

## FLAWS AND TRAPS IN THE PUBLIC PROCUREMENT PROCESS OUTPUT QUALITY

“A perception of the SMEs and NGOs from the Centre Region of Romania”

Radu BĂLĂNEAN\*

**ABSTRACT:** *Defining the problem: Within the institutional framework of the employers' organizations and professional organizations, as time passed some issues were raised regarding the public mechanism of procurement. On one hand, lack of trust regarding transparency, process fairness and efficiency and on the other hand, the doubtful quality of the procurement process output. These issues were raised regardless of the role of SMEs and NGOs of being bidders or purchasers when it comes to projects financed from government funds.*

*Purpose of the study: To identify how SMEs and NGOs perceive the process of public procurement by gauging their perception, encountered difficulties, efficiency and quality of the public procurement process while also identifying mechanisms that improve efficiency and overall quality of the public procurement process.*

*Research Methods: Questionnaires given to SME and NGO managers that have dealt with public procurements in the past not only from the perspective of the bidder but also from the perspective of the purchaser. The questionnaires were aimed on one hand to capture the perception of the SME and the NGO sector regarding the process of public procurement while also identifying flaws within the process that distort the quality of the process output.*

*Findings: At both SME and NGO levels that have a small and medium number of employees, the degree of trust in the objectivity of the public procurement process is low. More flaws were identified such as: an ambiguous legal framework which is hard to understand without external consultants, subjective criteria when it comes to eliminating flaws found in this process in order to improve the quality of the process output, inefficient public procurement education, too much discouraging red tape, the outcome of most procurements being based on the lowest price with negative effects in the quality of the result, major problems with*

---

\* President – The National Federation for Education and Professional Training; Prime-Vice-President of the National Council for Small and Medium Sized Private Enterprises of Romania; President, Psychologist, PhD in social sciences and Researcher in social sciences at the Institute for Training, Studies and Research ITSC Romania.

The present article has been written and presented for *the National Conference of Public Procurement „One year after the new public procurement law”*. The conference was organized by „Petru Maior” University of Tirgu-Mures, in partnership with CSDE – Center for European Law Studies of the Institute for Law Studies „Acad. Andrei Rădulescu” of the Romanian Academy, SOROCAPP – The Romanian Society for Public and Private Affairs Research and AEXA – The Association of Experts in Procurement. The websites, legal framework are consulted/updated on the 31st of August 2017.

*devastating effects found after checkups from the authorities following the procurement process.*

*Conclusions: After analyzing the collected data from our target population, the following needs have been identified: the need for having public purchasing education with a high efficiency (applicability)/ price ratio; the need to permanently update public procurement laws; need for a legal framework that prevents abusive control over public procurements; a need to modify procurement laws after consulting the SME and NGO sector; the need to have an easily-understandable legal framework; reducing red tape and eliminating process flaws that decrease the degree of trust and bidding.*

**KEYWORDS:** *Public procurement; SMEs; NGOs; European projects; bureaucracy; red tape*

**JEL CODE:** *K12, K 13, K 22, A 11, A 12, A13, A 14, B 41, D01, E 69, H 57, L33*

## 1. INTRODUCTION

The main approach found in research papers and studies when it comes to public procurement is mainly from a legal perspective. These papers focus mostly on legal applications: unclear legal procedures or lack of a sufficient regulation framework or fairness and transparency of the public procurement process. What I have noticed is the fact that even if a concern regarding transparency within the public purchasing process exists, legal adjustments are aimed towards implementing European recommendations rather than being focused more on the present realities in the Romanian economy when it comes to the quality of the procurement process and on its legal effects on purchasers and bidders. On a theoretical level, public procurement legislation would be aimed towards a correct, efficient, judicious and transparent use of public funds regardless of the source of the funds being Romanian or European. In reality, after a brief analysis, the initiator and the legislator of the public procurement process did not bother to notice the constant flaws of the previous legislation and their effects on the efficiency and output quality of the public procurement process and on the purchasers, bidders and therefore the impact of these flaws on public funds. I did not notice the existence of modern and efficient consulting methods of the actors involved in the public procurement process, such as public hearings, used by Advocacy Academy (Bălănean, 2012, Fiț, 2013).

