



STATE PROCUREMENT AGENCY

ANNUAL REPORT 2024

Tbilisi

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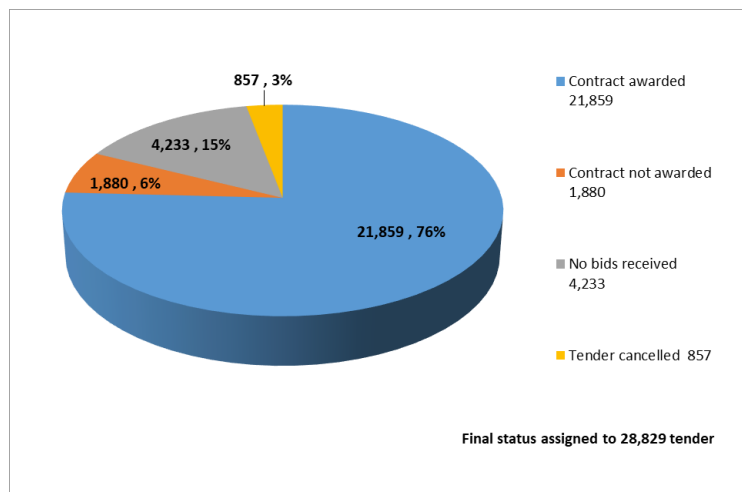
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## INTRODUCTION

The State Procurement Agency is regularly carrying out activities in order to improve legal framework, to introduce new procedures and instruments that ensure compliance with EU procurement rules and regulations, as well as to modernize the Electronic System (Ge-GP). Furthermore, the Agency is permanently carrying out monitoring and analysis of procurements made through tenders, as well as through simplified and centralized procurements.

In 2024, like in previous years, a number of important infrastructural projects were implemented by the state aimed at rehabilitation of schools and kindergartens throughout the country. As a result of the above-mentioned, modern and safe learning environment has been created and infrastructure has been improved. In addition, new public vehicles were procured which will significantly reduce air pollution and increase the mobility of citizens. Furthermore, main and local road infrastructure was upgraded and new road junctions were constructed that will significantly improve the safety and efficiency of movement. Such large-scale projects are aimed not only at improving infrastructure, but also at ensuring economic growth and sustainable development of the country. This, in turn, will contribute to improving the investment environment and raising the quality of life. All the above-mentioned was achieved through successful public procurements.

Over 30,000 open e-tenders were announced within 2024 out of which 28,829 public procurement tenders were assigned final statuses. It should be noted that the increased percentage of contracts awarded as a result of electronic tenders is reflected in the reduced rate of tenders for which contracts were not awarded.



The total value of public procurement contracts awarded through the Unified Electronic System of Public Procurement (*eProcurement* System) amounted to 8.1 billion GEL in 2024. Among them, the total value of public procurement contracts awarded through e-tenders and consolidated tenders accounted for up to 7 billion GEL that constitutes 85.5% of the total volume of public procurements.

The data contained in the 2024 annual report of the State Procurement Agency, in particular, the total value of contracts awarded in 2024 through the Unified Electronic System of Public Procurement (8.1 billion GEL) does not include procurements with the donor funds (DEP tenders), tenders announced under special procedures (GEO tenders) and grant competitions (GRA competitions).



Total value of public procurement contracts awarded through simplified procurements amounted to 1,182,743,811 GEL (constituting 14.5% of the total value of public procurements).

In 2024, through centralized (consolidated) procurement, winners were identified in 305 open tenders for 31 different types of procurement objects whose net initial estimated value amounted to 626,757,764 GEL, whereas the final value accounted for 610,373,220 GEL; respectively, savings through centralized procurements alone outnumbered 16 billion GEL.

3,243 new suppliers were registered within the *eProcurement* System only in 2024 and the total number of suppliers registered within the System accounted for 59,475. Out of the suppliers registered within the System, 2,623 suppliers are non-resident business entities from 77 countries of different continents. Moreover, 61 new contracting authorities were registered within the *eProcurement* System in 2024 and their total number accounted for 4,751 by the end of the year.

It should be noted that the Training Center of the State Procurement Agency implemented various activities and cycles of trainings in 2024 which were carried out under several updated and different programs as a result of which public servants employed in the public sector were retrained. The number of trained and certified trainees in 2024 amounted to 273, whereas the total number of the trainees trained in 2014-2024 accounted for 7,292.

Furthermore, in 2024 the SPA prepared and issued, under established procedures, a number of important legal acts. Quarter and annual plans and reports on the implementation of international commitments were drafted. Moreover, the State Procurement Agency was intensively cooperating with international organizations.

In general, the efficiency and transparency of the entire eco-system of public procurements significantly ensures the implementation of public projects in a fast and quality manner excluding all possible corruption risks that positively affects the economic development of the country and the well-being of citizens.

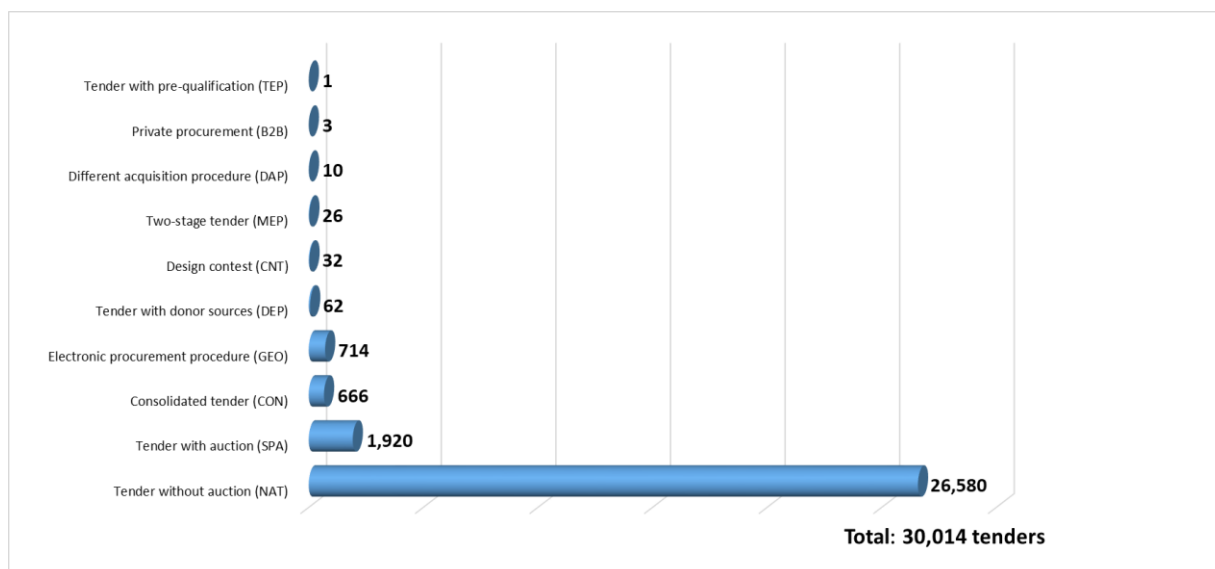
# 1. KEY DATA INDICATORS OF PUBLIC PROCUREMENT

## 1.1 Quantity and Types of Announced Tenders

Throughout 2024, the 30,014 open electronic tenders were announced in the Unified Electronic System of Public Procurement (hereinafter – *eProcurement* System).

Out of these tenders, approximately 88.6% belonged to NAT tenders, 6.4% - to SPA tenders and 5% - to all the rest electronic procurement procedures. The number of the tenders announced in 2024 is 6.43% less as compared to the data of 2023<sup>1</sup>.

*Diagram N1: Number of electronic procurement procedures announced in 2024 according to tender types*



Under the data of 2024, the most tenders were announced again in November/December that was entailed by the need of timely performance of procurements necessary for the following year.

<sup>1</sup> In 2023, 32,076 tender procedures were announced in the *eProcurement* System.

Diagram N2: Distribution of tenders announced in 2024 according to months

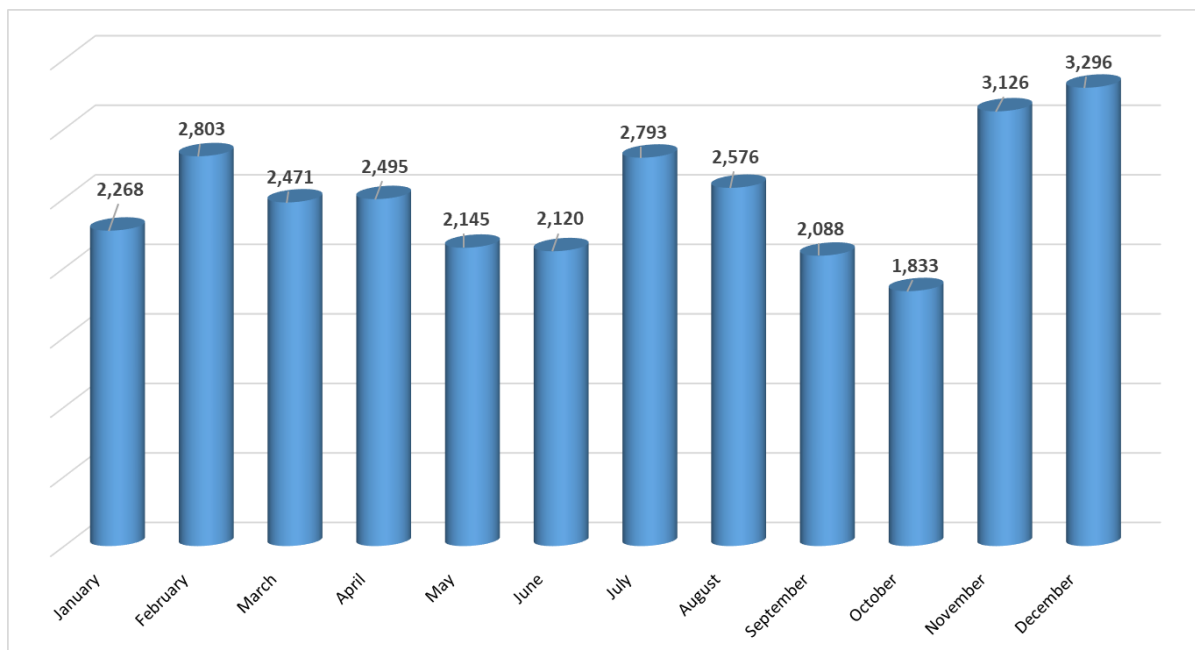
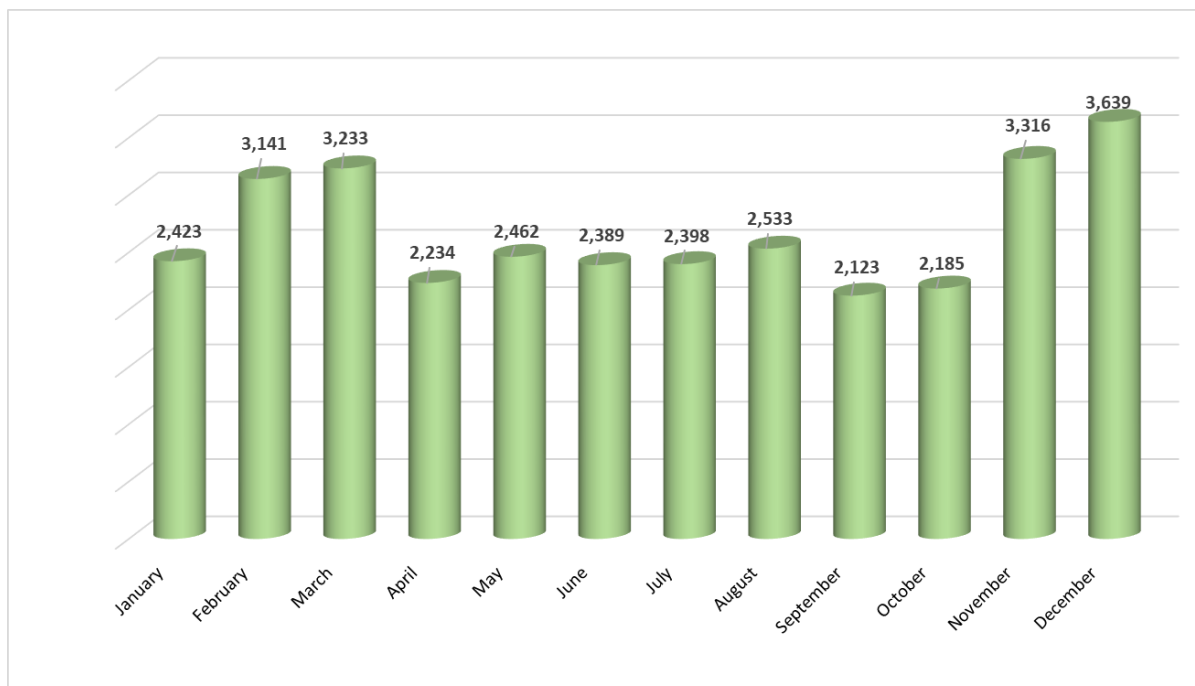


