



# Public Procurement Monitoring and Evaluation Report

developed by the  
Ministry of Internal Affairs and the  
General Police Inspectorate,  
regarding the implementation  
of the 2016–2020  
Police Development Strategy

**Promo - LEX**

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## ABBREVIATIONS

**PPA** - Public Procurement Agency

**Academy** - 'Ștefan cel Mare' MIA Academy

**NCSA** - National Complaint Settlement Agency

**PPB** - Public Procurement Bulletin

**CC** - Competition Council

**CoA** - Court of Accounts of the Republic of Moldova

**ICLET** - Integrated Centre for Law Enforcement Training

**RFQ** - Request for quotation

**PD** - Police Department

**WG** - Procurement working group

**GD** - Government Decision

**PDF** - Pretrial detention facility

**GPI** - General Police Inspectorate

**GIBP** - General Inspectorate of Border Police

**NII** - National Investigation Inspectorate

**NPI** - National Patrol Inspectorate

**PI** - Police Inspectorate

**MIA** - Ministry of Internal Affairs

**Matrix** - Policy Matrix on the implementation of budget support for the Police reform

**NPWP** - Negotiated procedure without publication

**Action Plan** - Action Plan concerning the implementation of the 2016–2020 Police Development Strategy

**UNDP** - United Nations Development Program

**PDS** - Police Development Strategy

**SRPP AIS MTender** - MTender State Register of Public Procurement, Automated Information System

**PS** - Police Station

**SSVEPC** - State Service for Verification and Expertise of Projects and Constructions

**ITS** - MIA Information Technology Service

**EU** - European Union

**PMU** - Project Management Unit

## I. INTRODUCTION

In 2016, the Government of the Republic of Moldova approved the 2016–2020 Police Development Strategy (hereinafter – Strategy) and the Action Plan for its implementation (hereinafter – Action Plan). At the same time, given an agreement signed in 2016 by the Government of the Republic of Moldova and the European Commission, the Republic of Moldova was to be offered support for the Police reform amounting to EUR 57 million, that mainly had to be disbursed depending on the implementation of actions indicated in the Policy Matrix on the implementation of budget support for the 2017–2020 Police reform (hereinafter – Matrix).

Most Strategy objectives and Matrix actions had to be accomplished after the efficient and effective procurement of goods, works and services by the Strategy's responsible authorities: Ministry of Internal Affairs (hereinafter – MIA) and General Police Inspectorate (hereinafter – GPI). At the same time, other MIA subordinated institutions were also engaged in the implementation of Police reform activities: MIA Information Technology Service (hereinafter – ITS), Integrated Centre for Law Enforcement Training (hereinafter – ICLET) and 'Ștefan cel Mare' MIA Academy (hereinafter – Academy).

The 2016–2020 assessment of public procurements of MIA, GPI and other above-mentioned subordinated institutions was conducted under the 'Civic monitoring of Police reform in the Republic of Moldova' Project with the financial support of European Union and co-financed by Sweden through the East-European Foundation, which is part of the Agreement actions.

The procurement assessment mission was initiated in September 2020, within the General Police Inspectorate managers and Promo-LEX team meeting. It aimed to present the survey objectives that would be achieved during the assessment activities, as well as to discuss the aspects of cooperation with GPI, MIA and other institutions engaged in the implementation of actions provided by the Strategy and Matrix. The goal of this survey is to provide an objective and faithful overview of the legality, transparency, efficiency and effectiveness of procurements of goods, services and works in respect to the Strategy objectives and Matrix actions to the society, national and international actors, including donors, decision makers within responsible institutions engaged in the Police development and reform. In addition, the legality, efficiency and transparency were established as key-principles of the Strategy.

Public procurement is an instrument meant to ensure efficient, transparent and effective use of public money in achieving strategic and operational objectives of public institutions. Consequently, it was proposed that public procurement assessment process supported the achievement of Strategy and Matrix objectives established by the Government and agreed with the EU Delegation in the Republic of Moldova.

This survey focuses on procurements realised under the actions of strategic documents at the core of 2016–2020 Police reform, which is mainly funded from the budget support component for the Police reform. At the same time, some problems related to Police public procurement funded from other sources in 2016–2020 are addressed.

Based on findings, key-institutions are offered recommendations meant to strengthen public procurement management of MIA subordinated institutions.

An important aspect in conducting this survey was the openness of MIA, GPI, Academy and ITS to cooperation that offered access to procurement files, information about the planning and completion of procurement contracts, so that it was possible to assess public procurement according to the proposed methodology.

## II. METHODOLOGY

This survey represents a comprehensive assessment of public procurement made by GPI, MIA, ICLET and the Academy under the implementation of Strategy objectives and Matrix actions.

The monitoring and evaluation of public procurement was centred on the following aspects:

- compliance with the legal and regulatory framework in public procurement matters<sup>1</sup>;
- ensuring efficiency and effectiveness of public procurement;
- transparency of public procurement process;
- utility of procurement made;
- fraud and corruption risks within the procurement process.

Considering the number of procurements made, the number and value of contracts awarded as a result of these procedures, as well as the objects of the procurement, the sampled examination of procurement was proposed, allowing to achieve the expected objectives. The sampling was made based on the following principles:

- Assessment of procurement procedures estimated over 2% of the total annual amount of public contracts awarded.
- Assessment of significant procurement made by means of negotiated procedure without publication.
- Selective assessment of the contract awarding process with insignificant monetary value that serve as a base for further significant procurement (design services, project expertise services, etc.) or help achieving the goals established by contracts of significant value (services of technical works supervision).
- Selective examination of procurement contracts for which additional agreements increasing/ extending the deadline were signed.
- Assessment of procurement with elements of risk, identified during preliminary examination.
- Significant procurement under the Strategy objectives and Matrix actions.

Assessment of procurement was made using the following sources of information:

- Information about organising and making procurement within MIA, GPI, ICLET, ITS and the Academy published on the institutions and Public Procurement Agency's websites.
- Public procurement files compiled by MIA, GPI, the Academy, ICLET and ITS related to 2016–2020<sup>2</sup>, as well as information on public contracts completion<sup>3</sup>.
- Information available in the State Registry of Public Procurement.
- Legal and regulatory framework on Police development.
- Progress, monitoring and evaluation reports related to the 2016–2020 Police reform.
- GPI activity reports for 2016–2020.
- Donors' reports.
- Audit reports of the Court of Accounts.
- Public data about projects implemented by other donors in order to support the Police reform.
- Interviews/discussions with key-actors' representatives.

<sup>1</sup> The legality of procurements was evaluated via the legal framework in force at the moment of the examined procurement.

<sup>2</sup> More than 180 public procurement procedures conducted by GPI, MIA, ICLET, the Academy and ITS were examined.

<sup>3</sup> Procurement files and information about contract completion were submitted by the authorities during 2020 – June 2021.

- On-site observations.
- Other relevant data identified in open sources.

During the assessment, the procurement ascribed to the Strategy, but made within technical assistance projects for the Police, other than budget support to the Police reform, was examined in sample format. This included also procurement not allocated to budget support that contributed to achieving Strategy indicators, as well as certain procurement of goods and works not attributed to the Strategy, but the value of which was similar to that funded from budget support.

During the examination of procurement made under the Strategy, it was found that most of procedures organised for the procurement of means of transport, equipment, computers, design services, construction works and technical supervision services related to PS, PDF and other GPI venues referred to several specific Strategy objectives or Matrix actions. Thus, in order to avoid repeating problems related to the same procedure, procurement reported to more than one objective/action was presented once within a sole Strategy objective. At the same time, procurement of technical supervision services and certain procurement of design and verification of project documentation is presented in the Other findings section.

In August 2021, the draft report was submitted to MIA and GPI for information, and they were able to comment on the information in the report. During 10-26 August, GPI and ITS of MIA offered their feedback that was considered in the final assessment report. The absence of MIA and Academy objections presumes that they agree with the findings of the assessment report.

## III. EXECUTIVE SUMMARY

During 2016–2020, the budget support allocations for the Police reform amounted to MDL 593.1 million.

The main targets of the budget support were:

- ensuring Police with means of transport and their retrofitting;
- renovation and construction of Police stations, pretrial detention facilities and offices of GPI units;
- procurement of TETRA infrastructure and equipment.

Budget support means were managed by GPI, MIA, ICLET and “Ștefan cel Mare” MIA Academy, and the associated procurement procedures were organised by the four mentioned authorities, as well as by the Information Technology Service of MIA and GPI units. The implementation of Strategy activities included a cooperation between institutions and an additional effort of authorities concerned in order to achieve the established Strategy objectives within 4 years.

The procurement made by institutions contributed to the complete or partial achievement of Strategy and Matrix indicators.

Along with allocations attributed to budget support for the Police reform, the registered achievements are due to funds awarded within other projects and programs, to budgetary means not-attributed to budget support, as well as non-financial contribution of external partners and other public authorities.

In 2017, during the first stage of budget support management, the procurement procedures were mainly organised by MIA, including for some of budget support allocations managed by GPI. For contracts funded by GPI awarded within the procedures conducted by MIA, tripartite contracts were signed.

During the period examined, more than 300 contracts were funded from the budget support, the average value of a contract amounting to MDL 2 million. About 70% of the total number of means allocated for procurement contracts were transferred based on contracts concluded with 9 companies that benefited from around 18% of the overall number of signed contracts.

More than 30% of the total amount of contracts were attributed without applying public procurement procedures, which are provided by the Law on Public Procurement, via the negotiated procedure without publication, thus limiting the transparency and competition, or the contracts funded from budget support were awarded without applying the national Legal Framework, which is an infringement of the Law on Public Procurement.

The organisation of the procurement process registered deficiencies that confirmed the need of institutional capacity building and consolidation of internal controls of the procurement process, especially in procurement planning, drawing up of awarding documents, bid assessment, management of procurement contracts, including their monitoring. The problems related to the publication of information about the procurement process, concerning all contracting authorities engaged in the Strategy implementation, limit the transparency, but they can be improved without additional resources.

During the procurement assessment, problems were found within all procurement procedures organised under the Police reform. Those referred to all stages of the procurement process, with gaps related to the legality, transparency, efficiency and effectiveness of procurement. Certain issues include risks and need to be further investigated by applying technical expertise and deep investigation of all circumstances.

## IV. GENERAL ANALYSIS OF ALLOCATIONS FOR THE POLICE REFORM

The 2016–2020 Police Development Strategy, approved by [GD No 587 of 12.05.2016](#), includes 5 main objectives:

- I. Strengthen the accountability, efficiency, transparency and professionalism of the Police.
- II. Apply equally, efficiently and effectively the human rights law in Police activity.
- III. Strengthen the Police capacity to fight organised crime, trafficking in human beings, cybercrime, violence, including gender-based offences, drugs and arms smuggling, currency counterfeiting and money laundering.
- IV. Create a modern police service in line with the best European and international standards and practices able to respond proactively and impartially to the needs of citizens and the society as a whole.
- V. Promote and implement zero-tolerance to corruption, discrimination and ill-treatment in Police activity.

According to the Strategy, the European Union shall fund the costs associated to the implementation of the Strategy objectives based on a financing agreement signed with the Government of the Republic of Moldova. In accordance with the agreement, the Government had to annually allocate the amounts required for the achievement of objectives, and after their assessment, the European Union should disburse funds in line with the level of achievement.

According to the Action Plan for the implementation of the 2016–2020 Police Development Strategy, the costs related to the implementation of the Strategy objectives were estimated to MDL 957.9 million.

Table 1. Information on allocations needed for implementing the Action Plan in terms of objectives, MDL million

Objective	Description	Allocations from the budget					
		2016	2017	2018	2019	2020	2016–2020
1	Strengthen the accountability, efficiency, transparency and professionalism of the Police	0.0	107.6	145.2	145.2	50.4	<b>448.46</b>
2	Apply equally, efficiently and effectively the human rights law in Police activity	0.0	7.7	8.4	8.4	7.3	<b>31.8</b>
3	Strengthen the capacity to fight organised crime, trafficking in human beings, cybercrime, violence, including gender-based offences, drugs and arms smuggling, currency counterfeiting and money laundering	0.0	17.2	27.2	27.2	0.0	<b>71.7</b>
4	Create a modern police service in line with the best European and international standards and practices able to respond proactively and impartially to the needs of citizens and of the society as a whole	0.0	92.0	107.8	93.5	101.0	<b>394.3</b>
5	Promote and implement zero-tolerance to corruption, discrimination and ill-treatment in Police activity	0.0	2.3	3.5	3.5	2.4	<b>11.7</b>
	<b>Total</b>	<b>0.0</b>	<b>226.8</b>	<b>292.2</b>	<b>277.9</b>	<b>161.0</b>	<b>957.9</b>

Source: Data selected from the GD No 587 of 12.05.2016

Thus, during 2017–2020, the Government had to allocate MDL 161-292 million per year in order to fund the Strategy-related activities.

Detailed information about planned disbursements and their connection to the indicators are provided in Annex 2 to the report.

At the same time, according to the Financing Agreement on providing support for the Police reform concluded between the European Commission and the Government of the Republic of Moldova on 14.12.2016, for the implementation of the Agreement objectives EUR 57 million were estimated, out of which EUR 51 million (equal to MDL 1088.6 million) targeted the budget support, and EUR 6 million had to represent the supplementary support for monitoring, twinning, evaluation and audit, technical assistance). EUR 7 million of EUR 51 million represented a fixed instalment, unconditionally disbursed in 2017, and other EUR 44 million, divided in floating instalments, were planned to be disbursed depending on the achievement of indicators, as follows:

- 2018 – EUR 10 million;
- 2019 – EUR 12 million;
- 2020 – EUR 10 million;
- 2021 – EUR 12 million.

Moreover, according to the Agreement, each of the four floating instalments planned to be disbursed in 2018–2021 includes by EUR 2 million each one (a total of EUR 8 million) that shall be disbursed when the objectives related to the Carabineer Troops reform are achieved. Thus the net value of the budget support oriented towards the Police reform had to amount to EUR 43 million (equal to MDL 917.8 million).

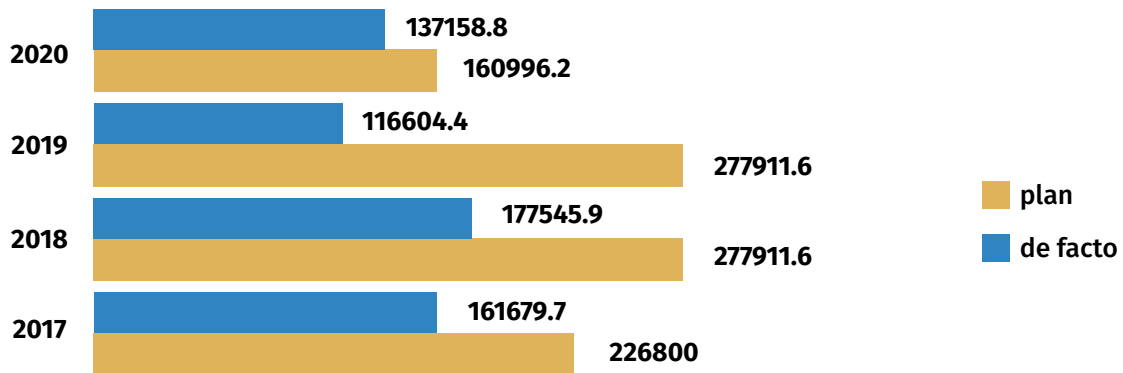
Actions specific to the Agreement are indicates within the [Matrix](#).

In December 2020, by amending the Financing Agreement, a fixed instalment of EUR 21.4 million was planned to be disbursed in 2021. That amount included the floating instalment planned to be disbursed in 2021 (EUR 10 million), the overall volume of instalments planned to achieve the indicators of the Carabineer troops (EUR 8 million) and the amounts of partially used instalments transferred from 2018 to 2019 (EUR 3.4 million).

At the same time, the total amount of instalments disbursed by EU during 2017–2020 was EUR 26.6 million or 80.6% of the estimated amounts, thanks to the partial performance of Matrix actions. The indicated amount included the fixed amount of EUR 7 million disbursed in 2017 and a part of the floating instalment related to Police reform which was planned to be disbursed in 2020. In December 2020, EUR 5 million out of EUR 8 million estimated were disbursed.

According to financial data reported by institutions engaged in Strategy implementation, the allocations reported as budget support for the Police reform were lower than the amounts provided for in the Action Plan for the respective years. Thus, during 2017–2020, the total amount of budget means used as budget support for the Police reform represented MLD 593 million or 61.9% of the amount indicated in the Strategy.

Figure 1. Allocations provided by the Strategy and actual expenditure reported to the budget support for the Police reform, MDL thousand

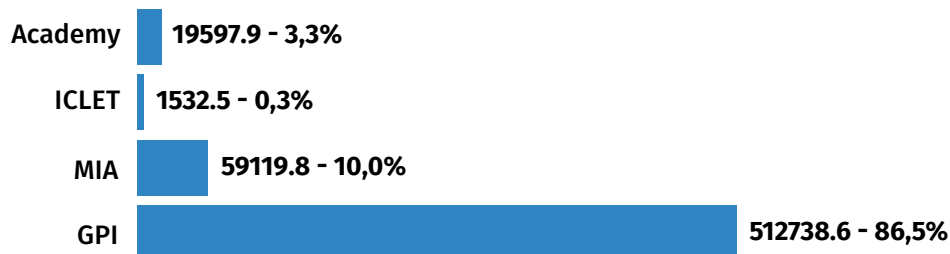


Thus, during 2017–2020, the funds used as budget support for the Police reform varied between 42% (in 2019) and 85% (in 2020) compared to the funds foreseen in the Strategy. Therefore, the Strategy and Matrix activities were financed significantly less than it was estimated. Generally, the largest expenses for Strategy implementation reported to the budget support were made in 2018 (MDL 177.5 million) and 2017 (MDL 161.7 million). However, those were lower compared to the amounts approved by the Strategy.

During 2017–2020, the institutions engaged in making procurement that needed to achieve the objectives set up by the Strategy and Matrix, were allocated funds ascribed to the 'Budget support for the Police reform' component, in addition to the resources meant to ensure their functioning.

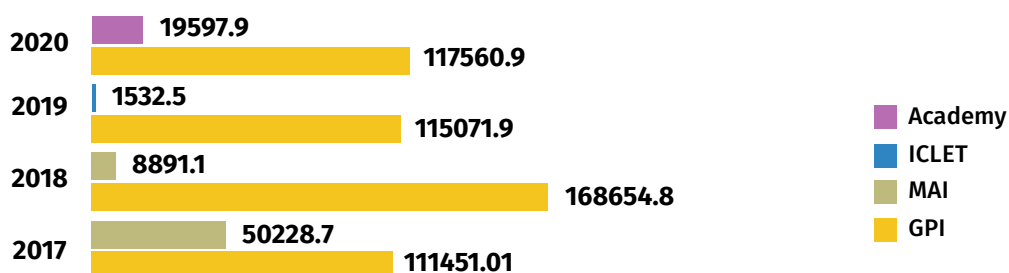
The implementation of Strategy's objectives and Matrix' actions needed an additional effort and cooperation of authorities, including in procurement management. Those served as an important instrument in the Strategy implementation process.

Figure 2. Distribution of budget support allocations for the 2017–2020 Police reform between authorities



The highest budget support allocations within institutions went to GPI (including its units) – circa 86.5%, followed by MIA (10%), 'Ștefan cel Mare' Academy (3.3%) and ICLET (around 0.3%).

Figure 3. Information concerning budget support means for the Police reform used by institutions in 2017–2020



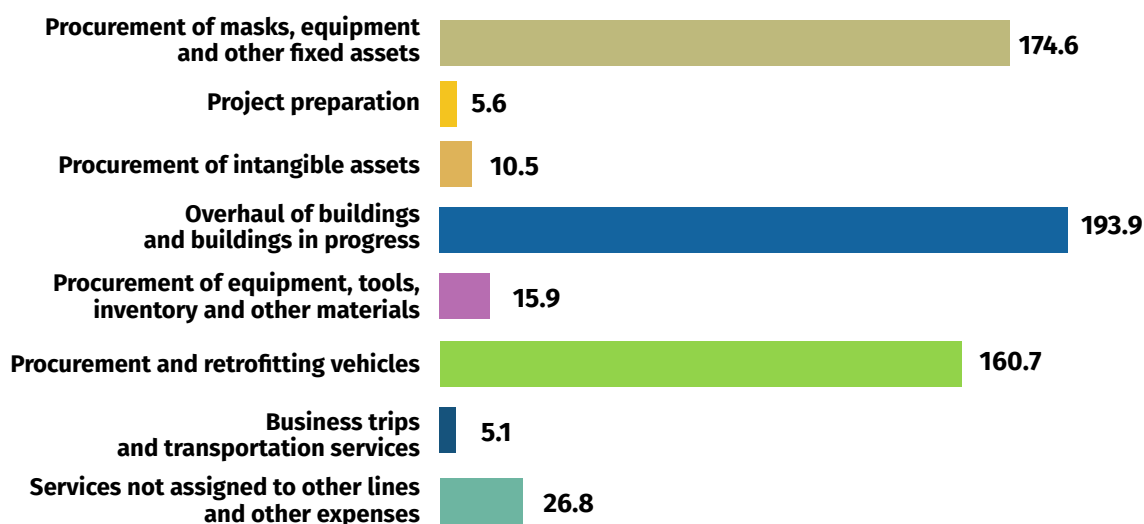
#### IV. GENERAL ANALYSIS OF ALLOCATIONS FOR THE POLICE REFORM

Thus, during 2017–2018, only GPI and MIA benefited from allocations and budget support for the Police reform, since 2019 certain allocations were managed by ICLET along with GPI, and in the second half of 2020, about MDL 19.6 million were allocated to the Academy.

At the same time, for the implementation of activities aiming to achieve the objectives of the Strategy and Matrix, GPI and other relevant institutions incurred expenses amounting over MDL 50 million for the procurement of goods, works, services and payment of taxes in 2017–2020, in addition to the budget support allocations. Therefore, direct costs for the implementation of the Strategy incurred from the budget, apart from wage expenses, amount to MDL 650 million. In 2021, in order to pay the works related to contracts on implementing the budget support-related Strategy objectives that were signed by GPI in 2019–2020 and 'Ștefan cel Mare' Academy in 2020, about MDL 40 million had to be allocated from the budget. Consequently, the state budget costs for implementing the PDS during 2017–2021 are estimated at around MDL 700 million or 73% of the ceiling indicated within the Strategy.

The main directions of using budget support allocations for the Police reform are presented below.

Figure 4. Structure of budget support-funded expenses for the 2017–2020 Police reform



In 2017–2020, there were three main directions for using budget support for the Police reform:

- 33% of the total of allocations or about MDL 194 million were used for construction and refurbishment works of GPI buildings and its territorial units, ICLET buildings and partially, to pay for drafting and developing the feasibility study for ICLET;
- 29% or about MDL 175 million were used to buy machines and equipment, mainly TETRA equipment and infrastructure;
- 27% or other MDL 161 million were used to procure means of transport and services for their retrofitting. At the same time, during 2016–2020, the means of transport for the Police were procured via other projects and programs, as well as using the main budget component. Thus, the overall value of means of transport provided to the Police during 2016–2020 went over MDL 190 million.

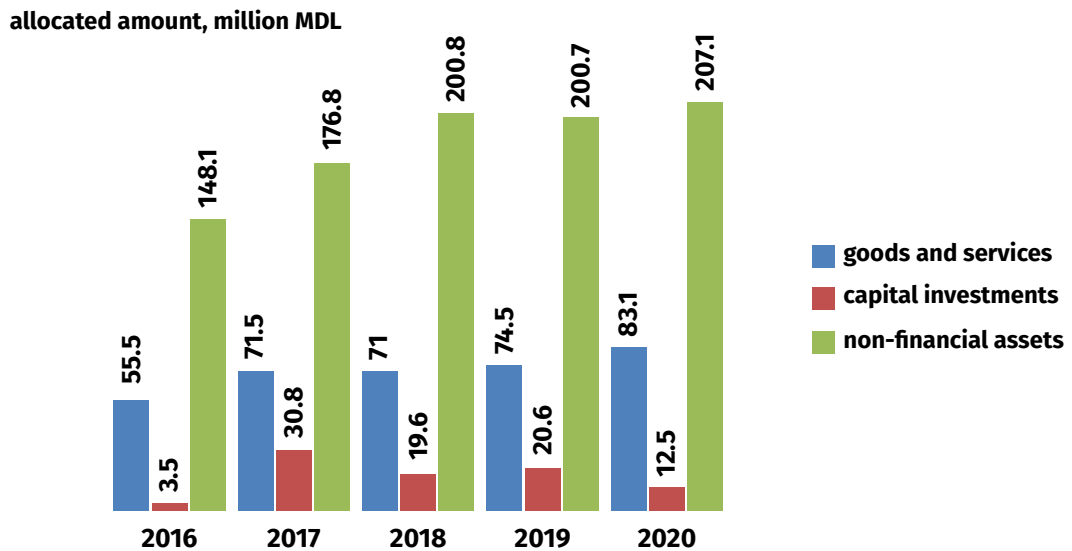
The expenditure related to the ICLET site amounted over 6.3% of the total of budget support allocations for the Police reform. During 2017–2018, the resources related to the respective objective were managed by GPI and MIA, in 2019 – first semester of 2020 – by ICLET, acting as a MIA-subordinated institution, and during the second semester of 2020 – by the Academy.

In 2016–2020, along with actions provided by the Matrix and covered by the budget support for the Police reform, other projects and programs supported by donors were also implemented. Those contributed to the modernisation of Police reform by designing, refurbishing or building police stations, procuring

means of transport, developing information systems, delivering, including free of charge, goods and services, thus supporting the achievement of Police Development Strategy objectives.

According to GPI data, from 2017 the allocations for goods, services, intangible assets and equity investments increased significantly for the Police. These items of expenditure involve public procurement procedures.

Figure 5. Information on funds allocated to the Police during 2016–2020 for expenditure involving public procurement



Only in 2017, the allocations targeting those three objectives increased by 35% compared to 2016, with a positive dynamics in 2018–2020.

Thus, the implementation of the Strategy led to a significant increase in the volume of procurement for the Police starting with 2017, which denoted the existence of time- and staff-related challenges for GPI and MIA in conducting the respective procurement.

## V. ASSESSMENT OF POLICE PUBLIC PROCUREMENT

### 5.1. Management of public procurement for the Police reform

According to the legal framework on public procurement matters, the Contracting Authority makes public procurement via the working group created within the institution and consisting of its employees.

In this paragraph, from the perspective of the legal framework on public procurement matters and of the regulatory framework related to the Strategy, key aspects of the procurement management are examined by the contracting authorities responsible for the management of budget support for the Police reform. Along with the legality, the examined aspects target the transparency of the procurement process and the functionality of all working groups within all four institutions.

#### 5.1.1. Internal regulation of the procurement process for the Police reform

By the MIA Order No 154 of 27.05.2016 'On the implementation of the 2016–2020 Police Development Strategy' the Coordination Council for the implementation of the Strategy of the Ministry of Internal Affairs was constituted. In addition, the membership, the support structures, and the 2016 Action Plan for Strategy implementation were approved. That document did not guide the Strategy-related procurement, so that the working groups in charge of public procurement within the appointed institutions were responsible for the public procurement.

The respective Order was repealed by the MIA Order No 410 of 27.12.2016 'On the unified coordination of the budget support allocated to the Republic of Moldova for Police Development' that established the unified coordination system of the budget support provided to the Republic of Moldova for the Police reform. It also approved the creation and membership of the MIA Coordination Council for the implementation of the Strategy and the support structures represented by the Executive Board, project units of MIA and GPI and the interdepartmental public procurement group. According to this document, the interdepartmental public procurement group (hereinafter – working group) is established by an Order issued by the head of GPI and has to meet only the procurement needs derived from the Strategy's objectives. The procurement plans shall derive from the annual plans for budget support (the Matrix). The working group is responsible for developing annual and quarterly plans for public procurement strictly in line with the Strategy's objectives, as well as other responsibilities provided for in the legal framework on public procurement matters.

Shortly after the Order No 410, by the Order No 27 of 31.01.2017 of the Ministry of Internal Affairs, the goods, works and services procurement working group of MIA was created. At the same time, this Order approved the Association Agreement signed by MIA subordinated institutions, including GPI. According to the Agreement, in order to efficiently use disposable funds for strategic procurement, the central office of MIA was appointed as single purchaser enabled to make procurement via the MIA goods, works and services procurement working group concerning the following aspects: motor vehicle insurance, work-related trips (hotel services, airplane tickets, insurance), services provided to official delegations, communication services, coal, fuel, vehicle repairing and services, courier services, equipment, paper, cars, computers and badges. This Order stated that tripartite contracts should be signed for such procurement, where subordinated authorities were mentioned as Beneficiary and Payer, and the central office – as single public purchaser.

The working group was also responsible for monitoring the proper completion of public contracts. In addition, the group had to ensure the efficiency of procurement, wide participation of operators in the procedures, transparency and advertising of procurement procedures, and the publication of award documents on MIA website.

By MIA Order No 123 of 11.05.2017 'On unified coordination of the Police reform' the MIA Order No 410 of 27.12.2016 was repealed and the procurement procedure was changed. Therefore, the establishment of two procurement working groups for the Police reform was approved: the MIA procurement working group for projects at MIA level (through MIA Order) and the GPI procurement working group for projects at GPI level (through the Order of the Head of GPI). The working groups were granted competences to manage procurement related to different portfolios: the MIA working group – 'Human Resource Management' and 'Dual System of Public Order and Security', and the GPI working group – procurement related to 'Institutional and Operational Capacity Building of Police'. Moreover, the Chairperson of the Coordination Council (Minister of Internal Affairs) was empowered to distribute the projects to the procurement working groups.

The public procurement plans related to the budget support were to be approved by the Chairperson of the Coordination Council.

According to the Order No 244 of 06.06.2017, the membership of the GPI procurement working group was approved in order to ensure the budget support for the Police reform and the implementation of the 2016–2020 Police Development Strategy. At the same time, the Order No 124 of 07.03.2017 was repealed.

Despite that within GPI the procurement working group was created to manage the procurement related to budget support for the Police reform, during 2017, the MIA working group, established by the Order No 27 of 31.01.2017, organised the procurement procedures of TETRA infrastructure (EUR 6.9 million), of means of transport for GPI, and procurement of electronic equipment for the Police. The contracts awarded in this procurement procedures were funded from the budget support for the Police reform and managed by GPI. The value of contracts awarded by MIA to GPI in 2017 that were covered by the budget support went over MDL 200 million. During 2018–2020, MIA did not organise procurement procedures with further financing of contracts by GPI from the budget support.

Thus, in 2017, the working groups established for making procurement related to budget support for the Police reform failed to function partially or at all. Their duties were performed by the MIA procurement working group that was not enabled to make procurement funded from the budget support.

Procurement funded from the budget support for the Police reform were made by GPI and its specialised and territorial units, MIA, ICLET, ITS and 'Ștefan cel Mare' MIA Academy.

During 2017–2020, the GPI procurement working group was empowered to make Strategy-related procurement, approving its allocation from the budget support amounting to MDL 13.2 million. At the same time, MIA and GPI Orders did not include regulations allowing the procurement working groups established within GPI territorial units to make budget support-funded procurement.

In 2018, GPI signed an Association Agreement with ITS by which it enabled the last one to organise a procurement procedure. Therefore, a tripartite contract paid by GPI and ITS was signed. The GPI part was covered from the budget support.

GPI, MIA, ICLET, the Academy and ITS constituted procurement working groups, but, according to the submitted documents, only GPI created in 2017 the procurement working group responsible for budget support-related procurement. Furthermore, when requiring information on the public procurement made within the Strategy, the institutions failed to define the procurement related to the budget support from the overall procurement, which denoted that the institutions did not plan and record separately the procurement made under the budget support for the Police reform.

### 5.1.2. Planning of procurement covered from budget support

According to Item 18 of the Regulation on the planning of public contracts, approved by the GD No 1419 of 28.12.2016, the Contracting Authority is obliged to publish on its website the provisional/annual procurement plan, within 15 days from its approval or within 5 days since its amendment.

According to Item 15 of the same Regulation, for the additional financial resources unknown upon the development of the procurement plan, a new procurement shall be conducted in line with the thresholds for applying public procurement procedures provided by the Law.

The public procurement plans for 2016–2020 are published on GPI website. After their examination it was found that:

- GPI failed to develop and publish separate procurement plans for the budget support-related procedures. Instead of this, the 'Procedures and procurement concerning the implementation of the 2017–2020 Police development Strategy' section includes published procurement plans.
- Not all versions of procurement plans are published on the institution's website, and some of them are different from those published on MIA website (for example, in 2017 GPI published two versions of the procurement plan: of 05.05.2017 and of 17.11.2017, both differing from the procurement plan published by MIA on its website).
- The procurement plans failed to include all institution's procurement funded by the budget support. For example, the 2017 procurement plans failed to include the procurement of TETRA infrastructure, which was the subject of the EUR 6.9 million contract signed in 2017 and paid by GPI from the budget support.
- The websites of Police units that benefited from allocations from the budget support for the Police reform were not identified. Meanwhile, the legal framework requires the publication of their public procurement plans on the website of the central authority they are subordinated to. Therefore, the public procurement plans of the Police units shall be published on the GPI website. When checking the GPI website, no procurement plan of its units was found for 2017–2020. In addition, when GPI units were required to submit the procurement plans, they failed to comply with this requirement. That fact proved that all procurement of GPI units were not in line with the provisions of Article 74 of Law No 131/2015, as well as with the regulations approved by the GD No 667 of 27.05.2016 and the GD No 1419 of 28.12.2016.

MIA failed to develop and publish separated public procurement plans for the procurement funded from the budget support. The MIA 2017 Procurement Plan included no budget support-related procurement, and the estimated amount of procurement was MDL 20.5 million. At the same time, in 2017 MIA conducted public procurement procedures for GPI within the Strategy, and it awarded the public contracts funded from the budget support allocated to MIA. These contracts amounted to MDL 46.3 million. MIA referred to the budget support a part of another contract that it signed in 2016. Therefore, MIA made unplanned procurement, failing to comply with the provisions of Article 74 of Law No 131/2015, as well as the provisions of the Regulations approved by GD No 667 of 27.05.2016 and GD No 1419 of 28.12.2016 and of its own Order obliging all institutions to develop separate plans for budget support-related procurement.

The MIA 2018 Procurement Plan includes the 'Procedures and procurement concerning the implementation of the 2017–2020 Police development Strategy according to the budget planned for 2018' section. No other up-to-date version of the MIA Procurement Plan that would include all procurement funded from the budget support in 2018 is published. This way, the institution failed to comply with the provisions of the regulations approved by GD No 667 of 27.05.2016 and GD No 1419 on procurement planning matters.

In 2019–2020, ICLET, as well as MIA and GPI failed to develop and publish separate procurement plans for the budget support-related procurement. Both plans include the 'Procurement procedures concerning the implementation of the 2017–2020 Police development Strategy according to the budget planned' section.

The Academy published the 2020 Procurement Plan (first and amended versions) that included the list of planned procurement, but they failed to include the separated Strategy-related Procurement Plan and the references to the Strategy and to the budget support. Certain procurement reported to the budget support can be found in the plan (repair works of the lecture halls' roofs, refurbishment of first floor and of the barracks – all on the Sf. Vineri street), but others, like the refurbishment of the lecture halls of ICLET and the technical supervision services are missing from the published plan. That way, the institution failed to comply with the provisions of Article 74 of Law No 131/2015, with the provisions of the regulations approved by GD No 667 of 27.05.2016 and GD No 1419 on procurement planning matters and those of the MIA Order while awarding public contracts reported to the budget support for the Police reform.

Consequently, during 2017–2020, all institutions failed to comply with the provisions of the legal and regulatory frameworks, given the missing and unpublished procurement plans, the failure to include in the plan the procurement made in the respective period, the failure to develop and publish budget support-related procurement plans.

### **5.1.3. Awarding of public contracts funded from the budget support**

During 2017, MIA organised several centralised procurement in the context of PDS implementation funded from the budget support for the Police reform.

According to the submitted information, the procurement in the context of the 2018 Strategy was mainly made by GPI. Since 2019, MIA renounced to centralised procurement in the context of the Police Development Strategy.

In 2018, based on the Association Agreement signed between GPI and ITS of MIA, ITS organised a single procurement procedure for GPI, while concluding a tripartite contract, partially paid by GPI from budget support-related allocations.

During 2019 – first half of 2020, the procurement related to the creation of the Law Enforcement Training Centre, within the Strategy funded from the budget support was conducted by ICLET, in the second half of 2020 ICLET was reorganised and the 'Ștefan cel Mare' MIA Academy was in charge of procurement.

At the same time, some public contracts funded from the budget support were awarded to the GPI units after they were appointed responsibilities and were allocated funds. The procurement made by the territorial units were not monitored by GPI.

### **5.1.4. Conflict of interests**

According to Item 41 of the Regulation approved by the GD No 667 of 27.05.2016, each member of the working group is obliged to sign on its own responsibility, a declaration of confidentiality and impartiality, by which they commit to unconditionally comply with the provisions of Law No 131/2015 and by which they acknowledge that they have no conflict of interests. At the same time, cases when members of the procurement working groups did not sign the declarations of confidentiality and impartiality were identified, as well as cases when declarations failed to be submitted. It was also found that the members of the working group declared the absence of conflicts of interest while they had conflicts of interests with certain bidders within the respective procedures. Those cases were recorded in the minute of the working group's meeting, and the members in conflict of interest did not require to be immediately replaced by other people within the group, as set up by the provisions of the Item 42 of the Regulation approved by the GD no 667 of 27.05.2016, thus participating in bid assessment and contract awarding.

At different stages of the procurement process (drawing up award documents, bid examination, execution of contracts) employees of authorities responsible for the procedure or from other institutions were engaged without submitting declarations on the absence of conflicts of interests. Certain people engaged in bid assessment and contract management had conflicts of interests with certain bidders, but the respective procurement files did not include appropriate declarations.

Thus, the authorities failed to comply with the provisions of Article 79 given that they did not undertake all measures necessary to avoid a conflict of interests and/or distorting competition.

### 5.1.5. Monitoring the execution of contracts related to budget support

According to Item 34 of the Regulation approved by the GD No 667 of 27.05.2016, the working group shall ensure the monitoring of public contracts completion through quarterly / biannual and annual reports. These reports, that will mandatorily include information concerning the execution of contractual liabilities, the causes of the failure to complete the contract, submitted complaints and applied sanctions, mentions concerning the quality of the contract completion, etc. shall be published on the website of the Contracting Authority, and if this does not exist, on the official website of the Central Authority that it is subordinated to, or of the level-two local public authority.

When checking the MIA, Academy's and GPI websites, it was found that:

1. On the MIA website, there was a section where reports on procurement were published, but for 2017 no document was published. For 2018, the authority published two reports: 'The Report on the public procurement made during the third quarter of 2018' and the 'Report on low-value contracts concluded during 2018 within the central office of MIA', but those documents did not indicate any procurement funded from the budget support in 2018. At the same time, their content was not in line with the legal provisions. The monitoring reports concerning the completion of public contracts were not submitted to MIA as requested. Thus, for 2017–2018 the authority failed to draw up the monitoring reports for the executions of public contracts related to the budget support.

At the same time, the ICLET and MIA reports on public procurement made during the 1st-4th quarters of 2019 were identified on MIA webpage. Within one of these reports a contract funded from the budget support is indicated, but without reference to the budget support or the Strategy. For 2020, the ICLET reports for the first and second quarters are published. The content of the ICLET reports is not in line with the legal provisions.

2. The Academy published on its website the 2020 Annual Report on public procurement. The content of this document also failed to comply with the legal provisions. The Report included the Strategy-related contracts, but the respective references were missing.
3. The biannual and annual reports on public contracts completion are published on the GPI website and their structure is in line with the legal provisions. The reports also include the contracts covered from the budget support, but are not reported to the budget support or the Strategy.

Consequently, all institutions failed to draw up and publish separated reports on monitoring the completion of public contracts related to the Strategy, and the reports either did not include information on the overall procurement, including Strategy-related, or included this information without reporting it to the Strategy.

### 5.1.6. Public procurements files compilation and keeping

According to Article 45 of the Law No 131/2015, the Contracting Authority is obliged to compile the public procurement file and to keep it during 5 years from the initiation of the public procurement procedure. According to Item 3 of the Regulation on compiling and keeping the public procurement file, approved by the GD No 9 of 17.01.2008, the public procurement file represents the number of documents used by the Contracting Authority during the public procurement procedures, and Item 6 of the Regulation provides that the public procurement file shall be further sewn, stamped and numbered by the Contracting Authority after the public contract is concluded, so that this ensures its integrity and excludes the possibility to be stolen or for its content to be changed.