## 2. ECONOMIC ASPECTS

Even though we have major differences between the categories of economic actors such as geographic area, urban vs rural environment, social status, etc., in modern society, within the European Union in the context of globalization and rapid spreading of information, the effects of generalizing the new communication methods, the internet, the technological boom -especially in the IT industry-, mobile telephony, easy, low-cost and rapid travel, the global influences are more than obvious. These influences give birth to debates, new studies and research on their economic and social effects. The consumer society fundamentally transformed the European economic environment and the global environment due to pressures from Asian countries, especially China. The development of tourism and MNCs on one hand to find untapped markets with potential and on the other

hand to find cheap labour are key factors that we must take into account when analyzing these influences. The modern global economy is undergoing profound transformations on all of its layers. Under the pressure of the consumer society and cheap Asian products that invaded the European and world markets, quality as a standard has collapsed (Bălănean, 2011, 2012, 2013, 2016).

The public procurement process involves a complex approach, an efficient and judicious use of public funds, transparency and access to a real competition with optimal results for the purchaser, respecting principles regarding non-discrimination of competitors, eliminating excessive red tape and at the same time the existence of eligibility criteria that are meant to protect the purchaser and the output quality of the public procurement process.

Last, but not least, harmonizing public procurement legislation according to the European recommendations, at least theoretically, means attaining national objectives before mentioned. If we conduct a volume and value analysis of public procurement in Romania, we can easily notice that it represents a significant portion of the national economy. Without setting off to analyze the difficulties encountered by big companies that participate at public procurements, we focus mainly on SMEs and NGOs. Within the organizational framework of the employers' associations and professional organizations, some of the encountered problems along the way related to public procurement are on one hand lack of trust regarding transparency, fairness and efficiency of the public procurement process and on the other hand the quality of the process results regardless if the SMEs and NGOs have the role of bidder or purchaser within projects sustained by public funding. The National Council of Romanian SMEs (CNIPMMR, the only SMEs representative employers' association) has permanently tried to increase the degree of access for SMEs as bidders in the public procurement process from a simple reason: while the Romanian economy is counting upon this sector, the bidding criteria are hard to meet. On the other hand, annual studies regarding the situation and evolution of SMEs is presented in the White Chart of Romanian SMEs, a reference book in Romania (Nicolescu & al., 2015, 2016). Studies of the same SME sector regarding other economic aspects and the impact of frequent legal adjustments are frequently published by CNIPMMR with the intention of sensitizing legislators regarding the vulnerability of this sector. Thus, CNIPMMR affirms in a study published on its website in September 2016 that from the total of public procurements, 95% had a value of under 10 million euro and this fact has to be correlated with the national situation of SMEs: under 2 mil. Euro – microenterprises representing 98.10% of the total SMEs; 2-10 mil. Euro – small enterprises representing 1.59%; 10-50 mil. Euro – medium sized enterprises 0.28% and only 0.03% large enterprises with over 50 mil. Euro. CNIPMMR also suggested viable solutions regarding public procurements that solved not only the stimulation and access facilitation for SMEs but also solving positive discrimination notified by the European Commission (Bălănean, 2011, 2016; Nicolescu & Al., 2015, 2016). At the same time, NGOs represent an important sector when it comes to implementing European projects in human resources development, having an important social and economic impact. The development of human resources became a major priority since the Romanian economy has been facing a major qualified workforce shortage during the last 10 years. The aspects mentioned generally and very briefly represent sufficient motivation to analyze the public procurement process from the perspective of SMEs and NGOs, especially regarding the

quality of the results and the process flaws regarding red tape, transparency, efficiency and other relevant aspects.

### 3. OBJECTIVES AND RESEARCH METHODOLOGY

#### *Research objectives and purpose*

Our main purpose is identifying the perception, difficulty and efficiency of the public procurement process among SMEs and NGOs but also identifying methods that improve the efficiency and the quality of this process. On one hand, the purpose and objectives were established after findings made by the organizational framework of the employers' associations and professional organizations. On the other hand, in order to have a different perspective from the existing studies that present analyses strictly from a legal perspective and from an alignment to European recommendations perspective. Last but not least, the SME and NGO perspective regarding public procurements is almost unknown, lacking any real study addressed to these sectors. Thus, the lack of trust regarding transparency, fairness and efficiency of this process but also regarding the result of this process at an SME and NGO level constitute de essence of the motivation and the purpose behind this research.

