

Analysis of the existing mechanism for joint procurement and the factors hindering association

By Diana
Enachi Silviu
Plopa

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Introduction

This analysis of the existing mechanism for joint procurement and the factors hindering joint procurement was developed in the framework of the project "Strengthening Integrity in Public Procurement", implemented by IDIS "Viitorul" in collaboration with the Partnership for Transparency (USA).

Joint procurement is an effective and beneficial tool for contracting authorities, offering significant advantages such as consolidating demand, obtaining better prices, economies of scale and reducing administrative effort by sharing responsibilities between entities. These procedures are particularly useful for authorities with limited resources, which can access quality products and services at reduced costs through association.

However, the legal framework in the Republic of Moldova allows for joint procurement, and the Public Procurement Agency provides methodological support and has developed a model joint venture agreement that can be used and adjusted according to the needs of the contracting authorities to facilitate these processes. The majority of contracting authorities continue to carry out procurement on an individual basis, without capitalizing on the advantages of this type of procedure. The reasons why authorities do not prioritize this mechanism and what measures are to be taken to facilitate joint procurement are addressed in the analysis. This analysis aims to inform on the topic of joint procurement and to provide practical solutions to enhance joint venturing in procurement.

1. Research methodology

In this analysis, two research methods were applied, with the aim of examining in depth the issue of joint ventures in public procurement through the prism of the existing legal framework and practices. A rigorous analysis of theoretical and practical sources, including international best practices and national practices, was carried out to highlight the benefits of joint procurement. Also, in this research, the legislative framework in the Republic of Moldova was analyzed in order to build a clear picture of the national regulations, identifying the important elements of the legislation applicable to joint procurement and the main limitations that do not allow authorities to associate in the procurement process.

In order to analyze the challenges faced by contracting authorities in carrying out joint procurement, a questionnaire was developed and distributed to various entities, including state institutions, district councils, local public administrations and educational institutions, etc. The main objective of this questionnaire, in addition to identifying the difficulties faced by contracting authorities, was also to identify the main actions that authorities consider should be taken to

to facilitate and encourage partnering in procurement. The questionnaire was completed by representatives of 68 contracting authorities across the country.

For this purpose, the expert method was used, developed by experts from IDIS, "Viitorul", which has been used in several studies or economic analysis, such as determining the main reasons for [absenteeism in voting](#), or in the realization of [the infographic](#) also in the same direction. On the basis of this method, a study was also carried out, in which the [problems of young people at local level](#) were identified. This method was also used in other studies and projects. Thus, over time, the method has proved to be very effective and has allowed to obtain data with high accuracy re.

2. What is joint procurement and what are the benefits of joint procurement?

Joint procurement involves combining the procurement procedures of two or more contracting authorities. This involves launching a single procurement procedure, carried out on behalf of and in the interest of all participating contracting authorities, with the aim of jointly procuring services, goods or works. Thus all contracting authorities involved should be jointly responsible for the fulfillment of their legal obligations related to the procurement process.

The benefits¹ for contracting authorities involved in joint procurement are:

- 1) Lower prices , by achieving economies of scale, leading to more favorable bids from economic operators submitting tenders. These savings are particularly important for smaller contracting authorities with limited budgets, allowing them to make more efficient use of financial resources and achieve significant savings.
- 2) Reduced administrative costs, as the administrative workload is significantly reduced compared to organizing separate tenders for each authority, saving both time and resources.
- 3) Collaboration between several authorities in the procurement process allows their diverse skills and expertise to be harnessed. As procurement skills are often limited, not all contracting authorities can develop advanced skills in all areas of activity. Smaller authorities in particular can benefit from the support of staff from larger authorities. This cooperation becomes particularly important in complex procedures, contributing to the efficiency and quality of the procurement process.

¹[https://toolbox.koinno-bmw.de/api/tool-resource/5b6be877f2079800a144c5c9/Leitfaden%20\(engl.\).pdf](https://toolbox.koinno-bmw.de/api/tool-resource/5b6be877f2079800a144c5c9/Leitfaden%20(engl.).pdf)

In addition to the benefits gained by contracting authorities from this process, economic operators² also stand to gain, in that:

- 1) Joint procurement is an opportunity for economic operators to lower costs by improving supply chain efficiency. By streamlining processes and avoiding unnecessary duplication of activities, transaction costs related to procurement can be considerably reduced.
- 2) Joint procurement also helps strengthen the position of economic operators in the market by increasing their visibility and credibility. Working with multiple contracting authorities gives ~~in~~ the opportunity to strengthen their image and increase their capacities.
- 3) It creates wider business opportunities for economic operators. As joint procurement typically involves larger volume orders and longer-term contracts, which can ensure more steady and predictable revenue streams.

Joint procurement therefore benefits all parties involved. Contracting authorities can benefit from higher quality goods, works and services at lower costs due to economies of scale and greater bargaining power. At the same time, economic operators have the possibility to conclude stable and long-term contracts, which give them financial predictability and development opportunities.

3. Provisions of the Moldovan legal framework on joint procurement

The legal framework³ in the field of public procurement in the Republic of Moldova provides for the right of contracting authorities to associate in order to carry out joint public procurement. The possibility of association of contracting authorities derives from Art. 13 para. (3) of Law no. 131 of 03.07.2015 on Public Procurement, which stipulates that, contracting authority is also an association of contracting authorities, the members of which designate from among themselves, by civil legal act, a legal person representing them, as sole purchaser, in relations with any economic operator.

Therefore, contracting authorities at any level (central, local) have the possibility to aggregate needs according to the subject of the procurement (computing equipment, food, repair works, etc.). In practical terms, two or more contracting authorities, on their own initiative, which have identified common needs, can associate in order to carry out a joint procurement. The association involves the designation by the contracting authorities concerned of a single purchaser who will be responsible for setting up the joint procurement working group. In the composition of the group

²<https://oboloo.com/win-win-how-collaborative-procurement-benefits-buyers-and-suppliers-alike/>

³https://www.legis.md/cautare/getResults?doc_id=113104&lang=ro

The working group may also include specialists representing any of the member authorities of the association. Once established, the joint procurement working group will operate in accordance with the provisions of Article 15 of Law no. 131/2015 on public procurement, the Regulation on the activity of the procurement working group (GD no. 667/2016), as well as the act of creation of the working group of the contracting authority designated as the sole procurer.

