

Transparent Public Procurement Rating

Sector Assessment Questionnaire

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

Quantitative Questions

Amount of public funds spent in target sector in 2018. (only tenders worth more than 180 thousand euros each for state institutions and over 5.5 million for state companies)

39,2 mil euros in 55 tenders

Breakdown of procurement spending in the target sector by source of funding (i.e. state budget, EU, donor funds, etc.).

13,5 mil EU-funded, the rest national and local public budgets

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

Data is unavailable.

Target sector share in GDP of the country.

Data is unavailable.

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

0

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

0

Average number of bidders in target sector.

6,5

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

N/A

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.

Information is unavailable.

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

Information is unavailable.

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

N/A

Narrative Questions

1. Do any unreasonable legal exemptions apply to the road construction sector?

None

2. Does access to procurement documentation in the road construction sector meet the requirements of the national legislation?

Yes

3. In recent years, have there been any prominent cases that illustrate existing challenges (inefficiency, corruption or other forms of misspending) in the road construction sector?

Yes, dividing the building lots to below threshold with desired contractors winning. Also, a wave of many tenders announced in the same time meant competition was limited in many of them, and prices relatively high

4. Is there any indication that suppliers fail to fulfill contractual obligations in the road construction sector? Any prominent cases in recent years?

In a recent big case an Italian supplier Salini Impregilo failed to deliver on time opening of a highway tunnel worth 400 mil euros and the government road company cancelled its contract recently

See <https://ekonomika.sme.sk/c/22068726/visnove-dostalo-novy-termin-nemusi-byt-realny.html>

Conclusion

What are the major strengths and weaknesses of public procurement in the road construction sector? (minimum of 2 each; personal deliberation of the author)

Highway construction has been politicized with politicians promising unrealistic deadlines yet not always being able to have bureaucrats prepare the technical side of projects. Also, for many years the largest construction company (Vahostav) was owned by an oligarch close to politicians, which created widespread suspicions whether contracts were given in a fair competition. Also, cartels have been present on some tenders in the past.

As for the strengths, there are both local and foreign players in the market and big projects can attract 4-6 bidders. Also, generous EU-funding is available.

Recommendations of the author

There is no need to change procurement rules for this sector. The key problem that the state companies who manage the procurement are run by political nominees who lack professionalism and long-term stability.