



STIKK

SHOQATA PËR TEKNOLOGJI TË INFORMACIONIT
DHE TË KOMUNIKIMIT TË KOSOVËS

KOSOVO ASSOCIATION OF INFORMATION
AND COMMUNICATION TECHNOLOGY

Public Procurement for ICT in the period JUNE 2009 - JUNE 2012

FINDINGS REPORT

Prishtina, 9/25/2012

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This document summarizes the findings from the analysis of public procurement in the ICT sector, which was commissioned by STIKK and carried out by IQ Consulting. The information contained herein are property of STIKK and may not be distributed to third parties without prior written consent of the owner.

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INTRODUCTION

This study has been commissioned by the Kosovo Association of ICT and it aimed at assessing the influence of the public institutions in the market. The study aside from calculating the total amount of ICT equipment and services procured by public institutions, also aimed at identifying the number of cancellations of procurement procedures and other phenomena that can be identified with regards to this aspect. IQ Consulting was tasked also with the responsibility of identifying particular phenomena pertaining the procurement of goods and services in the ICT sector.

The implementation period for this project has been July –September 2012. The period covered in this analysis is limited to June 2009 – June 2012. The period before and after have not been taken into account for this analysis as per the terms of reference for the project.

METHODOLOGY

In order to achieve these objectives, the IQ Consulting team has utilized a secondary data research approach that is based on the review of the KRPP¹ (Public Procurement Commission) public database of tenders, which encompasses all procurement processes administered by public institutions. All tenders identified, have been input in a database, which was used for analysis purposes. The database has been submitted to STIKK as one of the final deliverables of this project.

The data input in the database have been first checked for accuracy and cleaned from possible errors. Where appropriate, the analysis staff have back-checked the original files in the KRPP database to confirm/negate possible errors/doubts. An overview of the most important findings from the analysis of the ICT tenders' database are presented in this report.

1 Available at <http://krpp.rks-gov.net/Default.aspx?LID=2>

FINDINGS

In the period January 2010 – June 2012, public institutions have procured through public procurement system a total of 28,269,553.97 EUR. Of this amount, Ministries, Office of the Prime Minister and the Kosovo Parliament have administered 7,110,795.99 EUR worth of public tenders. Procurement of municipal authorities of ICT in the period covered by the report has been 1,225,945.59 EUR, while other public institutions (courts, public enterprises, etc), have purchased a total of 19,932,812.39 EUR.

The distribution of tenders according to the authority administering them is presented in figure 1 below.

