



MONTENEGRO
Public Procurement Administration

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Openness Forum**

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- Considering the mere fact that the process of learning and education of employees, partners and beneficiaries has a purpose of permanent improvement of quality, it is recommended to each country/organization to develop and maintain the ability to learn, change and innovate, with the aim of timely reaction and adequate response to corresponding changes in the environment.
- It is clear that any change in a previously established cycle entails the corresponding issues which must be addressed.
- Improving processes as well as products is the essence of management of an organization, while the starting point for improvements in all organizational processes is actually recognizing the desires and needs of beneficiaries, which defines the quality of training.



Obviously, the above definition implies that there is a need for an organization (business system) to observe, find and use both internal and external resources which would serve as a basis for the learning process.

The subject of our presentation focuses on the ways and degree in which the knowledge and skills of employees within a business system, as the factor of risk and vulnerability, would affect the success and effectiveness of the training.





Basis for professionalization in public procurement field in Montenegro is derived from:

1. Stabilization and Association Agreement (SAA) of Montenegro to the EU;
2. Strategy for Development of the Public Procurement System for the period 2016-2020 with the Action Plan for its implementation;
3. EU Directives;
4. WTO Government Procurement Agreement (GPA);
5. EU Pre-Accession Program of Montenegro for the period 2016-2018;
6. The Public Procurement Law and implementing acts;
7. Other documents and strategies, primarily the Strategy for Development of Vocational Education for the period 2015-2020 with accompanying Action Plan for its implementation, sa pratećim AP za njenu realizaciju, Strategy for Lifelong Entrepreneurial Learning for the period 2015-2019 with the AP for its implementation.





- The PPL is applied **to all public contracts**.
- The Law defined basic principles of public procurement, and they are, primarily: **transparency, competition, non-discrimination, equal treatment** as well as principles of **cost-effectiveness** and **efficiency** in use of public funds.
- An **equal treatment of domestic and foreign companies** has been ensured, that is, the foreign companies are allowed to participate at public competitions under same conditions which apply for domestic economic operators.



- The PPL provides that a procurement procedure may be launched only in case **that there are financial resources allocated** by the budget for that procurement, or in some other manner in accordance with the Law and provided that the procurement was foreseen by the public procurement plan of the contracting authority.
- The Law also provides that **all contracting authorities shall keep records on all procurement procedures** – on conducted procedures and concluded contracts, and to report thereof annually to the Government of Montenegro.



INSTITUTIONAL FRAMEWORK

- Ministry of Finance;
- Public Procurement Administration;
- Administration for Inspection Affairs;
- Commission for Concessions and
- State Commission for Control of Public Procurement Procedures.





Strategic guidelines for development and modernization of vocational education in Europe were provided in the Lisbon Strategy, the Copenhagen Declaration and other documents, where it has been stated that the competitiveness of an economy requires the development of human resources, but also a more efficient and an effective use of those resources.





Professional development in Montenegro

- Pursuant to the PPL the professional qualifications are verified by a certificate, whereupon they are obtained by completing the modules of the educational program, a testing conducted after completion of the training program, a direct checking of previously acquired knowledge through a written test and oral presentations on topics related to knowledge of the PPL and the procedures, legal protection and implementing acts...





Professional development in Montenegro

- The professional qualifications enable participation at the labour market.
- Montenegrin educational system in the field of public procurement is substantially oriented to the target groups (ICT, health, education, graphic and librarian activity, judiciary, prosecution, local governments, small and medium enterprises ... etc.).





What are the benefits brought by the professionalization in public procurement field? A public procurement officer

As someone to whom the public procurement is a part of the work, I would say that it represents the bureaucratization of the procurement process in the public sector, whereupon the term bureaucratization should not be viewed in a negative context. The basic idea is that the implementation of public procurement procedures encourages the development of competition, equal treatment of bidders, transparency, efficiency, cost-effectiveness, etc.

On the other hand the benefits for the country are reflected in the prevention crony economy, and hence saving public funds. The debate on the functioning of the public procurement system is still present to some extent.

However, this presentation aims to present public procurement in the light of the opportunities that they bring.





