

Public Procurement

Public procurement is the process by which public authorities, such as government departments or local authorities, purchase works, goods or services from companies. Public procurement accounts for about 14% of the EU's GDP. It is regulated by law to maximise value for money for the public sector and ensure compliance with three key principles:

- equal treatment
- non-discrimination
- transparency

Public Procurement and the Single Market - why does it matter?

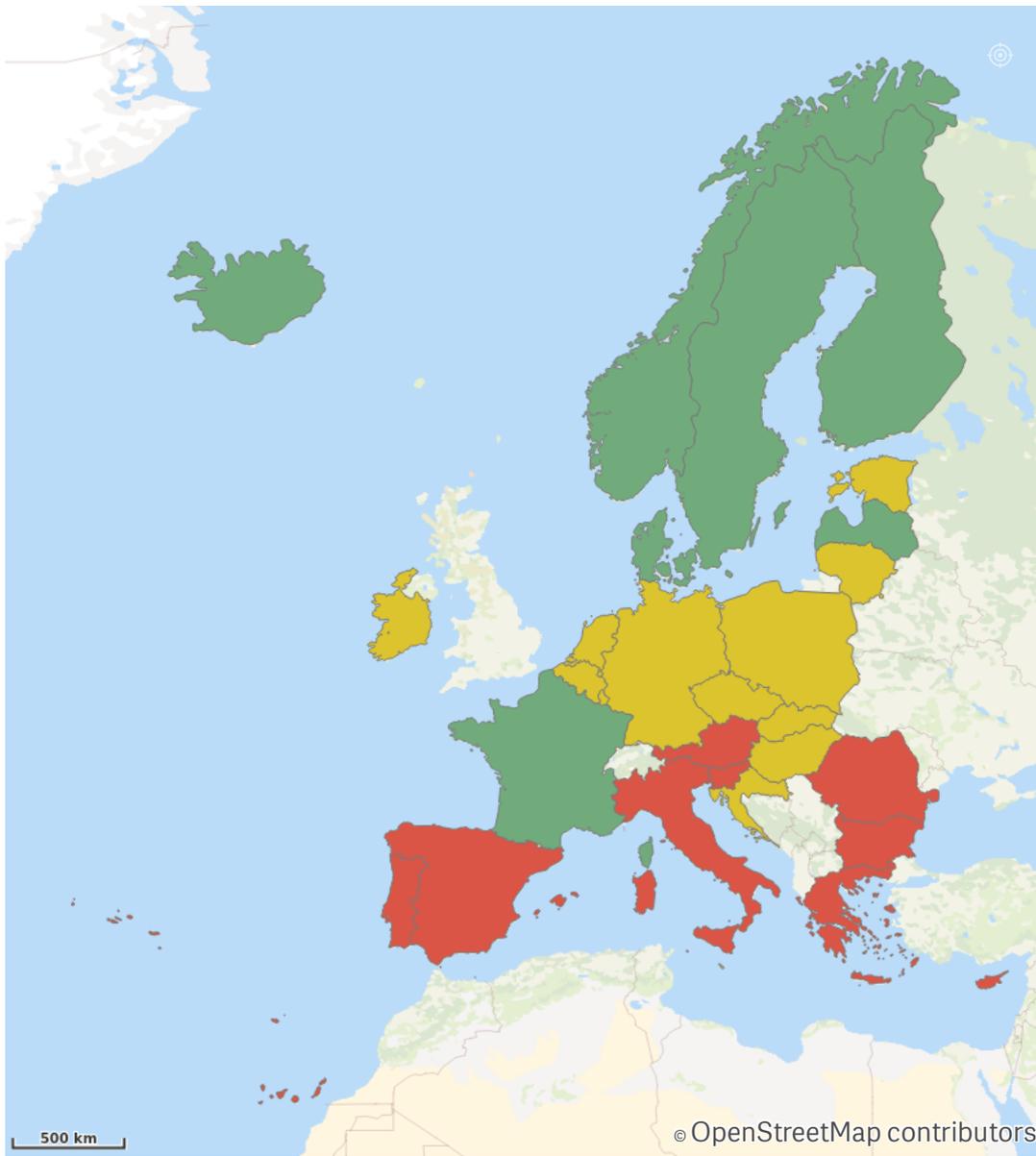
To create a level playing field for businesses across Europe, EU law sets out minimum harmonised public procurement rules. These govern the way public authorities and certain public utility operators purchase goods, works and services. The European Commission's public procurement strategy is designed to improve EU public procurement practices in a collaborative manner by working with public authorities and other stakeholders.

“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. In some cases, a large number of tenders below EU thresholds are published in TED. This publication is voluntary and considered a good practice, as it increases transparency for a significant part of the procurement not covered by the EU rules (for tenders below the EU thresholds, national rules apply, which nevertheless must respect the general principles of EU law).

Moreover, some aspects of public procurement have been omitted entirely or covered only indirectly, e.g. corruption, the administrative burden and professionalism. Although the Scoreboard provides useful information, it gives only a partial view of EU countries' public procurement performance and the indicators should be carefully interpreted, ideally in the light of additional quantitative and qualitative information.

Overall performance (all 12 indicators combined)



Country	Color
Austria	red
Belgium	yellow
Bulgaria	red
Cyprus	red
Czechia	yellow
Denmark	green
Germany	yellow
Estonia	yellow
Greece	red
Spain	red
Finland	green
France	green
Croatia	yellow
Hungary	yellow
Ireland	yellow
Italy	red
Lithuania	yellow
Luxembourg	yellow
Latvia	green
Malta	yellow
Netherlands	yellow
Poland	yellow
Portugal	red
Romania	red
Sweden	green
Slovenia	red

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

- green : above 3
- yellow : between 3 and -3
- red : below -3

Performance indicators

Overview

Perf. Ind.	AT	BE	BG	CY	CZ	DE	DK	EE	EL	ES	FI	FR	HR	HU	IE	IS	IT	LI	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK
indicator 1	22	21	26	25	43	19	15	27	42	28	14	18	25	39	14	2	31	9	28	20	25	16	13	12	51	24	41	9	47	26
indicator 2	13	2	29	26	9	6	6	11	1	15	3	3	7	6	2	4	7	4	10	8	8	1	9	0	6	7	22	0	26	5
indicator 3	3	2.4	6.1	1.8	6.5	1.7	5.9	5.9	2.5	2.7	5.2	5.5	8	7.4	2.2	-	3.3	-	6.8	2	8.8	4	2.5	-	8.4	1.2	5	6	3.4	5.6
indicator 4	6	13	2	5	5	14	19	14	4	1	19	6	3	10	18	2	12	25	4	1	15	0	4	10	2	5	1	2	6	7
indicator 5	32	36	83	91	80	68	51	81	91	26	55	8	1	49	24	92	42	75	94	68	78	86	20	22	50	65	93	82	62	94
indicator 6	84	103	132	130	106	54	90	50	233	160	89	99	108	134	119	54	217	60	79	81	76	144	82	55	62	113	89	49	166	202
indicator 7	54	30	69	81	68	57	50	82	41	43	62	42	51	78	73	94	42	95	89	67	92	91	67	44	59	42	n/a	66	78	75
indicator 8	74	54	69	84	96	71	54	85	86	53	50	70	41	77	77	86	62	92	94	85	92	88	74	47	64	44	n/a	47	74	76
indicator 9	12	33	38	18	20	18	24	35	39	32	28	43	38	38	16	6	28	29	42	9	40	23	16	10	46	36	52	6	42	33
indicator 10	4	9	8	1	5	1	3	1	1	4	1	3	0	0	1	0	4	5	1	1	0	9	2	1	1	4	1	0	8	1
indicator 11	51	88	1	99	9	97	50	3	89	30	1	83	1	11	28	13	81	98	1	92	1	2	50	48	78	61	0	7	1	3
indicator 12	52	14	0	99	4	95	13	0	86	15	0	57	0	0	73	11	89	89	0	97	0	38	9	1	69	27	1	2	1	0