Diagram N3: Distribution of tenders announced in 2023 according to months

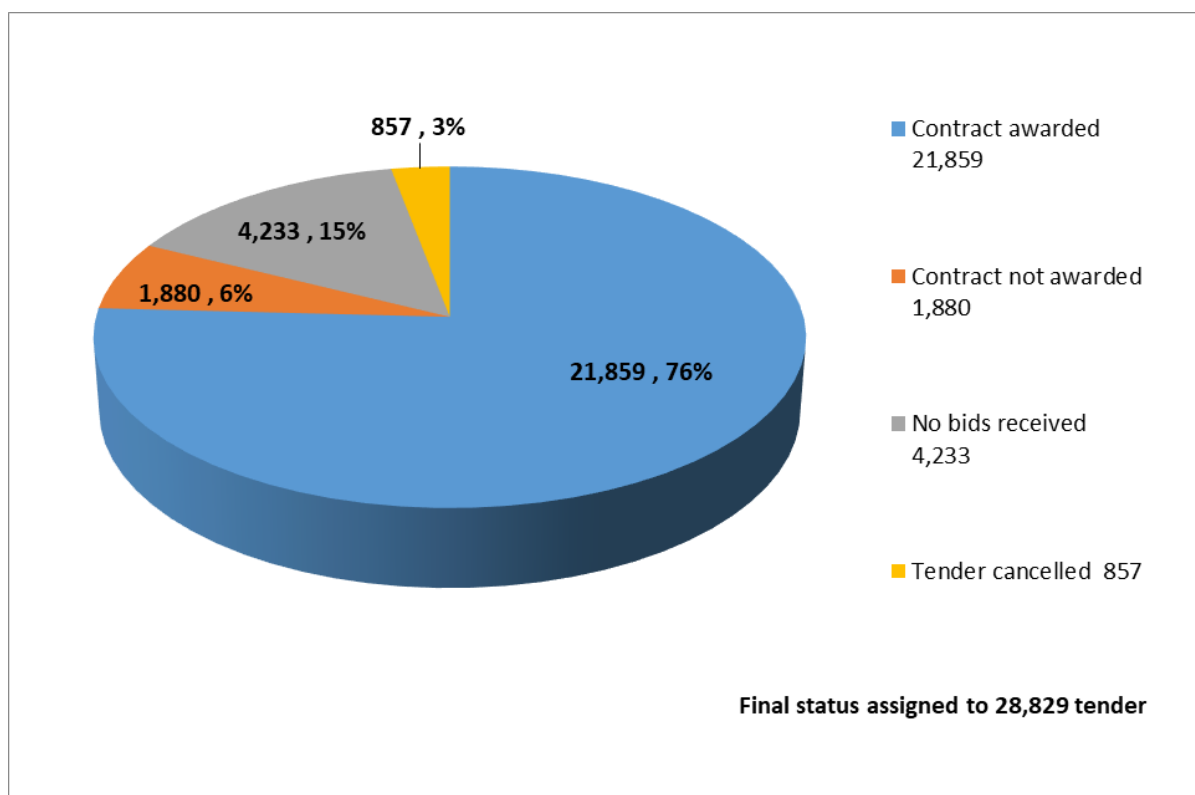


## 1.2 Value of Public Procurement Contracts and Tender Statuses

In 2024, 28,829 tenders were assigned final statuses<sup>2</sup>. It is noteworthy that the percentage value of awarded contracts has increased. The number of contracts awarded in 2024 amounted to 21,859 (76%) as compared to 22,953 (74%) in 2023, whereas 24% of tenders (6,970 tenders) were failed, terminated or contracts were not awarded for them.

Detailed quantity of final statuses of completed tenders is shown in Diagram N4 below.

Diagram N4: Final statuses assigned to tenders in 2024<sup>3</sup>

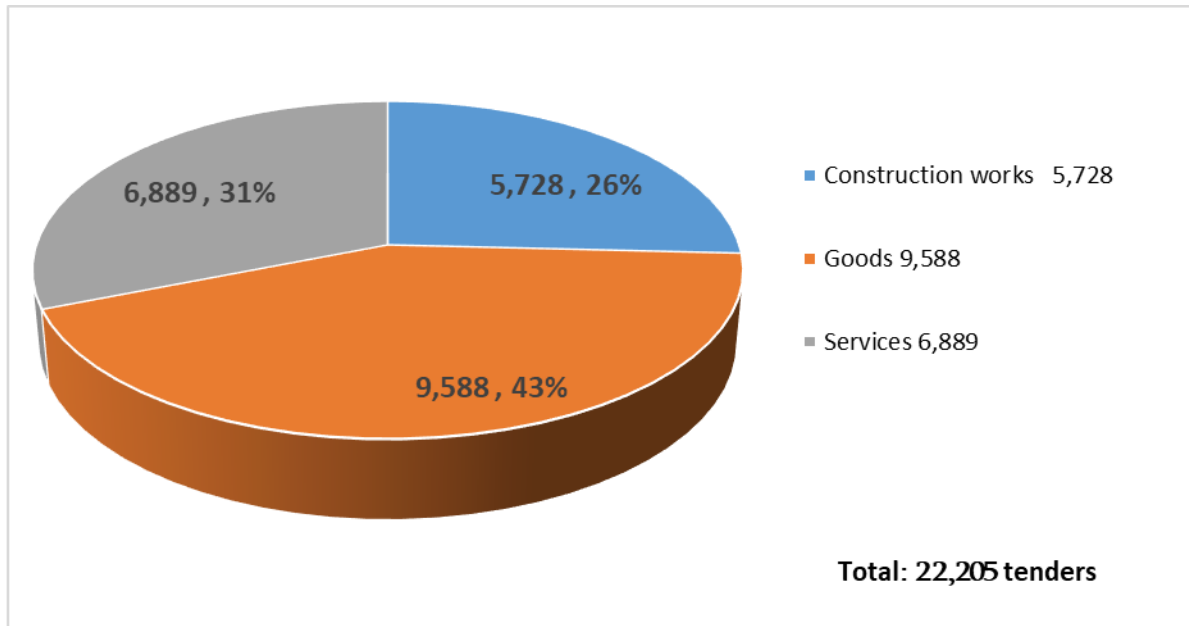


Within 2024, the most number of contracts were awarded for the tenders announced for the procurement of 9,588 miscellaneous goods (43%). 6,889 (31%) contracts were awarded for the procurement of services, whereas the number of contracts awarded for the performance of construction works accounted for 5,728 (26%). Distribution of contracts awarded through tenders according to procurement categories is shown in Diagram N5.

<sup>2</sup> The difference between the number of announced tenders and the number of tenders assigned final statuses is entailed by the fact that the announced tenders include only those tenders that were announced throughout 2024, whereas the tenders to which final statuses were assigned in 2024 include both – the tenders announced in 2024 as well as those announced in previous years.

<sup>3</sup> The data do not cover GEO, DEP, CON, GRA and B2B tenders.

Diagram N5: Distribution of contracts awarded in 2024 according to the objects of procurement

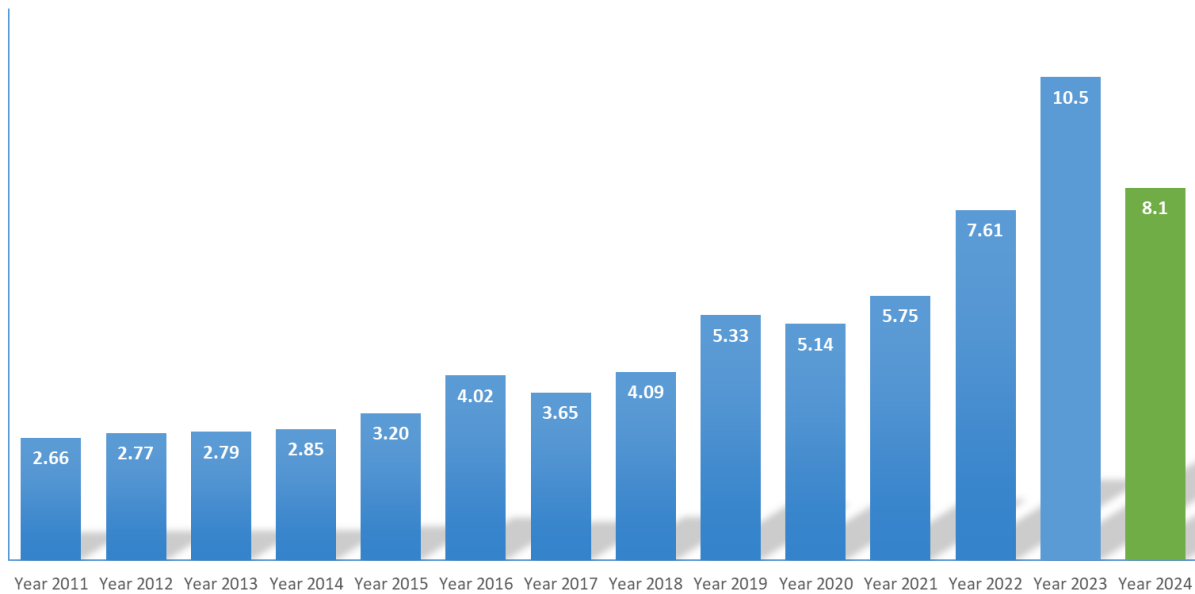


In 2024, the total value of public procurement contracts estimated 8,142,040,776 GEL that is about 9% of the country's Gross Domestic Product (GDP) <sup>4</sup>. Of these, the value of public procurement contracts awarded through electronic tenders and consolidated tenders amounted to 7 billion GEL that constitutes 85.5% of the total volume of public procurements.

<sup>4</sup> As per the preliminary data of National Statistics Office of Georgia, GDP for 2024 amounts to 91 891.8 billion GEL. Source: <https://www.geostat.ge/ka/modules/categories/23/mtliani-shida-produkti-mshp>



*Diagram N6: Total values of public procurement contracts according to years  
(billion GEL)*



Net value of the public procurement contracts awarded on the basis of simplified procurements made 1,182,743,811 GEL (14.5%). Of these, agricultural subsidies accounted for 100,000,000 GEL in 2024 (8% of simplified procurements), procurements carried out by adherence to the monetary thresholds amounted to the total of 162,662,592 GEL (14%), whereas the proportion of all the other types of conventional simplified procurements made 920,081,219 GEL (78%).

Diagrams N7, N8 and N9 give detailed information about the distribution of the values of public procurement contracts according to their grounds.

Diagram N7: Value of public procurement contracts in 2024

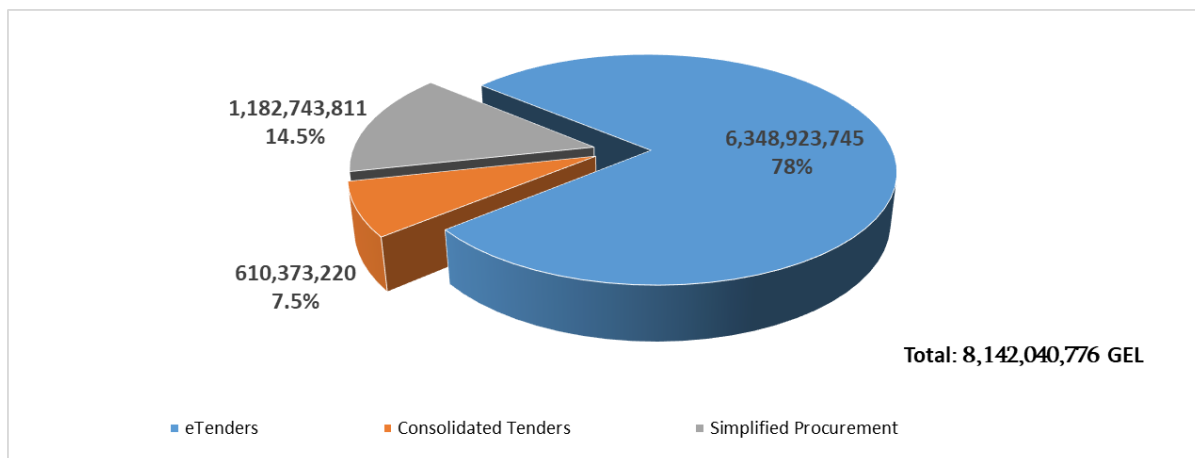
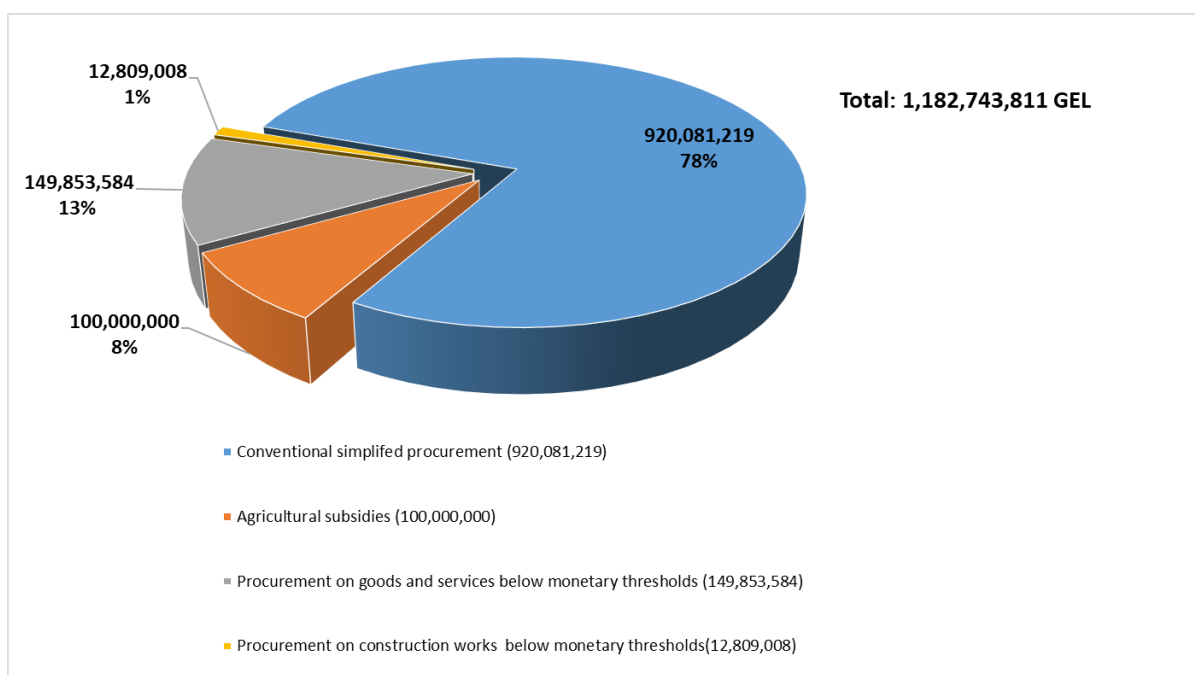
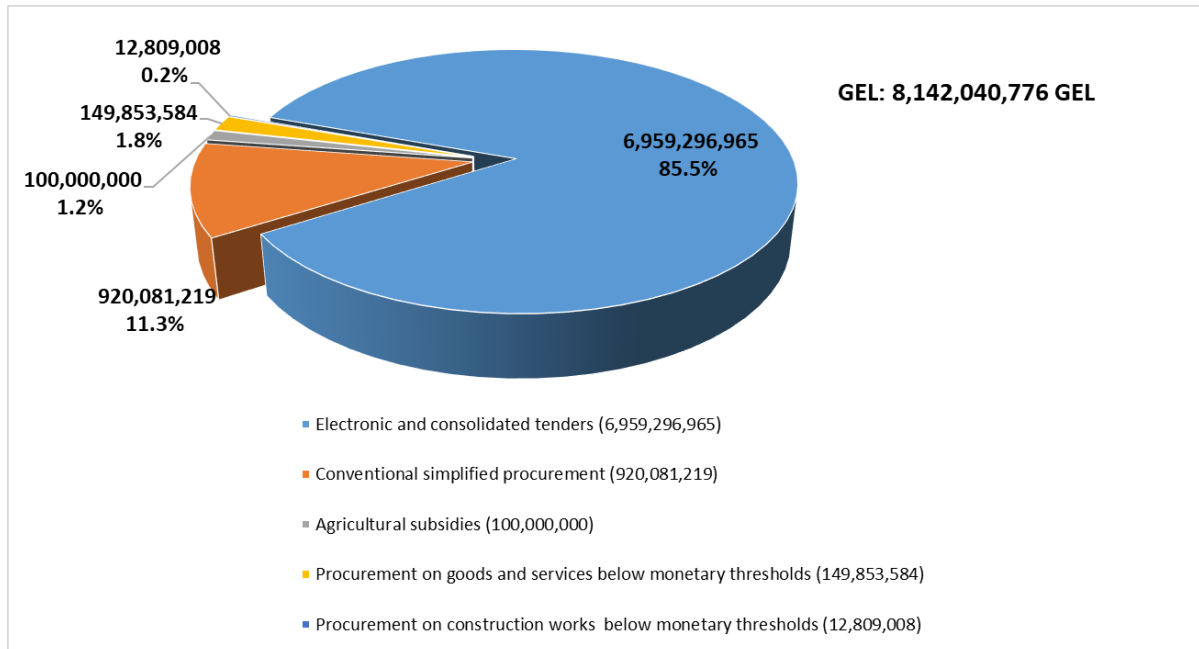


