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Why procurement of works is not always successful and how to solve it



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Glossary

Martial law is a legal regime introduced in accordance with the Decree of the President of Ukraine dated February 24, 2022 No. 64 “On the introduction of martial law in Ukraine”.

The researched sector - construction works and minor repair services.

Law - Law of Ukraine “On Public Procurement” dated 12.25.2015 No. 922-VIII.

An effective purchase is a purchase, the result of which fully meets the goals that have been set and the needs that have been defined by the customer.

European open tenders - procurement of goods, works and services, the expected value of which is equal to or greater than EUR 133,000 for goods and services, and EUR 1,500,000 for works. During such procurement, consideration of tender offers is carried out before the auction.

Unsuccessful procurement procedures - these are procurement procedures that are canceled or frustrated, but in the BI module Prozorro¹ are listed as “failed” and “canceled”.

A successful procurement is a procurement procedure that is completed with the conclusion of a procurement contract.

¹Public analytics module <https://bi.prozorro.org/hub/> and professional analytics module <https://bipro.prozorro.org/>

Resume

The topic of procurement in Prozorro, in particular works, is always a hot topic for discussion. Not surprisingly, works are more difficult to buy than goods or services due to their complexity and regulatory nature. Therefore, our team decided to investigate the issue of procurement of works in more detail.

The purpose of the research is to investigate the procedures for procurement of works, as well as the execution of concluded contracts. The research aims to find out the reasons why some procurements cannot be successful and to solve the problems that arise with procurement procedures and the execution of contracts.

The analysis of data from the Prozorro BI analytics module showed that from 2019 to 2021, procurement of works by cost occupies a significant place and the cost of such procurement increases every year, in particular thanks to the “Big Construction” program. We have found that the percentage of successful procurement procedures for works is higher than in the case of goods and services.

After analyzing the data, we found that in the period from 2019 to 2021, there was a decrease in the share of termination of work contracts (relative to the quantity and value). However, in 2022 this trend was disrupted by the introduction of martial law. Since the quantity of broken contracts decreases every year, it can be said that the contracts concluded as a result of procurement through Prozorro are fulfilled in most cases.

Based on the results of the research, we made the following conclusions:

1. works should continue to be procured through Prozorro, with no need to define separate procedures/features/create new tools or procure outside of the e-procurement system. However, current procurement procedures can be improved both at the legislative level and technically;
2. by developing appropriate regulation and methodological support for customers regarding the procurement of works and services for minor repairs, including “Design and Build” contracts, it is possible to reduce the quantity of unsuccessful procurements through Prozorro;
3. expanding at the legislative level the list of cases when it is possible to make changes to the essential terms of the purchase contract will allow to reduce the quantity of suspended and terminated contracts. To improve the service and convenience of customers, we suggest considering the possibility of introducing a drop-down list of possible reasons for terminating contracts in the Prozorro electronic system.

Introduction

The prerequisites for conducting the research were:

First, the discussions that have not stopped since the introduction of Prozorro that the e-procurement system does not allow for quick and flexible procurement of works and services for ongoing repairs, which leads to unsuccessful and long-term procurements. Supporters of this opinion see that the only way to improve the situation and achieve the necessary flexibility is possible only by applying a separate procurement mechanism outside the electronic system. Therefore, some large and expensive purchases are made outside the Prozorro electronic procurement system. As an example, we can cite the removal from the scope of the Law on the procurement of works for the construction of the Great Ring-Road around the city of Kyiv ²;

Secondly, the issue of restoring the country. Every day since the full-scale invasion, Russia has been destroying Ukraine's infrastructure. Taking into account the significant destruction³ and the available volumes of procurement of works to eliminate the consequences of armed aggression of the Russian Federation in the conditions of martial law and after the end of hostilities, the issue of both the success of procurement procedures and the fulfillment of concluded contracts remains relevant.

Taking this into account, we decided to investigate the procedures for the procurement of works and services for minor repairs, compare them with the procurement of goods and other services, and consider the status of the execution of contracts and the reasons for their termination.

The research consists of three sections, two of which are devoted to the analysis of various data for the period 2019-2022, and the third contains recommendations.

In Chapter 1, on the basis of the data available in the Prozorro system and processed with the help of the Prozorro BI analytics module, the existing state of procedures for procurement of works and services for minor repairs is investigated and the analysis of the reasons for their failure is described.

Chapter 2 is devoted to the research of the execution of contracts for the purchase of works and services for minor repairs, changes made to them and the reasons for their termination.

Chapter 3 contains recommendations for improving the effectiveness of procurement procedures, as well as the execution of contracts.

The object (sector) of the research is: procurement procedures for construction works and ongoing repair services announced in 2019, 2020, 2021, 2022 (as of November 1) and contracts concluded based on the results of their implementation. Since minor repairs have significant

²<https://zn.ua/ukr/macrolevel/chomu-budivnitstvo-kijivskoj-okruzhnoji-khochut-provesti-bez-prozorro-i-chim-tse-zahrozhuje.html>

³<https://damaged.in.ua/damage-assessment>

volumes, the greater part of which is occupied by current average repairs in the road industry, this segment is included in the object of the study, despite the fact that this procurement subject is not work in the sense of the Law.

Construction works and ongoing repairs are procured using section 45:45000000-7 of the Unified Procurement Dictionary. At the same time, under this code, customers often purchase services for operational maintenance of engineering and transport infrastructure facilities. For the purpose of correct analysis, data on purchases specified in the electronic system under section 45 “Construction works and minor repairs” are included in the research sector, excluding maintenance and service.

Data from the BI Prozorro analytics module on above-threshold competitive and non-competitive procurement procedures were used for the research.

In the research, in the tables and diagrams, the “works” category includes works (overhaul, reconstruction, new construction, etc.) and minor repair services.

Chapter 1. Research of the current state of work procurement procedures and analysis of the reasons for their failure

We analyzed all announced procurement procedures for the period 2019-2021. The evaluation of the effectiveness of procurement procedures was carried out based on value and quantitative indicators.

Quantitative and value indicators of procurement procedures and their specific weight from the total volume of procurements announced in 2019-2021 in the Prozorro system are shown in Chart 1 (detailed data are contained in Table 1 of the Appendices).

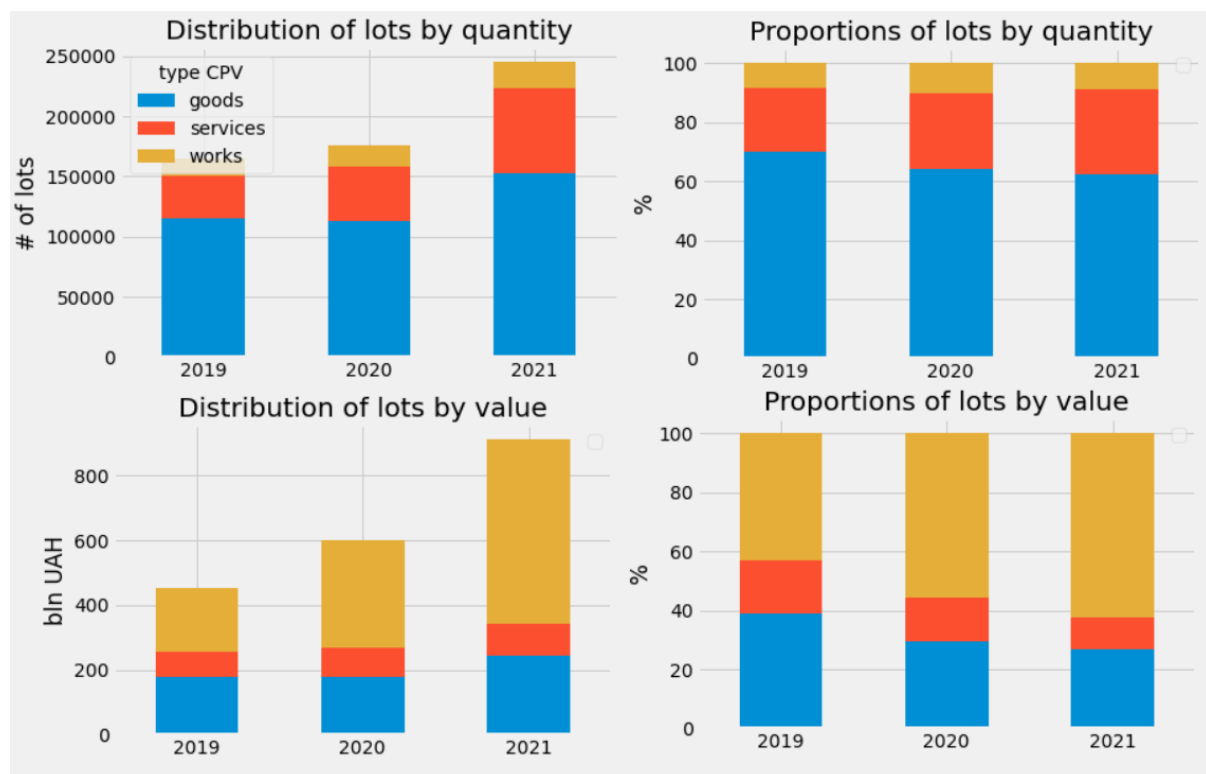


Chart 1. Specific weight of procurement procedures from the total volume of procurement by quantity and value announced in 2019-2021.

1.1. General analysis of the effectiveness of procurement procedures

It can be seen from the graph that the relative quantity of announced work procurement procedures is insignificant and amounts to slightly more than 8% on average. At the same time, the relative cost of these procurement procedures increases from 35.8% in 2019 to 53.9% in 2021. At the same time, the relative value of announced services procurement procedures decreases from 22.2% in 2019 to 13.6% in 2021, as does the relative value of goods.

A change in absolute indicators is also observed. Thus, the expected cost of procurement of works is increasing annually from UAH 292.9 billion in 2019 to UAH 769.4 billion in 2021. This is connected with the implementation of the program “Big construction”⁴ of social sphere objects and road and transport infrastructure.

