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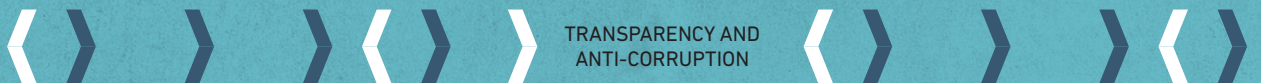
**KOSOVA
 DEMOCRATIC
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**TRANSPARENCY
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 KOSOVA**

THE PROCESS OF DEVELOPING MUNICIPAL PROCUREMENT PLANNING IN KOSOVO 2019

In the municipalities of Prizren, Suhareka/Suva Reka,
 Ferizaj/Uroševac, Lipjan/Ljipljan, Podujeva/Podujevo
 and Istog/Istok

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LIST OF ABBREVIATIONS

CA	CONTRACTING AUTHORITY
CAO	CHIEF ADMINISTRATIVE OFFICER
CPA	CENTRAL PROCUREMENT AGENCY
CSO	CIVIL SOCIETY ORGANISATION
ISDY	INSTITUTE FOR SUSTAINABILITY AND DEVELOPMENT OF YOUTH
KDI	KOSOVO DEMOCRATIC INSTITUTE
KK	MUNICIPAL ASSEMBLY
LPP	LAW ON PUBLIC PROCUREMENT
MTBF	MEDIUM TERM BUDGETARY FRAMEWORK
NGO	NON-GOVERNMENTAL ORGANIZATION
PPRC	PUBLIC PROCUREMENT REGULATORY COMMISSION
YAHR	YOUTH ASSOCIATION FOR HUMAN RIGHTS





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EXECUTIVE SUMMARY

A procurement planning is a plan developed by a municipality which translates expenditure approved by the budget for the coming year into a categorization of procurement activities, including the dates foreseen for conducting these procurements and the estimated prices. These plans will, in addition to assisting municipalities with internal preparation and coordination between the involved stakeholders, assist central authorities with identifying joint procurements,¹ and also assist businesses in planning and preparing their bids. With the purpose of analyzing the procurement planning process, and its compliance to legal requirements, the Coalition of Non-Governmental Organizations (NGOs), consisting of the Youth Association for Human Rights (YAHR), Institute for Sustainability and Development of Youth (ISDY), Syri i Vizionit, Ekovizioni (EV), and the Kosovo Democratic Institute (KDI), monitored this process in six Kosovo municipalities. This undertaking is implemented under USAID’s activity Transparent, Effective and Accountable Municipalities, which aims to improve public financial management, upgrade quality of services for citizens and reduce corruption risks through active monitoring of all procurement phases. Moreover, the purpose of this project is to empower citizens to hold to account, and partner with, local governments in matters related to public funds spending. This report covers the process and analyzes procurement

plannings for the municipalities of Prizren, Suhareka/ Suva Reka, Ferizaj/Uroševac, Lipjan/Ljipljan, Podujevo and Istog/Istok for 2019.

This project is focused on two goals: (1) strengthening local CSO capacities in monitoring procurement planning, and (2) aims to analyze key performance aspects of municipalities in the procurement planning process for 2019, with a focus on:

- (a)** Compliance with legal requirements and procedures for drafting and approving procurement plannings in the municipalities of Prizren, Suhareka/Suva Reka, Ferizaj/Uroševac, Lipjan/Ljipljan, Podujeva/Podujevo, and Istog/Istok, and identification of good practices in these municipalities; and
- (b)** Analyzing the operating environment related to the design of procurement planning for the municipalities of Prizren, Suhareka/Suva Reka, Ferizaj/Uroševac, Lipjan/Ljipljan, Podujeva/Podujevo, and Istog/Istok.

Observations noted during this process reveal that while all six municipalities have complied with the legal deadlines for the drafting and submission of procurement

¹ The Central Procurement Agency, pursuant to Section 95 of Kosovo’s Law on Public Procurement No.04 / L-042, is responsible for the development of joint procurement for Contracting Authorities. Joint procurement is acquisition of the goods and services of the same nature for all contracting authorities. The list of joint procurements to be procured by the CPA is published by decision of the Government.





plans to the Central Procurement Agency, delays in the adoption of the 2019 budget by the Kosovo Assembly² caused delays in the launch of procurement processes across Kosovo municipalities. Such delays can also have a negative impact on the completion of contracts. These delays result in delaying the initiation of tendering processes, contract awards, contract execution, the failure to supply materials in a timely manner, delays in the execution of works and the risk of carrying over liabilities to the next year, resulting in a lower performance for budget execution throughout 2019.

The results of this comparative analysis underline the key challenges accompanying the planning process in these municipalities and which require their attention: (1) exceeding budgeted values (2) disproportionate allocation of procurement officers (3) liabilities carried over from previous years in the municipalities of Prizren and Ferizaj/Uroševac (4) lack of market research by contracting authorities (5) lack of risk analysis (6) splitting requirements and (7) failure to plan procurements for decorations and other services to mark holidays and anniversaries.

² Law No. 06/L-133 adopted by the Assembly of Kosovo on February 3, 2019, which entered into force on February 14, 2019.





I. INTRODUCTION

Public procurement refers to the purchase of goods, services and works by governments and state-owned enterprises. Since public procurement is a procedure on which a significant portion of taxpayer money is spent, governments are expected to conduct public procurement procedures efficiently and to a high standard to ensure quality of service delivery and to protect public interest.³ Each purchase is a project in itself, and each project requires proper planning. In the case of procurement, procurement planning is a roadmap that identifies the required targets to be met within the project’s life cycle.

While it sounds like an simple process, on the contrary, the planning phase is one of the most complicated stages of procurement. It involves various actors such as the Procurement Office, Department of Finance, requesting units, various experts, market research economists, etc. According to the Project Management Institute (PMI 2013) “The main benefit of this process is deciding what to buy, when and from what source.”

A sound procurement plan brings other positive effects to relevant stakeholders: a) communicates information to citizens (taxpayers) concerning what will be purchased or invested in and when and the cost and duration of the investment or service, thus increasing their accountability, and b) helps businesses analyze the timely preparation and strategies for participation in the public procurement, thus increasing market competitiveness.

In order to analyze to what extent this process is harmonized with the approved municipal budget and municipal activities, during 2019 the Coalition of Non-Governmental

Organizations (NGOs), consisting of the Youth Association for Human Rights (YAHR), the Institute of Youth Sustainability and Development (ISDY), Syri i Vizionit, Ekovizioni (EV) and the Kosovo Democratic Institute (KDI) monitored this process in the municipalities of Prizren, Suhareka/ Suva Reka, Ferizaj/Uroševac, Lipjan/Ljipljan, Podujeva/ Podujevo and Istog/Istok.

The following report presents findings from the process of preparing procurement planning in the six municipalities above, detailing their compliance with the law, comparison to published tenders, and identifying good practices in the process.

3 Public Procurement, Organization for Economic Cooperation and Development: <http://www.oecd.org/gov/public-procurement/>



PHASES OF PUBLIC PROCUREMENT IN KOSOVO

According to the current legislation on public procurement in Kosovo¹, each procurement process goes through eight important steps.

STEP 1

Procurement planning

STEP 5

Publication

STEP 2

Estimating the value and classifying the contract

STEP 6

Opening and evaluation of tenders

STEP 3

Determining the procurement procedure

STEP 7

Award and signing of contract

STEP 4

Preparing the tender dossier

STEP 8

Contract management

(1) Law on Public Procurement of the Republic of Kosovo no. 04 / L-042 as amended by Law no. 04 / L-237, Law no. 05 / L-068 and Law no. 05 / L-092, and Rules and Operational Guidelines for Public Procurement.



II METHODOLOGY

To portray the performance of municipalities as accurately as possible, KDI reviewed the legislation that sets public procurement rules in detail, including the methodologies used by organizations such as the Procurement Classroom and the Chartered Institute for Procurement and Supply in their preparation of procurement plans.