Diagram N8: Value of simplified procurement contracts in 2024



*Diagram N9: Volumes of simplified procurements, subsidies, e-tenders and consolidated tenders in 2024*



Net contract values of the tenders with the values between 10,000 and 20,000 GEL decreased in 2024, whereas net contract values of the tenders with the values between 20,000 and 40,000 GEL increased as compared to 2023. Moreover, distribution of the quantities of the tenders with the values between 10,000 and 30,000 GEL decreased as well. Aforementioned changes were conditioned by increased monetary thresholds for goods/services and construction works.

Above-mentioned data is given in details in Tables N1 and N2.

*Table N1: Net contract value of tenders carried out in 2023 and 2024 in monetary terms<sup>5</sup>*

Contract value	2024 yr.		2023 yr.
10,000 and less	25,606,857	↓	32,591,006
10,001 - 20,000	50,421,874	↓	54,895,742
20,001 - 30,000	54,794,442	↑	54,522,536
30,001 - 40,000	50,869,715	↑	49,789,162
40,001 - 50,000	49,218,885	↓	52,037,126
50,001 - 100,000	210,945,201	↑	202,345,480
100,001 - 200,000	337,146,680	↑	309,013,089
200,001 and more	5,569,920,191	↓	7,466,678,565
<b>Total:</b>	<b>6,348,923,845</b>	<b>↑</b>	<b>8,221,872,706</b>

*Table N2: Quantity of tenders carried out in 2023 and 2024 in terms of contract value<sup>6</sup>*

Contract value	2024 yr.		2023 yr.
10,000 and less	4,969	↓	6,185
10,001 - 20,000	3,381	↓	3,685
20,001 - 30,000	2,173	↓	2,177
30,001 - 40,000	1,437	↑	1,409
40,001 - 50,000	1,082	↓	1,146
50,001 - 100,000	2,904	↑	2,787
100,001 - 200,000	2,316	↑	2,125
200,001 and more	3,597	↑	3,439
<b>Total:</b>	<b>21,859</b>	<b>↓</b>	<b>22,953</b>

Tables N3 and N4 below give the calculation of net contract values of the organizations with the largest volumes of procurement as well as net values of those most large-scale contracts that were awarded for specific CPV categories.

In the light of net contract values awarded through tenders, Roads Department of Georgia of the Ministry of Regional Development and Infrastructure of Georgia occupies the first position with

<sup>5</sup> The data do not cover GEO, DEP, CON, GRA and B2B tenders.

<sup>6</sup> The data do not cover GEO, DEP, CON, GRA and B2B tenders.

121 awarded tenders contract value of which outnumbered 991 million GEL. As for the second and third positions, LTD United Water Supply Company of Georgia of the Ministry of Regional Development and Infrastructure of Georgia with 403,277,874 GEL (107 awarded contracts) and Tbilisi City Hall with 208,121,574 GEL (107 awarded contracts) hold these positions respectively.

*Table N4: Top 10 contracting authorities according to net contract value of tenders in 2024<sup>7</sup>*

N	Contracting authorities	Number of tenders (contract awarded)	Total contracted value
1	Ministry of Regional Development and Infrastructure of Georgia, Department of Roads of Georgia	121	991,379,185
2	The Joint Water Supply Company of Georgia	107	403,277,874
3	Tbilisi City Hall	219	280,121,574
4	N (N) LP Municipal Infrastructure and Improvement Division	112	202,280,278
5	Municipal Development Fund Of Georgia	44	159,597,340
6	Ministry of Defence of Georgia	154	157,113,666
7	The Ministry of Internal Affairs of Georgia	530	145,447,993
8	Tbilisi Transport Company	197	129,281,836
9	Educational and Scientific Infrastructure Development Agency	53	113,574,223
10	LEPL National Health Agency	68	106,899,950
	<b>Total</b>		<b>2,688,973,919</b>

<sup>7</sup> The data in the table cover electronic tenders (among them procurements with pricelist) and do not cover GEO, DEP, CON, GRA and B2B tenders.



In the light of procurement categories, the largest number of contracts were awarded for CPV45200000 – “Works for Complete or Part Construction and Civil Engineering Works”. The quantity of aforementioned contracts amounted to 4,080, whereas their net contract value estimated 3,731,052,526 GEL (See Table N4).

*Table N4: Top 10 CPV categories according to net contract value of tenders in 2024<sup>8</sup>*

N	CPV Code	Number of tenders	Total contracted value
1	45200000 - Works for complete or part construction and civil engineering work	4,080	3,731,052,526
2	45400000 - Building completion work	660	268,824,270
3	45100000 - Site preparation work	388	203,898,237
4	50100000 - Repair, maintainance and associated services of vehicles and related equipment	925	150,917,279
5	34100000 - Motor vehicles	195	140,684,053
6	33600000 - Pharmaceutical products	597	135,913,979
7	45300000 - Building installation work	485	133,655,845
8	66500000 - Insurance and pension services	121	116,159,324
9	71300000 - Engineering services	1062	62,383,860
10	90900000 - Cleaning and saintation services	236	62,366,481

<sup>8</sup> The data in the table cover electronic tenders (among them procurements with pricelist) and do not cover GEO, DEP, CON, GRA and B2B tenders.

### 1.3 Savings and Quantity of Bidders in Tenders

Since the introduction of the Unified Electronic System of Public Procurement through 2024, the difference between estimated and contractual values exceeded 4,6 billion GEL as a result of using electronic procedures (See Table N5).

*Table N5: Savings in tenders completed in 2010- 2024*

Year	Total Savings in GEL
2010-2011	191,478,127
2012	155,610,107
2013	231,053,588
2014	241,132,563
2015	299,704,216
2016	278,435,040
2017	258,395,794
2018	285,736,820
2019	354,097,061
2020	416,575,867
2021	604,987,814
2022	423,761,645
2023	451,239,315
2024	472,051,759
<b>Total</b>	<b>4,664,259,716</b>

Compared to the previous year, the percentage of total savings increased by 1.8 percentage point. Contracts worth of 5,338,345,533 GEL were awarded for procurement of various goods, services and works, whereas the difference between estimated and contractual values accounted for 472,051,759 GEL<sup>9</sup> (8.1%). Permanent increase of this indicator underlines the efficiency and profitability of current public procurement ecosystem.

The largest percentage of economy was observed in the procurement of goods, whereas in monetary terms, the largest economy was made in the case of construction works (See Table N6).

Net contract value of goods alone exceeds 1 billion GEL. Contracts worth of up to 764 billion GEL were awarded in the field of services, whereas similar indicators in the case of construction works outnumbered 3.5 billion GEL.

<sup>9</sup> With a view to calculating savings indexes, the data do not cover GEO, DEP, B2B, CON, GRA tenders and tenders with a pricelist.

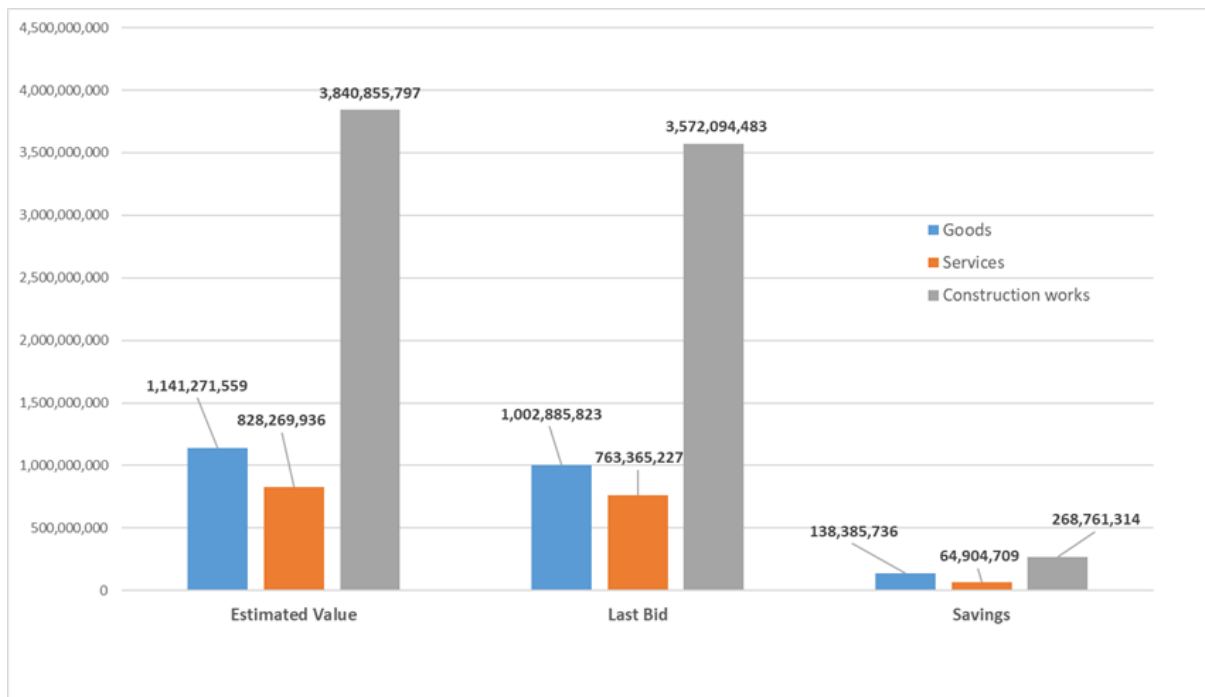


Table N6: Savings in tenders completed in 2024

Procurement Category	Estimated Value	Last Bid	Savings	%
Goods	1,141,271,559	1,002,885,823	138,385,736	12.1%
Services	828,269,936	763,365,227	64,904,709	7.8%
Construction works	3,840,855,797	3,572,094,483	268,761,314	7.0%
Total	5,810,397,292	5,338,345,533	472,051,759	8.1%

Diagram N10 outlines the volumes of savings in the light of different procurement categories.

Diagram N10: Savings in tenders completed in 2024







Tables below depict the data on savings made as a result of tenders according to contracting authorities and CPV categories (Tables N7 and N8). The tables include information about Top 10 contracting authorities whose tenders recorded the highest number of savings as well as the data about Top 10 CPV categories in which the most economy was made as a result of tenders.

