

Single Market Scoreboard

Public Procurement

Reporting period: 01/2018 – 12/2018

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 observed:

- equal treatment
- non-discrimination
- transparency

More information on public procurement

- [Your Europe](#)
- [DG GROWTH](#)

Performance

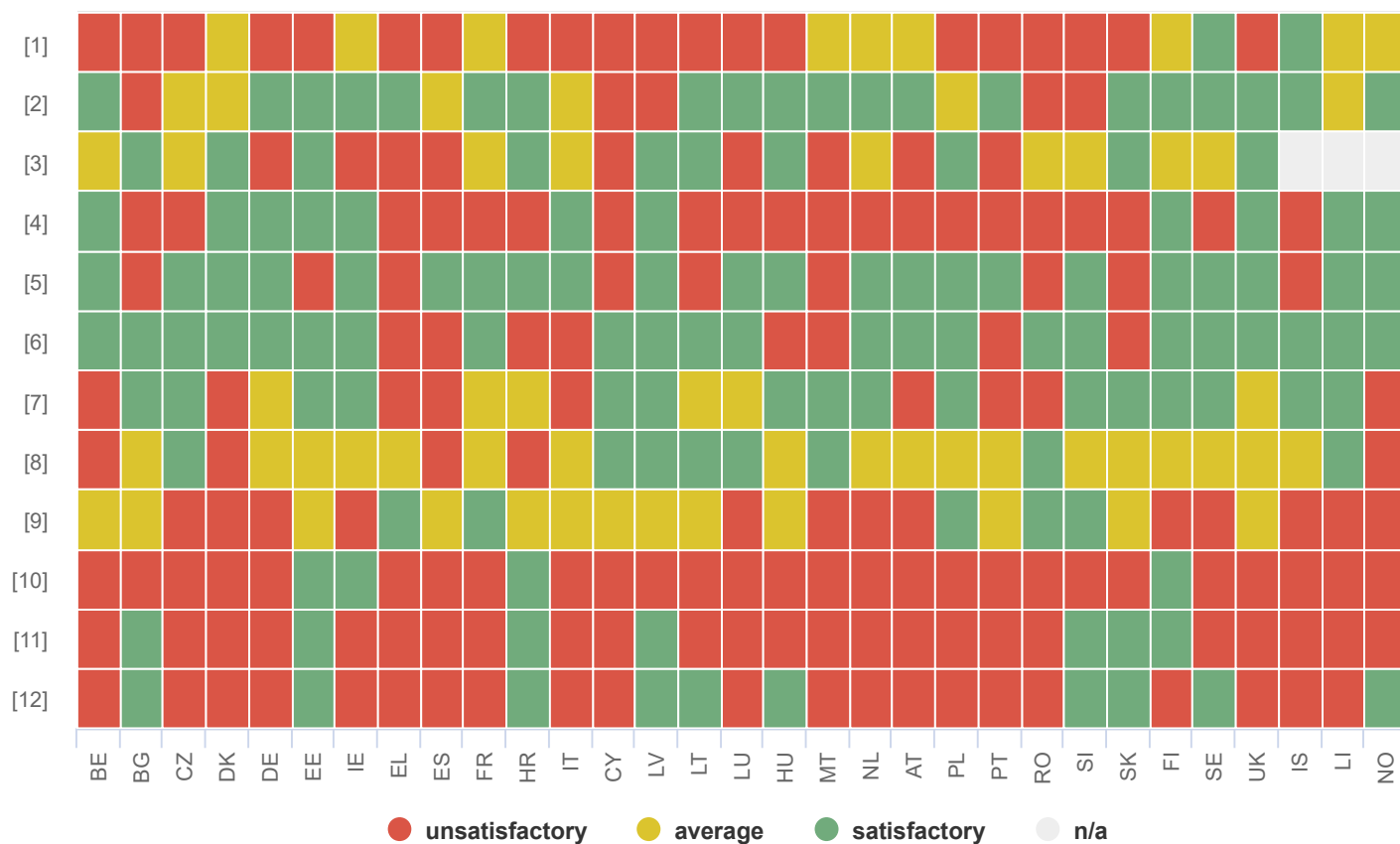
The following indicators show how different EU countries are performing on key aspects of public procurement.

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.

1. by indicator



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', 'Indicator [6]: Decision speed' and 'Indicator [10]: Missing calls for bids' use the data from 2016 because for technical reasons, Slovenian data for 2018 is not reliably available for these 3 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 1 point while an unsatisfactory performance reduces it by 1 point):

The 3 most important indicators 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 indicators has not changed since last year. ([Details of the methodology](#) )

Indicator [1]: – Single bidder

What does it measure?

