

Public procurement in Ukraine



Strategic areas

Complete harmonization with EU directives

 Reducing operational cost of the tendering process

Increasing the efficiency of procurement

Objectives

Predictable and stable national legislation through harmonizing with EU rules, concepts and terms in compliance with the international standards

Publicity of the process, the ability to analyze procurement and free access to information on procurement



Challenges in the procurement sector for the coming years

Effective implementation of projects related to the procurement for the reconstruction of facilities destroyed as a result of the full-scale armed aggression of the Russian Federation

Ensuring predictability and stability of the regulatory framework for public procurement and implementation of effective international mechanisms and instruments

Further development of the electronic procurement system

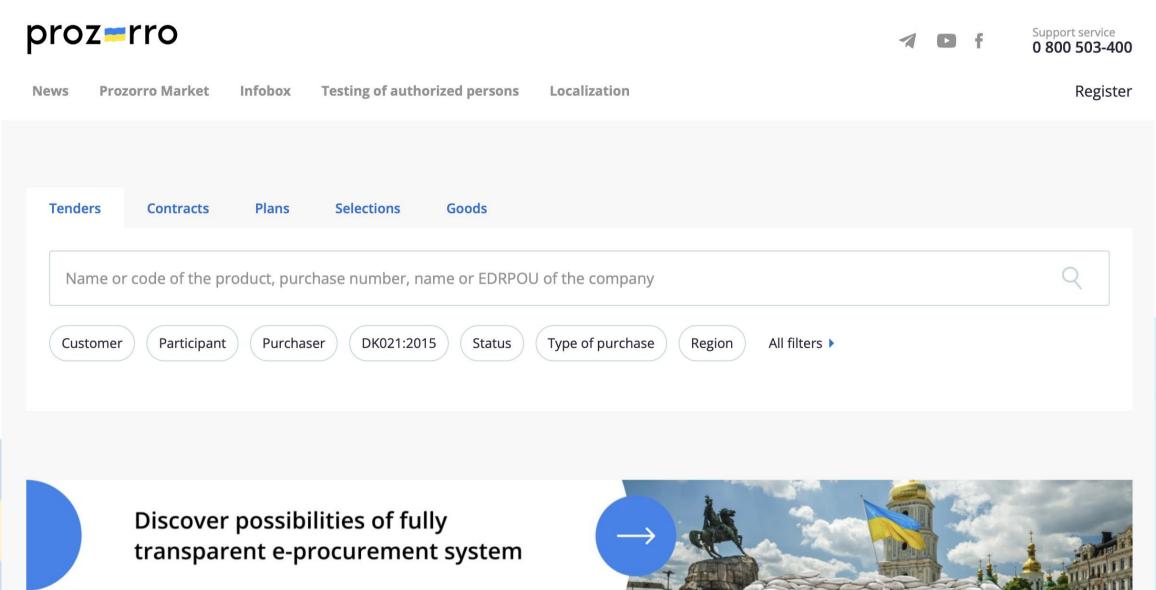


Public procurement in Ukraine involves

- Obligation to conduct competitive procurement procedures, except for exceptions related to urgent procurement, procurement involving disclosure of critical and sensitive information)
- Conducting competitive procurement in a publicly available electronic system containing full information about the procuring entity, tender conditions, submitted offers and the results of consideration of such offers
- Availability of a wide range of possible competitive procedures (electronic catalogs -Prozorro Market (Amazon for the state), open bids, framework agreements)
- Possibility to conduct procurement with funds from international financial organizations using the electronic procurement system, taking into account the donor's rules and restrictions
- Displaying in the e-procurement system information on all direct contracts concluded without procedures (except for procurements containing classified information)