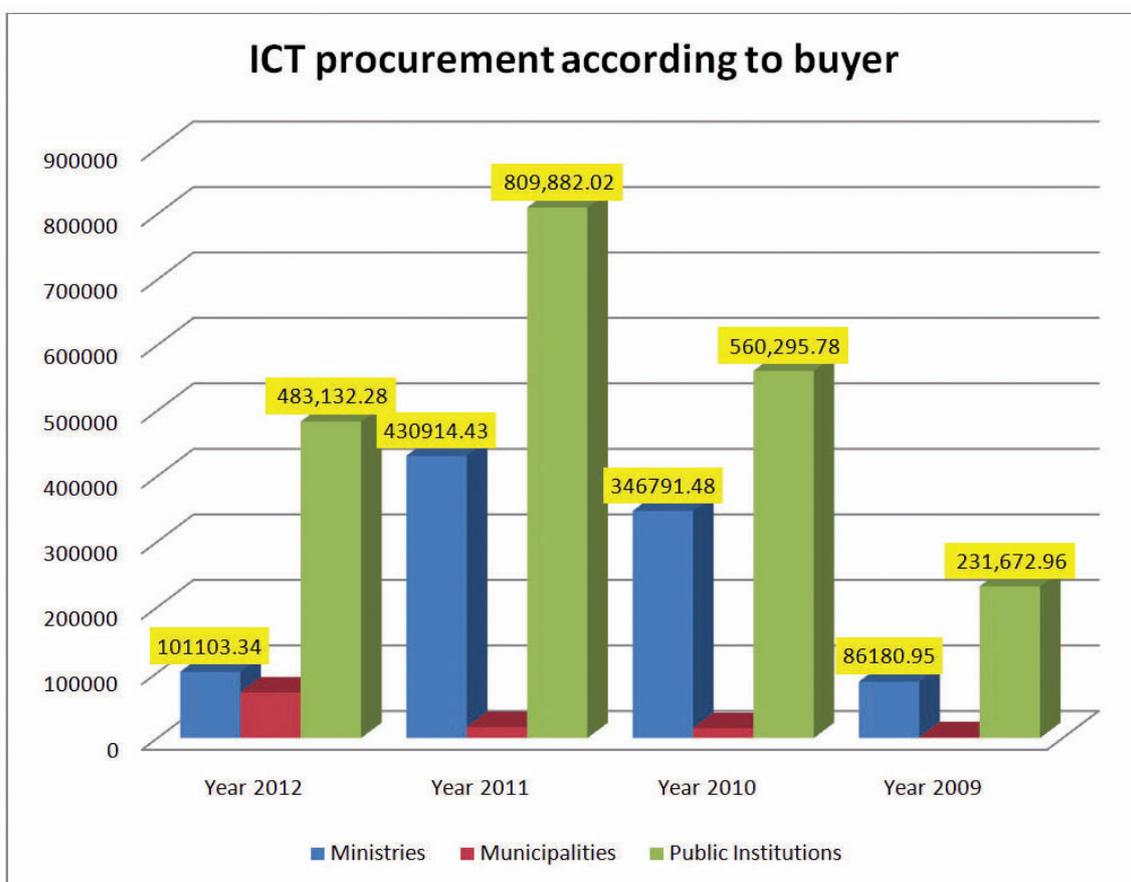


Figure 1. ICT Procurement according to buyer

One of the most concerning aspects of this analysis is the relatively high number of procurement processes which have been cancelled. The analysis of cancellation notices indicates that a total of 300 tendering procedures for ICT have been cancelled in the period 2010-2012. While there is no sufficient information to come to conclusion about the real reasons of the cancellations, the fact that such big number of processes have been terminated for one or another reason, is problematic in itself. A brief analysis

of the types of tenders that have been cancelled in the period covered by the report indicates that of the tenders cancelled, only 2 have been works tenders, 62 have been services tenders, while the remaining 236 tenders cancelled have been supply tenders. While there is no sufficient evidence to support any conclusion, the big discrepancy between supply and services tenders cancelled surfaces out from the data set.

