



TRANSPARENCY, ACCOUNTABILITY AND INTEGRITY OF INSTITUTIONS IN PUBLIC PROCUREMENTS

Research, Ranking and Analysis

2018

Publisher:
Center for Civil Communications

Translation:
Abacus

Graphic design:
Datapons Skopje

Print:
Datapons Skopje

Circulation:
400 copies

Free/Non-Commercial Circulation

CIP - Каталогизација во публикација

Национална и универзитетска библиотека "Св. Климент Охридски", Скопје

35.073.53:005.332.5]:354(497.7)(047.31)

TRANSPARENTNOST, отчетност и интегритет на институциите во јавните набавки : истражување, рангирање и анализа : 2018. - Скопје :

Центар за граѓански комуникации, 2019. - 20, 20 стр. : граф. прикази ; 30 см

Насл. стр. на припечатениот текст: Transparency, accountability and integrity of institutions in public procurements : research, ranking and analysis : 2018. - Обата текста меѓусебно печатени во спротивни насоки.

- Текст на мак. и англ. јазик. - Содржи и: Прилог ; Appendix

ISBN 978-608-4709-73-2

а) Јавни набавки - Транспарентност - Државна власт - Македонија - Истражувања
COBISS.MK-ID 109523978

TRANSPARENCY, ACCOUNTABILITY AND INTEGRITY OF INSTITUTIONS IN PUBLIC PROCUREMENTS

Research, Ranking and Analysis
2018

Skopje, December 2018

TABLE OF CONTENTS

• INTRODUCTION	05
• SUMMARY	06
• METHODOLOGY CLARIFICATIONS.....	07
• RANK LIST OF INSTITUTIONS AND DETAILED FINDINGS	08
• APPENDIX: RESEARCH, ASSESSMENT AND RANK PARAMETERS	19

INTRODUCTION

Transparency is generally acknowledged as one of underlying principles in public procurements. It should promote competitiveness, increase efficiency of public spending and reduce threats of corruption in public procurements.

Only transparent process of public procurement allows citizens to demand accountability and responsibility from public administration and politicians, thereby increasing their integrity and public's trust in system institutions. More specifically, transparency and accountability are tools for promotion of integrity and for prevention of corruption in public procurements.

Commonly, transparency in public procurements is measured and promoted by oversight performed by civil society organizations, which results in timely opening of issues, risk management, advancement of practices, public demands for responsibility and, in general, enhanced good governance in the country.

Law on Public Procurements in the Republic of Macedonia also enlists transparency and integrity as underlying principles in the process of public procurements. On annual level, value of public procurements organized in our country ranges from 600 million to one billion euros. However, public procurements are among areas that are very vulnerable to corruption, given that they involve spending of enormous amounts of funds and imply direct contacts between the state and private businesses. According to global estimates, corruption in public procurements 'accounts for' 20% to 30% of their total value.

Starting from the need to increase efficiency and to reduce risks of corruption in public procurements in Macedonia, from 2009 onwards the Center for Civil Communications has engaged in continuous and in-depth monitoring of the manner in which public procurement procedures are organized and implemented, notably by assessing state-of-affairs, detecting shortfalls and proposing specific measures aimed to amend relevant legislation and practices, with a view to narrow the space for corruption and to advance implementation of public procurement procedures in the country.

Having in mind that all activities performed in that regard thus far have targeted the system as a whole, i.e. promotion of the overall system of public procurements, this study attempts to analyse public procurements at the level of individual institutions. The main idea is to assess

transparency, accountability and integrity demonstrated by institutions in implementation of public procurements and to provide them with a tool for continuous advancement of these three principles in public spending.

Criteria defined for this study, ranking and data analysis cover all stages in the cycle of public procurements, from assessment of procurement needs, through planning and implementation of tender procedures, to performance of procurement contracts. Hence, they could serve as benchmarks to appraise state-of-affairs and to improve the overall process of public procurements, i.e. beyond the procedure regulated by relevant legislation.

However, it should be noted that this tool is intended to be used by all institutions in the country that implement public procurement procedures, although the study and ranking of institutions presented in this publication only targeted line ministries, government secretariats and Parliament of the Republic of Macedonia.

At the same time, civil society organizations across the country, united into a network that will advocate for greater transparency, accountability and integrity in public procurements, are currently conducting a similar study and ranking of all municipalities and the City of Skopje.

The first study was developed for public procurements organized by targeted institutions in 2016, this study concerns public procurements organized in 2017, while the next study will cover public procurements organized and implemented in 2018, in order to ensure comparability and to measure progress made throughout the years.

Above-indicated activities are implemented as part of the project "Network for Transparency, Accountability and Integrity in Public Procurements", financed by the European Union.

SUMMARY

- » The average level of compliance with criteria on transparency, accountability and integrity throughout the entire cycle of public procurements, as demonstrated by line ministries, government secretariats and Parliament of the Republic of Macedonia stands at 53.6% (from 100%) and implies small improvement compared to the previous year (51.7%).
- » Institutions that have spent the lowest amount of funds on public procurements are also the highest ranked ones.
- » Not a single institution has developed methodology, guidelines or similar document that governs the method for calculation of procurements' estimated value.
- » Implementation rate of plans on public procurements has deteriorated. The average implementation rate of these plans in 2017 stands at 62%, compared to the previous year when it was 65%. At the level of individual institutions, the lowest implementation rate is 21%, while the highest stands at 87%.
- » Only two institutions publish procurement notices, notifications on contracts signed, as well as the contracts and annexes thereto, on their official websites, while no institution published notifications on public procurement contracts performed.
- » Increased number of tender procedures with more reasonable deadlines for submission of bids than the law-stipulated minimum deadlines.
- » This year as well, the average number of bids received by analysed institutions stands at 3.09 and is lower than the national average of 3.33 bids.
- » As many as one third of tender procedures were presented with only one bid.
- » The highest average share of tender procedures marked by participation of one company in the total number of public procurements organized by individual institutions accounts for 25% and is the same as the share observed in the previous year. Only two institutions have shares higher than 40%, which is considered as threshold for concentration.
- » Almost one third of tender documents developed by analysed institutions feature discriminatory elements that could limit competition.
- » Every fourth tender procedure organized by analysed institutions was annulled, while the share of fully or partially annulled tender procedures at the level of individual institutions ranges from 0% to 77%.
- » More than half of institutions used negotiation procedures without prior announcement of call for bids. This type of contracts account for 7% of the total value of contracts signed by analysed institutions.
- » Two thirds of institutions have not established internal monitoring system for performance of public procurement contracts signed.
- » The average share of appeals lodged by companies in the total number of procurement notices announced by analysed institutions stands at 4.6% and is higher than the national average of 3%. Nevertheless, the share of appeals has decreased compared to the previous year when it accounted for 6%.
- » Two thirds of institutions disclosed information requested under the instrument for free access to public information within the law-stipulated maximum deadline of 30 days.

METHODOLOGY CLARIFICATIONS

The study on institutions' transparency, accountability and integrity in public procurements is developed on the basis of previously defined goals, criteria and indicators to measure compliance with these three principles that underline public spending.

The methodology used for this study was defined to cover all stages in the process of public procurements, including those that formally are not regulated under the procedural Law on Public Procurements, but are nevertheless integral part of the cycle of public procurements and, to great extent, affect efficiency of public procurements.

The first study of this type was conducted last year and concerned public procurements organized by analysed institutions in the course of 2016. The present ranking, second in a row, is developed for the same group of institutions and concerns public procurements they have organized in 2017, as the last completed calendar year. The same study will be conducted for public procurements organized and implemented in 2018. The study's time-frame defined in this manner allows insight into general state-of-affairs and institutions' compliance with criteria on transparency, accountability and integrity in public procurements and, thereby, provides an opportunity for comparison and measurement of progress made throughout the years.

