



NATIONAL AUDIT OFFICE OF THE REPUBLIC OF LITHUANIA

SURVEY

PUBLIC PROCUREMENT OF CONSTRUCTION WORKS

30 July 2012 No VA-P-9-2-10
Vilnius

SUMMARY

Survey started: 1 September 2011
Survey completed: 30 July 2012

Full survey in Lithuanian is available at the
National Audit Office website www.vkontrole.lt

Public procurement is important for social and economical development of Lithuania. Total amount used for public procurement procedures is equal to one tenth of the GDP or more than one third of the national budget of Lithuania. Scope of public procurement increases every year: in 2009 – LTL 9.1 billion, in 2010 and 2011 – respectively LTL 10.9 billion and LTL 12.8 billion.

Purchasing institution engaged in public procurement implements procurement by selecting purchase object according to its type – it can be either goods, services or works.

According to information provided by the Public Procurement Office at least half of public procurement carried out 2009–2011 taking into consideration their value were works.

The Lithuanian Law on Public Procurement defines that Public procurement of works means public procurement having as its object either the execution, or both execution and design, of works or the execution, by whatever means, of work corresponding to the requirements set by the contracting authority. Work means the outcome of building works taken as a whole that is sufficient of itself to fulfil an economic and technical function.

According to existing Lithuanian legislation construction operations should be carried out in accordance with the design documentation of a construction works except those cases when design documentation is not obligatory. Therefore public procurement of construction is carried out by purchase of construction works either:

- according to the already prepared technical design documentation, or
- by purchase of construction works including design services.

Taking into consideration importance of construction business to the national economy and seeking to evaluate the existing situation in the construction sector relating to public procurement we have carried out a survey of public procurement of construction works.

Great attention was devoted to the problem revealed by the financial (regularity) audits carried out in 2008–2011 that might have influence of the price of construction works, i.e. purchase of additional construction works carried out during the period of construction that occur as a result of shortcomings in the management of construction process.

The aim of the survey was to review the problems that occur in the area of public procurement of construction works that might have influence of construction works prices and provide recommendations that would allow increasing efficiency of construction works and decreasing risks of growth of construction works prices.

When carrying this survey we cooperated with the Ministry of Environment, Public Procurement Office, Department of Statistics, experts and enterprise in the area of construction. We analyse information of the Public Procurement Office on the public procurement carried out in 2006–2011 relating to purchase of either construction works or construction works including design services.