

# Single Market Scoreboard

*Performance per Policy Area*

## Public Procurement

*(Reporting period: 01/2017 - 12/2017)*



## About

Public procurement – the buying of works, goods or services by public bodies – accounts for over 14% of EU GDP. It is regulated by law to make sure the public sector gets the **best value for money** and that 3 key principles are respected:

- equal treatment,
- non-discrimination,
- transparency.

### More on public procurement

[Your Europe](#)

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## Performance

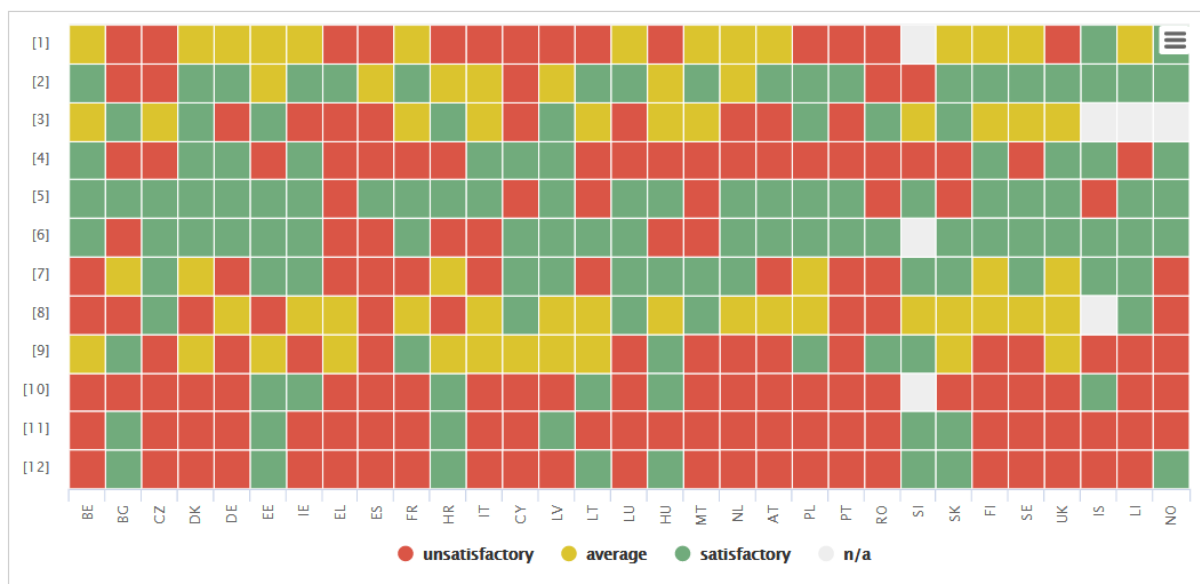
### 1. By indicator

The following indicators show how different EU countries are performing on key aspects of public procurement.

Although they provide only a simplified picture, the indicators still highlight basic aspects of countries' procurement markets.

They are all based on notices published in the [Tenders Electronic Daily](#) (TED) database, under 4 EU procurement directives ([general](#), [sectoral](#), [concessions](#) and [defence](#)).

This data is available on the [EU Open Data Portal](#). More data and indicators are also available on [opentender.eu](#), an EU-funded research project.



The colour thresholds are based on 2 factors:

- qualitative policy judgment on what constitutes good practice
- recent data for individual countries.

[1] Single bidder	≤10%	> 20%
[2] No calls for bids	≤ 5%	≅ 10%
[3] Publication rate	>5%	< 2,5%
[4] Cooperative procurement	≅ 10%	< 10%
[5] Award criteria	≤ 80%	> 80
[6] Decision speed	≤ 120 days	> 120 days
[7] SME contractors	> 60%	< 45%
[8] SME bids	> 80%	< 60%
[9] Procedures divided into lots	> 40%	< 25%
[10] Missing calls for bids	≤3%	> 3%
[11] Missing seller registration numbers	≤3%	> 3%
[12] Missing buyer registration numbers	≤3%	> 3%

## 2. Overall performance (all 12 indicators combined)



[Leaflet](#) | Credit: [EC-GISCO](#), © EuroGeographics © UN-FAO for the administrative boundaries

**⚠** For Slovenia, “Indicator [1]: – Single bidder” and “Indicator [6]: Decision speed” use the data from 2016 because for technical reasons, Slovenian data for 2017 is not reliably available for these two indicators.

**Overall performance** is a sum of scores for all 12 individual indicators (by default, a satisfactory performance in an individual indicator increases the overall score by one point while an unsatisfactory performance reduces it by one point):

The 3 most important are triple-weighted (Single bidder, No calls for bids and Publication rate). This is because they are linked with competition, transparency and market access – the core principles of good public procurement.