The examination of procurement files identified some legal aspects concerning the non-compliance with the Regulation on compiling and keeping the public procurement file, approved by the GD No 9 of 17.01.2008. For instance, some files related to 2017–2019 are not sewn and numbered. They also failed to include the mandatory documents provided by the above mentioned Regulation, and when it was required to submit a 2018 procurement-related file made within the Strategy, a Contracting Authority failed to submit the respective file. This led to the risk of failing to compile the procurement file or to comply with its keeping rules in accordance with the legal framework in force.

## 5.2. Analysis of the public procurement for the Police reform. Procurement transparency

The main contracting authorities that made procurement funded from the budget support for the Police reform were GPI, MIA, 'Ștefan cel Mare' MIA Academy, ICLET and some GPI units enabled by GPI to make procurement involving the allocation of funds.

Most contracts were awarded as a result of open tenders, followed by the negotiated procedure without publication (NPWP) and the request for quotation (RFQ). Low-value contracts, mainly awarded by GPI and its units, were also funded from the budget support.

Over 25% of the overall value of contracts (more than MDL 150 million) funded from the budget support are constituted by contracts awarded by the NPWP procedure, low-value contracts, concluded without competition, as well as procurement made by avoiding the procedures provided by Law No 131/2015 and the regulatory framework on public procurement.

NPWP and non-applying public procurement procedures enabled the following purchases:

- voice-data communication infrastructure;
- means of transport;
- special and technical equipment for the Police;
- goods and services for 'Dinamo' pool;
- design services for the refurbishment of certain police stations;
- additional refurbishment of certain police stations;
- a number of design services for ICLET;
- supervision of the copyright on the repair works of police stations;
- certain technical supervision services of works and constructions.

At the same time, during the examined period the authorities signed additional agreements on increasing contracts on the procurement of means of transport, computers, construction and repair works and other goods meant for the Police. Their total amount goes over MDL 10 million.

Therefore, the share of uncompetitive procurement and of procurement without application of public procurement procedures provided for in Law No 131/2015 was about 30% of the volume of the budget support used for the procurement of goods, works and services.

It was found that a small number of bidder participated in procurement procedures for goods (means of transport, TETRA equipment, specific equipment, forensic materials) and services (retrofitting of means of transport, design services, technical supervision services) and the contracts were awarded as a result of the procedures with a sole bidder, and for several lots the authorities repeated the procedure. The same problem existed during repair works procurement, especially in the case of sites with a significantly lower value compared with other PSs.

## V. ASSESSMENT OF POLICE PUBLIC PROCUREMENT

However, there were situations with a low number of bidders for high-valued lots, with procedures registering a single participant in the initial and repeated procedures.

During 2016–2020, the above-mentioned institutions were awarded more than three hundred public contracts reported to the budget support for the Police reform.

Table 2. Information on the value of public contracts ascribed to the budget support an their execution, MDL million<sup>4</sup>

Authority	2016		2017		2018		2019		2020		total	
	signed	executed	signed	executed	signed	executed	signed	executed	signed	executed	signed	executed
GPI			233.9	104.1	117.2	160.9	68.3	109.1	72.6	114.1	492.0	488.3
MIA	10.2		46.3	49.9	2.3	8.9					58.8	58.8
ICLET							2.2	1.5			2.2	1.5
Academy									37.8	19.6	37.8	19.6
<b>Total</b>	<b>10.2</b>	<b>0</b>	<b>280.2</b>	<b>154.0</b>	<b>119.4</b>	<b>169.8</b>	<b>70.4</b>	<b>110.6</b>	<b>110.4</b>	<b>133.7</b>	<b>590.6</b>	<b>568.1</b>

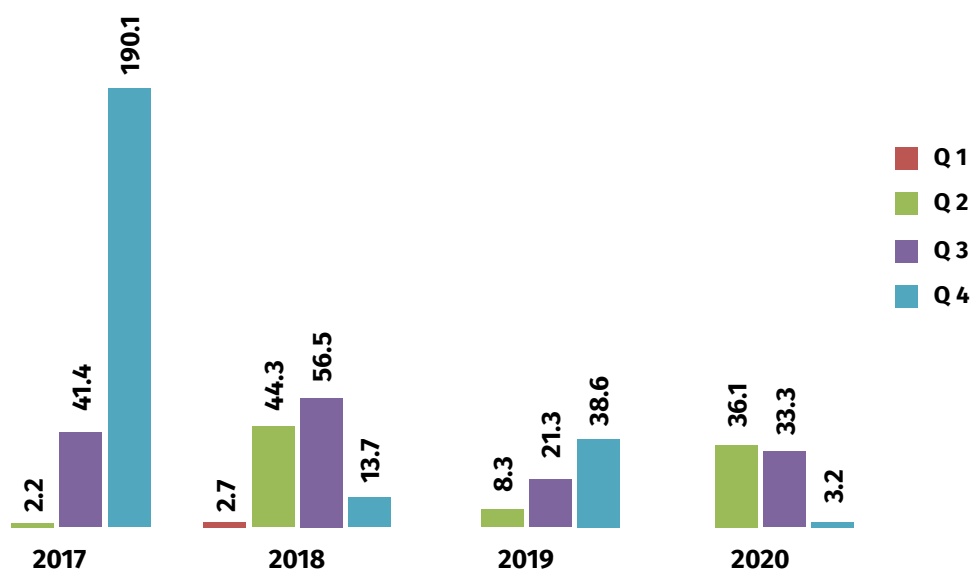
Source: Data selected from documents submitted by MIA, GPI, ICLET and 'Ștefan cel Mare' Academy.

The average value of a procurement contract funded from the budget support for the Police reform reached MDL 2.1 million, however certain contracts exceeded 5-65 times the average value.

By the end of 2020, some of the contracts reported to the budget support, which were concluded in 2019–2020, were not completed. Thus, if there are no allocations approved from the budget support for the Police reform for 2021, these contracts will further be covered from the GPI and Academy budgets. In order to fund the ICLET-related contracts, which are awarded by the Academy, the Government has to identify funds amounting to MDL 18.2 million. More contracts for the refurbishment of PSs were also not completed and paid from the budget support allocated for 2020, thus the funds allocated to GPI from the budget support were not used.

During 2017–2020, the awarding of contracts funded from the budget support was unevenly distributed during the budget year, and the important contracts were concluded in the last quarter.

Figure 6. The amount of GPI contracts funded from the budget support for 2017–2020, per quarter



<sup>4</sup> Data do not include contracts awarded by GPI units.

Thus, in 2017–2020, GPI signed several contracts in the 3d and 4th quarters. The share of contracts concluded in July – December reached 81% of the total value of contracts. During 2017–2020, GPI signed circa 50% of the number of contracts over the last quarter, and the overall value of contracts signed in the first quarter was only 0.6% of the total value for all four quarters.

This derives from problems in procurement planning and from the low efficiency of the organisation of procurement procedures by the authority.

The analysis of procurement contracts awarded during 2016–2020 that were funded from the budget support for the Police reform denotes that some companies benefited from important contracts, with regular advantages in goods, works and services contracts form.

Table 3. Top 10 suppliers by value of contracts awarded from the budget support for the 2016–2020 Police reform

Name of company/organisation	No of contracts	Contracts value, MDL million	% in the total number of contracts from the BSPR	Authority
MOTOROLA SOLUTIONS GERMANY GMBH	1	135.6	23.0	GPI
DAAC-AUTOSPORT SRL	7	106.3	18.0	GPI, MIA
Green Engineering SRL	15	43.0	7.3	GPI
Meganordconstruct SRL	2	29.2	4.9	'Ștefan cel Mare' Academy
DAAC-AUTO SRL	4	26.8	4.5	GPI, MIA
BASS Systems SRL/S&T Services SRL	4	22.2	3.8	GPI, MIA
PROFNATIN SRL	8	21.3	3.6	GPI
IGOSTAFF CONSTRUCT SRL	5	14.3	2.4	GPI
UrbanProiect IS	3	13.9	2.3	MIA, ICLET
UNDP	2	9.8	1.7	GPI, MIA
<b>Total</b>	<b>51</b>	<b>422.4</b>	<b>71.5</b>	

\*Source: Data selected from documents submitted by GPI, MIA, ICLET and 'Ștefan cel Mare' Academy

Therefore, the nine companies and one international organisation benefited from 51 contracts from the budget support for the Police reform (18% of the total number) amounting to MDL 422.4 million or 71.5% of the overall value of contracts awarded from the budget support for the Police reform.

There is also a monopolisation of the procurement depending on the object of procurement.

- Most contracts for the delivery of means of transport were concluded with two different companies.
- The important quota of contracts (in terms of value) for the refurbishment of PSs, PDFs and other GPI and Academy buildings went to maximum 10 construction companies.
- The situation is similar for design services. Over 99% of the design services for ICLET were paid from the budget to UrbanProiect SOE, and out of 15 companies that participated in GPI buildings design, 8 companies worked on more than 80% of offices. Out of these, 3 designers drafted the documents for more than 50% of buildings. All designers benefited from direct contracts for copyright supervision services of designed sites.
- The contracts for technical works supervision services on most PDFs and PSs were awarded to the same person.
- TETRA infrastructure and related equipment were provided by two companies. One of them was subcontracted to provide the infrastructure and further it was awarded all contracts for TETRA delivery funded from the budget support.

A series of those companies had parallel contracts with GPI, MIA, the Academy that were not reported to the budget support and/or were covered from other technical assistance projects for the Police, or they signed public contracts with other public institutions. In this context, while awarding multiple contracts the authorities had to examine the technical and financial capacity of those companies and to ensure an effective management of concluded contracts. For example, in 2016–2020, Green Engineering SRL concluded over 20 contracts for construction works with GPI and its units.

Therefore, the analysis denotes several problems related to the organisation of the procurement process, including issues concerning the efficiency, transparency and compliance with other core principles of public procurement, provided by Law No 131/2015.

### 5.3. Findings concerning the procurement made for the Police reform in terms of Strategy objectives and Matrix actions

#### 5.3.1. Strengthen the accountability, efficiency, transparency and professionalism of the Police

##### 1.1. Transparent staff selection and promotion system, based on competition and defined criteria of staff selection, assessment and promotion/A.1.1. Improvement of the human resources system in order to ensure transparency and selection based on merits and simplified, as well as assessment and promotion procedures/A.1.2. Increasing women's participation in Police

The main procurement for the implementation of that objective was made by MIA in 2017, with contracts awarded for the following services:

- Survey on the attractiveness of the police career, with conclusions and recommendations, including on matters of staff selection and promotion and gender policy within Police, conducted by the Innovative Consulting Group based on the MDL 524.6 thousand contract.
- Development of the Action Plan 'Increasing women's participation in Police' amounting to MDL 142.9 thousand and training on gender policy estimated at MDL 297.4 thousand, both contracts concluded with GENDER-CENTRU. The contracts were concluded as a result of tenders with a sole participant, which might lead to a risk of defining the qualification and selection requirements without having studied the market, thus restricting the participation of more bidders.

In 2017, within that specific objective, MIA conducted three times the procurement procedure for refurbishment of the meeting room of Chişinău GPI Police Division on 6 Tighina Street, but failed to award the procurement contract. The estimated cost of this procurement reached MDL 1144.0 thousand.

The main findings are:

In the first procedure, despite that the award documents were provided (at the request) to three companies, a single bid was submitted. Therefore, according to the legal framework, the authority cancelled the procedure.

In the repeated procedure, 3 out of 10 solicitors of tender documents submitted their bids. The working group concluded that two of those were inappropriate and were rejected, so that a single bid was qualified. At the same time, alleging the provisions of Article 67 of Law No 131/2015, the working group decided to cancel the tender given the absence of three bidders that might comply with the established qualification requirements. According to Item 151 of the Regulation approved by the GD No 669 of 27.05.2016, if less than three qualified economic operators participate in the repeated procedure, the Contracting Authority is enabled to award the contract as set by the initial criteria. To this end, the procedure was to be completed when the contract would be awarded to the bidder with the appropriate bid. Thus, the subjective interpretation of the legal framework by the working group led to the failure to accomplish the expected objective.

During the next repeated procedure, the authority changed the qualification requirements, as well as it extended the minimum warranty period for works, and according to the information in the procurement file, the invitation was sent to companies that had already worked with MIA. Out of 8 solicitors of award documents, 5 submitted their bids. During the evaluation, it was decided to award the contract to the company submitting the fourth bid according to the price. The first three were rejected because they failed to comply with the requirements or the qualification criteria. One of the bidders challenged the award decision before NCSA. According to NCSA, which accepted the complaint, MIA had to review the results of the procedure, but MIA decided to cancel it.

Therefore, the subjective interpretation of the legal framework and the inappropriate assessment of bids led to an inefficient and ineffective procurement process for the training room repair works.

Afterwards, in 2018, GPI allocated funds to Chişinău PD to organise the procurement. The procedure involved four economic operators. The contract of MDL 924.1 thousand was awarded to Green Engineering SRL company that offered the lowest price. The value of the bid submitted by the winner constituted about 81% of the estimated value. Therefore, according to Article 66 of the Law No 131/2015, the bid was abnormally low. The provisions of the Article mentioned state that the Contracting Authority had to request in written form the economic operator to substantiate the abnormally low price. However, the procurement file does not include such documents.

According to the contract concluded on 28.05.2018, the works had to be completed within 3 months. 96% of the overall value of the works provided by the contract were accepted and paid for by the authority within 2 months from the conclusion of the contract. In accordance with the submitted data, the remaining 4% of works were accepted and paid for in August 2018. At the moment of the examination, in May 2021, this procurement file was not compiled in line with the provisions of the Regulation approved by the GD No 9 of 17.01.2008, failing also to be sewn and numbered.

Consequently, the awarding of a contract for repair works since the beginning of the procedure and until the signature of the contract lasted for 11 months. That process included four procurement procedures conducted by two different contracting authorities and deviations from the legal and regulatory frameworks on public procurement matters.

## **1.2. Developing the initial and continuous training of police officers/A.1.2. Improving the initial and continuous training capacities, focusing on human rights, modern management and anticorruption techniques.**

Public procurement related to that specific objective were mainly made for the development of the infrastructure Joint Staff Training Centre of the Ministry of Internal Affairs according to the standards of the European Union, further renamed Integrated Centre for Law Enforcement Training (hereinafter – ICLET). The establishment of ICLET was one of the key-objectives, and for its accomplishment it was estimated to allocate about 23% of the Strategy funds.

The main procurement related to ICLET initiated by the authorities were focused on the following: (i) conduct of the feasibility study, (ii) development of project documentation, (iii) construction works for the development of ICLET infrastructure.

The ICLET procurement lacked continuity. During 2016–2020, the procurement needed at every new stage of ICLET creation were made by different institutions: the feasibility study requirements were developed by MIA, the conduct of the feasibility study was ensured by GPI, the design services – by MIA, and latter by ICLET.

After ICLET was created, by the GD No 53 of 17.01.2018 and the Regulation on the organisation and operation of the Integrated Centre for Law Enforcement Training of the Ministry of Internal Affairs was approved in 2019, the Contracting Authority made public procurement on its own. In July 2020, ICLET was absorbed by the ‘Ştefan cel Mare’ Academy of the Ministry of Internal Affairs, under the GD No 429 of 24.06.2020, by which the 2020–2021 Action Plan on the operation of the Integrated Centre for Law Enforcement Training of the ‘Ştefan cel Mare’ Academy of the Ministry of Internal Affairs was approved.

The document covered a list of actions and the allocations, including the budget support for the Police reform, and the procurement were to be made further by the 'Ștefan cel Mare' Academy.

The goal of this long-lasting process that involved several institutions and huge allocations from the budget support was the design documentation that was no more used and was sent in the archives of the Academy in 2020. At the same time, the Academy developed the project documentation and the estimates for repairing its offices provided to ICLET and located to an address different from the one indicated in the feasibility study and in the project documentation. It also purchased the works for the second half of 2020, some of which were also developed in August 2021.

### **Procurement of services for the conduct of feasibility study on the creation of the Multipurpose Centre for Law Enforcement Training**

According to the [Progress Report](#) on the implementation of the 2016–2020 Police Development Strategy published by GPI, in 2016 the Project Vision on the constitution of the Multipurpose Centre for Law Enforcement Training was developed and approved. It reflected the general conditions and training needs, along with staff, equipment and other needs. The specifications (Terms of Reference) concerning the consultancy services related to the feasibility study on the creation of the Multipurpose Centre for Law Enforcement Training were also drawn up.

According to the same report, in September 2016, MIA launched the procurement of consultancy services related to the feasibility study on the creation of the Multipurpose Training Centre for the MIA law enforcement staff in which a single company, 'Innovative Consulting Group' SRL took part. According to published information, the contract completion deadline was of 120 days, with the lowest price as the criterion for the contract awarding. Given that the bidder failed to ensure the connection between the required and the offered product, MIA rejected the company's bid with further intention to announce another public tender in January 2017.

At MIA request, in January 2017, GPI reviewed the specifications and launched the procurement estimated at MDL 2.2 million, including VAT, establishing a deadline of 75 calendar days for the contract completion. The awarding criterion for this procurement was the best bid from technical and economic point of view, with a share of 50% of the price criterion, experts team qualification and experience – 40% and the completion deadline – 10%, covered by the legal rules on the service procurement. Previously, in all other examined procurement, MIA and GPI used only the 'lowest price' awarding criterion, the quality requirements being indicated as minimum mandatory. The award documents were sent to five companies following the written requests of the respective economic operators. However, by the end of the deadline only one bid was submitted by 'SC PROEUROCONSULT' SRL amounting to MDL 6 million (including VAT).

After the evaluation, the submitted bid was taken as technically appropriate, but its value significantly exceeded (by 2.7 times) the estimated value, which determined the working group to cancel the procedure. Thus, the working group decided to cancel the tender and to reinitiate it in compliance with the previously established requirements and conditions.

The examination of procedure-related documents resulted in the following non-compliances and risks:

- The authority failed to observe the proportionality principle provided for in Law No 131/2015 (Article 18 provided that the Contracting Authority should apply proportional qualification and selection criteria reported to the object of the contract), establishing a year of experience in similar service provision as a qualification requirement and some minimum requirement indicated in the specifications. Meanwhile, no requirements concerning technical, economic and financial capacity were imposed, like the minimum turnover or experience in implementing contracts with objects and/or values similar to those covered by the tender.
- A 20-days term was established for the bid development, minimum allowed provided that prior information notice was published. Such a short deadline might determine qualified companies to not participate in that procedure.

Repeated tender. On 21.02.2017, the GPI working group approved the beginning of the repeated tender, without reviewing the awarding and qualification criteria, establishing a 20-days deadline for offers to be submitted. As a result of the procedure, the MDL 3287.5 thousand contract (excluding VAT) was awarded to the companies 'Molbak Proiect' SRL, 'Europroiect' SRL and ME 'Protelco Geocad' SRL.

The examination of procedure-related documents resulted in the following:

- The authority doubled the estimated cost compared to that set up for the initial trend (from MDL 2200 thousand to MDL 4450 thousand) and extended the contract completion deadline from 75 to 100 days (or by 33%). According to the information submitted in the procurement file, the changes were introduced by the project team, following the additional market survey in order not to discourage the bidders to ensure the highest quality of deliverables. According to Article 4 of Law No 131/2015, the estimated value of the public contract is determined before the awarding procedure is started, and this is provided by the Law and by the Regulation approved by the Government. Consequently, the authority did not comply with the legal rules on public contracts planning for this procurement. Moreover, the Regulation approved by the GD No 9 of 17.01.2008 sets up that the public procurement file is the number of documents used by the Contracting Authority during the public procurement procedures. However, the market survey, the calculation of the increased estimated cost or other documents that might justify the changes made by the working group were not identified in the procurement file.
- The authority failed to comply with the provisions of Article 45 of Law No 131/2015 in establishing the deadline for bid submission. Therefore, the deadline was unreasonably reduced by at least 16 calendar days.
- 8 companies expressed their interest, out of which 7 companies (2 bidders from USA, 2 from Romania, 1 from Georgia and 2 from the Republic of Moldova) submitted their bids, with values estimated between MDL 3287.5 thousand and MDL 5816.3 thousand. 'SC PROEUROCONSULT' SRL Company, the bid of which was previously rejected, submitted a MDL 4440 thousand bid (including VAT), by 0.2% lower than the reviewed estimated value. The lowest bid, estimated at MDL 3287.5 thousand (excluding VAT), was submitted by a group of companies, 'Molbak Proiect', SRL, 'Europroiect' SRL and ME „Protelco Geocad” SRL, with a 98-days completion deadline.
- According to the bid assessment documents, the successful bidder failed to provide information about the professional expertise of the team manager and/or of experts in projects with similar objectives. In addition, the company was awarded an 85% score for the qualification of the team manager and a second score for the qualification of experts. Moreover, in line with the bid, the company assumed to execute the contract within 98 calendar days, as the completion deadline was one of the assessment criteria and could not be changed. The reduced period was one of the determinants for awarding of that contract to the respective bidder.
- The contract, amounting to MDL 3287.5 thousand (excluding VAT), was signed on 28.04.2017 with the group of companies 'Molbak Proiect', SRL, 'Europroiect' SRL and ME 'Protelco Geocad' SRL. According to Article 95 of Tax Code of the Republic of Moldova, the services provided under the respective contract are taxable with VAT. The regulatory framework also does not provide for the application of zero-VAT or exemption of VAT for good, work or service delivery under the contracts funded from the budget support for the Police reform. At the same time, the amount indicated in the contract was transferred to the company for the services provided.

### **Procurement of design services for the implementation of the conceptual design of ICLET**

The feasibility study was fundamental for the procurement of design services of ICLET. The procurement was initiated by the procurement working group of MIA, though the respective procurement was covered by the procurement plan of GPI, which previously paid for the development of the feasibility study. According to the feasibility study, the estimated value of the procurement is MDL 12.6 million. The qualification and selection requirements, which were also defined in the feasibility study and transposed in the award documents, were: at least 3 years of experience, implementation of at least one contract worth MDL 1 million or more during the past 3 years and available liquidity, working capital or minimum

credit resources – at least 5% of the overall value of the bid. The respective criteria were not proportional to the object of the procurement. The criterion for awarding this procurement contract approved by the working group was the lowest price.

According to the tender documentation, the implementation period of the conceptual design should not exceed 6 months, afterwards the project had to be submitted for expertise to the State Service for Verification and Expertise of Projects and Constructions (hereinafter – SSVEPC) or any other body selected by the investor. After the verification, the supplier, if necessary, has one month to operate the changes derived from the analysis. Thus, the full deadline for completing the services that was established by the working group was 210 days.

The procurement was announced on 01.09.2017 with a 20-days deadline for bid submission. The authority set a bid submission deadline by 15 days shorter than the one provided in Article 45 of Law No 131/2015 for open tenders of similar value.

The tender documentation was sent to companies on 6-18 September 2017, in accordance with their request registration. Therefore, some companies were given only two calendar days to submit their bids. Meanwhile, Article 36 of Law No 131/2015 provides that the bid submission deadline shall be sufficient to allow the economic operators in or outside the country to prepare and submit their bids by its end. The contracting authorities shall consider in establishing the deadline the complexity of the foreseen procurement, the estimated subcontracting domain and the normal time for bid submission by mail across the country or abroad.

By the end of the deadline, three bids were submitted, as follows:

Table 4. Information on the bids submitted for ICLET design services

Bidder	Bid value, MDL mln	Bid value, MDL mln with VAT	Delivery deadline
INCP Urbanproiect ÎS	8.9	10.7	6 months
Verilar Proiect SA, in association with Industrial Proiect, Neoconprim SRL, Arhideea-Grup SRL	8.8	10.5	210 days
IMP Chişinău Proiect, in association with SC Europroiect SRL	9.3	11.2	9 months

Source: data selected from the procurement file

'SC' Europroiect SRL was member of the group of companies that developed the feasibility study for ICLET, including the technical task for design services, and was responsible for 35% of the volume of works, similar to 'Molbak' SRL. According to Article 79 of Law No 131/2015, the individual or legal entity who takes part in drafting the award documents is entitled, as an economic operator, to act as a bidder, associate bidder or subcontractor only if their involvement does not distort competition. Moreover, the minutes of bid examination and evaluation meetings do not include information about the analysis of a possible conflict of interests of SC 'Europroiect' SRL company, member of the group of companies that have drafted the specifications, and the qualification and selection criteria, which are clearly not proportional.

As a result of the assessment, the bids submitted by 'Verilar Proiect' SA, in association with 'Industrial Proiect', 'Neoconprim' SRL, 'Arhideea-Grup' SRL and 'IMP Chişinău Proiect' in association with 'SC Europroiect' SRL, were rejected for non-compliance with the requirements. The MDL 10.7 million contract was awarded to 'NRDI Urbanproiect' SOE on 03.10.2017 and signed on 26.10.2017, with a completion deadline of 6 months from the registration of the contract with the State Treasury. 240 days (or 8 months) after the contract was signed, it was extended by concluding three additional agreements: of 22.06.2018, 05.09.2018 and 29.11.2018. The procurement file does not include information about the penalties for delays provided by the contract, which amount to 0.1% of the value of the part failed to be executed for every day of delay.

On 07.09.2018, MIA signed with 'NIRD Urbanproiect' SOE another design service contract in order to implement the conceptual design of ICLET worth MDL 1.6 million, without organising the tender.

Therefore, the procurement process of ICLET managed by MIA has low transparency and efficiency and deviations from the legal framework, including the failure of the authority to undertake measures for avoiding the conflict of interests.

### **Procurement organised by ICLET**

According to the feasibility study, EUR 10 million were estimated for ICLET, but the expenditure estimate for design and verification works indicated EUR 37 million. This significant discrepancy reveals a series of problems, like the quality of the feasibility study, the quality of design services, excessive requirements set up in the design documents by the authority in cooperation with the designer, which are not related to the disposable allocations.

At the same time, the institution was to ensure the implementation of the performance indicator from the Matrix and the use of allocations. As indicated in documents, when the procurement was started, it was found necessary to strengthen the protection wall of ICLET, which might involve a significant part of allocations meant for ICLET. Consequently, ICLET, assisted by the designer, had to identify an optimal solution for the construction of the Centre, and the designer – to draft the project documents of external networks.

### **Procurement of development of project documentation services and expenditure estimate for external technical and building networks**

On 20.05.2019, ICLET announced the procurement procedure for the development of project documentation and expenditure estimate for external technical and building networks of ICLET under MIA, amounted to MDL 1408.0 thousand. By the end of the deadline, two bids were submitted:

- 'INTEXNAUCA' SA – MDL 1290.0 thousand (excluding VAT);
- 'NRDI Urbanproiect' – MDL 1408.0 thousand (excluding VAT).

The working group analysed and rejected both bids.

In the repeated procedure of 08.07.2019, the same bidders took part with different price offers compared to the first procedure:

- 'INTEXNAUCA' SA – MDL 1350.0 thousand (excluding VAT);
- 'NRDI Urbanproiect' – MDL 1274.2 thousand (excluding VAT).

After the bid assessment, the MDL 1529.0 thousand contract (including VAT) was signed with 'NRDI Urbanproiect', with a 3 months deadline starting from the registration of the contract with the State Treasury. According to the contract, 'NRDI Urbanproiect' had to subcontract services estimated at MDL 813.3 thousand (53.2%), including MDL 746.1 thousand (48.8%) from 'Intexnauca' SA. Therefore, there are indicators of artificial competition within the procedure and the risk of arrangement between bidders.

### **Procurement for construction works for the Integrated Centre for Law Enforcement Training of MIA**

On 27.09.2019, ICLET announced the procurement procedure for construction works for the Integrated Centre for Law Enforcement Training of MIA, with an estimated value of MDL 173.2 million (excluding VAT) or about EUR 10 million (including VAT), or 3.5 times more than indicated in the procurement plan of the institution. When the procurement was started, the procurement plan of ICLET included a single procedure under the Strategy, creation of ICLET, estimated at MDL 60 million (including VAT).

ICLET established the following qualification requirements:

- The turnover in the last 3 years – at least MDL 50 million.
- Not less than 5 years of similar experience.

- At least one contract on similar works worth over 75% out of the value of the future contract or the cumulated value of all contracts executed in the last year equals to or exceeds the value of the future contract.

The respective requirements, along with a short contract completion deadline – 2 calendar years, were an obstacle for local companies.

Consequently, by the end of the deadline, a single bid of MDL 174.0 thousand (excluding VAT) was submitted by the group of companies ‘SC Iasicon’ SA and ‘SC Acar Construct’ SRL.

Guided by the provisions of Law No 131/2015, the authority cancelled the procedure and announced on 05.12.2019 a repeated procedure that was cancelled by the ICLET working group until the end of the deadline for bid submission, and the decision was substantiated by the need to review the award documents.

Before the repeated procedure was started, ICLET signed on 26.11.2019 a contract directly with ‘NRDI Urbanproiect’ of MDL 622.1 thousand for controlling the copyright on the execution of construction works of ICLET site, stage 1, and the contract failed to be executed.

The analysis of all the activities implemented for accomplishing this indicator showed that there were no fundamental actions meant to impede wasting public money for drafting useless documents. Thus, a geological research of selected places for the location of ICLET might probably identify all problems of potential locations and might serve as basis for establishing the priorities depending on location, ICLET concept and budget available for accomplishing the indicator.

During 2017–2019, the costs incurred only from the budget support for the Police reform meant for drafting the ICLET documentation, which was to be located at Dimo str., Chişinău municipality, amounted to MDL 17.8 million: 20% – the feasibility study and 80% – the project documents and other services. However, ICLET was not created as a separated entity with an infrastructure developed on the basis of the feasibility study and the project documentation. This was despite the fact that in 2017–2019 about 8% of the overall amount of MDL 226.8 million indicated in the Strategy were used for the development of the initial and continuous training of police officers. In addition, the procurement were useless as the public funds were inefficiently and ineffectively used.

#### **The procurement made by ‘Ştefan cel Mare’ Academy**

According to the [‘Ştefan cel Mare’ Academy Report](#) on implementing the action 1.3 ‘Improving the initial and continuous training capacities, focusing on human rights, modern management and anticorruption techniques’ included in the budget support for the 2020 Police reform, on 11.01.2020, MIA required in a letter addressed to the Prime-Minister of the Republic of Moldova:

- the displacement of Integrated Centre for Law Enforcement Training of MIA within the ‘Ştefan cel Mare’ MIA Academy, located on 7 Sf. Vineri [Friday] str., Chişinău municipality and its operationalisation in line with EU standards, from MDL 60.0 million provided by the 2020 Budget Law;
- to transfer the Integrated Centre for Law Enforcement Training of MIA under the authority of ‘Ştefan cel Mare’ MIA Academy, according to the 2020–2023 Government Action Plan, approved by the GD No 636/2019, chapter II, Item 2.1: ‘Improving the initial and continuous training system of police officers, focusing on practical training; unification of the training system at MIA level under the “Ştefan cel Mare” MIA Academy’;
- keeping the location of the Integrated Centre for Law Enforcement Training of MIA at 30 Nicolae Dimo str., Chişinău mun., established by the GD No 35/2018 and discussing with the development partners in order to identify sufficient funds for the development of the infrastructure estimated in the implemented project.

The response to the request informed that it was inappropriate to build ICLET on the site for which the documents were drafted (located on Nicolae Dimo str. in Chişinău) in order to avoid an increase in the state budget expenditure and it would be necessary to amend the GD No 35/2018 ‘On Constructing the

Integrated Centre for Law Enforcement Training'. That one was further repealed by the GD No 429 of 24.06.2020.

In addition, the proposal to develop the infrastructure needed for ICLET activity within 'Ștefan cel Mare' Academy building at 7 Sf. Vineri [Friday] str., Chișinău Municipality (including a tactical training area) was supported with the proposal to review the GD No 53 of 17.01.2018 'On the Integrated Centre for Law Enforcement Training of the Ministry of Internal Affairs'.

The funds directed for the operationalisation of ICLET of MIA at 30 Nicolae Dimo str., Chișinău Municipality were reallocated to capital investments 'Reconstruction of the set of buildings of the Integrated Centre for Law Enforcement Training at 7 Sf. Vineri [Friday] str., Chișinău Municipality'.

Therefore, by MIA order No 235/2020 the following was decided:

- to develop on the site located at 7 Sf. Vineri [Friday] str. of Chișinău Municipality the ICLET infrastructure, the administrative building, lecture halls, hostel/residence rooms for students, the self-service cafeteria and the premises for kitchen, sports fields, gyms and combat halls;
- to start the reconstruction, construction and arrangement of the territory located at 30 Nicolae Dimo str, Chișinău Municipality: hostel, tactical training areas of the Integrated Centre for Law Enforcement Training of the Ministry of Internal Affairs, built up of lightweight constructions where practical sessions of professional intervention should be conducted, as well as shooting training, ensuring and restoring public order, as well as training tracks with obstacles.

In 2020, 'Ștefan cel Mare' MIA Academy started the procurement of development of the project documentation services for the reconstruction of the interior building system of the sites of 'Ștefan cel Mare' MIA Academy at 7 Sf. Vineri [Friday] str. in Chișinău Municipality, estimated at MDL 902.2 thousand (including VAT), totally funded from the Academy budget. This was the first procurement related to ICLET that the Academy made.

The object of the contract included the development of project documentation for the lecture halls, barracks/residence halls and verifying the project documentation. The minimum requirements for the bidder included: minimum 5 years of experience, the minimum value of a similar contract executed in the last 3 years of activity, qualified staff with specialised experience and studies. It is found that the requirements for the designer only for the ICLET objective have varied depending on the contracting authority, while the requirements for small contracts are higher than for complex ones.

The contract had to be awarded based on the 'lowest price' criterion. The completion deadline – 70 calendar days. Six bids were submitted in the competition. As a result of the assessment, the MDL 739.9 thousand contract was awarded to 'Baucom Grup' SRL company that offered the lowest price. The company submitted the performance bank guarantee with a value lower (4.2% against 5% indicated) than the one foreseen in the award documents and the signed contract, thus failing to comply with the clauses of the procurement contract and with the legal provisions on public procurement matters.

Further, the Academy purchased new services for development and verification of project documentation for ICLET, without organising the procurement procedures. To this end, low-value contracts over MDL 100 thousand were signed with individual and legal entities. All those contracts were covered from the Academy budget and were not ascribed to the budget support.

### **ICLET repair works**

During the second half of 2020, following the public procurement procedures, the Academy awarded four procurement contracts for works worth MDL 37636.2 thousand for the ICLET site, as well as one low-value contract for technical works supervision services estimated at MDL 120 thousand, which were to be funded from the budget support for the Police reform.

Table 5. Information about the contracts awarded by the Academy in 2020, totally or partially funded from the budget support

Description	Contract value, MDL thousand	Date of signature	Execution period	Contractor
Procurement for repair works of the lecture rooms (buildings A, B, G, D, V) of 'Ștefan cel Mare' Academy	5540.9	22.09.2020	70 calendar days	Mega Nord Construct SRL
Repair works in the residence halls of 'Ștefan cel Mare' MIA Academy	23622.8	13.10.2020	230 calendar days	Mega Nord Construct SRL
Repair works at ICLET central office	3834.7	02.11.2020	35 calendar days	Lorascom SRL
Repair works at ICLET office, building B	4637.8	16.12.2020	28 calendar days, but not later than 31.12.2020	InterTrade Construct SRL
Verification and monitoring services of repair works	120.0	03.12.2020	31.12.2020	Savciuc Arcadie

For funding the ICLET procurement, the Academy was allocated in 2020 MDL 20.1 million from the budget support for the Police reform. Upon the approval of allocations, prior to the procurement procedure, the Academy had to change the procurement plan and, in accordance with the Law No 131/2015, to publish in the PPB the prior information notices related to the procurement of works for ICLET. The prior information notices were not identified and the procurement plan published by the institution failed to include all five ICLET purchases made by the Academy in 2020 and partially or totally ascribed to the budget support.

Certain risks and irregularities were found during the assessment of those five purchases.

- The authority applied for all work procurement procedures the criterion 'the best price-quality ratio', with the share of the price of 80%, of the completion deadline – 10% and the warranty period – 10%, but the award documents failed to include the methodology that was to be applied in bid assessment. For any of those bids, minimum warranty and completion deadlines were established. Therefore, the authority, given its limited resources, assumed to pay 20% more for a reduced completion deadline and an increased warranty period for works. Moreover, 3 out of 4 work contracts, which were also awarded following the 'lowest price-quality ratio' criterion, failed to be executed within the deadline indicated by the bid and by the contract. The works were still in execution at the beginning of June 2021 and the contractors were not imposed penalties for delays or other sanctioning instruments that were provided by the contract, including until its termination.
- The working group cancelled without thorough justification 3 out of 4 procurement procedures and organised them repeatedly.
- The authority established qualification requirements non-proportional to the object of the procurement of works. Those could deter potential bidders to participate in the respective procedures. At the same time, the contract completion deadlines established by the authority were extremely short and deterrent, and they mainly served as awarding factor. Further, the contractors failed to meet the deadlines and the authority didn't manage to monitor them.
- Other works contracts of similar complexity and value awarded within the Strategy had an average completion deadline of works of 150 calendar days. Consequently, defining such a short deadline could demotivate qualified companies to participate in the respective procedure.
- The decisions of the working group within several procedures were challenged by NCSA, but the examination requirements imposed by the later failed to be met by the Contracting Authority.
- Upon contract awarding, the Contracting Authority accepted to change and reduce the performance guaranties compared to the value indicated in award documents and bids. Thus, two of four

contracts were not entirely covered by performance guarantees and 2 others had low guarantees, which was not in compliance with the provisions of Article 74 of Law No 131/2015.

- Taking into account the volume of works executed, which was determined during on site visits of April 2021, there might be a risk that invoicing and payment of works within all three contracts were made in advance in order use the funds allocated for 2020.
- Two out of three companies, which were awarded the contracts for the ICLET objective, had other ongoing contracts signed with the Academy (the decisions for their awarding were challenged in front of NCSA). In addition, in 2020, the Academy signed with those companies direct contracts under the threshold set up by Law No 131/2015, thus avoiding to organise competitions.

The findings related to each contract are presented below.

### **Procurement procedure for repair works of the lecture rooms (buildings A, B, G, D, V) of 'Ștefan cel Mare' Academy**

The procurement procedure was organised two times.

The first procedure, published in May 2020 was cancelled by the working group relying on Article 71 of Law No 131/2015. The working group rejected four bids. The authority judged that justifications for the abnormally low price submitted by three bidders were insufficient (their price was 67–78% of the procurement estimated value). At the same time, the fourth bidder failed to submit certain required award documents. The bidders did not challenge the procedure.

Within the repeated procedure, nine bids were submitted, and the contract was awarded to the company with the fourth bid by price, but according to the awarding criterion set up by the authority, the bid was rated the second. The bidder on top of rating was disqualified by the working group for failing to submit certain information and documents. At the same time, the price proposed by the winner was 72% of the estimated value of the procurement. The bidder who won the tender participated in the initial procedure, offering the same price, MDL 5922.8 thousand (including VAT), but despite of his arguments his bid was rejected as abnormally low compared with those of two other bidders.

Two of the bidders challenged the contract award decision on the grounds of multiple gaps in the procedure of appointing the winner, but further they withdrew their complaints. The contract was signed 43 days after it was awarded, and the announcement was published 3.5 months after the contract was awarded and 2.5 months after it was signed. Thus, the authority failed to comply with the provisions of Article 30 of Law No 131/2015.

40 days after the contract was awarded and the winner was informed, he requested to change the form and the amount of the performance guarantee in comparison to those indicated in the award documents and the successful bid.

Therefore, according to contract conditions, the performance guarantee was estimated at MDL 888.4 thousand and was supposed to take the form of a bank guarantee or transfer to the Contracting Authority's account.

The contractor proposed to the authority, which accepted, to withhold MDL 100 thousand as a performance guarantee of the bid, and MDL 393.6 thousand from the payment for the works conducted by the contractor. Thus, the amount decreased by MDL 493.6 thousand or by 1.8 compared with that indicated in the contract and award documents. De facto, no payment deductions were made. Therefore, the performance guarantee was 1.7% of the contract value, which is 8.8 times lower than it was estimated. Consequently, both parts failed to meet the provisions of the contract signed, and the authority accepted the change of the winning bidder by a minute, thus infringing the provisions of Article 74 of Law No 131/2015.

On 18.12.2020 an additional agreement was signed meant to reduce the value of the contract by MDL 381.9 thousand. The works were accepted and paid for at the end of December 2020 or within 100 from the signature of the contract. The authority did not calculate and did not impose penalties to the contractor

for delays, which was provided in the contract. At the same time, the authority's clarifications published in SRPP AIS MTender indicated that exceeding the 70 days deadline would be penalised.

