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**PRICE ADJUSTMENT IN
BIDDING PROCESSES:
AN INVESTIGATION
IN THE MUNICIPAL
HEALTH SECRETARIAT
OF MARINGÁ**

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Abstract: This research addresses a specific aspect of public bidding, which are price adjustments. As verified in the legislation, it can occur during the bidding process, therefore, for the purpose of carrying out the study, the objective was to investigate the price adjustments, the reasons and the values in the biddings carried out by the Municipal Health Secretariat of Maringá in the years of 2020 and 2021. In terms of theoretical and empirical foundations, it addresses public administration, legislation on bidding, price adjustments, and a brief review of empirical studies on the subject. The methodological procedures used are descriptive research, of an applied nature, using a qualitative and quantitative approach, whose procedures are documentary research and ex-post facto carried out in a field environment. The main findings show that there were 309 price adjustments, 294 of which were raised and 15 lowered; the readjustments took place in 192 items, arising from 55 biddings of the auction type and involving 57 companies. The main readjusted items were medicines, hospital materials and food.

Keywords: Bidding processes; Price adjustments; Municipal Secretary of Health.

INTRODUCTION

Government accounting has as its auxiliary function in the organization, management and control of the public administration so that it can meet the needs of society, such as in the areas of education, health, culture, among others. One of its main functions is the control of collection and inspection in terms of the application of resources, as well as providing information for management and showing society its application for the development of the population (Andrade, 2002).

Among the main tools made available by government accounting, there are those aimed at planning and control, which are

linked to the budgetary process, such as the Pluriannual Plan (PPA), the Budgetary Guidelines Law (LDO) and Annual Budget Law (LOA). There are also statements that are aimed at management, which include the Budget Balance Sheet, Financial Statement, Statements of Equity Changes, Balance Sheet, Statement of Cash Flow and Statements of Economic Result (Giacomoni, 2010). Thus, with these tools available, in addition to other laws and regulations, the governmental entity will be able to exercise control of the facts that occur during the exercise of governments and/or public entities in order to limit the activities that public administrators may exercise that is not in line with the objective of a public entity and also limits the way in which resources will be collected and applied in order to maintain activities that benefit the population.

As the purpose of government entities is aimed at meeting the needs of society, it is essential to use the resources collected in the form of taxes and fees collected from the population or by transfers made by other government entities of at least one level higher than the entity that will apply the resource or by another that has resource availability. The use of resources is normally made to obtain consumer or durable goods that will be used to serve the population directly or indirectly; for hiring outsourced services that will provide the necessary services to the population when there is no trained specialist among public officials; or to rent property or real estate. According to Santos and Costa (2013),

However, unlike a private entity, the public entity cannot take advantage of the available resources directly, as there are regulations that specify that the transactions of all public sector entities must be carried out formally, specifying the objects to which the resource will be used in a contract, which will be published in a specific public notice, with the aim of clarifying the application of the

assets and making what happened transparent. Thus, the way public entities have to acquire assets with available resources is through bidding, specified in the old bidding law, law 8.666/93, which is in force until the year 2023, and in the new bidding law, Law 14.133/21. According to Mukai (1993), the bidding is a form of invitation from the requesting public entity to present proposals to solve a problem of that entity, that is, the bidding dictates the ways in which public institutions can buy goods, hire services or rent goods or real estate, indicating the correct way to select the supplier and formalize each type of activity that aims to use these resources; the restrictions and obligations that each side of these negotiations, public agency and supplier, must comply with, and the changes that may occur during the term of the bidding contracts formed. indicating the correct way to select the supplier and formalize each type of activity that aims to use these resources; the restrictions and obligations that each side of these negotiations, public agency and supplier, must comply with, and the changes that may occur during the term of the bidding contracts formed.

When a bidding contract is formed, they usually stipulate the start date and the end date for the items described in the bidding to be fulfilled, such as the delivery of goods or provision of services by suppliers, and the payment of goods or services acquired by the public entity. However, in accordance with the bidding law Article 65 that the contracts governed by this Law may be amended, with due justification, when the variation in the

contractual value to face the price adjustment provided for in the contract itself, updates, compensation or financial penalties arising from the payment conditions provided for therein [...] (Brazil, 1993).