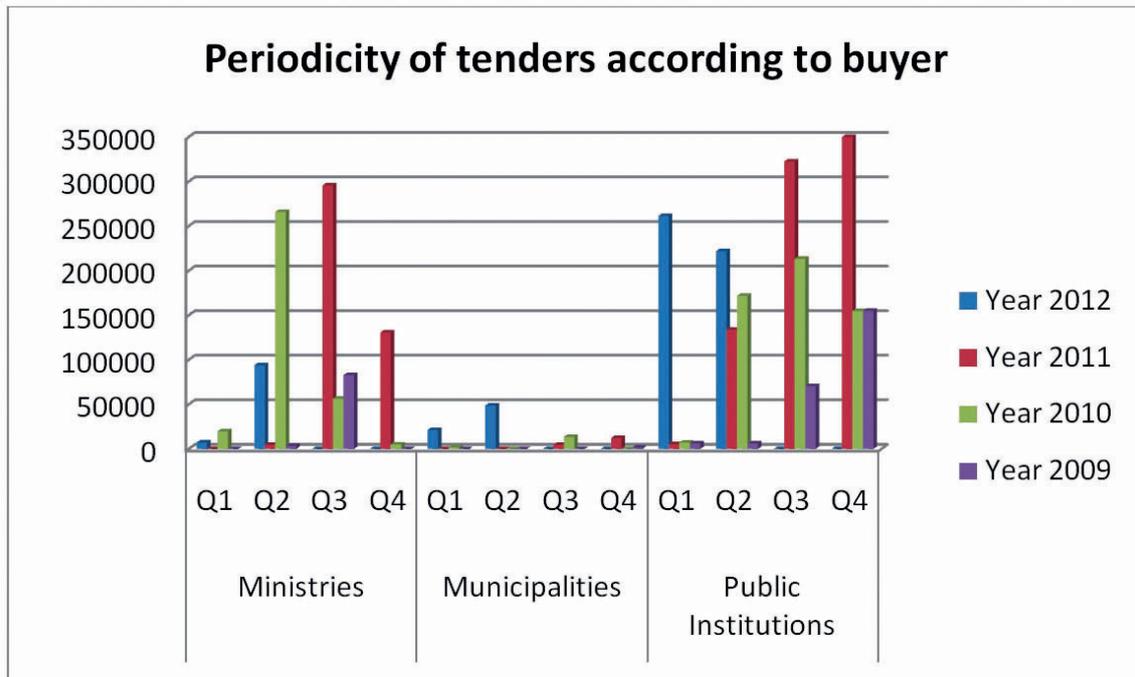


Figure 2. Periodicity of tenders according to buyer

Another worrisome phenomenon that was identified during the analysis is that most of the procurement for ICT is done in the third and fourth quarter of calendar and fiscal year. To this end, 3,107,422.86 worth of tenders have been administered by the government and ministries in December 2011, which is almost half of all the tenders administered by the government in the two-year period.

Other public institutions (including the public enterprises) on the other hand, have procured 348,708 EUR of ICT supplies and services in December 2010 and 2,535,759 EUR in December 2011. To this end, the total procurement by Central government and other public institutions only in December 2011 reaches an amazing 5,643,181 EUR worth of ICT equipment and services. This figure alone represents over 28% of the total purchases since January 2010. Below, the periodicity of tenders is presented visually.