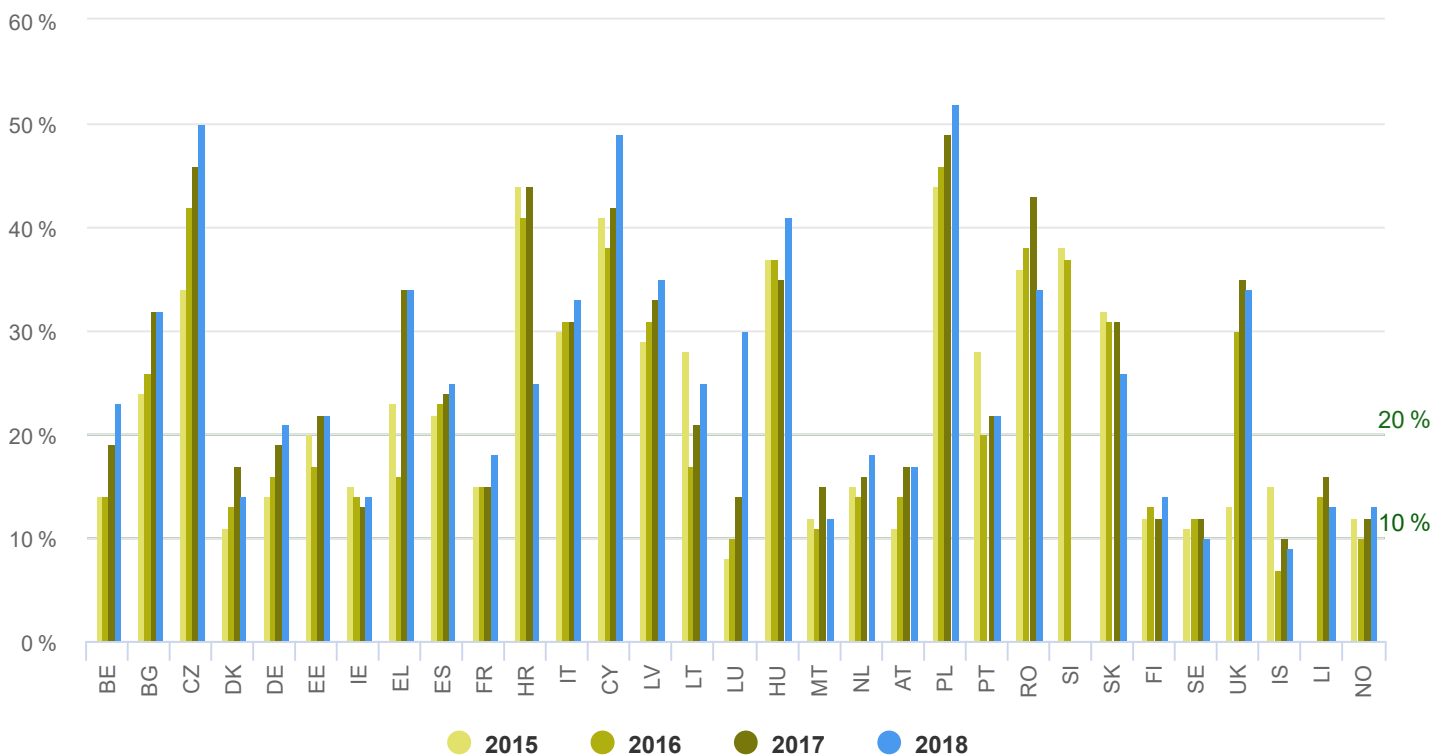
The proportion of contracts awarded where there was just a single bidder (excluding framework agreements, as they have different reporting patterns).

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 and 2018 is not reliably available.

Indicator [2]: No calls for bids

What does it measure?

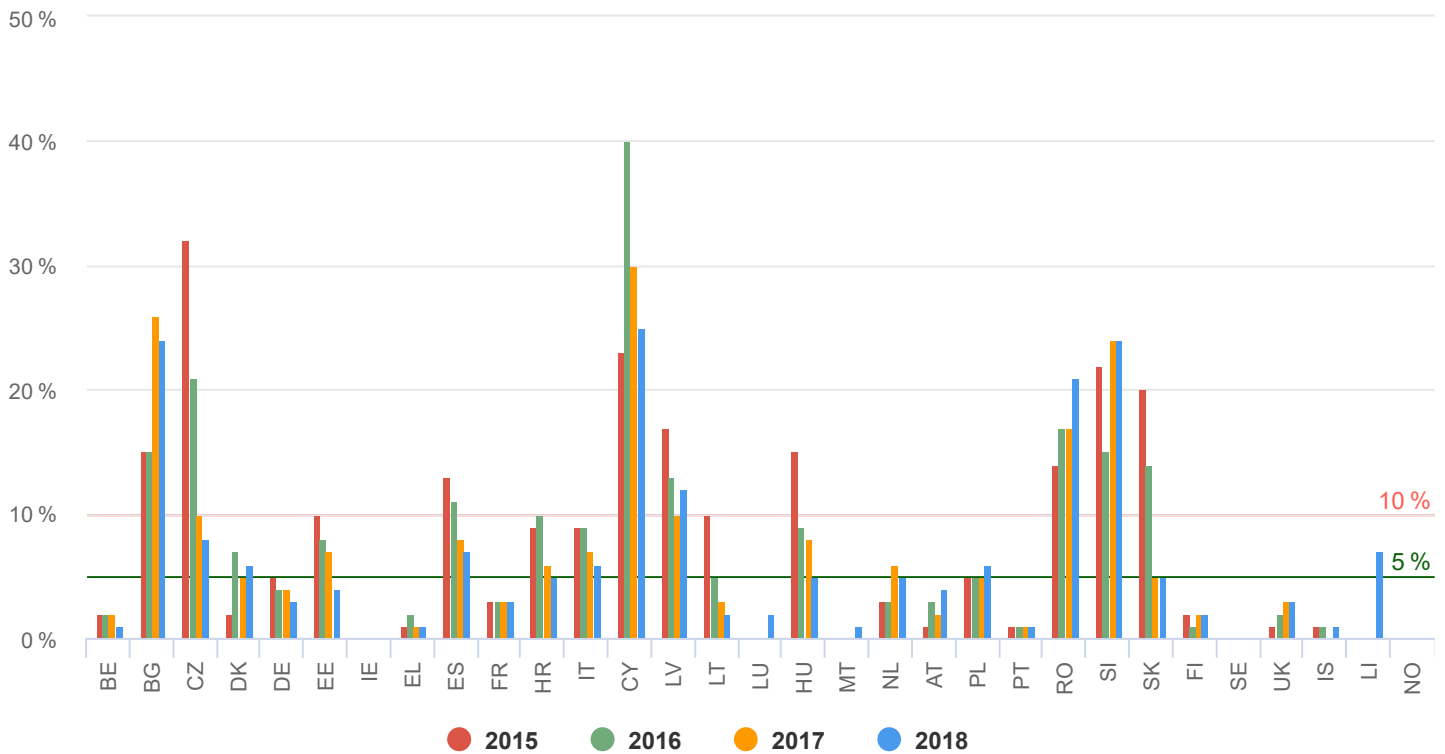
The proportion of procurement procedures that were negotiated with a company without a call for bids.

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).

