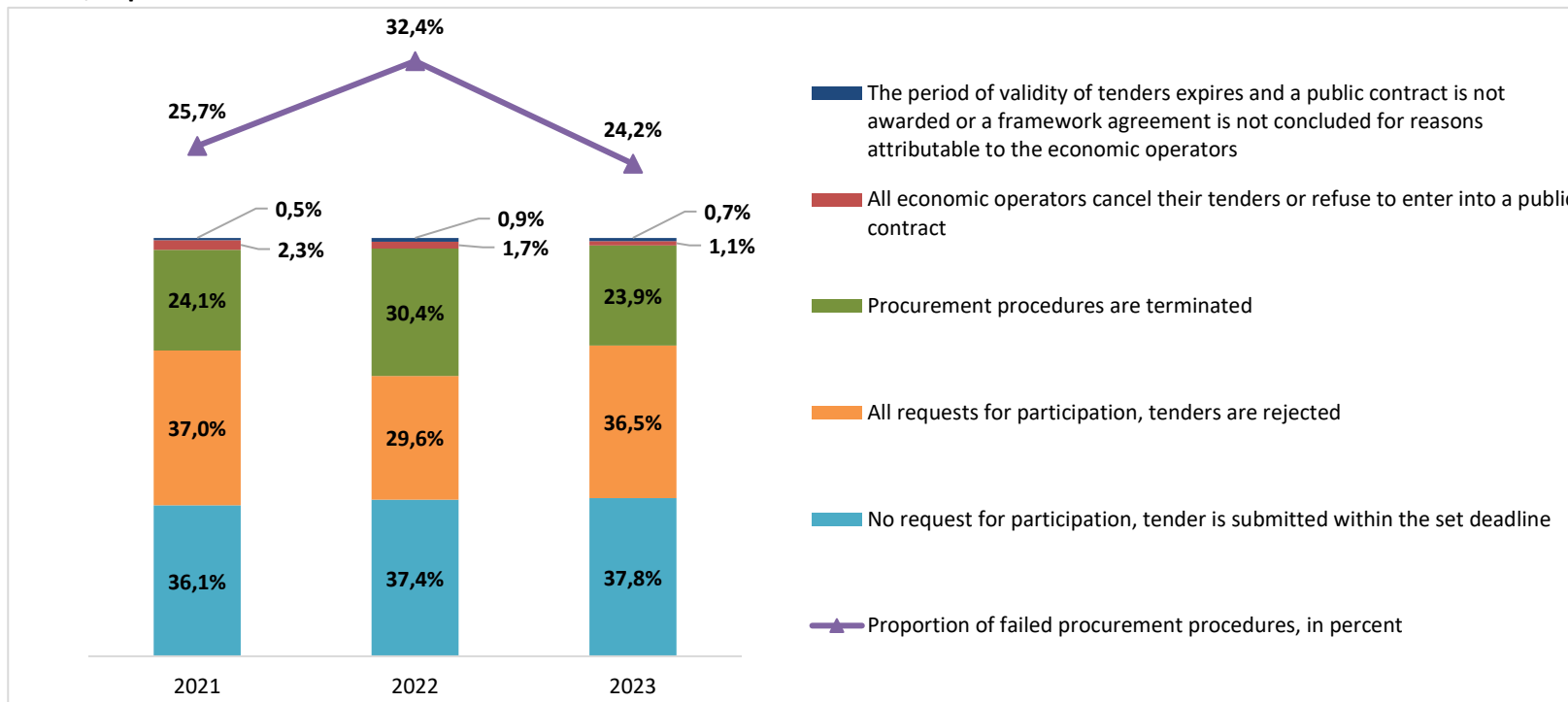


Data updated on 7 February 2024

The value of the indicator is calculated according to data of reports on procurement procedures published by Public buyers in the CPP IS.

- Number of failed procurement procedures, in percent

Fig. 26. Proportion of failed procurement procedures as a share of total procurements and distribution of failed procurements by reason of failure, in percent



Data updated on 7 February 2024

The value of the indicator is calculated according to data of reports on procurement procedures published by Public buyers in the CPP IS.