Indicators 7-12 receive a one-third weighting. This is because they measure the same concepts from different perspectives: participation by small firms (indicators 7-9) and data quality (indicators 10-12).

above 3    between 3 and -3    below -3

“**Performance**” measures whether purchasers get good value for money. The indicators below measure key influences on public procurement performance in a way that is transparent and easy to understand and compare.

Like all indicators, however, they simplify reality. They are affected by country-specific factors such as what is actually being bought, the structure of the economies concerned, and the relationships between different tendering options, none of which are taken into account.

Also, some aspects of public procurement have been omitted entirely or covered only indirectly, e.g. corruption, the administrative burden and professionalism. So, although the Scoreboard provides useful information, it gives only a partial view of EU countries' public procurement performance.

**!** *The methodology for calculating some indicators has changed since last year, so some values may have changed. [Details of the methodology](#) .*

### Indicator [1] – Single bidder

*What does it measure?*

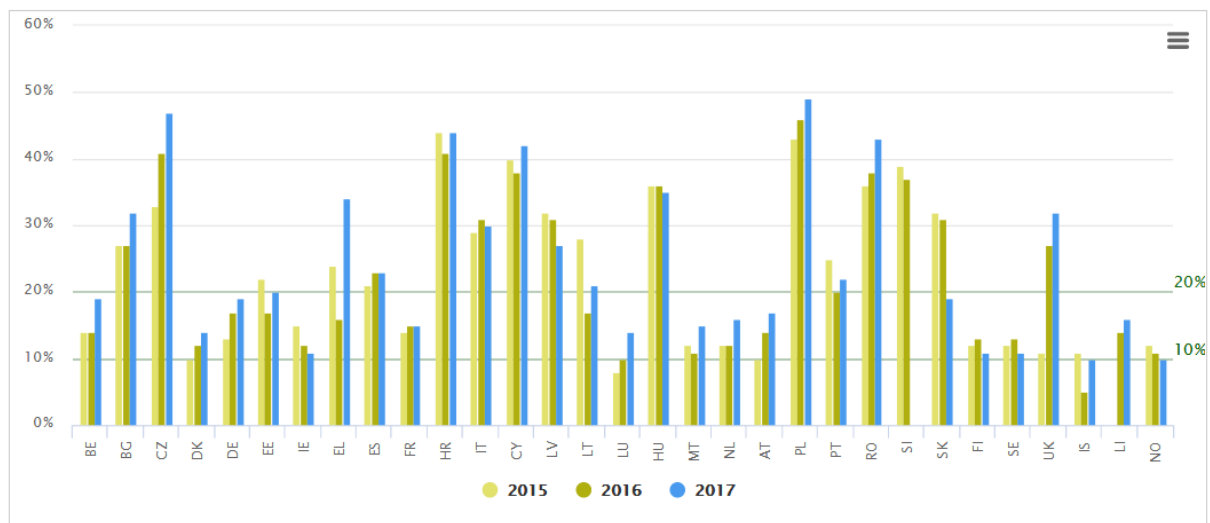
The proportion of contracts awarded where there was just a single bidder (excluding framework agreements, as they have different reporting patterns).

*What does it reflect?*

Several aspects of procurement, including **competition** and **bureaucracy**.

*How to interpret it?*

More bidders are better, as this means public buyers have more options, and can get better value for money.



**!** *For technical reasons, Slovenian data for 2017 is not reliably available.*

### Indicator [2]: No calls for bids

*What does it measure?*

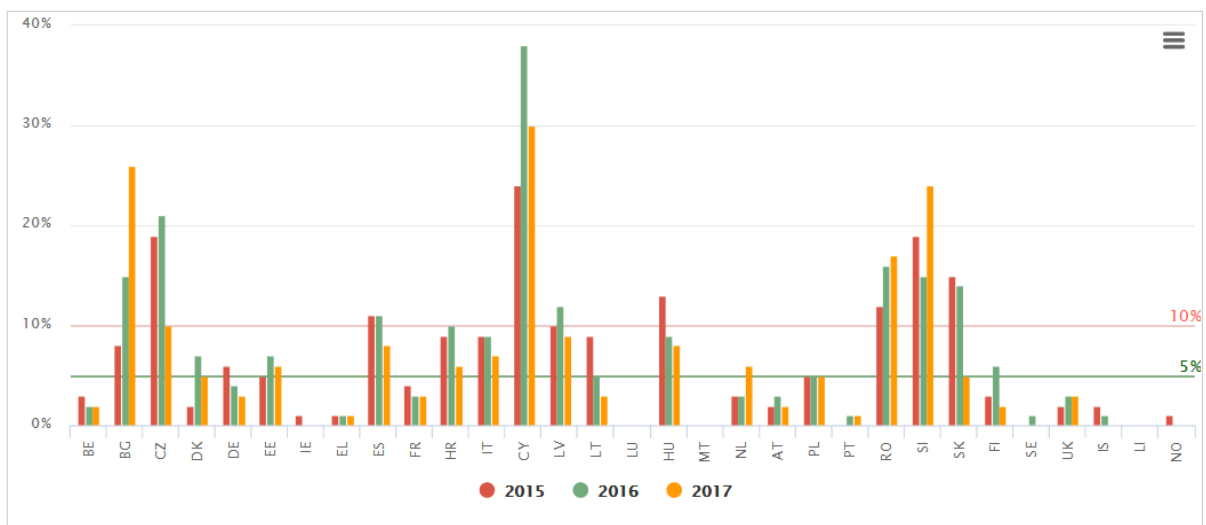
The proportion of procurement procedures that were negotiated with a company without a call for bids.

