

"SUSPICIOUS TENDERS FOR WATER SUPPLY EQUIPMENT"



The water equipment company named „Tehnoskop“, has concluded numerous procurement contracts with communal enterprises, organized in an association of providers of communal services – ADKOM, whose authorized person is a close relative of the company's leading people. „Tehnoskop“ had the most productive cooperation with Skopje public water supply enterprise, whose department for public procurement is managed by the mother of company's employee. Competitive companies have challenged a lot of tender processes to the Appeal commission for public procurement, accusing for discrimination and favouring. This case is under review of the Commission for prevention of corruption and conflict of interests.

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In the last ten years, the water equipment company „Tehnoskop“ has concluded over 200 public procurement contracts with a total value of over one billion denars (or approximately 17.5 million euros), mostly with public communal enterprises and especially with the communal enterprise from Skopje. According to the official data provided from appropriate institutions, they are organized in



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an association of providers of communal services – ADKOM, whose authorized person is wife of the owner and sister of the manager of „Technoskop“. Moreover, a close relative of the public procurement manager of the Skopje public water supply enterprise has been already working several years in „Technoskop“. The total amount of the contracts that both parties have been concluding since 2008 is 4,5 million euros.

Few years ago, the owner of „Technoskop“ has founded another company - „Matam Ing“, whose present owner is a former employee of „Technoskop“. These two companies were bidding each other in a tender procedure, after two other competing companies were eliminated of the process, which raises the question of unfair competition in the market. In many tender procedures, „Technoskop“ was called to submit a final price after all of other bidders had been disqualified, although they delivered lower prices, which indicates to possible uneconomic spending of the public funds.

Many competing companies, like „Kaz Group“, have challenged numerous tender procedures for water equipment, mainly realized by the Skopje public water supply enterprise. „Technoskop“ participated in some of these tender procedures among other companies. The appeals of the companies and the decisions of the Commission for public procurements contain allegations of unequal treatment of the economic operators and discrimination and favouring of some companies, through illegal drafting of the tender documentation and technical specifications, which favors a specific certificate instead legal standard. Many of these appeals were accepted by the Commission, which annulled several tender procedures. This case is under review of the Commission for prevention of corruption and conflict of interests.

In this research, we determined that since 1994 until now, the company has generated revenues of approximately 2.4 billion denars (or 39 million euros) and profit of approximately 461 million denars (or 7 million euros). A significant part of the revenues is actually public money, considering that the amount of the Technoskop’s contracts for public procurement from 2008 to 2018 is more than a half of the company's revenues in this period. After the establishing of ADKOM, the company's revenues and profit have increased.



PARALELL ASSOCIATION OF THE COMMUNAL ENTERPRISES LOCATED IN AN APARTMENT OF THE COMPANY' S OWNER

The ADKOM officials said that the association was established in 2004 by an initiative and with the support of USAID and it represents a union between the citizens and communal enterprises for communal activity promotion. Although they are saying that a member of the association can be any person, private company or communal enterprise, represented by their employees, still, at the official internet site of the enterprise stands that the members of ADKOM represent the public communal enterprises in the municipalities as their founders. By the way, among the members of the association, there are 85 public communal enterprises, established by the municipalities from all around the country, but there are no other kind of organizations.

ADKOM officials said that this model of functioning is applied in other associations too, pointing that in the structure of the Macedonian economic chamber (MEC) exist a Group for water supply in the Association of communal activities, which unites the public communal enterprises and part of the private companies that work in this business sector. From that point of view, ADKOM acts as a parallel association of the communal organizations besides the association in MEC, so MEC is defined as a business-professional association according to the Law of SKM, while ADKOM functions according to the Law for associations and foundations.

According to the statute of ADKOM, the most important part of the association's structure is the Assembly which has responsibility for undertaking decisions, programs, and financial plan. Executive body of the Assembly is the Board of directors, which executes the delegated tasks through an executive office with its own employees, who are responsible for realization of the obligations on time. The Supervisory Board is authorized to supervise and monitor the enterprise's functioning, as well as to control the intended use of funds and revenues.

