



GOOD GOVERNANCE

ANALYSIS OF SERIOUS AND SYSTEMATIC VIOLATIONS OF PUBLIC PROCUREMENT RULES IN THE CZECH REPUBLIC

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(Upon request, further more detailed information about the study, the problems identified as well as recommendations on the measures to take to improve the situation can be provided).

30th October 2016

Prague 2016

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INTRODUCTION

This analysis deals in detail with the negative trend of serious and systematic violations of procedures in the area of public procurement by the central state administration bodies of the Czech Republic.

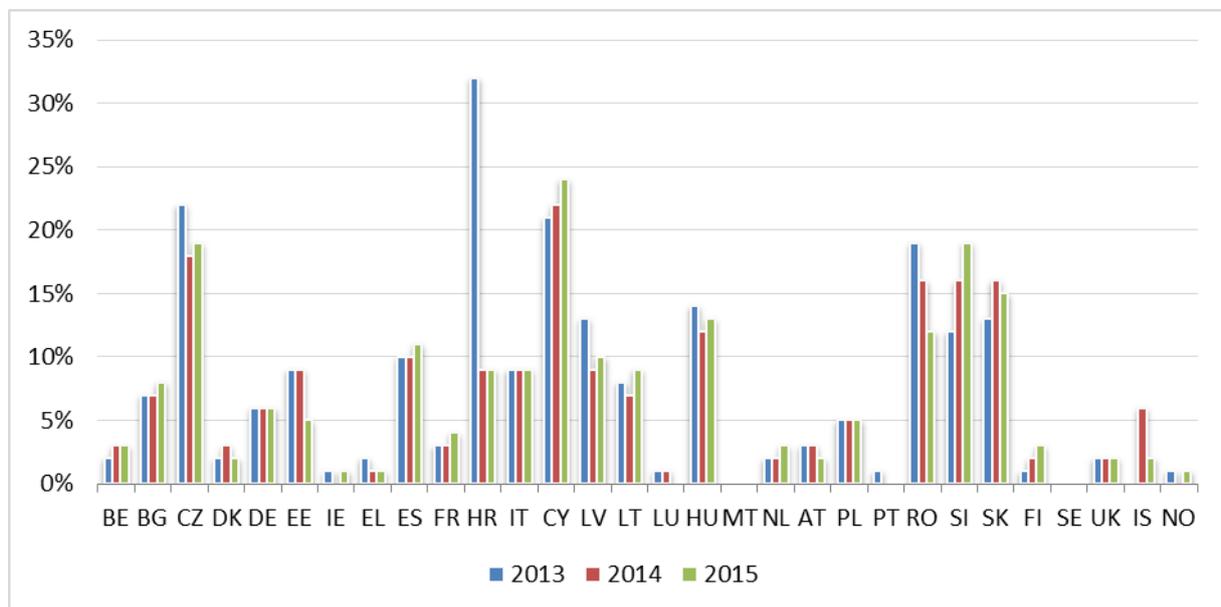
The objective of the report was to evaluate the procurement procedures used by public contracting authorities whilst assessing:

- The rate of public contracts awarded without competitive procedure;
- Implementation of the Public Procurement Directives;
- Effectiveness of control and law enforcement from oversight bodies.

CZECH REPUBLIC AND INTERNATIONAL COMPARISON

According to the results of the study of the European Commission „The EU Single Market Scoreboard“¹ of July 2016 the Czech Republic belongs long time among countries which have a high rate of public procurement contracts awarded without any competition. In 2013 the European average of contracts awarded without a competition was 7.4% while according to the study the Czech Republic's share of contracts awarded without a competition was 22% out of all contracts awarded. In the years 2014 - 2015 the EU average was 6.6% while in the Czech Republic, the ratios were 18%, respectively 19%.

Chart 1: No Calls for Bids



The "No Calls for Bids" indicator measures the proportion of procurement procedures that were negotiated with a company without a call for tender.

¹ http://ec.europa.eu/internal_market/scoreboard/performance_per_policy_area/public_procurement/index_en.htm

RESTRICTION OF COMPETITIVE ENVIRONMENT ACCORDING TO THE CONCLUSIONS OF THE SAO

According to the conclusions of the Annual Report for 2015², the Czech Supreme Audit Office (SAO) sees huge potential for increasing the overall efficiency of the state administration through savings in the area of public procurement which for long time remains as one of the highest risk areas.

