Center for Civil Communications
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Public Scrutiny of Public Procurement:

Case Studies

Issue No. 1



Tender for the soup kitchen beneficiaries in Skopje:
For 1.5 million euros, food is distributed on the streets and not always according to the contract

Endless tender:
The reconstruction of the former Komercijalna Banka building with 51 annex agreements and a tender value increased by 32%





Tender for experts for corridors 8 and 10-d:
PE for State Roads will pay for 13 experts, as much as for 92 employees

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Introduction

Corruption in public procurement in North Macedonia continues to be a serious systemic problem that directly undermines the rule of law, reduces citizens' trust in institutions and leads to irrational spending of public funds, and their misuse. Despite numerous declarative commitments to fight corruption, institutional practice still does not show sufficient systematic and continuous progress in detecting, processing and sanctioning corrupt practices, especially in the area of public procurement, which remains the most vulnerable area according to the national anti-corruption analyses.

Over the past few years, instead of consistently strengthening control and preventive mechanisms, processes have been observed that further reduce the possibilities for effective supervision and sanctioning of abuses in public procurement. Insufficient implementation of existing legal mechanisms creates an environment in which corruption can persist and spread. Of particular concern is the fact that, despite the existence of several competent bodies for the prevention and sanctioning of corruption, practice shows that reactions are often slow, selective or insufficiently effective to ensure real sanctioning of violations and effective prevention of future abuses. The importance of this issue arises from the fact that public procurement represents a significant part of the state budget and is used in all sectors of public spending, from health and education to infrastructure and energy.

The project "Public Scrutiny of Public Procurement" analyzes specific cases of potentially illegally conducted tender procedures in which taking care of public money was not a primary concern. These cases are identified through an analysis of the findings of the red flags applied by the Public Procurement Bureau, research based on publicly available information, as well as consultations with citizens. The public presentation of these cases aims not only to inform the public, but also to create increased pressure on institutions to take appropriate steps to sanction illegally conducted tenders, as well as to consistently apply legal provisions and establish higher standards of transparency, accountability and responsibility.

The specific tender cases that will be announced to the public and submitted to the competent institutions should contribute to overcoming the persistent weaknesses in the institutional response, the insufficient proactivity in detecting abuses and the limited efficiency in implementing legal procedures in public procurement. In this way, it will contribute to strengthening the role of civil society, the media and citizens to actively monitor the spending of public funds in order to reduce the possibilities for political influence, abuse of official position and corrupt practices in the public sector.

With a tender worth 1.5 million euros, food for citizens at social risk is being distributed on the streets instead of in soup kitchens in Skopje

(Tender of the Ministry of Social Policy, Demography and Youth for the procurement of ready-made meals for the soup kitchen beneficiaries with number 13225/2025)









Image description: Food distributed on 20.12.2025:
100 grams of processed chicken meat, a piece of onion and bread

- The public procurement contract is not implemented in accordance with the conditions set out in the tender documentation and the bid, which is contrary to the Law on Public Procurement.
- The tender documentation of the Ministry of Social Policy, Demography and Youth refers to the existence of premises that serve as soup kitchens, but in practice, at 7 out of 9 listed locations, food is distributed on the street.
- The fact that soup kitchens do not function in practice, and tenders continue to formally use that term as if they existed, indicates an institutional concealment of the real situation and manipulation of the basic elements of public procurement.
- The data in the tender documentation served as the basis for establishing the price per meal, with the stated conditions having a direct impact on the reality and justification of the agreed price.
- The 239 denars per meals paid by the state are significantly higher than the retail prices of the products they contain.
- Instead of the 2 hours stated for the distribution and serving of the food at each individual location, the distribution vans stay at the locations for 15-30 minutes.
- The implementation of the public procurement contract deviates from the terms and conditions set out in the concluded contract regarding the menus as well. On certain days, there was a shortage of soup, fruit and cheese, and in individual cases, the quantities delivered were not in accordance with the contract.
- Failure to adhere to the weekly menus, orientation norms, delivery time and quality of meals in accordance with the concluded contract is considered a serious violation of the contract and grounds for its termination.
- The contract formally envisages the provision of food for 1,000 beneficiaries, while its financial value covers meals for 1,027 people. Compared to the previous year, this indicates an increase in the number of beneficiaries by 26% – from 813 to 1,027 people. However, accurate and official data on the number of beneficiaries is not available, which opens up room for suspicion and potential abuses.
- By not providing the requested information on the conducted tender procedure and on the monitoring of the implementation of the contract, the Ministry does not respect the legal obligation for transparency and accountability. This attitude reduces public trust in the institutions and leads to non-compliance with legal obligations.
- The practice of distributing food on the street represents an institutionalized humiliating treatment of people at social risk, whereby the state, instead of providing protection, exposes the beneficiaries to stigmatization, degradation and violation of their basic right to dignity.
- The conclusion of this public procurement contract, worth approximately 1.5 million euros, took seven and a half months and three tender procedures in which six complaints were submitted by the participants.
- The motives for the tender battle may lie in the price. For the meal with the same menu and products that costs 239 denars in Skopje, the local Inter-Municipal Center for Social Work pays 105 denars in Tetovo, and this meal is prepared by Mladost Kindergarten from Tetovo.
- There is no information on what legal basis and by which economic operator food was provided to the soup kitchen beneficiaries during the period between the expiration of the previous contract for the procurement of ready-made meals for people who use soup kitchens (17.05.2025) and the conclusion of the new contract (24.09.2025).

Food is not served in the premises specified in the tender documentation

The tender entitled “Procurement of ready meals for the soup kitchen beneficiaries” with number 13225/2025 was conducted by the Ministry of Social Policy, Demography and Youth and based on this tender, a public procurement contract was concluded on September 24, 2025 in the amount of 89,775,000 denars, or 1,459,756 euros.

The tender documentation stipulated that the company that would win the tender would prepare, deliver and serve the ready meals to the soup kitchen beneficiaries at 9 specified locations on the territory of the city of Skopje. A ready meal is a previously prepared lunch intended for distribution to end beneficiaries, which is appropriately stored and transported in accordance with applicable food safety standards. Beneficiaries receive only one meal per day - lunch, which is delivered daily, from Monday to Friday. For Saturday and Sunday, cold meals, or lunch packages, are delivered on Friday.

However, the tender documentation is one thing, and the reality is another.

On the ground, soup kitchens no longer exist, nor have they existed for years. Yet, at the same time, in most of the premises listed in the tender documentation (local communities, premises of pensioner associations, social work centers) conditions have not been created for serving and consuming food by the beneficiaries.



Photos of the current appearance of the soup kitchens



After the initial observation that food is not being distributed in the premises specified in the tender documentation for years, attempts were made to obtain the actual locations where meals were distributed through the Ministry of Social Policy, Demography and Youth and the Inter-Municipal Center for Social Work of the City of Skopje. Attempts to obtain this information were unsuccessful and an explanation was received that the locations are only communicated to the soup kitchen beneficiaries. With this response received from employees of the Inter-Municipal Center for Social Work of the City of Skopje, the impression was that the delivery and serving of meals was carried out in closed premises. However, by searching for the indicated locations in the field, the specific findings presented in this case study were obtained.

According to information obtained in the field, food is distributed at 9 locations, 7 of which are on the street, and only 2 are indoors, namely in the shed of the Pensioners' Association in Butel and in the premises of the former Social Work Center in Shuto Orizari. However, in these 2 locations, the premises are only used to drop off the food from the supplier and collected by the beneficiaries.





Description stated in the tender documentation	Insights from the field
Municipality of Centar - In the premises of Rade Jovcevski Korchagin Public Health Center, 43 Gjuro Gjonovic St., Skopje. Every working day from 10:00 to 12:00.	The food is not distributed in the specified premises, but in 2 locations different from those specified in the tender documentation and the contract, which were located and visited on 10.11.2025 and 14.11.2025. They are the following locations: • In the open air in front of a shop on Gjuro Gjonovic Street. Instead of the stated time, the van arrived around 11:30 a.m. According to information from beneficiaries, 8 people take food at this location. • In the open air, on Samoilova Street, near the French War Cemetery. Instead of the stated time, the van arrived at around 11:45 a.m. There were about 30 people present, who also took food for several family members.