### **Procurement for repair works in the residence halls of 'Ștefan cel Mare' MIA Academy**

The procurement was announced on 19.08.2020. According to the award documents, the contract completion deadline had to last for no longer than 240 calendar days, while the designer mentioned that the deadline would take 2 years, or about three times more.

The qualification requirements for this procurement were not proportional to the annual turnover and disposable cash, constituting around 10% of the estimated value of procurement including VAT. At the same time, the authority assessed the bids without considering ongoing contracts of bidders, as well as the staff and equipment engaged in the completion of the respective contracts.

Three bidders took part in the procedure with bids' value between MDL 18,991.0 thousand and MDL 24,640 thousand or between 75% and 97% compared to the estimated value of the procurement.

The successful bidder offered MDL 833.5 thousand (including VAT), which is higher than the lowest bid, but abnormally low according to the Law No 131/2015. At the same time, the working group judged that bid appropriate.

Two bidders challenged the award decision before NCSA claiming that the winning bid failed to comply with the requirements in the award documents and the winning bidder – with the qualification criteria. However, they further withdrew their complaints.

The award notice was published on 3.12.2020 or 50 after the contract was signed, which violated the provisions of Article 30 of Law No 131/2015.

According to the contracts signed on 13.10.2020, the payment terms are different from those indicated in the award documents – MDL 10 million in 2020 after receiving all final minutes of all works, and the remaining MDL 13.6 million, in 2021. The contract also provides that the contractor be obliged to establish the performance bank guarantee at 15% of the contract awarded.

The award documents set that the payment had to be made in two instalments: 50% in 2020 after receiving the final minutes of all works and 50% in 2021 under the same condition. At the same time, by the end of 2020, MDL 10,000.0 thousand were transferred to the company for partial completion of the volume of works foreseen in the contract.

The contract completion deadline was at the end of May 2021, but in April 2021, approximately 50 days before the end of the deadline, the works were only 40% completed and taken over. Therefore, no progress was made compared to the works that the authority took over and paid for in December 2020. In addition, within 2.5 calendar months, the company completing at the same time another contract for the company submitted for approval and payment documents for works worth MDL 10 million. Thus, there was the risk that in December 2020, the authority accepted and paid in advance for works that, in fact, failed to be completed, in order to ensure the use of funds allocated for procurement.

On 8.10.2020, before signing the contract, the contractor requested to replace the performance guarantee foreseen in the award documents with the bid guarantee of MDL 400 thousand, as part of the performance guarantee, and to withhold the remaining MDL 1568.6 thousand from the payment for completed works, thus having a performance guarantee of 8.3% of the value of the contract. The working group accepted the request on the date when the contract was signed. Therefore, the parts failed to comply with the provisions of Article 74(4) of Law No 131/2015.

The authority withheld no payments and transferred the company all MDL 10 million by the end of 2020. Consequently, the real guarantee for this contract is only MDL 400 thousand or 1.7% of the contract value, which is 8.8 times less than the amount provided by the contract.

## Procurement for repair works at ICLET central office

In order to award the contract for repair works at ICLET central office, the procedure was organised three times.

The first procedure was announced in July 2020 with an estimated value of MDL 1.5 million (including VAT). A 30-calendar days deadline was established for the completion of works. The average turnover required by the authority had to be equal to the estimated value of the future contract, and the disposable funds of the bidder for that contract would reach MDL 0.5 million. Thus, if comparing these requirements with the ones set up for work procurement, we find that these are at least three times higher, which denotes that the authority has no unique /approach for establishing qualification requirements within work procurement. The deadline set up for bid development and submission was 14 calendar days, or by 6 days shorter than the deadline provided by the legal framework. Two bids worth 70–85% of the estimated cost of the procurement were submitted within the procedure. The deadlines presented for the completion of works were of 24-60 calendar days. The procedure was cancelled on the grounds of an insufficient number of bidders that complied the qualification and selection requirements.

The repeated procedure was announced on 11.08.2020, with the deadline for bid submission on 27.08.2020, or 15 calendar days, which was also shorter than provided by the legal framework. The procurement requirements and conditions were the same as in the first procedure.

Three bids were submitted within the repeated procedure, including one bidder that participated in the first procedure. The value of submitted bids was 76–85% of the estimated cost of the procurement.

On 23.09.2020, within about 4 weeks, the working group decided to cancel the procedure because additional works were necessary that would include installing toilet facilities and construction engineering works that would lead to an increased expenditure estimate.

The procedure was published on 25.09.2020 with an estimated value 3.1 times higher than those set up in two previous cancelled procedures. Therefore, the value of works related to toilet facilities and the cost for construction engineering works would increase to MDL 3 million. Despite that the estimated cost increased three times, the average turnover and disposable funds doubled.

According to the notice, the payment was to be made in two instalments: 50% in 2020 after receiving the final minutes of all works and 50% in 2021 under the same condition. Thus, the condition for the payment of works in 2020 was the completion, verification and acceptance of works defined by the contract until 31.12.2020. According to the notice, the authority established a 60 calendar days deadline for the completion of works.

The 17 days deadline set for bid preparing and submission was shorter than the minimum deadline provided by the legal framework.

Three bids were submitted within the procedure, including the bidder that participated in the two cancelled procedures, with a value of 67.8–85% related to the estimated cost of the procurement.

The authority demanded the bidder offering the price of 67.8% of the estimated cost to substantiate the abnormally low price within up to 2 days, thus violating the provisions of Article 17 of Law No 131/2015. The arguments put forward were deemed insufficient by the working group that rejected the respective bid, and awarded the contract to 'Lorascom SRL' company, which participated in all three procedures for that site. The value of the successful bid was MDL 778.2 thousand (including VAT) higher than the rejected one, which the working group regarded as abnormally low.

The successful bidder had to complete the works within 35 calendar days, and the value of the performance guarantee should be 15% of the contract value.

'Lorascom SRL' requested in its letter of 2.11.2020 to be paid the direct withholds from the payments made, while the contractor failed to submit the performance bank guarantee provided by the contract and by the winning bid. The working group accepted the request, thus infringing the provisions of Article 74 of Law No 131/2015. Meanwhile, no withholds were made from the amounts transferred to the contractor

during their payment, so that the actual value of the performance guarantee was 0% which is contrary to the contract provisions.

The award notice for this contract was published 30 days after the contract was signed.

In April 2021, or within 160 after the contract was signed, the works were not completed, even though the contract set up a 35 calendar days deadline and this was the reason that the company was ascribed a score higher than the other bidders. At the same time, the Academy did not penalise the contractor for a delay of 125 calendar days with the amount of MDL 240 thousand that was defined by the contract. At the beginning of June 2021, or 7 months after the contract was signed, the works within that contract were not completed. According to the contract, the payments had to be made after receiving the final minutes for all works, but the company was transferred MDL 1438.7 thousand at the end of 2020 for the invoices estimated at MDL 1917.3 thousand. Thus, despite the provisions, the company was paid MDL 1.4 million by the moment when all contracted works were completed.

In 2020, the Academy awarded 'Lorascom SRL' company two more contracts of procurement of works:

- a direct contract worth MDL 298.0 thousand (by MDL 2 thousand under the threshold of the competition) for repair works;
- a contract worth MDL 7,709.7 thousand of 30.09.2020 for repair works of the barracks according to the needs of 'Ștefan cel Mare' MIA Academy. Those two procurement also included risks and deviations from the legal framework, including exempting the company of the performance guarantee foreseen in the award documents and the company's bid. The completion deadline of the respective contract was 35 calendar days. The award decision was challenged, but the contract was awarded, thus failing to comply with NCSA requirements.

Therefore, 'Lorascom SRL' company, which had 8 employees and an average turnover of MDL 4 million according to the bid data, was selected to complete two contracts of a cumulated value exceeding three times the average turnover of the company within 35 calendar days.

#### **Procurement for repair works at ICLET office, building B**

The contract was awarded after organising two procurement procedures.

The first one was published on 7.10.2020 and set up a bid submission deadline of 15 days. The authority established requirements non-proportional to the object of the procurement and thus failed to comply with the provisions of Article 17 of Law No 131/2015. The bidders had to further submit additional documents and information. The authority established a 50 calendar days deadline for the completion of works. The award documents included contradictory requirements concerning the contract completion deadline. The procedure was monitored by the Public Procurement Agency that required the Academy to adjust the award documents.

A single bid was submitted within the first procedure and the working group judged it abnormally low and not in line with the requirements. According to the decision, the working group cancelled the procedure relying on Article 71 of Law No 131/2015. The decision was challenged in front of NCSA by the bidder, but it was rejected as unfounded.

The repeated procedure was published on 23.10.2020 and gave the potential participants 17 days to prepare and submit their bids. Upon the repeated procedure, the authority adjusted only some of the issues mentioned in the monitoring report. At the same time, it established a maximum deadline for the completion of works of 35 calendar days for the procurement estimated at MDL 4449.3 thousand (excluding VAT).

For the repeated procedure, three bids were submitted amounting to 64.5–86.9% of the estimated value of the contract, and the completion of works had to be performed within 28 and 33 calendar days, with warranty periods of 5.5–9 years for works completed within such a short deadline.

The authority rejected the bids of 'Magda' SRL and 'Caves Grup' SRL judging them abnormally low and inappropriate to the requirements.

The deviations included the reduced dimension of doors (by 0.05 m), providing plaster instead of cement and other aspects that appeared insignificant from the perspective of Items 133 and 134 of the Regulation approved by the GD No 638 of 26.08.2020. No calculations or details concerning the severity of technical deviations of those two companies were mentioned in working group's decision.

At the same time, the working group failed to mention the non-compliances of the winning bid and to request clarifications to this end. According to the documents related to the bid of 'InterTradeConstruct' SRL, which was the winning company, the value of contracts completed by that bidder was lower than the amount required by the Contracting Authority. One participant challenged the award decision before NCSA and, along with arguing that his bid was unjustifiably rejected, he invoked that 'InterTradeConstruct' SRL company lacked similar experience. The Academy responded that the contract signed with 'InterTradeConstruct' SRL was substantiated by the final take over minute signed on 09.11.2020 – the bid submission deadline. That minute was drafted by the Academy after the bid submission was opened and was not part of the company's bid, but the authority regarded it as a document justifying the company's qualification in the award documents. According to the information that the Academy submitted, the value of the contract signed with 'InterTradeConstruct' SRL was MDL 3445.8 thousand, but the value of the contract completed as of 31.12.2020 was 50% of the total amount of MDL 1722.9 thousand, which denoted that the value of completed works was lower than the minimum required within the respective procedure.

At the same time, after adopting the first award decision, the Academy sent 'InterTradeConstruct' SRL an information letter on 13.11.2020 in which required the performance guarantee in an amount different from the one indicated in the winning bid and the award documents.

NCSA concluded in its Decision No 03D-922-20 of 10.12.2020 that the working group circumvented the legal rules by several actions: unfounded rejection of the appellant's bid; infringement by the group members of principles of competition, equal and unbiased treatment, non-discrimination against all participants, including application of unequal treatment towards the bidders by accepting the document issued on the date of bid submission, which was also signed by the Contracting Authority, and rejection of the appellant's bid for failing to submit a certificate along with the bid and rejecting it after the bid submission deadline. In addition, NCSA mentioned that the authority failed to diligently assess the bid. Therefore, NCSA cancelled the award decision and requested the Academy to review the appellant's bid, taking into account the NCSA's findings. By the award decision of the public contract No 26 of 15.12.2020, identical to the decision of 13.11.2020, except for one paragraph indicating that the working group reviewed the bids according to NCSA decision, the contract was awarded to 'InterTradeConstruct' SRL.

The contract of 16.12.2020 worth MDL 4637.8 thousand set a deadline for the completion of works until 31.12.2020, as well as the contractor's obligation to obtain a performance bank guarantee of 15% from the contract value, which would reach MDL 695.7 thousand. 'InterTradeConstruct' SRL sent on 16.12.2020 a letter to the Academy by which it demanded to replace the bank guarantee of 15% from the value of the contract awarded with successive withholds from the payments for partial invoices, that would be withheld from the beneficiary's account by the signature of the final take over minute.

According to the minute No 30 of 18.12.2020 of the procurement working group's meeting of 'Ștefan cel Mare' MIA Academy, two subjects were examined and decided on them during the meeting:

- 1) the 'InterTradeConstruct' SRL request No 16.12.2020 to replace the bank guarantee with successive withholds. The request was accepted by the working group;
- 2) re-examination of the 'Caves Grup' SRL bid according to NCSA Decision No 03D-922-20 of 10.12.2020.

Therefore, the re-examination meeting was held three days after (!) approving the decision to re-examine the bids (the award decision of the public contract No 26 of 15.12.2020) and two days after issuing the report and the information letters for bidders, as well as after the signature of the contract with 'InterTradeConstruct' SRL.

According to the construction legislation, the final take over should take place after the end of the warranty period, consequently, the amounts had to be withheld from the contractor's invoices and maintained on

the Academy's account 9 years after signing the take over documents upon the completion of works. In fact, no withholds were performed. Therefore, the contract signed with 'InterTradeConstruct' SRL was not covered by a performance guarantee. 160 days after the deadline for the completion of works ended, some of works worth MDL 2,178.5 thousand were not completed and took over by the Academy. According to contract provisions, the authority had to impose the company penalties for delays amounting to MDL 350 thousand. By the end of 2020 or within two weeks from the signature of the contract, the authority paid the company MDL 2,459.3 thousand for the completed works. Errors that might serve as base for formal acceptance of documents, without verification, were found when checking the take-over acts. At the same time, the technological process, as well as technical and economic capacities of the company would impede the completion, verification and take-over of works within 10 working days.

Therefore, the authority failed to comply with the legal rules on public contract awarding, by committing uncertainties while signing and completing the contract.

In 2020, along with the two contracts awarded to the company following the procurement procedure, two other direct contracts were signed with 'InterTradeConstruct' SRL, one of which went by MDL 700 under the competition threshold. We note that the deadline for contract completion worth MDL 300 thousand signed with the respective company is 20 calendar days, or by 8 days less than for a contract of a 15 times higher value.

### **Verification and monitoring services of repair works completion**

The MDL 120 thousand contract for verification and monitoring of repair works, reported to the budget support, was signed on 3.12.2020. Short after the signature, in December 2020, the consultant reported and requested to be paid for his services of MDL 117.1 thousand, which was his compensation for verifying the repair works completed in December within the four works contracts funded from the budget support. The supplier calculated the mentioned amount based on the amounts indicated by the contractors in the take-over minutes of completed works that were signed and stamped by the supplier.

In fact, there is the risk that works approval has been tokenistic. At the same time, the compensations offered to the suppliers of verification and monitoring services for repair and construction works completion depending on the volume of works verified and accepted might determine the supplier to take over volumes of works regardless of the level and quality of their completion. Moreover, the direct contract signed with the technical manager does not provide for responsibilities and material accountability of the supplier for taking over inappropriate works or unreal volumes.

The minutes verified by the supplier and accepted by the authority as appropriate, based on which the contractors were transferred MDL 19.4 million in December, include certain information denoting that the respective documents were not verified. For instance, the documents indicate the following quantities of installed and invoiced goods: washbasin – 8.24 pieces, sockets – 8.16 pieces, etc.

In April 2021, when visiting the sites at 7 Sf. Vineri [Friday] str., which were indicated in the four contracts, it was found that the works paid from the budget support for three out of four contracts were not completed. To this end, the construction expertise is needed to find the moment of the actual completion of reported and paid volumes. On certain sites, like the ICLET central office and the residence halls, the companies were still conducting demolition works, which represented the first stage of the technological process. In December, or 4 months prior to the visit, 38–53% of the overall amount of the respective contracts were paid for the reported works that were verified and took over by the Academy within those contracts.

At the same time, the verification and monitoring services of repair works were divided. The Academy, which planned repair works for 2020–2021, signed three out of competition contracts for verification and monitoring services of repair works with the same person worth MDL 400 thousand.

Consequently, the organisation of procurement procedures and the management of contracts funded from the budget support by the Academy is characterised by deficiencies, deviations from the legal framework on procurement and includes risks that need to be thoroughly examined.

#### 1.4. Reorganisation of the maintenance, assurance and reestablishment of public order

Intervention capacity building by supplying the Police units responsible for maintaining and ensuring public order with special and technical equipment

In order to accomplish that specific objective, procedures were conducted for the procurement of means of transport and of specific equipment for the Police. Most procurement procedures organised to this end referred to other specific objectives from the Strategy and actions from the Matrix. Therefore, in order to avoid repeated problems within the same procurement procedures, all procedures related to means of transport and other goods that were initiated by the contracting authorities and referred to that specific objective, are presented in this report section.

According to the information published, during the examined period, GPI benefited from means of transport provided for free or within certain technical assistance projects. Therefore, strengthened technical capacities are not exclusively due to the procurement covered from the budget support. Only in 2016, the institution was supplied with free forensic mobile laboratories and various equipment. At the same time, an EU-funded project allowed to purchase means of transport. The GPI Technical, Forensic and Judicial Expertise Centre (TFJEC) received three forensic mobile laboratories with modern investigation equipment that were purchased within the 'Support for the Police reform in Moldova' Project, implemented by UNDP. Other five mobile laboratories were distributed for the needs of the police inspectorates. The Swiss Police donated personal protective means: bulletproof vests – 90 pieces; body armours (men) – 1257 pieces; body armours (women) – 334 pieces; 59 means of transport were also purchased in order to implement the objectives from the Policy Matrix concerning the liberalization of the visa regime in 2014–2016.

##### Procurement of means of transport

During 2016–2020, several procedures were organised for the procurement of means of transport. The way that the respective procurement was organised, especially in the first two days of Strategy implementation, proved that the procurement of means of transport replaced other planned procurement that failed to be realised during the respective Strategy period in order to ensure the use of allocations approved from the budget support.

During 2017–2020, funds of MDL 161 million were allocated only from the budget support for the Police reform for the procurement of means of transport and services for their retrofitting, which equalled to allocations for the modernisation of PSs and PDFs or to the procurement of TETRA infrastructure and equipment.

There were also other contracts for the procurement of means of transport, not related to the budget support, provided to the Police for free or purchased within other projects. Thus, the overall value of means of transport that GPI and its units received during 2016–2020 exceeded significantly the amount of MDL 161 million.

Generally, the main problems related to the procurement of means of transport are related to the following aspects:

- Technical requirements for the means of transport are similar to the specifications of certain vehicle models delivered by the local supplier of brands Dacia (administrative and on site vehicle), Škoda (operational vehicle) and Ford (minibus).
- When drafting the specifications, authorities focused mainly on the physical description of goods (height, width, length, external details, like manoeuvre repeater on the exterior mirrors), engine capacity, etc. with a low error margin (1–5%) allowed. As found also upon the review of goods offered by other bidders, vehicles of other brands on the local market are not covered by the vehicle specifications mentioned in the award documents, or the models with imposed physical parameters are out of competition in terms of price. In addition, the estimation of costs related to procurement was made based on the price for the above-mentioned car models. The aforesaid indicates an artificial competition between 2-3 companies, two of which are affiliated, and another bidder usually fails to comply with technical requirements or exceeds the estimated value of the respective lot/lots.

- The existing regulatory framework of the Police does not establish standard requirements approved for the administrative, operational, off road cars or minibuses for the Police, as it does for uniform standards. Therefore, the requirements were defined at the discretion of the contracting authorities and varied from one procurement to another. In the examination of procurement files, requests for the procurement working group were found that indicated particular car brands and models that had to be purchased. Consequently, there is a risk that vehicle specifications are defined for particular models, and not functional aspects essential for the Police. At the same time, given the lack of regulations concerning the Police vehicles, the GPI and MIA approach for dividing vehicles of the same type in two categories: operational and administrative is vague. The vehicles are not significantly different from functional point of view, but they appear differently endowed, which leads to increased procurement costs from public funds (about 30% per unit).
- Additional agreements to the vehicle procurement contracts were signed, including when Law No 131/2015 was prohibiting the increase of contracts of goods, and after the amendment of the Law, the authority increased the contracts to the allowed threshold of 15%, despite that no arguments were presented to substantiate those increases, as well as the value of additional agreements was part of thresholds for a new competition.
- Most vehicle procurement contracts went to DAAC corporation, represented by 'DAAC-AUTO' SRL and 'DAAC-AUTOSPORT' SRL, which were ascribed about 82.9% of the overall value of vehicle delivery contracts funded from the budget support for the Police reform.

In 2016, two procedures were conducted for the procurement of means of transport for the Police.

Two contracts were awarded within the first procedure organised by GPI:

- 'DAAC-AUTO' SRL – MDL 4.9 million;
- 'DAAC-AUTOSPORT' SRL – MDL 5.7 million.

The authority established a 40 calendar days deadline for the bid submission, which was two times longer than in other open trends of GPI and MIA examined during 2016–2017.

Further, GPI signed additional agreements for increasing the contracts awarded for an additional number of vehicles. Thus, the contract with 'DAAC-AUTO' SRL was increased by 19.3%, reaching MDL 5.9 million. The contract with 'DAAC-AUTOSPORT' SRL was increased by 29.3%, amounting to MDL 7.4 million.

According to Article 72 of Law No 131/2015, the Contracting Authority shall not have the right to increase the volume of the goods, works and services established in the concluded public contracts in order to avoid making new procurements. Taking into account the value of awarded contracts and the needs identified after the parties fulfilled their commitments within that contract, the goods delivered additionally should be subjected to an individual tender. Therefore, the authority failed to comply with the legal provisions when it signed the agreements on contract increase.

Another issue found within this procurement was the delivery of goods others than indicated in the contract. On 1.09.2016, 'DAAC-AUTO' SRL informed GPI that they could not deliver the minibuses indicated in the bid and in the contract and offered to replace them with others having a lower engine power (instead of 2.2.TDCI cu 155 PS they offered 2.2. TDCI with 125 PS) and a 'bonus' from the supplier: three free technical maintenance operations and supplying the minibuses with rubber car mats. Though, according to the award documents the lowest engine power was 140 PS, and the contract did not provide for any replacement of goods, GPI accepted the supplier's proposal. No documents indicating the increase of the contract's price or the application of penalties for late delivery or withholding the performance guarantee were found.

According to Article 72 of Law No 131/2015, the economic operator shall unconditionally observe the clauses of the concluded public contract and the established quality and price requirements. The failure to comply with or fulfil the contract obligations renders the contractor liable according to the legislation and the clauses of the public contract.

Within other contracts on goods delivery (means of transport, equipment, etc.), GPI rejected even more efficient requests of suppliers to replace goods with other, reducing or terminating the contract and withholding the performance guarantee. Thus, the authority has a selective and uneven approach towards different economic operators.

Another procurement for ensuring the Police with means of transport was organised in 2016 by a local public authority that covered the costs from its own budget. After examining the contracts ascribed in 2016, it was found that in November 2016, the Hâncești District Council, as a result of the tender No 16/02718 of 28.10.2016 purchased from 'SC BROKGOLD' SRL a vehicle (truck) worth MDL 396.9 thousand as equipment for the Escort Service of Hâncești Police Inspectorate. At Promo-LEX request, GPI did not provide information on that procurement made by the LPA for the Police and the documents confirming that GPI received the vehicle.

In 2017, according to GPI report, in the context of the budget support for the Police reform, sub-objective 1.4.8, 276 cars were purchased and transmitted for ensuring fast interventions, transporting people taken into Police custody, research on site, documentation of car accidents, to Police units (police stations, close protection services, criminal prosecution and crime investigation within police inspectorates, as well as other structural units).

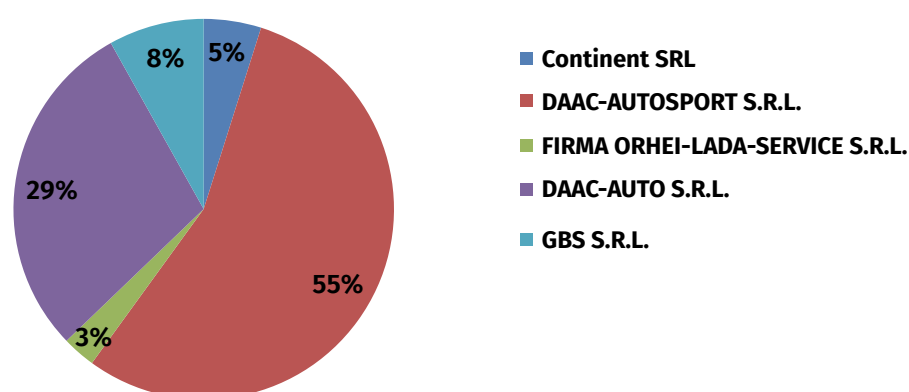
According to data submitted by GPI and MIA, the value of resources used for the procurement of means of transport in 2017 was MDL 93787.9 thousand.

In 2017, all procurement of cars were funded from budget support-related component for the Police reform which resulted in contracts processed by MIA. Therefore, as a result of four procedures for purchasing the means of transport, 12 contracts worth MDL 94,348.2 thousand were signed, out of which MDL 288.8 thousand had to be covered by the MIA budget, and the rest from the allocations for the Police reform. Detailed information about the procurement procedures, contracts and their completion are presented below.

After assessing the procurement of means of transport, the following was found:

- The total value of means of transport delivered in 2017, which were funded from the budget support, reached MDL 85,758.4 thousand. All contracts were distributed between five companies.

Figure 7. Suppliers of means of transport for the Police reform, 2017



- 6 out of 10 contracts were completed by 'DAAC-Autosport' SRL (3 contracts worth MDL 47.4 million) and 'DAAC-Auto' SRL (3 contracts worth MDL 25 million), which were part of DAAC corporation. Those companies received 84% of the value of public contracts for means of transport, or MDL 74.4 million, which is about 46% of the overall value of funds allocated for the Police reform in 2017.

One MDL 7 million (or 8% of the overall value) contract was completed by 'GBS' SRL. 'Continent' SRL completed two contracts worth MDL 3.9 million (5%) and 'Orhei-Lada-Service' SRL delivered means of transport based on a MDL 2.4 million contract.

- The institutions made certain changes in contracts during their completion:
  - 4 additional agreements that increased the overall value by MDL 3834.6 thousand. The increase varied between 1.7% and 12% of the initial value of contracts awarded.  
At the same time, according to Article 72 of Law No 131/2015, the Contracting Authority shall not have the right to increase the volume of the goods established in the concluded public contracts in order to avoid making new procurements, except for cases provided by law that do not cover the four purchases of means of transport.
  - 2 agreements of contract termination worth MDL 12135.6 thousand. Therefore, 10 out of 12 contracts were initially signed. The contracts were terminated because the companies submitted letters claiming their impossibility to complete the delivery by the end of 2017, attaching the letters from the producer. At the same, the companies offered to deliver other means of transport available in stock and with similar or better performances within the signed contracts by the end of 2017. GPI did not accept the options within those two contracts.
- The value of means of transport delivered in 2017 and funded from the budget support reached MDL 85758.4 thousand or 91.4% of MDL 93787.9 thousand that GPI and MIA ascribed to the procurement of means of transport in 2017. The funds resulted from the termination of the contract were used for additional procurement, occurred urgently at the end of the year, and uncommitted balances were oriented towards the delivery of means of transport without applying public procurement procedures.

#### Engaging other actors in the procurement of means of transport for GPI funded from the budget support for the Police reform

The amount of MDL 8028.4 thousand, or 8.6% of MDL 93787.9 thousand, reported by GPI to the procurement of means of transport, which was disposable after the termination of the contract with 'EAST-AUTO-LADA' SRL on 21.12.2017, was transferred to UNDP under the Agreement No 103 of 22.12.2017 signed by GPI and UNDP.

According to the agreement, GPI assumed to allocate MDL 8823.5 thousand to UNDP for the implementation of the 'Support for the Police reform in Moldova' Project. The mentioned project was implemented in 2014–2019. The Agreement provides that the GPI contribution of MDL 8028.4 thousand was to be used for purchasing service cars. UNDP procedures were applied for the procurement of means of transport. In addition, according to Article 2 of Law No 131/2015, the Law on Public Procurement shall also be applied by a legal entity that is not a Contracting Authority, where a public works or services contract is awarded and more than 50% of it are funded/subsidised directly by the contracting authorities.

According to the Agreement, the amount was calculated based on the prices and the number of cars Dacia Logan and Duster needed, as presented below:

Table 6. Details on the amount transferred to UNDP for purchasing the service cars

Description	Number	Unit price, MDL thousand	Amount, MDL thousand
Dacia Logan	1	157.0	157.0
Dacia Duster	8	306.9	2455.2
Dacia Duster	18	300.95	5416.2
<b>Total</b>	<b>27</b>	<b>X</b>	<b>8028.4</b>

Source: data selected from the agreement concluded between GPI and UNDP

The means of transport were delivered during 2018, thus, GPI made an advance payment, which was prohibited by Article 66 of the Law No 181 of 25.07.2014.

Along with procurement-related irregularities, the analysis of the situation denoted that the date when the agreement was signed with UNDP and the amount transferred for the means of transport was

connected to the decision to terminate the contract for the delivery of 25 cars for the operational groups, concluded with 'EAST-AUTO-LADA' SRL company.

The grounds and the date of signing the agreement, the legality of using the budget resources allocated in 2017 for the accomplishment of indicators from the Police Development Strategy and of actions from the Policy Matrix for the co-financing of the project implemented during 2014–2019, the amount of co-financing (which equals to the sources that failed to be allocated given the unsuccessful procurement of the authorities) and the existing co-financing obligation during the project negotiation are not the subject to this survey.

### **Other issues found in the procurement of means of transport**

In a number of procurements of means of transport, the award documents were modified several times following the publication of the contract notice in PPB, by correcting the specifications, including new lots and additional quantities of goods. For instance, in the procurement procedure No 17/02851, published in PPB on 15.08.2017, the technical specifications were modified at least twice (25.08.2017 and 01.09.2017), and additional items were inserted (on 16.08.2017). The companies that requested the tender documents were informed about these changes on 04.09.2017, i.e. with 7 days before the deadline for bid submission. The deadline for bid submission was extended only by 5 days (from 07.09.2017 to 12.09.2017). Certain companies requested the award documents on 11.09.2017. Eight companies participated in the tender. At the same time, no bids were submitted for 4 out of 25 lots.

Note that MIA previously cancelled the tender No 17/02269 meant to purchase 10 motorbikes and motorbike equipment. In total, the tender notice for the purchase of motorbikes was made public three times, two of them having the same bidder, 'Autospace' SRL, and one having no bids (No 17/02851).

Based on these 10 contracts, means of transport were delivered and assigned to a number of Strategy sub-objectives and Matrix actions, according to the data in the procurement files. Details are in Annex 1 to the report.

Detailed information on the procurement of means of transport made in 2017, assigned to the Police Development Strategy, are shown in Annex 2 to the report.

In 2017, GPI purchased other means of transport as well, which were not funded from the budget support component.

For instance, in December 2017, the tender No 17/04099 resulted in entering into contracts with 'DAAC-Auto' and 'DAAC-Autosport' to deliver the means of transport. The cars cost much less than in the previous tender (No 17/02851), carried out as part of the Strategy.

The Ford Mondeo, purchased in September 2017 from the budget support with MDL 488.1 thousand/item, was purchased by GPI in December 2017 with MDL 428.4 thousand/item, with better features (hybrid car).

The estimated value of each procedure for the procurement of means of transport was higher than the threshold provided by Article 2(3) of Law No 131/2015. Thus, GPI and MIA were to make sure that the period between the publication of the contract notice and the deadline for bid submission was 36 or 52 calendar days. The minimum deadline can be applied only if a prior information notice related to this procurement contract is published in advance. At the same time, the authorities normally provide 20 calendar days for bid submission to all procurements.

In 2017 alone, MIA purchased a number of administrative vehicles, some of them being premium class. For territorial PI, only Dacia Logan vehicles are purchased, while Škoda Octavia, Superb and Kodiaq, Ford, Dacia Duster, Toyota Corolla and RAV4 administrative vehicles were delivered for the central office and its subordinated institutions. Thus, MIA and GPI paid between MDL 0.2 and 0.6 million for an administrative car. The technical specifications for different cars of the same type (such as the type of fuel, engine power, length, width, height, etc.) also varied.

The authority unevenly reviewed the bids. For instance, as regards the tender No 17/02851, the bid of 'Pacific Motors' (Hyundai Accent) was rejected as not meeting the specifications, because the minimum

required width without mirrors was 1730 mm, and the proposed model had a 1524 mm width without mirrors, the minimum required trunk volume – 500 l, and the proposed model had 480 l. The bid submitted for the same item by ‘Continent’ SRL (Toyota Corolla City) was assessed as inappropriate, since the proposed model had a 452 l trunk. Only the bid for Dacia Logan, submitted by ‘DAAC-Autosport’ SRL, fully complied with the requirements, which proves that the requirements are limited and intended in certain situations for specific brands and models.

At the same time, as regards another item, the bid submitted by ‘DAAC-Auto’ SRL for Ford Mondeo, that did not meet the technical specifications: 15 mm lower (150 mm proposed compared to the requested 165 mm), the working group considered that this was not a critical parameter, and the good was technically acceptable and feasible according to the needs for which it was planned and purchased. The same was found while assessing another item, the bid being submitted by the same company. The bid of ‘DAAC-Auto’ SRL for Škoda Octavia failed to meet the technical specifications in the ToR: requested length – 4655-4662 mm, proposed – 4670 mm, requested height – 1500-1505 mm, proposed – 1461 mm. The working group concluded that the car did not meet the technical specification, but not in terms of critical parameters, and the bid good was acceptable and feasible in terms of specifications for which it was planned to be purchased. Thus, by having such an approach and making these decisions, the working group for procurement violated Article 14 of Law No 131/2015.

As regards the procurement No 17/02269 of motorbikes and motorbike equipment, the bid of ‘Autospace’ SRL for BMW F800 GT model was assessed as not meeting the technical specifications. The same motorbike model proposed as part of the tender No 17/02851 was found as consistent with all technical requirements. The latter were not modified.

Note another issue related to procurement efficiency and effectiveness: as part of the procurement No 17/02851 of different types of means of transport, including administrative cars, when awarding the contracts for the delivery of these means, the working group decided to cancel the purchase of 17 means of transport that were to be distributed to the forensic services under the PI of the PGI. According to the PMU document, the cancellation will not have negative effects on meeting the performance criteria for 2017, established by the Policy Matrix.

As regards the tender No 17/01333, the working group approved the ToR with no objections to the technical specifications. The following means of transport were to be purchased as part of this procedure:

- specialised vehicles for organising patrolling and rapid reaction activities (13 operational, 11 off-road and 25 rapid reaction vehicles), estimated to MDL 15074.1 thousand;
- 69 specialised means of transport for equipping the police stations, estimated to MDL 12937.9 thousand;
- specialised vehicles for transporting individuals in police custody (10 means of transport and their retrofitting services), estimated to MDL 7330.0 thousand.

Once the bids were assessed, it was decided to purchase all categories of means of transport except for 25 rapid reaction vehicles. Though the submitted bids complied with the ToR, while awarding the contract, the working group decided to cancel this lot because the cars were not economically advantageous, arguing that ‘with such money, one can buy more cars’.

In 2018, two public procurements (No 18/00153 and No 18/03541) organised by GPI resulted in entering into four contracts for the provision of means of transport to the Police, amounting to a total of MDL 51.3 million, of which MDL 37.7 million were covered from the budget support for the Police reform.

According to the information in the procurement files, the means of transport were purchased under the implementation of the following objectives:

- action 4.3 of PDS and the specific objective A.4.3 from the Policy Matrix – off-road operational vehicles;
- objective 2, sub-action 2.3.1 of PDS and the specific objective A.2.1 from the Policy Matrix – vehicles to transport apprehended/arrested individuals during the criminal prosecution.

The main findings related to these procurements:

The first procedure

- The technical specifications for the means of transport are practically identical to the technical descriptions of Dacia Duster, Dacia Dokker and Ford Tranzit models.
- The deadline for bid submission was changed six times, being extended overall from 37 to 66 days, denoting that the entity poorly planned and organised the procurements.
- When awarding the contract for minibuses, the authority increased the deadline for good delivery by 50% compared to the deadline proposed in the winning bid, thus infringing Article 70 of Law No 131/2015 when signing the contract.
- In violation of Article 72 of Law No 131/2015, the authority signed the additional agreement to the contract for the delivery of an additional number of vehicles, amounting to MDL 2.8 million. At the same time, the performance guarantee was not changed, although its amount had to be increased by MDL 140 thousand. The additional agreement to the contract was signed while preparing another procedure for the procurement of means of transport.
- Both contracts were signed with companies from the DAAC corporation.

The second procedure

- The procedure initiated to purchase a means of transport was transformed into a procedure with five lots, amounting to 83 means of transport.
- As part of this procurement, a premium class vehicle (Nissan X-Trail with the highest specifications) was purchased for NII, amounting to MDL 575.6 thousand. This cost would cover the purchase of three administrative or two off-road cars of another brand.
- As part of this procedure, 40 means of transport identical to those purchased as part of the previous procedure were purchased at a lower price by MDL 45.7 thousand per unit, without being re-equipped by the supplier.
- Both contracts awarded under this procedure were entered into with companies of the DAAC corporation, which were the single participants in the procedure.

In 2019, two procurement procedures for means of transport took place: the first was cancelled, and the second resulted in awarding a contract worth MDL 1.8 million, covered by the budget support.

The procedure-related findings:

- The procedure for the procurement of motorbikes and motorbike equipment, started under objective 1, action 1.5 of the PDS plan and objective 5, action 4.3 of the PDS plan, at NPI's request, had only one participant, 'Tech Planet' SRL, which also competed in the previous procedures for the procurement of motorbikes in 2017, all of which were cancelled. The procedure was cancelled at NPI proposal, which identified the need to change the ToR. Hence, there is a constant issue with studying the market, developing the requirements and forming the lots under the procedure, which prevented the purchase of motorbikes following a number procurement procedures organised by GPI and MIA.
- The procedure for the procurement of cars, started under objective 1, action 1.5/1.5.5 of the PDS plan.

The request to start the procurement specified the car models. Thus, the requirements were developed for these models, which can be provided by a single company. As a result, a single bid was submitted. At the same time, the authority failed to observe the law and set a 12-day deadline for preparing and submitting the bids.

In 2020, a single procurement of means of transport took place. The delivered means of transport amounted to MDL 22.7 million, the expenses being assigned to the budget support for the Police reform.

The procurement was initiated in April 2020, with an estimated value of MDL 20 million (without VAT), the objective being to purchase 52 operational, off-road special vehicles. According to the documents initiating the procurement, the latter took place under action 4.3 of the PDS plan and the Matrix specific objective.

The procurement-related findings:

- The specifications for the 52 special vehicles were taken from the technical description of Dacia Duster, thus excluding any possibility of potential bidders to propose another model under this procedure. Hence, the list of potential bidders was limited to an economic entity, which is the official dealer of that model in Moldova and which was the single bidder during this procedure.
- The contract for 52 Dacia Duster vehicles, amounting to a total of about MDL 20 million, was signed with 'Daac-Autosport' SRL on 26.05.2020, with a 100-calendar-day enforcement deadline. On 03.09.2020, the working group decided to purchase another seven cars amounting to MDL 2.7 million, without organising a new public procurement procedure. On 08.09.2020, an additional agreement to the contract from May was signed, increasing the value of the latter up to MDL 22.7 million, i.e. 13.5%.

According to Article 76(10) of Law No 131/2015, the Contracting Authority shall not make successive amendments to the public procurement contract in order to elude the enforcement of the award procedures provided by this law. Taking into account their value, those seven cars were to be purchased as part of a separate tender organised by the authority.

- The performance guarantee that must cover the modified value of the contract was not found in the procurement file. Thus, the authority failed to ensure the submission by the supplier of the additional performance guarantee amounting to about MDL 133 thousand, as provided by item 10 of the contract the Parties signed.

According to GPI, the agreement to the contract, intended to increase the number of means of transport to be purchased, was concluded in 2020 according to Article 76(7) item 2 of Law No 131/2015 on Public Procurements. The need to conclude the additional agreements built on the following reasons: (i) savings of financial resources and the lack of time to launch a new procedure, given the end of the budget year; (ii) the need to meet progress indicators.

### **Retrofit of the means of transport**

According to the estimated value the contracting authorities (GPI and MIA) calculated, the costs of additional retrofit/equipment included in the price continue to rise. Thus, as compared to 2016, the estimated value of additional retrofit increased from MDL 13-18 thousand up to MDL 50.2 thousand per means of transport.

During 2016–2017, the retrofitting services were purchased as part of the procedures for the procurement of means of transport, being included in the same lot or in separate lots.

In 2018, IGP organised two procurement procedures for services to retrofit the previously purchased means of transport. These two procedures awarded two contracts amounting to a total of MDL 3.6 million, both being signed with 'MGR Group' SRL company. The retrofitting costs were assigned to the budget support for the Police reform.

