



ДРЖАВЕН ЗАВОД ЗА РЕВИЗИЈА
ENTI SHËTETËROR I REVIZIONIT
STATE AUDIT OFFICE

STATE AUDIT OFFICE
- Press release-

Skopje, 13 July 2021

88% of public procurement during the pandemic were negotiated procedures without announcement

The authorized state auditor found insufficiently regulated legislation on the type of procurement in time of emergency/crisis, lack of clear definition of protective equipment characteristics and precise criteria for determining "urgency" of particular procurement, as well as not implemented group procurements and no limitation of maximum individual procurement price. Such conditions have contributed to significant difference in prices for the same or similar goods. It is necessary to improve transparency, accountability and legality of planning and implementation of public procurement procedures for prevention and protection against Covid- 19

The State Audit Office conducted compliance audit on the topic **"Awarding public procurement contracts by public sector institutions for prevention and protection against covid-19 pandemic"** for the period 01 March – 30 November 2020, as well as some issues and events until the date of reporting on the audit.

The audit covered **19 institutions** from different activities and regions in RNM, which awarded materially significant public procurement contracts for prevention and protection against Covid-19, and some of these institutions were directly involved in dealing with the pandemic. Data on the amount of awarded public procurement contracts are taken from the EPPS and the website www.koronavirus.gov.mk, which is financial transparency tool of the Government of RNM.

In the period 01 March – 30 November 2020, the awarded public procurement amounted to **416.6 million denars**. The audit covered public procurement contracts amounting to **335.4 million**, i.e. 80.5% of the total awarded public procurement contracts in the audited period.

The authorized state auditor found that **88% of public procurements were conducted with negotiated procedure without publishing announcement**. In the absence of a precise definition of criteria for the "urgency" of procurement and the type of goods, services and works that can be procured in a time of emergency/crisis, the full justification of the urgency of some of the procedures cannot be fully confirmed.

The established manner of conducting negotiated procedures without announcement does not provide equal treatment and competition between economic operators. Namely, for some public procurement procedures, negotiations were conducted with one economic operator.

The audit report points out that no activities have been taken to prepare instructions and forms of standard tender documentation and technical specification that will unify the rules for conducting urgent procurements and the characteristics of goods subject to procurement.

Therefore, despite the fact that public procurement decisions provide explanations that procurements are conducted for prevention and protection against Covid-19, part of procured goods are for the regular operation of institutions, whereby contracts / framework agreements awarded for a duration of one year are not fully realized.

In addition, contracting authorities conducted public procurement of extreme urgency in a period when regular public procurement procedure could have been conducted. With the analysis of implemented procedures for the period 01.10.2020 - 28.02.2021, it was determined that based on urgent procurements were awarded public procurement contracts amounting to **88 million denars**.

Concerning **public procurement planning**, as one of the most important phases in public procurement procedures, due to the urgent nature of procurement contracting authorities did not perform the planning phase in a timely manner and as needed, which in turn resulted in fewer invitations to economic operators, without detailed analysis of the type and quantities of protective supplies and equipment available on the market.

In the absence of a clear **definition of characteristics of the protective equipment** to be used by medical staff in PHIs, different types of equipment appeared on the market and were procured creating a risk of inadequate characteristics and quality for protection and prevention in the work processes during pandemic.

The authorized state auditor ascertained:

- Different prices for the same or similar goods in different institutions, and the price variation for certain goods is significant; and
- Discrepancies between awarded public procurement contracts and the tender documentation and technical specifications, which makes monitoring of implementation difficult and whether invoiced prices correspond to the agreed ones.

Lack of decision by competent authorities to set up an institution for centralized/group implementation of public procurement for the needs of public sector institutions, a possibility provided in Article 61 paragraph 7 of the Law on Public Procurement. Despite the fact that Decrees for intervention procurement of masks and gloves were adopted during declared state of emergency, which provide maximum prices and quantities of these goods, as well as for institution that should conduct the procurement, no action has been taken thereof.

To prepare the public procurement system and the competent institutions for future challenges and dealing with similar crises and pandemics, the competent institutions need to take measures for protection of the health and life of the citizens, and it is necessary to further regulate the public procurement process.

Press contact:

Albiona Mustafa Muhadziri +389 72228 203

albiona.mustafa@dzt.gov.mk

Mijalce Durgutov +389 70 358 486

mijalce.durgutov@dzt.gov.mk

Martin Duvnjak +389 75 268 517

martin.duvnjak@dzt.gov.mk