Why is the perception of the involved actors in the public procurement process important? No matter if they have a legal reasoning more or less substantiated, they are the actors that implement the project, being part of the system and in which, they pay for the flaws of this system, sometimes so expensive that it can cost them bankruptcy. The present research is a call to take into consideration the perspective and perception of the actors involved in the public procurement process.

In a few words, the purpose of the study is:

- Identifying perception, difficulties, efficiency and quality within the public procurement process among SMEs and NGOs
- Identifying flaws and traps in the quality of the process output.
- Identifying methods by which efficiency and quality can be improved in the public procurement process.

#### *Research methodology*

Instead of basing our analysis on a single scientific research method, our study uses a methodological mix in order to analyze the perception of SMEs and NGOs when it comes to public procurement (Kelle, 2001; Mărgineanu, 2000, Bălănean, 2016). We consider that more than often, scientific research creates opposing views (small-sized samples vs big-sized samples or experimental vs observational) when in fact it is much more useful to understand the studied aspects as complementary planes (Kelle, 2001; de Single, Blanchet, Gotman et al., 1998; Cassell, Symon, Buehring, & Johnson, 2006; Iluț, 1997). The task of a researcher, regardless if the research is performed in sociology or economy, should not manifest irrational preferences for a certain type of method but should use all the „methodological arsenal” at his or her disposal in order to achieve the proposed objective and purpose of the research. The value of the social investigation is significant due to the possibilities of gathering a large volume of data in a relatively short time span and due to the possibility of analyzing the data in a short time (Boudon, 1997). Social investigation is a scientific research method, frequently being the only one available in the subjective universe of the socio-economic reality (de Single, Blanchet, Gotman et al.,

1998; Cassell, Symon, Buehring, & Johnson, 2006). In this regard, the research methodology is using the perks brought by the focus group method in order to fulfil its purpose and achieve the objectives of a scientifically valid research (Krueger & Casey, 2005; Johnson & Onwuegbuzie, 2004). It is obvious that finding relevant answers that are at the same time scientifically substantiated cannot be done without using a methodological mix from all the perspectives. This approach becomes of a greater importance when studying a phenomenon related to models of perception and convictions at the management level in SMEs and NGOs that have different social profiles and are correlated with various socio-economic-juridical, also being related to the efficiency of sustainable methods of intervention (Kelle, 2001; Miftode, 2004). It is of utmost importance when studying our subject to have a consistent construction and application of questionnaires that highlight on one hand the research problem and on the other hand the factors that can have an influence over it. These are of use when studying the correlations between our issue and the factors that influence it (Heiman, 2001).

Focus-Group with 27 SMEs and NGOs, in two groups in order to identify problems and construction of the questionnaire; Applying a questionnaire formed of 25 items, 21 items with answer options (of which 17 with one answer and 4 with multiple answer options) and 4 items with open-ended questions, in an on-line format, accessed by e-mailed invitations to the SME and NGO sector part of the employers' organizations databases from the Centre Region of Romania;

Applying the on-line questionnaires and data manipulation: April 2017;

Selection/exclusion criteria: took part in the public procurement process as a purchaser/bidder; 1-49 employees/collaborators; invalid questionnaires.

*Target Group:*

Managers within SMEs and NGOs that participated in public procurements as either a purchaser within projects financed from public funds or as a bidder;

300 organizations mainly from the Centre Region of Romania;

Employees/Collaborators: between 1 and 49 employees/collaborators (micro enterprises and small enterprises; NGOs);

Selection criteria when filling out the questionnaires: organizations that previously were bidders/purchasers within the process of public procurement in the past 3 years.

Application of a minimum of 300 questionnaires focused on the Centre Region of Romania.

The Centre Region of Romania is one of the eight development regions of Romania and is found in the central part of Romania. It is composed of six counties, having a surface of 34.100 sq. km, with a population of 2.524.418 inhabitants and a population density of 74 inhabitants / sq. km.

#### **4. RESULTS**

After the application of questionnaires, data gathering and manipulation, the following results have been obtained:

*General Results:*

300 organizations mainly from the Centre Region, counties: 87 from Mures, 74 from Alba, 81 from Sibiu, 30 from Brasov, 21 from Harghita and 7 from the rest of the counties.

