IPA Regional Public Procurement Conference

LAST DEVELOPMENTS IN PUBLIC PROCUREMENT IN KOSOVO

Mr. Safet Hoxha, President of PPRC
Mr. Ilaz Duli, Board Member of PPRC

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PUBLIC PROCUREMENT LEGISLATION IN KOSOVO

Consists of:

a) Law on Public Procurement No. 04/L-042
   - LPP No. 04/L-042 is approved by the Parliament of Kosovo on August 29th, 2011, whereas has entered into force on October 05th, 2011

b) Procurement secondary legislation includes:
   - Complete the secondary legislation for public procurement consists of 7 parts, and 79 documents:
     - Part A: Regulation of Public Procurement (Regulation and Operational guideline for public procurement);
     - Part B: Rules on Procurement Procedures (53 different forms: notices, tender dossiers, evaluation reports, standard documents);
     - Part C: Contract Management (contracts management plan);
     - Part D: Procurement Code of Ethics (code of ethics and 3 statements)
     - Part E: Rules Governing Sale and Disposals of Assets (rules for sale and 7 different forms);
     - Part F: Rules of Review Procedures (standard form);
     - Part G: Documents for Diplomatic and Consular Mission of Republic of Kosova
       - (instruction and 9 different forms);
   - The complete public procurement legislation is published in three languages in: http://krpp.rks-gov.net
ORGANIZATION OF PUBLIC PROCUREMENT SYSTEM IN KOSOVO

Based on PPL No. 04/L-042, in Kosovo, three central institutions of procurement are established:

- PUBLIC PROCUREMENT REGULATORY COMMISSION (PPRC)
- PROCUREMENT REVIEW BODY (PRB)

Under Ministry of Finance is established:
- CENTRAL PROCUREMENT AGENCY (CPA)

- In all contracting authorities in Kosovo are established Procurement Departments

- On December 31, 2012, in Kosovo existed 166 contracting authorities, with 542 licensed procurement officers.
PUBLIC PROCUREMENT REGULATORY COMMISSION

Is led by 3 Board members proposed by the Government and nominated by the Assembly, with a 5-year mandate

- PPRC is competent for the overall development, functioning and supervision of the public procurement system in Kosovo
- Conducts investigations of procurement activities and contract management
- Performs monitoring of procurement activities in Kosovo
- Prepares and publishes the complete secondary legislation on procurement
- Publishes all types of notices on public procurement
- Prepares training programs in public procurement
- Monitors the contract implementation by the contracting authorities
- Cooperates with foreign institutions in the field of public procurement
- Prepares and submits to the Government and Assembly of Kosovo the Annual Report on public procurement activities.
PROCUREMENT REVIEW BODY

- Is led by 5 Board members proposed by the Government and nominated by the Assembly, with a 5-year mandate
- PRB members must be qualified as judges.

PRB has the following competencies:

- Reviews all complaints addressed to the PRB regarding the possible violations of the PPL
- Implements investigation on its own initiative or upon request of any party involved in the procurement process relating to any irregularities during the performing of procurement activities.
- Complaints are reviewed by the Review Panel, formed by the PRB, consisting of one, three or five members
- PRB prepares and submits to the Assembly of Kosovo the Annual Report on performance of procurement complaints.
CENTRAL PROCUREMENT AGENCY

• CPA is established within the Ministry of Finance

• Executive Director of CPA is elected in the same manner as the Secretary General in the Ministries, with a 3-year mandate

CPA has the following competencies:

• Collects procurement planning from all contracting authorities in Kosovo

• Manages and performs centralized contracts, for the Kosovo in overall, if authorized by the Government of Kosovo

• Performs procurements on behalf of the contracting authorities when dealing with complex procurements (requested by the CA).
CENTRALIZED PURCHASING

- The Government as per the proposal from the Ministry of Finance, shall establish a list of common use items, the procurement of which it has been assigned to the CPA;

- Through the Ministry of Finance on March 13, 2013, Central Procurement Agency has distributed to the Government - List of common items for Centralized Procedures, where are included:

1. Fuel supply
2. Food items supply
3. Office stationery supply
4. Hygienic material supply
5. Toners supply
6. Wood for heating supply
7. Vehicles supply in central level
8. IT equipment supply (information technology)
9. Cleaning and maintenance of government buildings
PUBLIC PROCUREMENT ACTIVITIES IN KOSOVO – 2012

- Public procurement activities in Kosovo are summarized in the Annual Report of PPRC which was submitted to the Government and Assembly of Kosovo.

- The number of contracts signed in Kosovo based on PPL during 2012 is = 12,045

- The budget value for procurement in 2012 = 507,863,303 €
- The part of Morine-Merdare highway 2012 = 235,379,330€
- Total budget for 2012 for procurement is = 743,242,633 €

- The value of contract signed for “Morine-Merdare” highway is 659,813,399.88 € (Part for 2011 = 235,379,330 €)

- The value of budget for procurements in report to GDP = 15.21 %
USED PROCUREMENT PROCEDURES DURING 2012

- Open procedures = 86.7%
- Restricted procedures = 0%
- Negotiated procedures without publication = 6.1%
- Negotiated procedures after the publication = 0.2%
- Price quotations = 6.2%
- Minimal value procedures = 0.5%
- Design contests = 0.3%
During 2012 the value of contracts based on origin of economic operators is:

- **Local economic operators** = 417,611,792 (56.2%)
- **Foreign economic operators** = 325,630,841 (43.8%)

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- **Total:** = 743,242,633 (100 %)

- **Note:** In this percentage is included the part of the contract for “Morine - Merdare“ Highway for 2012 (235,379,330 €) which is signed between the Government of Kosovo and Foreign Economic Operator.
COMPLAINTS IN PUBLIC PROCUREMENT DURING 2012

- The number of received and reviewed complaints in the Review Panel of PRB for 2012 is = 379

- From the reviewed complaints the following decisions were taken:

  - Approved decisions = 174 (45.9 %)
  - Re-evaluation decisions = 102 (26.9 %)
  - Re-tender decisions = 55 (14.5 %)
  - Withdrawal = 25 (6.6 %)
  - Rejected complaints = 19 (5.1 %)
  - Non competence = 4 (1.0 %)

- Total = 379 (100 %)

The percentage of complaints compared to the contract signed during 2012 is = 3.15 %
CHALLENGES IN PUBLIC PROCUREMENT IN KOSOVO

• The pressure made to procurement officers during the performance of procurement activities, especially on the contract award;

• Non-appropriate implementation of public procurement legislation;

• Frequent replacing the procurement officers in Contract Authorities;

• Very small number of licensed procurement officers in Kosovo, comparing with budget spent for procurement;

• Lack of E-procurement (World Bank is assisting Kosovo to develop e-procurement);

• Not enough training of procurement officers in the private sector;
Faleminderit!