The data that we received from the Central registry show that **Jordan Milkov**, a former director of the public communal enterprise from Kavadarci, was the first authorized person of ADKOM after the association was established in 2004. He (Milkov) stays on this position until 2010, when he was replaced by **Lolita Stojanovska**, who, according to confirmed information, is a wife of the owner



of „Tehnoskop“, **BoskoStojanovski**, and a sister of the company's manager, **Dimitar Poplazarov**. According to the Real estate cadastre agency, the headquarters of ADKOM is actually located in an apartment in Aerodrom, owned by the chairman of „Tehnoskop“, Stojanovski.



"The headquarters of ADKOM in the Skopje settlement Aerodrom"

AFTER FOUNDATION OF THE ASSOCIATION, THE REVENUES OF THE COMPANY HAVE INCREASED

Today, Stojanovski is a single owner of "Tehnoskop", while the brother of his wife is company's manager since 2013. Excepting a period of several years, the company's revenues and profit attain a constant growth. But, this growth is more intense after the establishing of ADKOM in 2004 and especially after the appointment of Stojanovska as an official of ADKOM in 2010. Since then, the

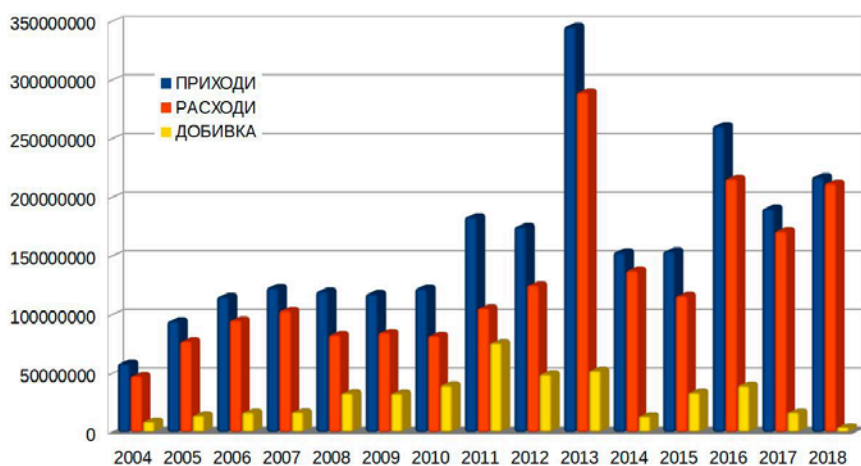


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company owned by her husband achieves the highest revenues in the history. What exactly the company's financial reports shows?

One year after the establishment in 1994, „Technoskop“ generated revenues of 2,752,379 denars(or about 45,000 euros) and expenditures of 2,663,654 denars(or about 43,500 euros), which means that the profit was 88,725 denars or about 1,500 euros. In the following period, the company's revenues, with exception of 1998 and 2001, have steadily increased year by year. So, in 2004, when ADKOM was established, the revenues were 58.877.134 denars(or around 957,500 euros), while the profit at the end of the year was 9,190,281 denars(or about 149,500 euros). In the following 2005, the company almost doubled its revenues, so the revenues were 94,831,870 denars(or about 1,542,000 euros) and the profit were 14,493,424 denars(or around 235,500 euros).



Приходите и добивката на Техноскоп бележат поинтензивен раст во годините по формирањето на АДКОМ во 2004 година и по назначувањето на сопругата на сопственикот и сестра на управителот на компанијата за овластено лице на здружението на комунални претпријатија во 2010 година.

Година	ПРИХОДИ	РАСХОДИ	ДОБИВКА
1995	2.752.379	2.663.654	88.725
1996	5.047.528	4.890.535	156.993
1997	14.172.815	13.451.458	721.357
1998	11.426.092	10.983109	372.479
1999	15.453.356	14.320.733	929.251
2000	26.669.097	25.100.398	1.333.992
2001	18.944.936	18.144.221	680.608
2002	25.051.980	22.289.133	2.378.986
2003	42.738.800	36.726.060	5.119.783
2004	58.877.134	48.065.039	9.190.281
2005	94.831.870	77.770.158	14.493.424
2006	115.659.395	95.621.618	16.855.173
2007	123.392.051	103.795.442	17.190.954
2008	120.251.811	83.075.516	33.449.829
2009	118.118.376	84.980.008	33.097.298
2010	122.784.848	82.403.396	40.275.134
2011	183.685.726	105.838.381	76.192.097
2012	175.349.411	125.515.143	49.625.017
2013	345.919.928	289.913.410	52.582.257
2014	153.740.041	138.010.872	13.806.406
2015	154.480.449	116.419.681	33.990.955
2016	261.231.721	216.219.066	40.042.922
2017	190.857.699	171.679.015	17.027.151
2018	217.817.609	212.198.066	4.431.587
ВКУПНО	2.599.255.052	2.134.034.437	465.220.615

