

Single Market Scoreboard

Performance per Policy Area

Public Procurement

(Reporting period: 01/2015 - 12/2015)



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:

- transparency
- equal treatment
- non-discrimination.

More information on public procurement is available on Your Europe and on the website of DG GROWTH.

Performance

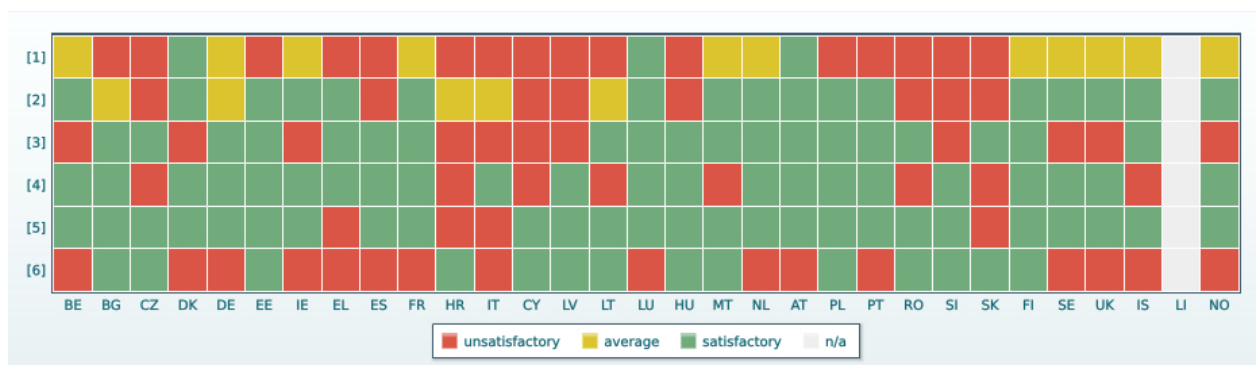
1. by indicator

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

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

All indicators are based on notices published in the Tenders Electronic Daily (TED) database under the general, sectoral, and defence procurement directives.

These data are available on the EU Open Data Portal.



The thresholds have been set on the basis of two factors:

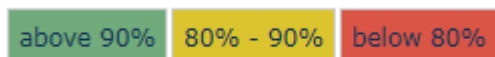
- qualitative policy judgment on what is good practice
- recent data for individual countries.

[1] One Bidder	≤ 10%	> 20%
[2] No calls for Bids	≤ 5%	≠ 10%
[3] Aggregation	≥ 10%	< 10%
[4] Award Criteria	< 80%	≠ 80%
[5] Decision Speed	< 120 days	≠ 120 days
[6] Reporting Quality	≤ 3%	> 3%

2. overall
(all 6 indicators combined)



Overall performance is a weighted average of all the performance indicators. Triple weight is given to most important indicators: One Bidder and No Calls for Bids.

