

This publication has been prepared as part of the project "Increasing the integrity in public procurement", implemented by the Institute for Development and Social Initiatives (IDIS) "Viitorul", in partnership with the Partnership for Transparency Fund (PTF).

The newsletter was prepared with the financial assistance of the Transparency Partnership Fund. The content is the sole responsibility of IDIS "Viitorul" and the opinions of individual contributors to this newsletter do not necessarily reflect the views and policies of IDIS "Viitorul" and PTF.

# MONITORING MOLDOVA'S PUBLIC PROCUREMENT

Newsletter no. 2 (September 2021)

## CONTENTS

### 2 | NEWS

IDIS "Viitorul" will implement a capacity building program in the field of public procurement monitoring

### 4 | LEGISLATION

Energy, water, transport, and postal services procurement law has entered into force

### 5 | POLICY ANALYSIS

Low-value public procurement: between transparency and efficiency

### 8 | INTERVIEW

SABINE ENGELHARD: "Weak procurement management and unfamiliarity with the legal framework hinder the efficiency of public procurement in Moldova"

### 11 | DATA

The top contracting authorities according to the value of contracts awarded, and the top companies that have won the largest public procurement contracts

## EDITORIAL

# THE DIGITAL BUSINESS INTELLIGENCE ANALYSIS MODULE ALLOWS THE EFFICIENCY OF PUBLIC PROCUREMENT PROCESSES



**Diana ENACHI,**  
*IDIS "Viitorul" expert*

Access to open data and data analysis tools on public procurement is essential, both for civil society in the monitoring process and for regulators who can use the information to generate statistical reports and develop data-driven policies. The development strategy of the public procurement sector for the years 2016-2020 led to the implementation of the new electronic procurement system and the implementation of the analytical module to allow the analysis of data

on procurement. However, the analytical data module (Business Intelligence module) on public procurement was only recently implemented in April 2021.

This tool allows the analysis of data on public procurement carried out electronically through MTender, including the value of procurement and contracts awarded by any authority, analysis and comparison of purchase prices for goods, services and works procured, and information on companies that have contracts with the state. Ideally, the approval of the new Regulation on low-value procurement and the transition to an electronic format will allow monitors to improve national statistics on public procurement and thus find easier solutions to identifying and minimizing risk indicators, and streamlining procurement processes at the level of all contracting authorities.

## IDIS "VIITORUL" WILL IMPLEMENT A CAPACITY BUILDING PROGRAM IN THE FIELD OF PUBLIC PROCUREMENT MONITORING

» The Institute for Development and Social Initiatives (IDIS) "Viitorul", in partnership with the Partnership for Transparency Fund (TFP), will soon begin implementing a new capacity-building program in the field of public procurement monitoring. The training program is part of the "Increasing the integrity in public procurement" Project implemented by the Institute for Development and Social Initiatives (IDIS) "Viitorul", in partnership with the Partnership for Transparency Fund (TFP).



The program includes 12 training modules consisting of 24 sessions, which will take place between October 7, 2021, and December 17, 2021. The program is an excellent opportunity to acquire new skills and knowledge, to identify partners who share your visions, and to learn from other experiences. The training program will involve national and international experts with extensive experience in the field of public procurement.



*The program has*

**THE FOLLOWING OBJECTIVES:**

- 1. ADEQUATE STRENGTHENING** of the capacities of civil society organizations (CSOs) and journalists from the Republic of Moldova for the task of carrying out an efficient activity in the field of public procurement monitoring.
- 2. TRAIN** Moldovan CSOs and journalists on how to appropriately monitor procurement processes by making use of the e-procurement system.
- 3. ENSURING** that findings and recommendations resulting from credible and professional monitoring conducted by CSOs/journalists are taken seriously and acted upon by contracting entities, contractors and government oversight, and law enforcement entities, including the National Anti-Corruption Center.