Analysis of the level of competition

The level of competition in public procurement can be analysed in [the Scoreboard](#) and in [the Single-Bidder Procurement Monitoring Report](#), not only at the national level in general, but also by individual Public buyers and their groups, by procurement sectors, types of objects of procurement, methods of procurement, centralisation etc. The various levels of analysis allow for effective identification of problem areas and data-driven decision-making.

The analysis of the values of the indicators measuring the competitiveness of procurement shows that centralisation of procurement has a positive impact on the level of competition in procurement – the proportion of single-bidder procurement procedures with centralised procurement reached 22.8% in 2023 and it accounted for almost twice as many (43.8%) in procurement procedures without centralised procurement (see Fig. 23). The average number of bids in procurement procedures with centralised procurement was around 3.4 bids, while the average number of bids in procurement procedures carried out by procuring entities independently (non-centralised) was 2.2 bids (see Fig. 24).

A comparison of the ten largest public procurement sectors⁴², accounting for around 70% of the total value and number of procurements in 2023, according to the values of the competitiveness indicators achieved in their procurements is presented below (see Table 10). It reveals that the average number of bids in procurements (including centralised procurements) in sectors such as Construction Works, Petroleum Products, Fuels, Electricity and Other Energy, Medical Equipment, Pharmaceuticals and Personal Care Products is significantly higher than in IT Services and Software Packages and Information Systems. Accordingly, when analysing the value of the indicator for "single bidder" procurement procedures (with centralised procurement), a high proportion of such procurement procedures is observed in the procurement of IT services and Software Packages and Information Systems, and in the procurement of Repair and Maintenance Services, etc.

⁴² Public procurement sectors are defined according to the first two codes of the Common Procurement Vocabulary.

Table 10. Indicators of the level of competition in procurement by procurement sector

Code of the group of the object of procurement	Name of the group of the object of procurement	[11] Number of single-bidder procurement procedures (without centralised procurement), in percent	[15] Number of single-bidder procurement procedures (with centralised procurement), in percent	[16] Average number of bids per procurement (without centralised procurement)	[17] Average number of bids per procurement (with centralised procurement)	[14] Number of failed procurement procedures, in percent
45	Construction work	24,9	25,0	3,1	3,3	28,2
09	Petroleum products, fuels, electricity and other energy sources	38,5	27,9	2,8	5,6	7,1
33	Medical equipment, pharmaceuticals and personal care products	45,9	17,1	2,1	3,8	25,9
39	Furniture (including office furniture), decorative objects, household appliances (excluding lighting) and cleaning products	30,9	21,1	3,0	2,7	21,5
34	Transport equipment and transport auxiliaries	32,1	32,8	2,5	2,5	26,9
72	IT services: consultancy, software development, internet and support services	63,7	60,6	1,6	1,7	20,9
48	Software packages and information systems	62,3	45,9	1,6	2,1	14,5
38	Laboratory, optical and precision equipment (excluding spectacles)	43,8	44,4	2,5	2,5	19,2
71	Architectural, construction, engineering and inspection services	26,3	11,7	2,5	4,3	18,7
50	Repair and maintenance services	64,1	60,6	1,5	2,3	31,7
Total (45 groups of objects of procurement):		43,8	22,8	2,2	3,4	24,2

Data updated on 7 February 2024

The Ministry of Economy and Innovation carried out an assessment of the public procurement system in 2023 and prepared a document "[Public Procurement Issues and Solutions](#)". The summary of the results of the surveys and discussions carried out during the evaluation, as well as the data published by the PPO revealed that one of the main problem areas of the public procurement system, which should still be addressed by the institutions that formulate and implement public procurement policy and participate in the public procurement system, is that businesses do not take advantage of the opportunities to offer goods, services and works to the public sector, and that, in the context of a low competition, the public sector cannot meet the needs of the society in the most rational way.

In order to increase transparency and efficiency, as well as competition in public procurement, the PPO carried out a project to promote the involvement of suppliers in public procurement in 2023 "Attracting suppliers to public procurement" (see more in Section IV.1 of this report).