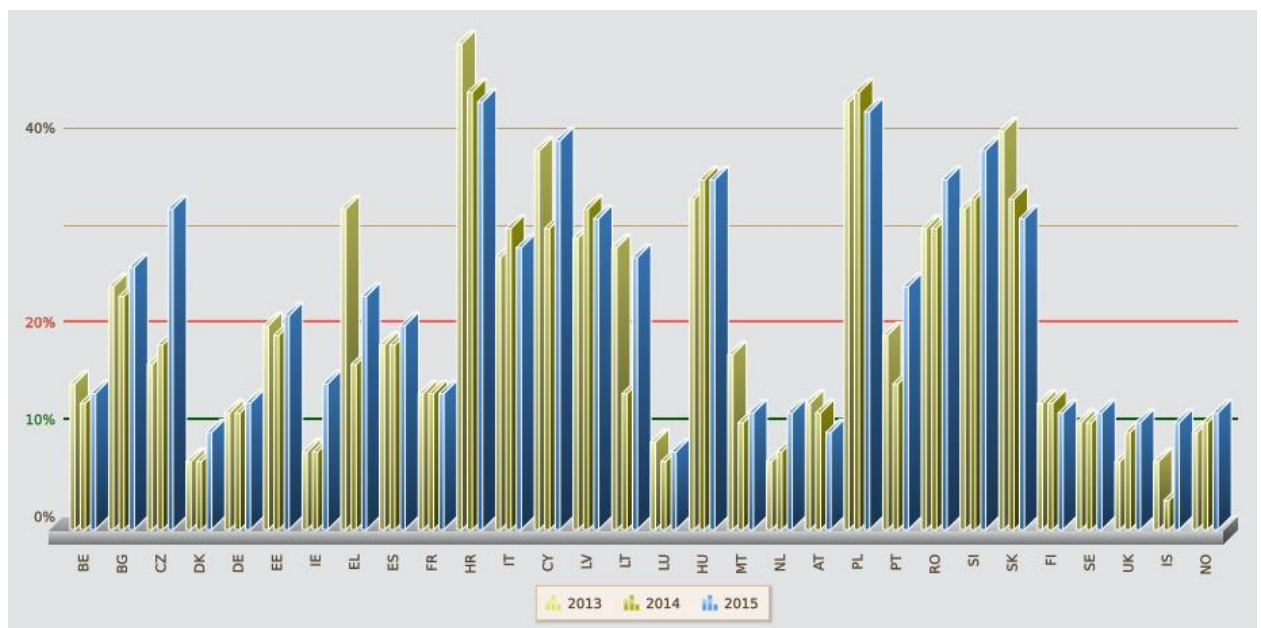


'Performance' measures whether purchasers get good value for money. The indicators below measure key influences on public procurement performance in a way that is transparent, and easy to understand and compare.

Like all indicators, however, these indicators simplify reality. They are affected by country-specific factors such as the composition of procurement, 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 are omitted entirely or covered only indirectly - e.g. corruption, the administrative burden and professionalism. So, although the Scoreboard provides very useful information, it gives only a partial view of EU countries' public procurement performance.

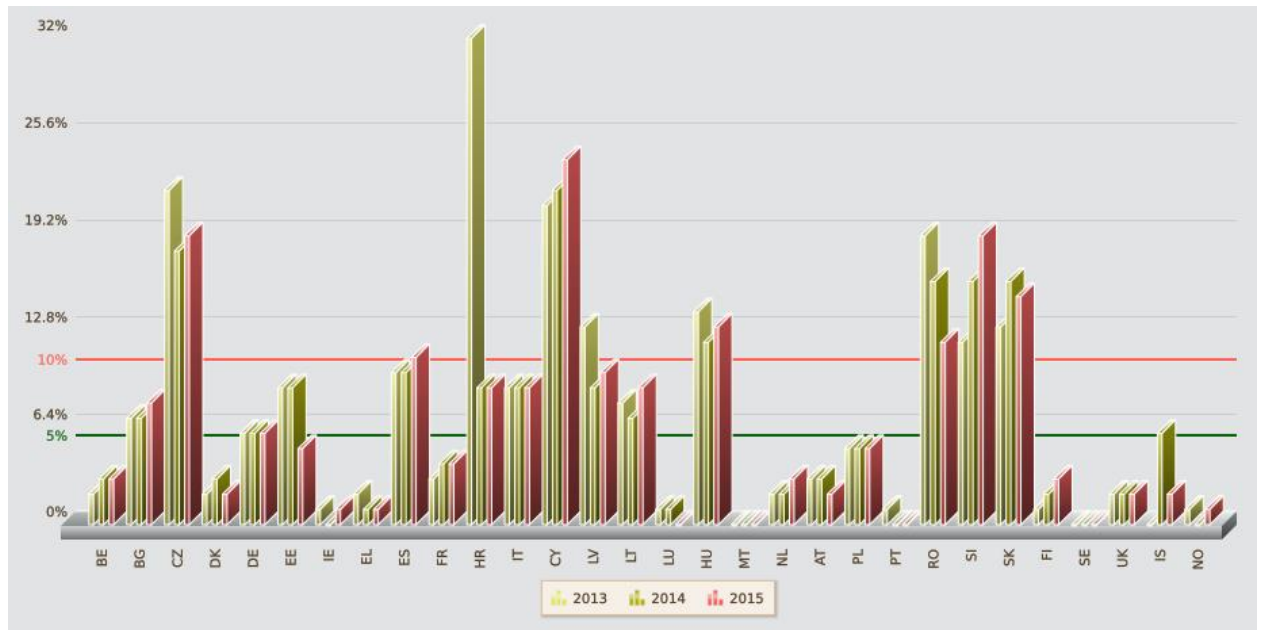
Indicator [1] – One Bidder

This indicator reflects **several aspects of procurement, including competition and bureaucracy**. More bidders are better, as this means the public buyers have more options, and can get better value for money. The "One Bidder" indicator measures the proportion of contracts awarded where there was just one bidder (excluding framework agreements, as they have different reporting patterns).



Indicator [2]: No Calls for Bids

The "No Calls for Bids" indicator measures the proportion of procurement procedures that were negotiated with a company without a call for tender.

