
TENDERS DURING THE PANDEMIC

ANALYSIS OF EMERGENCY TENDERS OF THE MINISTRY OF HEALTH

JUNE 2020



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LIST OF ACCRONYMS

CA	→ Contracting Authority
TD	→ Tender Dossier
NIPHK	→ National Institute of Public Health of Kosova
KDI	→ Kosovo Democratic Institute
PPRC	→ Public Procurement Regulatory Commission
EDL	→ Essential Drug List
LOT	→ A set of units of an item, a single item, or a package of items offered as an item
LPP	→ Law on Public Procurement
MoH	→ Ministry of Health
EO	→ Economic Operator
ROGPP	→ Rules and Operational Guideline for Public Procurement
HUCSK	→ Hospital and University Clinical Service of Kosovo
TI	→ Transparency International
PO	→ Procurement Officer



INTRODUCTION

Force Majeure, such as natural disasters, wars, riots, epidemics, etc., plays an important role in the functioning of the chain of various supplies and particularly medical supplies. In such situations, it is not uncommon for the demand for certain products to increase while supply to decrease. This inevitably has an effect on price gouging as well¹.

The pandemic, as force majeure that has affected the whole world, must be addressed with transparent and effective measures that prioritize the prevention of the spread of the virus and the loss of lives. In such an environment, where pressure and uncertainty are high, markets are subject to shocks and there is a significant disproportion between demand and supply² and as result, there is always a risk that public decision-making will be captured or distorted by the interests of certain groups to their benefit. Such risks may include deviations of health financing to the private pockets of those who benefit from emergency procurement decisions, all the way to the design of rescue packages that favour industries and companies with more skilful lobbyists, to the detriment of less networked sectors.

One of the issues with higher priority during times of crisis is to prevent and address the risks of corruption in the health system. More than ever, we need to make sure there is transparency so that money is invested and spent where it is most needed. Therefore, if a contract fails to be fulfilled, it must be determined exactly why this is the case and sufficient evidence must be gathered to substantiate it. In the event that a supplier is unable to deliver the supply, then specific evidence must be sought.

In addition to various challenges in the supply chain, during global crises (such as the Covid-19 pandemic outbreak) the risk of corruption in the health system is exacerbated by a dramatically increased pressure on the system, often accompanied by a very large flow of indispensable resources. Disunity, insecurity and distraction contribute to an envi-

ronment in which corrupt stakeholders are likely to benefit from the crisis. To this end, it is vital that transparency and integrity be maintained throughout the health sector.

The following report aims to analyse certain procurement procedures “**through negotiated procedure without publication of a contract notice**” developed by the Ministry of Health during the period of pandemic in order to highlight the institutional challenges in dealing with the situation of pandemic and the impact of global challenges in the supply chain.

¹ [Supply and demand or price gouging? An ongoing debate, Harvard Business School, April 1, 2020](#)

² Clarification: “1. When demand increases but supply remains the same or decreases, this leads to the price gouging; 2. When demand decreases but supply remains the same or increases, this leads to the price reduction 3. Market equilibrium is when supply and demand are in harmony with each other.”, [Diagrams for Supply and Demand, Economics Help, September 2019.](#)

In order to ensure as higher competition as possible, the MoH invited 3 to 21 Economic Operators (EOs) to bid for each procurement activity, while 1 to 5 bids were accepted⁶.

The Ministry of Health through a total of nine emergency tenders requested the supply of a total of 120 medicinal products and equipment, but managed to enter into contracts for only 70 of these medical products and equipment. Also, a large number of Lots have been cancelled due to very high bids / prices (27 cases) and lack of bids (22 cases). A bid was eliminated because the product dose did not match the specifications in the tender dossier.

During the analysis of these contracts, KDI found that the prices for some of the same medical equipment differed between tenders, as was the case of the price of protective clothing, which in the contract of 28 April 2020 was **74% higher** than that for the same product purchased under the 4 March 2020 contract, although in line with the needs, the required quantities were up to 4000% higher. While in supplies of laboratory material for testing, some of the prices of products listed in the contract of 24 April 2020 were **47% higher** than in the contract of 24 March 2020. However, the analysis shows that there were cases when the prices of some of the laboratories materials were purchased **cheaper by up to 42%**. During the negotiation phase, the Ministry of Health managed to ensure a better price compared to the initial bid for only five products and medical equipment. For all other products, the contracts were signed according to the bid prices, which did not exceed the estimated prices.

Subsequently, the commission for setting reference prices

in the tender with Procurement No. 206-20-1408-1-1-5, dated 28 April 2020, set the reference price for surgical gloves, but during the calculation of the reference price did not eliminate abnormally low prices (0.04 euro) and abnormally high prices⁷ (1.86 euro) declared by Economic Operators. Abnormal prices have a negative impact on determining the estimated value, either increasing or decreasing it. This will in turn have implications for the performance of the contract and the quality of the products and services. In the case of the MoH, if these two prices were not part of the reference price calculation, the MoH would have saved about 97% of funds in only three lots for the purchase of surgical gloves of sizes S, M and L (in the contract of 28 April 2020).

KDI has noticed that in four of the nine tenders of the Ministry of Health for the supply of medical equipment, sanitizer was requested⁸, which during the pandemic was among the most demanded products in the market. This product can be found in the market in several types: those containing 60% alcohol (for general use) and sanitizers containing 70-95% alcohol for use in clinics⁹. In the calls for tenders, the MoH did not define the required content (% of alcohol) of the sanitizer. In the single contract entered into by the MoH¹⁰, the contracted product had an alcohol content of 70% in 1 Litre packaging. While in three other calls, the Ministry of Health, although in a situation when this product was absolutely essential, did not manage to conclude a contract for supply due to the high prices bided by EO, which exceeded the estimated values. However, to alleviate the situation due to the lack of this supply, the MoH received a donation of about 45% of the required quantity¹¹.

⁶ According to the Rules and Operational Guidelines for Public Procurement, IV.1.2) Limitations on the number of operators who will be invited to tender (restricted or negotiated procedure) "On the basis of the applications received, at least 3 and at most 6 candidates will be invited to submit detailed tenders for this contract. If more than 6 eligible candidates meet the above selection criteria, the relative strengths and weaknesses of the applications of these candidates shall be re-examined to identify the six best applications for the tender procedure. The only factors that will be taken into account during this re-examination are: The total value of three (3) successfully completed contracts meeting the technical capacity criterion set out in the Contract Notice Section III.2.4 point a) ("economic operators have successfully completed at least two contracts for the supply of computers with a minimum value of EUR 100,000 in each year during the last two years");

⁷ Law on Public Procurement Article 61

⁸ Hand sanitizer is a widely used antiseptic, which is marketed as an antiseptic with and without alcohol

⁹ "Limited efficacy of alcohol-based hand gels" - Kramer, Axel; Rudolph, Peter; Kampf, Gontar; Pittet, Didier - 27 April 2002

¹⁰ Contract no. 206-20-606-1-2-5, Signed on 4 March 2020

¹¹ According to information served by the Ministry of Health, on 28 May 2020, 10,000 L of ethanol received from Stone Castle, 7,000 L of ethanol received from products confiscated by Kosovo Customs. Both of these admissions were processed and packaged by TrePharm, and 19,000 L donations from the EU.



