

Service public fédéral
Personnel et Organisation

How to avoid conflicts of interest and corruption in public purchasing

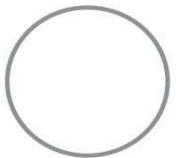
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**Responsible for the
Purchasing Advice and Policy
Cell of the Belgian Federal
Public Service Personnel and
Organisation**



1. Actors “launching of procedure” ↔ “awarding of contract”

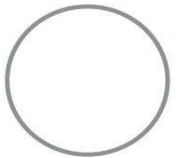
- **Contracting authority**
 - Purchase service
 - Decision authority
- **Controlling body**
 - Hierarchy
 - Staff service Budget and Management Control
 - Inspection of Finances
 - Commitment supervisor
- **Parties external to the authority**
 - Entrepreneur, supplier, service provider
 - European Commission





2. Actors during the execution of the contract

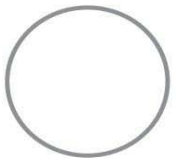
- **Contracting authority**
 - Leading service
 - Delegated civil servant
- **Controlling body**
 - Hierarchy
 - Court of Audit
- **Parties external to the authority**
 - Entrepreneur, supplier, service provider





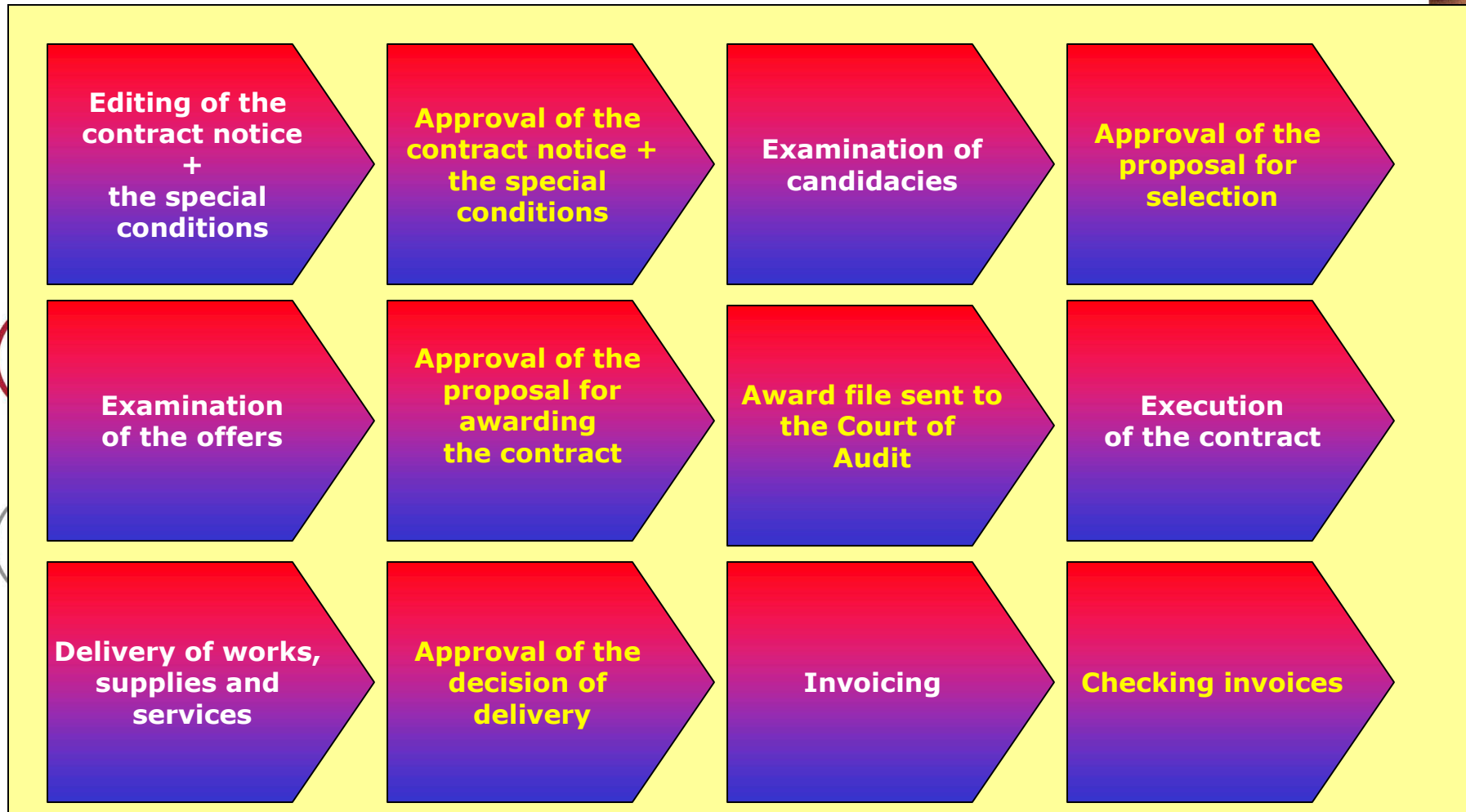
3. Actors after the execution of the contract (invoicing)