1. WHO IS OBLIGED TO APPLY PUBLIC PROCUREMENT RULES? *(To be specific, contracting authorities. The contracting authorities include practically all entities which are, to a lesser or a greater extent, financed from the budget of the state, city or municipality, public enterprises and companies which the state has established or has been in some way involved in the management and ownership thereof).*



2. HOW IS THE PUBLIC PROCUREMENT CONDUCTED? *(Although at first sight it seems that public procurement is usually "advertising" the need for the procurement of services, supplies or works, actually it is not so. In fact, public procurement include a range of activities that can be divided into three main segments: planning, implementation of procurement procedures and monitoring the implementation of the contract).*





3. HOW TO BECOME A PUBLIC PROCUREMENT OFFICER? *(To become a public procurement officer, there are no major obstacles, apart from the fact that you should be in some way familiar with the subject of public procurement in order to be able to pass a professional examination. It is desirable that you are an economist or lawyer, but is not the overriding factor. A large number of civil servants who have the degree in engineering proved to be highly skilled in public procurement tasks. By taking the professional examination you will acquire the certificate and thus enter into the registry of public procurement officers. The professional examination by its large part covers the law and implementing acts, so practically that is the literature on basis of which the candidate gets prepared for taking the examination. There is a part related to questions from practice and implementation of applicable software used for procurement planning and reporting on realization of public procurement plans).*





CHALLENGES:

- **ENSURING QUALITY** (*increased awareness and involvement of beneficiaries and all stakeholders: bidders, contracting authorities, educational institutions in the life and work of institutions dealing with the management of public finances, increasing personal responsibility of those employed by the contracting authorities and bidders (this is a dramatic change when employees begin to think and feel that they are also responsible for "business" achievements);*)





- **EFFICIENCY AND EFFECTIVENESS IN EDUCATIONAL CONTEXT** (*Authentic economic concept of efficiency is the relationship between what is entered and invested in the system and results arising from this system*).
- **TRAINING SUSTAINABILITY** (*financial sustainability of the system, based on co-financing from the state budget and the budgets of local governments, as well as the coordination of training activities with other institutions, especially universities - both state and private, development agencies, etc.*).



- **QUALITY OF TRAINING SERVICES** (*In the concept of service quality, especially the training services, the following specific features should be stated*):

- The user very often does not express his/her expectations with regard to training;
- In cases of training „for acquiring certificate" the user is a very passive listener;
- The perception of a delivered service largely depends on the image of the trainer, his/her ability to „charm" the auditorium;
- if the user is participating in the design of training, this is mainly down to the length of training, which is linked to the price of training, and possibly the requirement to analyze examples from the user's practice and so on.



The preliminary report includes data for the period 1 January – 31 December 2015 which were derived on basis of 70% of processed reports submitted by parties covered by the Public Procurement Law in Montenegro.

- **Total contracted value of public procurement for 2015 is EUR 213,396,425.67.**
- **Total number of contracts concluded per year in all procedures, with the processed data for 2015:**

Year	Total number of contracts	Total value
2013	5325	€277,001,460.50
2014	5799	€327,161,639.73
2015	4182	€213,396,425.67



- **The scope of the public procurement market in Montenegro in relation to GDP:**

2013	2014	2015
8.30%	9.62%	13.00

- **Share (%) of individual types of public procurement procedures**

PROCEDURE TYPE	2013	2014	2015
Open procedure	81.23%	81.61%	91.03%
Restricted procedure	0.02%	0.002%	0.16%
Negotiated procedure with prior publication of contract notice	0.05%	0.00%	0%
Negotiated procedure without prior publication of contract notice	3.26%	2.66%	2.05%
Framework agreement	1.99%	4.15%	0.06%
Consultant services	0.07%	0.07%	0.15%
Contest	0%	0.01%	-
Shopping	5.99%	5.16%	6.55%
Direct agreement	7.38%	6.34%	-

- **Average number of bids per procedure**

		Number of bids in a procedure per year
Year	2013	3.10
	2014	3.52
	2015	3.14

Data on the average number of bids submitted per procedure in 2015 were derived on the basis of processed 2849 procurement procedures.

- **Share of public procurement procedures where the price was not used as the only contract award criterion is 17.3 %.**

Pursuant to the Public Procurement Law, a contracting authority may use two criteria to evaluate the submitted bids: the lowest offered price and the economically most advantageous bid. On basis of 2 849 processed public procurement procedures, the contracting authorities opted for the economically most advantageous bid criterion in 17.3% of procedures.



Thanks for your attention.

QUESTIONS

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