METHODOLOGY

During the compilation of this analysis, Kosovo Democratic Institute (KDI), a branch of Transparency International (TI) in Kosovo, employed the Transparency International methodology¹² for monitoring public procurement during emergencies. This methodology provides for the assessment/measurement of minimum requirements that ensure integrity in contracts awarded during times of crisis. This methodology prescribes the measurement of the following indicators:

1. Transparency and openness:

- o Information on goods and services required through procurement, including technical specifications of goods and their quantity
- o Total units and prices of purchased goods and services
- o Types of procurement procedures used
- o Technical and economic rationale of the procurement
- o Information on the requirements for the implementation of the contract, such as date, place, delivery conditions
- o The need (reasonableness) or the audience for which the procurement is taking place
- o Contracting Authority and officials responsible for procurement

2. Fair administration of institutional resources

- o Tools and forms which ensure the transparency of the use of these resources.

3. Ensuring fair competition

- o Measures taken to ensure free and fair competition, to avoid price gouging and to sanction price increase

4. Timely reporting of institutional costs

- o Regarding the expenditure of funds allocated to deal with pandemic and the number of contracts awarded

This research included nine tenders announced by the Ministry of Health during the period 4 March to 28 April 2020 for which dozens of documents and decisions of the Ministry of Health were consulted, the responses of the Ministry of Health obtained through requests for access to official documents¹³ related to the analysed tenders, as well as dozens of articles and reports from the media, which address the current situation regarding public procurement in response to protective measures during the COVID-19 pandemic in Kosovo.

¹² Public Procurement during states of emergency: minimum requirements to ensure the integrity of contracts awarded during crises, March 2020, Transparency International

¹³ Request for access to public documents, 27 April 2020, documents received on 30 April 2020



INSTITUTIONAL TRANSPARENCY

When carrying out the procurement activities in response to the emergency needs triggered by the Covid-19 pandemic¹⁴ (4 March to 28 April 2020), the Ministry of Health has been quite transparent in publishing information. All 10 procurements during this period were conducted **through a negotiated procedure without publication of a contract notice**¹⁵. Nine of these procurements were for the supply of medical equipment and products for protection from Covid-19 and one was for the sanitization of the internal premises of the Ministry of Health, Inspectorates, the Centre in Nashec, the one in Vranidoll and the Police Academy in Vushtrri. The total value of contracts signed for these 10 emergency procurements was EUR 7,128,901.77.

All tenders for the supply of medical equipment such as masks, gloves, protective clothing, tests, test material, etc., and medical products or medicines were published on the official **E-procurement platform**¹⁶. Documents, such as Tender Dossier, decisions on the selection of successful and unsuccessful operators in the tender, notices for awarding and signing contracts and contracts, were published and made available on e-Procurement. While, documents, such as requests of requesting units, negotiation minutes, invitations to bid, were requested from the MoH through access to public documents on 27 April 2020 and received on 30 April 2020, respectively within the legal deadlines. For all products and equipment, the tender specified the required quantity and price, while the technical specifications were prepared by the requesting units (National Institute of Public Health of Kosovo, Hospital and University Clinical Service of Kosovo and Primary Health Care).

Also, the unit price, the total contract price and the data for the winning Economic Operators were included in the published contracts. Economic Operators who won these nine tenders include Made Kos, Liri Med, the group of operators Neramed & Genius Kosova, Eramed, Komed, Lego, Meditech, Agani and Interlab with a total price of EUR 7,093,272.57.

In order to supply as quickly as possible, taking into account the emergency created by the pandemic, the Ministry of Health used the **negotiated procurement procedure without publishing of contract notice**. This procurement procedure is provided for in the Law on Public Procurement, namely in Article 35.2.1 (iii) of this law. Previously, the MoH notified the PPRC for the use of the negotiated procedure without publishing of contract notice and clarified the need to use this procedure.

Each contract is concluded for a certain period of time and the time limits for the delivery of supplies and the place of delivery of these supplies have been determined. Contracts duration varies from one to three months while the time of product delivery varies from 1 to 10 days, while only for fan supply the delivery time was up to 70 days. The signing of contracts is regulated by Article 26 of the Law on Public Procurement and in accordance with this Article, medium value contracts at the MoH were signed by the Responsible Procurement Officer, while those of high value were also signed by the Chief Administrative Officer and the Minister.

14 04 March – 28 April 2020

15 Law on Public Procurement, Article 35, Negotiated Procedures without Publication of Contract Notice: A contracting authority may use negotiated procedures without prior publication of a contract notice to conduct a procurement activity having as its object the award of any public contract if, insofar as is strictly necessary for reasons of extreme urgency brought about by objectively verifiable events that were not reasonably foreseeable by the concerned contracting authority, such contracting authority cannot afford the time required to conduct any other procedure provided for by the present law. Provided, however, that if the circumstances creating the situation of extreme urgency can be attributed to the negligent or purposeful acts or omissions of a contracting authority, this provision may not be invoked.

16 <https://e-prokurimi.rks-gov.net>



RESOURCES MANAGEMENT

In the framework of the first emergency tender for “supply of medical equipment and material for the protection of healthcare staff against Coronavirus” published on 4 March 2020, the Ministry of Health implemented them with funds from the MoH budget approved by the budget allocation of the previous year¹⁷, the 2020 Budget Law passed on 15 March 2020.

On 28 February 2020, the Government of Kosovo allocated EUR 400 thousand for the purchase of medical equipment for protection against Covid-19, while it approved the transfer of funds in the amount of EUR 820,000.00 from the Clinical Training Sub-Program on 23 April 2020. On 10 March 2020, the Government of Kosovo approved the request¹⁸ of the Ministry of Health for the approval of the Action Plan for readiness and response against the coronavirus with a financial value of EUR 10,013,295.5. Based on this decision, on 16 March 2020, the Ministry of Health requested¹⁹ from the Ministry of Finance and Transfers to transfer funds in the amount of EUR 6,230,000.00.

The MoH also received numerous foreign donations (UNICEF, UNDP, EU, CDF, etc.) and local ones (various companies) in medical equipment and products. These donations are published only on the websites of the Ministry of Health on social networks. According to the information, the Ministry of Health is preparing a report²⁰ on all donations during the pandemic.

On 13 February, the Secretary General of the Ministry of Health, through Decision No. 05-698²¹ formed a commission of eight members (doctors and pharmacists from the departments of the Ministry of Health) to collect reference prices in pharmaceutical warehouses and pharmacies for emergency supply of equipment and materials for protection against COVID-19. This commission continuously verified stocks and prices in the field and based on these prices, the commission set reference prices for protective medical equipment.

The commission for setting reference prices in the tender 206-20-1408-1-1-5 set a high reference price per unit of surgical gloves, since during the calculation it did not eliminate the abnormally low price (0.04 euro / unit) and abnormally high price (EUR 1.86 / unit) declared by EO. If the commission would have eliminated abnormally low and abnormally high prices in the calculation, then the reference price per unit would have been EUR 0.24. Consequently, the MoH would have paid the total amount of EUR 80,709.33 and not **EUR 158,981.32** for three lots of surgical gloves, which actually is the amount paid. Potentially, for these three lots alone, over **EUR 60,000 would have been saved.**

During the pandemic period, there has been no increase in the number of staff in the Ministry of Health; however, many volunteers have been engaged to help the welfare and food of the people quarantined in the Student Centre, volunteers in the Call Centre for Covid-19, as well as volunteers at the Covid-19 Psychological Assistance Line.

