

# BAIT CALLS FOR RESIGNATION OF STATE ADMINISTRATION MINISTER

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Published at: 31-07-2006

Source: [Portal EUROPE](#)

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**Portal EUROPE offers you a summary in English of the arguments of BAIT concerning the activities of the State administration ministry with regards to the public procurements. Opinion of the Bulgarian Association of Information Technologies (BAIT) Concerning a Press-Conference on the Topic: "Supply and Establishment of an E-Government Integration System" and the Answers of Minister Nikolay Vassilev.**

On 26 July this year the Bulgarian Association of Information Technologies (BAIT), addressing the representatives of 70 printed and electronic media, substantiated and provided supporting facts for the reasons, recounted in a letter sent the previous day to Mr. Sergey Stanishev, for demanding urgent intervention on the part of the Prime Minister and termination of the public procurement procedure for "Supply and Establishment of an E-Government Integration System". The award of the public procurement contract was announced by virtue of an order of Nikolay Vassilev, Minister of State Administration and Administrative Reform.

The press conference evoked very high journalistic interest.

**Theses of BAIT and of the sector presented during the meeting.**

The press conference was organized after a broad discussion among the BAIT members of the tender documents and the complaints filed with the Managing Board of the Association by some of the largest and most well-known companies in the sector. In this connection on 14 July BAIT forwarded to Minister Vassilev a letter insisting that the procedure should be discontinued. After a review and remedying of the obvious violations of the Public Procurement Act the procedure should be reopened in a form, which should not contradict the law and should further guarantee that the goal of the tender would be met. As the minister has once again turned down a proposal for cooperation on the part of the biggest sectoral organization, the only option left to exert influence is to raise the matter with the Prime Minister and to seek the assistance of the media.

The press conference also posed a number of issues, which underlie the avalanche-like expansion of the

## **BAIT CALLS FOR RESIGNATION OF STATE ADMINISTRATION MINISTER**

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corruptive practices related to public procurement tenders in the area of information and communication technologies. As a result of them society has sustained heavy losses, estimated at scores of millions of leva, paid by the treasury for information system projects that have also become notorious due to their failure. It is impossible to calculate the total losses inflicted on society because of their uselessness, as the problems they should have been created to tackle have not been resolved for years.

Such is the case with the creation of a "National Educational Network", for which millions of Bulgarian leva has already been spent, and as the press recently alerted, the project is at a stalemate and is not performing, while the task, as initially assigned, has been foiled. This failure is also the deed of the team of Mr. Nikolay Vassilev, though when he was heading a different ministry. Instead of naming the real perpetrators, attempts are now being made to put the blame on the companies, which appealed the tender results. The documentation for that tender was also drafted in a highly biased way, similar to that for the tender regarding the integration system for the state administration. At that time, on 5 April, 2005, BAIT also addressed an official letter to Minister Vassilev, requesting quite specific changes in the documentation, so that it should not be manifestly violating the Public Procurement Act (PPA) and should allow equitable participation of a larger number of bidders. The reaction of the minister was equivalent to his conduct during the present-day tender.

A number of texts from the Public Procurement Act, as once again amended recently, were referred to at the press conference: rather than limiting the possibilities for manipulating the tenders and favouring their organizers to the detriment of the tax-payers, the society and the business, these texts create new loopholes to the same effect. In this connection BAIT will prepare and send to the President of the Republic and to the Speaker of the National Assembly a letter with specific proposals.

In connection with the tender for "Supply and Establishment of an E-Government Integration System" eminent specialists and managers of leading companies in the sector disclosed facts, which can be briefly summed up as follows:

- In the most essential and leading in significance and value software part of the tender the task is formulated so vaguely, that it cannot be fulfilled, at least not in the envisaged period of time, nor can the performance be controlled.
- As a result, there is purposeful assignment and, in reality, advance payment for a task in a way that dooms the implementation to a failure, yet, the money will definitely be absorbed.
- In the part on the procurement of hardware the task is rendered so precise as to eliminate all the leading global manufacturers except for one, evidently favoured company. Guided by its principle-driven position never to back a single company, the Managing Board of BAIT never mentioned in any way, be it during the press conference or in the documents regarding it, the name of any manufacturer of computer technology, nor the names of the companies that appealed the tender procedure before the court. This is the point to ask: Who is defending corporate interests, after all?
- It was also pointed out that by the time, when the system could become operational, after the development of the software, this hardware would be obsolete and depreciated to a large extent.
- The documentation is prepared in such a way as to guarantee that the participation of any Bulgarian company in the tender would be precluded. While in the case of hardware selection nobody denies that the supplier can only be one of the leading global manufacturers, the installation and support of this technology can and should be within the competency of a Bulgarian company. The development of the software is fully within the capacity of Bulgarian companies that have proved their worth, and so far all

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the attempts to commission such a task entirely to a foreign contractor have repeatedly failed.

### **The response and stand of Minister Nikolay Vassilev.**

Two hours after the press conference held by BAIT, Minister Vassilev convened a press conference with the evident goal to divert the attention from the facts and to belittle the inferences stemming from them and included in the BAIT letter to Prime Minister Sergey Stanishev.

He did not answer any of the questions asked by BAIT, nor did he refute any of the specific facts. Instead of that he jumped to defend himself and his ministry and accused the biggest sectoral organization that it defended "corporate" interests.

He even went as far as to voice the absurd threat that he would bring to court the collective, democratically elected governing body – the Managing Board of the Association. He also took the liberty to do something utterly inadmissible for a politician and a senior government official: to assume the stand of a person superior to the supreme body of any democratic public organization, its General Assembly, by questioning the legitimacy of the BAIT leadership and publicly divided the members of the Association into "bad" and "good". It is an indisputable fact that all the decisions of BAIT are passed after a collective discussion. The decision on the press conference and the letter to Sergey Stanishev was taken unanimously at a meeting, where all the corporate members of the Association were invited, and there was also a sanction, passed unanimously at a Managing Board Session.

Mr. Vassilev made quite a transparent attempt to substitute the gist of the issue by identifying the establishment of the "e-government" system with the tender called by him. The latter can only be a part of this complex task and attacking it because of its complete inability to implement the goals assigned to it will in no way harm the project – it will only prevent it from entering the list of the foiled and inoperational information systems. And maybe even now there are schemes to brand others as culprits for the huge delay in building this system.

Likewise, by changing the thesis, Minister **Vassilev is making an attempt to escape the accusation that the call for tender announced by him completely cuts off Bulgarian companies from participating in the tender.** An ostensible attempt to deceive transpires through his allegations of the impotence of the Bulgarian ICT companies and constitutes a demonstration of actions completely inconsistent with the nationally responsible conduct of a minister in a Bulgarian government. In this case he replaces the concept of "supplier" with that of a "producer". It is popular knowledge that there are few producers of such technology in the world and there is no Bulgarian company among them. Such a contention is absurd. However, the issue of the essential part of the public procurement task – the development of software, stands quite differently.

There are quite a few Bulgarian companies that have proved their worth in this respect and whose systems operate successfully in the state administration. As a contrast, the attempts to seek solutions provided entirely by foreign companies have failed due to the specificity of the state governance

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## **BAIT CALLS FOR RESIGNATION OF STATE ADMINISTRATION MINISTER**

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operational mechanisms in each individual state. Given willingness and competence on the part of the civil servants, after a clear definition of the initial conditions and the final objective, this task can be decomposed into smaller ones that can easily be implemented by Bulgarian companies within a short period of time. This is how BAIT sees the support for the Bulgarian ICT industry, while Minister Vassilev's policy runs counter to this political line extensively declared by the government.

Unfortunately, with his reaction Mr. Nikolay Vassilev has once again rejected in an inadmissible way the cooperation offered to him well-meaningly by BAIT and by the information and communication technology sector.

His consistent behaviour in holding scandalous tender procedures and his unwillingness to cooperate with the sectoral organization driven by that conduct, as well as his public slanderous attempts to suggest and provoke a split between the corporate members of the Association, leave no doubt that **the only dignified choice still available to Mr. Vassilev is to resign from his position of a minister** of the Republic of Bulgaria.