

STANDARD SUMMARY PROJECT FICHE

1. Basic Information

1.1 Désirée Number:	RO-0006.05
1.2 Title:	PUBLIC PROCUREMENT
1.3 Sector:	Financial Sector
1.4 Location:	Romania, Ministry of Finance

2. Objectives

2.1 Wider Objective(s):

Improvement of the making decision process on the allocation and effective spending of public funds, by strengthening the capacity of the Romanian public procurement authorities to effectively implement and monitor the new Law on Public Procurement.

2.2 Immediate Objectives

1. To continue the training of the staff of the Ministry of Finance (in the future School of Public Finance) and of other public administration contracting authorities (11.000 contracting authorities), as well as other entities or groups involved, including tenderers (aprox. 25.000 persons) – in order to:
 - achieve the necessary know-how and operational capacity of the public procurement officers involved in the public procurement activity to successfully implement the new Law on Public Procurement;
 - acquire the necessary skills by the staff involved in the public procurement activity;
 - create the capacities of substantiate making decision regarding the public funds allocation;
 - design work procedures and to assign roles and responsibilities of those who are implicated in the public procurement process
 - completely transpose the remedies directives no.89/665/EEC and 92/13/EEC (this refers exclusively to the Ministry of Finance staff)
 - improve knowledge about the management of contracts
2. To perform a feasibility study on the use of an electronic procurement system in Romania (through INTERNET) and the development of a strategy for implementing it.
3. To perform a study for assessing the needs for developing/improving the public procurement monitoring system (the data base) with a view to extend it to the contracting authorities level
4. To purchase equipment needed to improve the information flow between the Ministry of Finance and the contracting authorities
5. To elaborate the final version of the training manual (30.000 copies – paper support and 5000 copies –electronic support: CD- ROM, web site) for the three types of procurement: supplies, services and works based on the documentation drafted within the Phare 1999 project

2.3 Accession Partnership and NPAA priority

Within Accession Partnership for Romania, one of the main priorities and intermediate objectives on short-term (2000) regarding the internal market is the implementation of the legislation on public procurement.

In the National Program for the Adoption of the Acquis Communautaire, there are mentioned the priorities regarding public procurement. These priorities are:

Short-Term priorities

draft of secondary legislation

training staff of the Ministry of Finance and of other public administration contracting authorities, as well as other entities or groups involved, including tenderers

designing work procedures and assigning roles and responsibilities of those who are implicate in public procurement process.

Medium-Term priorities

designing and implementing a monitoring system for public procurement

elaborating a manual for public procurement

3. Description

3.1 Background and justification

The project follows up and completes the 1999 Phare project 'Training and monitoring system for public procurement', which has as a main objective: Providing assistance to the newly formed Directorate for Regulation and Monitoring of Public Procurement in setting up a national public procurement system which meets the requirements of a market economy, the practices of European Financial Institutions, and the observances of the EU aquis communautaire in the matter. This Phare 1999 project is conceived as a first step of the public procurement training program and focuses mainly on the 'training of trainers', as the allocated funds for this project are insufficient for covering all the training needs of the personnel involved in public procurement activities.

The 2000 Phare public procurement project is more encompassing and aims at extending the training program at the national level. It is undertaken because the new law on public procurement will rise complex and new problems for implementation, which are to be solved through training at a large scale.

3.2 Linked activities

Romanian specialists from the Ministry of Finance and experts from SIGMA Phare-OECD Programme worked together in 1998 and 1999 on drafting the new law for public procurement.

Some staff from the Directorate for Public Procurement is participating in a distance learning course on public procurement of services provided by European Training Foundation – OECD/SIGMA-ILO/TURIN (1999-2001).

A Phare 1999 proposal for a twinning project 'Training and monitoring system for public procurement' was approved, and the expressions of interest were made.

There is on-going a twinning project developed with the Netherlands whose objective is to strengthen the training function of the Ministry of Finance by establishing the 'School of Public Finance' The school will be operational by 1st of October and can offer its support in the training activity that is to be performed within the current project.

