



Procurement Oversight and Monitoring — the Example of Croatia

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Public Procurement in Croatia



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Legal framework

- **Acts**
 - Public Procurement Act (OG 90/11, 83/13, 143/13, 13/14)
 - Act on the State Commission for Supervision over Public Procurement Procedure (OG 18/13, 127/13, 74/14)
- **Regulations**
 - Tender documents and tenders
 - Implementation control
 - Notices
 - Defence and security
- **Ordinances**
 - Education
 - CPV
 - List of entities
 - Diplomatic missions and consular offices



Institutional framework

- **Ministry of the Economy – DG for the Public Procurement System**
- **State Commission for Supervision over Public Procurement Procedure (appellate body)**
- *Ministry of finance (concessions)*
- *State Office for Central Public Procurement*
- *Agency for Investments and Competitiveness (PPP)*

- *Electronic Public Procurement Classifieds (procurement notices)*



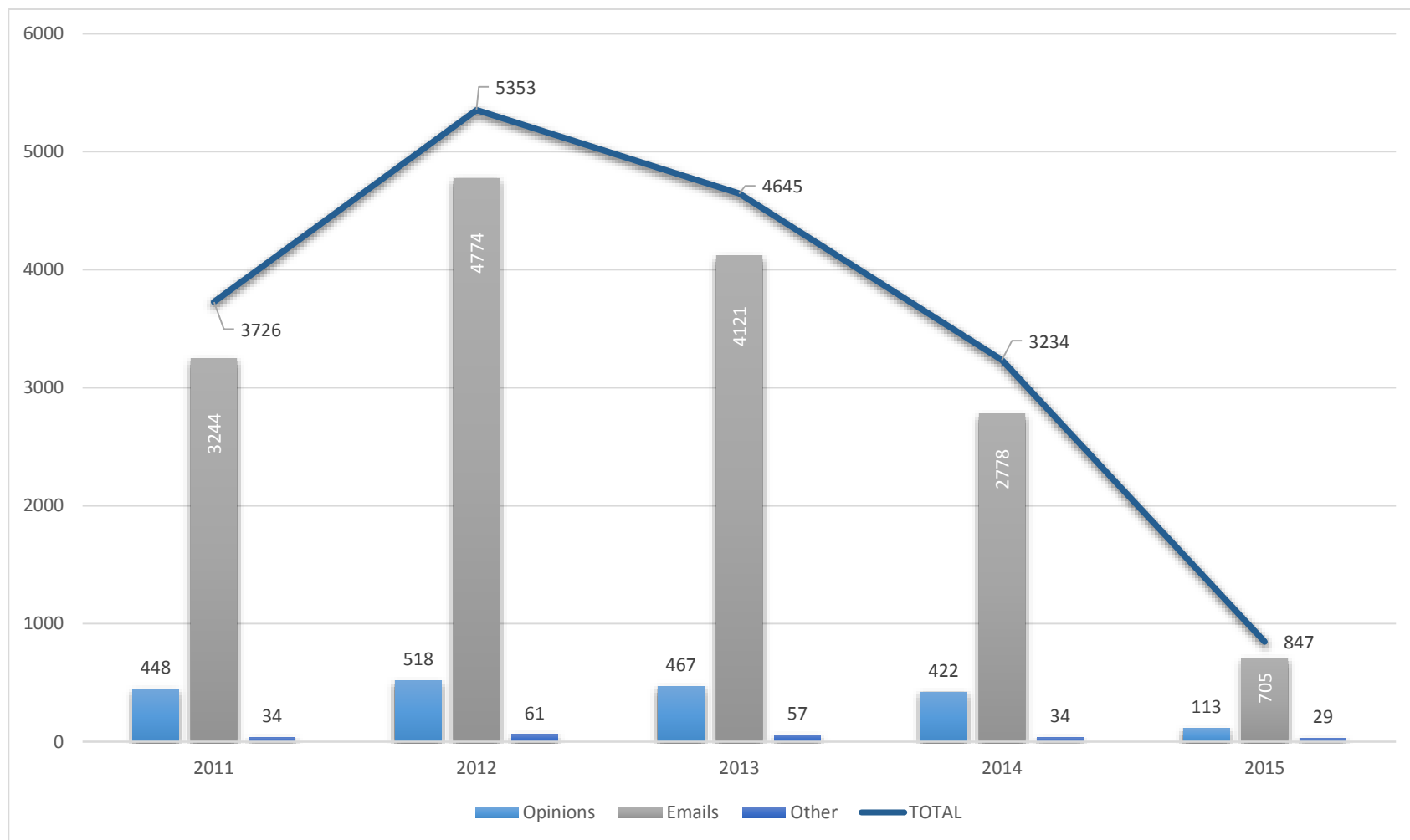
MoE – DG for the PP System

- **technical assistance and written opinions**
 - Help desk → every TUE and THRU (9-12AM)
 - Open doors → every last FRI in month
- **legislation (drafting the proposal)**
- **monitoring the implementation of the law**
- **education**
- **statistics (data on public procurement)**
- **international cooperation**

Technical assistance



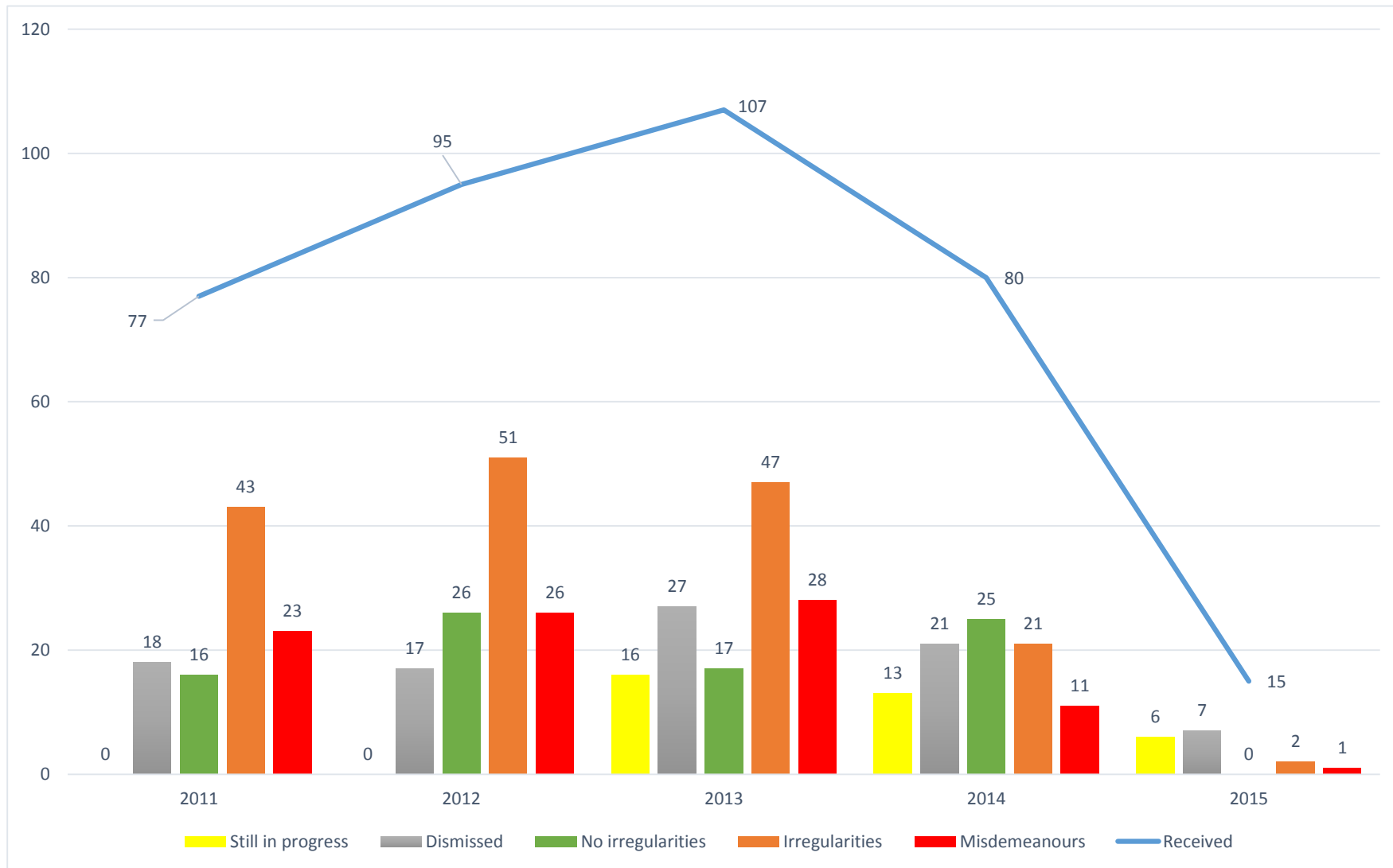
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Implementation control