*What are*

**THE TOPICS OF THE MODULES?**

- Introduction to the importance and principles of monitoring public procurement.
- The legal and institutional framework in matters pertaining to public procurement.
- The public procurement process (pre-tender stage and tender stage).
- The remedy system: legal framework & complaints against the procurement procedure.
- Transparency in public procurement; access to data & protection of personal data.
- Conflict of interests and corruption in procurement.
- Competition and anti-competitive agreements in public procurement.
- Public procurement monitoring tools: the "red flags" and other tools.
- Post-monitoring actions: advocacy and notification of responsible authorities.
- Engaging in effective procurement monitoring & building a sustainable monitoring strategy.

Upon completion of the program, its beneficiaries will receive certificates of participation. The participants in the training program (registered organizations/institutions) will subsequently have the opportunity to apply for a sub-grant program that will be implemented within the same project to support participants carrying out public procurement monitoring activity.

Source: [www.viitorul.org](http://www.viitorul.org)

## ENERGY, WATER, TRANSPORT, AND POSTAL SERVICES PROCUREMENT LAW HAS ENTERED INTO FORCE

» On June 26, 2021, the Republic of Moldova's Ministry of Finance announced that a [new law governing procurement in the energy, water, transport, and postal services sectors](#) has entered into force. Law 74/2020 stipulated that contracting entities and authorities are to apply its provisions when making purchases of goods, services, and works for their respective needs.

In this context, this law applies to contracts for the purchase of goods, works, or services in the energy, water, transport, and postal services sectors. Exceptions to the law include contracts for which the estimated value, excluding value-added tax, is equal to or greater than the following thresholds:

- **800 000 lei** for the procurement of goods and services, as well as for competitions of solutions
- **2 000 000 lei** for the procurement of works
- **1 000 000 lei** for procurement contracts for social services and other specific services listed in annex no. 2
- If the international treaty to which Moldova is a party establishes other norms than those provided by this law, the norms of the international treaty shall apply.
- The sectoral procurement contracts whose estimated value, without the value-added tax, does not exceed the thresholds mentioned above are regulated by the government.



According to the document, the law that has entered into force partially transposes Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport, and postal services sectors and repealing Directive 2004/17/EC, published in the Official Journal of the European Union L 94 of 28 March 2014, as amended by Commission's Delegated Regulation (EU) 2017/2364 of 18 December 2017 amending Directive 2014/25 / EU of the European Parliament and of the Council as regards the application of upper limits and cost thresholds to regulate the awarding of public procurement contracts.

Source: [www.mf.gov.md](http://www.mf.gov.md)



## LOW-VALUE PUBLIC PROCUREMENT: BETWEEN **TRANSPARENCY** AND **EFFICIENCY**

» According to the legislation on public procurement, the public procurement of goods and services with an estimated value of up to 200,000 lei (excluding VAT) and public procurement of works with an estimated value of up to 250,000 lei (excluding VAT) represent “low-value procurements.” The current thresholds for low-value procurements were introduced in October 2018 by amending the public procurement law no. 131/2015 (Law no. 169 of 26.07.2018). Thus, this new legislation marks a significant increase in the value thresholds—more than doubled, from 80,000 lei to 200,000 lei for the procurement of goods, and from 100,000 lei to 250,000 lei for public procurement of works.

The difference between low-value procurements and those that exceed the value thresholds mentioned above lies in the different regulations for each. While strict rules of transparency and publicity are stipulated for high-value procurement, the rules are much more flexible for low-value procurements. For example, low-value procurements do not need to be carried out electronically. Without this regulation, the contracting authority has the discretion to decide whether it will use the electronic system and publish the contract notice, the awarding documentation, the awarding notice, etc. Therefore, it is permitted to award a low-value procurement contract directly to a particular economic operator, facilitating a lack of transparency in low-value procurement procedures.