*Table N7: Top 10 contracting authorities according to savings in 2024<sup>10</sup>*

N	Contracting authorities	Estimated value of tenders	Last Bid	Savings	%
1	Tbilisi City Hall	316,983,956	278,346,574	38,637,382	12%
2	LTD "The Joint Water Supply Company of Georgia"	394,597,947	358,623,898	35,974,049	9%
3	Ministry of Regional Development and Infrastructure of Georgia, Department of Roads of Georgia	436,060,219	404,028,185	32,032,034	7%
4	Municipal Infrastructure and Improvement Division	220,733,313	201,617,289	19,116,024	9%
5	The Ministry of Internal Affairs of Georgia	155,548,122	137,191,546	18,356,576	12%
6	National Health Agency	117,747,324	106,875,950	10,871,374	9%
7	Educational and Scientific Infrastructure Development Agency	119,000,518	108,404,223	10,596,295	9%
8	Non-profit "The Service Agency of the Ministry of Internal Affairs of Georgia"	43,571,507	35,657,604	7,913,903	18%
9	Tbilisi Samgori District Gamgeoba	41,224,760	33,811,245	7,413,515	18%
10	The Ministry of Education, Culture and Sport of Adjara Autonomous Republic	44,456,577	38,676,630	5,779,947	13%
Total:				186,691,099	

<sup>10</sup> The table includes only those Top 10 procurement categories for which at least 50 electronic tenders were announced within the reporting year. The data in the table include electronic tenders (do not include procurements with a pricelist) and do not include GEO, DEP, CON, GRA and B2B tenders.

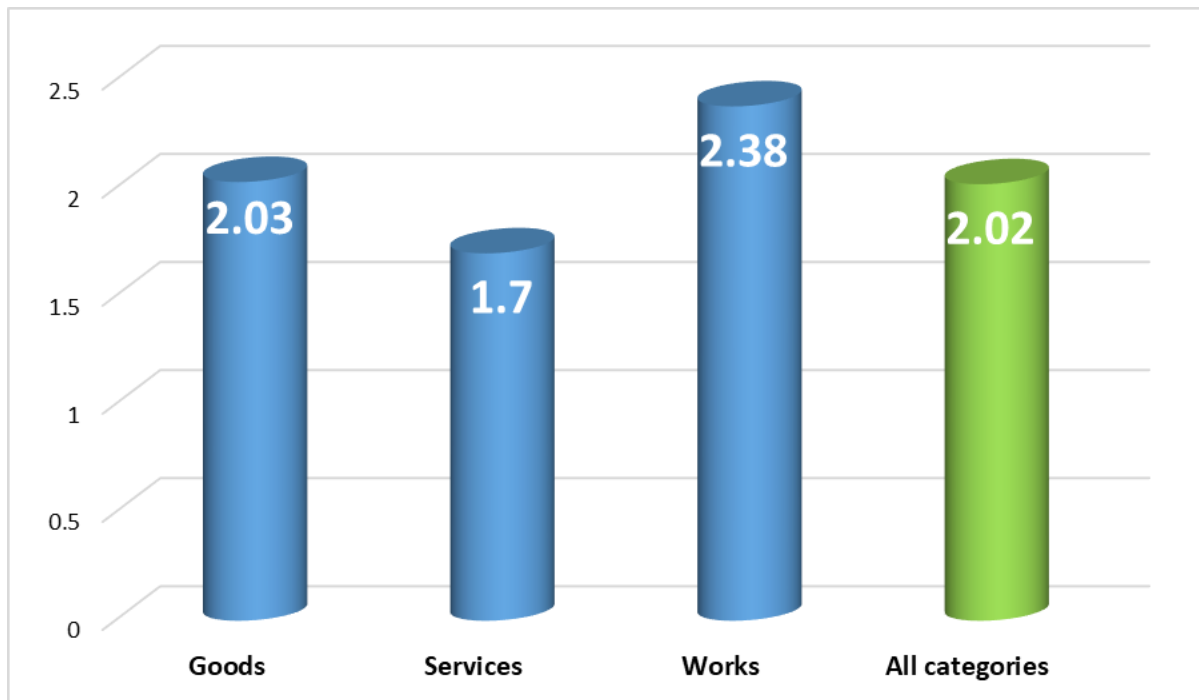
Table N8: Top 10 CPV categories according to savings in 2024<sup>11</sup>

N	CPV code	Estimated value of tenders	Last Bid	Savings	%
1	45200000 - Works for complete or part construction and civil engineering work	316,983,956	278,346,574	38,637,382	12%
2	45100000 - Site preparation work	394,597,947	358,623,898	35,974,049	9%
3	71300000 - Engineering services	436,060,219	404,028,185	32,032,034	7%
4	45400000 - Building completion work	267,330,980	245,377,123	21,953,857	8%
5	34100000 - Motor vehicles	155,548,122	137,191,546	18,356,576	12%
6	33600000 - Pharmaceutical products	117,747,324	106,875,950	10,871,374	9%
7	71200000 - Architectural and related services	119,000,518	108,404,223	10,596,295	9%
8	33100000 - Medical equipments	43,571,507	35,657,604	7,913,903	18%
9	45300000 - Building installation work	41,224,760	33,811,245	7,413,515	18%
10	66500000 - Insurance and pension services	44,456,577	38,676,630	5,779,947	13%
Total:				189,528,932	

<sup>11</sup> The table includes only those Top 10 procurement categories for which at least 50 electronic tenders were announced within the reporting year. The data in the table include electronic tenders (do not include procurements with a pricelist) and do not include GEO, DEP, CON, GRA and B2B tenders.

Average number of bidders increased slightly (2.02) as compared to the previous year. Moreover, average number of bidders has also increased for construction works - 2.38; average number of bidders amounted to 2.03 in the tenders announced for the CPV categories of goods and 1.7 – in the tenders announced for the CPV categories of services.

*Diagram N11: Average number of bidders according to procurement objects in 2024<sup>12</sup>*



As compared to the previous year, average participation has increased in NAT tenders. Average participation in NAT tenders has increased from 1.98 to 2.05; whereas average participation in SPA tenders amounted to 1.60.

<sup>12</sup> Average number of bidders is calculated in those tenders completed in 2024 in which public procurement contracts were awarded. The data do not cover GEO, DEP, GRA, CON and B2B tenders.

Diagram N12: Average number of bidders according to the types of tenders in 2023

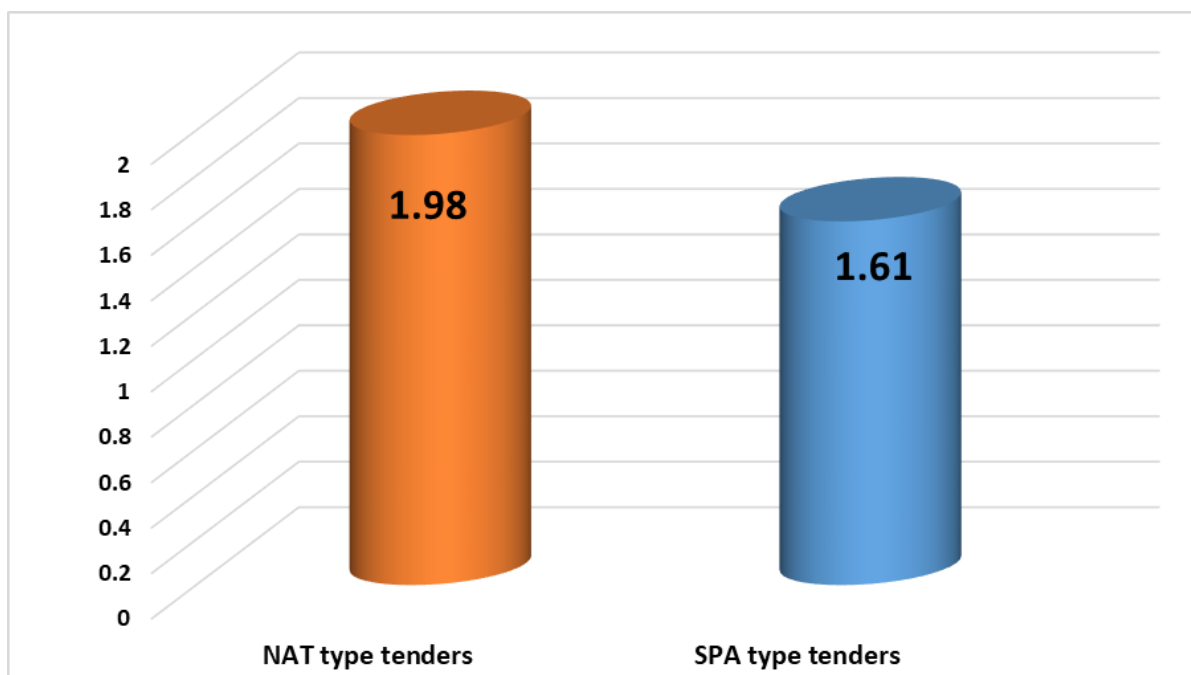
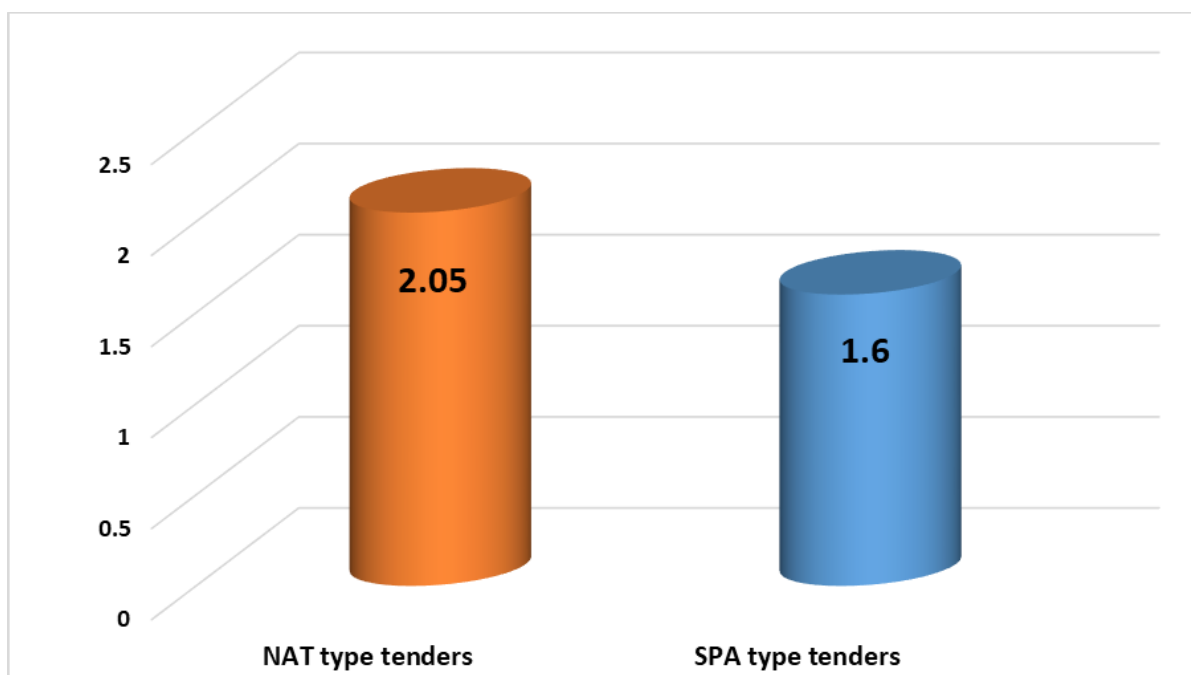


Diagram N13: Average number of bidders according to the types of tenders in 2024





Along with the aforementioned statistical data, following tables (N8 and N9) include information about average number of bidders for separate CPV categories as well as according to the tenders announced by contracting authorities.

In the reporting period, the highest index of average number of bidders, that is 3.54, was recorded in the tenders announced for CPV 18200000 – “Outerwear”, whereas the highest index of average number of bidders according to contracting authorities was recorded in the tenders announced by Non-entrepreneurial Non-commercial Legal Entity Khelvachauri Municipality Inspection, Infrastructure and Amenities Department (See Tables N9 and N10).

*Table N9: Top 10 CPV categories with the highest average number of bidders in 2024<sup>13</sup>*

N	CPV Code	Number of bidders	Number of tenders	Average number of bidders
1	18200000 - Outerwear	90	319	3.54
2	18100000 - Occupational clothing, special workwear and accessories	77	233	3.03
3	44500000 - Tools,locks,hinges,fasteners, chain and springs	64	191	2.98
4	31100000 - Electric motors, generators and transformers	68	192	2.82
5	39500000 - Textile articles	169	473	2.80
6	33700000 - Personal care products		416	2.65
7	45100000 - Site preparation works	387	1,006	2.60
8	39100000 - Furniture	243	628	2.58
9	22400000 - Stamps,cheque forms, banknotes,stock certificates, trade advertising material, catalogues and manuals	85	217	2.55
10	18400000 - Special clothing and accessories	74	184	2.49

<sup>13</sup> The table includes only those Top 10 procurement categories for which at least 50 electronic tenders were announced within the reporting year. The data in the table include electronic tenders (among them, procurements with a pricelist) and do not include GEO, DEP, CON, GRA and B2B tenders.



*Table N10: Top 10 contracting authorities with the highest average number of bidders in 2024<sup>14</sup>*

N	Contracting Authorities	Average number of bidders
1	NNLE Khelvachauri Municipal Inspection, Infrastructure and Improvement Division	4.23
2	Tbilisi Agency on the Management of Day Nursery Institutions	3.19
3	Ninotsminda municipality city hall	2.98
4	Self-governung Entity Tchiatura Municipality	2.96
5	MTSKHETA MUNICIPALITY CITY HALL	2.89
6	Gardabani Municipality	2.88
7	Ozurgeti Municipality	2.85
8	Georgia Municipal Development Fund	2.84
9	The Ministry of Education, Culture and Sport of Adjara Autonomous Republic	2.84
10	LTD "Georgian Post"	2.75

The table includes only those Top 10 procurement categories for which at least 50 electronic tenders were announced within the reporting year. The data in the table include electronic tenders (among them, procurements with a pricelist) and do not include GEO, DEP, CON, GRA and B2B tenders.