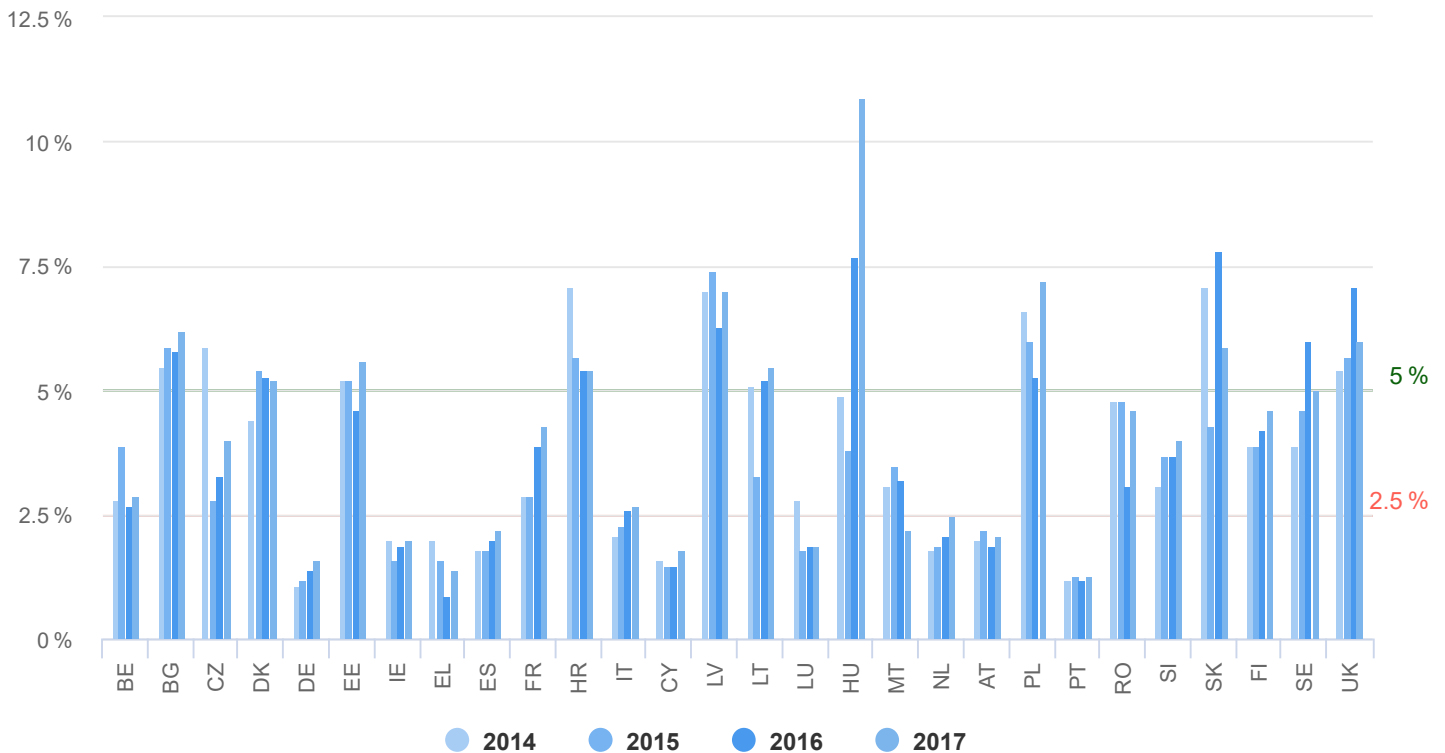
What does it reflect?

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 2017 data. However, given the slow changes to this indicator, the 2017 results are still relevant.



Indicator [4]: Cooperative procurement

What does it measure?

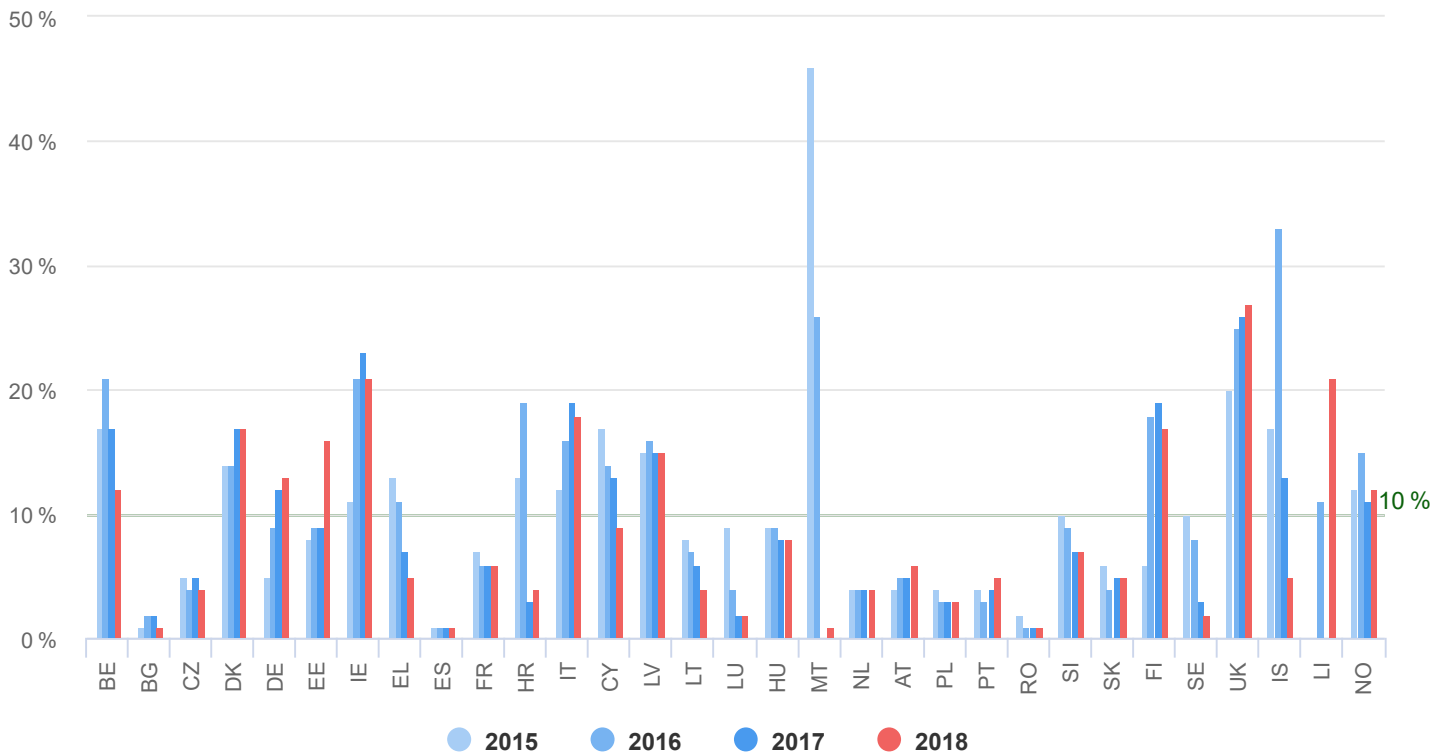
The proportion of procurement procedures with more than one public buyer.

