

**THE IMPORTANCE OF PROCUREMENT MODELS IN THE EFFECTIVE ORGANIZATION
OF PUBLIC PROCUREMENT**

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Uchkun Urokov

Associate professor of Tashkent Institute of Finance

Annotation: *This article describes the models of public procurement organization in world practice, their characteristics, advantages and disadvantages.*

Keywords: *procurement models, centralized model, decentralized model, mixed model.*

Public procurement is the process of providing the needs of public customers for goods (works, services) on a monetary basis. In our opinion, the following definition of public procurement reveals its essence more broadly. State procurement - the process of purchasing goods (works, services) necessary for the needs of state customers based on established requirements and procedures, etc.

Public procurement serves to enable public customers to purchase the goods (work, services) necessary for their operation on the basis of saving money, at an alternative price and quality. In the implementation of this process, there are pre-defined requirements, conditions, and procedures, and all government customers are required to follow these requirements.

State procurement performs the following socio-economic tasks in society:

☐serves to provide social institutions with material equipment. For example, food, toys for preschool educational institutions; tables and chairs, computer equipment for schools; procurement of medical equipment and medicines for healthcare institutions is one of them.

☐provides formation and improvement of social infrastructure. For example, construction and maintenance of roads, bridges, purchase of public transport vehicles, laying of drinking water pipes and power lines are carried out through public procurement.

☐creates a healthy competitive environment in the economy. That is, business entities take measures to reduce the cost and price of products, and increase their quality, in order to win the auctions in the state procurement system.

☐financial control over saving and spending of funds is ensured. Procurement laws and procurement authorities ensure that this task is carried out.

☐electronic commerce will develop. Today, procurement procedures are carried out in a special electronic form, procurement announcements and signed contracts are posted on a special information portal, requiring all procurement system subjects to have the necessary knowledge and technical equipment to participate in electronic auctions.

Through state procurement, state customers buy goods (work, services) necessary for their activities. Public procurement also supports the development of the country's economy and the implementation of effective social policy. The state purchases necessary goods (work, services) for the financing of education, medicine, defense, culture, sports and implementation of targeted development programs. In this way, the state, as a large customer, fulfills its primary role in regulating the economy. The state procurement system serves the development of the national economy at a stable pace, expansion and development of international economic cooperation.

State procurement constitutes the main part of the expenses incurred by state bodies (organizations, institutions, ministries) for the implementation of their functions, and is one of the important factors for the formation of favorable conditions for the stable development of the national economy and the investment flow. Public procurement is considered an important tool for the effective distribution of investment potential and the creation of favorable conditions for the development of sectors of strategic importance for the state, as well as for conducting scientific research and involving its results in production processes. Therefore, the problems related to the organization of public procurement are always relevant, and in all countries, organic and continuous measures aimed at improving the public procurement system are being implemented.

The public procurement system of each country is based on a certain model. Summarizing the shopping models of the countries of the world today, we can see that they are mainly of 3 types:

1. Centralized model;
2. Decentralized model;
3. Mixed model.

In a centralized model, orders for the goods (work, service) to be purchased are made by a specially authorized organization or a specific structural unit of the government (local authority, ministry, committee, agency, etc.). For example, the Ministry of Public Education centrally orders textbooks to publishers for more than 10,000 schools in the country. Or, the Ministry of Health centrally orders drugs and medical diagnostic equipment for lower medical institutions, and then distributes and delivers it based on the needs of lower departments. An example of this is the fact that the central apparatus of JSC "Uzbekneftgaz" JSC or "Asakabank" which are considered to be state-owned enterprises (state owns more than 50% of shares) purchases some goods (work, service) centrally and then delivers them to lower branches.

In the centralized model, the higher authority (organization) aggregates the needs for a certain product (work, service) from lower organizations and orders a complete purchase. In some large state customers, a special department dealing only with purchases (purchase department in most joint-stock companies and companies) is formed.

There are a number of advantages to making purchases in a centralized model. For example:

☒in the centralized model, the purchased goods (work, service) are obtained at a low price because a large-scale wholesale order is placed;

☒highly qualified specialists in the special commission established by the ministry or higher authorities study the quality, suitability or reliability of the supplier of the purchased goods (work, service) and then place an order;

☒Due to the large volume of orders, transportation, installation, insurance costs for one unit of goods (work, service) are small, etc.