Through association, contracting authorities can reduce the administrative effort and make more efficient use of the resources (financial, human, technical) needed to draw up technical specifications, especially complex ones, but also the tender documentation in general. The other stages of the procurement process can also be made more efficient by involving a team of professional specialists that a contracting authority would not have if it acted independently.

At the same time, aggregating the needs of several contracting authorities increases the likelihood of greater bidding interest from economic operators. This is particularly the case for smaller contracting authorities with limited resources that typically make low-value purchases. It would stimulate competition in public procurement procedures which has the potential to reduce the prices offered and ultimately result in the association of contracting authorities obtaining more competitive prices for the goods, services or works procured. Ultimately, public authorities procure the goods, services and/or works according to their own needs and make more efficient use of public/budgetary or own financial means.

Despite the fact that Law no. 131/2015⁴ provides for the right of association for contracting authorities, however, there is a lack of enforcement mechanisms and instructions/guidelines on step-by-step realization of joint procurement and implementation of those contracts by the authorities.

The Public Procurement Agency provides methodological support and advice to the contracting authorities in accordance with its legal powers. And, contracting authorities that intend to associate in order to carry out joint procurement may request the necessary methodological support. The Public Procurement Agency has developed a model association agreement that can be used and adjusted according to the needs of the contracting authorities.

4. International practices of joint procurement

⁴https://www.legis.md/cautare/getResults?doc_id=113104&lang=ro

In developed countries, the public procurement mechanism is well structured and effectively implemented and is widely used to maximize the efficient use of financial resources. As an example, good practices have been taken from countries where this mechanism is well developed, such as:

- **Sweden**

In Sweden⁵, the Swedish pension funds AP3 (Tredje AP-fonden) and AP4 (Fjärde AP-fonden) have carried out a joint procurement procedure for a new portfolio management system. The procurement notice was published in February 2022 on the official Swedish public procurement platform. The estimated value of the contract was SEK 500,000,000, and the aim was to obtain an advanced IT solution covering the entire investment management process, from initial analysis and trading, to accounting, risk management and reporting.

The deadline for submission of bids was March 18, 2022, and the contract duration was from January 1, 2023 through December 31, 2026, with the possibility of extension. In October 2023, the contract was awarded to SimCorp, which provides software solutions for the asset management industry. The chosen system is a front-to-back SaaS (Software as a Service) SaaS (Software as a Service) system that supports all necessary functions such as operations, compliance and data analytics. This joint procurement will thus strengthen the IT infrastructure, improve operational efficiency and increase strategic investment responsiveness

- **The Netherlands**

In the Netherlands⁶ a joint procurement procedure called GROND'G was launched by seven contracting authorities: Enexis, Coteq, Rendo, Vitens, Waterbedrijf Groningen, WMD and VodafoneZiggo. The aim of this initiative was the maintenance and extension of the underground infrastructure, including electricity, drinking water and telecommunications networks in the regions of Groningen, Drenthe and Overijssel. Through this joint procurement, the authorities aimed to increase operational efficiency and reduce inconvenience for citizens by avoiding the repeated opening of the same streets for separate works.

The total estimated value of the contract was €2.5 billion, with a duration of eight years, starting November 1, 2023. This extended period provides stability and allows for investment in the recruitment and training of technical staff needed to carry out the works. The procurement was divided into 8 lots and contracts were awarded to 9 companies specialized in underground infrastructure. Thus, as a result of these procedures, significant benefits have been achieved in terms of better coordination of the works and increased efficiency in carrying out the works

⁵<https://se.openprocurements.com/tender/2022-portfolio-management-system-solutions-ap3-ap4/>

⁶<https://constructnorth.nl/2023/07/07/mega-aanbesteding/>

- **United Kingdom**

Example 1: In 2023, a group of 11 local councils in Scotland⁷ carried out a joint procurement of Microsoft 365 licenses to replace existing contracts that were due to expire that year. The initiative was coordinated by Scotland Excel, in collaboration with the Digital Office for Scottish Local Government and Crown Commercial Services, and the contract was awarded to Phoenix Software. The councils involved in the joint procurement of Microsoft 365 licenses achieved a total saving of £370,000, contributing to significant cost savings for all participating organizations. According to calculations by Scotland Excel, which collected spend data from the 11 participating councils, it was found that, on average, these councils could save 4.49% over three years as a result of signing the new negotiated agreement.

Thus, the procurement aimed not only to streamline spending, but also to create a standardized framework of digital solutions in local public administrations, facilitating interoperability and alignment with the national digital strategy. This inter-institutional collaboration highlights the long-term benefits of demand aggregation in the public sector, underlining the efficiencies and savings realized through consolidated procurement.

Example 2: In 2015, West Midlands Police⁸ led a joint procurement project involving 28 police forces and 6 fire and rescue services. This agreement enabled the purchase of over 3,000 vehicles over two years with estimated savings of approximately £5m. The vehicles purchased include patrol cars, rapid intervention vehicles and transport vans, supplied by manufacturers such as Vauxhall, Volvo and BMW. The agreement has been structured to standardize vehicle specifications, thereby reducing purchase and maintenance costs. A whole-life costing approach was also implemented, taking into account not only the purchase price but also fuel, maintenance and repair costs.

This method has ensured that the best financial offers were obtained and improved the operational efficiency of the police fleet. Through this collaboration, police forces have been able to achieve significant savings, which have been reinvested in improving local policing services. For example, West Midlands Police has estimated savings of over £400,000 by replacing 67 patrol vehicles and 91 non-registered vehicles. Moreover, the switch to more

⁷<https://home.scotland-excel.org.uk/newsroom/case-studies/joint-procurement-exercise-for-it-licences-delivers-savings/>

⁸<https://www.fleetnews.co.uk/news/fleet-industry-news/2015/09/24/joint-police-fleet-purchase-deal-to-save-public-5m?>

fuel-efficient models has generated additional savings of approximately 40,000 pounds.

5. National practices of public procurement by association

In the Republic of Moldova, joint procurement of goods, services or works is not a common practice. Although contracting authorities in the Republic of Moldova have the legal right to associate with each other, however, evidence shows that they choose to procure independently according to their own needs. In the process of the research, some practices of joint procurement by contracting authorities at national level were identified.

Joint procurement of services: air transportation services

An example of procurement of services by association between 11 contracting authorities is [air transportation services, Chisinau-Brussels-Chisinau \(round-trip\)](#). The period of the procedure was 06.05.2024 - 31.12.2024, and the estimated value of the purchase was 1 347 000,00 MDL (excluding VAT). The purchase was carried out by applying the award criterion: lowest price. The initiator and leader of the association of contracting authorities was the State Chancellery, which was associated with 8 ministries (MJ, MDED, MF, ME, MAIA; MAE, MMPS, MIDR) and 2 government agencies (ANSA, ASPI). The common technical specifications were established according to the procurement needs of all contracting authorities members of the association.