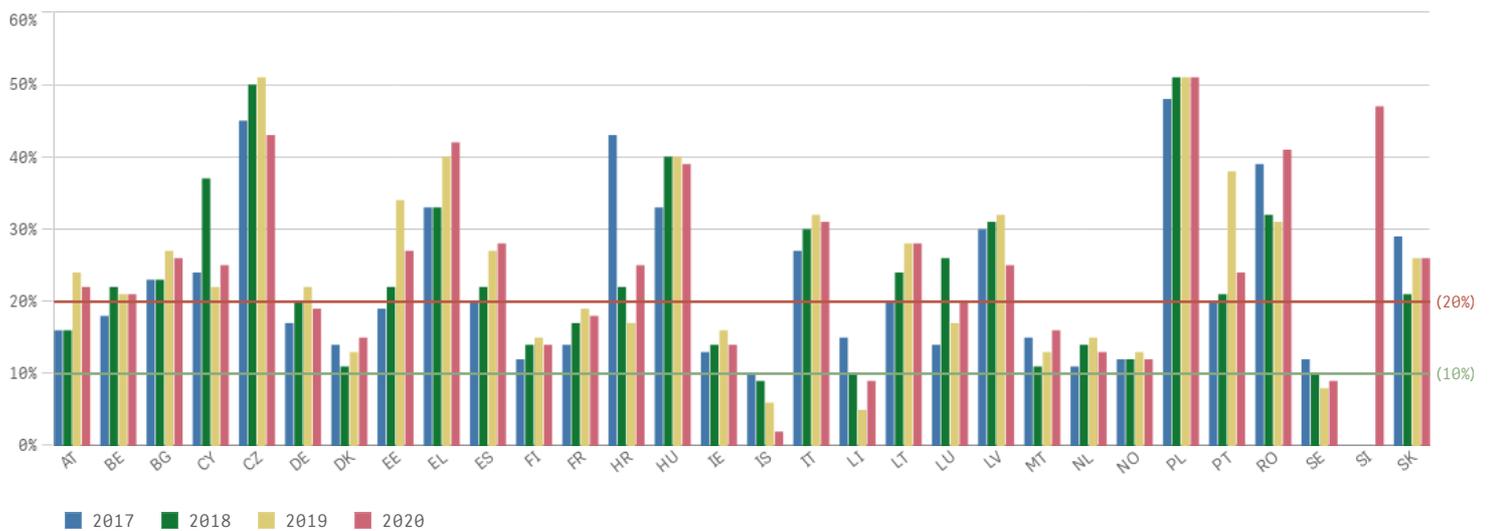
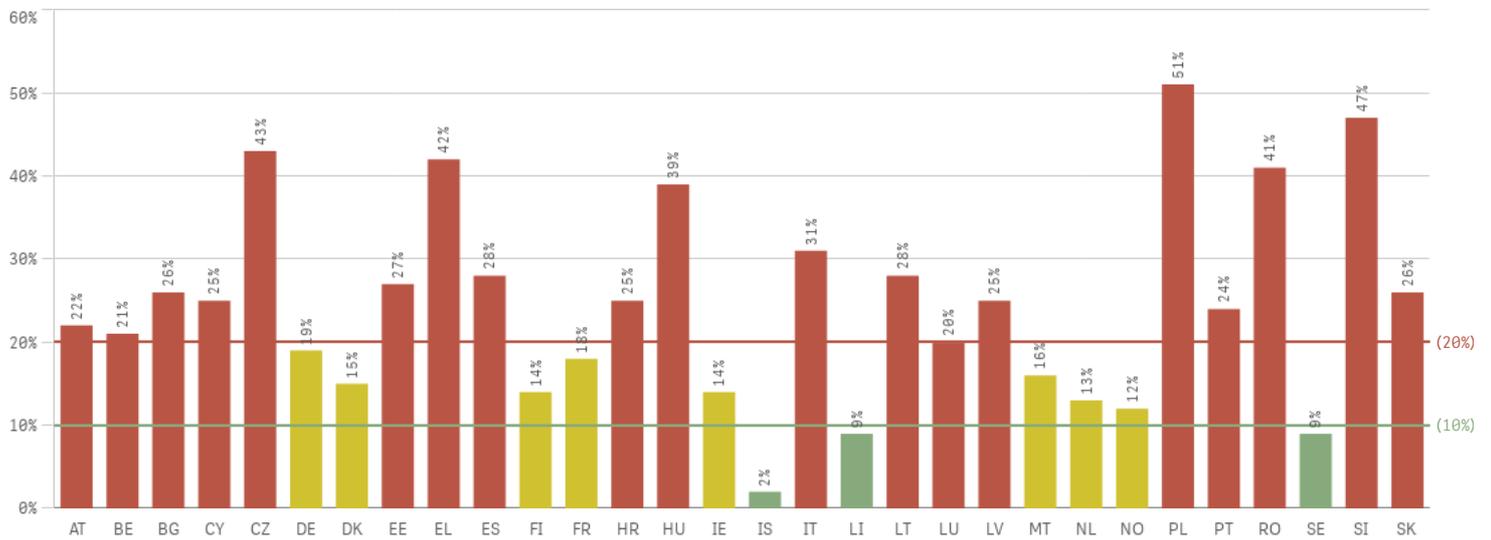
The colour thresholds are based on 2 factors:

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

Indicator	Green	Red
[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%

This chart measure the proportion of contracts awarded where there was just a single bidder (excluding framework agreements, as they have different reporting patterns; direct awards i.e. negotiated without a call for competition/award without prior publication of a contract notice are also excluded, since for such procedures the legislator did not foresee competition).

Indicator [1]: Single bidder



More bidders are better, as this means public buyers have more options, and can get better value for money. The indicator reflects several aspects of procurement, including **competition** and **bureaucracy**.

This chart measures proportion of procurement procedures that were negotiated with a company without any call for bids.