Municipality of Chair - Imri Elezi PS (formerly Nikola Vapcarov PS) Braka Redzepagic St. bb Skopje. Ready meals to be distributed every working day from 10:00 to 12:00.	The food is distributed in front of the yard of the said school, in the open air. Visits to the location on 17.11.2025 and on 19.11.2025. At the stated time on 17.11.2025, the van had already left, information was received that the van arrives at 9:00. On 19.11.2025, there were about 20 people at the location at 9:00, and they took food for several people, some for as many as 14 people.
Municipality of Butel - In the prefab of the Association of Pensioners-Butel, Butelska St. bb (next to the Police Station). Every working day from 10:00 to 12:00.	The food is left at the premises of the Association of Pensioners. Visits to the location on 14.11.2025, 17.11.2025 and 21.11.2025. The van was at the location around 9:30. The food beneficiaries informed us that according to their knowledge, food is delivered to 30 people at this location.
Municipality of Kisela Voda - premises of the Health Center in Drachevo, Ratko Mitrovic St. bb, Skopje - every working day from 10:00 to 12:00.	The food is not distributed in the specified premises but in the park behind the local community premises. The location was discovered and visited on 14.11.2025 and 20.11.2025. On 20.11.2025, the van was already at the location and distributed the food to about 15 people. Some took food for more than one person.
Municipality of Kisela Voda - in a room in Kisela Voda, Mihail Chakov St. bb, every working day from 09:30 to 11:30.	No place could be found at the indicated location from which food was distributed to citizens at social risk, nor did the locals have any such knowledge.
Municipality of Shuto Orizari - In a room at the former building of CSW Shuto Orizari - Nov Zivot St. bb Skopje. Every working day from 10:00 to 12:00.	Visit to the location on 25.11.2025. The van brought the food around 9:30 am and left it in the premises of the former Center for Social Work. About 20 people were already waiting in front of the Center. The beneficiaries informed us that food was left for 120 people.
Municipality of Gazi Baba – premises of the local community Madzari (old cinema building, Blagoj Stevkovski St. bb, Skopje). Every working day from 10:00 to 12:00.	Site visits on 28.11.2025 and 12.12.2025. Food is not distributed in the specified premises but in the open air in front of the old cinema building. The van arrived around 10:45 and food was distributed to 30 people who took multiple meals, some even 7-8.
Municipality of Gazi Baba – at the premises of the Communal Association of Pensioners-Gazi Baba in Madzari 2-hangar, Palmiro Tolyati St. bb, Skopje. Every working day from 10:00 to 12:00.	Site visit on 30.01.2026. Food was distributed to people on the street in front of the former soup kitchen that was built for that purpose years ago. The van arrived around 10:45 and 10 people took food, but each person took for several people.
Municipality of Karposh - In the premises of the Zlokukjani Local Community. Every working day from 09:30 to 11:30.	The food is not distributed at the specified location but in the open air in front of a car service on Skupi Street. The location was discovered and visited on 19.12.2025. The van did not arrive at the specified time but at 10:40. There were about 15 people at the location, half of them children.

Taking into account the differences presented in the tender documents and the concluded contract as opposed to the implementation by the Ministry of Social Policy, Demography and Youth in accordance with the Law on Free Access to Public Information, the following information was requested:

- **A precise description of all locations where food distribution takes place, individually for each location;**
- **Are there any changes to the locations where ready meals are delivered to soup kitchen beneficiaries in relation to the tender documentation (if any, please list them)? and**
- **Please indicate the number of beneficiaries at each location for delivery of the subject of the public procurement contract.**

The Ministry did not comply with the legal obligation and the requested information was not received after which a complaint was submitted to the competent Agency for the Protection of the Right to Free Access to Public Information. However, due to lack of management personnel, i.e. director and deputy director, the Agency does not decide on the complaints received.

According to Article 116 paragraph 2 of the Public Procurement Law (PPL), a public procurement contract is concluded in accordance with the conditions set out in the tender documentation and the bid. At the same time, the contracting parties, in accordance with Article 117 paragraph 1 of the PPL, perform the public procurement contract in accordance with the conditions set out in the tender documentation and the most favorable bid selected. Taking into account all of the above, in the phase of contract implementation, changes to the conditions are not allowed, i.e. in this specific case, the contracting parties are obliged to implement the contract in accordance with the conditions set out in the tender documentation and the most favorable bid selected.

According to Article 117 paragraph 2 of the PPL, the contracting authority is obliged to control whether the performance of the public procurement contract or the framework agreement is in accordance with the terms of the contract.

Additionally, the changes made that are not in accordance with the PPL and with which the food is distributed on the street violate the dignity of people at social risk and expose them to stigmatization. People wait in line in parks and alleys subjected to other people's views and exposed to bad weather conditions. In this way, instead of social support, they receive a feeling of humiliation. At the same time, the lack of precise information about the locations and number of beneficiaries limits public scrutiny of the implementation of the contract, creating space for additional irregularities.

The next problem observed during the implementation of this public procurement contract is, of course, the distribution time. Contrary to the stated 2 hours of food delivery (which would be logical if the food was distributed and served indoors), in practice the food is distributed on average for about 15 minutes. The beneficiaries present at the locations even claim that they come earlier than the usual arrival time of the vans so as not to miss them and thus lose the right to receive food.

The food distributed on some days deviates from the contract made

The tender documentation, and then the concluded public procurement contract, lists weekly menus (for 4 weeks), orientation norms for preparing a ready-made meal-lunch and orientation norms for a cold meal-lunch package for the weekends. According to the contract, the schedule of the meals during the duration of the contract can be changed, but with mutual consent between the contracting parties. In monitoring the implementation of the contract, frequent changes to the menus have been observed, but there is no information whether this was done with the approval of the Ministry.

The second important finding is that the menus delivered on certain days, and especially those for the weekends, deviate from the agreed contents and quantities.

Field findings:

Municipality of Centar (on Samoilova Street, near the French War Cemetery), 14.11.2025 (Friday, second week). The soup kitchen beneficiaries received chicken steak with rice, salad and bread. According to the contract, this is the menu from Wednesday, third week of the month and it should include chicken soup, chicken steak with stewed rice, salad and bread. **The distributed meal is missing soup. The beneficiaries of these meals said that not only that day, but that they had never received soup.**







Municipality of Butel (in the prefab of the Association of Pensioners-Butel, Butelska St. bb), 17.11.2025 (Monday, third week of the month). The soup kitchen beneficiaries received stewed lentils, one boiled egg and bread. According to the contract, this is Monday's menu, fourth week. Also, according to the contract, this menu should include stewed lentils, one boiled egg, seasonal salad, seasonal fruit and bread. **It turns out that the soup kitchen beneficiaries were not provided with seasonal salad and seasonal fruit.**











Municipality of Gazi Baba (in front of the old cinema building, Blagoj Stevkovski St. bb Skopje), 28.11.2025 (Friday, fourth week). Food beneficiaries received rice casserole with chicken drumstick, cabbage salad and bread. According to the contract, this is the menu from Wednesday, first week, according to which the soup kitchen beneficiaries should receive chicken soup, rice casserole with chicken drumstick, seasonal salad and bread. **Chicken soup is missing in the distributed menu. At the same time, the beneficiaries of the meals claim that not only that day, but that they had never received soup.**

Given that it was Friday, the lunch packages for the upcoming Saturday and Sunday were also delivered to the beneficiaries on the same day. For both days, sour cream with 12% fat content, 2 boiled eggs, 75 grams of pâté, 2 pickles and 2 bread rolls were delivered per person.



Food for Saturday and Sunday for 1 person

According to the contract, the distributed products are menus for Saturday and Sunday of the first week of the month. On Saturday, sour cream, two boiled eggs, seasonal fruit and bread were supposed to have been distributed. **The delivered food lacks seasonal fruit, and at the same time, the sour cream has a fat content of 12%, although the contract states that it should have a fat content of 18%.**

The weekly menu consists of chicken pâté 75 g, cheese, one pickle and bread. **The foreseen cheese was not delivered in this menu.**



Municipality of Karposh (Zlokukjani, in front of the car service on Skupi Street), 19.12.2025 (Friday, third week of the month). For Friday food beneficiaries received gratinated macaroni and bread. According to the contract, this is a menu for Thursday, fourth week, when gratinated macaroni, yogurt, cake and bread should be distributed. **Yogurt and cake are missing from the distributed menu.**

In Zlokukjani, food was also distributed for Saturday and Sunday on the same day. 100 grams of chicken meat, a piece of onion and bread were distributed for Saturday. According to the contract, this is a menu for Saturday that should include meat for breakfast, seasonal vegetables, a roll and bread. **It turns out that the delivered food is missing a roll, and the onion is considered a seasonal salad.** Also, it is important to emphasize that the description of the quantities in the concluded contract says 100-150 grams of processed meat. This is a big difference in quantities and an omission on the part of the contracting authority because, as expected, the company delivers the lower weight, and the difference in quantities is 50%.