KDI provided in-depth continuous training to members of consortium regarding procurement plannings and developed a template based on legal requirements in order of the local CSOs to have it easier to monitor and report the process of procurement planning. This template aims to give answers to questions such as did the municipalities respect the legal deadlines, does the procurement planning reflect the Mid-Term Budgetary Framework, cross-check the nature of procurements to ensure that they were combined into a single procurement activity in order to achieve better value based on the higher quantity, if the municipalities had plans of expenditures for festivities and anniversaries in order to avoid unplanned budget expenses. Local CSOs also consulted with the municipal management and procurement offices regarding procurement planning procedures and actions. These organizations were also beneficiaries of USAID TEAM training in the municipalities of Prizren, Suhareka/Suva Reka, Lipjan/Ljipljan and Podujeva/Podujevo.

Furthermore, in order to analyze the accuracy of plannings in comparison to the needs of municipalities, KDI analyzed the first 10 tenders for supplies announced by the municipalities of Prizren, Suhareka/Suva Reka, Ferizaj/Uroševac, Lipjan/Ljipljan, Podujeva/Podujevo and Istog/Istok for 2019.

Results of this report are reflecting the performance of municipalities and their success to comply with the legal requirements for public procurement and actual needs of municipalities.

In summary, the results of this research were gathered through data collection, including the following:

- Analysis of procurement plans for 2019 for the six municipalities;
- Analysis of the budgets approved for each of the six municipalities for 2019;
- Analysis of the six budgets from 2018;
- Analysis of the six mid-term budget frameworks for 2019-2021;
- Analysis of the municipalities' compliance with legal requirements of the Public Procurement Law;
- Analysis of the first 60 tenders for supplies announced in 2019 (the first 10 tenders announced by each of the six municipalities that are the subjects of the analysis)
- Interviews and consultations with municipal leadership such as mayors, directors of the financial departments, and heads of office for the procurement departments;
- Monitoring 17 meetings concerning drafting procurement plannings in the six municipalities.





III. GOOD PRACTICES

The report identifies a number of instances of good practices across different municipalities.



The Procurement Office in the Municipality of Suhareka/Suva Reka began working on its procurement planning immediately after the mayor approved the budget plan. This was done in order to have as much time as possible to consult with relevant departments concerning deadlines and pricing.



The Municipality of Ferizaj/Uroševac harmonized procurement plannings for 2019 by allocating only 16% of its budget for investments in order to mitigate the inherited liabilities from previous years, which account for 18% of the budget for this category.



The Municipality of Istog/Istok presents a positive example by publishing its procurement planning on the municipality's website in Excel format, which is easy to download and user-friendly. This format enables us to easily make comparisons and calculations not only within the document itself, but also against other comparable data.



The municipalities of Prizren, Suhareka/Suva Reka, Lipjan/Ljipljan and Podujeva/Podujevo had foreseen in their procurement planning activities for celebration of different anniversaries such as independence, constitutional day, etc., during 2019 in order to avoid unplanned procurements.





IV. LEGAL COMPLIANCE

This research shows that all six monitored municipalities fulfilled their legal obligations in terms of preparing procurement plans. These procedures were initiated shortly after the approval of the 2019 budget proposal by the municipal assemblies in September 2018, and were submitted to mayors no later than December 1, 2018.

The following table shows the start dates of the procurement planning procedure and the dates these procurement plans were submitted to mayors in each of the monitored municipalities:

	Prizren	Suhareka/ Suva Reka	Ferizaj/ Uroševac	Lipjan/ Ljipljan	Podujeva/ Podujevo	Istog/Istok
Process start date	01.10.2018	01.09.2018.	01.10.2018.	01.10.2018.	01.10.2018.	30.10.2018.
Date of submission to the Mayor	30.11.2018.	01.12.2018.	01.12.2018.	01.12.2018.	01.12.2018.	30.11.2018.

TABLE 1. DEADLINES FOR DRAFTING PROCUREMENT PLANNING

The municipalities also respected the 15-day deadline to submit their final procurement planning to the CPA after the announcement of budget approval for the fiscal year.⁴

The following table sets out the submission deadlines to the CPA for each of the monitored municipalities:

	Prizren	Suhareka/ Suva Reka	Ferizaj/ Uroševac	Lipjan/ Ljipljan	Podujeva/ Podujevo	Istog/Istok
Date of submission to the CPA	07.02.2019.	21.02.2019.	15.02.2019.	15.01.2019.	28.02.2019.	05.02.2019.

TABLE 2. SUBMISSION DATES OF FINAL PROCUREMENT PLANNING TO THE CPA

The municipalities of Prizren, Lipjan/Ljipljan and Istog/Istok submitted their procurement plans to the CPA prior to the adoption of the national budget by the Kosovo Assembly. As the budget took financial effect from January

1, 2019, and was not subject to any changes at the local level, the planning for 2019 was not jeopardized. However, municipalities are required to wait for the adoption of the budget before submitting their plans to the CPA.

⁴ [Law No. 06 / L-133 on the budget appropriations for the budget of the Republic of Kosovo for 2019, February 14, 2019.](#)





V. TRANSPARENCY

All municipalities fully cooperated throughout the duration of this research, and provided full access not only to documents but also willingness to meet regarding the development of plannings.

Further, the six monitored municipalities published their procurement plans on the municipality websites. The following table details the publication dates for each of the monitored municipalities' procurement plannings:

	Prizren	Suhareka/ Suva Reka	Ferizaj/ Uroševac	Lipjan/ Ljipljan	Podujeva/ Podujevo	Istog/Istok
Publication date on the municipal website	28.02.2019.	21.02.2019.	22.02.2019.	01.03.2019.	26.03.2019.	14.02.2019.

TABLE 3. PUBLICATION DATES OF PROCUREMENT PLANNING ON MUNICIPAL WEBSITES

Istog/Istok Municipality set a positive example by publishing the procurement planning in MS Excel format, easy to download and user-friendly. The Municipality of Prizren

published its planning in MS Word format, while others in PDF format, all of which were more difficult to use, especially for the purpose of reprocessing data.





VI. OPERATIONAL ENVIRONMENT

An analysis of the operational environment when designing procurement plans assesses the capacity of contracting authorities, key stakeholders and external influences to ensure that a plan is as fair as possible. The following analysis details the findings of the operational

environment in the public procurement departments of the municipalities of Prizren, Suhareka/Suva Reka, Ferizaj/Uroševac, Lipjan/Ljipljan, Podujeva/Podujevo and Istog/Istok.

1. Planning of activities

The six monitored municipalities planned 637 procurement activities in total. The municipality with the highest number of planned procurement activities was Prizren,

while the municipality with the lowest was Lipjan/Ljipljan. The following table outlines the plans by procurement category.

Municipality	Prizren		Suhareka/Suva Reka		Ferizaj/Uroševac		Lipjan/Ljipljan		Podujeva/Podujevo		Istog/Istok	
	#	Value €	#	Value €	#	Value €	#	Value €	#	Value €	#	Value €
Supply	32	2,009,171	18	816,600	27	1,202,678.96	27	565,899	30	774,100	23	793,230
Services	24	1,854,026	21	896,805	15	524,757.28	21	494,770	32	497,600	15	320,500
Works	94	9,616,771	65	3,547,910	38	3,312,643.98	28	2,449,155	60	4,839,607	63	2,100,500
Design contracts	3	120,000	0	0	1	50,000.00	0	0	0	0	0	0
Total	153	13,599,968	104	5,261,315	81	5,090,080	76	3,509,824	122	6,111,307	101	3,214,230

TABLE 4. PLANNING BY PROCUREMENT CATEGORY





As we can see from the table above, in each municipality, the biggest number of procurements is found in the category of works, respectively capital investment.