Сумите се изразени во денари

The financial inflows in Technoskop are rising in the following years. In 2010, when the wife of the company's owner and the sister of the company' manager became executives in ADKOM, the revenues reached 122,784,848 denars(or about 1,996,500 euros), while the profit reached 40,275,134 denars(or about 655,000 euros). In the next 2011, the revenues reached to 183,685,726 denars(or about 2,987,000 euros), and the profit reached a record of 76,192,097 denars(or about 1,239,000 euros). Just two years later – in 2013, "Technoskop" scored a record, considering that the revenues reached 345,919,928 denars(or about 5,625,000 euros). But, the expenditures were high also, so the profit at the end of the year was 52,582,257 denars(or about 855,000 euros).

Summary: In the 24-year period from 1995 to 2018, „Technoskop“ realized total revenues of



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2,599,255,052 denars(or about 42,264,500) euros and total expenditures of 2,134,034,437 denars(or about 34.7 million euros). Based on that, this water equipment company, in the aforementioned period, made a profit of 465,220,615 denars(or about 7,564,500 euros). If the company had only three employees in the first years of its establishment, than, this number gradually was increasing from year to year, so at the end of 2018 the company had 19 employees.

THE VALUE OF THE PUBLIC CONTRACTS IS A HALF OF THE REVENUES OF THE COMPANY, WHICH HAD A BIGGEST COOPERATION WITH SKOPJE ENTERPRISE

According to the data from the Public procurement bureau, since 2008, the year since when the tender procedures have been implemented transparently and noted electronically, "Tehnoskop" concluded over 200 contracts for public procurement, whose total value is more than one billion denars, or more precisely - 17.5 million euros. Moreover, this figure does not include the revenues from the special agreements based on framework agreements, which are older than 5 years. The public enterprises refused to deliver us any information about these agreements, because, as they said, the Law of archive material obligate them to keep the documentation only 5 years. By the way, this figure does not include numerous smaller tenders with a value of under one million denars.

In quest of an answer to the question about the contribution of the public money in the company's revenues, it's necessary to compare Tehnoskop's revenues from 2008 to 2018, which are 2,044,237,619 denars(or about 33,240,000 euros), and the contracts for public procurement in the same period, which total value is 1,068,954,292 denars(or about 17,381,500 euros). It must be clear that this calculation does not include the VAT, because the company, as a supplier, does not mark this tax in the financial reports. Based on that, the amount of the contracts for public procurement is more than a half of company's revenues in the analysed period. But, we are not able to determine most precisely how much public money have flowed into the company, because a lot of contracts for public procurement specify that goods are procuring as needed and the payment is realized after delivery.





"From Tehnoskop say that the liquidity and solvency of the company is more a result of working with private companies, but they do not exactly answer exactly how much public money is participating in the income structure"

„The revenues that „Tehnoskop“ generates by sale of water materials to the public enterprises participate in the company's turnover; but the main support for achieving a solvency and liquidity of our company is directly related to the operation of the private companies. The private companies adhere to the rule of payment on a base of concluded contracts, which is a crucial part of our operations. One of the problems that the most of the companies face, is the payment in the legal deadlines", said from "Tehnoskop", without answering how much precisely the public money participate in the structure of their revenues.

According to contracts for public procurement and their total value, „Tehnoskop“ got most tenders from Skopje Public Water Supply Enterprise. The calculation shows that the total amount of the contracts for public procurement that both parties have been concluding since 2008 is 280,410,018 denars or about 4,559,500 euros, excluding VAT, which is more than a quarter of the total value of all contracts for public procurement that company concluded in the same period. The largest



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contracts between the Skopje Public Water Supply Enterprise and „Tehnoskop“ are concluded for system for automatic management of soft-starters and frequency regulators in 2017 (29.480.046 denars or about 479.500 euros), for automatic regulation of electric motors and pump stations in 2012 year (23,234,604 denars or about 378,000 euros), for system for remote reading of water gauges in 2009 (23,378,278 denars or about 380,000 euros) etc.