The study itself was conducted in several stages. The first stage, conducted in 2017, implied organization of public survey among citizens and private sector representatives, as well as the media and civil society organizations, inquiring about institutions' compliance with criteria on transparency, accountability and integrity and the need for improvements. Hence, as many as 92% from the total of 400 respondents indicated that state institutions are opaque in terms of public spending and would like to have more information about public spending under public procurements. This study will serve as baseline for future measurement of effects created by measures taken by institutions in following years.

Then, the team developed a list of indicators on the basis of domestic and adequate international experiences and knowledge, which was fine-tuned and improved with

contents provided by experts and practitioners from the country and the region, especially in terms of indicators' relevance and relevant weight, availability of necessary data and other inputs, data uniformity and susceptibility to further processing, comparison and analysis.

The proposed list of indicators for measurement of compliance with criteria on transparency, accountability and integrity in public procurements was subjected to broad consultations with more than 170 representatives from state institutions, civil society organizations and the business sector, by means of a series of public workshops organized in all eight planning regions in the country.

Indicators defined in this manner were then tested on selected sample, followed by research study that included: collection of thousands of individual datasets secured by means of browsing and extracting data hosted on the Electronic Public Procurement System; responses from analysed institutions to information requests submitted under the instrument for free access to public information; as well as information and data collected as part of desk research targeting online contents published by analysed institutions.

Data collected were categorized and imputed into relevant matrices for further processing. Prior to initiation of data analysis, they were cross-referenced and verified.

The ranking of institutions was conducted by indexing them on the basis of 31 indicators (given in the appendix to this publication). Depending on scores assigned to data collected and state-of-affairs based on responses provided by analysed institutions, each institution was first assigned certain number of points for all individual indicators (0, 1 or 2). Descriptive indicators were assigned points according to responses they have provided, i.e. 'yes', 'no' or 'partially'. On the other hand, numeric indicators were first correlated to the average value of given issue or indicator, and were then assigned points depending on the fact whether they implied below or above average situation observed. Large number of indicators necessitated complex indexing of issues measured in order to arrive to final, unified and comparable value for individual institutions.

The final ranking was compiled on the basis of percentile compliance with criteria defined for institutions' transparency, accountability and integrity in public procurements. For example, if an institution was awarded 31 of the total of 62 points, it means that the same has demonstrated 50% compliance with criteria on full transparency, accountability and integrity in public procurements.

Here it should be noted that in the case of vast portion of data collected, the responsibility for their truthfulness lies with institutions that have uploaded information on the Electronic Public Procurement System and disclosed data in response to information requests submitted under the instrument for free access to public information, as well as information hosted on their respective websites.

As regards restricting factors for this study, two such factors should be elaborated here. The first concerns inadequate format of data hosted on the Electronic Public Procurement System, which prevents easy and automatic download and further processing of datasets, thereby imposing the need for heavy manual-intensive and time-consuming engagement. The second factor concerns inertia on the part of institutions to disclose documents and data requested. A particularly restrictive circumstance in this stage of study development was identified in the fact that the competent Commission for Protection of the Right to Free Access to Public Information was non-functional due to issues related to understaffing. All these imposed the need for substantial additional efforts aimed at obtaining necessary data, given that the team was unable to exercise its right to appeal in cases when institutions had failed to disclose information requested under the instrument for free access to public information.

RANKING OF INSTITUTIONS AND DETAILED FINDINGS

- » The average level of compliance with criteria on transparency, accountability and integrity throughout the entire cycle of public procurements, as demonstrated by line ministries, government secretariats and Parliament of the Republic of Macedonia stands at 53.6% (from 100%) and implies small improvement compared to the previous year (51.7%).

Depending on scores assigned, i.e. percentile compliance with criteria for aforementioned principles, the analysed institutions were ranked under five categories, those being: 'insufficient' (0% to 20%), 'minimum' (20% to 40%), 'limited' (40% to 60%), 'solid' (60% to 80%) and 'high' (80% to 100%) compliance with principles on transparency, accountability and integrity in public procurements.

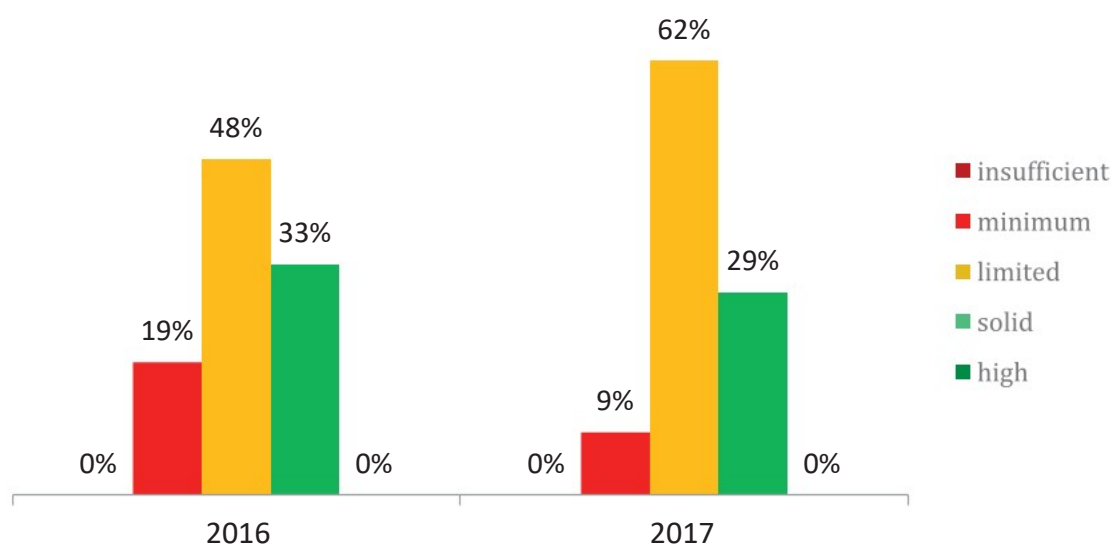
Not a single institution demonstrated compliance with all or at least dominant share of criteria defined for transparency, accountability and integrity in all stages from the cycle of public procurements, from assessment of procurement needs, through planning and implementation of tender procedures, to performance of procurement contracts.

All analysed institutions were ranked under middle categories. Not a single institution was ranked under the best category, defined as 'high' compliance with criteria on transparency, accountability and integrity in public procurements, or under the worst category, defined as 'insufficient' compliance. Most institutions fall under 'limited' compliance with criteria, which ranges from 40% to 60%.

Having in mind that this ranking exercise was performed on the basis of 31 criteria that arise from obligations stipulated under the Law on Public Procurements, commitments assumed under the Open Government Partnership's Action Plan 2016-2018 and good practices, it could be concluded that institutions in Macedonia do not invest sufficient efforts with a view to guarantee efficient, purposeful and cost-effective public spending.

