

BACKGROUND NOTE **on the problems identified in the public works procurement process**

Public works procurements are some of the most complex procurement procedures carried out. In 2022, the total number of contracts concluded by contracting authorities as a result of all public procurement procedures amounted to 18 096 and the total value of contracts amounted to MDL 13 682 388 035.72, according to the Report on the activity in the field of public procurement conducted in the period of 2022 of the ^{PAA}.¹ In comparison, in the similar period of 2021, there was an increase of 62.01% in the total value contracted by contracting authorities.

According to the data of the same report, the distribution of public procurement by type of the object of procurement (goods/services/works) contracted by contracting authorities in 2022 is as follows:

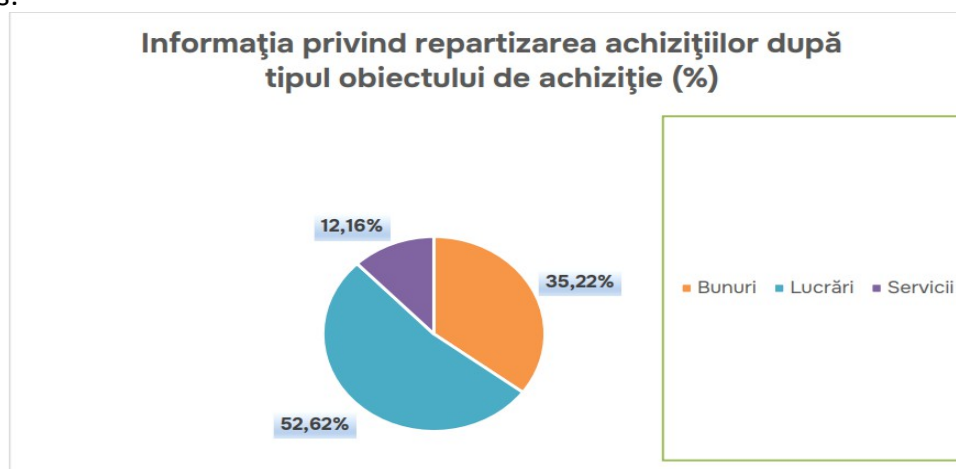


Figure 1. Information on the distribution of purchases by type of object of purchase

Informația privind repartizarea achizițiilor după tipul obiectului de achiziție (MDL)

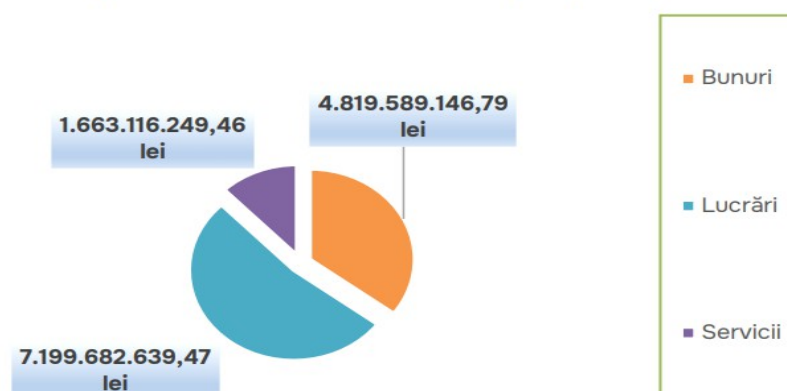


Figure no. 2 Information on the distribution of purchases by type of object of purchase (MDL)
In the case of procurement of works, 3 189 contracts were reported, with an estimated value of 7 199 682 639.47 lei.

¹[report_aap_2022_final.pdf \(gov.md\)](#)

Below are a number of problems identified by the majority of participants in public works procurement:

- **Problem No. 1 - The use of the estimate rules** for the preparation of both the estimates prepared by the design organizations for the contracting authorities and the cost estimates prepared within the technical and financial offers of economic operators.

Rationale: In the [Catalogue of Construction Normative Documents for 2023](#), by the Ministry of Infrastructure and Regional Development, there are several construction regulations and construction codes of practice that are used by both design organizations and economic operators, in particular, the **L - Construction Economics**. According to the same catalog in the process of developing estimates both contracting authorities and economic operators are guided by a set of codes of practice in construction, among which the most commonly used are:

1. NCM L.01.01-2012 Rules for determining the value of construction objectives;
2. CP L.01.01-2012 Instructions for the preparation of estimates for construction-assembly works by the resource method

Use of estimating rules, which are out of date and/or have not been updated since the date of adoption. Due to this problem, at the stage of public procurement procedures, complaints are frequently submitted by economic operators to the National Agency for the Settlement of Complaints, which refer to the incorrect use of the rules of estimates.

