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Technical Assistance to support the implementation of Public Finance Management Reforms in Kosovo

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Activity 4.3: Centralised procurement activities will provide clear evidence that those items that are procured centrally do provide value for money when compared against competitive tendering actions.

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**Technical Assistance to support the implementation of Public
Finance Management Reforms in Kosovo**

Activity 4.3: Centralised procurement activities will provide clear evidence that those items that are procured centrally do provide value for money when compared against competitive tendering actions

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This Report has been prepared by the project team. The findings, conclusions and interpretations expressed in this document are those of the Contractor alone and should in no way be taken to reflect the policies or opinions of the European Union Office in Kosovo.

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Executive Summary

Centralised public procurement, where a Central Purchasing Body representing the collective needs of ministries and other state bodies, is responsible for the procurement activities for preselected categories of supplies and services.

The rationale for a centralised approach is that it is likely to be more economically efficient through bulk buying and economies of scale.

The key arguments for centralised procurement include:

- The ability to leverage significant reductions in prices.
- Acquiring better services at lower costs.
- Technical, products and services standardisation.
- Improved contract management and problem resolution.
- Lower training costs.
- Easier performance management of procurement staff.
- Improved transparency, reporting, management, and audit trails; and
- Labour cost savings.

The Kosovo Central Procurement Agency (CPA), was established by law in 2011 with a mandate to do centralised procurements on behalf of the Contracting Authorities (CAs) in Kosovo. Despite the legal competences being granted to the CPA, it did not become operational until 2015 when, for the first time, the list of Centralised procurements was adopted by the Government.

This analysis reviewed 3 (three) central procurement activities of the CPA over the last two years to see:

- Is the use of limited centralised procurement still relevant through providing value-for-money?
- Is the CPA providing value-for-money?
- How efficient are the selection and market research activities for items that are recommended for central procurement?

From the 3 (three) procurement activities, the 10 (ten) most used items were selected for the Cost-Benefit Analysis (CBA).

To facilitate this CBA, two different methodologies were used:

- Option Analysis 1: Comparing the CPA's contract prices with the previous prices of the Budget Organisations (BO); and
- Option Analysis 2: Comparing the CPA's contract prices with the market prices.

Our analysis of the 10 samples shows that for option analysis one, the potential savings are approximately € 4.5 million, and for option analysis two the potential savings are approximately € 3.8 million.

Option analysis two is the most relevant comparison as this reflects the current situation for centrally procured items. The 'savings' reported have to be tempered by the fact that these are calculated by comparing the unit price of signed contracts against the average price of 3 prices per item for the three BO who procured the most of this item under the decentralised model.

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However, we know that many BO do not provide information on quantities and budget estimates when requested by the CPA.¹ In these instances, the CPA arbitrarily estimates quantities which are probably higher than they should be. These are then multiplied by the average unit cost yielding an overall estimated budget expenditure that is considerably higher than the contracts for these items.

For example, in the 2019 CPA Annual Work Report it has a total estimated value of all lots of approximately € 75 million and a contracted value of approximately € 55 million. The annual report shows this as savings of approximately € 20 million or 26%. This figure should be treated with caution as with the exception of 1 contract the other 30 estimated values exceeded the actual contract values significantly and, in (in some cases the variations were in € millions and 8 of the 31 contracts accounted for approximately € 15.5 million 'savings'). A 26% variance between estimate and actual probably indicate serious flaws in the construction of budget estimates.²

Currently, the CPA Annual Work Reports do not provide any explanation for these significant variances. However, in project activity 4.4 we are in the process of reviewing the content, layout and transparency of the template for the CPA Annual Work Reports. We anticipate that our advice to the CPA on its Annual Work Report content will include recommendations to explain the reasons for these variances thereby introducing greater transparency on whether these reported 'savings' are plausible.

Our general conclusion is that the centralised procurements done by the CPA are probably producing savings in economic terms, however in terms of VFM efficiency and effectiveness there is scope for improvement.³ The key area that needs to be enhanced is detailed market research to establish the depth and competitiveness of the national, regional, and international potential suppliers. The absence of meaningful market research activities by the CPA has been cited by a number of sources including the European Commission Staff Working Document Kosovo 2020 Report: *'The Agency's limited capacity to conduct proper market research means that it does not secure the economies of scale expected from centralised procurement.'*

The Kosovo National Audit Office (KNAO) are currently completing the second part of its Performance Audit report on the CPA. The first part of the KNAO report said, *'The inadequate analysis of the (individual) contract by the Contracting Authorities and the absence of any form of market research resulted in contracting more expensive prices than those available in the market.'*

So, the answers to the questions posed by this analysis are:

- The use of centralised procurements is still relevant.
- The Central Procurement Agency is probably providing value-for-money however, this could be improved by doing in-depth market research and establishing reference prices.

Finally, we have included recommendations which should be considered by the CPA to enhance its technical and operational effectiveness.

¹ 21% and 17% of CA did not provide the CPA with data requests for Fuel Produces and Paper Supply respectively in 2017. Source: KNAO Performance Audit Report Value for Money in Centralised Procurements First part – May 2018.

² Source: 2019 Annual Work Report on the CPA February 2020 Chart No.1 Activities of the Centralised Procurement Directorate.

³ Value for Money (VFM) has three core elements: Economy, Efficiency and Effectiveness.

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List of Acronyms and Abbreviations

AI	Administrative Instruction
BA	Budget Organisations
CA	Contracting Authority
CPA	Central Procurement Agency
CBA	Cost Benefit Analyses
EO	Economic Operator
EUOK	European Union Office Kosovo
KAS	Kosovo Agency for Statistics
KNAO	Kosovo National Audit Office
MoF	Ministry of Finance
PPA	Public Procurement Agency
PPL	Public Procurement Law
PPRC	Public Procurement Regulatory Commission
ToR	Terms of Reference
VFM	Value for money
WB	World Bank

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1. Introduction

In Kosovo, almost 11% of GDP is spent on public procurement and, therefore, it is important that taxpayers' money is spent in the most effective and beneficial way.⁴

In 2004, and to improve flexibility for European Union (EU) Member States, Directive 2004/18/EC on the coordination of procurement procedures for the public sector, introduced the **provision of framework agreements**. This provision allowed Member States to establish their own national rules to make procurement simpler, more flexible, and more manageable. The framework agreement allows contracting authorities to make regular purchases of goods, services and/or works for which the contracting authority has a recurring need. In other words, these are standardised products or services, such as official material, fuel, food items, etc.

The need for a centralised procurement institution in Kosovo has been recognised for many years. In a 2008 assessment by the World Bank (WB), they recommended that the Public Procurement Agency (PPA)⁵ (ex-Central Procurement Agency (CPA)) to start using a targeted centralised purchasing mechanism as this could potentially save significant sums of public funds.

In support of its recommendation, the WB analysed a sample of seven product categories (and estimated that applying a centralised framework contract approach could potentially yield annual savings in the range of € 12.3 and 18.3 million. The WB analysis further reported that variations in unit costs for purchases made by Budget Organisations (BOs) could be as high as a 95% variance.

However, despite persuasive evidence to adopt limited centralised procurement it was not until 2011 that the New PPL, Nr.04/L-042⁶, Article 94, introduced the **Central Procurement Agency "CPA" as a Central Purchasing Body**. The CPA is responsible for managing centralised procurement activities through the use of framework agreements on behalf of the government administration, upon government approval.⁷ Despite this primary legal mandate, the CPA did not initiate any activity until 2015, when the first administrative instruction (AI) was adopted by the Government. The reasons for the delay in making the CPA operational primarily stem from a lack of political will to make this happen. However, in the interim period between 2011 and 2015 the CPA did deliver ad hoc general procurement assistance and advice to BOs.

We therefore have a gap of 8 years (2008-2015) between the WB recommending specific centralised procurement and the CPA becoming operational. Clearly this gap will almost certainly have resulted in the loss of tens of millions of euros from the public purse due to paying more for goods and services using decentralised and haphazard purchases of commonly used items.

The EU funded project "Technical Assistance to support the implementation of Public Finance Management Reforms in Kosovo", started in January 2020.

The overall objective of the this project *"is to contribute to a sound financial management and improved service delivery in Kosovo by improving fiscal discipline, increasing revenue*

⁴ PPRC Annual Report 2019: https://e-prokurimi.rks-gov.net/HOME/Reports/2019/alb/Raporti%20vjetor%202019_KRPP_PDF.pdf

⁵ Being the precursor to the CPA.

⁶ <https://krpp.rks-gov.net/krpp/PageFiles/File/ligjet/english/Liqi%20per%20prokurimin%20publik%20%28anglisht%29-1.pdf>

⁷ Article 95 of the Law.

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mobilisation and the strategic allocation of resources through the provision of policy advice and support to institutional and human resource capacity building in the Ministry of Finance and related institutions".

An identified project activity was to do a Cost Benefit Analyses (CBA) of the centralised procurement activities in the two years 2019 and 2020.

Specific and detailed Terms of Reference (ToR) were prepared by the project and approved by the EU Office in Kosovo (EUOK). A suitably experienced expert was identified, approved, contracted, and deployed in November 2020 with initial fieldwork on this activity completed in late December of the same year.

The answers to the following core questions established by the ToR provide the basis for this analysis:

- **Relevance** – *Is the use of limited centralised procurement still relevant through providing value-for-money?*
- **Effectiveness** – *Is the CPA providing value-for-money?*
- **Efficiency** – *How efficient are the selection and market research activities for items that are recommended for central procurement?*

2. Background and Context

Almost all European countries have some centralised procurement arrangements. These vary in terms of organisational and legal frameworks; however, they all share the ambition to improve VFM in public procurement.⁸ Central procurements are most effective in saving costs when purchasing generic and widely used items in bulk rather than piecemeal. Most European countries devote significant resources to **planning and market analysis** prior to making decisions on central procedures or framework contracts.

The PPL Law No. Nr.04/L-042⁹, Article 95, provides the CPA with the authority, powers, and responsibilities to:

- i. Conduct and perform centralised procurements, for all the CAs' in Kosovo, if authorised by the Government.
- ii. Prepare and submit to the Ministry of Finance a list of items or goods, works or services of common use, which will be awarded by the CPA. This list proposed by the Ministry of Finance is adopted by the Government in the form of an Administrative Instruction, by 31st of January each year.
- iii. Conduct and perform procurements on behalf of CAs', at the request of the CA and as per an adequate justification from the relevant CA. The Minister of Finance, after reviewing the reasoning of the CA may allow CPA, the conduct of such procurement activity.
- iv. Support the CAs' in conduct of the procurement activities, upon the request of the CA.

⁸ OECD (2011), "Centralised Purchasing Systems in the European Union", *SIGMA Papers*, No. 47, OECD Publishing, Paris, <https://doi.org/10.1787/5kgkqgv703xw-en>.

⁹ <https://krpp.rks-gov.net/krpp/PageFiles/File/ligjet/shqip/Ligji%20per%20Prokurim%20Publik%20Nr%2004%20L%20%20042.pdf>

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Despite the fact that these competences were given to the CPA in 2011, the government only approved the initial list of 11 common-use items for mandatory central purchasing in 2015 through the AI No. 02/2015.

In 2016, 3 more categories were added to the list and 4 more in 2017. Since 2018, the list of categories has remained unchanged at 18. The details of these categories are in Annex 1 to this report.

2.1 CPA's planning and market analysis

Article 8 paragraph 2 of the PPL requires that *"within fifteen (15) days after the promulgation of the appropriations legislation for a fiscal year, each contracting authority shall prepare, in case of a public authority or a public undertaking shall provide to the CPA, in writing, a final procurement forecast that identifies in reasonable detail all supplies, services and works that the contracting authority intends to procure over the course of such fiscal year"*.

In 2015, the Ministry of Finance (MoF) appointed a working group to draft the Administrative Instruction for centralised procurement activities. This working group comprised only CPA personnel. To establish the initial categories for centralised procurement, the working group reviewed the CAs procurement plans and CPA identified 11 generic categories included in the CAs procurement plans. These generic categories followed the recommendations of the WB assessment. After public consultation, this proposal was adopted by the Government via AI No. 02/2015. However, the CPA did no wider market research or analysis to establish the potential cost benefits of these 11 categories.

The CPA produced a standard template, for each category in order to collect the following data from CAs:

- When was BOs contract signed when it expired;
- Estimated quantity of BOs – quantity ordered the previous year;
- Number of tenders received, number of responsive tenders received; and
- How many times the same activity was launched (re-tendered).

Prior to the approval of the AI No. 02/2015, CPA based on Article 95, Paragraph 4, of the PPL, did a joint survey of 37 CAs for the **"Supply of fuel products"**.¹⁰ This category subsequently became integral in all ensuing lists of centralised procurements.

Therefore, in 2015 we had 11 categories approved for centralised procurement.

The following 3 categories were added to the list in 2016:

- **Renting of photocopiers** – this was based on CPA research of best practices in other European countries.
- **Supply of IT equipment** – this was based on the need to standardise the technical specifications of these items.

¹⁰ This joint survey was done in response to a 2011 recommendation of the KNAO that urged the Government to centralise the procurement of petroleum products.

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- **Supply with lubricants** – this category was never initiated as the BOs complained on the category stating that they have contracts on place for "Vehicle maintenance services" and lubricants is part of those contracts.

In 2017, 4 more categories were added:

- **Rented vehicles** – this was first recommended in by the KNAO in 2015. However, this recommendation was only implemented after a group had been established to analyse and report back to the CPA on this KNAO recommendation. The group recommended rented vehicles to be included on the list.
- **The supply with furniture** – this was based on the need to standardise the technical specifications of these items.
- **Supply with vehicles** – this was based on the need to standardise the technical specifications of these items.
- **Printing services** – this was based on CPA research of best practices.

Since 2017 we have 18 categories approved for centralised procurement and no changes have been made to the list from that date.

The CPA's understanding of market research and analysis seems to be restricted to consulting and requesting information from CAs. Despite recommendations from the EC, the WB and others, the CPA has taken no meaningful initiatives to widen the scope of market research and analysis to encompass national, regional, and international economic operators.

2.2 Estimating contract values

Article 8 of the PPL stipulates that *"Before a contracting authority may initiate any procurement activity the contracting authority's CAO shall ensure that a formal needs assessment is conducted. This assessment shall determine (ii) the estimated value and the proposed type and material terms of the public contract that will be the subject of the envisaged procurement."*

In 2019-2020, the CPA signed 51 contracts. The difference between **the estimated values of these contracts was € 103 million whilst the actual contracted value was € 92 million, a difference of € 11 million.**

CPA was asked to explain the basis on how it arrived at the estimated contract value and they responded that the estimated value is based on:

- Market prices;
- Contract prices of the previous contracts; and
- CAs estimated values.