The results of audits of the SAO in 2015 indicate repetitive illegal practices and violations of the rules in the area of public procurement which lead to wasteful spending of public resources. Reducing the competitive environment, not following the economic advantage during the award of public contracts and the consequent failure to achieve favourable prices occurs in different ways:

- illegal use and abuse of the negotiated procedure without publication;
- incorrect use of the exemption for the award of a contract to a single supplier without a competition;
- limiting competition through the use of very restrictive and discriminatory selection criteria;
- artificial splitting of public contracts into several separate contracts in order to award such contracts in below-the-threshold procedure or in simple procedure applicable for low value contracts;
- incorrect procedure set for the evaluation of tenders and not setting evaluation criteria which allow assessment of the economy aspects of contracts.

ANALYSIS OF DEVELOPMENT OF THE USE OF NEGOTIATED PROCEDURE WITHOUT PUBLICATION AT THE LEVEL OF CENTRAL GOVERNMENT

Based on the overall evaluation of the international survey of public contracts without competition Good Governance evaluated the approach of the Czech central governmental bodies in this area. Analytical data were provided by EconLab z.s. association which aims to support data and fact-oriented economic research in policy making. The analysed data relate to bodies classified in the Czech Tenders Journal under heading state administration (for example ministries, funds, police, labour offices etc.).

Table 1: Share of negotiated procedures without publication on governmental procurement³

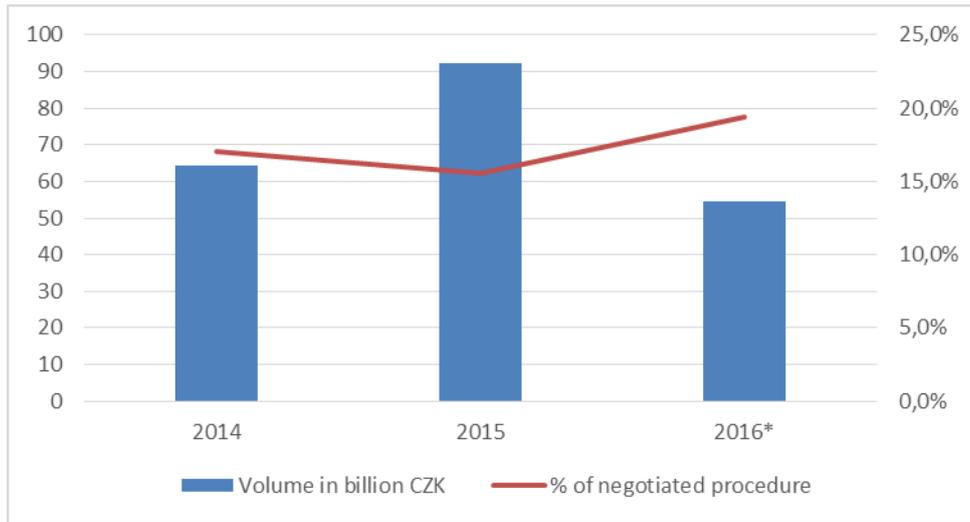
Year	Total value of contracts in billions of CZK	Total value of contracts awarded via negotiation procedure without a prior publication in billions of CZK	Share in %
2014	64,24	10,95	17,0%
2015	92,24	14,33	15,5%
2016 ⁴	54,68	10,63	19,4%

² <http://www.nku.cz/assets/publikace/vyrocní-zpráva-nku-2015.pdf>

³ Data: EconLab z.s.

⁴ Data indicated for 2016 are analyzed up to 30 September 2016

Chart 2: Share of negotiated procedures without publication on governmental procurement⁵



The average value of the share of negotiated procedures without publication used for award of contracts by the Czech government for the last three years is 17.3%. In 2016 a negative trend in the increase of the use of negotiated procedures without publication can be observed as at the end of September 2016 the value of the expenditure „tendered“ through negotiated procedures without publication is 19.4% of the total expenditure incurred by central government authorities.