Cheese, bread and a cake were distributed for Sunday. According to the contract, this is the menu for Sunday, fourth week, and it should include 2 boiled eggs, cheese, a cake and bread. **This meal was missing 2 eggs.**







Municipality of Gazi Baba, at the second location in front of the former soup kitchen on 12.12.2025. Beef goulash and a side dish of stewed rice, seasonal salad and bread was distributed. According to the contract, this is the menu from Friday, third week. However, **the quantities seem very small and the packaging of the beef goulash and a side dish of stewed rice did not have a declaration with a description of the contents and weight. Also, the salad was only cabbage, as in all previous field checks.**



The beneficiaries of the meals also received food for the upcoming weekend. The content of the distributed food resembles the menus for Saturday and Sunday, third week of the contract. For Saturday, bread rolls with cheese and salami, and fruit juice. However, **the quantities of the delivered cheese and salami are unclear** here. For Sunday, the menu consists of chicken pâté 75 g, one wedge of processed cheese spread, seasonal vegetables (ketchup) and bread. **For Sunday, according to the given option, instead of seasonal vegetables, ketchup was distributed, although it is unclear how ketchup can be an alternative to seasonal salad. However, even the distributed ketchup was 12 grams, and according to the orientation norms specified in the contract, the ketchup package should be 40-50 grams.** This modest set of products shown in the photograph should feed an adult citizen for 2 days and the state pays 478 denars for these products.





During visits to the locations where food is distributed in the Municipality of Shuto Orizari (in a room at the former premises of the Center for Social Work on 25.11.2025), in the Municipality of Kisela Voda (in a park behind the premises of the local community building of Drachevo on 20.11.2025) and in the Municipality of Chair (in the yard of the Ilmi Elezi Primary School on 19.11.2025), it was noted that the distributed food corresponded to the menus in accordance with the contract.

The concluded contract for this public procurement states: "The failure of the Procurement Holder to comply with the weekly menu, the orientation norms for the preparation of a ready-made meal-lunch and the orientation norms for a cold meal-lunch package for the weekends will result in termination of the Contract and collection of the guarantee for quality and timely execution of the Contract." Additionally, the procurement holder undertakes to act according to the guidelines and requests of the person responsible for monitoring the implementation of the contract and to submit reports on the conducted distribution, with signatures of authorized persons at each location. The contract states the name of the person responsible for monitoring the implementation of this contract, but there are no precise provisions regarding the manner of control of the implementation of the contract by the Ministry, which creates a risk of misuse of public funds.

It is important to emphasize that almost all beneficiaries of the meals cited the small quantities of bread as a serious problem for them. In the current public procurement contract, for the first time, the bidding companies were required to deliver "single-packaged lajbitsa bread, with T-500 flour with a gross quantity per meal of 100-150 grams". In previous tender procedures, the requirement was: "semi-white wheat bread, with T-500 flour (bread weighing 500-600 grams should be divided into two parts) that has a gross quantity per meal of 250-300 grams".

It is unclear what brought about this change in the menus made by the Ministry and whether an analysis was previously made of how the reduced quantities of bread would affect the caloric value of the meals. The reactions of the beneficiaries of the meals point to suspicion that the change was made to their detriment, and in the interest of the bidders.

In accordance with the Law on Free Access to Public Information, the Ministry of Social Policy, Demography and Youth was officially requested to provide evidence of the deliveries of ready meals by type and quantity, with locations for the following dates - 14.11.2025; 17.11.2025; 19.11.2025; 20.11.2025; 25.11.2025; 28.11.2025, 12.12.2025 and 19.12.2025. At the same time, an explanation was requested on how the implementation of the contract is monitored and if they have reports on the monitoring of the implementation, to submit them. The Ministry did not submit the requested information within the legally prescribed deadline.

The contract prices are higher than the retail prices, and the number of beneficiaries is not disclosed

The company holding this contract has its own retail facility in the city center. Among other things, some of the products that are part of the menus from the analyzed tender are sold there. According to the retail prices, 100 grams of rice costs 24 denars, 100 grams of chicken drumsticks 67 denars, 100 grams of chicken steak 74 denars.

If these prices were used to calculate the value of some of the menus, the retail price of some of them ranges from 120-140 denars.

The lunch packages have an even lower retail value which drops below 100 denars.

In fact, according to publicly available data in the Electronic Public Procurement System, lower prices for meals are charged in the inter-municipal social work centers in other cities, such as in Tetovo, where the price is 105 denars.

What is the real number of beneficiaries of these meals? This is a question that cannot be answered accurately because the tender documentation, as well as the concluded contract, states that it covers up to 1,000 ready-made meals per day. However, the relevance of this data is called into question by the fact that the value of the concluded contract is higher and with 89,775,000 denars, meals for 1,027 people can be provided. If so, what is the reason for the 26% increase in beneficiaries compared to 2024? Namely, according to the submitted notification for a realized contract with the previous tender, 71,400,000 denars were spent for the same purpose, which if divided by the price per meal (240.45) means that there were 813 beneficiaries of the meals.

Chronology of the tender for the procurement of ready-made meals for soup kitchen beneficiaries

This analyzed public procurement contract for 89,775,000 denars (1,459,756 euros) required seven and a half months, two unsuccessful tenders and six appeals to finally be concluded. With this contract concluded in 2025, the Ministry of Social Policy, Demography and Youth appears as the holder of the contract for the procurement of ready meals for soup kitchen beneficiaries for the first time. Previously, these contracts were concluded by the Public Institution Inter-Municipal Center for Social Work of the City of Skopje. In fact, in 2025, the notice was first published by the Inter-Municipal Center for Social Work of the City of Skopje, after which the tender was canceled and taken over by the Ministry. According to the available data from the EPPS, this procurement has been implemented since 2018. In the first year, the contract holder is Specijal Produkt DOOEL Skopje, and then for 6 consecutive years (2019-2024) the tender was awarded to Unimerkant-Ketering Skopje.

> **10.02.2025:** The Public Institution Inter-Municipal Center for Social Work of the City of Skopje, as in previous years, publishes a call under the number 01812/2025.
>
> **12.02.2025:** The company Specijal Produkt Skopje submits an appeal to the tender documentation regarding the set conditions for minimum income from the activity of preparing meals and serving food - ready meals of at least 30,000,000 denars cumulatively for the last 3 (three) years, arguing that it violates the principle of competition.
>
> **27.02.2025:** The State Commission for Public Procurement Appeals (SCPPA) issues a decision and rejects the appeal due to lack of merit.
>
> **06.03.2025:** PI Inter-Municipal Center for Social Work of the City of Skopje makes a decision to annul the procedure, explaining that unforeseen changes have occurred in the budget of the contracting authority.
>
> **27.05.2025** The Ministry of Social Policy, Demography and Youth announces a call for tenders for the procurement of ready-made meals for soup kitchen beneficiaries under the following number: 09457/2025. By taking over the tender, the Ministry also sets new conditions. Instead of 3 it requires 5 vehicles, instead of 3 it requires 7 drivers, instead of 3 it requires 7 cooks, as well as 7 kitchen assistants, 1 food technologist and 1 food safety technologist. There is no information on the basis of which findings these changes were made. One of the basic principles of the PPL is the principle of proportionality, according to which the *public procurement procedure is carried out proportionately to the subject of procurement, especially in relation to the selection, definition and application of the conditions, requirements and criteria, which must be logically related to the subject of procurement.*

Namely, the Public Procurement Law provides for the possibility for the contracting authority to conduct a technical dialogue with economic operators before publishing the public procurement call, allowing them to have insight into the tender documentation and provide their suggestions and comments. The Ministry has not conducted a technical dialogue for this public procurement procedure.

05.06.2025 The company Specijal Produkt Skopje submits an appeal against the tender documentation, stating that the Ministry would lead to discrimination of economic operators and favoring other economic operators, due to the requirement for realized revenues in the 10-85 activity and the structure of revenues by activity.

09.07.2025 SCPPA issues a decision rejecting the appeal of the company Specijal Produkt due to unfoundedness.

26.06.2025 Bid opening day. 4 bids were received for the tender.

03.07.2025 A complaint was filed by the company Unimerkant-Ketering Skopje. The complainant states that the questions and conditions for participation in the tender were not answered in a timely manner.

