



DIRECTIONS FOR IMPROVING THE MECHANISM OF ORGANIZING PUBLIC PROCUREMENT IN BUDGET ORGANIZATIONS

Tokhtaeva Nozila Murodjon kizi
TGEU "Corporate Economy and
Management" Department, Senior Teacher
E-mail: n.ashurova@tsue.uz

Abstract:

Public procurement plays a vital role in the efficient allocation of resources in budget organizations. It is a crucial process that enables these organizations to acquire goods, services, and works necessary for their operations. However, the mechanism of organizing public procurement in budget organizations is often criticized for being inefficient, opaque, and prone to corruption. In recent years, there have been numerous cases of procurement fraud, abuse of power, and wastage of resources, which have led to a loss of public trust and confidence in the system. Therefore, it is essential to identify directions for improving the mechanism of organizing public procurement in budget organizations to ensure transparency, accountability, and value for money.

Keywords: public procurement, future directions, budget system, economy, national producers, products

Introduction:

Public procurement is a structural tool of the budget. Public procurement is literally important in terms of its functions and functions, creating the necessary conditions for economic development. Today, the need to serve as the basis for the sustainable development of the digital economy, expansion and strengthening of international economic cooperation is widely promoted in the Republic of Uzbekistan. Wisely taking advantage of the large-scale capabilities of the digital economy, it directly affects the pace and content of development, that is, the state acquires the necessary products for the implementation of targeted development programs, such as education, health, defense, Culture, Sports. At the same time, the state performs the main task of regulating the economy. In the context of the transition to the digital economy, public procurement is an important issue to consider first in deepening economic reforms, as they support national producers, small businesses and community organizations. The tasks of public procurement are to attract more business entities to public procurement in order to develop competition in addition to





providing the necessary goods, services and works for public administration activities in a timely manner, in the required quantity and type, quality and price, to improve the quality of the products produced, to encourage domestic manufacturers to produce quality products suitable for international. Through the implementation of these tasks, it will be possible to influence the development of the country's economy and positive changes in the social sphere. If we consider the impact of Public Procurement on the economy on domestic economic policy, it can be seen that it is carried out primarily through the system of public procurement of domestic producers, small and medium-sized businesses. In turn, the support of small businesses contributes to the increase in the camaraderie of the national economy, creating demand for competitive products. According to the analysis of public procurement in many countries, the choice of the type of procurement is influenced by state customers, the expected number of participants in purchases, the complexity of the state contract and the level of political competition. For example, if a customer wants to buy a complex product or service, it will be more profitable for him to negotiate than auction, that is, it depends on the choice of the type of shopping procedure. Choosing a winner based on multiple indicators gives more opportunities to limit competition than an auction based on a single indicator. In multidimensional auctions, participants compete on a number of parameters, such as price and delivery time. Performance points are accumulated in certain promotions, and the participant with the most points becomes the winner of the auction. The method of cheating by the buyer at auction can also have unequal consequences. There is an opportunity to reduce economic efficiency in creating a wide range of corruption opportunities for the buyer. The customer can also limit companies' participation in competitive procurement procedures by making excessive demands on the purchase participants and manipulating the terms of the contract. The possibilities of using the above methods and combining them will depend on the selected purchase procedures. The first way to limit competition is to make excessive demands on the participants of the purchase and use tricks with the terms of the contract. By making excessive demands on trade participants and falsifying the terms of the contract, only one company or a narrow circle of companies can fulfill the state contract by bribing. To make the public procurement management system transparent to both the state and society, it is advisable to introduce a monitoring system and create a monitoring system that will ensure the constant collection, generalization, systematization and evaluation of procurement information, including the implementation of procurement plans and schedules. In the field of Public Procurement, anti-corruption monitoring should be considered as a mechanism for improving the effectiveness of economic management,