Two categories of means of transport were retrofitted:

- vehicles to transport apprehended/arrested individuals during the criminal prosecution (related to action 2.3.1 of PDS plan and to the specific objective A.2.1 from the Policy Matrix);
- vehicles to patrol and operatively react (related to action 4.3 of PDS plan and to the specific objective A.4.3 from the Matrix).

The procedure-related findings:

Retrofit of the means of transport to transport apprehended/arrested individuals during the criminal prosecution (procedure No 18/00275)

- According to official data, the retrofitting services for the 15 means of transport amounted to an estimated MDL 2.5 million. The authority set a 180-calendar-day deadline for their retrofitting. At the same time, the requirements for the bidder were not proportional to the procurement object. Thus, the authority failed to comply with Article 16(9) and Article 17 of Law No 131/2015, which obliges the contracting authority to observe the principle of proportionality when establishing the qualification and selection criteria, as well as the minimum requirements the bidders/candidates shall meet. A specific experience of at least two years in delivering similar goods and/or services was the single requirement, which was not mandatory according to the contract notice.
- Three companies requested the award documents, and two bids were submitted before the deadline, with a 2.3-2.7 price difference between them, depending on the lot (minibus with long or short wheelbase). In addition, there was a difference of 1.8-3.8 times between the deadlines for contract completion the bidders proposed, depending on the lot. The bidder who proposed a higher price set the longer deadline.
- The bid assessment resulted in awarding the contract for both lots, for the retrofit of 15 means of transport, to 'MGR Group' SRL company, which proposed a lower price and a shorter deadline for contract completion compared to the other bidder. In addition, the review of company's data found that the latter was registered in 2016, and its average turnover in 2016–2017 was about MDL 412 thousand. At the end of 2017, according to the company's financial data, the balance sheet value of its fixed assets was about MDL 22 thousand. During 2016–2018, the company had a single employee. Thus, the company officially did not have the technical-material basis and the staff needed to implement such a complex contract. According to official data, the company carries out the following types of activities: growing bushes, making bread, wholesaling computers, consulting activities, car rental activities, recreational activities, aircraft and spacecraft manufacturing, without being mentioned any activities related to the retrofit of the means of transport. In its bid, the company indicated no information about subcontracting services. At the same time, it stated that it can perform the works and services provided in the award documents.
- The contract, worth MDL 2244.3 thousand, was signed on 30.03.2018, indicating a 50- and 100-calendar-day deadline for its completion. De facto, according to the accounting data, the services were provided between 17.07.2018 and 18.12.2018, i.e. during 100-260 calendar days since signing of contract.

#### **Retrofit of the means of transport to patrol and operatively react (procedure No 18/01794)**

According to official data, the retrofitting services for the 26 means of transport amounted to an estimated MDL 1.5 million. As with the previous procedure (No 18/00275), the authority failed to observe Article 16(9) and Article 17 of Law No 131/2015 when establishing the qualification requirements.

A single retrofit was estimated to MDL 58.1 thousand, i.e. four times higher than in 2017.

Only one bidder ('MGR Group' SRL), which proposed MDL 54 thousand per unit, participated in the procedure. At that time, the former had a contract for retrofitting means of transport signed with GPI (mentioned above). Despite this, when submitting the bids, none of those services were presented to the authority for acceptance.

The letter of award was sent to the company on 14.06.2018, specifying a 10-day deadline for signing the contract. However, the latter was signed on 18.07.2018, i.e. more than 34 days after notifying the winning bidder. The signed contract was worth MDL 1.4 million.

According to the data submitted by GPI, the company exceeded the deadline for providing the services, receiving a penalty of MDL 7.7 thousand for three days of delay.

Taking into account the official data about the company, such as assets, staff, areas of activity, there is a risk that, de facto, the company subcontracted all retrofitting services, being an intermediary and charging a fee for this. Its financial data also prove this risk: in 2018, the company reported a net profit of about MDL 2.3 million, i.e. 29 times more than in 2017. By contrast, in 2019, the company's turnover was only MDL 0.4 million, the economic agent having a negative financial result.

Thus, in 2018, the contracts for retrofitting means of transport, amounting to a total of MDL 3.9 million, were awarded to a company without expertise and without the needed technical-material basis, having a single official employee. This reveals how qualitatively both the award documents were developed and the procedure as a whole was organised.

### Special equipment for Police subdivisions

In 2017, the budget support financed the procurement of special equipment <sup>5</sup>for 'Fulger' SFPB and NII.

The first procurement was initiated in August 2017, with the expected result of having enhanced rapid reaction and increased emergency response capacities. Its value was estimated to MDL 11702 thousand. GPI procurement working group approved the launch of the procurement on the same day. This procedure awarded six contracts amounting to a total of MDL 5488.1 thousand, financed from the budget support.

Table 7. Information on the contracts awarded under the procedure

Supplier	Contract date	Amount, MDL million
EXIMOTOR SA	23.11.2017	1190.4
ORHEI-LADA-SERVICE SRL	23.11.2017	15.9
ABI-GRUP SRL	23.11.2017	79.2
ARCTUS IMPEX SRL	23.11.2017	2683.5
BIO ANALITICA SRL	23.11.2017	1302.6
TRICOLUX SRL	23.11.2017	216.5

The procurement-related findings:

- The deadline for bid preparation and submission was 20 days. However, taking into account the procurement estimated value and Article 45 of Law No 131/2015, the period between the date of publication of the contract notice and the deadline for bid submission shall be at least 36 days.
- After tender publication (twice – on 4.09.2017 and 7.09.2017), changes to the award documents were made by adding new lots and modifying the quantities of goods. Though the last change took place with 14 days before bid submission, the deadline for bid submission was not extended. According to Article 61 of Law No 131/2015, if the Contracting Authority makes changes to the awarding documents, then the deadline by which bids may be submitted can be extended, so as for the business operators to have enough time to consider the changes. The procurement estimated value increased by 20% following these changes.
- In order to purchase quite specific goods, the authority prescribed only one year of experience as a qualification criterion, this being not proportional to the object of the procurement.
- In 2016, the Swiss Police offered free of charge certain goods similar to those indicated in the object of the procurement to GPI, a fact that should exclude the urgent need for these goods (e.g. bulletproof vests).
- The award documents were sent to 19 companies, of which 12 submitted bids.
- The object of the procurement was divided in 53 lots, of which 20 (i.e. 38% of the total number) were not contracted following the procedure. The contracted amount represented 39% of the procurement-estimated value. Thus, the procurement had a low effectiveness, with a partially achieved objective. The working group decided that 11 lots were to be purchased as part of a repeated tender, and another nine – in 2018.

<sup>5</sup> Ballistic helmets, tactical goggles, tactical vests, bulletproof vests, ballistic shields, etc.

- There is a risk that the authority did not explore the market of the goods included in the award documents when establishing the requirements, which led to a lack of bids for some lots or to less than three bids for others. Thus, nine lots received no bid, 13 lots received one bid each, and 21 lots received two bids each.
- One of the bidder, who didn't win, appealed the procedure's results with NCSA, but later withdrew the appeal.

Another procedure was published in October 2017, in order to contract nine of the 11 lots planned for 2017, which were not covered by the procedure No 17/03098. Its value was estimated to MDL 3195.0 thousand. Following the procedure, the contract, worth MDL 2139.6 thousand, was awarded to 'TACTICAL INTERNATIONAL GROUP' SRL and signed on 1.12.2017.

The procurement-related findings:

- The procurement was made public, and the bids were submitted before the end of procedure No 17/03098, which aimed at purchasing the equipment related to the procedure No 17/03845.
- The deadline for bid preparation and submission was 20 days. However, taking into account the procurement estimated value and Article 45 of Law No 131/2015, the period between the date of publication of the contract notice and the deadline for bid submission shall be at least 36 days.
- The delivery deadline indicated in this procedure was twice as short as in the initial procurement and would have hindered the companies that did not have this equipment in stock to participate.
- Ten companies received the tender documentation, and only seven of them submitted bids.
- Four out of nine lots received only one bid each. Hence, there was no competition for these lots.
- Due to a low effectiveness, the procedure ended with no contract awarded for four out of nine lots.
- On 21.12.2017, 'TACTICAL INTERNATIONAL GROUP' SRL notified GPI that it could not deliver 12 pcs. of ballistic shields, requesting the latter to extend the delivery deadline until February 2018, attaching the letter received from the manufacturer as proof. On the same day, the working group decided to reduce by MDL 895.1 thousand the value of the contract (the equivalent of ballistic shields) and to retain the performance guarantee of MDL 44.8 thousand.
- On 22.12.2017, GPI entered into with UNDP the agreement No 103. According to the agreement, GPI assumed to allocate MDL 8823.5 thousand to UNDP for the implementation of the 'Support for the Police reform in Moldova' Project. The mentioned project was implemented in 2014–2019. According to the agreement, GPI contribution of MDL 795.1 thousand was to be used to purchase the ballistic shields. UNDP procedures were applied for the equipment procurement. In addition, according to Article 2 of Law No 131/2015, the Law on Public Procurement shall also be applied by a legal entity that is not a contracting authority, where a public works or services contract is awarded and more than 50% of it are funded/subsidised directly by the contracting authorities. Or, the shields were delivered during 2018, and GPI made the payment in advance, thus infringing Article 66 of Law No 181 of 25.07.2014.

The inefficient approach towards creating the lots and the short deadline for bid submission did not ensure the required participation and competition. Many of the tendered lots were not contracted during the organised procedures, some of them being contracted in the absence of a competition. Thus, the procedure was not fully effective. In addition, the authority deviated from the national law on public procurement and on public finance when organising the procedure and managing the financial means allocated to purchase the special equipment.

### 1.5. Strengthening Police capacities in road safety

The following procurements were made to implement this action:

Procurement of stationary radars to measure and record the speed of moving vehicles (PP No 17/03324, organised by MIA)

The authority intended to purchase the following goods: 10 stationary radars to measure and record the speed of moving vehicles, 20 measuring tapes, 20 laser rangefinders, and 40 rechargeable flashlights. The procurement was estimated to MDL 2979.3 thousand, of which MDL 2882.3 thousand was the estimated cost of 10 radars.

The procurement-related findings:

- The deadline for bid preparation and submission was 20 days. However, taking into account the procurement estimated value and Article 45 of Law No 131/2015, the period between the date of publication of the contract notice and the deadline for bid submission shall be at least 36 days.
- Only one bidder participated in the tender, submitting a bid of MDL 3.2 million only for the radars. During the reviewed period, 3-12 business operators participated in other procurements of technical equipment for the Police, organised under the Strategy.
- When assessing the bid, the authority mentioned its availability to pay about MDL 2.4 million for this procurement and decided to contract 7 pieces of equipment instead of 10. The awarded contract amounted to MDL 2246.3 thousand. Hence, the procurement was initiated with limited allocations and resulted in the inefficient use of public money, its main objective being achieved at 70% with the use of 94% of the allocations.

In the context of this action, in 2020, GPI organised the procurement of devices for measuring the amount of alcohol in directly exhaled breath (alcohol test kits) and equipment for measuring and recording the speed of moving vehicles. Three procurement procedures took place.

The first procedure, estimated to MDL 1.9 million, was published in June 2020. Its object was divided in two lots: devices for speed measurement (radar) (5 pieces) and alcohol test kits (15 pieces).

Two bidders participated in the procedure, with one bid submitted per lot. The bid price for alcohol test kits was MDL 75 lower than the estimated value, and the price proposed for radars exceeded by 29% the lot estimated value.

The authority took the technical requirements for radars from the specification of the TruCam device. In addition, when formulating the requirements, the former failed to indicate the minimum warranty period for radars. As regards the alcohol test kits, it required a minimum warranty period of one year.

The authority included in the technical specifications for radars the requirement to train at least 10 of its employees in how to use the delivered equipment. The bid submitted for radars specified that the price included all the costs related to the delivery and training of the beneficiary's representatives, but without indicating the training costs separately.

The bid assessment awarded contracts totalling MDL 2.6 million, including MDL 1660.2 thousand for delivering 5 radars, a contract signed with 'Alexion Star' SRL, and MDL 962.9 thousand for alcohol test kits, a contract signed with 'Labromed Laborator' SRL. The signed contracts were to be completed within 60 calendar days from the moment of their registration with the State Treasury.

No bank performance guarantee of 'Alexion Star' SRL bidder was found in the procurement file. According to the award documents and the bid submitted, the guarantee had to represent 5% of the awarded contract, i.e. MDL 83 thousand. At the same time, 'Labromed Laborator' SRL submitted the performance guarantee 7 days later the conclusion of the contract, thus not observing the award documentation, which obliges the bidder to submit it when signing the contract.

The authority published the award notice 40 days later the signing of the contracts, thus infringing Article 30 of Law No 131/2015.

Two other procedures were published on the same day, on 12.10.2020. They were separate procedures for procuring seven radars, estimated to MDL 1940 thousand, and four alcohol test kits, estimated to MDL 215 thousand (without VAT).

For these procedures, the authority set the same technical requirements as in the procedure from June 2020. As regards the radars, it requested the training of at least 10 of GPI employees in how to use the delivered equipment.

Each procedure attracted one bidder. The companies that submitted bids for radars and alcohol test kits were the same as in the procedure published in June 2020: 'Alexion Star' SRL for radars and 'Labromed Laborator' SRL for alcohol test kits.

The companies which were the only bidders and which at that time had contracts signed with GPI for equipment delivery, were again awarded contracts for the delivery of identical goods. As in the procurement organised in June 2020, the bid submitted by 'Alexion Star' SRL included all costs for delivery and training of the beneficiary's representatives, but without indicating the costs for equipment and training separately.

The contract awarded for seven radars totalled MDL 2399.9 thousand (i.e. MDL 342.8 thousand/piece), including the training. The unit price, including the training, was MDL 10.8 thousand higher compared to the price of the previous procedure.

The contract awarded for alcohol test kits totalled MDL 258 thousand (i.e. MDL 64.5 thousand/kit), being MDL 0.3 thousand higher per unit compared to the price of the equipment contracted in July 2020.

The contracts were to be completed until 18.12.2020.

On 08.12.2020, the working group decided to purchase one more radar and two alcohol test kits, by increasing the value of the contracts signed with 'Alexion Star' SRL and 'Labromed Laborator' SRL. To purchase an additional radar, the authority decided to increase by MDL 342.8 thousand the contract signed with 'Alexion Star' SRL in November 2020, while the procurement of two more alcohol test kits led to an increase by MDL 128.4 thousand of the contract signed in July 2020. Thus, the contract with prices increased by MDL 10.8 thousand per unit was selected for the radar, and the contract that had to be completed at that time was chosen for the alcohol test kits.

The agreements of increase to the contracts were entered into on 11.12.2020 for the radar, and on 08.12.2020 for the alcohol test kits, with a completion deadline until 18.12.2020.

When concluding these agreements, the authority used the unit prices indicated in the initial contracts. The alcohol test kit contract specified only the goods, while the radar contract included the training costs too.

Thus, besides having purchased an additional radar at the maximum price (indicated in the contracts awarded in 2020 for radar delivery), thus bearing an additional MDL 10.8 thousand from the budget, note that the authority also paid the training costs included in that price, but not provided for in the additional agreement, in proportion to the quantity contracted additionally.

Thus, during June – November 2020, the authority organised two public procurements for radars and alcohol test kits, building on the same technical specifications, with the same business operators as participants (one participant for radars and another for alcohol test kits). Four contracts have been executed in parallel during this period: two were signed with 'Alexion Star' SRL to purchase radars totalling about MDL 4060.1 thousand, and two were signed with 'Labromed Laborator' SRL to purchase alcohol test kits totalling MDL 1220.9 thousand. In addition, in December 2020, the authority decided to increase the value of two of the four contracts: by 14.3% for the radar and by 13.3% for the alcohol test kits. The additional radar was contracted at increased price, including the training costs too.

Procurement of equipment meant to strengthen the capacities to document road accidents<sup>6</sup> (PP No 17/02411)

<sup>6</sup> Lighting system, alcohol tests, rangefinders, etc.

The procurement was estimated to MDL 2.1 million (including VAT). The procurement assessment found the following:

- 4 bidders submitted bids. No bids were submitted for three of the six lots, hence, 50% of the lots were not covered; another two lots received only two bids. This would denote the formulation of restricted requirements or the inefficient approach towards lot creation. In addition, note that the companies were not interested in small lots.
- Three contracts totalling MDL 2.1 million from the allocated budget were awarded following bid assessment, and the proposed objectives were partially achieved.

### **Procurement of means of transport**

All procurements of means of transport, financed from the 'budget support' component, were analysed in section 1.4.

### **5.3.2. Apply equally, efficiently and effectively the human rights law in Police activity**

According to the Matrix, the authorities had to meet the following indicators:

- modernisation of at least 15 TDIs;
- procurement of 25 specialised means of transport.

Services to develop project documentation and expenditure estimate for pretrial detention facilities – PDF design

The first procedure to this end was launched in 2017, approving the development of project documentation for 12 pretrial detention facilities. Its value was estimated to MDL 1063.7 thousand, with a two-month deadline for contract completion. Since the published procedure failed to award a contract, a repeated procedure was launched (No 17/01802). The contract, worth MDL 1322.6 thousand, was awarded to 'Bim-Tech Solution' SRL.

### **The procurement-related findings**

Initial tender:

- Here, the contracting authority requested the bidders to have at least 3 years of relevant expertise, i.e. 3 times more than in the other procurements of design services organised during the reviewed period.
- Out of the six companies that requested the award documentation, none submitted bids. Thus, the working group decided on 31.05.2017 to cancel the procedure.

Repeated tender:

- The expertise requirement stipulated in the repeated tender was reduced to one year, without a reasonable justification and without a market study. Thus, the way the qualification requirements were set lacked a methodological and justified approach.
- Five companies requested the award documents, with only one bid of MDL 1568.7 thousand (i.e. 48% more than the procurement's estimated value) being submitted. Building on Article 67 of Law No 131/2015, the bid's increased value served as legal ground for cancelling the procedure, since all the bids submitted exceeded by 30% the estimated value.
- During the bid assessment meeting, the working group decided to remove two lots so that the 30% of the available money was not exceeded: lot No 10 – 'Services to develop project documentation and expenditure estimate for the pretrial detention facility of Comrat Police Inspectorate' and lot No 2 – 'Services to develop project documentation and expenditure estimate for the Pretrial Detention Facility of Balti Police Inspectorate'. Moreover, the latter was to be attached to the premises of Balti Regional Division. Despite the fact that it knew about this, the authority failed

to take any measures to modify the award documents, by removing the lot No 2, before bid submission. Following the changes made, the total value of the remaining 10 lots exceeded the estimated value by 24.3%. Thus, aiming at achieving 83% of the proposed objective, the contracting authority paid by 24% more than for the entire expected volume, proving the procurement's low efficiency and effectiveness.

In 2018, GPI purchased services to develop project documentation for the reconstruction of TDIs of police territorial subdivisions (Balti, Comrat, Soroca). The procurement was estimated to MDL 302.5 thousand.

A single bid amounting to MDL 440 thousand (of 'Mihancons Grup' SRL company) was submitted for the procurement organised in April 2018. The authority decided to cancel the procedure, arguing its decision by the fact that the bid exceeded by over 30% the procurement's estimated value and mentioning Article 67 of Law No 131/2015.

The repeated procedure was published in May 2018. It received a single bid by 'Bim-Tech Solution' SRL, amounting to MDL 403.9 thousand. Though it was by 33.5% higher than the procurement's estimated value, the working group insisted on awarding the contract, invoking the underestimation of the procurement value, by not taking into account some compartments that the bidder considered when calculating the bid price. At the same time, according to the information in the procurement file, the amount approved for this procurement was equal to the estimated value. According to the bid assessment report, the difference between the estimated value and the bid price found by the working group was already only 18.5%, the latter increasing the procurement's estimated value by 15% at the bid assessment stage. Thus, it decided to award the contract worth MDL 403.9 thousand to 'Bim-Tech Solution' SRL. In such circumstances, the working group violated Article 67 of Law No 131/2015, its declarations during the bid assessment stage being serious deviations, for which it was impossible to adopt corrective measures without them leading to the infringement of the principles of Article 6 of Law No 131/2015. In addition, such decisions affect the interests of the disqualified bidder too. Under similar conditions, its bid would exceed the estimated value by 26.8%.

When developing the requirements for design services, the authority disregarded the fact that one of the buildings to be designed was included in the Register of Monuments of the Republic of Moldova. This suggests that the requirements were developed without exploring official data and other relevant information.

Also in 2018, the procurement of services to develop project documentation to build the premises of the South Regional Police Division and of Cahul Pretrial Detention Facility was organised. Though this procurement was estimated to MDL 1200 thousand (including VAT), those six bids submitted ranged between 37% and 94% compared to the estimated value. Issues with the award documents were found during the procedure, leading to the cancellation of the procurement. Thus, at bids opening, it was found that the expenditure estimate documentation for the PDF already existed and was erroneously included once again. The representatives of GPI Procurement and Logistics Departments explained that it was a mistake caused by a huge workloads of the staff involved in developing the requirements for the design services. At the same time, according to the law, the working group shall manage the procurements, and shall bear the responsibility for developing and approving the award documents. This finding reveals how qualitatively the working group reviewed and approved the award documents.

### **TDI renovation**

GPI did not organise separate procedures for the procurement of TDI renovation works, these being included as separate lots in the procurement, with lots related to PSs and other GPI premises.

Reconstruction of 10 TDIs (Hancesti, Edinet, Cimislia, Causeni, Cahul, Anenii Noi, Ungheni, Sangerei, Rascani, Orhei PIs), (sectional) building of the premises of PS no 6 of Rascani PI from Chisinau Municipality, capital repair and modernisation of PS no 1 of Causeni PI

During the first procedure organised in 2018, GPI intended to award contracts for the reconstruction of 10 TDIs (Hancesti, Edinet, Cimislia, Causeni, Cahul, Anenii Noi, Ungheni, Sangerei, Rascani, Orhei PIs),

(sectional) building of the premises of PS no 6 of Rascani PI from Chisinau Municipality, capital repair and modernisation of PS no 1 of Causeni PI.

The authority approved the allocation of MDL 68.9 million (including VAT) for this procurement. However, according to the procurement file, the 12 lots were estimated to a total of MDL 63.2 million (including VAT), i.e. MDL 5.7 million less. Thus, as far as this procurement goes, the authority allocated by 9% more financial resources than the total estimated value of the 12 lots.

As qualification criteria, the authority required a minimum of one year of expertise. At the same time, as regards the repair of the police stations, the GPI required the bidders to have expertise in implementing, in the last 5 years, at least one contract worth more than 75% compared to the bid's value. The authority set a 20-calendar-day deadline for bid preparation and submission. The works were to be performed within 180 calendar days in case of PSs and until 31.03.2019 in case of TDIs.

At the same time, 10 days before the deadline for bid submission, GPI modified the award documents by removing the works related to the repair of the roof of Anenii Noi PI administrative building and of its sports halls. The authority's reason for its decision built on the fact that works' execution by a single business operator would allow the use of a single building technology on the entire surface that was to be repaired. The allocations were reduced to MDL 67.4 million, with an 11-calendar-day extension of the deadline, followed by another 6-day extension, after the changes operated to the award documents, as a result of the submitted complaint. Thus, the authority included the implementation, in the last 5 years, of at least one contract worth 75% or more of the bid value as qualification requirement.

The procedure experienced a low participation and an extremely poor effectiveness.

- A number of 26 companies requested the award documents, but only six submitted bids.
- Less than three bids were submitted for 7 out of 12 lots, while five lots received three bids each.
- Contracts were awarded to 3 out of 6 companies that participated in the procedure.
- Only 4 out of 12 tendered lots were contracted (reconstruction of Hancesti, Causeni, Ungheni TDIs; capital repair and modernisation of PS no 1 of Causeni PI).
- Only one of the four signed contracts had a validity term until 31.12.2018, the others – until 31.12.2019.
- The performance guarantee of three out of the four contracts submitted by the winning bidders, had a shorter validity term than that of the signed contracts, expiring on 02.10.2018 for PS No 1 of Causeni PI and on 04.11.2018 for Hincesti and Causeni TDIs.

As for the lot no 4 'Reconstruction of Causeni PDI', the contract was awarded to the second bid by price ('Green Engineering'), which was MDL 92.9 thousand more expensive (VAT included) than the cheapest bid. The decision grounded on a higher score obtained for proposing the shortest deadline for work completion (5 months compared to 8 months indicated in the cheapest bid).

Per general, the deadlines the winning bidders proposed were significantly shorter than the maximum deadline required in the award documents of this procedure.

When signing the contract, the deadline set for PDI renovation was 10 months, but the contracted deadline of the winning bids ranged between 3 months (Ungheni PDI) and 5 months (Hancesti and Causeni PDIs).

According to the contract, the capital repair and modernisation of PS no 1 of the Causeni PI had to be completed in 4 months, i.e. with 2 months faster than the maximum deadline allowed in the award documents.

Since they worth 72-84% compared to the estimated value, the winning bids were found to be abnormally low according to Article 66 of Law No 131/2015. Despite this, the authority did not ask the bidders for justifications.

Besides the seven lots with less than three bids, the procedure for the lot no six (Anenii Noi PDI) was cancelled, since one of the three bidders (Green Engineering SRL) included the roof repair works, which were excluded following the modification of the award documents.

In addition, as regards the lots related to Hancesti and Causeni TDIs, only two bids submitted by the winning company 'Green Engineering' SRL met the requirements, the third bid deviating from the award documents' ToR. Despite these non-conformities, the authority decided to award the contracts, thus interpreting differently three similar situations: in two cases it awarded the contracts in the absence of three qualified bidders, and in the third case it cancelled the lot.

At the end of December 2018 (i.e. about 7 months later the signing of the contracts for Causeni TDI and PS no 1 of Causeni PI repair works), additional agreements (worth MDL 106.8 thousand and MDL 52.6 thousand, respectively) reducing the total value of the contract were signed. In fact, the repair of these premises were to be completed in October and September 2018, respectively. As regards Causeni TDI, the contract was awarded to the company that proposed a higher price and a shorter deadline (by 5 months). As for a 7-month deadline, the de facto term of the contract, according to the criteria applied by GPI, the contract had to be awarded to the cheapest bid. Hence, both companies were to be sanctioned for the delay. The procurement file did not include any information on sanctioning the two companies in case of failing to complete the works on time. When signing the additional agreements, the contracts were not covered by a performance guarantee. The guarantees for those contracts expired in early October and early November 2018, respectively. Information on their extension was not found in the procurement file.

The value-for-quality award criterion determined the authority to sign the contracts at a higher price than the cheapest bid.

In addition, the score distribution between the price and non-price criteria was not justified, the authority being ready to bear expenses of up to 5% for a short deadline proposed for work completion. Another criterion was 'the proposed quality system, the work execution' of 10% of the total score. It was subjective. The award documents did not provide a detailed methodology on how to apply this criterion. Hence the risk of a subjective decision that will generate additional expenses of up to 10% for the contracting authority. Or, considering the procurement's estimated value of about MDL 60 million, 15% of this amount (i.e. more than MDL 9 million) are the factors that do not add value to the authority, but determine additional costs for the latter, since the contract is awarded to the bidders proposing a higher price.

The repeated tender (no 18/02036) was launched in May 2018. It attracted little interest from the business operators. Out of the eight companies that requested the award documentation, only four submitted bids.

One (Anenii Noi TDI) out of 8 tendered lots received no bids, 4 lots (Edinet, Cimislia, Cahul, Sangerei TDIs) received 1 bid each and the other 3 lots (Orhei, Rascani TDIs, and PS no 6 of Rascani PI) received two bids each.

Thus, one lot (Anenii Noi TDI) was cancelled, and the other seven were awarded contracts to two companies:

- 'Profnatin' SRL – one contract worth MDL 3.4 million;
- 'Green Engineering' SRL – 6 contracts (!) totalling MDL 26 million.

All those seven contracts, signed on 24.07.2018, had a validity period until 31.12.2018. 'Green Engineering' SRL committed to complete the six contracts within four months. Thus, following the two procurement procedures, the former won eight contracts for the reconstruction of pretrial detention facilities of police subdivisions, totalling MDL 35.2 million. Two out of the eight contracts were to be completed by the end of October, and the other six – by the end of November 2018. The company had a turnover of MDL 6.1 million in 2017, and MDL 11.8 million in 2016.

The aggregate value of the contracts the company executed in 2017 amounted to about MDL 5.5 million, i.e. about 4.7 times less than the value of the contracts awarded under this repeated procedure and 6.4 times less than the total worth of the eight contracts for TDI repair the company won. The company's maximum turnover in the last 5 years before the procedure was MDL 11.8 million. Since its founding (on 20.11.2013), during 4.5 years prior to the tender, its total turnover was MDL 32.7 million, with an annual average of MDL 6.5 million. The same team of 18 individuals was proposed to execute the six contracts, 11 of them being directly involved in work performance.

Except for the bid submitted for Cimislia TDI, the other six bids had an abnormally low price, according to Article 66 of Law No 131/2015.

The company submitted a reduced performance guarantee for the awarded contracts – of 2.5%, i.e. twice less than specified in the contract, in the company's bid and in the award documents. Thus, the authority failed to comply with the contractual provisions and procurement rules, and the bidder violated the commitments made in the submitted bids.

The other winner, 'Profnatin' SRL, transferred the bank performance guarantee of 5% of the contract amount. Hence, note a lack of objectivity and impartiality towards this company, and a discrimination against other bidders.

Two additional agreements were signed, reducing the total value of the contracts awarded under procedure No 18/02036: 'Green Engineering' SRL – MDL 31.8 thousand (to the contract worth MDL 3622.2 thousand), 'Green Engineering' SRL – MDL 172.1 thousand (to the contract worth MDL 5356.4 thousand).

Until 31.12.2018, the seven contracts signed following the repeated procedure were partially completed (in proportion of 26-44%). No information on sanctioning these entrepreneurs for their failure to complete the works within the deadline provided in the contract was found.

Thus, 11 contracts were entered into following the two procedures organised to procure works for the renovation of 10 TDIs and the building/repair of two PSs. The works for the reconstruction of TDI of Anenii Noi PI were not contracted.

According to GPI, the reconstruction of the 10 TDIs was estimated to MDL 55.4 million, the cost of the works related to the 9 TDIs, for which the awarded contracts amounted to MDL 38.5 million, was estimated by the authority at MDL 47.5 million. Thus, the value of the works contracted for the nine TDIs was 19% lower than the one estimated by the authority.

The positive difference for two police stations was 20.1%.

The works for the reconstruction of another TDI were contracted under the procedure organised to procure the works for the renovation of PSs (No 18/3071). The awarded contract worth MDL 4.1 million, i.e. about 64% of procurement's estimated value.

In October 2018, GPI launched the procurement of the works of reconstruction of Police subdivisions' pretrial detention facilities (Causeni, Edinet, Hancesti, and Ungheni PIs), the second stage (No 18/03631). This stage aimed at installing the video surveillance, signalling and emergency call systems. The procurement of all four lots was estimated to MDL 2.4 million (including VAT).

As far as this procedure goes, the award criterion the authority used also built on price and quality, the 'proposed quality system for work execution' having a share of 10%, the warranty period – 5%, and completion deadline – 5%.

To complete these works, whose value was 8-10 times lower than the estimated value of the reconstruction works, the authority set the maximum deadline, which was the same deadline as for the reconstruction works – 31.03.2019. In addition, the works under the second stage were to be carried out simultaneously with the reconstruction works, both having the same deadline.

The ToR specified the equipment makes that were to be delivered (e.g. the 'Dahua' make was indicated for the video surveillance system). Or, according to Article 37 of Law No 131/2015, the technical specifications shall not refer to a specific make.

A number of 10 companies requested the award documents for this procedure, and none of them submitted bids. Thus, the authority cancelled the procedure. After three calendar days, it announced the repeated procedure (No 18/04112).

The deadlines and other conditions from the cancelled procedure were not changed. Out of 10 companies that requested for the award documents, only two submitted bids ('Green Engineering' SRL and 'Eurogalex Prim' SRL).

According to the submitted bids, the maximum amount of the works performed by the subcontractor was 0% in case of 'Green Engineering' SRL and 8.6% in case of 'Eurogalex Prim' SRL, without indicating the name of the subcontractor. In addition, a representative of a company specialised in video surveillance systems participated in bid opening as bidders' representative.

The list of workers submitted by 'Green Engineering' SRL included only painters, plasterers and one electrician, i.e. the same workers who were to carry out the works under at least eight contracts the company entered into with GPI for TDIs reconstruction, these works being in full implementation at that moment.

Following the bid assessment, the authority concluded that both bidders did not qualify and cancelled the procedure.

Another repeated procedure was published in October 2018. It gathered a single bidder, 'Arscom' SRL, represented by the same individual who participated on behalf of one of the two bidders in the previous procedure, cancelled by GPI. 'Arscom' SRL had the same founder as the company indicated in the minutes of bid opening.

Following the bid assessment, GPI awarded the contract for all those four lots totalling MDL 1739.1 thousand, i.e. by 26.4% less than the procurement estimated value. According to Article 66 of Law No 131/2015, the winning bid was abnormally low. Though the authority was to ask the bidder to justify the low price, a relevant, written correspondence was not found in the procurement file.

According to the accounting data, on 20.12.2018, MDL 1739.1 thousand were transferred to the company for the completed and accepted works.

Thus, the procurement of works under the second stage of the four TDI reconstruction was ineffective, the contract being signed after three organised procedures and without competition.

In March 2019, GPI launched a new procurement of works for the installation of video surveillance, alarm and communication systems within another six TDIs, for which reconstruction works were previously contracted (Cahul, Cimisia, Anenii Noi, Sangerei, Rascani, Orhei PI).

This procurement was estimated to MDL 3.4 million (including VAT). As with the procedure previously organised for four TDIs, GPI failed to observe Article 37 of Law No 131/2015 and used makes in the technical specifications (DAHUA, TP-Link, etc.).

The procedure gathered three companies ('ABI Grup' SRL, 'Arscom' SRL, MIA 'Security Services' SOE), with 17 bids submitted for those six tendered lots: Anenii Noi TDI lot received only two bids, the other lots – by three bids each.

'ABI Grup' SRL submitted the lowest bids for five lots, their amount in all lots being 48.3-50.6%, compared to the estimated value of these lots. Or, according to Article 66 of Law No 131/2015, the bids were abnormally low. According to the law, the authority was to ask the bidder to justify the low price; however, the procurement file did not reflect any information on the request for justifications, as well as the arguments presented by the bidders.

The authority decided to award the contract for the 5 lots (worth MDL 1.4 million) to 'ABI Grup' SRL, which, apart from the lowest price, committed to complete the works within 30-80 calendar days, depending on the lot. The performance guarantee requested under this procedure was 10% of contract value, i.e. twice as much as the guarantees requested under other work procurements GPI organised.

The award decision was appealed with NCSA, as ground serving the certificate on the lack or existence of arrears to the national public budget. The Agency rejected the appeal as belated.

Later, according to the procurement file, a criminal case was initiated according to Article 361(1) of the Criminal Code, and the order for seizing the original certificate on the lack or existence of arrears to the national public budget, submitted by 'ABI Grup' SRL under the procedure, was issued. According to the order, STS did not issue the document (STS letter of 24.10.2019). According to the accounting data, the contract was completed by the end of 2019.

In July 2019, GPI published the repeated procedure for TDI of Anenii Noi PI. Two bidders participated in the procedure: 'ABI Grup' SRL, MIA 'Security Services' SOE. The price difference between their bids was about MDL 200 thousand (without VAT). 'ABI Grup' SRL submitted an abnormally low bid, according to Law No 131/2015: 52% compared to the lot estimated value. Without taking this into account and without asking for justifications for the proposed price, the authority decided to award the contract to the bidder with the lowest price.

In 2018, GPI initiated the procurement of the current repair works of the TDI of Telenesti PI (the second stage). The Inspectorate did not mention this objective as being met in the report on Strategy implementation. The procedure was estimated to about MDL 737 thousand (including VAT). Only two bids were submitted for Telenesti TDI lot under the procedure published in September 2018. Hence, it was cancelled.

A number of six bids were submitted during the repeated procedure, published in 2019. According to the law, five of them were abnormally low. Following the bid assessment, the authority found that all six bids did not meet the technical requirements. Thus, under point 150, sub-point 1) of GD No 669 of 27.05.2016, the working group decided to cancel the procedure and launch a repeated one.

The repeated procedure gathered two companies that submitted bids of 70% and 75% compared to the procurement estimated value. GPI awarded the contract worth MDL 513.6 thousand to the company with the lowest bid, 'IQFenster' SRL, without asking it to justify the abnormally low price proposed. Since it was registered on 06.06.2017, the contract was awarded in less than 2 years from company's founding. According to public data, the company had no revenues in 2017, while its turnover in 2018 amounted to MDL 484 thousand, i.e. less than the value of the awarded contract. During 2018–2019, 'IQFenster' SRL reported having a single employee, thus, there is a risk that the former acted as intermediary, subcontracting all the works related to the contract signed with GPI. However, the winning bid stated that the contract-related works would not be subcontracted. The award documents of this procedure had no qualification requirements for bidders, unlike the other procurement procedures GPI organised.

### **Reconstruction of Comrat, Soroca, and Balti TDIs**

In February 2019, GPI launched the procurement of works for the reconstruction of Comrat, Soroca, and Balti TDIs. The procedure had 13 lots, of which 10 related to PS renovation works. The works covering the three TDIs were estimated to MDL 13.7 million.

The value of the winning bids was estimated to be between 65% and 74% of the estimated value of that lot, so the bids were abnormally low. A number of 3, 5 and 8 bids were submitted for each of the TDI lots.

Contracts were entered into with three companies:

- 'Green Engineering' SRL – Soroca TDI;
- 'Profnatin' SRL – Balti TDI;
- 'Cooperativa Granit' SRL – Comrat TDI.

GPI accepted the works related to these TDIs in the fourth quarter of 2020, with delay of 122-266 days compared to the deadline the former calculated. In addition, the companies were exempted from paying penalties.

Improvement of the conditions for the transportation of the apprehended/arrested individuals during the criminal prosecution

In September 2016, GPI launched the procurement of five vehicles for detainee transportation and the relevant retrofitting services. The procurement was estimated to MDL 3.5 million.

The bids were to be submitted within a 16-calendar-day deadline (about four times shorter than in the previously launched procurement of means of transport). The object of the procurement was divided in 5 lots.

Table 8. Data about the lots under the procedure No 16/02675

Lot	Description	Quantity, pcs.
1	Vehicle	1
2	Vehicle retrofitting services, lot no 1	1
3	Vehicle	2
4	Vehicle retrofitting services, lots no 3 and 5	4
5	Vehicle	2

Such an approach in lot creation entails the following risks:

- a company specialised in retrofitting means of transport will not submit any bids in such uncertainty, since it has no information about the model that is to be retrofitted;
- a company that delivers means of transport and has retrofitting conditions will submit bids only to retrofit its own means of transport;
- a company specialised only in delivering means of transport will not submit bids for retrofitting services;
- the retrofitting of the means of transport by a third party automatically cancels, partially or totally, the supplier's guarantee.

Thus, one or both of the following issues may occur:

- the contracting authority launched the procurement without studying the market;
- the tender was intended for a specific supplier.

In this context, two options would be reasonable: first to procure the means of transport and subsequently to procure services for their retrofitting or retrofitted means of transport.

Before the opening, two companies submitted bids.

Table 9. Data on the bids submitted in terms of lots

Bidder	Lot	Brand/Model	Unit price, MDL thousand	Quantity	Amount, MDL thousand	Amount (including VAT), MDL thousand
DAAC-Auto SRL	1	Ford Tranzit van 470 LWB EF	540.9	1	540.9	649.1
	2	Retrofitting services Ford Tranzit van 470 LWB EF	161.4	1	161.4	193.7
	3	Ford Tranzit van 350 L LWB	467.5	2	935.0	1122.0
	4	Retrofitting services Ford Tranzit van 350 L LWB	128.4	2	256.8	308.2
Pacific Motors Moldova SRL	5	Hyundai H350	675.0	2	1350.0	1620.0

As regards the lot no four, 'DAAC-Auto' SRL submitted an incomplete bid, including the retrofitting of the means of transport from the lot no three. Thus, the bid for this lot did not meet the requirements and had to be rejected.

However, according to the assessment minutes of 09.11.2016, the working group declared the bid of 'DAAC-Auto' SRL as meeting the requirements for lots no 1-4 and decided to award the contract worth MDL 2272.9 thousand. The bid of the business operator met the technical parameters and requirements specified in ToR.