Source: www.mtender.gov.md

Descrierea achiziției:		
CANCELARIA DE STAT	Cantitate/ Unitate de măsură	Pretul unitar (fără TVA)
60400000-2 Servicii de transport aerian	70 Bucata	MDL
MINISTERUL JUSTIȚIEI	Cantitate/ Unitate de măsură	Pretul unitar (fără TVA)
60400000-2 Servicii de transport aerian	12 Bucata	MDL
MINISTERUL DEZVOLTĂRII ECONOMICE ȘI DIGITALIZĂRII	Cantitate/ Unitate de măsură	Pretul unitar (fără TVA)
60400000-2 Servicii de transport aerian	40 Bucata	MDL
MINISTERUL FINANTELOR	Cantitate/ Unitate de măsură	Pretul unitar (fără TVA)
60400000-2 Servicii de transport aerian	40 Bucata	MDL
MINISTERUL ENERGIEI	Cantitate/ Unitate de măsură	Pretul unitar (fără TVA)
60400000-2 Servicii de transport aerian	30 Bucata	MDL
MINISTERUL AGRICULTURII ȘI INDUSTRIEI ALIMENTARE	Cantitate/ Unitate de măsură	Pretul unitar (fără TVA)
60400000-2 Servicii de transport aerian	10 Bucata	MDL
MINISTERUL AFACERILOR EXTERNE	Cantitate/ Unitate de măsură	Pretul unitar (fără TVA)
60400000-2 Servicii de transport aerian	10 Bucata	MDL
MINISTERUL MUNCII ȘI PROTECȚIEI SOCIALE	Cantitate/ Unitate de măsură	Pretul unitar (fără TVA)
60400000-2 Servicii de transport aerian	6 Bucata	MDL
MINISTERUL INFRASTRUCTURII ȘI DEZVOLTĂRII REGIONALE	Cantitate/ Unitate de măsură	Pretul unitar (fără TVA)
60400000-2 Servicii de transport aerian	20 Bucata	MDL
AGENȚIA DE STAT PENTRU PROPRIETATEA INTELECTUALĂ	Cantitate/ Unitate de măsură	Pretul unitar (fără TVA)
60400000-2 Servicii de transport aerian	10 Bucata	MDL
AGENȚIA NAȚIONALĂ PENTRU SIGURANȚA ALIMENTELOR	Cantitate/ Unitate de măsură	Pretul unitar (fără TVA)
60400000-2 Servicii de transport aerian	11 Bucata	MDL

Two bids were submitted in the procurement procedure. Thus, the first offer was submitted by INFOTURISM GROUP SRL, in the amount of 1 154 622,00 MDL (excluding VAT), being 14,28%

lower than the estimated value. The second offer was submitted by RACURS GRUP, in the amount of 1 408 183,00 MDL (excluding VAT), which exceeds the estimated value of the purchase by 4,54%.

Date	Bidder	Initial Offer	Value lower (-) / higher (+) than the estimated value
30.04.2024	INFOTURISM GROUP SRL	1.154.622,00	-14,28%
02.05.2024	RACURS GROUP	1.408.183,00	+4,54%

Source: www.mtender.gov.md

Following the analysis and evaluation of the tenders, the first company, INFOTURISM GROUP SRL, which submitted the tender with the lowest price, was rejected because it did not submit Annex 22 and Annex 23, which contain the technical specifications requested by the contracting authority. The contract was awarded to the second company, RACURS GRUP, whose bid met all the qualification and selection conditions.

Lotul Servicii de transport aerian de pasageri, cursa Chişinău-Bruxelles-Chişinău (tur-retur)		Numărul lotului b5728634-bd3c-43d6-a949-2818081a5964		
Ofertantul	Oferta final	Declarație pe proprie răspundere	Documentele OE	Statutul și decizia Grupului de lucru
INFOTURISM GROUP SRL IDNO Codul: MD-IDNO-1009600019091	1 154 622.00 MDL achiziției fără TVA	MTender ESPD Declarație pe proprie răspundere		Refuzat 20.05.2024 / 14:51
RACURS GRUP IDNO Codul: MD-IDNO-1011600012374	1 408 183.00 MDL achiziției fără TVA	MTender ESPD Declarație pe proprie răspundere		Câștigătorul 20.05.2024 / 14:52

Source: www.mtender.gov.md

According to data tender.gov.md, as a result of the open tender and evaluation of the submitted bids, on May 16, 2024, 10 procurement contracts were awarded, as follows:

Contract date	Authority	Contract value, signed	Additional (lower value) agreement	Final contract value, executed
16.05.2024	State Chancellery	380.590,00	0,00	380.590,00
16.05.2024	MF	217.480,00	-150.000,00	67.480,00
16.05.2024	MMPS	32.622,00	-21.746,00	10.876,00

16.05.2024	ME	163.110,00	-160.931,00	2.179,00
16.05.2024	ANSA	59.807,00	-54.369,00	5.438,00
16.05.2024	ASPI	54.370,00	0,00	54.370,00
16.05.2024	MIDR	108.740,00	-88.470,00	20.270,00
16.05.2024	MDED	217.480,00	-168.547,00	48.933,00
16.05.2024	MJ	65.244,00	-32.621,00	32.623,00
16.05.2024	MAE	54.370,00	0,00	54.370,00
Total		1.353.813,00	-676.684,00	677.129,00

Source: www.mtender.gov.md

Joint procurement of goods: computer technology and peripherals

Another joint public procurement procedure was the [procurement of computing equipment and peripherals](#), carried out by two contracting authorities: the Ministry of Finance and the State Tax Service. The open tender, with an estimated value of 6 174.999,99 MDL (excluding VAT) was divided into 7 separate lots. The procurement procedure was conducted by applying the award criterion: lowest price. The period of the procedure was from 16.06.2022 to 25.07.2022.