¹⁷ According to Article 24 of the Law on Public Financial Management and Accountability.

¹⁸ Government Decision dated 10 March 2020

¹⁹ KDI possesses the request with Protocol No. 05-1429 dated 16 March 2020

²⁰ Telephone conversation with the Information Office at the Ministry of Health dated 27.05.2020

²¹ Decision accepted by the Ministry of Health in KDI on 30.04.2020





ENSURING COMPETITION

In order to get supplied as quickly as possible, taking into account the emergency created by the pandemic, the Ministry of Health has used the **negotiated procurement procedure without publishing the contract notice** and has previously notified the PPRC. This procurement procedure is also prescribed by the Law on Public Procurement, namely by Article 35.2.1 (iii) of the law concerned.

In order to ensure the highest competition possible in each of the 9 tenders, although carried out through negotiated procedures without publishing the contract notice, the MoH sent an invitation to bid to 3 to 21 Economic Operators. However, not all operators responded with bidding to the invitations. The number of bidders in the nine tenders analysed was from one to five bidders.

Despite the fact that invitations to bid were sent to a significant number of operators, the Ministry of Health, through a total of nine emergency tenders, managed to sign contracts for only 70 of the 120 medical products and equipment requested. During the negotiation phase, it managed to secure a better price compared to the initial bid for only five medical products and equipment. For all other products, the contracts were signed according to the bid prices, which did not exceed the estimated prices. Also, a large number of Lots have been cancelled due to extremely high bids / prices and in some cases for lack of bids.

As the demand for medical equipment at the time of pandemic has increased globally, this has led to higher prices for these products as well. Certainly, the same trend has persisted in the context of the Kosovo market. During the analysis of contracts for the supply of protective clothing (L, XL, XXL) for Covid-19, a significant fluctuation of prices per unit was observed. For illustration, the unit price of protective clothing in the contract dated 4 March 2020 was EUR 7, while two weeks later, the price in the contract of **18 March was EUR 8**. In the contract of **28 April, the unit price was EUR 12.20**, which represents an increase by **74% from the price provided through the first contract**, although the required amount increased by 4000%.

Following the acceptance of bids in the tender dated 4 March 2020 for the supply of protective equipment, there has been an increase in prices by the EO (especially the prices of masks) and this has prompted the Ministry of Health to request from the Kosovo Police-Investigation Department and the Kosovo Competition Authority (KCA) to investigate these contracts²².

²² Request from the Ministry of Health on 10 March 2020 with Protocol No. 05-1308, as well as the declaration of the KCA: https://ak.rks-gov.net/lajmi_single/1866/





REPORTING AND MONITORING OF EXPENSES DURING EMERGENCIES

For each contract signed, the MoH appointed contract managers who are obliged to ensure that the contracted operator is fulfilling the contract obligations and to compile contract management reports. For two completed contracts, the contract management reports were sent to the MoH Secretary and the head of the Procurement Office. KDI was given access to the same through a request for access to official documents.

During the management of the contracts, a problem related to the delivery of laboratory material for testing was reported, in the tender dated 24 March 2020 with procurement no. of 206-20-959-1-2-5 in the amount of EUR 123,967.00. The EO failed to deliver the laboratory materials at the due time requested by the MoH. For this reason, the Ministry of Health has stated that it was initially discussed²³ to fine the EO under the terms of the contract, but on 21 April 2020 the PPRC²⁴ that the Contracting Authority should not penalize the Economic Operators for delays in fulfilling public contracts if contractors confirm that delays are due to Covid-19.

²³ Telephone conversation with the Ministry of Health on 29.04.2020

²⁴ <https://e-prokurimi.rks-gov.net/HOME/Documents/Notices/alb/417/42-2020.pdf>





ANALYSIS OF CONTRACTS FOR SUPPLY WITH MEDICAL PRODUCTS AND CONSUMABLES FOR COVID-19

In accordance with the Law on Public Procurement²⁵ and according to the Rules and Operational Guidelines for Public Procurement (ROGPP)²⁶ in cases of extreme urgency there is a possibility to use the negotiated procedure without publishing the contract notice, and this procedure can be conducted with one or more Economic Operators selected by the Contracting Authority (CA)²⁷.

From 4 March to 28 April 2020, the Ministry of Health has conducted nine emergency procedures for the procurement of medical products and equipment.

In order to ensure sufficient competition, the Ministry of Health for invited 3 to 21 Economic Operators to bid in every emergency tender conducted from 4 March to 28 April 2020.



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²⁵ Law on Public Procurement, negotiated procedure without publication of a contract notice, 35.2.1 (iii)

²⁶ Rules and Operational Guideline to Public Procurement, negotiated procedure without publication of a contract notice 52.

²⁷ Rules and Operational Guideline to Public Procurement Article 50.2: In cases of extreme emergency there is a possibility to use the procedure without publishing the contract notice according to the PPL, Article 35.2.1 (iii) and this procedure can be performed with one or more operators economic selected by the contracting authority



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1 TENDER: “Emergency supply with medical equipment and consumables for the protection of healthcare staff against coronavirus” with procurement number: 206-20-606-1-2-5

The announcement for the awarding of the first emergency tender “Emergency supply with medical equipment and consumables for the protection of healthcare staff against Coronavirus”²⁸, was published on 4 March 2020, and included eight products (masks, gloves L-M, protective clothing XL-XXL, face shields, sanitizers and thermometers). Eight EOs have been invited for this tender, while only two bid. The winner of this tender was OE Made Kos, while OE Agani was eliminated as an irresponsible bidder, as it bid only three products while the tender had eight products and was not divided into Lots. The estimated value of this tender was EUR 96,324.00, but after negotiations, the MoH managed to sign the contract with a lower value of EUR 94,401.00 as a result of negotiating / reducing the price for masks from 8.90 to 8.50 euros. The contract was awarded for a period of one month while the funds were secured from the budget of the Ministry of Health approved by the budget appropriation of the last year, as the Law on Budget 2020 had not been approved.

LOT	PRODUCT DESCRIPTION	QTY	UNIT PRICE, VAT INCLD.	TOTAL PRICE, VAT INCLD.
1	FFP2 Respirators (Masks)	4,000	8.50 €	34,000 €
2	Protective coveralls, size XL	2,000	7.00 €	14,000 €
3	Protective coveralls, size XXL	2,000	7.00 €	14,000 €
4	Face shield	2,000	5.60 €	11,200 €
5	Nitrile gloves, talc free, size M	47,300	0.06 €	2,838 €
6	Nitrile gloves, talc free, size L	47,300	0.06 €	2,838 €
7	Hand sanitizer along with dispenser	2,000	6.00 €	12,000 €
8	Infrared Forehead Thermometer	150	23.50 €	3,525 €
Total:				94,401 €

TABLE 1: Products and prices contained in the signed contract with Procurement No. 206-20-606-1-2-5

²⁸ Notice for awarding the contract dated 04.03.2020:

https://e-prokurimi.rks-gov.net/SPIN_PROD/APPLICATION/IPN/DocumentManagement/DokumentPodaciFrm.aspx?id=798186

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2 TENDER: “Emergency supply with medical equipment and consumables for protection against coronavirus” with the procurement number: 206-20-856-1-1-5

After the allocation of the budget in the amount of EUR 400 thousand from the Government of Kosovo²⁹ (Decision No. 07/04) for the supply of medical equipment needed to prevent COVID-19, on 18 March 2020, MoH conducted an emergency procurement procedure.