*What does it reflect?*

Several aspects of procurement, including **transparency** and **competition**.

*How to interpret it?*

Calling for bids (or "calling for tenders") before starting procurement negotiations is better, as it makes the bidder selection process more transparent and increases competition. This leads to better value for money.



### Indicator [3]: Publication rate

*What does it measure?*

The value of procurement advertised on TED as a proportion of national Gross Domestic Product (GDP).

*What does it reflect?*

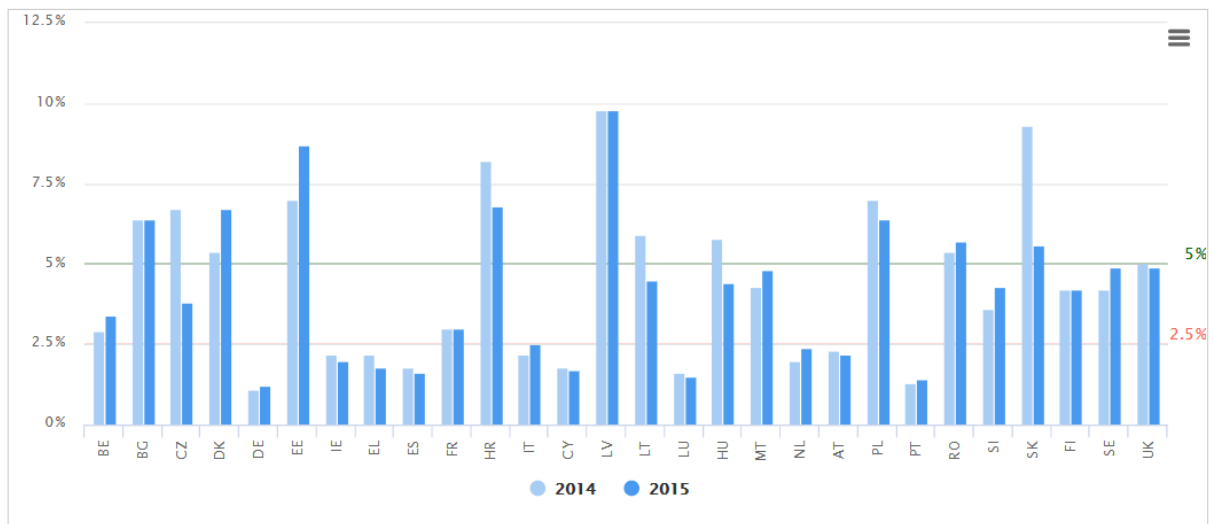
The value of national **public procurement advertised to businesses**, i.e. the access and openness of public procurement markets.

*How to interpret it?*

A higher score is better, as it allows more companies to bid, bringing better value for money. It also means greater transparency, as more information is available to the public.

*Due to delays in data availability, these results are based on 2015 data (also used in the 2016 scoreboard). However, given the slow changes to this indicator, 2015 results are still relevant.*

[More details on this indicator](#)