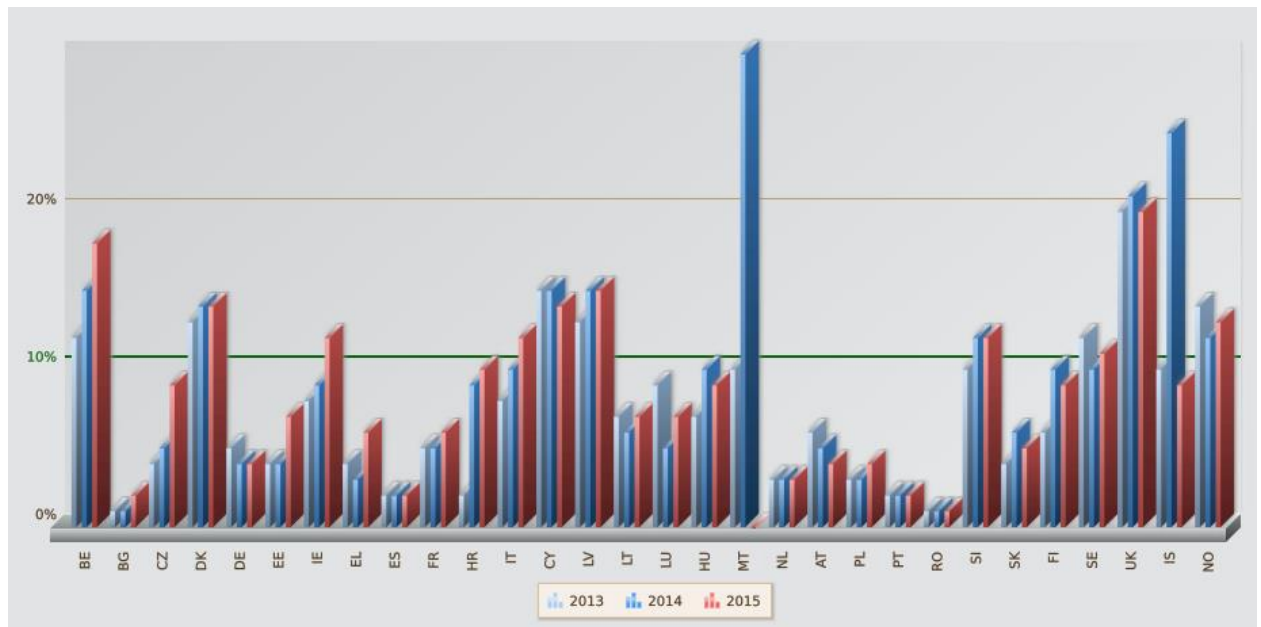


Indicator [3]: Aggregation

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

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

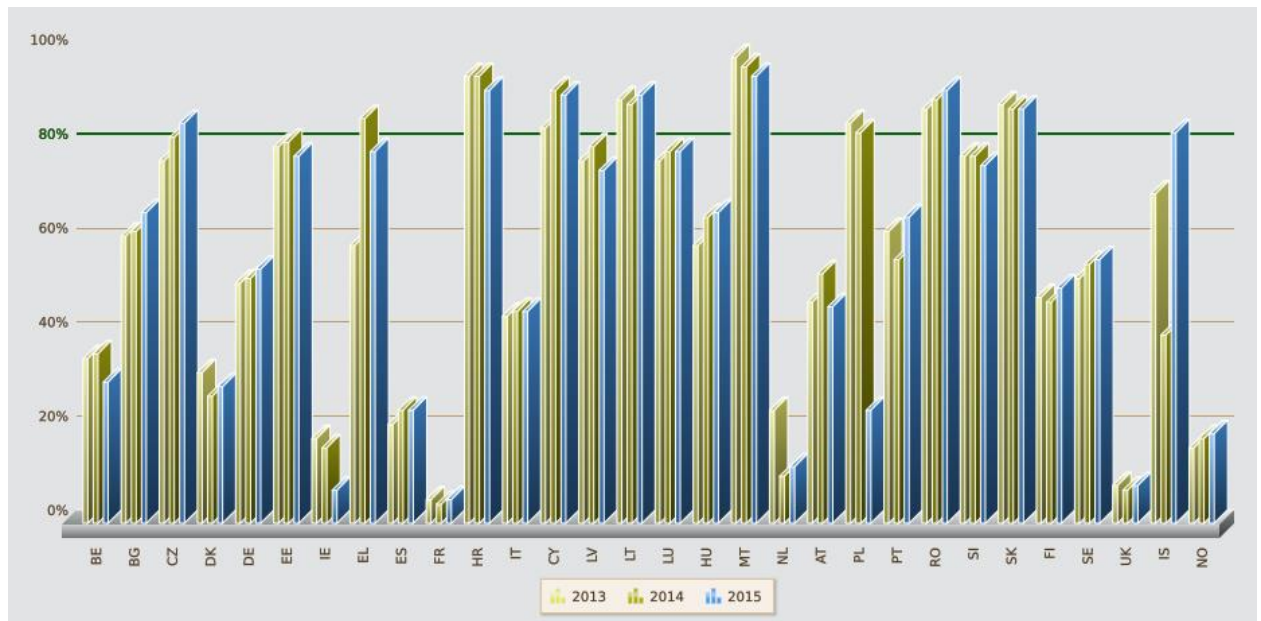
Aggregation measures the proportion of procurement procedures with more than one public buyer.



