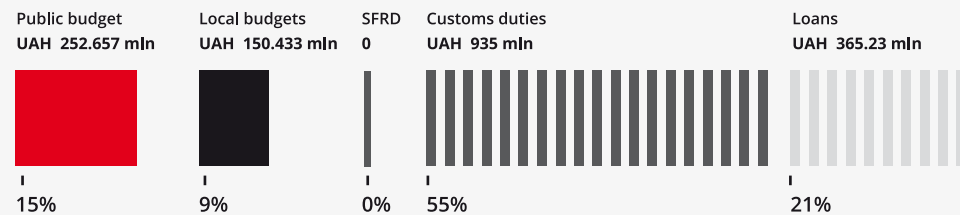
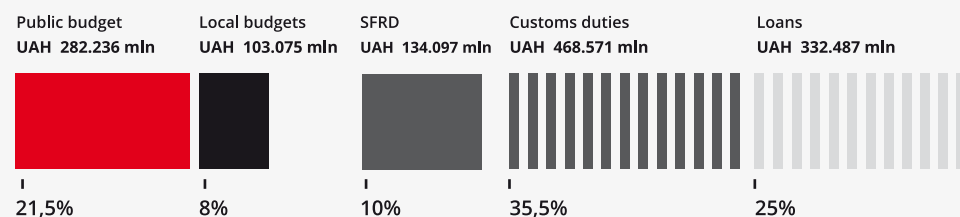


## Sources of funding of the road repair: TOP-5 oblasts

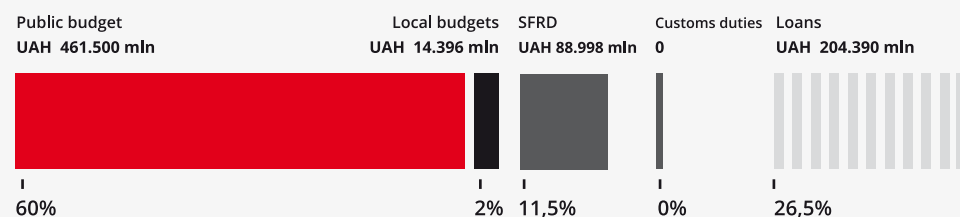
### Lviv oblast (UAH 1.703 bln)



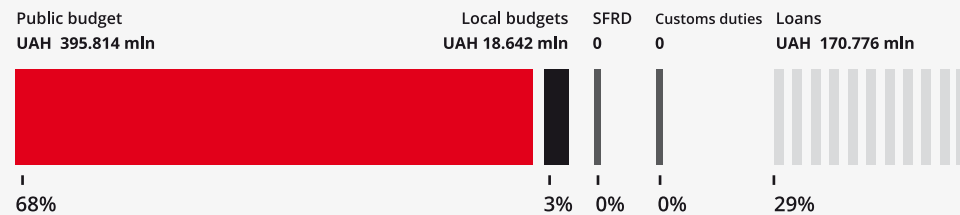
### Odesa oblast (UAH 1.32 bln)



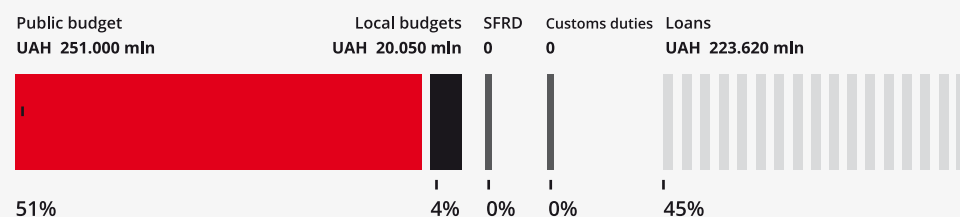
### Ivano-Frankivsk oblast (UAH 769.284 mln)



### Dnipropetrovsk oblast (UAH 585.232 mln)



### Poltava oblast (UAH 494.67 mln)



## CoST is based on a multi-stakeholder platform of trust among:



### What do we have for today:

- The assurance team of professional and unbiased engineers.
- 3 finished assurance reports, 1 report is in process.
- Monitoring of corruption risks and inefficient management case using the analysis of a big data.
- Research of more than 140 contracts within CoST.
- Site-visit reports by assurance team.
- Practical recommendations to solve the existing problems.