According to those mentioned during the meeting of the working group, 'in order to stay within our budget planned for this procedure, we propose to cancel the lot no 5 "vehicle". The cancellation of the latter automatically removes the retrofitting services of two vehicles, provided in the lot no four. Thus, the lot no four decreases from four pcs. up to 2 pcs.'. Thus, the bid of one of the bidders was intentionally erroneously assessed.

Note that the goods and services related to lots no 1-3 and 5 totalled about MDL 3.5 million. In addition, the business operator whose bid was rejected without ground 'due to lack of financial means' did not appeal the working group's decision, which accepted the non-compliant bid.

The special vehicles for the transportation of the detainees in police custody were purchased and retrofitted in the absence of regulations approved to this end. The mandatory minimum regulations for the detention facilities and special vehicles for the transportation of detainees in police custody were approved only by GPI Order No 527 of 28.12.2017.

Two other procurements of special vehicles and their retrofitting services took place in 2017, under the tenders no 17/01333 and No 17/02851. According to the procedure's award documents, 20 special vehicles and their retrofitting services were to be purchased (10 by each procurement). At the same time, when awarding the contract under the procurement no 17/02851, GPI requested the removal of the retrofitting services, since their completion deadline was to exceed the budget year. Thus, non-retrofitted means of transport were delivered, the procurement objective not being achieved. Other issues with the procurement of means of transport were addressed in the section related to the procurement of means of transport.

### **5.3.3. Strengthen the capacity to fight organised crime, trafficking in human beings, cybercrime, violence, including gender-based offences, drugs and arms smuggling, currency counterfeiting and money laundering**

Building the capacities of the structures responsible for fighting organised and cross-border crimes

Procurement of IT equipment and accessories for GPI and its subordinated subdivisions (PP no 17/02767 – organised by MIA in 2017)

The procurement referred to the following objectives and actions from the PDS Action Plan:

- objective 3, action 3.1;
- objective 4, actions 4.1 and 4.3;
- objective 1, action 1.6.

The estimated value of the procurement, mentioned in the request, was MDL 20.9 million, of which 78% related to objective 3.

This procedure awarded four contracts amounting to a total of MDL 5216.8 thousand. All contracts were tripartite and were funded by the GPI from budget support.

The procurement-related findings:

- The deadline for bid preparation and submission was 20 days. However, taking into account the procurement estimated value and Article 45 of Law No 131/2015, the period between the date of publication of the contract notice and the deadline for bid submission shall be at least 36 days.
- At GPI request, the working group increased the value of the contract signed with SC 'DAAC SYSTEM INTEGRATOR' SRL by MDL 191.3 thousand, i.e. by about 12% of the initial value. The increase was approved the day after contract conclusion. According to Article 72 of Law No 131/2015, the contracting authority shall not have the right to increase the volume of the goods, works and services established in the concluded public contracts in order to avoid making new procurements.

- The qualification and selection criteria were not proportional to the object of the procurement, including in terms of financial and technical capacities.
- A number of 17 companies requested the tender documentation, and only eight submitted bids.
- The object of the procurement was divided into 27 lots, four of them received no bids, and five lots received one bid each. Thus, there is the risk that certain equipment was unjustifiably divided into lots, while the requirements for other lots did not allow a number of bidders to participate.
- It was proposed to procure about 900 workstations. The procurement prices of the delivered workstations varied between MDL 13 thousand and MDL 282 thousand per unit.
- The award decision for the procedure's lot 1 was appealed with NCSA. After reviewing the appeal, the Agency requested the cancellation of the award decision related to this lot.

IT equipment, mobile phones and accessories.

In 2018, two procedures for IT equipment procurement took place. One of them, announced in April 2018, resulted in the award of three contracts totalling about MDL 1.3 million. The other, estimated to MDL 650 thousand, was cancelled and transferred for 2019.

In 2019, the procedures for IT equipment procurement, organised by GPI, can be divided into three categories:

- IT equipment for the territorial and specialised criminal investigation subdivisions of the GPI;
- IT equipment for the police stations;
- mobile phones and accessories.

#### **IT equipment for the territorial and specialised criminal investigation subdivisions of the GPI**

The first procedure to this end was launched in March 2019. According to the estimates, GPI needed 268 kits of IT equipment (personal computers) and other electronic equipment. Due to the lack of financial resources to ensure the IT equipment estimated to about MDL 3.8 million, the working group approved the allocation of MDL 2.5 million for this procurement, requesting the removal of certain equipment and software (e.g. UPS, printers, speakers, Windows) from the list. However, prior to procurement publication, a multifunction printer was included in the award documents. The whole volume of goods was divided into two lots: I – 268 kits of IT equipment and II – one multifunction printer.

Though its estimated value was significant, the award documents did not provide any qualification requirements for this procurement, at least by establishing a minimum turnover or the existence/subcontracting of the services for delivering this equipment.

Such an approach facilitates the participation of business operators without financial and human resources, which could decrease procurement's effectiveness and efficiency.

Instead, as for other procurements of a lower value, the authority imposed qualification requirements.

Following the electronic tender, the value of certain bids was decreased by up to 10%. Thus, the lot no 1, estimated to MDL 2.1 million, received eight bids with values between MDL 1.7 and 2.1 million (i.e. 80-100% compared to the procurement estimated value), and the lot No 2, estimated to MDL 25 thousand, received two bids worth MDL 25.1 and 30.7 thousand.

The contract for both lots was awarded to 'BTS Pro' SRL, but NCSA ordered the cancellation of the decision awarding the contract for the IT equipment following an appeal filed by one of the bidders. The cancellation grounded on contracting authority's admission of the deviations from the law, which affected the award result.

Thus, only the contract for the delivery of the multifunction printer was signed following the procedure.

When announcing the repeated procedure for procuring the IT equipment in the lot 1, for which the procedure was cancelled, the authority significantly modified the technical requirements, by increasing

certain minimum requirements for this equipment (processor, working memory, monitor, etc.) by up to twice, without reviewing the estimated cost of the procurement. At the same time, the procurement file had no information that would justify the request and the urgent need for more powerful functionalities, which occurred during four weeks after the cancellation of the previous procedure.

The repeated procedure received five bids, three of which were submitted by bidders who participated in the initial procedure. The bids submitted for those 268 IT equipment kits, with revised requirements, varied between MDL 2.6 and 4.0 million, by 24%-90% higher than procurement's estimated value. The cheapest bid submitted under the repeated tender was 48% more expensive than the cheapest bid submitted under the initial tender (belonging to the same business operator) and 16% higher than the most expensive bid in the first tender.

The first three bids, in terms of price, were rejected for non-compliance with the technical requirements, and the other two – for exceeding by 30% the estimated value of the procurement.

For the next repeated tender, the authority again adjusted the technical requirements for the equipment, increasing significantly some minimum requirements (hard disk capacity – twice, warranty period for monitors – by 2 years, process frequency – by 9%, requesting last generation processors with 4 cores), the estimated value of the procurement being maintained within the amount approved for the initial procedure - MDL 2.1 million. At the same time, the authority decreased the number of kits of equipment from 268 to 196, or by 27%. The value of the three submitted bids ranged between MDL 2.3 million and MDL 2.7 million, being by 7-26% higher than the estimated procurement cost.

Thus, during the three procedures initiated by the authority, the minimum price offered for a kit of equipment grew from MDL 6.2 thousand (VAT free) to MDL 11.6 thousand (VAT free), or by 87%. This price was offered by the same business operator, being the lowest.

The authority was ready to offer a double price for the functionalities added additionally every time the procedure was repeated.

Following the bid assessment, the authority awarded the contract worth MDL 2.7 million for the delivery of 196 kits of IT equipment to BTS Pro SRL. After reviewing the bidders' complaints, NCSA annulled the award decision and requested that the contracting authority re-evaluated the bids, as the Agency found that the winning bid failed to meet the technical requirements.

In two days after the NCSA Decision, the authority approved the decision to annul the procedure, stating that all of the three bids failed to meet the technical requirements. But the contract award decision stated that all bids complied with technical requirements.

The above-mentioned would serve as a factor of inappropriate assessment of the bid.

For the following repeated procurement of IT equipment, the authority again reviewed the technical requirements, decreasing the warranty period for monitors, and reformulated some functionalities.

The third repeated procedure was published in November 2019. The number and estimated value of the equipment remained unchanged compared to previous procedure. On 03.12.2019, the working group approved the decision to annul the procurement procedure, invoking the impossibility to comply with the delivery term stated in the award documents, in accordance with the legal terms of the procurement procedure. The procurement procedure was transferred for the budget year 2020.

Thus, in March-November 2019, the authority carried out four procurements of IT equipment that did not result in calculation awarding. During this period, the number of bidders participating in the procedure decreased from eight to five and then to three companies, the minimum requirements were reviewed by increasing significantly the performances every time the procedure was repeated, and the minimum value of the bid increased by 87%. At the same time, deviations from the legal framework were found in the procurement procedure and bids assessment, and bidders challenged the working group's decision and, as a result, the intention to award the contract was annulled twice by NCSA, and two procedures were annulled at different stages at the initiative of the procurement working group.

## IT equipment for the police stations, mobile phones and accessories

In parallel, GPI started another procurement of IT equipment for the police stations, as well as mobile phones and accessories for NII.

Thus, according to the submitted information, the procurement of 57 computers was requested in March 2019 for the 19 PSs that were in process of upgrading.

Besides, NII's request to procure 75 mobile phones and 20 power banks was accepted.

The institution requested a specific brand of phones (Sony Xperia XA2 Dual), including specifications specifically for this brand. At the same time, the institution stated the colours of the equipment (black, silver and gold) and the number of pieces of each colour (30, 30 and 15, respectively).

The procurement, estimated at MDL 1.4 million, was divided between three lots:

- 57 kits of IT equipment – MDL 840.8 thousand;
- 2 working stations – MDL 58.3 thousand;
- telephones and accessories – MDL 500 thousand.

Four bidders participated in the procedure, but the bids were submitted only for IT equipment and mobile telephones with accessories.

As part of the electronic auction, the prices of some bids for IT equipment were brought down by 12-15%.

After the evaluation, contracts were assigned for IT equipment and mobile telephones with accessories.

The decision to award the contract for mobile telephones with accessories was appealed with NCSA. Thus, when evaluating the contracting authority accepted as appropriate a specification four times lower than the minimum requirement (Full HD vs 4K), arguing that this is not relevant. Hence, when assessing the bids the authority failed to comply with Article 69 of Law No 131/2015. NCSA decided to annul the decision for Lot 3 and re-evaluate the bids.

As a result of re-evaluation, it was decided to annul the procurement for Lot 3, because both of the submitted bids 'did not meet the technical requirements', including the bid with Sony Xperia XA2 did not meet the requirements for that telephone brand (the telephone did not have a metal frame, as requested), and the suggested accessories were not appropriate, either.

Thus, there are several aspects in this regard: the contracting authority approved exaggerated and non-important requirements for the main goal of the procured goods, which resulted in higher prices (the bid with XPeria was by about 62% (or MDL 165.5 thousand) more expensive than the cheapest bid), and the specifications were included without consulting the market on the existence of goods compliance with the established requirements.

In about 2 months after awarding the contract for the delivery of 57 computers, the working group accepted to increase the value of the signed contract by MDL 117.7 thousand (or by 14%) for the delivery of additional 8 computers.

In September 2019, GPI launched the repeated procurement of mobile telephones and accessories for NII, but the quantities and minimum requirements for goods were increased significantly.

Thus, besides the fact that the authority initiated the procurement of 90 telephones with accessories (by 20% more than the number planned initially) and 20 power banks, the authority published requirements for smartphone Xiaomi Redmi Note7.

Some of the requirements that were changed compared to the initial ones are presented below.

Table 10. Information about the initial requirements and about the modified ones for mobile phones

Specification	Initial requirements	New requirements
Operating system	Android v8.0	Android minimum 9.0
Processor	octa-core, frequency 2.2 GHz	Minimum 8 cores, min. frequency 4X2.2Ghz and 4X1.8GHz
Memory	32 GB on the board	Minimum 64GB
RAM	min. 3 GB	min. 4 GB
Display	Diagonal – min. 5 inches TIP: IPS LCD touchscreen Number of colours – 16000K Resolution: 1920x 1080 pixels Protection – Gorilla Glass	Min. 6.3 inches IPS LCD  2340x1080 pixels Minimum Gorila Glass 5
Main camera Front camera	min. 23 MP min. 8 MP	Minimum 48 MP Minimum 13 MP Functions Dual-LED flash, HDR, panorama
Video resolution	3840x2160	Video – minimum standard Full HD
Frame	metal or aluminium	None
Capacity of battery	minimum 3300 mAh	Minimum 4000 mAh
Frame colour	black – 30 pcs., silver – 30 pcs., gold – 15 pcs.	black, silver, gold

The reasons for reviewing most of minimum technical requirements and the quantity of goods are not exposed in the procurement file.

Four offers were made as part of the procedure and all the bidders proposed Xiaomi Redmi Note 7.

Following the assessment, the contract, worth MDL 338.5 thousand was assigned to the company BTS Pro SRL.

Thus, compared with the initial procedure, the purchase costs increased by MDL 71.7 thousand, of which about MDL 18.9 thousand represent higher costs for phones and accessories and MDL 52.8 thousand – additional phones at increased prices.

Besides the efficiency and efficacy, the provisions of the Article 37 of the Law No 131/2015 were violated when developing the requirements for equipment: the authority prepared the requirements for a specific model of equipment and opted for non-functional characteristics of goods (colour, dimension, etc.).

Another aspect is the need for this purchase in the context of implementing the TETRA system and equipping the GPI subdivisions with portable TETRA radios, that were to ensure the secure communication, and NII received some of the purchased equipment.

### Computers for PS

In October 2019, GPI started the procurement of computers in order to equip 35 police station. Two days after the publication of the procedure, the working group approved the modification of technical requirements for equipment. Thus, compared with the initial requirements used during the previous procedure for the procurement of computers for police stations, the minimum requirements were increased at least twice for a processor, operative memory, hard disk, but the estimated value of the procurement stayed the same, amounting to MDL 1286.3 thousand (MDL 1543.5 thousand including VAT).

Four offers in the amount of MDL 1487.3-1871.6 thousand or by 15.6-45.5% higher than the estimated value were submitted as part of the procedure.

Following the bids assessment, the contract, worth MDL 1784.8 thousand, was awarded to the company 'BTS Pro' SRL, signed on 24.12.2019. According to the contract, the delivery term was 27.12.2019, which is against the award documents and the winning bid.

According to the award documents, the delivery term was set for 20.12.2019, and the bidder proposed to deliver the equipment within 25 working days after registering the contract with the State Treasury.

According to Article 74(4) of the Law No 131/2015, it is prohibited to modify certain elements of the winning bid, to impose new requirements to the winning bidder or involve any other bidder than that who presented the most advantageous bid, at the time of the conclusion of public procurement contract. According to para (5) of the same article, the deadline for the completion of public procurement contract shall be set in the award documents and later shall be transposed in the contract. Thus, when signing the contract, the authority violated the provisions of Article 74 of the Law No 131/2015.

At the same time there is the risk that authorities will pay in advance for the computers that may not be delivered and cleared within three calendar days.

At the same time, the value of the assigned contract exceeds by 15.6% the budget allocated for this purchase and the unit price of purchased equipment amounted to MDL 17,000 or by about MDL 2,300 more than the price paid for the computers delivered to other 19 police stations in the same quarter IV 2019. Thus, the authority paid by MDL 241.5 more for additional functionalities that will not add value to the use of equipment.

One more thing – in 2019, GPI signed contracts for the delivery of 170 computers for 54 modernised police stations, but as of 31.03.2021 the repair works in many of those 54 stations were not finalised and received by GPI. At the same time, the review of the award documents for the procurement of works for a PS, specified in the list of beneficiaries of computers purchased as part of the procedure examined in this section, there were identified computers that were to cover the needs for this subdivision. The procurement of works was organised by the same working group of GPI. This fact reveals the lack of controls when preparing the award documents, which affects the efficacy of conducted procurements.

In 2020, according to the information presented, IGP organised two procedures for the procurement of computers. De facto, the second procedure implied the procurement of lots that were not contracted under the first procedure.

The first procedure was initiated in January 2020 and was aimed at purchasing IT equipment for territorial subdivisions of GPI specialised in criminal prosecution, for which four unsuccessful procurements procedures were organised in 2019.

Compared with the last of the four procedures from 2019, which was cancelled in December 2019, the authority reviewed the technical requirements and asked for more modern equipment and modified the minimum parameters for hard disk and engine dimension. The amount approved for the procurement of 196 computers was about MDL 2.6 million.

At the same time, in March 2020, the lack of equipment was supplied with 228 computers, 425 UPSs and extension cords, 50 printers and 5 HDDs and the minimum requirements for those 196 pieces approved in January 2020 were upgraded. The estimated value of the procurement, following the modifications made to the list of equipment and technical parameters, increased from MDL 2.1 million up to MDL 6.7 million (excluding VAT). The estimated cost excluding VAT, of those 196 computers increased up to MDL 2.8 million excluding VAT or by about 33%.

As part of this procedure, unlike the procurements of computers organised by GPI in 2017–2019, the authority asked the bidders for computers and UPSs to have authorised service centre and specialists.

Seven bidders participated in the procedure and submitted 2-5 offers per each of those seven lots.

The value of the offers for those three types of computers was different. For 196 computers – between 86% and 107% (MDL 2.4 – 3.0 million) reported to the estimated value, for 227 all in one computers – between 80% and 93% (MDL 2.6 – 3.0 million) reported to the estimated value, a modern workstation –

between 90% and 115% (MDL 90 – 114.8 thousand) reported to the estimated value, for UPSs the price of bids exceeded by 2-77% the estimated value of the batch.

Following the assessment, the authority decided to assign the contracts for 5 out of 7 lots and the procedure for UPSs and HDDs was cancelled.

The assignment was contested and NCSA ordered its cancellation for 196 workstations and extension cords, but following the re-assessment, GPI assigned the contracts to the winning bidders according to the initial decision.

Thus, five contracts worth MDL 6.4 million (including VAT) were signed.

One unit of those 196 workstations was purchased with MDL 15.8 thousand or by 2.5 times more expensive than the price set during the first procedure organised by GPI in 2019 for the procurement of computers for territorial subdivisions specialised in criminal prosecution. Those five contracts signed on 11.08.2020 were to be executed within 60 calendar days. However, on 19 November 2020, GPI extended the contract signed with AV-Macrocom SRL for the delivery of 29 workstations, in addition to those 196 that were already contracted. Thus, the value of the contract grew by MDL 457.9 thousand or by 14.8%. The performance bank guarantee, adjusted according to the approved increase, was not annexed to the procurement file.

Depending on the value of additional agreement, the authority was to organise a procurement procedure, which violated the principle of transparency.

According to GPI, the addition agreement was signed according to Article 76(7) item 2 of Law No 131/2015. It was necessary to conclude an additional agreement due to the following reasons:

- savings of financial resources and the lack of time to launch a new procedure, given the end of the budget year;
- the need to meet progress indicators.

Following the repeated procedure for UPS and HDD, to which three companies participated, the contract for both lots, worth MDL 433.7 thousand, was assigned to 'BTS Pro' SRL, but due to the lodged appeal and after the initial decision regarding the assignment was cancelled, they signed the contract worth MDL 30.8 thousand for the delivery of 20 HDDs. The procurement of UPSs was cancelled by the authority.

Procurement of equipment and special technical machinery for the investigation of all categories of crimes.

Procurement of forensic boxes, tools, accessories, protection equipment and consumables (2018) – Action A.3.1 of the Policy Matrix.

Estimated value of the procurement – MDL 1100.0 thousand.

Purpose of the procurement – equip 30 means of transport used to travel on site to improve the research capacity on site (equip 30 mobile forensic laboratories). Delivery term – 90 working days after registering the contract with the State Treasury.

Findings:

- Increased prices for purchased goods. For example, reflecting vest – about MDL 90, flashlight with battery – MDL 700 (market price – about MDL 200).
- The bid of 'HumanLab' SRL was presented after the expiry of the deadline but was accepted and opened by the procurement working group of GPI, which was against the Law No 131/2015 and the conditions from the award documents.
- The results were contested because the contract, according to the decision of working group, was to be awarded to the company that submitted the bid with delay. NCSA requested the annulment of the decision of award and the reassessment of bids. The working group decided to reject the

offer of HumanLab SRL and to cancel the lots related to the contract that was to be awarded to the company. Later, a repeated procedure was organised for those lots.

- The authority awarded the contract, for the goods that do not meet the technical requirements, being assessed by the working group as meeting partially the requirements. At the same time, the technical parameters of the proposed goods were 1.4-3.9 times lower compared with the minimum acceptable requirements imposed by the authority (minimum capacity of flashlight battery – 9000 mAh), and the contract was awarded to the bidder that proposed the flashlight with the capacity of 3000 mAh or three times less than projected in the requirements.

Another procurement of forensic boxes and consumables was organised following the decision to disqualify the company 'HumanLab' SRL, which submitted the bid with delay for the above mentioned tender.

Estimated value – MDL 683.7 thousand. Two contracts were signed following the procedure: 'HumanLab' SRL – MDL 804.6 thousand and 'GVP Moldova' SRL – MDL 8.6 thousand.

Findings:

During the repeated procedure, one single bid was submitted for 19 out of 21 positions, which could serve as an indication of the distribution of the goods market for conducting forensic investigations. During the initial tender, the goods proposed by other participants were considered to inappropriate to meet the requirements.

### **Improving the application on the electronic evidence register of guns**

The procurements were made in the context of the implementation of action 3.1 of the PDS plan. The system related costs in the amount of MDL 4.6 million were not assigned to budget support for Police reform.

The first stage of the process was developing the Terms of reference for the procurement conducted in 2018. Following the procurement procedure, which was attended by two bidders, the contract, worth MDL 88.8 million or with MDL 200 less than the amount allocated by the authority for this procurement, was awarded to the company 'Soft Tehnica' SRL, which committed to deliver the Terms of Reference for the system within 30 calendar days – a deadline that was not observed by the service supplier.

The procurement of services for the development of AIS State Register of Guns was initiated at the end of 2018. According to the estimates made by the author of the Terms of Reference, depending on the completion deadline, the estimated value of the system should have been EUR 211-285 thousand. The estimated value set by the authority was MDL 4.1 million (excluding VAT), and the awarding criterion was the lowest price.

Two bidders participated in the procedure with bids of MDL 3800 thousand and MDL 3970.5 thousand.

Following the assessment, the contract, worth MDL 4560.0 thousand was assigned to the company 'Alfa Soft' SRL, which proposed the lowest price. The contract was signed on 14.08.2019 and the deadline for finalising the system was 8 months from the date when the contract was registered with the State Treasury. According to the data presented by GPI, the contract was registered with the Treasury on 19.08.2019, thus, the deadline for accepting the system, according to the contract, was 19.04.2020.

The company 'Soft Tehnica' SRL, which developed the Terms of Reference and the qualification and selection requirements for the procurement, participated in the procedure as a bidder in association with a local company, following the confirmation of the contracting authority, exposed as answer to the request for clarification.

At the same time, according to the Article 79 of the Law No 131/2015, the individual or the legal entity that participated in the development of the award documents, including as part of consulting services, has the right, as a business entity, to be bidder/candidate, associated bidder or subcontractor only its involvement on the development of the award documents does not misinterpret the competition. In such

cases, the contracting authority shall communicate to other bidders/candidates the information that was transmitted in the context of the participation of the individual or legal entity in the development of award documents or that arises from this participation and sets adequate deadlines for receiving the bids. According to the same article, the contracting authority had the right to exclude 'Soft Tehnica' SRL if there was no other method to ensure the observance of the principle of equal treatment, and the latter did not manage to prove their involvement in preparing the procurement procedure does not misinterpret the competition.

The contract was signed two months after the adoption of the decision on awarding the contract. The performance guarantee was submitted two weeks after the contract signing, which is against the conditions set in the award documents.

In March 2020, 'Alfa Soft' SRL, requested to extend the terms of the contract due to the declaration of the state of emergency on the territory of the Republic of Moldova between 17 March 2020 and 15 May 2020. At the same time, the additional agreement for the extension of the contract was not drafted in this regard. According to the submitted documents, in December 2020, 'Alfa Soft' SRL requested the signing of the conditional acceptance act and the full payment of the system implementation services. According to the developer, at the end of 2020, various functionalities of the system were not available and the piloting and finalisation of the system were planned for June 2021.

According to the accounting data, the system was accepted by the beneficiary at the end of December 2020, 16 months after the registration of the contract with the State Treasury, without being finalised and functional. Thus, the company was paid for the services it did not provide de facto. The performance guarantee submitted for this contract expired on 29.04.2020 of about eight months before the formal acceptance of the system. De facto, the implementation of the system exceeded 2.7 times the deadline indicated in the contract, and at the same time, in May 2021, the contracting authority decided to exempt 'Alfa Soft' SRL from paying the penalties.

Thus, irregularities and problems were identified at the stage of awarding and implementing the contract and the procurement process was inefficient in the process of procurement of services for the development of AIS State Register of Guns.

#### **5.3.4. Create a modern police service in line with the best European and international standards and practices able to respond proactively and impartially to the needs of the citizens and of the society as a whole**

Implementing the community police concept in the structure of General Police Inspectorate

Developing the infrastructure of police stations and police inspectorates in line with the relevant standards

According to the Policy Matrix (sub-action 4.1), by the end of 2020, the infrastructure of 90 police stations was to be modernised. These PSs, according to the Matrix, needed capital repairs and the cost of works was estimated at about EUR 31 thousand, or MDL 600 thousand. According to the report of GPI on the evolutions registered when reforming the Police, 70 police stations were modernised during 2018–2020, including:

1. 56 PSs funded from the budget support for the Police reform;
2. 4 PSs under the support program for Police reform, implemented by UNDP and funded by US Embassy;
3. 10 PSs funded under the Joint Operational Program Romania - Republic of Moldova 2019-2020.

Thus, the indicator from the Matrix, from the funds of budget support, was achieved in a proportion of 62.2% or, taking onto account the PSs that were modernised from other sources, in a proportion of 77.8%.

At the same time, this result represents 40.2% of the total number of police stations that should be modernised according to GPI. Thus, another 104 PSs that serve about 60% of the country's population will be modernised in subsequent periods after identifying the funding sources.

The procurement of works for the modernisation of those 66 police stations (56 from the funds of the budget support and 10 from the funds of Joint Operational Program) was made by GPI after contracting services for the development of project documentation.

### **Developing the project documentation for the renovation of PSs**

The procurement of services for the development of project documentation for the renovation of PSs was initiated by GPI in 2017. According to GPI report, in 2017, the project documentation and the estimates of expenses for the renovation of 10 police stations (Cetireni v., Ungheni d., Costesti v., Rascani d., Fetesti v., Hincauti v., and Zabriceeni v., Edinet d., Bujor v., Hancesti d., PS No 1, Sarata Noua v., and Sarateni v., Leova d., Zarnesti v., Cahul d.) were prepared under the project financed from external sources and co-financed by the Government of the Republic of Moldova 'Regional Cooperation for Preventing and Combating Cross-border Crimes between Romania and Republic of Moldova' and the works were to start in 2018. The project documentation and the estimates of expenses for the renovation of 20 buildings of police stations of territorial police inspectorates were prepared when implementing the budget support for Police reform and the modernisation works were also to start in 2018.

### **Developing the project documentation and the estimates of expenses for the renovation of 10 police stations**

The procurement was initiated under the Joint Operational Program Romania – Republic of Moldova for 2014-2020. Estimated value of the procurement – MDL 400 thousand (including VAT). The deadline for contract completion – 70 calendar days. No bid was submitted when the deadline expired.

The review of the procurement related documentation revealed the following:

- Qualification requirements not proportional to the procurement object. The authority imposed only one year of experience in the field.
- After publishing the contract notice, the working group changed the specifications by including technical design. At the same time, the change of the deadline for developing the feasibility study and the technical design of 10 police sections from 70 to 85 days was approved and the estimative cost of the procurement increased from MDL 400 thousand up to MDL 2665.1 thousand. The deadline for submitting the bids and the requirements for bidders were not changed accordingly. According to Article 61 of Law No 131/2015, if the Contracting Authority makes changes to the awarding documents, then the deadline by which bids may be submitted can be extended, so as for the business operators to have enough time to consider the changes.
- Two companies requested award documents, but no bid was submitted and the working group cancelled the tender.

Repeated tender (No 17/02510). After publishing the tender, the working group decided to cancel the procedure on the basis of Article 54(1)(a)(b) of the Law No 131/2015, according to which, the procurement shall be conducted by applying the negotiated procedure without publication, with the deadline for submitting the bids on 31.07.2017. The working group explained the decision by the fact that the deadlines and the activities related to the procedure do not allow to meet the deadline of 3.11.2017 for submitting the project documents, set by the European Commission in May 2017. At the same time, the Article 54(1) of the Law No 131/2015 cannot be applied due to the following reasons: a) the authority changed substantially the initial conditions of the contract; b) the deadlines were made available to the authority about two months before the publication of the procedure and the authority is in charge of the emergency deadline.

## Findings on procurement through negotiation without publication

- The procurement file does not contain information about the companies who were sent the invitation to present the bid, which is against the Regulation approved by GD No 9 of 17.01.2008.
- Two bids were submitted before the deadline ('Arhi-Terra' SRL and 'Arhideea Grup' SRL) and none of them met the requirements, their price exceeding the estimated value. Thus, it was decided to cancel the procedure.
- The repeated purchase through NPWP procedure was initiated on 2.08.2017. The procurement file does not contain information about the invited companies. At the same time, the requirements were changed – the deadline for contract completion was reduced from 85 days to 60 days. The contract was awarded for all those 10 lots to the company SC 'AGH Premium Grup' SRL, which submitted the cheapest bid the price of which is by 35% lower than the estimated value. The difference in the price between the winning bid and the bids of the competitors was between 1.8 and 4.1 times depending on lots. Thus, according to the legal framework, the winning bid is unusually low. The authority was to request the bidder to submit information that would justify the proposed price and prove its access to a special technology or to more advantageous market conditions that would allow to offer such a low price of the bid. The procurement file does not contain information that clarify the unusually low bid. The contract, worth MDL 725.2 thousand, was signed on 23.08.2017. Although money was saved when awarding the contract, the quality of services may be affected having direct impact on the procurement of works for the renovation of those 10 police stations. The emergency measures limited the transparency and competition, but the uncompetitive did not result into the prompt signing of the contract. Thus, within 30 days, the contract could be awarded by applying the RFQ procedure.

**Services of design development for 20 buildings of police stations of territorial police inspectorates (PP No 17/00773)**

The procurement was part of the activities of sub-objective 4.1: 'Implementing the community police concept in the structure of General Police Inspectorate' of the Action Plan of PDS and action 4.1 of the Policy Matrix. Estimated value of the procurement – MDL 1652 thousand (including VAT). Deadline set for contract completion – 2 calendar months. Two contracts were awarded following the tender:

- the contract, worth MDL 514.2 thousand, of 12.06.2017 was signed with 'Bim-Tech Solution' SRL – for 8 police stations;
- the contract, worth MDL 567.1 thousand, of 30.05.2017 was signed with 'AGH Premium' SRL – for 12 police stations.

The procurement-related findings:

- Qualification requirements not proportional to the procurement object. The authority requested only one year of experience in delivering similar services.
- A number of 13 companies expressed their interest, but only six submitted bids. Three bids were considered to be non-compliant with the requirements due to: non-compliance or lack of mandatory documents, including the failure to submit the document that proves the experience of minimum one year in delivering similar services in the case of a company specialised in constructions, with an experience of over 12 years.
- According to the data from the procurement file, 'Bim-Tech Solution' SRL, in June 2017, after signing the contract, found certain design related risks, particularly in sectors located on a floor of a building with two floors, and replicating the design for both floors implies certain non-compliance risks. Thus, the supplier requested the review of the volume of services for problematic sites. Increased risks were found by the designer in three out of eight sectors: PS1 Ungheni PI, PS1 Ocnita PI and PS1 Orhei PI. Following the analysis of company's request, GPI decided to lower the value of the contract by MDL 258.6 thousand by excluding those three sectors. The agreement on lowering the value was signed on 6.07.2017.

At the same time, the second company found various problems related to the completion of the contract, including bigger areas or buildings than those specified in the award documents, lack of rental contracts for premises and other circumstances related to documents and bureaucratic aspects that resulted into the increase in the volume of services related to buildings.

The above-mentioned reveal the non-compliant quality of tender documentation, which does not expose correctly the volume of works and was not drafted on the basis of the analysis of each site. As a result, the project documentation was not prepared for 15% of the sites and it was submitted with delay in the case of other ones. At the same time, the authority decided to apply sanctions against companies for delay.

Starting with 2017, GPI has been allocating funds from the budget support for territorial PIs that awarded on their own contracts for the development of project documentation and for its review in relation to the renovation of police stations. Following the procurements made by GPI subdivisions, 7 out of 14 companies benefited from contracts for the development of documentation for 70% of buildings designed in 2018, each of them being in charge of 3-4 PSs. Mainly, the territorial subdivisions awarded contracts for services for the development of project documentation without organising procurement procedures, signing low value contracts, which limited the transparency of the procurements of design services organised by territorial subdivisions of GPI.

### **Public procurements of renovation works for PSs**

Starting with 2018, GPI organised procedures for the procurement of repair, reconstruction and construction works of police stations, PIs and pretrial detention facilities, funded from the budget support for Police reform.

Works for the renovation of buildings of police stations of police inspectorates (PI Anenii Noi, PI Floresti, PI Soroca, PI Cimislia, PI Basarabasca, PI Donduseni, PI Drochia, PI Telenesti, PI Soldanesti, PI Ceadar-Lunga) (No 18/01873 of 18.06.2018)

GPI applied awarding criteria price-quality based criteria: bid price – 80 points, deadline for completion of works – 5 points, warranty period of works – 5 points, quality system for the completion of works – 10 points.

At the same time, the methodology on the application of scores was not established, which creates a risk of subjective interpretation when granting scores for quality criteria.

Two weeks after publishing the procedure, the working group of GPI decided to modify the Terms of Reference by including renovation works for PS No 1 of PI Ceadar Lunga, PS No 1 of PI Soldanesti and works for the reconstruction of a building in order to locate the PS No 4 of PI Telenesti. After the changes made, the estimated value of the procurement object increased by 41%: from MDL 15080.0 thousand up to MDL 21272.0 thousand.

The updated award documents were provided to the potential bidders in the period on 5-12 June 2018, or about 5-12 before the deadline for submitting the bids, which impacted the level of participation in this procedure. Thus, 33 companies requested the award documents and seven business entities submitted bids. Not a single bid was submitted for four out of those 10 lots, either. In the case of five lots they submitted 1-2 bids and only in the case of one lot they submitted three bids, but according to GPI, they did not comply with the requirements. Thus, the procedure was cancelled for all the lots.

When initiating the repeated procedure (No 18/3071), the authority included in the procurement object the works for the reconstruction of temporary detention isolator of PI Anenii Noi (no bids were submitted for the procedure organised for the reconstruction and renovation of PDF, No 18/2036) and the estimated value of the procurement grew from MDL 21.3 million up to MDL 27.7 million (including VAT). The maximum deadline for completion of works set by the authority was 180 calendar days. During the repeated procedure 26 companies requested the documentation.

A number of 16 companies submitted bids during the procedure and those 11 contracts were awarded to six business entities. When contracts were awarded, they found that two companies that won contracts

in the total amount of MDL 3.9 million were involved in active criminal cases for illegalities committed in public procurements conducted by other Moldovan authorities.

For three out six lots for which bids were submitted during the initial procedure, the price of bids during the repeated procedure increased by 3-18% compared with the initial procedure.

Eight out of 11 contracts were awarded to three companies out of six: two companies benefited from two contracts each in the total value of MDL 4.7-6.1 million and one of those three companies won four contracts amounting to a total of about MDL 6.7 million.

Those three companies offered extremely short terms for the execution of works – between 2.3 and 4 months and the works were to start at the same time in different districts of the country, including in opposite parts of the country (for example, one company had to execute works in Soldanesti, Donduseni, Cimisia and Basarabasca districts within 70-120 days). During 2017–2019, the average number of employees of this company varied between 16 and 18 people, including the director and the accountant.

The validity term of performance guarantees submitted in relation to 4 out of 11 contracts was much shorter than the validity term of those contracts.

At the same time, two months after the contract signing, the value of one of those 11 contracts increased by 14.6% compared to the initial value after the inclusion of some additional works.

The quality system proposed for the completion of works was applied by the working group as a non-transparent and subjective assessment factor. With a share of 50% in the quality related scores, it has impact on the award of contracts to companies who submitted more expensive bids. Moreover, the authority did not develop and did not include in the award documents a methodology for applying this criterion.

In 2018, other procedures were organised for the procurement of works for the modernisation of GPI premises, which were covered from budget sources other than those reported to the budget support for Police reform.

Thus, in February 2018, GPI initiated the procurement of works for capital repair of Telenesti Police Inspectorate Building (No 18/00383).

The qualification criteria were not proportional to the procurement object: on the one side, the authority requested minimum one year of experience and on the other side, to make sure that the total value of the contracts of works executed in the past year is at least MDL 5.4 million (amount equivalent to the estimated cost).

The maximum deadline requested for completion of works was 15 months – maximum term applied by GPI for the procurement of works for the repair of PS and PI in the period between 2018 and 2020. At the same time, in the case of other valuable contracts of same or higher complexity, the authority requested a much smaller deadline (for example, in the case of contracts for the construction and reconstruction of PDF).

The documentation for this procedure was requested by 22 companies and only 11 bids were submitted.

The company who won, due to the lowest price and due to the proposed warranty period, which was 1.5-3 times longer than the term proposed by the competitors, later won other contracts with GPI, with an average number of 13-15 employees during 2018-2019. As regards the bids submitted in 2018–2020 during the procedures organised by GPI, in most of the cases, the company did not indicate the subcontractors or subcontractors were to execute 10% of the total value of works. That is, various contracts worth million MDL signed with GPI were to be executed by those 13-15 employees of whom maximum 12-14 were workers.

In the case of certain PIs the works were executed in two stages. Thus, in 2018, it was initiated the procedure for the purchase of works for the installation of the structured wiring system, the fire and security alarm at Criuleni Police Inspectorate of GPI and Telenesti Police Inspectorate of GPI (No 18/01949), amounting to a total of about MDL 1.8 million (MDL 1.1 million at Criuleni PI and MDL 0.7 million at Telenesti PI). The

first procedure organised in this regard was cancelled in the basis of Item 150 of the Regulation approved by GD No 669 of 27.05.2016.

During the repeated procedure (No 18/02980) initiated by GPI in April 2018 and published in July 2018, the award documents were requested by 10 companies, but only two bids were submitted. Following the offer assessment, the contracts for both lots, worth MDL 791.3 thousand and MDL 1255.6 thousand, were awarded to the company 'Rapid Link' SRL and signed on 26.10.2018. 44.8% of the value of the contract related to Criuleni PI was covered from local sources allocated under an EU project. During the assessment of bids, new legal provisions entered into force, which reduced the value of the compulsory state social insurance premiums owed by the employer (from 23% to 18%) and changed the shares of income tax (instead of 7% and 18%, an unique share of 12% was introduced). These amendments in the legislation resulted into the decrease in the costs incurred by entrepreneurs for the completion of works included in the bid. According to the submitted data, the value of the executed contract is the same as the value of submitted bids, which indicated the share of compulsory state social insurance premiums owed by the employer of 23% instead of 18% and the share of income tax of 18% instead of 12%.

As regards the contracts awarded until the amendment of the legal framework, which were implemented after the entry into force of the new shares of income tax and of the state social insurance premiums, only in the case of one contract it was signed the additional agreement on lowering these payments in compliance with the legal amendments mentioned.

In the case of other procurements with the deadline for bid submission before the amendment of the legal framework, the contracting authority maintained the value of the contract at the level of the submitted bid, thus providing more benefits to entrepreneurs awarded with contracts as part of those procurements of works, included funded from the budget support for Police reform.

Renovation works for the building of the Police Station No 1 of Falesti PI, renovation works of the Police Station No 1 of Comrat PI, current repair works of the pretrial detention facility of Telenesti PI (second stage) (No 18/04425)

During that procedure the award documents were requested 16 times, but only 9 companies participated in the procedure and 3-5 bids were submitted for each or the 3 tendered lots.

Following the assessment of bids two contracts were awarded: for the renovation of PS No 1 of Falesti PI the contract worth MDL 1276.4 thousand was signed with 'Ighostaff Construct' SRL and for PS No 1 of Comrat PI the contract worth MDL 985.4 thousand was awarded to 'Profmarket Prim' SRL.

Both winning companies proposed deadline for completion of works that were 2.6-3.6 times shorter than the maximum term requested in the award documents (180 days), but the works were not completed even after 180 days from the contract signing.