FAMILY RELATIONSHIP BETWEEN THE PUBLIC ENTERPRISE AAND THE SUPPLIER COMPANY, THE COMPETITION IS OUT OF GAME

According to verified information, in „Tehnoskop“ for several years works **Jana Apostolovska** as a commercialist, daughter of **Luiza Nakova-Karduloska**, a head of the department for public procurement of the enterprise for water supply and sewage from Skopje. Although this department, among the other matter, prepares the entire documentation for the public procurements' realization, the officials of the Skopje Public Water Supply said that there is nothing disputable about the fact that manager of this department is a relative to the company's employee which received a lot of tenders from the same enterprise. From "Tehnoskop" said that they do not make a selection and valuation of the employees by family and friendly ties or business relations. Instead that, they say, employment is based on legal regulations, after a previously public announcement and a sixth-month trial period.



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"The Skopje Public Water Supply claims that the head of public procurement does not have a direct touch with the preparation of technical specifications"

„The head of Department for public procurement does not participate in the planning process of annual needs for the sectors and in the preparation process of technical specifications from the public procurement's plan. They are made by experts in the sectors that request a procurement. According to Article 39 of the Law of public procurement, the Public procurement commission realizes a technical dialogue with the economic operators and opening of the offers, determines the ability of the economic operators, inspects technical and financial prize offers by the bidders, determines unacceptable and acceptable offers... The manager and other persons in the organizational form that realizes tasks related to the public procurements cannot influence the work of the Public procurement commission and their proposals for selection of best bidders“, said from the public enterprise of Skopje.

The reports from the biggest and the most important procedures for public procurement between the Skopje Public water supply company and sewage and „Tehnoskop“, which we provided according to the Law of free access to public information, reveals that in some of these procedures, the



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commissions for implementation of public procurement, established in the enterprise, often have disqualified many competing companies. One of them is the public procurement by the Skopje public water supply and sewage, which bought a water agues from „Tehnoskop“ at the end of 2010. Specifically, the company was called to submit a final price, which amounted to 7,212,300 denars(or about 117,000 euros), excluding VAT. This amount is higher than the initial offers by the competitive companies "CMC Ekogon" and "Kaz Group", which amounted to 6,585,500 denars(or about 107,000 euros) and 6,347,928 denars(or about 103,000 euros). However, these two companies have been eliminated in the evaluation phase.

According to the Public procurement law, evaluation phase is one of the initial stages in the tender procedure. At this phase of the procedure, the Commission for public procurement checks the completeness and validity of documentation by the economic operators, before they submit a bid at the public opening. Moreover, company's offers are evaluated according to criteria from the tender documentation, so the acceptable bids are ranking with a proposal for selection of most favourable bid. When the tender includes an electronic auction as a last stage of the procedure, the Commission calls all companies who at first time had submitted an acceptable offer, to submit new prices. If only one bidder submits an acceptable offer, then the Commission has an obligation to call the bidder to submit a final price. Otherwise, his initial bid will be a final price.

REAL OR FAKE COMPETITION – EMPLOYEE TOOK OVER A COMPANY ESTABLISHED BY HIS BOSS

The report from another tender procedure reveals a connection between the owner of „Tehnoskop“ and other company for water equipment. In the tender procedure for procurement of plugs (balloons) by the Public enterprise for water supply and sewage from Skopje in 2017, two companies – „Antiplan Toni“ and „Ali Aleksandar“, were disqualified during the evaluation phase, because they had filed an inappropriate brochure, catalogue or prospectus. Well, "Technoskop" and "Matam Ing" have been invited to an electronic auction and "Tehnoskop" won. The winner offered a price of 5,099,969 denars(or about 83,000 euros), which was only 54,254 denars(or about 800 euros) lower than offer of „Matam Ing“ of 5,154,223 denars(or about 83,800 euros). According to the documents from the Central register, "Matam Ing" was founded by Stojanovski in 2007, but new owner of the company in 2016 became Bobi Damjanovski, former employee of "Technoskop".



„After introducing of the concept of lower price on the market for water equipment, „Tehnoskop“, as a company that works with a high rating and reputable quality from the beginning, could not to compete with the low prices in the procedures for public procurement, which were a key segment in the tender procedures, although that means a supply of materials with low quality. For these reasons, „MatamIng“ was established to compete on the market with materials and product with lower prices and quality. Today, we have a competitive relation with "MatamIng", considering that „Tehnoskop“ and „MatamIng“ offer a different products from different manufactures, which have different prices and level of quality“, said Poplazarov, a manager of „Tehnoskop“.