Moreover, there are no current, official statistics showing the value of low-value contracts and their share in the total public procurement carried out nationally by all authorities. As a result, a significant share of public money is used in a non-transparent manner, inefficiently, and in a way that introduces the risk of fraud and corruption. The available statistics on low-value public procurement procedures and contracts do not contain data and information on low-value procurement that would allow their effectiveness to be assessed and evidence-based policies to be developed. Approximately 9 billion lei from public budgets were employed in the public procurement system in 2020, but this number does not reflect the low-value procurement contracts, meaning a significant share is unaccounted for.

Procurements with a value that exceeds the aforementioned thresholds are regulated by the Law on public procurement no. 131/2015. Although the new thresholds, but also other changes, came into force in October 2018, the Regulation on low-value procurement, approved by Government Decision no. 665/2016 (currently in force) has not yet been updated, generating contradiction, confusion, and the arbitrary application of legal rules on the side of contracting authorities.

Only recently, in June 2021, the Republic of Moldova's Ministry of Finance drafted and published a new draft Regulation on low-value procurement for public consultation. The project transposes the changes operated to Law 131/2015 which stipulates the new value thresholds. However, there are other legislative novelties that have a great potential to increase the transparency and efficiency of the use of public money, but also to reduce the current risks related to low-value procurement contracts. These refer to:



**AN INTRODUCTION of the obligation to initiate public procedures through the electronic system for procurements exceeding the value of 30,000 lei (excluding VAT), with exceptions (including the procurement of services provided by individuals who are not entrepreneurs; or cases in which a single economic operator has the necessary goods, works, and services, and there is no alternative). However, the authorities are obliged to publish the information through the awarded contracts for the above-mentioned exceptions.**

This obligation to use the electronic system has generated resistance from contracting authorities, especially those at the local level whose procurements are mainly low-value.

It is true that one of the major problems in the system is the lack of qualified specialists among local contracting authorities. However, this is an opportunity to develop and use tools provided by law, such as the association between authorities, the appeal to the central procurement authority, or the contracting of a procurement service provider. It should be noted that the authorities are in the process of drafting the Regulation on the certification of public procurement specialists.



*The new Regulation on low-value public procurement brings a number of changes that have a great potential to increase transparency and efficiency in the use of public money. The new rules will help reduce the current risks associated with low-value procurement contracts.*

**THE APPLICATION** of the regulation for the award of low-value contracts by contracting entities, according to the Law on procurement in the energy, water, transport, and postal services sectors no. 74/2020 (in force since June 27, 2021).

**CLARIFICATION** of a gap in the application of the awarding criteria in the current regulation. This gap generates misinterpretations, such as the exclusive use of the lowest price criterion for the award of small contracts. The draft clarification specifies this aspect, explicitly stipulating that the authority has the right to apply one of the four awarding criteria provided by the law: the lowest price, the lowest cost, the best value for money, and the lowest quality-cost ratio.

In the case of the low-value procurement procedures, the European Single Procurement Document (ESPD) **IS NOT REQUIRED**, which indicates that the procedure is simplified compared to other procedures that are conducted electronically, such as the RPQ and the open tender.

**THE OBLIGATION** to conduct the electronic auction which, on one hand, will reduce the risk of artificially increasing the estimated value of the purchase, consequently reducing the fraudulent use of public money. On the other hand, it can create difficulties for contracting authorities, namely in the case of the procurement of works.

**KEEPING** the minimum deadline for submission of tenders, meaning the period from the start of the procurement until the deadline for submission of tenders will be at least three days. This demonstrates that low-value procurement procedures conducted electronically will not generate difficulties and delays in the process of contracting the goods/services and works required by public authorities.

**CARRYING OUT** low-value purchases through the electronic system involves a fee for economic operators amounting to 50 lei for submitting bids (for the authority, the use of the electronic system, similar to other procurement procedures, does not involve fees).

In conclusion, although there is resistance from the authorities, the draft of the new Regulation on low-value public procurement brings a number of changes that have a great potential to increase transparency and efficiency in the use of public money. The new rules will help reduce the current risks associated with low-value procurement contracts and will allow the evaluation of the efficiency of the use of public money, as well as a more rigorous control, both by the competent bodies and civil society.

