



Costa Rica modernizes public contracting proceedings and announces infrastructure megaproject, and 5G technology, among other business opportunities

Roberto Esquivel

Public procurement in Costa Rica enters a new phase. As of December 1, 2022, a new law and regulations governing contracting with the State came into force. These regulations also govern the contractual activity for public entities that participate in markets open to competition, such as telecommunications and insurance.

This new stage marks the beginning of electronic procurement of all contracting proceedings and the performance of contracts, which must be carried out through a unified digital system for all public entities.

This system seeks to comply with the constitutional principles of transparency, legality and publicity of all stages of administrative contracts. In this way, all persons have access to all contracting proceedings, so that there can be citizen control over the use of public funds.

This system also makes it easier for international and national companies to register as government providers. Likewise, from anywhere in the world, they may have access to the bidding proceedings in which they participate and can verify that they are treated equally in the assessment of their bids.

It should be noted that in our country there are no limitations for foreign companies to participate in public sector contracting proceedings. On the contrary, they are guaranteed competition under equal conditions and a stable legal framework that strongly punishes corruption.



This law promotes innovation, economic and social development, as well as environmental protection and general welfare. For this purpose, it establishes the need to incorporate social, economic and environmental criteria into procurement proceedings, as well as the possibility of developing technological research and innovation projects through public-private partnerships.

Public companies competing in telecommunications and infocommunications, as well as in the insurance market, have the opportunity to use proceedings that are more streamlined than regular proceedings.

In the case of telecommunication companies, they may use these special proceedings to contract works, goods and services that are necessary to commercialize products and services within their market of competence. In turn, insurance companies may use these proceedings to contract insurance intermediation and other services.

In addition to the new regulations, the current government has announced a new infrastructure megaproject. It is a project to be carried out jointly with the Central American Bank for Economic Integration (CABEI) and is called "Government City".

The objective is to centralize the administrative area of 18 agencies and ministries in a single niche in the south of San José. It is a complex with a construction area of close to 140,000 square meters that will incorporate mixed uses and will allow commercial

development on the ground floors, while the upper floors will be used for offices and services. The project has already awarded the plans to the Caracas-based architectural firm Micucci Arquitectos, with an estimated budget of US\$450,000,000.00.

This plan is structured under a Build, Own, Lease and Transfer (BOLT) scheme for a maximum term of 25 years. CABEI will lease the real estate to Costa Rica until finally transferring ownership to the Republic.

In the short term, the regional entity will be responsible for formalizing the project and implementing preparatory activities (including permits and technical studies). The Bank will then prepare international bidding proceedings for construction and equipping of the government complex, followed by bidding for the operation and maintenance of the project. The goal is to award construction in the third quarter of 2023 and start construction in the fourth quarter.

In addition, it has been announced that proceedings will commence this year for the concession of a highway, the expansion of a port, and the construction of hospitals, among others.

In the telecommunications area, it has also been announced that bidding proceedings will soon begin for the concession of frequencies to offer telecommunications services with 5G technology.

With these changes in regulations and projects announced by government authorities, Costa Rica offers international and national companies new opportunities for business development with the Public Sector, under a framework of legal certainty and transparency.

Oller Abogados has a team of specialists in public sector contracts (public procurement, infrastructure, energy, telecommunications, technology, health, etc.), with more than 22 years of experience, which is always ready to advise international and national clients in their projects in Costa Rica.



If you already have a project with the public sector in our country, or if you are interested in successfully participating in projects promoted by entities in this sector, you can write to the following address: resquivel@ollerabogados.com or use WhatsApp telephone number (506) 2257-1290.

*Roberto Esquivel is the head of the public law practice at Oller Abogados. He has more than 30 years of experience advising international and national companies, international organizations and public entities. He is also an arbitrator and adjudicator at Dispute Boards, as well as a university professor at De La Salle University.



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