Број на оглас	Договорен орган	Предмет на договорот	Вид на договор	Вид на постапка	Датум на договор	Носител на набавката	Проценета вредност без ДДВ	Вредност на договорот	Датум на објава
44/2016	ЈП Водовод и канализација - Скопје	систем за управување со софт-стартери и фреквентни регулатори - по спецификација.	Стоки	Отворена постапка	13.09.2016	Друштво за трговија и услуги МАТАМ-ИНГ ДООЕЛ Скопје	30.000.000,00ден.	35.181.195,87ден.	15.09.2016
34/2016	ЈП Водовод и канализација - Скопје	Возило со намера за снимање на канализациони мрежи при прием за нивно одржување - по спецификација	Стоки	Отворена постапка	18.08.2016	Друштво за трговија и услуги МАТАМ-ИНГ ДООЕЛ Скопје	10.000.000,00ден.	11.798.901,00ден.	23.08.2016
0507-3856/2017	Акционерско друштво Водостопанство на Република Македонија, во државна сопственост, Скопје	Набавка на материјали за одржување на системите	Стоки	Отворена постапка	13.03.2018	Друштво за трговија и услуги МАТАМ-ИНГ ДООЕЛ Скопје	13.680.000,00ден.	2.447.734,00ден.	29.03.2018
	ЈПНД Номуналец - Гевгелија	ФРЕНКВЕНТЕН РЕГУЛАТОР за работа на потопни пумпи до 40 kw на Бунарско подрачје Моин.	Стоки	Постапка со преговарање без претходно објавување на оглас	29.08.2016	Друштво за трговија и услуги МАТАМ-ИНГ ДООЕЛ Скопје	531.000,00ден.	489.700,00ден.	26.07.2017
0507-16/7/2017	ЈПНД Брегалница Делчево	Водоводни материјали	Стоки	Отворена постапка	05.06.2017	Друштво за трговија и услуги МАТАМ-ИНГ ДООЕЛ Скопје	3.000.000,00ден.	463.065,04ден.	24.07.2017

"Public procurement contracts concluded by Matham Ing"

According to the data from the Public procurement bureau, since former employee in the finance department of „Tehnoskop“, Damjanoski, has become owner and manager of „MatamIng“, this company concluded 5 contracts for public procurement with total value of 50,380,595 denars(or about 819,000 euros). By the way, the most important of all public contracts of „MatamIng“ is the contract with Skopje Public Water Supply and sewage about a system for managing with soft-starters and frequency regulators, concluded in 2016 at an amount of 35,181,195 denars(or about 572,000 euros). Also, a there is a valuable contract between these two sides from same period - a procurement of camera vehicle for recording sewage networks of 11,798,901 denars(or about 192.000 euros). Still, Damjanovski says that he faces difficulties in working, so, as he says, the company is on sale.



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„As a former employee of „Technoskop“, I left my job because I went to Australia. But, after combination of circumstances, I returned to North Macedonia and after a long hesitation I decided to start my own business. Bearing in mind my experience in water equipment, I decided to take over company "MatamIng", according to my ambition and goal to penetrate into the market and make monthly income. However, that was very difficult because of strong competition. The situation on the market is difficult and I am facing a problem with non-payment of claims, like all companies in the country. Also, I'm currently facing with lawsuits from companies that I used to cooperate with. At the same time, I would like to say that the company is on a sale with all claims and obligations, because I have a new opportunity to leave abroad“, explained Damjanoski, owner of "MatamIng ".

CERTIFICATE BY ASSOCIATION OF MANUFACTURIES INSTEAD OF APPROPRIATE LEGAL STANDARD

Some of the competitive companies claim that they were unfairly and illegally eliminated from many tender procedures for procurement of water equipment. The company for water equipment „Kaz Group“ has filed an appeal about several tender procedures and contracts for public procurement between the Public enterprise for water supply and sewage from Skopje and „Technoskop“. These appeals contain allegations of legal violations during the implementation of tender procedures by the public enterprises. In fact, "Kaz Group" finds controverse the fact that the Public enterprise for water supply and sewage from Skopje requires of the participants in tender procedures to own a GSK certificate for anti-corrosion protection of the water supply products, which is based on RAL regulation RAL GZ-662. According to company, that is an internal regulation only in the GSK association, which publishes GSK certificates to their members only and nobody else.