Thus, when the initially stabilized prices for obtaining the good or service no longer match the prices in line with the reality of the market, the supplier has the right to request a price adjustment in line with, or approximately, the price of market as long as they provide evidence of price changes. However, when the price adjustments are approved, the expenses that the bidding content will generate will be higher compared to the pre-programmed expenses, which may affect the schedule already established by the entity, especially if there are several requests for price adjustment, which will lead to a reallocation of the institution's funds that may or may not be committed to other related purposes.

In view of the above, studies that propose to investigate possible price adjustments, their respective values and reasons that may change bidding processes carried out are considered relevant. Therefore, for this research, the objective was to investigate the price adjustments, reasons and values in the tenders of the Municipal Health Secretariat of Maringá in the years 2020 and 2021, during the Covid-19 pandemic. The proposition is justified, as it produces results on the price adjustments that occurred during the study period and provides an insight into this procedure in the area of municipal health.

The organization of this study in terms of structure consists of five sections. Section number one deals with the context, theme, object, objective and structure; the second section presents a literary review, in which the theoretical basis on the research topic is contemplated. Section three deals with the methodological procedures of the research

and demonstrates the methods and techniques adopted; the fourth section demonstrates the collected data and the verification results; finally, section five presents the final considerations on the object of study in view of the proposed objective.

LITERATURE REVIEW

BIDDING AND PUBLIC ADMINISTRATION

Public administration is nothing more than an activity carried out to seek to satisfy the needs of societies, and this activity is carried out by State bodies, services and agents, commonly known as “public servants”. Kohama (2008, p. 9) states that “the entire State apparatus, preordained, carries out its services, aiming at satisfying collective needs.”, that is, all the goods of a public institution and the services of public agents have with the purpose of improving the development of society and maintaining the basic needs that citizens can enjoy so that they can maintain a dignified life.

There is a consensus among several authors in the sense that the expression ‘Public Administration’ is somewhat dubious, expressing more than one meaning. One of the reasons for this fact is the wide range of tasks that make up the State’s objective. Another is the very number of bodies and public agents responsible for its execution. Exactly for this reason, in order to better specify the meaning of the expression, it must be divided from the perspective of the executors of public activity, on the one hand, and the activity itself, on the other (Carvalho, 2012).

One of the most important activities that the public administration carries out is the collection and control of public revenue, which for Kohama (2008), public revenue refers to any collection for the Public Power through cash assets or other representative goods. by the obligation generated by law or

by contract, that is, public revenue is nothing more than legally acquiring assets from people, both physical and legal, within the area of jurisdiction of that administration. Revenues can come from taxes, fees, fines, donations, etc.

Another activity that public administration performs and is considered one of the most important would be public expenditure, which according to Giacomoni (2010), services performed by any public institution are carried out through public expenditure or expenditure, which in turn, stems from the volume of funds collected, which constitute public revenue. Thus, public expenditure is the expenditure that the public entity made using the revenue collected so that it can meet the demands of the population in terms of well-being, security, education and other types of services that help society.

Expenditures incurred by public institutions, either for the purchase of goods or for contracting services, for the maintenance of essential activities for the population, can only be executed if the expenditure processes go through a bidding process, through which the Public Administration selects who more conveniently present itself, in the light of previously established and disclosed criteria, with a view to the eventual conclusion of a contract relating to goods, works and services (Figueiredo, 1992). In other words, through bidding, the public entity will be able to select a supplier that meets all the requirements in which the entity established and that offered better conditions for the acquisition of such, either monetarily or in quality, or both conditions, thus signing a contract that the public entity will only be able to buy or request services from the supplier with whom it established the contract, until the end of the term of that contract. Thus, when a bidding contract is established, a part of the budget established by the entity will be

specifically allocated for expenses with the items addressed in the contract.