255 SMEs and 45 NGOs;

Employees/Collaborators: 63 with 1-10 employees/collaborators and 237 with 11-49 employees/collaborators;

Out of 300 organizations, 235 were bidders and 65 were purchasers;

A number of 327 questionnaires were applied of which 300 were valid and 27 invalid.

The results of data gathering regarding the public procurement process

The tables below represent the statistical results at items 4-21 with answer choices.

The 17 tables below represent statistical results for the 17 items with answer choices, including table header, questions, answer choices and results in percentage as table contents.

4. What is your trust in the Romanian public procurement process?	
Answer choice	Answer
a. Very Low	67%
b. Low	23%
c. I don't know/I cannot appreciate	7%
d. High	3%
e. Very High	0%

90% of the respondents have very low and low trust in the Romanian public procurement process.

5. What are the flaws that you noticed in the Romanian public procurement process?	
Answer choice	Answer
a. Bureaucratic	63%
b. Difficult to access	57%
c. Lack of quality competition	73%
d. Lack of transparency	17%
e. Allows the process to be fraudulent	7%

73% of the respondents notice the lack of quality competition of the public procurement process, 63% consider the process as being bureaucratic and 57% consider it difficult to access.

6. What flaws did you notice in the legal framework when it comes to the public procurement process?	
Answer choice	Answer
a. The legal framework is complicated and hard to understand	73%
b. The legal framework is surpassed by the present market realities.	53%
c. It is discriminatory of SMEs and NGOs	27%
d. It is inefficient in procurements with a satisfying price/quality ratio	76%
e. Has procedures that are very bureaucratic	58%

76% of the respondents consider public purchases as being inefficient from a price/quality ratio, 73% consider the legal framework of this process hard to understand, 58% consider it bureaucratic and 53% consider it surpassed by the present market realities.

7. How do you consider the legal framework of the public procurement process in Romania from an easily understandable perspective?	
Answer choice	Answer
a. It is easily understandable for a manager without legal background.	5%
b. It is relatively clear and accessible but it requires some legal background in order to fully understand.	21%
c. It is too complex in order to be understood without the assistance of a specialist.	23%
d. It has a lot of unclear and interpretable aspects and the presence of a specialist in public procurement is necessary in order to understand it.	32%
e. It is too complex for a manager and it requires an expert in public purchasing.	19%

74% of the respondents consider it necessary to have an expert in public purchasing or the necessity to have a legal background for a manager in order to clearly understand the legal framework and only 5% consider it understandable for a manager without any legal background.

8. How do you view the results of the public procurement process in Romania?	
Answer choice	Answer
a. Procurements with a very good price/quality ratio.	5%
b. Procurements with a good price/quality ratio.	17%
c. Procurements with a satisfactory price/quality ratio.	23%
d. Procurements with a bad price/quality ratio.	36%
e. Procurements with a very bad price/quality ratio.	19%

55% of the respondents perceive the price/quality ratio of public procurements as being bad and very bad, 23% satisfactory and only 22% as good and very good.

9. Do you consider that public procurements in Romania have as a direct result an efficient use of public funds?	
Answer choice	Answer
a. Yes	5%
b. Probably yes	7%
c. I do not know/I cannot appreciate	23%
d. Probably not	45%
e. No	20%

Only 5% of the respondents consider the use of public funds as being efficient while 65% consider it as being inefficient and probably not.

10. From your own experience dealing with public procurements, what has been the offer selection criterion?	
Answer choice	Answer
a. Lowest bid	97%
b. Obtained score	3%

97% of the respondents noticed that in the Romanian public procurement process the lowest bid is the selection criterion.

11. From your own experience dealing with public procurements, have you ever dealt with situations in which an offer with an undervalued price was selected?	
Answer choice	Answer
a. No	6%
b. Rarely	15%
c. I do not know/I cannot appreciate	17%
d. Sometimes	30%
e. Frequently	34%

64% of the respondents affirm that they have dealt with situations in which undervalued prices won offers in the public procurement process.

12. From your own experience, why do you think that the „Lowest Bid” is the main reason for choosing an offer?	
Answer choice	Answer
a. It simplifies the offer analysis	19%
b. Unclear, interpretable legislation	67%
c. I do not know/I cannot appreciate	16%
d. Complexity of analyzing offers on another criterion	30%
e. Fear of legal checks after the process and fear of a different interpretation of the legal framework.	73%

73% of the respondents are afraid of legal checks after the procurement process is finalized due to the possibility of a different legal framework interpretation and 67% consider that the legislation being unclear and interpretable as the main reason for which the “lowest bid, is the main selection criterion.