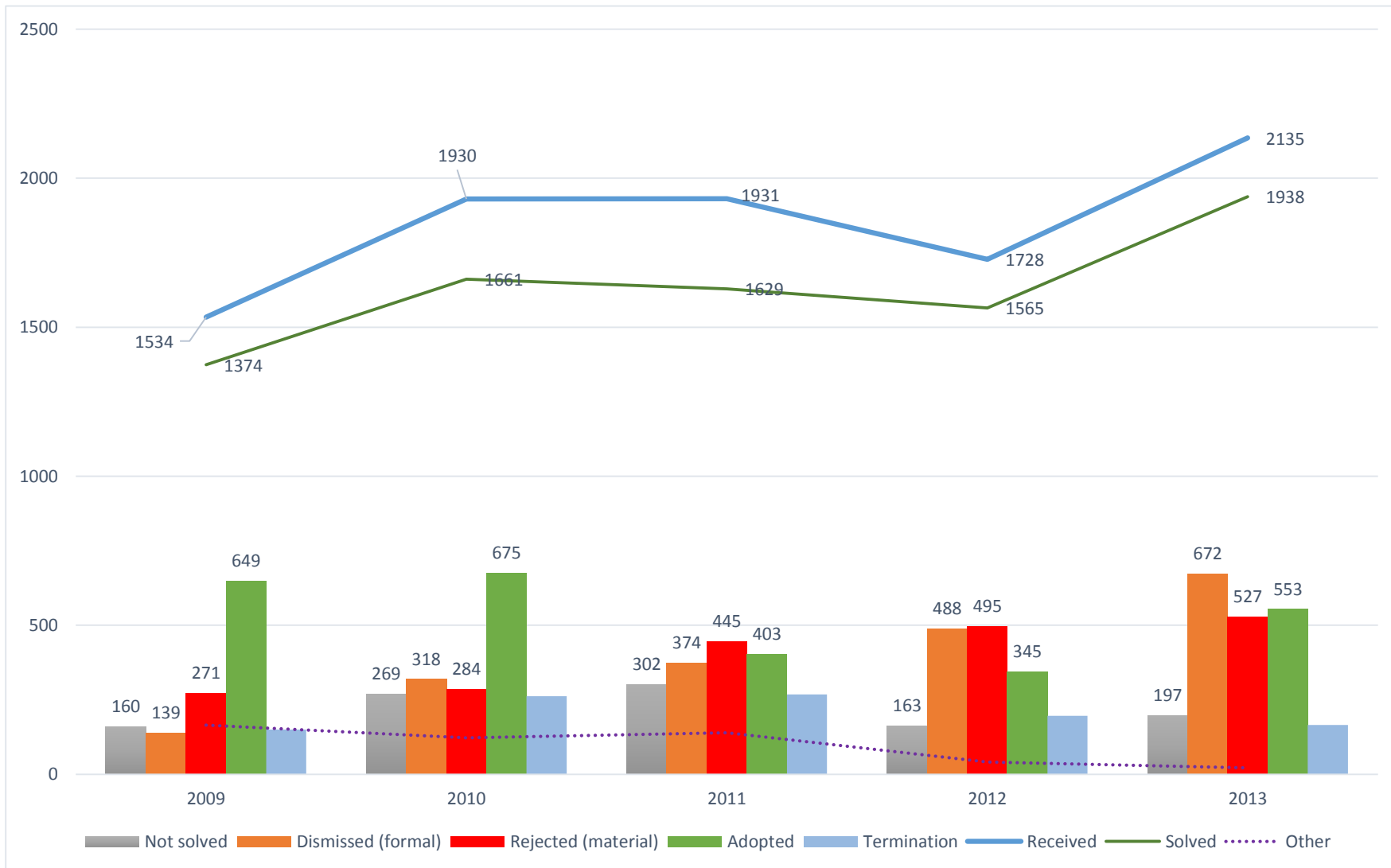
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Appeals