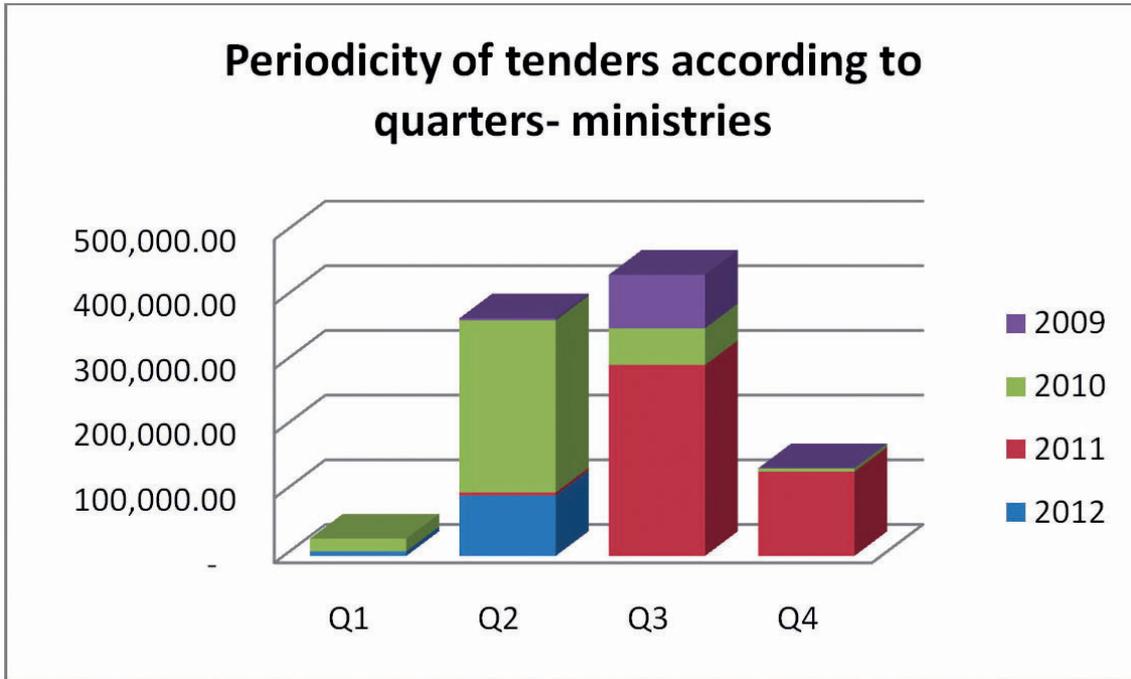


Figure 3. Periodicity of tenders awarded by Ministries

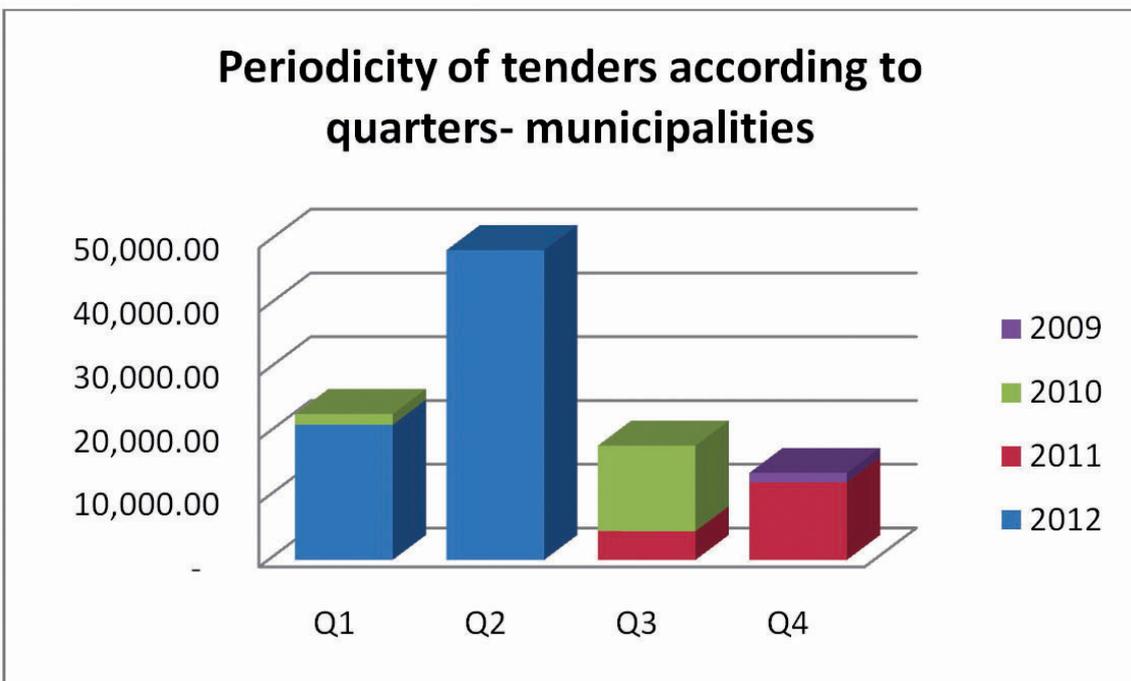


Figure 4. Periodicity of tenders awarded by Municipalities

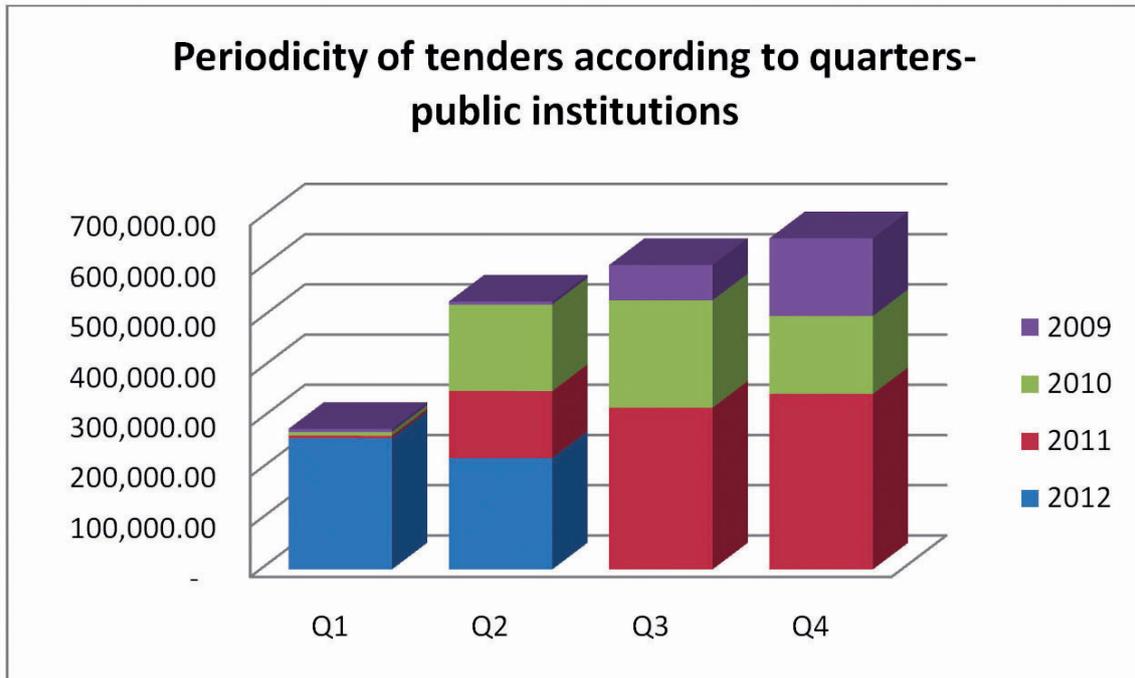


Figure 5. Periodicity of tenders awarded by public institutions

It should be noted that 6 tender files in the municipalities and 15 tenders of other public institutions in the KRPP database cannot be opened, hence the information from these tenders cannot be input in the database.

The general distribution of awards seems to be logical as a fair share of tenders have been awarded to several biggest companies in the market. To this end, companies like Cactus, Assecco, Bootek, Ilir Kosova, Antika and PBC Kosova. It should be noted that for bigger (and seemingly more complicated tenders) requiring more sophisticated level of expertise, the awards of tenders have gone either to consortia comprised of international companies in partnership with local ones, or to international companies acting alone. The biggest tenders awarded appear to be in other Public Institutions (with PTK being the biggest buyer) and ministries. Municipal authorities have mainly awarded contracts for hardware and supplies and usually been under the value of 30,000 EUR. The two biggest tenders awarded at municipal level come from Prishtina (Supply with Computers and IT Equipment) totaling at 60,350 EUR and one in Gjilan (Supply with Computers) totaling at 60,200 EUR. The figures below indicate the procurement processes according to type of award. As the charts below indicate, the vast majority of procurement in the field of ICT coming from all public procurement institutions is in hardware purchases. Second to this come ICT services, followed by software and mixed tenders, which represent small percentage both in terms of contract awarded and the size of contracts.