Chart 3: Negotiated procedure without publication used by the government sorted by justification⁶

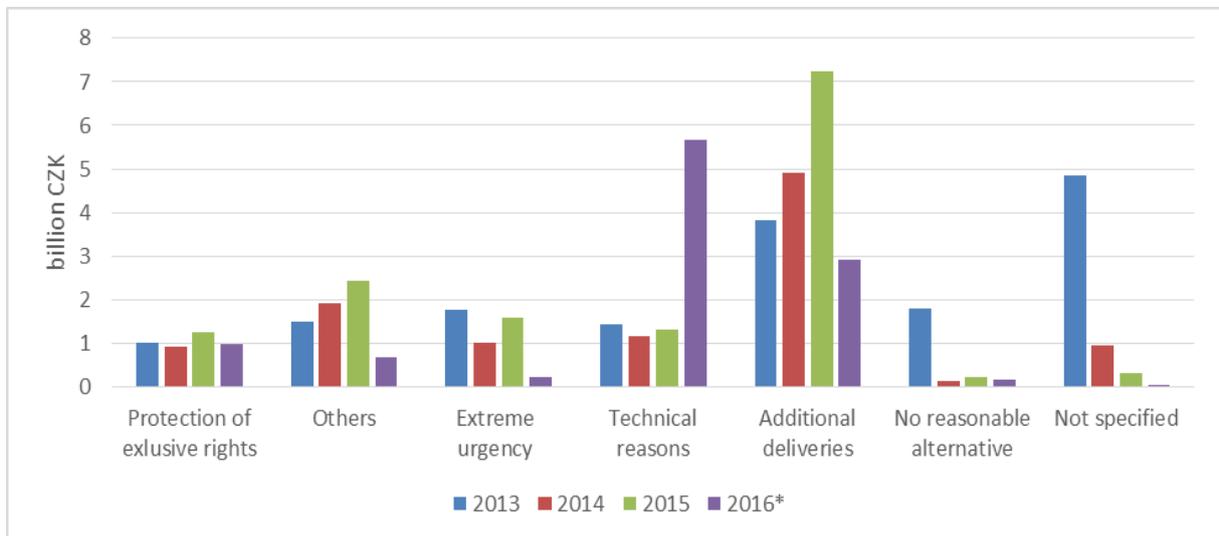


Chart 3 above provides a comprehensive overview of the justifications that have been identified for the award of contracts without competition by the government. Copyright and technical reasons are considered as the most risky areas. In 2016 multiple increase of justifications due to „technical reasons“ for the award of contracts without competition was recorded.

⁵ Data: EconLab z.s.

⁶ Data: EconLab z.s.

LEGISLATIVE FRAMEWORK FOR SERIOUS AND SYSTEMATIC VIOLATIONS OF PUBLIC PROCUREMENT RULES

New Czech Act on Public Procurement no. 134/2016 is effective as of 1st October 2016.

According to the general part of the explanatory memorandum to the amendment of the previous Czech legislation on public procurement (Act 137/2006) the purpose of regulation on public procurement is to create a competitive environment among potential bidders for award of public contracts and also creating conditions for a win-win situation for the implementation of the public contract in the framework of a uniform, transparent and non-discriminatory procedure used by the contracting authority.

The purpose of the legislation of public procurement is to create an open environment for the widest range of suppliers (bidders) so that they could participate in tender procedures. In addition, the purpose of the legislation establishing such a process of selecting the most suitable candidate is to make this selection transparent and based on objectively defined criteria which will be known in advance to all applicants.

If we compare the new law on public procurement with the previous legislation, it can be stated that in negotiated procedure without publication has been no fundamental change.

Articles 26 and 27 of the Public Procurement Directive set out the general rules and conditions when different public procurement procedures can be used and indicate that an open tender should be the general procedure which should be applied. Art. 32 then follows with enumeration of situations where negotiated procedure without prior publication can be used. These situations have to be interpreted restrictively since they represent an exception to the general rule requiring open and transparent tenders procedures laid down in the aforementioned Art 27 of the Public Procurement Directive. Yet, from the facts and conclusions concerning individual cases described below it is clear that the conditions of application of the negotiated procedure without prior publication set out in the aforementioned Article 32 of the Public Procurement Directive were violated. At the same time the relevant provisions of the former Czech Public Procurement Act no. 137/2006 Coll. applicable until 30th September 2016 as well as of the new Public Procurement Act 134/2016 Coll., applicable as of 1 October 2016 were violated as well. In fact, the ways in which the below mentioned public contracts were attributed did not respect the conditions when a negotiated procedure without prior publication procedure can be used and these contracts ought to have been granted under open tender procedure.