### Our further steps:

- Coordination of actions with the Ministry of Infrastructure and Ukravtodor to improve the conditions of road sector in Ukraine.
- More projects in building sector.
- Providing free access to information about all construction project stages within CoST.
- Improving of accountability of procurement entities.

Construction Sector Transparency Initiative  
Kyiv, Ukraine  
+380 44 351 4180  
e-mail: info@costukraine.org

costukraine.org

# CONSTRUCTION SECTOR TRANSPARENCY INITIATIVE (UKRAINE)

## VERIFICATION BRIEF OF THE PROJECT “STATE ROADS REPARATION IN 2016”

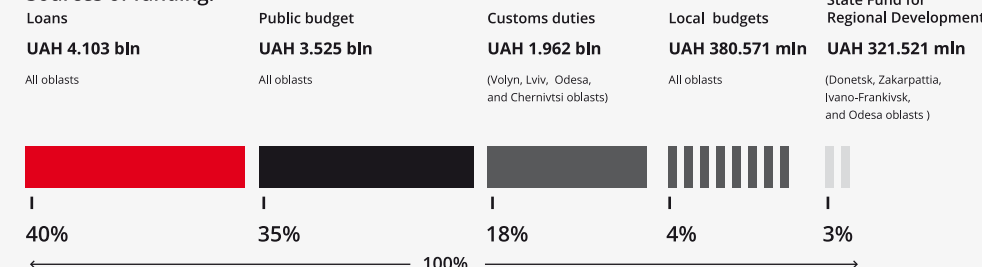


State road  
reparation in 2016

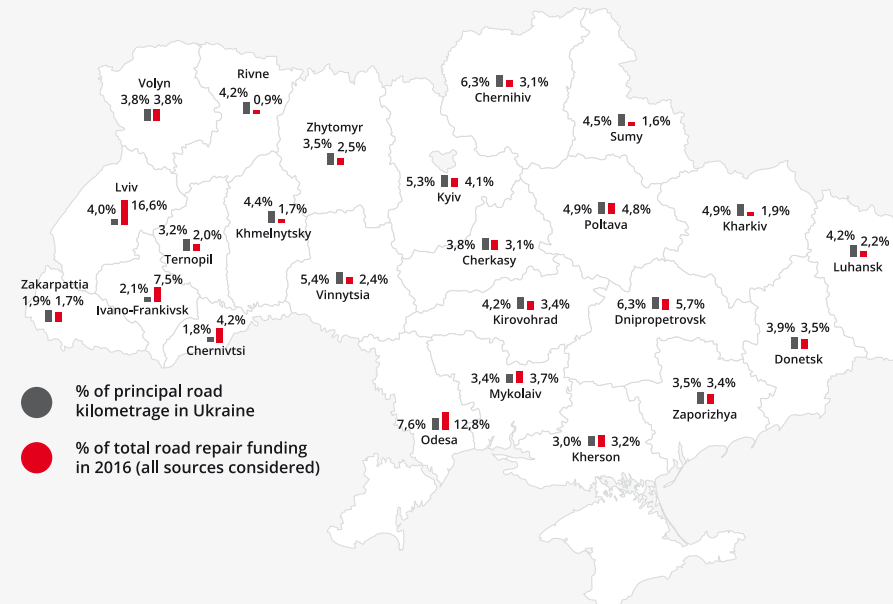
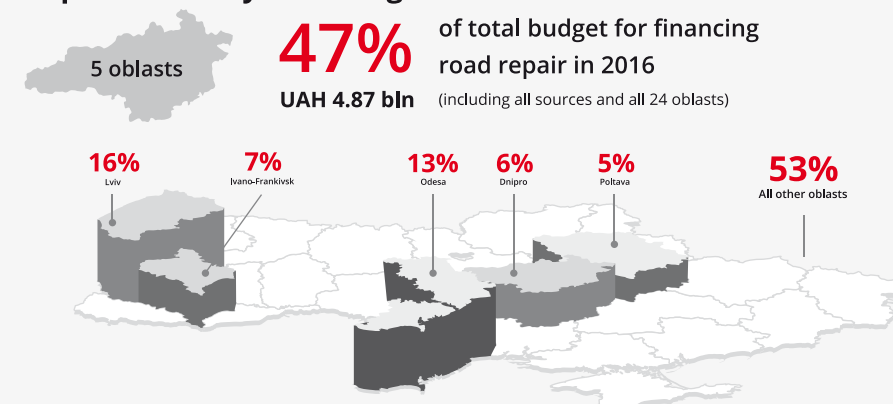
## Financing of road repair in 2016