06.07.2025 The company Industri Servis Skopje also filed a complaint. Among other things, the complaint states that the conditions for participation favor one company.

18.07.2025 SCPPA partially accepts the appeals of Unimerkant-Ketering Skopje and Industri Servis Skopje and annuls the tender documentation and the procedure under the Public Procurement Notice with Open Procedure No. 09457/2025.

19.07.2025 The Ministry makes a decision to annul the procedure based on the decision of the SCPPA.

22.07.2025 The Ministry publishes a new call for the same public procurement 13225/2025. The tender documentation is not been changed.

01.08.2025 The company Unimerkant-Ketering files a complaint against the tender documentation due to an unclear method of delivery.

11.08.2025 Opening of bids. Bids are submitted by three companies – Parti Servis Leo Skopje, Unimerkant-Ketering Skopje and Industri Servis Skopje.

20.08.2025 SCPPA rejects the appeal of Unimerkant-Ketering due to its unfoundedness.

26.08.2025 The Ministry makes a decision to select the offer of Parti Servis Leo Skopje as the most favorable.

05.09.2025 A new complaint from Unimerkant-Ketering alleging that the bids were evaluated incorrectly. One of the allegations also concerns the Ministry's acceptance of a document proving the economic and financial standing requirement from the Central Registry, dated after the public opening.

17.09.2025 SCPPA rejects the appeal.

24.09.2025 The Ministry concludes the contract with Parti Servis Leo DOOEL Skopje. The value of the contract is 89,775,000 denars (1,459,756 euros). The price for one meal is 239.40 denars. The price is minimally lower than the previous contract concluded by the Inter-Municipal Center for Social Work of the City of Skopje, when it was 240.45 denars.

The endless reconstruction of the former Komercijalna Banka building: 51 annexes and an increased tender value by 32%

(Tender of the Government›s General and Common Affairs Service for the reconstruction of the former Komercijalna Banka building with number 17051/2022)



- The reconstruction, initially planned to last 18 months and cost 6.6 million euros, has not yet been completed, almost three years after the contract was signed.
- During the reconstruction, the General and Common Affairs Service (GCAS) and the construction company Bauer BG concluded a total of 51 annexes to the main contract, 10 of which in one day.
- With the annexes the value of the main contract increased by 2.1 million euros, or 32% compared to the initially agreed amount, which is contrary to the Public Procurement Law, which allows for an increase of a maximum of 20%.
- The concluded annexes record unforeseen works during the construction and any surpluses[1] that occurred. However, the value of the main contract was not reduced for the deficits[2], which were recorded but not offset against the surpluses.
- In the meantime, GCAS is required to find a legal basis for the repurposing of the recorded deficits of 1.1 million euros and to enable Bauer BG to use them for the implementation of the newly envisaged positions from the new technical solutions and the new fire protection project in the building. The Public Procurement Law does not permit repurposing the deficits and their use in newly envisaged positions.
- With the unforeseen works carried out of around 1.2 million euros, construction surpluses of 978 thousand euros and construction deficits of 1.1 million euros, it follows that the project for the reconstruction of the old Komercijalna Banka building has been changed by as much as 49% of the initial project specification. Such action is problematic if we take into account the position of the Court of Justice of the EU that public procurement contracts can undergo changes that are not significant.
- The reports prepared by the company supervising the reconstruction additionally indicate the financial uncertainty surrounding the full implementation of the reconstruction of this state-owned facility.
- GCAS has agreed to extend the construction deadline twice, the first time until December 2025 and the second until June 2026.
- Given that the construction period for this state-owned facility of 18 months from "the commissioning" was a condition set out in the tender documentation, its change constitutes a violation of the principle of equal treatment of economic operators.
- During the period January-June 2026, i.e. in just 6 months, Bauer BG should carry out 37% of the planned reconstruction. Previously, in 26 months, it carried out only 63%.
- Although the contract provides for contractual penalties in case of delay by the contractor, GCAS has so far not taken any actions to implement them in order to protect public resources.

1 Surpluses are works performed that exceed the contracted quantities of works.
2 Deficits are negative deviations from the work performed in relation to the agreed quantities of work.

“Progress” in delay

The public procurement contract for the reconstruction of the former Komercijalna Banka building was concluded in April 2023. The tender procedure was initiated in 2022 and 4 companies participated (Strabag AG, Zikol Strumica, Ak-Invest Tetovo and Bauer BG Skopje).

After an electronic auction and the additional reduction of the initially submitted bids, the bid of Bauer BG was selected as the most favorable based on the ‘lowest price’ criterion. The selection of economic operators with the lowest price, which afterwards increases significantly, as in this case, calls into question the entire public procurement procedure, i.e. respecting the principles of transparency, competition and equal treatment of economic operators.

COMPLETE REVISION (in denars)	
FOR THE RECONSTRUCTION OF THE FORMER KOMRECIJALNA BANKA BUILDING (ASNOM PALACE-SKOPJE) BUILDING-1 (PEARL and NEW PART) AND BUILDING-2 (OLD PART)	
DESCRIPTION	Total price excluding VAT
PEARL	43,039,308
NEW PART	179,312,636
OLD PART	121,448,056
TOTAL WITHOUT VAT	**343,800,000**
VAT 18%	61,884,000
TOTAL VALUE OF THE CONTRACT	**405,684,000**

The value of the concluded contract is 405,684,000 denars, or 6,596,488 euros. According to the contract, the reconstruction of the state-owned building should have been completed within 18 months from the start of the operation. According to the provided documentation, Bauer BG was introduced to the situation as early as 7 months after the conclusion of the contract, or on 20.11.2023.

The reconstruction did not go according to plan from the very beginning. However, it seems that things have not been brought under control even after two years from the beginning of the reconstruction.

In December 2025, the supervision concluded in its report that “Several meetings were held among the Investor, the Supervision, the Auditor and the Designer, at which the top management of the Investor - GCAS, the Designer and the Auditor were once again reminded of the importance of submitting the complete required project documentation, the new technical solutions. The delay in submitting the new revised technical solutions greatly jeopardizes the dynamics of the reconstruction, which is why the construction deadline has been extended for the second time for an additional 6 (six) months, after the previous extension of 7 (seven) months for the same reasons. After holding weekly meetings among the Investor, the Supervision, the Auditor and the Designer, all missing technical solutions were submitted by the Designer on 26.12.2025. The Auditor indicated that the remarks regarding the submitted technical solutions are minimal and that all revised technical solutions will be submitted to the Investor on 13.01.2026.”

According to the supervision reports, the delays are largely attributed to the untimely submission of technical solutions by the designers for all phases, but at certain periods, instructions were also given to Bauer BG to increase the number of workers in positions for which there are no hindrances in the work.

Surpluses collected, and deficits only recorded

Chronologically, the first annex to the basic contract was concluded 24 days after the start of the reconstruction. Over a period of 2 years, 51 annexes to the contract were concluded, of which several annexes were concluded in one day.

Not all concluded annexes were submitted to the Electronic Public Procurement System. GCAS did not comply with this legal obligation. As can be seen from the following table, such notifications were submitted for 32 annexes, with long delays, and for 19 concluded annexes GCAS did not submit any notification at all. For the purposes of this research, the annexes were provided through a request for access to public information.