Titlu Laptop business / ultraportabil (Pentru Serviciul Fical de Stat)	Numărul lotului a2d75c66-fd03-4347-a83e-0bb95925e879	Status Active
Titlu Stație de lucru (desktop) (Pentru Ministerul Finanțelor)	Numărul lotului 528e7b67-5429-47f2-a7d5-8513e5c9400c	Status Active
Titlu Notebook (monitor extern, docking station) (Pentru Ministerul Finanțelor)	Numărul lotului 6deafda8-1c13-479a-b5a3-dfe97f13072a	Status Active
Titlu Echipament de alimentare continuă cu energie electrică (UPS) (Pentru Ministerul Finanțelor)	Numărul lotului e4a37bc3-35e4-4a6b-a8ef-8c0279ff04ba	Status Active
Titlu Echipament periferic (Pentru Ministerul Finanțelor)	Numărul lotului 56a20793-8185-41a5-b575-200c3d1a1c76	Status Active
Titlu Sistem audio-video integrat pentru conferințe online și offline – SALA DE SEDINTE (Pentru Ministerul Finanțelor)	Numărul lotului 66a3e104-f091-498b-9ce0-1b516521f73c	Status Active
Titlu Sistem interactiv audio-video integrat pentru conferințe online și sedințe offline – SALA DE PROTOCOL (Pentru Ministerul Finanțelor)	Numărul lotului 287a835e-f5f8-4d83-bf2c-b89f05d71ef6	Status Active

Source: www.mtender.gov.md

In the procurement procedure, for all lots, a total of 19 bids were submitted by 6 companies.

Thus, for lot no. 1, [Business laptop / ultraportable for the State Tax Service](#), 3 economic agents participated, and the winner was BTS PRO company, which submitted the lowest bid (1 357 000,00 MDL) and met all qualification and selection requirements. ~~Bulet~~ It is noted that the winning bid is 18.58% lower than the estimated value of the lot (1,666,666.66 MDL, excluding VAT).

Lotul Laptop business / ultraportabil (Pentru Serviciul Fical de Stat)		Numărul lotului a2d75c66-fd03-4347-a83e-0bb95925e879		
Ofertantul	Oferta finală	Declarație pe proprie răspundere	Documentele OE	Statutul și decizia Grupului de lucru
BTS PRO IDNO Codul: MD-IDNO-1008600061565	1 357 000.00 MDL achiziției fără TVA	<u>MTender ESPD</u> Declarație pe proprie răspundere		<u>Câștigătorul</u> 18.08.2022 / 10:31
ACCENT TEHNO S.R.L. IDNO Codul: MD-IDNO-1002600037469	1 357 333.33 MDL achiziției fără TVA	<u>MTender ESPD</u> Declarație pe proprie răspundere		În așteptare
TRIOMAC SRL IDNO Codul: MD-IDNO-1006606001224	1 433 000.00 MDL achiziției fără TVA	<u>MTender ESPD</u> Declarație pe proprie răspundere		În așteptare

Source: www.mtender.gov.md

For Lot No. 2, [Desktop workstation for the Ministry of Finance](#), in which the estimated value was MDL 2,505,939.80 excluding VAT, 4 bids were submitted and the winning bid was submitted by TRIOMAC SRL, in the amount of MDL 2,219,500.00 excluding VAT, being 11.43% lower than the estimated value.

Lotul
Stație de lucru (desktop) (Pentru Ministerul Finanțelor)

Numărul lotului
528e7b67-5429-47f2-a7d5-8513e5c9400c

Ofertantul	Oferta finală	Declarație pe proprie răspundere	Documentele OE	Statutul și decizia Grupului de lucru
TRIOMAC SRL IDNO Codul: MD-IDNO-1006606001224	2 219 500.00 MDL achiziției fără TVA	MTender ESPD Declarație pe proprie răspundere		Câștigătorul 18.08.2022 / 10:33
BTS PRO IDNO Codul: MD-IDNO-1008600061565	2 219 750.00 MDL achiziției fără TVA	MTender ESPD Declarație pe proprie răspundere		În așteptare
„Fors-Computer” SRL IDNO Codul: MD-IDNO-1002600008315	2 220 000.00 MDL achiziției fără TVA	MTender ESPD Declarație pe proprie răspundere		În așteptare
ACCENT TEHNO S.R.L. IDNO Codul: MD-IDNO-1002600037469	2 286 916.67 MDL achiziției fără TVA	MTender ESPD Declarație pe proprie răspundere		În așteptare

Source: www.mtender.gov.md

For lot no. 3, [Notebook with external monitor and docking station for the Ministry of Finance](#), 4 bids were submitted, in which, as in the previous lot, TRIOMAC SRL won, the lowest bid, amounting to 1 062 000,00 MDL excluding VAT, being 18,91% lower than the estimated value (1 309 583,53 MDL excluding VAT).

Lotul
Notebook (monitor extern, docking station) (Pentru Ministerul Finanțelor)

Numărul lotului
6deafda8-1c13-479a-b5a3-dfe97f13072a

Ofertantul	Oferta finală	Declarație pe proprie răspundere	Documentele OE	Statutul și decizia Grupului de lucru
TRIOMAC SRL IDNO Codul: MD-IDNO-1006606001224	1 062 000.00 MDL achiziției fără TVA	MTender ESPD Declarație pe proprie răspundere		Câștigătorul 18.08.2022 / 10:34
„Fors-Computer” SRL IDNO Codul: MD-IDNO-1002600008315	1 119 600.00 MDL achiziției fără TVA	MTender ESPD Declarație pe proprie răspundere		În așteptare
BTS PRO IDNO Codul: MD-IDNO-1008600061565	1 120 250.00 MDL achiziției fără TVA	MTender ESPD Declarație pe proprie răspundere		În așteptare
ACCENT TEHNO S.R.L. IDNO Codul: MD-IDNO-1002600037469	1 121 625.00 MDL achiziției fără TVA	MTender ESPD Declarație pe proprie răspundere		În așteptare



Source: www.mtender.gov.md

As for lot no. 4 [UPS continuous power supply equipment](#) for the Ministry of Finance, the estimated value was 146 250.00 MDL excluding VAT. 2 bids were submitted within the given lot. Thus, the winning bid was the one submitted by TRIOMAC SRL, in the amount of 167 700,00 MDL excluding VAT, exceeding the estimated value by 14,66%.