The estimated value of the tender, divided into 10 lots, was EUR 399,996.22, while the purpose was for “Emergency supply of medical equipment and consumables for protection against Coronavirus”³⁰. Eight out of 10 lots were for the same equipment and materials as in the previous emergency tender 206-20-606-1-2-5, while the other two lots were for the supply of L-size protective clothing and body bags. Only 21 EOs were invited to participate in this tender, but only three EOs responded to the invitation. The winner of the contract for Lot 1, 2, 3, 4 and 9 was the group of EO Neramed and Genius Kosova, while the total value of the contract was EUR 294,245.00. For the two Lots 5 and 8, two contracts were awarded to two EOs, the first in the amount of EUR 28,320.00 to EO Liri Med and the second in the amount of EUR 28,500.00 to EO Made Kos. Lots 6 and 7 were cancelled because the bids exceeded the estimated value substantially by up to 785%, while no bids were submitted for Lot 10. During the negotiation phase, the initial bid of 209,100.00 for masks was reduced to the final bid of EUR 203,745.00.

LOT	PRODUCT DESCRIPTION	QTY	UNIT PRICE IN €, VAT INCLD.	TOTAL PRICE IN €, VAT INCLD.
1	FFP2 Respirators (Masks)	25,500	7.99 €	203,745 €
2	Protective coveralls, size L	3,000	8.00 €	24,000 €
3	Protective coveralls, size XL	4,000	8.00 €	32,000 €
4	Protective coveralls, size XXL	4,000	8.00 €	32,000 €
5	Face shield	6,000	4.72 €	28,320 €
6	Hand sanitizer along with dispenser	5,209	/	/
7	Infrared Forehead Thermometer	150	/	/
8	Single-use sheets	10,000	2.85 €	28,500.00 €
9	Protective goggles	1,000	2.50 €	2,500 €
10	Body bags	50	/	/
Total				351,065 €

TABLE 2: Products and prices contained in the signed contracts with Procurement No. 206-20-856-1-1-5

²⁹ Decision of the meeting of the Government of Kosovo dated 28.02.2020 <https://kryeministri-ks.net/wp-content/uploads/2020/03/Vendimet-e-Mbledhjes-s%C3%AB-4-t%C3%AB-t%C3%AB-Qeveris%C3%AB-s%C3%AB-Republik%C3%AB-s%C3%AB-Kosov%C3%AB-2020.pdf>, nr.07/04

³⁰ Notice for awarding the contract dated 18.03.2020 : https://e-prokurimi.rks-gov.net/SPIN_PROD/APPLICATION/IPN/DocumentManagement/DokumentPodaciFrm.aspx?id=806110

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The following table illustrates the prices contracted for the same products between the two emergency contracts mentioned above:

CONTRACT		206-20-606-1-2-5 (04.03.2020) (a)			206-20-856-1-1-5 (18.03.2020) (b)			The difference in quantity	The difference in price EURO
Lot	Product description	Qty	Unit price in €, VAT incl.	Total price in €, VAT incl.	Qty	Unit price in €, VAT incl.	Total price in €, VAT incl.	(b - a)	(b - a)
1	FFP2 Respirators (Masks)	4,000.00	8.50 €	34,000.00 €	25,500.00	7.99 €	203,745.00 €	21,500.00	(0.51)
2	Protective coveralls, size XL	2,000.00	7.00 €	14,000.00 €	4,000.00	8.00 €	32,000.00 €	2,000.00	1.00
3	Protective coveralls, size XXL	2,000.00	7.00 €	14,000.00 €	4,000.00	8.00 €	32,000.00 €	2,000.00	1.00
4	Face shield	2,000.00	5.60 €	11,200.00 €	6,000.00	4.72 €	28,320.00 €	4,000.00	(0.88)

TABLE 3: Comparison between the first two emergency contracts with Procurement No. 206-20-606-1-2-5 and 206-20-856-1-1-5

According to the table above, we see that with the increase in the required quantity of masks in the second contract by 537.5%, the unit price was **5.99% cheaper**.

While in terms of Lots for the supply of protective coveralls (both sizes) we see that although the quantity in the second contract increased by 100%, the unit price compared to the previous contract **increased by 14.28%**.

In terms of supply of face shields, in the second contract, the quantity increased by 200%, while the unit price was **15.71% cheaper** than the first contract.

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3 TENDER: “Emergency supply with laboratory materials for sars-cov-2 testing for coronavirus” with procurement number: 206-20-959-1-2-5

On 24 March, the Ministry of Health published the contract award notice for the third emergency tender, “Emergency supply with laboratory material for SARS-COV-2 testing for Coronavirus”³¹, with an estimated value of EUR 124,980.00, which included 14 types of products (tests, test materials, etc.) necessary for testing individuals for COVID-19. For all these products, the Ministry of Health awarded a contract to the Economic Operator Eramed, with a total contract value of EUR 123,967.00. Five EOs were invited for this tender, of which only one EO made a bid and was therefore selected as the winner. The offer from the EO was lower than the value provided by the MoH, while during the negotiation the EO refused to offer discounts on grounds of difficulties and transportation costs due to pandemics.

No.	Description of product ³²	Qty	Unit price in €, VAT incld.	Total amount in €, VAT incld.
1	RT PCR kits for SARS-CoV-19 (150 test in pack) applicable on ABI 7500 or Rotorgene Q; a kit should detect RdRp of SARS-CoV-2; kit should contain all primers/probes and master mix for one step Rt PCR for SARS-CoV-2 detection;	20	850 €	17,000 €
2	SuperScript III Platinum One-Step qRT-PCR Kit ÷/ROX (500 reactions) or equivalent kit for Drosten et al. protocol detection of SARS-CoV-2	9	4,400 €	39,600 €
3	Viral RNA purification Kit (250 extractions) QIAGEN or equivalent	20	1,300 €	26,000 €
4	RT-PCR 96-well Reaction Plate for ABI 7500 (pack of 10) or equivalent	10	50 €	500 €
5	Sterile aerosol barrier tips 0.1-2.5 µl – PCR clean for molecular testing (1x96)	400	24 €	9,600 €
6	Sterile aerosol barrier tips 0.5-10 µl – PCR clean for molecular testing (1x96)	400	24 €	9,600 €
7	Sterile aerosol barrier tips 10-100 µl – PCR clean for molecular testing (1x96)	200	24 €	4,800 €
8	Sterile aerosol barrier tips 50-1000 µl – PCR clean for molecular testing (1x96)	38	24 €	912 €
9	0.2 ml reaction 8 tube strips ÷ith cups, 480 pcs	3	460 €	1,380 €
10	DMEM–Dulbecco’s Modified Eagle Medium; Liquid (With 4500 mg/L glucose, L-glutamine and sodium bicarbonate; With pyridoxine) Sterile-filtered; 500 ml	15	55 €	825 €
11	Penicillin-Streptomycin Solution stabilized, with 10,000 units penicillin and 10 mg streptomycin/mL, sterile-filtered, suitable for cell culture; 20 ml pack	5	50 €	250 €
12	Bovine Albumine Fraction V (7.5%); 100 ml pack	10	110 €	1,100 €
13	Flocked swab, plastic applicator, 100-110 mm, Sterile; 100 pieces in a box	100	90 €	9,000 €
14	Tubes 5 ml; flat/conical base; PP; with assembled cap; with printed graduation and writing space; sterile; 100 sterile pieces in pack	100	34 €	3,400 €
Total				123,967.00 €

