

## Report to the Federal Parliament

### Public procurement in the federal administration

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The Belgian Court of Audit examined in 2020 and 2021 a selection of public procurement contracts awarded by federal departments and organisations and by public companies for purchasing goods, services or works. Moreover, the Court analysed the centralisation of the federal procurement policy in 2017. In this context, it also looked into the awarding and execution of six joint procurement contracts and the concession awarded to bpost by the Belgian Ministry for Mobility and Transport for issuing and distributing licence plates.

The Court pointed out that the aforementioned departments and organisations showed a relatively good mastery of the public procurement regulations and took great care to ensure compliance with them. It noted an improvement in the qualitative selection of candidates or tenderers and the verification of the exclusion grounds.

However, the Court draws attention to the following points.

- The contracting authority sometimes neglected to start a procurement procedure for low-value contracts.
- The information provided on the decisions was often still insufficient.
- The contracting authority neglected to verify the tenderers' criminal records.
- Certain rules on the execution of the contract continued to be ignored.

In addition to a series of important findings on the awarding of joint contracts, the Court pointed out that, after three years, the new policy for centralising federal procurement contracts has still not led to the desired results regarding effectiveness and efficiency. The Court noted delays in delivery and an insufficient follow-up of individual orders during the execution of the contracts, which results in legal risks for the parties involved.

The Court examined how licence plates have been managed by the Belgian State. It therefore analysed the outsourcing policy, the legality of the second concession launched in 2018 and the follow-up and supervision of the concessions between 2017 and 2020.

Concerning the concession for managing licence plates, it is not possible to demonstrate that outsourcing is more economical and efficient than in-house management and that the fees paid by users are proportionate to the real costs. Furthermore, the regulations on concession contracts have not been fully obeyed and the historical concessionaire has a disproportionate

competitive advantage. Finally, although the concession has been generally performed in accordance with the contract, the concessionaire's activities have not been sufficiently verified; therefore, a correct calculation of the revenue to the State could not be guaranteed.

The Court made a series of recommendations to the departments and organisations in order to promote compliance with the legal and regulatory provisions on public procurement contracts and concessions and to optimise the centralised purchasing model.