FACTORS INFLUENCING THE LENGTH AND OUTCOMES OF PUBLIC PROCUREMENT REVIEW IN THE CZECH REPUBLIC

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Abstract

Public procurement represents an important part of the public expenditure allocation. One of the important factors of the public procurement efficiency is the quality and speed of review and remedy provided by the relevant authority, which is the Office for the Protection of the Competition in the case of Czech Republic. The contribution will be based on the analysis of the Office’s decisions. The goal is to identify factors influencing the length and the outcomes of the review. Using the quantitative methods, we test the hypothesis, that both these aspects can be influenced by the total amount of contract, by the reasons for the review proposal and by the concrete Law Office representing either the review proposer and/or the contracting body.

The dataset contains more than 11 thousand observations. We plan to use the regression analysis and the PROBIT regression to test the above mentioned relations.

Acknowledgement

The preparation of this article was supported by the Czech Grant Agency, project 19-06020S, and by the Faculty of Finance and Accounting, University of Economics, Prague (project IP 100040).

Points for Practitioners

The use of external law firms in the review of public procurement by the supervisory authority is rational from the point of view of the contracting authorities as it reduces the probability of a negative result. However, if the supervisory authority already states a violation of the law, the use of external representation does not affect the value of the penalty.

Keywords

Public procurement, supervisory authority, rationality, transaction costs.

JEL codes: H3, L51, D02, D72

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