Those contracts were signed on 4 December 2018 and were registered with the Treasury in 2019: the contract signed with 'Profmarket Prim' SRL was registered 1.5 months after signing and the contract with 'Ighostaff Construct' SRL – 12.5 months after or 11 months after the deadline for completion proposed by the bidder. Thus, the companies, by proposing the shorter completion deadline, de facto benefited informally from an extension due to delayed registration of the contracts with the Treasury.

Through the additional agreement No 1 of 29.05.2019, signed with 'Profmarket Prim' SRL, the deadline for contract completion was extended until 30.05.2019. The contract was modified following the request of the company, which invoked the impossibility to execute during the cold period of the year, according to the technological process, certain works included in the Terms of Reference as well as the non-compliance of the data from the project and Terms of Reference with the works that were to be performed de facto.

At the same time, when signing the contract, the authority accepted to change the bid by extending the term for the implementation of the contract by 20%. Note that the deadline for completion of works was one of the criteria for awarding the contract. At the same time, the bid of the company was with about MDL 50 thousand more expensive than the cheapest bid and the contract was awarded because it offered a 75-day completion deadline compared to 170 days proposed by the contender and a high score for the

quality system proposed for the completion of works – an assessment factor that lacks any methodology and the score is offered in a subjective manner by the contracting authority.

Capital repair of the roof of Anenii Noi Police Inspectorate, Anenii Noi t. (No 18/01137)

According to the initial estimates, the value of the procurement was to be MDL 1.6 million, but later it was decided to include the works for the repair of the roof of PDF of PI Anenii Noi and the estimated value increased up to MDL 3.1 million.

Following the changes made in the technical documentation, the deadline of six months initially set for completion of works was not changes. A number of 22 companies requested the documentation, but only nine submitted bids. The contract was awarded to the second bid in terms of price due to the shorter deadline for completion of works and longer warranty period proposed by the bidder. The values of the submitted bids were MDL 1.6-1.9 million (excluding VAT) of 63%-75% reported to the estimated value of the procurement. Thus, according to Article 66 of the Law No 131/2015, all the offers were abnormally cheap. According to Article 67 of the Law No 131/2015, GPI was to cancel the procurement procedure of according to Article 66 of the same law – to request the justifications of the abnormally low price in written form. At the same time, the procurement file does not contain requests to justify the price as well as arguments invoked by the bidders.

The performance bank guarantee submitted by the bidder had a validity term of 50 calendar days, which was about 10 times shorter (!) than the validity term of the contract and two times shorter than the deadline for completion of works proposed by the company. Thus, 50 days after signing, the contract was not covered any more with a performance guarantee. Moreover, the contract was registered with the Treasury 26 calendar days after signing, thus, the authority facilitated informally the extension of the deadline for completion of works by about 30%.

After 4.5 months after signing the contract or after the expiry of the deadline for completion of works set in the contract, the company established another performance guarantee through bank transfer into the account of the authority.

According to the information from the procurement file, the entrepreneur finished the works on 10.12.2018 or 5 months after signing and GPI deduced the performance guarantee worth MDL 98.1 thousand for the delay.

The procurement of renovation works for the PS continued in 2019 when procedures for new sites were organised as well as repeated procedures for lots that were not bought in 2018.

### **Findings related to procurements made in 2019**

Compared with 2018 when GPI applied as award criterion the most economic advantageous bid, with price share of 80% and criteria such as quality system in implementing the contract (10%), completion deadline (5%) and warranty period (5%), in 2019 the authority applied the lowest price as award criterion.

GPI divided the purchases of identic works in several procedures published at the same time.

When examining the award documents submitted for the procurement of repair-construction works for PS in 2019 the following were found:

- Over 50% of the Terms of Reference contain names of trade marks or local companies in the descriptions of goods that are to be delivered according to the contracts of works, which is against the Article 37 of the Law No 131/2015. In 12% of the PSs, the trade marks are related to premium class goods.
- 28% of the Terms of Reference contain goods without technical specification and only their category and quantity is specified.
- 8% of the Terms of Reference contain data about computers, household appliances, office and kitchen furniture for the endowment of those PSs. According to the contracts of works for the modernisation of PSs signed in 2019, there were delivered 17 computers and several household

appliances, chairs, tables, refrigerators, other pieces of furniture and equipment. At the same time, certain specifications lacked in the case of computers, being indicated their number. Taking into account the fact that GPI purchased computers, furniture and other equipment for the endowment of PSs, the applied approach implies dividing the procurement and non-transparent procurement of these goods, without justification. At the same time, the technical specifications of computers proposed by bidders were worse than of those procured at centralised level, but they were acceptable for PSs, having at the same time a price that is 1.8-2.4 lower than the price paid during the procurement of computers organised by GPI in 2019.

- The value of furniture, computers and other goods for the endowment of PSs included in the procurements of works, according to the submitted bids, accounted for 10%-52% of the total value of works contracts signed (!). Thus, certain procurements were, de facto, procurements of goods (computers and furniture) accounting for 50% of works. As a result, the procedure for the procurement of 'works' for the renovation of those PSs, was organised with derogation from the legal framework on public procurement, and the furniture and appliances were delivered by construction companies. Such an approach limited the competition and transparency of procurement of appliances and furniture, which were announced as procurements of works and the suppliers of furniture and appliances did not participate in that procedure. The development of project documentation was mainly aimed at identifying what furniture and appliances were needed. Later, such an approach generated additional costs for technical and architectural supervision of the delivery of computers, furniture and household goods paid from the budget support for Police reform.
- 8% of the Terms of Reference contain large territory development works or works for covering areas with asphalt concrete. Thus, certain contracts included works for lawn seeding of areas up to 500 sqm, plantation of flowers and trees while other contracts included works for covering the roads with asphalt concrete, for areas of over 500 sqm. At the same time, in some PSs they conducted only repair works of the building.

For purchases with the same object and complexity, the authority applied requirements regarding the deadline for completion of works, amount of performance guarantee, and the contract completion deadline set in the award documents was transposed in the contract in violation of Law No 131/2015. The authority did not ensure an efficient management of the procurement and contract awarding processes. The performance guarantees were not submitted on time and the requirements from the award documents were not observed, the validity term of the contract was not covered and in most cases the deadline for completion of works was also not covered; for certain contracts the value of the guarantee was lower than contractually provided for. In the case of certain procurements the award documents included contradictory provisions on the amount of performance guarantee. The authority accepted to complete certain works that were not stipulated initially in the contracts, by signing additional agreement to the contract after completing the additional works. At the same time, when awarding contracts of works related to PS renovation, the authority changed the completion deadlines and the warranty periods indicated in the winning bids. Most of the winning bids had an abnormally low price, but in some cases, the authority did not request the bidders to present justifications in this regard.

About 63% of the contracts for the repair and construction of PSs signed in 2019, were executed with delays. 25% of the signed contracts were formally concluded in quarter IV of 2020. The authority decided to apply penalties for delays only in the case 27% of non-performing companies, which delayed with 83-388 days compared to the term calculated by GPI. At the same time, 82% of the companies exempted from penalties allowed delays of 137-360 days compared to the term calculated by GPI.

Below you can the findings related to the procedures in the sequence of their organisation.

In February 2019, GPI published the procedure for the procurement of works for 5 PSs (Comrat PS2, Ialoveni PS3, Floresti PS2, Floresti PS3, Varnita PS2), with a total value of works estimated to MDL 8.7 million (including VAT).

The maximum deadline for completion of works set by the authority was 180 calendar days from the registration of the contract with the Treasury. The authority changed the award criterion by applying the

criterion 'the lowest price'. In 2018, the share of the price in the total score related to the procurements of works awarded to budget support organised by GPI accounted for 80%.

The bids were submitted by 14 participants – a bid was submitted for one of those five lots (Varnita PS2) and 5-8 bids were submitted for each of those four lots, depending on the lot: Floresti PS2 – 6 bids, Floresti PS3 – 8 bids, Ialoveni PS3 – 5 bids, Comrat PS2 – 6 bids. The lot related to Varnita PS2 was cancelled due to the lack of enough bids.

Of 14 bidders, seven submitted one bid each, 4 – 2 bids each and three submitted bids for 3-4 lots.

Later, the Marculesti Mayorality (Floresti) initiated the procurement of works for the repair of building in which is located Gloresti PS2, being contracted the company 'Atractiv Invest' SRL, which was awarded with the contract for the renovation of Floresti PS2.

The total value of contracts awarded for four out five lots amounted to MDL 5.8 million or by 46% less than the estimated cost. All the winning offers have an abnormally low price according to Article 70 of the Law No 131/2015, accounting for 61.9%-75.2% of the estimated value of the lot concerned.

The bidders submitted the justifications of the abnormally low price at the request of the procurement working group. All the winning bidders indicated as argument the decrease in the administrative costs and the benefit of the company as regards the contracts they claim. According to the justifications, virtually all the companies would hardly cover their costs under the contracts signed with GPI. Taking into account that in order to renovate the police stations most awarded contracts had an abnormally low value according to Article 70 of the Law No 131/2015, there is the risk that the services will be inappropriate and that the development of project documentation and its review will be non-compliant.

Those four contracts for the execution of works were signed in April 2019 and the completion deadline was 6 months from the contract signing and receiving the order for starting the execution. Thus, when awarding those four contracts, the authority did not observe the Article 74(5) of the Law No 131/2015 as it transposed the execution terms of the contracts differently than set in the award documents. At the same time, when signing the contract with Comrat PS2, the authority increased with two months the deadline for completion of works indicated in the winning bid, which is against the Article 74(4) of the Law No 131/2015.

According to the submitted bids, the works related to Comrat PS2 had to be finalised in August 2019, and in case of the other three contracts – in August 2019. Instead, the works at Comrat PS2 were started only in mid-August 2019. At the same time additional works were identified and in October 2019, the works related to the site were stopped until the adjustment of project documentation. Only the works related to Ialoveni PS3 were finalised in December 2019. During the completion of the contract certain works were excluded because were considered unnecessary and other works were added. The agreement additional to the contract was signed after finalising the works that were not included initially in the contract.

The works related to other three PSs were completed during 2020 and in the case of certain contracts the completion deadline exceeded 14 months or even twice the deadline indicated in the contract. The authority warned, in written form, those three entrepreneurs about the delays and about the possibility to apply the penalties provided for in the contract. The procurement file does not contain information about the application of penalties for delays in case of failure to execute the works within the prescribed period. Among the reasons of the delay invoked by one entrepreneur was the appointment only in October 2019 (deadline set for completing the works) of the technical responsible and the works that were not included in the Terms of Reference (clear-cutting the trees and demolition works to ensure the access to the building). At the same time, according to the bid submitted by the entrepreneur, he stated he visited the site. Thus, the works that were mentioned as not being included in the documentation, particularly works for clear-cutting the trees and the demolition works, were to be identified during the visit and the award documents were to be reviewed in this regard.

The bank performance guarantees for three out of four contracts were due in October-December 2019 and only the guarantee for the contract completed in 2019 was due in December 2020. Only in February 2020, the authority requested the extension of performance guarantees for contracts related to Floresti

PS2 and PS3, as well as to Comrat PS2, which expired in 2019. Two new guarantees presented in June and July 2020 are attached to the procurement file. Thus, during the first quarter of 2020, three contracts were not covered by procurement guarantees.

In May 2019, GPI published another procedure for the procurement of works for the renovation of 10 PSs (Varnita PS2 (cancelled during the previous procedure), Dubasari SP2 and PS3, Cimislia PS1, Drochia PS2 and PS5, Causeni PS3, Stefan Voda PS4, Vulcanesti PS1, Cantemir PS1) and of 3 PDFs (Soroca PI, Balti PI and Comrat PI).

The total estimated value of the procurement was MDL 33.7 million, including 10 PSs – MDL 17.3 million and 3 TDIs – MDL 16.4 million.

The deadline for completion of works was maximum 180 calendar days from the date of the registration of the contract with the State Treasury, and compared to other procedures, was the same for PSs and PDFs.

Like during the previous procedures organised in 2019, the awarding criterion was the lowest price.

The procedure was attended by 18 bidders, but only three bids were submitted for 6 out of 13 lots. Thus, for five (Dubasari PS2 and PS3, Cimislia PS1, Stefan Voda PS4, Cantemir PS1) out of six lots the procedure was cancelled due to insufficient number of accepted bids.

The total value of the contracts awarded for those eight lots amounted to MDL 18.4 million or by 28.6% less than the total estimated value of those lots. At the same time, only 62% of lots were contracted, which reveals a low efficacy of the procedure.

In August 2019, when the contract for the reconstruction of Balti PDF within 150 days was awarded, 'Profnatin' SRL had another contract signed with GPI for the renovation of Ialoveni PS2 and the completion deadlines coincided, with sites being located in different regions of the country.

Thus, when concluding the contracts, the authority changed the deadlines for completion of works and transposed them differently than set in the award documents, which is against the Article 74(5) of the Law No 131/2015.

According to the contracts signed, the entrepreneurs were to present performance guarantees in the amount of 10% of the total value of the contract. The performance guarantees indicate the validity term correlated with the deadline for contract completion calculated on the date of its signing and expired before the contract validity term.

The company 'Green Engineering' SRL, which under the procedure benefited from two contracts in the total amount of MDL 3.2 million (for the repair of Varnita PS2 and Soroca PDF), did not execute within the prescribed period the works related to Soroca TDI and in June 2020, or 10 months after signing the contract, presented a new performance guarantee worth 5% of the value of the contract, or two times smaller than the amount provided for in the contract.

As part of the contracts for the renovation of Drochia PS5 and Vulcanesti PS1, the authority, together with the entrepreneur, identified the need to exclude certain works and execute certain additional works. The value of contracts increased with 13.5% and 10.8%, respectively. Those contracts were changed after the expiry of the deadline for their completion.

In July 2019, GPI launched the repeated tender for the procurement of works for the repair and reconstruction of police stations and pretrial detention facilities under Police subdivisions.

The estimated value of this procurement amounted to MDL 16.9 million (including VAT), and the object of the procurement were repair and reconstruction works of the buildings of five PSs (Cimislia PS1 (second stage), Cantemir PS1, Stefan Voda PS4, Dubasari PS2 and PS3) and reconstruction of the Police Mission Coordination Centre, located on 10, A. Mateevici Street in Chisinau municipality. The estimated value of the lot was about MDL 9 million or 53% of the total estimated value of the procurement. The maximum deadline for completion of works related to PSs was 180 days, and for the Coordination Centre – 270 days. At the same time, the authority set a minimum warranty period for works that last 4 years.

Six companies participated in the procedure and it was found the limited participation of companies for certain lots. Three bids were submitted only for one for lot (Police Mission Coordination Centre) worth between MDL 6.1-7.2 million. For other 5 lots related to police sections, bidders submitted one bid for each (Dubasari PS3 and PS2) or two bids for each (Stefan Voda PS4 and Cimislia PS1) or none (Cantemir PS1).

Following the procedure, 4 out of 6 lots were contracted and contracts worth MDL 6.3 million were signed. Two contracts out of four, in the amount of MDL 2.9 million, were awarded to the company 'Green Engineering' SRL. The value of contracts for those four lots was with 1-17% lower than the estimated value of lots. The winning bid for the renovation of Stefan Voda PS4, which was submitted by 'Green Engineering' SRL accounts for 83.6% of the estimated value of the lot, which is abnormally low according to the Article 70 of the Law No 131/2015, but the procurement file does not contain justification of such price. Works for the reconstruction of the Police Mission Coordination Centre and reconstruction of Cantemir PS1 were not contracted. The total estimated value of those two lots that were not contracted is MDL 8.1 million. Thus, as regards the number of lots, the efficacy of the procedure was 66%. At the same time, 43% of the means allocated for the procedure were contracted.

The deadline for completion of works indicated in the contract does not meet the term specified in the award documents, which is against the Article 74(5) of the Law No 131/2015. The contract notice specifies the term correlated with the date of the registration of contracts with the Treasury, and the text of the contract – with the order to begin the completion. At the same time the performance guarantees do not cover the validity period of signed contracts as they were issue 2-3 weeks after signing the contracts, with the deadline calculated starting with the date of signing and period for the completion of works specified in those bids.

Also in July 2019, GPI published another procedure for the procurement of renovation works for PS. The procurement, estimated at MDL 14.0 million, was divided between 11 lots: 10 Pss (Soldanesti PS2, Soroca PS5, Briceni PS2, Calarasi PS3, Calarasi PS3, Vulvanesti PS2, Taraclia PS3, Ocnita PS1, Ceadar-Lunga PS3, Glodeni PS1 and Sangerei PS5) and GPI headquarters in Cahul municipality. The deadline for completion of works related to tendered lots was 30.06.2020, or two times bigger than in the case of previous procurements of works for the renovation of PSs organised in 2019. The awarding criterion was also 'the lowest price'.

As many as 18 entrepreneurs participated in the procedure, but fewer than three bids were submitted for four out of those 11 lots (Glodeni PS1, Ocnita PS1, Soldanesti PS2, GPI headquarters from Cahul municipality), not a single bid was submitted for one lot (Sangerei PS5). Thus, it was not possible to award contracts for all the concerned lots. Three more lots were cancelled due to insufficient number of accepted bids. Thus, contracts were awarded for 3 out of 11 tendered lots, which revealed a low efficacy of the procedure due to inadequate competition. The value of contracts signed for the renovation of three PSs (Soroca PS5, Briceni PS2 and Calarasi PS3) amounted to MDL 2.6 million.

At the same time, the company 'Constructiv Grup' SRL, which won the contract for the renovation of Calarasi PS3, refused to sign the contract worth MDL 486.8 million, invoking the retain of the performance guarantee for the bid. The bidder justified the refusal by invoking the long period of contract awarding. Thus, during this period, the company signed other contracts. One day before, the bidder submitted of letter justifying the abnormally low price, which reveals the company's interest for that contract. Following the receipt of the refusal, GPI decided to awards the contract to the bidder that offered the second price, 'Provladina Construct' SRL. The value of the signed contract is MDL 618.1 thousand, with MDL 131.8 thousand more than the failed contract. The contract signed with 'Provladina Construct' SRL provided for a warranty period of 48 months for works, but according to the bid the warranty period is 60 months. Thus, when modifying the bid, the authority violated the provisions of Article 74 of the Law No 131/2015.

In September 2019, GPI published the procedure for the procurement of works for the reconstruction of certain PS buildings for 3 out of 8 lots that were not contracted during procurement presented in the previous Item (Vulcanesti PS2, Taraclia PS3, Ceadar-Lunga PS3). The procurement was estimated to MDL 4.5 million (including VAT). The maximum deadline was extended by the authority until 30.11.2020.

As many as eight bidders participated in the procedure; three bids were submitted for each lot related to Taraclia PS3 and Ceadar-Lunga PS3 and two bids were submitted for the renovation of Vulcanesti PS2. Seven out of eight submitted bids had abnormally low prices.

Three contracts totalling MDL 3.5 million were awarded following bid assessment. To renovate Ceadar-Lunga PS3, the authority awarded the contract to the company who submitted the second bid in terms of price because the first bid, by MDL 78 thousand cheaper, was rejected due to non-compliance with qualification requirements.

The review of the award documents revealed contradictory requirements regarding the amount of performance guarantee in the same document. For this reason, different bidders indicated different amounts of performance guarantees – 5% and 10% of the contract value. The performance guarantees were submitted with delay, which is against the rules set in the award documents related to the procedure. The performance guarantee for the contract for the renovation of Vulcanesti PS2 was submitted 36 days after contract signing. The value of performance guarantee submitted for the contract for the renovation of Ceadar-Lunga PS3 is smaller than contractually provided for and accounts for 4.2% of its value.

Also in September 2019, GPI published a repeated procedure for the lots that were not contracted during the procedure worth MDL 14.0 million conducted in July 2019. The estimated value of the procurement was about MDL 6 million and was divided to 5 lots: Soldanesti PS2, Glodeni PS1, Sangerei PS5, Ocnita PS1 and the building located on 79, Ioan Voda cel Cumplit, Cahul t.

Thus, eight lots that were cancelled during the procedure conducted in July 2019 were divided and announced again during the two separate procedures announced in September 2019 – three lots were tendered during the first procedure and five during the second.

The deadline for completion of works was 30.10.2020, which is different from the deadline of the initial procedure and from that in the repeated procedure for the other three lots.

Nine bidders participated in the procedure. One bid was submitted for each of the two lots out of five (Glodeni PS1 and Ocnita PS1), which reveals the lack of competition. As many as 3-4 bids were submitted for other three lots.

Following the bid assessment, the authority awarded four contracts totalling MDL 3.4 million. The bid for the renovation of Ocnita PS1 was rejected by the authority due to non-compliance. Three out of four winning offers have an abnormally low price according to Article 70 of the Law No 131/2015.

The company that signed the contract for the repair of the building located on 79, Ioan Voda cel Cumplit Street, Cahul t., was founded in 2018.

According to the contracts signed on 15.10.2019, the works for the repair of 2 PSs (Soldanesti PS2 and Glodeni PS1) and of GPI building located 79, Ioan Voda cel Cumplit Street, Cahul t., to the comparable value of contracts, had to be completed within 40-120 calendar days: Soldanesti PS2 – 40 days, GPI building from Cahul t. – 90 days and Glodeni PS1 – 4 months. Thus, at least in the case of Soldanesti PS2, the contract was to be completed by the end of 2019. At the same time, as of 31.12.2019, all those three contracts were completed in proportion of 27%-43% and the contract related to Soldanesti PS2 was complete in proportion of 40%. The performance guarantee related to this contract expired on 19 November 2019. The procurement file does not contain new guarantees or amendments to the existing guarantees. The deadline for completion of works indicated in the contract does not meet the requirements specified in the award documents, which is against the Article 74(5) of the Law No 131/2015.

The performance guarantees submitted under the contracts for the renovation of Soldanesti PS2 and Sangerei PS5 had a lower value compared with the value provided for in the award documents and in those bids, and the value of the submitted guarantee was with 50% lower and 17% respectively.

The contract for the renovation of Glodeni PS1, with the deadline set for 4 months, was extended with 11% on 04.11.2020, or up to 12.5 months from signing. Thus, the company had to pay penalties in the amount of 0.1% of the volume of works that were not concluded for each day of delay, for the period between 16.02.2020-03.11.2020.

In September 2019, GPI published one more procedure for the procurement of repair/reconstruction works of Police subdivisions' buildings. The object of the procurement was the renovation of Cantemir PS1, the reconstruction of the Police Mission Coordination Centre (these two lots were not contracted under the procedure conducted by GPI in July 2019), repair of the building of North Regional Investigation Unit and PS1 of Balti PI.

The procurement was estimated to MDL 19.8 million (including VAT). The maximum deadline for completion of works was 30.11.2020 and the awarding criterion – 'the lowest price'.

A number of 12 bidders participated in the procedure for the lots related to the Police Mission Coordination Centre and North Regional Investigation Unit and PS1 of Balti PI, and two bids were submitted for the repair of PS1 Cantemir. The price of bids accounted for 73%-94% of the estimated value of lots. All the bids submitted for the reconstruction of the Police Mission Coordination Centre had abnormally low prices.

Following the bid assessment, GPI awarded three contracts totalling MDL 14.8 million:

- repair of the building of North Regional Investigation Unit and PS1 of Balti PI – contract worth MDL 7.7 million signed with 'Profnatin' SRL, which had at that time two contracts with GPI for the renovation of PS and PDF;
- reconstruction of Police Mission Coordination Centre – contract worth MDL 6.5 million signed with 'Verilar Proiect; SRL;
- repair of Cantemir PS1 – contract worth MDL 0.6 million, signed with 'Alarcon Group' SRL.

Unlike other procurements organised in 2019m GPI requested a performance guarantee of 5%, or two times less, for those contracts.

The decision to award the contract for the reconstruction of Police Mission Coordination Centre was appealed with NCSA. The authority admitted the appeal and requested the annulment of the decision for that lot. Following the bids reassessment, GPI awarded the contract to the company 'Ighostaff Construct' SRL, which submitted the third offer in terms of price, with MDL 361 thousand more expensive. The contract with 'Ighostaff Construct' SRL, worth MDL 6.9 million, was signed on 9.12.2019. The company 'Ighostaff Construct' SRL submitted the performance guarantee only on 27.04.2020, or 4.5 months after contract signing, that is, the contract was not covered with guarantee. At the same time, the delayed submission of performance guarantee was against the rules set in the award documents. According to the award documents, the bidder should establish a performance guarantee before signing the contract.

### **Findings related to procurements made in 2020**

In 2020, when procuring works for PS renovation, GPI applied a different approach in managing the procurement process compared to 2018 and 2019.

The minimum warranty period of 4 years requested in 2019 was increased up to 5 years. They introduced the minimum requirement on liquidity – minimum 10% of the bid value and the annual average turnover for the past 3 years had to account for minimum 50% of the bid value. The amount of performance guarantee was reduced to 5% of the contract value, which should be presented during its signing. At the same time, the bidders were required to have minimum 3 years of experience in conducting similar works. The authority, from the award criterion on the basis of the lowest price applied in all the procedures for works funded from the budget support in 2019, came back to the criterion for awarding contracts on the basis of 'the best price-quality ratio', applied in 2018, but with certain adjustments: share of price accounts for 80%, of warranty period – 10% and of deadline for completing the works – 10%.

At the same time, when assessing the bids and assigning the score for price and quality, the warranty period equal or higher than 5 years received the same score and all the bids received 10% for the proposed warranty period.

The review of the award documents for the procurement of works performed by the authority in 2020 revealed issues and violations of the legal framework similar to those found in 2019:

- Over 68% of the Terms of Reference contain names of trade marks or local companies in the descriptions of goods that are to be delivered according to the contracts of works, which is against the Article 37 of the Law No 131/2015. In 5% of the PSs, the trade marks are related to premium class goods (for example, Daikin air conditioning apparatus).
- 30% of the Terms of Reference contain goods without technical specification and only their category and quantity is specified, which creates risks to fraud the contract completion by delivering cheap or bad quality goods.
- 5% of the Terms of Reference contain data about computers, household appliances, office and kitchen furniture for the endowment of those PSs. According to the contracts of works for the modernisation of PSs signed in 2020, there were delivered 21 computers, household appliances, chairs, tables, refrigerators, other pieces of furniture and equipment. At the same time, certain specifications lacked in the case of computers, being indicated their number. Note that in 2020, GPI procures computers, furniture and equipment for the endowment of PSs. Thus, the applied approach implies dividing the procurement and non-transparent procurement of these goods. At the same time, the technical specifications of computers proposed by bidders were worse than of those procured at centralised level, but they were acceptable for PSs, having at the same time a price that is three times lower than the price paid during the procurement of computers organised by GPI in 2020. During the procurement of electronic equipment organised separately by GPI, requirements were imposed according to which components should be from the same producer, equipment should be of latest generation, the warranty periods should be 2-3 years and the specifications should be endorsed by the Electronic Government Agency. Thus, by applying such an approach, the authority ignored the GD No 544 of 12.11.2019. Given that the contracting authority accept them as complying with GPI requirements, we conclude that the burden for the budget when procuring IT equipment in a centralised manner, for all PSs and other subdivisions lack rationality and efficiency.
- The value of furniture, computers and other goods for the endowment of PSs included in the procurements of works, according to the winning bid, accounted for 17% of the total value of works contracts signed (!). Later, such an approach generated additional costs for technical and architectural supervision of the delivery of computers, furniture and other household goods paid from the budget support for Police reform.
- 30% of the Terms of Reference contain large territory development works or works for covering areas with asphalt concrete and renovating access roads. Thus, certain contracts included works for lawn seeding of areas up to 300 sqm, plantation of flowers and trees while other contracts included works for covering the access roads with asphalt concrete, for areas of over 300 sqm. At the same time, in some PSs they conducted only repair works of the building. Given that the funds are limited and according to GPI, they do not allow to renovate the planned number of PSs, the significant investments in the development of land of certain PSs and maintaining inappropriate working conditions in other PSs are not justified and would prove the inefficient use of public money allocated for the implementation of strategic objectives.

The strategic documents did not provide for works for the renovation of road infrastructure in the settlement. Thus, the construction and rehabilitation of access roads reveal the wrongful use of resources from the budget support.

68% of the contracts signed in 2020 for the repair-construction of PSs were completed with delays and at the same time, the authority decided to apply penalties to one single company that exceeded the deadline with 40 calendar days. Two companies that registered delays of 56-87 days and submitted the documents on the completion of works by the end of 2020 were exempted from penalties. For about 62% of the contracts that registered significant delays, in April-May 2021, GPI signed additional agreements for extending the completion deadline with 2-9.5 months and as a result, the contract completion deadline was extended by 1.3-2.6 times compared to the initial one, without applying penalties. At the same time, in

2020, inappropriate companies were selected on the basis of 'price-quality' criterion and received higher score for the proposal with reduced deadline for completion of works, which was 1.3-2 times shorter than the maximum set by the authority. Following the extensions approved by GPI, the completion deadline was extended by 1.3-2 times compared to the deadline set in the award documents.

In February 2020, GPI initiated the procurement of works for the renovation of police stations. According to the procurement file, GPI intended to procure renovation works for 22 PSs: Anenii Noi PS1, Criuleni PS1 and PS2, Edinet PS1, Hancesti PS1, PS3 and PS6, Ocnita PS1, Orhei PS1, Rascani PS1, Ungheni PS1 and PS4, Nisporeni PS2 and PS4, Cahul PS3, PS4 and PS5, Cimislia PS3, Straseni PS3, Centre PD Chisinau municipality, Balti PS5 and Buiucani PD PS4 Chisinau municipality. According to GPI, the estimated value, excluding VAT, of works related to those 22 PSs amounted to MDL 66.8 million or MDL 80.2 million with VAT and is to be the most expensive procurement for the renovation of PSs initiated by GPI under PDS. The average estimated value of works related to those 22 PSs was MDL 3.0 million excluding VAT or MDL 3.6 million with VAT per station.

For comparison, in 2019, the average value of contracted works related to PSs was about MDL 1.2 million (including VAT) per station, which is three times smaller than the average value estimated for the first procedure in 2020.

At the same time, for some PSs the estimated value of works was significantly higher. Thus, the works for 7 out of 22 PSs were estimated at MDL 4.0-4.9 million (without VAT): Hancesti PS3 – MDL 4.0 million, Nisporeni PS4 – 4.0 million, Edinet PS1 – MDL 4.1 million, Balti PS5 – 4.2 million, Nisporeni PS2 – MDL 4.4 million, Cahul PS5 – MDL 4.6 million, Rascani PS1 – MDL 4.9 million.

According to GPI, to ensure the financial profitability for the modernisation of certain buildings that are more feasible, the procurement working group decided the temporary exclusion of 4 PSs out of those 22 PSs from the procedure: Cahul PS5 (MDL 4.6 million), Nisporeni PS2 (MDL 4.4 million), Nisporeni PS4 (MDL 4.0 million), Hancesti PS3 (MDL 4.0 million).

At the same time, the sections with the estimated value of works comparable with those excluded or higher were maintained in the list. The award documents contain information about the investment costs per employee in those four PSs and these costs are estimated at MDL 309-522 thousand, which exceeds the total costs for the renovation of certain PSs. These findings explain the 2-30 fold difference between the estimated costs of the renovation of police stations repaired from the budget support as some of them imply current repairs in the amount of about MDL 0.2-0.6 million and other – investments in the amount of MDL 2-3 million.

Later, the estimated values of works were reviewed. According to the information published in Mtender, the total estimated value of the renovation of those 18 PSs was MDL 41.5 million or on average MDL 2.3 million per PS.

The review of the award documents related to those 18 PSs revealed the following:

- use of brand names, for example, they requested the brand Toshiba for air conditioning apparatus. At the same time, there were used names of local producers in the specifications of goods that were to be delivered under the contracts. For example, name of benches – 'Mobilier Novator', containers with lid for waste and bins – from 'Art Met' SRL. Thus, the authority ignored the Article 37 of the Law No 131/2015.

Although that it was planned to procure works for the renovation of 22 PSs, in February 2020, GPI, initiated two separate procedures containing nine PSs each, which were published on 18 and 19 February 2020.

The procedure published on 19 February 2020 included the following nine PSs: Anenii Noi PS1, Hancesti PS1 and PS6, Ocnita PS1, Ungheni PS1 and PS4, Cahul PS4, Centre PD PS4 Chisinau municipality, Balti PS5. According to the notice, the procurement was estimated at MDL 19.2 million (excluding VAT). At the same time, it was found that the estimated value of the works for each of those nine PSs decreased by 17%, compared with the documentation for procedure initiation.

The procedure was published in February 2020 and indicated a maximum deadline of 8 months from the registration of the contract with the State Treasury for the completion of works related to those nine PSs.

The awarding criterion of the contracts applied by the authority was based on 'the best price-quality ratio' with a share of price of 80%, warranty period – 10% and deadline for completion of works – 10%.

As many as 34 bidders participated in the procedure and between 3 and 11 bids were submitted per lot.

Over 90% of those 66 bids that were submitted, as well as the winning bids had an abnormally low price. The value of winning bids was between 41% and 75% of the estimated value of those lots. The bids submitted for 5 out of 9 lots had abnormally low prices.

The procedure was cancelled for the lot Ocnita PS1 due to non-compliance of those three bids with the award documents. To execute the works related to other eight lots, contracts were signed with seven entrepreneurs (data of signing: 16.06.2020). The total value of contracts signed following the procedure was MDL 13.5 million. The contracts provide for advance payments in the amount of 10% of the contract value. In this regard, the high liquidity requirements set by the contracting authority are not clear.

The warranty period – a factor for contract awarding, was not taken into account when scores awarded. Ignoring the fact that the warranty period proposed by the bidders varied between 5 and 15 for all the bids, regardless the warranty period offered, the working group awarded 10 points for that criterion. A bigger warranty term means additional costs for the bidder and respectively, it has impact on the bid price.

Another problem found is related to the deadline for completion of works. Being an essential factor when awarding the contract, the completion deadline was not respected by certain bidders. The contracts completion deadlines exceeded 2-4 times the initial deadline but penalties were applied only to certain companies.

The deadlines proposed for completion of works were smaller than the maximum deadline of 8 months set by the authority: works at Anenii Noi PS1 and Ungheni PS4 had to be completed within 2.5 months, works at Ungheni PS1 – within 5 months and in other five PSs – within 6 months. Thus, all the contracts, according to the bids, were to be completed at the latest in December 2020. Three out of eight signed contracts (Hancesti PS1, Balti PS5, Cahul PS4) were not completed in 2020, having a completion deadline of 6 months. The bank guarantee for the contract for the renovation of Cahul PS4 expired in December 2020, but the procurement file does not contain a letter extending the guarantee submitted by the entrepreneur. The performance guarantees were submitted after the signing of contracts, which is against provisions set in the award documents.

At the same time, the bidder that won the contract for completion of works at Hancesti PS1 and Balti PS5 proposed a contract completion deadline of 180 working days, that is, about 8.3 months. Thus, its bid had to be considered non-compliant with the requirements and rejected by the authority. However, the authority awarded the contract to the bid that did not comply with the award documents, which is against the Article 69 of the Law No 131/2015.

At the same time the deadlines for completion of works indicated in those eight signed contracts do not comply with the award documents as the deadline is correlated with the date when the order for starting the completion was received and not with the date of the registration with the State Treasury, which is against the Article 74(5) of the Law No 131/2015.

Another procedure for the procurement of works for the renovation of another nine PSs out of 18, published on 18 February 2020, covered the following PSs: Orhei PS1, Edinet PS1, Criuleni PS1, Cimislia PS3, Straseni PS3, Cahul PS3, Criuleni PS2, Rascani PS1, Buiucani PS5 of Chisinau municipality PD.

The maximum deadline for completion of works set by the authority was 8 months from the registration of the contract with the State Treasury. The qualification requirements were the same as for the other tender organised simultaneously by GPI for another nine PSs. The criterion for awarding the contracts applied by the authority was 'the best price-quality ratio' with a share of price of 80%, warranty period – 10% and deadline for completion of works – 10%.

As many as 32 bidders participated in the procedure and 70 bids were submitted for those nine tendered lots; the number of bids per lot varied between 4 and 12. At the same time, about 76% of submitted bids had an abnormally low price.

Following the assessment of submitted bids, the authority awarded five contracts totalling MDL 6.8 million, signed on 3.07.2020. The procedure was cancelled for four lots. All the winning bids had an abnormally low price. Two out of five contracts were awarded to the company 'BIOENERG CONSTRUCT' SRL, which won (against the Law No 131/2015) two contracts in another tender that was organised simultaneously. Thus, the company had to perform works within 6 calendar months in Cimislia, Criuleni, Hancesti districts and Balti municipality. In 2019, the company had six employees, including the management staff. At the same time, the bids submitted by the entrepreneur did not contain information about the volume of works performed by sub-entrepreneurs. Thus, those six employees had to complete construction works at four PSs within 6 months, which reveals the risk of undeclared subcontracting and does not comply with the submitted bid or risk that the business entity will use informal employment contracts.

'BIOENERG CONSTRUCT' SRL, the bidder that won the contract for completion of works at Cimislia PS3, proposed a contract completion deadline of 180 working days, that is, about 8.3 months. Thus, the bid had to be considered non-compliant with the requirements and rejected by the authority.

The same deadline of 180 working days was found in the bid submitted by 'BIOENERG CONSTRUCT' SRL for the renovation of Criuleni PS1, which was won by the bidder.

Another bidder, 'Profnatin' SRL, which won the contract for the renovation of Edine PS1 worth MDL 3.2 million, had contractual obligations worth MDL 19.1 of which MDL 12.6 million with GPI, when the contract was awarded. Thus, the amount of the commitments assumed by the company only in public procurement contracts exceeded about 2.5 times the annual average turnover of the company for 2017-2019. According to the official data, at the end of 2019, the company had nine employees, which reveals the lack of workforce necessary to perform the works under several contracts simultaneously.

Thus, the authority awarded the contracts to the company that submitted a bid that did not comply with the award documents, which is against the Article 69 of the Law No 131/2015. In this regard, there are issues related to the failure to observe the legal provisions when awarding the public procurement contracts by the contracting authorities, by contracting the bidders that submitted noncompliant bids or bidders that do not have enough technical and financial capacity to meet the commitment assumed through the submitted bids. Note that all the contracts signed with that business entity were not completed within the set deadline.

At the same time, when drafting those five awarded contracts, the authority did not observe the Article 74(5) of the Law No 131/2015 and the deadline indicated in the contract was correlated with the date when the order for starting the completion was received and not with the date of the registration with the State Treasury, as set in the award documents.

The performance guarantees were submitted after the signing of contracts; this way, the parties did not ensure the observance of the requirements set in the award documents. At the same time, the performance guarantees related to contracts for the repair of Cahul PS3 and Cimislia PS3 had a value that was lower than the value established in the award documents. The performance guarantee for the repair of Cahul PS3 was valid by 31.12.2020, which is two months shorter than the deadline for completion of works indicated in the contract.

The award decision on the works related to Rascani PS1 and Edinet PS1 was appealed with NCSA – two separate complaints were filed in this regard. NCSA admitted the complaints and following the examination of circumstances, ordered the cancellation of the decision for those two lots and the review of bids submitted for those lots. Following the review, GPI cancelled the procedure for the award of Rascani PS1 and Edinet PS1 invoking the lack of at least three bidders that met the established qualification requirements. At the same time, NCSA, following the examination of the award decision, did not mention in the decision the irregularities admitted by the working group when assessing the bids from the perspective of Article 69 of the Law No 131/2015.

Thus, all those 13 contracts, totalling MDL 20.3 million, signed by GPI, for the repair of 13 PSs, were awarded in violation of the Law No 131/2015: the authority admitted the non-compliant application of assessment factors established in the award documents and awarded four contracts to the bidder that submitted bids that did not comply with those lots. At the same time, in compliance with the Article 88 of the Law No 131/2015, the competent authorities should request the court to state the absolute nullity of those 13 contracts signed by GPI as part of two procurement procedures that were examined.

For those four lots that were not contracted during the above-mentioned procedure, GPI organised two separate procedures for Edinet PS1 and other three PS: Orhei PS1, Rascani PS1 and Buiucani PS5 of Chisinau PD. Another procurement procedure was organised repeatedly for Ocnita PS1, which was not contracted during the procedure for the procurement of renovation works for nine PS.

First of those three repeated procedures was published on 21.05.2020, and was aimed at procurement of works related to Orhei PS1 Rascani PS1 and Buiucani PS5 of Chisinau PD. Although the decision on the cancellation of the procedure related to the procurement of works for Rascani PS1 was appealed and the final decision was issued by GPI only on 25.06.2020, GPI included this lot in the procedure published one month before the reassessment of bids and before the issuance of the final decision regarding this lot.