Despite having advantages, there are also disadvantages to purchasing in a centralized model. For example:

☒in the centralized model, due to the large volume of orders, the delivered goods (products) may contain invalid and low-quality ones. When receiving the order, it is not possible to physically check each product (in school textbooks, some pages are not cut, books are glued upside down, there is a smaller amount of drugs in the medicine container than the norm, clothes are smaller than the measurement (size) or there are cases such as large stitches);

☒the goods (products) purchased centrally by higher authorities may not all correspond to the needs of subordinate units (for example, when budget organizations express their needs for computer equipment or tables and chairs to the higher organization and expect the most modern, convenient goods, they cases such as the provision of products that are cheaper in price or cause some inconvenience in use).

☒In centralized purchasing, the needs of the subordinate departments are usually summarized and then ordered. In addition, due to the size of the order, the necessary goods (work, service) may be delivered late, etc

In decentralized model, each state customer independently realizes the necessary goods (work, service) based on the established requirements and procedures. For example, each district finance department, each higher education institution, each bank branch will be able to purchase the goods (work, service) they need on the basis of the legal requirements.

There are also benefits to making purchases in a decentralized model. For example:

☒in a decentralized model the need for goods (work, services) is satisfied a little faster;

☒purchased responsibility for goods (work, services) lies directly with this orderer;

☒considering the available conditions and opportunities, it will be possible to buy goods (work, services) based on their needs, and etc.

Purchasing in a decentralized model also has its drawbacks. For example:

☒in the decentralized model, price of goods (work, services) can sometimes be expensive due to small quantity;

☒each state allows the customer to purchase independently, meaning inexperienced customer sometimes may purchase poor quality, short warranty period goods (work, services);

When purchases are made in a decentralized manner, sometimes representatives of customers may conclude unfair contracts for their personal interests, committing cases of illegal embezzlement of funds, etc.

In the mixed model and makes purchases in cooperation with the state customer and a specialized organization. For example, when budget organizations in Uzbekistan place an order for goods (work, services), the Treasury of the Ministry of Finance of the Republic of Uzbekistan first (must) confirms that funds are provided for these goods (work, services), and that there are sufficient funds in the customer's account. Only after that announcement will be made. Or, in cases where the value of goods (works, services) exceeds twenty-five thousand (six thousand for budget customers) times the amount of the basic calculation, technical assignments for state procurement are sent to the "Projects" under the Ministry of Economic Development and Poverty Reduction of the Republic of Uzbekistan for examination in accordance with the procedure established by law and the center for comprehensive examination of import contracts" will be sent to the state unitary enterprise. The procurement announcement will be posted only after receiving a positive conclusion of the Comprehensive Expertise Center on the technical assignment for public procurement.

There are a number of advantages to purchasing in a mixed model. For example:

inefficient and illegal spending of funds is avoided in the mixed model;

highly qualified specialists in the special commission established by the ministry or higher authorities study the quality, suitability or reliability of the supplier of the purchased goods (work, service) and then place an order;

improvement of the current control over purchased goods (work, services) is ensured, etc.

The mixed model has advantages as well as disadvantages. For example:

in the mixed model, procurement may be delayed due to the sometimes-extended period of obtaining permission from the responsible or specialized organization;

in this model, electronic document circulation is established between the customer, specialized organization and operators of special information portals, sometimes in remote districts there are problems related to electricity supply, technical and internet speed of the program, and inconveniences in purchasing can say, etc.

In conclusion, it can be said that when applying the procurement models of each country, the subject of procurement and the characteristics of the supplier's activities, the directions of the financial policy in the country are taken into account. The main goal is more effective use of state budget funds, prevention of factors affecting the growth of the budget deficit, and at the same time ensuring compliance with budget discipline in the process of using the funds of enterprises with a state share in the budget and charter. purposeful and rational use of funds on the basis of economy, besides, there are issues of ensuring the socio-economic stability of the country through the formation of an effective state procurement system.

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