### 1.4 Users Registered within the eProcurement System and Successful Suppliers

3,243 new business entities were registered in the system in 2024 and the total number of suppliers registered within the System accounted for 59,475 by the end of the year (See Diagram N14). It is noteworthy that the number of non-resident suppliers registered within the System has increased as well. By the end of 2024, 118 new non-resident suppliers registered in the system and currently the total of 2,623 non-resident suppliers are registered within the System representing 77 countries that are actively participating in announced tenders.

Furthermore, 61 new contracting authorities were added to the system and their total number accounted for 4,751 by the end of the year.

*Diagram N14: Number of suppliers registered within eProcurement System according to years*

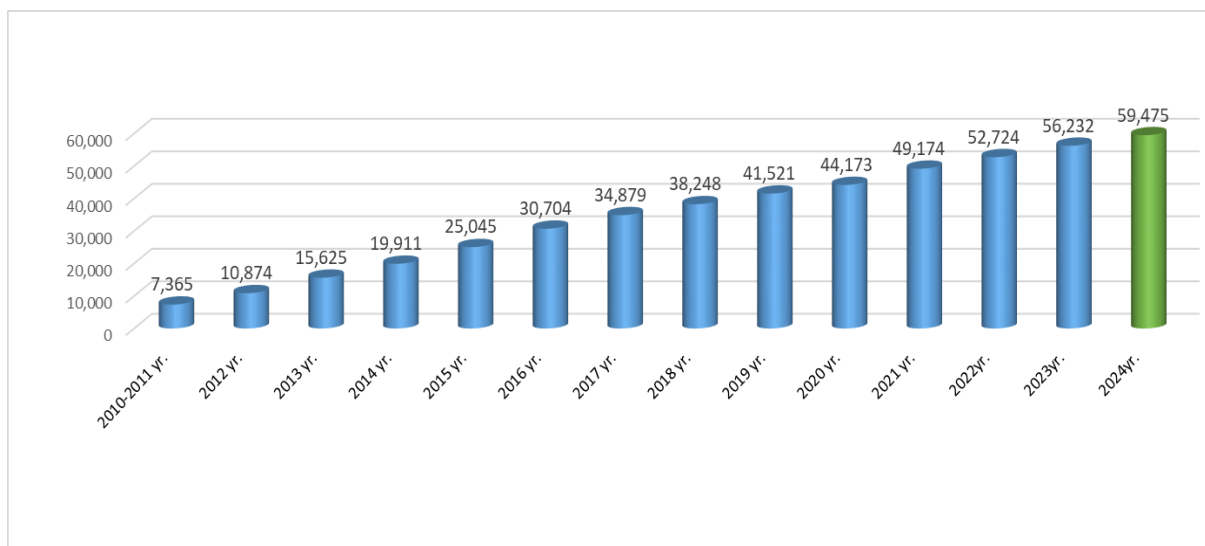
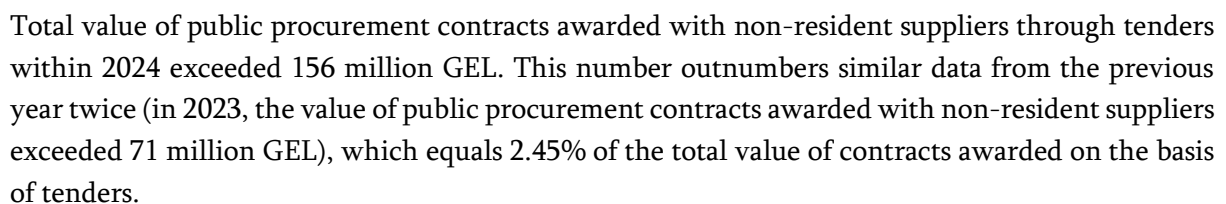


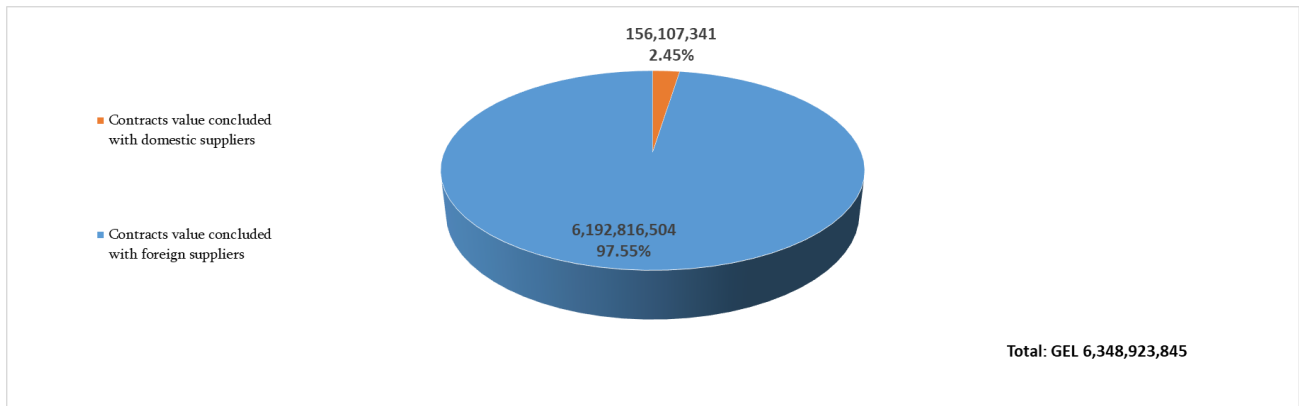
Diagram N15: Number of non-resident suppliers registered within eProcurement System according to countries







*Diagram N16: Proportion of the value of contracts awarded with non-resident suppliers on the basis of tenders in 2024*



The table below shows the distribution of contracts awarded with non-resident suppliers on the basis of tenders in 2024 according to countries. Out of 156,107,341 GEL of contracts awarded with non-resident companies, the contracts with the largest values – that is 34,178,175 GEL and 28,874,157 GEL were awarded with the companies registered in France and Turkey respectively, followed by Swiss companies with the contracts worth of over 24,717 million GEL and Hungarian companies with the contracts worth of over 20,026 million GEL (See table N11).



*Table N11: Value of contracts awarded with non-resident suppliers on the basis of tenders according to countries in 2024*

N	Country	Total Value of Awarded Contracts
1	France	34,178,175
2	Turkey	28,874,157
3	Switzerland	24,717,257
4	Hungary	20,026,043
5	Germany	11,291,494
6	USA	9,164,576
7	Spain	6,202,493
8	Bulgaria	5,708,537
9	Denmark	3,967,643
10	Italy	3,735,152
11	Lithuania	426,680
12	Netherlands	2,641,897
13	Great Britain	1,280,162
14	Finland	1,273,953
15	Kazakhstan	1,030,050
16	Norway	1,012,809
17	Belgium	337,655
18	Ukraine	238,608
Total		156,107,341



*Table N12: Top 10 contracts awarded with non-resident suppliers on the basis of tenders according to their values in 2024*

N	Tender number	Contracting authorities	Country	Supplier	CPV	Contract value
1	NAT240013816	Ministry of Regional Development and Infrastructure of Georgia, Department of Roads of Georgian	Turkey	otokar otomotiv ve savunma sanayi anonim sirketi	34100000 - Motor Vehicles	19,850,880
2	NAT240000862	Non-profit "The Service Agency of the Ministry of Internal Affairs of Georgia"	Hungary	Sanofi-Aventis Private Co. Ltd	33600000 - Pharmaceutical products	19,694,173
3	NAT240000788	"SAKAERONAVIGATSIA" Ltd.	Switzerland	F.Hoffmann-La Roche Ltd	33600000 - Pharmaceutical products	17,609,009
4	NAT240007664	LEPL National Health Agency	France	EGIS International	71500000 - Construction-related services	14,175,000
5	NAT240003831	LEPL National Health Agency	France	Sanofi Pasteur	33600000 - Pharmaceutical products	12,270,300
6	NAT240003280	Non-profit "The Service Agency of the Ministry of Internal Affairs of Georgia"	Germany	Broadcast Solutions GmbH	32300000 - Television and radio receivers, and sound or video recording or reproducing apparatus	10,969,999
7	NAT230021830	LEPL National Health Agency	USA	Indra Air Traffic Inc.	34900000 - Miscellaneous transport equipment and spare parts	7,388,391
8	NAT240003832	LEPL "State Military Scientific Technihal Centre "Delta"	France	Sanofi Pasteur	33600000 - Pharmaceutical products	6,857,200
9	NAT240017072	LEPL National Health Agency	Spain	INDRA SISTEMAS S.A.	38100000 - Navigational and meteorological instruments	6,202,493
10	SPA240000047	LEPL National Health Agency	Bulgaria	Stroyproject Ltd	24600000 - Explosives	5,708,537
Total						120,725,982

The value of Top 10 most large-scale procurement contracts awarded with non-resident suppliers on the basis of tenders in 2024 outnumbered 120 million GEL. The largest contract was awarded in the tender announced by Rustavi Municipality (worth of 19,850,880 GEL), for the procurement category "CPV 34100000 – Motor Vehicles" (See Table N12).

### 1.5 Procurements with the Donor Funds – DEP Tenders

Within 2024, tenders were announced in the *eProcurement* System and contracts were awarded for 41 DEP tenders (Procurements with the Donor Funds) that were funded by various international financial institutions and with donor grants. Total estimated value of aforementioned tenders accounted for over 448 million GEL. The tables below depict the distribution of the value and number of contracts according to donors and contracting authorities.

*Table N13: Distribution of net contract value of DEP tenders according to donors in 2024*

Donor	Number of DEP tenders	Value of contracts
World Bank	36	420,300,153
Council of Europe Development Bank	1	4,696,243
Asian Development Bank	1	4,914,720
Nordic Environment Finance Corporation	3	18,785,766
<b>Total</b>	<b>41</b>	<b>448,696,882</b>

*Table N14: Distribution of net contract value of DEP tenders according to contracting authorities in 2024*

Contracting authorities	Number of DEP tenders	Value of contracts
Municipal Development Fund Of Georgia	31	165,736,708.00
Open Net	4	66,347,448.00
Ministry of Environment and Agriculture of Georgia	3	3,417,600.00
National Agency of Public Registry	2	646,736.00
Ministry of Regional Development and Infrastructure of Georgia, Department of Roads of Georgia	1	212,548,390.00
<b>Total</b>	<b>41</b>	<b>448,696,882</b>



## 2. IMPROVEMENTS TO LEGAL FRAMEWORK

Within 2024, the efforts of the State Procurement Agency were directed at improving the current legal framework, fine-tuning public procurement procedures, fulfilling international commitments undertaken by the country and ensuring effective implementation of public procurement reform.

It should be noted that as a result of consultations held between the SPA and the relevant Directorate of the European Commission, a number of important remarks and comments were revealed, as a result of the analysis of which it was considered feasible to prepare relevant legislative amendments that will also reflect procurement regulations of the so-called Utilities Sector and Defense and Security Sector. Taking into account the scale of the amendments to be implemented, it was considered expedient to define 1 January 2027 as the date for enactment of the main provisions provided for in the Law of Georgia on Public Procurement, instead of 1 January 2025.

It is noteworthy that throughout 2024, the SPA was working intensively on fine-tuning and improving subordinate normative acts provided for by the Law of Georgia on Public Procurement. These acts, in turn, shall be adopted before 1 January 2027 taking into account the requirements of relevant EU legal acts for ensuring harmonious integration of new opportunities, procedures, instruments, and innovative approaches defined by the law,

Thus, as a result of the reformation of the field of public procurement, national legislation will approximate even more the relevant EU directives and regulations in the field of public procurement, which, in turn, will ensure fulfillment of the obligations undertaken by the Association Agreement and, accordingly, legislative and institutional approximation with the EU.

In addition to the above-mentioned, it should be noted that during 2024 a number of important subordinate legal acts were prepared and issued by the SPA under established procedures, in particular:

- Under Orders No.52 and No.53 of the Chairperson of the State Procurement Agency of 26 January 2024, amendments were made to the Order No.12 of the Chairperson of the State Procurement Agency of 14 June 2017 on 'Approval of the Procedures for Conduction of Electronic Tenders' and the Order №7 of the Chairperson of the State Procurement Agency of 22 May 2015 on 'Approval of the Procedures and Terms for the Public Procurement of Design Services through Design Contest'. Implemented amendments regulated the procedures for refunding tender/design contest assurance guarantee in case of termination of tenders / design contests and it was established that where the decision of the tender/design contest commission on termination of tender/design contest is appealed, bidders shall be refunded electronic guarantee immediately after deeming the appeal ineligible/withdrawing an appeal or uploading the decision of the Council (according to which the appeal was not satisfied) into the System, if 10 days have elapsed from the termination of the tender / design contest. Moreover, the same amendments regulated the procedure for refunding electronic guarantee where the term for refunding the guarantee falls on the weekend or a non-working day, and it was defined that in such cases, bidders shall be refunded electronic



guarantee immediately after the following working day. Aforementioned amendments were enacted from 1 March 2024.