In the paper **Deficiencies of the public procurement system. Abnormally low bids in works procurement procedures**, prepared by Vadim Turcan, this problem is presented in detail. The main conclusions include the following:

- The Moldovan building regulations, codes of practice and costing rules in the field of "Construction Economics" are outdated and need to be updated. This is evidenced by the discrepancy in the use of the amounts recommended for the preparation of the estimate documentation by the contracting authorities and the estimates offered by the economic operators. Thus, in some cases the amounts used differ by about 50% more in the estimates than in the tender estimates. The discretion left to the economic operator is quite high and the risks involved may lead to failure to meet contractual commitments. At the same time, a number of the tender specifications contain consumption standards (**Annex 1**), which are either outdated because of constantly developing technologies or because some of the standards for the manufacture of construction materials have been changed from Soviet to European standards.

- **Issue 2 - Demonstration of similar experience** in public procurement procedures.

Rationale: Given that this requirement is a fundamental one in the process of evaluating tenders for public works contracts, it is clear that compliance with the requirement is unclear and uncertain in several cases. For example, one frequently encountered case is the presentation of the final report on completion of the works, which contains the conclusion of the National Inspectorate for Technical Supervision (INST). In this respect, a

question is raised, whether it is necessary/mandatory to submit the minutes with the INST conclusion.

- **Issue No. 3 - Instrument of the third party supporter/subcontractor.**

Rationale: Given that the submission of bids including a third party supporter is a fairly recent change, until now there is no mechanism/instructions on the correct way to submit bids using the third party supporter.

ANNEX NO. 1 - LIST OF QUOTATION RULES IN NEED OF UPDATING

No.	Indicator	Name	Argumentation
1	DB16	Asphalt concrete asphalt concrete paving with small aggregates, hot mix	Construction material resource Bituminized sand and square steel lam. lt=30 mm is to be excluded as it is no longer used in the execution process In addition it is necessary to correct the consumption norm for Asphalt mix , because the current norm of 0.094 t/m ² is insufficient
2	DB19	Asphalt concrete mix with large aggregate, hot-mixed	<i>Ibidem</i> at item no. 1
3	DE17	Pavements made of precast concrete paving slabs placed on a layer of dry cement-sand mixture in a 1:3 ratio, mixed with cement and sand	It is necessary to introduce the consumption norm for the compacting plate machine, which is used in the paving process, but is not reflected in the estimate
4	DE18	Pavements made of precast concrete paving slabs placed on a layer of dry mixture of cement and sand in a ratio of 1:6, mixed with a dry mixture of cement and sand dry cement and sand	<i>Ibid</i> at item no. 3
5	DI112	For each 1 cm change in thickness of crushed stone layer add or subtract from the DI111 norm.	It is necessary to correct the consumption norm for the material resource Broken stone 20-40 mm, because of considering that 0.0057 m ³ per m ² is not sufficient.
6	CKK03C - CK03D	Interior wooden doors in two-hung, on linings and double doors for balcony, including water and thermal insulation of the frame, installed on existing eaves of buildings with heights up to 35 m	Building material resource Bituminized cardboard type CA400 is not used in the execution process. Therefore this resource is to be eliminated