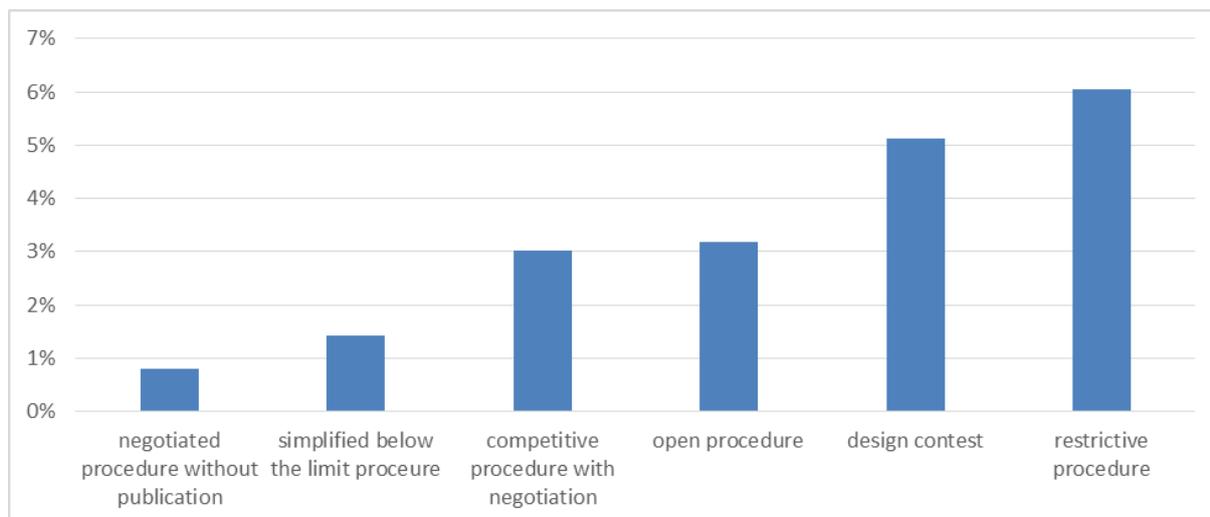
The general principle for the negotiated procedure without prior publication according to Article 32 paragraph 5 of the European Directive 2014/24 EU on public procurement may be used for new works or services consisting in the repetition of similar services. This procedure may be used only during the three years following the conclusion of the original contract.

SYSTEMATIC APPROACH OF THE OFFICE OF PROTECTION OF THE COMPETITION

According to the upcoming analyses of EconLab z.s. association, the Office of Protection of Competition reviews only 0,8 % of the negotiated procedures without publication. This rate is four times smaller than in case of revision the open procedure. It means that the probability of revision of tenders without competition is significantly lower in comparison with other procurement procedures. Legitimacy of negotiated procedures without publication is significantly under lower supervision.

Due to this systematic approach the contracting authorities may be motivated to avoid competition and use the negotiated procedures without a prior publication more frequently despite the legal requirements for this procedure are not fulfilled. Usage of the negotiated procedures without a prior publication can reduce risk of any complaints, possible delays or public criticism and there is low chance that will be review by the Office of Protection of the Competition.

Chart 4: Probability that procurement can be reviewed by the Office of Protection of Competition according to tendering procedure type ⁷



SUMMARY OF OVERALL CONCLUSIONS

Based on the evaluation of analytical data and assessment of new legislation it is clear that the central governmental bodies in the Czech Republic for a long time award contracts without any publicly announced competition in a value that is several times higher than the average of the EU.

Based on a common practice in the implementation of large scale projects by the Czech political representation, the approach applied is in violation of procedures stated in the European directive on public procurement since the very beginning of the project itself. To illustrate this phenomenon below there are listed a few specific examples of implementation of projects with obvious violations of the public procurement rules, EU directives and national law by the Czech governmental bodies. The sad thing is that some of these bodies are engaged in the implementation of the EU funds in the Czech republic and Ministry of Regional Development is even responsible for the transposition of the EU public procurement directives into Czech legislation, in other words it should be the guardian of correct application of the public procurement rules in the Czech republic.

It is more than said that supreme public administration body, the government of the Czech republic, according to the quote of the minister of Transport took the initiative to breach of the Act on public tendering law „I am following the line which the government obliged me to pursue, indeed, the government adopted the resolution that we have to immediately take all steps to finalise and conclude the agreement and I made those steps.“⁸

Law enforcement in the area of public procurement on the side of the state and its agencies is very low. One of the reasons is the inefficient system of applying administrative fines by the Office of Protection of Competition which is in its result only fictional moving of funds between different chapters of the state budget. Personal responsibility, accountability and recovery of payments on specific individuals are not applied in practice in most cases.