What does it reflect?

How often public buyers buy together. Buying in bulk often leads to better prices and offers an opportunity to exchange knowledge.

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?

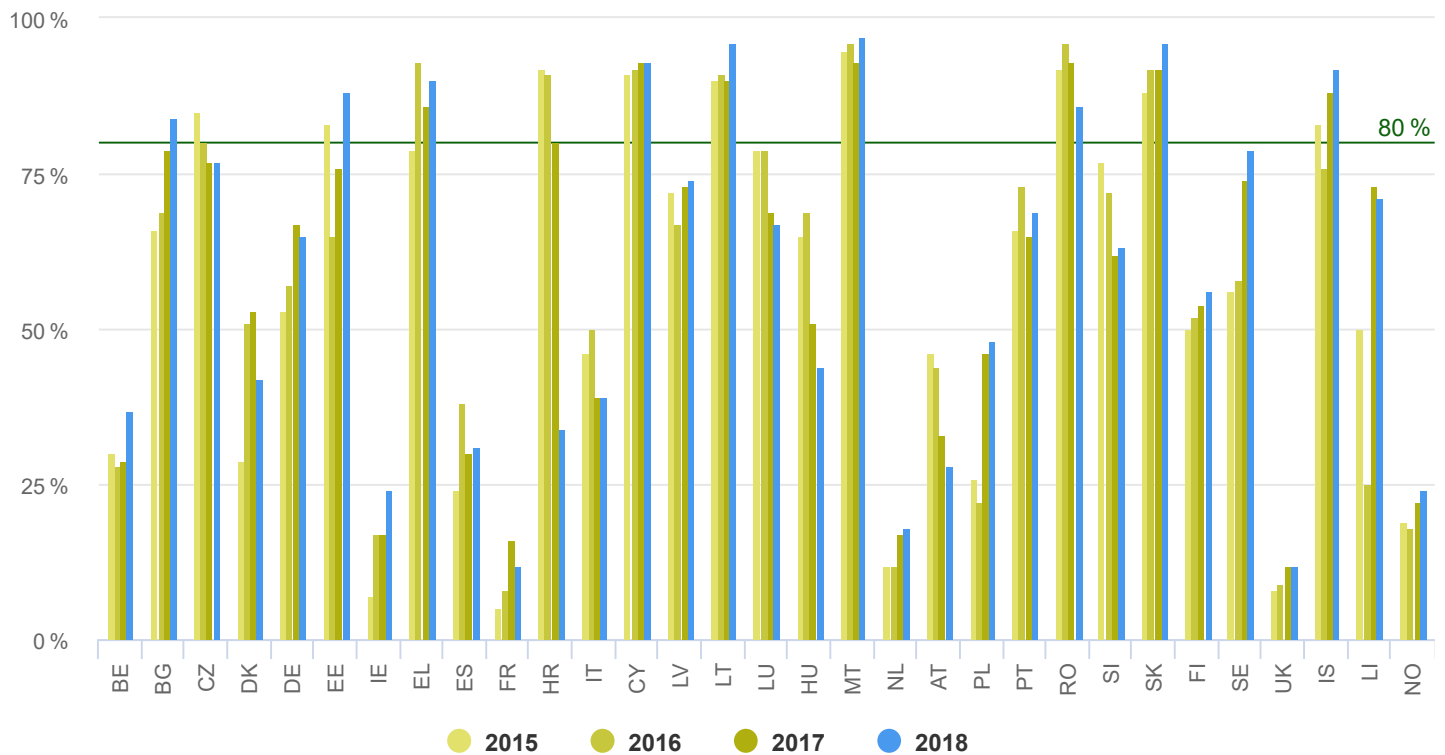
The proportion of procedures awarded only on the basis of lowest price.

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 – thus, a better purchase could have been 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.

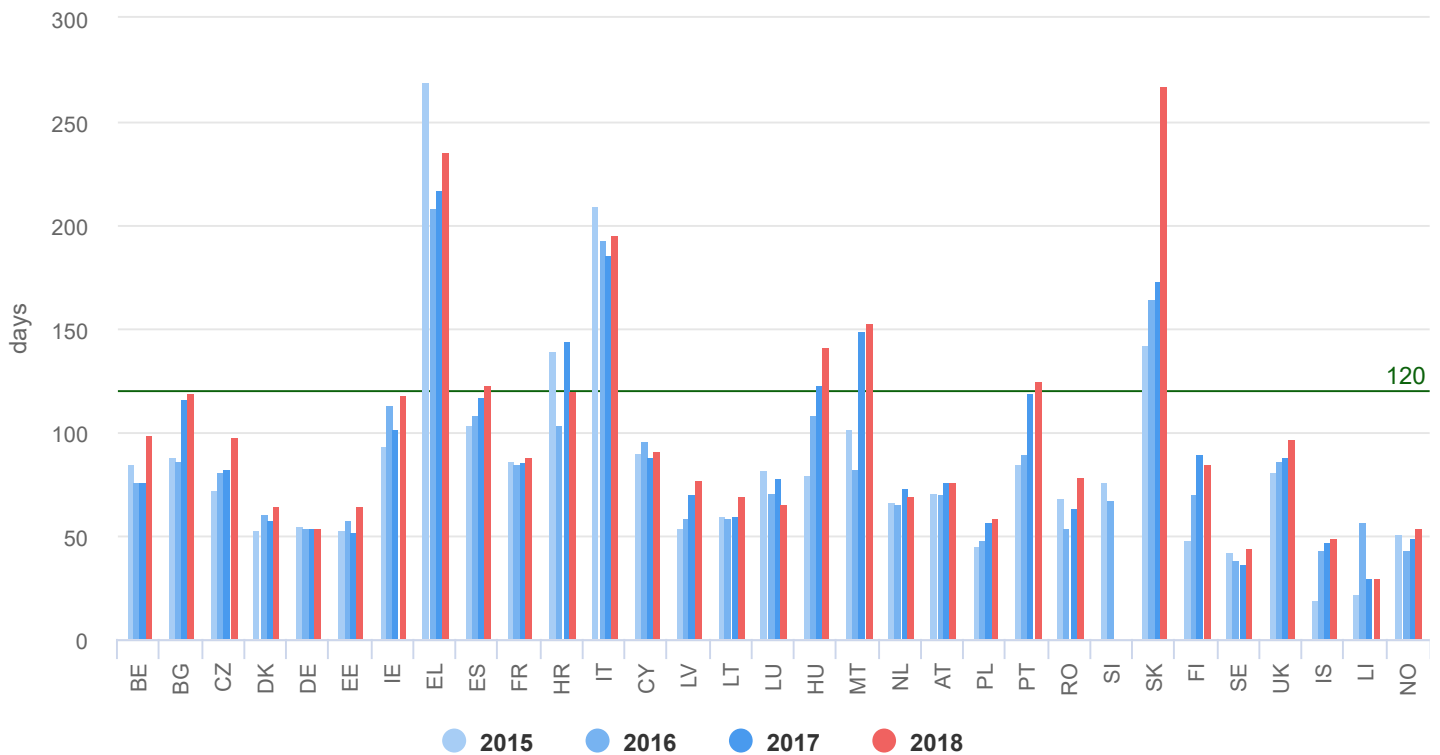
To ensure comparability, only notices published under the open procedure, which do not include framework agreements, are considered.

