

Analysis of Public Procurement for Water Utilities Work Performance

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Abstract

In terms of performance, the public procurement of construction work in this sector is particularly interesting due to the availability of non-reimbursable funds for water supply networks. This study aims to identify key issues and patterns in the interaction between economic operators and Romanian contracting entities that award such construction contracts. During the offer preparation stage, rounds of clarification requests bring about the engagement. The specialized literature analysis revealed that the topic was not covered in many scientific publications. An empirical examination of selected tenders was the subject of the research. In addition to quantitative data on the same tenders, the qualitative analysis of publicly available questions and responses serves as the primary focus of the research methodology. According to the findings of the study, a significant portion of all questions analyzed focus on the technical specifications of the contract notice documents. Multiple tenders may contain the same questions in some instances. The evaluation periods for tenders are long. Participation is dominated by bidder associations of multiple economic operators and the tenders are published with a similar strategic profile (such as open tendering and no lot division).

Keywords: Research methodology • Construction • Primary focus

Introduction

The study came to the conclusion that the contracting entities' strategic profile is not supported by the quality of the technical requirements. The unbending nature of composed correspondence makes it unsatisfactory to relieve the adverse consequences of a defective methodology in creating specialized necessities for high worth, high intricacy projects straightforwardly associated with Romania's public water supply difficulties. From a global to a European level, the work of many and various types of organizations reflects the importance of the global community of water resource management and the delivery of water services. On such a backdrop of intense interest and high expectations, Romania is the European Union (EU) member state with the lowest percentage of population connected to a water service network. Further, the country is constantly failing and is challenged with financing its compliance with the EU water acquit, lagging the other member states in terms of compliance with the Urban Waste Water Treatment Directive.

Description

This research takes cognizance of one of the Organization for Economic Co-operation and Development Council's 12 must-do principles on water governance. Specifically, it considers principle 10 Promote stakeholder engagements for informed and outcome-oriented contributions to water policy design and implementation. This research is contextualized upon the linkages between well performing water governance, public procurement governance, public procurement practices and the principles of designing and implementing

effective, efficient and inclusive water policies. Hence, the public procurement practices, lessons learnt and improvements in the procurement process performance that arise from effective stakeholder engagement are connected. The public procurement process includes mechanisms for stakeholder engagement to enable the collection of pro-active and re-active feedback, both explicit and implicit. A key stakeholder group is the for-profit economic operators in the supply chain, who are necessary for an improved water network, compliance with the EU's UWWDT and improved water governance. The public sector organizations to which we refer to in this paper are defined as contracting entities, a category of public sector organizations defined as letter b, article 4 of the Romanian public procurement Law 99/2016 as entities operating in a utilities sector (water, energy, transport, postal services). These contracting entities are responsible for improving the potable and waste-water infrastructure in Romania. The contracting entities undertake tendering for water infrastructure works to align such infrastructure to the EU mandated standards, mostly financed through EU funding [1,2].

One way to describe the procurement process is to consider three stages: the planning, tender and delivery/contract implementation. The tender stage is of particular interest in this work to consider the performance of the procurement process through the lens of the engagement with the economic operators. The planned duration of the public tender stage is one in which the performance indicators present few difficulties to establish and monitor. The duration commences on the publication date of the tender documentation. This stage includes the offer preparation period by the interested economic operators and the subsequent evaluation of offers by the contracting entities. Durations of various activities and stages are clearly and transparently regulated through legislation, as minimal, maximal, or indicative. These durations have been established to be considered practical and proven benchmarks and targets for planning and performance monitoring [3].

For example, in Romania, the offer preparation period for an 'open tendering' procedure is 30 calendar days when using electronics mediums (i.e., the Public Procurement Electronic System—SEAP) and the evaluation period is set to 60 working days. In contrast, the cost and quality performance indicators for undertaking the tender stage or, for that matter, of the entire procurement process, are not rigid and explicit. They are dependent on context and the scope of the contract in terms of planned benchmarks, when such planning is undertaken. It also defines the measure of the effectiveness of this type of engagement: the extent to which it improves understanding among interactants, the extent to which it positively supports mutually beneficial decision making and the extent to which it fosters a fully functioning

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contract implementation. Therefore, it is our intention to explore facets of the stakeholder engagement with a view to understanding the key issues and patterns impacting on the materialization of the procurement process performance indicators. In particular, this study is concerned with if and how the engagement with the economic operators in the water infrastructure sector during the offer preparation period within the tender stage of the procurement processes, as undertaken by Romanian contracting entities, leads to an improved process performance [4,5].

Conclusion

This paper, following the introduction, is structured as follows. First a background section reviewing the government and professional reports followed by a review of the academic literature. Government and professional reports provide value for illustrating auditable aspects of performance in public procurement and the mandated engagement between contracting entities and economic operators. The academic literature review focuses on searching for studies that have analyzed the written clarification requests and responses undertaken during the tender stage of a public procurement process. Second, we present the methodology employed for the literature review and for our empirical research. Third, the methodology is followed by an extensive presentation of our empirical research results. The results are separated based on the source and more specifically, the numerical data extracted from a selection of SEAP available contract notices and the text of clarification requests and responses of the same selected contract notices. Fourth, we discuss our findings from several perspectives to inform the final section of conclusions. In appendix a we provide tables of the readily available and devised data categories pertaining to the empirical research, in both English and Romanian.

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Conflict of interest

No potential conflict of interest was reported by the authors.

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