This basis for calculating the estimated value ignores the need for deeper analyses of CA's proposals, that would consider the wider market situation, competitive conditions, diversification of bids, and time dynamics. In this way, it would be easier to justify a list of categories recommended for central procurement.

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The outcome of the current methodology used by the CPA to estimate contract values is that these are always higher than the actual contract values and the difference is reported by the CPA as 'savings' achieved by the actions of the CPA.

3. Methodology Used for the Analysis

To establish if centralised procurements provided VFM, we analysed centrally procured items over the past two years, namely 2019 and 2020. In this context, VFM was defined as a comparison with 'normal' competitive tender processes. To achieve this, a list of contracts signed by the CPA during year 2019 and 2020 was produced (see Annex 2).

The CPA wants to encourage the participation of medium and small enterprises, and, to achieve this, and in compliance with Article 27/A of the PPL, each activity was divided into Lots.

In 2019-2020 inclusive, the CPA signed **51 contracts** with an estimated value of **€ 103,000 million**, which covered **10 categories** as follows:

1. Supply with office stationery – 9 contracts
2. Supply with fuel – 10 contracts
3. Supply with furniture – 2 contracts
4. Supply with food items – 10 contracts
5. Supply with tires – 2 contracts
6. Supply with photocopiers and printers – Photocopy services – 6 contracts
7. Supply with paper – 6 contracts
8. Supply with vehicles – 4 contracts
9. Supply with fruits and vegetables – 1 contract
10. Supply with IT equipment – 1 contract

For our analysis, we initially selected a sample of **4 categories** with the highest number of contracts:

1. Supply with office stationery – 9 contracts
2. Supply with fuel – 10 contracts
3. Supply with food items – 10 contracts
4. Supply with paper – 6 contracts

The sample was further refined by selecting 10 contracts with the highest spending in the 4 categories:

Nr.	Category	Selected Item
1	Fuel	1. Benzine 10ppm
		2. Diesel 10ppm
2	Food	3. Meat beef (Fresh Beef (BUT), 7% fat allowed – boneless)
		4. White bread (500g)
		5. Natural water (0.50l, plastic packaging)

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Nr.	Category	Selected Item
		6. Oil (edible oil, composition: sunflower, refined, without cholesterol)
		7. Milk (Tetra Pack packaging, fat 3.2%)
3	Paper	8. Paper A4/80 g/m2
		9. Paper A3/80 g/m2
4	Office stationery	10. File folder, in colour, with box. 80mm width suitable for A4 paper size 475- 75i

To facilitate the analysis in the next section, two methodologies/options were used:

- **Option Analysis 1: Comparing the CPA's contract prices with the previous prices of the Budget Organisations (BO); and**
- **Option Analysis 2: Comparing the CPA's contract prices with the market prices.**

4. Analysis and Collection of Unit Prices

4.1 Petroleum products (Diesel 10ppm and Benzine 10ppm)

The contract selected for analysis is **fuel supply – Central level**. This contract is divided into 5 Lots, which entered into force on 12.07.2019 and expires on 11.07.2022 (see contracts No. 8-12 in the Annex 2).

This contract is used by 87 CAs where a total of **29,169,800 litres of diesel and 1,018,700 litres of benzine is planned to be purchased.**

As discussed in the Methodology section, 2 option analysis for comparison are used (see Annex 1 for detailed analyses).

Option Analysis 1: Three (3) prices from BOs which purchased the largest quantity on the centralised contract were collected. The BOs which purchased the largest quantity was determined from the Tender Documents.

The 3 BOs which purchased the largest quantity on **Diesel** contract are:

1. Kosovo Police – diesel
2. Ministry of Justice – diesel
3. Ministry of Force and Security – diesel

The 3 BOs which purchased the largest quantity on **Benzine** contract are:

1. Ministry of Infrastructure – benzine
2. Ministry of Labour and Social Welfare – benzine
3. Ministry of Health – benzine

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For the comparison, BOs biggest spenders' average price was calculated and compared with prices published by Kosovo Agency for Statistics (KAS) in 2012.¹¹ BOs largest spenders prices are based on an analysis done by CPA in year 2012.

Results: For this option, the BOs paid approximately € 380,000 more for Diesel and € 13,000 less for Benzine than the CPA price.

Option Analysis 2: The prices collected from BOs were prices from year 2012. Since 2015 CPA has contracted, for this category on behalf of the BOs. Therefore, for this option prices published by KAS (market prices) are compared to the CPA's prices.

Since the activity was divided into 5 Lots, and two Economic Operators (EOs) were awarded with the 5 Lots, CPA had different prices for Lot 1 and 2 than for Lots 3, 4 and 5.

As the contract was for 15 months into its implementation, the comparative analysis was therefore done for the respective period of **August 2019 – October 2020**. For this analysis, the averages of 15 published KSA prices and 15 published CPA prices were used.

Results: For this option, the total savings are approximately € 2,550,000 of which € 2,450,000 is for Diesel and € 100,000 for Benzine using centralised procurement.

In addition, we know that in order to subscribe for the fuel prices a prepayment of € 13,000 per year by each CA need to be paid. This fact increases the potential savings by approximately € 3,390,000 over a 3-year period.

4.2 Supply with food items

4.2.1 Supply with meat and meat products

The item selected for analysis is **Meat beef kg** (Fresh Beef (BUT), 7% fat allowed – boneless) – Lot 1. Please refer to Annex 1 for detailed information.

Option Analysis 1: Since the project has to do the CBA in order to establish if these procurements provided VFM when compared to 'normal' competitive tender processes, the contract selected for the analysis is the contract for **food items of year 2015**, a contract divided into 5 Lots, which entered into force in November 2016 and expired in November 2019.

This contract is used by **7 CAs** with a total value of approximately **€ 4,500,000**.

3 prices of BOs previous contracts (before CPA's contract) which spent the largest quantity on the centralised contract were collected. The BOs which ordered the largest quantity was determined by CPA as there is no information on the Tender Documents on the quantity each CA is estimated to have spent.

As per CPAs data collection, the 5 BOs which purchased the largest quantities are:

1. Student Centre
2. University Clinical Centre of Kosovo
3. Kosovo Correctional Service

¹¹ <https://ask.rks-gov.net/media/3311/i%C3%A7k-ih%C3%A7k-2002-2016-shqip.pdf>

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4. Gjakova Regional Hospital
5. Ministry of Labour and Social Welfare

For the comparison, the average price of the 3 prices of BOs previous contracts were calculated and compared to the CPA's contract price of year 2016. The prices from the BOs were collected directly from the BOs via email. The prices of 2 BOs, Student Center and University Clinical Centre of Kosovo, were not considered as they did not have the same specification and therefore direct comparison would be meaningless.

Results: For this option, the BOs paid approximately € 233,000 more compared to the CPA's price.

Option Analysis 2: The prices collected from BOs were prices from year 2015, as since that date the CPA has contracted for this category on behalf of the BOs. This option compares prices published by KAS (market prices) with CPA's contract prices of the contract signed on November 2019 which expires in December 2022.

This contract is used by **5 CAs** with a total value of approximately **€ 5,500,000 (Lot 1, central)** (see contract No. 18 in the Annex 2).

Due to the fact that the contract has been implemented for more than 12 months and, in order to calculate the potential savings, the comparison was done for 12 months, i.e. **November 2019 – October 2020**. For this analysis, an average price of 12 published KSA prices and CPA prices are used as comparators.

Results: For this option, the savings from centralised procurement is approximately **€ 724,000**.

4.2.2 Supply with dairy products

The item selected for analysis is **Milk litre** (Tetra pack packaging, fat 3.2%). Please see Annex 1 for detailed analysis.

Option Analysis 1: The contract selected for the analysis is for **food items of year 2015**, a contract divided into 5 Lots, which entered into force in November 2016 and expired in November 2019.

This contract is used by **15 CAs** with a total value of approximately **€ 1,760,000 (Lot 2)**.

3 prices of BOs previous contracts (before CPA's contract) which procured the largest quantity on the centralised contract were collected. The BOs which spent the largest quantity were determined by CPA as there is no information on the Tender Documents on the quantity each CA is estimated to have been procured.

The CPA's estimated data identified 3 BOs which procured the largest quantities:

1. Ministry of Labour and Social Welfare
2. University Clinical Centre of Kosovo
3. Kosovo Correctional Service

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For comparison, the average price of the 3 prices of BOs previous contracts was calculated and compared with CPA's contract price of year 2016. The prices from the BOs were collected directly from the BOs via email.

Results: In this option, the BOs paid approximately € 44,100 less when compared to the CPA's price.

Option Analysis 2: The prices collected from BOs were prices from year 2015, as since that date the CPA has contracted for this category on behalf of the BOs. This option compares prices published by KAS (market prices) with CPA's contract prices of the contract signed on November 2019 which expires in December 2022.

This contract is used by 15 CAs with a total value of approximately € 2,050,000 (Lot 1, central) (see contract No. 20 in the Annex 2).

As this contract has been implemented for more than 12 months and, in order to assess potential savings, the comparison was done for 12 months, i.e. **November 2019 – October 2020**. For this analysis, an average price of 12 published KSA prices and CPA prices are used as comparators.

Results: For this option, the savings from centralised procurement are approximately € 30,600.

4.2.3 Supply with water, carbonated and non-carbonated drinks

The item selected for analysis is **Natural water (0.5 l, plastic packaging)**. Please see Annex 1 for detailed data analysis.

Option Analysis 1: For this analysis, the contract selected was **food items of year 2015**. The contract is divided into 5 Lots, which entered into force in November 2016 and expired in November 2019

This contract is used by 23 CAs with a total value of approximately € 945,000 (Lot 3).

3 prices of BOs previous contracts (before CPA's contract) which procured the largest quantity on the centralised contract were collected. The BOs which spent the largest quantity were determined by CPA as there is no information on the Tender Documents on the quantity each CA is estimated to have been procured.

The CPA estimated data identified 3 BOs which procured the largest quantities:

1. Kosovo Police
2. Energy Regulatory Office
3. Kosovo Correctional Service

For comparison, the average price of the 3 prices of BOs previous contracts was calculated and compared with CPA's contract price of year 2016. The prices from the BOs were collected directly from the BOs via email.

Results: In this option, the BOs paid approximately € 3,000 more when compared to the CPA's price.

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Option Analysis 2: The prices collected from BOs were prices from year 2015, as since that date, the CPA has contracted for this category on behalf of the BOs. This option compares prices published by KAS (market prices) with CPA's contract prices of the contract signed on November 2019 which expires in December 2022.

This contract is used by 53 CAs with an approximate value of € 1,650,000 (Lot 3) (see contract No. 17 in the Annex 2).

As this contract has been implemented for more than 12 months and, in order to assess potential savings, the comparison was done for 12 months, i.e. November 2019 – October 2020. For this analysis, an average price of 12 published KSA prices and CPA prices are used as comparators.

Results: Under this option, centralised procurement has produced a saving of approximately € 16,900.

4.2.4 Supply with food items

The item selected for this analysis was Oil (edible oil, composition: sunflower, refined, without cholesterol). Please see Annex 1 for detailed data analysis.

Option Analysis 1: For this analysis, the contract selected was food items of year 2015. The contract is divided into 5 Lots, which entered into force in November 2016 and expired in November 2019.

This contract is used by 18 CAs with an approximate value of € 2,394,000 (Lot 4).

3 prices of BOs previous contracts (before CPA's contract) which procured the largest quantity on the centralised contract were collected. The BOs which spent the largest quantity were determined by CPA as there is no information on the Tender Documents on the quantity each CA is estimated to have been procured.

The CPA estimated data identified by 3 BOs which procured the largest quantities:

1. University Clinical Centre of Kosovo
2. Ministry of Labour and Social Welfare
3. Kosovo Correctional Service

For comparison, the average price of the 3 prices of BOs previous contracts was calculated and compared with CPA's contract price of year 2016. The prices from the BOs were collected directly from the BOs via email.

Results: In this option, the BOs paid approximately € 51,400 more when compared to the CPA's price.

Option Analysis 2: The prices collected from BOs were prices from year 2015, as since that date, the CPA has contracted for this category on behalf of the BOs. This option compares prices published by KAS (market prices) with CPA's contract prices of the contract signed on November 2019 which expires in December 2022.

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This contract is used by **20 CAs** with a total value of approximately **€ 2,796,000 (Lot 4, central level)** (see contract No. 21 in the Annex 2).

As this contract has been implemented for more than 12 months and, in order to assess potential savings, the comparison was done for 12 months, i.e. **November 2019 – October 2020**. For this analysis, an average price of 12 published KSA prices and CPA prices are used as comparators.

Results: Under this option, centralised procurement has produced a saving of approximately **€ 13,900**.

4.2.5 Supply with bread and other pastries

The item selected for analysis was **White bread (500g)**. Please see Annex 1 for detailed data analysis.

Option Analysis 1: For this analysis, the contract selected was **food items of year 2015**. The contract is divided into 5 Lots, which entered into force in November 2016 and expired in November 2019.

This contract is used by **6 CAs** with a total value of approximately **€ 3,455,000 (Lot 5)**.

3 prices of BOs previous contracts (before CPA's contract) which procured the largest quantity on the centralised contract were collected. The BOs which spent the largest quantity were determined by CPA as there is no information on the Tender Documents on the quantity each CA is estimated to have been procured.

The CPA estimated data identified 3 BOs which procured the largest quantities:

1. Student Centre
2. University Clinical Centre of Kosovo
3. Kosovo Correctional Service

For comparison, the average price of the 3 prices of BOs previous contracts was calculated and compared with CPA's contract price of year 2016. The prices from the BOs were collected directly from the BOs via email.

Results: In this option, the BOs paid approximately **€ 142,000 less** when compared to the CPA's price.

Option Analysis 2: The prices collected from BOs were prices from year 2015, as since that date, the CPA has contracted for this category on behalf of the BOs. This option compares prices published by KAS (market prices) with CPA's contract prices of the contract signed on November 2019 which expires in December 2022.

This contract is used by **5 CAs** with an approximate total value of **€ 1,774,000 (Lot 1, central level)** (see contract No. 15 in the Annex 2).

As this contract has been implemented for more than 12 months and, in order to assess potential savings, the comparison was done for 12 months, i.e. **November 2019 – October 2020**. For this analysis, an average price of 12 published KSA prices and CPA prices are used as comparators.

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Results: Under this option, centralised procurement has produced a saving of approximately € 345,000.

4.3 Supply with paper and office stationery

4.3.1 Supply with paper A4/80 g/m2

The item selected for analysis was Paper A4/80 g/m2. Please see Annex 1 for detailed data analysis.

Option Analysis 1: For this analysis, the contract selected was for office stationery of year 2015, a contract divided into 2 Lots, which entered into force in August 2016.

