

Transparent Public Procurement Rating

Sector Assessment Questionnaire

ROADS SECTOR IN ALBANIA (2018) (CPV - 45233000)

Quantitative Questions

- Amount of public funds spent in target sector in 2018.

Road Infrastructure Expenditures, according to the State Treasury, registered payments from 1 January to 31 December 2017 are 18 454 893 906 Albanian Leke or around 137,569,093.6 Eu

http://spending.data.al/sg/treasury/list/year/2015/pay_cat/2313100/from_date_req/2017-01-01/to_date_req/2017-12-31

- Breakdown of procurement spending in the target sector by source of funding.

We do not have detailed information on this.

- Share of procurement in target sector in the total volume of procurement in 2018.

We do not have detailed information on this.

- Target sector share in GDP of the country.

For 2017 the GDP was 1,551,281.3263104 million euro. The target sector share in GDP was around 12%.

- Ratio of direct procurement to tender (competitive procedures) in target sector in 2018.

We do not have detailed information on this.

- Share of contracts in the target sector that are won by state-owned enterprises.

There is no contract won by Albanian State-Owned Enterprises.

- Average number of bidders in target sector.

We do not have detailed information on this.

- Percentage of failed tenders in the total number of procurements in target sector.

We do not have detailed information on this.

- Top 5 contracting authorities in the target sector and their primary contractors (top 3 for each) – highlight any suspicious trends – for example : recurrent tender participants on same tenders, unusually high share of one or two companies winning most contracts, winners of direct contracts etc.

We cannot verify for this sector

- Top 5 winning economic operators in the target sector and the share of total contracts won by them.

We do not have detailed information on this.

Narrative Questions

- Do any unreasonable legal exemptions apply to the target sector?

No there is no exemptions.

The Albanian Development Fund (ADF) is organized and functions according to the Law no. 10130, dated 11.05.2009. The Albanian Development Fund adheres to the law of public procurement procedures in Albania. ADF exercises its activity in accordance with the provisions of this law, the statute, the manual of the procedures, as well as the conditions set out in the financing and project implementation agreements.

However, for grants and credits received from foreign bodies, a different procurement procedure may be developed by ADF, in accordance with the modalities established by the institution that is financing the project (s).

- Does access to procurement documentation meet the requirements of the national legislation?

Yes, it does.

- How do the above data points compare to the country's overall results indicated in the TPPR Questionnaire on PP Performance.

n/a

- Have there been any prominent cases that illustrate existing challenges (inefficiency, corruption or other forms of misspending) in recent years?

From the audits, High State Audit (Annual Report 2017) have concluded that there is negligence in managing the planned funds for investments, whose implementation during the years continues by not attracting the right attention. It is easily verifiable that both in planning and implementing there is a shift of investments in the last quarter of the year, reaching the peak in December. About 34% of domestic financing investments (or 14,713 million ALL) were conducted during the month of December. Meanwhile, the capital expenditures (investments) with foreign funding (loans and grants) were realized at 72%.

The use of year's funds to pay for unrealized investments of previous periods (going up to 2011), by the end of 2016, reveals that new overdue liabilities were created in the amount of 1,804 million ALL. Among the most problematic institutions acting this way are: the Albanian Road Authority, which in 107 cases, in the amount of 1,214 million ALL, in the road construction investment accounts has included the payment of investment bills belonging to the past years. For 2016, in 56 cases at the Albanian Road Authority, in the amount of ALL 1,912 million ALL, High State Audit founded invoices with variance of days from the invoice date on the date of payment from 32 days to 326 days, reflecting the timely failure of invoices and failure of the measures taken by the General Directorate of Treasury to discipline this process.

High State Audit audited the procedures related to the "Road Transport" program for 2016, at the amount of 8,946,365 thousand ALL, which constitute the main weight of the capital expenditures in the State budget. It concluded that there is not a careful strategy of programming expenses under this heading as long as there are considerable differences from the initial plan, with additions during the year. The investment under this item through foreign financing is 4,716,731 thousand ALL, i.e. 50% of the funds spent from the state budget. What is important to mention and reflects a poor job in administering allocated funds for infrastructure are the unpaid obligations at the end of 2016 amounting to 2,366,479 thousand ALL or 30% of the budget funds allocated to this year.

During the audited period 2016 there were conducted 110 procurement procedures foreseen at 12.8 million ALL and performed at 12 million ALL with a discount from the limit fund at 777.8 million ALL or 6% of the procured limit fund. There have been conducted 16 procedures "Negotiation without announcement" with a limit fund of 2,921 million ALL in which the effects of the competition is not assured being considered as additions to the contract within the limits established by law.

From the audit, High State Audit ascertained that a total of 83 contracts with "Routine and winter road maintenance" for 3796 km have been concluded, from the verification carried out on the items of works presented in the maintenance of the road axes, some of the main items are immeasurable, since their unit of measurement (work volumes) is defined by the "month" unit rather than the volume of works in cubic meters (m3), square meters (m2) or linear meters. This measurement does not really reflect the volume of work performed but leads to unfairly benefits by the contracting companies, for the fact that the total value of these contracts is considerable in the amount of 4,200 million ALL. The specific weight of these items was about 25% of the contracted value.

- Is there any indication that suppliers fail to fulfill contractual obligations? Any prominent cases in recent years?

There has been no prominent case in the recent years. Regarding the standard of fulfillment of contractual obligations see for details the answer of previous question.