Compared to the previous year, minor improvement was noted in terms of state-of-affairs, especially concerning average compliance with criteria on transparency, accountability and integrity throughout the entire cycle of public procurements. Last year, this level of compliance accounted for 51.7%, compared to 53.6% observed this year. Unlike the situation observed in the previous year, this year's findings show lower number of institu-

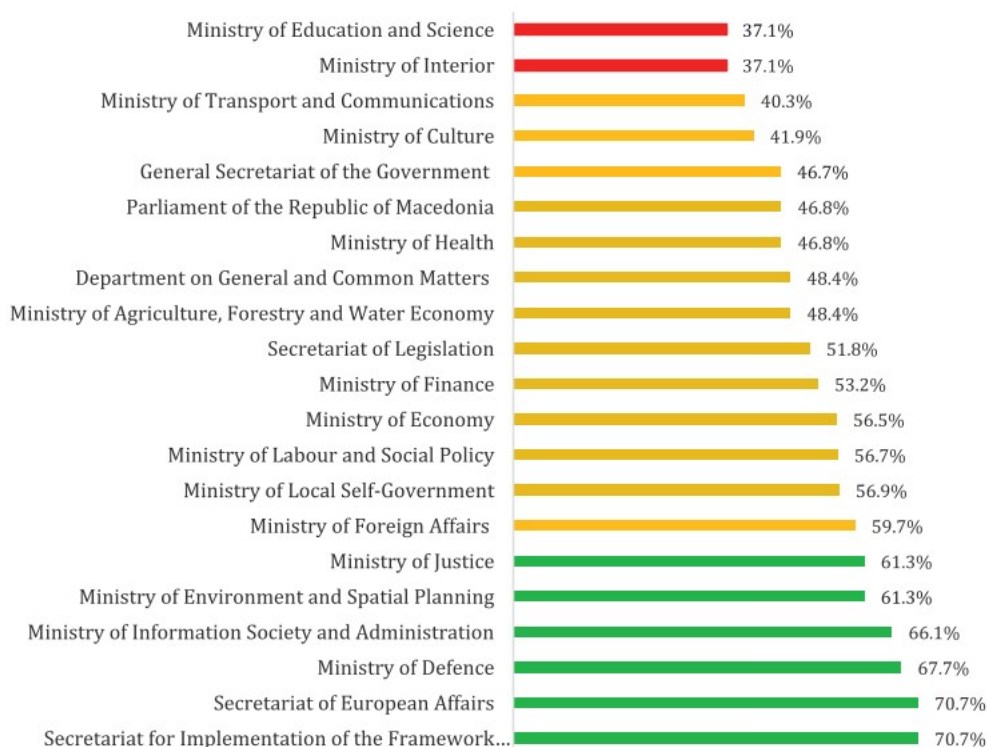
Breakdown of institutions per relevant group according to their compliance with principles on transparency, accountability and integrity in public procurements



tions under categories 'insufficient', as well as 'solid' compliance, with majority of them ranked under the middle category, i.e. 'solid' compliance with criteria. Ministry of Education and Science and the Ministry of Interior have the lowest ranks, as they have demonstrated

only 37% compliance with criteria defined. On the other hand, the Secretariat for Implementation of the Framework Agreement and Secretariat of European Affairs are the highest ranked institutions, demonstrating 71% compliance with criteria defined.

Compliance with criteria on transparency, accountability and integrity in public procurements



Only two from the total of 31 criteria have been complied by all analysed institutions, i.e. they have pursued all public procurements through organization form (sector or department) and officers with passed exams for public procurements. On the other hand, only one criterion was not complied with by any institution: publication of notifications on procurement contracts performed in EPPS. In the case of remaining 28 criteria, institutions have demonstrated variable level of compliance.

In 2017, the total value of public procurement contracts signed by all 21 institutions amounted to 72 million euros and accounts for 12% of the total value of all public procurements in the country. In the given year, analysed institutions have signed a total of 1,363 public procurement contracts. Compared to the previous year, the value of public procurements implemented by analysed institutions has been reduced by as many as 98 million euros, i.e. from 170 to 72 million euros. The number of procurement contracts was also reduced by 460, from 1,832 contracts in 2016 to 1,363 contracts in 2017.

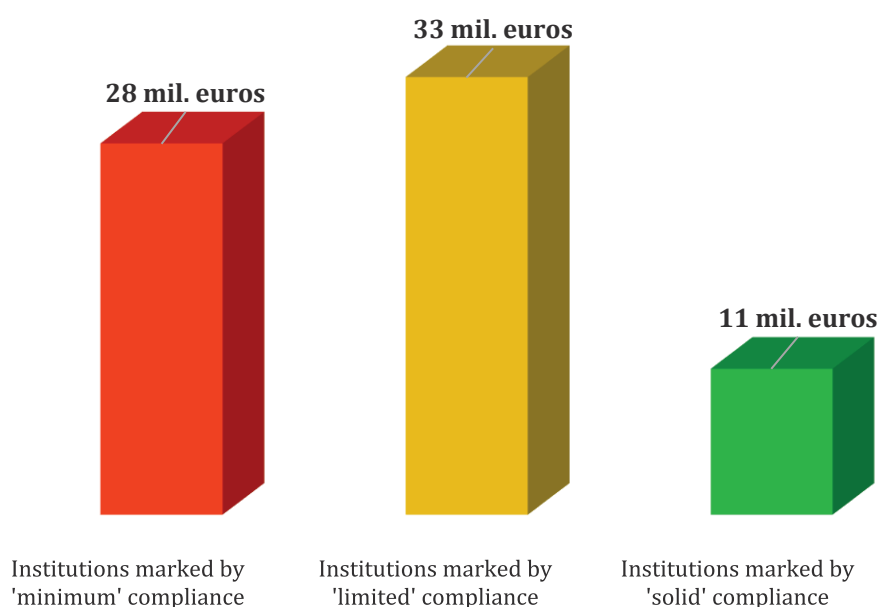
The highest number of public procurements in 2017 was observed with the Ministry of Education and Sci-

ence, accounting for 20% of the total number of public procurements organized by all analysed institutions. On the other hand, as many as 9 institutions are marked by value shares lower than 1% in the total value of public procurements implemented by all analysed institutions. Among them, the lowest share of only 0.013% was observed with the Secretariat of Legislation, whose public procurements amounted to only 9,486 euros.

- » Institutions that have spent the lowest amount of funds on public procurements are also the highest ranked ones.

The six highest-ranked institutions, which demonstrated compliance with criteria in the range from 61% to 71%, are those that have spent the lowest amount of funds on public procurements, i.e. 15% of the total amount of funds spent by all analysed institutions. In contrast, the two institutions that demonstrated lowest level of compliance (31% to 37%) have spent as much as 39% of the total funds for public procurements. Among them, the Ministry of Education and Science, as the lowest ranked institution, is marked by the highest value share in public procurements.

Value of public procurements of institutions per compliance category in terms of transparency, accountability and integrity

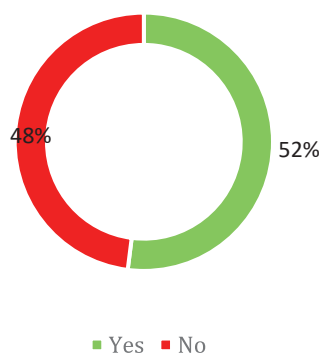


- » Not a single institution has developed methodology, guidelines or similar document that governs calculation of procurements' estimated value.

In the light of new legal solutions according to which institutions must develop mandatory justifications for the need of all individual procurements, only compared to the situation observed in the previous year, decreased number of institutions have developed such justifications this year, although that is considered as good practice in public procurements.

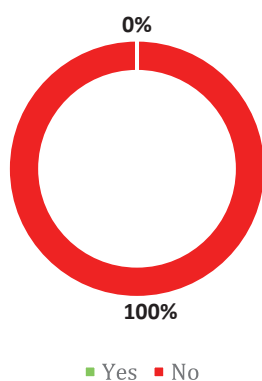
In particular, 52% of analysed institutions have developed such justification, unlike the situation observed in the previous year when their share accounted for 57%.

Does the institution develop justification of the need for all individual procurements?



This year as well, not a single institution has developed internal methodology, guidelines or other document that governs the method for calculation of procurements' estimated value. Importance of procurement's estimated value arises from the fact that its proper and precise calculation determines the overall course of the procurement in question.

Does the institution have methodology, guidelines or similar document that governs calculation of procurements' estimated value?

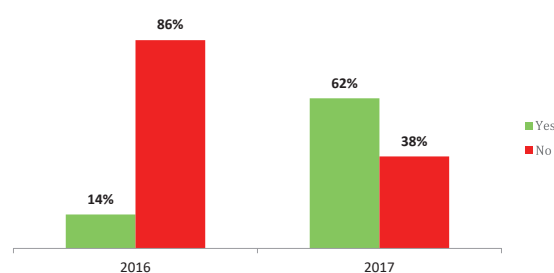


- » Although defined as mandatory under the Open Government Partnership's National Action Plan 2016-2018, and will be stipulated as legal obligation under the new Law on Public Procurements, only 62% of institutions publish their annual plans on public procurements. Last year, their share accounted for 14%.