Indicator [2]: No calls for bids

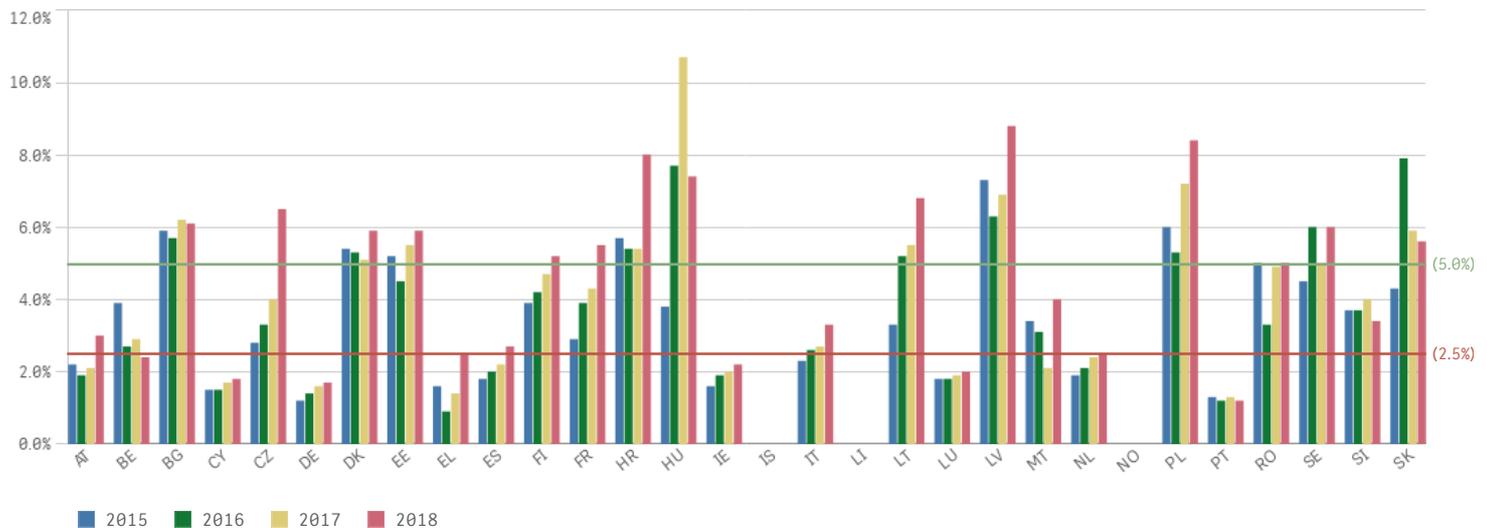
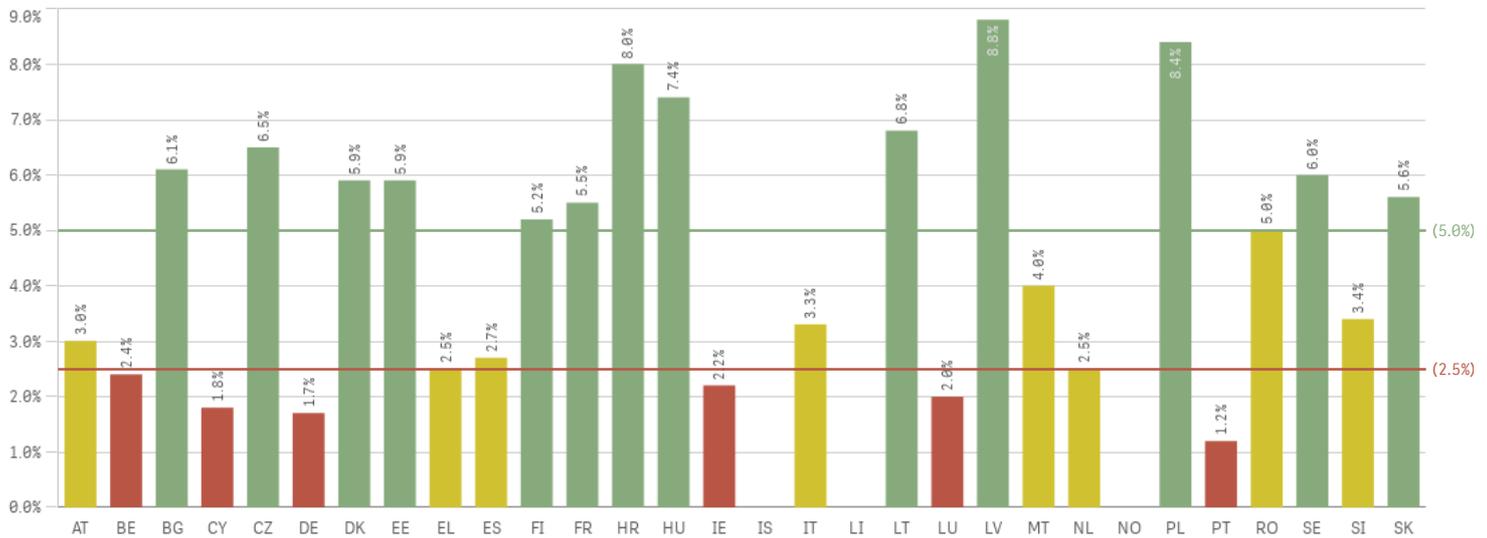


Calling for bids (or “calling for tenders”) before starting procurement negotiations is better, as it makes the bidder selection process more transparent and increases competition. This leads to better value for money. The indicator reflect several aspects of procurement, including transparency and competition.

Indicator [3]: Publication rate

This chart measures the value of procurement advertised on TED as a proportion of national gross domestic product (GDP).

Owing to delays in data availability, these results are based on 2018 data. However, since this indicator is slow to change, the 2018 results are still relevant.



A higher score is better, as it means more companies can bid, bringing better value for money. It also means greater transparency, as more information is available to the public. This indicator reflects the value of national public procurement advertised to businesses, i.e. the accessibility and openness of public procurement markets.

Indicator [4]: Cooperative procurement

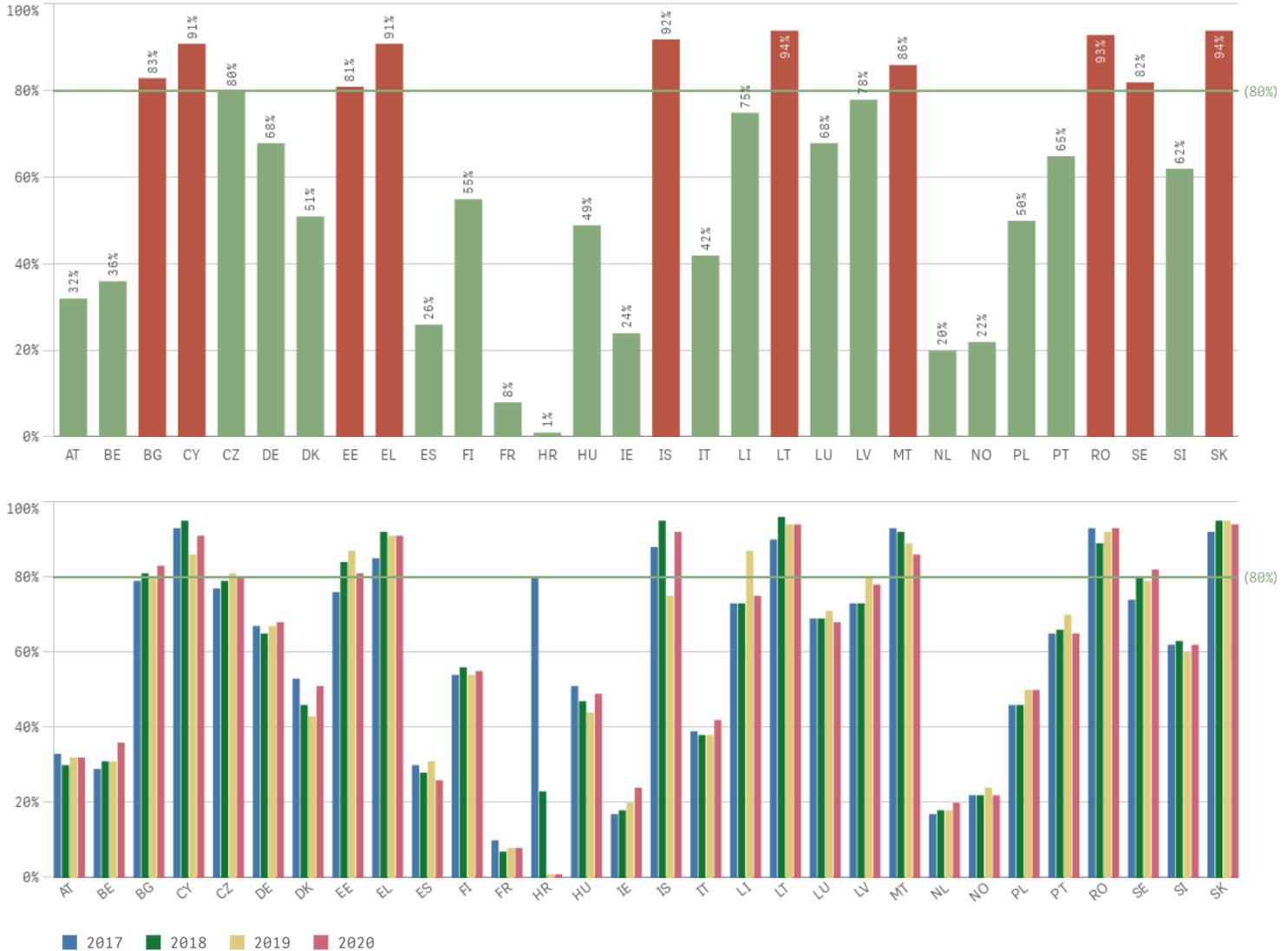
This chart measures the proportion of procurement procedures with more than one public buyer.