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 and 2018 is not reliably available.

Indicator [7]: SME contractors

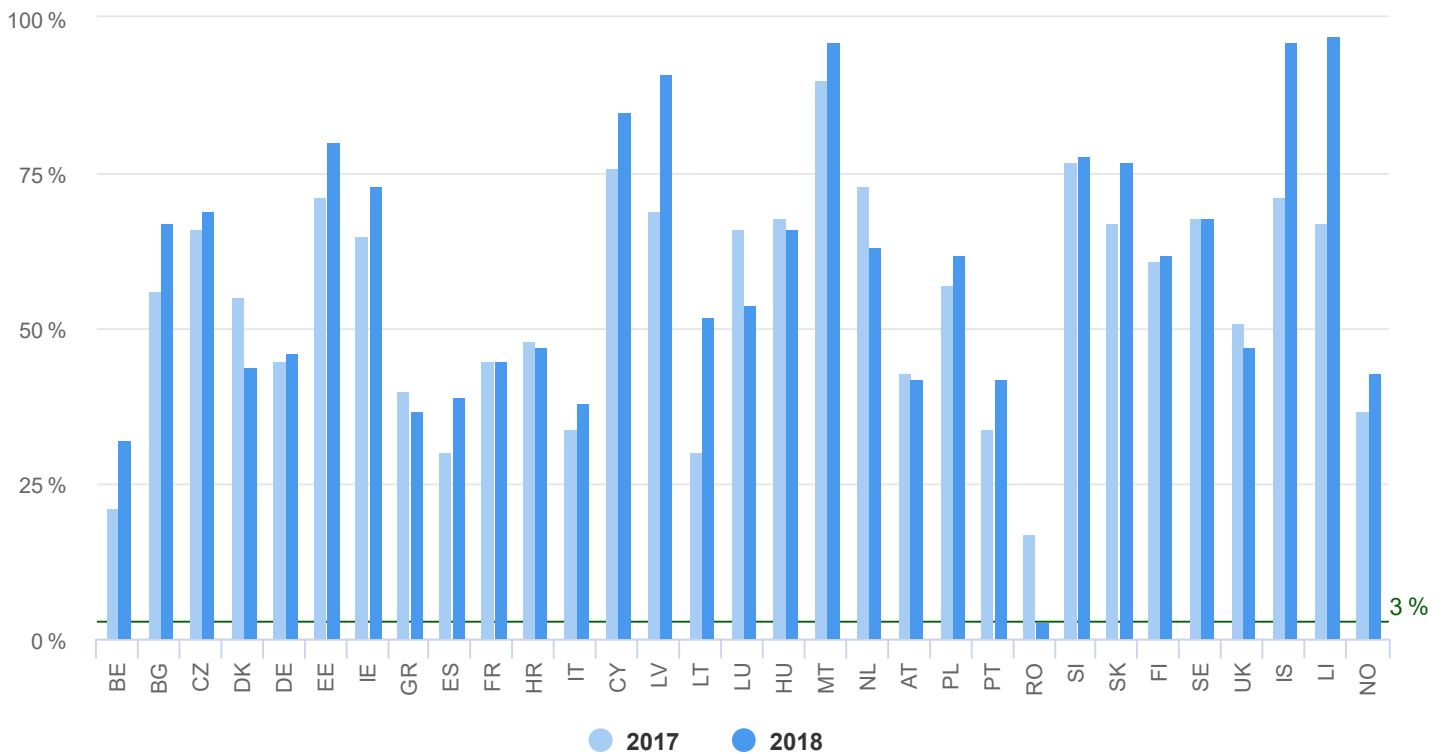
What does it measure?

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

How to interpret it?

High percentages are desirable, in order to reflect their share in the economy (both in terms of number and added value).

Low percentages could indicate barriers preventing smaller firms from participating 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

