

სახელმწიფო შესყიდვების სააბენტო STATE PROCUREMENT AGENCY

The Georgian Public Procurement System at a Glance



The Georgian public procurement system has been transformed, from one that was labelled "high-risk" in 2009, to one that achieved the highest rating a few years later



Before the Reforms:

•100% Paper based tenders •Lack of transparency •Non-reliable data •High compliance cost •Restricted competition •Geographical inequality •High risk of corruption

Stages of the Georgian Reforms

- 2010 January
- 2010 August
- 2010 October
- 2010 December
- 2010 December
- 2011 October
- 2011 December
- 2015 September
- 2015 September

Developed *eProcurement* system in-house...in one year Georgian *eProcurement* system launched in test mode First e-tender announced Paper tenders abolished; Only e-tenders allowed Establishment of the DRB and launching e-module 100 Mln. USD savings generated Bilingual eProcurement system was introduced 28,467 registered users in the Georgian eProcurement system 1 Billion GEL savings, 14% of the estimated value





Nowadays:

- •100% electronic tenders
- •Everyone sees everything
- •Equal access to tenders
- •Smart system preventing mistakes
- •Business Intelligence system
 - 70 real-time reports
- Internal messaging system/SMS notifications
- •Fast and transparent Dispute Resolution Board



Current Procurement Framework





Public Sector (Demand)

Contracting Authorities-Procuring Entities



Public Sector (Demand)





- Annual amount of public procurement contracts: <u>3 billion GEL</u>, approximately <u>10%</u> of GDP
- Number of open tenders per year: 30,000
- Estimated value of approximately 80% of announced tenders: < 50.000 GEL
- Saving: 14% of the estimated value, 1 Billion GEL since 2010



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Private Sector (Supply)

• **23,730** suppliers participate in public tenders;

number of foreign companies exceeds 670

• 1,110 Nonresident Suppliers registered in CMR module

	Number of registered bidders in the System
2011	7,365
2012	10,874
2013	16,447
2014	19,911
14 September	23,730
2015	

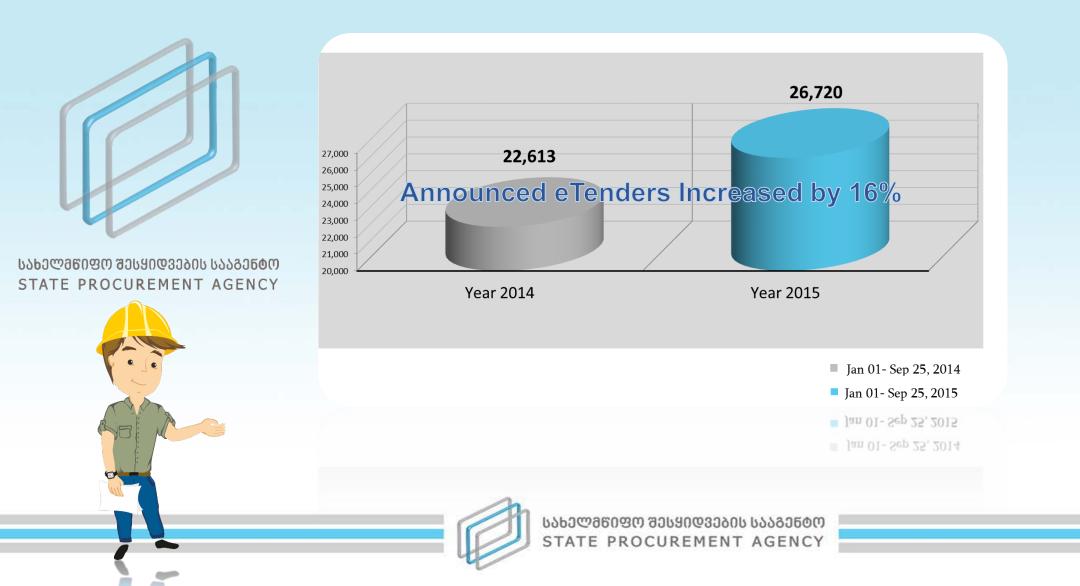


Private Sector (Supply)