CHARACTERIZATION OF THE NATIONAL PUBLIC TENDER

Bidding, being the only way in which government institutions are able to purchase goods or hire services, was created exclusively by law 8666/93, and in its article 1, states:

Article 1 This Law establishes general rules on public tenders and administrative contracts related to works, services, including advertising, purchases, disposals and leases within the scope of the Powers of the Union, States, Federal District and Municipalities (Brazil, 1993, article 1°).

According to Gasparini (2000), bidding can be defined as “Method that the public administration uses by means of which, legally, the active subject is obliged to select, by the established objective criteria, which interested companies will respond to its call, being awarded the proposal that brings financial advantages to the contract or act of interest”. And Furtado (2010) points out that management must select the best proposal that aims to satisfy its immediate interests, without privileging or giving preference to any of the companies. Thus, the bidding is nothing more than the formal process in which the public entity will choose which supplier will offer the best conditions for the needs of that public entity, taking into account the restrictions that are raised in the creation of the bidding and also not to infringe other laws, as in article 3 of law 8.666/93 says:

Article 3 The bidding is intended to ensure compliance with the constitutional principle of isonomy, the selection of the most advantageous proposal for the administration and promotion of sustainable national development and will be processed and judged in strict accordance with the basic principles of legality, impersonality, morality, equality, publicity, administrative

probity, binding to the summons instrument, objective judgment and related matters (Brasil, 1993, article 3°).

The obligation of bidding in itself is a legal principle that binds the Public Administration, imposing on the recipients of the statute the duty to carry out a bidding process before contracting works and services (Cunha, 2015). For this reason, the formalization of the bidding is usually extremely rigid and it is necessary to demonstrate several proofs and documents, in order to avoid inconsistencies and avoid fraud that may benefit one of the sides or practice an act that goes against the legislation. According to Law 8666/93, there are five types of bidding: competition, price assessment, invitation, tender and auction.

As each modality is different from the other, when the public institution is going to carry out a bidding, the characteristics of the item that will be requested must first be considered to find out which type of modality it fits. Oliveira (2015) comments that bids must take these modalities into account to define the procedures and formalities to be created. The selection of the type of bidding is important, as each type of modality has a different restriction and also the documentation that must be delivered may change. It is in the bidding instrument that contains the rules that guide the bidding and it is necessary that the legal advice of the Public Administration examine and approve such minutes (Oliveira, 2015). Like this,

However, if in any way one of the bidding participants, both suppliers and public officials, engages in conduct considered criminal, during the bidding phase, as well as in the fulfillment phase of the object of the bidding, the person who committed the infraction must bear with their respective penalties. The objective is to safeguard public assets and the morality of agents in the exercise of their functions before the Public Administration

(Domingues, 2015). Fines consist of paying an amount between two and five percent of the contract value, and such crimes, even if attempted, subject their perpetrators, when public servants, to loss of office, job or elective mandate (Meirelles, 2016).

However, with the emergence of the new bidding law, Law 14.133/21, the bidding modalities undergo some changes, among them, the price taking and invitation modalities are no longer part and in their place other modalities have emerged, which are the auction and the competitive dialogue, which are determined in article 6 of the new law as: auction is the “mandatory bidding modality for the acquisition of common goods and services, whose judgment criterion may be the lowest price or the highest discount”, and yet, it is in the competitive dialogue in which “the Public Administration carries out dialogues with previously selected bidders based on objective criteria, with the aim of developing one or more alternatives capable of meeting their needs, and bidders must present a final proposal”. (Brazil, 2021, article 6°).

These changes in bidding modalities and in other areas were made because of the lag that the old bidding law began to show due to constant changes in legislation, available technology and other factors. However, law 8.666/93 will be in force until the year 2023, therefore, in this present work, this law will be used as a reference.

LEGISLATION APPLIED TO PRICE ADJUSTMENT

The price readjustment is a contractual variation that readjusts the value of the item requested in the bidding by a governmental entity, according to the variation that this item suffered according to the price of such in the market or in the price increase for the production of that item, upon the some sort of proof of the change in price. For

Nunes (2013), the readjustment of prices and tariffs is an agreed measure between the contracting parties to prevent the transaction made by both parties from feeling wronged, due to adversities that may occur in the market during the period of execution of the administrative contract, the financial balance of the adjustment will be broken.