We can conclude that in the overall cost structure of all announced procurement procedures, work procurement procedures account for more than half and have a growing trend.

The ratio of successful procurement procedures for goods, works and services is shown in Chart 2 (detailed data are contained in Table 2 of the Appendices).

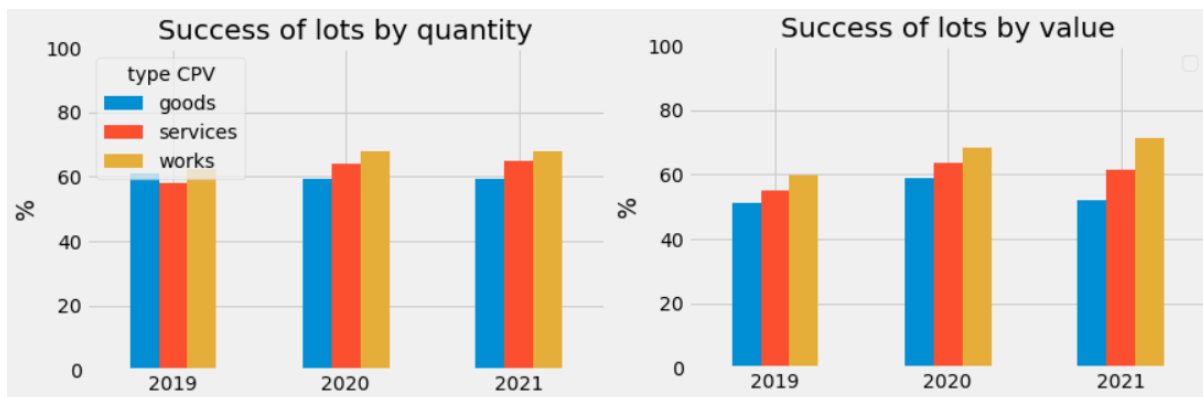


Chart 2. Specific weight of successful procurement procedures by quantity and value announced in 2019-2021.

Over the period of 2019-2021, the percentage of successful procurement of works increased, both quantitatively and in terms of value. By volume, the percentage of successful procedures remained unchanged at 68.3% in 2020 and 2021, while the percentage by value increased each year, reaching 71% in 2021.

It is worth noting that procurement of contractor works was carried out in two ways:

1. in the presence of an approved project and project and estimate documentation. That is, only works were purchased ("classical" method of purchasing works);
2. together with the purchase of the project. That is, project development and work were procured within the framework of one procedure (procurement under “Design and Build”

⁴The “Big Construction” program is a state program aimed at the large-scale development of high-quality infrastructure in Ukraine, which started in March 2020. It provided for the construction and restoration of transport infrastructure facilities - public highways of state and local importance, bridges, airports, as well as social infrastructure - schools, kindergartens, medical facilities, sports facilities. The implementation of this program in 2020-2021 was carried out at the expense of the state budget, the state regional development fund, local budgets with the selection of contractors using the Prozorro electronic system.

contracts⁵, mainly during the procurement of services for the current average repair of public highways).

Data analysis shows that the quantity of purchases by the second method is insignificant. Most customers do not use this approach. This is probably due to the absence of appropriate regulation, in particular the principles of pricing and the methodology for determining the value of construction objects and minor repairs under such contracts. A total of 438 procurement procedures were announced for the period from 2019 to 2021. The success rates of such purchases compared to the general rates of “classic” purchases do not fundamentally differ. This can be seen in graph 3 (detailed data can be found in table 3 of the Appendices). For example, in 2020, procurement was completed in 64.2% of cases by quantity, and 84.6% by cost, while in “classic” procurement of works, these figures were 67.9% and 68.1%. This allows us to conclude that procurement under “Design and Build” contracts is not more successful than procurement of works by the “classic” method.

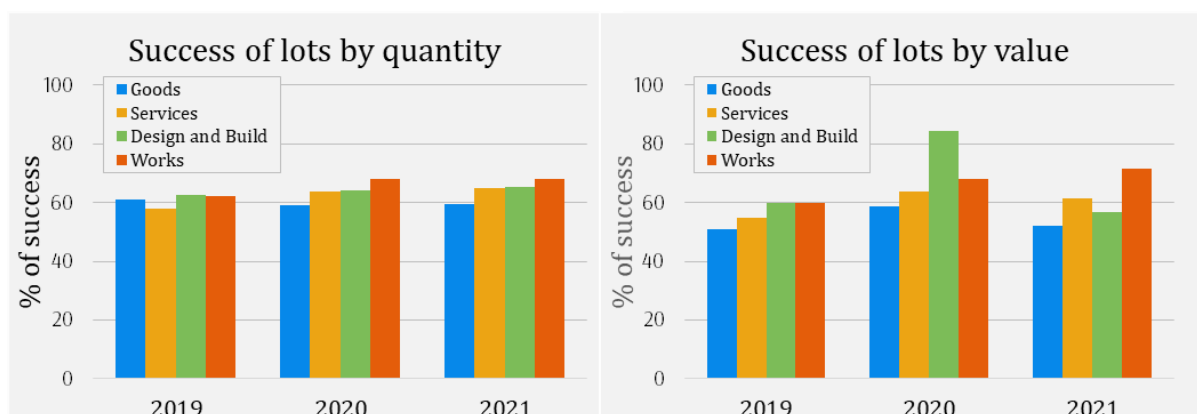


Chart 3. Specific weight of successful procurement procedures by quantity and value announced in 2019-2021, including procurement under “Design and Build” contracts

The percentage of successful service procurement procedures by quantity increases every year and in 2021 is 65%, while by value it increases until 2020, and in 2021 it decreases to 63.5%. In contrast to services, successful purchases of goods by quantity in 2021 make up 59.3%, and by value 52.2% of all announced purchases of goods this year.

Therefore, the general analysis of the success of procurement procedures shows that procurement procedures for works are more successful than for goods and services.

At the same time, more than 30% of announced work procurement procedures in terms of quantity and almost the same amount in terms of value are unsuccessful (either canceled or did not take place). At the same time, of all the announced procedures for the purchase of services

⁵Modern form of “Design&Build” contracts (one company designs and builds). The possibility to purchase minor repairs with the development of project documentation or work on the construction of objects with the development of project documentation appeared in the legislation on 06.26.2021 thanks to the Law dated 06.25.2021 No. 1530-IX <https://zakon.rada.gov.ua/laws/show/1530-20#n13>

and goods, more than 40% in terms of quantity are unsuccessful and about the same in terms of cost. However, it is worth noting the tendency to decrease the level of unsuccessful work procurement procedures from 37.6% in 2019 to 31.5% in 2021 in terms of quantitative indicators and from 39.1% in 2019 to 28.7% in 2021 in terms of value indicators. A similar dynamic is observed in the procedures for purchasing goods and other services. The specific weight of unsuccessful procurement procedures and the reasons for their failure are shown in Chart 4 (detailed data are available for "Design and Build" contracts in Table 4 of the Appendices). The first graph illustrates the ratio of failure by the quantity of announced work procurements, the second graph - by cost.

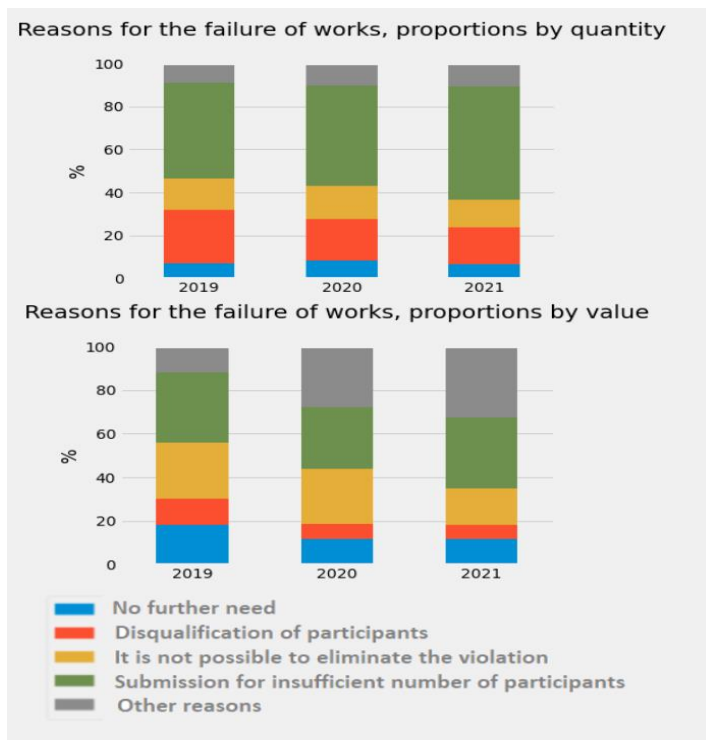


Chart 4. Specific weight of reasons for unsuccessful procurement procedures by quantity and value announced in 2019-2021.

1.2. Analysis of the reasons for the failure of procurement procedures

Considering the reasons for the failure of procurement procedures, we singled out the most significant:

- submission for participation of insufficient quantity of participants;
- disqualification of participants;
- impossibility of eliminating violations;
- absence of further need for procurement.

The most common cause of failure for all procurement items is “Submission for the participation of insufficient quantity of participants”, which consists of procurement procedures that did not take place due to the absence a sufficient quantity of participants and

due to the admission to evaluation of less than two tender offers in “European open tenders”. At the same time, the specific weight of this reason in the announced procurement of works is much smaller than in goods and services. Thus, in 2021, the percentage of unsuccessful purchases in the researched sector in relation to the quantity of purchases was 51.1% against 77.2% - when purchasing services and 79.4% - when purchasing goods. Regarding the cost - 32.3% versus 58.6% when purchasing services and 65.2% when purchasing goods. This can be explained, in particular:

- incorrect definition of the expected cost of the purchase, actually underestimating it; and/or
- establishing special requirements in the tender documentation, which artificially limit the range of potential participants.