List of concluded annexes to the contract for the reconstruction of the former Komercijalna Banka building

Annex number	Date of conclusion of an annex-amendment to a concluded contract	Date of publication of an amendment to a concluded contract on the EPPS	Approval of the value of surpluses in denars	Approval of the value of unforeseen issues in denars
1	13.12.2023	25.08.2025	572,575	
2	25.02.2024	05.12.2025		8,447,477
3	11.04.2024	05.12.2025		4,985,468
4	19.04.2024	Not published	616,461	
5	04.06.2024	09.12.2025		1,620,246
6	05.06.2024	Not published	789,256	
7	22.08.2024	Not published	224,456	
8	22.08.2024	09.01.2025		1,080,205
9	10.09.2024	Not published	702,650	
10	18.09.2024	Not published	1,044,120	
11	30.09.2024	09.12.2025		12,358,640
12	17.10.2024	Not published	536,125	
13	31.10.2024	10.12.2025		1,931,574
14	10.12.2024	10.12.2025		2,711,704
15	10.12.2024	10.12.2025		5,623,786
16	10.12.2024	10.12.2025		1,374,686

17	21.01.2025	11.12.2025		1,302,833
18	23.12.2024	Not published	407,159	
19	30.01.2025	12.12.2025		499,730
20	03.02.2025	12.12.2025		5,220,563
21	06.02.2025	12.12.2025		1.116,374
22	06.02.2025	Not published	3,719,322	
23	10.03.2025	15.12.2025		4,034,546
24	10.04.2025	Not published	3,537,707	
25	10.04.2025	16.12.2025		623,916
26	29.04.2025	Not published	5,237,218	
27	27.06.2025	16.12.2025		888,000
28	20.05.2025	Not published	Extension of construction deadline until 20.12.2025	
29	27.06.2025	Not published	3.616,741	
30	27.06.2025	16.12.2025		1,985,645
31	27.06.2025	17.12.2025		2,294,153
32	27.06.2025	Not published	5,907,283	
33	04.08.2025	Not published	1,167,646	
34	04.08.2025	17.12.2025		1,410,395
35	04.08.2025	17.12.2025		366,347
36	07.08.2025	17.12.2025		1,330,898
37	07.08.2025	18.12.2025		1,734,010
38	07.08.2025	18.12.2025		2,012,013
39	07.08.2025	18.12.2025		157,006
40	07.08.2025	Not published	5,729,373	
41	19.12.2025	24.12.2025	Extension of construction deadline until 20.06.2026	
42	23.01.2026	Not published	8,104,974	
43	23.01.2026	03.02.2026		1,861,191
44	23.01.2026	Not published	9,836,720	
45	23.01.2026	03.02.2026		1,255,815
46	23.01.2026	03.02.2026		1,072,000
47	23.01.2026	Not published	4,049,546	
48	23.01.2026	03.02.2026		552,481
49	23.01.2026	03.02.2026		371,243
50	23.01.2026	03.02.2026		951,780
51	23.01.2026	Not published	4,357,073	
TOTAL VALUE IN DENARS			**60,156,405**	**71,174,725**
TOTAL VALUE IN EUROS			**978,153**	**1,157,313**
TOTAL ANNEXED VALUE IN DENARS			**131,331,130**	
TOTAL ANNEXED VALUE IN EUROS			**2,135,466**	

It turns out that the basic contract was annexed 30 times for the implementation of unforeseen issues worth 71,174,725 denars, or 1,157,313 euros. Whereas the annexation due to realized surpluses was made 19 times and the total value of the surpluses is 60,156,405 denars, or 978,153 euros.

In total, all these annexes lead to an increase in the value of the basic contract by 2,135,466 euros, or 32% compared to the initially agreed amount of 6.6 million euros.

According to the signed annexes, it can be concluded that only surpluses appeared during the construction. However, the supervision reports reveal that precise records were also kept of the deficits (what was needed but not spent during the reconstruction) and their value is even higher than the surpluses for which the annexes were concluded.

Surpluses/deficits	Amount in denars
Cumulatively approved surpluses	60,156,407
Cumulatively realized/ collected surpluses	58,185,399 Percentage of Contract 14,34%
Current overview of deficits as of 23rd temporary situation	66,315,312 Percentage of Contract 16,34%

According to the position of the Public Procurement Bureau stated on their website[3], in accordance with Article 117 paragraph 3 of the Public Procurement Law, the liability of the contracting parties for the fulfillment of contractual obligations, in addition to the provisions of this Law, shall be subject to the provisions of the law governing contractual relations and the material regulations governing the subject of procurement. Hence, **the manner of proceeding in the event of surpluses and deficits should be regulated by the contract in accordance with professional practices in construction,** material regulations in construction and material regulations governing contractual relations. In accordance with professional practices, surpluses and deficits are offset against each other and are entered in the construction book kept by the contractor, and are confirmed by the supervising engineer. Additional and unforeseen issues should be regulated in accordance with the provisions relating to amendments to the public procurement contract during its validity (Article 119), considering that the total value of the amendments to the public procurement contract does not exceed 20% of the value of the initial contract. In this 20%, which should not exceed the value of the initial contract, in addition to additional and unforeseen issues, the remaining surpluses which are not offset are also taken into account.

The manner of dealing with surpluses and deficits should have been regulated by the contract concluded between GCAS and Bauer BG. However, since this was not done, it follows that the annexes were used to approve the surpluses during the reconstruction without offsetting the deficits during the construction. Hence, the question arises if an annex to the contract was concluded for each surplus, why was this not done for each deficit?

3 https://www.bjn.gov.mk/faq/izmeni-na-dogovorot-vo-tekot-na-negovata-vaznost/

According to the reports of the company conducting the supervision, it appears that the deficits in the reconstruction have a double treatment. On the one hand, they are «deducted» when the reports were calculating the value of the increase in the basic contract in order to stay below the legal 20%, and on the other hand, GCAS is required to find a legal basis for the conversion of the deficits and their use for the further course of construction.

More specifically, the monthly report (01.12-31.12.2025) from the company supervising the reconstruction, Energo Dizajn DOO Skopje, states: **"The meetings also discussed the financial implementation of the project, where the Supervision explained that the current course of the project has been implemented within the legal framework of 20% of unforeseen, additional issues and surpluses and that the majority of the funds realized in unforeseen issues are due to errors in the project documentation. Since the new technical solutions foresee positions that are not an integral part of the bill of quantities from the basic Contract, the Investor is obliged to find a legal framework for the repurposing of the deficits and their use for the newly envisaged positions from the new technical solutions, as well as from the new FP project for the room for housing the diesel aggregates. The Supervision also pointed out that if the legal framework for the use of the deficits from the bill of quantities of the basic project is found, there are sufficient financial resources for the completion of the Old part of the building, i.e. the complete implementation of the project. The financial implementation of the remaining part of the project depends on the funds that will be needed for the implementation of the new FP project, as well as the new positions that are provided with the remaining new technical solutions."**

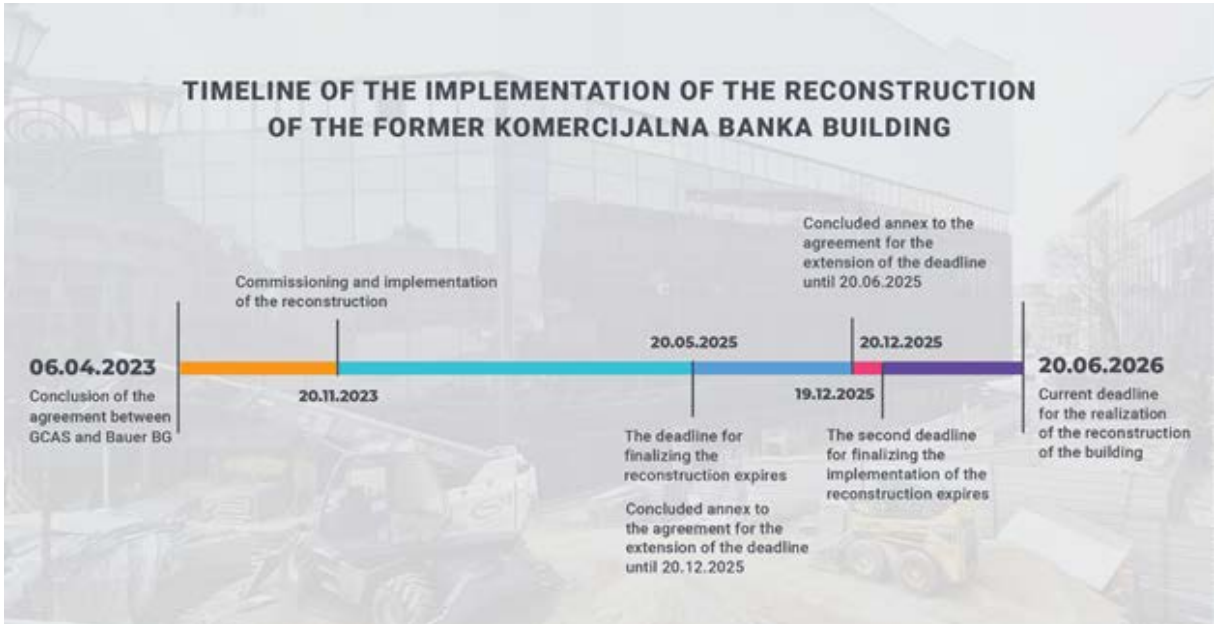
The following information provided by the supervisor points to the unfavorable prospects for the implementation of this public procurement contract: "The Contractor has submitted a request to the Investor for a price change due to delays in the implementation of the project, which are not the fault of the Contractor."