TABLE 4: Products and prices of contract with Procurement No. 206-20-959-1-2-5

³¹ Contract award notice dated 24.03.2020:
https://e-prokurimi.rks-gov.net/SPIN_PROD/APPLICATION/IPN/DocumentManagement/DokumentPodaciFrm.aspx?id=810294

³² All the products were requested with description only in English

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4 TENDER : “Emergency supply with medical equipment and consumables against coronavirus” with procurement number: 206-20-1032-1-1-5

The notice for awarding the tender “Emergency Supply with medical equipment and materials against Coronavirus”³³ was made on 3 April 2020, with an estimated value of EUR 4,530,406.30 and divided into 18 lots. The Ministry of Health invited eight EOs to bid for this tender, but only four EOs did so. Of the 18 lots, the MoH accepted bids for only 13 lots and signed contracts for only three lots (Lot 2, 7 and 16). The winner of the contract for Lot 2 was EO Lego in the amount of EUR 1,716,492, for Lot 7 was EO Made Kos in the amount of EUR 29,632.50 and for Lot 16 was EO Comed in the amount of EUR 96,161.85.

During the negotiation, the EO refused to reduce the prices of their bids. Afterwards 10 lots (Lot 1, 3, 4, 5, 6, 11, 12, 13, 14 and 15) were cancelled as the received offers were much higher than the value provided by the MoH (up to 300% higher). The MoH did not receive any offer for five lots (Lot 8, 9, 10, 17 and 18).

Under Lot 2, the Ministry of Health requested a quantity of 215,911 pieces of masks, while it signed a contract in the total amount of EUR 1,716,492.00 with a price of EUR 7.95/unit. The unit price of masks in this tender is lower compared to the unit prices in the two previous tenders (tenders with procurement numbers 206-20-606-1-2-5 and 206-20-856-1-1-5), but the quantity requested is much greater. For Lot 7 (goggles) and 16 (single use sheets), unit prices were the same as the prices in the previous tender (with Procurement No. 206-20-856-1-1-5), but the quantity requested is greater.

No.	Description of product	Qty	Unit price in €, VAT incld.	Total amount in €, VAT incld.
1	Surgical masks	132,979	/	/
2	FFP2 respirators (Masks)	215,911	7,95 €	1,716,492 €
3	Protective coveralls size L	74,452	/	/
4	Protective coveralls size XL	88,858	/	/
5	Protective coveralls size XXL	81,285	/	/
6	Face shields	22,485	/	/
7	Protective goggles	11,853	2,50 €	29,632.50 €
8	Nitrile gloves, talc free, size S	435,910	/	/
9	Nitrile gloves, talc free, size M	660,943	/	/
10	Nitrile gloves, talc free, size L	597,777	/	/
11	Hand sanitizer with dispenser	47,223	/	/
12	Surgical gloves size S	64,917	/	/
13	Surgical gloves size M	149,233	/	/
14	Surgical gloves size L	113,050	/	/
15	Infrared forehead thermometer	541	/	/
16	Single use sheets	33,741	2,85 €	96,161.85 €
17	Body bags	1,462	/	/
18	Sample transportation boxes	896	/	/
Total				1,842,286.35 €

TABLE 5: Products and prices of contracts 206-20-1032-1-1-5

³³ Contract award notice dated 03.04.2020 : https://e-prokurimi.rks-gov.net/SPIN_PROD/APPLICATION/IPN/DocumentManagement/DokumentPodaciFrm.aspx?id=817168

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The following table compares the prices contracted for the same products under the two emergency contracts

Lot	Description of product	Contract 206-20-856-1-1-5 (18.03.2020)			Contract 206-20-856-1-1-5 (18.03.2020)			Difference in qty	Difference in price
		a			b				
		Qty	Unit price in €, VAT incl.	Total amount in €, VAT incl.	Qty	Unit price in €, VAT incl.	Total amount in €, VAT incl.	b-a	b-a
2	FFP2 respirators (Masks)	25,500	7.99	203,745 €	215,911	7.95 €	1,716,492 €	190,411	-0.04
7	Protective goggles	1,000	2.5	2,500 €	11,853	2.5 €	29,632.50 €	10,853	0
16	Single use sheets	10,000	2.85	28,500.00 €	33,741	2.85 €	96,161.85 €	23,741	0

TABLE 6: Comparison of contracts with procurement numbers 206-20-856-1-1-5 and 206-20-1032-1-1-5

The table above shows that the requested quantity of masks in the second contract increased by 746.7%, while the unit price was **0.5% lower**.

Regarding Lot 7: Supply with goggles, we see that although the amount in the second contract increased by **1085.3%**, the unit price was the same as in the previous contract.

In terms of supply with single use sheets, the quantity increased by 237.4% in the second contract, while the unit price was the same as in the first contract.

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5 TENDER: “Emergency supply with pharmaceutical products against coronavirus” – lot 1 – tamiflu, with procurement number: 206-20-1225-1-2-5

On 8 April 2020, the Ministry of Health published the contract award notice for the tender “Emergency supply with pharmaceutical products against Coronavirus”³⁴ – Lot 1 - Tamiflu, with an estimated value of EUR 17,000.00. The contract was awarded to EO Meditech in the amount of EUR 16,700.00 with duration of three months. According to the Ministry of Health, Meditech was the only EO that had the product registered in Kosovo³⁵. During the negotiation, the EO reduced the price and stated that the offered price is without any profit for the EO. There was a shortage of this product in the Infectious Diseases Clinic even before the Covid-19 pandemic. Due to the long-term shortage of this product in public supplies, KDI has not been able to find a comparative reference to the contracted price³⁶.

No.	Description of product	Qty	Unit price in €, VAT incl.	Total amount in €, VAT incl.
1	Tamiflu tablets, of 75 mg	10,000	1.67 €	16,700 €
Total				16,700 €

TABELA 7: Product and price of contract with procurement number 206-20-1225-1-2-5.

6 TENDER: “Emergency supply with pharmaceutical products against coronavirus” with procurement number: 206-20-1035-1-2-5

On 13 April 2020, the Ministry of Health published the contract award notice for the tender “Emergency supply with pharmaceutical products against Coronavirus”³⁷ with an estimated value of EUR 960,481.60. 18 EOs were invited to bid in this tender, while only three of them did so. The tender had 35 lots, for 11 of which contracts were signed (Lot: 11, 12, 14, 20, 22, 23, 24, 29, 31, 33 and 34), while 24 lots were cancelled. Of the 24 lots cancelled, 10 lots were cancelled due to exceeding the estimated value, 13 lots due to the fact that no bid was received and 1 lot due to non-compliance of the product dose. The total value of the signed contracts is EUR 438,983.70. The contract winner for nine lots (11, 12, 14, 20, 22, 23, 24, 29 and 30) was EO Lego, with a total value of EUR 406,963.30. For lot 31 the winner was EO Agani with a value of EUR 16,055.00 and for lot 33 the winner was EO Liri Med with a value of EUR 15,965.40. During the negotiation of bids, a discount was offered only for lot 33, i.e. from EUR 18,942.00 to EUR 15,965.40.