⁷ Data: EconLab z.s.

⁸ <http://www.ceskatelevize.cz/ivysilani/1126672097-otazky-vaclava-moravce/216411030500904/obsah/490888-dan-tok-nestr-za-ano-ministr-dopravy-antonin-prachar-byvaly-ministr-dopravy>

In view of the above stated conclusions it is clear that violations of the legislation in the area of public procurement at the central government level is not an isolated issue. It can therefore be assumed a conclusion that such a violation is of a systematic nature and in terms of financial volume it is considered as serious.

Analysis of the legal situation has been made up to the date of 30th November 2016. The conclusions assume the correctness of the data in the public register containing information on public procurement.

HIGHWAY TOLL SERVICES

Ministry of Transport as the contracting authority signed in August 2016 the contract for highway toll services with Kapsch Company. The duration of the contract is till 2019, for next 3 years. Kapsch Company is current provider of highway toll services. Current contract was signed in 2006 and expires at the end of 2016. Czech public authorities had been assuring that the new supplier of highway toll service for 2016 + would be awarded in open procedure. Actually, this has never happened. The contract with Kapsch Company was extended in negotiated procedure without a prior publication. Despite the Minister of Transport was warned by many experts and politic opposition that the extension of contract without open procedure is violating of the law he decided to do so. To assure that signing of contract will not be banned by the Office for the Protection of the Competition, the contract notice was published on Saturday 27th August and the negotiated procedure was finished by signing the contract the next day, on Sunday 28th August. On behalf of The Ministry of Transport the contract was signed by the deputy minister. According to Minister's statement in the press, the deputy minister wanted to be signed under this contract. Afterward, the procurement procedure was reviewed by the Office for the Protection of the Competition. The Office for the Protection of the Competition declared the violation of the law and imposed the fine in amount of 1 mil CZK. Despite the violation of the law the contract remains valid and will be effective since 1st January 2017. The Minister comments the fine with the words: *1 mil CZK is just peanuts to compare how much the state gets from toll collection per day* (it is estimated that the state gets 40 mil CZK from toll collection per day). *There is no harm for taxpayers because the fine is paid by one public institution to another and the money stays in the national budget*, he continues. The Office for the Protection of the Competition declines the complaint of the competitor who could not participant in the procurement because the procedure was not open. The competitor demands the annulation of the current contract and calls for new public procurement in open procedure. The Office for the Protection of the Competition gives reason for its decision that the extension of the contract with current supplier is in public interest because current contract expires in the end of 2016 and it is necessary to collect the toll that brings 8 - 10 billion CZK every year to the national budget.

The procedure described above is a model example of systematic violation of rules on public procurement from concrete public authorities. Their aim is to extend the contract with current supplier and not to have better procurement. They justify the use of the negotiated procedure without a prior publication by extreme urgency. The fact is that it has been well known for six years that the contract for providing toll services expires by the end of 2016. Moreover, such procedure is approved by The Office for the Protection of the Competition who on one hand states the violation of the law, on the other hand it says that the violation can be justify because there is public interest in collection of the toll. Public interest in transparency and better procurement is marginalized.

Name of public procurement: Highway toll services

Contracting authority: Czech Republic – The Ministry of Transport

Awarded winner: Consortium of companies (Kapsch TrafficCom Construction & Realization spol. s r.o., Kapsch BusinessCom s.r.o., Kapsch BusinessCom AG, Kapsch CarrierCom AG, Kapsch TrafficCom AG, Kapsch Telematic Services spol. s r.o.)

Description:

- Highway toll services.
- Toll-collection services.
- Financial transaction processing and clearing-house services.
- Electronic equipment.
- Toll equipment.

Total final value of contract: 5 268 565 045.68 CZK / 195 132 039 EUR excluded VAT

Financed from EU funds: No

Contract notice: 27.8.2016 (Saturday)

Contract date: 28.8.2016 (Sunday)

Procurement procedure: negotiated procedure without a prior publication

Contracting authority justification of usage of negotiated procedure without a call for competition:

Contracting authority used the negotiated procedure without a prior publication because of technical exclusivity of the supplier of highway toll services. Highway toll services can be provided only by Kapsch Company because the company has specific knowhow and software for the toll collection that cannot be provided to the third part. There are also security risks if the highway toll services would be provided by any other supplier.