Causes of insufficient competition in public procurement:

Lack of information and knowledge on public procurement. A survey carried out by the PPO showed that one of the main reasons why suppliers refuse to participate or rarely participate in procurement is the lack of information on where to find out about procurement and/or the lack of knowledge about public procurement. As regards suppliers' expectations, it should also be mentioned that suppliers expect more information on the ongoing steps of the procurement process. Therefore, procurers should try to work more closely with business and to provide them with expected information (even, when there is no legal obligation to do so, for example, to explain in detail the reasons why the procedures are cancelled or why contracting authority has not accepted the proposals provided by business in the market consultation stage).

Some suppliers (especially micro-enterprises, social businesses) do not participate in public procurement due to a lack of knowledge and skills. It was decided that suppliers should be systematically trained, provided with business growth and other incentives in order to be able to enter public procurement markets.

„Unattractiveness“ of procurement. During discussions held by the Ministry of Economy and Innovation, representatives of suppliers participating in procurement noted that they are discouraged from participating more actively in procurement by the fact that tenders are evaluated solely on the basis of price, without sufficient weight being given to the qualitative parameters of the object to be procured. Suppliers are working hard to ensure that the product they sell is of high quality and meet the requirements of green procurement and would like to see more attention paid to these aspects. Although the number of procurements where the quality criteria have been applied is increasing, there is still a lack of knowledge on the part of the contracting authorities on how to apply the quality criteria in the evaluation of tenders.

Some contracting authorities indicated in the survey that they spend a lot of time and effort to attract as many suppliers as possible to participate in the procurement process, but the desired result is not always achieved. The procurement process is complex, lengthy and lacks flexibility. For these reasons, suppliers refuse to participate or rarely participate in procurement. Suppliers identified fewer documents required, simpler and clearer legal frameworks as the main aspects that could encourage them to participate in public procurement.

VI.3. Supporting documents	The Scoreboard The Single-Bidder Procurement Monitoring Report “Viešųjų pirkimų problematika ir sprendimų kryptys” (2023 m.)
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VII. Information on monitoring and reporting bodies

In accordance with the National Law⁴³, **procurement monitoring report shall be prepared by the PPO and submitted to the European Commission.**

The following institutions have provided information for the procurement monitoring report:

Ministry of the Economy and Innovation of the Republic of Lithuania;
Ministry of the Environment of the Republic of Lithuania;
Special Investigation Service of the Republic of Lithuania;
Financial Crime Investigation Service under the Ministry of the Interior of the Republic of Lithuania;
Chief Official Ethics Commission;
Competition Council of the Republic of Lithuania;
Environmental Projects Management Agency under the Ministry of Environment of the Republic of Lithuania;
Innovation Agency Lithuania;
Public Institution Central Project Management Agency;
National Audit Office of Lithuania.

⁴³ In accordance with the provisions of Article 98(1) of the LPP / Article 104 (1) of the LPU (<https://e-seimas.lrs.lt/portal/legalActEditions/lt/TAD/TAIS.30614?faces-redirect=true>).

VIII. Replicability

<p>Links to datasets used to prepare the report</p>	<p><u>Scoreboard</u> – an analytical tool where procurement indicator values are updated in real time (once a day) on the basis of data provided by Public buyers and CPBs on the procurement carried out from 2021 to date. This tool is used to calculate the total volumes of procurements (value, number of procurements, number of contracts awarded), the values of the indicators (green, innovative, simplified reserved procurements, etc.). Structured forms have also been prepared on the basis of the data used for calculations: <Search for international and simplified purchases>, <Search for low value purchases>, etc. The data contained in these forms can be exported by the PPO to Excel format and made available to the stakeholders who analyse the public procurement data.</p> <p><u>Lithuanian Open Data Portal</u> hosts publicly available data from reports on public procurement, procurement in the field of defence and security, and concessions for the period from 01-07-2017 to 22-05-2023.</p> <p>Due to the failure to implement the CPP IS modernisation project "SAULĖ IS" (see Section III.1 of this Report), in which the creation of new data sources was planned to ensure the continuity of the updating of open data, the updating and publication of publicly available information was disrupted. The update and publication of publicly available data is planned to be restored by 30 June 2024.</p>
<p>Files used to obtain the results from the datasets</p>	<p><u>Lithuanian Open Data Portal</u> (data.gov.lt)</p>
<p>Other complementary data</p>	<p><u>Open Contract Data</u> – data on contracts and data on amendments to contracts concluded since 2015 and published in CPP IS, following the completion of above the threshold procurement and below the threshold procurement, including small value procurements. For convenience of users the Description of Open Contract Data has been prepared, including guidance on how to interpret the data correctly, a description of the data structure and changes to it, the most recent date of data update, etc.</p> <p>To simplify the analysis of the concluded contracts, a search tool for this data has been launched with the help of the PPO analytical tool, which is published on https://vpt.lrv.lt/lt/nuorodos/kiti-duomenys/powerbi/2015-2023-m-sudarytu-sutarciau-paieska/.</p>