Although not all types of purchase are suitable for joint procurement, excessively low rates suggest lost opportunities. This indicator reflects how often public buyers buy together. Buying in bulk often leads to better prices and offers an opportunity to share knowledge.

Indicator [5]: Award criteria

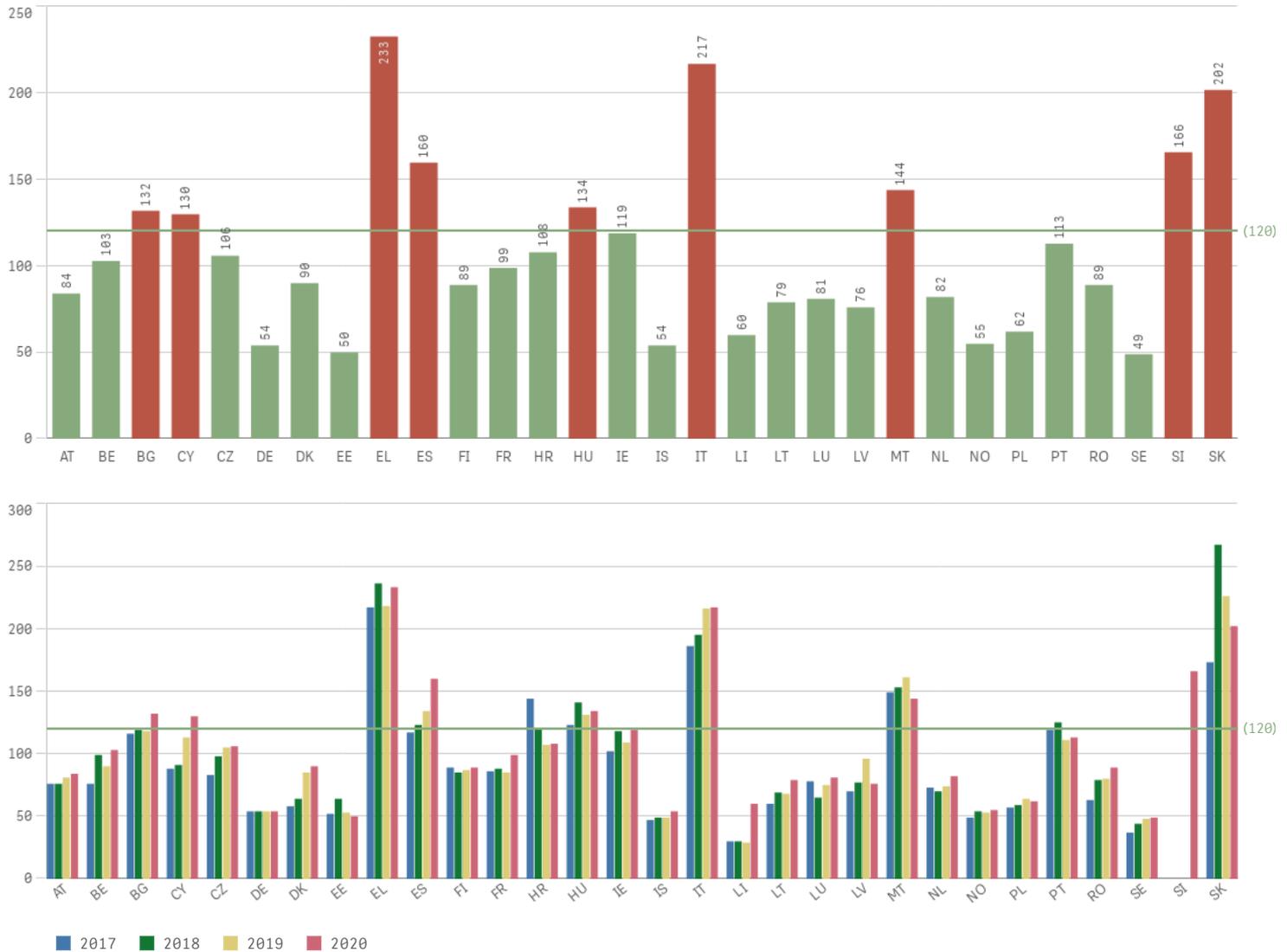
This chart measures the proportion of procedures awarded solely because the offer was the cheapest one available.



While the choice of criteria depends on what is being purchased, over-reliance on price suggests better criteria could have been applied, so a better purchase could have been made. The indicator reflects how public buyers choose the companies they award contracts to. Specifically, it shows whether they decide based on price alone, or whether they also take quality into account.