7	Catalog 10M	All the quotation norms	Many materials construction/tools are not used in the execution process (<i>e.g.</i>
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No.	Indicator	Name	Argumentation
	Catalog 08M Catalog 07M		<i>plaster "T-3", slippers, canvas cotton, boarded cars etc.)</i>
8	DE10	Precast concrete kerbs for sidewalks	Concrete construction material resource class ... (for information) is required to be corrected. In the construction process concrete either prepared from aggregates and cement or brought to the site is used both as a foundation and for monolithizing joints. Thus in the the execution process, applying this construction is inefficient.
9	CF 30A	2-3 mm. thick exterior plaster, handmade with "TINC" mixture on walls	Not enough resource on tink building material. In the rule of estimate is indicated 2.3 kg of tink for 1 m ² of exterior rendering, on tink manufacturers recommends 2.3 - 3.3 kg/m ²
10	CD56A	Construction of single-skin plaster partition walls in rooms up to 4 m high	Insufficient resources on building material plasterboard . In the standard estimate 91 m ² of plasterboard per 100 m ² of quantity executed.
11	CF50B	Interior plastering of walls and partitions, 5 mm thick, by hand, with dry plaster-based dry plaster mixture manual preparation of mortar	The resource consumption of dry- mix building materials is high. The standard stipulates a consumption norm of 7.14 kg of dry mix per 1 m ² of 5 mm thick interior plaster, whereas dry-mix manufacturers recommend 8-10 kg of dry mix for 10 mm thick interior plaster.
12	CF59	Plastering surfaces of walls, ceilings, glazing (with and without insulation) with a layer of gypsum plasterboard (PGC) with priming and grouting of the surface of the joints, with execution of the simple metal casing	Lack of quotation standard for Surface cladding with a layer of PGC with execution of simple flat metal casing, up to 4 m high: walls without insulation Lack of consumption norm for resources of accessory materials for plasterboard walls/ceilings: Connector profiles; Element suspension profiles

No.	Indicator	Name	Argumentation
13	VA02	Manufacture and erection of straight ventilation ducts, made of 0,3-2 mm thick galvanized sheet metal or aluminum	<i>The following set of material resources</i> are to be excluded <i>building materials</i> that are no longer used in the construction process, either the use of new construction materials
14	None	Miscellaneous metal fabrications for snow stops	Currently there is the CL17B estimating standard, which covers miscellaneous metal fabrications, but in the process of the truss roof, there is no estimating standard dedicated to snow stops, which would be measured in m/l.
15	None	Metal enclosures made of "eurogard", "blinds", "metal batten" type panels	These types of fencing are not included in the approved costing rules, therefore new rules for their use.
16	08-03-526-1	Mono-, bi-, three-pole automatic, wall or column mounted, current up to 25 A	The following consumption standards are excluded, as they are not used in this work: <ul style="list-style-type: none"> • Crane on car chassis when assembling technological machinery (except main piping), 10 t • Installations for manual electric arc welding (direct current) • Electrodes 342A, diameter 4 mm • Individual steel constructions, welded gratings, mass up to 0,1 t • On-board cars, tonnage up to 8 t • Sewing machines • Technical Vaseline
17	08-03-591-1	Switch with one flap, type unburied, open installation	The following consumer standards are to be excluded on the grounds that they are not used in this work: <ul style="list-style-type: none"> • Crane on car chassis for assembly works of technological machinery (except main piping), 10 t • Cars with board, tonnage up to 8 t Change unit of measure: <ul style="list-style-type: none"> • 100 pcs to pcs
18	08-03-	Plug socket, non-buried type, at	To be excluded from the following



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Nr.	Indicator	Name	Argumentation
	591-8	open installation	consumption, since they are not used in this work: <ul style="list-style-type: none"> • Crane on chassis chassis for assembly of technological machinery (except main pipes), 10 t • On-board cars, tonnage up to 8 t Change unit of measure: <ul style="list-style-type: none"> • 100 pcs to pcs
19	08-03-593-19	Lighting fixture for recessed ceiling recessed lamps suspended	To exclude the following consumption standards, on the grounds that they are not used in this work: <ul style="list-style-type: none"> • Crane on automotive chassis when assembling technological machinery (except main piping), 10 t • On-board cars, tonnage up to 8 t • Hydraulic lifts, lifting capacity 10 m Change unit of measure: <ul style="list-style-type: none"> • 100 pcs to pcs
20	08-03-600-1	Meters, mounted on prepared base, single-phase	The following consumption standards are to be excluded as they are not used in this work: <ul style="list-style-type: none"> • Crane on automotive chassis when assembling machinery (except main piping), 10 t • On-board cars, tonnage up to 8 t
21	08-03-602-1	Heating devices: electricosob	The following consumption standards are excluded, as they are not used for this work: <ul style="list-style-type: none"> • Crane on car chassis when assembling technological machinery (except main piping), 10 t • On-board cars, tonnage up to 8 t
22	CD03	Pressed solid brick masonry, size 240 x 115 x 63 mm	Excluding: (empty instruction)
23	CD04	Brick masonry with vertical voids type GVP	To be excluded: (empty instruction)

