TIBIH filed criminal charges against the Public Health Institute of the Republic of Srpska

Banja Luka, 30th May 2020 -- Transparency international in Bosnia and Herzegovina (TI BiH) filed criminal charges to the District Prosecutor’s Office of Banja Luka against the management of the Public Health Institute of the Republic of Srpska due to the controversial procurements of the medical equipment from the unqualified bidders. In April this year, the Institute procured in the negotiated procedure medical protective masks from the company Procontrol from Banja Luka which deals with architecture and engineering, and the medical protective equipment from the travel agency Travel4Fun. None of those two companies has the license to trade medical equipment, although this was one of the things required by tender documentation submitted to TI BiH by the Institute. Regardless of the requirements, the Institute invited unqualified bidders to take part in three separate negotiated procedures, which is why there is a reason to suspect that criminal offenses of Unlawful Granting of Benefits to Business Entities and Lack of Commitment in Office.

In early April, the Institute awarded Procontrol with two contracts for the supply of protective masks and protective suits – one contract is worth BAM 345,000, and the other one BAM 1,65 million without VAT. In both procedures it was required that the bidder has the license to perform the requested activities, and to have the permit issued by the Agency for Medicinal Products and Medical Devices of BiH. Only this bidder was invited although it did not have the license of the Agency, despite the fact that the Law on Public Procurement clearly indicates that the invitation can be sent only to a qualified bidder and that the conditions must be determined in advance. Both contracts were awarded to Procontrol, and a notice about this was announced at the portal of the Public Procurement Agency on 6th April. In the meantime, one contract worth 1,65 million was terminated with the explanation that “Procontrol did not meet the delivery deadline”. The owner of Procontrol d.o.o. is one of the co-owners of the company “MMSCODE” which is awarded million worth projects related to software services in the Republic of Srpska. One of the recent contracts is for the procurement of radars for the Ministry of Interior of RS, worth BAM 10 million.

In almost the identical case, criminal charges were filed for concluding a contract worth BAM 2,38 million for the procurement of medical protective equipment with the travel agency Travel4Fun. Tender documentation owned by TI BiH also proves that it was required that the bidder must be registered to perform this activity and to have the license issued by the Agency for Medicinal Products and Medical Devices of BiH. The Agency confirmed to TI BiH that Travel4Fun does not have the license to sell medicinal products and devices, but this company was still awarded a contract, which was published on the public procurement portal on 29th April this year. The Institute later informed that Travel4Fun was in a group of bidders along with the company Promeding d.o.o. from Laktasi, which has the license of the Agency, but this company was not mentioned in the notice published on the public procurement portal.

A decision on this was published on the official website of the Institute, which shows that the actions of the Institute were illegal. The document states that the invitation to participate was sent only to an unqualified bidder Travel4Fun, and that the company Promeding participated in the meeting held on 10th April when the terms of bid were discussed.

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The Article 28 of the Law on Public Procurement strictly forbids such behaviour, since only bidders confirmed to meet the requirements can be invited to negotiations, so their appearance with the company that may meet the requirements at that moment is irrelevant in this case. Moreover, it is indicative that Promeding d.o.o. is not mentioned in decisions published on the public procurement portal which is how the public learned about these cases, and which is why there is a suspicion that it was later stated in order to justify the conclusion of these contracts, which is something TI BiH pointed out in the filed criminal complaint.