

## Emergency contracts concluded by government ministries and autonomous agencies in 2020, with a view to managing the COVID-19 crisis

Compliance

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**FULL REPORT (ES)** 

### What we assessed and why

We assessed government ministries' and autonomous agencies' emergency procurement procedures to protect public health during the COVID-19 pandemic.

We examined whether they had followed the laws and regulations governing the emergency procurement procedure. We also looked at whether they had adhered to the principles of sound financial management, particularly when procuring medical and personal protective equipment.

Protective equipment is particularly significant since the provisions governing procurement under emergency conditions (Law on Public Sector Contracts) pose a risk to the proper management of taxpayers' money. The provisions allow contracting authorities to conclude contracts without having to keep procurement files, or adhere to the usual formal requirements.

### What we found

Because of the exceptional situation, public authorities had no option other than to purchase products that were scarce on the market at the time. Public authorities needed to ensure service continuity and this forced them to accept prices quoted, with little room for negotiation, and entering into contracts with suppliers who were also facing logistical difficulties in an unfamiliar market. The applicable rules were largely followed and the actions taken were appropriate in response to the crisis. Nevertheless, we identified several areas for improvement in the procurement procedures we assessed, for instance, in the verification of suppliers' solvency or in the justification of the use of the emergency procedure.

One example of good practice was that the authorities kept records of market scans in their procurement files. These scans were then used to award the contract to the most competitive bidder.





## What we concluded

Overall, contracting authorities responded appropriately to the challenges posed by the pandemic, but we identified certain weaknesses at different stages in the procurement procedures. We then made recommendations for improvements across all emergency contracts, in particular to:

- keep an individual record of the reason(s) for following the emergency procedure, while showing that the legally required circumstances exist;
- include a note in the file to state that the specific unforeseen need could not have been immediately met through other, less competitively restrictive procedures;
- properly document contract awarding and conclusion, even if this occurs at a later stage, while not hindering the immediate delivery of the services procured.

Moreover, we recommended that in an emergency situation:

- Contracting authorities looking to procure goods and services should try to find references to usual market prices. They should also, where possible, obtain bids from different tenderers and negotiate contract terms.
- Public entities at all levels should purchase similar products centrally to avoid fragmentation, in turn helping to secure better prices.