



# GYLA Held Presentation of the Research on the Procedures of Vehicles' Procurement by Public Agencies

On October 21, 2013 GYLA held presentation of its next research "Procedures of Vehicles' Procurement in Public Agencies". The research proposes information about national and international practice of vehicles' procurement in public agencies.

The research reviews cases of vehicles' procurement and free transfer or gifting in the period of January 1, 2011 - July 2013 individually by the administration of the President, the parliament, government chancellery, all ministries in Georgia and offices of the state ministers, as well as by local self-governing bodies of Tbilisi, Batumi, Kutaisi, Poti and Rustavi.

The research preparation process revealed that:

- Since 2011 throughout the whole reporting period monitoring targets have procured 2146 vehicles, with the total cost of GEL 61,439,788, USD 16,545,081 and Euro 110,000;

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- From the examined state agencies the most expensive vehicles were bought by the Ministry of Interior in July 2012 with the total cost of Euro 110,000. In the reporting period other state agencies also bought luxurious cars such as Rustavi local self-governance (GEL 173,000), government chancellery (GEL 167,756), the Ministry of Finance (GEL 136,000), administration of the President (GEL 128,205) and other public agencies;
- The public agencies have no legislative act that could have determined rules of vehicles' procurement in relevant agencies, the minimal amount to be paid per unit, the rule and periodicity of renewing vehicle fleet. Accordingly, applicable practice raises serious questions on reasonability and necessity of procuring vehicles worth to tens of millions Lari;
- The research also revealed instances of free transfer and gifting of luxurious vehicles between public agencies or private individuals and administrative agencies. The number of vehicles gifted to the Ministry of Interior by individual entities is especially impressive, total of 87 units. It should be noted that majority of free transfer and gifting of vehicles were carried out until September 2012;
- In view of the international experience, the Law of Georgia on State Procurement that was named by part of public agencies as the basis for implementing procurement is a legal act of general nature. For absence of the specific regulations, it falls short to realize in practice all principles that are necessary for implementing state procurement of vehicles;
- International experience revealed that reasonability of state procurements and budgetary compliance, as one of the elements for ensuring effective spending of budget funds can be achieved on the basis of inter-organizational structure and regulations. As conducted research demonstrates, it was impossible to find any similar legislative document in Georgian public agencies.

With a view to settle the problem, GYLA considers important to regulate applicable legislative bases timely and effectively and to define legislative framework by high state authorities that will serve as an instruction and will set specific rules for regulation of vehicles' state procurements.

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Furthermore, legal acts pertaining to procurement of vehicles by public agencies shall imply components to be included in procurement plan, criteria related to final decision (the principles of low price and the best offer in terms of economy), monitoring agencies, their functions, structure, scope of their competence, periodicity of renewing vehicle fleet and all other issues that remain to be topical in the process of vehicle procurement by state offices.