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"Some of the water supply companies have challenged a series of tender procedures before the competent commission, accusing them of discriminating and favoring"

According to „Kaz Group“, that is in contradiction with article 33, paragraph 2, line 1 of the Law for public procurement: *"Contracting authority defines technical specifications with a reference in the following order - application of Macedonian standards in accordance with European standards, European technical approvals, common technical specifications used in EU, international technical standards ..."*. Representatives from the company said that the insisting on the GSK certificate is with intention that only members of the GSK association can be able to participate in the tender procedures, which is also contrary to the article 210, paragraph 1 of the Law for public procurement. They state that if tender documentation is not in accordance with the law that may lead to discrimination of the economic operators or restriction of the market competition.

„RAL regulation RAL GZ-662 is neither a standard nor a European technical approval (technical attestation) nor a technical reference introduced by an European body for standardization. This RAL regulation is just an internal regulation of the GSK association of producers, and GSK certificate is a document that association publishes only to their members and nobody else. Applying the Law of public procurement, there is an adequate standard for specifying water equipment with anti-corrosion protection in difficult conditions - MKC EN 14901: 2014“, said



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representatives from „Kaz Group“ in their appeals to the Commission and in their responses sent it to us too.

In addition, „Kaz Group“ is trying to prove that GSK certificate is neither a guarantee for products quality. Company's first argument in this direction is based on the fact that GSK association is accredited for only one standard (EN ISO 4624) from all of 18 declared standards for this certificate. Company said that they received that kind of information from MPA institute from Hanover, which realizes testes for GSK association. The second argument is about the fact that contracting authority for certain products requires a GSK certificate, while for other similar products from same water supply line requires the anti-corrosion protection to be with material that does not endanger the health of the people, without insisting to the GSK certificate.

DOUBTFUL (UNSURE) COMPETITION OR QUALITY ASSURANCE?

These kind of allegations that Skopje Public Water Supply undertakes illegal tender procedures by filtering competition with the GSK certificate, a document that association gives to own members on a basis of internal RAL regulation, although this association is accredited for only one of all 18 declared standards, can be found in the Kaz Group's appeal to the tender procedure for reconstruction, extension and replacement of water pipes from last 2018. After the company's appeal, Appeal commission for public procurement, which functions as an independent state institution, decided to annul the tender procedure. The following is stated in the decision of the Commission:

„If a contracting authority realizes a new procedure for public procurement, in the creation process of tender documentation they should bear in mind the Law for public procurement, which refers to the preparation of the technical specification and application of certain standards“. In addition, the Commission point to the article 36 of the Law: „Contracting authority is not allowed to define a technical specifications that refers to specific production, performance, process or trademarks, patent types or specific origin of goods, for favouring or eliminating certain economic operators or goods“.





"Having annulled one of the complained tender procedures, the Public Procurement Complaints Commission requested the contracting authority not to refer to specific production, performance, process or trademarks in the preparation of the technical specification"

On the other hand, the Commission for public procurement as part of the Skopje Public Water Supply claims that GSK certificate was not a discriminatory requirement, but, according to them, quality mark RAL Qualitis Mark of GSK RAL G3 662 signifies a high reliability and it guarantees a finest standard for corrosion of valves and fittings with dust coatings. They said that the GSK association gives quality mark only to the companies that satisfy quality requirements. At the same time, they are saying that GSK certificate is owned by most renowned companies that produce valves and water equipment, to providing quality anti corrosion protection.

„So far, there were no Macedonian or European directives that have proven better anti corrosion protection of the valves and fittings with a dirt coatings. The GSK certification has provided evidence for recognized rules of technology as a top level in the field of anti-corrosion protection. The GSK certificate or quality mark RAL Qualitis Mark of GSK RAL G3 662 brings high security and quality and also guarantees impeccable standard for coating, providing appropriate solutions



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for drinking water, wastewater and gas networks“, said from the Commission for public procurement part of the public enterprise from Skopje.