Opinion of the Office for the Protection of the Competition: Yes.

Office for the Protection of the Competition came to conclusion (in his finding from 25th October 2015) that the Ministry of Transport has signed the amendment to the current contract for highway toll services against the law on public procurement. The Ministry of Transport used the negotiated procedure without a prior publication but there were no exceptional circumstances that would justify such procedure. The situation of exclusivity of Kapsch Company (this was used as justification for usage procedure without a call for competition from contracting authority) has been created by the contracting authority itself, when the contracting authority awarded the contract to Kapsch Company in 2006. For the violation of the law, the Office for the Protection of the Competition has imposed a fine in amount of 1 000 000 CZK / 37 037 EUR.

Office for the Protection of the Competition came to conclusion (in his finding from 18th November 2015) that the amendment to the contract is valid despite it was awarded against the law because there is overriding reason (collection of the toll) related to the public interest.

In this content it is significant question, if such a kind of approach when ministry prefers one supplier within tendering without competition doesn't constitute unauthorized and illegal state aid.

Effective remedy: not provided

PROJECT OF ELECTRONIC EVIDENCE OF SALES

Project of electronic evidence of sale is a flag ship of the government. The project should enhance the taxation of VAT. The electronic evidence of sales was introduced by adopting the new act no 112/2016 published on 30th of March 2016.

The control of collecting VAT has been responsibility of the General Financial Directorate. The General Financial Directorate has used (among others) the information system called ADIS that was introduced in 1993. The electronic evidence of sales is completely new obligation (introduced in 2016) for all merchandisers to send online electronic data about their sales to the General Financial Directorate. It is obvious that electronic evidence of sales is completely new stand-alone application and do not have to be part of ADIS. It would be sufficient if electronic evidence of sales application only communicated with ADIS.

At the beginning of 2015, it was issued the public procurement in open procedure for the creation of electronic evidence of sales application. About 30 possible suppliers were asked to provide their offer. The company CGI won the competition while they offered completely new application of value 30 mil CZK. The application was independent of ADIS. To secure communication with ADIS there was an interface. Surprisingly, the contract was never signed and the public procurement was cancelled.

Despite this fact there was no other open procedure for public procurement of this software solution. The General Financial Directorate used negotiated procedure without a prior publication and asked the supplier of system ADIS to develop new application. The General Financial Directorate justified such procedure that the supplier of ADIS is exclusive and the only one who can develop such application. Such justification is in contrary with previous call for competition. Additionally, there is no substantive reason to create new software application within ADIS from 1993. Electronic evidence of sales is completely new functionality which could exist separately from ADIS which was proved by previous bids in cancelled competition.

This is another model example of systematic violation of the rules on public procurement from concrete public authorities, where the situation of exclusivity of a supplier does not exist or has been created by the contracting authority itself. It has been publicly announced that system ADIS is obsolete and should be replaced by the new solution until 2021. Hence, there is a risk that the application for electronic evidence of sales will have to be purchase again in the future. The Office for the Protection of the Competition has not reviewed this public procurement.

Name of public procurement: Integration of information system ADIS and electronic evidence of sales

Contracting authority: General Financial Directorate

Awarded winner: IBM Czech Republic

Description: Development of a new application and its integration with existing database structures. The need for the new application results from adoption of new law on electronic evidence of sales.

Total final value of contract: 49 991 118 CZK / 1 851 523 EUR excluding VAT

Finance from EU funds: No

Contract date: 18.4.2016

Procurement procedure: negotiated procedure without a prior publication

Contracting authority justification of usage of negotiated procedure without a call for competition:

The current supplier (Company IBM) is the only economic operator that can perform the contract because he has the unique technical abilities and holds the exclusive rights to the information system ADIS that was created in 1992. Acquiring a supplier having different technical characteristics would result in incompatibility or disproportionate technical difficulties in operation and maintenance of information system ADIS.

Opinion of the Office for the Protection of the Competition: No. The Office for the Protection of the Competition has not reviewed this public procurement.

Effective remedy: not provided

NATIONAL ELECTRONIC TOOL FOR PUBLIC PROCUREMENT

National Electronic Tool is a software tool designed for all contracting authorities to complete the process of public procurements electronically. This project was financed from EU funds.