- Under Orders No.54 and No.55 of the Chairperson of the State Procurement Agency of 13 May 2024, amendments were made to the Order No.12 of the Chairperson of the State Procurement Agency of 14 June 2017 on 'Approval of the Procedures for Conduction of Electronic Tenders' and the Order No.7 of the Chairperson of the State Procurement Agency of 22 May 2015 on 'Approval of the Procedures and Terms for the Public Procurement of Design Services through Design Contest'. Implemented amendments established procedures for refunding electronic guarantee in case of appealing the decision/action of a tender/design contest commission regarding tenders that were cancelled or for which contracts were not awarded. Aforementioned amendments entered into force from 20 May 2024.
- With the purpose to contribute to the implementation of infrastructural projects as well as to ensure efficient performance of the events stipulated by the Ordinance No.647 of the Government of Georgia of 2 May 2024, the Order No.56 of the Chairperson of the State Procurement Agency of 13 May 2024 on 'Making Amendments to Order No.12 of the Chairperson of the State Procurement Agency of 14 June 2017 on 'Approval of the Procedures for Conduction of Electronic Tenders' was issued. Implemented amendments determined that electronic tenders for specific CPV codes provided for in Annex No.2 to the Order may be conducted on the basis of pricelist also in the event when public procurement is being conducted in compliance with the above-mentioned ordinance.
- Under Orders No.57 and No.58 of the Chairperson of the State Procurement Agency of 24 October 2024 amendments were made to the Order No.5 of the Chairperson of the State Procurement Agency of 21 May 2015 on 'Approval of the Procedure for the Registration of Users in the Unified Electronic System of Public Procurement and the Use of the Unified Electronic System of Public Procurement' and the Order No.13 of the Chairperson of the State Procurement Agency of 17 August 2015 on 'Defining the Criteria for Simplified Procurement and Approving the Procedures for Conducting Simplified Procurement'. Implemented amendments determined the procedures for submitting, by guest users, their opinions to SMP module and it was established that after guest users log into the system, in case of one-time verification through the mobile phone number, they shall additionally have the opportunity to submit, under established procedures, their opinions to SMP module regarding the application of the contracting authority.



### 3. CENTRALIZED PROCUREMENT

Within 2024, with a view to ensuring efficient management and disbursement of budgetary resources, the State Procurement Agency, within the powers granted by respective legislative acts of the government of Georgia, revealed winners for the procurement of miscellaneous goods and services in 305 tenders through centralized procurements (so-called consolidated tenders) (See Table N15).

*Table N15: Number of consolidated tenders announced in 2024 according to procurement objects*

N	Procurement Object	Number of announced tenders (Winners Identified)
1	Pharmaceutical products	87
2	Various types of road transport services (pupil transportation)	62
3	Tires for heavy/light-duty vehicles of different sizes	48
4	Various types of food products	37
5	Various food products intended for kindergartens in Tbilisi	14
6	Vehicle insurance services	11
7	Fuel	6
8	Medical consumables	6
9	Disposable medical gloves	4
10	Television airtime (wGRP)	4
11	A4 format printing paper	3
12	Book printing and delivery services (approved textbooks)	3
13	Fuel briquettes.	2
14	M3 category city bus and its scheduled ownership services	1
15	M2 category bus and its scheduled ownership services	1
16	M3 category vehicles and their scheduled ownership services	1
17	Operational vehicles and their scheduled ownership services	1
18	Motor oil and oil filters for vehicles	1
19	Accumulators of vehicles	1
20	Printers and cartridges	1
21	Uninterrupted power suppliers (UPS)	1
22	Personal Computers	1
23	Laptops	1
24	Laptops for the LEPL 'Educational and Scientific Infrastructure Development Agency'	1
25	School desks and chairs	1
26	Gold (gilded) and silver (silver-plated) medals and their designated boxes	1
27	Non-sterile gauze and shoe covers	1
28	Face masks	1
29	Office chair (roller)	1
30	Conference chair	1
31	Various types of office furniture	1
<b>Total</b>		<b>305</b>



In order to carry out consolidated tenders, necessary legislative and organizational measures determined by the law were implemented. Draft decrees of the government of Georgia on carrying out consolidated tenders as well as templates of contracts to be concluded within each consolidated tender were drafted and uploaded on the official web page of the State Procurement Agency.





*Table N16: Consolidated tenders announced in 2024 according to procurement objects, quantities, net initial values and savings<sup>15</sup>*

N	Procurement Object	Number of Announced Tenders (Winner identified)	Number of announced tenders in quantity	Initial Total Value (GEL)	Total value obtained from trading in an eTender (GEL)	Total savings obtained from trading in an eTender (GEL)	Estimated savings (in relation to the average market price)(GEL)
1	Printers and Cartridges	1	8,368 printers and a total cartridge page yield of 153,846,000 pages	13,401,780.00	13,401,780.00	-	9,100,048.00
2	Uninterrupted power suppliers (UPS)	1	11,827 UPS units	1,005,295.00	939,063.80	66,231.20	126,903.71
3	Desktop Computers	1	12,592 desktops	23,295,200.00	23,295,200.00	-	5,414,560.00
4	Laptops	1	4,626 laptops	8,326,800.00	8,326,800.00	-	1,336,914.00
5	Laptops for the LEPL 'Educational and Scientific Infrastructure Development Agency'	1	20,500 laptops	32,513,000.00	32,513,000.00	-	5,945,000.00
6	A4 format printing paper	3	710,000 reams of printing paper	5,662,500.00	5,654,500.00	8,000.00	1,714,673.75
7	Fuel	6	2,600,000 liters of fuel	224,147,000.00	224,147,000.00	-	66,868,958.16
8	Vehicle Insurance Services	11	For 14,860 vehicles on the balance sheets of 461 procuring organizations, with a total book value of 641,232,979.81 GEL	25,574,833.05	22,836,132.98	2,738,700.07	9,225,516.00
9	M3 category city bus and its scheduled ownership services	1	40 buses	68,494,800.00	66,791,000.00	1,703,800.00	-
10	M2 category bus and its scheduled ownership services	1	100 buses	15,944,800.00	15,944,800.00	-	-
11	M3 category bus and its scheduled ownership services	1	25 buses	16,908,450.00	16,823,750.00	84,700.00	-
12	Operational Vehicles and Planned Ownership Services	1	35 vehicles	2,152,465.00	2,066,400.00	86,065.00	-
13	Engine Oils and Oil Filters	1	384,975 liters of oil and 57,000 filters	5,089,770.53	5,089,770.53	-	2,035,908.21
14	Accumulators of vehicles	1	11680 units	2,370,606.00	2,370,606.00	-	948,242.40
15	Tires for heavy/light-duty vehicles of different sizes	48	73 992 tired	22,160,463.00	21,113,414.00	1,047,049.00	8,199,371.31
16	Various food products intended for law enforcement agencies	37	99 types of food products	27,912,582.89	26,645,559.03	1,267,023.86	19,853,836.20
17	Various food products intended for kindergartens in Tbilisi	14	56 types of food products	24,254,400.60	21,129,082.23	3,125,318.37	21,882,789.30
18	Book printing and delivery services (approved textbooks)	3	5 452 841 textbook	18,468,740.45	18,468,740.45	-	50,117,923.54
19	School desks and chairs	1	41 700 set	6,672,000.00	6,672,000.00	-	2,502,000.00
20	Gold (gilded) and silver (silver-plated) medals and their designated boxes	1	5,700 gold (gilded) medals, 1,450 silver (silver-plated) medals, 7,150 boxes	253,725.00	177,550.00	76,175.00	1,047,900.00
21	Fuel briquettes.	2	3247.2 tons	3,247,200.00	3,241,360.20	5,839.80	1,629,439.80
22	Various types of road transport services (pupil transportation)	62	School transportation in 62 municipalities	54,272,330.88	51,318,360.00	2,953,970.88	-
23	Pharmaceutical products	87	612 items, 14,241,848 units	13,510,451.72	11,877,203.75	1,633,247.98	21,099,674.40
24	Non-sterile gauze and shoe covers	1	1,398,532 shoe cover pairs, 184,803 gauze units	453,017.54	430,841.18	22,176.36	620,324.88
25	Disposable medical gloves	4	14,586,611 glove pairs	2,033,576.97	1,909,894.93	123,682.04	9,385,616.60
26	Medical consumables	6	80 items, 23,893,300 units	2,313,923.58	1,970,295.78	343,627.81	5,118,988.93
27	Face masks	1	2,886,345 Face masks	115,453.80	101,022.08	14,431.73	457,004.63
28	Television airtime (wGRP)	4	This consolidated tender is not announced for an estimated quantity; however, during 2024, the total amount of television airtime (WGRP) purchased by procuring organizations amounted to 70,113.33 WGRP, with a total value of 5,151,660.00 GEL	"This consolidated tender does not involve conducting electronic bidding. In the consolidated tender, all bidders who meet the requirements set forth in the tender documentation and indicate the unit price specified therein are declared winners."	-	-	14,880,720.00
29	Office chair (roller)	1	11175 Office chair (roller)	2,844,037.50	2,212,650.00	631,387.50	1,139,850.00
30	Conference chair	1	17578 Conference chair	993,157.00	905,442.78	87,714.22	817,201.00
31	Various types of office furniture	1	12,783 units, 13 types	2,365,403.00	1,999,999.90	365,403.10	1,942,380.00
Total		305		626,757,764	610,373,220	16,384,544	263,411,745

<sup>15</sup> Since majority of tenders incorporate goods of different title, type or specification, it is impossible to calculate precise savings in comparison with market prices. Due to this, approximate savings are calculated in relation to market prices based on average index of prices at the retail market, using various methods of statistical analysis.



Table N16 above outlines detailed information about procurements carried out through consolidated tenders in 2024. Net initial estimated value of procurements carried out through consolidated tenders amounted to 627 million GEL in 2024 (it should be noted that the value also includes multiyear public procurements within which payment is commenced in 2024), of which final value recorded in e-tendering outnumbered 610 million GEL whereas savings through e-tendering accounted for approximately 16,4 million GEL.

It is noteworthy that in frequent cases minimal prices are recorded as initial estimated prices in consolidated tenders as a result of efficient market research and consultations rendered by the Agency; due to this, saving through e-tendering is reduced. In such cases, the figures of savings through only e-tendering do not give an impartial picture in order to express efficiency of centralized procurements. Due to the foregoing, it is expedient to additionally consider retail and market prices as well in order to assess centralized procurement reform objectively.

Total savings made through consolidated tenders in 2024 in relation to retail and wholesale prices of respective objects of procurement outnumbered 263 million GEL. It should be considered that the above-mentioned sum does not include all types of savings for different objects of procurement.

Within 2024, in a specialized module for the permission of procurement of fuels and printing paper incorporated within [ctd.spa.ge](http://ctd.spa.ge) that is an electronic system for the management of consolidated tenders, contracting authorities submitted over 5,500 requests for permission to procure fuels and printing paper; the SPA addressed the requests in a timely manner and each request was assigned respective status taking into consideration elaborated regulations and directives.

Similarly to previous years, the State Procurement Agency is intensively proceeding with analytical and research activities in order to identify other additional objects of procurement whose centralized procurement would be justified considering the principle of efficient disbursement of budgetary resources or other circumstances.

## 4. SIMPLIFIED PROCUREMENT

Throughout 2024, the total of 3,623 applications were submitted to the SMP module of the Unified Electronic System of Public Procurement that is a specialized module for the permission for simplified procurements; of them, in 3,325 cases approval was granted, 34 applications were published and 7 were cancelled, whereas the number of withdrawn, rejected or unconsidered applications amounted to 257.

In 2024, out of 3,623 applications issued according to different grounds of simplified procurement determined by the law, the most approvals - that is 1,471, were granted with exclusive rights; 1,303 approvals were granted due to urgent necessity; total number of agreements concluded after the procurements on the grounds of urgent necessity that are mostly related to natural disasters and liquidation measures amounted to 514; 250 approvals were granted for conducting events without hindrance within a limited time frame, whereas 85 approvals were granted to avoid further deterioration of quality.

Diagrams below show statistics according to the grounds and statuses of simplified procurements.