For the issue of price readjustment, there are laws governing its operation. In article 40, inc. XI, article 55, inc. III of Law 8666 of 1993:

Article 40. The public notice will contain in the preamble the number of order in annual series, the name of the interested department and its sector, the modality, the execution regime and the type of the bidding, the mention that it will be governed by this Law, the place, day and time for receiving the documentation and proposal, as well as for starting the opening of the envelopes, and shall indicate, obligatorily, the following: [...] XI - readjustment criterion, which must portray the effective variation in the production cost, the adoption of specific or sectorial indices is admitted, from the date foreseen for the presentation of the proposal, or of the budget to which this proposal refers, until the date of payment of each installment; [...]

Article 55. Necessary clauses in every contract establish:

[...] III - the price and payment conditions, the criteria, base date and frequency of price readjustment, the criteria for monetary restatement between the date of fulfillment of obligations and the date of effective payment;(Brazil, 1993).

They are also mentioned in article 1, 2 and 3 of Law 10,192 of 2001:

Article 1° The stipulations for the payment of pecuniary obligations enforceable in the national territory must be made in Real, at its face value.

[...] III - monetary correction or readjustment by general price indices, sectorial or that

reflect the variation in production costs or inputs used, subject to the provisions of the following article.

Article 2. The stipulation of monetary restatement or readjustment based on general or sectoral price indices or those that reflect the variation in production costs or inputs used in contracts with a term equal to or greater than one year is allowed. [...]

Article 3 The contracts in which a body or entity of the direct or indirect Public Administration of the Union, the States, the Federal District and the Municipalities are part, will be readjusted or monetarily corrected in accordance with the provisions of this Law, and, in what it does not conflict, of Law n. 8666, of June 21, 1993(Brazil, 2001).

As observed in the two laws mentioned, the price adjustment is legally approved by the legislation, provided that the criteria for the adjustment to occur are duly described, from the publication of its public notice and within the scope of the bidding contract after the contract is signed.

Meirelles (2007, p. 240) states that,

Exorbitant clauses would not be licit in a private contract because they would disqualify the parties in the execution of the agreement, but they are absolutely valid in the administrative contract, since they result from the law or from the principles that govern the administrative activity and aim to establish prerogatives in favor of one of the parties for the perfect service of the public interest, which always prevails over private interests,

Which reinforces the idea that the contracts agreed, in which the price adjustment is addressed, with a public administration would be safe because they are governed by the laws established by the nation and the benefits they seek would always be applied in favor of the public interest, unlike an institution private that aims to prioritize its own interests.

And the readjustment can be carried out

successfully if it presents a valid basis, for such a change to have occurred, and this basis can be based on the average value that this good or service is available in the market, or if any variation has occurred that may change in the value of production or execution of the bid item. And more, according to Marçal Filho (2002) “The readjustment is an automatic procedure that happens as soon as there is a variation in certain indices that may influence the price of the bid items, regardless of whether this variation was analyzed or not”, that is, Management cannot refuse a request for price adjustments, even if such a price change could jeopardize the budget defined for such expense.

PREVIOUS STUDIES

There are researches that address or quote the same subject of this study, the price adjustment, with related themes and problems, among these are the occurrence in different types of bidding and the failures that can be observed following this adjustment.

In the study by Alves and Rodrigues (2013), the vulnerability of the system in an electronic auction is presented, concluding in their study that the speed with which the legislation changes its laws is not managing to keep up with the growth of the virtual market, and also that due to the restrictions imposed on public institutions to act strictly according to the law, private companies are able to discover loopholes that they can use and benefit from. One of the vulnerabilities presented is that suppliers use the existing loophole in the bidding to lower the price of the product and ensure that a certain supplier is selected to distribute the item requested in the bidding, and as soon as the contract is formalized, that same supplier requests the readjustment to the actual value of the item.