The current Law on Public Procurements stipulates an obligation for institutions to publish their annual plan on public procurements which should be developed by 31st January the latest in the current year. Nevertheless, this commitment is already defined under the Open Government Partnership's National Action Plan 2016-2018, while annual plan on public procurements as document whose publication is mandatory is also featured on the list of acts and materials which line ministries are obliged to publish on their websites. Be that as it may, compared to other countries, publication of plans on public procurements is already rooted as good practice.

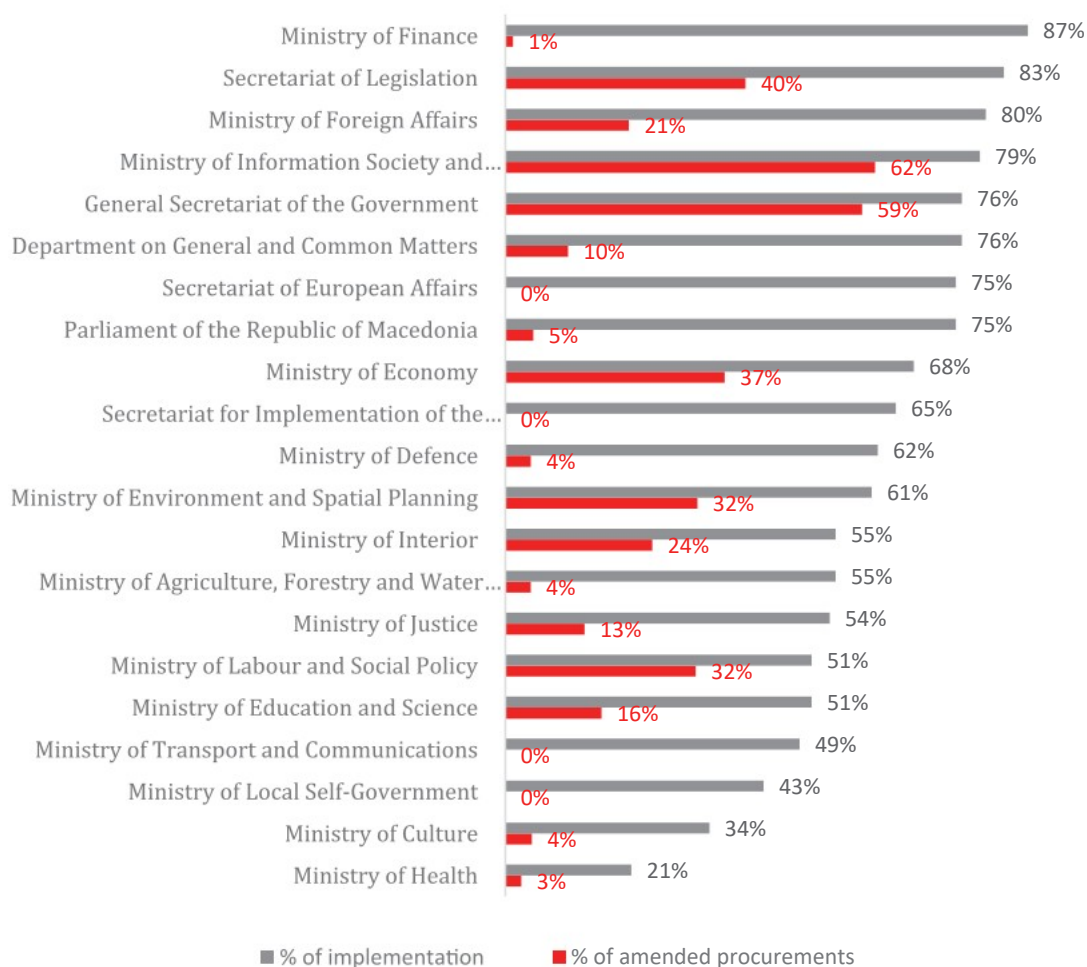
Unlike times when this obligation was anticipated only under the Open Government Partnership and when merely 14% of institutions published their annual plans, this year marked an improvement in this regard and annual plans on public procurements were published by 62% of institutions.

Does the institution publish the annual plan on public procurements on its official website?



- » Implementation rate of plans on public procurements has deteriorated. The average implementation rate of these plans in 2017 stands at 62%, compared to the previous year when it was 65%. At the level of individual institutions, the lowest implementation rate is 21%, while the highest stands at 87%.

Implementation of plans on public procurements remains one of the main weaknesses in the overall system of public procurements. This problem becomes more prominent when analysed against the fact that the implementation rate was calculated for plans on public pro-

Implementation rate of initial and amended plans on public procurements

curements that have been amended in the course of the year, and not for initially developed plans at the year's beginning. Namely, during the year institutions are allowed to make unlimited number of amendments to their plans initially developed in January, on the basis of changed procurement needs and other circumstances that have emerged. Hence, efforts are needed to ensure as higher implementation rate as possible of amended plans on public procurements. That would result in increased security and predictability of planning among companies, while citizens would have more precise insights into the manner in which public funds, bankrolled by taxpayers, are planned to be spent.

- » Only two institutions publish procurement notices, notifications on contracts signed, as well as the contracts and annexes thereto, on their official websites, while no institution has published notifications on public procurement contracts performed.

Institutions continue their poor practices on non-compliance with commitments assumed under the Open

Government Partnership's National Action Plan 2016-2018, as official document adopted the Government of the Republic of Macedonia. As was the case with plans on public procurements, institutions broadly ignore their obligations related to publication of procurement notices, notifications on contracts signed, texts of contracts and annexes thereto, and notifications on contracts performed, on their official websites.

It is believed that by publishing these information and documents on their websites, institutions would demonstrate true and actual transparency, given that the obligation for publication of this information on EPPS is necessary for the purpose of implementation of tender procedures, not for the purpose of disseminating information to the broader public and other interested parties, in addition to tender participants.

Namely, only 10% of analysed institutions publish procurement notices, notifications on contracts signed, as well as contracts and annexes thereto, on their websites. Not a single institution has published notifications on contracts performed, although this possibility is allowed on EPPS.

Number of institutions that publish information as defined below

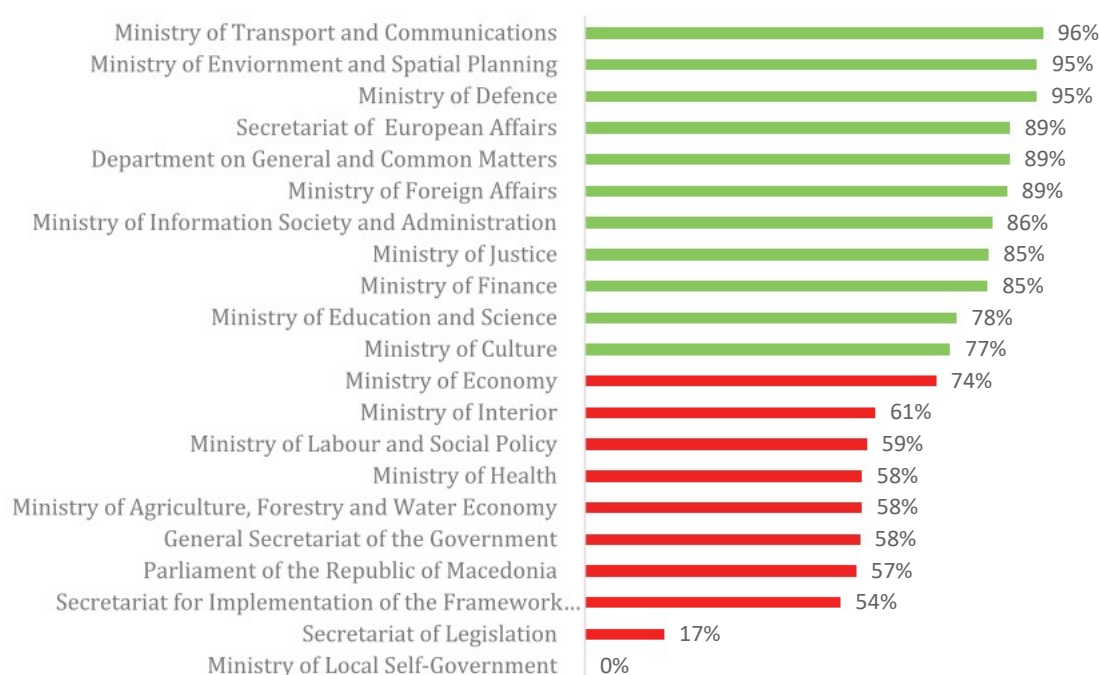
Document/information	2017	2016
Procurement notices, on official websites	2	3
Notifications on contracts signed, on official websites	2	1
Public procurement contracts and annexes thereto	2	0
Notifications on contracts performed, on EPPS	0	0