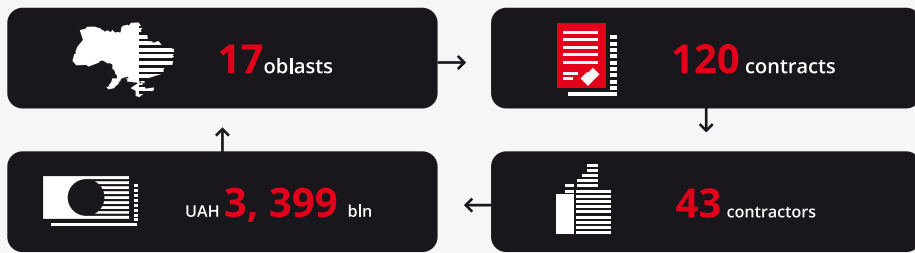
Total planned budget to finance road repair is **UAH 10.292 bln**

### Sources of funding:



### Top 5 oblasts by financing

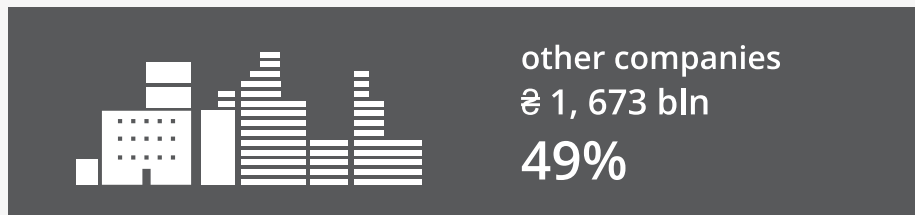
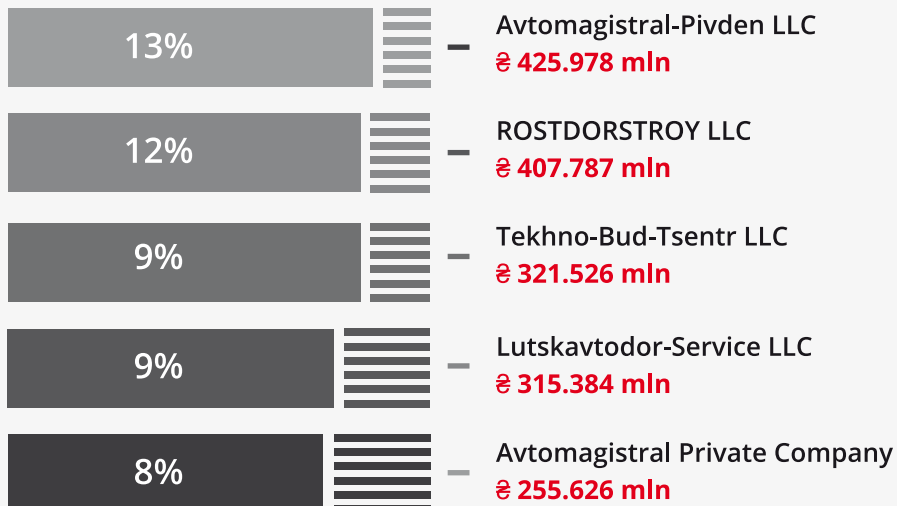




**5 contractors**

TOP 5 contractors have received 51% of value of 120 contracts.

**UAH 1,726 bln**



**Total 100%: € 3.399 bln**

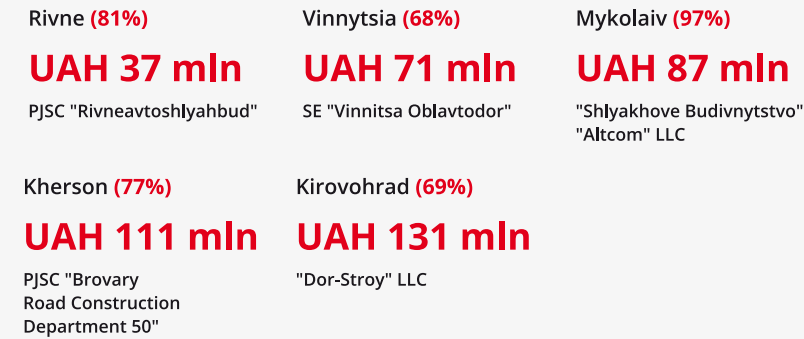
By results of tenders carried out in selected oblasts