The next reason for the failure of procurement procedures for the period 2019-2021 is **“Disqualification of participants”**. The percentage of procurement procedures that did not take place due to the disqualification of participants decreased during the specified period, both quantitatively from 25.3% in 2019 to 18.2% in 2021, and in terms of value from 13.3% in 2019 to 6.7% in 2021. At the same time, similar dynamics are observed in relation to goods and services. It can be assumed that this is related to the law giving the participant the right, starting from April 2020, to eliminate inconsistencies in information and documents discovered by the customer within 24 hours. Despite the general downward trend of the disqualification rate, it is significantly higher than the similar one in the procedures for the procurement of goods and services. This can be explained by:

- insufficient competence of the participants (making mistakes during the preparation of the tender offer); and/or
- low level of professionalism of customers during the preparation of tender documentation and/or their bad faith (establishment of special requirements of tender documentation that artificially limit the range of potential participants).

The next reasons for the failure of procurement procedures that we have investigated are **“Impossibility of eliminating violations”** and **“Absence of further need for procurement”**.

The percentage of unsuccessful procedures for these reasons is higher in the procurement of works than in the procurement of goods and services. In this regard, we analyzed in detail 25 procurement procedures announced in 2021 and canceled due to the impossibility of eliminating the violation and 25 purchases canceled due to the absence further need. According to the results of the analysis of the information made public in Prozorro, it was found that in most cases after the announcement of the procurement, the customers canceled the procurement procedure due to:

- erroneous determination of the expected purchase price;
- the necessity of amending the scope of work and the technical task, which affects the change in the expected cost;
- the need to adjust the project documentation.

In addition, the decisions of the customers to cancel the 8 procurement procedures announced in the 4th quarter of 2021 due to the absence of further procurement needs were taken in view of the introduction of martial law.

When conducting an analysis of other reasons for the failure of procurement procedures by cost, we drew attention to a significant increase in the percentage of cancellations of procurement procedures for works, goods and services **“due to force majeure”** announced in 2021. After analyzing in more detail 52 unsuccessful procurement procedures with a total expected cost of UAH 35.5 billion, each of which exceeded UAH 100 million, they found that the reason was the introduction of martial law and the extension of its validity.

So, first of all, the current level of procurement failure for the above reasons can be explained by:

- insufficient competence of customers or their dishonesty;
- deficiencies in the planning and preparation of documentary evidence during the formation of the technical task (technical specification);
- establishing requirements that artificially limit the circle of potential participants;
- the introduction of martial law.

Insufficient competence of the participants, who make mistakes during the preparation of the tender offer, can also lead to unsuccessful procurement.

Chapter 2. Research of the execution, making changes and reasons for termination of contracts for the purchase of works

In order to research the status of contract implementation, the contracts concluded in 2019-2022 were analyzed. Data on the state of contracts⁶ are shown in the graph below (Graph 5) (detailed data are contained in Table 5 of the Appendices).

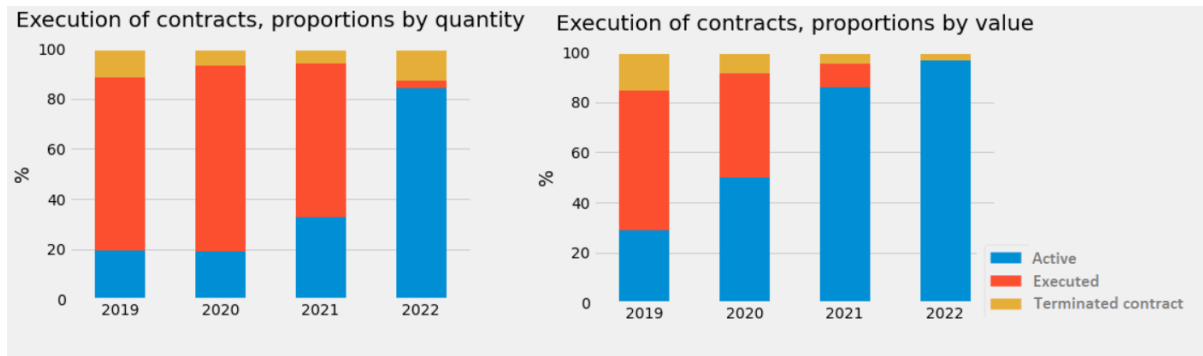


Chart 5. Specific weight of contracts concluded in 2019-2022 by quantity and value (data are given as of October - November 2022).

2.1. Analysis of contracts in “active” status

The graph shows that the percentage of contracts with the status “active” in 2022 (these are contracts that were concluded in 2022 and should be executed in the same year) has a significantly higher percentage than in previous years. This is explained by the generally accepted practice of concluding contracts by December 31. Reporting on contracts takes place at the beginning of the next year. As a rule, such contracts are also extended at the end of the year. Taking this into account, part of the “active” contracts concluded in 2022 may change to the status of “executed” in January-February of the next year, and the other part may continue to operate for the following periods.

Since about 20% of contracts remained “active” in 2019-2020, and this percentage increased to 33% in 2021, we decided to investigate the reasons why concluded contracts remain in this status.

We selected contracts in the “active” status using a random sampling method for the period 2019-2021 and analyzed the dates of conclusion of these contracts, the terms of their planned implementation, the presence of additional agreements to extend the term of validity, and

⁶Indicators of the status of contracts change depending on the date of data upload. When updating the information, the status of the contract “Active” may change to the status “Executed” or “Terminated”

conducted surveys in individual cases. After analyzing the selected contracts, we obtained the following results:

- about half of all contracts have had their term extended, so it is logical that they are in the “active” status (according to the data obtained from the Prozorro VI module);
- about 5% of contracts continue to be executed, and therefore it is also logical that they are in the “active” status. At the same time, the term of validity of such contracts has not been extended, as the customers consider it sufficient that the conditions for its validity in the contract are sufficient and they do not consider it necessary to enter into additional agreements to extend the validity of the contract (found out through a survey);
- about 10% of the contracts that had the status “active” at the time of data upload have already changed their status to “completed” (according to the data obtained from the Prozorro BI module);
- about 10% of the contracts in the “active” status have already been fulfilled, but reports on their fulfillment have not been published in Prozorro (found out through a survey);
- approximately 10% have a contract expiration date of December 2022 (according to data obtained from the Prozorro VI module). Therefore, reports on their implementation may appear in the near future. However, taking into account the fact that about 10% of the contracts in the system are completed, but reports on their execution have not been posted in Prozorro, it can be assumed that a significant part of these contracts will not be reported either;
- we have no information about about 15% of contracts. They can be fulfilled, but not announced, they can be unfulfilled and not broken, but they can be in a state of fulfillment.

We can extrapolate this result to the status of all “active” contracts in the researched period. Therefore, it can be assumed that more than half of the contracts that have the status “active” are being fulfilled or at least the term of the contract has been extended. Almost a third have already been implemented, of which a relatively large part have not posted reports on their implementation. At the same time, there remains a small part of contracts in the “active” status, on the status of which there is no information.

Summing up, it can be noted that out of the total quantity of contracts with the status of “active”, only a little more than 60% are actually in a state of implementation (work is actually being carried out) or the term of their implementation has been extended.

2.2. Analysis of the reasons for amending contracts

During the term of the contract, customers can make **changes to the essential conditions**. The list of cases is provided in Article 41 of the Law. So we decided to analyze how many contracts are amended and what are the reasons for the changes.

Therefore, changes were made by customers to more than 66% of work procurement contracts in terms of quantity and more than 87% in terms of value during 2020 and 2021. At the same

time, changes were made to contracts for the purchase of goods and services up to almost 55% in terms of quantity and almost 70% in terms of value. Relative indicators of the quantity and value of contracts that have additional agreements are shown in Chart 6 (detailed data are contained in Table 6 of the Appendices).

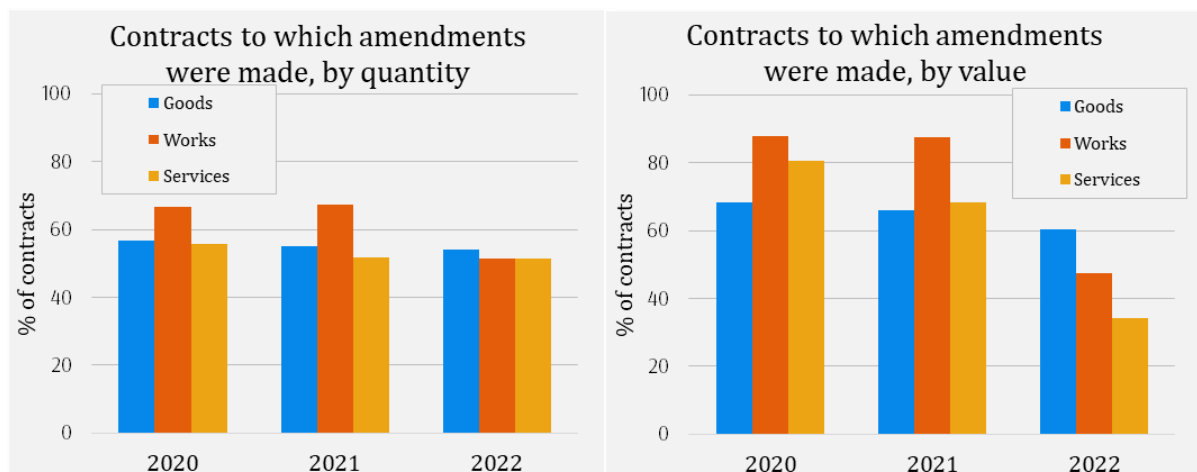


Chart 6. Specific weight of contracts that have additional agreements by quantity and value announced in 2020-2022.