Unlike the situation observed with plans on public procurements whose publication has become an obligation under the so-called list of 21 types of documents which line ministries should publish on their websites, none of these documents is featured on the aforementioned list adopted by the government. Hence, having in mind the importance of these documents in terms of greater accountability on public spending before citizens, the government and holder of this document, i.e. MISA, should reconsider the possibility to expand the list by adding these and other documents of same or similar importance.

- » Increased number of tender procedures with more reasonable deadlines for submission of bids than to law-stipulated minimum deadlines.

In the case of as many as 70% of analysed public procurements, institutions have defined deadlines for submission of bids that are longer than the law-stipulated minimum deadline, unlike the situation observed in the previous year, when their share was 54%. Notably, in terms of calls for submission of bids, law-stipulated minimum deadlines in duration of 5 and 10 days are often considered insufficient for bidding companies to secure required documents and develop bids of better quality. This is due to the fact that said minimum deadlines are set as calendar days, meaning that they also include weekends and holidays, i.e. non-working days. Hence, it is believed that institutions engage in good practices when they define longer deadlines for submission of bids, which is also an indicator of honest intention on the part of contracting authorities to receive as many as possible and bids of better quality.

*Share of procurement notices with reasonable deadlines
(longer than the law-stipulated minimum deadlines) for submission of bids*



- » This year as well, the average number of bids received by analysed institutions stands at 3.09 and is lower than the national average of 3.33 bids.

Almost an equal number of institutions are characterized by average number of bids and below average number of bids as calculated for all institutions in 2017. In that, 11 institutions have below average number of bids, unlike the situation observed last year when this was the case with 15 institutions. Otherwise, the average number of bids received by individual institutions ranges from 1.5 to 4.5 bids.

Low competition in tender procedures is one of the most important problems affecting the system of public procurements in Macedonia which, according to analyses conducted by the Center for Civil Communications, is a result of an array of interrelated factors. After several years, this is the first time when the average number of bids per tender procedures exceeds the limit of 3 bids, which is considered to indicate minimum level of competition. Nevertheless, the fact that the calculated average among analysed institutions standing at 3.09 bids is very close to the above indicated limit and the fact that significant number of institutions are characterized by significantly lower average than the national average are

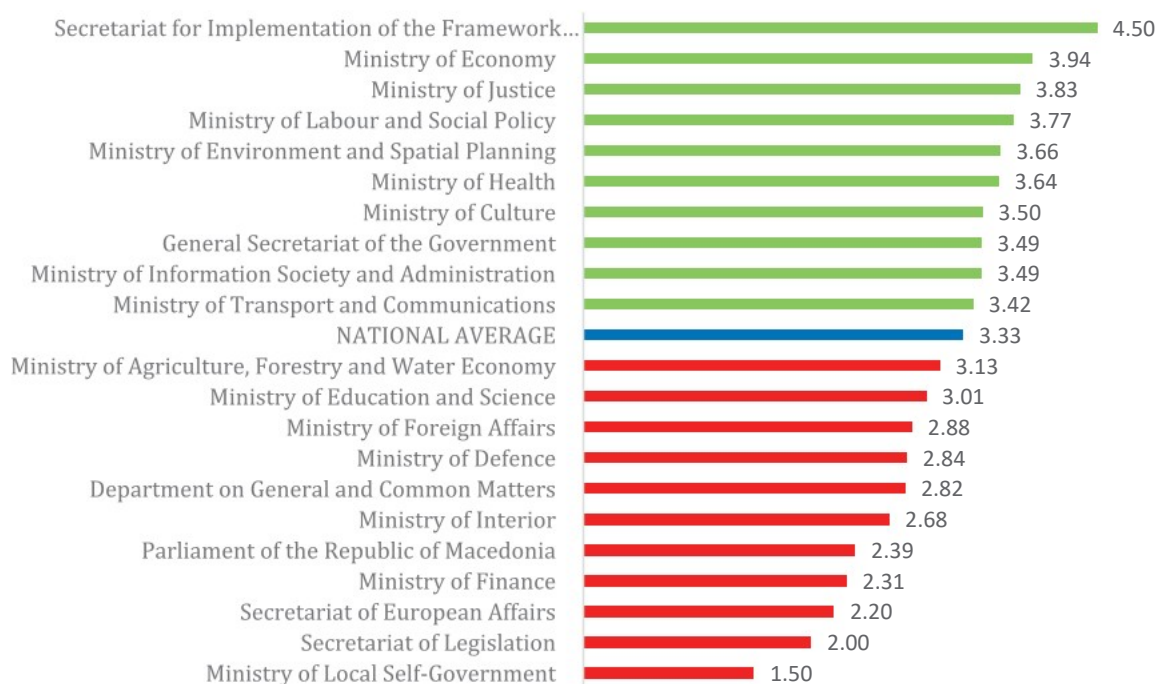
indicative of the need for greater efforts at the level of individual institutions as well, with the view to increase the number of companies interested to participate in tender procedures. In turn, that would increase quality of bids and would ultimately improve successful implementation of public procurements.

- » As many as one third of public procurements were presented with only one bid.

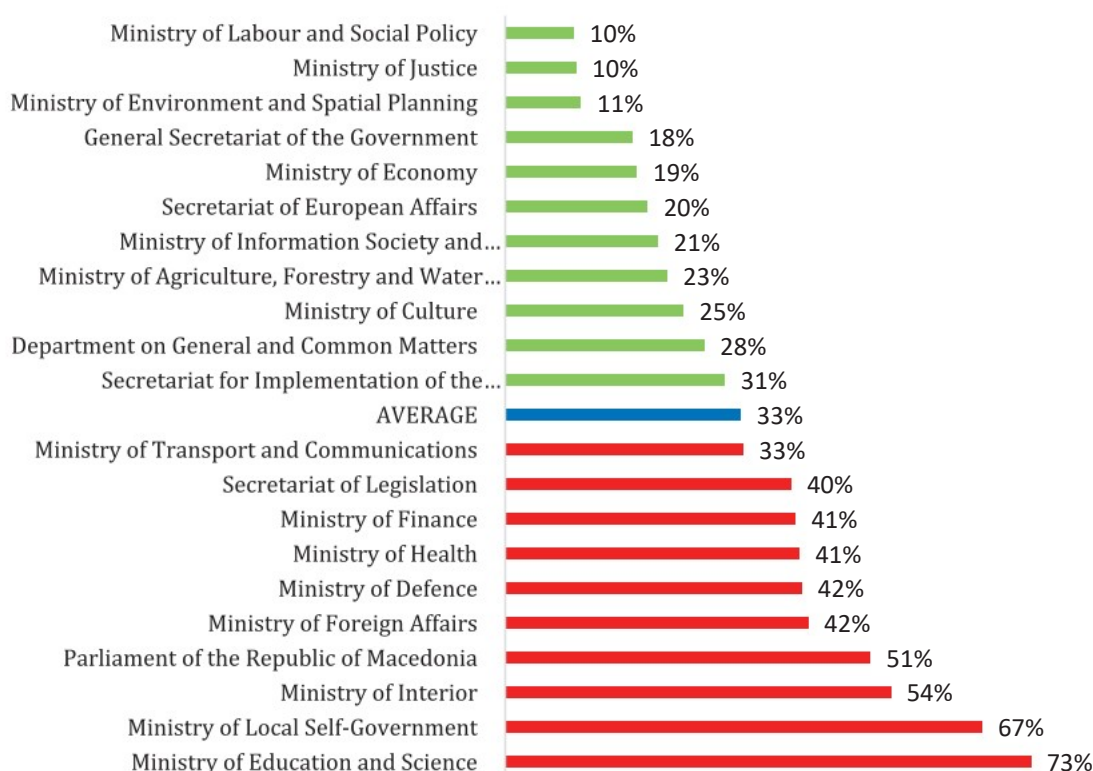
The problem related to high share of tender procedures presented with only one bid continues this year. In 2017, the average share of tender procedures presented with one bid accounts for 33%, whereby the shares of individual institutions range from 10% (as the lowest share observed) to 73% (as the highest share observed). This, coupled with the already low number of bids per tender procedure, brings under question institutions' compliance with underlying principles of public procurements, such as competition, equal treatment and non-discrimination of companies.