This contract is used by 79 CAs with a total approximate value of € 2,180,000 (Lot 1).

The CPA had analysed data collected from 31 BOs before this item was included in centralised procurement. This had to be done as the CPA did not determine the quantities on the tender documents. 3 prices of BOs previous contracts (before CPA's contract) which procured the largest quantity on the centralised contract were selected from CPAs analysis.

The CPA estimated data identified 3 BOs which procured the largest quantities:

1. Ministry of Internal Affairs
2. Kosovo Police
3. Secretariat of the Kosovo Judicial Council

For comparison, the average price of the 3 prices of BOs previous contracts was calculated and compared with CPA's contract price of year 2015. The prices from the BOs were collected directly from the CPAs analysis.

Results: In this option, the BOs paid approximately € 580,000 more when compared to the CPA's price.

Option Analysis 2: The prices collected from BOs were prices from year 2015, as since that date, the CPA has contracted for this category on behalf of the BOs. Since the KSA does not provide market prices for this category, the market prices were collected directly from the EOs and an average price was determined. From a sample of 5 EOs contacted, 3 responded.

The CPA price was the average of the 6 CPA contracts for the 6 Lots.

Results: Under this option, centralised procurement has produced a saving of approximately € 46,000.

4.3.2 Supply with paper A3/80 g/m2

The item selected for analysis was Paper A3/80 g/m2. Please see Annex 1 for detailed data analysis.

Option Analysis 1: The contract selected for the analysis was the contract for office stationery of year 2015, a contract divided into 2 Lots, which entered into force in August 2016.

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This contract is used by **79 CAs** with a total value of approximately **€ 2,180,000 (Lot 1)**.

The CPA had analysed data collected from 31 BOs before this item was included in centralised procurement. This had to be done as the CPA did not determine the quantities on the tender documents. 3 prices of BOs previous contracts (before CPA's contract) which procured the largest quantity on the centralised contract were selected from CPAs analysis.

The CPA's estimated data identified 3 BOs which procured the largest quantities:

1. Ministry of Internal Affairs
2. Customs
3. Prishtina Municipality

For the comparison, the average price of the 3 prices of BOs previous contracts was calculated and compared with CPA's contract price of year 2015.

Results: For this option, the BOs paid approximately **€ 139,000 less** when compared to the CPA's price.

Option Analysis 2: The prices collected from BOs were for 2015, as since 2015 CPA has contracted for this category on behalf of the BOs. This option compares market prices with CPA's prices signed as of June 2020. Since the KSA does not provide market prices for this category, the market prices were collected directly from the EOs and an average price was determined. From a sample of 5 EOs contacted, 3 responded.

The CPA price was the average of the 6 CPA contracts for the 6 Lots.

Results: For this option, centralised procurement has produced a saving of approximately **€ 78,000**.

4.3.3 Supply with file folder, in colour, with box 80mm width suitable for A4 paper size 475- 75i

The item selected for analysis was file folder, in colour, with box. 80mm width suitable for A4 paper size 475- 75i. Please see Annex 1 for detailed data analysis.

Option Analysis 1: The contract selected for analysis was for **office stationery of year 2015**, a contract divided into 2 Lots, which entered into force in August 2016.

This contract is used by **79 CAs** with a total value of approximately **€ 2,480,000 (Lot 1)**.

The CPA had analysed data collected from 31 BOs before this item was included in centralised procurement. This had to be done as the CPA did not determine the quantities on the tender documents. 3 prices of BOs previous contracts (before CPA's contract) which procured the largest quantity on the centralised contract were selected from CPAs analysis.

The CPA's estimated data identified 3 BOs which procured the largest quantities:

1. Ministry of Internal Affairs
2. Kosovo Police

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3. Ministry of Justice

For the comparison, the average price of the 3 prices of BOs previous contracts was calculated and compared with CPA's contract price of year 2015.

Results: In this option, the BOs paid approximately € 46,300 less when compared to the CPA's price.

Option Analysis 2: The prices collected from BOs were for 2015, as since 2015 CPA has contracted for this category on behalf of the BOs. This option compares market prices with CPA's prices signed as of June 2020. Since the KSA does not provide market prices for this category, the market prices were collected directly from the EOs and an average price was determined. From a sample of 5 EOs contacted, 3 responded.

Results: For this option, centralised procurement has produced a saving of approximately € 70,000.

4.4 Other potential savings

Through targeted centralised procurement actions, additional potential savings could be achieved. For example, centralised procurement will reduce the need for procurement processes in BOs. To assess the potential labour cost savings, we developed model using standard number of days and unit labour costs and applied this to all BOs for the 10 selected categories. The potential saving from this modelling was approximately € 205,000. Details of the model used are in the Annex 1.

As we identified earlier, for the purchase of fuel products, individual BOs would need to deposit a bond of € 13,000 annually with fuel suppliers. Centralised procurement of fuel products has saved € 3,310,000 over a 3-year period.

5. Summary of Analysis

This section provides a summarised tabular presentation of the overall potential savings¹² that have been made under the 2 options for each category analysed in the report.

Item No.	Item	Option 1: Comparison with BO Prices	Option 2: Comparison with Market Prices
1	Diesel 10ppm	380,000	2,450,000
2	Benzine 10ppm	-13,000	100,000
3	Meat beef kg (fresh beef (BUT), 7% fat allowed – boneless)	233,000	724,000
4	Milk litre (Tetra Pack packaging, fat 3.2%)	-44,100	30,600

¹² The numbers in the table are rounded.

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Item No.	Item	Option 1: Comparison with BO Prices	Option 2: Comparison with Market Prices
5	Natural Water (0.5 l, plastic packaging)	3,000	16,900
6	Oil (edible oil, composition: sunflower, refined, without cholesterol)	51,400	13,900
7	White bread (500g).	-142,000	345,000
8	Paper A4/80 g/m2.	580,000	46,000
9	Paper A3/80 g/m2	-139,000	78,000
10	File folder	-46,300	70,000
	Sub-Total	863,000	3,874,000
	Other Indicators		
11	The estimation of human resources for 10 items	205,000	
12	Prepayment on the stock exchange for fuel	3,390,000	
	TOTAL	4,458,000	3,874,000

Under Option 1, the main component of the 'savings' is the fuel prepayment and 5 of the 10 items cost less to purchase by individual BO than through centralised procurement. Under option 2, savings are potentially misleading and overstated since many BOs do not provide the CPA with annual estimates of volumes for each item. This is a legal requirement but is not being enforced. As a result, for non-filers, the CPA creates its own BO estimates of quantities and multiplies these by market prices. In these instances, the CPA arbitrarily estimates quantities which are probably higher than they should be. When these are then multiplied as described above, the estimated cost budget outcome is considerably higher than the contract values for these items.

This creates a situation where CPA's contracted value is being compared to a possibly flawed estimate and CPA 'savings' reported in CPA Annual Reports on this basis.

6. Observations & Recommendations

➤ Observations

- Even with the caveats in Section 5 of this report, there is a **high probability of savings from the volumes being contracted by the CPA.**
- Most of the items being centrally procured are for **supply contracts**. Historically, this was the norm for centralised procurement however, opportunities are now emerging for centrally procuring **service contracts**.

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- For almost all centralised procurement, the key award criteria is the **lowest price** from a responsive bidder.
- **Technical specifications tend to be generalised** for the required items.
- **Audit trails are improved** as the auditors will review one procurement activity against multiple procurement activities initiated by BOs.
- The number of **complaints to the PRB has decreased** as the EOs file complaints for one procurement activity instead of filing complaints for all BOs.
- There was a **diversity of prices for the same items** in previously decentralised BO contracts.
- The prices charged to BOs **do not reflect current market prices**.
- The CPA needs to **improve the contract management, reporting and appeals resolution**.
- The CPA needs to **improve CPAs planning, market research and estimation of the contract value**.
- Whilst the CPA divides the activities into Lots to encourage the participation of the medium and small enterprises, this division is not done properly.
- The **evaluation of the tenders takes more time than permitted** by the Rules and the Operational Guidelines on Public procurement.

➤ **Recommendations**

1. CPA shall **use most economically advantageous tender award criteria** in order to ensure quality during the contract implementation.
2. CPA shall **deal properly with abnormally prices** since the EOs apply with abnormally low prices and accordingly the CAs face problems during the contract implementation.
3. CPA shall **collect quantities and prices** from the BOs before initiation of a procurement activity in order to analyse prices before contract signature for new activities.
4. CPA shall **collect quantities** for those items procured over the years by CPA, from the contract management.
5. CPA shall **determine the quantities needed for each CA** on the tender documents.
6. CPA shall **have a user-friendly website** so that the collection of data and contracts are easily accessed and available to the BOs.
7. CPA shall **carry out a more comprehensive analysis** of CA's proposals and consider the current market situation, competitive conditions, diversification of bids, and time dynamics before the CPA finalises the request for the list of central procurements.
8. CPA shall **hold workshops** with the BOs to address all the issues raised by the BOs during the contract implementation.
9. CPA shall **monitor the contract implementation** and take necessary steps to eliminate disputes during the contract implementation between the BOs and the EOs.

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10. CPA shall **collect data for the contract implementation** on three-month basis and **publish this** so that BOs and other interested parties know the quantities procured.
11. CPA should **expand the list of common use items**, to include **service contracts in areas such as security services, cleaning services, deratization, disinsectization, disinfection "DDD" services** as these activities are common to all BOs.
12. Whilst price is an important criterion in a contract award, **other criteria** such as environmental impact, social impact, and sustainability shall be considered by CPA.
13. CPA shall **evaluate tenders in compliance with time requirements** of the Rules and Operational Guidelines on Public Procurement.
14. CPA and the Ministry of Finance shall ensure that all BOs, as required by law, **provide annual information** on quantities of centrally procured items and the budget appropriation for these items.

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References

1. Public Procurement Law No. 04/L-042
2. PPRC Annual Report 2019
3. CPA's Tender documents 2015 - Fuel Supply – one Lot, Central level
4. CPA's Tender documents 2017 - Fuel Supply – six Lots, Local level
5. CPA's Tender documents 2018 - Fuel Supply – five Lots, Central level
6. CPA's Tender documents 2019 - Fuel Supply – six Lots, Local level
7. CPA's established prices for Fuel and Benzene published at CPA's website
8. Agency of Statistics in Kosovo published prices for fuel
9. CPA's Fuel Analyses Report
10. CPA's Tender documents 2015 - Food Items – 5 lots, Central level
11. CPA's Tender documents 2018 - Food Items – 5 categories, 2 lot per Category, Central and local level
12. CA's biggest spender's food prices for 5 selected items
13. Agency of Statistics in Kosovo published prices for food prices for 5 selected items
14. CPA's Tender documents 2015 Supply with paper and office stationery – 2 Lots, Central level
15. CPA's Tender documents 2017, Supply with paper – 6 Lots, Local level
16. CPA's Tender documents 2017, Supply with office stationery– 7 Lots, Local level
17. CPA's Tender documents 2018, Supply with office stationery – 7 Lots, Central level
18. CPA's Tender documents 2019, Supply with paper – 6 Lots, Local level
19. CPA's Tender documents 2019, Supply with office stationery – 7 Lots, Central level
20. EO's market prices as per December 2020
21. CPA's Paper and Office Stationery Analyses Report
22. CPA's contract for Supply with paper of year 2015, Central level
23. CPA's contract for Supply with office stationery of year 2015, Central level
24. CPA's contract for Supply with paper of year 2020 –Lot 1, Local level
25. CPA's contract for Supply with paper of year 2020 – Lot 2, Local level
26. CPA's contract for Supply with paper of year 2020 – Lot 3, Local level
27. CPA's contract for Supply with paper of year 2020 – Lot 4, Local level
28. CPA's contract for Supply with paper of year 2020 – Lot 5, Local level
29. CPA's contract for Supply with paper of year 2020 – Lot 6, Local level
30. CPA's contract for Supply with office stationery of year 2019, Central level

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Annex 1: Detailed Information and Data Underpinning the Content of the Report

➤ Procurement Categories/Items

In total the CPA, as authorised by the Government, procures the following **18 categories of items**:

No.	2015	2016	2017
1	Supply with fuel		
2	Supply with office stationery		
3	Transport services (supply with tickets)		
4	Supply with heavy oil (masut)		
5	Supply with wooden mare		
6	Supply with tires		
7	Supply with wood & coal (2 lots)		
8	Supply with hygienic material (2 lots)		
9	Supply with food items (5 lots)		
10	Cleaning services (11 lots)		
11	Supply with fruits and vegetables (FA with several Eos)		
12		Renting photocopy machines	
13		IT equipment	
14		Supply with lubricants	
15			Supply with vehicle
16			Renting vehicles
17			Supply with furniture
18			Printing services

This analysis reviewed **3 central procurement activities** of the CPA over the last two years.

➤ Option Analysis Formula

For the selected items, the comparative analysis was based on two options:

- Option Analysis 1:** 3 prices per item from BOs (decentralised operating model) which spent the largest quantity on the centralised contract were collected. An average price was established and compared with CPA's prices.

Item	Formula
Diesel & Benzine	<ul style="list-style-type: none"> Price as per KSA 2012 * Quantity of Diesel in litres foreseen for 3 years = Value as per KSA price Average Price of BO September 2012 * Quantity of Diesel foreseen for 3 years = Value as per BOs price

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	Value as per KSA price – Value as per BOs price = Savings
Food items (meat, milk, water, oil, and bread)	<ul style="list-style-type: none"> • Average Price of the BO prices * Quantity as per TD = Value as per BOs price • CPA's price * Quantity as per TD = Value as per CPA price Value as per BO price – Value as per CPAs price = Savings
Paper A4 & A3 & Folder	<ul style="list-style-type: none"> • Average Price of the BO prices * Quantity as per TD = Value as per BOs price • CPA's price * Quantity as per TD = Value as per CPA price Value as per BO price – Value as per CPAs price = Savings

2. **Option Analysis 2:** As the prices collected from BOs were prices from the base year of 2015, the time when the CPA started contracting on behalf of the BOs, the report has updated – for the first 7 items listed in the sample – with prices published by KAS and compared these with CPA's prices.

Item	Formula
Diesel & Benzine	<ul style="list-style-type: none"> • 15 published CPA prices * Quantity of Diesel in litres foreseen for 3 years = Value as per CPA price • Average price of 15 published KSA prices * Quantity of Diesel foreseen for 3 years = Value as per market price Value as per CPAs price – Value as per KSA price = Savings
Food items (Meat, milk, water, oil, and bread)	<ul style="list-style-type: none"> • CPA price * Quantity foreseen for 3 years = Value as per CPA price • Average price of 12 published KSA prices * Quantity foreseen for 3 years = Value as per market price Value as per CPAs price – Value as per KSA price = Savings
Paper A4 & A3 & Folder	<ul style="list-style-type: none"> • CPA price * Quantity foreseen for 3 years = Value as per CPA price • Average price of Eos prices * Quantity foreseen for 3 years = Value as per market price Value as per CPAs price – Value as per Eos e price = Savings

➤ **Selected Items Option Analysis**

1. Petroleum products (Diesel 10ppm and Benzine 10ppm)

Background

Following the approval of the list for centralised procurements by the government, via an AI for centralised procurements, signed by the Prime Minister on 25.02.2015, the first centralised procurements were initiated, and the first on the list was the "Supply with fuel".