Web-portal with "Google"- like search https:\\prozorro.gov.ua





Statistics for 2024

Value of Concluded Contracts: 1,129 bln UAH

Savings (on Successful Competitive Procurements): 51.75 bln UAH

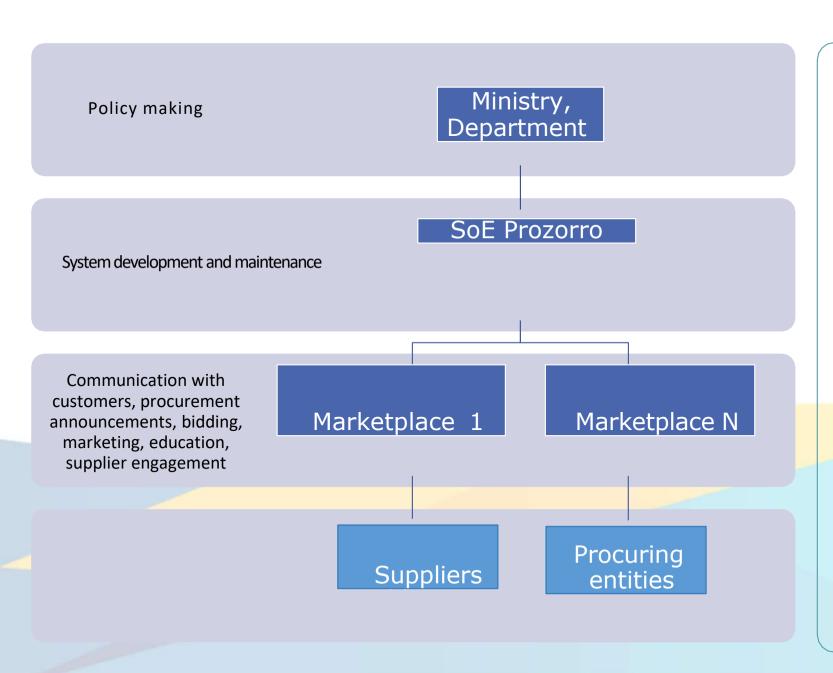
Average Number of Bids Submitted: 2.38

Number of Announced Competitive Procurements: <u>530,321</u>

Share of Competitive Procurement (by Contract Value): <u>68.1%</u>



Ecosystem: Roles



AMCU

Suppliers' appeals resolution

SASU

Monitoring, wrongdoers penalties

Monitoring and control

vices creation NGO, media, Civil society activists,



Public procurement in Ukraine involves

Procurement announcement in the e-system

Auction in the e-system

Publication of the contract in the e-system

Submission of bids in the e-system

Evaluation of bids and qualification in the e-system

Reporting on contract performance in the e-system

The average bidding duration during martial law is 25 days

Overall average bidding duration is 45 days



PUBLIC PROCUREMENT APPEALS



Submission through **Prozorro.gov.ua**in compliance with the requirements of Article 18
of the Law
and Resolution № 1178 dated October 12, 2022



The appeal body is the Antimonopoly Committee of Ukraine

A complaint to the appeal body shall be submitted by the subject of the appeal in the form of an electronic document through the electronic procurement system. The complaint shall be filed through the personal account on the website.

If the subject of the appeal intends to participate in the consideration of the appeal through the use of telecommunication systems in an interactive real-time mode, together with the appeal, he/she shall submit to the appeal body a corresponding application in the form of an electronic document by uploading it through the electronic procurement system within the time limit established for filing the appeal.

The term for consideration of the appeal by the appeal body is **7 working days** from the date of acceptance of the appeal for consideration, which may be reasonably extended by the appeal body up to **12 working days**.

Within **one working day** after the decision on the results of the complaint consideration is made, the appeal body shall provide information on the resolution part of the decision in the electronic procurement system and, within **three working days** from the date of its adoption, shall post the decision in the electronic procurement system. The decision on the results of the complaint consideration shall be automatically published in the electronic procurement system immediately after its placement in the electronic procurement system and sent to the subject of the appeal and the procuring entity.



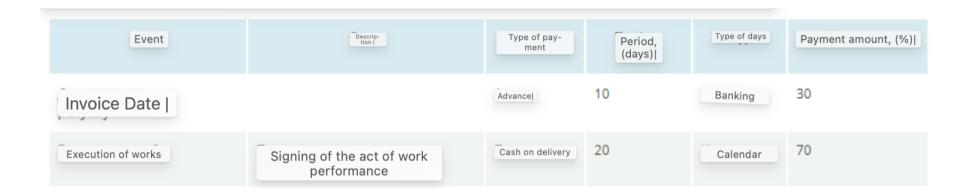
Payment terms



When contracting authorities in Ukraine create an announcement, they are required to fill in **Payment terms of the contract**, in particular:

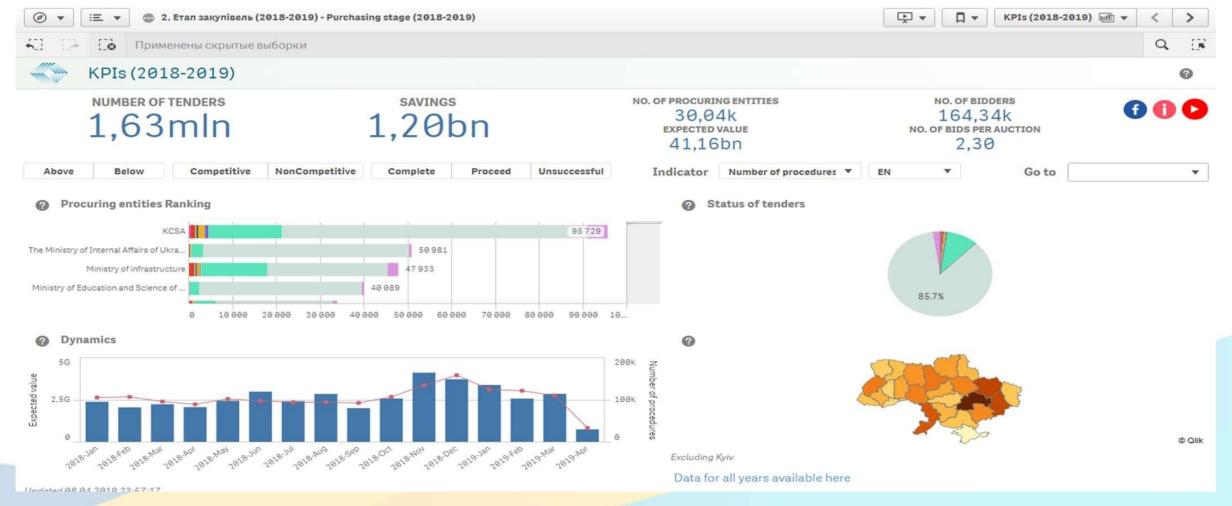
- name of event;
- description;
- payment type;
- period;
- type of days;
- amount of payment.