In the case of this indicator, it was observed that efforts have been made in this regard compared to the previous year (2016), when the average number of tender procedures presented with only one bid accounted for 27%.

Average number of bids



Share of tender procedures presented with only one bid



The problem related to receipt of only one bid is mainly due to the fact that these procurement procedures are not concluded with organization of electronic auctions intended for reduction of initially bided prices. Having in mind that initially companies offer higher prices in expectation of e-auctions and price reductions, in the case of tender procedures with one participant, higher prices often remain the final prices.

- » The highest average share of tender procedures marked by participation of one company in the total number of tender procedures organized by individual institutions accounts for 25% and is the same as the share observed in the previous year. Only two institutions have shares higher than 40%, which is considered as threshold for concentration.

Under this parameter, the benchmark for concentration of particular company is taken from relevant provisions in the Law on Protection of Competition, whereby concentration is defined as market share of one tender participant higher than 40%.

- » Almost one third of tender documents developed by analysed institutions feature discriminatory elements that could limit competition.

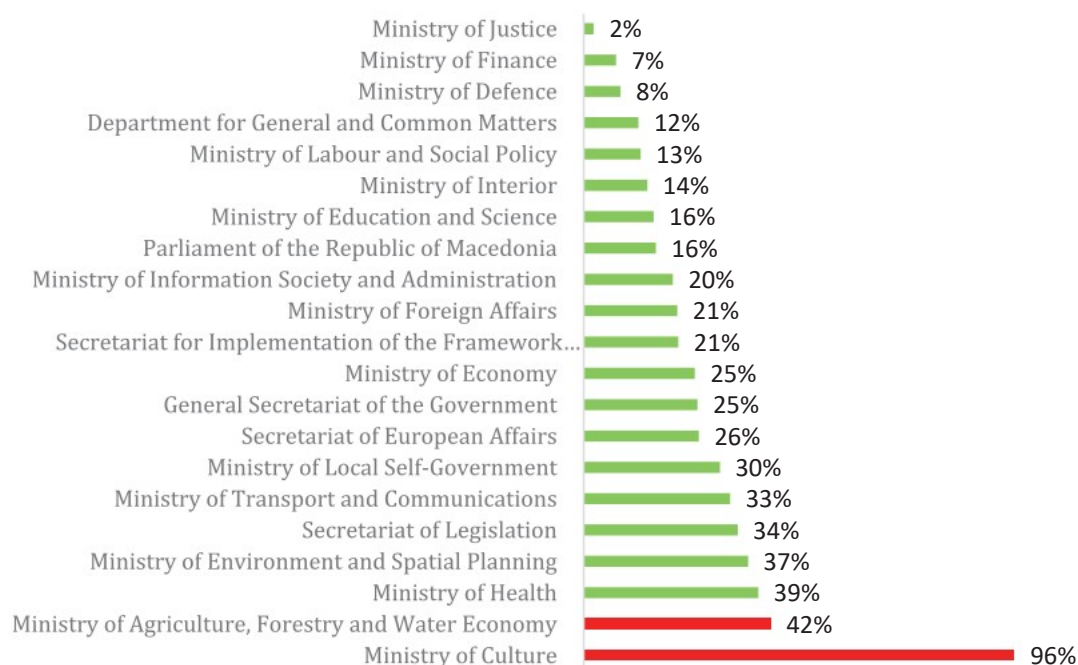
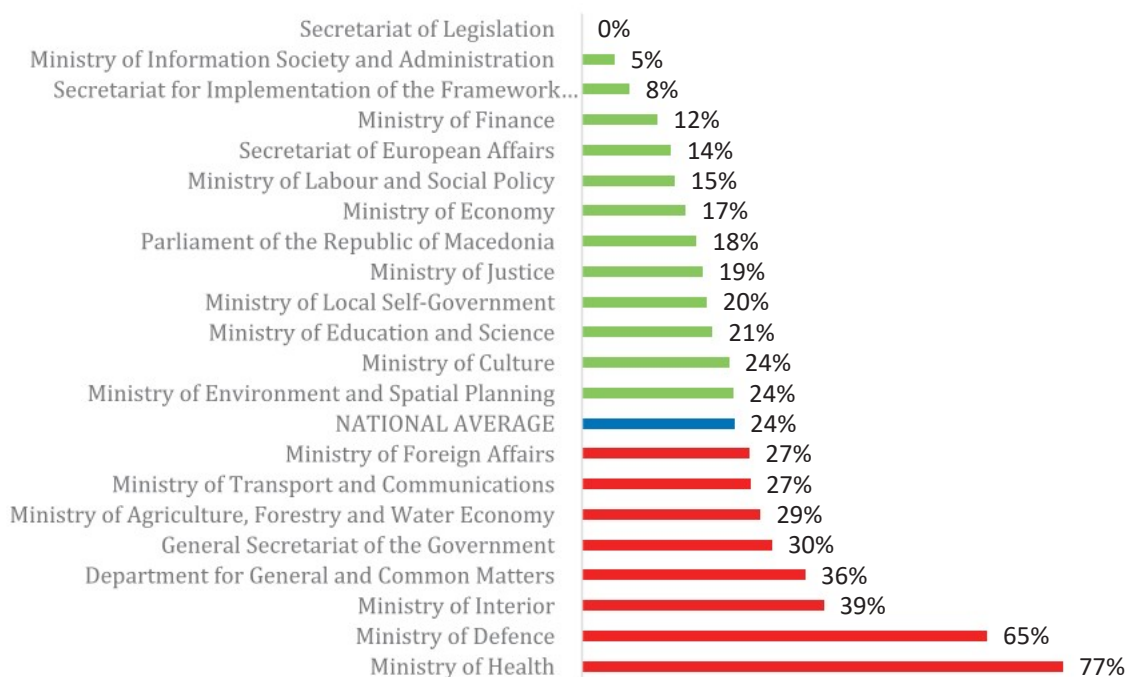
As was the case in the previous year, in 2017 as well, 29% of tender documents featured discriminatory eligibility criteria for establishment of companies' economic and financial status, as well as technical or professional ability of bidding companies.

In the case of institutions with small number of public procurements, the analysis included all tender documents, while in the case of those with higher number of tender procedures, the subject of analysis were tender documents for the ten biggest public procurements.

Tender documents featuring restrictive elements were identified with line ministries of education and science, interior, transport and communications, environment and spatial planning, as well as the Parliament of the Republic of Macedonia and Secretariat of Legislation.