The aim of the project was to reach significant savings in administration costs of public procurements. The total costs of the project have reached 500 000 000 CZK / 18 518 519 EUR so far. According to the report of the Ministry for Regional Development from September 2016, the National Electronic Tool was used for electronic administration of 803 public procurements for the period from August 2015 to September 2016. Only maintenance costs of the National Electronic Tool were 43 000 000 CZK / 1 592 593 EUR for the same period. It means that administration of 1 public procurement costs approximately 81 000 CZK / 3 000 EUR just on maintenance without other additional costs (training of users, data migration etc.)

The whole project was reviewed by the Audit Authority and also by the Supreme Audit Institution. Both public bodies had very significant findings also in other public contracts related to project.

In 2016, the new version of Public Procurement Act was adopted. So it was necessary to make process changes of the National Electronic Tool to comply with the new law requirements. The Ministry for Regional Development made a call for competition (in open procedure). The contracting authority received no suitable tenders in response. So the Ministry for Regional Development used the negotiated procedure without prior publication with prior supplier (company Dezata). Lately the contract was annulled by the Office for the Protection of the Competition who declared that the parameters of the procurement in open procedure were artificially narrowed down.

This is really paradox and absurd situation. The public body (Ministry for Regional Development) which is responsible for creating transparent environment in public procurements was found guilty of using artificially narrowing down parameters during the public procurement to avoid transparent competition.

This is another model example of systematic violation of the rules on public procurement from concrete public authorities, where the parameters of procurement in open procedure were artificially narrowed down to avoid the competition. Consequently no suitable tenders received were a justification for usage of negotiated procedure without a prior publication. The Office for the Protection of the Competition has annulled the procurement.

Name of public procurement: Analysis and Implementation of new law requirements to the National Electronic Tool for Procurement

Contracting authority: Czech Republic – The Ministry for Regional Development

Awarded winner: DEZADATA GROUP, spol. s r. o.

Description: Modification of National Electronic Tool to comply with new regulation, its further development and maintenance. Specifically to assure following task:

- Analysis of the changes;
- Learning documentation;
- Maintenance;
- Further development of application.

Total final value of contract: 49 643 154 CZK / 1 838 635 EUR including VAT

Finance from EU funds: Original project NEN was finance from EU funds

Contract date: 4. 5. 2016, annulled by The Office for the Protection of the Competition

Procurement procedure: negotiated procedure without a prior publication

Contracting authority justification of usage of negotiated procedure without a call for competition:

No suitable tenders have been submitted in response to an open procedure.

Opinion of the Office for the Protection of the Competition: Yes.

The Office for the Protection of the Competition came to conclusion (in his finding from 22th November 2015) that the Ministry for Regional Development violated the rules on public procurement. Hence, the Office for the Protection of the Competition has imposed a fine in amount of 500 000 CZK / 18 519 EUR when declared that the absence of competition was the result of an artificial narrowing down of the parameters of the procurement in open procedure.

In addition the Office for the Protection of the Competition in its finding declared that such a procedure is flagrant bypassing of the law with the highest intensity.

Effective remedy: procedure of the Office for the Protection of the Competition is still not finally closed

CIVIL SERVICE PROJECT

The new Civil Service Act was adopted in 2014 based on the request of the European Commission. One of the requirements included in this new Act was to establish information system evidencing civil servants.

The government decided to ensure the establishment of the new information system (which never existed before adoption of the Civil Service Act) via ERP information system belonging to the Ministry of Interior called EKIS.

It is necessary to say that EKIS has existed since 1999. The vendor for the EKIS system in the period between 2012 and 2016 was the ICT branch of the state owned company Czech Poste. The Ministry of Interior asked the ICT branch of Czech Post to implement information system evidencing civil servants into EKIS without any competition (based on an In-house exception) because the Czech Post is subordinate authority to the Ministry of Interior. The total amount that was paid without any competition was around 500 000 000 mil CZK / 18 518 519 EUR.

The Supreme Audit Institution reviewed the procurement and came up with the following conclusion. Contracting authority can order services from an entity that conducts most of its business in favour of this contracting authority without competition. But ICT branch of Czech Poste does not conduct most of its business in favour of the Ministry of Interior which means that there should have been a competition.

The Ministry of Interior awarded the contract to its subordinate authority without any competition. This subordinate authority however hasn't conducted most of their business in favour of Ministry of Interior whilst doing so was an essential legal requirement.