Some concerns were identified during this monitoring process. First, the Municipality of Ferizaj/Uroševac did

not plan any activities for organizing anniversaries and festivities in the municipality. Secondly the Municipality of Istog/Istok did not foresee any activities for organizing anniversaries in its procurement planning. The following table details the plannings of the other five municipalities specifically for festive activities:

PLANNED VALUE

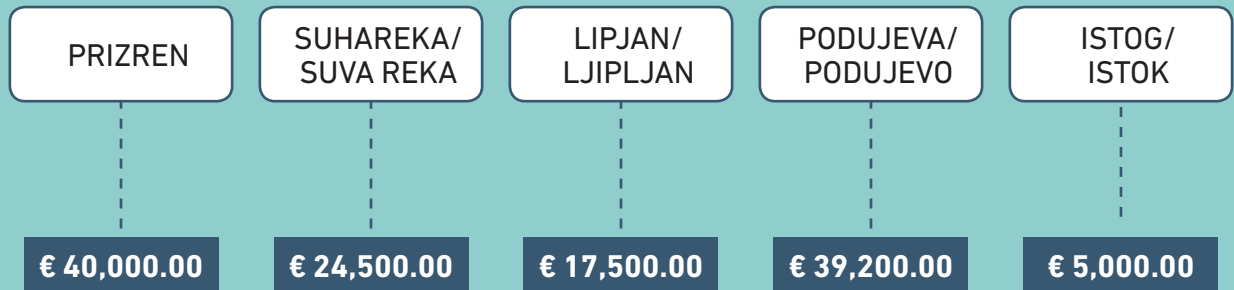


TABLE 5. PROCUREMENT PLANNINGS FOR FESTIVITIES FOR THE MUNICIPALITIES OF PRIZREN, LIPJAN/LJIPLJAN AND PODUJEVA/PODUJEVO, SUHAREKA/SUVA REKA AND ISTOG/ISTOK

Further, the research identified some cases where the procurement process could have been a single activity saving time and ensuring a better market price. For example, the supply of uniforms for municipal officials and the supply of uniforms for health staff in the Municipality of Ferizaj/Uroševac, request for supply with inventory, and some requests for subsidizing services for agriculture support in the Municipality of Lipjan/Ljipljan.

To analyze the fairness of procurement plannings, a comparative analysis was conducted for the first ten supply tenders announced through the e-procurement process in each of the selected municipalities against their procurement planning. The research found that in about 77% of these procurement processes, there were discrepancies between what was planned and what was tendered. The data from these analyses are presented below by municipality.



PRIZREN

The analysis shows that the value of tenders announced by the Municipality of Prizren as part of their first ten supply tenders was 78% higher than the planning. The biggest difference was noted in its request for gravel supplies, for which the municipality planned to spend 250,000 EUR yet announcing a tender for supply reaching the value of 1.5 million EUR. We also noticed that there is a discrepancy between the values and quantities planned and tendered in a total of seven out of nine procurement plans in Prizren, while one tender was announced although it was not planned. The tender for the supply of administrative material for primary health care needs, amounting to €30,000, was not planned at all for 2019. The Directorate of Finance should engage more with relevant departments to ensure that the needs of municipality and its subordinate institutions are addressed properly during the phase of drafting the municipal budget for the following year.

TABLE 6. COMPARISON OF THE FIRST TEN SUPPLY TENDERS ANNOUNCED BY THE MUNICIPALITY OF PRIZREN AGAINST THE FINAL PROCUREMENT PLANNING.

Description	Planning 2019			Tendering 2019		
	Amount	Unit	Value in Euro	Amount	Unit	Value in Euro
1 Supplying farmers with plastic foils, open field vegetables and agrofoils	12,000	Piece	30,000	32,500	Piece	30,000
2 Supply of corn seed	1,050	Piece	32,000	1,050	Piece	32,000
3 Procuring office supplies for the needs of Municipality of Prizren	10,000	Piece	20,000	152,290	Piece	15,000
4 Environmental holidays	100	Piece	10,000	6,913	Piece	18,000
5 Supply of laboratory equipment for the needs of primary health care services	1	Piece	40,433	2	Piece	40,433
6 Supply of gravel for unpaved roads of Prizren Municipality	10,000	M3	250,000	1	No quantity (price for 1 m ³)	1,500,000
7 Supply of signaling equipment and their installation in Municipality of Prizren	1	Piece	40,000	1	Piece	450,000
8 Supply of GPS for official vehicles of Municipality of Prizren	1	Piece	18,000	1	Piece	9,800
9 Supply of beekeepers with honey centrifuges in Prizren Municipality	120	Piece	48,300	120	Piece	48,300
10 Supply of administrative/office supplies for the needs of the Municipality of Prizren	0	0	-	53,110	Piece	30,000
TOTAL VALUE			488,733			2,173,533

SUHAREKA/SUVA REKA

Discrepancies between the procurement planning and announced tenders were also observed in the Municipality of Suhareka/Suva Reka, although the difference of 10% between tendering and procurement planning is significantly lower than in the Municipality of Prizren. In the Municipality of Suhareka/Suva Reka, the total tendered value of projects is also less than their planning value. This difference does not pose a problem in terms of availability of new funds or liabilities, however higher planning of spending reduces the possibility of additional investment. Only in the first 10 tenders for supplies, the difference in value is 53,550 EUR, which could have been allocated to additional projects elsewhere in the municipality. In the first 10 tenders analyzed, the supply of technical equipment for high school Skender Luarasi was announced but not planned in the Municipality of Suhareka/Suva Reka. Although this tender was small in value, this highlights the need for the Directorate of Education and Finance to increase cooperation with educational institutions during the planning process.

TABLE 7. COMPARISON OF THE FIRST TEN SUPPLY TENDERS ANNOUNCED BY THE MUNICIPALITY OF SUHAREKA/SUVA REKA WITH THE FINAL PROCUREMENT PLANNING.

Description	Planning 2019			Tendering 2019		
	Amount	Unit	Value in Euro	Amount	Unit	Value in Euro
1 Building greenhouses - supplying and assembling them	1	set	89,000	17	Piece	89,000
2 Supply of medicines for the needs of MFHC	1	complete	75,000	87	Types	60,000
3 Beehive supplies for beekeeping	1	set	9,500	279	Piece	9,500
4 Supply of E-kiosks for issuance of documents	1	set	13,500	16	Piece	22,000
5 Supply of hydrosanitary material, lighting, electricity etc. - department of administration, education, health and other departments.	1	set	66,000	17.205	Piece	120,000
6 Supply of laptops for assembly members and sound system for Municipal Assembly room	1	set	61,000	58	Piece	14,500
7 Supply of equipment for tailoring technical workshop in STS Skender Luarasi-Suhareka/Suva Reka	-	-	-	9	Piece	4,500
8 Supply with teaching tools - cabinet equipment	1	set	90,000	531	Piece	90,000
9 Purchasing medical equipment for MFHC, FHC and ambulance - SUPPLY WITH AMBULANCE	1	set	100,000	1	Piece	40,000
10 Supply, maintenance and servicing of air conditions	1	set	9,00	149	Piece	9,950
TOTAL VALUE			513,000			459,450

FERIZAJ/UROŠEVAC:

The value of the ten tenders announced is only 2% higher than the procurement planning for the Municipality of Ferizaj/Uroševac (€ 7,451.00). However, this municipality, like the two municipalities above, failed to make a proper planning relating to the needs of schools, social centers and its Family Health Center, which implies that the directorate of finance should improve coordination with these institutions during budgeting, in order to avoid procurements announced after the annual planning is finalized. Of the first ten tenders announced by this municipality, despite being low in value, four of the procurements were not featured at all in the procurement planning for 2019.

TABLE 8. COMPARISON OF THE FIRST TEN SUPPLY TENDERS ANNOUNCED BY THE MUNICIPALITY OF PRIZREN WITH THE FINAL PROCUREMENT PLANNING

Description	Planning 2019			Tendering 2019		
	Amount	Unit	Value in Euro	Amount	Unit	Value in Euro
1 Supply of items for equipping a friendly room at the SHFMU "Tefik Çanga" Ferizaj/Uroševac.	-	-	-	1	set	3,000
2 Supply greenhouses and drip irrigation systems to farmers	1	set	58,000	90	Piece	66,667
3 Supply of walnut saplings and drip irrigation systems to farmers	1	set	25,000	3,190	piece	25,000
4 Supply of genetic material and artificial insemination of dairy cows and heifers	1	set	140,000	14,000	Piece	140,000
5 Supply of wheat cultivating farmers with agricultural inputs - Nitrogen fertilizer	1	set	35,000	140,000	KG	35,000
6 Apparel for the Fire Brigade	-	-	-	330	piece	6,000
7 Water pumping equipment and other means for the Fire Brigade	1	set	15,381	61	Piece	22,000
8 Supply of school inventory and office stationery for the needs of Municipal Administration and other institutions operating in the Municipality of Ferizaj/Uroševac	1	set	150,000	4,626.3	piece	120,000
9 Supply of food, beverages and hygiene material for the Community House - Ferizaj/Uroševac	-	-	-	7,272.00	piece	10,000
10 Supply and deployment of a control network for monitoring the performance of the MFHC staff	-	-	-	565	piece	3,165
TOTAL VALUE			423,381			430,832

LIPJAN/LJIPLJAN:

Differences between the first ten tenders in 2019 and the planning have been also observed in the Municipality of Lipjan/Ljipljan. In this municipality, the total value of the tenders is 16% higher than the planning value for 2019. The difference of €54,893 is mainly attributed to the planning for the supply of equipment for the MFHC and the construction of greenhouses. In the supply of equipment for the MFHC, although the tender is scheduled over two years, the estimated tender value exceeds the planned value by 142.8%. As the planning does not include the estimated quantities for purchase, it is impossible to analyze the cause of such a large increase. In addition, the tender for "Purchase of school inventory" was planned as purchase of inventory for the needs of the municipality. Of the first 10 tenders announced, two were not featured in the procurement planning for this year. Though small in value, both of these procurements could have been foreseen if the investment plans would have been looked at in detail, and if there had been better co-operation with the preschool institution in order to identify their needs.