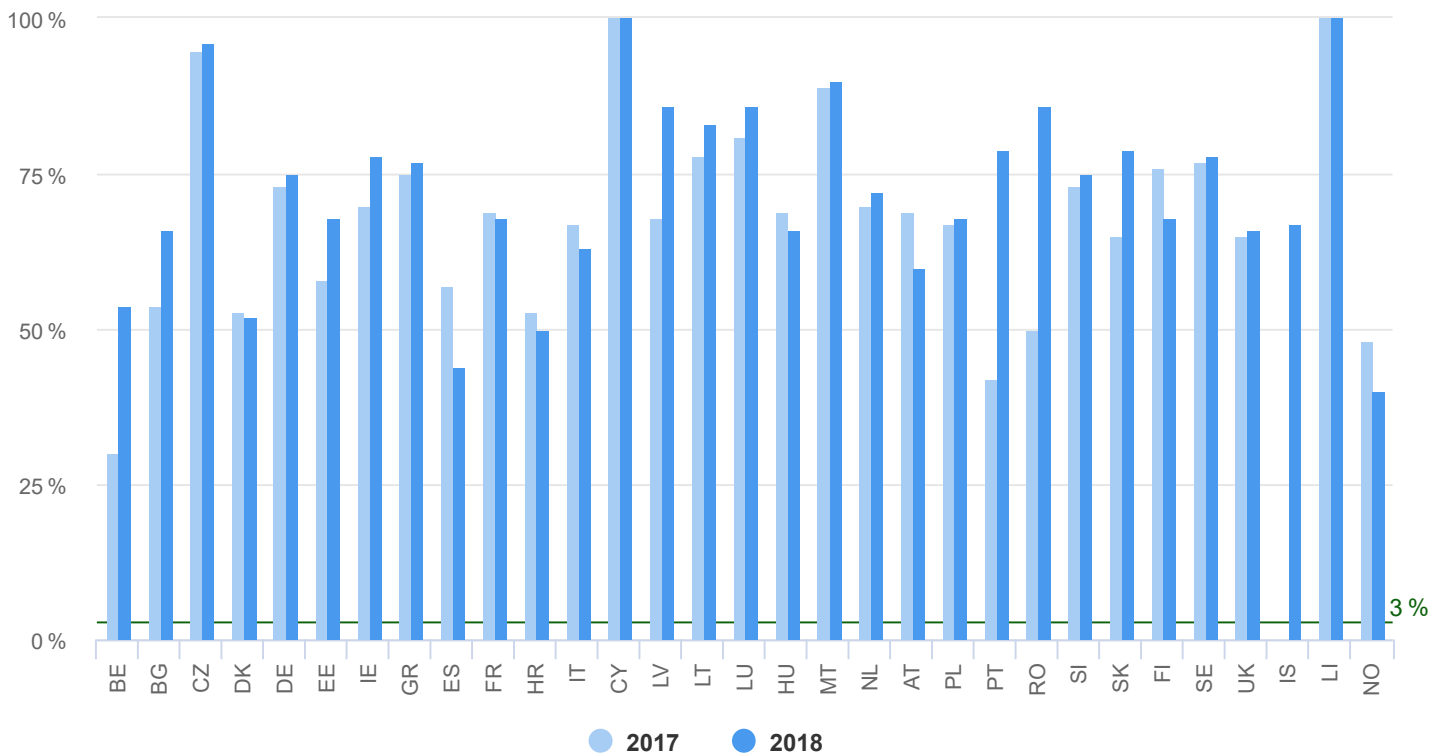
What does it measure?

The **proportion of bids from SMEs**.

How to interpret it?

High percentages should be the rule, in order to reflect their share in the economy (both in terms of number and added value).

Low percentages indicate barriers preventing smaller firms from participating 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

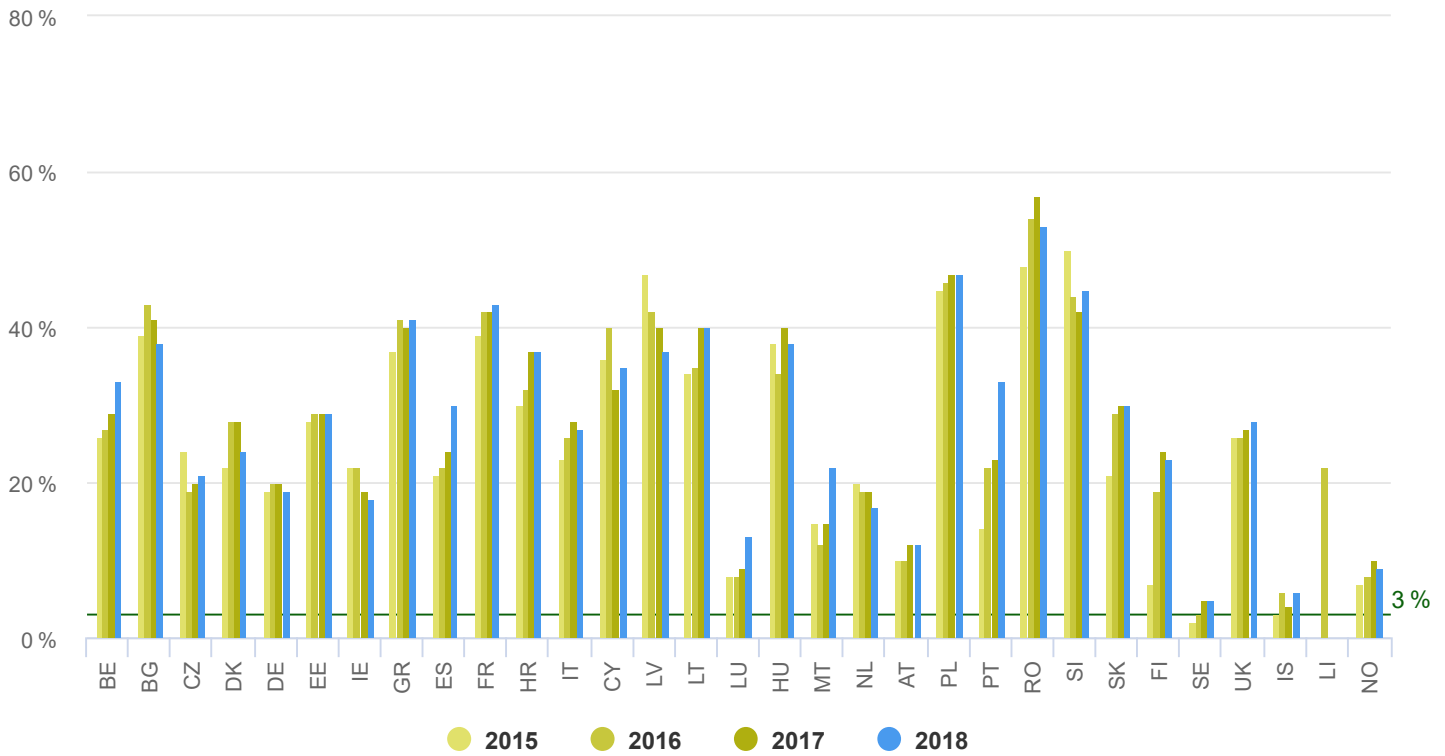
What does it measure?

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

How to interpret it?

Lots are beneficial, particularly for SMEs as it allows them to make an offer.

Low percentages indicate that procurements mostly enable 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?