Contract value by years

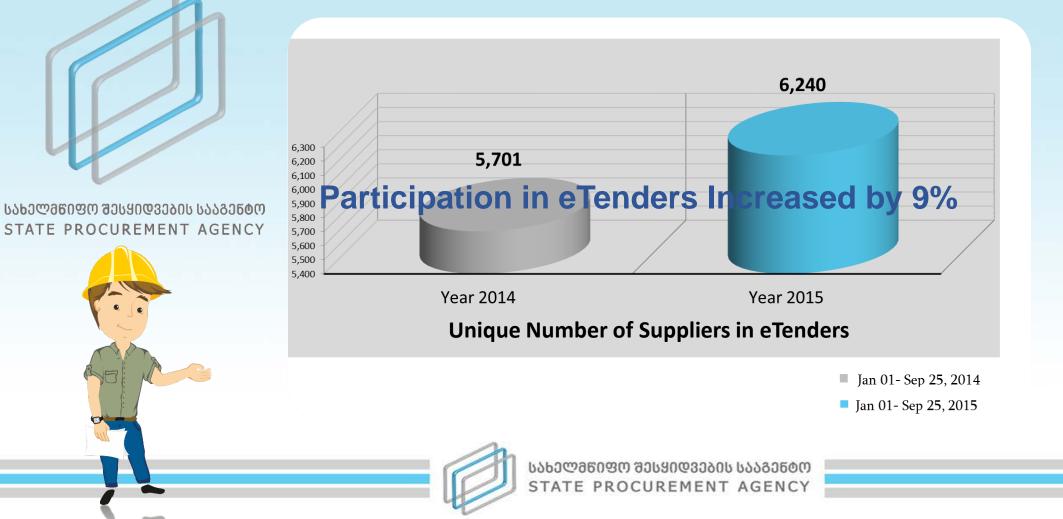


Increased Number of eTenders



Increased Number of Suppliers in eTenders

- Total 35,159 number of participation in eTenders in Jan 01- Sep 25, 2014
- Total 39,501 number of participation in eTenders in Jan 01- Sep 25, 2015



Dispute Resolution Board (DRB) and relevant e-module



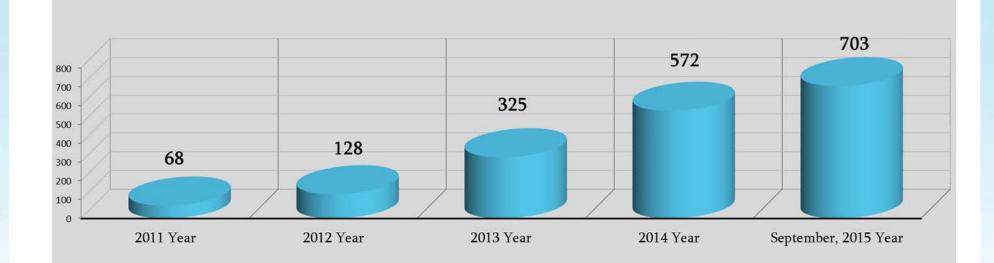


- Created on 6 December 2010
- Acts as the review and remedies body for public procurement procedures
- Consists of six members; 3 representatives of the SPA and 3 civil society
- Any entity or person interested in participating in a public procurement procedure may appeal the actions of a procurement entity or a tender committee to the DRB through the special eProcurement module
- **eDRB** appeal form: Everyone can "freeze" a tender with just a single click of a button. Submission of appeal takes less than two minutes
- An appealed tender will be "frozen" for a period of 10 business days. During this period the DRB will review the appeal and the results will be published in the eProcurement system