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Since year 2015, CPA has conducted 4 procurement activities for the Supply of Fuel:

1. 10.05.2015 - Central level (80 CAs) – 1 lot only; contract signed February 2016 (*nine months*¹³)
2. 05.05.2017 – Local level (69 CAs) – activity divided into 6 lots; contracts signed in February 2018 (*nine months*)
3. 12.08.2018 – Central level (87 CAs) – activity divided into 5 lots; contracts signed in May 2019 (*nine months*)
4. 30.12.2019 – Local level (69 CAs) – activity divided into 6 lots; contracts signed in May 2020 (*five months*)

Before the initiation of the first centralised procurement activity for the “Supply with fuel” in year 2015, CPA had started with the collection of data. A questionnaire had been prepared by CPA, which was sent to the CA and was published on Public Procurement Regulatory Commission (PPRC) website to collect the data from the CAs. These data were used for the preparation of the technical specification and the determination of the quantities for the procurement of fuel.

The questionnaire requested answers as to:

- When was the contract signed when it expires;
- Estimated quantity, quantity ordered the previous year;
- Number of tenders received, number of responsive tenders received;
- How many times the same activity was launched (re-tendered);
- Whether the CA was a subscriber on Platts Price; and
- The price per litre the CA paid.

CPA, during the data collection, encountered a diversity of prices for the same item in different contracts signed and implemented by CAs'. It was also noted that the preparation of technical specifications did not conform to the legal requirements. In most of the cases, the technical specifications, in these contracts, was generalised without any detailed description of the type or the technical characteristics.

The price building for supply of fuels was not a fixed price but the prices were subject to adjustments (changes). The price was made of:

1. **Fixed price components** such as
 - ✓ the premium of the Supplier (the margin of the contractor as the only evaluation criterion),
 - ✓ the premium of the refinery,
 - ✓ payable fees to the Customs services,
 - ✓ payable fees for the transport, VAT, and
2. **Variable price components** such as
 - ✓ Platts average monthly price (CIF Mediterranean base),
 - ✓ average exchange rate (USD / Euro) by the European Central Bank.

¹³ Duration from the initiation until the contract signature.

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The CPA, while drafting the Tender documents, has taken into consideration the WB recommendations:

WB recommendation	CPA implementation
Establish a formal process to determine price reference (benchmarks)	
Use a clear and unitary method to tender fuels and evaluate the prices	Formula for the determinate of the price is part of the tender documents
Keep variable price components due to changes on the world market	Variable prices
Explore possible centralisation of the procurement of fuel by CPA	Initiated the first procedure in year 2015
Award framework contract to more than one supplier, considering regional distribution	Activity divided into lots
Framework contract should be awarded with duration of two years	Contract awarded for three years

Supply with Diesel 10ppm and Benzene 10ppm

Since the project has to do the cost benefit analyses for the contracts conducted the last two years, the contract selected for the analyses is the contract for **Fuel supply – Central level**, a contract divided into 5 Lots (Lots), which entered into force on 12.07.2019 and expires on 11.07.2022 (see contracts No. 8-12 in the Annex 2).

This contract is used by 87 CAs where a total of **29,169,800 litres of Diesel and 1,018,700 litres of Benzene** is foreseen to be spent.

As mentioned under the Methodology section, in order to do a detailed analyses 2 options of comparison are used.

Option Analysis 1:

3 prices from BOs which spent the largest quantity on the centralised contract were collected. The BOs which spent the largest quantity were determined from the Tender Documents.

The 3 BOs which spent the largest quantity on Diesel contract are:

1. Kosovo Police – diesel
2. Ministry of Justice – diesel
3. Ministry of Force and Security – diesel

The 3 BOs which spent the largest quantity on Benzene contract are:

1. Ministry of Infrastructure – benzene
2. Ministry of Labour and Social Welfare - benzene
3. Ministry of Health – benzene

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For the comparison, BOs biggest spenders' prices were taken into consideration and were compared with prices published by KSA of year 2012¹⁴. BOs biggest spenders' prices are based on an analyse done by CPA in year 2012.

Diesel							
No.	CA	Quantity of Diesel (in litres foreseen for 3 years)	KSA price (2012)	Value as per KSA's price	BO price (September 2012)	Value as per BO price	Difference
1	Kosovo Police	9,705,000.00	1.32	12,810,600.00	1.3692	13,288,086.00	477,486.00
2	Ministry of Justice	3,448,900.00	1.32	4,552,548.00	1.3097	4,517,024.33	-35,523.67
3	Ministry of Force and Security	4,750,000.00	1.32	6,270,000.00	1.345	6,388,750.00	118,750.00
Total		17,903,900.00		23,633,148.00		24,193,860.33	560,712.33

This shows that these BOs paid € 560,712.33 more than the market price.

Benzene							
No.	CA	Quantity of Benzene (in litres foreseen for 3 years)	KSA price (2012)	Value as per KSA's price	BO price (September 2012)	Value as per BO price	Difference
1	Ministry of Infrastructure	186,000.00	1.33	247,380.00	1.3053	242,785.80	-4,594.20
2	Ministry of Labour and Social Welfare	180,000.00	1.33	239,400.00	1.3443	241,974.00	2,574.00
3	Ministry of Health	60,000.00	1.33	79,800.00	1.249	74,940.00	-4,860.00
Total		426,000.00		566,580.00		559,699.80	6,880.20

This shows that these BOs paid € 6,880.20 less than the market price.

If an average price from the 3 biggest BOs spenders is established and compared with KSA's prices, the following are the results:

Diesel

¹⁴ <https://ask.rks-qov.net/media/3311/f/C3%A7k-ih%C3%A7k-2002-2016-shqip.pdf>

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No.	CA	Quantity of Diesel (in litres foreseen for 3 years)	KSA price (2012)	Value as per KSA's price	BO price (September 2012)	Value as per BO price	Difference
1	Kosovo Police	9,705,000.00	1.32	12,810,600.00	1.3413	13,017,316.50	206,716.50
2	Ministry of justice	3,448,900.00	1.32	4,552,548.00	1.3413	4,626,009.57	73,461.57
3	Ministry for Kosovo Security Force	4,750,000.00	1.32	6,270,000.00	1.3413	6,371,175.00	101,175.00
Total		17,903,900.00		23,633,148.00		24,014,501.07	381,353.07

This shows that these BOs paid € 381,353.07 more than the market price.

Benzene							
No.	CA	Quantity of Benzene (in litres foreseen for 3 years)	KSA price (2012)	Value as per KSA's price	BO price (September 2012)	Value as per BO price	Difference
1	Ministry of Infrastructure	186,000.00	1.33	247,380.00	1.2995	241,707.00	-5,673.00
2	Ministry of Labour and Social Welfare	180,000.00	1.33	239,400.00	1.2995	233,910.00	-5,490.00
3	Ministry of Health	60,000.00	1.33	79,800.00	1.2995	77,970.00	-1,830.00
Total		426,000.00		566,580.00		553,587.00	-12,993.00

This shows that these BOs paid € 12,993.00 less than the market price.

Option Analysis 2:

In regard to the fact that the prices collected from BOs were prices from year 2012 – as since 2015 CPA has continued concluding contracts for this category on behalf of the BOs – the report's second option compares prices published by KAS (market prices) with CPA's prices.

The price taken into consideration was the market price (KSA) of **August 2019** as the contract was signed in **August 2019**.

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Item	Month/Year	KSA published price	CPA's price for Lot 1 and 2	CPA's price for Lot 3, 4 and 5
Diesel	August 2019	1.15 ¹⁵	1.0399 ¹⁶	1.0374 ¹⁷
Benzine	August 2019	1.16 ¹⁸	1.0157 ¹⁹	1.0132 ²⁰

DIESEL 10ppm

Contract signed in August 2019							
Lot	No. of CAs	Quantity of Diesel (in litres foreseen for 3 years)	CPA's contract price (August 2019)	Value as per CPA's contract	KSA price (August 2019)	Value as per KSA market price	Difference
1	1	9,705,000.00	1.0399	10,092,229.50	1.15	11,160,750.00	1,068,520.50
2	32	5,843,400.00	1.0399	6,076,551.66	1.15	6,719,910.00	643,358.34
3	25	4,567,100.00	1.0374	4,737,909.54	1.15	5,252,165.00	514,255.46
4	26	2,141,300.00	1.0374	2,221,384.62	1.15	2,462,495.00	241,110.38
5	3	6,913,000.00	1.0374	7,171,546.20	1.15	7,949,950.00	778,403.80
Total		29,169,800.00		30,299,621.52		33,545,270.00	3,245,648.48

BENZINE 10ppm

Contract signed in August 2019							
Lot	No. of CAs	Quantity of Benzine (in litres foreseen for 3 years)	CPA's contract price (August 2019)	Value as per CPA's contract	KSA price (August 2019)	Value as per KSA market price	Difference
1	1	43,500.00	1.0157	44,182.95	1.16	50,460.00	6,277.05
2	32	516,000.00	1.0157	524,101.20	1.16	598,560.00	74,458.80
3	25	107,800.00	1.0132	109,222.96	1.16	125,048.00	15,825.04
4	26	340,400.00	1.0132	344,893.28	1.16	394,864.00	49,970.72
5	3	11,000.00	1.0132	11,145.20	1.16	12,760.00	1,614.80
Total		1,018,700.00		1,033,545.59		1,181,692.00	148,146.41

¹⁵ <https://ask.rks-gov.net/add-news/indexi-i-harmonizuar-i-%C3%A7mimeve-t%C3%AB-konsumit-ih%C3%A7k-gusht-2019/>

¹⁶ <https://aqp.rks-gov.net/wp-content/uploads/2019/09/Vendim-per-formimin-e-cmimit-te-karbura-nteve-GUSHT-2019-HIB-PETROL-LOT-12.pdf>

¹⁷ <https://aqp.rks-gov.net/wp-content/uploads/2019/09/Vendim-per-formimin-e-cmimeve-te-Karburant-it-GUSHT-2019-Petrol-Company-Lot-345.pdf>

¹⁸ <https://ask.rks-gov.net/add-news/indexi-i-harmonizuar-i-%C3%A7mimeve-t%C3%AB-konsumit-ih%C3%A7k-gusht-2019/>

¹⁹ <https://aqp.rks-gov.net/wp-content/uploads/2019/09/Vendim-per-formimin-e-cmimit-te-karbura-nteve-GUSHT-2019-HIB-PETROL-LOT-12.pdf>

²⁰ <https://aqp.rks-gov.net/wp-content/uploads/2019/09/Vendim-per-formimin-e-cmimeve-te-Karburant-it-GUSHT-2019-Petrol-Company-Lot-345.pdf>

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Assuming that this trend of the difference between the contract price and market prices will be the same until the end of the contract, then the potential savings are a **significant amount**.

Due to the fact that the contract has been implemented for more than 15 months, in order to review the savings, the comparison is done as well for 15 months, i.e. period **August 2019 – October 2020**.

For this analysis, and comparison reasons, an average price of 15 published KSA prices and 15 published CPA prices are taken into consideration.

The activity is divided into 5 Lots and it has two categories (benzene and diesel). The average prices are as follows:

Lot 1 & 2				
	Diesel		Benzene	
	price as per CPA's contract	price published by KSA	price as per CPA's contract	price published by KSA
Aug-19	1.0399	1.15	1.0157	1.16
Sep-19	1.0736	1.15	1.0352	1.16
Oct-19	1.0634	1.15	1.0197	1.16
Nov-19	1.0630	1.14	1.0368	1.15
Dec-19	1.0751	1.14	1.0279	1.15
Jan-20	1.0469	1.14	1.0244	1.15
Feb-20	0.9918	1.11	0.9928	1.12
Mar-20	0.8458	1.01	0.7965	1.02
Apr-20	0.7528	0.87	0.7182	0.88
May-20	0.7780	0.83	0.7799	0.84
Jun-20	0.8366	0.85	0.8457	0.86
Jul-20	0.8608	0.89	0.8610	0.90
Aug-20	0.8490	0.92	0.8633	0.93
Sep-20	0.8180	0.91	0.8635	0.92
Oct-20	0.8227	0.90	0.8491	0.92
	13.9174	15.1600	13.7297	15.3200
	0.9278	1.0107	0.9153	1.0213

Lot 1 and 2 Diesel								
Contract signed on august 2019		no. of CA	Quantity of Diesel in litres foreseen for 3 years	price as per CPA's contract August 2019	value as per CPA's contract	price published by KSA August 2019	value as per KSA market price	difference
	Lot 1	1	9,705,000.00	0.9278	9,004,299.00	1.0107	9,808,843.50	804,544.50
	Lot 2	32	5,843,400.00	0.9278	5,421,506.52	1.0107	5,905,924.38	484,417.86
			15,548,400.00		14,425,805.52		15,714,767.88	1,288,962.36

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Lot 1 and 2 Benzine								
Contract signed on august 2019		no. of CA	Quantity of Diesel in litres foreseen for 3 years	price as per CPA's contract August 2019	value as per CPA's contract	price published by KSA August 2019	value as per KSA market price	difference
	Lot 1	1	43,500.00	0.9153	39,815.55	1.0213	44,426.55	4,611.00
	Lot 2	32	516,000.00	0.9153	472,294.80	1.0213	526,990.80	54,696.00
			559,500.00		512,110.35		571,417.35	59,307.00

Lot 3, 4 & 5				
	Diesel		Benzine	
	price as per CPA's contract	price published by KSA	price as per CPA's contract	price published by KSA
Aug-19	1.0374	1.15	1.0132	1.16
Sep-19	1.0711	1.15	1.0327	1.16
Oct-19	1.0609	1.15	1.0172	1.16
Nov-19	1.0605	1.14	1.0343	1.15
Dec-19	1.0726	1.14	1.0253	1.15
Jan-20	1.0445	1.14	1.2190	1.15
Feb-20	0.9893	1.11	0.9905	1.12
Mar-20	0.8433	1.01	0.7941	1.02
Apr-20	0.7501	0.87	0.7157	0.88
May-20	0.7780	0.83	0.7799	0.84
Jun-20	0.8342	0.85	0.8433	0.86
Jul-20	0.8584	0.89	0.8585	0.90
Aug-20	0.8465	0.92	0.8608	0.93
Sep-20	0.8159	0.91	0.8610	0.92
Oct-20	0.8202	0.90	0.8467	0.92
	13.8829	15.1600	13.8922	15.3200
	0.9255	1.0107	0.9261	1.0213