3.3 Results

The goal of this project is to assure a proper implementation of the new public procurement law by training the staff at central, regional and local level.

The results of the project are:

- trained staff at central, regional and local level;
- improved capacity of the central, regional and local public procurement officers for an effective and quality activity in the public funds expenditures;
- improved management of the public funds;
- transferred effective know-how to Romanian public procurement officers for proper implementation of the Law on public procurement;
- performing public procurement activities assuring economy, efficiency, accountability, all based on non-discrimination, transparency and equal treatment;
- a study of assessment of the needs for developing and improving public procurement monitoring system and of the needs for the IT equipment;
- a concrete study regarding the implementation in Romania of the electronic procurement system;
- designed work procedures and assigned roles and responsibilities of those involved in public procurement activities;
- completely transposed the remedies directives no.89/665/EEC and 92/13/EEC;
- improved knowledge of the Ministry of Finance staff about the management of the contracts;
- elaborated the final version of the training manual (30.000 copies – paper support and 5000 copies –electronic support: CD- ROM, web site) for the three types of procurement: supplies, services and works;
- purchased IT equipment for the contracting authorities;
- an improved and compatible communication flow between the Ministry of Finance and the contracting authorities.

3.4 Activities

The Contractor will make available to the project the following personnel:

3.4.1. A consultant, who will act as a **team leader** for 6 months, during the whole duration of the project.

3.4.2. Four short-term experts as stated below.

3.4.1. The **team leader** shall be assisted by one local coordinator, who shall be appointed by the Romanian authorities from the Ministry of Finance.

The EU **team leader** will have the following tasks:

- overall responsibility for delivery of project elements
- preparation of inception, progress and final reports
- co-ordination of inputs of the short-term experts
- To provide training and assistance to the Public Procurement Directorate staff to completely transpose the remedies directives 89/665/EEC and 92/13/EEC.

The team leader should have:

Experience in project management

General knowledge of the aquis communautaire on public procurement and experience in management of the Public Procurement

Experience in working in Central and Eastern Europe

Knowledge of the process of transition to a market economy

Knowledge of the regulations of international financial organizations in the field of public procurement

Experience in training strategy issues

Fluency in spoken and written English

3.4.2. The **short-term experts** will be as follows:

- a) One short-term expert will be present in Romania for a period of 4 months.

This expert will perform a feasibility study regarding the use of the electronic procurement system (through INTERNET) in Romania and will develop a strategy for implementing it.

Also, his/her task will be to perform a study for assessing the needs for developing/improving the public procurement monitoring system (a data base) in order to extend it from the Ministry of Finance level to the contracting authorities. S/he will be supported in these activities by the Department of Information Technology from the Ministry of Finance.

Under this activity there is an investment component of 450,000 Euro, in which the Ministry of Finance intends to launch a tender for purchasing IT equipment in the view of ensuring the necessary logistical support at the territorial level, both for sending information and for accessing the public procurement data base, in order to extend the monitoring system (the data base) to the contracting authorities.

In this way, there will be an optimized process of the public procurement performed by the General Direction of Regulating and Monitoring the Public Procurement and there will be an improved informational flow between the central level and the contracting authorities.

The expert should have knowledge and experience in performing a feasibility study regarding the use of the electronic public procurement system and in evaluating the needs for developing/ improving a monitoring system (perform a system analysis, developing a software package for a similar area, programming).

- b) Three short-term training experts, will be present for a period of three months each.

Their task will be to run workshops, lectures and distance-learning courses for supplies, services and works procurements. They will also be directly involved in developing the final version of the training manual.

The three training experts will help the Romanian Procurement Training Coordinator and the other 65 Romanian trainers (trained under Phare 1999 project) to develop and teach the public procurement officers from the 11.000 contracting authorities from the central and local level (first, second, tertiary credit ordinator, enterprises, local and national companies which are developing relevant activities in the area of public utilities – water, energy, transportation, telecommunication), as well as other persons involved in public procurement activities - tenderers. The total number of the persons to be trained is approximately of 25.000. The organizations with more public procurement activity will be trained first.