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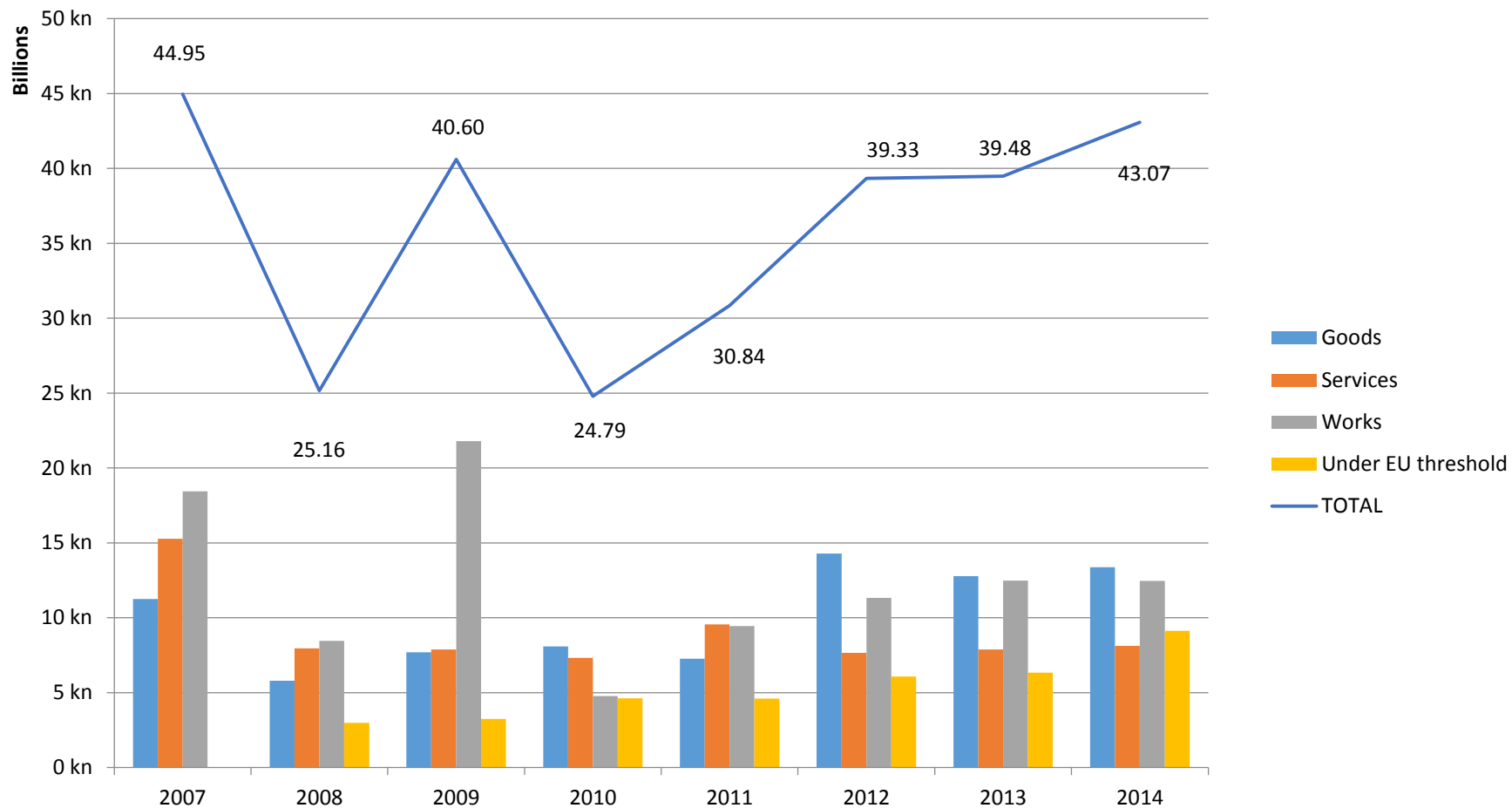