In the monograph written by Castro (2013), it had as its object the contract management

in public works, demonstrating the details and complexities to start a construction of a public work, using a work that was carried out in the municipality of Betim as a practical example to apply the effects of changes to the contract. At the end of his study, Castro (2013) states the complexities of managing works contracts, as in addition to the requirement of the professionals involved in relation to knowledge about contract analysis, they must study ways that can benefit when relocating the clauses of the contract. contract and must also take into account the unforeseen circumstances that commonly occur during a work. The price adjustment was one of those effects,

Carvalho (2014) emphasizes the idea of legalizing the contracts established by the bidding participants, mainly in the contract review part, and in the end, Carvalho (2014) reaffirms that, the review of contracts is intrinsically linked to the country's legislation and therefore this it is legally approved to be effective for all contracts. However, the changes that may occur through this review, for example the price review, are not analyzed. And in the contract review, the price readjustment is one of the objects to be taken into account, emphasizing the idea that, even if the adjustments are carried out following some type of index, and this could disrupt the planned budget, the readjustment must still Be done.

The study presented by Mendonça (2015), analyzes the main frauds that occur in the bidding process in Brazil, and highlights the ways to prevent the frauds addressed, demonstrating possible solutions, such as, emphasis on better training of public servants, preparing a public notice of in order to have the smallest possible gaps, and attention in the punishment of violators of the bidding processes. One of the frauds cited in this study was the overbilling that occurred due

to undue readjustments of recorded prices, which, like the cases previously commented on, emphasizes that suppliers do not offer the price of the product for the registered value, having been favored by the addicted readjustment procedure.

In the research carried out by Suarez and Favero (2016), they comment on circumstances that lead to the bidding being flawed, such as the unpreparedness of the bidding participants or the non-compliance or delivery of faulty items. The result obtained is that the majority of bid participants are not prepared for this event and that there is a lack of objectivity to be able to proceed with this situation. In addition, he also comments on the fact that bidders and suppliers try to take advantage of deficiencies in bidding processes in order to benefit. The researchers highlight the same issue raised by Alves and Rodrigues (2013) of exaggerating the price discount of products to be contracted and thus readjusting the prices of items to their original market value.

Sousa, Sousa, Alencar and Ribeiro (2016) emphasize the irregularities in the management of school lunches in the municipal schools of Citiópolis, describing the mismanagement both to acquire snacks and to store them, concluding that the biggest factor that led to these problems were retrograde political practices, which aim primarily to benefit politicians rather than the population. Among these problems, the price adjustments that affect the delay in the delivery of snacks were also addressed, since the adjustment process takes time to be implemented.

In the study by Arantes, Sforsin, Pinto and Martins (2019), the bidding processes for a university hospital were addressed, in which they report the serious problems that occurred for the hospital bidding processes, which compromised the provision of medical and pharmaceutical services to

the population. In the end, such solutions were suggested, improving the process of publicizing the bidding and informing the necessary documentation to be able to bid, aiming to reduce the failures of the bidding processes. The study briefly mentions that one of the ways to avoid these errors would be to verify the need to optimize the dynamics of price adjustments.

Even though the theme addressed in this study has not been used as the main subject in the studies already carried out, mentioned above, it demonstrates a content that has not yet been explored or little explored by several studies, especially when the subject is related to bidding processes. And this also demonstrates that the subject has much to explore in terms of studies and research.

METHODOLOGICAL PROCEDURES

As for the objectives, this study is configured as descriptive. Regarding the nature of the research, the study fits into applied research, and for Vergara (2015), applied research is fundamentally motivated by the need to solve concrete problems, therefore it has a practical purpose. With regard to the approach to the research problem, the study adopts both quantitative and qualitative research, that is, it is a mixed research. Diehl (2004) comments that the characteristics of quantitative research stand out due to the quantification of data collected for easy analysis and interpretation of data. And for the qualitative characteristics, Diehl (2004) states that for certain problems it is necessary to understand and classify the dynamic processes experienced in the groups, to contribute in the process of change,

The technical procedures adopted were documentary and ex-post-facto, the first of which is approached by Gil (2008) as, materials that have not yet received an analytical treatment, or that can still be re-

elaborated according to the research objects; and for the second procedure mentioned, and explained by Prodanov (2013, p. 65) “which, the ex-post facto research analyzes situations that developed naturally after some event”. As for the method of approach, it assumes the inductive method and the field research method was used.