*Author: Diana Enachi,  
public procurement expert at IDIS "Viitorul"*

SABINE ENGELHARD:

## "WEAK PROCUREMENT MANAGEMENT AND UNFAMILIARITY WITH THE LEGAL FRAMEWORK HINDER THE EFFICIENCY OF PUBLIC PROCUREMENT IN MOLDOVA"

» The national public procurement system of the Republic of Moldova faces a number of problems caused by the low degree of transparency and lack of competition in the procurement market, as well as a low level of compliance with the legal and institutional frameworks.

*How is the legal framework governing the public procurement system in Moldova today? Sabine Engelhard\*, project adviser at the Partnership for Transparency (PTF) describes the main legislative gaps that hinder the efficient conduct of public procurement in Moldova and what actions should be taken to address them.*

**Ana-Maria Veverita: What do you think about the legislative framework that regulates the public procurement system in Moldova?**

**Sabine Engelhard:** Moldova's legal framework has gone through a number of changes and adjustments in recent years in order to bring it closer to the European Union (EU) framework, in accordance with the country's obligations under its association agreement with the EU. The legal framework contains some of the essential elements of a modern public procurement framework but additional alignment, particularly at the level of regulations is still needed to meet



EU requirements. In terms of legal framework coverage, this could be enhanced in areas such as (but not limited to) the regulation of state-owned and municipality-owned enterprises. Also, while the public procurement law offers the choice of a large number of procurement procedures and evaluation criteria, the e-procurement system (MTender) does not support all of them yet. The use of framework contracts is also limited which is an impediment to making public procurement more effective and achieving value for money.

**AMV: To what extent do you believe the provisions of the legislation in the field of public procurement in the Republic of Moldova are applied?**

**SE:** It is my impression that monitoring and, consequently, enforcement can be uneven at the level of Contracting Entities and the Procurement Regulatory Agency (PPA), while the



Agency for the Resolution of Complaints seems to be in a better position when it comes to the application of its decisions.

**AMV: What do you think are the main legislative gaps that hinder efficient public procurement?**

**SE:** While there are some legislative gaps as mentioned earlier, my impression is that the issues are more at the level of lack of familiarity with the existing legal and regulatory framework, poor procurement practices, inadequate bidding documents, weak procurement planning and execution, weak contract management, and scarce data availability and collection. Another aspect of the public procurement law which is not always considered by Contracting Authorities is the right for civil society organizations (CSOs) to participate in procurement working groups (evaluation committees). If implemented consistently by the Contracting Authorities, this somewhat unique feature could play an important role in facilitating the monitoring role of CSOs in public procurement. Issues pertaining to lack of transparency, cumbersome processes, and limited trust in public procurement because of fear of unethical practices (i.e. fraud, corruption, collusion, bribery...) limit participation of the economic operators (EOs) in public procurement proceedings and result in higher prices being paid by the government and probably lesser quality goods and services. All of these factors contribute to hindering efficient public procurement and the achievement of Value for Money. Not having all the requirements of the public procurement law supported in MTender is also a major impediment to the efficiency and transparency of the Moldovan public procurement system. In that connection, among other things it is worth noting that signed contracts are not published in MTender and neither are their amendments. This renders effective monitoring by CSOs or investigative journalists at the stage of contract implementation quite difficult. Additionally, existing legislation could be complemented by the introduction of ethical

standards which, if implemented, would increase the trust of EOs in the system, boosting their participation in the public procurement market. This long process starts with training and dialogue which are an integral part of our project. The next step could be business associations and Contracting Authorities agreeing on ethical standards to be implemented through integrity pacts on a pilot basis. These pilots, if successful, could lead the way for broader adoption and enforcement of ethical standards. Competent, properly trained, and carefully selected CSOs could act as trusted partners/monitors in the implementation of these standards. For many of the shortcomings discussed—beyond changes in the legal, regulatory, or institutional frameworks—consistent enforcement of existing rules could already bring substantial improvements to the operation of the public procurement system.