Public Procurement Market

- **Procurement value**
 - **2013. – ca kn 39,48 bn (ca € 5,16 bn)**
 - Goods – kn 12,78 bn (€ 1,67 bn) – 32%
 - Works – kn 12,48 bn (€ 1,63 bn) – 32%
 - Services – kn 7,88 bn (€ 1,03 bn) – 20%
 - Under EU threshold – kn 6,33 bn (€ 0,82 bn) – 16%
 - **2014. – ca kn 43,07 bn (ca € 5,63 bn) – unofficial data**
- **ca 12% GDP**
- **Number of entities:**
 - Contracting authorities – ca 4200
 - Contracting entities – ca 270



Public Procurement Market Value





Public Procurement – Scope

- **National thresholds:**

- Good and services – from 200.000kn (ca 26.000€)
- Works – from 500.000kn (ca 65.000€)

- **Concluded public contracts:**

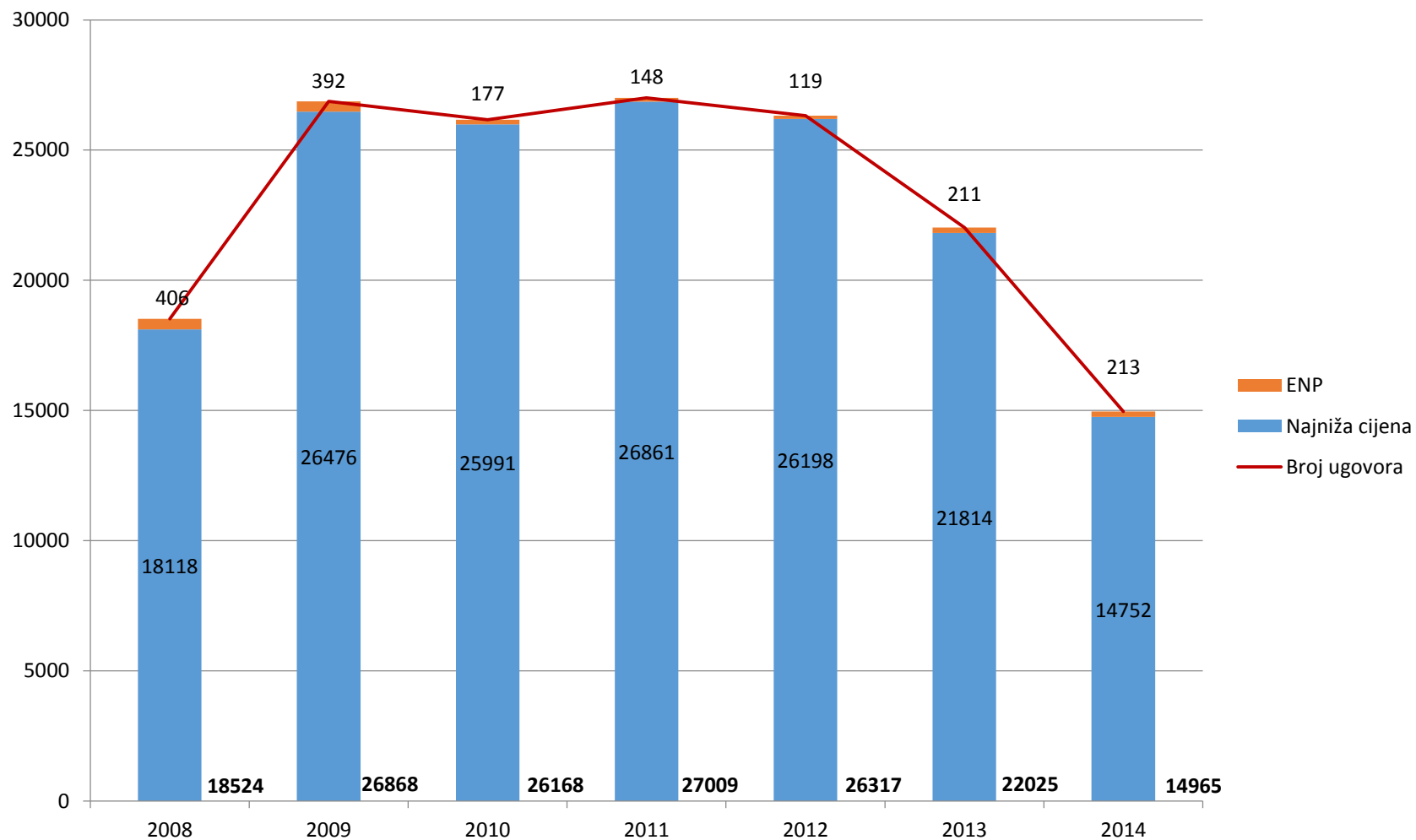
- 2013. – 22.025 contracts
- 2014. – 14.965 contracts

	2013.	2014.
Works	18%	15%
Goods	52%	54%
Services	30%	31%

- **Award criteria:**

- Lowest price – more than 99%
- MEAT – less than 1%

Award criteria





New EU directives

- **Directive 2014/24/EU on public procurement**
- **Directive 2014/25/EU on procurement by entities operating in the water, energy, transport and postal services sectors**
- ***Directive 2014/23/EU on the award of concession contracts***

Practical experience, issues and challenges



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- **Over-regulation**
- **Interpretation of provisions**
- **Low application of MEAT criterion**
- **Project management and execution of contracts issue**
- **Decision-making issue**
- **Perception of public procurement**
- **Fear**