13. Do you consider that during the last years progress has been made in the legal realm of public procurement in Romania?	
Answer choice	Answer
a. Yes	16%
b. Yes but insufficient	31%
c. I do not know/I cannot appreciate	17%
d. Not enough to be relevant	33%



e. No	3%
-------	----

Only 16% of the respondents perceive progresses made in the legal framework of public procurements in Romania while 84% consider them insufficient, absent or they do not know.

14. In your company's procurement process would you use the Romanian public procurement method of bidding/selection?	
Answer choice	Answer
a. Yes	0%
b. Probably yes	3%
c. I do not know/ I cannot appreciate	7%
d. Probably not	23%
e. No	67%

90% of the respondents would not use the Romanian public procurement model when it comes to their company's procurement.

15. In similar conditions, where would you prefer to submit offers same goods or services?	
Answer choice	Answer
a. Only in the public procurement system.	0%
b. Mainly in the public procurement system.	3%
c. In both systems, public and private.	7%
d. Mainly in the private procurement system.	13%
e. Only in the private procurement system.	77%

90% of the respondents prefer submitting offers in the private procurement system and not in the public one.

16. Do you have employees/collaborator that have participated in public procurement training?	
Answer choice	Answer
a. Yes	77%
b. No	23%

77% of the respondents say that they have employees or collaborators that have participated in public procurement training which demonstrates an interest towards public procurement and the need of informing themselves.

17. If you have employees/collaborators that have followed public procurement training, how do you appreciate the benefits of this type of training?	
Answer choice	Answer
a. It was not useful/our organization did not benefit from it.	7%
b. They formed a general view of public procurement.	24%
c. They were useful but we still need an external specialist.	25%

d. They were useful but we still need an external specialist for some types of procurement.	31%
e. They were very useful, granting independence from external specialists.	13%

87% of the respondents affirm that even though they have participated in public purchasing training, they are not independent from the need of an external specialist.

18. What would you expect from public procurement training?	
Answer choice	Answer
a. An accessible price	7%
b. A short training (time-wise)	3%
c. An efficient training course from a price/quality ratio perspective.	25%
d. An efficient training course from a price/duration/quality ratio perspective.	34%
e. An efficient training course that grants independence from external specialists.	31%

90% of the respondents prefer quality in training and only 10% of them are interested in lower costs or shorter training duration.

19. Which one of the following do you consider as greatly improving the Romanian public procurement system?	
Answer choice	Answer
a. Modernizing and simplifying legislation.	63%
b. Modifications brought to the current legislation with a real public consultation of the involved actors (bidder/purchaser).	74%
c. Modifications brought to the current legislation through a modern, simplified and clear legislation.	83%
d. Cutting back on red tape and procedures.	77%
e. Modifications brought to the current legislation in order to achieve a higher degree of transparency and real competition based on efficiency and quality.	87%

87% of the respondents noticed a need to modernize the current legislative framework in public procurement, based on transparency, efficiency and quality, 83% noticed the need of a simplified and clear legal framework, 77% appreciate the need to cut back on red tape and 74% notice the need of public consultation before any modifications of the legal framework.

20. Do you consider participating as a purchaser or a bidder in the Romanian public procurement process as a weakness within your organization?	
Answer choice	Answer
a. No	3%
b. Probably not	5%
c. I do not know/ I cannot appreciate	7%
d. Probably yes	34%

e. Yes	51%
--------	-----

85% of the respondents consider their involvement in the Romanian public procurement process as a vulnerability for their organization.

21. Are there any aspects regarding the Romanian public procurement process that you would rather not mention in a questionnaire?	
Answer choice	Answer
a. No	3%
b. Probably not	7%
c. I do not know/ I cannot appreciate	13%
d. Probably yes	30%
e. Yes	51%

81% of the respondents mention that there are aspects regarding the Romanian public procurement process that they would rather not mention in a questionnaire.

*Open-ended items from the questionnaire:*

22. From your practical experience in the public procurement process, what do you perceive as being a major vulnerability and risk factor: having the role of purchaser or bidder? Please give more details.

23. From your practical experience in the public procurement process, what are the biggest process flaws and traps? Please give more details.