The data collection procedure basically consists of gathering documents and reports that, in one way or another, will add information about the subject addressed in the work. For the purposes of data analysis, document analysis was used, “A “document analysis” is another type of descriptive study that provides the researcher with the possibility of gathering a large amount of information about state education laws, school processes and conditions, study plans, admission requirements, textbooks, etc” (Triviños, 1987, p. 111), so that the way in which the data were collected and how they are being analyzed can be interconnected.

Thus, the object of this study is the price adjustments of the items bid in the biddings of the auction type made by the Secretariat of Health of Maringá that occurred during the period of the Covid-19 pandemic until the date on which the information was obtained, contemplating the period from March 2020 to October 2021.

In order to collect information for this study, a visit was made to the Health Department of Maringá, to request information directly from the system used, which presents the data in a detailed and organized way, for later analysis before the study proposal. It was necessary to access the website of the transparency portal of the municipality of Maringá to complement the other information obtained from the Health Department.

DATA PRESENTATION AND ANALYSIS

The municipality of Maringá, located in the north of the state of Paraná, has a population of over 430 thousand inhabitants, considered as a large city, occupying an area around 487 thousand km². In 2020, the municipality committed several expenses, which totaled more than 1.5 billion reais for the provision of services with the aim of improving the development of the territory. Of the estimated 1.5 billion reais, 500 million were allocated to services provided by the Health Department, which represents a third of the total expenses of the entire municipality, which demonstrates its importance for the population of Maringá, especially on occasions of pandemic crises.

In March 2020, one of the biggest pandemics that affected the global level, Covid-19, began. During the beginning of the pandemic until the day the information was collected, 360 bids were created by the Municipal Health Department alone, of which the competition-type bid modality totals 2, while for waiver 145, for non-requirement 40 and for the auction type, 173 bids. Graph 1 presents an overview of the bids carried out.

During the delimited period, 309 price adjustments were made on 55 trading sessions, which corresponds to almost a third of the quantities of trading sessions that were made during the delimited period shown in Graph 1, which were readjusted in the period that includes the years 2019, 2020 and 2021, as shown in Table 1.

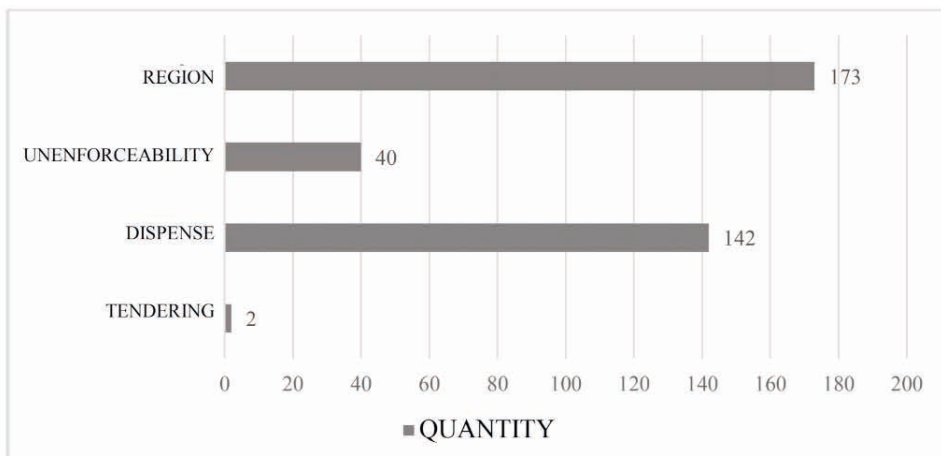
A total of 309 price adjustments were obtained, with price changes affecting 192 items, indicating that some items suffered two or more price adjustments in the period, which is mainly due to the economic instability of the period. Among the items that had their prices changed are mainly medicines, hospital supplies and food. Of all the items that suffered alteration in their prices, the participation

of 57 companies was detected that requested such readjustments of the values, occurred during the bidding process.