- **Contracting authority**
 - Leading service
 - Delegated civil servant
- **Controlling body**
 - Hierarchy
 - Staff service Budget and Management Control
 - Court of Audit
- **Parties external to the authority**
 - Entrepreneur, supplier, service provider





3. Phases of the procedure + moments of control (general overview)





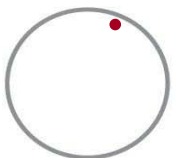
3. Verifications of the contract per level

3.1. Amount of contract \leq 5.500,00 euros, VAT excl.

- **AWARDING OF THE CONTRACT**
- Choice of the contractor: awarding without competition
- Only the hierarchy can demand that the contract is only awarded after it has given its prior agreement.



- **EXECUTION OF THE CONTRACT**



- The delegated civil servant supervises the correct execution of the contract
- There has not been an official delivery





3. Verifications of the contract per level

3.1. Amount of contract \leq 5.500,00 euros, VAT excl. (continued)

- **INVOICING**

- Invoice to be received by the delegated civil servant
- The Staff service Budget and Management Control verifies the invoice (check regularity of the amount of the contract + subdivision)
- Payment not possible without prior visa of the Commitment supervisor (check amount of the contract)
- Control afterwards by the Court of Audit (thorough verification)

- **DANGER OF CORRUPTION**

- Favouritism (amount of contract \uparrow)
- Subdivision





3. Verifications of the contract per level

3.2. 5.500,00 euros, VAT excl. < Amount of contract \geq 31.000,00 euros, VAT incl.

- **AWARDING OF THE CONTRACT**

- Choice of the contractor: awarding after unpublished negotiated procedure through negotiation with at least three tenderers
- Before awarding, the hierarchy should agree and the Commitment supervisor has to view the file.

- **EXECUTION OF THE CONTRACT**

- The delegated civil servant supervises the correct execution of the contract
- An official delivery is not necessary





3. Verifications of the contract per level

3.2. 5.500,00 euros, VAT excl. < Amount of contract \geq 31.000,00 euros, VAT incl. (continued)

- **INVOICING**

- Invoice to be received by the delegated civil servant
- The Staff service Budget and Management Control verifies the invoice (check regularity of the amount of the contract + subdivision)
- Payment not possible without prior visa of the Commitment supervisor (check amount of the contract)
- Control afterwards by the Court of Audit (thorough verification)

- **DANGER OF CORRUPTION**

- Favouritism in selecting the firms (amount of contract \uparrow)
- Subdivision (to avoid the advice of the Inspection of Finances)
- Modification of the BAFOs after submission





3. Verifications of the contract per level

3.3. 31.000,00 euros, VAT incl. < Amount of contract \geq 67.000,00 euros, VAT excl.