³⁴ Contract award notice dated 08.04.2020: https://e-prokurimi.rks-gov.net/SPIN_PROD/APPLICATION/IPN/DocumentManagement/DokumentPodaciFrm.aspx?id=821468

³⁵ Telephone conversation with MoH’s Procurement Officer on 21 April 2020

³⁶ According to the Chartered Institute of Procurement and Supply, the reference price may be considered the current market price or historic prices of previous purchases not older than 12 months.

³⁷ Contract award notice dated 13.04.2020: https://e-prokurimi.rks-gov.net/SPIN_PROD/APPLICATION/IPN/DocumentManagement/DokumentPodaciFrm.aspx?id=824058

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No.	Description of product	Qty	Unit price in €, VAT incl.	Total amount in €, VAT incl.
1	Tamiflu tablets, of 75 mg	10,000	/	/
2	Lopinavir/ritonavir 200/50 mg, box 120 tabl	12,400	/	/
3	Hydroksichlorochina (Plaquenil) 200 mg, box 30 tabl	6,660	/	/
4	Tab Vit C, 500mg	6,000	/	/
5	Tab Paracetamol 500mg	6,000	/	/
6	Noradrenalin	12,905	/	/
7	Dobutamin	4,905	/	/
9	B-Blockator - metoprolol 5mg/5ml	3,685	/	/
10	Colistine	4,096	/	/
11	Tazocin	4,295	5.4 €	23,193.00 €
12	Vancomycin 500 mg	12,490	1.48 €	18,485.20 €
13	Imipenem	14,138	/	/
14	Pantoprazol	33,670	1.41 €	47,474.70 €
15	Glucosae 5 % 500 ml	52,200	/	/
16	Glucosae 10 % 500 ml	26,940	/	/
17	NaCl 0.9% 500 ml	196,556	/	/
18	NaCl 0.45% 500 ml	2,010	/	/
19	NaCl 3% 500 ml	530	/	/
20	Aminosteril	4,600	6.48 €	29,808.00 €
21	Fresubin enteral nutrition	5,630	/	/
22	Nutriflex parenteral nutrition	2,750	55 €	151,250.00 €
23	Paracetamol 1000 mg	27,625	2.16 €	59,670.00 €
24	Analgin 500 mg	20,951	2.4 €	50,282.40 €
25	Diclofenak 75 mg/3 ml	59,865	/	/
26	Bronhodilatator - salbutamol	3,310	/	/
27	Bronhosekretolitik - Bisolvon 4 mg/ml	10,970	/	/
28	Bronhosekretolitik - Bisolvon sol 50 ml	200	/	/
29	Sedativët: Propophol 200 mg /20 ml	4,000	2.8 €	11,200.00 €
30	Midazolam 15 mg/3 ml	20,685	/	/
31	Morphina 20 mg /1 ml	16,055	1 €	16,055.00 €
32	Thiopentali 500 mg	4,350	/	/
33	Fentanyl 0.1 mg / 2 ml	27,060	0.59 €	15,965.40 €
34	Etomidat 200 mg / 10 ml	1,040	15 €	15,600.00 €
35	Adrenaline 1 mg / 1 ml	9,741	/	/
Total				438,983.70 €

TABLE 8: Products and prices of contracts with Procurement No. 206-20-1035-1-2-5

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7 TENDER: "Emergency supply with medical equipment – ventilators (respirators) for protection against coronavirus" with procurement number: 206-20-1130-1-1-5

The notice of 17 April 2020 related to the award of contract for the tender "Emergency Supply of medical equipment – Ventilators (respirators) for protection against Coronavirus"³⁸. The estimated value of this tender was EUR 1,450,000.00 and was divided into three lots. The Ministry of Health received five bids for this tender. Lot 1 and 2 were cancelled because they exceeded the estimated value and due to a lack of a catalogue of items, while for Lot 3 a contract was awarded to OE Interlab with a total contract value of EUR 749,000.00 and duration of 3 months. The products under this contract are ventilators for adults and children, and additional materials for ventilators. The contract also covers servicing and warranty for 24 months as well as the installation of the equipment and the training of the medical staff. The bid of the winning EO was lower than the value estimated by the MoH, while during the negotiation the EO did not agree to offer a discount for this Lot.

No.	Description of product	Qty	Unit price in €, VAT incl.	Total amount in €, VAT incl.
1	Respirators with humidifiers, including: a) 20 reusable and sterilized humidifier chambers with connection circuits; b) 1000 disposable adult patient circuits with chambers; c) 100 disposable pediatric patient circuits with chambers; d) Filter antiviral adult (antibacterial may be supplied instead of antiviral)- 3000 pcs e) Filter antiviral pediatric (antibacterial may be supplied instead of antiviral) - 300 pcs	20	/	/
2	Mobile respirator with oxygen regulator for can and wall connector (DIN standard), including: a) Disposable adult breathing circuit n. 100 pcs b) Reusable adult breathing circuit n. 20 pcs c) Disposable pediatric breathing circuit n. 50 pcs. d) Reusable pediatric breathing circuit n. 10 pcs e) Filter antiviral pediatric (antibacterial may be supplied instead of antiviral) n.50 pcs	10	/	/
3	Adult, Pediatric Ventilator with turbin (blower) and humidifier, including: a) 20 reusable and sterilized humidifier chambers with connection circuits; b) 1500 disposable adult patient circuits with chambers; c) 100 disposable pediatric patient circuits with chambers; d) Filter antiviral adult (antibacterial may be supplied instead of antiviral) - 4500 pcs e) Filter antiviral pediatric (antibacterial may be supplied instead of antiviral) - 300 pcs	30	24966.66 €	749000.00 €

TABLE 9: Products and prices of contract with Procurement No. 206-20-1130-1-1-5

³⁸ Contract award notice dated 17.04.2020: https://e-prokurimi.rks-gov.net/SPIN_PROD/APPLICATION/IPN/DocumentManagement/DokumentPodaciFrm.aspx?id=827350

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The table below compares the prices contracted for the same products under the two emergency contracts