Lot 3, 4 & 5 Diesel								
Contract signed on august 2019		no. of CA	Quantity of Diesel in litres foreseen for 3 years	price as per CPA's contract August 2019	value as per CPA's contract	price published by KSA August 2019	value as per KSA market price	difference
	Lot 3	25	4,567,100.00	0.9255	4,226,851.05	1.0107	4,615,967.97	389,116.92
	Lot 4	26	2,141,300.00	0.9255	1,981,773.15	1.0107	2,164,211.91	182,438.76
	Lot 5	3	6,913,000.00	0.9255	6,397,981.50	1.0107	6,986,969.10	588,987.60
			13,621,400.00		12,606,605.70		13,767,148.98	1,160,543.28

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Lot 3, 4 & 5 Benzine								
Contract signed on august 2019	No.	no. of CA	Quantity of Benzine in litres foreseen for 3 years	Price as per CPA's contract August 2019	Value as per CPA's contract	Price published by KSA August 2019	Value as per KSA market price	Difference
	Lot 3	25	107,800.00	0.9261	99,833.58	1.0213	110,096.14	10,262.56
	Lot 4	26	340,400.00	0.9261	315,244.44	1.0213	347,650.52	32,406.08
	Lot 5	3	11,000.00	0.9261	10,187.10	1.0213	11,234.30	1,047.20
			459,200.00		425,265.12		468,980.96	43,715.84

Recapitulation:

Diesel								
Contract signed on august 2019	No.	no. of CA	Quantity of Diesel in litres foreseen for 3 years	price as per CPA's contract	value as per CPA's contract	price published by KSA	value as per KSA market price	difference
	Lot 1	1	9,705,000.00	0.9278	9,004,299.00	1.0107	9,808,843.50	804,544.50
	Lot 2	32	5,843,400.00	0.9278	5,421,506.52	1.0107	5,905,924.38	484,417.86
	Lot 3	25	4,587,100.00	0.9255	4,226,851.05	1.0107	4,615,967.97	389,116.92
	Lot 4	26	2,141,300.00	0.9255	1,981,773.15	1.0107	2,164,211.91	182,438.76
	Lot 5	3	6,913,000.00	0.9255	6,397,981.50	1.0107	6,986,969.10	588,987.60
			29,189,800.00		27,032,411.22		29,481,916.86	2,449,505.64

Benzine								
Contract signed on august 2019	No.	no. of CA	Quantity of Benzine in litres foreseen for 3 years	Price as per CPA's contract	Value as per CPA's contract	Price published by KSA	Value as per KSA market price	Difference
	Lot 1	1	43,500.00	0.9153	39,815.55	1.0213	44,426.55	4,611.00
	Lot 2	32	516,000.00	0.9153	472,294.80	1.0213	526,990.80	54,696.00
	Lot 3	25	107,800.00	0.9261	99,833.58	1.0213	110,096.14	10,262.56
	Lot 4	26	340,400.00	0.9261	315,244.44	1.0213	347,650.52	32,406.08
	Lot 5	3	11,000.00	0.9261	10,187.10	1.0213	11,234.30	1,047.20
			1,018,700.00		937,376.47		1,040,398.31	103,022.84
total								2,552,528.48

It may be concluded that in total, the savings turn out to be around € 2,552,528.48, of which € 2,449,505.64 in Diesel and € 103,528.48 Benzene.

Other indicators on savings:

- **Subscription** – The possibility of saving for prepayment on the stock exchange is 3,393,000.00 for 3 years:

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Description	Value
Prepayment on the stock exchange for one CA for one year	13,000.00
Total number of BO included in the CPA contract	87.00
	1,131,000.00
CPA's contract for 3 years	3.00
Total value	3,393,000.00

The estimation of labour cost savings which is done by surveying the human resources spent on the tendering for decentralised operating model compared to the centralised operating model. The possibility of saving for human resources is € 37,972.02. See the table below.²¹

Activity	day	Working hours	Total working hours
Preparatory work for the conduct of the procurement activity	2	8	16
Preparation of the tender documents and other procurement steps	5	8	40
Evaluation committee members 3 members x 5 hours per day=15 hours	5	15	75
Preparation of the contract	1	8	8
Total number of hours for one BO			139
Total number of BO included in the CPA contract			87
Total number of hours for all BO			12093
Average price for one hour			3.14
Total value			37,972.02

Average price for one hour			
days per month	hours per day	total hours per month	salary per month
22	8	176	553
	price per hour (salary per month/total hours per months)		3.14

2. Supply with food items

Background

Following the approval of the list for centralised procurements by the government, via an AI for centralised procurements, signed by the prime minister on 25.02.2015, CPA continued with the next centralised procurement, "Food items".

Since year 2015, CPA has conducted 2 procurement activities for the "Food items".

The first one was initiated on 11.12.2015, it included only central level CAs, and it was divided into 5 Lots:

- a) Lot 1 – Supply with meat and meat products (7 beneficiaries)
- b) Lot 2 – Supply with dairy products (15 beneficiaries)

²¹ The minimum number of days was taken into consideration.

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- c) Lot 3 – Supply with water, carbonated and non-carbonated drinks (23 beneficiaries)
- d) Lot 4 – Supply with food items (18 beneficiaries)
- e) Lot 5 – Supply with bread and other pastries (6 beneficiaries), contract signed November 2016 (*eleven months*²²)

The second one was initiated 10.12.2018, it included **central and local level**, and was divided into 5 categories where each category was divided into 2 Lots, respectively local and central CAs:

- a) Lot 1 – Supply with meat and meat products – 2 Lots (30 beneficiaries)
- b) Lot 2 – Supply with dairy products – 2 Lots (41 beneficiaries)
- c) Lot 3 – Supply with water, carbonated and non-carbonated drinks – 1 Lot (53 beneficiaries)
- d) Lot 4 – Supply with food items – 2 Lots (47 beneficiaries)
- e) Lot 5 – Supply with bread and other pastries – 2 Lots (30 beneficiaries), contract signed November 2019 (*eleven months*)

For the first procurement activity, before the initiation of the centralised procurement activity for the "Supply with food items" in year 2015, CPA had started with the collection of data. A questionnaire, had been prepared by CPA, which was sent to the CA and was published on PPRC's website to collect the data from the CAs. These data were used for the preparation of the technical specification and the determination of the quantities for the procurement.

The questionnaire requested answers as to:

- When was the contract signed when it expires;
- Estimated quantity, quantity ordered the previous year;
- Number of tenders received, number of responsive tenders received; and
- How many times the same activity was launched (re-tendered).

For the second procurement activity, initiated on year 2018, CPA determined the quantities for the Central level based on the quantities spent on the previous contract whereas for the Local level collected the data through the mentioned questionnaire.

2.1 Supply with meat and meat products

As mentioned under the Methodology section, in order to do a detailed analysis, 2 options of comparison are used.

Option Analysis 1:

Since the project has to do the cost benefit analyses in order to establish if these procurements provided VFM when compared to 'normal' competitive tender processes, the contract selected for the analyses is the contract for **Food items of year 2015**, a contract divided into 5 Lots, which entered into force in November 2016 and expired in November 2019.

²² Duration from the initiation until the contract signature

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The item selected to analyse is **Meat beef kg** (Fresh Beef (BUT), 7% fat allowed – boneless) – Lot 1.

This contract is used by 7 CAs with a total value of € 4,549,200.73.

3 prices of BOs previous contracts (before CPA's contract) which spent the largest quantity on the centralised contract were collected directly from the biggest spenders of the BOs. The BOs which spent the largest quantity were determined by CPA as there is no information on the Tender Documents about the quantity each CA is supposed to spend.

As per CPAs data collection, the 5 BOs which spent the largest quantity are:

1. Student Center
2. University Clinical Center of Kosovo
3. Kosovo Correctional Service
4. Gjakova Regional Hospital
5. Ministry of Labour and Social Welfare

For the comparison, the average price of the 3 prices of BOs previous contracts were taken into consideration and were compared with CPA's contract price of year 2016. The prices from the BOs were collected directly from the BOs through email. The prices of 2 BOs, Student Center and University Clinical Center of Kosovo, were not taken into consideration as they did not have the same specification.

3 biggest BO spenders	Quantity (Meat beef kg as per TD)	Average BO prices	Value as per average price	CPA's price	Value as CPA price	Difference (in Euro)
1. Gjakova Hospital – 6.45 Euro/kg	467,288	6.15	2,873,821.20	5.65	2,640,177.20	233,644.00
2. Ministry of Labour – 7.50 Euro/kg						
3. Kosovo Correctional Service – 4.50 Euro/kg						

Option Analysis 2:

In regard to the fact that the prices collected from BOs were prices from year 2015 – as since 2015 CPA has continued concluding contracts for this category on behalf of the BOs – the report's second option compares prices published by KAS (market prices) with CPA's contract prices signed on November 2019 and expires in December 2022.

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The item selected to analyse is **Meat beef** (Fresh Beef (BUT), 7% fat allowed – boneless) – Category 1 (2 Lots).

This contract is used by **5 CAs** with a total value of **€ 5,496,397.00 (Lot 1, central)** (see contract No. 18 in the Annex 2).

The price taken in consideration is the market price (KSA) of **November 2019** as the contract was signed on **November 2019**.

Quantity (in kg)	KSA price (in EUR, November 2019) ²³	Value as per KSA's market price (in EUR)	CPA's price ²⁴ (in EUR)	Value as CPA's price (in EUR)	Difference (in EUR)
536,460	7.1	3,808,866.00	5.55	2,977,353.00	831,513.00

Assuming that this trend of the difference between the contract price and market prices will be the same until the end of the contract, then the potential savings are in a significant amount.

Due to the fact that the contract has been implemented for more than 12 months, in order to review the savings, the comparison is done as well for 12 months, i.e. in the period **November 2019 – October 2020**.

For this analysis, an average price of 12 published KSA prices and CPA prices are taken into consideration for comparison reasons. The result is as follows:

Lot 1		
Meat		
Month	Price as per CPA's contract	Price published by KSA
Nov-19	5.55	7.10
Dec-19	5.55	7.02
Jan-20	5.55	6.95
Feb-20	5.55	6.99
Mar-20	5.55	6.98
Apr-20	5.55	6.99
May-20	5.55	6.93
Jun-20	5.55	6.75
Jul-20	5.55	6.84
Aug-20	5.55	6.79
Sep-20	5.55	6.74
Oct-20	5.55	6.74
Total	66.60	82.82
Average	5.55	6.90

²³ <https://ask.rks-gov.net/media/5196/indeksi-i-h%C3%A7k-nentor-2019-shqip.pdf>

²⁴ Contract no. 18

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<i>Quantity (in kg)</i>	<i>KSA's average price (November 2019 - October 2020)</i>	<i>Value as per KSA's market price</i>	<i>CPA's price</i>	<i>Value as CPA price</i>	<i>Difference (in Euro)</i>
536,460	6.9	3,701,574.00	5.55	2,977,353.00	724,221.00

It may be concluded that in total, the savings turn out to be around € 724,221.00.

2.2 Supply with Dairy products

As mentioned under the Methodology section, in order to do a detailed analyses 2 options of comparison are used.

Option Analysis 1:

Since the project has to do the CBAs in order to establish if these procurements provided VFM when compared to 'normal' competitive tender processes, the contract selected for the analyses is for **Food items of year 2015** – a contract divided into 5 Lots, which entered into force in November 2016 and expired in November 2019.

This contract is used by **15 CAs** with a total value of **€ 1,763,931.51, Lot 2**.

The item selected to analyse is **Milk litre** (Tetra Pack packaging, fat 3.2%).

3 prices of BOs previous contracts (before CPA's contract) which spent the largest quantity on the centralised contract were collected. The BOs which spent the largest quantity were determined by CPA as there is no information on the Tender Documents about the quantity each CA is supposed to spent.

As per CPAs data collection, the 3 BOs which spent the largest quantity on the centralised:

1. Ministry of Labour and Social Welfare
2. University Clinical Center of Kosovo
3. Kosovo Correctional Service

For the comparison, the average price of the 3 prices of BOs previous contracts were taken into consideration and were compared with CPA's contract price of year 2016. The prices from the BOs were collected directly from the BOs through email.

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3 biggest BO spenders	Quantity (Milk litre as per TD)	Average BO prices	Value as per average price	CPA's price	Value as per CPA price	Difference
1. Ministry of Labour and Social Welfare – 0.75 Euro/litre	401,211	0.69	276,835.59	0.80	320,968.80	-44,133.21
2. University Clinical Centre of Kosovo – 0.69 Euro/litre						
3. Kosovo Correctional Service – 0.62 Euro/litre						

Option Analysis 2:

In regard to the fact that the prices collected from BOs were prices from year 2015 – as since 2015 CPA has continued concluding contracts for this category on behalf of the BOs – the report's second option compares prices published by KAS (market prices) with CPA's prices signed on November 2019 and expiring in December 2022.

The item selected to analyse is **Milk** (Tetra Pack packaging, fat 3.2%) – Category 2 (2 Lots).

This contract is used by **15 CAs** with a total value of **€ 2,047,953.00 (Lot 1, central)** (see contract No. 20 in the Annex 2).

The price taken in consideration is the market price (KSA) of **November 2019** as the contract was signed in **November 2019**.

Quantity (in litre)	KSA's price (November 2019²⁵)	Value as per KSA market price	CPA's price²⁶	Value as CPA price	Difference (in Euro)
382,881	0.93	356,079.33	0.85	325,448.85	30,630.48

Assuming that this trend of the difference between the contract price and market prices will be the same until the end of the contract, then the potential savings are in a significant amount.

²⁵ <https://ask.rks-gov.net/media/5196/indeksi-i-h%C3%A7k-nentor-2019-shqip.pdf>

²⁶ Contract No. 20.

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Due to the fact that the contract has been implemented for more than 12 months, in order to review the savings, the comparison is done as well for 12 months, i.e. in the period **November 2019 – October 2020**.

For this analysis and comparative reasons, an average price of 12 published KSA prices and CPA prices are taken into consideration. The result are as follows:

Lot 2		
Milk		
<i>Month</i>	<i>Price as per CPA's contract</i>	<i>KSA prices</i>
Nov-19	0.85	0.93
Dec-19	0.85	0.93
Jan-20	0.85	0.93
Feb-20	0.85	0.93
Mar-20	0.85	0.93
Apr-20	0.85	0.93
May-20	0.85	0.93
Jun-20	0.85	0.92
Jul-20	0.85	0.92
Aug-20	0.85	0.92
Sep-20	0.85	0.92
Oct-20	0.85	0.91
Total	10.20	11.10
Average	0.85	0.93

<i>Quantity (in litre)</i>	<i>KSA average price (November 2019 - October 2020)</i>	<i>Value as per KSA market price</i>	<i>CPA's price</i>	<i>Value as CPA price</i>	<i>Difference (in Euro)</i>
382,881	0.93	356,079.33	0.85	325,448.85	30,630.48

It may be concluded that in total, the savings turn out to be around € 30,630.48.