Lotul Echipament de alimentare continuă cu energie electrică (UPS) (Pentru Ministerul Finanțelor)			Numărul lotului e4a37bc3-35e4-4a6b-a8ef-8c0279ff04ba	
Ofertantul	Oferta finală	Declarație pe proprie răspundere	Documentele OE	Statutul și decizia Grupului de lucru
TRIOMAC SRL IDNO Codul: MD-IDNO-1006606001224	167 700.00 MDL achiziției fără TVA	<u>MTender ESPD</u> Declarație pe proprie răspundere		<u>Câștigătorul</u> 18.08.2022 / 10:34
BTS PRO IDNO Codul: MD-IDNO-1008600061565	169 650.00 MDL achiziției fără TVA	<u>MTender ESPD</u> Declarație pe proprie răspundere		În așteptare


Source: www.mtender.gov.md

For lot No. 5 [Peripheral equipment for the Ministry of Finance](#), the estimated value was 30 000.00 MDL excluding VAT. 3 bids were submitted within the given lot, and the winning bid was submitted by BTS PRO, in the amount of 8 875 MDL excluding VAT, which is 70.42% lower than the estimated value. Given that the submitted bid is significantly lower compared to the estimated value, as well as the bids of other operators (17 250,00 MDL and 29 496, 50 MDL), it can be considered an abnormally low bid according to the provisions of Article 70, of Law no. 131/2015.

Lotul Echipament periferic (Pentru Ministerul Finanțelor)			Numărul lotului 56a20793-8185-41a5-b575-200c3d1a1c76	
Ofertantul	Oferta finală	Declarație pe proprie răspundere	Documentele OE	Statutul și decizia Grupului de lucru
BTS PRO IDNO Codul: MD-IDNO-1008600061565	8 875.00 MDL achiziției fără TVA	<u>MTender ESPD</u> Declarație pe proprie răspundere		<u>Câștigătorul</u> 18.08.2022 / 10:35
TRIOMAC SRL IDNO Codul: MD-IDNO-1006606001224	17 250.00 MDL achiziției fără TVA	<u>MTender ESPD</u> Declarație pe proprie răspundere		În așteptare
„Fors-Computer” SRL IDNO Codul: MD-IDNO-1002600008315	29 496.50 MDL achiziției fără TVA	<u>MTender ESPD</u> Declarație pe proprie răspundere		În așteptare



Source: www.mtender.gov.md

For lot no. 6, which provides for the purchase of an [integrated audio-video system for online and offline conferencing](#) - for the Ministry of Finance, the estimated value was 435 845.00 MDL excluding VAT. Within the given lot, only one offer was submitted in the amount of 446 250.00 MDL, by the company Genial Invest SRL, which insignificantly exceeds (by 2.4%) the estimated value of the lot and was awarded the contract.

Lotul Sistem audio-video integrat pentru conferințe online și offline – SALA DE SEDINTE (Pentru Ministerul Finanțelor)			Numărul lotului 66a3e104-f091-498b-9ce0-1b516521f73c	
Ofertantul	Oferta finală	Declarație pe proprie răspundere	Documentele OE	Statutul și decizia Grupului de lucru
Genial Invest SRL IDNO Codul: MD-IDNO-1018600000851	446 250.00 MDL achiziției fără TVA	<u>MTender ESPD</u> Declarație pe proprie răspundere		<u>Câștigătorul</u> 18.08.2022 / 10:36

Source: www.mtender.gov.md

Within the last lot, no. 7, which provides for the purchase of the [integrated interactive audio-video system for online conferences and offline meetings - protocol room for the Ministry of Finance](#) with the estimated value of 80 715,00 MDL (excluding VAT). 2 bids were submitted within the lot. The offer with the lowest price, submitted by VEC SRL, in the amount of 74 686 MDL excluding VAT, was rejected as the offer was non-compliant. And, the second offer, submitted by Genial Invest SRL in the amount of 80 000 MDL, was awarded.

Lotul Sistem interactiv audio-video integrat pentru conferinte online si sedinte offline – SALA DE PROTOCOL (Pentru Ministerul Finanțelor)			Numărul lotului 287a835e-f5f8-4d83-bf2c-b89f05d71ef6	
Ofertantul	Oferta final	Declarație pe proprie răspundere	Documentele OE	Statutul și decizia Grupului de lucru
"VEC" SRL IDNO Codul: MD-IDNO-1003600133162	74 686.00 MDL achiziției fără TVA	MTender ESPD Declarație pe proprie răspundere		Refuzat 18.08.2022 / 10:38
Genial Invest SRL IDNO Codul: MD-IDNO-1018600000851	80 000.00 MDL achiziției fără TVA	MTender ESPD Declarație pe proprie răspundere		Câștigătorul 18.08.2022 / 10:39

Source: www.mtender.gov.md

According to tender.gov.md, as a result of the open tender and the evaluation of submitted bids, on September 06, 2022, 4 procurement contracts were signed with 3 companies for a total amount of MDL 6,409,590.00 (VAT included). Additional agreements were not registered, therefore this also represents the total amount of executed contracts.

Contract date	Contracting authority	Contracted economic operator	Contract value, awarded and execution, MDL, with VAT
06.09.2022	State Tax Service	BTS PRO SRL	1.628.400,00
06.09.2022	Ministry of Finance	BTS PRO SRL	10.650,00
06.09.2022	Ministry of Finance	Genial Invest SRL	631.500,00
06.09.2022	Ministry of Finance	TRIOMAC	4.139.040,00
Total			6.409.590,00