During 2020-2022, changes were made to work procurement contracts for the following reasons:

- improvement of procurement quality. The relative figures for the quantity of contracts ranged from 43.8% in 2020 to 33% in 2022. This is the highest percentage of all the reasons used by customers when changing essential conditions;
- contract extension. The relative figures for the quantity of contracts ranged from 22.1% in 2020 to 23% in 2022.
- agreed price reduction. The relative figures for the quantity of contracts ranged from 12.2% in 2020 to 14.4% in 2022.
- reduction of purchase volumes. The relative figures for the quantity of contracts ranged from 9.5% in 2020 to 18% in 2022.
- increase in price per unit. The relative figures for the quantity of contracts ranged from 0.2% in 2020 to 0.3% in 2022;
- changes in the consumer price index, foreign exchange rates, stock exchange quotations, regulated prices (tariffs) and standards. The relative figures for the quantity of contracts ranged from 9% in 2020 to 1.8% in 2022.

The specific weight of the reasons for concluding additional agreements in terms of quantity and value is shown in Chart 7 (detailed data are contained in Table 7 of the Appendices).

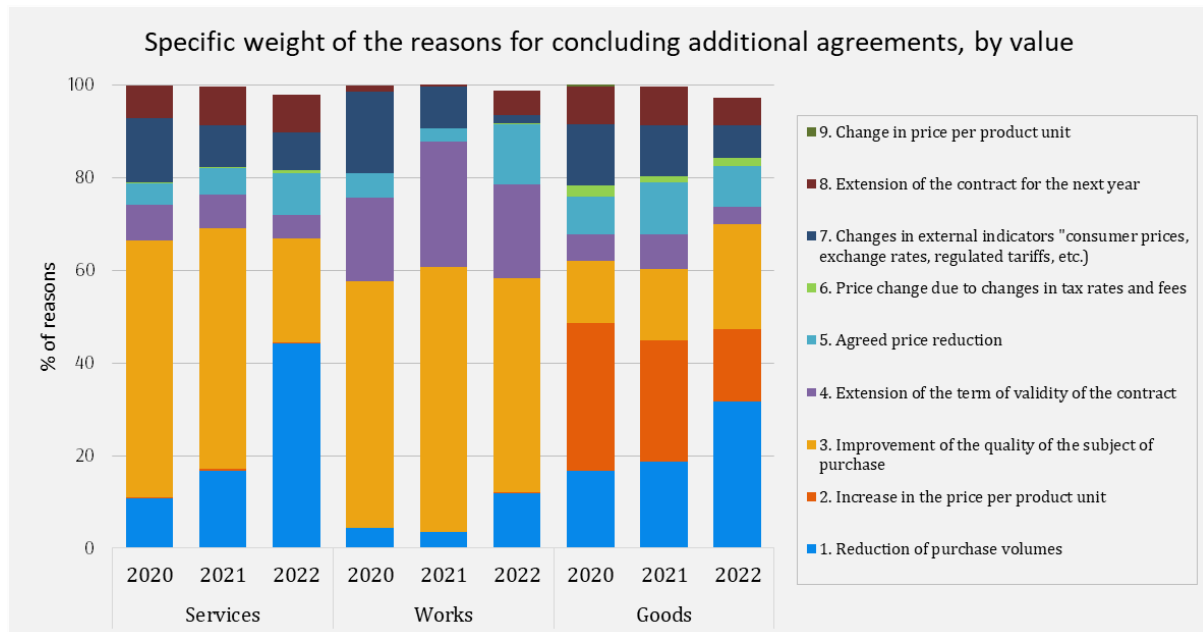
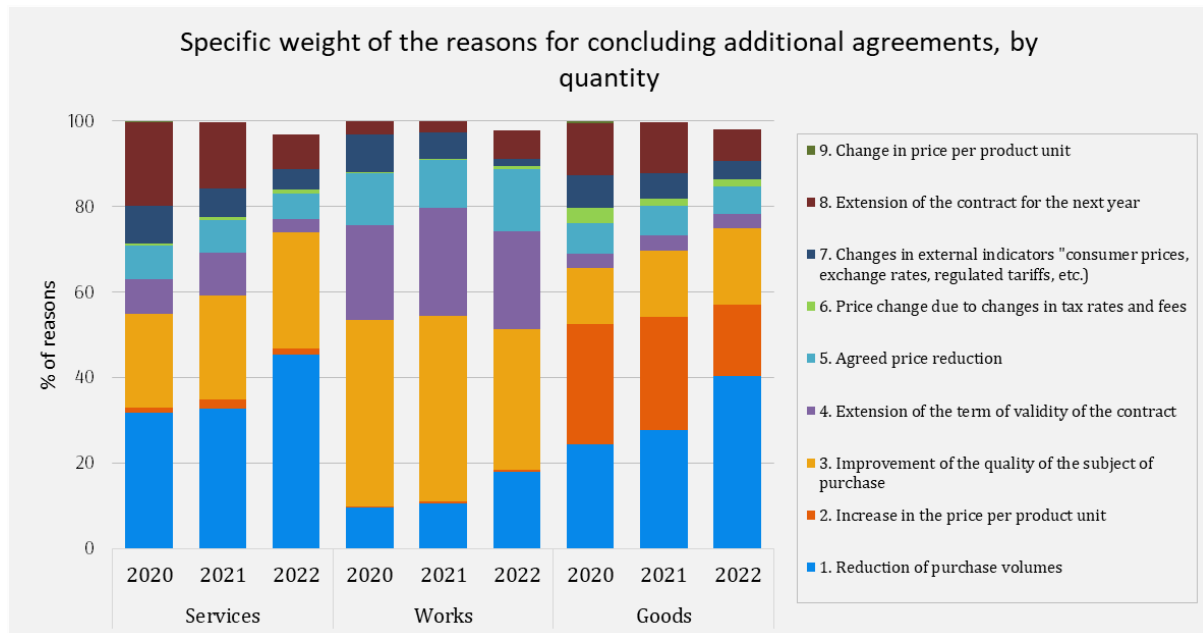


Chart 7. Specific weight of reasons for concluding additional agreements to contracts by quantity and value in 2020-2022.

We investigated in more detail the additional agreements that the customers made to the contracts for the purchase of works, for some of the above-mentioned reasons. Contracts were selected for analysis using the method of random sampling, which were amended for reasons that had a fairly high relative index or were uncharacteristic of work procurement contracts, namely:

- contracts to which additional agreements were drawn up to improve the quality of the subject of procurement (the largest relative indicator in terms of quantity);

- contracts to which additional agreements were drawn up in connection with an increase in the price per unit (this reason is not specific to contracts for the purchase of works);
- contracts to which additional agreements were drawn up in connection with changes in the consumer price index, foreign currency exchange rates, stock exchange quotations, regulated prices (tariffs) and standards (this reason is not specific to contracts for the purchase of works).

Most of all, customers made changes to contracts for the reason of **improving the quality of the subject of procurement**. From our point of view, it would be logical to note the changes that would affect the improvement of the subject of procurement, the use of innovative technologies, actually what could affect the quality of the work performance. Instead, in about 80% of the contracts, changes were made in terms of redistribution of funding, changes in the source of funding, changes in the calendar schedule for the performance of works, terms of performance of works and the term of validity of the contract. In connection with this, the contract price was reallocated by year in accordance with the distribution of financing volumes. Also, approximately 25% of the contracts underwent changes in terms of changing the requisites of the parties. In addition, about 5% of the contracts had changes related to specifying the amount of the advance. At the same time, the analyzed additional agreements simultaneously contained different reasons for making changes.

Extrapolating the obtained result to the state of all contracts, which were amended for the purpose of improving the quality of the subject of procurement, it can be stated that the changes made to the contracts do not concern the improvement of the quality of the subject of procurement.

That is, customers in the electronic system under the condition of "improvement of quality" indicate completely different reasons that led to the conclusion of additional agreements. Such a situation does not reflect the real reasons for concluding additional agreements and gives reasons to assert the need to expand the legislative list of conditions for amending the agreement.

Next, we analyzed the contracts to which additional agreements were concluded in connection with **the increase in the price per unit and changes in the consumer price index, foreign exchange rate, stock exchange quotations, regulated prices and regulations**. There are only 64 such contracts for the period 2020-2022. However, these reasons are not inherent in contracts for the purchase of works, and therefore we decided to research them in more detail.

According to the results of the analysis, we found that the price of the contract increased only in 3% of the contracts, in contrast to 97%, in which the price did not increase. At the same time, in 83% of the contracts, the change in terms related to the reduction of the contract price, and in 17%, additional agreements provided for a change in the terms of the contract, not related to a change in price, but only a change requisites, redistribution of funds, detailing of sources of financing, etc.

So, it can be noted that customers, when reducing the price of the contract, as well as when changing its conditions, which are not related to the price change, point out cases for making changes regarding the increase in the price per unit of the product or changes in the consumer price index, changes in the foreign currency exchange rate, changes in stock exchange quotations or indicators of regulated prices and standards.

In isolated cases, some customers increase the price of the purchase contract after signing it by including additional types and/or scope of work, and also increase the price of the contract after its reduction.

Summarizing, it should be noted that since the list of reasons for amending the essential terms of the contract is limited by law, customers do not have the opportunity to reflect the real reason for changing the terms of the contract, which creates data distortion. As a result, discrepancies between the information in the electronic system and the information included in additional agreements lead to the formation of erroneous conclusions based on them.

2.3. Peculiarities of wartime action (individual cases of contract execution and amendments)

Since with the beginning of a full-scale invasion, part of the territories is under temporary occupation, and military (combat) actions are being conducted in some territories, and the Government has established the sequence of opening appropriations and making payments in view of the introduction of martial law⁷, we assumed that a significant part of the contracts concluded at the beginning of 2022 will be suspended **due to the introduction of martial law**. This may also apply to contracts that were concluded at the end of 2021 with a term of execution in 2022 and subsequent periods.

60 concluded procurement contracts were selected for analysis (30 contracts concluded in 2021 and 30 contracts - in 2022) in the range from UAH 6.4 million to UAH 4.7 billion, of which changes were made to the 51 contracts, which is 85%.

