

**Trade Policy Review Body**

**TRADE POLICY REVIEW**

**BOLIVIA**

**Report by the Secretariat**

III. trade policies and practices by measure

(4) Measures Affecting Production and Trade

(iii) **Government procurement**

Bolivia is not a member of the plurilateral WTO Agreement on Government Procurement.

Since Bolivia's Review in 1993, new legislation has been adopted. In particular, Supreme Resolution No. 216145 of 3 August 1995, defined the basic rules governing the System of Administration of Goods and Services (SABS) used for procurement by all public entities.<sup>19</sup> Under the SABS, public purchases may be conducted under four different mechanisms depending on the amount of the transactions and, in exceptional circumstances, on the nature of the good or service:

- (i) for purchases up to Bs 20,000, agencies may directly acquire the goods or the services from its own budget without calling for bids;
- (ii) for purchases from Bs 20,001 to 600,000, a direct invitation procedure may be used under which an invitation is also published in newspapers to allow offers from enterprises not invited directly;
- (iii) for purchases above Bs 600,000, a public bid must be used; and

---

<sup>19</sup> Major public procurement regulations are Law No. 1178 of 20 July 1990, Supreme Decree No. 23981 of 20 March 1995 and Supreme Resolution No. 216145 of 3 August 1995.

- (iv) exceptional contracts may be used, without a transaction value limit, for purchases of goods and services of national interest or from non-substitutable enterprises.<sup>20</sup>

The procurement mechanism and awarding decisions are the responsibility of the Chief Executive Officer (MAE) of the purchasing agency; the qualification and evaluation procedures are conducted by a four-member commission charged with making award recommendations. The MAE must justify any award decision that differs from the commission's recommendation.

Bids should be published for three non-consecutive days in major local media (and international media for international bids) at least 20 days before the bid deadline for direct invitations; 30 days for public bids; and 50 days for international bids and direct invitation.

Bid specifications, including technical and commercial requirements, as well as instructions on how to present the bid, should be provided by the purchasing public agency. Bid terms may vary according to the agency issuing the tender. The award decision relies on technical and economic valuation. Technical valuation considers parameters such as experience of the firm, academic and professional record of the staff, and the suitability of firm technology; economic valuation includes arithmetic revision, comparative analysis of unit prices, and rationality of the economic proposal. To promote domestic industry, domestic goods and services are given a 10% preference on their total valuation (the sum of technical and economic valuation).

Under Supreme Decree No. 216145, bids may be national or international: only domestic firms are allowed to participate in the former, while foreign and domestic firms may participate in international bids. These are used only when requested by the financing institution or considered necessary by the Chief Executive Officer of the purchasing agency. Under Bolivian law, foreign firms must have a legal representative domiciled in Bolivia or a local agent in order to conclude contracts with the Bolivian Government.

In addition to these basic rules governing public purchases, specific rules apply to public works, insurance and consulting services.<sup>21</sup> The Bolivian authorities indicated that there are no statistics available on government procurement, including foreign participation in public sector purchases.

---

<sup>20</sup> Article 92 of Supreme Resolution No. 216145.

<sup>21</sup> Secretarial Resolutions 387, 388 and 389 of 26 April 1996.