2.3 Supply with water, carbonated and non-carbonated drinks

As mentioned under the Methodology section, in order to do a detailed analyses 2 options of comparison are used.

Option Analysis 1:

Since the project has to do CBAs in order to establish if these procurements provided VFM when compared to 'normal' competitive tender processes, the contract selected for the analyses is the

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contract for **Food items of year 2015**, a contract divided into 5 Lots, which entered into force in November 2016 and expired in November 2019.

This contract is used by **23 CAs** with a total value of **€ 944,957.77 – Lot 3**.

The item selected to analyse is **Natural water (0.5 l, plastic packaging)**.

3 prices of BAs previous contracts (before CPA's contract) which spent the largest quantity on the centralised contract were collected. The BOs which spent the largest quantity were determined by CPA as there is no information on the Tender Documents about the quantity each CA is supposed to spent.

As per CPAs data collection, the 3 BOs which spent the largest quantity on the centralised:

1. Kosovo Police
2. Energy Regulatory Office
3. Kosovo Correctional Service

For the comparison, the average price of the 3 prices of BOs previous contracts were taken into consideration and were compared with CPA's contract price of year 2016. The prices from the BOs were collected directly from the BOs through email.

3 biggest BO spenders	Natural Water (0.50 l, plastic packaging, as per TD)	Average BO prices	Value as per average price	CPA's price	Value as per CPA price	Difference
1. Prishtina Municipality - 1.30 Euro/12 pcs – 0.11 Euro/0.50 litre	152,111	0.14	21,295.54	0.12	18,253.32	3,042.22
2. Kosovo Police - 1.32 Euro/12 pcs – 0.11 Euro/0.50 litre						
3. SRE – 2.45 Euro/12 pcs – 0.20 Euro/ 0.50 litre						

Option Analysis 2:

In regard to the fact that the prices collected from BOs were prices from year 2015 – as since 2015 CPA has continued concluding contracts for this category on behalf of the BOs – the report's second option compares prices published by KAS (market prices) with CPA's prices signed on November 2019 and expiring in December 2022.

The item selected to analyse is **Natural water (1.50 l, plastic packaging) – Category 3 (1 Lot)**.

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This contract is used by 53 CAs with a total value of € 1,656,481.00, Lot 3 (see contract No. 17 in the Annex 2).

The price taken in consideration is the market price (KSA) of November 2019 as the contract was signed on November 2019.

Quantity (in 0.50 litre)	KSA's price (November 2019 ²⁷)	Value as per KSA market price	CPA's price ²⁸	Value as CPA price	Difference (in Euro)
153,774	0.31	47,669.94	0.2	30,754.80	16,915.14

Assuming that this trend of the difference between the contract price and market prices will be the same until the end of the contract, then the potential savings are in a significant amount.

Due to the fact that the contract has been implemented for more than 12 months, in order to review the savings, the comparison is done as well for 12 months, i.e. in the period November 2019 – October 2020.

For this analysis and comparative reasons, an average price of 12 published KSA prices and CPA prices are taken into consideration. The result are as follows:

Lot 3		
Water		
Month	Price as per CPA's contract	KSA prices
Nov-19	0.20	0.31
Dec-19	0.20	0.31
Jan-20	0.20	0.31
Feb-20	0.20	0.31
Mar-20	0.20	0.30
Apr-20	0.20	0.31
May-20	0.20	0.30
Jun-20	0.20	0.31
Jul-20	0.20	0.31
Aug-20	0.20	0.31
Sep-20	0.20	0.31
Oct-20	0.20	0.31
Total	2.40	3.70
Average	0.20	0.31

Quantity (in 0.50 litre)	KSA average price (November)	Value as per KSA market price	CPA's price	Value as CPA price	Difference (in Euro)
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²⁷ <https://ask.rks-gov.net/media/5196/indexi-i-h%C3%A7k-nentor-2019-shqip.pdf>

²⁸ Contract no.17

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	2019 - October 2020)				
153774	0.31	47,669.94	0.2	30,754.80	16,915.14

It may be concluded that in total, the savings turn out to be around € 16,915.14.

2.4 Supply with food items

As mentioned under the Methodology section, in order to do a detailed analyses 2 options of comparison are used.

Option Analysis 1:

Since the project has to do CBAs in order to establish if these procurements provided VFM when compared to 'normal' competitive tender processes, the contract selected for the analyses is the contract for **Food items of year 2015**, a contract divided into 5 Lots, which entered into force in November 2016 and expired in November 2019.

This contract is used by 18 CAs with a total value of € 2,394.099.73 – Lot 4.

The item selected to analyse is **Oil (edible oil, composition: sunflower, refined, without cholesterol)**.

3 prices of BOs previous contracts (before CPA's contract) which spent the largest quantity on the centralised contract were collected. The BOs which spent the largest quantity were determined by CPA as there is no information on the Tender Documents about the quantity each CA is supposed to spend.

As per CPAs data collection, the 3 BOs which spent the largest quantity on the centralised:

1. University Clinical Centre of Kosovo
2. Ministry of Labour and Social Welfare
3. Kosovo Correctional Service

For the comparison, the average price of the 3 prices of BOs previous contracts were taken into consideration and were compared with CPA's contract price of year 2016. The prices from the BOs were collected directly from the BOs through email.

3 biggest BO spenders	Quantity (oil as per TD)	Average BO prices	Value as per average price	CPA's price	Value as per CPA price	Difference
1. University Clinical Centre of Kosovo – 1.00 Euro/litre	514,241	1.1	565665.10	1.00	514,241.00	51,424.10

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2. Ministry of Labour and Social Welfare – 1.25 Euro/litre					
3. Kosovo Correctional Service – 1.05 Euro/litre					

Option Analysis 2:

In regard to the fact that the prices collected from BOs were prices from year 2015 – as since 2015 CPA has continued concluding contracts for this category on behalf of the BOs – the report's second option compares prices published by KAS (market prices) with CPA's prices signed on November 2019 and expires in December 2022.

The item selected to analyse is **Oil (edible oil, composition: sunflower, refined, without cholesterol)** – Category 4 (2 Lots).

This contract is used by **20 CAs** with a total value of **€ 2,796,971.00**, **Lot 4, central level** (see contract No. 21 in the Annex 2).

The price taken in consideration is the market price (KSA) of **November 2019** as the contract was signed on **November 2019**.

<i>Quantity (in litre)</i>	<i>KSA average price (November 2019²⁹)</i>	<i>Value as per KSA market price</i>	<i>CPA's price</i>	<i>Value as CPA price³⁰</i>	<i>Difference (in Euro)</i>
174,192	1.06	184,643.52	0.98	170,708.16	13,935.36

Assuming that this trend of the difference between the contract price and market prices will be the same until the end of the contract, then the potential savings are in a **significant amount**.

Due to the fact that the contract has been implemented for more than 12 months, in order to review the savings, the comparison is done as well for 12 months, i.e. in the period **November 2019 – October 2020**.

For this analysis and comparative reasons, an average price of 12 published KSA prices and CPA prices are taken into consideration for. The result are as follows:

Lot 4		
Oil		
<i>Month</i>	<i>Price as per CPA's contract</i>	<i>KSA prices</i>

²⁹ <https://ask.rks-gov.net/media/5196/indeksi-i-h%C3%A7k-nentor-2019-shqip.pdf>

³⁰ Contract no.21

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Nov-19	0.98	1.03
Dec-19	0.98	1.03
Jan-20	0.98	1.03
Feb-20	0.98	1.05
Mar-20	0.98	1.07
Apr-20	0.98	1.06
May-20	0.98	1.08
Jun-20	0.98	1.06
Jul-20	0.98	1.05
Aug-20	0.98	1.05
Sep-20	0.98	1.06
Oct-20	0.98	1.11
Total	11.76	12.68
Average	0.98	1.06

<i>Quantity (in litre)</i>	<i>KSA average price (November 2019 - October 2020)</i>	<i>Value as per KSA market price</i>	<i>CPA's price</i>	<i>Value as CPA price</i>	<i>Difference (in Euro)</i>
174,192	1.06	184,643.52	0.98	170,708.16	13,935.36

It may be concluded that in total, the savings turn out to be around € 13,935.36.

2.5 Supply with bread and other pastries

As mentioned under the Methodology section, in order to do a detailed analyses 2 options of comparison are used.

Option Analysis 1:

Since the project has to do CBAs in order to establish if these procurements provided VFM when compared to 'normal' competitive tender processes, the contract selected for the analyses is the contract for **Food items of year 2015**, a contract divided into 5 Lots, which entered into force in November 2016 and expired in November 2019.

This contract is used by **6 CAs** with a total value of **€ 3,454,766.35 – Lot 5**.

The item selected to analyse is **White bread (500g)**.

3 prices of BOs previous contracts (before CPA's contract) which spent the largest quantity on the centralised contract were collected. The BOs which spent the largest quantity were determined by CPA as there is no information on the Tender Documents about the quantity each CA is supposed to spend.

As per CPAs data collection, the 3 BOs which spent the largest quantity on the centralised:

1. Student Centre

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2. University Clinical Centre of Kosovo
3. Kosovo Correctional Service

For the comparison, the average price of the 3 prices of BOs previous contracts were taken into consideration and were compared with CPA's contract price of year 2016. The prices from the BOs were collected directly from the BOs through email.

3 biggest BO spenders	Quantity (white bread as per TD)	Average BO prices	Value as per average price	CPA's price	Value as per CPA price	Difference
1. Student Centre – 0.245 Euro/kg	9,155,954	0.2245	2,055,511.67	0.24	2,197,428.96	-141,917.29
2. University Clinical Centre of Kosovo - 0.2185 Euro/kg						
3. Kosovo Correctional Service – 0.21 Euro/kg						

Option Analysis 2:

In regard to the fact that the prices collected from BOs were prices from year 2015 – as since 2015 CPA has continued concluding contracts for this category on behalf of the BOs – the report's second option compares prices published by KAS (market prices) with CPA's prices signed on November 2019 and expires in December 2022.

The item selected to analyse is **White bread (500g)** – Category 5 (2 Lots).

This contract is used by **5 CAs** with a total value of **€ 1,773,864.00**, Lot X, central level (see contract No. 15 in the Annex 2).

The price taken in consideration is the market price (KSA) of **November 2019** as the contract was signed on **November 2019**.

Quantity (in 500g)	KSA average price (November 2019³¹)	Value as per KSA market price	CPA's price³²	Value as CPA price	Difference (in Euro)
3458,346	0.35	1,210,421.10	0.25	864,586.50	345,834.60

³¹ <https://ask.rks-gov.net/media/5196/indeksi-i-h%C3%A7k-nentor-2019-shqip.pdf>

³² Contract no.15

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Assuming that this trend of the difference between the contract price and market prices will be the same until the end of the contract, then the potential savings are in a **significant amount**.

Due to the fact that the contract has been implemented for more than 12 months, in order to review the savings, the comparison is done also for 12 months, i.e. in the period **November 2019 – October 2020**.

For this analysis, an average price of 12 published KSA prices and CPA prices are taken into consideration for comparison reasons. The result are as follows:

Lot 5		
Bread		
<i>Month</i>	<i>Price as per CPA's contract</i>	<i>KSA prices</i>
Nov-19	0.25	0.35
Dec-19	0.25	0.35
Jan-20	0.25	0.35
Feb-20	0.25	0.35
Mar-20	0.25	0.35
Apr-20	0.25	0.35
May-20	0.25	0.35
Jun-20	0.25	0.35
Jul-20	0.25	0.36
Aug-20	0.25	0.36
Sep-20	0.25	0.36
Oct-20	0.25	0.35
Total	3.00	4.23
Average	0.25	0.35

<i>Quantity (in 500g)</i>	<i>KSA average price (November 2019 - October 2020)</i>	<i>Value as per KSA market price</i>	<i>CPA's price</i>	<i>Value as CPA price</i>	<i>Difference (in Euro)</i>
3,458,346	0.35	1,210,421.10	0.25	864,586.50	345,834.60

It may be concluded that in total, the savings turn out to be around € 345,834.60.

Other indicators on savings:

- The estimation of labour cost savings, which is done by surveying the human resources spent on the tendering for decentralised operating model compared to the centralised

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operating model. The possibility of saving for human resources is € 87,728.46, as per the table below.³³

Activity	day	Working hours	Total working hours
Preparatory work for the conduct of the procurement activity	2	8	16
Preparation of the tender documents and other procurement steps	5	8	40
Evaluation committee members 3 members x 5 hours per day=15 hours	5	15	75
Preparation of the contract	1	8	8
Total number of hours for one BO			139
Total number of BO included in the CPA contract			201
Total number of hours for all BO			27939
Average price for one hour			3.14
Total value			87,728.46

Average price for one hour			
days per month	hours per day	total hours per month	salary per month
22	8	176	553
	price per hour (salary per month/total hours per months)		3.14

3. Supply with paper and office stationery

3.1 Background

Following the approval of the list for centralised procurements by the government, via an AI for centralised procurements, signed by the Prime Minister on 25.02.2015, CPA continued with the next centralised procurement, "Supply with office stationery".

Since 2015, the CPA has conducted 6 CAs for the "Supply with office stationery".

The first one was initiated on 08.05. 2015, it included only central level CAs, and it was divided into 2 Lots:

- a) Lot 1 – Supply with paper (79 beneficiaries)
- b) Lot 2 – Supply with office stationery (79 beneficiaries), contracts signed on 11.12.2015 (*seven months*) by COA but were signed by the Minister of Finance in August 2016

The second one was initiated on 29.05.2017, it included local level CAs, and it was divided into 6 Lots (regions):

- a) Lot 1 – Supply with paper, Prishtina Region – (13 beneficiaries)
- b) Lot 2 – Supply with paper, Peja Region – (13 beneficiaries)
- c) Lot 3 – Supply with paper, Prizren Region – (9 beneficiaries)
- d) Lot 4 – Supply with paper, Ferisaj Region – (9 beneficiaries)

³³ The minimum number of days was taken into consideration.