It remains unclear why this issue arises, considering that the concluded contract in Article 4 states: *The Contracting Parties agree over the prices from the Executor's Offer after the e-auction conducted on 30.12.2022, which is an integral part of this Contract.*

The prices from the previous paragraph, during the entire duration of this Contract, will be fixed and will not be subject to correction, on any grounds. The prices from paragraph 1 of this Article include all costs of the Executor, labor and manpower, materials and investigative work, transportation costs and other costs for performing the works, public duties, discounts, as well as import duties, if any.

The value of this Contract without calculated value added tax is 343,800,000 denars. The value added tax is 61,884,000 denars. The total value of this Contract with calculated value added tax amounts to 405,684,000 denars."

In this case, it is also problematic that the deadline for the construction of the state-owned building of 18 months from "the commissioning" was a condition set out in the tender documentation. GCAS agreed to extend the construction deadline twice, the first time until December 2025 and the second time until June 2026. Changing the deadline that was a condition in the tender documentation constitutes a violation of the principle of equal treatment of economic operators because the longer reconstruction period could have affected the prices offered, as well as the ability of other companies to participate.



The conclusion that the contract was signed and forgotten is also supported by the information that GCAS has not acted in accordance with Articles 7 and 33 of the concluded contract in the past period. According to Article 7, "If the Executor does not perform the work in a timely and quality manner or does not fulfill any of the obligations of this Contract, the Client may collect the bank guarantee from the previous article of this Contract in its own favor."

Article 33 of the contract states, among other things: "If the Executor does not fulfill its contractual obligations, the Client may demand either fulfillment of the obligation immediately or payment of a contractual penalty. The contractual penalty amounts to 5% of the total price for the performance of the works, subject to this Contract..."

The fact that GCAS has not taken any actions to comply with the provisions of the contract indicates complete disregard for public money. It is unclear how it is possible to tolerate non-compliance with a concluded contract and not to request a response from the parties involved in the process of implementing the reconstruction of this state-owned building.

The scope of the changes made in relation to the implementation is also problematic in the implementation of this tender. With the implemented unforeseen works (1,157,313 euros), construction surpluses (978,153 euros) and construction deficits (1,078,298 euros), it follows that the project for the reconstruction of the former Komercijalna Banka building has been changed by as much as 49% of the initial project specification of 6.6 million euros.

Changing the concluded contract is a violation of the principles of transparency and equal treatment, and the provisions of the Law on Public Procurement prohibit such behavior, which can affect market distortion. This approach is problematic given the Court of Justice of the EU's position that public procurement contracts may be subject to modifications that are not substantial. According to the Court, a modification of a contract is considered substantial when it introduces conditions which, if they were part of the public procurement procedure, would have made it possible to qualify tenderers other than those initially accepted or to accept a bid that is different from that initially accepted. In principle, contracts may be subject to modifications only on condition that these modifications are not substantial.

Chronology of the tender for the reconstruction of the former Komercijalna Banka building

07.10.2022 The General and Common Affairs Service publishes a notice for the public procurement procedure Reconstruction of the former Komercijalna Banka building under number 17051/2022.

22.11.2022 on the day of the opening of the bids, 4 bids were received: AK-INVEST Tetovo, STRABAG AG, Bauer BG Skopje and ZIKOL Strumica. The bids of AK-INVEST Tetovo and STRABAG AG were rejected. The Commission determined that the bank guarantee submitted by AK-INVEST Tetovo issued by Komercijalna Banka AD Skopje for participation in the tender was unacceptable, because it referred to a different number of the notice 10751/2022, i.e. a wrong number of the notice was stated in it, 10751/2022 instead of the number 17051/2022. While the bid of STRABAG AG was rejected because they submitted documents of no criminal record with a date after the opening of the bids.

31.12.2022 an electronic auction is conducted in which only Bauer BG Skopje and ZIKOL Strumica participate. Bauer BG reduces its initial price from 418,850,853 to 343,800,000 denars, and the company Zikol from 483,565,464 to 414,662,853 denars excluding VAT.

11.01.2023 in accordance with the selection criterion of 'lowest price', a decision was made to select Bauer BG's bid as the most favorable.

01.02.2023 the company AK INVEST Tetovo submits an appeal against the decision, believing that they should not have rejected its offer because the bank guarantee contains the wrong number since this is not their fault.

22.02.2023 SCPPA issues a decision rejecting the appeal of the appellant AK INVEST Tetovo due to unfoundedness.

06.04.2023 the contract between GCAS and Bauer BG Skopje was concluded.

13.12.2023 - 23.01.2026 51 annexes were concluded.

State Roads will pay 13 newly hired experts for Corridors VIII and X-d annually as for 92 employees

(Tender of the Public Enterprise for State Roads for technical assistance for the construction of highway sections on Corridor VIII and Corridor X-d with number: 10862/2025)



- The costs of constructing the highway sections on corridors VIII and X-d continue to rise – in addition to the construction and supervision contracts, a contract for technical expert assistance for the employees of the Public Enterprise for State Roads worth 3.8 million euros was concluded in November 2025.
- The tender for expert assistance was carried out on the basis of an old project program, prepared before the start of construction activities on the corridors and after 381 million euros had already been spent[4].
- The contract comes two years after the establishment of the separate project unit for the construction of the highway sections and after the number of employees in the enterprise increased by 42% (from 352 to 501).
- The fees of the engaged Macedonian-Serbian expert team range between 13,000 and 23,000 euros per month, per expert. However, most of the experts will be engaged for 50% of their time, and some even less.
- The team leader will earn 550,000 euros for a 4-year engagement. Eight experts will receive between 272,000 and 500,000 euros each, while four are on lower-value contracts – between 38,000 and 156,000 euros.
- The team of experts also includes a person from the World Bank project implementation unit established in the Ministry of Transport. Her monthly remuneration in the Ministry, according to Open Finance, is 1,600 euros gross (99,000 denars), and as an expert, State Roads will pay her 10 times more, i.e. 15,600 euros per month.
- The PE for State Roads will pay around 950,000 euros annually for these 13 experts – an amount equivalent to the net salaries and allowances of 92 employees, considering that their average net salary is 862 euros.
- The amount of the fees for the newly hired experts is several times higher than the price that State Roads pays for consulting services from professors from the Faculty of Civil Engineering, 1,300 euros per month.
- Nonetheless, State Roads expected these enormously high fees. Namely, the estimated value of the tender was not publicly announced, but the only team of bidders beat it by a margin of 0.02%.
- The contract for the engagement of 13 experts for a period of 4 years was concluded with the only bidder SAFEGE Skopje, which, due to its small financial and professional resources, is supported by Suez Consulting (SAFEGE) France and SAFEGE Belgrade.
- Seven experts from the team are from Macedonia and six from Serbia. None are employed by SAFEGE Skopje, all of them have concluded contracts for business and technical cooperation with the company.
- The high fees raise serious questions about the economy, justification and effectiveness of the spending of public funds.
- The project program is extensive and formally detailed, but is essentially based on descriptive activities without clearly defined performance indicators, which makes it impossible to objectively determine whether the commitment of 3.8 million euros is justified and whether public funds are spent efficiently.
- The contract was concluded without specifying measurable, quantitative and qualitative targets that need to be met.
- This concept of engagement creates an increased risk of formal fulfillment of contractual obligations without substantial added value, automated payment based on reports without clear quality criteria, as well as the risk of uneconomical and non-transparent spending of public funds.

4 https://roads.org.mk/wp-content/uploads/2026/01/IMF-Report-November-2025.pdf

The tender project program was prepared before the start of the construction activities

The project program on the basis of which the tender procedure for Technical Assistance for the construction of highway sections of Corridor VIII and Corridor X-d in the period 2024-2025 was conducted, has some minor changes, but in its objective, expected results and tasks to be performed by the experts, it is almost identical.

The conclusion that the program was prepared after the adoption of the special law, but before the start of construction, i.e. in 2023, arises from the fact that its introduction states: "The sections: Tetovo - Gostivar - Bukojcani, Trebenishta - Struga - Kjafasan and Prilep - Bitola are approximately 110 km long, and they, in accordance with the Law on Determining Public Interest and Appointing a Strategic Partner for the Implementation of the Project for the Construction of Infrastructure Corridor VIII and Corridor X-d published in the Official Gazette of the Republic of North Macedonia No. 163 from July 16, 2021 ("Special Law"), will be used in the following text as "Project", should be built at highway level. **The construction works for the construction of the sections: Tetovo - Gostivar - Bukojcani, Trebenishta - Struga - Kjafasan and Prilep - Bitola are expected to start in 2024,** and they will be financed in accordance with the "Special Law". The construction period is expected to be 46 months."