This is another model example of systematic violation of the rules on public procurement from concrete public authorities. In this case the violation lies in bypassing the competition because of an in-house exemption. In fact, there were no circumstances that would justify such an exemption. New SW functionality for the whole civil servants of all public bodies was built on the tool which was originally built only for the needs of ministry of interior. There is no substantive reason to create new functionality within EKIS. It could be separate application which would communicate with EKIS.

Name of public procurement: Amendment no 6,7,8 and more to the contract about support, maintenance and development of the EKIS system

Contracting authority: Czech Republic – Ministry of Interior

Awarded winner: ICT branch of Czech Poste

Description: Implementation of Civil Service Act into information system EKIS– examples of contracted activities

- To customize the SAP HR in accordance to the Civil Service Act
- Complex applicable solution for systemizing – central storage for systemizing
- Collection, supervision, maintenance,
- Complex solution for the overview of civil servants
- Basic reporting.
- Interface with state treasury system.
- Complete supply of HW
- Safety setting
- Delivery of the necessary SAP licenses

Total final value of contract: cannot be precisely quantified

Finance from EU funds: No

Contract date: 2. 1. 2015

Procurement procedure: the award of a public contract without a competitive procedure

Opinion of the Office for the Protection of the Competition: No.

Effective remedy: not provided

MONITORING SYSTEM MSC 2014+

Public procurement for the project MSC2014+ started in 2012. The whole project should have been financed from EU funds. Because of the risk of overpricing the European Commission requested the special audit⁹ conducted by the Audit Authority

The audit team have identified plenty of violations of the law on public procurement. The most significant finding was that two bids (one of them was awarded as a winning) looked similar, consisted of identical sections (especially the description of technical solution which was one of the parameters with the weight of 40%), used similar template and contained identical stylistic or grammatical mistakes. The bids had also other characteristics of bid-rigging. Surprisingly the both bids were evaluated very differently by the Committee. There is high probability that the Committee either have not read the bids or evaluated the bids by different points in purpose. The Committee was composed of highly ranked civil servants (f.e. current deputy chief of cabinet of the European Commissioner from the Czech Republic, current state secretary and deputy minister of the Ministry of Finance and first deputy of the Ministry of Interior were the members of this committee).

The European Commission confirmed the findings and the conclusions of the Audit Authority. EC approved financial correction 25 % of public tender. In case of fraud confirmed by the Czech police will be correction 100 %. Collusive agreement between two competitors is according to European law and according to several decisions of Court of Justice of the European Union unlawful.

On contrary, the public tender was also reviewed by the Office for the Protection of the Competition and by Financial Directorate who concluded that the public procurement was in compliance with the law. It is necessary to say that whilst the Audit Authority is independent and conduct its audits in conformance with international standards and due profession care, neither the Office for the Protection of the Competition nor the Financial Directorate has such requirements, therefore it is difficult to rely on their results. Each bid had more than thousand pages so to prove bid-rigging requires very good analytical skills and usage of analytical software. The teams of the Financial Directorate and the Office for the Protection of the Competition even did not have an IT expert.

This last case is example of systematic failure of control mechanism where the control bodies are not competent enough to reveal the fraudulent behaviour in public procurements. This is another model example of systematic violation of the rules on public procurement from concrete public authorities

Name of public procurement: Development and maintenance of the application of Monitoring System for programming period 2014-20120 (MS2014+)

Contracting authority: Czech Republic – Ministry for Regional Development

Awarded winner: TESCO SW a.s. (its subcontractor was Dezata Group)

Description: Realization, implementation, development and maintenance of the software for administration EU projects in programming period 2014-20120.

Total final value of contract: 529 700 000 CZK / 19 818 519 EUR excluding VAT

Finance from EU funds: Yes, lately withdrew from certification

Contract date: 6. 6. 2013

⁹ Zdroj: <http://www.mfcr.cz/cs/o-ministerstvu/sluzby-verejnosti/informacni-kancelar/seznam-podanych-zadosti/2015/zadost-o-poskytnuti-informaci-ve-smyslu-21697>

Procurement procedure: open procedure

Opinion of the Office for the Protection of the Competition: Yes.

The Office for the Protection of the Competition came to conclusion (in his finding from January 2015) that there were some minor violation of the rules on public procurement and imposed a minor fine in amount of 1 000 CZK. The Office for the Protection of the Competition declared that there was no bid-rigging. On 20th of June 2016 chairman of the Office for the Protection of the Competition cancelled first level conclusion.

Effective remedy: not provided



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