Improving public procurement system in Albania

REFORMS AND VISION

PROCUREMENT INNOVATION AND STRATEGY

The 14th Procurement, Integrity, Management and Openness Forum

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Public Procurement Agency
IMPROVING PUBLIC PROCUREMENT SYSTEM-OBJECTIVES

- Increase transparency in public procurement
- Reduce the number of negotiated procedures without prior publication
- Ensure an independent and efficient review body
- Improve procurement planning
- Improve contract implementation
Improving Public Procurement System - Objectives (Cont.)

- Improve PPA performance and capacities
- Reducing administrative burden and facilitating the process for the CAs and OEs
- Increase use of Framework Agreements
- Improve electronic procurement system
- Increase capacities within the contracting authorities
IMPROVING PUBLIC PROCUREMENT SYSTEM-MEASURES

- Public Procurement Law amended (law 47/2017)
- Improvement of the secondary legislation
  - Public procurement rules updated
  - New PPA instructions adopted
  - New set of standard tendering documents adopted
  - PPA recommendations and notifications issued
- Electronic procurement system upgraded
New independent review body (PPC) established-(Law 47/4017 amending PPL):

- PPC Chair and members will be nominated by the Parliament upon proposal on the CoM following a specific selection procedure;
- PPC Organisational structure and Budget shall be adopted by the Parliament;
- Internal rules of procedure shall be prepared and adopted by PPC itself;
- PPC reports annually to the Parliament.
Limiting the use of the procurement procedure with negotiation without prior publication of the contract notice, as provided by the procurement law (Instruction no. 2/2018):

- The possibility to use the above procedure for extension of contracts to cover the needs at the beginning of the year has been abolished. Exception provided for 2018 allowing the Contracting Authorities to conclude extension of contracts for the beginning of the year which have to be included in the forecast/planning register.
- Conducting the procedure electronically using the Electronic procurement platform.
- Before the conduction of the procedure, it shall be included in the forecast register declaring the reasons for which it is necessary to use such procedure.
IMPROVING PUBLIC PROCUREMENT SYSTEM - ACHIEVEMENTS (CONT.)

Published contracts with negotiations without prior publication

No. contracts

Jan-17: 754
Jan-18: 12
Published contracts with negotiation without prior publication

- Total Value

Jan-17: 685,623,344
Jan-18: 39,345,842
Centralised procurement for efficient use of public money.

- Obligation for the CPB to use Framework Agreements, in order to fully cover the CAs needs for goods and services at any time;
  - 5 Framework Agreements published by CPB

- Obligation to delegate procurement procedures to the CAs with better administrative capacities in procurement.
Framework Agreements

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<thead>
<tr>
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<th>Dec-17</th>
<th>Jan-18</th>
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<tbody>
<tr>
<td>Framework Agreements</td>
<td>25</td>
<td>122</td>
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<tr>
<td>Security Services</td>
<td>19</td>
<td>88</td>
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### Framework Agreements

<table>
<thead>
<tr>
<th></th>
<th>Total 2017</th>
<th>Jan-18</th>
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<tbody>
<tr>
<td>Framework Agreements</td>
<td>61</td>
<td>122</td>
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<td>Security Services</td>
<td>19</td>
<td>88</td>
</tr>
</tbody>
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Improving procurement planning (Instruction no.1/2018)

- Electronic registers:
  - Introduced for the first time the Electronic Registers for Procurement Forecast and Realisations;
  - Obligation of the CAs to submit the Procurement Forecast Register electronically in the Electronic Procurement System;
- Earlier planning: Obligation of the CAs to submit the register within 10 days from the approval of the budget;
Increased accountability: No possibility for CAs to initiate procurement procedures that are not previously included in the Forecast Register;

- Any change in the activities included in the Procurement Forecast Register during the year shall be duly justified by the CAs;

- Encouraging contracting authorities to publish procurement notices as early as possible;
### Planned Registers

**Call Procedure For Tender:** Blerje medicamente

- **Contracting Authority:** Qendra Shpallitore XHAFER KONGOLI Elbasan
- **Source Fund:** | Limit Fund: 193,303.00 Lekë
- **Published On:** 29-01-2018 | Time: 16:25 | **Year:** 2018 | **Development time:** Jener | **CPV Code:** 33600000-6 - Prodha farmaceutike | **Procedure Type:**
- **Is Cancelled:** No