TABLE 9. COMPARISON OF THE FIRST TEN SUPPLY TENDERS ANNOUNCED BY THE MUNICIPALITY OF LIPJAN/LJIPLJAN WITH THE FINAL PROCUREMENT PLANNING

Description	Planning 2019			Tendering 2019		
	Amount	Unit	Value in Euro	Amount	Unit	Value in Euro
1 Supply of agricultural production materials for school economy	9000	KG	8,000	30	different	5,000
2 Purchasing school inventory	2209	piece	60,000	2214	Piece	60,000
3 Supply of equipment for MFHC, a two year contract	-	-	35,000	60	Piece	85,000
4 Supply and installation of digitalization equipment for MFHC, FHC and AMFs	550	-	35,000	2,267	Piece	35,000
5 Buying an ambulance for MFHC and a vehicle for haemodialysis needs	1	Piece	52,000	2	Piece	52,000
6 Supply with motor cultivator for the beneficiaries of subsidies	70	piece	45,000	71	Piece	30,000
7 Supply of bee frame cases	45	piece	5,000	220	Piece	10,000
8 Supply and mounting of greenhouses	90	piece	45,000	133	Piece	60,000
9 Supply of decorative tree seedlings for the Ulpiana Gymnasium, supply and planting of flower containers in Adem Jashari Square in Lipjan/Ljipljan	-	-	-	64	Piece	1,870
10 Supply of kindergarten with various equipment	-	-	-	57	Piece	1,023
TOTAL VALUE			285,000			339,893

PODUJEVA/PODUJEVO

In the Municipality of Podujeva/Podujevo, the analysis shows that there are discrepancies in seven of the first ten supply tenders announced during 2019, while the other three were not planned at all. The value of these tenders was 23% higher than the planning. Due to the non-inclusion of quantities in procurement planning, it is impossible to assess whether this difference is attributable to the increase in quantities or unit prices. As in the other municipalities above, in Podujeva/Podujevo there is a need for coordination between municipal departments and subordinate institutions during the budgeting and the procurement planning phase.

TABLE 10. COMPARISON OF THE FIRST TEN SUPPLY TENDERS ANNOUNCED BY THE MUNICIPALITY OF PODUJEVA/PODUJEVO WITH THE FINAL PROCUREMENT PLANNING

Description	Planning 2019			Tendering 2019		
	Amount	Unit	Value in Euro	Amount	Unit	Value in Euro
1 Supply of oxygen for emergency needs in MFHC	-	-	-	240	piece	4,000
2 Supply with laptops for Assembly	-	-	51,000	22	piece	9,000
3 Supply and installation of glass for municipal institutions	-	-	6,200	400	m2	8,000
4 Purchase of floor cleaning machines for schools	-	-	7,000	5	piece	15,000
5 Supply and installation of cameras in some schools in Podujeva/Podujevo	-	-	43,100	2,238	different	12,000
6 Supply with motor cultivators and other equipment	-	-	100,000	900	piece	148,000
7 Supply of bee colonies to beekeepers	-	-	-	1,000	piece	80,000
8 Supply and installation of optical panel for 5950 carestream printer	-	-	-	2	piece	5,000
9 Purchase and installation of barriers, queue management system and scanner metal detector for the needs of the new building of the Municipality	-	-	11,000	4	piece	17,500
10 Supply and installation of laboratory equipment for teaching cabinets for the Naim Frasheri and Aleksander Xhuvani schools in Podujeva/Podujevo	-	-	35,000	41	different	30,000
TOTAL VALUE			253,300			328,500

ISTOG/ISTOK

Out of the first ten tenders announced by the Municipality of Istog/Istok in 2019, all were planned in advance. The total value of these tenders was 8% lower than planning. As in the case of the Municipality of Suhareka/Suva Reka, due to poor planning, the Municipality of Istog/Istok there is €40,000 that could have been allocated to additional projects across the municipality only within the first ten tenders. Also, nine of the ten tenders analyzed have discrepancies with the procurement planning. However, because the municipality did not plan out the procurement quantities, it is impossible to analyze the differences between these two processes of planning and tendering. Even in the case of the tender for the supply of books, when analyzing the requirements of this tender, it was observed that the call for bids did not contain quantities, but only the requirement for prices, which would affect the quantity that would be ordered. Further, two of the analyzed tenders were not for supplies. Although in the procurement planning "Maintenance of local roads of the 4th category" was planned as a service, this request was classified as a supply in e-Procurement. Also, the tender "Equipping the municipal facility with automated lift" was listed as work in the procurement planning, it was classified as supply in the e-Procurement. The Directorate of Finance should increase oversight and coordination with the relevant directorates during the budgeting and planning phase, so that the needs of municipality and subordinate institutions are planned realistically as possible.

TABLE 11. COMPARISON OF THE FIRST TEN SUPPLY TENDERS ANNOUNCED BY THE MUNICIPALITY OF PRIZREN WITH THE FINAL PROCUREMENT PLANNING

Description	Planning 2019			Tendering 2019		
	Amount	Unit	Value in Euro	Amount	Unit	Value in Euro
1 Purchase and supply of sewage and water supply pipes	-	-	30,000	15,920	different	50,000
2 Maintenance of local roads of the 4th category	-	-	45,000	12,030	different	65,000
3 Supply of construction material for natural disaster recovery	-	-	41,730	22	different	81,730
4 Supply of food items for the needs of municipal institutions	-	-	57,500	173	different	65,000
5 Equipping the municipal building with automatic lift/elevator	-	-	25,000	1,134	different	25,000
6 Supply and assembly of greenhouses	-	-	30,000	15	piece	20,000
7 Supply of cleaning and hygienic items	-	-	57,500	78	different	70,000
8 Installation of cameras in SH.F. Bajram Curri in Istog/Istok, and installation of cameras in three kindergartens (G. Ynë, A. Jonë, and P.Ardhmërisë)	-	-	11,000	4,581	different	11,000
9 Medical supplies - X-ray films and medical supplies - laboratory supplies for MFHC	-	-	198,000	94	piece	60,000
10 Supply of textbooks and reading books; supplying books for the city library; reading books for Haxhi Zeka high school; reading books for elementary school Hysni Zajmi në Vrellë, and reading books for primary school Zymer Zeka - in Kaliqan.	-	-	7,000	-	not defined	15,000
TOTAL VALUE			502,730			462,730

From the above analysis, we can see that all six municipalities face problems of almost the same nature. When drafting the budget, all departments need to engage in market research so that the municipal budget is planned as accurately as possible. However, market research

would also need to be conducted by procurement officers during the planning process, particularly when analyzing the history and pricing of other contracting authorities for the same procurement processes paid over the last 12 months.

2. Budget Capacities (Procurement Planning vs. Municipal Budget 2019)

The analysis indicates that across the six monitored municipalities, an average of 26% of the 2019 municipal budget is planned to be spent through public procurement.