### Indicator [4]: Cooperative procurement

*What does it measure?*

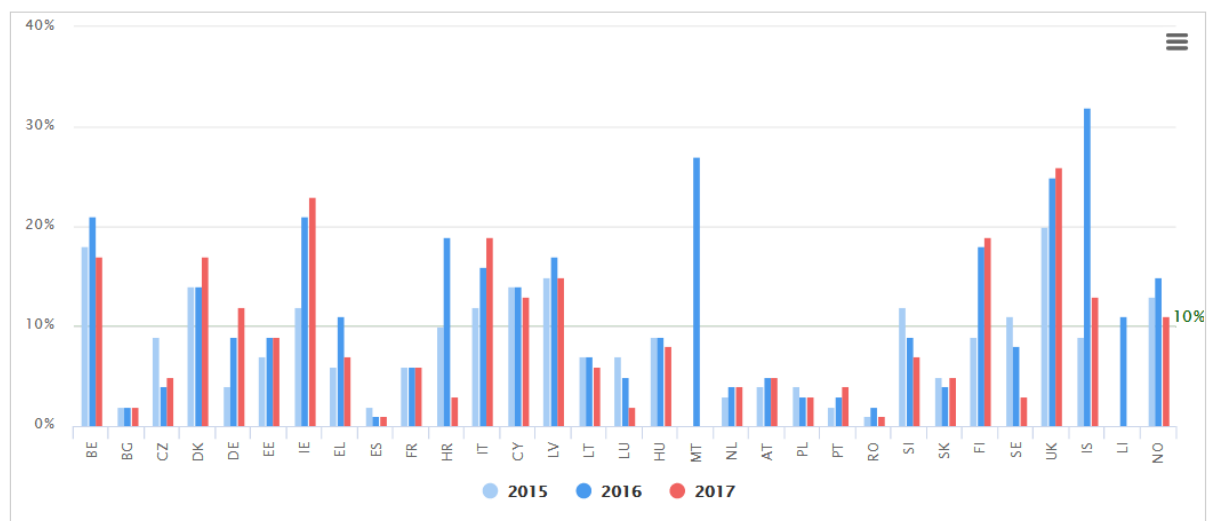
The proportion of procurement procedures with more than one public buyer.

*What does it reflect?*

**How often public buyers buy together.** Buying in bulk often leads to better prices and also offers an opportunity to exchange know-how.

*How to interpret it?*

Although not all types of purchase are suitable for joint procurement, excessively low rates suggest lost opportunities.



### Indicator [5]: Award criteria

*What does it measure?*

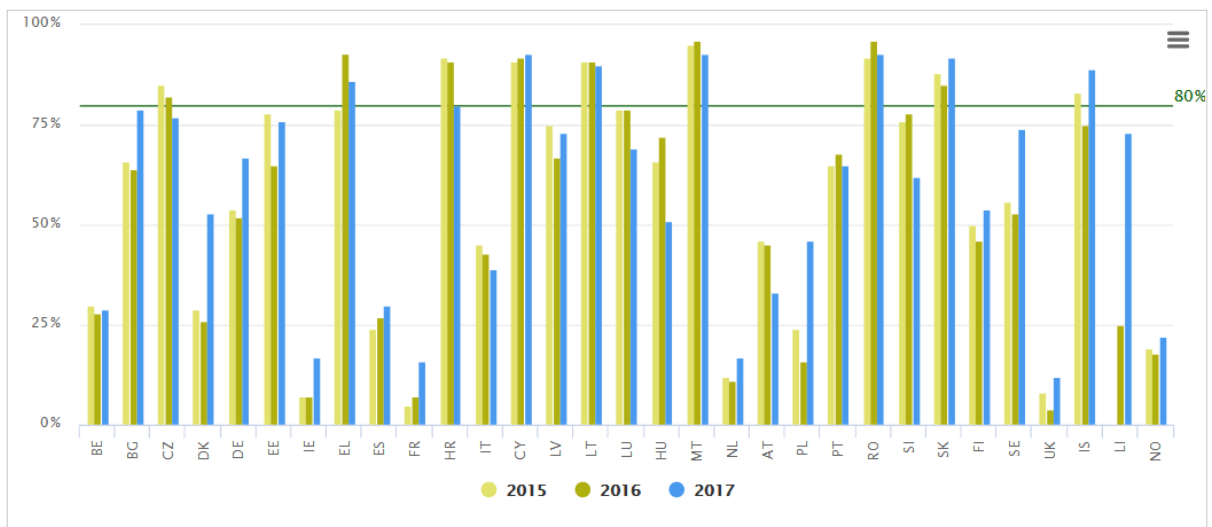
The proportion of procedures awarded only on the basis of lowest price.

*What does it reflect?*

**How public buyers choose the companies they award contracts to.** In particular, whether they decide based on price alone, or if they also take quality into account.

*How to interpret it?*

While the choice of criteria depends on what is being purchased, over-reliance on price suggests better criteria could have been used – and thus a better purchase made.



### Indicator [6]: Decision speed

*What does it measure?*

The mean decision-making period, i.e. the time between the deadline for receiving offers and the date the contract is awarded.

To ensure comparability, only notices published under the open procedure and not including framework agreements are considered.