**AMV: Why do you think these gaps exist?**

**SE:** I believe that the issues identified as hindering efficient public procurement are probably due in no small part to the fact that the procurement function in Moldova has not undergone a professionalization process yet. These shortcomings also result from a lack of adequate means in terms of skills, staff, and funding in some of the entities involved in procurement and procurement-related functions. The procurement training program which is currently funded by the US Department of Commerce (CLDP) will allow strengthening capacities in these areas, and the resulting certification of professionals will make the role of procurement specialist more attractive as a career track. Professionalization coupled with measures aimed to introduce ethical standards should result in a more efficient and effective public procurement environment.

**AMV: What would you recommend for improving the legal framework in the field of public procurement in Moldova?**

**SE:** Continuing to bring the primary procurement legislation in line with EU requirements

and revising secondary legislation as needed. Improving the existing legal framework will also require ensuring that the MTender e-procurement system fully meets the requirements of the public procurement law. Simplifying standard procurement documents could also increase participation by economic operators and achievement of Value for Money. Availability and publication of all procurement documentation on a central website in a machine-readable format could also contribute to added transparency in the process. Considering the introduction and application of ethical standards as mentioned before could also have a positive effect on the system.

**AMV: When, do you think, the public procurement process in Moldova could be "changed"? How long would it take?**

SE: Although the system is relatively young, it has already undergone numerous modifications. Like any modern procurement system, it will continue to change as discussed. For instance, it will embrace innovations in procurement and the use of new technologies (i.e., blockchain, predictive analysis...) based on the needs of the country and the vision of the government as expressed in its Second Strategy for Public Procurement. Rather than being „changed,“ I think that what we will see is the system evolving.

**- Thank you for the interview!**

**For compliance,  
Ana-Maria Veverita**

\*\*\*

*This interview is part of the project "[Increasing the integrity in public procurement](#)". It is implemented by Institute for Development and Social Initiatives (IDIS) "Viitorul", in partnership with the Partnership for Transparency (PTF). The project aims to support procurement reforms in Moldova that will increase transparency and fairness of public procurement through empowering citizens to hold relevant institutions accountable. This will be accomplished through training civil society organizations to serve as watchdogs by monitoring public procurement.*



\* SABINE ENGELHARD is a lawyer specializing in procurement whose career focus has been in international development, capacity building, and governance-related issues. She held various senior positions at the Inter-American Development Bank (IDB). She also worked at the World Bank, with a prominent international law firm, and headed the Washington office of an international consulting firm.

Sabine has advised governments in Africa, Eastern Europe, the ex-Soviet Union, Latin America, and the Caribbean on legal and institutional aspects of procurement reform. She has been involved in high-profile initiatives with the World Trade Organization (WTO) and the Organisation for Economic Cooperation and Development (OECD) to strengthen country procurement governance.

Today Ms. Engelhard consults for different international organizations. She is an independent expert with the United Nations (UN) Award-Review Board, advising on procurement challenges resolution. She is a course advisor and a lecturer at the International Law Institute (ILI) in Washington DC, and lectures in the Procurement Master's Program of the International Training Center of the International Labour Organisation (ITC/ILO) in Turin, Italy. She holds master-level and post-graduate degrees in Law, International Relations, and European Studies.

# THE TOP CONTRACTING AUTHORITIES ACCORDING TO THE VALUE OF CONTRACTS AWARDED, AND THE TOP COMPANIES THAT HAVE WON THE LARGEST PUBLIC PROCUREMENT CONTRACTS



» According to data from the January 2019 to July 2021 analytical module of public procurement, the State Enterprise State Road Administration ranks first in the top of public authorities in terms of the total value of procurement contracts awarded. In the time period assessed, the State Road Administration (SRA) awarded more than half (56.2 percent) of the total public procurement contracts. The total value of the awarded contracts amounts to about 4.5 billion lei. The SRA carried out 341 public procurement procedures, as a result of which it awarded 229 contracts.