The table below presents the value of planned procurements against the total municipal budget for 2019:

Municipality	Municipal Budget 2019	Procurement planning 2019	Difference %
Prizren	€ 47,594,260.00	€ 13,599,968.00	29%
Suhareka/Suva Reka	€ 16,260,041.00	€ 5,261,315.00	32%
Ferizaj/Uroševac	€ 30,934,846.00	€ 5,090,080.22	16%
Lipjan/Ljipljan	€ 15,896,971.00	€ 3,509,824.00	22%
Podujeva/Podujevo	€ 22,032,619.00	€ 6,111,307.00	28%
Istog/Istok	€ 10,678,115.00	€ 3,214,230.00	30%
Total	€ 143,396,852.00	€ 36,786,724.22	26%

TABLE 12. VALUE OF PLANNED PROCUREMENTS COMPARED TO THE TOTAL MUNICIPAL BUDGET FOR 2019

However, the results of this analysis raise concerns about the number of procurements in capital investments that are inherited from previous years, particularly in the municipalities of Prizren and Ferizaj/Uroševac. Below are the

differences between the number of contracts planned versus budgeted for this procurement category:

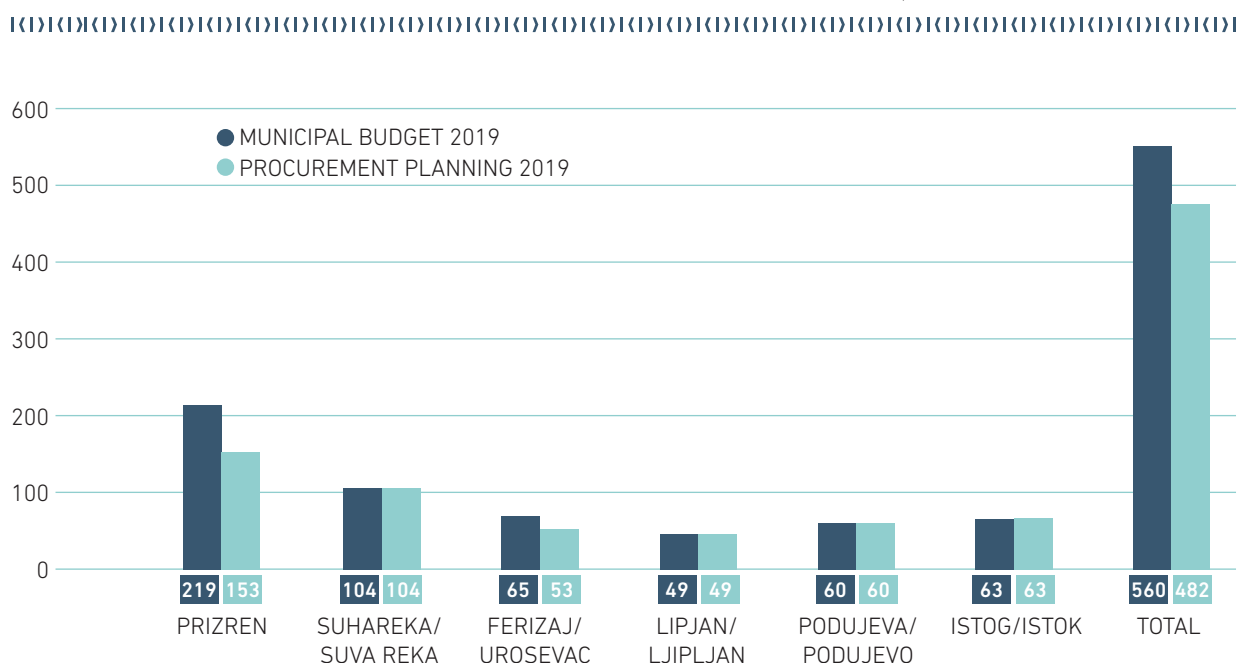


CHART 1. DIFFERENCE BETWEEN THE NUMBER OF CAPITAL INVESTMENT FOR 2019 BETWEEN THE APPROVED BUDGET AND PROCUREMENT PLANNING

The research further shows that 30% (66) of the budgeted contracts for capital investments in the Municipality of Prizren and 18% (12) in the Municipality of Ferizaj/

Uroševac are inherited from previous years. The table below presents the difference in monetary value between the approved budget and final procurement planning for 2019.

Capital investment category	Municipal Budget 2019	Procurement planning 2019	Difference #
Prizren	€ 8,984,659.00	€ 9,616,771.00	€ (632,112.00)
Suhareka/Suva Reka	€ 3,275,770.00	€ 3,547,914.00	€ (272,144.00)
Ferizaj/Uroševac	€ 5,900,660.00	€ 3,312,643.98	€ 2,588,016.02
Lipjan/Ljipljan	€ 2,279,154.00	€ 2,449,155.00	€ (170,001.00)
Podujeva/Podujevo	€ 2,178,395.00	€ 4,839,607.00	€ (2,661,212.00)
Istog/Istok	€ 557,730.00	€ 2,100,500.00	€ (1,542,770.00)
Total	€ 23,176,368.00	€ 25,866,590.98	€ (2,690,222.98)

TABLE 13. MONETARY VALUES BETWEEN THE APPROVED BUDGET AND FINAL PROCUREMENT PLANNING FOR 2019 FOR THE CATEGORY OF CAPITAL INVESTMENT.



We can see from the tables above that, although about 14% of projects are carried over from 2018 (attributable to the municipalities of Prizren and Ferizaj/Uroševac), the procurement plannings for the six monitored municipalities for the category of capital investment is approximately 2.7 million EUR higher than the budget for 2019, respectively about 30% of liabilities that would be carried forward to coming years.

Except in the case of Ferizaj/Uroševac (where the budget is 44% higher than the procurement planning for this category in order to cover projects inherited from previous years) the difference between the budget and procurement planning in the municipalities analyzed is approximately 31% in excess of their budget ceilings. The biggest difference between the budget and procurement planning is observed in the municipalities of Podujeva/Podujevo and Istog/Istok.

3. Evaluation of the capacity and planning capabilities of Procurement Offices

Given that a proper procurement planning and a successful procurement process depends on the capacity of contracting authorities, this research also analyzed the composition of procurement offices in the respective municipalities. The following table shows that a procurement officer is expected to carry out about 25 procurement activities per year. This number is well above the global average of around 14-19 procurements per year per procurement officer⁵.

Municipality	# of staff	Number of activities for 2019	# of procurements per procurement officer
Prizren	4	153	38
Suhareka/Suva Reka	4	104	26
Ferizaj/Uroševac	5	81 ⁶	16
Lipjan/Ljipljan	7	76	11
Podujeva/Podujevo	3	122	41
Istog/Istok	4	101	25
Total	26	637	25*

TABLE 14. NUMBER OF PLANNED PROCUREMENTS FOR 2019 AGAINST THE NUMBER OF PROCUREMENT OFFICERS

* Average procurements per procurement officer

Such a heavy burden on procurement officers does not give them enough time to focus on market research and

procurement administration, which are key components of successful proper procurement.

⁵ [2018 Procurement Statement Report, Paramount WorkPlace](#)

⁶ Add here 12 contracts carried over from 2017-2018





VII. MARKET RESEARCH

The purpose of market analysis when designing a procurement planning is to enable contracting authorities to identify relevant purchasing sectors, bidding capacities and market prices. Based on this knowledge, procurement plannings would be made as close to market conditions as possible, and would reflect realistic prices and deadlines.

During this monitoring, it was observed that in the municipalities of Suhareka/Suva Reka, Ferizaj/Uroševac, Lipjan/Ljipljan, Podujeva/Podujevo and Istog/Istok, there was cooperation between relevant departments in order to become familiar with the requesting sectors, and historical prices and deadlines were applied for the same or similar projects in the respective municipality. However, in the Municipality of Prizren, there was a lack of similar cooperation between relevant departments, thus increasing the burden placed on the procurement office.

Additionally, due to a lack of proper instructions and capacities (human and technical) an external market analysis has not been conducted and how much other institutions pay for the same service. Lack of procurement information in an open data format for all products, services or works procured by the government, is another challenge in proper planning of project estimates and deadlines by the institutions.





VIII. RISK MANAGEMENT

The purpose of risk assessment during the procurement planning process is to identify potential risks to both projects and procurement procedures. During our research, it was discovered that existing legislation and instructions does not regulate risk assessment at the planning stage by the institutions.

During 2019, public procurement in Kosovo faced four major challenges:

1. Imposition of the 100% tax increase on products originating from Serbia and Bosnia and Herzegovina respectively increased price of offer;⁷
2. Delays in adoption of the 2019 Budget Law⁸ affecting the deadlines for commencement of procedures, which respectively shortens the deadline for procurements and may cause delays in starting works on capital investments, which may be further hindered by bad weather conditions;
3. Lack of human resources, especially in the field of construction, which in turn results in delays to project implementation;⁹
4. Delays in awarding centralized contracts.