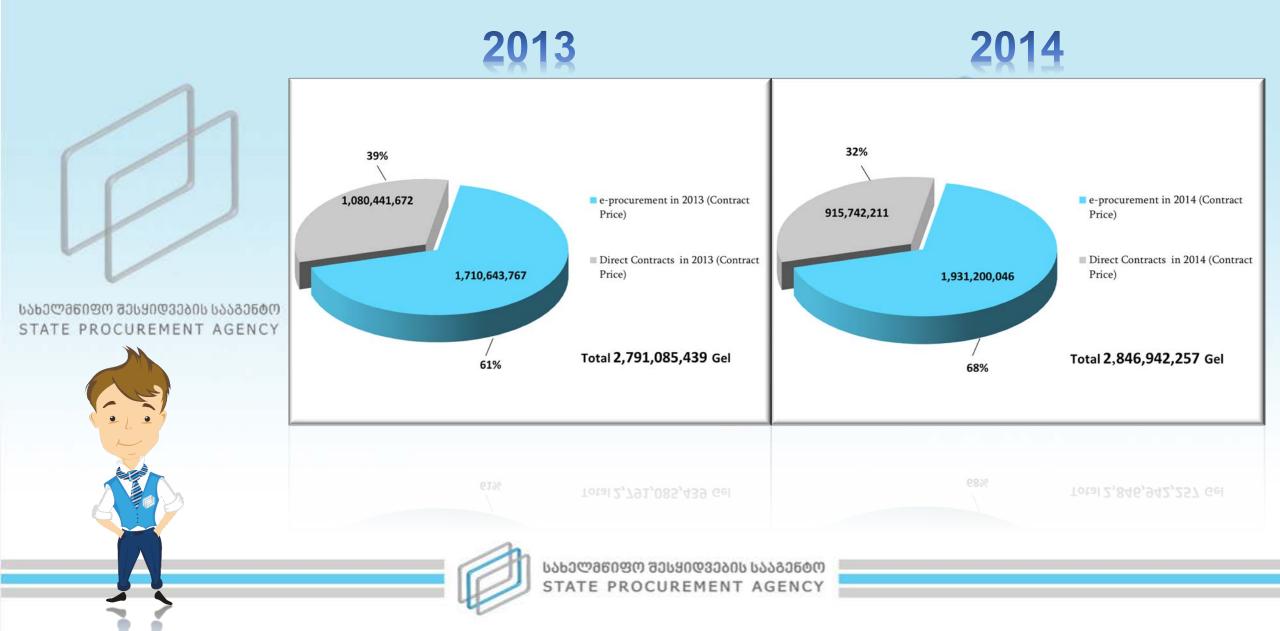
Increased Number of Appeals through eDRB module

9





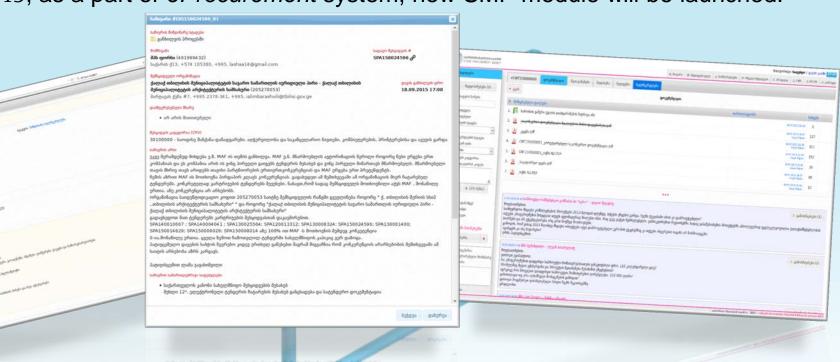
Decreased Simplified Procurement (Direct agreement)



New electronic Simplified Procurement Module

on November 1, 2015, as a part of *eProcurement* system, new SMP module will be launched.

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Contracting authorities are applying to the agency, by filling detailed questionnaire in the SMP module. The questionnaire covers all important issues regarding specific simplified procurement including: procurement object; CPV code; reasons and substantiation; value of the goods or services; contract execution and duration dates etc.



Georgian eProcurement

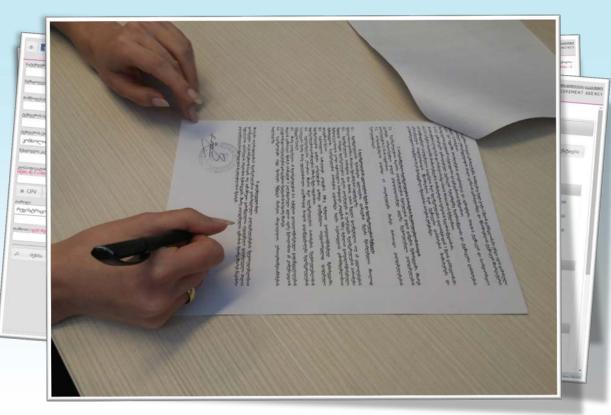
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STATE PROCUREMENT AGENCY		
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ouncinenc number	Procurement proceeding status 🚏 Finalization of contract	
uring entities	Procuring entitles 🔛 The Gvirishi Municipality Public School	
slier		
curement proceeding status tract status	Procurement announcment date 21.09.2015 11:18	
urement type	Bids accepted from 23.09.2015 00:02	
uring category	Deadline for bid submission 25.09.2015 16:00	
codes	Financing 2015 Funds (year)	
	Estimated value of procurement 40°519.00 GEL Contract performance guarantee is not required	
nated value of procurement n/up to)	Bid must be submitted Including VAT	
e list	Classifier (CPV) code	
nufacturer	45400000 - Building completion work	
lel nd in my reports		
	Classifier (CPV) code and specific procurement object	
SEARCH .	45400000 - Building completion work	
s Online::	Amount or Volume of Procurements ob. 655. დოგემენტაცია	
Registered User	Supply Period 50 კალენდარელი დღე	
Guest	Bid reduction step 170.00 GEL	
	Guarantee amount 405 GEL	
	Guarantee validity period 120 Day	
	Additional Info	
	ცაგერის შენიციპალიტეტის სოფელ ღვირიმის საჯარო სკოლის შენობის სარეშონტო-სარეაბილიტაციო საშეშაოები	
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In line with the Georgian Law on Public Procurement, the use of the *State Unified Electronic System* is mandatory for conducting:

- "Simplified" electronic tender (GEL 5,000 – GEL 200,000);
- Electronic tender (GEL 200,000 and above);
- "Consolidated" tender (centralized procurement)
- **Design contest** (for procurement of projects' design, engineering, assessment, etc.)

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"Consolidated" Tenders



- Unified, centralized procurement procedure of the same/similar type of procuring objects' for different contracting authorities (procuring entities)
- "Consolidated Tenders" occur through eProcurement system and relevant procedure
- After announcement of the winner, procuring entities sign contract on the Government procurement with the winner company



"Consolidated" Tenders

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- Reduces the number of "No Bids Received" tenders
- Consequently, reduces the number of simplified (direct) procurement (retail price)
- Cost saving
- Improves transparency
- Reduces administrative resources of procuring entities
- Optimizes irrational expenditure of budgetary funds
- Product/Service quality control
- Reduces expensive and irrelevant procuring objects' purchase

Procuring Objects of a "Consolidated" Tenders



- Fuel
- Cellular (mobile) Communication
- Computers
- Printing Paper



Design Contest Module

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der ansoneding status ter type ter typ	Estimated value of procurement: \$8.322.00 CEL Contail Tender Registration Number: CNT150000048 Tender announcement date: 13:09.2015 Offer reception term: 05:03.0015 Procuring entities: Degartment on the Separvisien ever Environment Protection Procuring entities: 1200000-Architectural and related services		Biddig commenced
a CPV B CPV (ENG) r rgstration date • protect value of procurement france/pp	Tender Replanzian Number: CMT18000047 Tender snowlenste dakt: 1169-02015 Offer reception term: 05.10.2015 Procuring entblict:: New-perifik tegal entby Thillisi Development Pund Provunger caretage: 71200026-achilectural and related services		Bidding commenced
P SEARCH Reset	Tender Registration Number: CHT15000044 Tender anouncement döte: 1750-2015 Offer reception term: 05.10.2015 Procuring entities: 54/4-geverning Exitiy Vani Nunicipality Procuring entities: 54/4-geverning Exitiy Vani Municipality Procuring entities: 54/4-geverning Exitiy Vani Municipality		Blöding commenced
	Estimated value of procurement 2 200.00 GEL	الم مع الم So Record(s) (page: 1/13) هم هم مع	
	uers Online: 669 Registered User, 1169 Guest		State Procurement Agency 2010

Contracting authorities can set the relative weighting for the price criteria between 20 - 30% and for quality criteria between 70 – 80% in the overall scoring scheme. The methodology evaluation and scoring formula which are developed by the SPA are predetermined in the State **Procurement Unified Electronic** System. By the end of September, 2015 around 50 design contests has been announced.



Georgian eProcurement

A PROCESSION REPRESENTATION	Monitoring: :: #220303
STATE PROCUREMENT AGENCY	# Main @ Current procurement _ Users # Pavorites _ B Profile _ D CMR _ D #PLAN _ O Exit
glapaggio	Last 5 changes of announcment statuses
Notifications (0)	Late 5 changes of announement statuses
suncment number SPA150026197	Tender announced - 28.09.2015 12:00
Procuring entities: LTD "Batumi water"	
ing entities Category: 18100000	
Q SPA150025546	Finalization of contract - 28.09.2015 11:59 Bidders: 1
Procuring entities: The Gvirishi Municipality Public School Q Category: 4540000	
ement proceeding status commenced • SPA150025546	Winner identified - 28.09.2015 11:59 Biddee: 1
Procuring entities: The Gvirishi Municipality Public School	Bookni 1
Category: 45400000	
ment type SPA150024159 Sated Tender	Contract awarded - 28.09.2015 11:59 Contract awarded - 28.09.2015 11:59 Contract amount: 100
ated Tender Procuning entities: Senaki Municipality Gamgeoba Category: 30100000	Winner: this made Bidden: 1
	Selector/Evaluator - 28.00 2015 11:09
000 - Agricultural and horticultural products	Sweetbrievaudoor - 28.09 2015 11.19 Bidders: 1
000 - Cereals, potatoes, vegetables, fruits and nuts 000 - Farming, hunting and fishing products	
000 - Forestry and logging products 000 - Fuels	
000 - Petroleum, coal and oil products 000 - Electricity, heating, solar and nuclear energy	
000 - Sand and clay	
000 - Chemical and fertiliser minerals 000 - Salt and pure sodium chloride	
0000 - Related mining and quarrying products 0000 - Metal ores and alloys	
0000 - Basic metals	
0000 - Miscellaneous non-metallic mineral products 0000 - Recovered secondary raw materials	
0000 - Animal products, meat and meat products 0000 - Prepared and preserved fish	
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20 - Fruit, vegetables and related products 20 - Animal or vegetable olis and fats	
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	STATE PROCUREMENT AGE