- » Every fourth tender procedure organized by analysed institutions was annulled, while the share of fully or partially annulled tender procedures at the level of individual institutions ranges from 0% to 77%.

The share of fully or partially annulled tender procedures organized by analysed institutions stands at 25% and is similar to the national average of 24%. In that, 38% of insti-

Highest share of particular company in total value of public procurements*Share of all annulled public procurements*

tutions are marked by individual shares higher than the national average. In comparison, the average share of annulled tender procedures in the previous year accounted for 23%. This analysis targeted all tender annulments, i.e. both fully and partially annulled tender procedures, having in mind that even annulment of one procurement lot imposes the need for implementation of completely new procurement procedure for the annulled lot.

As many as 19% of these tender procedures were annulled due to the fact that institutions have assessed that not a single from received bids is acceptable, which is considered to be one of the most subjective reasons for annulment of tender procedures. The national average for this parameter is lower and accounts for 14%.

- » More than half of institutions used negotiation procedures without prior announcement of call for bids. This type of contracts account for 7% of the total value of procurement contracts signed by analysed institutions.

The average share in terms of the number of contracts signed under negotiation procedures without prior announcement of call for bids accounts for 6.5% and it is several times higher than the national average that stands at 1.8%. The situation is slightly better in terms of their value, i.e. the average value share of these tender procedures in the total value of public procurements or-

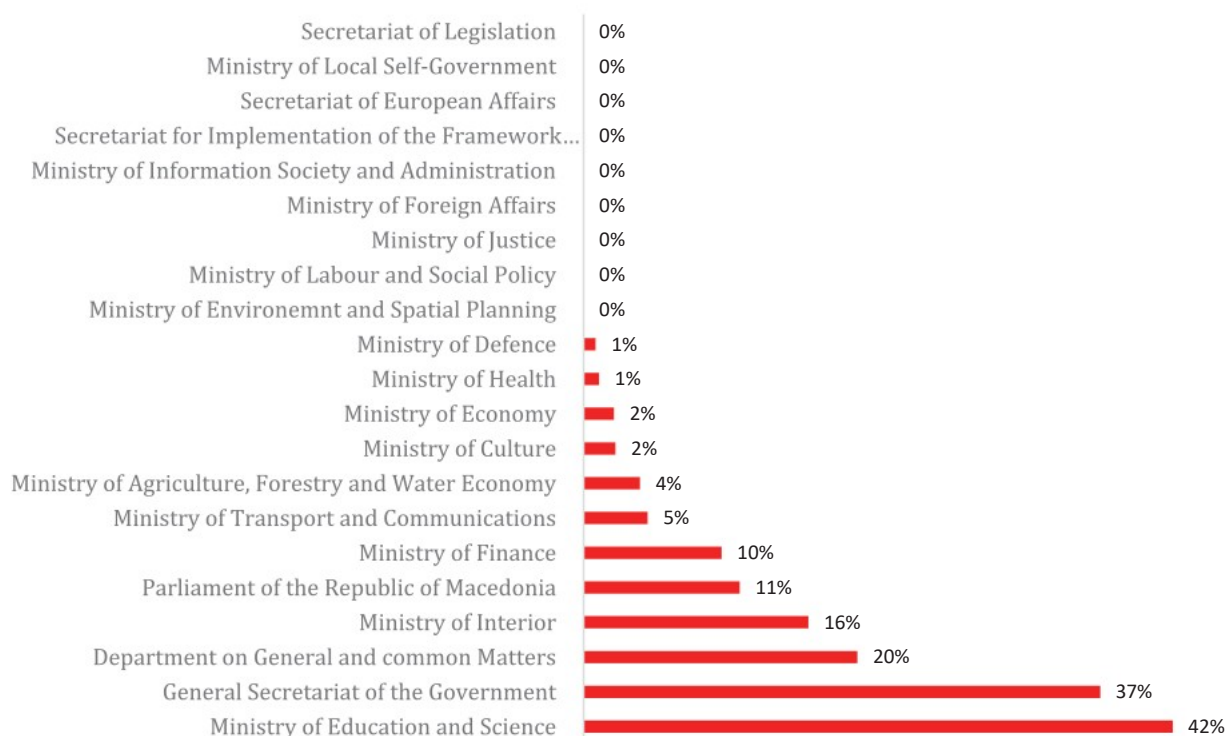
ganized by analysed institutions accounts for 7.2%, while the national average is calculated at 4.7%.

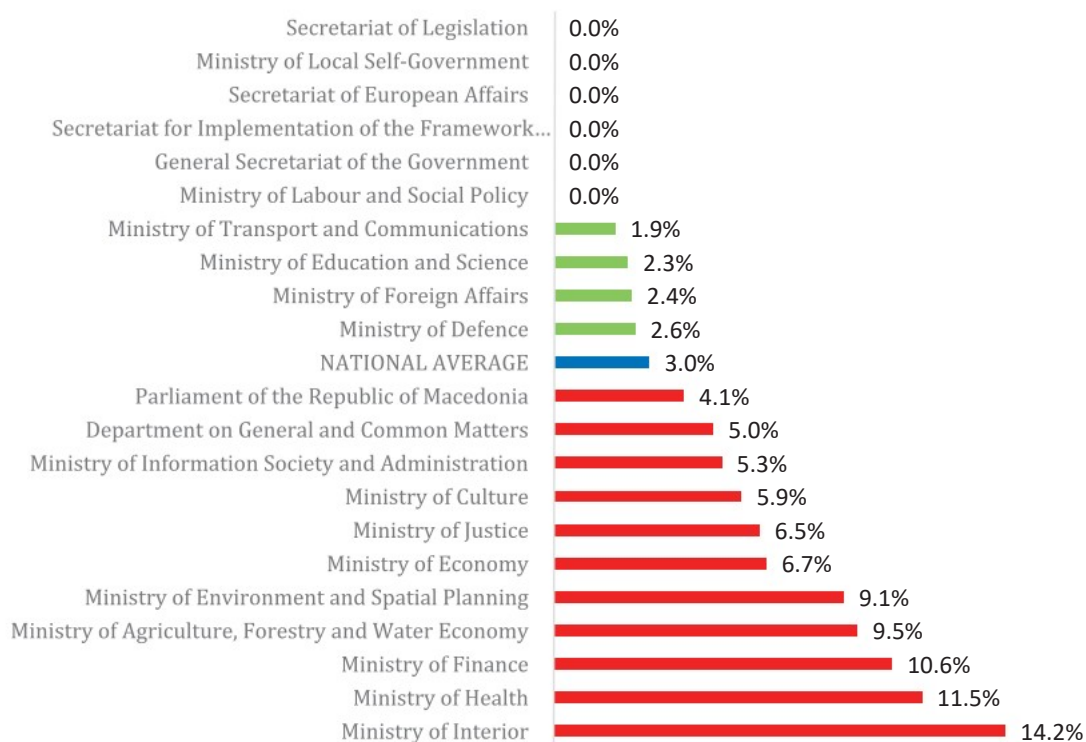
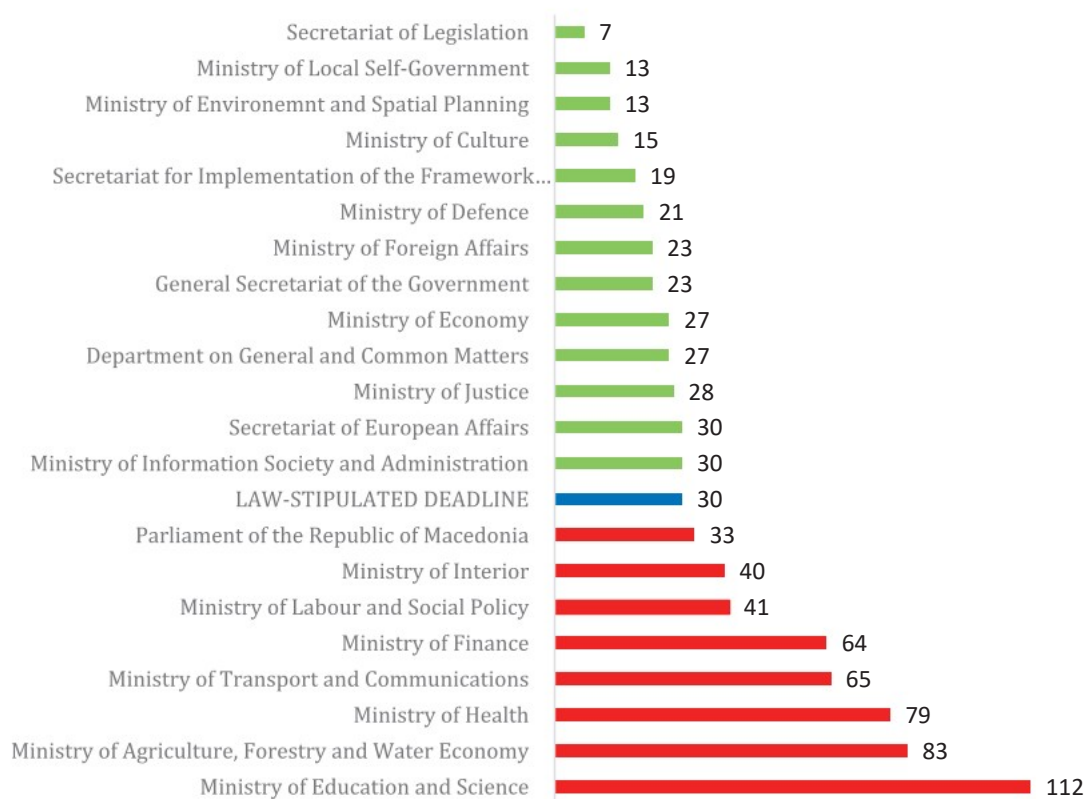
24% of institutions have signed annex contracts which are also awarded under negotiation procedures without prior announcement of call for bids. The share of annex contracts in the total number of procurement contracts signed by analysed institutions accounts for 0.9%, while the national average stands at 0.22%. Their respective value share is 1.1%, compared to the national average of 0.7%.