Analyzing the data obtained, it was observed that of the 309 readjustments, 294 generated an increase in the prices of the bid items, while the remaining 15 showed a decrease in the prices of the items. It was found that 3 of these adjustments happened after the price adjustment and increased the value of the product, even with the readjustment compensation that happened, none of these returned to the original price agreed in the bidding, thus maintaining a value above the initially agreed. The presented growth of the average price variation of all readjustments reaches a variation of 25.69% more compared to what it would originally disburse.

Thus, with these rearrangements of item prices, if it happens frequently or if the variation is too high, it may start to compromise the planning of expenses prepared in the previous year and generate a surplus or deficit in the public entity's accounting statement. Such a situation demonstrates a certain inefficiency on the part of the employees responsible for the preparation and can cause the transfer of revenues to be diluted or increased by having made a planning that is very different from what will happen. Table 3 shows the amounts planned in 2019 for the year 2020, and the amount that was actually spent in the year, in addition to the amounts committed and settled.

Chart 2 shows the financial situation with which the Health Secretariat ended in 2020, showing that the secretariat had an expense of 2.46% less than what was previously estimated in the amount of R\$ 530,860,778.00. While BRL 527,727,713.09 was committed, that is, that amount of the budget available for the secretariat was reserved for the year 2020; and R\$ 517,964,256.04 was settled in the same period, which, roughly speaking, would be the



Graphic1: Distribution of tenders created since the beginning of the Covid-19 pandemic
Source: Elotech (2021).

YEAR	trading sessions	ADJUSTMENTS
2019	19	157
2020	30	136
2021	6	16
TOTAL	55	309

Frame1: Number of price adjustments on trading sessions during the Covid-19 pandemic
Source: Elotech (2021).

Price adjustments	309
Affected Items	192
Companies involved	57
Main objects of readjustments	Medicines hospital supplies Foods

Table1: Information on price adjustments that have occurred
Source: Elotech (2021).

Number of adjustments made	309
Generated an increase in the price of items	294
Generated a reduction in the price of items	15

Table 2: Distribution of changes in price adjustments
Source: Elotech (2021).

total expenses that the institution generated to be paid.

Table 3 shows the financial/accounting performance of the secretariat up to October 2021, which includes the estimated expenditure of BRL 485 million for the whole year, so it would be an average of BRL 40,422,473.58 per each month. However, the monthly average of expenditures verified until October totaled R\$ 39,319,925.41, which represents an expenditure of 2.73% less than estimated, therefore, a lower performance than in 2020; same case of pledged amounts, since it does not differ much from amounts paid. However, the amount that was settled up to October exceeded the estimated amount of expenses for the year 2021, which confirms a debt balance that will extrapolate even more for the months of November and December, and with that, future expenses paid and paid for Health will be higher than planned.

The difference reported in Table 3, between the budgeted amount and the amount that was settled, occurred due to several factors, for example the settlement of commitments created in 2020 that were executed in the following year. Another factor that resulted in this discrepancy was the commitment formulations after the price adjustments, in which, when comparing the results from January to October 2021, the variation that occurred between the estimate of expenses and the settlement rose by around 23.63%, obtaining an approximate result of the average increase in the value of the auctioned items, which is 25.69%.

The problem found in this study is similar to the study by Castro (2013), in which both, due to an erroneous estimate of the bidding for the specific medium or the use of a deficiency in the bidding processes by bidders, public institutions were forced to disburse more than was initially planned, which compromises the institution's general budget for other

activities. The study by Carvalho (2014), however, is similar to what happened in the Health Department of Maringá, since there were changes that occurred due to revisions on the contracts, however, they were not taken into account, a fact that perfectly applies to the results of this study, when it detected that the municipality of Maringá made use of non-estimated expenses, therefore, they were outside the planning and budget.