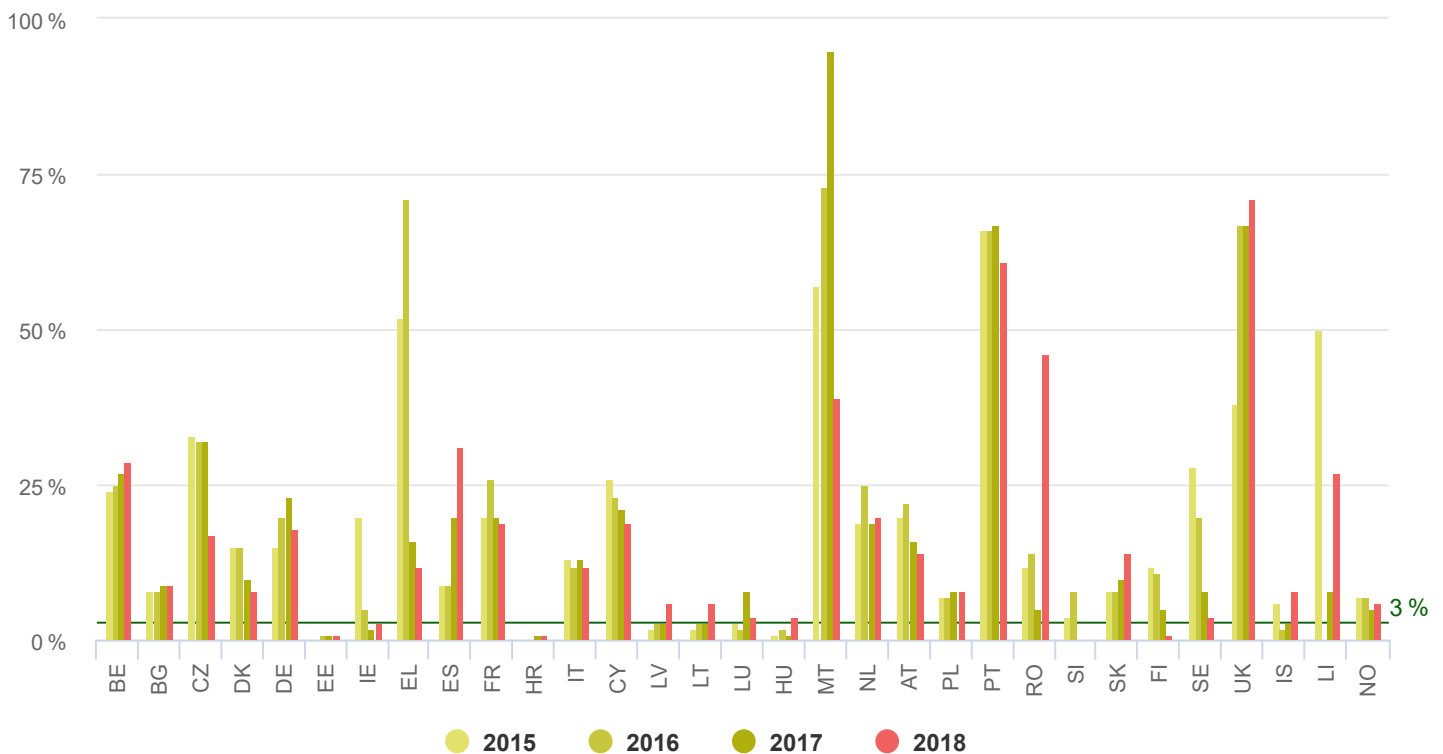
The proportion of awarded contracts for which a call took place, but it is not clear what the name of the call was or what the conditions were.

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 the public can understand how contractors have been selected.



For technical reasons, Slovenian data for 2017 and 2018 is not reliably available.

Indicator [11]: Missing seller registration numbers

What does it measure?

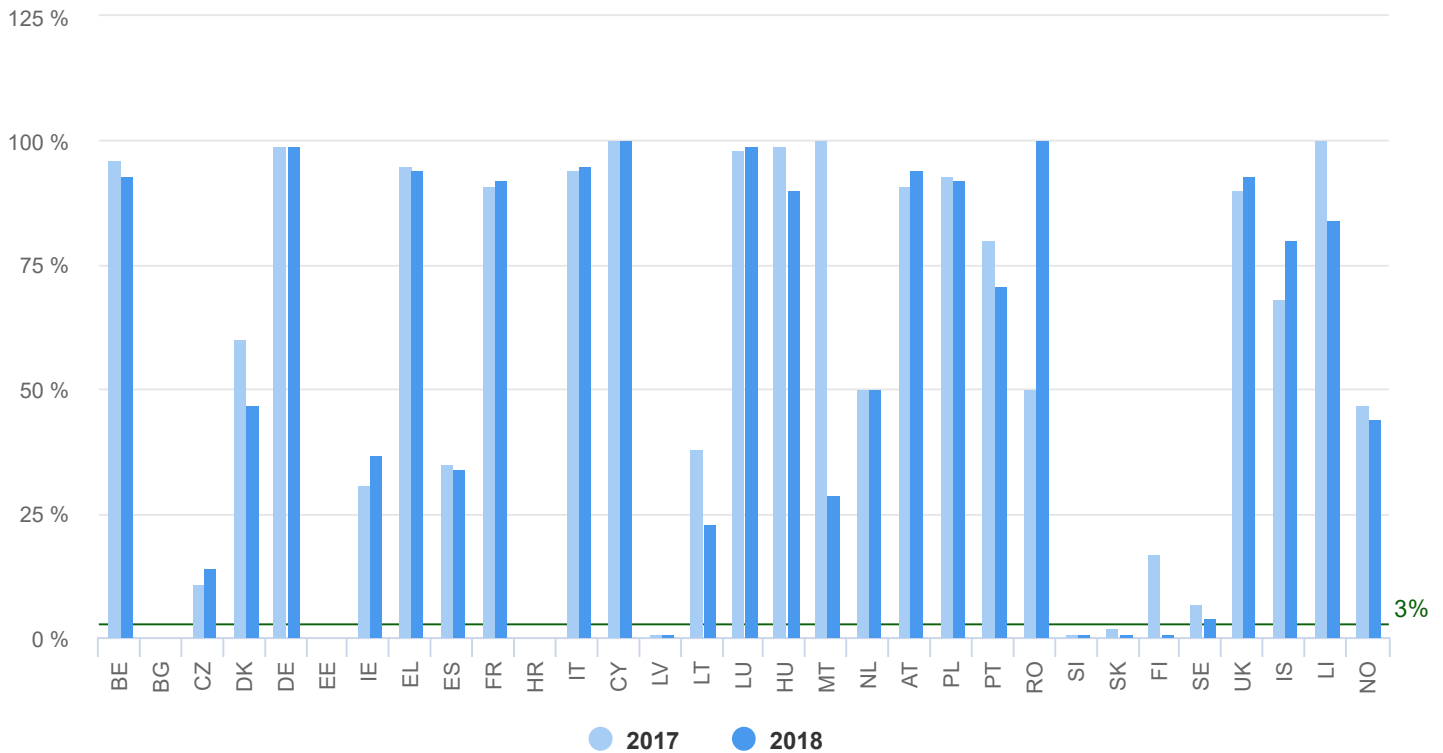
The proportion of procedures where the registration number of a seller was not included.