The results to be achieved by the Consultant relate to the correct and smooth implementation of the following tasks:

1. To assist the Project Implementation Unit (PIU) in managing and supervising the execution of the Main Contractor Agreement and sub-contracts arising from the Main Contractor Agreement, the Supervision Agreement and Legal Transaction Advisor for the construction of Corridor VIII and Corridor X-d and to provide quality assurance according to the requirements of the contracts;
2. To assist the PIU in the management, observation and supervision of the Project in accordance with European norms and local standards and procedures;
3. To assist the PIU in all matters from the environmental segment, to monitor the preparation of all necessary documents and early notification of the need for them (studies, analyses, reports, permits, etc.), to supervise the implementation of mitigation measures during site visits (whenever necessary), to provide assistance to the PIU in the preparation of reports related to environmental and social aspects, as well as with all other environmental and social issues that may arise during the implementation of the project;
4. Assist the PIU in the preparation and adoption of procedures and practices for the implementation of the management, operation and maintenance plan for Corridor VIII and Corridor X-d;
5. Assist the PIU in the evaluation of technical and commercial offers for the tenders for specialized contractors and the evaluation of subcontracts, on the basis of which the PIU will be able to carry out a quality selection of a specialized contractor and assist in the definition of subcontracts.
6. Active participation in the meetings of the project approval and financial control groups (DLG and PMB).
7. Early recognition and informing the PIU about the risks of possible damage claims from the contractor and specialized contractors, as well as evaluation and strategy for resolving damage claims.

In addition, according to the project program, the obligations are grouped into three categories:

- **Task 1:** Providing assistance in the project documentation preparation phase.
- **Task 2:** Providing assistance during contract management.
- **Task 3:** Providing assistance in developing an operation and maintenance plan.

The project program does not contain any information about the progress of the project, although the implementation began in March 2023, i.e. 27 months before the announcement of the public procurement of technical expert assistance. The project implementation reports, at the request of the IMF, are publicly available on the website of the PE for State Roads with relevant information about the progress of the works, the problems identified, the number of engaged workers, engaged equipment, the funds paid, the extension of the construction deadline for 2 years, etc. However,, **the project program, which is a roadmap for potential bidders, does not mention a word about these reports prepared by the supervisor, nor about any other additional documentation that would be made available to them for a more precise determination of the experts' obligations.** According to publicly available reports, until the publication of the public procurement notice on the basis of which the analyzed tender was concluded, 20.4 billion denars, or 332 million euros, were paid by the Ministry of Transport to the Public Enterprise for State Roads for the construction of highway sections on Corridor VIII and Corridor X-d[5]. Given that the estimated value of the project is 1.319 billion euros, it follows that 25% of the funds have already been financed. This amount increased to 381 million euros by the time the contract was signed.

Hence, the situation and assessments obtained from the current course of the project implementation would be extremely important for potential bidders, so that they can objectively and based on clear parameters assess the scope of work and the complexity of the processes and accordingly provide a financial offer.

In addition, it can be rightly assumed that after two and a half years of project implementation, many activities that have been planned have already been completed or are in the final phase, such as "preparation of a project program". On the other hand, the risks and problems on the ground are known in detail, but are not presented in the project program.

Taking all this into account, it can be assessed that given that the stated tasks and activities were written before the project implementation began, the risk that the defined tasks and activities are not aligned with current priorities and needs is justified, which calls into question the justification for spending public funds and the efficiency of the engagement of experts.

5 https://roads.org.mk/wp-content/uploads/2025/08/IMF-Report-June-2025.pdf

The tender for expert assistance was carried out in the second half of 2025, i.e. 2 years after the start of construction and after 332 million euros had already been spent

The expert assistance was requested two years after the establishment of the project unit for the implementation of the project. Namely, by a Government decision in June 2023, the PE for State Roads established a project unit for the implementation of the project for the construction of infrastructure Corridor VIII and Corridor X-d.

Since the start of the construction of the highway sections, the PE for State Roads has increased the number of employees by 149 people, or 42%. Data on the number of employees in 2025 are not yet publicly available.

Display of the number of employees in PE State Roads

YEAR	2020	2021	2022	2023	2024
NUMBER OF EMPLOYEES	366	367	356	352	501

The decision for this public procurement of the Public Enterprise for State Roads states that it is about the implementation of the largest strategic project in the country and that the Public Enterprise for State Roads needs technical assistance for the implementation of the construction contract with the contractor Bechtel and Enka, a strategic partner, and with the expert supervision for the implementation of the project. The technical expert team should assist the Public Enterprise for State Roads in the implementation of infrastructure works along Corridors VIII and X-d and contribute to increasing the capacity of the employees of the Public Enterprise for State Roads for the development, evaluation, implementation, monitoring and supervision of large infrastructure contracts.

The tender participants were required to have a minimum annual income of 1,600,000 euros/year or 98,552,480 denars/year in each of the last 3 (three) years (for 2022, 2023 and 2024). In terms of the technical or professional ability of the economic operator, a list of main deliveries of goods or services performed with values, dates, buyers (contracting authorities or economic operators) was required, with the provision of confirmation of deliveries or services performed:

- **At least 1 (one) service performed in the last 10 (ten) years (counted from the date of publication of the tender) for Technical Assistance to the investor (Client) in managing a project for the construction of a highway/highway section in the Western Balkans (following are countries from the Western Balkans that will be taken into account: Albania, Bosnia and Herzegovina, Montenegro, Kosovo, North Macedonia and Serbia), with a value of the technical assistance contract of at least 2 million euros (excluding VAT).**
- **If the service is performed by a Group of Bidders – JV, the economic operator should have a share of at least 50% of the value of the service contract. Note: In order to ensure a higher level of competition, services performed in the last 10 (ten) years are required.**

Only one bid was received in the tender procedure, that from the Trade Company for Engineering and Consulting Services SAFEGE Skopje, as the leader of a group of bidders associated with Suez Consulting (SAFEGE) France and SAFEGE DOO Belgrade. SAFEGE Skopje would not have met the tender requirements without this association. Namely, in the period 2022-2024 SAFEGE Skopje had annual revenues of 7 to 9.7 million denars, i.e. 10 to 14 times less than the set requirement for annual revenues of 98.6 million denars.

SAFEGE Skopje was founded in 2010 and has had two employees for the last 3 years. SUEZ Consulting from France, according to publicly available data, is an engineering consulting company that helps governments, municipalities, industrial clients and international institutions plan, design and implement projects related to ecological transitions, climate change adaptation and long-term sustainable management of natural resources. SAFEGE from Belgrade is an engineering and consulting firm founded in 2007.

Regarding the submitted bid, it is important to emphasize that none of the offered experts is employed by SAFEGE Skopje, but all of them have concluded contracts for business and technical cooperation with the Skopje company.

Considering that the tender consists of 13 items of experts, it is truly astonishing how the value of the bid of the sole bidder is almost identical to the estimated value of the tender. Namely, in the Decision on Public Procurement, which is an internal document, it is stated that 236,000,000 denars have been provided for this purpose. The PE for State Roads did not state the estimated value of the tender in the public procurement notice. The bid received from SAFEGE amounted to 235,955,514 denars, i.e. only 44,486 denars less than the estimated value, which is a deviation of only 0.02%.

High fees for the expert team

The fees for the hired Macedonian-Serbian expert team range from 13,000 to 23,000 euros per month, per expert. However, most of the experts will be hired for 50% of their time, i.e. 11 working days per month, and some even less.

For a 4-year engagement, the team leader will earn 550,000 euros. Eight experts will receive between 272,000 and 500,000 euros each, while four are on lower contracts – from 38,000 to 156,000 euros.