Each of the three experts has to be specialized in training in one of the following fields: public procurement for supplies, works and services, including the management of the contracts.

The training activity for the central level will be developed with the logistical support and with the help of specialists from the future Public Finance School of the Ministry of Finance.

The training for the county level will be logistically supported by some of the contracting authorities.

For both training (central and county level) it is expected that the following methods will be used: seminars, lectures, workshops, distance-learning courses.

The training offered to the tenderers will be offered in a transparent and non-discriminatory way.

The training will be accompanied by 2 study visits of 15 Romanian officials, into the offices of the project counterpart and in other Member State, in order to get acquainted with the way of organizing the public procurement activity and to find out how was developed the harmonization to the EU directives in this field.

All experts should have experience in their home country and knowledge of the practices in other EU and Central and Eastern European countries in the specific area for which he is responsible. It would be preferable if each expert had already worked in one or more countries of Central and Eastern Europe. All experts should be fluent in spoken and written English.

3.4.3. The Ministry of Finance contribution to this project includes:

Human resources:

The Ministry of Finance will allocate 4 specialists from the beneficiary Directorate involved in the project (Directorate for Regulation and Monitoring of public procurement), who will work full time with the team leader and his experts during the period of project. A Romanian team leader will coordinate the Romanian specialists, and they will have access to all necessary information from the Ministry of Finance. The information will be put at the disposal of the consultant and short-term experts.

Administrative expenses for logistical support:

The recipient institution - Ministry of Finance will provide for the adequate implementation of this project a sufficient number of computers, printers, a network and connection to Internet, one direct telephone line and other office equipment.

The expenses related to international communication (telephone) will be charged to the contractor.

For each of these experts, the contractor shall also make provision for:

- daily subsistence allowances
- international travel for the EU experts

4. Institutional Framework

The legislative framework has recently been modified by the adoption of a new ordinance on public procurement that has a direct impact on the responsibilities of the Ministry of Finance's Directorate for Regulating and Monitoring the Public Procurement.

There will be difficulties in implementing and meeting the new public procurement law, because of the lack of training in the field, of the contracting authorities staff. This project aims at establishing an on-going training program with a view toward building an on-going public procurement institutional capacity and improving public expenditure management.

5. Detailed Budget

EURO

	Phare Support				
	Investment Support	Institution Building	Total Phare (=I+IB)	National Cofinancing*	I F I*
Technical assistance (five experts)		500,000			
Communication		1,500	2000,000		
IT equipment	450,000			112,500	
Training activity		650,000			
<input type="checkbox"/> Manuals on written support (30.000 copies) and electronic support (5000 copies) <input type="checkbox"/> Logistics for training (handouts, room space, consumables, translation etc)		120,000			
Assessment of needs study for developing/improving the public procurement monitoring system		78,500			
Feasibility study on electronic procurement		120,000			
2 Study visits – 15 officials		80,000			
TOTAL	450,000	1550,000		112,500	0
					2112,500

** In cases of co-financing only*

Note: expenditure for equipment should be put under Investment

6. Implementation Arrangements

6.1 Implementing Agency

The Ministry of Finance acting as Implementing Authority will be responsible for the technical management of the project, through its unit Programming and Monitoring of the Technical Assistance Unit.

The CFCU will be the Implementing Agency and thus responsible for contracting, financial and administrative matters.

6.2 This project will be implemented through regular Phare Decentralized Implementing System (DIS).

Beneficiary institution: Ministry of Finance

Directorate for Regulating and Monitoring of the Public Procurement

Contact person: Mrs. Carmen Apostol

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6.3 This project will be implemented through regular PHARE DIS.