The largest share of changes made to the analyzed contracts related to the new edition of the financing plan and the calendar schedule for the performance of works/provision of services. The specified changes were caused by the following circumstances:

- redistribution of funding amounts by year, change of funding plans in accordance with budget commitments (30 contracts);
- extension of the validity period of the contract in connection with the delay in the financing of the customer's expenses or the occurrence of force majeure circumstances due to the introduction of martial law (30 contracts).

⁷Amendments have been made to the Procedure for the exercise of powers by the State Treasury Service in a special regime under martial law, approved by the Resolution of the Cabinet of Ministers of Ukraine dated 06/09/2021 No. 590

At the same time, more changes were made to procurement contracts in the road industry for the repair of public highways of state importance. These changes related to changes in the terms of providing and returning security for the performance of the contract.

Thus, in contracts in which changes were made regarding the conditions for providing and returning contract performance security, some customers provided for the following wording: “the customer reserves the right to return the contract performance security on the condition that the contractor applies for the return of such security with the simultaneous sending by the contractor of a guarantee letter about provision of re-enforcement of the contract on the terms specified in the contract, within 20 working days after the end of circumstances of force majeure (force majeure) or from the date of receipt of budget allocations. In case of failure to provide re-guarantee for performance of the contract within the term established by the contract, the contract is considered to be terminated”.

Of the 36 researched contracts, which were concluded by highway services in the regions, such changes were made to 17.

The above-mentioned changes do not correspond to the cases of changing the essential conditions of the purchase contract, established by the fifth part of Article 41 of the Law and the cases provided for by Clause 19 of the General Provisions of Special Features⁸.

At the same time, making the above-mentioned changes to the contracts makes it possible, in the case of providing security for the performance of the contract in the form of a bank guarantee, to return the funds to the contractor, and after the end of the force majeure circumstances, to restore the security for the performance of the purchase contract.

This approach allows businesses to release funds during the suspension of contracts and use them for urgent needs, in particular, during the execution of current contracts to eliminate the consequences of armed aggression of the Russian Federation under martial law.

Therefore, it is worth noting that during martial law there is a complication of the fulfillment of obligations under contracts, so it is worth providing for additional cases at the level of regulation, as an opportunity to change the essential terms of the contract.

2.4. Analysis of the reasons for termination of contracts

During the period of 2019-2021, there is a decrease in the share of terminated contracts for works (in terms of quantity and value). Among the contracts concluded in 2022, the specific weight of broken contracts by quantity increased compared to 2021, which can be explained by

⁸Peculiarities of public procurement of goods, works and services for customers, provided for by the Law of Ukraine "On Public Procurement", for the period of the legal regime of martial law in Ukraine and within 90 days from the date of its termination or cancellation, approved by the resolution of the Cabinet of Ministers of Ukraine dated 12.10.2022 No. 1178 <https://zakon.rada.gov.ua/laws/show/1178-2022-%D0%BF#Text>

the introduction of martial law. Thus, out of 193 terminated contracts for 10 months of 2022, 44 (the share of which was 22.8%) were terminated due to the impossibility of fulfilling obligations.

The tendency to increase the percentage of terminated contracts is a negative factor, as it leads to the need to carry out additional purchases of the remaining volumes of work. In this regard, the execution of works is stopped for this period, which may entail:

- additional financial costs, for example, for object protection and conservation of completed structural elements;
- increase in the value of the remaining volumes due to the increase in the price of material and technical and labor resources.

Also, the implementation of additional purchases of the remaining volumes may lead to a change of the contractor, as a result of which problems will probably arise in terms of providing guarantees for the types of work performed and the warranty period of the object's operation.

Therefore, we examined the reasons for the termination of contracts in more detail.

Data on the reasons for termination of contracts are shown below in Chart 8 (detailed data are contained in Table 8 of the Appendices).

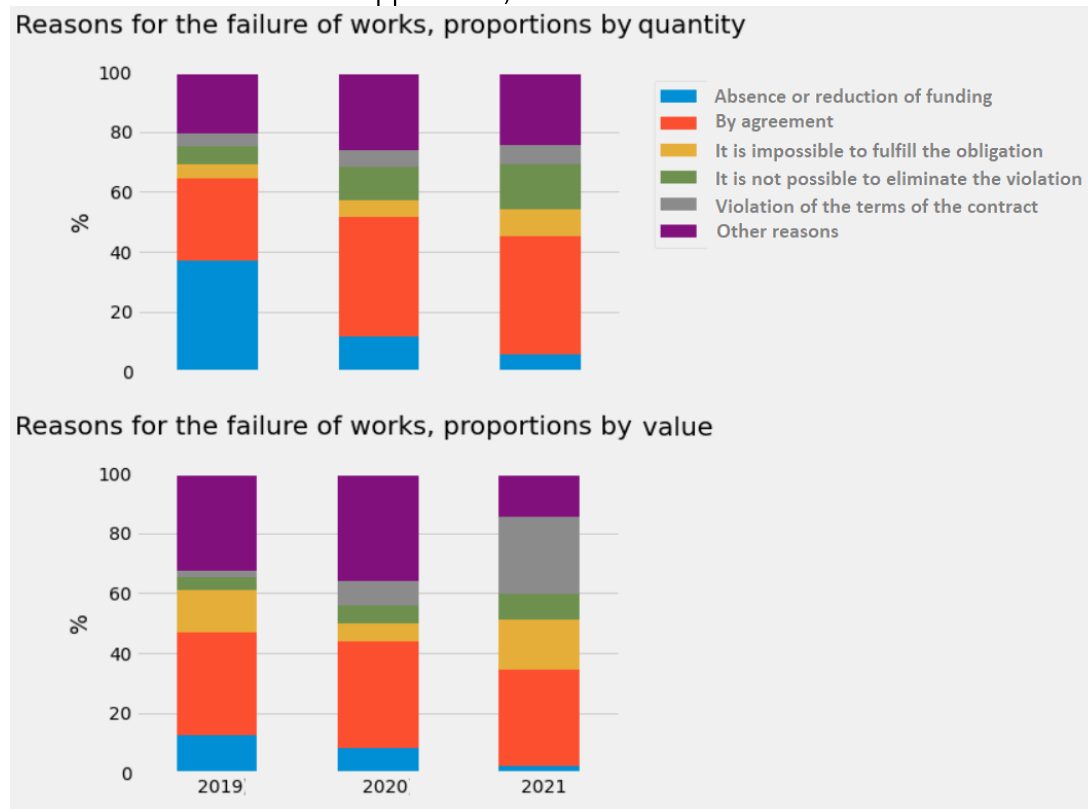


Chart 8 *Specific weight of reasons for termination of contracts for the purchase of works concluded in 2019-2022 by quantity and value (data are given as of October - November 2022)*

As part of the study, 155 procurement contracts concluded in 2021 were analyzed according to the most common reasons for termination. The analysis of the reasons for the termination of

contracts was carried out on the basis of information made public in Prozorro: purchase contracts, additional agreements to them, reports on the execution of purchase contracts, correspondence of the parties to the contract, etc.

It has been established that the most common reasons for terminating contracts are:

- termination of contracts by agreement of the parties;
- impossibility to fulfill obligations;
- impossibility of eliminating violations;
- violation of contract terms;
- other reasons.

Thus, 39.5% of all terminated contracts by quantity and 29.1% by value are contracts that were **terminated by agreement of the parties**.

To conduct a research of this reason for termination of contracts, 30 purchase contracts in the price range from UAH 10.2 million to UAH 1.7 billion were analyzed. At the same time, 10 contracts out of these 30 were terminated by agreement of the parties after 24.02.2022.

In 27 cases of contract termination, the published information does not specify the circumstances that led to the termination. At the same time, reports on the execution of contracts and additional agreements on termination often contain references to the conditions regarding the possibility of terminating contracts by agreement of the parties and/or relevant articles of the Civil and Economic Codes of Ukraine.

Along with this, it was found that the contracts were terminated by agreement of the parties due to the occurrence of force majeure circumstances, namely:

- due to the military aggression of the Russian Federation against Ukraine (1 treaty);
- "at the request of the Northern Office of the State Audit Service" (1 contract);
- due to failure to obtain permission to start construction (1 contract).

In addition, in 10 contracts, the customers reported the termination of the contracts by agreement of the parties in the presence of almost 100% of the completed works.

9.4% of all terminated contracts by quantity and 18.1% by value are contracts that were terminated **due to the impossibility of fulfilling obligations**.

As part of the research of this reason for termination of contracts, 30 contracts were analyzed in the price range from UAH 4.2 million to UAH 1.3 billion. At the same time, 26 of them were terminated due to the impossibility of fulfilling obligations after February 24, 2022.

In 24 cases of termination of the contract on the basis of the above-mentioned reason, the reports contain a reference to circumstances of force majeure, namely the introduction of martial law. Confirmation of the circumstances of the occurrence of force majeure is indicated in the letter dated February 28, 2022 No. 2024/02.0-7.1 of the Chamber of Commerce and Industry of Ukraine.

It was also found that due to the impossibility of fulfilling obligations, contracts were terminated due to:

- the occurrence of circumstances preventing the fulfillment of the terms of the contract (3 contracts);
- in connection with the violation of the terms of performance of works (1 contract);
- by agreement of the parties on the basis of the contractor's letter (2 contracts).

14.9% of all terminated contracts by quantity and 9.0% by value are contracts that were terminated **due to the impossibility of eliminating violations**.

In order to investigate this reason, 30 contracts in the price range from UAH 1.2 million to UAH 120 million were analyzed. At the same time, 13 contracts from them were terminated due to the impossibility of eliminating violations after February 24, 2022.

It was found that due to the impossibility of eliminating violations, contracts were terminated based on the results of monitoring procurement procedures by the State Audit Service (19 contracts).

In addition, reports on the execution of contracts contain references to the following circumstances:

- violations of the legislation on public procurement (5 contracts) were found,
- the introduction of martial law (3 treaties),
- unilateral termination (2 contracts),
- by agreement of the parties (1 contract).

6.0% of all terminated contracts by quantity and 25.6% by value are contracts that were terminated **due to violation of contract terms**.