Annex I:

Methodology for estimating the value of procurement, which would have been covered by the directives if its value had exceeded the relevant thresholds and for the estimation of the aggregated total value of procurement above EU thresholds

1. Classification and methodology

1.1. General approach:

- a) [data available under national notice/contract publication requirements] ✓
- b) [sample-based estimates]
- c) [combined]

1.2. Source of data:

Scope: Source of data:	above national publication thresholds [✓]	below national publication thresholds [✓]	Above EU thresholds [✓]
[e-notification platforms]	✓	✓	✓
[e-submission platforms]	✓	✓	✓
[invoices]			
[budgets]			
[CPBs reports]	✓	✓	✓

2. Methodology description

The total volume of public procurement in Lithuania is determined by including both the above the threshold and below the threshold procurement (including low value procurement). In accordance with the provisions of the LPP, low value procurement is a simplified procurement where the estimated

value of the procurement of goods or services is less than EUR 70 000 (excluding value added tax) and the estimated value of the procurement of works is less than EUR 174 000 (excluding value added tax)⁴⁴. In accordance with the provisions of the LPU, low value procurement is a simplified procurement where the estimated value of the procurement of goods or services is less than EUR 58 000 (excluding value added tax) and the estimated value of the procurement of works is less than EUR 145 000 (excluding value added tax).

The PPO administers the CPP IS, in which Public buyers publish the data of their procurement (including low value procurement). In accordance with the provisions of the National Law, the Public buyers shall submit a report by the means of CPP IS on each procurement procedure, including procurement procedures leading to or based on a framework agreement, a DPS or a procurement contract based on it, within 15 days, but not later than the beginning of the first payment under the concluded procurement contract (hereinafter referred to as the report on procurement procedures)⁴⁵, and submit an annual procurement report within 30 days after the end of the reporting calendar year, including information on low value procurement conducted during the reporting calendar year (hereinafter referred to as the annual procurement report) (hereinafter referred to as the Procurement Procedures Report and the Annual Procurement Report – Reports).

The information to be provided in the Reports, their requirements and standard forms are determined by the PPO⁴⁶.

The reported value of the contracts awarded includes mandatory fees and all provided contract selection options (for example, term, quantities, scope, change of object).

The total value of public procurement is determined on the basis of the data of the Reports and the data of centralized public procurement submitted by the CPBs to the PPO. In accordance with the provisions of the National Law, CPB must provide the PPO with report on the centralized procurement (hereinafter – CPB report), conducted by the Public buyers within 5 working days after the end of the month⁴⁷ in accordance with the procedure established by the PPO⁴⁸.

The Public buyers are responsible for the accuracy, correctness and timely submission of the data provided in the Reports. The CPBs are responsible for the accuracy, correctness and timely submission of the data provided in CPB reports. The PPO, having identified the defects and inaccuracies of the data provided in the Reports and/or CPB reports, contacts the Public buyers and/or CPB for their correction.

⁴⁴ Until 2023, a low value procurement was considered a simplified procurement where the estimated value of the procurement of goods or services is less than EUR 58 000 (excluding value added tax) and the estimated value of the procurement of works is less than EUR 145 000 (excluding value added tax).