The total Phare funds: 2000,000 EURO

IB: 1550,000 EURO

Investments:

IT Equipment: 450,000 EURO

IB:

Feasibility study: 120,000

Assessment of the needs study: 78,500

Training: 770,000

Study visits: 80,000

The Romanian contribution is:

IT equipment: 112,500 EURO

Human resources

Logistical support

7. Implementation Schedule

Start of tendering: December 2000

Start of project activity: second quarter of 2001

Project completion: second quarter of 2002

8. Equal Opportunity

The Romanian counterpart – The **Directorate for Regulating and Monitoring of Public Procurement** will assure an equal participation of women and men within the project.

9. Conditionality and sequencing

There is no strict conditionality for this project. The results of the project will produce the following changes: achieve the best value for money, non-discrimination, faire competition, transparency, avoid bad practices, assure compliance with the law, improve efficiency and inspire user-confidence.

ANNEXES TO PROJECT FICHE

1. Logical framework matrix
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period)

ANNEX 1 TO THE PROJECT FICHE

LOGFRAME PLANNING MATRIX			Institution Building 2000 Ministry of Finance	Date of drafting: 9.02.2000
<i>Improving of the competitive, transparent working procedures for awarding the public procurement contract</i>			Contracting period expires: 30.11.2002	Disbursement period expires: 30.11.2003
Project number RO-0006.05	RO00/IB/FI/02		Total Budget: 2112,500 EURO	Phare contribution: 2000,000 EURO
Wider Objective	Indicators of Achievement*	How, When and By Whom Indicators Will Be Measured	Assumptions and Risks	
<ul style="list-style-type: none"> Improvement of the making decision process on the allocation and effective spending of public funds A strengthen capacity of the Romanian public procurement authorities to effectively implement and monitor the new Law on Public Procurement 	<ul style="list-style-type: none"> The number of public procurement proceedings, number of complaints being dealt with by the legal remedies system. 	<ul style="list-style-type: none"> continously using monitoring system Department of Regulating and Monitoring of the Public Procurement from the Ministry of Finance (MOF-DGRMPP) 	<ul style="list-style-type: none"> Implementing regulations for the new law on public procurement in place in time 	
Immediate Objectives	Indicators of Achievement*	How, When and By Whom Indicators Will Be Measured	Assumptions and Risks	
<ul style="list-style-type: none"> to continue training of the Ministry of Finance staff, other public administration contracting authorities, as well as other entities or groups involved, including tenderers to perform a feasibility study on the use of an electronic procurement 	<ul style="list-style-type: none"> number of seminars, workshops, and time allocated for individual study improved skills of public procurement officers number of finalized modules 	<ul style="list-style-type: none"> periodically written assesments & evaluations done by the trainer at the end of the training period Monitoring results by the Department of Regulating and Monitoring of the Public Procurement from the MOF number of interimar reports 	<ul style="list-style-type: none"> Trained staff may leave the organization Trained public procurement officers have not the basic necessary qualities Local institution collaborating in planning activities Government & donors will finance the training 	

<p>system using INTERNET in Romania</p> <ul style="list-style-type: none"> to perform a study for assessing the needs for developing/improving the n public procurement monitoring system to purchase equipment needed to improve the information flow between the MoF and contracting authorities to elaborate the final version of the training manual 	<p>(sections)</p> <ul style="list-style-type: none"> number of finalized modules (sections) the quantity of the purchased IT equipment 30.000 copies on paper support and 5000 copies on electronic support 	<ul style="list-style-type: none"> periodically MOF-DGRMPP number of interim reports periodically MOF-DGRMPP Managers will appreciate the improved information flow between the parties involved number of available copies MOF-DGRMPP 	<ul style="list-style-type: none"> Government & donors will finance the implementation of the study Government & donors will finance the implementation of the study
Outputs	Indicators of Achievement*	How, When and By Whom Indicators Will Be Measured	Assumptions and Risks
<ul style="list-style-type: none"> trained staff of the MF and other public administration contracting authorities, as well as other entities or groups involved, including tenderers a feasibility study concerning the implementation in Romania of the electronic procurement system a study for developing & improving the public procurement 	<ul style="list-style-type: none"> numbers of public procurement officers and civil servants involved in public procurement activity which are successfully implementing the new law Survey about the needs and opportunity for implementing the electronic procurement in Romania Survey about the needed IT equipment the quantity of the purchased 	<ul style="list-style-type: none"> final tests & results monitoring results continuously trainers & MOF- DGRMPP finalised feasibility study & possibilities of application at the end final report finalised study & possibilities of application at the end final report 	<ul style="list-style-type: none"> Trained public procurement officers have not the basic necessary qualities the necessary information for elaborating the study unavailable the necessary information for elaborating the study unavailable the lack of resources