As part of the investigation into this cause, 11 contracts were analyzed in the price range from UAH 274,000 to UAH 4 billion. At the same time, 4 contracts from them were terminated in connection with the violation of the terms of the contract after 24.02.2022.

The significant gap in percentage values in terms of quantity and value was probably influenced by the termination of the contract with a price of UAH 3,949,980,000.00 as a result of the purchase of the airfield construction of the Dnipropetrovsk International Airport in the Dnipropetrovsk region due to the contractor's failure to fulfill the obligations stipulated in the contract.

It was found that the contracts were terminated due to the violation of the terms of the contract by the contractors (7 contracts), detection of violations by the bodies of the State Audit Service (2 contracts).

Also, the reports on the execution of contracts contained references to the following circumstances:

- by mutual consent of the parties (1 contract);
- “services were not provided, there was no production need” (1 contract).

18.6% of all terminated contracts by quantity and 11.8% by value are contracts that were terminated **for other reasons**.

To investigate these reasons, 30 contracts were analyzed in the price range from UAH 387,000 to UAH 92.3 million. At the same time, 7 of them were terminated after February 24, 2022.

The following reasons for termination were found in the reports:

- significant changes in the circumstances by which the parties were guided when concluding the contract (specific changes in circumstances are not specified) (21 contracts);
- the introduction of martial law (2 treaties);
- by agreement of the parties (6 contracts);
- based on the results of detected violations during the monitoring of the procurement procedure (1 contract).

At the same time, in 18 contracts, the customers reported the termination of the contract due to other circumstances in the presence of the volume of completed works from 90% to 100%.

Since the increase in the price of material resources affects the performance of concluded contracts for the purchase of works, we analyzed 24 contracts in the price range from UAH 152.7 thousand to UAH 20 million, concluded in 2021 and terminated due to changes in the purchase **price**. At the same time, 6 contracts from them were terminated after 24.02.2022.

During the analysis, we investigated what type of contract price was stipulated by the terms of the contract and whether the contract price included funds to cover additional costs related to inflationary processes.

It was found that contracts were terminated for the following reasons:

- significant increase in market prices for materials and equipment (20 contracts);
- a significant change in circumstances after the conclusion of the contract (2 contracts);
- the need to adjust project documentation (1 contract);
- the impossibility of amending the essential terms of the contract (1 contract).

Regardless of the type of contractual price (fixed or dynamic), all analyzed contracts did not include funds to cover additional costs related to inflationary processes.

Out of 155 contracts analyzed, 66 contracts (or 42.6%) were terminated after 24.02.2022, 74 contracts (or 47.7%) were terminated without payment.

Based on the results of the analysis of the reasons for the termination of contracts, it was found that:

- 80% of contracts were terminated due to the impossibility of fulfilling obligations due to the occurrence of force majeure circumstances (military aggression of the Russian Federation against Ukraine, which became the basis for the introduction of martial law);
- the termination of contracts due to the impossibility of eliminating violations in most cases is determined by the results of monitoring procurement procedures by the State Audit Service;
- the vast majority of customers incorrectly indicate the reasons for terminating contracts, and also sometimes report on terminating contracts that have been fulfilled almost in full. Entering such information by customers affects the correspondence of the reasons for termination, which in turn leads to incorrect conclusions based on the results of the analysis of such data.

Chapter 3. Problematic issues of procurement of works and services for ongoing repairs and recommendations for increasing the level of procurement success

During the analysis of the data, we discovered problematic issues, the solution of which can contribute to increasing the level of success in the procurement of works:

1. Incorrect determination of the expected value.

The level of success of procurement procedures is affected by the correctness of determining the expected value of the procurement item.

An overestimation of the expected cost carries the risk of overspending. At the same time, underestimating the expected value can lead to a quantity of other risks, such as:

- cancellation of the procurement procedure due to insufficient quantity of participants. As a result, the customer will need to carry out the procurement procedure again, which will require additional resources;
- reduction of competition. As a result, customers can receive more expensive offers;
- inconsistency of the price of the tender offer of the winner with the real cost of the works. The consequence of this is often non-fulfillment of the terms of the purchase agreement and its termination. This leads to excessive spending of resources on additional purchases of remaining volumes and an increase in the time required to complete the full scope of work.

The issue of correctly determining the expected value can be solved by providing recommendations to customers, in particular, in the methodology for determining the expected value⁹.

The current methodology contains some outdated recommendations that need to be updated. Yes, in the methodology there is a reference to the state standards of Ukraine, which have lost their validity in accordance with the order of the Ministry of Regions dated 01.11.2021 No. 281 "On the approval of the estimate norms of Ukraine in construction"¹⁰.

At the same time, in 2021, regulatory documents on pricing, approved by orders of the Ministry of Regions dated June 25, 2021 No. 162¹¹ and dated November 1, 2021 No. 281, entered into force. Rules for determining the cost of construction were also developed and approved by the order of the Ministry of Infrastructure dated 02.05.2022 No. 273¹² and by order dated 07.10.2022 No. 753¹³ Methodology for determining the cost of road works and services.

We suggest supplementing the methodology with recommendations regarding:

- the issue of determining the expected cost of procurement of works, in particular, in terms of the possibility of taking into account funds to cover risks and additional costs associated with inflationary processes;
- methods of determining the cost of services accompanying the works (technical supervision, engineering consulting services, author's supervision, etc.) and ongoing repair services;
- determination of the method of the responsible official of the customer, who will calculate the expected cost of the purchase.

At the same time, it is worth recommending to customers to use the appropriate methodology when determining the expected cost of purchasing works and services for ongoing repairs.

⁹Order of the Ministry of Economy dated February 18, 2020 No. 275 "On the approval of an exemplary methodology for determining the expected value of the procurement item" <https://zakon.rada.gov.ua/rada/show/v0275915-20#Text>

¹⁰Order of the Ministry of Regions dated November 1, 2021 No. 281 <https://www.minregion.gov.ua/napryamki-diyalnosti/building/pricing/koshtorysni-normy-ukrayiny/nakazy-pro-zatverdzhennya-koshtorysnyh-norm-ukrayiny/nakaz-minregionu-vid-01-11-2021-%E2%84%96-281-pro-zatverdzhennya-koshtorysnyh-norm-ukrayiny-u-budivnytvi/>

¹¹Order of the Ministry of Regions dated 25.06.2021 No. 162 <https://www.minregion.gov.ua/napryamki-diyalnosti/building/pricing/koshtorysni-normy-ukrayiny/nakazy-pro-zatverdzhennya-koshtorysnyh-norm-ukrayiny/nakaz-minregionu-vid-25-06-2021-%E2%84%96-162-deyaki-pytannya-czinoutvorennya-u-budivnytvi/>

¹²Order of the Ministry of Infrastructure dated May 2, 2022 No. 273 https://ips.ligazakon.net/document/view/RE37863?an=1&ed=2022_05_02

¹³Order of the Ministry of Infrastructure dated 07.10.2022 No. 753 <https://mtu.gov.ua/documents/2207.html>

2. Absence methodological support regarding the specifics of procurement of works and services for minor repairs.

Customers do not always have qualified personnel who specialize in construction. In this regard, errors and inaccuracies in the description of the technical characteristics of the subject of procurement may be made during the preparation of the tender documentation, as a result of which the procurement will be unsuccessful, not provided with a sufficient quantity of participants, and have a discriminatory nature. This problem can be solved by providing methodological support to customers, namely by preparing separate recommendations regarding the specifics of procurement of works and services for ongoing repairs.

Such recommendations will help customers to develop tender documentation, which will help, in particular, increase competition, obtain the best price offer, reduce the risks of discrimination of participants and the risks of termination of contracts. When developing a methodology for the specifics of procurement, special attention should be paid to providing recommendations regarding:

- preparation of the technical task (technical specification);
- establishment of requirements for the formation of the contractual price and the procedure for its approval in accordance with regulatory documents on pricing;
- formation of the terms of the purchase contract. It is worth taking into account in the draft contract the conditions regarding the possibility of compensation within the contract price of the contractor's expenses related to the increase in the price of material resources.

3. Absence regulatory and methodical support for the procurement of works with the development of project documentation (hereinafter referred to as “Design and Build” contracts).

In the road industry, the quantity of purchases of services for the current average repair of public highways with the development of project documentation in the research period is increasing annually.

Despite the fact that the Law provides for the possibility of procurement of works on the construction of objects and services for minor repairs with the development of project documentation, there is no corresponding regulatory regulation, as a result of which customers, when determining the expected cost, can significantly overestimate or underestimate it. Along with this, during the research, cases of changes in the terms of the concluded contracts for the purchase of works and services for minor repairs with the development of project documentation were found, which indicate the presence of deficiencies in the tender documentation for these purchases.

In this regard, we offer:

1. Elaborate and develop pricing principles and methodology for determining the cost of construction objects and minor repair services under “Design and Build” contracts.

2. To develop methodologies for the procurement of works and services for minor repairs under “Design and Build” contracts.

When developing a methodology for the procurement of construction works and services under “Design and Build” contracts, special attention should be paid to providing recommendations regarding:

- guidelines for the application of such purchases;
- planning of such a purchase in terms of determining its expected value;
- preparation of tender documentation, in particular, in terms of the formation of the technical task (technical specification), requirements for the calculation of the price of the tender offer (contract price), terms of the project of the purchase contract.

4. A limited list of grounds for changing the essential terms of contracts and its incompatibility during the legal regime of martial law.

The law provides an exclusive list of reasons for changing the essential terms of the contract, which does not take into account all the circumstances that arise for customers during the execution of the contract, in connection with which customers use existing reasons that do not reflect the real reason for changing the terms of the contract, which creates data distortion.

At the same time, this problem became even more acute during the legal regime of martial law, since the Law does not provide for the possibility of securing the performance of the contract in special circumstances and changes in the price of the contract for the purchase of works due to inflationary processes. Under such circumstances, customers are forced to terminate contracts due to the inability of participants to fulfill their obligations.