With this increase in the amounts paid up to the month of October, which exceeds the estimated amount of expenses for the entire year of 2021, the secretariat will be obliged to request funds from other public entities in order to be able to meet these unplanned expenses, thus restricting expenses. from the entity from which it obtained funds, or is postponing payment to later periods. And for future budget planning, the secretariat must carry out an analysis to verify whether it must take into account the increase in expenses due to the readjustments that occurred during the period.

FINAL CONSIDERATIONS

The realization of this study was based on the objective of investigating the impacts that the price adjustments on the biddings, requested by the suppliers, of the auction type, could generate in the previously defined budget in a period affected by a global crisis. For the purposes of the research, the effects during the Covid-19 pandemic were investigated, and discrepancies were detected in the values of the estimate of expenses with what was properly used, since it was found that expenses were 2.73% lower than expected ; the amounts settled by the end of the period under study, recorded an increase compared to the estimated 23.63%, for the year 2021, as shown in Table 3.

The findings revealed that, out of a total of 309 price adjustments, 294 had an increase in

YEAR	R\$
Expense estimate for the year 2020 (LOA)	530,860,778.00
Total payments made in the year 2020	517,926,528.64
Amount committed in 2020	527,727,713.09
Amount settled in 2020	517,964,256.04

Frame 2: Estimate raised for 2020 expenditures and their amounts realized

Source: Elotech (2021).

YEAR	R\$
Expense estimate for the year 2021 (LOA)	485,069,683.00
Expense estimate for the months of 2021	40,422,473.58
Total payments made in the year 2021 until the month of October	393,199,254.12
Average payments made monthly in the year 2021 until the month of October	39,319,925.41
Amount committed in 2021 until the month of October	398,994,271.22
Monthly average of amounts committed in 2021 until the month of October	39,899,427.12
Amount settled in 2021 until the month of October	499,753,142.45
Monthly average of amounts settled in 2021 until the month of October	49,975,314.25

Frame3: Estimate raised for 2021 expenditures and their amounts realized up to the month of October

Source: Elotech (2021).

the price of the items and 15 had a decrease in the price. This amount of readjustments is presented in 192 items, from 55 biddings of the auction type and involving 57 companies, which requested readjustments in the bid items. Among the items that underwent readjustments in their value, the main ones that were requested to change their prices were medicines, hospital supplies and food.

It is noteworthy that in the year 2020, shown in Table 2, the difference that can be observed in the estimate made of the LOA for this year had a slight change, since it showed an expense of 2.46% less than the estimate; with regard to the committed amount, it approached the estimated values, with a difference of less than 1%. With regard to 2021, even though the payments made by the secretariat did not reach the expected value of 2.73%, the settled amount had a result of 23.63% above the estimate, a number that is consistent with the average increase in the price of bid items for price adjustments, which totaled 25.69%, thus demonstrating that price adjustments in the period were one of the main reasons why the budgeted amount for the year 2021 was not carried out as planned.

These divergences found between the planned and executed budgets led to higher expenses for the municipality, especially in the periods after the research, given the continuity of the pandemic and its effects on municipal finances. Thus, the liquidation value overlapped by more than 20% what was presented in the LOA, generating an obligation to pay for these liquidated values, since the purchase for these items in these readjusted values have already been completed. And besides this problem, another one arises, which is the reallocation of resources to be able to cover these financial needs arising from the change in values, because when the government plans the distribution of funds collected, it takes into account the budgeted

values that are in the LOA for spending in a given period, and so all the resource collected has a predestined destination, and the reallocation of resources in order to meet these unforeseen expenses will have to withdraw resources that were already planned to be spent on another activity.

Finally, it is suggested for future studies, to continue the present work, or to investigate the same topic for other bodies in the municipality of Maringá or other municipalities to buy or have new views on the issue of readjustments, whether in bodies, secretariats or other public institutions. Studies of this nature always provide possibilities for investigating performance in public management and produce subsidies for improvements in the planning process and municipal budget, as well as making public the results of such more specific aspects that are almost always invisible when observing global performance.

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