24. From your practical experience in the public procurement process, what are the biggest vulnerabilities of this process?

25. From your practical experience in the public procurement process, which methods would you consider in order to eliminate the encountered flaws?

*Relevant information regarding the answers to the open-ended questions:*

1. Any potential beneficiary of public funding describes first of all how is he going to use those funds, presenting an infrastructure that is going to be purchased using those funds, through a filed funding request on an open-call. At that point in time, the potential beneficiary does not have at his disposal all the procedures corresponding to his procurement request. Therefore, he cannot conduct an in-depth analysis since he does not know at that time if his application will be selected or rejected.

2. When the potential beneficiary's project is selected, he obviously feels satisfied but does not try very hard to familiarize himself with public procurement procedures before signing the funding contract. This is a very frequent mistake made by the potential beneficiaries. For this reason, they consider that the contracting authority which already has all the information and funds available to them, will provide clear advice on the procurement procedures to be followed. More specifically, the beneficiaries expect the contracting authority to provide a short training session in order to minimize the risk of wrongly applying the correct procurement procedures. Moreover, the beneficiaries expect to be treated as partners by the contracting authority, considering that preventing wrongful application of the correct procurement procedures is to be treated with high priority.

3. The course materials/guide, has to be perfectly adapted to public procurement policies that are in place with clear and understandable examples of rightful application of these procedures since it is the beneficiaries that are getting punished for wrongful

application of these procedures. If this guide is well-made, then monitoring becomes less flawed and the ones breaking the rightful application procedures can indeed be blamed.

4. The delayed control of public procurements that already took place is extremely flawed. On one hand, the beneficiaries that are in the implementation stage assume that once they have submitted all the necessary documentation and that these documents are accepted by the contracting authority, everything is in order and no errors were committed on their behalf. After minimum one year from the end of the implementation phase, checks that supposedly happened at the beginning of the implementation phase take place. These checks put the beneficiary in an extremely delicate position. The legal framework instability from the past 7 years in the public procurement realm created major problems for most beneficiaries. They have followed the implementation procedures to the letter, the legal framework has changed since then and the personnel responsible for controlling cannot place themselves in the former legal framework and make an evaluation based on the legal framework that was in place at the moment when the implementation started. Considering these, the controlling personnel invoke procurement principles that are unchanged since they are given by the OECD. Also, they interpret these principles to the detriment of the beneficiary since principles do not represent rules and practices that are to be applied, but the spirit in which rules and practices have to be made. In other words, the controlling personnel take principles and misuse them as rules to be followed by the beneficiary. Therefore, a conflict between actors is born, each side having its own perspective. This has devastating effects not only on the beneficiary but also on the sustainability of the projects. Since the principle of transparency or non-discrimination is relative, it is therefore not absolute. The controlling body takes those principles as being absolute. Also, the beneficiary cannot hire a fresh law school graduate to advise him on project worth multiple millions of Euros. There is a similar situation in the case of expert accountants. Only expert accountants with experience on public funding can successfully face tasks from such large projects.

The minimum experience criteria are not usually accepted by the controlling body, interpreting that the beneficiary did not respect the principle of non-discrimination and of absolute transparency (utopian concept).

5. For these reasons, it is of utmost necessity that the Management Authorities prevent these aspects before the contracting phase. They ought to control the procurement procedures when the reimbursement requests are filed. Thus, if the beneficiary has committed any errors, he should be notified at this phase, giving him the opportunity and the necessary time to correct his errors for the current phase. At the same time, this insures that he will not unwillingly commit the same errors in the next phases of the procurement process.

6. The major risks in public procurements are more prominent for the beneficiaries when they are in the role of purchasers and implementers of projects financed from public funds.

7. In order to have an efficient modernization and modification of the legislation, it is essential for the lawmaker of public procurement legislation to take into consideration one of the most important pillars: the analysis of past public procurement catastrophes and the creation of efficient ways of public consultation with the beneficiaries.

## 5. CONCLUSIONS

By analyzing the results, respectively the questionnaire answers, the conclusions about how SMEs and NGOs perceive the public procurement process are obvious. Taking into account that it is almost unanimously accepted that the private sector manages its funds much more efficiently compared to the public sector, it is important to analyze our results through this perspective.