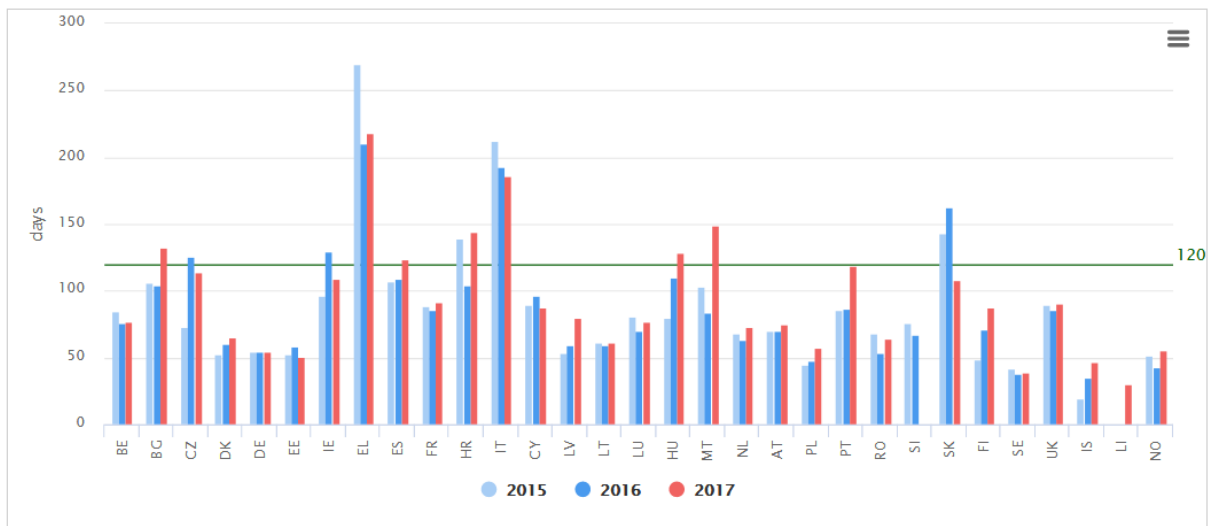
*What does it reflect?*

**The speed of the public buyers' decision making.**

*How to interpret it?*

Very lengthy procedures are bad because they are expensive and cause uncertainty for both the public buyers and companies.





**⚠** For technical reasons, Slovenian data for 2017 is not reliably available.

### Indicator [7]: SME contractors

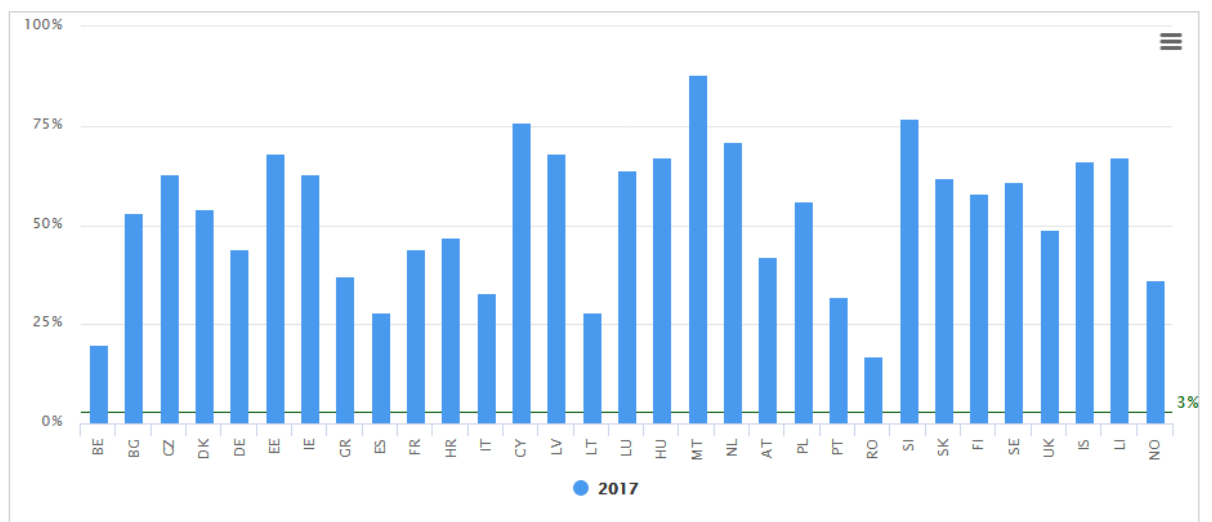
*What does it measure?*

**How many contractors are smaller firms** (small or medium-sized enterprises – SMEs).

*How to interpret it?*

High percentages are desirable, because most companies in Europe are in this category.

Low percentages could indicate barriers to participation by smaller firms in procurement procedures (e.g. red tape, calls for tender that are biased against smaller firms or low capacity among smaller firms to compete).