No.	Product	Contract 206-20-959-1-2-5 (24.03.2020)			Contract 206-20-1224-1-1-5 (23.04.2020)			Differ- ence in qty	Dif- ference in price
		a		b					
		Çmimi për njësi me TVSH	Çmimi total me TVSH	Sasia	Çmimi për njësi me TVSH	Çmimi total me TVSH	b-a		
1	RT PCR kits for SARS-CoV-19 (150 test in pack) applicable on ABI 7500 or Rotorgene Q; a kit should detect RdRp of SARS-CoV-2; kit should contain all primers/ probes and master mix for one step Rt PCR for SARS-CoV-2 detection; Kit should have IVD and CE label; the kit should include Internal extraction control. The kit should include Internal extraction control.	20	850 €	17,000 €	65	1198.15 €	77880 €	45	348
2	Viral RNA purification Kit (250 extractions) QIAGEN or equivalent	20	1,300 €	26,000 €	40	750 €	30,000 €	20	- 550
3	SuperScript III Platinum One-Step qRT-PCR Kit w/ROX (500 reactions) or equivalent kit for Drosten et al. protocol detection of SARS-CoV-2	9	4,400 €	39,600 €	2	3600 €	7200 €	-7	- 800
4	RT-PCR 96-well Reaction Plate for ABI 7500 (pack of 10)	10	50 €	500 €	20	72.5 €	1450 €	10	23
6	Sterile aerosol barrier tips 0.1-2.5 µl – PCR clean for molecular testing (1x96)	400	24 €	9,600 €	500	15.5 €	7750 €	100	- 9
7	Sterile aerosol barrier tips 0.5-10 µl – PCR clean for molecular testing (1x96)	400	24 €	9,600 €	500	15.5 €	7750 €	100	- 9
8	Sterile aerosol barrier tips 10-100 µl –PCR clean for molecular testing (1x96)	200	24 €	4,800 €	250	15.5 €	3875 €	50	- 9
9	Sterile aerosol barrier tips 50-1000 µl – PCR clean for molecular testing (1x96)	38	24 €	912 €	100	15.5 €	1550 €	62	- 9
10	PCR 0.2 ml reaction 8 tube strips with cups, 480 pcs in a pack	3	460 €	1,380 €	8	400 €	3200 €	5	- 60
11	DMEM–Dulbecco’s Modified Eagle Medium; Liquid (With 4500 mg/L glucose, L-glutamine and sodium bicarbonate; With pyridoxine) Sterile-filtered; 500 ml	15	55 €	825 €	20	60 €	1200 €	5	5
12	Penicillin-Streptomycin Solution stabilized, with 10,000 units penicillin and 10 mg streptomycin/mL, sterile-filtered, suitable for cell culture; 20 ml pack	5	50 €	250 €	10	60 €	600 €	5	10
13	Bovine Albumine Fraction V (7.5%); 100 ml pack	10	110 €	1,100 €	10	100 €	1000 €	0	- 10
14	Flocked swab, plastic applicator, 100-110 mm, Sterile; 100 pieces in a box	100	90 €	9,000 €	100	70 €	7000 €	0	- 20
15	Tubes 5 ml; flat/conical base; PP; with assembled cap; with printed graduation and writing space; sterile; 100 sterile pieces in pack	100	34 €	3,400 €	100	50 €	5000 €	0	16

TABLE 11: Comparison of contracts with Procurement No. 206-20-959-1-2-5 and 206-20-1224-1-1-5

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The table above shows that in the second tender the quantity of products 1, 2, 4, 11 and 12 increased from 33% to 225%, while the unit price increased **from 9% to 45%** compared to the previous tender. For product 15 the amount did not increase, but the unit price increased **by 47%** compared to the first contract. Concerning products 6, 7, 8, 9 and 10, we see that there was also an increase in quantity from 25% to 166%, but the price was **from 13% to 42% cheaper**. For product 3 the required quantity was 77% lower, but the price **was 18% cheaper**, while for products 13 and 14 the price was the same, while the price **was up to 22% cheaper** compared to the first tender.

9 TENDER: "Emergency supply with medical equipment and consumables against coronavirus" with procurement number: 206-20-1408-1-1-5

The Ministry of Health through the contract award notice of 28 April published the tender "Emergency Supply with medical equipment and consumables against Coronavirus"⁴⁰ with an estimated value of EUR 4,033,451.96. 17 EOs were invited for this tender, while only five of them submitted bids. The tender included masks, gloves, protective clothing, etc., and was divided into 15 lots. The Ministry of Health signed a contract for only nine of these 15 lots. For lots 4, 5 and 18, the Ministry of Health signed a contract with EO Made Kos with a total value of EUR 2,138,464.6. The total value of the contract signed with EO Komed for lots 1, 12, 13, 14 and 17 is EUR 273,654.56, while the contract signed over Lot 3 with EO Lego amounted to EUR 906,825.36. Lots 6 and 11 were canceled due to the price increase above 100% during negotiation. Lot 15 was also canceled as the bid price was up to 300% higher than the value estimated by the MoH, while no bids were received for lots 8, 9 and 10. During the negotiation of bids, the EO offered a discount only for Lot 1 (masks), from EUR 77,127.82 in the initial bid to EUR 74,468.24 in the final bid. The purchase of gloves in this tender was very costly. The commission for determining the reference prices received from the pharmaceutical warehouses the declared prices of EUR 0.04, 0.20, 0.25, 0.29 and 1.86, and set the unit price of EUR 0.44, 0.48 and 0.52 as an average value. In this case, the commission had to eliminate the price of EUR 0.04 as an abnormally low price and the price of EUR 1.86 as an abnormally high price because these two prices resulted in higher reference prices. In addition, the Ministry of Health was able to invite for negotiation only the EOs which declared the unit price of EUR 0.20, 0.25 and 0.29 or to negotiate only with the EO which declared the lowest price. If the commission for determining the reference prices eliminated the prices declared by the EOs as abnormally low and abnormally high, then the reference unit price would be EUR 0.24, with a total amount for the three lots **of EUR 80,709.33, while the MoH paid EUR 158,981.32 for the three lots.**

⁴⁰ Contract award notice dated 28.04.2020: https://e-prokurimi.rks-gov.net/SPIN_PROD/APPLICATION/IPN/DocumentManagement/DokumentPodaciFrm.aspx?id=838216

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TABLE 9: Products and prices of contract with Procurement No. 206-20-1408-1-1-5

Lot No.	Description of product	Qty	Unit price in €, VAT incld.	Total amount in €, VAT incld.
1	Surgical masks	132,979	0.56 €	74,468.24 €
3	Protective coveralls size L	74,452	12.18 €	906,825.36 €
4	Protective coveralls size XL	88,858	12.2 €	1,084,067.60 €
5	Protective coveralls size XXL	81,285	12.2 €	991,677.00 €
6	Face covers	22,483	/	/
8	Nitrile gloves, talc free, size S	435,910	/	/
9	Nitrile gloves, talc free, size S	660,943	/	/
10	Nitrile gloves, talc free, size L	597,777	/	/
11	Hand sanitizer with dispenser	47,223	/	/
12	Surgical gloves size S	64,917	0.44 €	28,563.48 €
13	Surgical gloves size M	149,233	0.48 €	71,631.84 €
14	Surgical gloves size L	113,050	0.52 €	58,786.00 €
15	Infrared forehead thermometer	541	/	/
17	Body bags	1,462	27.5 €	40,205.00 €
18	Sample transportation boxes	896	70 €	62,720.00 €
Total				3,318,944.52 €

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The table below compares the prices contracted for the same products under three emergency contracts:

CONTRACT		206-20-606-1-2-5 (04.03.2020)			206-20-856-1-1-5 (18.03.2020)			206-20-1408-1-1-5 (28.04.2020)			QTY DIFFERENCE FROM TENDER A	QTY DIFFERENCE FROM TENDER B	PRICE DIFFERENCE FROM TENDER B	PRICE DIFFERENCE FROM TENDER B
		a			b			c						
Lot	Description of product	Qty	Unit price in €, VAT incl.	Total amount in €, VAT incl.	Qty	Unit price in €, VAT incl.	Total amount in €, VAT incl.	Qty	Unit price in €, VAT incl.	Total amount in €, VAT incl.	c-a	c-b	c-a	c-b
3	Protective coveralls size L	/	/	/	3000.00	8 €	203,745 €	74,452	12.18 €	906,825.36 €	/	71,452	/	4.18
4	Protective coveralls size XL	2,000.00	7 €	14,000.00 €	4,000.00	8 €	32,000.00 €	88,858.00	12.2 €	1084067.6 €	86,858.00	84,858.00	5.2	4.2
5	Protective coveralls size XXL	2,000.00	7 €	14,000.00 €	4,000.00	8 €	32,000.00 €	81,285.00	12.2 €	991,677.00 €	79,285.00	77,285.00	5.2	4.2

TABLE 10: Comparison of three emergency contracts with procurement numbers 206-20-606-1-2-5, 206-20-856-1-1-5 and 206-20-1408-1-1-5.