which is reflected in the risks in the contract system in order to analyze the situation and ensure the transparency of Public Procurement. In improving the efficiency of public procurement, the formation of a market mechanism for the provision of public orders is one of the important tasks. Public procurement is carried out on the basis of state orders formed based on state needs. The experience of foreign countries shows that public procurement occupies a large part of the budget, while it is an important factor in the management of the economy. Therefore, as in many countries of the world today, great attention is paid to the integration of the public procurement system in the Republic of Uzbekistan. Ensuring the openness, transparency and efficiency of procurement processes, the goal carries out a number of measures to increase competition in auctions through the use of electronic sales by the state and the involvement of business entities in the process of Public Procurement. At this point, it is also important in what order government purchases are made. It should be noted that in the past period, country has made efforts to form a unique system of Organization of Public Procurement, that is, the effective use of budgetary funds, the provision of more benefits, based on the requirements of international experience and economic reforms. In the procurement process, the possibilities of increasing the share of small and medium-sized businesses, as well as organizing the existing mechanism of the public procurement system in accordance with international standards, were further improved. Obviously, the development of modern forms and procedures in the system of public procurement is becoming a vital necessity. The improvement of Public Procurement depends on the creation of a perfect regulatory framework for this area and its development in accordance with international experience, since the regulatory framework provides the basis for the formation of a mechanism for any area.

First and foremost, one of the primary directions for improving the mechanism of organizing public procurement in budget organizations is to enhance transparency. This can be achieved by making all procurement information publicly available, including tender notices, bid documents, and contract awards. The implementation of electronic procurement systems can also facilitate transparency by allowing for real-time tracking of the procurement process. Moreover, the use of open data standards and application programming interfaces (APIs) can enable the sharing of procurement data with the public and other stakeholders, promoting accountability and citizen engagement. For instance, the European Union's directives on public procurement require member states to establish online portals for publishing procurement notices and awarding contracts. Another direction for improving the mechanism of organizing public procurement in budget organizations is to strengthen





the institutional framework. This involves the establishment of independent and autonomous procurement agencies that are responsible for overseeing the procurement process and ensuring compliance with laws and regulations. These agencies should have the power to investigate and sanction cases of procurement fraud and abuse. Furthermore, there should be clear roles and responsibilities defined for each stage of the procurement process, including planning, tendering, evaluation, and contract management. This will help to prevent confusion, bias, and conflicts of interest. For example, the United States Federal Acquisition Regulation (FAR) provides a comprehensive framework for federal procurement, including roles and responsibilities for contracting officers, program managers, and procurement officials.

Additionally, directions for improving the mechanism of organizing public procurement in budget organizations include the development of professional capacity and skills among procurement officials. This can be achieved through training programs, workshops, and certification courses that focus on procurement laws, regulations, and best practices. Procurement officials should also have access to relevant tools and resources, such as procurement software, market research, and supplier databases. Moreover, the use of performance indicators and key performance indicators (KPIs) can help to measure the efficiency and effectiveness of procurement officials, promoting accountability and continuous improvement. For instance, the Chartered Institute of Procurement and Supply (CIPS) offers certification programs and training courses for procurement professionals.

Furthermore, directions for improving the mechanism of organizing public procurement in budget organizations involve the adoption of innovative and sustainable procurement practices. This includes the use of green procurement, which involves the purchase of goods and services that have a reduced environmental impact. Green procurement can help to reduce carbon emissions, promote sustainable development, and achieve cost savings. Moreover, the use of circular economy principles can help to reduce waste, promote recycling, and encourage the use of secondary materials. For example, the European Union's Circular Economy Package aims to stimulate sustainable consumption and production patterns through procurement practices. The mechanism of organizing public procurement in budget organizations requires significant improvements to ensure transparency, accountability, and value for money. Directions for improving this mechanism include enhancing transparency, strengthening the institutional framework, developing professional capacity and skills, and adopting innovative and sustainable procurement practices. By implementing these directions, budget organizations can





promote good governance, prevent corruption, and achieve efficient allocation of resources. Ultimately, this will lead to improved public services, increased citizen trust, and sustainable development.

It is worth noting that the implementation of these directions will require a comprehensive and systematic approach that involves all stakeholders, including government agencies, civil society organizations, and private sector entities. This may involve the development of new laws, regulations, and policies, as well as the allocation of sufficient resources and budget for procurement modernization. Moreover, the establishment of a transparent and accountable procurement system will require a cultural shift among procurement officials, towards a more open, inclusive, and collaborative approach.

Conclusion

In the long run, the benefits of improving the mechanism of organizing public procurement in budget organizations will be substantial. These benefits will include cost savings, improved quality of goods and services, increased transparency and accountability, and enhanced public trust and confidence in government institutions. Moreover, an efficient and effective procurement system will enable budget organizations to focus on their core mandates, promote sustainable development, and drive economic growth.

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