The research conclusions about the perception of the public procurement process through the eyes of our target group are the following:

- 90% of the respondents have low and very low trust in the Romanian public procurement process.
- 73% of the respondents notice the lack of competitiveness, excessive red tape and low accessibility in the public procurement process.
- Most of the respondents notice a low and very low price/quality ratio in the procurement process and a poor efficiency of public funds use. They have difficulties understanding the legal framework without the aid of an expert, the former being surpassed by the current market reality.
- 97% of the respondents noticed that the „Lowest Bid” selection criteria negatively affect the public procurement process output quality and the efficiency of this process. The ambiguous and interpretable legal framework causes a fear of subsequent checks, which leads to using the „lowest bid” criteria.
- 64% of the respondents affirm that they have encountered in public purchasing winning bids that were undervalued.
- Only 16% of the respondents notice a progress being made in the legal framework of public procurements while 84% consider these progresses insufficient, absent or do not know.
- 90 % of the respondents would not use the public procurement process procedures in their own private procurement process, considering the former as being inefficient, with complicated procedures and doubtful results.
- 90% of the respondents prefer bidding in the private procurement process in the detriment of the public procurement process, which brings us to the conclusion that a large part of the bidders will not be part of the competition within the public procurement process. The causes can be extracted from the other items: red tape, “lowest bid” criterion in detriment of quality, unclear and interpretable legislation, etc.
- 87% of the respondents feel the need for modernizing the legal framework of public procurements in Romania while 83% need a clear and simplified legal framework while 77% feel the need to cut back on red tape and 74% feel the need to undergo public consultations before bringing any real changes to the existing legal framework.
- Even though 77% of the respondents say that they have employees/collaborators that have already participated in public purchasing training, which shows a clear interest for this type of procurement and their need for information, 87% of the respondents still state that they are not independent from an external public procurement expert. 90% of the respondents prefer quality over a lower price or a shorter duration when it comes to public procurement training.

Although we have a newer legal framework, dating from 2016, considered modern and aligned with European recommendations, 87% of the respondents still notice a need for modernizing the legal framework. This modernization has to be based on transparency, efficiency and quality. 83% of the respondents notice the need for an easily-understandable and simplified legal framework, 77% feel the need to cut back on bureaucracy and 74% appreciate the need for public consultation before any changes are to be made to the current legal framework. This need for public consultation shows us that even though each legislative act undergoes public consultation, this procedure is not perceived by the actors involved in the public procurement process.

More worrisome are the results of our research which state that 85% of the respondents consider their participation in the public procurement process as a vulnerability for their organization and 81% of the respondents mention that there is information that they would not like to mention in a questionnaire.

Even though the problems that we identified through our study regarding the public procurement process seemed to be resolved after the President of Romania passed a law regarding public procurements, in reality the perception of the actors involved in the public procurement process remains unchanged (Ministerul Afacerilor Externe - Paris, 2016).

We can simply conclude that an analysis anchored in the realities of the Romanian public procurement process, an efficient public consultation between the involved actors and real feed-back are essential in the process of modifying public procurements. Without a list of the current legal framework weak points, gathered objectively and longitudinally during the existence time-span of the current legislation, the modification process is inefficient. For each longitudinally identified weak point, a modern solution is needed. Otherwise, any modification of the legal framework, even if it will bring some improvements, will not be consistent and it will not bring real and relevant results, having a negative impact on use of public funds and on the economy of a country.

#### *Limitations of the study.*

The research was conducted in a relatively short time span, in the Centre Region, which does not offer a result that can be generalized at a national level. Creating the questionnaire was a direct result of two focus groups that took place in the Centre Region and therefore using focus groups in more development regions could potentially give us a more detailed questionnaire.

#### *Future directions for research and recommendations.*

Conducting a study at a national level in mixed research teams, formed of experts in statistical socio-economic research and experts in public procurement legislation could yield positive and relevant results. At the same time, an Inter-, Pluri and Trans-Disciplinary approach and a methodological research mix are needed in order to have a much more complex and objective study with a national relevance (Nicolescu, 1999; Bălănean, 2011, 2016). At the same time, disseminating the research results with involved actors, experts in public procurement and potential initiators of future legal modifications is essential in order to obtain a real and concrete result.