During the monitoring process it was not observed that the target municipalities conducted any analysis of potential risks, their impact on implementation of procurement plannings or the development of alternative plans.

7 100% Tax: Is it helping or hurting Kosovo's economy? GAP Institute, May 2019

8 Law No. 06 / L-133 on the budget appropriations for the budget of the Republic of Kosovo for 2019, 14 February 2019

9 Kosovo lacks professional workforce in various sectors, Kallxo.com, August 17, 2019, <https://kallxo.com/lajm/kosova-ka-mungese-te-fugise-punetore-profesioniste-ne-sektore-te-ndryshem/?fbclid=IwAR0hbDfiktXOUOqq9yrQNokOehUcBN-wBD7xVOVrAq-7Fu6ALVrCj8rDOuTw>



X. CONCLUSIONS

The analysis of the 2019 procurement planning formulation and approval process for 2019 shows that:



The six monitored municipalities Prizren, Suhareka/Suva Reka, Ferizaj/Uroševac, Lipjan/Ljipljan, Podujeva/Podujevo and Istog/Istok have complied with their legal deadlines for drafting the procurement planning both at the local level and also in submitting the required report to the Central Procurement Agency.



Delays in adopting the Law on the Budget led to delays in initiating planned procurement procedures by the six monitored municipalities.



Municipalities, in accordance with the Rules and Operational Guidelines for Public Procurement, published their procurement plans on their respective websites in order to make these plans accessible to the public. The Municipality of Istog/Istok set a positive example by publishing the procurement planning in Excel format, which is easily accessible and easy to work with for stakeholders.



Procurement plans were aligned with the approved budgets of the monitored municipalities. However, the value of the procurements exceeded the budget ceiling outlined in the budget law by approximately €2.7 million. The largest budget overruns were observed in the municipalities of Podujeva/Podujevo and Istog/Istok.



The research shows that about 14% of capital investment contracts in the municipalities of Prizren and Ferizaj/Uroševac were inherited contracts. A positive example of successfully handling inherited contracts in the budget was the Municipality of Ferizaj/Uroševac, which took into account liabilities of over €2 million carried over from previous years. The Municipality of Prizren did not make such a calculation, despite having 66 inherited contracts.





The municipalities of Ferizaj/Uroševac and Istog/Istok had no procurement plans in place for marking anniversaries during 2019. The Municipality of Ferizaj/Uroševac had no plans for celebrating the end-of-year holidays either. As in the case of Ferizaj/Uroševac and Lipjan/Ljipljan, it was observed that procurements of the same nature were divided into different actions.





When analyzing the first ten supply tenders announced by each of the monitored municipalities (60 tenders in total), about 77% of the quantities tendered do not match those planned. Also, about 18% of these tenders were not planned by the municipalities.



-  In general, good cooperation was observed during the monitoring between the municipal departments, where procurement offices worked with relevant directorates in drafting the procurement planning, except the Municipality of Prizren, where there was no evidence of such cooperation.

-  The analysis raises concerns about disproportionate allocation of human resources between municipalities. While in the Municipality of Prizren a procurement officer has to carry out about 38 procurement activities per year according to final planning, in Lipjan/Ljipljan, this number drops down to 11. The heavy workload of procurement officers precludes them from genuine engagement while conducting activities, with a particular emphasis on their failure to engage adequately in market research and administration related to these procedures. The average number of procurement activities per officer is 25 per year, which is above the global average of 14-19 activities per officer.

-  There was one shortcoming observed across all monitored municipalities in their procurement offices: none of them conducted any risk analysis, and the six municipalities had no risk management plan.

-  The municipalities of Prizren, Lipjan/Ljipljan and Istog/Istok submitted their procurement planning to the CPA prior to the adoption of the budget by the Kosovo Assembly. As the Law on the Budget took financial effect as of January 1, 2019, and there were no changes made at the local level, planning for 2019 was not jeopardized.





XI. RECOMMENDATIONS

1. Mayors should be committed to aligning the number of procurement officers with the volume of procurement activities. Harmonizing the workload would result in increased quality of public procurement, not only in terms of planning but also throughout other stages of procurement.
2. The heads of procurement offices should raise concerns about the discrepancy between planned procurement values and the available budget.
3. Mayors should ensure that relevant information (quantities, units and values) for procurement of supplies is included in the procurement planning, prior to final planning approval.
4. The Directorate of Finance of the Municipality of Prizren should carefully analyze and deal with liabilities carried over from previous years, in order to reduce them and avoid carrying them forward to subsequent years.
5. The financial directorates of all municipalities should increase their cooperation and coordination with subordinate institutions during the drafting phase of the annual municipal budget, so that the needs of these institutions are properly addressed.
6. The procurement offices of the municipalities of Ferizaj/Uroševac and Istog/Istok should foresee activities for marking anniversaries within the calendar year in their procurement planning. The Municipality of Ferizaj/Uroševac should also plan activities for the end-of-year holidays.
7. All procurement offices, especially those in Ferizaj/Uroševac and Lipjan/Ljipljan, should focus on bringing together as many similar requests as possible into a single procurement activity.
8. To address the above mentioned challenges, municipalities should begin engaging in drafting procurement plannings from the outset of the budgeting phase, when the need for procurement processes is identified. This would help in the identification of the involved stakeholders and foresee market conditions and procurement deadlines as quickly as possible.
9. Municipalities must wait until the adoption of the Law on the Budget before submitting their planning to the CPA.





ANNEX 1: Individual Overview Of Municipalities



Municipality of Prizren

The Municipality of Prizren complied with the legal deadlines for preparation and submission of the procurement planning to the mayor. The Procurement Office began the procurement planning process on 01.10.2018, while the completion date of the preliminary procurement planning process was 30.11.2018, with the participation of relevant municipal directorates, procurement office, chief financial officer and chief administrative officer.

After reviewing all requests of the same nature, in order to bring them together and avoid numerous procurement procedures, all the plannings for holiday festivities and anniversaries were discussed and addressed, and upon completion, the procurement plan was submitted to the mayor before December 1, 2018. Due to unexpected delays in the adoption of the Law on the Budget by the Assembly of Kosovo, the completion of the procurement planning was delayed. The final procurement planning was submitted to the Central Procurement Agency on 07.02.2019. This plan was published on the municipality's website on 28.02.2019.

According to the Procurement Plan of the Municipality of Prizren for 2019, there are 153 planned contracts; 32 of these 153, or 21%, are supply contracts with a total value of €2,009,171.00; 24 or 16% are service contracts to the value of €1,854,026.00; 94 or 61% are work contracts with a value of €9,616,771.00 and three design competitions or 2%, to the value of €120,000.00.

Based on the analysis of the 2019 budget in the Medium Term Budget Framework, it is observed that 70% of capital investment projects are included in the public procurement planning, including requests from Prizren citizens in public hearings such as the request for the supply of milking machines for dairy cows, public road lighting and supporting community sport through construction, maintenance and refurbishment of playgrounds. However, the analysis shows that 66 capital investment projects were not included in the procurement planning.

The Municipality of Prizren, in the Mid-Term Budget Framework for 2019, planned for 219 capital projects for 2019 and only 153 of them were included in procurement planning for 2019, while 66 were inherited from the previous year.¹⁰ Most of the projects involve investment in road infrastructure, agriculture, education, health services, tourism and administration.

The Municipality of Prizren planned several framework contracts for supplies lasting between 12 and 36 months. Some of them include the supply of signaling equipment and its installation in the municipality, the supply of gravel for unpaved roads in the municipality, the supply of office stationery, cleaning services, etc. The Municipality of Prizren also planned procurements for holiday festivities in 2019 to the amount of €40,000.00.

¹⁰ According to the confirmation received by MA of Prizren on 15.07.2019.





Municipality of Suhareka/Suva Reka

The Municipality of Suhareka/Suva Reka complied with the legal deadlines for the preparation and submission of the procurement planning to the mayor. The Municipality of Suhareka/Suva Reka started the procurement planning process on 01.09.2018, while the preliminary procurement planning was prepared on 01.11.2018, and was submitted to the mayor before 01.12.2018. Participants involved in the procurement planning process were directorate units, the procurement office, the chief financial officer, the MFHC as a separate unit, the chief administrative officer and NGOs.