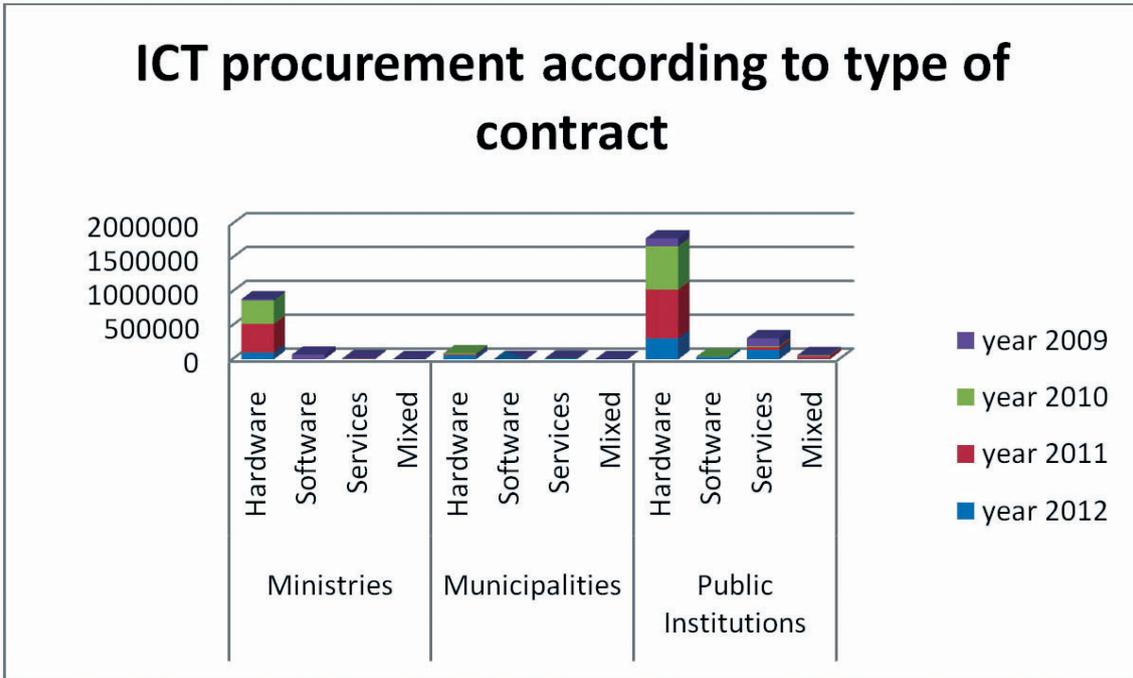


Figure 6. ICT procurement according to type of contract

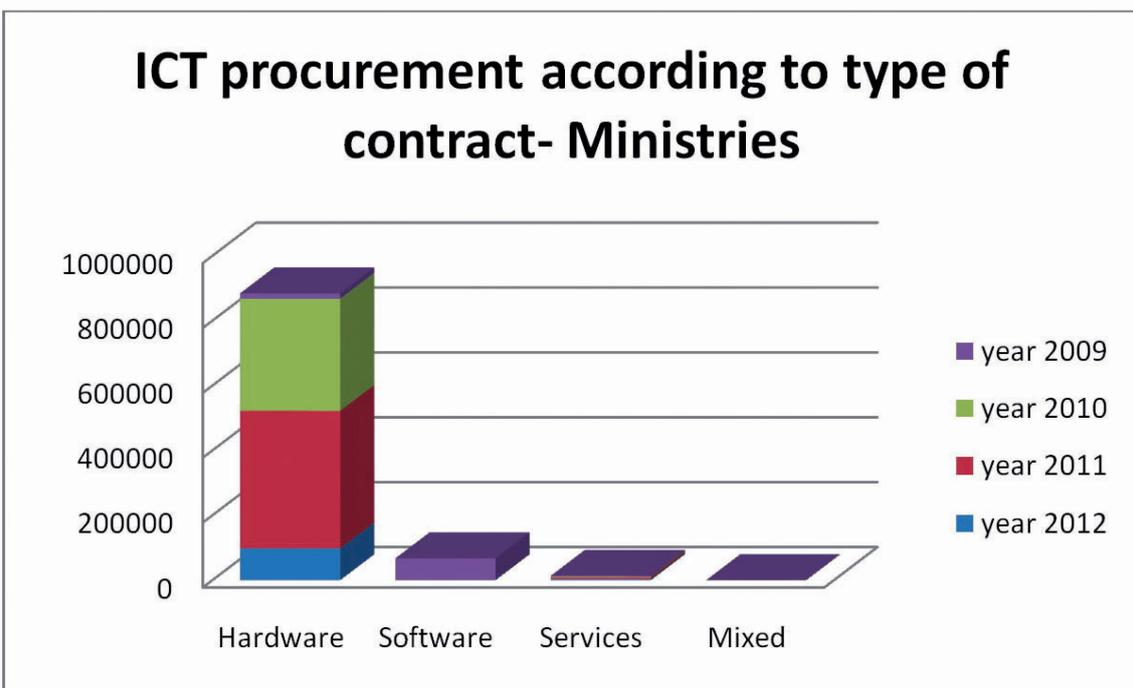


Figure 7. ICT procurement according to type of contracts – Ministries

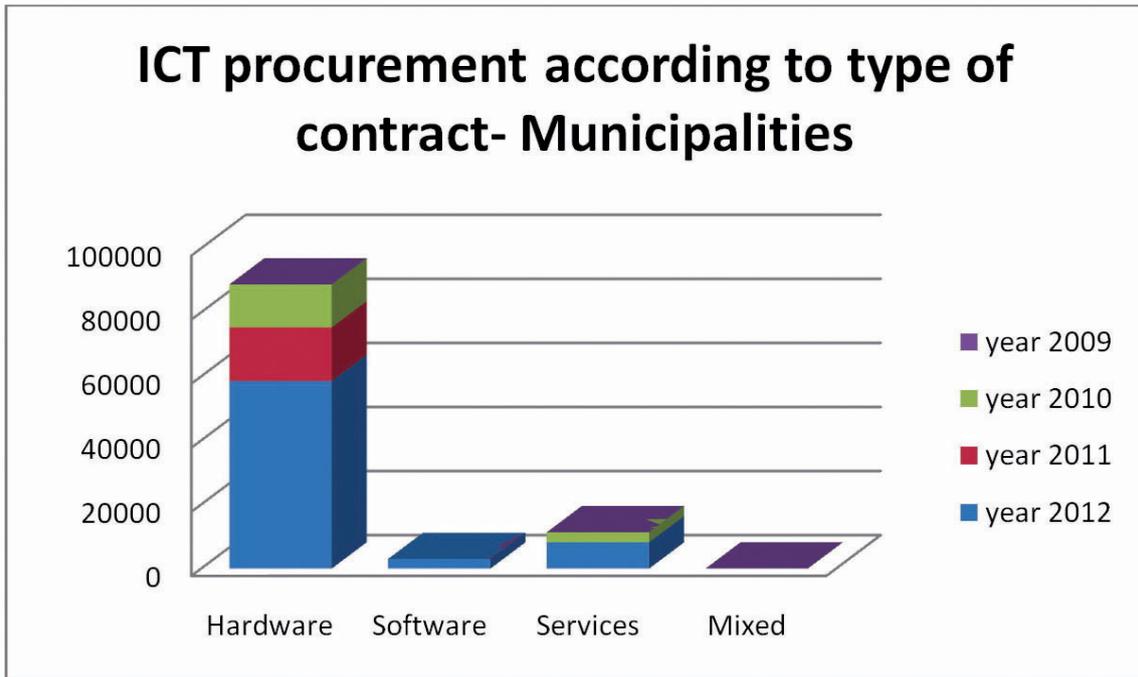


