

**PROCUREMENT OVERSIGHT AND MONITORING – A MEANS
FOR EFFECTIVE PROJECT IMPLEMENTATION**

**11th PUBLIC PROCUREMENT KNOWLEDGE EXCHANGE
FORUM**

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Legal framework

- Public Procurement Law No 9643/2006, as amended
- Concessions and PPP Law No 125/2013, as amended

Recent changes to public procurement legislation

- Law no. 182/2014 “On some amendments and addenda to the Law no. 9643 of 20.11.2006, “On public procurement”, as amended.
- Council of Ministers Decision no. 914 of 29.12.2014 “On the approval of public procurement rules”.
- Council of Ministers Decision no. 918 of 29.12.2014 “On conducting public procurement procedures electronically”.
- PPA Decision No. 1 of 22.01.2015 “On the approval of standard tender documents” - for each kind of procedure, respectively for works, goods and services.
- PPA instructions.

Institutional framework

- Public Procurement Agency
- Public Procurement Commission

Procurement Oversight and Monitoring

- Irregularities in public procurement system in Albania are mainly managed through the **review and monitoring mechanisms**.
- Review functions are carried out by the Public Procurement Commission.
- Monitoring and control duties are at the competence of the PPA.

Monitoring competence of PPA

- In order to fulfill such competence, PPA does prepare 3-month monitoring plans, which define the contracting authorities and the procedures to be controlled. These plans are prepared on the basis of statistics carried out by PPA, and also based on different incentives submitted by economic operators, that pretend law infringements by the side of contracting authorities.
- PPA proceeds with monitoring of procedures after the procurement contract was signed.

Monitoring competence of PPA (con't)

- The monitoring process aims the identification of contracting authorities' shortages, in respecting the legal and sub-legal requirements when conducting the procedures, and provision of the respective interpretation for the right implementation of legislation.
- In case of law infringements, PPA has the power to decide administrative measures for the responsible procurement employees.
- During 2014, PPA monitored and issued decisions for about 82 public procurement procedures.
- For the first months of 2015, PPA prepared the Monitoring Plan February – May 2015, with 33 public procurement procedures to be monitored.

Monitoring competence of PPA (con't)

- The most part of monitored procurement procedures were the negotiated without publication of the contract notice. During 2014, total number of monitored negotiated without prior publication procedures was 62.
- This selection was made in order to identify the reasons and legality of such procedures as chosen by contracting authorities.

PPA statistics on monitored procedures in 2014

- With reference to the monitoring plans referred as above, there were monitored in total 82 public procurement procedures, carried out by 52 contracting authorities.

Types of monitored procurement procedures are given as below:

Type of procurement procedure	Number of monitored procedures
Negotiated procedure without prior publication of the contract notice	62
Open procedure	13
Request for proposal	3
Small value procurement procedures	4

PPA statistics on monitored procedures in 2014

PPA decided for the following measures:

FINES

Role of the person	Number
Head of contracting authority	17 Contracting Authorities
Member of Procurement Unit	23 Contracting Authorities
Member of Offers Evaluation Commission	27 Contracting Authorities
Member of the Group for Calculating the Limit Fund	13 Contracting Authorities

PPA statistics on monitored procedures in 2014

DISCIPLINARY MEASURES

Role of the person	Number
Head of contracting authority	1 Contracting Authority
Member of Procurement Unit	26 Contracting Authorities
Member of Offers Evaluation Commission	7 Contracting Authorities
Member of the Group for Calculating the Limit Fund	4 Contracting Authorities
Member of the Commission for Small Value Procurement Procedures	3 Contracting Authorities

PPA statistics on monitored procedures in 2014

With reference to the analysis of recommendations coming from auditing institutions, and administrative investigations conducted pursuant to different economic operators' complaints, PPA decided for the following measures:

FINES

Administrative investigation of PPA (initiated by third parties)	Supreme State Audit Institution audits	Internal Audits of Authorities	Decisions of Public Procurement Commission
3 Contracting Authorities	8 Contracting Authorities	12 Contracting Authorities	3 Contracting Authorities

PPA statistics on monitored procedures in 2014

PROPOSED DISCIPLINARY MEASURES

Administrative investigation of PPA	Supreme State Audit Institution audits	Internal Audits of Authorities	Decisions of Public Procurement Commission
4 Contracting Authorities	13 Contracting Authorities	17 Contracting Authorities	15 Contracting Authorities

Audit reports

- Another way of monitoring, performed in the framework of managing the irregularities and properly enforcing the legislation, is made through analyzing the recommendations coming from auditing institutions.
- Audit authorities (Supreme State Audit and Internal Audits of other institutions) send for competence to the PPA their findings, based on which the latter examines the actions or non actions of contracting authorities, and in case of noticing any law infringement, PPA assigns the respective administrative measures.
- This aims the uniformity of decisions given for public procurement procedures.

Other mechanisms for monitoring the public procurement system

a) The electronic procurement system

Through the latter, PPA provide statistics on:

- number of procedures, according to their type and procurement object (goods, services and works), published, cancelled, and awarded during a calendar year.
- total limit fund, procured total fund, saved total fund.
- number of offers submitted to procurement procedures, and the report of qualified offers against those disqualified.
- average participation rate of EOs in a procurement procedure.

Other mechanisms for monitoring the public procurement system

- b) International assessments (SIGMA annual reports, EU progress reports, etc).**
 - The assessment reports on public procurement from national and international organizations point out the progress, shortcomings of the system and stress the measures needed to be taken in order to consider actual irregularities and further improve the system.

Other mechanisms for monitoring the public procurement system

c) PPA trainings

- During trainings organized by PPA are discussed issues that contracting authorities find difficult to implement in practice, and also are expressed views for improvement.

National strategy

- Public Finance Management Strategy 2014-2020, adopted in December 2014.
- One chapter is dedicated to public procurement and concessions.
- The procurement part defines main goals in development of the public procurement system and measures required for their achievement.
- Achievement of planned tasks will serve for monitoring the system in entirety.

Future plans

- Future measures foreseen by PPA include:
- Expand the monitoring function of PPA, by increasing the number of procedures and contracting authorities to be monitored per year.
- Capacity increasing of the procurement employees, by organizing continuous trainings.
- Further develop and improve the Electronic Procurement System through “Service on Automation of simple historic Extracts” by the National Registration Center, with the aim to minimize the documents loaded in this system.
- Improve the functionality of the electronic archive and increase its capacities to withstand the increasing number of procurement procedures being conducted in the platform of electronic procurement system
- Stimulate the application of Framework Agreement, as a means that provides competition and transparency in conducting the procurement procedures.



Thank you!