

\$1.8M State Offer for Web Site Bewilders

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The Federal Anti-Monopoly Service said Monday that it had not received any complaints over a state tender offering \$1.8 million to create a web site in just over two weeks, even after a top blogger asked his readers to complain.

The Health and Social Development Ministry is seeking bids to build a social networking site for doctors, and it posted details of the tender on the main <u>web site</u> for state purchases Oct. 5. The ministry required that the site be ready within 16 days and that the bid be no more than 55 million rubles (\$1.8 million).

Alexei Navalny, a prominent lawyer and anti-corruption activist, posted details of the tender on his <u>blog</u> over the weekend and asked readers to file complaints with the anti-monopoly service.

"If President [Dmitry] Medvedev said during his trip to Silicon Valley that his government creates \$2 million web sites in 16 days, the people out there would have had a good laugh," Navalny wrote.

The blogger said he suspected the web site was already finished by a company that had paid a kickback to the ministry. Judging by the price, the web site had to be "complicated," he wrote, making the deadline unrealistic for a firm with no prior knowledge of the tender.

Navalny's post had more than 650 replies by Monday afternoon, with many of the commenters saying they had filed complaints the day before.

But Yelizaveta Aksyonova, a spokeswoman for the anti-monopoly service, told The Moscow Times on Monday that no complaints had been received.

A Health and Social Development Ministry spokesman did not return a request for comment.

The head of the ministry's information department, Oleg Simakov, told Cnews.ru in an <u>interview</u> published Friday that the web site's most expensive element would contain information on medicine and diseases, as well as medical news.

The ministry needs the web site quickly because officials must report on the projects they have completed by mid-December, Simakov said, without elaborating. His spokeswoman directed inquiries Monday to the ministry's press office.

Federal law does not regulate pricing for state tenders on anything except construction, but the Finance Ministry monitors expenses and requires state organizations that request money from the federal budget to explain how they will use the funds.

By law, the anti-monopoly watchdog will examine a tender's legitimacy after someone asks for it.

The state began requiring that tenders be posted publicly online since July 2005 to cut back on corruption, although transparency advocates say the bidding is still often rigged to favor well-connected companies.

The Health and Social Development Ministry was accused this summer of violating the law on competition by colluding with pharmaceuticals companies to inflate costs for the drugs it purchases. The anti-monopoly service announced in August that it was investigating the pricing scheme, but the ministry has denied wrongdoing.

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