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- e) Lot 5 – Supply with paper, Gjilan Region – (10 beneficiaries)
- f) Lot 6 – Supply with paper, Mitrovica Region – (11 beneficiaries), contract signed on 04.08.2017 (*two months*)

The third one was initiated on 04.12.2017, it included **local level CAs**, and it was divided into 7 Lots:

- a) Lot 1 – Supply with office stationery - (49 beneficiaries)
- b) Lot 2 – Supply with office stationery – (49 beneficiaries)
- c) Lot 3 – Supply with office stationery – (49 beneficiaries)
- d) Lot 4 – Supply with office stationery – (49 beneficiaries)
- e) Lot 5 – Supply with office stationery – (49 beneficiaries)
- f) Lot 6 – Supply with office stationery – (49 beneficiaries)
- g) Lot 7 – Supply with office stationery – (49 beneficiaries), contract signed on 23.04.2018 (*four months*)

The fourth one was initiated on 22.12.2018, it included **central level CAs**, and it was divided into 7 Lots:

- a) Lot 1 – Supply with office stationery – (all Central level Institutions)
- b) Lot 2 – Supply with office stationery – (all Central level Institutions)
- c) Lot 3 – Supply with office stationery – (all Central level Institutions)
- d) Lot 4 – Supply with office stationery – (all Central level Institutions)
- e) Lot 5 – Supply with office stationery – (all Central level Institutions)
- f) Lot 6 – Supply with office stationery – (all Central level Institutions)
- g) Lot 7 – Supply with office stationery – (all Central level Institutions), contract signed on 29.05.2019 (*five months*)

The fifth one was initiated on 25.12.2019, it included **local level CAs**, and was divided into 6 Lots:

- a) Lot 1 – Supply with paper, Prishtina Region – (13 beneficiaries)
- b) Lot 2 – Supply with paper, Peja Region – (12 beneficiaries)
- c) Lot 3 – Supply with paper, Prizren Region – (9 beneficiaries)
- d) Lot 4 – Supply with paper, Ferisaj Region – (9 beneficiaries)
- e) Lot 5 – Supply with paper, Gjilan Region – (10 beneficiaries)
- f) Lot 6 – Supply with paper, Mitrovica Region – (11 beneficiaries), contract signed on 03.06.2020 (*six months*)

The sixth one was initiated 31.12.2019, it included **local level CAs**, and was divided into 7 Lots.

- a) Lot 1 – Supply with office stationery – (all local level Institutions)
- b) Lot 2 – Supply with office stationery – (all local level Institutions)
- c) Lot 3 – Supply with office stationery – (all local level Institutions)
- d) Lot 4 – Supply with office stationery – (all local level Institutions)
- e) Lot 5 – Supply with office stationery – (all local level Institutions)
- f) Lot 6 – Supply with office stationery – (all local level Institutions)

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- g) Lot 7 – Supply with office stationery – (all local level Institutions), contract signed on 10.06.2020 (*six months*)

Before the initiation of the centralised procurement activity for the "Supply with Office stationery" in 2015, the CPA had done a CBA, at the request of the former Minister of Finance and to fulfil the recommendations of the Office of the Auditor General mentioned in the 2011 Audit Report for the CPA.

Also, before the initiation of the procurement activity, a questionnaire had been prepared by the CPA, which was sent to the CAs and was published on PPRC' website to collect the data from the CAs. These data were used for the preparation of the technical specification and the determination of the quantities for the procurement.

The questionnaire requested answers as to:

- When was the contract signed when it expires;
- Estimated quantity, quantity ordered the previous year;
- Number of tenders received, number of responsive tenders received;
- How many times the same activity was launched (re-tendered); and
- Prices per items.

For the initial procurement activities for the central and local level, CPA determined the quantities based on information received from the BOs through the questionnaire whereas for the rest of the procurement activities collected the data through the quantities spent on CPA's previous contract.

3.2 Supply with Paper A4/80 g/m2

As mentioned under the Methodology section, in order to do a detailed analyses 2 options of comparison are used.

Option Analysis 1:

Since the project has to do the cost benefit analyses in order to establish if these procurements provided VFM when compared to 'normal' competitive tender processes, the contract selected for the analyses is the contract for **Office stationery of 2015**, a contract divided into 2 Lots, which entered into force in August 2016.

The item selected to analyse is **Paper A4/80 g/m2**.

This contract is used by **79 CAs** with a total value of Lot 1 € **2,179,294.83**.

Due to the fact that CPA had done the analyses and had collected data from 31 BOs before the initiation of the activity by CPA, and the fact that the CPA did not determine the quantities on the tender documents, 3 prices of BOs previous contracts (before CPA's contract) which spent the largest quantity on the centralised contract were selected from CPAs analyse.

As per CPAs data collection, the 3 BOs which spent the largest quantity are:

1. Ministry of Internal affairs
2. Kosovo Police

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3. Secretariat of the Kosovo Judicial Council

For the comparison, the average price of the 3 prices of BOs previous contracts were taken into consideration and were compared with CPA's contract price of 2015.

3 biggest BO spenders	Quantity (paper as per TD 2015)	Average BO prices	Value as per average price	CPA's price	Value as per CPA price	Difference (in Euro)
1. Ministry of Internal affairs – 3.10 Euro	1,611,350	2.74	4,415,099.00	2.38	3,835,013.00	580,086.00
2. Kosovo Police – 2.65 Euro						
3. Secretariat of the Kosovo Judicial Council – 2.47 Euro						

Option Analysis 2:

In regard to the fact that the prices collected from BOs were prices from 2015 – as since 2015 CPA has continued concluding contracts for this category on behalf of the BOs – the report's second option compares market prices with CPA's prices signed on **June 2020** (see contracts No. 34-38 in the Annex 2).

Since the KSA does not provide market prices for this category the market prices were collected directly from EOs and an average price was determined. 5 EOs were approached, out of which 3 replied.

Since CPA had signed 6 contracts for this item, as the activity was divided into 6 lots, different prices were received, therefore the price taken into consideration is the average price of 6 contracts signed by CPA.

A4	Quantity	Price	Total
Lot 1	161,650	2.22	358,863.00
Lot 2	64,850	2.29	148,506.50
Lot 3	97,000	2.24	217,280.00
Lot 4	70,500	2.32	163,560.00
Lot 5	65,300	2.38	155,414.00
Lot 6	50,600	2.25	113,850.00
Average	84,983.33	2.28	
Total	509,900.00	13.7	1,157,473.50

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<i>EO</i>	<i>Quantity (paper as per TD for 6 Lots)</i>	<i>Average EO prices</i>	<i>Value as per average price</i>	<i>CPA's price</i>	<i>Value as per CPA price</i>	<i>Difference (in Euro)</i>
1. DDG Group – 2.10	509,900	2.37	1,208,463.00	2.28	1,162,572.00	45,891.00
2. KGT SHPK – 2.05						
3. Europrinty – 2.95						

3.3 Supply with Paper A3/80 g/m2

As mentioned under the Methodology section, in order to do a detailed analyses 2 options of comparison are used.

Option Analysis 1:

Since the project has to do CBAs in order to establish if these procurements provided VFM when compared to 'normal' competitive tender processes, the contract selected for the analyses is the contract for **Office stationery of 2015**, a contract divided into 2 Lots, which entered into force in August 2016.

The item selected to analyse is **Paper A3/80 g/m2**.

This contract is used by **79 CAs** with a total value of Lot 1 **€ 2,179,294.83**.

Due to the fact that CPA had done the analyses and had collected data from 31 BOs before the initiation of the activity by CPA, and the fact that the CPA did not determine the quantities on the tender documents, 3 prices of BOs previous contracts (before CPA's contract) which spent the largest quantity on the centralised contract were selected form CPAs analyse.

As per CPAs data collection, the 3 BOs which spent the largest quantity are:

1. Ministry of Internal Affairs
2. Customs
3. Prishtina Municipality

For the comparison, the average price of the 3 prices of BOs previous contracts were taken into consideration and were compared with CPA's contract price of 2015.

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3 biggest BO spenders	Quantity (paper as per TD 2015)	Average BO prices	Value as per average price	CPA's price	Value as per CPA price	Difference (in Euro)
1. Ministry of Internal affairs – 7.00 Euro	52,159	3.13	163,257.67	5.8	302,522.20	-139,264.53
2. Customs – 1.50 Euro						
3. Prishtina Municipality – 0.90 Euro						

Option Analysis 2:

In regard to the fact that the prices collected from BOs were prices from 2015 – as since 2015 CPA has continued concluding contracts for this category on behalf of the BOs – the report's second option compares market prices with CPA's prices signed on **June 2020** (see contracts No. 34-38 in the Annex 2).

Since the KSA does not provide market prices for this category the market prices were collected directly from EOs and an average price was determined.

Since CPA had signed 6 contracts for this item, as the activity was divided into 6 lots, different prices were received, therefore the price taken into consideration is the average price of 6 contracts signed by CPA.

A3	Quantity	Price	Total
Lot 1	4,580	2.4	10,992.00
Lot 2	1,495	4	5,980.00
Lot 3	1,880	4.27	8,027.60
Lot 4	1,230	3.5	4,305.00
Lot 5	52,150	5.8	302,470.00
Lot 6	1,355	3	4,065.00
Average	10,448.33	3.83	55,973.26
Total	62,690	22.97	335,839.60

EO	Quantity (paper as per TD for 6 Lots)	Average EO prices	Value as per average price	CPA's price	Value as per CPA price	Difference (in Euro)
	62,690	5.07	317,838.30	3.83	240,102.70	77,735.60

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Activity 4.3: Centralised procurement activities will provide clear evidence that those items that are procured centrally do provide value for money when compared against competitive tendering actions

1. DDG Group – 4.80 Euro						
2. KGT SHPK – 4.50 Euro						
3. Europrinty – 5.90 Euro						

3.4 Supply with File folder, in colour, with box 80mm width suitable for A4 paper size 475-75i

As mentioned under the Methodology section, in order to do a detailed analyses 2 options of comparison are used.

Option Analysis 1:

Since the project has to do CBAs in order to establish if these procurements provided VFM when compared to 'normal' competitive tender processes, the contract selected for the analyses is the contract for **Office stationery of 2015**, a contract divided into 2 Lots, which entered into force in August 2016.

The item selected to analyse is File folder, in colour, with box. 80mm width suitable for A4 paper size 475-75i.

This contract is used by **79 CAs** with a total value of Lot 2 € **2,479,477.03**.

Due to the fact that CPA had done the analyses and had collected data from 31 BOs before the initiation of the activity by CPA, and the fact that the CPA did not determine the quantities on the tender documents, 3 prices of BOs previous contracts (before CPA's contract) which spent the largest quantity on the centralised contract were selected form CPAs analyse.

As per CPAs data collection, the 3 BOs which spent the largest quantity are:

1. Ministry of Internal Affairs
2. Kosovo Police
3. Ministry of Justice

For the comparison, the average price of the 3 prices of BOs previous contracts were taken into consideration and were compared with CPA's contract price of 2015.

3 biggest BO spenders	Quantity (paper as per TD 2015)	Average BO prices	Value as per average price	CPA's price	Value as per CPA price	Difference (in Euro)
1. Ministry of Internal Affairs – 1.49 Euro	102,904	1.4	144,065.60	1.85	190,372.40	- 46,306.80

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2. Kosovo Police – 1.45 Euro						
3. Ministry of Justice – 1.25 Euro						

Option Analysis 2:

In regard to the fact that the prices collected from BOs were prices from year 2015 – as since 2015 CPA has continued concluding contracts for this category on behalf of the BOs – the report's second option compares market prices with CPA's prices signed on **June 2020** (see contracts No. 43-44 in the Annex 2).

Since the KSA does not provide market prices for this category the market prices were collected directly from EOs and an average price was determined.

<i>EO</i>	<i>Quantity (paper as per TD for 6 Lots)</i>	<i>Average EO prices</i>	<i>Value as per average price</i>	<i>CPA's price</i>	<i>Value as per CPA price</i>	<i>Difference (in Euro)</i>
1. DDG Group – 1.80 Euro	111,002	1.61	178,713.22	0.98	108,781.96	69,931.26
2. KGT SHPK – 1.60 Euro						
3. Europrinty – 1.42 Euro						

Other indicators on savings:

- The estimation of labour cost savings which is done by surveying the human resources spent on the tendering for decentralised operating model compared to the centralised operating model. The possibility of saving for human resources is € 79,872.18 (see table below³⁴).

³⁴ The minimum number of days was taken into consideration.

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Activity 4.3: Centralised procurement activities will provide clear evidence that those items that are procured centrally do provide value for money when compared against competitive tendering actions

Activity for paper	day	Working hours	Total working hours
Preparatory work for the conduct of the procurement activity	2	8	16
Preparation of the tender documents and other procurement steps	5	8	40
Evaluation committee members 3 members x 5 hours per day=15 hours	5	15	75
Preparation of the contract	1	8	8
Total number of hours for one BO			139
Total number of BO included in the CPA contract			63
Total number of hours for all BO			8757
Average price for one hour			3.14
Total value			27,496.98

Activity for office stationary	day	Working hours	Total working hours
Preparatory work for the conduct of the procurement activity	2	8	16
Preparation of the tender documents and other procurement steps	5	8	40
Evaluation committee members 3 members x 5 hours per day=15 hours	5	15	75
Preparation of the contract	1	8	8
Total number of hours for one BO			139
Total number of BO included in the CPA contract			120
Total number of hours for all BO			16680
Average price for one hour			3.14
Total value			52,375.20

Average price for one hour			
days per month	hours per day	total hours per month	salary per month
22	8	176	553
	price per hour (salary per month/total hours per months)		3.14

Annex 2: Overview of CPA's signed contracts 2019-2020 (see enclosed excel table)