Indicator [4]: Award Criteria

This indicator shows **how public buyers choose the companies they award contracts to**. This indicator measures whether they decide only on the basis of price, or also take quality into account.

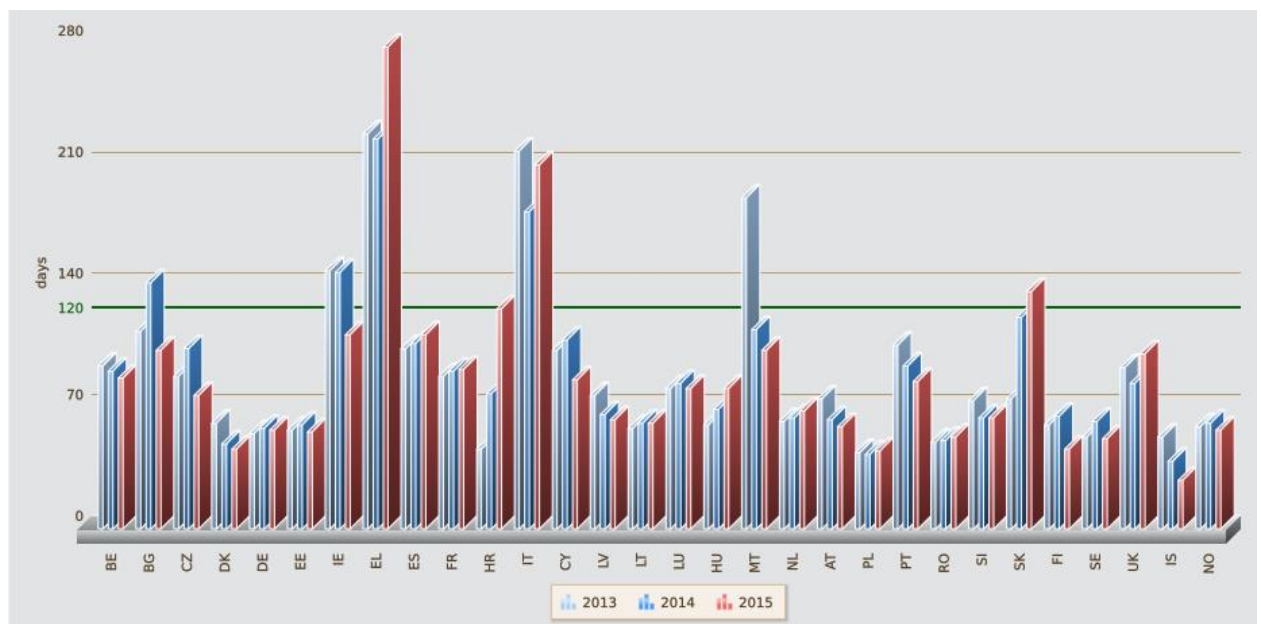
While the choice of criteria depends on what is being purchased, over-reliance on price suggests better criteria could have been used – and thus a better purchase made. The "Award Criteria" indicator measures the proportion of procedures which were awarded only on the basis of lowest price.



Indicator [5]: Decision Speed

This indicator reflects the **speed of the public buyers' decision making**. Very lengthy procedures are bad because they are expensive and cause uncertainty for both the public buyers and companies.

"Decision speed" measures the mean decision period. This is the time between the deadline for receipt of offers (or requests to participate) and the award of the contract. To ensure comparability, only notices under the open procedure are considered.



Indicator [6]: Reporting Quality

This indicator represents the **quality of information provided by public buyers**. A higher "Reporting Quality" score is better, as it means companies can make better bidding decisions and citizens know how their money is being spent. The indicator measures the proportion of contracts awarded containing no information about the value of the contracts awarded (excluding framework agreements, as they have different reporting patterns). This represents the content of notices as a whole.