- **AWARDING OF THE CONTRACT**

- Choice of the contractor: awarding after unpublished negotiated procedure through negotiation with at least three tenderers

- Before awarding, the hierarchy should agree, the Inspection of Finances should give a positive advice and the Commitment supervisor has to view the file

- **EXECUTION OF THE CONTRACT**

- The delegated civil servant supervises the correct execution of the contract
- An official delivery is not necessary





3. Verifications of the contract per level

3.3. 31.000,00 euros, VAT incl. < Amount of contract \geq 67.000,00 euros, VAT excl. (continued)

- **INVOICING**

- Invoice to be received by the delegated civil servant
- The Staff service Budget and Management Control verifies the invoice (check regularity of the amount of the contract + subdivision)
- Payment not possible without prior visa of the Commitment supervisor (check amount of the contract)
- Control afterwards by the Court of Audit (thorough verification)

- **DANGER OF CORRUPTION**

- Favouritism in selecting the firms (amount of contract \uparrow)
- Subdivision (to avoid the publication of a contract)
- Modification of the BAFOs after submission





3. Verifications of the contract per level

3.4. 67.000,00 euros, VAT excl. < Amount of contract > European limit, VAT excl.

- **AWARDING OF THE CONTRACT**

- Choice of the contractor: awarding after evaluation of the regular offers

- Before awarding, the hierarchy should agree, the Inspection of Finances should give a positive advice and the Commitment supervisor has to view the file

- **EXECUTION OF THE CONTRACT**

- The delegated civil servant supervises the correct execution of the contract

- There has been an official delivery

12 • The hierarchy can demand the approval of the delivery report





3. Verifications of the contract per level

3.4. 67.000,00 euros VAT excl. < Amount of contract > European limit, VAT excl. (continued)

- **INVOICING**

- Invoice to be received by the delegated civil servant
- The Staff service Budget and Management Control verifies the invoice (check regularity of the amount of the contract + subdivision)
- Payment not possible without prior visa of the Commitment supervisor (check amount of the contract)
- Control afterwards by the Court of Audit (thorough verification)

- **DANGER OF CORRUPTION**

- Formulate the technical specifications adapted to one single firm (amount of contract ↑, competition ↓)
- Subdivision (to avoid a European publication)
- 13 • Modification of the offers or of the BAFOs after submission





3. Verifications of the contract per level

3.4. European limit, VAT excl. \leq Amount of contract

- **AWARDING OF THE CONTRACT**

- Choice of the contractor: awarding after evaluation of the regular offers
- Before awarding, the hierarchy should agree, the Inspection of Finances should give a positive advice and the Commitment supervisor has to view the file
- For certain files, the Council of Ministers has to agree

- **EXECUTION OF THE CONTRACT**

- The delegated civil servant supervises the correct execution of the contract
- There has been an official delivery
- 14 • The hierarchy can demand the approval of the delivery report





3. Verifications of the contract per level

3.4. European limit, VAT excl. \leq Amount of contract (continued)

- **INVOICING**

- Invoice to be received by the delegated civil servant
- The Staff service Budget and Management Control verifies the invoice (check regularity of the amount of the contract + subdivision)
- Payment not possible without prior visa of the Commitment supervisor (check amount of the contract)
- Control afterwards by the Court of Audit (thorough verification)

- **DANGER OF CORRUPTION**

- Formulate the technical specifications adapted to one single firm (amount of contract \uparrow , competition \downarrow)
- Modification of the offers or of the BAFOs after submission





4. Measures taken or to be taken

- Oblige the people in charge to adopt an ethical code
 - Already exists in the central federal purchasing service
 - An ethical code will then be submitted to the Council of Ministers

○ Take maximum advantage of the products/services through framework agreements/contracts signed by central federal purchasing services

- Less contracts = more transparency

○ Increase the transparency of the purchases as much as possible

- Optimise the possibility of control/surveillance (see next page)