Therefore, we propose to amend the Law and Resolution of the Cabinet of Ministers of Ukraine dated 12.10.2022 No. 1178¹⁴ and expand the list of grounds for changing the essential terms of the contract with the following grounds:

- change of financing conditions;
- change in the price of the contract in connection with existing inflationary processes;
- the possibility of returning the security for the performance of the contract to the participant during special circumstances and re-providing the security for the performance of the contract by the participant after the end of such circumstances.

5. Absence of a list of possible reasons for terminating contracts in the legislation.

During the research of the reasons for termination of contracts, it was found that customers independently formulate the reasons for termination of contracts and often indicate them

¹⁴Resolution of the Cabinet of Ministers of Ukraine dated October 12, 2022 No. 1178 "On approval of the specifics of public procurement of goods, works and services for customers provided for by the Law of Ukraine "On Public Procurement" for the period of the legal regime of martial law in Ukraine and within 90 days from the date of its termination or cancellation" <https://zakon.rada.gov.ua/laws/show/1178-2022-%D0%BF#Text>

incorrectly. Such a situation does not allow qualitative analysis and clustering of the reasons for termination of contracts by their types.

To avoid the above-mentioned situation, it is worth standardizing the reasons for contract termination, which will allow customers to choose the reason that most closely matches the circumstances of the contract termination and will correctly reflect information that will affect the quality of analytics and decision-making in terms of policy adjustments if necessary.

Taking into account the above, we propose to amend the Law and Resolution of the Cabinet of Ministers of Ukraine dated 12.10.2022 No. 1178 in part:

- establishing a list of possible grounds for terminating the contract;
- implementation of the drop-down list of possible reasons for termination of contracts in the Prozorro electronic procurement system when creating a report on the execution of a procurement contract.

CONCLUSIONS

The conducted research showed that the relative quantity of announced work procurement procedures is slightly more than 8% on average, while in the general structure of the cost of all announced procurements, works occupy more than half and have a growing tendency. We analyzed these procedures from the point of view of success and found that they are more successful than procurement of goods and services.

Therefore, there is no need to develop a separate procedure/create new procurement tools outside of Prozorro. Procurement of works, including those related to restoration, should continue to be carried out through the Prozorro system.

Along with this, it was found that more than 30% of the announced work procurement procedures in terms of quantity and cost are not successful. Of all the unsuccessful procedures, more than half do not take place due to “insufficient quantity of participants submitting for participation”. This may be due to an incorrect determination of the expected cost of the purchase, its actual underestimation and/or the establishment of special requirements of the tender documentation, which artificially limit the range of potential participants.

Procurement procedures are also canceled due to “disqualification of participants”. This may be due to the insufficient competence of the participants (making mistakes during the preparation of the tender offer), and/or the low level of professionalism of the customers during the preparation of the tender documentation and/or their bad faith (setting special requirements of the tender documentation that artificially limit the range of potential participants). However, during the researched period, there is a decrease in the percentage of unsuccessful procurement procedures for this reason.

Part of the procurement procedures does not take place due to “impossibility to eliminate violations” and “absence of further need for procurement”. The procedures are canceled, in particular, in connection with the erroneous determination of the expected cost of the purchase, the need to make changes to the scope of work and the technical task, which affects the change in the expected cost, the need to adjust the project documentation, etc.

We believe that the availability of methodological support for customers and participants can contribute to reducing the level of failure of procurement procedures, namely recommendations regarding the correct determination of the expected cost, features of the procurement of works and services for ongoing repairs, etc.

However, the research showed that:

- in 2021 there was an increase of contracts with the status “active” to 33%. We analyzed the reasons and came to the conclusion that only a little more than 60% of all these contracts are actually in a state of execution (work is actually being carried out) or the term of their execution has been extended. This is due to the fact that a certain quantity of customers do not report on the execution or termination of contracts;
- more than 66% of contracts have additional agreements. We chose for analysis those reasons that have a high quantitative indicator or are not typical of work procurement

contracts in principle. As a result, it was found that the real reasons specified in the additional agreements do not correspond to the cases of changes in the essential terms of the contract defined by the Law.

Quite a significant quantity of additional agreements are related to the redistribution of funds, change of funding sources, clarification of advances. This is due to the longevity of contracts for the purchase of works. Quite often, the state of their implementation is directly affected by the presence or absence of funding. In case of delay or absence of financing, the customers are forced to make changes to the calendar schedule of work performance and the terms of performance of the work, as a result, specify the contractual price with the distribution of volumes in accordance with the financing and the term of the contract. This gives reason to assert that the problem of a significant quantity of amendments to contracts does not lie in the level of problems related to the procurement process, but is related to the factor of allocation of funds and the peculiarities of budget regulation.

As a result, the Prozorro BI analytics module receives unrealistic data, which can lead to the formation of false conclusions when adjusting the policy. Accordingly, the issue of displaying correct data is important and needs to be resolved.

We also investigated the reasons for termination of contracts. Most often, contracts are terminated by agreement of the parties, while customers rarely indicate the reason. Also, the reasons for termination of contracts are “impossibility of eliminating violations” and “violation of the terms of the contract”.

It is possible to prevent termination of contracts for these reasons by providing methodological support to customers. At the same time, establishing a list of possible grounds for contract termination and implementing a drop-down list in the Prozorro electronic procurement system would allow customers to correctly display such information in additional termination agreements. And on the basis of the formed array of data, it would be possible to analyze and develop improvements to both the legislation and the electronic service.

The results of the research showed a trend towards a wider use of procurement of ongoing repair services with the development of project documentation (procurement under “Design and Build” contracts) currently, so far in the road industry. However, in the case of scaling this mechanism, the problem of the absence of regulatory regulation in terms of determining the expected cost is especially acute for customers. The development of pricing principles and methodology for determining the cost of construction and ongoing repairs for “Design and Build” contracts would solve this problem.

Appendices

Table No. 1. The specific weight of procurement procedures from the total volume of procurement by quantity and value announced in 2019-2022 (data are given as of October - November 2022).

Кількість лотів					Сума лотів, млрд грн				
Рік	2019	2020	2021	2022	Рік	2019	2020	2021	2022
Тип CPV					Тип CPV				
Послуги	61738	72625	110802	41903	Послуги	181.3	175.0	193.6	67.0
Роботи	21438	24972	29510	5070	Роботи	292.9	458.2	769.4	155.9
Товари	188090	190028	257992	78862	Товари	343.4	299.2	463.4	139.9

Пропорції по кількості, %					Пропорції по сумі, %				
Рік	2019	2020	2021	2022	Рік	2019	2020	2021	2022
Тип CPV					Тип CPV				
Послуги	22.8	25.2	27.8	33.3	Послуги	22.2	18.8	13.6	18.5
Роботи	7.9	8.7	7.4	4.0	Роботи	35.8	49.1	53.9	43.0
Товари	69.3	66.1	64.8	62.7	Товари	42.0	32.1	32.5	38.6
100%									

Table No. 2. Specific weight of successful procurement procedures by quantity and value announced in 2019-2021.

	Статус лота	Активний	Завершено	Неуспішний	Скасовано
Тип CPV	Рік				
Послуги	2019	0.1	58.0	34.4	7.4
	2020	0.2	63.7	28.7	7.4
	2021	0.3	65.0	29.1	5.6
Роботи	2019	0.1	62.3	25.7	11.9
	2020	0.2	68.3	20.5	11.0
	2021	0.2	68.3	21.8	9.7
Товари	2019	0.1	61.2	30.7	8.1
	2020	0.1	59.1	33.7	7.0
	2021	0.2	59.3	34.9	5.6

	Статус лота	Активний	Завершено	Неуспішний	Скасовано
Тип CPV	Рік				
Послуги	2019	0.1	54.3	24.1	21.5
	2020	0.1	65.0	18.3	16.6
	2021	0.4	63.5	22.0	14.1
Роботи	2019	0.0	60.9	18.7	20.4
	2020	0.2	68.0	11.0	20.9
	2021	0.2	71.0	10.9	17.8
Товари	2019	0.1	51.1	37.1	11.7
	2020	2.7	58.8	27.8	10.7
	2021	0.4	52.2	32.2	15.3

Table No. 3. Success rates for procurement of project development and work within the framework of one procedure (procurement under “Design and Build” contracts) compared to general rates of “classic” procurement in 2019-2021.

Статус лота						Статус лота					
Тип CPV	Рік	Активний	Завершено	Неуспішний	Скасовано	Тип CPV	Рік	Активний	Завершено	Неуспішний	Скасовано
Послуги	2019	0.1	58.0	34.6	7.3	Послуги	2019	0.1	54.9	28.0	17.0
	2020	0.2	63.8	28.7	7.3		2020	0.1	63.7	20.5	15.7
	2021	0.3	65.0	29.1	5.6		2021	0.4	61.5	24.3	13.9
Проектуй-Будуй	2019	0.0	62.6	20.6	16.8	Проектуй-Будуй	2019	0.0	60.0	20.0	20.0
	2020	0.0	64.2	27.9	7.9		2020	0.0	84.6	7.7	7.7
	2021	0.0	65.5	18.3	16.2		2021	0.0	56.9	15.7	27.5
Роботи	2019	0.1	62.3	25.8	11.8	Роботи	2019	0.0	59.9	17.5	22.6
	2020	0.2	67.9	21.0	10.9		2020	0.1	68.1	10.8	20.9
	2021	0.2	68.0	22.4	9.5		2021	0.2	71.4	10.8	17.6
Товари	2019	0.1	61.2	30.7	8.1	Товари	2019	0.1	51.1	37.1	11.7
	2020	0.1	59.1	33.7	7.0		2020	2.7	58.9	27.7	10.7
	2021	0.2	59.3	34.9	5.6		2021	0.3	52.2	32.2	15.3

Table No. 4. Specific weight of reasons for unsuccessful procurement procedures by quantity and value announced in 2019-2021.