Indicator [6]: Decision speed

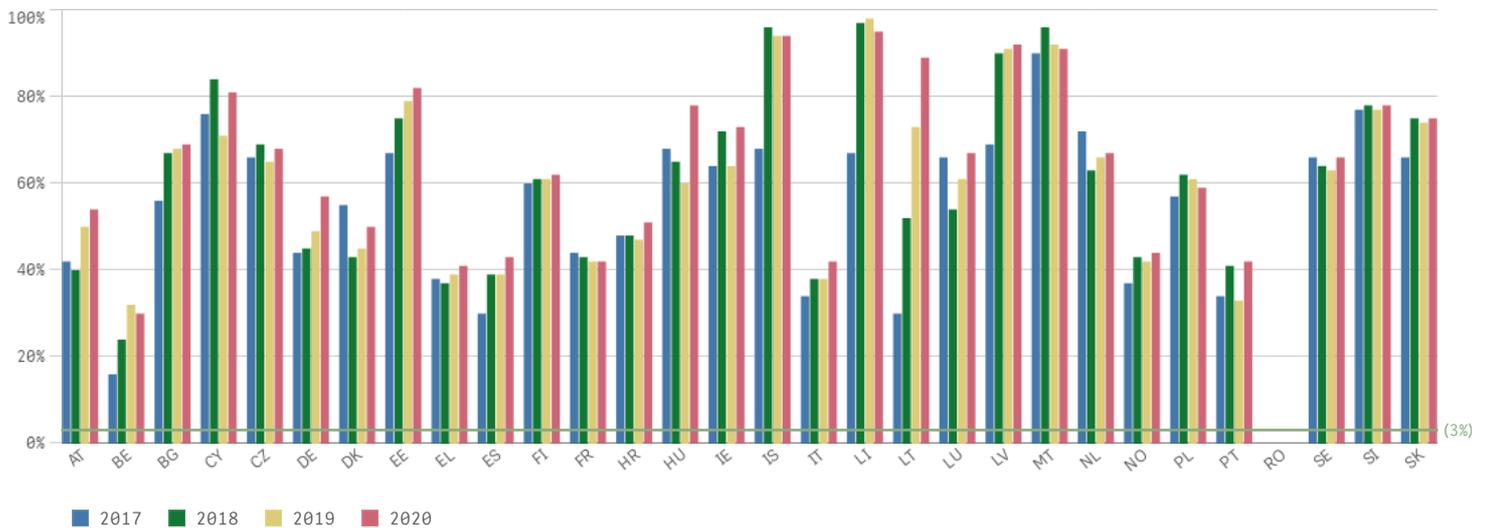
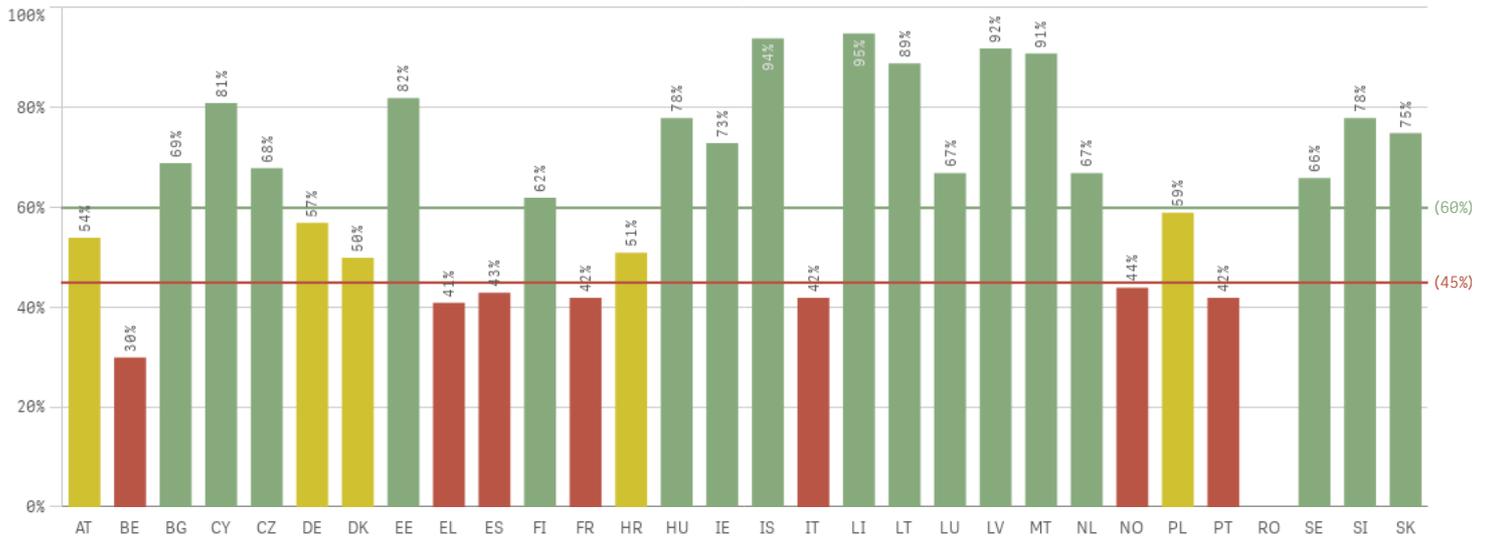
This chart measures the mean decision-making period, i.e. the time between the deadline for receiving offers and the date the contract is awarded. To ensure comparability, only notices published under the open procedure, which do not include framework agreements, are considered.



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

Indicator [7]: SME contractors

This chart shows how many contractors are smaller firms (small and medium-sized enterprises – SMEs).

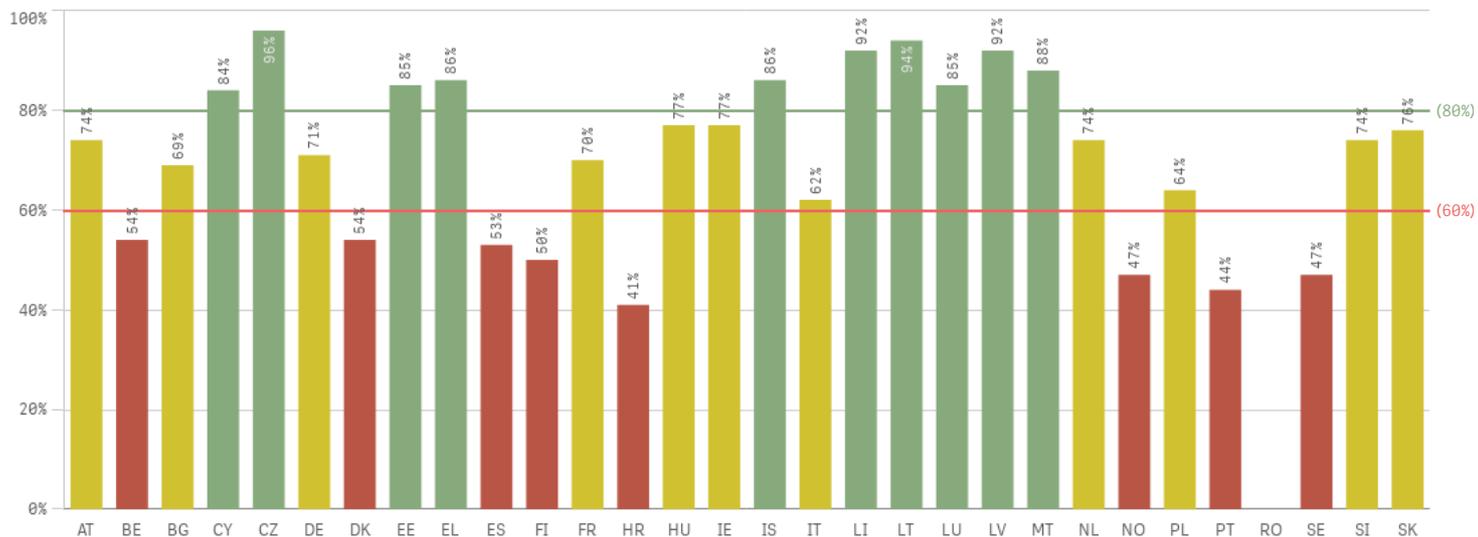


For technical reasons, Romanian data for 2017, 2018, 2019 and 2020 are not reliably available.

High percentages are desirable, as most companies in the EU fall into this category. 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).

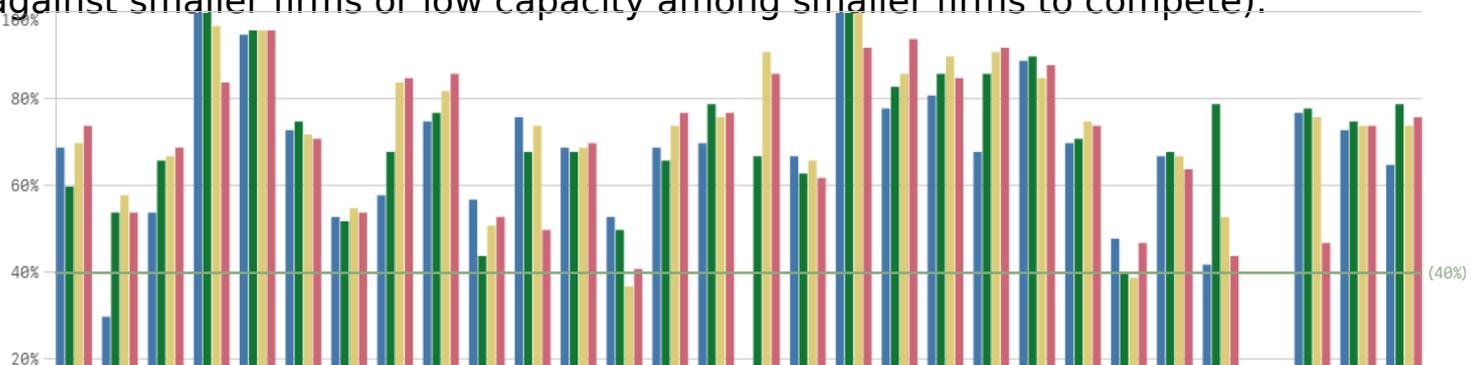
Indicator [8]: SME bids

This chart measures proportion of bids from SMEs.