When your announcement is published, you will see such a display of your payment terms on the web portal **prozorro.gov.ua**





Analytics module bi.prozorro.org



Everyone can see every detail of the government procurement process in Ukraine.

This tool can be used to monitor the public procurement process and to have a positive impact on it.

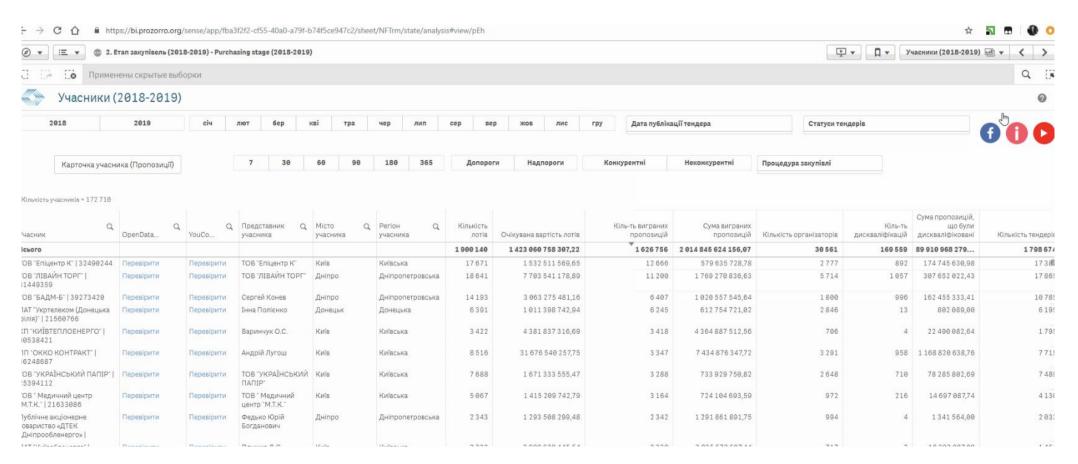
Information can be analyzed in different perspectives. For example,

it'll show all information about procurements in region, from supplier or contracting authority etc.



Example analysis and payment terms

Public Analytics Module BI Prozorro is available free of charge and can be used for analysing payment terms and participant types and more.



To analyse the **payment terms**, go to the **Procurement stage section** of the BI Analytics Public Module. You can find the selection fields on the Advanced selections page. Information about payment terms is the Payment Type field (displays the possibility of an advance payment), Payment Event field (the event after which payment is to be made) and Payment Period (days) field (the number of days during which the contract is to be paid).

To analyse the **participant types**, go to the **Procurement stage section** and find the selection fields on the Advanced selections page, search for the Participant type field and choose the one you need. Also you can find the **participant card** (info and proposals) of each participant.



New procurement instruments planned in the Draft PP Law

- Dynamic Purchasing Systems (DPS)
- Design contests
- Innovation partnership
- Joint procurement
- Aggregated procurement
- Mixed procurements (mixed subject matter)
- Option to submit variant bids



Non-price criteria in procurement

Objective: Shift focus from procurement based on the lowest price to procurement based on the best price-quality ratio (value for money).

- Examples: Payment terms, life-cycle costs, warranty/after-sales service, etc.
- Procurement may become more sustainable and provide better value for the state.
- Current 30% weighting limit for non-price criteria. MoE advocating for its complete removal.
- Mechanisms exist in the system, but procuring entities often still prioritize the lowest price.





Useful links:

- The Law of Ukraine "On Public Procurement": https://zakon.rada.gov.ua/laws/show/922-19#Text
- CMU Resolution No. 1178 dated October 12, 2022 "On Approval of Specifics of Public Procurement of Goods, Works and Services for Customers Provided for by the Law of Ukraine "On Public Procurement" for the period of martial law in Ukraine and within 90 days from the date of its termination or cancellation": https://zakon.rada.gov.ua/laws/show/1178-2022-n#Text
- CMU Resolution No. 1275 of November 11, 2022 "Some issues of defense procurement for the period of martial law»: https://zakon.rada.gov.ua/laws/show/1275-2022-π#Text
- Website of the Ministry of Economy of Ukraine : https://www.me.gov.ua
- Website of the Antimonopoly Committee of Ukraine : https://amcu.gov.ua
- Website of the State Audit Service of Ukraine : https://dasu.gov.ua
- "Made in Ukraine" Project: https://madeinukraine.gov.ua/en
- BI Analytics Module: https://shorturl.at/Ll11t