FACTS AND FIGURES

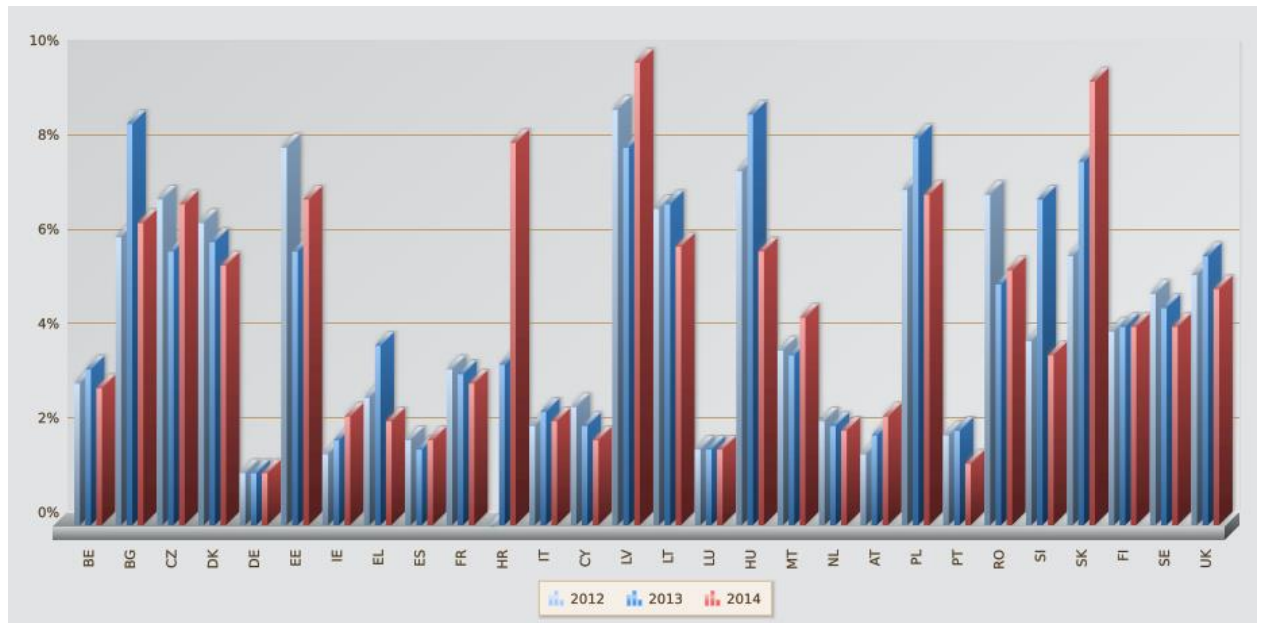
Publication Rate

This indicator shows the value of national **public procurement advertised to businesses coming from the entire European Economic Area and other countries**.

A higher "Publication Rate" 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. The "Publication Rate" measures the value of procurement advertised on TED as a proportion of the national gross domestic product.

This indicator measures the volume of public procurement, not its effectiveness, so it is not part of the composite performance indicator.

Figures for 2015 are not provided because of a delay in the availability of GDP data.



Achievements

- The new general, utility, and concession directives on public procurement are to be transposed by April 2016. The majority of Member States have transposed these directives into national laws before the deadline or will do so by the summer of 2016. These directives simplify procurement procedures, increase value for money, and improve access to tenders for small and medium enterprises.
- Negotiations with Moldova and Ukraine to join the WTO's revised Government Procurement Agreement (GPA) were completed in 2015. Negotiations with other countries, for example Australia, began in 2015.
- E-procurement is generating major savings. The e-invoicing directive enables information to be shared between EU countries, and e-CERTIS enables procurement certificates and attestations to be found and matched, both within and between countries.

Priorities

- Support the transposition and implementation of the new directives, including the full transition to electronic submission of bids by 2018. Ensure that the directives are implemented in a strategic manner.
- Increase the transparency, efficiency, and accountability of public procurement by better use of data, setting up a voluntary ex-ante assessment mechanism for large scale infrastructure projects, and supporting national review bodies (see the [Single Market Strategy](#) for more information).
- Negotiate the opening of public procurement markets and reduction of administrative burden with the EU's key partners such as Australia, China, Japan and the United States. Promote regulatory convergence, in particular with Brazil, India, Ukraine, and possibly Turkey.