**⚠** This data is available only since 2017.

### Indicator [8]: SME bids

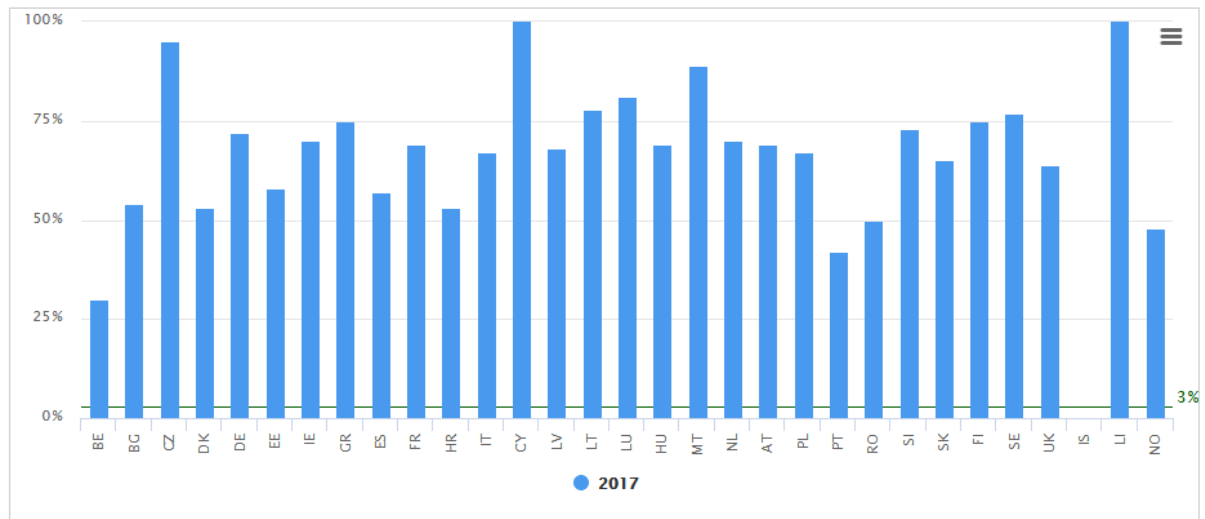
*What does it measure?*


The **proportion of bids from smaller firms** (small or medium-sized enterprises – SMEs).

*How to interpret it?*

High percentages should be the rule, since most companies in the EU are in this category.

Low percentages indicate barriers to participation by smaller firms in public procurement procedures (e.g. red tape, calls for tender that are biased against smaller firms or low capacity among smaller firms to compete).



 This data is available only since 2017.

### Indicator [9]: Procedures divided into lots

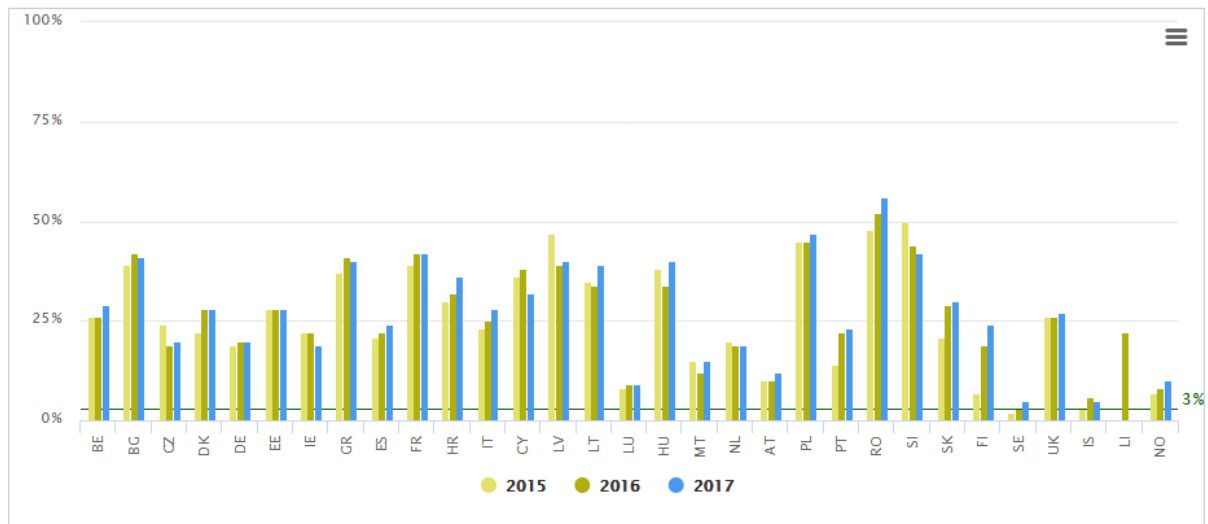
*What does it measure?*

The **proportion of tenders that have been divided into lots**.

*How to interpret it?*

Lots are beneficial in particular for smaller firms (SMEs) because they can allow small, specialised companies to make an offer.