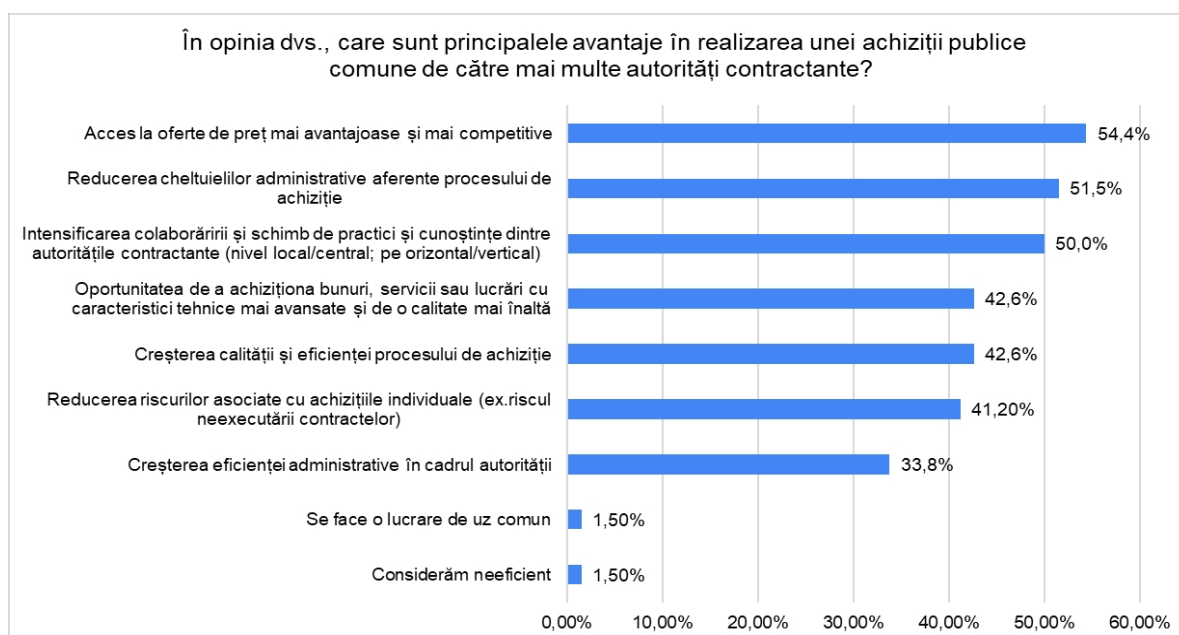
Source: www.mtender.gov.md

6. Challenges in joint procurement

In order to analyze the challenges encountered by contracting authorities in the implementation of joint public procurement, a questionnaire was developed and distributed to various contracting authorities, including state institutions, district councils, local public administrations and educational institutions, etc. The questionnaire was answered by 68 contracting authorities. Also, the use of the expert method in the given questionnaire allowed us to determine the actions to be taken in order to stimulate and encourage contracting authorities to associate in public procurement in order to streamline the awarding process.

Contracting authorities' level of awareness of the legal framework on the right of association in procurement

Although joint public procurement is not yet widely used, the results of the questionnaire show that the majority of contracting authorities surveyed (77.9%) are aware of what joint procurement entails. Another 22.1% of the surveyed authorities are not familiar with this topic. In terms of the main advantages of partnering in public procurement, the most popular option among the authorities was „access to better and more competitive price offers”, selected by 37 authorities (54.4%), followed by „reduction of administrative costs” associated with the procurement process, indicated by 35 authorities, and „increased collaboration and exchange of practices and knowledge” between authorities, chosen by 34 respondents. Source: Authors' analysis based on 68 replies to the questionnaire to contracting authorities



In conclusion, the overwhelming majority of contracting authorities recognized the significant benefits of joint procurement. Only one contracting authority considers that joint procurement is not an efficient procedure.

When asked whether the authorities are aware that the legislation provides for their right to associate with other authorities in order to carry out public procurement by association, 60.3% of the respondents stated that they are aware of this type of procedure, while 39.7% stated that they are not aware of this provision. In terms of how satisfied the authorities are with the legal framework (who are aware that the legal framework allows joint procurement), 45.1% of them consider that the existing mechanisms for carrying out joint procurement are "*partially sufficient*". While 23.5% consider that they are "*sufficient*" and 31.5% consider that *they are "not sufficient"*. Concern about the legal framework is recurrent and is often mentioned in other questions of the questionnaire, which will be analyzed below.

Although joint public procurement is not widely used in the Republic of Moldova, the practice is widespread and effective in many countries. As we have analyzed, in EU member countries such as Sweden and the Netherlands, but also in non-EU countries such as the United Kingdom, joint public procurement procedures are well developed and frequently used. From these international experiences, good practices can be drawn to improve the existing mechanism and serve as benchmarks for authorities to learn more about the benefits of joint procurement in practice.

However, when asked "Are you familiar with the mechanisms and practices used in other countries concerning the association of authorities in public procurement?", 63.2% of the authorities stated that they were not familiar with these mechanisms and practices, 33.8% were partially familiar, i.e. they had heard about some examples but had not analyzed them in detail, and only 2.9% replied that they were familiar with existing practices. This shows that good practices from other countries should be popularized and promoted in the public space, so that contracting authorities are better informed, and this may facilitate authorities to come up with various proposals identified in international practices, which will improve and make the given mechanism more efficient.

Authorities' views on joint procurement

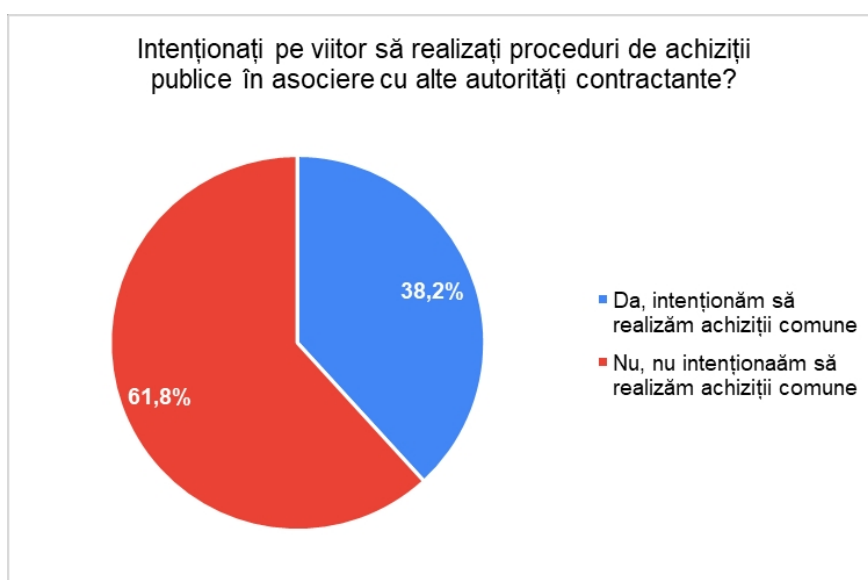
In the Republic of Moldova, joint procurement is not a popular practice, which is also confirmed by the answers to the question whether they have carried out public procurement procedures by association with other contracting authorities, where 94.1% answered no, while only 5.9% of the surveyed authorities answered yes.

According to the replies to the questionnaire, of those who have carried out such procurements, these were

concerned:

- petroleum products, coal, fuels
- construction of an aqueduct in 7 localities
- purchase furniture for all institutions in a single procedure

Although most of the authorities have never carried out a joint procurement, a considerable proportion of them do not intend to do so. Thus, when asked whether they intend to carry out joint procurement procedures with other contracting authorities in the future, 61.8% stated that they do not intend to do so, while 38.2% intend to carry out such a procedure.