The procurement planning is in line with the draft budget approved by the Suhareka/Suva Reka Municipal Assembly. Having considered all requests of the same nature together with the aim of collating them and avoiding numerous procurement procedures, works and services, and the planning for holiday festivities and anniversaries were discussed and addressed, as the Municipality of Suhareka/Suva Reka has organized a special project that regulates areas where celebrations are held, and every year it is included in procurement planning under the Directorate for Culture, Youth and Sports.

The final planning was submitted to the Central Procurement Agency on 21.02.2019, because the Kosovo national budget was adopted only after some delay. This plan was published on the municipality's website on 21.02.2019.

According to the procurement plan of the Municipality of Suhareka/Suva Reka for 2019 there are 81 planned con-

tracts; 18 of these 81 (17%) are supply contracts with a total value of €816,600.00; 21 (20 %) are service contracts to the value of €896,805.00; 65 (63%) are work contracts with a total value of €3,547,910.00. The Municipality of Suhareka/Suva Reka did not plan any procurement procedures for design contests in 2019.

Based on the analysis of the budget and procurement plan, it is observed that all budgeted projects were included in the planning, and the requests of citizens of Suhareka/Suva Reka made during public hearings were taken into consideration.

The Municipality of Suhareka/Suva Reka, in its Mid-Term Budget Framework for 2019, planned 104 capital investment projects, which were also included in the procurement plan for 2019. Most capital projects will be invested in the construction of road infrastructure, education, health and agriculture.

It is worth noting that the Municipality of Suhareka/Suva Reka managed to prepare a proper plan thanks to the coordination of various units, which know clearly how to prepare requests for the procurement office. A challenge the municipality faced during the drafting the procurement planning was the lack of information on prices and market values. Some framework contracts are planned over up to 12 months, and fall into the category of contracts for supply, such as firewood and pellets, medical supplies, drugs, vehicle maintenance and cleaning services.





Municipality of Ferizaj/Uroševac

Municipality of Ferizaj/Uroševac during the process of drafting Procurement Plan for 2019¹¹ as a Contracting Authority complied with all deadlines set by current public procurement legislation.¹² All relevant departments, procurement office, chief financial officer and chief administrative officer were involved in this process.

Preliminary procurement planning by the Municipal Procurement Directorate was sent to the Mayor before 1 December 2018, while final procurement planning was submitted to the CPA on 15.02.2019. This plan was published on the website of municipality on 22.2019¹³.

According to the Procurement Plan of the Municipality of Ferizaj/Uroševac for 2019, there are 81 foreseen contracts; 27 of these 81 or 33.33 % are supply contracts with total value of 1,202,678.96 EUR; 15 or 18.52 % are service contracts with a value of €524,757.28 EUR; 38 or 46.91 % are work contracts with a value of €3,312,643.98 EUR and a design contest with the value of €50,000.00 EUR.

Based on the analysis of the budget and the procurement plan, it is observed that all budgeted projects were included in the planning, and requests of the citizens of Ferizaj/Uroševac resulting from public hearings were taken into consideration, such as construction, adjustments and repairs of roads, sidewalks and sewerage, building a kindergarten in the village of Samadraxha, solving the problem of public lighting, making the Hendikos center functional, building livestock stalls, etc.

When comparing procurement planning with the 2019 budget, a difference of 12 capital investment contracts was noted. According to the explanation provided by the procurement office of Municipality of Ferizaj/Uroševac, the 12 contracts that were not included in the budget are contracts carried over from previous years, but which will be paid in 2019.¹⁴

During 2019 the Municipality of Ferizaj/Uroševac has over 40 projects that are continuation of projects from previous years, which are covered from own source revenues and Kosovo Consolidated Budget, while 53 new projects are planned, all of which are also included in the planning in the Procurement Plan for 2019 in the category of contracts for works and services.

When drafting of the Plan, Municipal Procurement Office for 2019 did not plan any procurement activities for holiday festivities and anniversaries. Failure to plan these activities increases possibility for unplanned procurement.

Among supply contracts, the Municipal Procurement Office has planned two similar activities: the supply of uniforms for municipal officials and supply of uniforms for medical staff, which could have been a single activity, and thus save time and ensure a better price.

11 <https://kk.rks-gov.net/Ferizaj/Uroševac/wp-content/uploads/sites/31/2019/02/Plani-Final-i-Prokurimit-2019.pdf>
 12 https://krpp.rks-gov.net/krpp/PageFiles/File/STRforms2016/Shqip/A01_Regullat%20dhe%20Udhezuesi%20operativ%20per%20Prokurimin%20Publik.pdf
 13 Website of Ferizaj/Uroševac Municipality, Procurement Module: <https://kk.rks-gov.net/Ferizaj/Uroševac/category/prokurimi/plani-i-prokurimit/>
 14 E-mail received by Municipality of Ferizaj/Uroševac, on May 31, 2019





Municipality of Lipjan/Ljipljan

Municipality of Lipjan/Ljipljan during the process of drafting Procurement Plan for 2019 as a Contracting Authority complied with all deadlines set by current public procurement legislation.¹⁵ Procurement planning by the Municipal Procurement Directorate was sent to the Mayor before 1 December 2018 and was published on the official website of the municipality on 15 January 2019.¹⁶

During the analysis of the Procurement Plan for 2019 we have found that this plan is in line with the municipal budget planning for 2019, adopted by the Municipal Assembly of Lipjan/Ljipljan on 27 September 2018.

According to the Procurement Plan of the Municipality of Lipjan/Ljipljan for 2019 there are 76 foreseen contracts; 27 out of these 76 or 36 % are supply contracts with total value of €565,899.00 EUR; 21 or 28 % are service contracts with the value of €494,770.00 EUR; 28 or 37 % are work contracts with a value of €2,449,155 EUR. Municipality of Lipjan/Ljipljan did not plan any procurement for design contests for 2019.

Based on the analysis of the budget and procurement plan, it is observed that all budgeted projects were included in the planning, and requests of citizens resulting from public hearings were taken into consideration.

Further, Municipality of Lipjan/Ljipljan planned €17,500.00 EUR for the decoration of the city for the end-of-the-year holidays, and recognitions and gifts for holidays and other events.

15 https://krpp.rks-gov.net/krpp/PageFiles/File/STRforms2016/Shqip/A01_Rregullat%20dhe%20Udhezuesi%20operativ%20per%20Prokurimin%20Publik.pdf

16 <https://kk.rks-gov.net/Lipjan/Ljipljan/wp-content/uploads/sites/20/2019/03/RptPlanskiDokument-12.pdf>





Municipality of Podujeva/Podujevo

During the process of drafting its procurement plan for 2019, the Municipality of Podujeva/Podujevo complied with all deadlines set by current public procurement legislation.¹⁷ The procurement planning by the Municipal Procurement Directorate was sent to the mayor before 01.12.18, and was submitted to the CPA on 28.02.2019. This document was published on the website of the municipality on 16.3.2019.¹⁸

Based on the monitoring data, the procurement planning is in line with the approved municipal budget. Municipality has planned 30 procedures to be implemented regarding supply contracts with total value of €879,620; 32 procedures are planned to be implemented for service contracts with total value of €635,333 and 60 procedures are planned to be implemented for work contracts with total of €5,326,424. Out of 62 work projects, there are 19 capital investment projects that last more than 12 months.

According to the procurement plan of the Municipality of Podujeva/Podujevo for 2019, there are 122 planned contracts overall: 30 out of these 122 or (25%) are supply contracts with a total value of €774,100.00; 32 (26%) are service contracts with the value of €497,600.00 EUR; 60 (49%) are work contracts with a value of €4,839,607.00. The Municipality of Podujeva/Podujevo did not plan any procurement for design contests for 2019.

Podujeva/Podujevo included 62 work projects in its procurement planning, 2 of which are included in the medium-term budget framework.

Further, the Municipality of Podujeva/Podujevo planned €39,200 to be allocated for decorating the city for the end-of-year holidays and commemorating international days for environmental protection.

17 https://krpp.rks-gov.net/krpp/PageFiles/File/STRforms2016/Shqip/A01_Rregullat%20dhe%20Udhezuesi%20Operativ%20per%20Prokurimin%20Publik.pdf

18 Official website of Podujeva/Podujevo Municipality, Procurement Module: <https://kk.rks-gov.net/podujeve/category/prokurimi/planet-dhe-raportet-e-prokurimit/>





Syri i Vizionit

Municipality of Istog/Istok

The Municipality of Istog/Istok developed and approved its procurement planning within the required deadline. The starting date of the procurement planning process was 30.10.2018, while the date of finalizing the preliminary procurement planning was 30.11.2018. The preliminary procurement planning was submitted to the CAO (mayor) on 30.11.2018. The final planning was submitted to the CPA on 05.02.2019.