Low percentages indicate that procurements mostly allow large companies to bid and public buyers are missing out on the opportunities smaller firms can offer.



### Indicator [10]: Missing calls for bids

*What does it measure?*

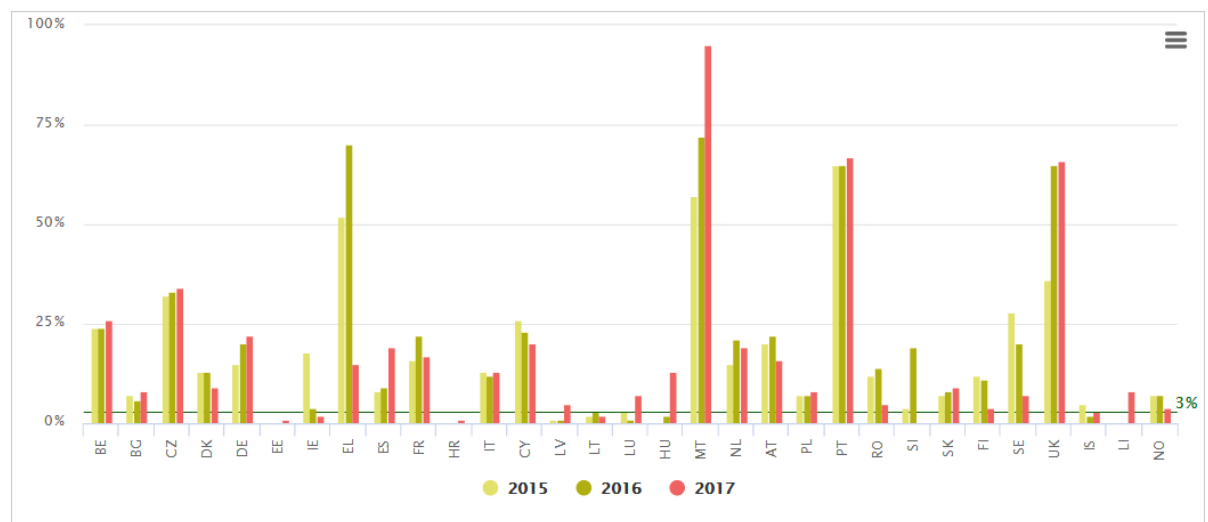
The proportion of awarded contracts for which a call took place, but it is not clear what the name of the call was or what the conditions were.

*What does it reflect?*

That public buyers are providing **insufficient information about their procurement activities** – contrary to EU law.

*How to interpret it?*

A lower score is better, because it means businesses and citizens can understand how contractors have been selected.



**⚠ For technical reasons, Slovenian data for 2017 is not reliably available**

### Indicator [11]: Missing seller registration numbers

*What does it measure?*

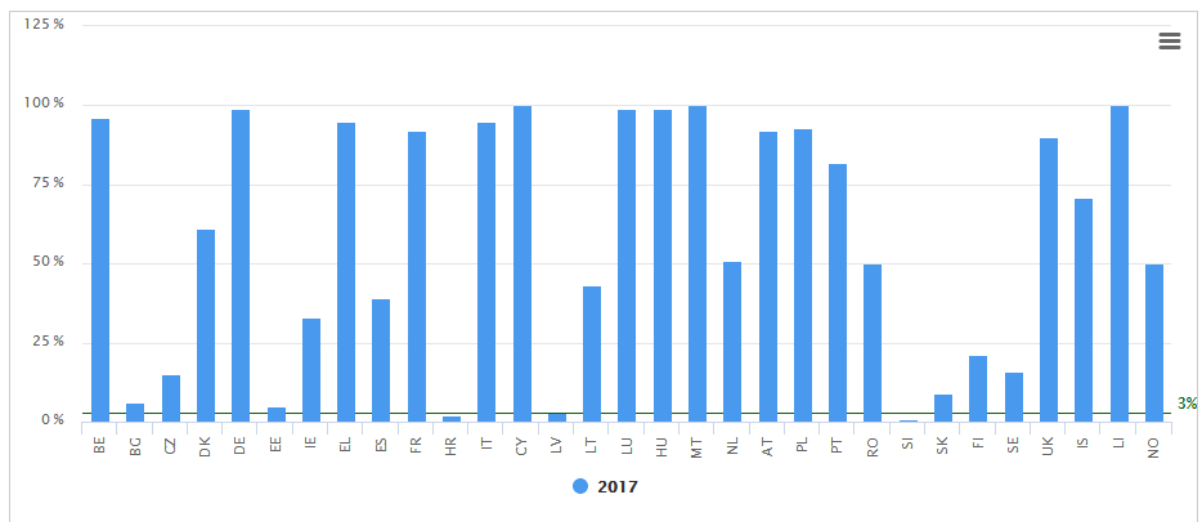
The proportion of procedures where the registration number of a seller was not included.