## REFERENCES

- Bălănean, R. (2016). *Factori psihosociali în convingeri, atitudini și comportamente; Intervenții preventive*. Doctoral thesis, Universitatea Babeș-Bolyai Cluj-Napoca, ITSC Tîrgu-Mureș
- Bălănean, R. (2013). *Paradigme postmoderne în formarea profesională în domeniul protecției mediului*. Tîrgu-Mureș, Editura IEERH
- Bălănean, R. (2013). „Formarea adulților – paradigmă postmoderne în context european”. Published in „Tendințe actuale în formarea adulților și paradigme postmoderne în context european”. Editura Pro Universitaria, București.
- Bălănean, R. (2012). „Innovative psycho-social interventions aimed at reducing dysfunctional beliefs”. 2<sup>nd</sup> World Conference on Learning, Teaching and Administration, Bahcesehir University Istanbul, Turkey. Published in: *Procedia - Social and Behavioral Sciences* 31, 2012, p. 719 – 723
- Bălănean, R. (2012). *CONSULTARE PUBLICĂ. Audierea Publică - UMF Tg.Mureș – între multiculturalitate, standarde de calitate, autonomie universitară și prevederi legale*. [online] UMF Tîrgu-Mureș, 2012, p.1-16, Available at: <https://www.umftgm.ro/universitate/informare-si-relatii-publice/consultari-publice.html> [Accessed 31 Aug. 2017];
- Bălănean, R. & Coșa, L. (2011). *Manual „Formatori de formatori inovativ”*. Elaborat în cadrul proiectului POSDRU 32659, „Profesioniști în sistemul de formare profesională din România”. Tîrgu-Mureș, Institutul de Training, Studii și Cercetări – ITSC
- Boudon, R. (coord.) (1997). *Tratat de sociologie*. Ed. Humanitas, București.
- Cassell, C., Symon, G., Buehring, A. and Johnson, P. (2006). "Qualitative methods in Management Research: An Introduction to the Themed Issue", *Management Decision*, 44(2) 161-166.
- CNIPMMR – Bucharest. (2016). SMEs Study 2016. [online] Available at: <http://cniipmmr.ro/category/comunicate/> [Accessed 31 Aug. 2017].
- FIT, S. (2013). *Audierea publică*. [online] Academia de Advocacy, Timișoara, 2013, p.5-24, Available at: <http://advocacy.ro/publicatii/audierea-publica-procedura-riguroasa-si-eficienta-de-fundamentare-politicilor-publice> [Accessed 31 Aug. 2017]
- Heiman, G., W., (2001). *Understanding Research Methods and Statistics: an integrated approach*. Houghton Mifflin Company, Boston
- Iluț, P. (1997). *Abordarea calitativă a socioumanului*. Ed. Polirom Iași.
- Johnson, R. B., & Onwuegbuzie, A. J. (2004). Mixed methods research: A research paradigm whose time has come. *Educational Researcher*, 33(7), 14-26.
- Kelle, U., (2001), „Sociological explanations between micro and macro and the integration of qualitative and quantitative methods”, *Forum Qualitative Sozialforschung*, vol. 2(1).
- Krueger, R. A. & Casey, M. A. (2005). *METODA FOCUS GRUP – Ghid practice pentru cercetarea aplicată*. Iași: Polirom
- Mărgineanu, I. (2000). *Proiectarea cercetării sociologice*. Iași: Polirom
- de Single, F., Blanchet, A., Gotman, A. et al. (1998). *Ancheta și metodele ei*. Editura Polirom Iași.
- Miftode, V. (2004). *Metodologia cercetării sociologice*, Lumen, Iași, 2004

- Ministerul Afacerilor Externe - Paris. (2016). <https://paris.mae.ro/fr/romania-news/6621>. [online] Available at: <https://paris.mae.ro/fr/romania-news/6621> [Accessed 31 Aug. 2017].
- Nicolescu, B (1999). *Transdisciplinaritatea*. Ed. Polirom, Iași.
- Nicolescu, C., Truică, A.P, Urîtu, D. & Corcodel, Ș.F. (2016). *Carta Alba a IMM-urilor din România*. Coordonator științific: prof. univ. dr. Ovidiu Nicolescu. Ed. CNIPMMR, București
- Nicolescu, C., Truică, A.P, Corcodel, Ș.F & Urîtu, D. (2015). *Carta Alba a IMM-urilor din România*. Coordonator științific: prof. univ. dr. Ovidiu Nicolescu. Ed. CNIPMMR, București