<ul style="list-style-type: none">• purchased equipment needed to improve the information flow between the MoF and contracting authorities• elaborated final version of the training manual• completely transposed the remedies directives no.89/665/EEC and 92/13/EEC	<div>IT equipment</div> <ul style="list-style-type: none">• 30.000 copies on paper support and 5000 copies on electronic support• harmonised legislation in accordance to the acquis communautaire	<ul style="list-style-type: none">• MOF-DGRMPP• MOF-DGRMPP• MOF-DGRMPP• Regular reports of EC Delegation on Romanian legislation in the field													
<div>Inputs</div> <div>Phare funds allocated for the project are:</div> <table><tr><td>- Institution Building</td><td>1550,000 EURO</td></tr><tr><td>- IT equipment</td><td>450,000 EURO</td></tr><tr><td>TOTAL</td><td>2 000,000 EURO</td></tr></table> <div>The recipients funds allocated for the project are:</div> <table><tr><td>- Human resources involved from the Ministry of Finance</td><td></td></tr><tr><td>- Administrative costs for the office</td><td></td></tr><tr><td>• IT equipment</td><td>112, 500 EURO</td></tr></table>			- Institution Building	1550,000 EURO	- IT equipment	450,000 EURO	TOTAL	2 000,000 EURO	- Human resources involved from the Ministry of Finance		- Administrative costs for the office		• IT equipment	112, 500 EURO	<ul style="list-style-type: none">• local capacity to absorb large amounts of money
- Institution Building	1550,000 EURO														
- IT equipment	450,000 EURO														
TOTAL	2 000,000 EURO														
- Human resources involved from the Ministry of Finance															
- Administrative costs for the office															
• IT equipment	112, 500 EURO														

ANNEX 2 TO THE PROJECT FICHE NUMBER RO-0006.05

DETAILED TIME IMPLEMENTATION CHART FOR PROJECT NUMBER RO-00IB-FI-02

(IMPROVEMENT OF THE COMPETITIVE, TRANSPARENT WORKING PROCEDURES FOR AWARDING THE PUBLIC PROCUREMENT CONTRACT)

	2000						2001												2002												2003														
Activities/ calendar months	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D			
IT equipment									D	D	C	C	C	I	I	I																													
Training					D	D	C	C	C	I	I	I	I	I	I	I	I	I	I		I	I	I	I																					
Feasibility study on electronic procurement									D	D	C	C	C	I	I	I																													
Assessment for the needs study for developing the public procurement monitoring system												D	D	C	C	I	I																												
2 Study visits													D	C	I	I					I	I																							
	D = Design C = Contracting I = Implementation																																												

***IMPROVEMENT OF THE COMPETITIVE, TRANSPARENT WORKING PROCEDURES FOR
AWARDING THE PUBLIC PROCUREMENT CONTRACT***

CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE (MEURO 2000,000)

DATE: 9.02.2000

	31/03/01	30/06/01	30/09/01	31/12/01	31/03/02	30/06/02	30/09/02	31/12/02	31/03/03
CONTRACTED	750.000	2,000.000							
DISBURSEMENT	200.000	600.000	1000.000	1400.000	2000.000				

NB: 1. *All contracting should normally be completed within 6-12 months and **must** be completed within 24 months of signature of the FM.*

2. *All disbursements **must** be completed within 36 months of signature of the FM.*