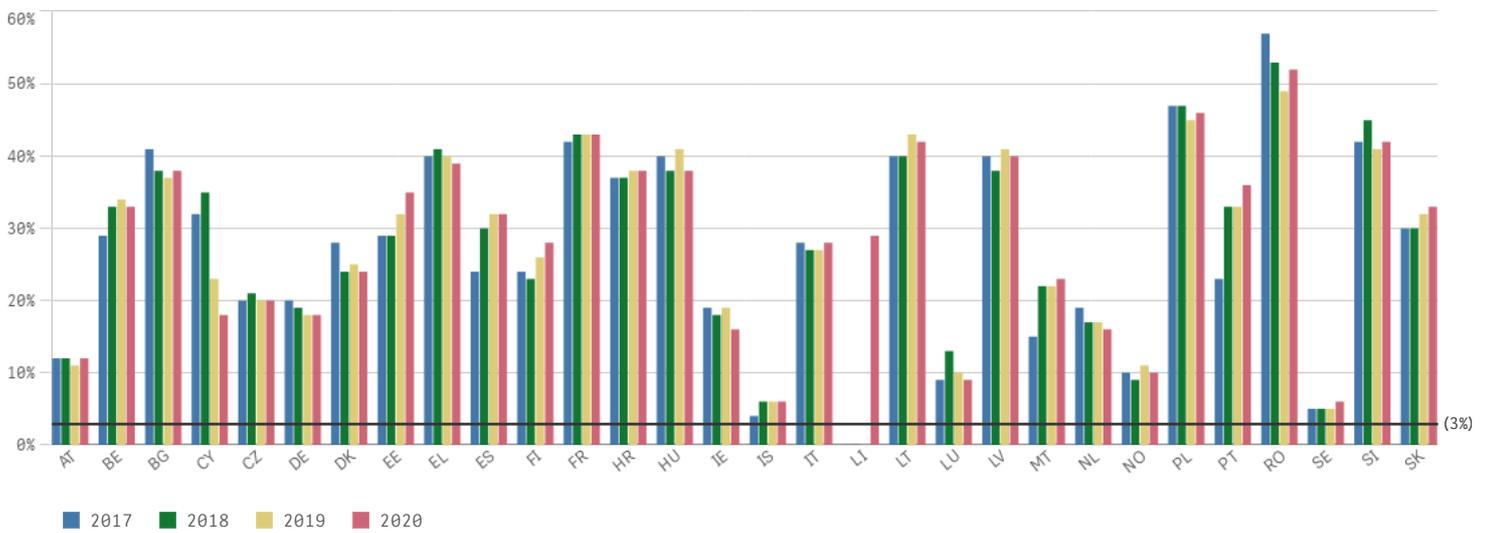
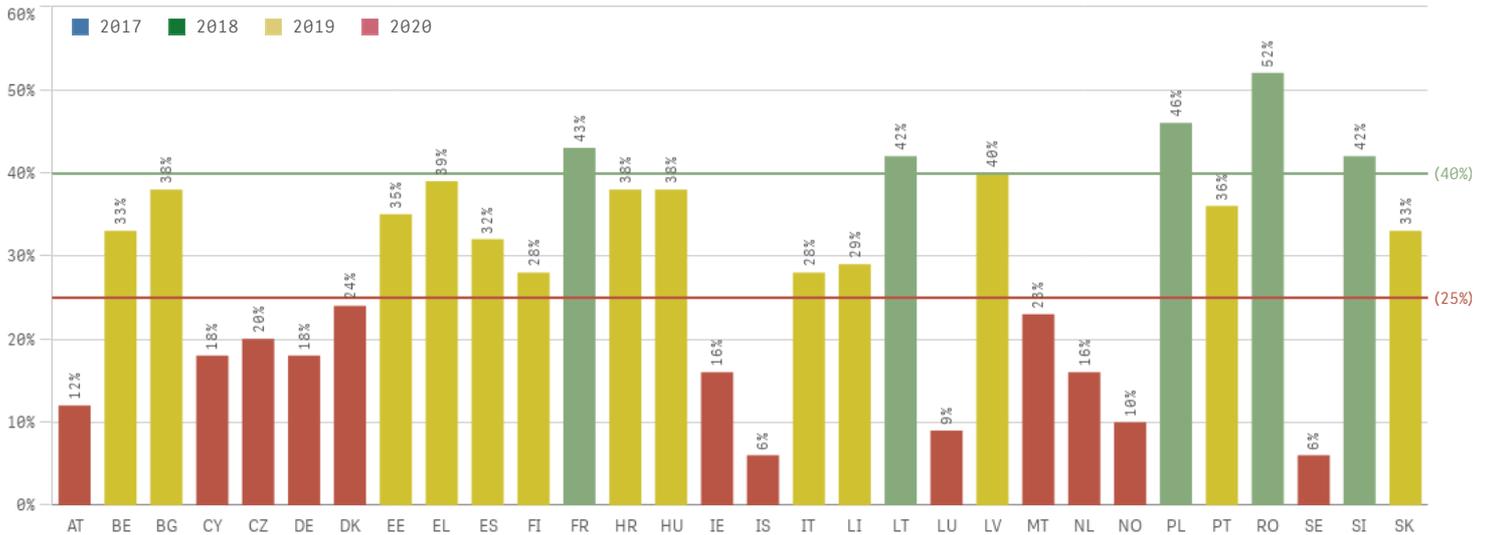
High percentages should be the rule, as most companies in the EU fall into this category.

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).



Indicator [5] Procedures divided into lots

This chart measures the proportion of tenders that have been divided into lots.