⁴⁵ Article 96(2)(1) of the LPP / Article 102(2)(1) of the LPU.

⁴⁶ [1S-80 Dėl Viešųjų pirkimų ir pirkimų ataskaitų rengimo ir teikimo tvarkos aprašo, viešųjų pirkimų ir pi... \(e-tar.lt\)](#)

⁴⁷ Until 2022, CPB reports were submitted within 5 working days after the end of the reporting quarter.

⁴⁸ [1S-181 Dėl Centrinų perkančiųjų organizacijų ataskaitų teikimo tvarkos aprašo patvirtinimo \(e-tar.lt\)](#)

In order to determine the most accurate annual volume of the public procurement, only the so called factual data – data on centralized procurement, conducted by Public buyers through CPBs – are included (leaving out the procedural reports data for framework agreements, concluded by CPB).

In order to determine the total volume of public procurement, specific data corrections are made for framework contracts. Where more than one framework contract of the same value is awarded for the same subject-matter, only one of those contracts shall be included in the scope of the procurement in order to avoid duplication of contract values.

The components of the total value of public procurement (see Table 8) and the data sources used to determine the scope:

- I. above the threshold procurement – data on reports on procurement procedures published by Public buyers in the CPP IS and factual data on centralized procurement provided by the CPBs;
- II. procurement, which would have been covered by the directives if its value had exceeded the relevant thresholds and for the estimation of the aggregated total value of procurement above EU thresholds:
 - below the threshold procurement (excluding low value procurement) - data on procurement procedures published by Public buyers in the CPP IS and factual data on centralized procurement provided by the CPBs;
 - other simplified procurement – data of annual procurement reports published by Public buyers in CPP IS;
 - low value procurement – data on annual procurement reports published by Public buyers in the CPP IS and factual data on centralized low value procurement provided by the CPBs.

Annex II:

Table 11. Total volume and value of public procurement according to the procurement value thresholds

	2021	2022	2023
Number of notices announcing a call for competition above thresholds	4 316	4 860	4 701
Number of notices announcing a call for competition below thresholds⁴⁹	8 099	8 195	6 485
Number of awarded contracts above thresholds	38 170	43 930	49 763
Number of awarded contracts below thresholds⁵⁰	9 539	8 742	7 847
Total value of procurement above EU thresholds, EUR	4 089 078 957,14	5 096 062 787,88	5 986 984 980,98
Total value of procurement below EU thresholds⁵¹, EUR	2 455 537 744,24	3 132 987 311,12	2 813 727 818,00

⁴⁹ Excluding low value procurement (see Table 1).

⁵⁰ Excluding low value procurement (see Table 4).

⁵¹ Excluding low value procurement and other simplified procurement (see Table 8).

Annex III:

Table 12. Extent of public procurement cases, duration of examination and results⁵²

	2018	2019	2020	2021	2022	2023
	Public procurement cases examined in the courts of first instance					
Number of decisions	209	276	252	223	176	158
upon a complaint	209	276	252	223	176	158
<i>ex officio</i>	-	-	-	-	-	-
Number of decisions (primarily) upheld	54	78	46	58	39	29
Number of decisions (primarily) rejected	93	124	136	108	95	84
Number of decisions – other	62	74	70	57	42	45
Average length of the review	61	62	66	56	66	60
	Public procurement cases examined in the higher courts (the Court of Appeal)					
Number of review decisions challenged	136	132	150	164	112	108
Number of decisions (primarily) upheld	41	48	39	49	26	31
Number of decisions (primarily) rejected	84	75	106	111	82	75
Number of decisions – other	11	9	5	4	4	2
Average length of the review	65	64	77	67	59	53

⁵² The same as in⁵.