Transposition Plans

- **Drafts – Q4 2015.**
- **Adoption – Q1 2016.**

- **Simplification**
- **Flexibility and efficiency**
- **Education**

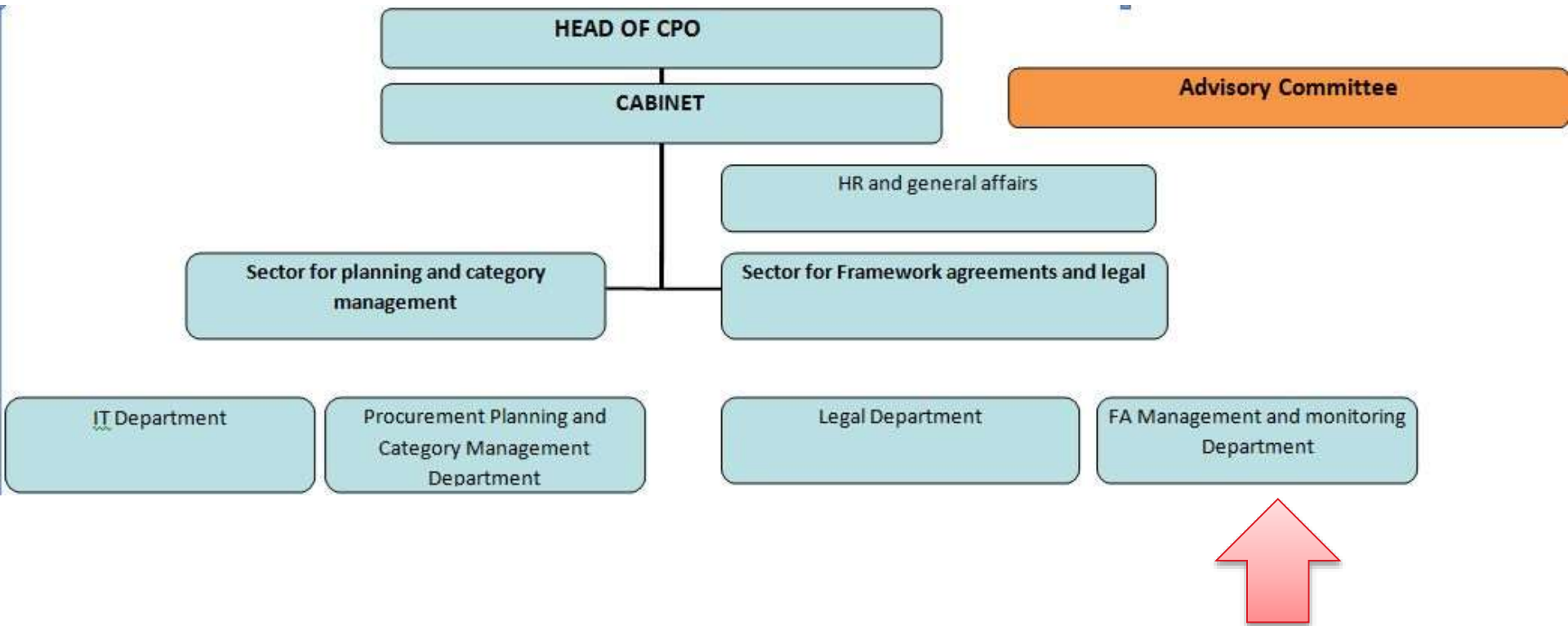


Useful links

- PP Portal – <http://www.javnanabava.hr/>
- SCSPPP– <http://www.dkom.hr/>
- EPPC – <https://eojn.nn.hr/Oglasnik/>
- CPB – <http://www.sredisnjanabava.hr/>
- MoF – <http://www.mfin.hr/>



Organization of CPB





Framework Agreements Management and Monitoring Department

- Execution of FA and contracts
- Plan for managing FA
- Coordination with key CA and suppliers
- Database of concluded FA and contracts
- Continuously analyses results of CPB
- Involved in composing of public procurement strategy of CPB



FA Management and Monitoring Department

- Execution of FA and contracts
 - Oversight of CA using FA
 - Responsible person to oversee the FA form CPB
 - Interpret the FA terms and conditions to help CA
 - Periodic meetings with customers and suppliers



FA Management and Monitoring Department

- Plan for managing FA
 - Complex framework agreements
 - Several suppliers
 - Complete (all terms fixed)
 - Incomplete (not all terms laid down)
 - Organising informative events for CA
 - Providing guidance for customers and suppliers on how to use the FA