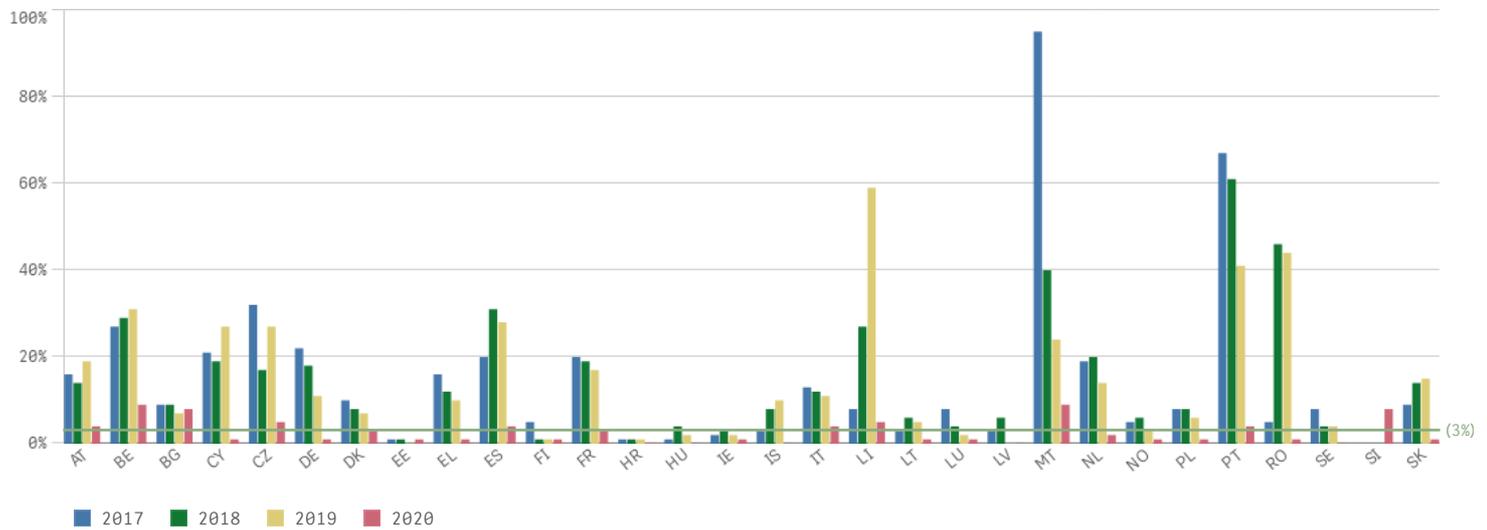
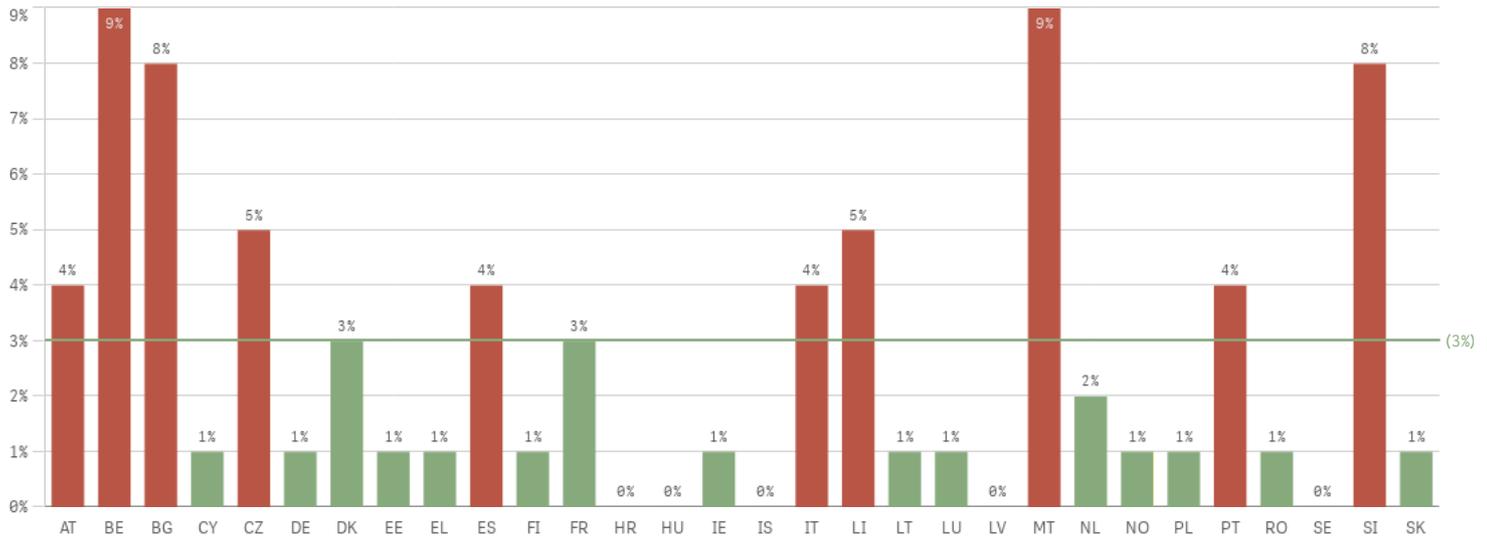


Lots are beneficial, particularly for SMEs, making it easier for them to make an offer.

Low percentages show that large companies are more easily able to bid for public contracts. This means that public buyers are missing the opportunities smaller firms can offer.

Indicator [10]: Missing calls for bids

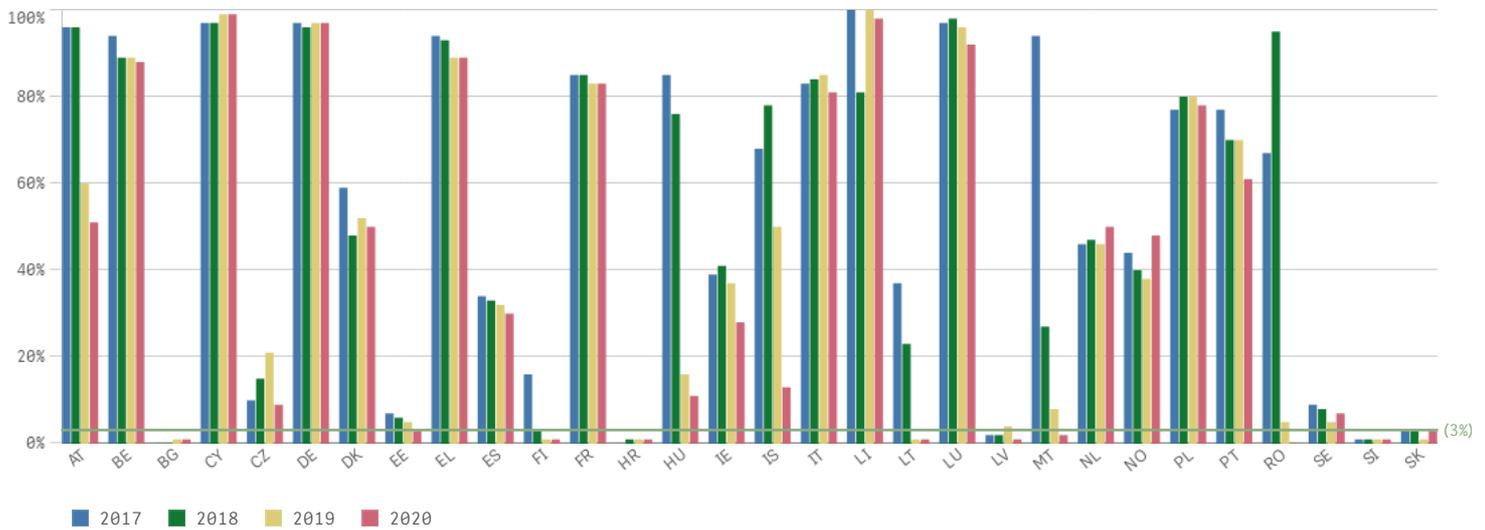
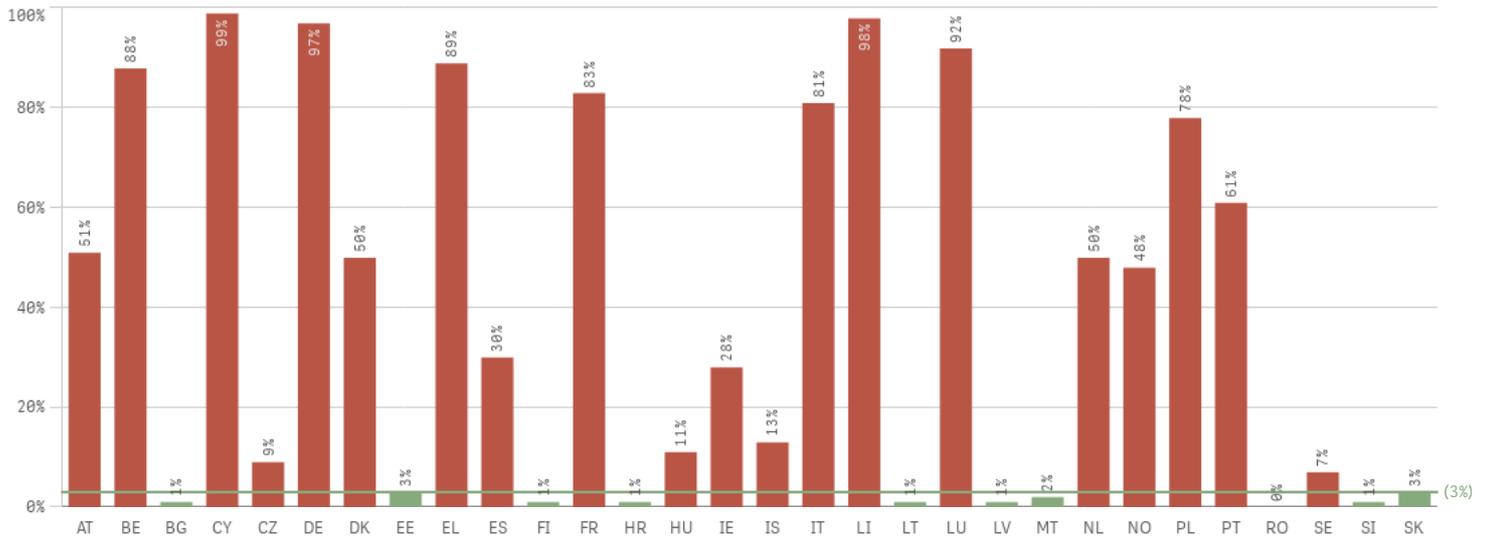
This chart measures the proportion of contracts awarded after a call for tender whose name and conditions were not clear.



