

Selected procurements at Bundesbeschaffung GmbH

Performance audit

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[FULL REPORT \(DE\)](#) 

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What we assessed and why

We audited Austria's national public procurement agency, Bundesbeschaffung GmbH, between November 2021 and June 2022. Reporting to the Ministry of Finance, the agency provides procurement services to the Federal Government and provincial, municipal and local authorities, as well as other organisations such as autonomous public corporations, healthcare and educational institutions and emergency services.

We assessed the agency's organisation and staffing, its financial performance and business model, its internal control system and compliance, and selected procurement procedures. Between 2017 and 2021 – the period covered by our audit – the value of calls for tender conducted by the agency increased from €1.448 billion to €3.222 billion. This was mainly due to increased demand arising from the COVID-19 pandemic in 2020 and 2021.

What we found

We found that:

- Autonomous bodies and public corporations were allowed to procure their own goods and services.
- Provincial, municipal, and other contracting authorities procured more goods and services than the Federal Government.
- There was no central overview of procurement by the Federal Government. A project by Austria's "Conference of Secretaries-General" to increase the Federal Government's use of the agency for public procurement estimated that only around half of government procurement was conducted via the agency. The project was however not used as an opportunity to increase the volume of procurement conducted through the agency.
- The value of calls for tender had steadily increased by 13 % overall between 2017 and 2019, but there was no assessment of additional profits from COVID-19 procurement in order to assess the agency's longer-term returns.



- Based on Austria's Procurement Control Regulation, the agency calculated its clients' annual consolidated savings on purchase prices as an amount and a percentage. This figure was based on a calculation of the synergy generated by using the agency, which had remained unchanged for around 15 years.
- The agency used different procurement procedures to rapidly procure large quantities of respiratory masks. The Federal Ministry of Justice issued a circular requiring documentation to justify the procurement procedure chosen in each case. The agency did not keep adequate documentation and merely recorded this circular as a memo in its files.
- The Ministry of Health initially insisted to limit the procurement of FFP2 masks for over-65s to those produced in Austria, violating the principle of fair and transparent competition. It maintained this position for a long time, thereby delaying efforts to make respiratory masks available free of charge in a timely manner to vulnerable groups. Afterwards, the agency invited specific bids from active suppliers under its existing framework agreement, thereby significantly reducing the unit price per mask. In the end, the masks were procured swiftly.

What we concluded

We recommended that the Bundesbeschaffung GmbH:

- in light of Conference of Secretaries-General's finding that relatively little Federal Government procurement is conducted through the agency, launches an initiative to increase this volume. To this purpose, the agency should consider using the regulatory powers invested in it by its founding legal act and making use of the agency's financial and technical capabilities;
- proposes legislation obliging autonomous bodies financed by the Federal Government to conduct their procurement via the agency;
- in cooperation with the Federal Ministry of Finance, pays particular attention to the growth in the value of calls for tender by Federal Government clients, bearing in mind the low growth between 2017 and 2019;
- in cooperation with the Federal Ministry of Finance, rapidly develops a transparent method for calculating savings on purchase prices. The method should only consider savings attributable to the agency (mainly savings on the cost of procedures, consolidation and standardisation);
- given the lack of an accurate assessment of the agency's longer-term returns, the agency should, in good time, submit a five-year plan to the supervisory board and the Federal Ministry of Finance setting out its financial impact, as part of the price model revision ordered by its supervisory board. This should include a comparison of projected returns based on current and future price models in order to provide a suitable, clear basis for decision-making.