Trailing behind SRA in **second place** is the Chişinău City Hall, which, in the analysed timeframe, awarded procurement contracts totalling 2.4 billion lei, holding almost one-third of the total value of awarded procurement contracts

(about 30 percent). In total, the Chişinău City Hall conducted 3 772 public procurement procedures, and awarded 13,073 procurement contracts. In Chişinău, there are 99 entities that have the role of contracting authority and,

therefore, are responsible for organizing their own public procurement procedures (municipal departments, municipal enterprises, and other subordinated institutions).

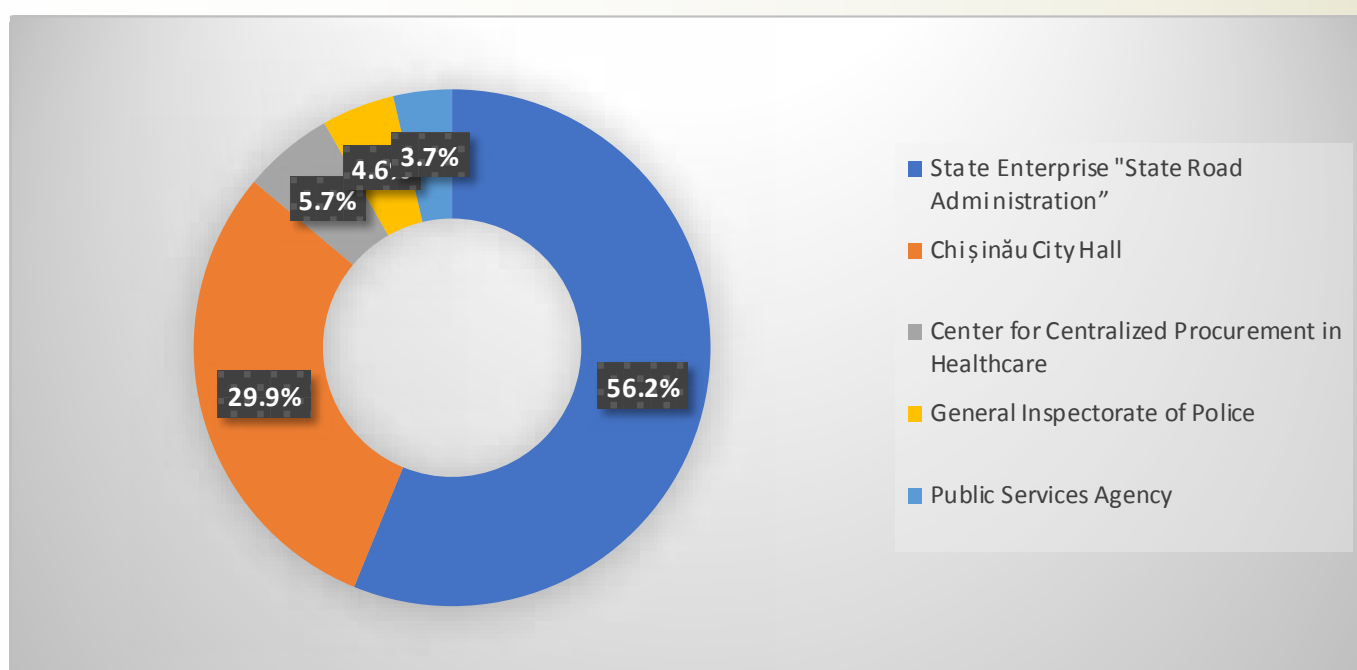
**Third** on the list is the Center for Centralized Public Procurement in Healthcare, which awarded, between 2019 and 2021, 1,300 procurement contracts with a total value of 450 million lei, and holding a share of 5.7 percent of total awarded contracts.

The General Inspectorate of Police (GIP) and the Public Services Agency (PSA) are in **fourth** place and **fifth** place respectively. The GIP has awarded contracts in the total amount of about 362 million lei, and the Public Services Agency in the amount of 290 million lei.