**Call Procedure For Tender:** Blerje medicamente

- **Contracting Authority:** Qendra Shpallitore XHAFER KONGOLI Elbasan
- **Source Fund:** | Limit Fund: 672,586.10 Lekë
- **Published On:** 29-01-2018 | Time: 16:25 | **Year:** 2018 | **Development time:** Jener | **CPV Code:** 33600000-6 - Prodha farmaceutike | **Procedure Type:**
- **Is Cancelled:** No

**Call Procedure For Tender:** Blerje medicamente

- **Contracting Authority:** Qendra Shpallitore XHAFER KONGOLI Elbasan
- **Source Fund:** | Limit Fund: 916,607.49 Lekë
- **Published On:** 29-01-2018 | Time: 16:25 | **Year:** 2018 | **Development time:** Jener | **CPV Code:** 33600000-6 - Prodha farmaceutike | **Procedure Type:**
- **Is Cancelled:** No

**Call Procedure For Tender:** Blerje medicamente

- **Contracting Authority:** Qendra Shpallitore XHAFER KONGOLI Elbasan
- **Source Fund:** | Limit Fund: 1,106,470.86 Lekë
- **Published On:** 29-01-2018 | Time: 16:25 | **Year:** 2018 | **Development time:** Jener | **CPV Code:** 23000000-6 - Prodha farmaceutike | **Procedure Type:**
- **Is Cancelled:** No

**Call Procedure For Tender:** Blerje medicamente

- **Contracting Authority:** Qendra Shpallitore XHAFER KONGOLI Elbasan
- **Source Fund:** | Limit Fund: 1,260,417.00 Lekë
- **Published On:** 29-01-2018 | Time: 16:25 | **Year:** 2018 | **Development time:** Jener | **CPV Code:** 23000000-6 - Prodha farmaceutike | **Procedure Type:**
- **Is Cancelled:** No
IMPROVING PUBLIC PROCUREMENT SYSTEM-ACHIEVEMENTS (CONT.)

![Bar chart showing achievements in Jan-17 and Jan-18 for different categories: Negotiations, Framework Agreements, Procurement Notices, and Small Value.](chart.png)

- **Negotiations**: Jan-17: 754, Jan-18: 12
- **Framework Agreements**: Jan-17: 5, Jan-18: 122
- **Procurement Notices**: Jan-17: 352, Jan-18: 311
- **Small Value**: Jan-17: 852, Jan-18: 352
Improved monitoring:

- Proactive role of the PPA with regard to providing assistance to CAs and coordinate their activities before publishing the procurement procedures;
  - PPA acts October 2017-January 2018:
    - 18 Notifications for the CAs;
    - 3 Recommendations;
    - 8 Instructions;
    - 7 Decisions and Standard Tendering Documents sets.
- Establishment of the network for responsible persons for procurement procedures within the CAs;
- Obligation of the CAs to report to PPA regarding contract implementation through the responsible persons;
- A new coordinating mechanism between PPA and Anticorruption Department has been established.
Simplification and facilitation:

- Introduction of the self-declaration format reducing the number of required documents to be submitted by the EOs;
  - 5 documents have been omitted

- Increased possibilities for SMEs to participate in procurement procedures;
  - Reducing the amount of the annual turnover required form 100% to 40-50% of the limit fund;
  - Introduction of the mobile application for iOS and Android operating systems regarding the small value procurements.

- Possibility for the foreign Eos to submit offers in English in the international procedures;

- Exclusion from the procurement procedures of the purchases under 100,000 ALL.
Improving Public Procurement System-Achievements (Cont.)

- Introduction of the Dynamic Purchasing System for the air transport tickets;
- Preparation of a training plan for 2018;
- Streamlining of the procurement procedures regarding the security services (PPA-PPC Joint Recommendation);
- Re-engineering of the electronic procurement system;
  - Introduction of the CPV codes;
  - Business continuity functionality;
IMPROVING PUBLIC PROCUREMENT SYSTEM-CHALLENGES AHEAD

- Improve further the public procurement legislation in line with EU directives and relevant recommendations given by International bodies i.e. EU Commission, SIGMA, World Bank, EBRD etc.;
- Increase the number of PPA staff and relevant capacities;
- Improve administrative capacities regarding procurement within the CAs;
Minimise the number of the procedures without prior publication of the contract notice;
• Increase the use of Framework Agreements;
• Ensure proper implementation of contracts;
Improving Public Procurement System - Challenges Ahead (cont.)

- Provide continuous assistance and guidance to the CAs;
- Minimise the changes on the procurement planning registers;
- Timely implementation of the procurement procedures in order to achieve timely and qualitative management of the public funds.
Thank you!