*What does it reflect?*

That public buyers are providing **insufficient information about the seller of goods, works or services** they selected following a procurement procedure.

*How to interpret it?*

A lower score is better. Buyers' and sellers' registration numbers (given by business registries) are crucial for understanding who is buying from who across different procurement procedures.



 This data is available only since 2017.

### Indicator [12]: Missing buyer registration numbers

*What does it measure?*

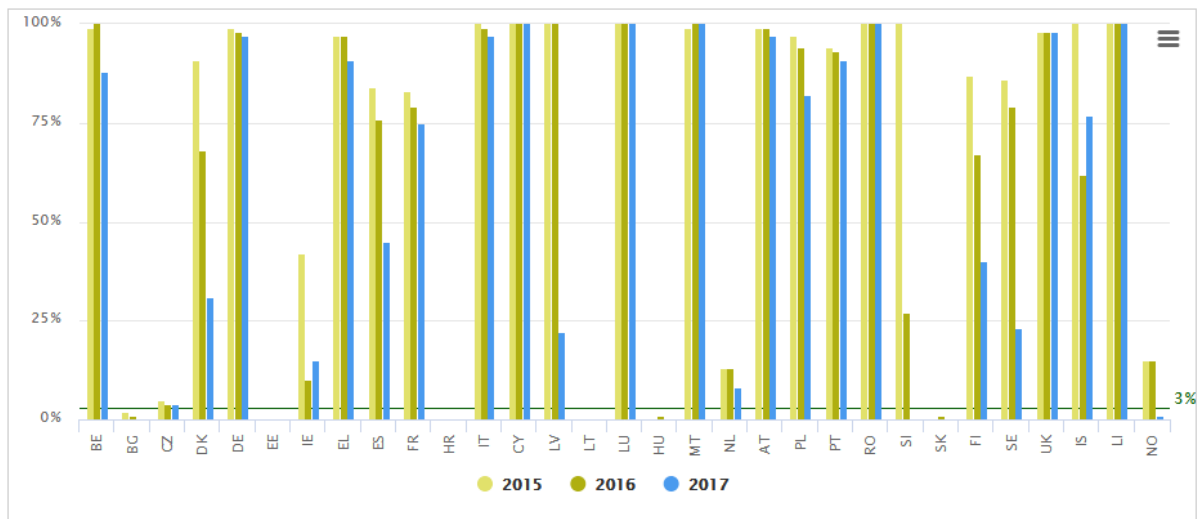
The proportion of procedures where the registration number of the buyer was not included.

*What does it reflect?*

That public buyers are providing **insufficient information about their procurement**.

*How to interpret it?*

A lower score is better. Buyers' and sellers' registration numbers (given by business registries) are crucial for understanding who is buying from who across different procurement procedures.



## Achievements

### Public procurement directives

The 2014 general, utility and concession directives have been transposed into law in 26 EU countries. They simplify procedures, increase value for money and improve access to tenders for smaller firms (SMEs).

### External partners

Progress has been made in the negotiations with China, Australia and the Former Yugoslav Republic of Macedonia (initial offer in 2018) to join the WTO's revised Government Procurement Agreement (GPA). Australia has submitted its final offer. We expect agreement in principle on its accession this year.

Negotiations with other countries, including Kyrgyzstan and Tajikistan, began in 2016 and are ongoing, with Kyrgyzstan to be expected to submit its next revised offer soon.

Good progress was achieved in the free trade negotiations with Mexico and Mercosur. An ambitious free trade agreement has been concluded with Japan.

### Public procurement strategy (adopted October 2017)

A voluntary prior assessment mechanism for large-scale infrastructure projects has been set up.

### E-procurement

This is generating major savings. The digital transformation of public procurement makes it easier for companies to access procurement markets and help modernise public administrations. The e-invoicing directive enables easier payments across EU countries.

## Priorities

### **Support the implementation of the new directives**

Including full transition to electronic bid submission by October 2018. Ensure the directives are implemented with real results for citizens in mind.

### **Increase transparency, efficiency and accountability in procurement**

By better use of data, setting up a voluntary prior assessment mechanism for large-scale infrastructure projects and supporting national review bodies (for details, see the [Single Market Strategy](#)).

### **Better access to non-EU procurement markets, by:**

- negotiating international agreements and encouraging red tape reduction with key partners (e.g. China within the WTO GPA and through regulatory dialogue; Australia, New Zealand, Mercosur, Mexico and Indonesia).
- promoting regulatory convergence, in particular with Brazil, India, Ukraine, and Georgia.
- ensuring consistency between our internal and external rules for public procurement (e.g. IPI proposal, GPA and FTA commitments).