What does it reflect?

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

How to interpret it?

A lower score is better. Buyers' and sellers' registration numbers (provided 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?

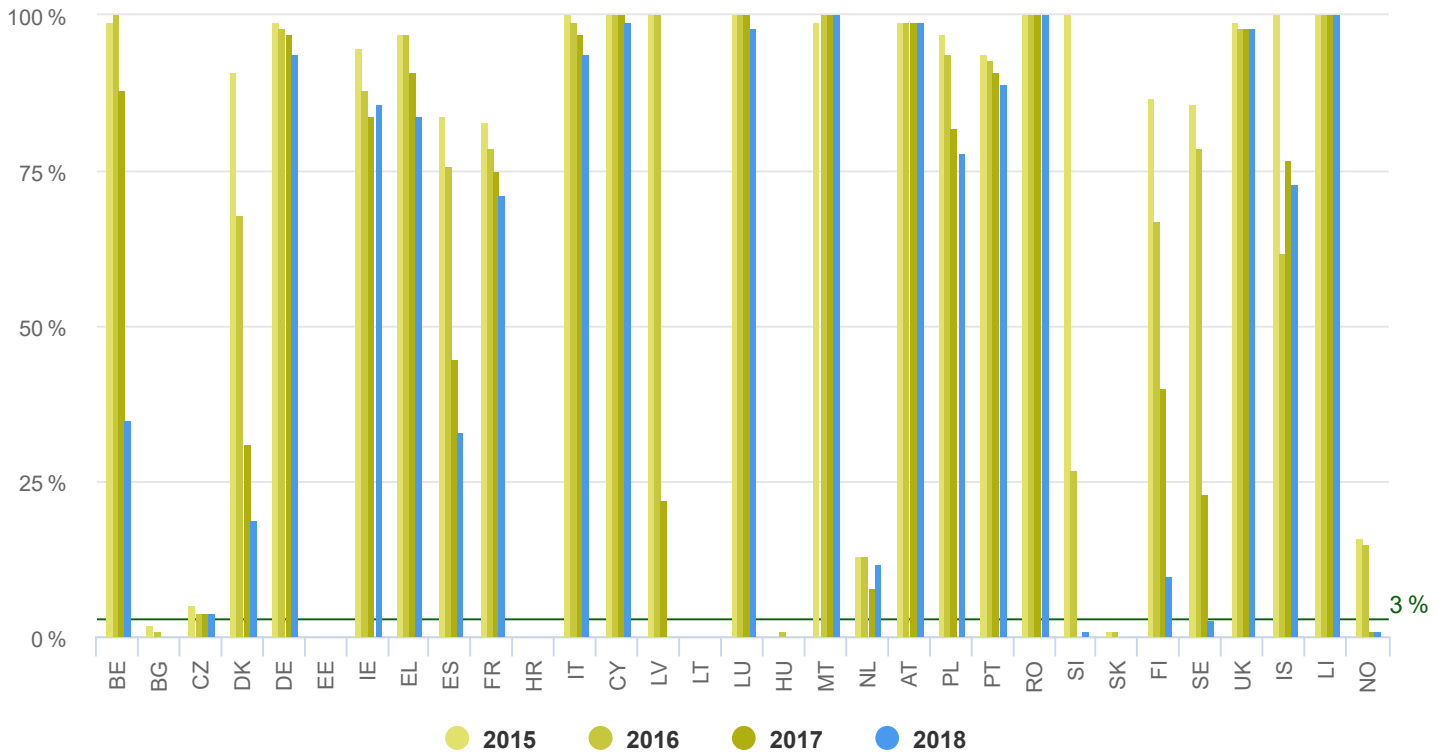
The proportion of procedures where the registration number of the buyer was not included.

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 (provided 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 28 EU countries. They simplify procedures, increase value for money and improve access to tenders for SMEs.

External partners

The negotiations with China, North Macedonia, Russia, Kyrgyzstan and Tajikistan to join the WTO's revised Government Procurement Agreement (GPA) have continued. The Parties agreed on Australia's accession to the GPA and Australia is currently in the process of ratification.

Progress was made in the free trade negotiations with Mercosur, while an agreement was reached with Mexico on the revised Free Trade Agreement. An ambitious Free Trade Agreement was concluded with Japan, which entered into force in February 2019.

Public procurement strategy

The prior assessment mechanism for large infrastructure projects, recently set up, has been used by contracting authorities in several member states for assistance regarding projects in different areas: infrastructure, waste management, transport.

eProcurement

The increasing implementation of digital procurement results in faster access to procurement opportunities, more information available and higher traceability. Moreover, emerging technologies can introduce deep changes in the procurement life cycle with significant benefits to buyers and suppliers. The e-invoicing Directive enables easier payments in the EU, both at national and cross border level.

Priorities

Support the implementation of the new directives

Most EU countries had fully transited to electronic bid submission by October 2018. Ensure the directives are implemented with real results for the public in mind.

Increase transparency, efficiency and accountability in procurement

By means of 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 the reduction of red tape with key partners (e.g. China within the WTO GPA and through regulatory dialogue; Australia, New Zealand, Mercosur, Chile and Indonesia through FTA negotiations);
- promoting regulatory convergence, in particular with Brazil, India, Ukraine, and Georgia;
- ensuring consistency between our internal and external rules for public procurement (e.g.

International Procurement Instrument proposal, GPA and FTA commitments).