Figure 8. ICT procurement according to type of contracts – Municipalities

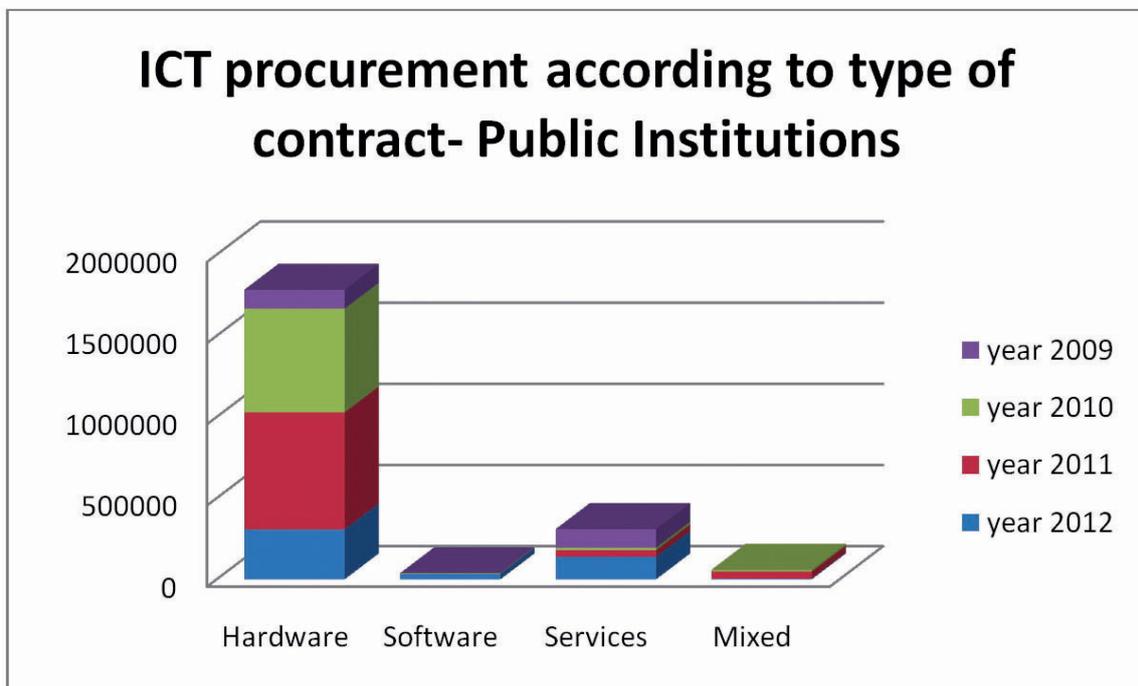


Figure 9. ICT procurement according to type of contracts – public institutions



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