Source: Authors' analysis based on 68 replies to the questionnaire addressed to contracting authorities

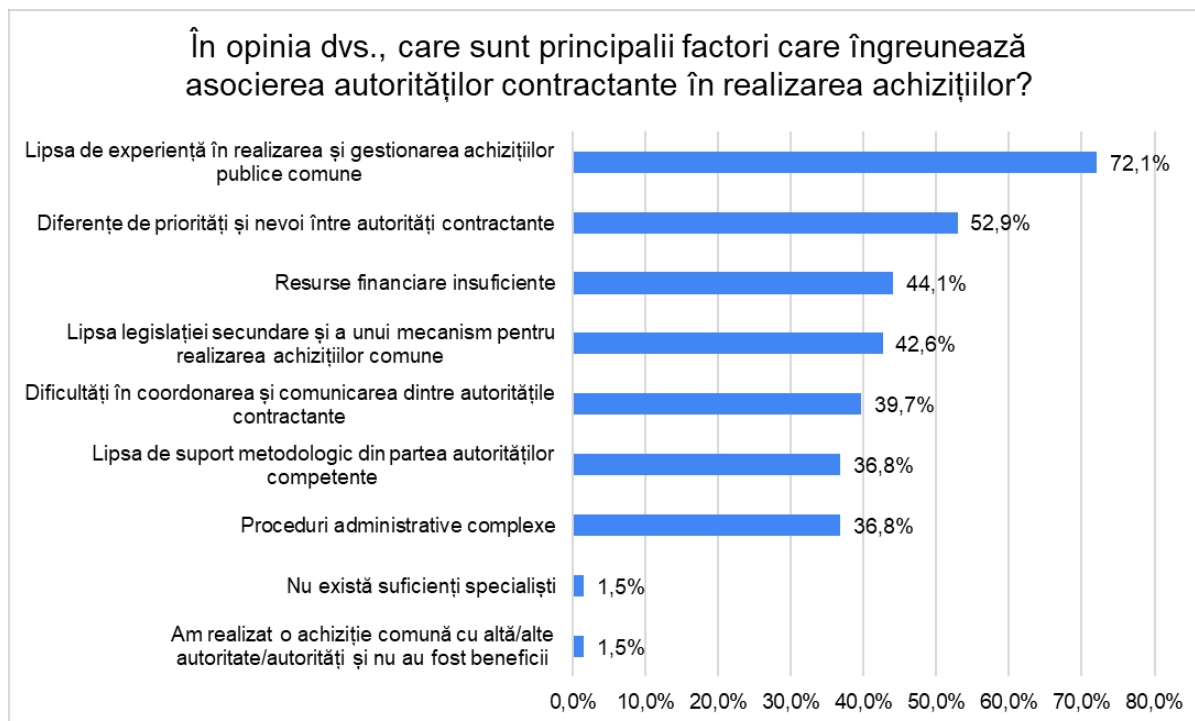
This result is not necessarily determined by the fact that the authorities consider what is an inefficient procedure and that is why they do not want to carry out such procedures, because, as it is evident from the previous answers, most of them are aware of the advantages of joint procurement and each authority wants to use financial resources in the most efficient way. The problem, in fact, is that the authorities do not know enough about the mechanism of these procedures and how they work, which makes them more reluctant to apply them, this will be highlighted in the analysis of the following questions in the questionnaire.

Factors making it difficult to associate in procurement

As regards the main factors that make it difficult to associate contracting authorities in the realization of procurement procedures, in the question on the given topic, where it was possible to choose several answer options, the most frequently selected option was "lack of experience in the realization and management of such procedures", mentioned by 49 out of 68 respondents, which

represents 72.1%.

Another major obstacle identified is the "differences in priorities between authorities", selected by 36 respondents (52.9%), followed by "insufficient financial resources", indicated by 30 respondents (44.1%).



Source: Authors' analysis based on 68 replies to the questionnaire addressed to contracting authorities

Other difficulties mentioned included issues related to the legislative framework, lack of methodological support and coordination problems between the authorities involved. In addition, one respondent stated that it had not identified any benefits from participating in such a procurement procedure.

Facilitating joint procurement

In addition to identifying the main obstacles to joint procurement, it is also important to identify what measures contracting authorities want to be taken to facilitate and stimulate the number of joint procurement procedures. Thus using the expert method carried out by the experts from IDIS, Viitorul", the main proposals or requirements from the surveyed contracting authorities were identified.

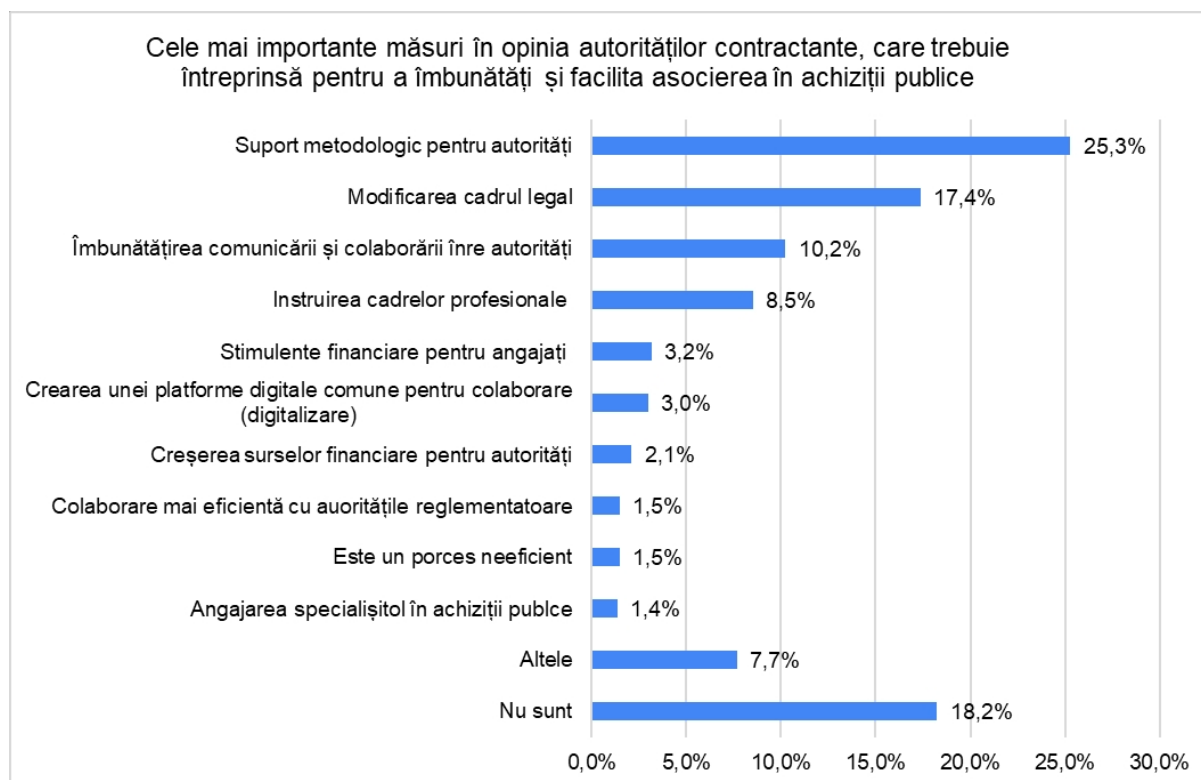
Although the Public Procurement Agency provides methodological support and advice to contracting authorities, they are not sufficiently aware of this. Thus, 25% of contracting authorities consider that the most important measure to facilitate and improve joint procurement is to provide methodological support to contracting authorities. This category includes the need for guides explaining in detail how such a procedure is carried out, at what