In total, the five authorities that have the most voluminous procurement contracts have awarded procurement contracts with a total value of almost 8 billion lei.

	AUTHORITY	VALUE OF AWARDED CONTRACTS, LEI
1	State Enterprise "State Road Administration"	4.459.176.693
2	Chişinău City Hall	2.373.086.694
3	Center for Centralized Procurement in Healthcare	450.005.961
4	General Inspectorate of Police	362.518.864
5	Public Services Agency	290.782.299
	<b>TOTAL</b>	<b>7.935.570.511</b>

**TOP CONTRACTING AUTHORITIES ACCORDING TO THE VALUE OF PUBLIC PROCUREMENT CONTRACTS awarded between January 2019 - July 2021**



Source: The data analytical module of public procurement, <https://bi.open-contracting.org/moldova>



## PROCUREMENTS WORTH 1.3 BILLION LEI CONDUCTED BY THE MINISTRY OF INTERNAL AFFAIRS

» An external public audit, conducted from 2019-2020, determined that the contracting authorities subordinated to the Ministry of Internal Affairs conducted public procurements amounting to 1364.2 million lei, including 124.0 million lei dedicated communal services, which are exempted from the limits imposed by Law 74/2020 on public procurement.

On September 10, 2021 the Court of Accounts held a hearing to examine the Audit Report on the compliance of public procurement carried out under the Ministry of Internal Affairs (MIA) in 2019-2020. The audit aimed to assess the conformity of public procurement in the MIA system with the provisions of the applicable normative-legal framework. The external public audit mission collected audit evidence from 12 contracting authorities, which are part of the MIA-run system, including the Central Apparatus of the MIA.

The Court of Auditors presented a summary of the findings and conclusions of the audit, focused not only on the actual non-conformities, but also their causes and impact.

### FINDINGS FROM THE EXTERNAL PUBLIC AUDIT:

- THE INTERNAL REGULATORY FRAMEWORK for the functioning of the public procurement working groups from 10 of the 12 audited contracting authorities has not been modified. It would be strengthened by clearly defining and dividing tasks, functions, and responsibilities among the members of the working group. Further, four entities did not outline the operational processes regarding public procurement, and the risk registers have not been drafted or updated.
- THE PRINCIPLES REGARDING the substantiation of real needs and those related to

transparency were not fully respected at the public procurement planning stage.

- **EVEN WITH PROCUREMENT PLANS**, ten of the audited contracting authorities did not revise those plans at the stage of budget changes by taking into account the increase or decrease of allocations and did not publish them in the established way. This resulted in a distortion of the value of procurement plans by about 170.0 million lei.
- **DESPITE THE BUDGET CHANGES**, 11 contracting authorities did not capitalize on the 221.0 million lei allocated for the procurement of goods, works, and services. Causes for this include the allocation of financial means towards the end of the fiscal year, allocating funds primarily for works, and reduced capacities for the absorption of funds, including from external sources.
- **THE ANALYSIS OF THE EXECUTION** of public procurement by types of procedures shows that in 2020 54.5 percent (432.0 million lei) of the total volume of public procurement took place outside a transparent procurement system.
- **WHEN ORGANIZING PROCEDURES** for procurement of vehicles within the MIA system, there was a lack of standardization across the preparation of awarding documentation. Due to the lack of configuration standards, the car purchases were conducted in an uneven manner across the agencies belonging to the system. A number of working groups of the contracting authorities, not respecting the rules concerning the description of goods, developed restrictive technical specifications referencing a certain car model. This led to the restriction of competition and the acquisition of cars from two affiliated economic operators, with which 12 contracts for the purchase of cars worth 90.0 million lei have been concluded in recent years.