PUBLIC ENTERPRISE PARTIALLY ANNULLED A PROCUREMENT BECAUSE THE APPEALMENT GOT ON A PART OF THE TENDER

From „Tehnoskop“ said that they do not own a GSK certificate, but one appeal procedure initiated by „Kaz Group“ reveals that the company has attached exactly this document in at least one tender procedure. Specifically, the Public enterprise for water supply and sewage from Skopje has concluded contracts with „Tehnoskop“ and „Mitelmont“ for procurement of water bottles. Precisely, "Tehnoskop" was top ranked company for two lots (2 and 4), and „Mitelmont“ won in other two lots (1 and 3). „Kaz Group“ has been eliminated in this procedure, so the company has filed an appeal, claiming that submitted a complete documentation and a certificate from an accredited laboratory.

In the Commission's decision is noticed that „Tehnoskop“ offered water bottles from IMP Armature, Slovenia, with GSK certificate for 3 lists. Also, the company offered water bottles from HUOT, France, with certificate from Institute for quality testing", Zagreb, for the fourth list. Related to „Mitelmont“, this company offered water bottle for all four lists from Hawle, Germany, with GSK certificate. From „Kaz Group“ accused that the documentation from both companies is invalid because they were referring to unaccredited labs. From the public enterprise accused that the appeal has submitted an incomplete documentation, which contains only chemical analysis, but not a research according to the technical standards.

However, the Appeal commission assessed that Kaz Group's appeal is sustained because the public enterprise has determined actual situation incorrectly and it has made mistakes during the evaluation of the offers. When this procedure was returned in the evaluation phase, „Mitelmont“ was selected as best bidder for the first and third list. But, the public enterprise has annulled the procurement for the second and fourth list, after „Kaz Group“ had submitted best offer. As they explain, the needs of public enterprise have been changed because of objective circumstances. But, they did not announce the reasons and details for these changed circumstances.



„At the present, our company is one of the best production facilities in the Balkans in this branch because of our assortment and the quality and the specificity of our products. While we were exporting our products, until now nobody has delivered any complaints. On the contrary, our foreign partners are pleasantly surprised from the controlled and constant quality, the deadlines for delivery and complete logistics. With the certificates we have, we are equal beside all renowned manufacturers in the all European countries, which is not the case in our country. Here, unfortunately and ironically, we are often disqualified and we are unable to market our products, especially through unsustainable criteria and certificates, such as the GSK certificate“, said from „Kaz Group“.



"With the certificates we have, in the European countries we are equal to all renowned manufacturers, which is not the case in our country where, through unsubstantiated criteria and certificates, such as the GSK certificate, we are often disqualified," reacted by Kaz Group.

THE EXPERTS ARE SEEING A CONFLICT OF INTERESTS, THIS CASE IS GOING TO AN ANTICORRUPTION SCAN

Bearing in mind that all presented facts and information, the former anticorruption officer **Arif Musa** says that the contracts for public procurement between „Tehnoskop“ and public enterprises should be inspected by the Commission for preventing corruption and conflict of interest. In regards to that, the Law for associations and foundations defines that „a conflict of interest is conflict of the authorizations and duties related to the working of the organization with the private interest of the person who has an authorizations and duties, in which the private interest affects or can affect the



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realization of the authorities and duties related to the work of the organizations“. Moreover, the new Law for preventing a corruption and conflict of interests defines that „the official person cannot do an illegal influence in the procedure for public procurement“.

„ADKOM does not discuss about public procurements of the public enterprises. They give a report for the expenditure of their finances to the communities. Our working motto is professionalism, responsibility and legality, which is confirmed by our 15-year successful and quality work, pleasure and high values by our domestic and foreign partners“, said from the association of public communal enterprises. When we asked how they regulate the conflict of interest in their statute, they answered that it is a legal obligation only for associations with public authorizations.



"The Commission for preventing corruption and conflict of interests considers that there are sufficient indications to open a case from the subject"

From the Commission for preventing corruption and conflict of interests, who has a right to act by an official duty and by received reports, informed us that there are enough signs to investigate a potential conflict of interests and influence to the public procurements. After a request from the Commission, we delivered them all of information and data that we provided as a result of the journalist research about the connection between the association of the public enterprises and the private company that cooperates with these subjects.



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„Considering that the information related to the public procurements of public enterprises in this country are transparently published and available through the electronic system of public procurements, „Tehnoskop“ and the other companies use a same way of informing for the published announcements. From the beginning, „Tehnoskop“ works respecting the legal rules and regulations, said from „Tehnoskop“, responding to the question how much the connection between the company and ADKOM is principled and correct, considering that it could or can be used for lobbying, discovering of certain plans for public procurements and some criteria and conditions in the tender documentation and technical specification?

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