- » Two thirds of institutions have not established internal monitoring system for performance of public procurement contracts signed.

Many institutions interpret "monitoring of contract performance" to mean financial records related to payments made on the basis of public procurement contracts. Nevertheless, monitoring of contract performance should concern overall contractual obligations, i.e. precise records on fulfilment of contractual obligations such as delivery/performance deadline, quantity, quality, method of delivery, etc., whereby procurement-making entities are obliged to act with so-called "prudence of good businessman" which means they should take all measures at their disposal to ensure timely and adequate contract performance.

Value share of contracts signed under negotiation procedures without prior announcement of call for bids in the total value of procurement contracts signed by individual institutions



Share of appeals lodged in the total number of procurement notices*Period (in days) for disclosure of requested information*

- » The average share of appeals lodged by companies in the total number of procurement notices announced by analysed institutions stands at 4.6% and is higher than the national average of 3%. Compared to the previous year (6%), the share of appeals has decreased.

71% of analysed institutions were addressed with appeals lodged against public procurement procedures they have organized. State Commission on Public Procurement Appeals has approved as high as 58% of these appeals, which is significantly higher share of approved appeals compared to the previous year (37%).

- » Two thirds of institutions disclosed information requested under the instrument for free access to public information within the law-stipulated maximum deadline of 30 days.

The average number of days within which institutions have disclosed information requested under the instrument for free access to public information is calculated at 38. In that, fast responses were observed with the Secretariat of Legislation (seven days), while the longest response time was observed with the Ministry of Education and Science (112 days).

Having in mind that the Commission for Protection of the Right to Free Access to Public Information is incomplete and therefore non-functional, no effects were yielded with submission of appeals before this commission on the grounds of institutions' failure to disclose requested information, while three institutions were addressed with urgency letters related to information disclosure.

APPENDIX: RESEARCH, ASSESSMENT AND RANKING PARAMETERS

1. Has the institution appointed an officer or organization form responsible for matters related to public procurements? (Yes/No)
2. Has the officer responsible for public procurements obtained the relevant certificate on passed exam for public procurements? (Yes/No)
3. Do members of public procurement committees rotate for different procurements or does the composition of this committee remain the same for all procurements? (Yes, they are rotated /No, they remain the same)
4. Does the institution develop justification on the need for all individual procurements? (Yes/No)
5. Does the institution have internal methodology/guidelines or similar document that governs the method for calculation of procurements' estimated value? (Yes/No)
6. Does the institution publish annual plans on public procurements and amendments thereto on its official website? (Yes, both /Partially, only one /No, neither)
7. Implementation rate of annual plans on public procurements (% of implemented versus planned procurements; High – above 90% / Partial – 70% to 90% / Low – up to 70%)
8. Share of public procurements that were changed with amendments to annual plans (% of amended versus planned procurements; High – above 30% / Partial – 10% to 30% / Low – up to 10%)
9. Has the institution established monitoring system for implementation of plans on public procurements (and what is that system)? (Yes/No)
10. Does the institution publish procurement notices on its official website (integral text or link to EPPS)? (Yes/No)
11. Share of procurement notices with reasonable deadlines (longer than the law-stipulated minimum deadlines) for submission of bids (Yes - above 70% / Partially – 50% to 70% / No – up to 50%)
12. Are there tender documents with discriminatory elements that could limit competition? (Yes – in more than 30% / No – up to 30%)

13. Has the institution disclosed documents requested under the instrument for free access to public information? (Yes, within law-stipulated deadline / Yes, after deadline expiration or upon lodged appeal / No)
14. Has the institution responded to information requests under the instrument for free access to public information within the law-stipulated maximum deadline of 30 days? (Yes, within law-stipulated deadline / Partially, after deadline expiration / No)
15. Average number of bidding companies that participate in tender procedures organized by the institution (relative to the national average; above average / below average)
16. Share of tender procedures presented with only one bid (relative to the average calculated for analysed institutions; below average / above average)
17. Highest share of particular company participating in tender procedures organized by the institution (below 40% / above 40%)
18. Share of all public procurement procedures annulled (relative to the national average; below average / above average)
19. Share of annulled tender procedures on the grounds of no acceptable bids received in the institution's total number of annulled tender procedures (relative to the national average; below average / above average)
20. Value share of contracts signed under negotiation procedures without prior announcement of call for bids in the total value of all contracts (relative to the national average; below average / above average)
21. Share of the number of contracts signed under negotiation procedures without prior announcement of call for bids in the total number of public procurements (relative to the national average; below average / above average)
22. Value share of annex contracts in the total value of public procurements (relative to the national average; below average / above average)
23. Share of the number of annex contracts signed in the total number of contracts (relative to the national average; below average / above average)
24. Share of contracts for which notifications on contracts signed were published within the law-stipulated deadline of 30 days from their signing (Yes – above 80% / No – up to 80%)
25. Does the institution comply with the obligation on publication of records from bid-collection procedures on EPPS within the law-stipulated deadlines (Yes – both within deadlines / Partially – one within deadlines / No – both after deadline expiration)
26. Does the institution publish notifications on signed public procurement contracts on its official website? (Yes / No)
27. Share of notifications on performed contracts published on EPPS (Yes – above 80% / No – up to 80%)
28. Does the institution publish contracts signed and possible annexes thereto on its official website? (Yes – both / Partially – only one / No – neither)
29. Has the institution established monitoring system for performance of public procurement contracts signed? (Yes / No)
30. Share of appeals in the total number of procurement notices (relative to the national average; below average / above average)
31. Share of approved appeals in the total number of appeals lodged (relative to the national average; below average / above average)