Annex IV:

Statistics of SMEs participation of the above and below the threshold procurement⁵³

Table 13. The number of SMEs companies, which concluded contracts (in percent)

Company size	The above the threshold procurement						The below the threshold procurement						All procurement					
	Number of companies			Percentage			Number of companies			Percentage			Number of companies			Percentage		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Medium	375	466	497	17,5%	17,9%	19,0%	448	498	484	16,5%	18,7%	19,2%	594	676	686	15,4%	16,2%	17,0%
Small	642	759	791	29,9%	29,2%	30,2%	982	920	868	36,1%	34,6%	34,4%	1266	1298	1271	32,7%	31,1%	31,5%
Very small	723	817	889	33,7%	31,4%	34,0%	930	854	848	34,2%	32,1%	33,6%	1365	1398	1440	35,3%	33,5%	35,7%
Total SMEs:	1740	2042	2177	81,0%	78,5%	83,2%	2360	2272	2200	86,9%	85,5%	87,2%	3225	3372	3397	83,4%	80,7%	84,1%
Other	408	558	439	19,0%	21,5%	16,8%	357	386	323	13,1%	14,5%	12,8%	643	807	640	16,6%	19,3%	15,9%
Total:	2148	2600	2616	100,0%	100,0%	100,0%	2717	2658	2523	100,0%	100,0%	100,0%	3868	4179	4037	100,0%	100,0%	100,0%

Data updated on 7 February 2024

Table 14. The number of contracts concluded with SMEs companies (in percent)

Company size	The above the threshold procurement						The below the threshold procurement						All procurement					
	Number of contracts			Percentage			Number of contracts			Percentage			Number of contracts			Percentage		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Medium	10506	12541	16544	27,9%	28,8%	33,3%	2406	2400	2334	26,1%	28,1%	29,8%	12912	14941	18878	27,5%	28,7%	32,9%
Small	13109	15193	14709	34,8%	34,9%	29,6%	3314	3029	2653	35,9%	35,4%	33,9%	16423	18222	17362	35,0%	35,0%	30,2%
Very small	6666	6412	9156	17,7%	14,7%	18,5%	2148	1848	1827	23,3%	21,6%	23,4%	8814	8260	10983	18,8%	15,9%	19,1%
Total SMEs:	30281	34146	40409	80,3%	78,4%	81,4%	7868	7277	6814	85,3%	85,1%	87,1%	38149	41423	47223	81,3%	79,5%	82,2%
Other	7440	9412	9217	19,7%	21,6%	18,6%	1361	1274	1009	14,7%	14,9%	12,9%	8801	10686	10226	18,7%	20,5%	17,8%
Total:	37721	43558	49626	100,0%	100,0%	100,0%	9229	8551	7823	100,0%	100,0%	100,0%	46950	52109	57449	100,0%	100,0%	100,0%

Data updated on 7 February 2024

⁵³ Excluding low value procurement.

Table 15. The value of contracts concluded (EUR million) with SMEs companies (in percent)

Company size	The above the threshold procurement						The below the threshold procurement						All procurement					
	Value of contracts			Percentage			Value of contracts			Percentage			Value of contracts			Percentage		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Medium	1277,4	1373,3	1884,3	27,6%	25,4%	27,3%	547,5	750,5	715,5	36,8%	35,8%	43,6%	1824,9	2123,9	2599,8	29,9%	28,3%	30,4%
Small	1027,1	946,6	1135,9	22,2%	17,5%	16,4%	402,8	549,5	496,1	27,1%	26,2%	30,2%	1429,9	1496	1632	23,4%	19,9%	19,1%
Very small	283,0	439,2	511,8	6,1%	8,1%	7,4%	125	212,5	150,2	8,4%	10,1%	9,2%	408	651,7	661,9	6,7%	8,7%	7,7%
Total SMEs:	2587,5	2759,1	3532,0	56,0%	51,0%	51,1%	1075,3	1512,5	1361,8	72,3%	72,1%	83,0%	3662,8	4271,6	4893,8	59,9%	56,9%	57,3%
Other	2036,5	2648,4	3374,8	44,0%	49,0%	48,9%	412,9	584,9	278,3	27,7%	27,9%	17,0%	2449,4	3233,3	3653,1	40,1%	43,1%	42,7%
Total:	4624,0	5407,5	6906,8	100,0%	100,0%	100,0%	1488,1	2097,4	1640,1	100,0%	100,0%	100,0%	6112,2	7504,9	8546,9	100,0%	100,0%	100,0%

Data updated on 7 February 2024