what an authority should pay attention to and what elements should be taken into account. They also mentioned the production of brochures, as well as the organization of seminars, either online or in person, where this type of procedure is clearly explained and practical examples from home and abroad are presented. The authorities ask for more information in this regard, because in the online environment in the Republic of Moldova the subject is very little discussed and for this reason many authorities do not intend to carry out joint procurements in the future, because they know very little about this mechanism. Thus, in this respect, the Public Procurement Agency needs to make a greater effort in terms of information on this subject.

The second most important measure, mentioned by 17.4% of contracting authorities, is to change the legislative framework. This involves creating a clear and predictable legislative framework to facilitate partnerships between authorities and agreeing detailed mechanisms for joint procurement procedures, including reporting. It also aims to improve legislation to reduce complexity, promote transparency and support collaboration between contracting authorities.

Another relevant aspect, emphasized by 10.2% of contracting authorities, is the importance of improving inter-institutional communication and collaboration in order to identify common priorities and goals. This need for increased interaction is also supported by the proposal of 3.0% of respondents to develop a digital collaboration platform to facilitate the coordination and efficient management of joint procurement. It can thus be seen that a segment of about 13.2% of contracting authorities (combining the two percentages) consider it important to improve communication and collaboration mechanisms, either by conventional means or through dedicated digital tools

Another important suggestion, mentioned by 8.5% of the authorities, concerns the need for staff training on the joint procurement procedure. Authorities stress that, in addition to methodological support or online sessions, it is important that the responsible employees receive regular and detailed training to fully understand the mechanism and all its aspects, thus acquiring the necessary knowledge. Although this requirement could be included in the category of methodological support, it is highlighted separately in order to clearly underline the specific need for staff skills development in this area



Source: Authors' analysis based on 68 replies to the questionnaire to Contracting Authorities

However, in addition to the proposed measures, 18.2% of the authorities did not come forward with any proposals. This is more likely due to the fact that these authorities are not aware of the practice of association, which did not allow them to make suggestions. If the necessary measures proposed, including the analysis of the benefits of partnering, are implemented, the number of authorities partnering for various procurements will show an upward trend in the coming years.

7. Conclusions and recommendations for boosting partnership in public procurement in the Republic of Moldova

The association of authorities for the public procurement of goods, services or works is an effective tool for optimizing expenditure. This practice has numerous advantages in particular for small local authorities with limited staff and budgets, which, through these procedures, can make more efficient use of available financial resources.

In conclusion, the primary legal framework allows for the association of two or more contracting authorities in order to carry out public procurement of goods, services and works according to common needs

identified by them. For the most part, contracting authorities in the Republic of Moldova are familiar with the practice of joint procurement and their legal right to associate for any type of procurement. However, the legal provisions which

Regulating the right of the authorities to associate is not sufficient for the widespread application of this practice. In order to boost association in procurement, guidelines containing clear rules and instructions on the stages of a joint procurement, from the stage of joint identification of needs to the contracting stage, are needed. At the same time, joint procurement requires increased visibility and media coverage in the Republic of Moldova, given the significant advantages it offers to contracting authorities. Therefore, existing practices at international level, as well as a few national practices, can serve as benchmarks and useful examples in the implementation of procurement.

Following the analysis of the legal framework, existing national and international practices, as well as the results of the questioning of contracting authorities, we make the following recommendations with the potential to boost the use of joint procurement:

Recommendation 1. Widely publicize the topic of joint procurement, by producing informative materials such as brochures, infographics, for contracting authorities on the benefits of joint procurement, concrete examples of joint procurement and good practices of joint procurement for various goods, services or works (including the fact that the Public Procurement Agency provides the necessary methodological support).

Recommendation 2. Organize regular and detailed training sessions for contracting authorities' procurement staff to fully understand the mechanism of joint procurement, thus acquiring the necessary knowledge for its correct and efficient application. It is recommended to include in the topics of the Public Procurement Agency's Annual Training Program the topic of joint procurement. At the same time, it is also necessary to take this topic into account when developing the Training Program for the Certification of Procurement Specialists that the Ministry of Finance is working on.

Recommendation 3. Develop a clear and predictable secondary legislative framework detailing the provisions of Law No. 131/2015 on association and thus facilitating partnerships between authorities and including clear enforcement mechanisms. The secondary framework should provide clear rules and conditions for carrying out a procurement by association, well-defined procedures and responsibilities, types of procurement recommended to be carried out in association based on the low-benefit and low-cost analyses. At the same time, there is a need for practical guides with clear instructions for carrying out joint procurement, starting from the planning stage, identification of needs, to the contracting stage. These guides will also contain examples, practical recommendations and model documents to be used by the authorities in the joint procurement process. These measures would make a significant contribution to facilitating joint procurement and giving authorities confidence that they are doing it right.

Undertake measures to facilitate collaboration between contracting authorities at both central and local level. Activities, workshops and round tables are recommended to address the topic of partnering, to present the practices of other authorities and to identify solutions to common challenges in this process. One solution recommended by several contracting authorities is the development of a digital collaboration platform to facilitate the efficient coordination and management of joint procurements, to ensure transparency of the process and to allow for the rapid exchange of information and documents.

Recommendation 5. Analysis of practices and data on concrete joint procurements, benchmarking of goods, services or works procured jointly and independently in order to calculate financial benefits, level of competition, quality of related documents/technical specifications and others. It would be appropriate to include the data on joint procurement in a separate section in the statistical reports on procurement prepared by the Public Procurement Agency.

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