*Diagram N17: Distribution of applications filed with SMP module of the System according to their grounds in 2024*

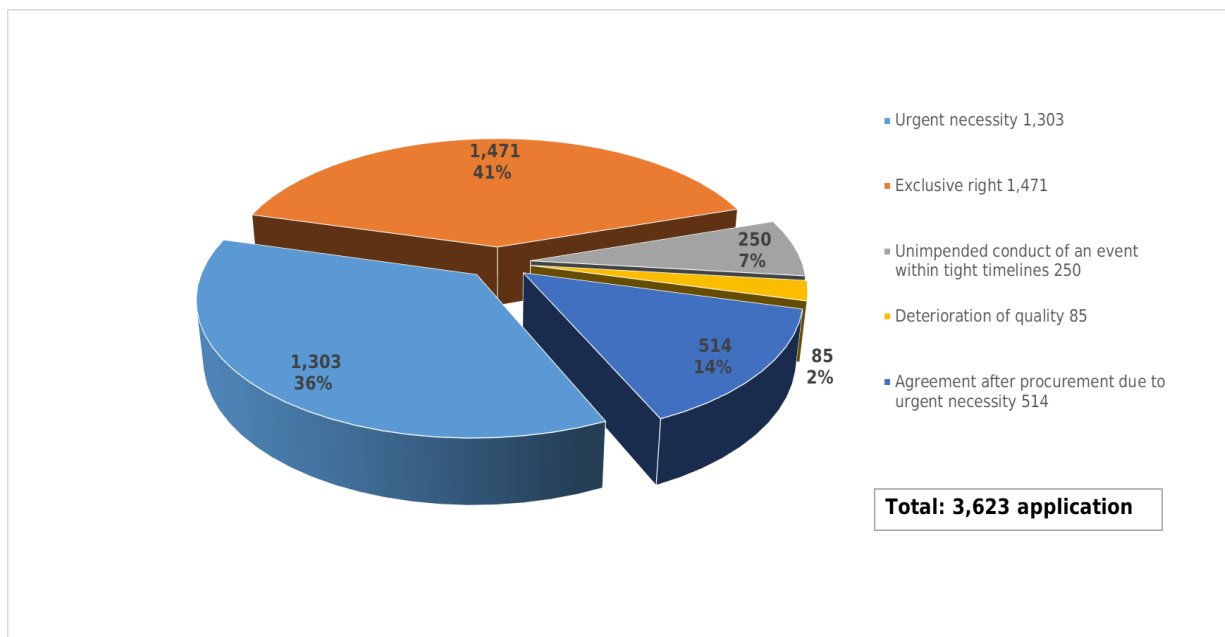
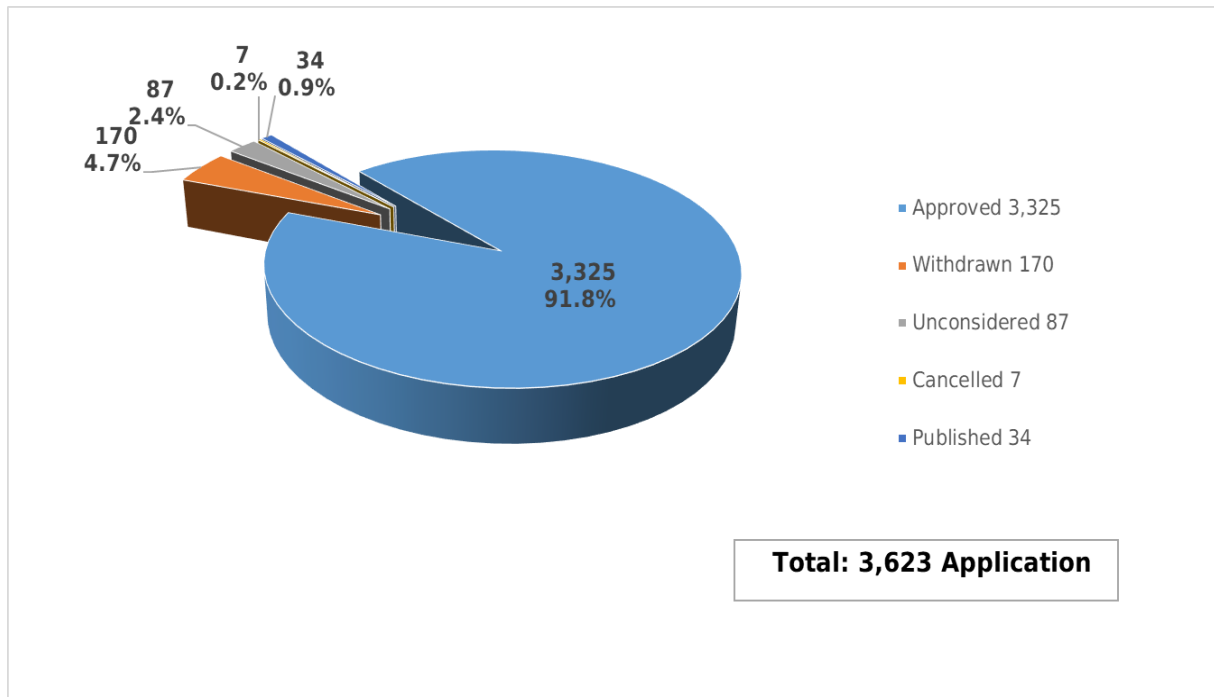


Diagram N18: Distribution of applications filed with SMP module of the System according to their statuses in 2024



Statistics of applications filed by contracting authorities to the Agency and decisions made by the Agency in 2024 are given in Table N17.

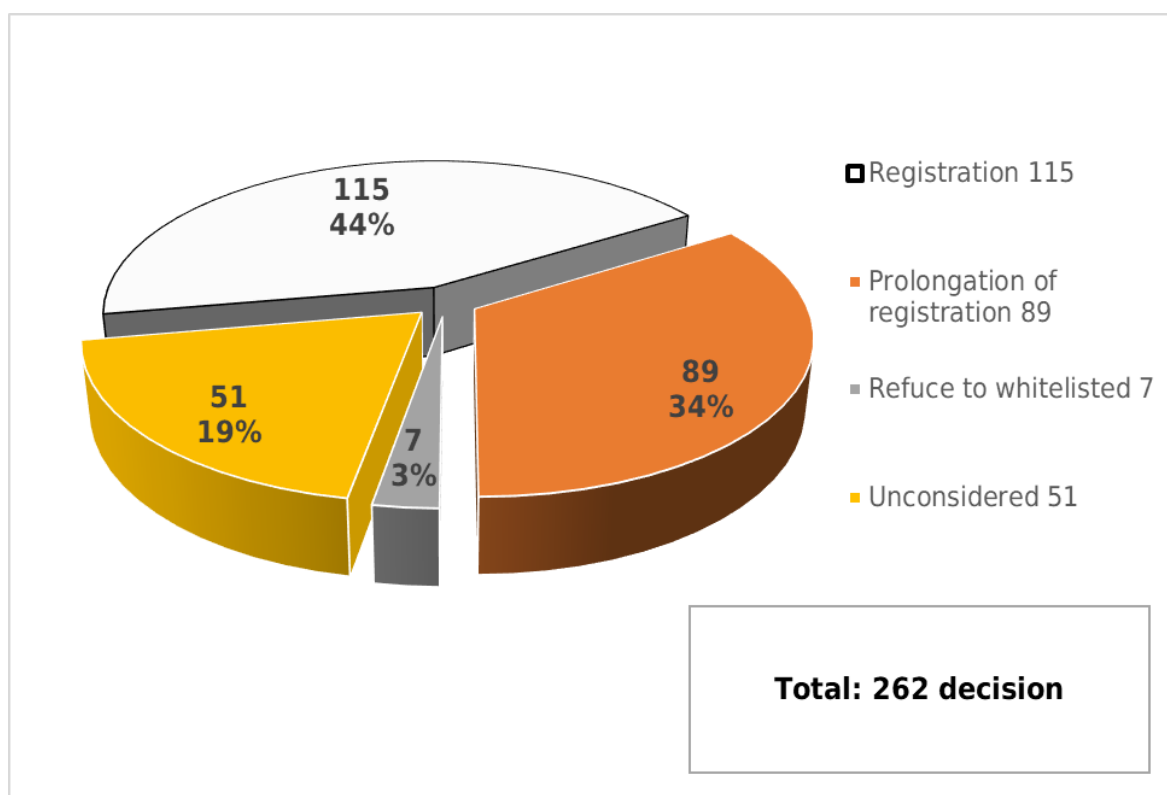
Table N17: Detailed statistics of applications filed with SMP module of the System in 2024

Grounds of Procurement	Approved	Withdrawn	Unconsidered	Rejected	Cancelled	Published	Total
Urgent necessity	1,171	70	31	-	3	28	1,303
Exclusive right	1,371	60	39	-	1	-	1,471
Unimpended conduct of an event within tight timelines	229	16	2	-	3	-	250
Deterioration of quality	70	12	3	-	-	-	85
Agreement after procurement due to urgent necessity	484	12	12	-	-	6	514
<b>Total</b>	<b>3,325</b>	<b>170</b>	<b>87</b>	<b>-</b>	<b>7</b>	<b>34</b>	<b>3,623</b>

## 5. MAINTENANCE OF THE WHITE LIST

As compared to 2023, the total number of decisions on registering economic operators in the register of qualified suppliers participating in public procurements - the so-called "White List" has increased slightly. In 2024, their number amounted to 262 (241 in 2023). Of them, 143 suppliers were registered in the White List (143 in 2023), 89 suppliers were extended the registration (58 in 2023), 7 economic operators were refused to be whitelisted (4 in 2023), whereas 51 cases were unconsidered (36 in 2023) (See Diagram N19).

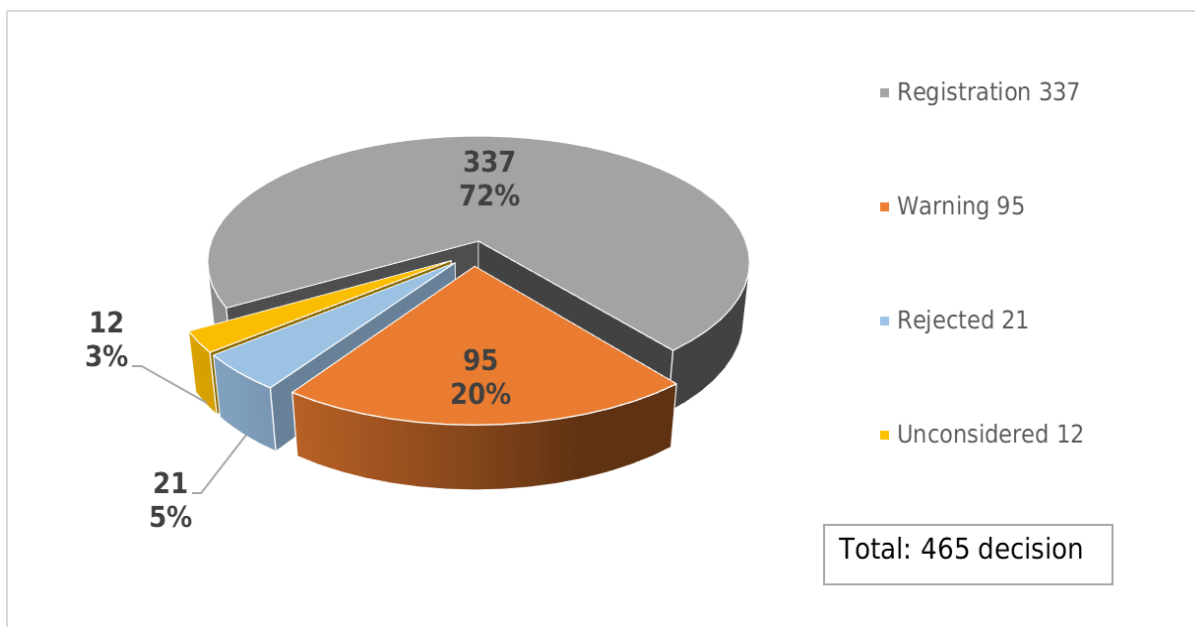
*Diagram N19: Distribution of decisions made in 2024 with regard to registration in the White List, according to their statuses*



## 6. MAINTENANCE OF THE BLACK LIST

Similarly to 2023, in 2024 the number of decisions made by the State Procurement Agency in compliance with current legislation with regard to the register of dishonest suppliers - the so-called Black List was decreased. The total of 465 decisions were made (in 2023 the above-mentioned figure amounted to 521). Of them, in 337 cases (390 in 2023) suppliers were registered in the Black List by the Agency, 95 suppliers were given the warning (65 in 2023), 21 applications were rejected (29 in 2023), and 12 applications were unconsidered (4 in 2023). Distribution of above-mentioned data is shown in Diagram N20.

*Diagram N20: Distribution of decisions made in 2024 with regard to registration in the Black List, according to their statuses*



## 7. ADMINISTRATIVE INFRINGEMENTS AND COURT LITIGATIONS

In 2024, the SPA drew up 38 notes with regard to the facts of administrative offences. After examining the notes, each case was granted respective qualification in compliance with respective articles of the Administrative Offences Code of Georgia and written notices were submitted to respective contracting authorities. As a result of review and examination of appropriate documentation, 38 reports on administrative offences were drawn up and submitted to court against 151 persons. In the course of legal proceedings, the court established with regard to all the reports that the offence had taken place and various sanctions were administered against the offenders.

387 court proceedings were held with the engagement of the SPA. The Agency prepared 24 private complaints regarding administrative cases, of which 5 private complaints were satisfied, 12 complaints were not satisfied, whereas 7 complaints are under consideration at the moment (See Diagram N20).

*Diagram N20: Number of private complaints submitted in 2024*





In 2024, 57 ordinances were appealed in court with regard to the Black List that are under consideration at the moment. In addition, 3 ordinances were appealed with regard to the registration in the White List. It should be noted that in 2024 the court applied provisional measures with regard to the White List for which the State Procurement Agency submitted private complaints.

Furthermore, in 2024, 5 consolidated tenders were appealed out of which 2 consolidated cases were suspended on the basis of petition, whereas other 3 cases are under consideration.

Within 2024, Court of First Instance partially satisfied 1 case that was challenged by means of appeal on the basis of which the Court of Appeals partially satisfied the appeal of the State Procurement Agency; in turn, the latter was also appealed by means of cassation procedure and is under consideration at the moment.

The State Procurement Agency launched 8 administrative proceedings with respect of the reimbursement of 1% tender assurance guarantee, of which in 7 cases the Agency was reimbursed 1% tender assurance guarantee by the bidders, whereas in 1 case an appeal was filed to the court regarding the reimbursement of 1% tender assurance guarantee. In this case, provisional measures were applied against the company that envisaged seizing the latter's bank account until finalizing the dispute, and the measures were executed by the Agency.

The SPA represented a party with regard to two civil claims; statements of defense were submitted with regard to the claims and they are under consideration at the moment.

In 3 cases, the court terminated hearing of the administrative case until the end of the civil dispute with regard to which private complaints were submitted, and respectively, they are under consideration now. In 2024, the Agency filed 2 cassation appeals with regard to the decisions made in previous years, and they are under consideration at the moment.