The System has advanced search option that allows to quickly, easily and comfortably search any tender-related information by using one or several search parameters. Some of available searching parameters are number of the tender notice, name of the contracting authority or supplier, tender type or status, CPV code or procurement category.

Reverse Electronic Auction

12:07 Bidder #2 52'800 12:07 12:09 Bidder #3 52'900 12:09 12:11 Bidder #3 39'883 Offered Amount Date S3'500.00 22'90 S3'500.00 22'90 Bidder #2 53'500.00 22'90 S3'500.00 22'90 S3'500.00 22'90 S3'500.00 21'9'9'9'9'9'9'9'9'9'9'9'9'9'9'9'9'9'9'9	0 1 Hours Minute Se First Round Start First Round 12:05 First Round 12:05 Bidder	t End 5 12:07 7 12:09	Bidder #2 Bidder #3	Supp	Estimated value of	procurement: 53`500
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After the expiry of the primetime period, dynamic reverse electronic auction is carried out in three consecutive rounds, two minutes for each participant, with two minutes of break time between them, in which the bidders offer their prices revised downwards.

Electronic Planning Service

		CPV Codes (main)	Estimated value	Purchasing Mean	Quarterly	Procurement Base	Financing	Price -List	Two-phase	Alternative	Common	Comment	Save	Edit
L.	0	03200000 👁	130	simplified purchase	III. IV		local budget	×	×	×	×	۲	giorgi tsiklauri 23.09.2015 12.00	giorgi tsiklauri 23.09.2015 12.0
	0	09100000 👁	1`500	consolidated purchase	III. IV		local budget	×	×	ж	×	۲	badri macha variani 31.08.2015.23.52	
	0	15300000 👁	150	simplified purchase	III. IV	representational expenses	local budget	×	×	ж	×	۲	giorgi tsiklauri 23.09.2015 12.02	giorgi tsiklaun 23.09.2015.12.0
	0	15800000 👁	150	simplified purchase	III. IV	representational expenses	local budget	×	×	×	×	۲	giorgi tsiklauri 23.09.2015 12:03	giorgi tsiklauri 23.09.2015 12.0
	0	15900000 👁	220	simplified purchase	III. IV	representational expenses	local budget	×	×	×	×	۲	giorgi tsiklauri 23.09.2015 12:05	giorgi tsiklauri 23.09 2015 12.0
	•	18400000 👁	10`200	simplified electronic tender	III. IV	in compliance with threshold	local budget	×	×	×	×	۲	badri machavariani 31.08.2015.23:59	giorgi tsiklauri 23.09.2015 12.0
	0	18800000 👁	2`450	simplified purchase	III.	in compliance with threshold	local budget	×	×	×	×	۲	giorgi tsiklauri 23.09.2015 12:10	giorgi tsiklauri 23.09.2015 12.1
	•	30100000 👁	510	simplified purchase	III. IV	in compliance with threshold	local budget	×	×	×	×	۲	badri machavariani 01.09.2015 00.00	
	•	30200000 👁	723	simplified purchase	III. IV	in compliance with threshold	local budget	*	×	×	×	۲	giorgi tsiklauri 28.09.2015 11.58	giorgi tsiklauri 23.09.2015 11.5
¢.	•	30200000 👁	2`277	consolidated purchase	III. IV		local budget	×	×	ж	×	۲	badri machavariani 01.09.2015 00:03	
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In order to ensure high level of transparency and proper financial planning, contracting authorities are required to publish their annual procurement plans into the System via so-called ePlan module.





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Thank You For Your Attention