The table above shows that in the third contract (Contract c) the requested quantity of protective coveralls size L is greater by 2381.7 % compared to the second contract (Contract b), while the unit price **increased by 52.2%** compared to the second contract.

It can also be seen on the table that in the third contract (Contract c) the requested quantity of protective coveralls is higher, 4324.9% and 3964.2% for size L and XXL respectively, while the unit price **increased 74.28%** compared to the first contract (Contract a).

Finally, the table shows that the quantity of protective coveralls requested under the third contract is 2121.4% higher for size XL and 1932.12% higher for size XXL, while the unit price **increased by 52.4%** compared to the second contract (Contract b).

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CONCLUSIONS

- From January 2020, aiming to protect public health, the Ministry of Health has focused on tackling the epidemiological situation by implementing a number of measures, including the provision of personal protective equipment, disinfection of spaces and supply of necessary materials and medicines. During the period from 4 March to 28 April 2020, it announced ten tenders for 120 medical equipment and products and disinfection services. These procurements were conducted through negotiated procedure without publication of a contract notice.⁴¹
- The MoH, based on the needs created during the pandemic situation, notified the PPRC that it would apply the legal provisions that allow the use of the negotiated procedure without publication of a contract notice before each procurement activity.
- Seeing that the bids for the supply with medical protective equipment submitted by EOs in the first tender during the pandemic situation (February 5) were very high, the Ministry of Health formed a commission to verify stocks in pharmaceutical warehouses and collect reference prices for medical equipment and products for protection against Covid-19, on the basis of which the values provided in all tenders were then determined. However, there were cases when this commission did not make a proper assessment of the reference prices, including in the calculations the abnormally low and abnormally high prices presented by the EOs. Furthermore, the Law on Public Procurement requires that market research be done before any initiation of procurement procedures, in order to make a more accurate assessment of the estimated value.
- Due to rising global demand, prices for medical supplies for coping with COVID-19 were unstable and had risen sharply during the period of this analysis. Many of the products that the Ministry of Health could not afford to buy were due to the large excess of the estimated value. The MoH conducted four market analyses; however, if the research would have been updated before each of procurements, the MoH would have been able to adapt its forecasts to market conditions/prices and potentially save money.
- All tender dossiers, decisions for selection of successful and unsuccessful operators in tenders, notices for awarding and signing contracts and contracts were made public on the online e-procurement platform. On the other hand, the KDI gained access to the requests of the requesting units, the minutes of the negotiations, and the invitations for bids that the Ministry of Health sent to EOs through requests for access to public documents. The Ministry of Health provided access to all this information within the legal deadlines.
- For these procurements the Ministry of Health used funds from its budget as well as from the additional budget that the Government allocated through three decisions (two decisions for additional budget and one budget line in the other) for protection against Covid-19.

⁴¹ Law on Public Procurement, Article 35, Negotiated Procedures Without Publication of a Contract Notice A contracting authority may use negotiated procedures without prior publication of a contract notice to conduct a procurement activity having as its object the award of any public contract if, insofar as is strictly necessary for reasons of extreme urgency brought about by objectively verifiable events that were not reasonably foreseeable by the concerned contracting authority, such contracting authority cannot afford the time required to conduct any other procedure provided for by the present law. Provided, however, that if the circumstances creating the situation of extreme urgency can be attributed to the negligent or purposeful acts or omissions of a contracting authority, this provision may not be invoked;



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- The prices that the Ministry of Health paid for the same products and equipment vary across contracts. For some of the same products and equipment, the MoH managed to secure lower prices by up to 42% while in other cases the MoH paid up to 74% higher prices. During the negotiation phase, the Ministry of Health managed to provide a better price compared to the initial offer for only five medical products and equipment.
- The Ministry of Health through a total of nine emergency tenders requested the supply of a total of 120 products and equipment, but managed to enter into contracts for only 70 of these medical products and equipment. This is due to the fact that the bids received for a significant number (27) of the products/equipment were much higher than the prices provided by the commission for setting reference prices and because in certain cases there was a lack of bids (22), while a bid was eliminated because the accepted dose of the product was not as required in the tender dossier.
- In order to ensure greater competition, the MoH sent a request for bids to 3 to 21 Economic Operators for each of the 9 emergency procurement tenders for Covid-19 equipment and products. This good practice was observed in all procurements, although the Ministry of Health used the negotiated procedure which allows a contracting authority to purchase products or services by inviting only one operator to bid.
- During the management of the contracts, the problem of the delivery of laboratory material for testing was reported in the tender dated 24 March 2020 with Procurement No. 206-20-959-1-2-5 in the amount of EUR 123,967.00. The EO failed to deliver the laboratory materials at the time requested by the MoH, but no measures were taken against the EO for these delays.
- Disinfectant was requested in four of the nine tenders of the Ministry of Health for the supply of medical equipment, which can be found in the market as different types: with 60% alcohol content (for widespread use) and 70-95% alcohol content for use in clinics. In the tender dossier, the Ministry of Health did not define the required content of the disinfectant (% of alcohol). Only in the tender of March 4, the Ministry of Health managed to sign a contract for disinfectants, while in the other three tenders, the Ministry of Health failed to conclude a contract for supply due to the high prices offered by EOs, which exceeded the estimated values.

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RECOMMENDATIONS

- In order to ensure greater transparency for the public regarding the spending of public money for needs during the pandemic period, the Ministry of Health is recommended to publish on the e-procurement platform all documents pertaining to all procurement stages including calls for bids, negotiation minutes, detailed bids of EOs, bids opening and evaluation minutes, and management reports.
- The Ministry of Health should ask the commission for setting reference prices not to take as reference, when analysing the prices, abnormally low and abnormally high prices which can negatively affect the determination of the exact estimated value, thus also having an impact on supply, competition and public spending.
- The Ministry of Health can conduct market research in addition to the research carried out by the commission for price setting. The basics of this research can serve as mechanisms during the negotiation phase to try to negotiate bidders' prices more.
- The Ministry of Health should ensure that the product description defines the content of the disinfectant which defines whether it is a product for use in clinics or for widespread use.
- The Ministry of Health should pay due attention to the internal audit of procurement activities carried out during the emergency period due to the sensitivity and increased costs during the pandemic situation. We also ask the National Audit Office to conduct a performance audit of the expenses during the Covid-19 emergency in the procurement activities at the Ministry of Health.
- The Kosovo Police Investigation Department should investigate emergency contracts concluded by the Ministry of Health during the pandemic which are suspected of price inflation, favouring of specific companies, etc.
- The Kosovo Competition Authority should take the necessary actions regarding the research of price increases by economic operators for medical products and equipment and take appropriate measures if the manipulation of the market for greater benefits in a human crisis is proven.



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