*"The Ministry of Interior, not executing the previous recommendations of the Court of Accounts, did not elaborate or approve standards for supplying its subordinated institutions with means of service transport and operative intervention transport, which could be the basis for justifying the budgetary expenditures for the acquisition of off-road cars with 4x4 traction, which are more expensive, to the detriment of car models with similar technical characteristics, but cheaper, thus missing potential savings worth an amount of 9.8 million lei. For the procurement of 106 cars worth 38.6 million lei, a commercial surcharge of 8.4 million lei was established, which varied from 12% to 144% per singular purchase price, the cause of this being the announcement of the increased estimated value of the public procurement, the lack of competition of offers and the purchase of some cars through intermediaries", states the Court of Accounts.*

Restrictive technical specifications were developed for the purchase of speed radars worth 4.4 million lei, and for breathalyzers worth 1.3 million lei. These restrictions resulted in a process in which only one bidder participated, thus limiting the competition between economic operators. Excessive surcharges amounting to 1.0 million lei—329 percent of the purchase price—was applied to blood alcohol tests. In addition, the CoA found that conducting these purchases through several intermediaries resulted in the loss of potential savings amounting to 0.6 million lei.

The normative framework that regulates the purchase of equipment for employees within the MIA system and provides the basis for preparing the awarding documentation for organizing public tenders provides inconsistent and incomplete information. For example, the audit describes an incident in which a contract was awarded for a fabric purchase, but the contract did not define the name of the fabric and fibrous composition in percentages for the contracting authorities across the system. Thus, 20 types of equipment were purchased for the amount of 11.5 million lei, without the label mentioning the fibrous composition of the fabric in percentages. As a result, it was not clear at the time of purchase that the fibrous composition of the fabric on the label did not correspond to the criteria specified for the winning bid and in the specifications of the concluded contract. Instead, the purchased equipment had a high content of synthetic fibres to the detriment of natural fibres.

The stocks of equipment from the warehouses belonging to four contracting authorities amounts to 49.4 million lei, a value increased by 13.1 million lei compared to the previous year, and thus the budgetary means are being decommissioned for an indefinite period through the creation of unused stocks.

The organization of the procurement procedures for the construction, reconstruction, and capital repairs of the buildings within the MIA system, a total amount of 107.9 million lei, was carried out without regularly assessed projects and general estimates of expenditures.

Another example is the procurement procedure and award of a contract for the purchase of equipment for the construction of the radio network in TETRA for 163.5 million lei. Negotiations on the deal took place without prior publication of a notice of participation, in violation of Law no. 131 on public procurement. This law stipulates that the contracting authority must respect the principles of legality, transparency, competition, and efficiency.

The Republic of Moldova's customs bureau imposed illegitimate surcharges on equipment necessary for the construction of the radio communication network in TETRA. By doing so, the equipment cost 229 percent more than the initial import price, and as a result the final costs of the radio communications network were exaggerated, and the taxpayers paid an extra 24.4 million lei.

At the conclusion of the contracts and the procurement of goods to fight COVID-19 worth 2.0 million lei, nine contracting authorities subordinated to the MIA illegally applied an increased VAT rate of 20 percent to the contracts, instead of the VAT rate of 8 percent for such goods. In the cases of 61 purchases of medical equipment, costs were 0.3 million lei over budget.

The awarding documentation and the results of the procurement procedures regarding the evaluation of the tenders drawn up by seven contracting authorities subordinated to the MIA were challenged at the National Agency for Solving Complaints 72 times. The agency issued 38 decisions (52.8 percent of the total complaints filed), in which the appeals of the operators were admitted or partially admitted. As a result, the working groups were obliged to review their decisions and re-evaluate the bids, or to modify the award documentation according to the legal provisions. Through another 32 decisions adopted (44.5 percent of the total complaints filed) the appeals of economic operators were rejected.

In consideration of all of the above, the Court of Accounts determined that the contracting authorities within the system of the Ministry of Internal Affairs must improve the execution of public procurement procedures in order to increase the transparency and efficiency of the use of public financial means.

Source: [www.jurnal.md](http://www.jurnal.md)