Annex 2: Overview of CPA's signed contracts 2019-2020

Nr.	Year	Title of contract	Contract	Estimated value	Contract value	Date of the contract signature	No. of CA party to the framework agreement	Number of items	5 most spent items	3 CAs that use the most	Local / central level
1	2019	Supply with office stationary - Lot 1	Kontrakti-Furnizim me materiale te ndodhshme, zyrelore Lot I	301,000.00	251,500.52	29.05.2019	120	5		ATK Dogana e Kosoves Sekretarati i Kshillit Gjyqesor	central
2	2019	Supply with office stationary - Lot 2	Kontrakti-Furnizim me materiale te ndodhshme, zyrelore Lot II	189,000.00	186,843.13	29.05.2019	120	4		OKUK Policia e Kosoves, Ministria e Punëve te jashtme	central
3	2019	Supply with office stationary - Lot 3	Kontrakti-Furnizim me materiale te ndodhshme, zyrelore Lot III	1,731,000.00	1,254,420.00	29.05.2019	120	4		MASH-T Policia e Kosoves ATK	central
4	2019	Supply with office stationary - Lot 4	Kontrakti-Furnizim me materiale te ndodhshme, zyrelore Lot IV	256,000.00	105,050.62	29.05.2019	120	4		KQZ, Ministria e Punës dhe Mireqenies Sociale, Ministria e Mbrojtjes	central
5	2019	Supply with office stationary - Lot 5	Kontrakti-Furnizim me materiale te ndodhshme, zyrelore Lot V	178,000.00	114,351.54	29.05.2019	120	15		ATK Akademia e Kosoves per sigurin Publike Ministria e Bujqesise Pylltaris dhe Zhvillimit Rural	central
6	2019	Supply with office stationary - Lot 6	Kontrakti-Furnizim me materiale te ndodhshme, zyrelore Lot VI	152,000.00	119,859.28	29.05.2019	120	13		OKUK Komisioni Qendror Zgjedhor Sekretarati i Kshillit Gjyqesor	central
7	2019	Supply with office stationary - Lot 7	Kontrakti-Furnizim me materiale te ndodhshme, zyrelore Lot VII	191,000.00	128,656.70	29.05.2019	120	9		Policia e Kosoves Universiteti i Prishtines Ministria e Mbrojtjes Ministria e Kulturës Rinis dhe sportive	central
8	2019	Supply with Fuel - Lot 1	Furnizim me karburante, benzin dhe/ose LOT I	11,359,500.00	11,349,226.95	02.05.2019	1	2	2	Policia e Kosoves	central
9	2019	Supply with Fuel - Lot 2	Furnizim me karburante, benzin dhe/ose LOT II	7,372,400.00	6,722,328.27	02.05.2019	32	2	2	Sekretarati i Kshillit Gjyqesor te Kosoves, Dogana, Shërbimi Korrektues i Kosoves,	central
10	2019	Supply with Fuel - Lot 3	Furnizim me karburante, benzin dhe/ose LOT III	5,440,700.00	5,430,363.84	02.05.2019	25	2	2	Ministria e Drejtësisë, Agencia Kosovare e Privatizimit, Qendra e Inteleqencës Financiare e Kosoves	central
11	2019	Supply with Fuel - Lot 4	Furnizim me karburante, benzin dhe/ose LOT IV	2,866,200.00	2,382,742.72	02.05.2019	26	2	2	Ministria e Punës dhe Mireqenies sociale, Ministria e Kulturës, Rinise dhe Sportit, Universiteti i Poljes	central
12	2019	Supply with Fuel - Lot 5	Furnizim me karburante, benzin dhe/ose LOT V	8,069,750.00	5,237,305.92	02.05.2019	3	2	2	MAP, qendra e studenve, MFS	central
13	2019	Supply with Furniture Lot 2	Kontrakti-Furnizim me inventarë ofisore-Lot 2	1,500,000.00	572,050.00	02.05.2019	180	19	18	Spitali i Pergjithshem Isa Grezda - Gjakove, Qendra e Studenve, Instituti Kombëtar i Shëndetësisë Publike, Komuna Mamushë	Local and Central
14	2019	Supply with Furniture Lot 2	Furnizim me inventarë ofisore - Lot 2	1,500,000.00	816,425.00	01.11.2019	180	48	39, 41, 34, 3, 9	Ministria e Mbrojtjes, Ministria e Kulturës, Gjykata Kushtetuese, Komuna e Prishtinës, Ministria e Arsimt	Local and Central
15	2019	Supply of bread and other doughs - Lot 1	Kontrakti - Furnizim me bukë dhe bimëra te tjere	2,000,000.00	1,775,854.00	10.09.2019	5	16	Bukë e bardhë 232,175.00 Rollosë 50gr 44,366.00; Bukë me gjalpë 40,944.00; Bukë e zeze 38,683.000;Byrek me mish 28,160.00	Qendra e studenteveShërbimi Korrektues i Kosoves, Ministria e Shëndetësisë, MOMS, Ministria e Drejtësisë	central

16	2019	Supply with food items (meat products 3 months)	Kontrata – Furnizim me artikuj te ndërtimit ushqimor	1,900,681.00	1,200,455.00	04.09.2019	53	36	one month only	central
17	2019	Contract for water supply, carbonated and non-carbonated beverages	Kontrata për furnizim me ujë dhe të ëmbëlluara dhe të ëmbëlluara	2,000,000.00	1,556,481.00	10.10.2019	53	19	ujë natyral 0.5 l 134,747.00, Lëng tërësisht 250ml 70,985.00, biçona 1045,387.00, aparat për ftohje dhe ngrohje të ujit 24,550.00, ujë natyral 0.25l 15,469.00	Local and Central
18	2019	Supply with meat and meat products - lot 1	Kontrata – Furnizim me artikuj ushqimor – Furnizim me mish dhe produkte të mishit. Kategorja 1 – Lot 1	6,000,000.00	5,496,367.00	20.11.2020	5	36	mish dëmi 462,451.00, peshk 1 konzervuar 4,496.00, mish gjedhi 99,046.00, mish pule 1 barde 80,232.00, mish pule kaqka 68,973.00	central
19	2019	Supply with meat and meat products - lot 2	Kontrata – Furnizim me artikuj ushqimor – Furnizim me mish dhe produkte të mishit. Kategorja 1 – Lot 2	1,600,000.00	1,311,202.25	25.11.2019	25	39	sallam pule 10,020.41, mish gjedhi 275,518.00, mish pa dalt, pastruar pule, peshk 1 konzervuar tuna dhe qofte.	local
20	2019	supply with byrmet Lot 1	Kontrata – Furnizim me artikuj ushqimor – Furnizim me byrmet. Kategorja 2 – Lot 1	2,900,000.00	2,047,953.00	21.11.2019	15	31	Zoonka 140gr, Qumësht 3.2%, Qumësht 3.5%, Jogurt 2%, Jogurt 180gr, Djalh	central
21	2019	Supply with food items - Lot 1	Kontrata – Furnizim me artikuj ushqimor – Kategorja 4 – Lot 1	3,400,000.00	2,796,971.00	21.11.2019	20	160	Vazë këska "S" supë, xhem 25 gr, Popkëk ose ekuivalent Jogurt 125 gr.	local
22	2019	Supply with food items - Lot 2	Kontrata – Furnizim me artikuj ushqimor – Kategorja 4 – Lot 2	2,100,000.00	1,886,257.00	19.11.2019	27	162	Makarona, vezë, jogurt peshk 125 gr., vaj ushqimor dhe shëqer.	local
23	2020	Supply of bread and other doughs - Lot 2	Kontrata – Furnizim me bukë dhe byrmet të tjerë – Kategorja 5 – Lot 2 – Niveli Lokal	2,200,000.00	2,180,338.50	07.02.2020	25	26	Bukë e bardhë, bukë intergjale, burek me djath, croissant me glem vishnje, croissant me glem kajalje	local
24	2020	Supply with byrmet Lot 2	Furnizim me byrmet – Niveli Lokal	750,000.00	546,000.00	06.03.2020	26	29	Qumësht 0.2%, zdenka 140gr, Jogurt 3.2% 180gr, Jogurt 3.2% L, Djalh	local
25	2019	Supply with Tires	Kontrata Korniz Furnizim me gomë për automjete. Siben AG	721,000.00	442,277.30	01.11.2019	63	276	Polica e Koves inspektorati Policor Kosoves	local
26	2019	Supply with Tires	Kontrata Korniz Furnizim me gomë për automjete. Lot 2, Eurogomë	833,000.00	503,642.95	01.11.2019	130	249	ATK Dogana Kosoves Ministria e Mbrojtjes, Sekretarati i Keshillit Gjyqësor	central
27	2019	Use of photocopiers and printers for rent Lot 1	Kontrata – Shfrytëzimi i fotokopierëve dhe printerëve me qira Niveli Lokal Lot 1	585,000.00	357,500.00	01.04.2019	13	1	Fushe Kosov Obiliq Prishtine Drenas	local
28	2019	Use of photocopiers and printers for rent Lot 2	Kontrata – Shfrytëzimi i fotokopierëve dhe printerëve me qira Niveli Lokal Lot 2	360,000.00	340,000.00	01.04.2019	13	1	Pejë Istog Spitali Regional Gjakove spitali Regional Pejë Gjakove	local

29	2019	Use of photocopiers and printers for rent Lot 3	Kontrata – Shërbime të fotokopierve dhe printerëve me qira Niveli Lokal LOT III	540,000.00	386,000.00	01.04.2019	9	1	Eshë vetëm një artikull	Suhretrek QKMF Suhretrek Dragash	local
30	2019	Use of photocopiers and printers for rent Lot 4	Kontrata – Shërbime të fotokopierve dhe printerëve me qira Niveli Lokal LOT IV	315,000.00	206,500.00	01.04.2019	9	1	Eshë vetëm një artikull	Shime Ferizaj Kacanik QKMF Shime	local
31	2019	Use of photocopiers and printers for rent Lot 5	Kontrata – Shërbime të fotokopierve dhe printerëve me qira Niveli Lokal LOT V	180,000.00	118,000.00	01.04.2019	10	1	Eshë vetëm një artikull	Kamenica QKMF Gilan QKMF Kamenice Spitali Regional Gilan	local
32	2019	Use of photocopiers and printers for rent Lot 6	Kontrata – Shërbime të fotokopierve dhe printerëve me qira Niveli Lokal LOT VI	315,000.00	262,500.00	01.04.2019	11	1	Eshë vetëm një artikull	Mirovica Skenderaj Vushtri Universiteti iu Bolatini Mitrovic	local
33	2020	Supply with paper - Lot 3	Kontrata – Furnizimi me letër Niveli Lokal Lot 3	280,000.00	235,000.10	04.06.2020	9	4		K.K.Pezari, K.K.Dragash, K.K. Malisheva, Spitali Rajonal Pezari, Shërbimi i Shëndetit Mendor Pezari	local
34	2020	Supply with paper - Lot 4	Furnizimi me letër – Kontrata Komiz – Lot 4 Niveli Lokal Regionali Ferizaj 2020	210,000.00	176,520.00	02.06.2020	9	4		K.K.Ferizaj, K.K.Kacanik Spitali Ferizaj, Shërbimi i Shëndetit Mendor Shime, Shërbimi i Shëndetit Mendor Ferizaj	local
35	2020	Supply with paper - Lot 5	Furnizimi me letër – Kontrata Komiz – Lot 5 Niveli Lokal Regionali Gjilan 2020	195,000.00	161,401.00	03.06.2020	10	4		K.K.Gilan, K.K.Kamenica, K.K.Pezari, K.K.Ranilug Spitali i Gjilant	local
36	2020	Supply with paper - Lot 2	Furnizimi me letër – Kontrata Komiz – Niveli Lokal Lot 2 2020	190,000.00	156,657.50	03.06.2020	12	4		K.K.Gjakovi, K.K.Deçan, Shërbimi i Shëndetit Mendor Gjakove Spitali i Gjakoves	local
37	2020	Supply with paper - Lot 1	Furnizimi me letër – Kontrata Komiz – Lot 1 Niveli Lokal 2020	460,000.00	377,780.00	03.06.2020	13	4		K.K.Peshëria, K.K.Podujev Shërbimi i shëndetit mendor Peshëria Qendra e Mjekësisë Urgjente	local
38	2020	Supply with paper - Lot 6	Furnizimi me letër – Kontrata Komiz – Lot 6 Niveli Lokal 2020	155,000.00	124,433.75	03.06.2020	10	4		K.K.Mitrovica, K.K.Leposaviq, K.K.Zveçan, K.K.Shënkoll, Spitali Vushtri, Universiteti i Mitrovicës	local
39	2020	Supply with vehicles - Lot 1	Kontrata Komiz – FURNIZIMI ME VETURË PER INSTITUCIONET E REPUBLIKES SE KOSOVES – Lot 1 2020	386,000.00	217,470.00	27.08.2020	8	1	1	Komuna e Obiliqit, Komuna e Klinës, Komuna e Grapçinës, Komuna e Kacanikut	central and local
40	2020	Supply with vehicles - Lot 2	Kontrata Komiz – FURNIZIMI ME VETURË PER INSTITUCIONET E REPUBLIKES SE KOSOVES – Lot 2 2020	154,000.00	134,225.00	27.08.2020	4	1	1	Institucioni i Avokatit të Popullit, Komuna e Grapçinës, Komuna e Kacanikut	central and local
41	2020	Supply with vehicles - Lot 3	Kontrata Komiz – FURNIZIMI ME VETURË PER INSTITUCIONET E REPUBLIKES SE KOSOVES – Lot 3 2020	32,000.00	27,950.00	27.08.2020	1	1	1	Komuna e Grapçinës	central and local
42	2020	Supply with vehicles - Lot 4	Kontrata Komiz – FURNIZIMI ME VETURË PER INSTITUCIONET E REPUBLIKES SE KOSOVES – Lot 4 2020	120,000.00	98,940.00	27.08.2020	2	1	1	Komuna e Pejes, Ministria e Punëve dhe Mirënjës Sociale	central and local

43	2020	Supply with office stationary Lot 2	Kontrata kontrat - Lot 2 - Furnizimi me material shpirtorizues zyrtar 2020	100.000.00 €	55.330.00	10.06.2020	49	4	4	local
44	2020	Supply with office stationary Lot 4	Kontrata kontrat - Lot 4 - Furnizimi me material shpirtorizues zyrtar 2020	44.000.00	34.960.00	10.06.2020	49	3	3	local
45	2020	Supply with fruits and vegetables	Kontrata kontrat - Furnizimi me prodime dhe perime 2020	3.000.000.00	3.000.000.00	31.08.2020	120	49	*	central and local
46	2020	Supply with IT equipment	Kontrata kontrat - Furnizimi me prodime dhe perime 2020	5.400.000.00	5.400.000.00	31.08.2020	120	9	*	central and local
47	2020	Supply with Fuel - Lot 1, Prishtina	Kontrata - Furnizimi me karburante Lot 1 - Regjioni Prishtine-2020	9.941.000.00	9.506.381.41	13.05.2020	15	2	2.00	local
48	2020	Supply with Fuel - Lot 2, Peja	Kontrata - Furnizimi me karburante Lot 2 - Regjioni Peje - 2020	5.045.700.00	5.076.294.69	13.05.2020	14	2	2.00	local
49	2020	Supply with Fuel - Lot 3, Prizren	Kontrata - Furnizimi me karburante Lot 3 - Regjioni Prizren - 2020	2.187.800.00	2.059.998.37	14.05.2020	9	2	2.00	local
50	2020	Supply with Fuel - Lot 4, Ferizaj	Kontrata - Furnizimi me karburante Lot 4 - Regjioni Ferizaj - 2020	998.800.00	2.368.459	14.05.2020	9	2	2.00	local
51	2020	Supply with Fuel - Lot 5, Mitrovica	Kontrata - Furnizimi me karburante Lot 5 - Regjioni Mitrovica - 2020	4.294.500.00	4.331.855.75	15.05.2020	12	2	2.00	local
				103.000.031.00	92.871.596.38					