## 8. MONITORING OF PUBLIC PROCUREMENT PROCEDURES

In 2024, based on the automated system of messaging that is the service integrated in the *eProcurement* System, the State Procurement Agency, within the scope of the powers granted to it by the law, carried out the monitoring of e-tenders with statuses of “contract awarded”, “terminated”, “failed”, “no bids received” and “not awarded” filtered according to various risk factors and criteria.

Moreover, immediately upon recording the exclusion in the System, adequacy of exclusion of bidders in the tender was monitored; in particular, monitoring was carried out whether the exclusion grounds referred to in the System complied with the decision made by the respective minutes in order to avoid potential incompliance and accidental submission of notification by the *eProcurement* System with regard to deduction or reimbursement of bidder's guarantee amount in case of incompliance. Moreover, the process of termination of tenders was verified, in particular, the fact whether the circumstances conditioning the termination of given tenders were reflected in the minutes of termination of tenders in a corresponding manner.

Detailed statistics of the monitoring of procedures carried out in 2024 are given in Table N18 below.

*Table N18: Statistical data of the monitoring of public procurement procedures in 2024*

N		Quantity
2	How many tenders were monitored with the status "Contract Awarded"	13,433
3	How many tenders were processed with the status "Tender cancelled", "No bids recieved", "No bids received"	1,815
4	How many bids were monitored in the system to determine compliance with bidder disqualification	6,727
5	How many contests were monitoered	31
6	How many brief were prepared in terms of administration	37
7	How many letters were sent about the detected violations	1,873
8	How many contracts concluded through simplified procurement were monitored	32,715
9	How many briefs have been prepared in relation to changes in the status of tenders and disqualification of bidders in tenders, as well as changes in the final status assigned to contracts (both through tender and simplified procurement).	1,252



## 9. DIDACTIC ACTIVITIES

In 2024 trainings were rendered in several different programs within the SPA Training Center:

- New Law of Georgia on Public Procurement;
- Basic Course in Public Procurement;
- Training of Trainers – “Reform of the Field of Public Procurement within the Framework of the EU Association Agreement”;

Only in 2024, the SPA Training Center delivered 11 series (flows) of trainings with the participation of trainees from all the regions of Georgia that represented wide range of contracting authorities from state institutions to small LLCs or NNLEs of municipalities. The groups of trainees were comprised of the procurement specialists as well as other head officers from state institutions of the central government, also from City Halls and City Assemblies of municipalities and self-governing cities. Additionally, special courses were delivered to the representatives of the Prosecutor's Office of Georgia and business organizations from construction industry.

The trainees of the SPA training center attended lectures and presentations; moreover, they further expanded their skills and knowledge with practical exercises with regard to legislative grounds of conduction of public procurements, their stages, modes, methods, procedures, instruments or other provisions. In addition, the trainings addressed the topics of the best international practices and modern experience that will further facilitate public servants employed in state and local self-government bodies in carrying out public procurements in compliance with the law, which envisages transparent disbursement of budgetary resources and creation of a competitive environment for any person participating in public procurement procedures.



The number of trainees trained within 2024 amounted to 273, whereas total number of trainees in 2014-2024 accounted for 7,292.

Moreover, along with the above-mentioned courses, in 2024 additional trainings were delivered with the following different programs:

- with the assistance of USAID Economic Governance Program and USAID Local Governance Program, an international consultant rendered training to the trainers of the SPA Training Center on the topic “Reform of the Field of Public Procurement within the Framework of the EU Association Agreement”;
- A significant share of public procurement operations and, therefore, their volume falls on the procurement of renovation and construction works; respectively, Infrastructure Construction Companies Association (ICCA) whose members are intensively engaged in public procurement tenders, demonstrated considerable interest in spreading awareness about new procedures among its members. As a result, with the support of GIZ project “VET in Georgia’s Growth Areas”, ICCA organized a series of trainings for the representatives of a construction sector.





The SPA Training Center was actively cooperating with international and local partner organizations who, acting as donors and partners, made significant contribution to the organization of joint trainings and seminars.



## 10. BUSINESS COMMUNICATION WITH THE CUSTOMERS

Within 2024, the SPA was intensively informing target groups with regard to legislative and institutional procurement systems as well as in the light of the use of the Unified Electronic System of Public Procurement.

Moreover, as of 2024:

- 11,565 letters were received and registered at the Agency;
- 3,784 letters were sent;
- 4,700 e-mail letters were received and addressed at [info@procurement.gov.ge](mailto:info@procurement.gov.ge); 2,382 e-mail letters were sent.

Short Messaging Service (SMS) and system notices, integrated into the *eProcurement* System, also the services of web portal – [procurement.gov.ge/spa.ge](http://procurement.gov.ge/spa.ge), keep persons interested in public procurements constantly updated about novelties, amendments, notices, recommendations, instructions, introduction of new regulations and development of other services. Moreover, all the users can receive timely and exhaustive information about tenders they are interested in. Approximately 49 million system notices and 228,542 SMSs were circulated only in 2024.

14,522 calls were received and answered in the Citizen and User Service Center (in the majority of cases the staff of the citizen hotline service provide respective answers to the provisions determined by the legislation as well as substantive issues and issues relating to the use of electronic system, monitoring, consolidated procurements, etc.).

Content of Call	Quantity	%
Technical Parameter/Questions Regarding System functional	7,116	49.0
Issues related to banking services	1,239	8.5
Questions regarding regulations	3,256	22.4
Questions regarding Review Body/Appeal System	824	5.7
Consolidated tenders	1,972	13.6
Questions regarding urgent necessity procurement	94	0.6
Other	21	0.1
<b>Total</b>	<b>14,522</b>	<b>100</b>

It should be noted that in 2024 the SPA, within the established timeframes, addressed 36 applications submitted to the Agency with the request to provide public information.

## 11. INTERNATIONAL RELATIONS

Throughout the whole year, intensive negotiations and cooperation were underway with four Directorates-General of the European Commission (DG GROW, DG TRADE, DG NEAR, DG DEFIS); several working meetings were held, among them particular stress should be made on several days intensive consultations held by the delegation of the State Procurement Agency in DG GROW Directorate in Brussels in May 2024; during consultations the parties discussed recommendations and remarks expressed by the European Commission with regard to the new Law of Georgia on Public Procurement. Basing on the volume of the remarks made by the Commission, a decision was taken in September 2024 that envisaged postponing the date of enactment of the new Law of Georgia on Public Procurement to 1 January 2027 aiming at full-fledged approximation with the EU and maintaining continuity and unity of the legislative framework. Aforementioned amendment was implemented by the initiative of the government of Georgia and with the support of Parliament of the country.



Within 2024 the SPA was periodically drawing up quarterly and annual plans and reports on fulfillment of international commitments, inter alia, within the frames of the Association Agreement and Deep and Comprehensive Free Trade Area (AA-DCFTA) and Public Financial Management (PFM) reform; in addition, active cooperation was underway with international organizations, UN Agencies, with the USAID-funded programs, also with the experts/projects of GIZ, World Bank, Asian Development Bank, EBRD, IFIs and OECD/SIGM.





With a view to the efficient implementation of ongoing reforms in the country, Deputy Chairperson of the SPA and the head of the service were intensively engaged in the activities of various coordinating councils or committees set up by the government.



Within the framework of the commitments stipulated by the EU-Georgia Association Agreement, the State Procurement Agency commenced the process of approximation with the EU Utilities Directive. To that end, within the frames of the EU-funded Association Agreement Facility project, a draft law was drawn up by an international expert that aims at legislative approximation to the EU Utilities Directive. As a result of consultation, remarks made by the OECD-SIGMA have already been reflected in the draft law. Currently, the SPA is working on reflecting the comments and remarks made by the European Commission in the draft law.

In 2024 negotiations were held with the Republic of Korea on the agreement on economic cooperation between the two states. One of the chapters of the agreement addressed the cooperation in the field of public procurements and opening public procurement markets. Negotiations were finalized successfully in September 2024.



During 2024, English and Georgian editions of textbooks – „Sustainable Public Procurements“ and “Public Procurements in the EU: Guidelines for Georgian Business“, as well as an English edition of the textbook – „Energy Efficient Public Procurements“ were drafted and published with the support of international organizations in compliance with the Law of Georgia on Public Procurement with a view to introducing the reforms underway in the field of public procurement and raising public awareness.





On 28 February 2024, the SPA hosted an international seminar on "Quality Infrastructure as the Best Tool in Public Procurement in Accordance with EU Best Practices". The event was held within the framework of the EU-funded Twinning project "Strengthening of Georgian National Agency for Standards and Metrology According to the International/EU Best Practices". The seminar was attended by the representatives of the State Procurement Agency, the State Audit Office of Georgia and Georgian National Agency for Standards and Metrology. The seminar was led by Daniel Masso, an international expert of the EU Twinning project.







On 18-20 March 2024, the SPA hosted a government delegation of the Kyrgyz Republic led by the Deputy Minister of Finance of the Republic. The aim of the visit was to get acquainted with the Georgian public procurement system, in particular, centralized procurement system, and to share best practices in this light. It is noteworthy that the visit was planned by the financial support of the World Bank. The representatives of the SPA presented to foreign guests the reforms ongoing in the field of Georgian public procurements and shared their experience in this light.



On 21-22 March 2024, an international seminar organized by the World Bank was held in Bucharest, Romania. The event was dedicated to the development of centralized procurement system in the EU states. Head officers of the State Procurement Agency participated in the seminar.



On the background of increased importance of sustainable and green procurements in international practices that represents one of the major cornerstones in the light of achieving UN Sustainable Development Goals (SDGs), on 29-30 May Tbilisi hosted the 17th PRIMO Forum of the World Bank on “Sustainable and Green Procurement for Circular Economy“. The forum was attended by the representatives of international financial and donor organizations, as well as over 100 officials from various governmental bodies of European and Asian countries. The experts invited to the event shared experience and best practices in the field of public procurement. The forum aimed at supporting regional and global cooperation to improve the quality of public procurement.







Along with the forum, several working meetings were held; among them, it is noteworthy to mention the meeting with the leadership of the Public Procurement Service of the Republic of Korea. At the meeting a Memorandum of Cooperation was concluded between the two bodies that stipulates further deepening of partner relations and sharing experience with the view to introducing the best practices. The Memorandum was signed by the Chairperson of the State Procurement Agency of Georgia and the Head of the Public Procurement Service of the Republic of Korea.





On 10-11 June 2024, an international forum under the theme "Public Procurements – Economic Development Tool of the Country and Expanding International Relations in Kyrgyz Republic" was held in the Kyrgyz Republic. At the event, participants got acquainted with reforms in the field of public procurement ongoing in different countries, among them, with Georgian best practices.

Government delegation of the Republic of Uzbekistan, led by the Director of the Anti-Corruption Agency of the country, paid a study visit to the State Procurement Agency of Georgia. Foreign guests got acquainted with current eco-system of Georgian public procurement, as well as legislative base, existing practices, applied procedures, monitoring risk-factors and implemented anti-corruption measures. Uzbek colleagues expressed desire to continue cooperation with the State Procurement Agency that will aim at sharing experience and establishing long-term partner relations.

On 15-16 June 2024, the SPA, with the support of OECD-SIGMA, organized a two-day international seminar on the current EU legislation on public procurement, best practices, administrative proceedings, the role of a judge in court proceedings, and other urgent topics. Among invited guests were a federal judge of Austria, the head of the Dispute Resolution Administrative Body of Croatia and a leading expert of OECD-SIGMA. The meeting was attended by 20 judges from the Supreme Court of Georgia, as well as Kutaisi Court of Appeals, Tbilisi Court of Appeals, and Tbilisi City Court. Georgian participants got acquainted with the best judicial practices in European public procurement; at the end of the seminar a discussion was held.



With the support of USAID Economic Governance Program, a Latvian expert drew up a specialized training course with the focus on new European standards, rules and procedures in public procurements. Specialized training was rendered to the trainers of the SPA Training Center. Brand-new and innovative training course was further fine-tuned on the basis of the participants' comments and feedback.

On 17 June, OECD-SIGMA co-organized a training for the staff of the SPA on the basic principles of EU directives and widely applied practices. During the event, qualified experts from Slovenia, Austria and Croatia focused on the best practices of the EU in the field of procurements, as well as on compliance of the new Georgian public procurement legislation with the EU directives and the importance of keeping confidentiality in tender documentation.

Within the framework of the United Nations Convention Against Corruption (UNCAC), on 3-4 November 2024, head officers of the SPA participated in a working group meeting on the fulfillment of topics covered in the Convention. Within the framework of the Convention, evaluation officers of United Nations Office on Drugs and Crime (UNODC) paid a visit to Georgia during which they reviewed in detail Georgia's progress with regard to the topics envisaged by the Convention.

Asian Development Bank hosted the 10th Conference of the Asia Pacific Public Procurement Network (APPeN) on 11–12 December 2024 in Manila, Philippines. The conference focused on digital transformation of public procurement and use of electronic procurement for achieving broader policy objectives and development outcomes.





On 13 December 2024, Asian Development Bank held a training on IT System Security. The training allowed conference participants to learn about international standards for securing their e-procurement systems and enhancing operational capacity for such systems.





## 12. COOPERATION WITH INTERNATIONAL PARTNERS



International  
Labour  
Organization



WORLD TRADE  
ORGANIZATION



CLDP  
COMMERCIAL LAW DEVELOPMENT PROGRAM



THE WORLD BANK  
IBRD • IDA | WORLD BANK GROUP



Centre for International  
Migration and Development  
a joint operation of GIZ and the  
German Federal Employment Agency



European Bank  
for Reconstruction and Development