Costs at the expert level

ITEM NAME	EXPERT'S NAME	MONTHLY PRICE IN EUROS	NUMBER OF MONTHS	TOTAL PRICE IN EUROS
A1- TEAM LEADER	Dragan Mihajlovic	22,919	24	550,053
A2- TRANSPORT INFRASTRUCTURE EXPERT	Sasha Zivadinovic	16,933	24	406,380
A3- TRANSPORT INFRASTRUCTURE EXPERT	Milutin Shtrbic	18,237	24	437,694
A4- FINANCIAL AND TECHNICAL ISSUES EXPERT – DAMAGE CLAIMS	Branko Markovic	20,843	24	500,228
A5- CONTRACTUAL ISSUES AND DOCUMENTATION EXPERT	Slavoljub Tubic	20,208	18	363,742
A6- ROAD DESIGN EXPERT	Riste Ristovski	15,156	18	272,808
A7- FACILITIES AND STRUCTURES EXPERT	Liljana Bjelogrlic Calic	17,682	18	318,279
A8- GEOTECHNICAL/MATERIALS EXPERT	Dushko Spirovski	15,156	18	272,802
A9- ELECTRICAL INSTALLATIONS EXPERT	Goran Handziski	12,788	3	38,364
A10- MECHANICAL INSTALLATIONS EXPERT	Vladimir Boshnjakovski	12,788	3	38,364
A11- ENVIRONMENTAL PROTECTION EXPERT	Sashka Bogdanova Ajceva	15,629	24	375,104
A12- EXPROPRIATION EXPERT	Emilija Djorgickova	14,209	11	156,294
A13- TRAFFIC AND ROAD SAFETY EXPERT	Filip Trajkovic	17,760	6	106,563
	TOTAL			**3,836,675**

Of the experts hired, 6 are from the Republic of Serbia (team leader Dragan Mihajlovic, transport infrastructure expert Milutin Shtrbic, financial and technical issues expert - damage claims Branko Markovic, contractual issues and documentation expert Slavoljub Tubic, facilities and structures expert Liljana Bjelogrlic Calic and traffic and road safety expert Filip Trajkovic), and 7 are from Macedonia (transport infrastructure expert Sasha Zivadinovic, road design expert Riste Ristovski, geotechnical/materials expert Dushko Spirovski, electrical installations expert Goran Handziski, mechanical installations expert Vladimir Boshnjakovski, environmental protection expert

Sashka Bogdanova Ajceva and expropriation expert Emilija Djorgickova). According to the tender documentation and the concluded contract, two of the foreign experts, for financial and technical issues - damage claims and for contractual issues and documentation, are obliged to deliver at least 20% of the services from Skopje, for the rest this percentage is 95% of the engaged time.

Although it is usual in this type of contract not to go into detail about the operational conditions for the work of the consultants, in this case the contract precisely states the vehicles that the consultant should provide, the size of the office space, as well as administrative and technical support. More specifically, it states: "The Consultant shall provide two new off-road vehicles (with 4x4 drive, 5 seats and at least 110kW) for its staff and an office in Skopje (min. 150m^2) adequately equipped with office furniture and equipment for the smooth running of the work. The costs of maintaining the vehicles and office will be provided by the Consultant. All costs for procurement, registration, insurance (the vehicle must have casco insurance and passengers have to be insured against any accident), fuel, servicing, repairs, maintenance and other costs for the entire duration of the services are borne by the Consultant. The owner of the off-road vehicles is the Consultant. The Consultant should also provide appropriate administrative and technical support which will include correspondence and communication, preparation of reports, secretarial/administrative assistance, translation of documents, as well as other support staff, etc. "

The inclusion of detailed requirements for vehicles, office space and administrative support, although legitimate, does not change the essence that the main cost in the contract is the experts' fees. The operational expenses are secondary to the total value of the contract and cannot explain their amount.

> **The team of experts also includes a person employed by the World Bank project implementation unit established in the Ministry of Transport. Her gross monthly compensation, paid after the conclusion of this public procurement contract, i.e. in January and February, according to Open Finance data, is 1,600 euros (99,000 denars). In this case, it is questionable how the Public Enterprise for State Roads values the same staff 10 times more, i.e. 15,600 euros per month, and how two state institutions use the same employee.**

PE for State Roads will pay 950,000 euros annually for these experts, which is at the level of the average salary and salary allowances (net) for 92 employees. Namely, the average monthly cost for net salaries of employees in State Roads is 862 euros per month.

This large financial burden raises the question of whether public funds are being used rationally, especially in conditions when the number of employees in the company has increased by 149 people (42%), which was supposed to increase the internal capacity for project management.

At the same time, the fees of the newly hired experts are several times higher than the fee that PE for State Roads pays for consulting services from professors at the Faculty of Civil Engineering – about 1,300 euros gross per month. Every year, for several years now, PE for State Roads has been concluding contracts with the Faculty of Civil Engineering-Skopje for consultative expert analyses and opinions during the design, construction and maintenance of state roads in the Republic of Macedonia, expert consultations during preparatory work for the preparation of technical documentation, expert consultations during the preparation of technical documentation, revision of the prepared technical documentation, providing consultative expert opinions and

analyses during the construction, upgrading - rehabilitation of roadway structures and facilities on them and, if necessary, to carry out control geomechanical, asphalt and concrete tests. **The Public Enterprise for State Roads has a current contract with the Faculty of Civil Engineering concluded on the basis of a public procurement procedure with number 03438/2025 which is worth 70,797,168 denars, or approximately 1.2 million euros. However, the Public Enterprise for State Roads says that the services from the contract with the Faculty of Civil Engineering are not used in the construction of the highway sections of corridors VIII and X-d.**

All the above factors additionally raise the question of how the PE for State Roads determined the estimated value of the tender. Article 39 of the Law on Public Procurement transposes the rules for assessing the value of procurements. Paragraph 1 introduces a general rule on how the value of a public procurement contract is estimated. It is estimated by taking into account the total amount required to implement the contract, considering the market conditions. This alone, according to the Practical Guide to Public Procurement, whose authors are representatives of the Public Procurement Bureau, assumes that when estimating the value, the contracting authority should previously research the market and have a certain idea of what the market conditions are for the specific subject of procurement. The law does not go into more detail on how to conduct market research and how to document it, but it is certainly recommended to have a trace of how the specific estimated value was reached. Taking this into account, the PE for State Roads was requested to provide information on the calculation and the manner in which the estimated value of the tender was determined. The following response was received: "The calculations and the method of determining the estimated value of the public procurement are based on previous similar Contracts concluded through the European Bank for Reconstruction and Development (EBRD), as well as similar Contracts concluded with the World Bank. Those contracts provide for a similar type of experts and based on those prices, the estimated value of the public procurement for Technical Assistance for Corridors 8 and 10 d was formed."

This general response from PESR is not in line with publicly available data on the amount of fees of the World Bank Project Implementation Unit established in the Ministry of Transport.

It is important to emphasize that the contract states that the implementation period of the contract will be 48 months. This timeframe may be reduced if the construction works are completed in less than 48 months or extended at the request of the Investor.

> **Considering the high financial burden, this model of engaging external experts cannot be considered common, economically justified or transparent, without additional justification and solid evidence of exceptional added value.**

Chronology of the tender for technical assistance for the construction of highway sections on Corridor VIII and Corridor X-d

The conclusion of this public procurement contract was preceded by 2 tender procedures, and as many as 11 months passed from the publication of the first notice to the conclusion of the contract.

17.01.2023: The company publishes the Public Procurement Plan for 2023 and in it foresees the procurement with the subject of technical assistance for the construction of highway sections on Corridor VIII and Corridor X-d to begin in January. The planned procurement was not implemented.

26.01.2024: The procurement is not foreseen in the Public Procurement Plan for 2024.

05.08.2024: Amendments to the Public Procurement Plan for 2024 introduce a public procurement procedure – consultative expert analyses and opinions for the construction of the highway sections of Corridor VIII and Corridor X-d.

08.11.2024: The Public Procurement Plan is amended and the name of the tender is changed and instead of – "Consultative expert analyses and opinions for the construction of the highway sections of Corridor VIII and Corridor X-d" it is called "Technical assistance for the construction of highway sections of Corridor VIII and Corridor X-d".

03.12.2024: A procurement notice is published under serial number 20860/2024

13.03.2025: The procedure is annulled on the grounds that no bid or no acceptable bid was submitted.

16.06.2025: A new public procurement procedure is announced under serial number 10862/2025. The tender documentation and project program have been changed only in the part of the types of experts and their number. In the previous tender, key expert personnel (13 people) and non-key expert personnel (2 people) were required. In the current tender, only key experts (13 people) are required with the same description of their engagement and qualifications.

24.07.2025: Opening of the bids. Only one bid was received, from the Trading Company for Engineering and Consulting Services SAFEGE Skopje, as the leader of a group of bidders associated with Suez Consulting (SAFEGE) France and SAFEGE DOO Belgrade. The bid is financially almost identical to the estimated value of the contract.

03.11.2025: The contract has been concluded. There are no objective reasons why the contract was signed after 70 days.



Kingdom of the Netherlands

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