FA Management and Monitoring Department

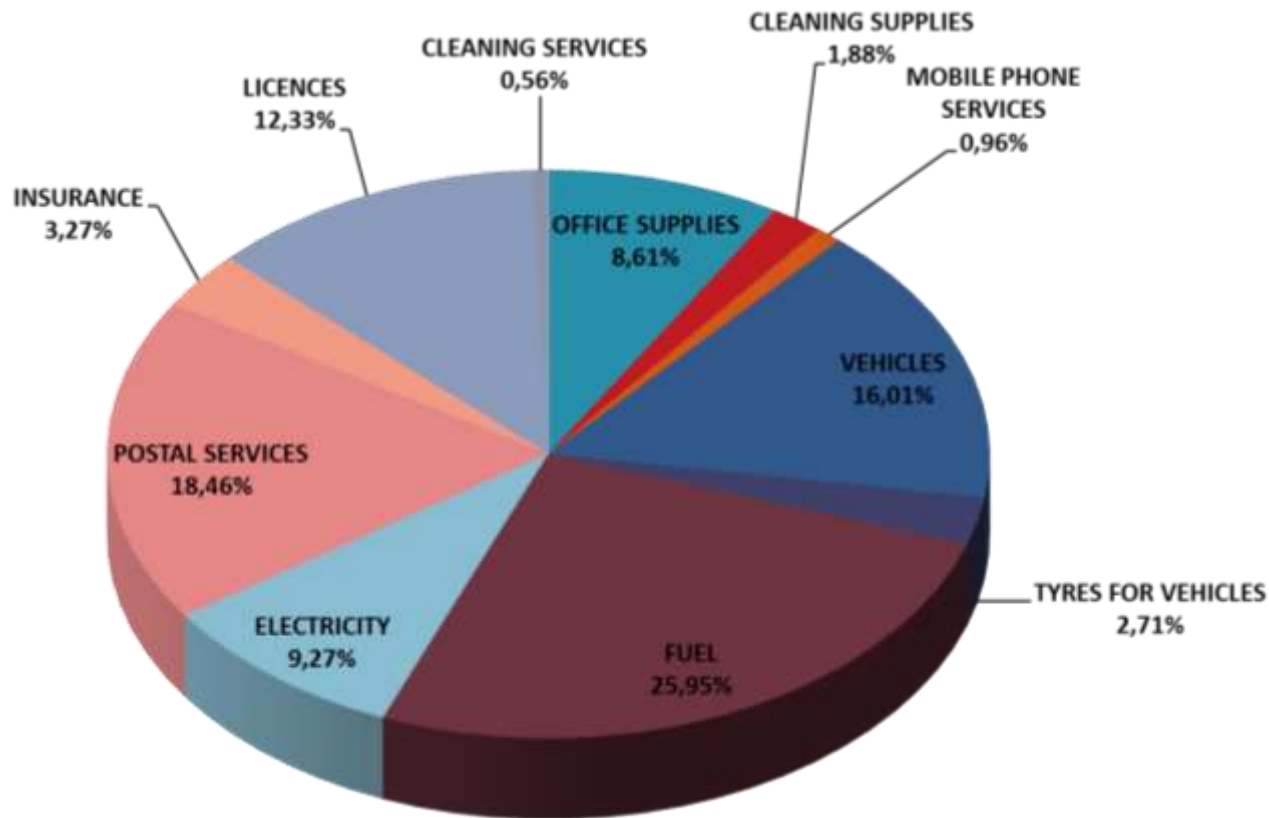
- Database of concluded FA and contracts

Total number of framework agreements or contracts	133
Number of currently active FA or contracts	47
Current number of vendors	49
Number of inactive FA or contracts	86
Total value of all current FA (in HRK, without VAT)	1.367.232.450
Number of appeals in 2013 and 2014 (15 rejected, 9 dismissed, 1 withdrawn, 6 canceled decisions)	29 <i>(in 11 procedures)</i>



FA Management and Monitoring Department

- Analyse results of CPB





FA Management and Monitoring Department

- Public procurement strategy of CPB
 - Outcome of analysis
 - Depends on categorie
 - Inculdes data of number of CA that will use FA
 - Is defined in the existing legal framework



Further development of the central procurement in Croatia – perspectives

- E-submission / MEAT criteria /GPP
- Revision of procurement categories
- Admin. strengthening DUSJN + IT segment
- Establishment of Advisory Committee
- Further professionalisation and specialization
- Emphasis on customer relations and communication strategy
- Propose Model for market-based financing (mandatory and voluntary users)



Thank you for your attention