The procurement was estimated at MDL 10.1 million (excluding VAT). GPI maintained the same requirements, criteria and the deadline for completion from the initial procedure.

The offers for that procedure were open on 11.06.2020. Thus, for the same lot (Rascani PS1) GPI registered several bids under two procedures.

Note that both the complainant and the company 'Profnatin' SRL which was initially awarded the contract for completion of works for Rascani PS1, were among the companies that submitted the bids for that lot during the repeated procedure; that is, at least two bidders submitted two bids each.

As many as 12 bidders participate in the procedure and a total number of 20 bids were submitted – per six bids for Rascani PS1 and Buiucani PS5 of Chisinau PD and eight for Orhei PS1. 19 of those 20 bids that were submitted for those three lots had an abnormally low price as well as the winning bids (64%-73% compared to the estimated value of the lot).

Following the assessment, three contracts worth MDL 8.1 million (including VAT) were awarded, with MLD 4.1 less than the amount estimated by the authority for the completion of those works.

Also, during the initial procedure, the procurement working group did not observe the Article 69 of the Law No 131/2015 because the assessment factors were not applied in compliance with the award documents. Regardless the warranty period proposed, all the bids obtained the maximum score of 10 points for warranty period.

According to the submitted bids, the works had to be completed within 10 weeks from the signing of contract for Buiucani PS5 of Chisinau PD, within 4 months in the case of Rascani PS1 and within 6 months in the case of Orhei PS1.

According to those three signed contracts, the completion deadline was calculated from date when the order for starting the completion was received and not with the date of the registration with the State Treasury, as set in the award documents. Thus, the authority failed to comply with Article 74(5) of Law No 131/2015 when drafting and signing those contracts.

The contracts were signed on 7.08.2020, but the award notice was published on 6.10.2020, or within 60 days, in violation of Article 30 of the Law No 131/2015.

The repeated procedure for the repair of Ocnita PS1 was published on 27.05.2020. A number of two bids were submitted during the repeated procedure, and of them were abnormally low. The bid submitted by 'Con Pro Design' SRL, worth MDL 901.1 thousand (or about 65% of the estimated value), was selected as winner. The contract was drafted by GPI in violation of Article 74(5) of the Law No 131/2015.

The repeated procedure for the repair of Edinet PS1 was published on 2 July 2020. The procedure was monitored by Public Procurement Agency and according to the monitoring report, the authority failed to

observe the Article 26 of the Law 131/2015 and used certain old standard forms. Three bidders participated in the procedure, with abnormally low bids. The contract was awarded to the company 'Caves Grup' SRL, which submitted the bid accounting for 69% of the estimated value of the lot. The contract was signed on 26.08.2020.

Regardless the warranty period proposed, all the bids obtained the maximum score of 10 points for warranty period.

Thus, when drafting the contract, GPI failed to comply with Article 74(5) of Law No 131/2015.

The contract was signed on 26.08.2020, but GPI published the notice concerning the award of the contract on 15.10.2020, in violation of Article 30 of the Law No 131/2015.

During the period between August-September 2020, GPI signed with 'Caves Grup' SRL another five contracts for completion of works totalling MDL 6.3 million, with 12-calendar month deadline for completion of works. Thus, only GPI signed with the business entity contracts that exceed by about 1.8 the average turnover of the company for 2017-2019.

In May 2020, GPI published the procedure for the procurement of works for the construction of Police Section No 1 of Nisporeni PI of GPI. This PS is not one of those 22 PSs based on which GPI initiated the procedures in 2020, following the exclusion of four PSs.

In March 2019, GPI and Nisporeni Mayorality signed a cooperation agreement on the establishment of Nisporeni Police Section. According to the agreement, GPI had to make available the project for the construction of PS premises, to establish within PSs spaces intended for non-profit organisations, to organise the procurement of works for the establishment of PS, ensure the technical supervision of works and receive the PS. The mayorality had to provide the land plot for the PS, develop the adjacent land, including create parking spaces, install traffic signs, connect the PS to water, sewerage, electricity, gas, phone and internet. At the same time, GPI and Nisporeni Mayorality had to finance 50% of the works. According to the agreement, the Mayorality had to transfer its financial contribution into GPI's account. A number of 15 jobs were planned for Nisporeni PS1.

The procurement was estimated to MDL 1990.2 thousand (excluding VAT). According to GPI estimates, the completion deadline was to be 10 months, which was indicated in the award documents. The qualification requirements for bidders and the award criteria were the same as for the procurement procedure of 2020 for the other 18 PSs.

The award documents for this procurement contains names of certain trade marks, for example, convector 'Atlantic', Daikin air conditioning apparatus, etc.), which is against the Article 37 of the Law No 131/2015.

One single bid worth MDL 1849.4 thousand (excluding VAT) was submitted until the expiry of deadline. According to the bid submitted by 'Nisprofcon' SRL, the deadline for completion of works was 7 months.

GPI cancelled the procedure in compliance with the public procurement law.

The repeated procedure was published on 30.06.2020. During the repeated procedure, 'Nisprocon' SRL was the single bidder, but its bid amounted to MDL 1983.3 thousand, with MDL 133.9 thousand more expensive than the bid submitted during the initial procedure.

On 14.08.2020, GPI decided to award the contract of 'Nisprofcon' SRL, but the contract was signed on 30.09.2020 or 46 days after the award. The performance guarantee was submitted on 1 October 2020. Although the contract indicated a completion deadline of 7 months, the performance bank guarantee was valid for 3 months and the contract was not covered with guarantee starting with 1 January 2021. The notice about the award of the contract was published on 20.11.2020 or 97 days after the award and 51 days after the parties signed the contract, in violation of Article 30 of the Law No 131/2015.

GPI failed to observe the Article 74(5) of the Law No 131/2015 when drafting and signing the procurement contract as the completion deadline is correlated with the date when the order for starting the completion was received.

During the field visits made in March 2021, Promo-LEX monitored certain aspects related to status of works and their quality. Thus, two out of 23 sites (19 PSs and 4 PDFs) the works were not completed and the protocols for receiving the completion of works for 20 sites were not presented to the team by PS employees. At the same time, visible apparent defects were found as well as the employees of PS communicated problems related to the quality of works: mold, inadequate works redone by entrepreneurs.

On 26.04.2021, when asked to present the documents for the delivery of works related to PSs and s, GPI submitted the files for 28 PSs and 10 PDFs. Thus, at that moment, officially, the works were completed and accepted for less than 50% of police sections funded from budget support, although that over 70% of the contracts for the repair and reconstruction of PSs were paid in full. In about 45% of the submitted files, the protocols on the completion of works contained the objections for entrepreneurs, but not of them contained the information about deadlines for eliminating the defects and some signed protocols did not have number or date.

### **Establishment of voice-data communication network of the Police**

Designing the communication network in TETRA standard, delivering, installing and interconnecting base stations in TETRA standard and of switching, management and interconnection equipment for the establishment of TETRA network turnkey

The procurement was initiated on 5.06.2017 through a request made by the Information Technology Service (ITC) of MIA to the procurement working group of MIA.

The objective was to establish secure joint radio communication platform in TETRA standard with 80% national coverage. The necessary infrastructure was studied by ITS. According to ITS request, the existing system was developed with equipment and technology in TETRA standard from Motorola, and the full integration and maintenance of function on the basis of equipment and technologies of other producers is impossible. In this regard, ITS requested the approval of direct negotiation with Motorola for the procurement of standard TETRA equipment, to exclude the gaps related to the incompatibilities in the system in terms of ensuring the interconnection of different equipment/technologies. According to ITS, the planned duration of the project was 3 years.

One of the arguments invoked for direct negotiation was avoiding the participation of intermediaries that offer higher prices. The working group decided to request consultative support from Public Procurement Agency (PPA) for the possibility to apply the negotiated procedure without publication that implies the direct contracting of supplier and negotiation contract with the supplier. At the same time, MIA sent a letter to the Competition Council (CC) requesting the position of the institution about the direct negotiation with the producer of the brand of necessary equipment in TETRA standard.

Both authorities (PPA and CC) did not confirm the lawfulness and opportunity of direct contracting at the same time mentioning that the contracting authority is in charge of identifying if the procurement meets the legal provisions on the application of negotiated procedure without publication (NPWP), particularly the Article 54 of the Law No 131/2015, according to which:

- a. not a single bid, not a single appropriate bid or not a single candidate was submitted as part of closed or open tender procedure as long as the initial conditions of the contract are not amended substantially;
- b. strictly necessary, on imperative grounds of urgency, following certain events unpredictable for the contracting authority concerned, the deadlines for open tenders or negotiation with preliminary publication of a contract notice cannot be observed. The situations invoked to justify the imperative urgency should not be attributable to contracting authorities. The contracting authority does not have the right to set the contract notice for a period that is longer than the period that is necessary to face the emergency situation that determined the application of negotiated procedure without prior publication of a contract notice;
- c. due to technical, creativity reasons or due to the protection of exclusive rights, one single business entity owns the necessary rights, works and services and there is no alternative.

During the meeting of 14.07.2017, the procurement working group of MIA approved the application of NPWP procedure and the invitation of the company Motorola Solutions GmbH for negotiation, in line with Article 53(1)(b) of the Law No 131/2015, which provides that the contracting authority can award procurement contracts through a negotiated procedure, after publishing a contract notice in exceptional cases, duly justified, if it is about goods, works or services the nature or risks of which do not allow to set the prior and final establishment of prices. However, the Article 53 set the method and conditions for the application of the negotiation procedure with prior publication of a contract notice.

On 17.07.2017, MIA sent to Motorola Solutions GmbH a letter and requested information about the availability to deliver the necessary equipment, ensure its installation and integration in the existing infrastructure and its optimal operation.

According to the letters sent by Motorola Solutions GmbH to MIA, TETRA is an open standard and its main goal is to define a series of open interfaces, as well as services and facilities, in a quite detailed manner, to allow the independent developers to develop infrastructure products and terminals from different suppliers that interoperate between each other.

At the same time, the company proposed a totally different approach, which imposes a technology and a solution that is different from the one identified by ITS. It was mentioned that the potential solution suppliers are Motorola and Airbus. During a joint meeting between MIA and Motorola of 9.08.2017, MIA presented the existing system and the necessary equipment identified following a feasibility study for reaching the level of coverage of 80%. At the same time, it was announced the budget available for the procurement – EUR 7 million.

Necessary equipment specified by ITS of MIA:

- portable radio terminals – 2150;
- mobile radio terminals – 735;
- fixed radio terminals – 70.

According to ITS of MIA, the project was to be implemented in three stages:

- 1) radio coverage for servicing district centres as the level of portable terminal;
- 2) radio coverage for servicing national roads at the level of mobile terminal;
- 3) radio coverage for servicing police sections within the districts at the level of mobile terminal.

Motorola mentioned the need to conduct an audit to review the feasibility study. It was agreed that the company will provide a detailed description of the required products and how this system works if the connection is made with another producer.

On 15.08.2017 the ITS presented the technical specifications for the network equipment in TETRA standard and the necessary works and services. The police radio terminals are not part of this request, being mentioned that the project budget covered by the budget support is EUR 7 million.

During the meeting of the procurement working group of the MIA, it was proposed to include in the procurement working group for TETRA the representatives of the NAC, the Court of Accounts and the Public Procurement Agency, and letters were sent to inform them. All three institutions did not accept the MIA's proposal to include their representatives in the working group, justifying the decision by the competences and attributions the legal framework in force delegated to them.

On 22.08.2017, MIA informed Motorola Solutions GmbH about the initiation of the procurement procedure "On the designing the communication network in TETRA standard, delivering, installing and interconnecting base stations in TETRA standard and of switching, management and interconnection equipment for the establishment of TETRA network turnkey" and proposed the organisation of the meeting for the analysis and negotiation of the preliminary price offer on 6.09.2017.

During the meeting, Motorola Solutions representatives confirmed the technical requirements received from the MIA, the need to update the current system with the latest version (updated software), and

mentioned the possibility, within the available budget, to achieve the objective of 90% coverage and delivery of new base stations. The MIA representatives committed to verify the possibility of applying the VAT exemption for the respective contract, which would allow the signing of the contract in the worth EUR 7 million, with 0% VAT.

According to the bid presented on 20.09.2017 by Motorola Solutions GmbH, the proposed price was EUR 8281757.61 (without VAT). At the same time, the bidder applied a discount of EUR 1150000.00, thus the final price of the bid being EUR 7131757.61 (VAT free).

The company proposed a price of EUR 55 thousand for the revision of the feasibility study and EUR 60 thousand for the training of 10 people maximum. At the same time, the number of equipment was lower than in the feasibility study.

The bidder proposed two maintenance options:

- 1) only soft intervention on the system – price 6%-7% of the equipment value;
- 2) replacement of the system hardware if necessary – 8%-9% of the equipment value.

Following the examination of the submitted bid, Motorola Solutions GmbH was requested to include additional information in the bid, as well as to include in the requirements the extension of TETRA to the Border Police Sector at Chisinau International Airport, based on a request from the General Inspectorate of Border Police.

The revised bid was presented on 9.10.2017.

According to the minutes of the procurement working group meeting of 3.11.2017, the request for the VAT exemption of the contract for TETRA was not accepted by the Ministry of Finance. Thus, the number of base stations was reduced from 82 pcs. to 66 pcs. in order to fit in the amount of EUR 7 million. At the same time, it was mentioned that the procurement of the equipment was not planned, as EUR 5 million without VAT were allocated only for TETRA, the bid was of EUR 8 million without VAT, and it was necessary EUR 11 million. It was decided to draw up a report for the Prime Minister explaining the situation and proposing the initiation of the procurement procedure.

According to the information presented in the procurement file, the amount of EUR 7 million offered within the budget support is not enough to accomplish the three stages:

- I. 33 MTS4 base stations installed – for servicing district centers at the portable terminal level;
- II. 33 MTS1 base stations installed – servicing national roads at the mobile terminal level;
- III. 16 MTS1 base stations installed – servicing the police sectors within the districts at the mobile terminal level.

Thus, in order to reduce the risk of non-realization of the project within the available budget, it was proposed the initial implementation of the first two stages of system development and the exclusion of two MTS4 base stations. In this way, the number of MTS1 base stations was reduced by 16 pcs, the number of MTS4 base stations by 2 pcs., as well as the number of radio relay connections. According to ITS, the number of radio relays proposed by Motorola Solutions GmbH (40 pcs.) was not enough to connect 82 base stations. 56 radio relay connections were required for 66 base stations. It was decided to implement the fully functional first and the second stages.

In order to implement the third stage, it was necessary to identify additional financial sources.

By its letter of 23.11.2017 to Motorola Solutions, ITS requested:

- present the updated bid in accordance with the updated requirements and of the prices for the terminals bid separately for each type of equipment;
- inform on the possibility and capacity of the company to deliver the equipment and provide the services specified in the bid by the end of 2017.

On 27.11.2017 the company presented the updated bid worth EUR 6929225.56 without VAT. According to the bid, the performance guarantee was to be 5% of the contract value. At the same time, during the contract negotiation, a guarantee of 10% of the contract value was agreed.

The contract was approved and signed on 6.12.2017, amounting to EUR 6929.2 thousand, the equivalent of MDL 141217.6 thousand, with a validity term until 31 December 2021.

According to the financial data presented by GPI, by the end of 2017, EUR 293.3 thousand or MDL 5966.4 thousand were transferred to Motorola Solutions Germany from the budget support component.

Analysis of the negotiation process is presented in Annex 3 to the report.

Analysis of the procurement of TETRA network by applying the negotiated procedure without publication found the following:

- The contracting authority failed to comply with the law in applying the negotiated procedure without publication of a contract notice for the procurement in question. According to Article 54 of Law No 131/2015, the contracting authority did not have the right to apply the negotiated procedure without publication for that procurement. Subjective conclusions about a potential saving on the price of equipment could be obtained by signing the contract directly with the producer are not a legal ground for applying this procedure and affect several principles of public procurement stated in Article 6 of Law No 131/2015, especially efficient use of public money and minimising the risks of contracting authorities, transparency of public procurement, ensuring competition in public procurement.
- The procurement was started, but it was not included in the public procurement plan. When reviewing the procurement plans published on the website of MIA and GPI, the respective procurement was not found. The document published by GPI included only procurement of telecommunication equipment worth MDL 33.7 million. At the same time, review of the procurement plan amended on 17.11.2017 did not identify the planned procurement of TETRA equipment. Thus, the authority failed to comply with Article 70 of Law No 131/2015 and the Regulation approved by GD No 1419 of 28.12.2016.
- The procurement was started and the procurement contract was signed without any budget allocated for that, which is a violation of Article 70 of Law No 131/2015 and Article 66 of Law No 181 of 25.07.2014.
- The contracting authority violated the law by signing a 4-year contract. According to Article 54 of Law No 131/2015, the contracting authority does not have the right to establish the duration of a contract longer than needed to cope with the emergency situation that resulted in the use of negotiated procedure without publication of a contract notice.
- The procurement was started, without calculating the estimated value. According to Article 3 of Law No 131/2015, the estimated value of the public procurement contract was supposed to be determined before the contract awarding procedure is started. If by awarding the public supply contract, the contracting authority wants to obtain the needed products and installation and commencement operations/works, the estimated value of this contract needs to include the estimated value of the respective operations/works.
- According to the information included in the respective procurement file, the authority made some estimates regarding the equipment price based on some contracts of Motorola equipment delivery to a contracting authority from the MIA system.

When the procurement value was estimated, the authority took into consideration only the equipment price, excluding the additional services and works. According to the calculations presented below, made based on the selected information from the signed contract with Motorola Solutions GmbH, the value share of the equipment is 71.1%-72% of the contract's total value. The remaining (2.2%) represents services and (25.7%) works. So, all the arguments invoked by the contracting authority in approving the direct contracting were economically groundless. No market study with the request for price bids from the producer and companies that deliver voice-data equipment was performed.

Moreover, according to the bid, the company offered to the price list a decrease of about 13.9 %. At the same time, the official dealers usually have a price discount for list, but the prices for the dealer's services and works are lower. The producer has to subcontract other local companies for works and services. The price includes the producer's benefit and all the management and logistics costs. Also, the procurement file does not include any information about the local team or partners that will be involved in implementing the contract.

- No efficient and effective use of public money was ensured, thereby it were not observed the provisions of Article 14 of Law No 131/2015. In the negotiation process, the authority obtained a total 'monetary advantage' of about EUR 270 thousand (EUR 202.6 thousand difference of price with the initial bid + EUR 67.3 thousand for extending the network in Airport). At the same time, the number of equipment, services and works was reduced, so as only two of those three stages provided in the specifications will be realised based on signed contract. Only the value of the equipment excluded from contract, in comparison with the initial bid (calculated by applying prices from the signed contract) is EUR 550 thousand. Applying the contract's proportions, the cost of the third stage should be EUR 700-800 thousand (excluding VAT), and the costs for the state budget – about EUR 840-960 thousand.
- The negotiations were to the detriment of the public interest and determined the inefficient use of public money. The performed calculations prove that the signed contract's value, taking into account the unit price of the initial and reviewed bids, should be lower than the signed one by EUR 47.1-159.9 thousand, constituting loss of public money after an inefficient procurement process.
- The contract presents erroneous data regarding its real value. The amount indicated in the contract of EUR 6929.2 thousand is the value without VAT, taken from the final offer agreed between the parties. At the same time, according to the information in the procurement file, as well as according to the legislation in force, the supply of goods, services and works related to this contract are taxed with a VAT of 20%. Thus, the total contract value to be paid is EUR 8315.0 thousand. Therefore, the real contract value to be paid exceeds by EUR 1385.8 thousand the amount indicated in the contract and by EUR 1315.8 thousand the amount specified in the Agreement signed with the European Union on the budget support for the Police reform.
- The procurement used the entire amount set in the agreement for the implementation of 2 out of 3 phases of the TETRA infrastructure development project, failing to reach the indicator proposed in the strategic documents. In order to reach the 80% network coverage indicator, to complete the third phase, allocations of at least EUR 700-800 thousand will be needed, as well as undetermined amounts at present for the procurement of equipment connected to the network for the employees of the GPI and the MIA.
- The contract covers the system component of the General Police Inspectorate of Border Police of MIA worth EUR 67.3 thousand (without VAT). The extension of the system for GIBP is not part of the project's objectives and should not be covered from the budget support for the Police reform.
- The performance guarantee that, according to the documentation and information indicated in the procurement file, should have constituted 10% of the contract value, at the award of the contract was reduced to 5%. The Article 70(4) of the Law No 131/2015 prohibits, at the time of the conclusion of the public procurement contract, the modification of certain elements of the winning bid.

According to the GPI and ITS reports on the implementation of this indicator, the level of coverage reached following the completion of the project exceeded the level planned at the beginning of the project.

At the same time, an important aspect regarding the implementation of the voice-data telecommunications system is the sustainability of the investment. The activity of implementing the TETRA infrastructure in 2017-2020 and the provision of equipment for the Police alone, in addition to the budget support allocations for the Police reform, requested additional budgetary allocations, distributed by GPI and ITS.

Furthermore, annual budget allocations will be required to ensure the functionality of the system created. According to the data presented by the institutions within the MIA system, for 2021, the value of the

budgetary allocations necessary for the maintenance and operation of the TETRA system is estimated at about MDL 14.9 million.

According to the information presented by GPI, the costs incurred by GPI under the contract signed with Motorola Solutions Germany GmbH amounted to MDL 163596.0 thousand, of which:

- the amount paid to Motorola Solutions Germany GmbH – MDL 135606.2 thousand (equivalent to EUR 6929.2 thousand), covered from the budget support;
- the amount of VAT paid by GPI to the budget for goods, services and works under the contract with Motorola Solutions GmbH – MDL 27244.6 thousand, covered from the GPI budget;
- customs clearance costs and brokerage services for the goods delivered by Motorola Solutions GmbH – MDL 745.2 thousand, covered from the GPI budget.

At the same time, the contract stipulates that if the transaction (contract) is subject to VAT, in accordance with the applicable tax regulations of the Republic of Moldova, the respective value is added to the purchase price. The other costs related to the contract execution are not regulated, the amount of MDL 745.2 thousand having to be covered by the supplier.

The other expenses related to the introduction of the goods into the country are not mentioned in the contract. Thus it is presumed that they are included in the price of the goods and services indicated in the contract.

In 2021, by MIA order, the tetra infrastructure, worth MDL 156.3 million, was transferred from GPI to ITS for administration and economic management.

When examining the documents regarding the execution of the contract, it was found that some documents related to this contract were drawn up and signed by a local company. According to a letter submitted by Motorola Solutions GMBH, the local company BASS System SRL was subcontracted to implement the contract in Moldova.

The procurement file and the contract do not contain any information, requests and approvals related to the participation of this local company in the execution of the contract, which was responsible for the implementation of at least 20% of the total value of the contract.

Subsequently, in 2018–2020, the company participated in the procurement as an official distributor of Motorola equipment in Moldova, benefiting from contracts for supplying the GPI with TETRA standard based communication equipment.

Summarizing the above, the procurement of the TETRA standard based communication network was a non-transparent and inefficient one, carried out with deviations from the legislation in the field of public procurement, and the costs for the system's creation and maintenance are a burden for the public budget.

#### **Procurement of telecommunication equipment in TETRA standard**

During 2016–2017, all procurements of equipment in TETRA standard were annulled. General information about the organised procedures are presented in Annex 4 to the report.

Review of the documents related to tender for the procurement of TETRA equipment found the following:

- Tender No 16/02715 was annulled by the decision of the working group after testing the delivered equipment, finding connection issues with the equipment offered by the lowest bidder, but the testing of the equipment offered by the second bidder did not find any functional deviations. However, the working group decided to annul the tender. Note that the functional equipment was of another brand than Motorola. The working group did not present any arguments for tender annulment after finding that both bids were technically compliant.
- Tender No 16/02632 was annulled because none of the bidders submitted all of the submitted documents.

- Tender No 16/03357 was annulled on 15.12.2016 by the decision of the procurement working group due to lack of funds and too short time for contract completion. At the same time, according to the legal framework, the procurement can be planned only if there are funds available or evidence of funds allocation.
- Tender No 17/01096 was started in the context of Action 4.2.9 of the Strategy, on the basis of a request from ITS. Implementation of voice-data communication network of the Police is stated in the Action Plan of the PDS and Action A.4.2 of the Matrix. The Terms of Reference with network specifications was approved in March 2017. The procurement was estimated to MDL 11.5 million (including VAT). The procurement was conducted by GPI in April 2017, but was annulled by GPI's working group.
- Tender No 17/03099 was started in August 2017 by MIA. The award documents did not contain any requirement of economic and financial capacity and experience for bidders. On 01.09.2017, on the day when the announcement was published in the PPB, the procurement working group of the MIA decided to annul the procedure due to the lack of evidence that the estimated amount was formed. At the same time, the GPI Procurement Plan included procurement of telecommunication equipment worth MDL 33.7 million.

During 2018–2020, in parallel with implementing TETRA infrastructure on the basis of the direct contract signed with Motorola Solution GmbH, GPI started and conducted five procurements of TETRA telecommunication equipment, including two procedures in 2018, a procedure in 2019 and two procedures in 2020.

In November 2018, GPI started the procedure of procuring TETRA radio terminals, with the procurement value estimated at MDL 6.6 million. As a result of this procedure, the contract worth MDL 6.5 million, was signed with BASS System SRL, being fully funded by the budget support for Police reform.

Findings related to this procedure:

- In violation of Article 47 of Law No 131/2015, the deadline established by the authority for bid preparation and submission was 17 calendar days.
- The requirements that could limit the number of participants included the requirement to submit evidence of an authorised service owned by the producer or documents confirming that such a center was contracted, compatibility of equipment with the existing TETRA infrastructure in the Republic of Moldova and that at least three employees of the beneficiary were trained in programming the delivered radio terminals.
- The requirements showed verification of compatibility of each type of terminal in terms of compatibility with the infrastructure. During the evaluation such a verification was not done, unlike the previous procurements, where other economic operators also participated. Thus, when assessing the bids the authority did not follow the steps stated in the award documents.
- As delivery-related services were requested, such as training of staff and programming the terminals, the related costs should have been presented separately in the bid.
- The contract was signed on 30.11.2018, with an execution term of 20 calendar days for equipment delivery and programming and staff training. Implementing the contract by this deadline would be possible if the equipment didn't have to be imported, with import procedures being specific for such goods, requiring additional time to get the necessary documents. The company was paid the whole amount stated in the contract.
- The company was fined with MDL 16.6 thousand for late delivery of goods. The procurement file does not contain any information on the provision of programming and training services.

In 2019, GPI conducted two procurements (initial and repeated) of TETRA radio terminals, both being annulled without awarding the contract. The estimated value of each procurement was MDL 5.8 million (VAT free).

Findings related to the procedure

The first procedure, announced in September 2019:

- If during the previous procedure the requirements for bidders included the need to submit evidence of the producer owning an authorised center of documents to confirm that such a center was contracted, the new procurement included the existence of an authorised center.
- The four types of equipment, at the decision of the working group, were included in a lot, motivating this decision by the need to ensure a single approach to equipment maintenance.
- The award documents were challenged by FORS Computers SRL, invoking that specifications are related to a certain producer.
- NCSA, after reviewing the appeal, found deviations from the legal framework on public procurement and annulled the procurement procedure.
- A bid of MDL 5.7 million was submitted as part of this procedure, with S&T Services SRL being the successor of the bidder that won the previous procedure.

The repeated procedure, announced at the end of October 2019:

Two bidders participated in the procedure, with the initial price of bids at MDL 5494.9 thousand and MDL 5706.7 thousand that, at the last stage of electronic auction, was decreased by bidders down to MDL 4761.5 thousand (MDL -733.4 thousand) and MDL 4761.8 thousand (MDL -944.9 thousand) respectively, which proves the value of trade markup on such equipment. At the same time, the unit prices stated in the initial bids (before the electronic auction) were by 7%-20% lower compared to prices for identical TETRA equipment procured in late 2018.

As a result of bids assessment, on 3.12.2019 the contract was awarded to the bidder that offered the lowest price, with the decision being challenged by NCSA.

Because of the appeal, the delivery term – 20.12.2019 – stated in the award documents could not be complied with, and NCSA, by its Decision dated 13.01.2020 requested annulment of the procurement procedure. Other challenges of the complainant than the mismatch between the deadline stated in the award documents and in the winning bid were rejected by NCSA. Thus, there is a risk that the appeal was misused in order to prevent contract awarding and make sure that the procedure is repeated, hoping to get the valuable contract.

In 2020, GPI conducted two procurement procedures for TETRA radio terminals, as a result of which two contracts, with a total value of about MDL 5.5 million, were signed and funded by the budget support for Police reform. Both contracts were awarded to S&T IT SERVICES SRL. On the basis of these contracts, equipment was procured for which two procurement procedures were organised in 2019.

The main findings:

The first procedure

- Within first organised tender in 2020, the terminals were divided in 4 lots, although in the previous procedures the authority pleaded for lot unification that will ensure the unique character of the further equipment maintenance.
- The award documents were challenged, the complaint's reason being the new requirements introduced by authority, as well as the fixed dimensions of the devices that are specific to a certain producer, the deadline of devices' presentation for testing. After the complaint, the authority adjusted the award documents.
- The companies that participated in the TETRA procurement procedures organised in 2019 submitted two bids. The prices of the bids, after the electronic auction milestone, were reduced even more (with about 3%) in comparison with those offered in 2019.

- For three out of those four lots, the contract, worth MDL 3 million, was awarded to the S&T IT SERVICES SRL company, and for one lot, the procedure was cancelled for bid nonconformity. The award decision was challenged at NCSA by the other bidder, but the authority rejected the complaint finding it groundless.

#### Repeated procedure

- The requirement to reject bids was excluded by the working group in the equipment specifications.
- As well, among the restriction requirements was the obligation of broken equipment repair or replacement within 2 days, thereby, in the guarantee period, the supplier was to have goods identical to the delivered ones and/or spare parts for all delivered positions, because the import of such equipment along with obtaining the specific authorisations within 2 days is not feasible.
- In the repeated procedure three bids were submitted, a bidder from Romania joining the local companies, who offered the lowest price.
- The first two bids by price were disqualified due to failure to present the samples for testing, the contract worth MDL 2.4 million being awarded to the S&T IT SERVICES SRL company, whose bid was MDL 288 thousand more expensive than the rejected ones.
- The award decision was challenged at NCSA, but the complaint was rejected as groundless.

The analysis of procurement prices of the TETRA equipment during the years 2018-2020, inclusively of offered prices for the cancelled procurements, proves the impact of the competitiveness within procedure. In comparison with the single participant procedure, within competitiveness procedures, the goods were proposed or contracted at a difference of up to 37%, which is not the impact of the scale effect, because the goods' quantities were comparable. At the same time, the contracting authority for identical TETRA equipment procurements applied a different approach on the lot creation, the establishment of the qualification requirements and the contract completion conditions.

#### **Strengthening the patrol, response, intervention capacities of the Police to the citizens' calls**

Procurement of services for the project documentation elaboration of the building from Chisinau municipality, Cuza-Voda street, No 17/3 (LP No 17/01502)

The procurement was initiated in April 2017, having the purpose to contract the design services of the NPI central office. The contract completion deadline – 2 calendar months, and the estimated value was MDL 950 thousand (including VAT). After the procedure, GPI and VERILARPROIECT SA signed the contract worth MDL 764.4 thousand for design services.

#### The procurement-related findings:

- Qualification requirements not proportional to the procurement object. The authority imposed only one year of experience in the field.
- The award documents were requested by five companies, but only two bids were submitted: BIM-TECH SOLUTION SRL – MDL 837.2 thousand, VERILARPROIECT SA – MDL 764.4 thousand, being lower by 12% and, respectively, by 20% than the estimated value of the procurement. Both bids were considered appropriate to the requirements and the contract was awarded to the company that offered the lowest price – MDL 764.4 thousand.
- At about 3 months after signing the contract, or 20 days later after its execution deadline expiration, VERILARPROIECT SA requested the contract term amendment, so that the term of 2 months will set off as soon as the town planning certificate is issued. In the wake of the service supplier's request examination, the working group accepted the contract's deadline extension until 1.12.2017. The contract was concluded on 18.12.2017, with the penalty application for delay of MDL 12.2 thousand.

### **Development of the integrated management system for emergency calls within the competence of the Police**

According to GPI, in 2018 the data migration from EMIS (MIA) in the Automated Information System 112 (UNSEC 112) was carried out and the working stations for the regional dispatchers were installed.

We should mention that in 2018 the acceptances related to the development contract of the business process automation system of the MIA were signed, which included the GPI call management functionalities, but the system is not used. The cost of the entire business process automation system, which was not mentioned in PDS, is MDL 10.2 million from the budget support for the Police reform, as well as another MDL 4.1 million allocated from a project funded by UE.

### **Procurement of the MIA's key-business process automation services, IT&C solutions (second milestone)**

The procurement contract of the MIA's core business process automation services, IT&C solutions (second milestone), worth MDL 14.3 million, was signed on 8.12.2016 with Bass Systems SRL for carrying out the action A3.3 'Integrated information system creation between various law enforcement bodies involved in detecting and preventing the criminalities' in the Policy Matrix on the visa liberalisation. This procurement was directed to support the following activities in the mentioned Matrix:

- A.1.1. Creating an integrated border management operational system.
- A.1.2. Ensuring a complex system of data collection and analysis regarding the stocks and flows of migration and asylum.
- A.3.1. Improving the performance in combating the organised and cross-border crime.
- A.3.2. Improving the performance in combating corruption in the law enforcement bodies.
- A.3.3. Creating an informational system integrated in various law enforcement bodies involved in detecting and preventing the criminality.
- A.3.4. Applying the intelligence-led policing concept in detecting and preventing the criminality.

The contract was awarded after the procurement procedure No 16/01930 of 26.08.2016. From the means of the visa liberalisation project in 2016, 20 days after signing the contract, MDL 4.1 million from available sources within the project was transferred to the company (!).

The respective procurement was initiated and the contract was awarded without allocations' availability in this regard for the entire volume of contracted services. Thus, the rest of the contract, worth MDL 10.2 million, did not have financial coverage. Only in August 2017, the contract was registered with the State Treasury, but funded by the budget support for the Police reform. The progress reports regarding the implementation of the Strategy do not have information on the implementation of this informational system, this fact would prove that this does not belong to planned activities within the Strategy or Policy Matrix.

At the same time, MIA failed to observe the legal framework's provisions when awarding the mentioned contract. According to Article 74 of Law No 131/2015, the public procurement contract is concluded for the integral amount ascribed to one procurement per year, on the basis of procurement plan and within the approved allocations. Or, according to item 5 from the Regulation approved by GD No 1419 of 28.12.2016, a mandatory condition for the public procurement planning is the existence of the financial sources or their allocation evidence.

### **Procurement and implementation of the MIA's monitoring and fleet management informational system**

The procedure was organised by ITS of MIA. The contract, worth MDL 1109.6 thousand, of 23.07.2018 was signed with AFN SRL. The execution deadline – 30 calendar days. On 16.10.2018, an additional agreement of increase worth MDL 83.9 thousand was signed.

The procurement-related findings:

- The bid preparation deadline – 20 calendar days.
- The award documents were offered to six companies, but only one bid was submitted.
- The signed contract was tripartite: ITS, GPI and AFN SRL.
- The value of the contract was allocated between two institutions: ITS and GPI. The ITS's amount – MDL 521.95 thousand (47%), the GPI's amount – MDL 587.65 thousand (53%). Afterwards, the GPI's amount was increased by 14.3% (!!!).
- The GPI's part covered 350 GPS devices and their installation and configuration services. Through additional agreement the number was increased by 50 pcs.
- According to the contract, ITS was to purchase 50 pcs. with installation (MDL 83.9 thousand), a monitoring solution and fleet management (MDL 396 thousand), as well as maintenance services (adaptive and perfective) – MDL 42 thousand (maintenance deadline – 31.12.2018).
- The performance guarantee value was 3%. But within all other contracts its value was 5%.
- On 16.10.2018, an additional agreement of increase worth MDL 83.9 thousand was signed. Also in October 2018, GPI initiated another GPS equipment procurement.

Another GPS procurement took place in 2018, the procedure being organised by GPI.

Estimated value of the procurement – MDL 500 thousand (excluding VAT). Two contracts were signed following the procedure:

Media Security SRL – installation and configuration services of the GPS equipment – MDL 90.7 thousand;

Arobs Track SRL – GPS equipment – MDL 425.1 thousand.

The procurement-related findings:

- According to the request, 396 vehicles were connected to the system. Also, according to the contract, at the request date, towards GPI, 350 GPS and 50 GPS were to be delivered to the ITS of MIA. Therefore, there is a risk that the delivery was made before the signing of the additional agreement of increasing to the contract.
- The request indicates the total need of 712 GPS, including 316 that have to be purchased. At the same time, the procurement was for 350 pcs. or by 34 pcs. more.
- The procurement object was divided in 2 lots: 1 – GPS equipment, 2 – installation and configuration services. From the technical and logical points of view, this is an unjustified approach in creating lots, because the services cannot be separated from goods.
- The company Arobs Track SRL was registered in 2017, so, having an activity year at the time of the procedure launching.
- The company has the same statutory office as the AFN SRL company.

We note that the same goods were purchased in those two procurements. Also, the additional agreement to the tripartite contract was signed during the procurement performance for the additional number of GPS equipment. Within the contract and tripartite amendment, the equipment was purchased at a higher price than within the tender. Thus, the price difference was MDL 164/pcs. (12%) for equipment and MDL 40/pcs. (13%) for installation. Therefore, the inefficient organisation of the procurement process, as well as the unjustified application of the direct contracting resulted in additional costs incurred from public money worth MDL 10.2 thousand.

### 5.3.5. Promote and implement zero-tolerance to corruption, discrimination and ill-treatment in Police activity

The portable video surveillance system was initiated for promoting and implementing zero-tolerance objective against corruption. The contract, worth MDL 2.3 million, assigned within the procurement procedure, was funded by the budget support for Police reform. The procurement object – portable system which included 100 video cameras with accessories and a processing and management unit.

The main procurement-related findings:

- The requirements for system, as per information in the procurement file, were developed based on feasibility study findings conducted by the expert contracted by UNDP within the ‘Support for the Police reform’ project. According to the award documents, in the supplier’s duties, aside from equipment delivery, the solution installation and configuration were included, as well as training the user. At the same time, the qualification requirements for bidders were not indicated in the award documents, only requested to present some certificates. Thereby, the qualification requirements established by authority were not proportional to the procurement object, by which were not observed the provisions from Article 17 and Article 18 of Law No 131/2015.
- The deadline of the system delivery, set in the award documents – 15.12.2019, was 30 days after the deadline for the bid submission. So, in the case of an accelerated process of bid assessment and contract award, observing the legal framework’s requirements and having no complaints, the winning bidder had a maximum of 20 calendar days for delivery and related services, mentioned above.
- Within the bid preparation and submission, the potential bidders requested from authorities to adjust the equipment specifications, that were described for a specific brand equipment. The award documents were challenged at NCSA, but the complaint was rejected as belated.
- Three bids were submitted within the procedure, their value being between MDL 1037.0 thousand and MDL 1954.0 thousand (excluding VAT), or 52%-98% reported to the estimated value of the procurement. The contract was awarded to the bidder with the lowest price, MDL 1037 thousand, without requesting clarifications related to the unusually low price, his bid being considered appropriate to all requirements. In addition, the winning bidder had less than a year from the foundation, two employees and the registered turnover for 2019 of MDL 175 thousand.
- After the award decision and informing the bidder, the working group repeatedly re-evaluated the winning bid and requested clarifications, and also cancelling the award decision in SRPP AIS, as per information in the procurement file. In this context, many risks would exist, including the inappropriate assessment of the bids.
- Within 7 days after the award decision, the working group adopts another decision, by which the first two price bids are rejected as non-compliant and the contract worth MDL 2.3 million, or by MDL 1.1 million more expensive, is awarded to the Victiana SRL company, at the same time retaining the guarantee for the participant who submitted the cheapest bid.
- The contract was signed on 9.12.2019, thus, in accordance with the award documents, the supplier had six calendar days for its completion. According to the contract, the delivery and installation of the goods was to be carried out after the contract registration with the Treasury, but not later than 15.12.2019. According to the accounting data, the contract was registered with the Treasury on 26.12.2019. Thus, there is a risk that de facto contract was not completed in accordance with the deadline, and the authority formally accepted and paid in advance in 2019 the delivered goods and services in 2020.

## 5.4. Other findings

There were procurements that at their initiation were not assigned to none of the PDS or Policy Matrix objectives.