Тип CPV	Рік	Всі причини	Відсутність подальшої потреби	Відсутність/зменшення фінансування	Дискваліфікація учасників	З метою здійснення більш економічно вигідної закупівлі	Механічна/технічна помилка	Неможливо унаслідок непереборної сили	Неможливість усунення порушень	Подання для участі недостатньої кількості учасників	інші причини
100%											
Послуги	2019	3.8	1.0	10.9	0.0	1.1	0.2	7.2	71.4	4.4	
	2020	4.4	1.1	8.5	0.0	1.4	0.1	8.6	71.1	4.7	
	2021	3.1	1.0	6.6	0.0	0.9	0.6	7.0	77.2	3.6	
Роботи	2019	6.5	3.1	25.3	0.0	1.3	0.2	14.9	44.0	4.7	
	2020	7.8	3.9	19.9	0.0	1.1	0.4	15.9	45.5	5.3	
	2021	6.4	3.5	18.2	0.1	1.3	1.4	13.3	51.1	4.7	
Товари	2019	3.1	1.5	11.8	0.0	1.6	0.1	10.0	67.6	4.2	
	2020	3.2	1.3	8.2	0.0	1.1	0.1	8.0	74.6	3.4	
	2021	2.7	1.1	6.7	0.0	0.9	0.4	6.2	79.4	2.6	

Тип CPV	Рік	Всі причини	Відсутність подальшої потреби	Відсутність/зменшення фінансування	Дискваліфікація учасників	З метою здійснення більш економічно вигідної закупівлі	Механічна/технічна помилка	Неможливо унаслідок непереборної сили	Неможливість усунення порушень	Подання для участі недостатньої кількості учасників	інші причини
Послуги	2019	25.1	1.3	3.2	0.0	1.1	0.1	14.6	50.1	4.7	
	2020	13.0	1.0	2.8	0.0	0.6	0.1	21.1	49.3	12.1	
	2021	4.6	1.2	3.2	0.4	5.0	17.2	7.5	58.6	2.4	
Роботи	2019	15.1	6.8	13.3	0.0	1.0	0.1	24.0	35.2	4.4	
	2020	10.6	3.0	7.6	0.0	19.4	0.6	26.8	28.6	3.4	
	2021	11.6	1.7	6.7	0.0	3.9	18.4	16.2	32.3	9.2	
Товари	2019	4.0	2.8	4.0	0.0	1.0	0.1	11.3	72.8	4.1	
	2020	5.9	2.3	4.7	0.0	1.0	0.3	14.4	68.0	3.5	
	2021	4.3	1.2	2.6	0.0	0.6	16.1	8.0	65.2	2.1	

Table No. 5 Specific weight of contracts¹⁵ concluded in 2019-2022 by quantity and value (data are given as of October - November 2022).

Тип CPV	Рік підписання	Підстатус договору (версія 2)	Активний	Виконаний	Розірваний
			100%		
Послуги	2019		16.0	79.6	4.4
	2020		14.2	80.9	4.8
	2021		23.8	72.6	3.6
	2022		92.6	3.4	4.1
Роботи	2019		19.9	68.3	11.8
	2020		19.3	73.6	7.1
	2021		33.1	60.7	6.2
	2022		83.8	4.4	11.8
Товари	2019		15.7	80.0	4.3
	2020		13.3	81.7	5.0
	2021		20.7	72.6	6.7
	2022		83.5	6.4	10.1

Тип CPV	Рік підписання	Підстатус договору (версія 2)	Активний	Виконаний	Розірваний
Послуги	2019		19.3	68.7	12.0
	2020		25.8	67.0	7.2
	2021		58.4	31.9	9.7
	2022		77.7	1.5	20.8
Роботи	2019		29.4	54.5	16.1
	2020		50.3	41.0	8.6
	2021		85.9	9.3	4.8
	2022		96.9	0.3	2.8
Товари	2019		18.3	77.1	4.6
	2020		14.0	80.1	5.9
	2021		36.5	55.6	8.0
	2022		77.9	11.9	10.2

Table No. 6. Specific weight of contracts that have additional agreements in 2020-2022.

Тип CPV	Рік	Послуги	Роботи	Товари
0	2020	55.6	66.7	56.7
1	2021	51.8	67.3	55.2
2	2022	51.5	51.4	54.1

Тип CPV	Рік	Послуги	Роботи	Товари
0	2020	80.6	87.9	68.5
1	2021	68.2	87.5	66.2
2	2022	34.3	47.6	60.5

¹⁵Indicators of the status of contracts change depending on the date of data upload. When updating the information, the status of the contract "Active" may change to the status "Executed" or "Terminated".

Table No. 7. Specific weight of reasons for concluding additional agreements in 2019-2021, by quantity and value.

Тип CPV	Послуги			Роботи			Товари			
	Рік	2020	2021	2022	2020	2021	2022	2020	2021	2022
Тип підстави додаткової угоди 100%										
-	0.0	0.3	3.2	0.0	0.2	2.1	0.0	0.3	1.9	
1. Зменшення обсягів закупівлі	31.8	32.8	45.4	9.5	10.6	18.0	24.3	27.8	40.3	
2. Збільшення ціни за одиницю товару	1.2	2.0	1.3	0.2	0.3	0.3	28.3	26.5	16.7	
3. Покращення якості предмета закупівлі	21.8	24.4	27.2	43.8	43.5	33.0	13.0	15.5	17.9	
4. Продовження строку дії договору	8.2	10.0	3.2	22.1	25.2	23.0	3.3	3.5	3.3	
5. Узгоджене зменшення ціни	7.9	7.7	5.9	12.2	11.4	14.4	7.2	6.9	6.5	
6. Зміна ціни у зв'язку із зміною ставок податків і зборів	0.4	0.6	1.0	0.2	0.2	0.7	3.6	1.6	1.8	
7. Зміна зовнішніх показників (споживчі ціни, курси валют, регульованих тарифів і т.п.)	9.0	6.7	4.7	9.0	6.1	1.8	7.7	6.1	4.1	
8. Продовження строку дії договору на наступний рік	19.4	15.5	8.2	2.9	2.6	6.6	12.0	11.9	7.5	
9. Зміна ціни за одиницю товару	0.3	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.0	

Тип CPV	Послуги			Роботи			Товари			
	Рік	2020	2021	2022	2020	2021	2022	2020	2021	2022
Тип підстави додаткової угоди										
-	0.0	0.2	2.2	0.1	0.1	1.2	0.0	0.4	2.7	
1. Зменшення обсягів закупівлі	10.7	16.8	44.2	4.3	3.6	11.8	16.7	18.6	31.6	
2. Збільшення ціни за одиницю товару	0.3	0.4	0.3	0.0	0.0	0.3	31.8	26.3	15.7	
3. Покращення якості предмета закупівлі	55.3	51.8	22.3	53.2	57.1	46.1	13.5	15.3	22.7	
4. Продовження строку дії договору	7.8	7.3	5.1	18.1	27.1	20.3	5.7	7.6	3.6	
5. Узгоджене зменшення ціни	4.7	5.7	9.1	5.4	2.7	12.9	8.1	11.1	8.9	
6. Зміна ціни у зв'язку із зміною ставок податків і зборів	0.1	0.3	0.6	0.0	0.1	0.2	2.4	1.3	1.8	
7. Зміна зовнішніх показників (споживчі ціни, курси валют, регульованих тарифів і т.п.)	13.9	9.0	8.2	17.5	8.9	1.9	13.2	11.1	7.0	
8. Продовження строку дії договору на наступний рік	7.1	8.4	8.0	1.4	0.5	5.3	8.3	8.4	5.9	
9. Зміна ціни за одиницю товару	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.0	

Table No. 8. Specific weight of the reasons for terminated contracts for the purchase of works concluded in 2019-2022 by quantity and value (data are given as of October - November 2022).

Тип CPV	Рік підписання	Договір розірвання	Відсутність подальшої потреби	Відсутність/зменшення фінансування	За згодою сторін	Зміна вартості закупівлі	Неможливість виконання зобов'язань	Неможливість усунення порушень	Порушення умов договору	інші причини
100%										
Послуги	2019		5.8	9.7	28.3	1.2	6.6	15.2	5.3	27.8
	2020		10.6	4.7	26.7	1.3	4.2	17.0	8.7	26.9
	2021		9.9	4.1	30.9	2.1	7.3	17.1	6.3	22.2
Роботи	2019		3.2	37.9	26.3	0.8	4.6	6.2	4.5	16.4
	2020		3.1	11.9	39.3	1.0	5.9	11.7	5.6	21.7
	2021		3.9	5.8	39.5	1.9	9.4	14.9	6.0	18.6
Товари	2019		4.1	8.7	23.6	4.5	6.7	15.7	7.3	29.2
	2020		5.0	5.2	25.6	7.4	8.5	17.1	7.7	23.5
	2021		5.4	2.8	27.1	16.4	15.0	7.9	7.5	17.9

Тип CPV	Рік підписання	Договір розірвання	Відсутність подальшої потреби	Відсутність/зменшення фінансування	За згодою сторін	Зміна вартості закупівлі	Неможливість виконання зобов'язань	Неможливість усунення порушень	Порушення умов договору	інші причини
Послуги	2019		35.8	2.7	22.0	0.5	0.8	3.0	3.3	32.0
	2020		8.2	1.3	38.3	4.9	13.8	14.5	5.0	13.9
	2021		0.9	0.4	39.3	0.3	1.7	3.7	6.8	47.0
Роботи	2019		2.1	12.9	32.5	1.7	14.7	4.1	2.6	29.4
	2020		5.4	8.6	33.4	0.8	6.2	6.2	8.9	30.6
	2021		3.3	2.5	29.1	0.7	18.1	9.0	25.6	11.8
Товари	2019		3.2	6.7	25.5	2.9	4.6	12.4	9.6	35.2
	2020		2.1	2.7	33.4	7.2	14.2	11.5	9.4	19.5
	2021		3.2	2.0	36.7	12.6	17.9	7.0	7.8	12.9