Analyzing the amounts and activities set out in the procurement planning and budget of the Municipality of Istog/Istok in 2019, we have come to the following conclusions:

The estimated amount of capital investment (works) in the budget 2019 is €2,861,339, while according to the procurement planning this amount is €2,100,500, a difference of €760,000.

The amount planned for spending on goods and services within the 2019 budget is €1,345,525.

According to the procurement planning of the Municipality of Istog/Istok for 2019, there are 101 planned contracts: 23 of these 101 or 23% are supply contracts with a total value of €793,230.00; 15 or 15% are service contracts with a total value of €320,500.00; 63 or 62 % are work contracts worth €2,100,500.00. The Municipality of Istog/Istok has not planned any procurement process for design contests for 2019.

The total number of capital projects planned to be implemented under the final procurement planning in 2019 is 63, with a total value of €2,100,500.00. Most of the projects that will be implemented are in line with the requests of residents, which they have voiced during budget hearings,

such as road maintenance and asphaltting, laying sidewalk tiles, construction of sewage and water supply systems and cement-maintenance of irrigation canals for agricultural needs.

Further, 13 framework contracts are planned for the period 2019-2020. There are some framework contracts to be approved by the Central Procurement Agency, and if that fails, then it is the obligation of Istog/Istok as the contracting authority to perform the activities within a specified period of time.

The Municipality of Istog/Istok did not include plans for marking anniversaries in its procurement planning, rather it included only plans for decoration across the municipality for the end-of-year holidays to the amount of €5,000.00.



ANNEX 2: Legal requirements

Procurement plannings are a legal requirement set out in the Law on Public Procurement.¹⁹ According to this law, procurement plannings must be submitted to the mayor no later than 30 days before the start of the fiscal year (which means no later than December 1 of each year). The process should identify in detail the values, quantities and deadlines for supplies, works and services expected to be procured by the municipality for the following year. The basis for this planning is the draft budget for the following year, developed by the municipality. This planning is a basic tool that helps procurement officers to plan the deadlines for announcing tenders.

However, the law also provides for a second function of this planning. Fifteen days after the adoption of the budget by the Assembly of Kosovo, municipalities should prepare the final version of their procurement planning and submit it to the Central Procurement Agency. The CPA will then analyze the products common across all contracting authorities, which will become centralized procurements (joint procurements) carried out by this agency.

Conducting procurement plannings is regulated by secondary legislation on public procurement.²⁰ According to chapter five of this regulation, procurement plannings must be prepared by each contracting authority. This planning is conducted by the municipal procurement office, during which the officer designated to draft this document should include all key stakeholders, consulting with them to determine the requests and the budget availability

At the same time, in addition to procurement planning being mandated from April 2019, it helps businesses to analyze what procurements the municipality will initiate in the coming year, and make necessary preparations to participate in the process and be competitive in this market.

for each procurement, analyze how the supply market is functioning, assess risks and ultimately determine the best procurement strategy to meet the needs of the municipality.

A successful procurement planning eliminates the need for emergency procurement, provides the possibility of bringing together (collecting) requests to secure a better purchase price, and helps to identify long-term procurements, which can be delivered as framework contracts, thus reducing the administrative costs related to frequent tendering.

To carry out this planning, procurement officers should use the standard form developed by the Public Procurement Regulatory Commission (Form B01).²¹ The rules for

¹⁹ Law on Public Procurement of the Republic of Kosovo no. 04/L-042, as amended and supplemented by Law no. 04/L-237, Law no. 05/L-068 and Law no. 05/L-092, Article 8 Procurement Planning

²⁰ Rules and Operational Guidelines for Public Procurement, p.11, 10.04.2019, PPRC: https://krpp.rks-gov.net/Default.aspx?PID=StdForms&LID=1&PPRCMenu_OpenNode=62

²¹ https://krpp.rks-gov.net/Default.aspx?PID=StdForms&LID=1&PPRCMenu_OpenNode=62



using this form are set out in two articles, which address (1) identification of the contracting authority and (2) a summary description of the planned contracts for the fiscal year²².

Article 1 sets out information required concerning the contracting authority, such as the address, contact person and contact details.

Article 2 consists of four parts, defining the data required for each type of contract (supply, services, works and design contests). Supply contracts must be completed with data including product classification, contract description, item, measuring unit, approximate annual quantity, estimated unit price, estimated contract value and estimated start procurement date. However, for contracts for services, works and design contests, the product classification, contract description, estimated contract value and estimated procurement start date must be provided. If the municipality has planned multi-annual contracts, then in cooperation with the directorate of finance, a “reasonable basis for the budget approval” must be provided for the municipality in the following fiscal years.²³

Following the adoption of the national budget at the Kosovo Assembly, the procurement officer should review the preliminarily drafted procurement planning to make sure it is in compliance with the budget law that was passed. If the approved budget has undergone changes since the project proposal was submitted by the municipality, the procurement officer must ensure that those changes are reflected in the procurement planning. The final procurement planning must be sent to the CPA no later than 15 days after the budget is adopted by the Kosovo Assembly. Immediately after the completion of the procurement planning, the municipal officer may initiate coordination procedures with relevant units to prepare the necessary

documentation, initiate procurement procedures based on the deadlines and values set out in the budget and procurement planning.

Until the first quarter of 2018, publication of procurement plannings was prohibited by secondary legislation. This prohibition has been criticized for years by civil society. Eventually, in April 2018, this prohibition was removed from the applicable legislation. After this provision was removed in 2018, 24 municipalities²⁴ published procurement plannings on their websites.

22 Rules and Operational Guidelines for Public Procurement, 10.04.2019, PPRC: https://krpp.rks-gov.net/Default.aspx?PID=Std-Forms&LID=1&PPRCMenu_OpenNode=62
23 Rules and Operational Guidelines for Public Procurement, p.11, 10.04.2019, PPRC: https://krpp.rks-gov.net/Default.aspx?PID=Std-Forms&LID=1&PPRCMenu_OpenNode=62
24 Public Procurement Transparency Index 2018, KDI





ANNEX 3: Procurement planning monitoring form



2. PROCUREMENT PLANNING MONITORING FORM 2019

1. Procurement planning process inception date: ____/____/2018;

2 Preliminary procurement planning process completion date: ____/____/2018;

3. Monitoring NGO: _____.

4. Monitor's name and surname: _____.

5. Municipality: _____.

ACTIVITY DESCRIPTION

1. Participants involved in procurement planning:

- | | |
|----------|-----------|
| 1) _____ | 6) _____ |
| 2) _____ | 7) _____ |
| 3) _____ | 8) _____ |
| 4) _____ | 9) _____ |
| 5) _____ | 10) _____ |

2. Was preliminary procurement planning completed before 02 December 2018? Yes No
 If not, describe the reasons for the delay: _____

3. Was preliminary procurement planning submitted to the Mayor before 01 December 2018? Yes No

4. Does the procurement planning match the draft budget approved by the Municipal Assembly? Yes No
 Comments: _____

5. Have all requirements of the same nature been considered with the aim of collecting and avoiding multiple procurement procedures? Yes No
 Comments: _____

6. Was all holiday and anniversary planning discussed and addressed to avoid emergency procurements or exceptions? Yes No
 Comments: _____

7. Was procurement plan submitted to the Central Procurement Agency no later than by 15 January 2019? Yes No
 Comments: _____





2. PROCUREMENT PLANNING MONITORING FORM 2019

8. How many job projects were involved in procurement planning?

No. _____

Comments: _____

9. How many job creation projects were envisaged in Medium-Term Expenditure Framework?

No. _____

Comments: _____

10. Are there capital projects with a duration of more than 12 months? *(analysis with municipal budget for 2019)*

Yes No

If YES, was an investment included in the Medium-Term Expenditure Framework?? *(analysis with MTEF for 2019 2021)*

Yes No

Comments: _____

11. Comments on main challenges faced during the preparation of the procurement plan?

12. Additional comments:



Katalogimi në botim – (CIP)

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