### Services for the development of project documentation

Services for the Feasibility study development and technical documentation regarding the construction of the central office for three operative subdivisions (LP No 17/02010)

The procurement took place within the Joint Operational Program Romania – Republic of Moldova for 2014–2020. The estimated value of the procurement, mentioned in the request, is MDL 1200 thousand (excluding VAT). The deadline for the contract completion – 75 calendar days. The contract, worth about MDL 2.7 thousand, was signed with SC IGC-CONSTRUCT SRL.

The procurement-related findings:

- Qualification requirements not proportional to the procurement object. The authority requested only one year of experience in delivering similar services.
- After the publication of the contract notice, the specification amendment was approved by including the technical design services of three operative subdivisions with a deadline of 100 calendar days and increasing the estimated cost by about 40%. At the same time, the deadline for submitting the bids was unchanged.
- The tender documentation was requested by three companies, but only one bid was submitted, worth MDL 2681.7 thousand, which significantly exceeded the estimated cost. In comparison with the initial value, the cost of the services is about twice higher. Thereby, we can notice an inappropriate planning problem or a low procurement efficiency. Also, the contract was awarded in the lack of competitiveness.

Additional findings regarding the design services of the police sectors, three head offices for three operative subdivisions and pretrial detention facilities

- According to the information, those five awarded contracts in the wake of four procurement procedures were signed with three companies: SC AGH PREMIUM GRUP SRL won two contracts in total worth about MDL 1.3 million (23% of total amount), SC IGC-CONSTRUCT S.R.L. – a contract worth about MDL 2.7 million or 48% of total amount, Bim-Tech Solution SRL - two contracts in total worth MDL 1.6 million or 28% of total amount.
- Two of those two contracts, in total worth about MDL 4 million, were awarded under the tender with only one participant, being won by the companies SC IGC-CONSTRUCT SRL and Bim-Tech Solution SRL.
- As per official data, SC IGC-CONSTRUCT SRL and Bim-Tech Solution SRL have the same administrator, who, also, is the only founder of one of the companies and co-founder of the other one. So, three contracts worth about MDL 4.3 million, of which two (or 94% as value) without competitiveness, awarded within 30 calendar days, had only one beneficiary.
- Most experts proposed by SC IGC-CONSTRUCT SRL and Bim-Tech Solution SRL within those three won contracts are the same persons.
- The completion period of those three contracts implemented by SC-IGC-CONSTRUCT SRL and Bim-Tech Solution SRL overlaps; at the contracts' awarding the contracting authority did not impose requirements related to the technical economic-financial capacity, as well as there were not contracts under completion of the bidder, at least those that were awarded by GPI. This proves the presence of the flaws in developing the award documents and in assessing the bids.

Detailed information on the contracts for the design services of PS and PDF signed by GPI in 2017, are shown in Annex 5 to the report.

Services for the development of project documentation of the North regional investigation unit's central office (2019)

The estimated value of this procurement, that refers to the sub-action A3.1, was MDL 414.1 thousand. The price of those four submitted bids was 66%-94% reported to the estimated value. The contract, worth MDL 273.6 thousand was signed with the company Mihancons Grup SRL, which offered the lowest price.

Developing the project documentation and the expenditure estimates of the central office PI Rezina (2020)

The estimated value of this procurement, funded by the budget support, was MDL 375.0 thousand. After the procedure with only one participant, the contract, worth MDL 346.8 thousand, was awarded to the Mihancons Grup SRL company. According to the award documents, the contract completion deadline was 25.12.2020, this term also being indicated in the bid submitted by the winning participant. At the same time, the contract signed with the company indicates a 3-month term after the contract registration with the State Treasury, thereby, GPI accepted the amendment of the winning bid when awarding the contract, being violated the provisions of Article 74 of Law No 131/2015. The authority published the contract notice within 42 calendar days after signing the contract, so, violating the provisions of Article 30 of Law No 131/2015.

#### **Verification services of the projects for renovating 27 police stations, constructing a central office for three operative subdivisions, reconstructing 10 pretrial detention facilities**

This procurement was partially funded by the budget support. The launch of the procurement was approved on 18.10.2017, with application of the negotiated procedure without publication. The procurement estimated value was MDL 493 thousand. The contract, worth MDL 460.9 thousand, was signed on 13.11.2017, with the State Service for Verification and Expertise of Projects and Constructions (SSVEPC) with a completion deadline of 30 calendar days.

The procurement-related findings:

- As per information in the procurement file, the estimated cost for the verification service of the project documentation related to those 17 police stations, developed in the Strategy context, was about MDL 96 thousand. Also, according to the data presented by GPI, MDL 300.6 thousand or 65% of the contract's total value were paid from the budget support for this contract. The value of the design services funded by the budget support was 38.6% from their total value. Thus, the expenses for the project verification worth about MDL 123 thousand were unjustifiably funded by the budget support.
- The authority explained the direct contracting of SSVEPC referring to the para. (3) of item 116 of the Regulation regarding the public procurement using the negotiated procedure, approved through GD No 668 of 27.05.2016: for technical, creative or exclusive right protection reasons, only one economic operator has the necessary goods, works and services or only one economic operator has priority rights over them and there is no other option. Additionally, GPI invoked the obligation of the direct contracting of SSVEPC on the basis of item 5 of the Regulation on the project verification, construction execution and technical expertise of projects and constructions, approved through GD No 361 of 25.06.1996.

At the same time, according to the mentioned regulation, 'verification and expertise of project documentation for the buildings funded by the budget of the local public administration authorities, mainly performed by the State Service for Verification and Expertise of Projects and Constructions', and the obligation to contract the respective institution is not stipulated. The same regulation stipulates that only specialists certified as individuals or employees of the economic units with activities in the field of verification and expertise of project documentation for constructions, as well as of technical expertise of constructions are entitled to perform activities of verification and expertise of project documentation for constructions, as well as technical expertise of constructions, and the investors are obligated to conclude contracts only with certified individuals and legal entities for carrying out the services for verification or expertise of project documentation for constructions, and also for technical expertise of constructions.

In addition, during the years 2016–2017, the authority signed contracts for the verification and expertise of project documentation with other service suppliers. Therefore, the NPWP application for this procurement was an unjustified one from the legal and regulatory framework perspective in force.

### **The technical supervision services for construction works**

During the years 2018-2019, the technical supervision services for construction works were contracted after the procurement procedures organised by GPI. The contracts for supervision works to most PSs and PDFs were awarded to the same person, Grigore Savca, who participated in the procedure as II Savca Grogore.

A procedure in this context was conducted by GPI in 2018. The procurement estimated value of the technical supervision services for works conducted in 2018 was MDL 1320.9 thousand (excluding VAT).

#### Findings:

- Only two candidates participated in the procedure, none of them presented the proportional experience of the procurement object. For example, the winning bidder's turnover was MDL 44.4 thousand in 2017, but only the contract's quota for 2018 was MDL 288.8 thousand, being 6.5 times higher. At the same time, the candidate does not indicate in the bid other experts than the administrator, who is obligated to ensure the technical supervision of the works to the projects in the northern, central, south-eastern, southern areas, ATUG, the estimated value of the works that were to be supervised by expert was MDL 120.1 thousand.
- Only for two of 38 tendered lots (27 PSs, 10 PDFs and PI Criuleni) were submitted two bids, and for the other 36 – a bid for each.
- The bid indicated the administrator's experience in the last 3 years as technical expert within more economic units, but does not represent the bidder's experience (II Savca Grigore) in the provision of services in the field as independent supplier.
- According to the bid, the specialist was technical expert to six projects in the last three. The value of the works for which the specialist was technical expert was MDL 205.4 thousand. In addition, the information regarding the reception of the works is not indicated, this fact would assume that they are in ongoing execution. Thereby, there is the risk related to the services quality provided by the consultant in 2018–2020, who committed to ensure the quality of 44 buildings (including 38 for GPI).
- In order to identify the potential candidates for the provision of technical supervision's services, GPI requested the involvement of more GPI's subdivisions (54) (including those that are the repair/ construction works' beneficiaries).
- The contract of 18.09.2018 for technical supervision services for construction works to those 38 buildings, worth MDL 924.6 thousand, was signed with II Savca Grigore. In less than 2 months after awarding, the contract was changed through signing the additional agreement to lower the contract by MDL 369.2 thousand. As per information in the procurement file, the contract was changed due to lowering the received work volumes in the construction-reconstruction contracts.
- In those 3 months of 2018, on the basis of signed contract for technical supervision services, the budget support paid MDL 288.8 thousand and MDL 8.8 thousand paid by other project's sources (for 10 PS). Moreover, in 2019, within this contract, the budget support funded the services worth MDL 217.6 thousand as well as the other project paid MDL 40.2 thousand.
- In September 2019, following the procurement procedure, a contract for technical supervision services for construction works to 9 PSs, PDF Comrat, TDI Soroca and CCMP central office of GPI worth MDL 241.7 thousand, was signed with II Savca Grigore, completely paid by the budget support in 2020.

In February 2020, GPI organised the procurement procedure for the technical supervision services of the construction works for 18 PS, the estimated value of the procurement being MDL 527.9 thousand. Five bidders participated in the procedure. However, because of the COVID-19 pandemic, the bids

were assessed following their availability expiration. Thereby, in May 2020, GPI decided the cancel the procedure.

Taking into account the submitted bids, the awarded contracts' value for the services of those 18 PS was to be MDL 239.6 thousand and could be awarded to three bidders. The contract's value which would went to Il Savca Grigore, as per submitted bids and their classification, it should be MDL 125.4 thousand.

- On 12 November 2020, for the technical supervision services of the works related to 18 PS, GPI signed with Il Savca Grigore another contract, worth MDL 237.6 thousand, on the basis of which by the end of 2020 MDL 69.8 thousand were transferred to him. This contract was not funded by the budget support for the Police reform.

So, during 27 months, GPI signed three contracts with Il Savca Grigore for supervising works: two for 50 buildings (36 PSs, 12 PDFs, PI Criuleni and CCMP central office of GPI) worth MDL 797.1 thousand, funded in proportion of 94% by the budget support, as well as a contract worth MDL 237.6 thousand, covered by budget. The value of the budgetary means paid for the provision of services in 27 calendar months was MDL 861.5 thousand. Thus, this supplier was responsible for work quality insurance in all those 12 PDFs (excluding the repair to PDF of PD in Chisinau municipality) and to 54 PSs or over 77% of total number of the renovated PSs during the years 2018–2021, PI Criuleni and CCMP central office of GPI.

At the next procurement, organised by GPI in August 2019, for technical supervision services of the works within those 11 PSs, with an estimated value of MDL 241.1 thousand, GPI set in the award documents that the technical expert will ensure the verification of maximum 5 buildings. So, in 2018, awarding a contract for 38 buildings to one person, the authority exceeded about eight times the maximum threshold for a technical expert. Within this procedure, only one bidder participated, Octavian Olaru, who submitted the bids for four of 11 lots. According to the declarations submitted by working group's members for procurements, none of them have had work or collaboration relations with the bidder in the last three years. At the same time, as per documents from the bid submitted by Mr. Olaru, he activated during the years 2016–2019 within GPI, holding the position of head of the GPI's Administration and Construction Department in the Procurement and Logistics Service. Therefore, the working group's members were colleagues with the bidder, and two members activated within the same subdivision with the bidder. A representative who was the bidder's former subordinate was empowered to examine the bid conformity of the GPI's Administration and Construction Department. However, he did not submit the declaration of confidentiality and impartiality. Thereby, the working group's members submitted false declarations within this competition, as well as they did not immediately request his replacement in the group with another person, failing to observe the provisions of Article 79 of Law No 131/2015 and those of the approved Regulation through GD No 667 of 27.05.2016. Therewith, the candidate was not eligible to be awarded with contract in compliance with the provisions of Article 19 of Law No 131/2015 and was to be disqualified from the contract award procedure. On 11.10.2019, GPI signed with Mr. Olaru a contract for technical supervision services of the construction works within four PSs worth MDL 121.7 thousand.

Thus, within this procurement, there were more violations related to the non-declaration of conflict of interests, submission of false declarations and contract award to an ineligible bidder.

#### **Transferring the allocated means within the budget support component for the Police reform and unused by MIA and GPI of UNDP**

At the end of 2017, MIA transferred MDL 1048.0 thousand to UNDP from the budget support component for the Police reform. The transfer was made based on Agreement No 80 of 22.12.2017, signed between MIA and UNDP as contribution to the implementation of the project 'Capacity building of the Ministry of Internal Affairs of the Republic of Moldova and subordinate subdivisions for the efficient implementation of the sectorial reforms'. According to the agreement, the amount of MIA's allocations was to be MDL 5192.0 thousand and to be used for 'Capacity building services of MIA for the death rate decrease caused by drowning'. The amount of MDL 1048.0 thousand was used for the following:

- MDL 947.5 thousand – for rodent control services;
- MDL 100.5 thousand – for procurement of pool pumps.

These activities are not included in the Strategy, do not contribute to the achievement of its goals and were not reflected by GPI in the Strategy implementation reports.

At the same time, MIA did not observe the legal framework's provisions in the field of public finances and procurements when making this transfer: (i) Article 66 of Law No 181 of 25.07.2014, being made the payment in advance; (ii) Article 2 of Law No 131/2015, being avoided the public procurement procedures for the procurements of goods and services from public money. The provisions of the Law on the public procurement shall also be applied by a legal entity that is not a contracting authority when awarding a contract of public procurements of works or services, being directly funded/subsidised with over 50% by the contracting authorities.

The local public authorities organised and funded procurements of goods and works for the Police needs.

During the years 2016–2017, some level-two local public authorities made procurements for Police with funding the awarded contracts from the local budgets.

According to the information, in 2016, LPAs (Ialoveni District Council, Executive Board of Gagauzia, Hancesti District Council) signed three contracts worth MDL 866.2 thousand for procurements of police uniforms and a vehicle for Escort Service endowment of the Police Inspectorate.

In 2017, LPAs (Soroca District Council, Cantemir District Council, Hancesti District Council, Straseni District Council) signed four contracts in total worth MDL 1976.1 thousand, as well as MDL 522.6 thousand for procurements of police uniforms and MDL 1453.5 thousand for capital repairs of the central offices of two police stations.

### **Services for the development of special record software**

In August 2016, GPI organised a procurement of services for the development of special record software in order to increase the capabilities of NII's intelligence-led-policing, with an estimated value of MDL 2.9 million. The contract completion deadline: 31.12.2016. Only one bid was submitted by a group of companies: INTERGRAPH COMPUTER SERVICE SRL (Romania) and Ingeea SRL (Moldova), signing the contract worth MDL 2.6 million on 1.09.2016.

The Ingeea SRL company was registered 12 days before the bid submission deadline, having only one founder – INTERGRAPH COMPUTER SERVICE SRL and was administered by the founder's executive. All certificates and required licenses for this contract went to the newly created company until the deadline expiration of bid submission.

On 4.10.2016, GPI initiated the procurement of the system extension services, which was in the early development milestone. The Estimated value of the procurement – MDL 1.3 million. Only one bidder participated in the tender: the group INTERGRAPH COMPUTER SRL (Romania) and Ingeea SRL (Moldova), with a bid by MDL 4 thousand lower than the estimated value of the procurement. The contract was signed on 30.11.2016, having a completion deadline until 15.12.2016 (15 calendar days). Within those 15 calendar days given for the extension worth MDL 1.3 million, the supplier had to ensure the system development, testing, launch into production and user training, which is technically impossible, especially taking into account that the same group (3 of 5 persons were the same) was practically involved in the extension, being responsible for basic system development. The guarantee deadline was 3 years. The Ingeea SRL company was liquidated before this deadline expiration. Those two contracts with GPI were the only public procurement contracts of the company. By the end of 2016, the services for both contracts were accepted and paid to the company. Thus, there were certain risks that must be investigated, especially the risks related to the contract implementation milestone within this procurement.

## VI. CONCLUSIONS AND RECOMMENDATIONS

### 6.1. Conclusions

Implementing the strategic objectives through public procurement was a challenge for authorities that had to plan and make the necessary public procurements in order to achieve the established objectives, also ensuring an efficient use of the allocated budgetary resources for these goals.

Public procurement planning is a key element for ensuring an efficient use of public money and represents an element of transparent procurements, but when planning the procurements, the authorities involved in the Strategy implementation violated the law, and the planning process was inefficient. The Matrix shows some measurable objectives that should be prioritised in planning the procurements funded by budget support, but authorities decided to use the budget support for other directions, with over 50% from the budget support being paid for the procurement of voice-data communication system infrastructure and the necessary equipment, as well as vehicles for the Police.

The report's findings denote lack of sufficient institutional capacities in managing the procurement process under the Strategy. Organising the procurements funded by the budget support, including by transmitting the duties for the same procurement or objective from one institution to another or delegating the responsibilities for managing the territorial subdivisions' procurements without establishing some efficient control and monitoring mechanisms reveal the existence of problems in managing the public procurement process as a whole under the Strategy. This approach affected the effectiveness and efficiency of procurements, as well as their transparency. The internal regulations on procurements related to the Strategy, approved by MIA, were partially executed and did not ensure an efficient procurement planning and implementation. Some contracts funded by budget support were not related to the Strategy's objectives and were not mentioned in the progress reports published by authorities, thus representing budget support used contrary to destination.

At the level of the MIA subordinated institutions involved in conducting the procurements funded by budget support, there was a lack of a united approach regarding the monitoring of the procurement contracts' execution, including the frequency of the published monitoring reports. These have different names, and their content does not comply with the legal provisions. Most reports related to the years 2016-2020 were not published, and the published ones do not contain data about all awarded contracts, as well as mentions regarding the contracts funded by the budget support.

Violations of law in terms of declaring conflicts of interests and drawing up the public procurement files were found.

When formulating the qualification and selection criteria, the authorities failed to comply with the principle of proportionality using different approaches for different procurements, with restrictive requirements for some procurements, and broader requirements for others resulting in contracts awarded to unqualified companies.

Major problems were found with regards to developing specifications for works and services by establishing too narrow requirements or formulating general specifications, using trademarks and names of suppliers. At the same time, different requirements were formulated for the same category of goods involved in the same procedures or consecutive procedures, with functionalities exceeding the real needs or containing luxury elements, which increased significantly the procurement costs.

An inefficient approach was used to divide the procurement into lots, resulting in no bidders or only one bidder participating in the tender, the need to repeat the procedure or higher prices.

Most of the contracts were concluded in non-compliance with the terms for contract implementation and submission of performance guarantees, stated by the contracting authorities in the award documents for the procurement of works, goods and services. There wasn't a single and efficient approach to establishing

deadlines for contract implementation. The duration of some works contracts was 5-10 times shorter than the duration of other contracts with a comparable value and complexity.

Problems were found with the management of procurement contracts for goods, works and services, specifically their accelerated execution and payment, unjustified change of contract amount and deadlines, acceptable of goods with lower performances than stated in the contract, and selective application of remedial measures for the failure to implement the contracts by the agreed deadlines and in the agreed terms.

The authorities did not use a uniform approach to evaluate the bids for goods and works, with similar deviations used as grounds to reject the bids in some cases, and accepted in other procurement procedures. The same problems was identified with the evaluation of bids with an abnormally low price, with some contracts awarded to bidders that offered prices by 30%-48% lower than the estimated value, whereas some bids offering a price of 80%-85% of the estimated value were rejected. For some procurements the authorities did not request any justifications for the abnormally low prices.

### **General conclusions through the lenses of main criteria**

- Lawfulness

Deviations from the public procurement law were found for most of the reviewed procurements related to 2016–2020. In turn this impacted negatively the procurement outcomes, efficiency, competition etc. Aspects related to lawfulness were also stated in NCSA decisions, which resulted cancellation of some procurement procedures, and the requirements stated in some decisions were not implemented by the contracting authorities.

- Efficiency

Procurement procedures have a low efficiency. One in two procedures was repeated, increasing the duration and value of contracts, and for some contracts the allocated funds were not enough to cover the planned quantity of goods, services or works.

- Effectiveness

A series of indicators were established for the Strategy and most of them were supposed to be achieved by organising procurements. After the allocated resources were used and upon completion of Strategy implementation period significant gaps were found between the set objectives and obtained results. Many procurement procedures were cancelled for all or some of the lots due to the lack of qualified bids, and in some procurements the procured quantities were lower and did not contribute to achieving the procurement goal.

- Usefulness

Some procurements were useless, resulting in wasted funds without any impact on the achievement of Strategy goals or, overall, without bringing any benefits for the Police. The most relevant in this regard are the procurements related to ICLET, worth MDL 17.8 million, performed by MIA, GPI and ICLET during 2016–2019, which resulted in the production of some documents with a likelihood to be used close to zero. Another example is the information system for business processes automation in MIA and its subordinated institutions, worth MDL 14.1 million, which is not used and has overlapping functionalities with the system implemented by 112 Service. Other useless procurements were also found during the reviewed period, such as luxury furniture or ergonomic equipment.

- Transparency

Transparency is a key aspect of efficient and effective procurements. This important principle lacked or was implemented partially in many procurements under the Strategy. Transparency aspects were ignored at different stages of the procurement process, from planning by not publishing the procurement plans, notes of intention, to the development of award documents by formulating restrictive or discriminatory requirements, to contracting by using negotiation procedures without publishing, using low-value

procurement agreements at the limit of competitive thresholds, setting short deadlines for the preparation and submission of bids, increasing the value of the signed contracts in order to avoid new procedures, failure to publish or delayed publishing of awarding announcements and of procurement monitoring reports. Overall, more than 30% of the budget support funds were committed under contracts concluded without any public procurement procedures or as a result of non-transparent procedures. At the same time, the authorities failed to develop and publish monitoring reports on the execution of procurement contracts funded from budget support, and the published ones do not contain any reference to budget support and other relevant information requested by law.

### **Risks of fraud, corruption, conflict of interests**

This study did not aim to investigate fraud, corruption or conflict of interests. The report lists the following risk elements, found in the public procurements performed by authorities:

- Formulating the requirements for a certain product or service.
- Setting restrictive qualification and selection requirements or excluding qualification requirements for complex procurements.
- Matching of the bids with the estimated value of the procurement.
- Accelerated awarding and implementation of IT system deployment and work contracts, and making payments.
- Participation of associated companies in the same procurement procedures.
- Subcontracting services or works by a winning bidder from competitors that participated in the same public procurement procedure.
- Awarding several contracts to unqualified companies, including by direct contracting.
- Unjustified disqualification of cheaper bids.
- Discriminating some bidders in favour of others participating in the same procedure, including by unjustified disqualification of cheaper bids.
- Failure to declare conflicts of interest or submission of false declarations on lack of conflicts of interest, failure to remove from the working group members with conflicts of interests.
- Tokenistic acceptance and payment for contracted goods, services or works, the delivery or execution of which was impossible by the deadlines stated in the documentation due to the large volume, complexity and other factors. Finding contracts that legalised the deliveries made before the formal awarding of contracts.
- Participation of companies that developed terms of reference for the procurement of subsequent services.
- Involving in the development of award documents of persons from the contracting authority or other institutions, who are not members of the working group, without submitting any declarations on the lack of conflicts of interests.
- Verifying and accepting the delivery statements by one single person, without ensuring their independence and impartiality.

## 6.2. Recommendations

For MIA and subordinated institutions:

- Strengthen the institutional capacities in public procurement planning, make sure that public procurement plans and notes of intention are developed and published in accordance with the current law.
- Strengthen the capacity of procurement working groups to establish eligibility and selection criteria, award criteria, to develop terms of reference according to the core principles of public procurement stated in the law, and to apply the established criteria and requirements when evaluating the bids, to develop award documents and to divide the object of the procurement into lots.
- Develop and approve standard specifications for goods, works and services procured by the authority on a regular basis.
- Approve ceiling for the procurement prices for vehicles, IT equipment and communication equipment.
- Make sure that the market is consulted before starting the public procurement procedure, especially in case of complex procurements and document the consultations in accordance with the law.
- Make sure that all stakeholders involved in the procurement process submit declarations on the lack of any conflicts of interest, and check the accuracy of a sample of the submitted declarations by applying internal control procedures.
- Introduce the accountability of working group members for decisions taken to the detriment of the contracting authority and public interest at different stages of the procurement process (e.g. approval and initiation of useless procurements, use of award criteria and requests that generate additional costs for the institutions, inappropriate evaluation of bids, changing the bids when awarding the contract, changing the duration and amount of the sign contracts, failure to apply remedial measures).
- Introduce in clauses on accountability for inappropriate services in the contracts signed with designers and technical services suppliers.
- When signing the contracts awarded by the procurement working group, managers of contracting authorities should ensure that the draft contracts are developed in accordance with the law and with the award documents and do not change the elements of the winning bid.
- Make sure that public procurement contracts are submitted to be registered with the State Treasury within 3 working days of their signing.
- Strengthen the mechanisms for monitoring the implementation of public procurement contracts and make sure that monitoring reports are developed and published in accordance with the current law.
- Ensure transparency and objectivity of remedial measures in the public procurement process, and start enlisting bidders/entrepreneurs/suppliers/service suppliers in the List of Banned Economic Operators for the violations stated in the Regulation approved by GD No 1418 of 28.12.2016.
- Introduce controls of compliance with the public procurement law by all procurement working groups, including those set up within subdivisions, in terms of planning the procurements, awarding and implementation of public procurement contracts, and publish the procurement plans and contract implementation monitoring reports on their websites; and if the authority does not have a website - on the website of the higher hierarchical authority.
- Establish committees in charge of receiving goods, works and services and ensure their independent and impartial work.
- Ensure compliance with the legal and regulatory framework on public procurements files compilation and storing.

- Strengthen the internal controls, including by performing internal audit missions on public procurement processes, from procurement planning to use of public procurement outcomes.

For authorities in charge of public procurement monitoring, control and auditing:

- Evaluate, annually and ad-hoc, a sample of procurements made by MIA and subordinated institutions, focusing on significant procurements in terms of value and context.
- Make sure that all public procurement monitoring and control/audit reports are published, except for the text that falls within the scope of the law on state secret, trade secret and personal data protection.

For the Government and Parliament of the Republic of Moldova:

- Update the articles from the Contraventional Code and Criminal Code that regulate public procurement violations in order to state the authorities with sanctioning powers, in line with the amendments made to the public procurement law and to the legal framework as a result of public administration reform.
- Develop and approve a mechanism to enforce the sanctions stated in the Contraventional Code for the violation of public procurement law.

For authorities in charge of capacity building in public procurement:

- Immediately after adopting the essential amendments to the legal framework on public procurement, make sure that trainings are provided to contracting authorities or information about the latest changes is published on their websites, ensuring thus a correct, objective and uniform interpretation of the legal framework on public procurement of goods, works and services.

For the National Complaint Settlement Agency, competent bodies:

- Monitor the implementation by contracting authorities of the remedial measures stated in NCSA decisions.
- In cooperation with the Ministry of Finance and Public Procurement Agency, develop a mechanism that would not allow signing and executing public procurement contracts concluded in non-compliance with NCSA decisions.

For civil society organisations:

- Ensure an efficient civic monitoring of public procurement, in particular the procurements of major public interest, by using the right stated in Article 14 of Law No 131/2015 and Regulation approved by GD No 10 of 20.01.2021 and delegating own representatives with experience in public procurements and/or advanced knowledge of these procedures as members in procurement working groups, contributing thus to compliance with the core public procurement principles.

## ANNEXES

Annex 1. Information regarding the connection between the means of transport procurements and the objectives of the Strategy and Matrix

Procurement procedure	Procedure description	Objective/action of the PDS and Matrix description
17/01333 of 26.05.2017	Car procurement according to the needs of the MIA and its subordinated subdivisions	<p>Objective 2: 'Equitable, efficient and effective implementation of human rights law in the Police activity', the action 2.1.3: 'Improvement of transportation conditions of the apprehended/arrested individuals during the prosecution process' of the Action Plan of PDS, as well as specific objective A.2.1: 'Reduction of mistreatment, abuse, discrimination against individuals in the Police custody' from the Matrix.</p> <p>Objective 4: 'Creation of a modern police service, in compliance with the EU and international best standards and practices', the action A4.1: 'Implementation of community police concept in the GPI structures' of the Plan of PDS, as well as the specific objective A4.1: 'Implementation of community police concept by improving the physical and informational access to the qualitative and equal services of the Police throughout the country' from the Matrix.</p> <p>Objective 4: 'Creation of a modern police service, in compliance with the EU and international best standards and practices', the action 4.3: 'Strengthening of patrol, response and intervention capacities of the Police to the citizens' calls' of the Action Plan of PDS, as well as the specific objectives A4.1: 'Implementation community police concept by improving the physical and informational access to the qualitative and equal services of the Police throughout the country' and A4.3: 'Improvement of rapid response of the Police intervention teams to the emergency calls' from the Matrix.</p>
17/01588 of 16.06.2017	Procurement of means of transport according to the needs of the MIA and its subordinated subdivisions	Objective 4, action 4.3: 'Strengthening of patrol, response and intervention capacities of the Police to the citizens' calls' of the Plan regarding the PDS implementation, as wells as the specific objectives A4.1: 'Implementation community police concept by improving the physical and informational access to the qualitative and equal services of the Police throughout the country' and A4.3: 'Improvement of rapid response of the Police intervention teams to the emergency calls' from the Matrix.

Procurement procedure	Procedure description	Objective/action of the PDS and Matrix description
17/02851 of 12.09.2017	Procurement of cars	A.1.3: 'Improvement of initial and continuous preparation capacities, focusing on human rights, modern management and anticorruption techniques' from the Matrix.
		Objective 1: 'Increase of mobility of the teams for preventing and combating road accidents', the action 1.5: 'Strengthening of Police capacities in the road safety field' (PDS): - subaction 1.5.1: 'Develop the capacities for preventing road accidents'; - subaction 1.5.5: 'Increase of mobility of the teams for preventing and combating road accidents'.
		Objective 2: 'Equitable, efficient and effective implementation of human rights law in the Police activity', the action 2.3.1: 'Improvement of transportation conditions of the apprehended/arrested individuals in the prosecution process' (PDS) and the specific objective A.2.1: 'Reduction of mistreatment, abuse and discrimination against individuals in the Police custody' (budget support agreement).
		Objective 3: 'Strengthen the capacity to fight organised crime, trafficking in human beings, cybercrime, violence, including gender-based offences, drugs and arms smuggling, currency counterfeiting and money laundering', the action 3.1.7: 'Improvement of response capacities of the Special Forces Police Brigade "Fulger" in combating the organised crime form, terrorism and extremism, according to the specific competences' (PDS), the specific objective A.3: 'Strengthening of Police capacities to fight against organised and cross-border crimes' from the Matrix.
		A.3: 'Strengthening of Police capacities to fight against organised and cross-border crimes'. A.3.1: 'Development of capacities to fight against organised and cross-border crimes, inclusively by increasing on-site research capacities' from the Matrix.
17/04099 of 15.12.2017	Procurement of cars	Objective 4. Action 4.3: 'Strengthening of patrol, response and intervention capacities of the Police to the citizens' calls' of the Plan regarding the PDS implementation, as well as the specific objectives A4.1: 'Implementation community police concept by improving the physical and informational access to the qualitative and equal services of the Police throughout the country' and A4.3: 'Improvement of rapid response of the Police intervention teams to the emergency calls' from the Matrix .
		Other unrealised objectives, proposed within the procurement No 17/02851 of 12.09.2017.

Source: Selected data from procurement files

Annex 2. Information regarding the organised procedures and awarded contracts for the procurements of means of transport, MDL thousand

No of procedure	Authority that organised the procedure	Description of goods	Signed contracts								
			authority	value	funded by the budget support	agreements of increase	reduction/ termination	executed amount	executed by the budget support	supplier	
17/02851	MIA	3 vehicles, including: 2 cars for NII and 1 minivan	MIA	1355.2	1066.4	1066.4			1355.2	1066.4	Continent SRL
17/02851	MIA	2 minivans for GPI	MIA	706.7	706.7	706.7			706.7	706.7	DAAC-AUTOSPORT SRL
17/02851	MIA	95 (+8 on the basis of agreement of increase), including: administrative vehicles for the territorial subdivisions – 46 (+1 on the basis of agreement of increase), off-road vehicles for GPI – 47 (+7 on the basis of agreement of increase), 2 off-road vehicles for PMU	MIA	23781.2	23781.2	2280.1			26061.3	26061.3	DAAC-AUTOSPORT SRL
17/02851	MIA	3 means of passenger transport	MIA	2441.2	2441.2				2441.2	2441.2	ORHEI-LADA-SERVICE SRL
17/02851	MIA	25 (+1 on the basis of agreement of increase), including: vehicles for the increase of mobility of the teams for combating road accidents – 10 (+1 on the basis of agreement of increase), cars for NII type I – 3, cars for NII type II – 3, cars for GPI's subdivisions – 4, administrative vehicles type III for GPI – 3, administrative vehicle type II for GPI – 1, administrative vehicle type I for GPI – 1	GPI	9505.6	9505.6	339.3			9844.9	9844.9	DAAC-AUTO SRL
17/02851	MIA	15, including: 14 forensic laboratories and a minibus	GPI	6983.2	6983.2				6983.2	6983.2	GBS SRL

No of procedure	Authority that organised the procedure	Description of goods	Signed contracts								
			authority	value	funded by the budget support	agreements of increase	reduction/ termination agreements	executed amount	executed by the budget support	supplier	
17/02851	MIA	10 motorbikes	GPI	4107.2	4107.2			4107.2	0	0	AUTOSPACE SRL
17/02851	MIA	12, including: 10 vehicles for transporting inmates (2 type I and 8 type II) and 2 means of transport for the road accident service	GPI	7674.8	7674.8				7674.8	7674.8	DAAC-AUTO SRL
17/01333	MIA	10 van vehicles for transporting inmates and their retrofit, including 1 pc. with extra long base and 9 pcs. with long base	GPI	7476.1	7476.1				7476.1	7476.1	DAAC-AUTO SRL
17/01333	MIA	93 vehicles (+2 operational on the basis of agreement of increase), including: operational vehicle – 13, off-road operational vehicle – 11, operational vehicle for the police station – 69 (+2 on the basis of agreement of increase)	GPI	20309	20309	355			20664	20664	DAAC-AUTOSPORT SRL
17/01588	MIA	25 vehicles for operational groups	GPI	7168.2	7168.2	860.2	8028.4		0	0	EAST-AUTO-LADA SRL
17/04099	MIA	7 administrative vehicles for NII	GPI	2839.8	2839.8				2839.8	2839.8	Continent SRL
<b>Total</b>		<b>276 pcs.</b>	<b>X</b>	<b>94348.2</b>	<b>94059.4</b>	<b>3834.6</b>	<b>12135.6</b>	<b>86047.2</b>	<b>85758.4</b>	<b>X</b>	

Source: Selected data regarding the awarded contracts, the procurement files and information presented by GPI and MIA

Annex 3. Analysis of bids and results negotiated with Motorola Solutions GmbH

Description	Initial bid		Reviewed bid		Final bid/contract			Contract recalculation		Contract difference with:	
	amount, EUR thousand	Details	amount, EUR thousand	Details	amount, EUR thousand	%	Details	Amount at the initial bid prices, EUR thousand	Amount at the reviewed bid prices, EUR thousand	recalculation at initial prices, EUR thousand	recalculation at reviewed prices, EUR thousand
<b>Equipment</b>	8166.8	By 40% more Outdoor base stations and by over 20% more antennas and accessories than the final bid	4985.5	Quantities as per initial bid	4927.5	71.1	Reduced quantities, excluding one position	7678.9	4865.5	-2751.4	62
<b>Services</b>	115	Cheaper training than in the final bid	102.7	More expensive training, but lower project costs	102.7	1.5		115	102.7	-12.3	0
<b>Works</b>	0	Included in the equipment price	1795.6		1782.8	25.7		0	1797.7	1782.8	-14.9
<b>Additional services</b>	0	Included in the equipment price	22.3		22.3	0.3		0	22.3	22.3	0
<b>Airport coverage</b>	0	Not provided	67.3		67.3	1.0		67.3	67.3	0	0
<b>Delivery</b>	0	Included in the equipment price	26.6		26.6	0.4		0	26.6	26.6	0
<b>Total</b>	<b>8281.8</b>		<b>7000.0</b>		<b>6929.2</b>	<b>100</b>		<b>7861.2</b>	<b>6882.1</b>	<b>-932</b>	<b>47.1</b>
<b>Reduction</b>	1150.0	About 13.89%	0	Included in price	0	0	Included in price	1091.9	0	-1091.9	0
<b>Total value</b>	<b>7131.8</b>		<b>7000.0</b>		<b>6929.2</b>	<b>100</b>		<b>6769.3</b>	<b>6882.1</b>	<b>159.9</b>	<b>47.1</b>

Source: Source: data selected from the procurement file

Annex 4. Procurement Procedures for radiocommunication equipment in TETRA standard organised by GPI and MIA during the years 2016–2017

No of procedure	Description	Authority	Publication date	Date of bid presentation	Status	Bidders	Details	Delivery deadline
17/03099	Radiocommunication equipment in TETRA standard	MIA	1.09.2017	22.09.2017	Cancelled	n/a	Portable radiocommunication terminals in TETRA system – 180 pcs., mobile radiocommunication terminals in TETRA system – 103 pcs., TETRA camouflage portable radio terminals (discreet) – 10 pcs., spare battery with extended capacity for portable radiocommunication terminals in TETRA system – 180 pcs., multiple charger with 6 pockets for portable terminals – 30 pcs., TETRA camouflage portable radio terminals (discreet) – 26 pcs.	30 days after signing the contract
17/01096	Radiocommunication equipment in TETRA standard	GPI	7.04.2017	28.04.2017	Cancelled	n/a	Handsfree audio kit with transparent tube – 18 pcs., wireless handsfree kit – 8 pcs., portable radiocommunication terminals in TETRA system – 180 pcs., mobile radiocommunication terminals in TETRA system – 103 pcs., TETRA camouflage portable radio terminals (discreet) – 10 pcs., spare battery with extended capacity for portable radiocommunication terminals in TETRA system – 180 pcs., multiple charger with 6 pockets for portable terminals – 30 pcs., TETRA camouflage portable radio terminals (discreet) – 26 pcs.	60 calendar days after registering the contract with the PPA

No of procedure	Description	Authority	Publication date	Date of bid presentation	Status	Bidders	Details	Delivery deadline
16/02715	Radiocommunication equipment in TETRA standard	MIA	14.10.2016	4.11.2016	Cancelled	Mobilis SRL – MDL 1190.0 thousand, Telsec SRL – MDL 1858.6 thousand	Portable terminals – 80 pcs., multiple loading unit – 7 pcs. Estimated value of the procurement – MDL 1.9 million	30 calendar days after registering the contracts with the Public Procurement Agency
16/02632	Radiocommunication equipment in TETRA standard	GPI	07.10.2016	28.10.2016	Cancelled	Centre dor Radiocommunication Services SRL – MDL 2131.7 thousand, Labromed Laborator SRL – MDL 96.6 thousand, SC Mobilis SRL – MDL 1447.0 thousand, Telsec SRL – MDL 1746.4 thousand	Portable terminals – 50 pcs., multiple loading unit – 6 pcs., mobile radio terminals – 15 pcs.	30 calendar days after registering the contract with the PPA (not later than 15 December 2016)
16/03357	Necessary equipment and MTS4 base station components	MIA	25.11.2016	12.12.2016	Cancelled	CSR SRL – MDL 835.4 thousand	Control mode – 1, radio mode – 2, power source – 2, ventilation mode – 3 , module connect elements – 1, parameter configuration and alignment – 1 Estimated value – MDL 1050.0 thousand	30 calendar days

Annex 5. Information regarding the contracts for design services of PS and PDF signed by GPI in 2017

No	Procurement description	PDS	Service provider	Value contract, thousand MDL	%	Contract date	Completion deadline
1	Development of project documentation and expenditure estimates for the renovation of 10 police stations	No	SC AGH Premium Grup SRL	725.2	13.1	23.08.2017	60 days
2	Services for the development of Feasibility study and technical documentation regarding the construction of office for 3 operative subdivisions	No	SC IGC-CONSTRUCT SRL	2681.7	48.3	31.07.2017	100 days
3	Services for the development of project documentation for 20 offices of police stations of territorial police inspectorates (12 stations)	Yes	SC AGH Premium Grup SRL	567.1	10.2	30.05.2017	2 months
4	Services for the development of project documentation for 20 offices of police stations of territorial police inspectorates (5 stations)	Yes	Bim-Tech Solution SRL	255.6	4.6	12.06.2017	2 months
5	Services for the development of project documentation and expenditure estimates for the pretrial detention facilities of Police subdivisions	Yes	Bim-Tech Solution SRL	1322.6	23.8	30.06.2017	2 months
	<b>Total</b>	<b>X</b>	<b>X</b>	<b>5552.2</b>	<b>100.0</b>	<b>X</b>	<b>X</b>



**Promo - LEX**



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