# 100 % CONTRACTS FOR REPAIR OF ROADS WERE AWARDED TO ONE CONTRACTOR

Those oblasts include:

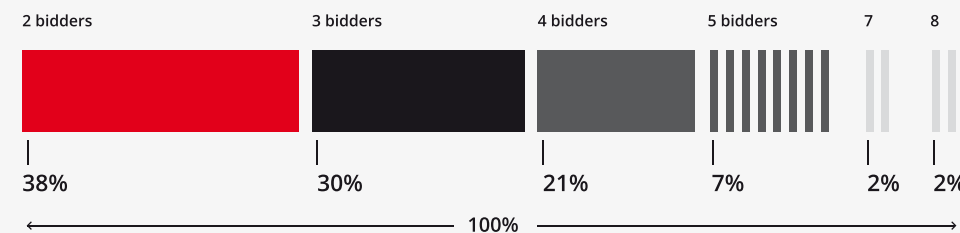


In other oblasts the following figures are observed:



## 120 tenders analyzed 38% tenders with only 2 bidders

Analysis of tender procedures by the number of bidders:

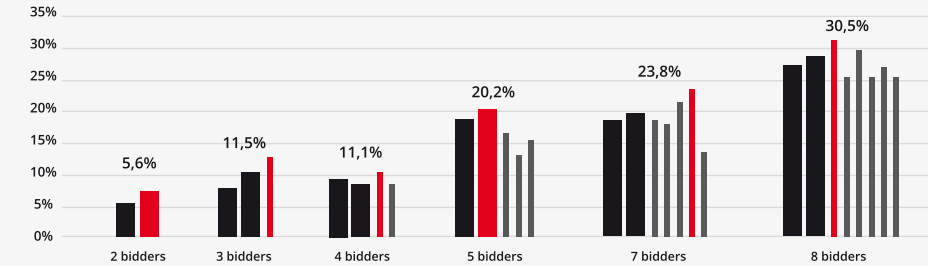


Procurement Efficiency

17 oblasts analyzed

Number of bidders affects final procurement cost. The more bidders, the lower the cost.

% of difference between anticipated cost and the lowest bid price depending on the number of bidders:



Causes of bid rejection

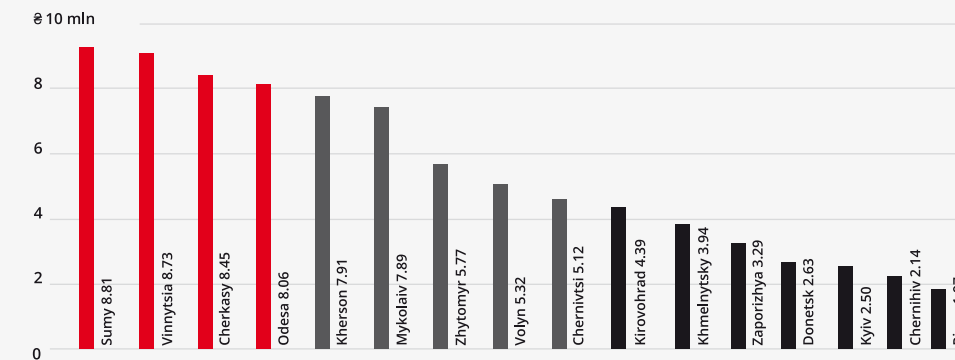
120 analyzed tender procedures

52 (43%) tenders were carried out with rejection of bids = **72 bids rejected**

TOP 3 CAUSES OF BID REJECTIONS:

- 23 rejections** – estimates fail to meet the requirements of regulatory documents requiring detailed estimates and justification of every expense item.
- 16 rejections** – submitted documents fail to meet customer requirements (Article of Procurement Law – Bidder Eligibility Criteria).
- 15 rejections** – failure to submit documents under Article "Bidder Eligibility Criteria" of the Procurement Law.

1 km of road repair cost broken down by oblasts



## Conclusions

- Lack of competition on the road repair market
- Sections identified for intermediate routine repair lack proof of safety margin. Inefficient use of public funds
- Unsubstantiated distribution of funds for road repairs in oblasts
- Lack of proper quality control
- The mismatch between the road repair type and requirements of the road evenness and hardness
- Delayed work performance