

Government contract for COVID-19 contact tracing

Compliance audit

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FULL REPORT (NL) 

What we assessed and why

We examined a major government contract that forms part of measures to manage the COVID-19 crisis: the contract for contact tracing. The investigation looked only at the awarding of the contract by the Flemish government's Agency for Care and Health. It did not cover the overall decision-making process for contact tracing, the efficiency and effectiveness of the way it was approached and put into operation, or the way contact tracing was organised.

What we found

The contact-tracing contract was awarded via a negotiated procedure without prior publication, used in extremely urgent circumstances. Even for such procedures, the contracting authority must consult several contractors where possible. Although six companies were contacted, the Agency for Care and Health received only one offer.

We could not establish with certainty whether the companies contacted had received equal treatment and whether the principle of transparency had been adhered to. Indeed, some elements of the award procedure could not be fully explained. We are also uncertain as to the duration, nature and content of the Agency's contact with companies in the context of this contract.

There were also some administrative and legal shortcomings and oversights in the award procedure. Some of these were probably due to the award procedure having to be initiated and completed so quickly. As a result, the Agency for Care and Health was unable to prepare the contract thoroughly or in sufficient detail, and the period for reviewing the offer and negotiating was limited. These circumstances undoubtedly had an unfavourable or negative impact on pricing, quality and certainty in relation to the offer.

The lack of alternative negotiating partners, combined with the urgency of getting the contract up and running, weakened the negotiating position of the Agency for Care and Health. The Agency was also unable to perform price comparison to check that the price was in line with market rates.

The Flemish government made the decision to award the contact-tracing contract on 5 May 2020. As soon as 16 July 2020, an amendment was signed with additions and changes to the contract for an amount of over €1.57 million (including VAT). However, some elements of this amendment seem – at least in part – to have been included in the initial contract or offer.





In these circumstances, thorough monitoring of the implementation phase by the Agency for Care and Health is absolutely essential. However, the Agency did not act upon several useful, concrete suggestions made by the Inspectorate of Finance to help better manage uncertainties, risks and side-effects during the implementation phase and monitor the contract more closely.

The Agency for Care and Health pointed out that the service provider would invoice based on services actually delivered, making it possible to monitor invoicing more closely. The obligation for the service provider to submit a quarterly activity and financial report would allow for additional monitoring and control.

What we concluded

Due to the contract having to be awarded so quickly, its preparation was not without flaws. The lack of multiple offers, combined with the extreme urgency of the contract, also weakened the negotiating position of the Agency for Care and Health. We therefore recommend that the Agency closely monitors the implementation phase of the contract on an ongoing basis.