A lower score is preferable, because it means businesses and the public can understand how contractors have been selected. However, a higher score suggests that public buyers are failing to provide enough information about their procurement activities, and are therefore in breach of EU law.

Indicator [11]: Missing seller registration numbers

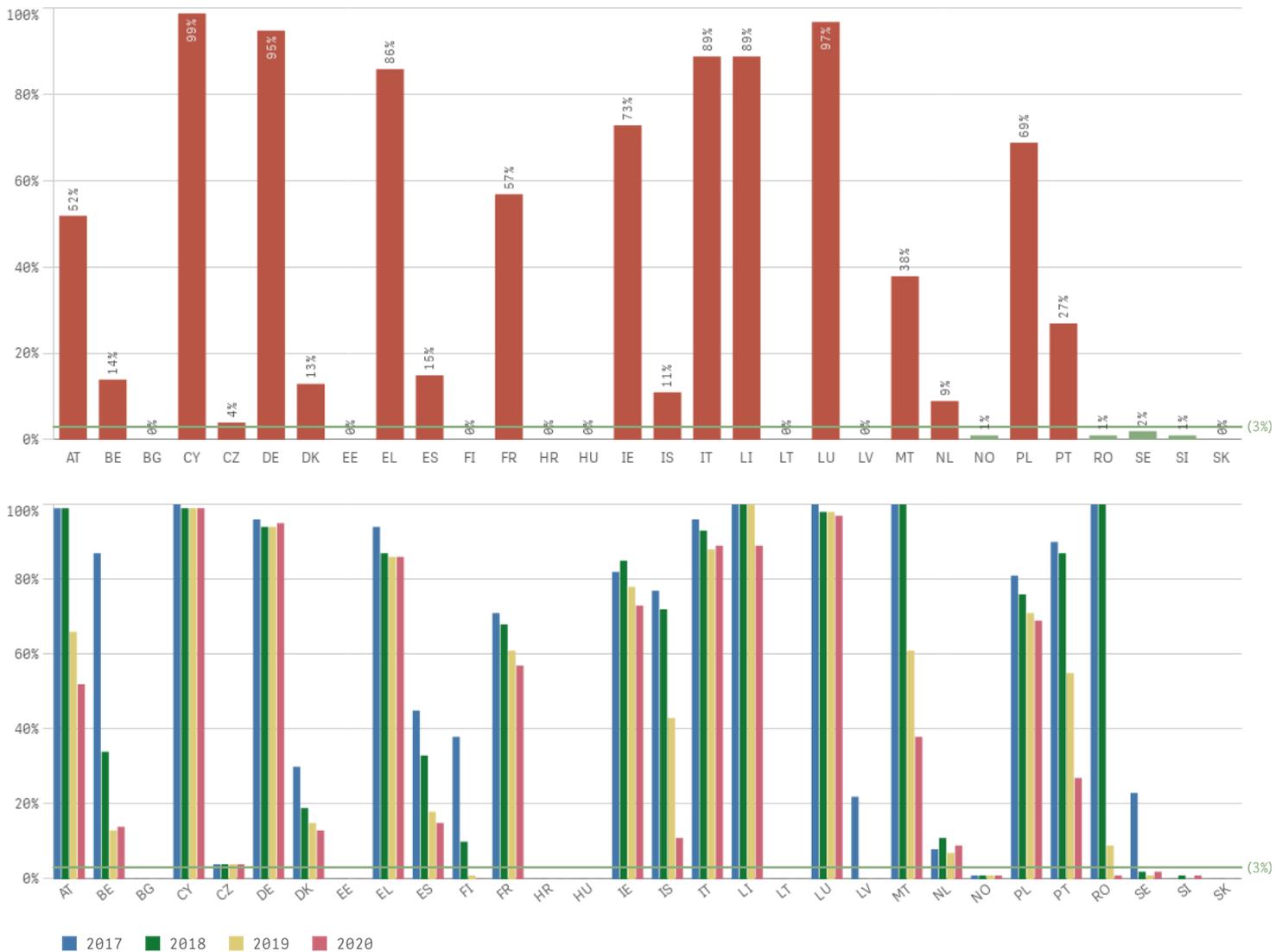
This chart measures the proportion of procedures that did not include the registration number of a seller.



A lower score is preferable. Buyers' and sellers' registration numbers (provided by business registries) are crucial for understanding who is buying from whom across different procurement procedures. A higher score suggests that public buyers are failing to provide enough information about the party selected, following a procurement procedure, to sell goods, works, or services.

Indicator [12]: Missing buyer registration numbers

This chart measures the proportion of procedures that did not include the buyer's registration number.



A lower score is preferable. Buyers' and sellers' registration numbers (provided by business registries) are crucial for understanding who is buying from whom across different procurement procedures. A higher score indicates that public buyers are failing to provide enough information about their procurement activities.

Priorities

EU Public procurement policy supports public investment to increase its impact on achieving growth and raising public welfare. It aims to help transform public procurement into a powerful and efficient tool to achieve significant policy objectives, especially the green and digital transition, a more resilient EU economy, strategic autonomy, and a level playing field.

Support the implementation of the 2014 directives

Support the use of public procurement as a tool for efficient recovery and the green transition. This means efficient procedures, better value for money, improved access to tenders for SMEs, public purchases being green and innovative, and taking into account social considerations.

Increase transparency, efficiency and accountability through better procurement data

Make better use of data to allow public buyers to take informed decisions providing high quality public goods and services, policy makers to plan procurement strategically, civil society to hold public entities to account.

An international level playing field and better access to non-EU procurement markets

Ensure access of EU companies to world-wide procurement markets, counter the distortive effects of foreign subsidies on the European procurement market, reduce strategic dependencies and strive for strategic autonomy, promote regulatory convergence.

The priorities are to:

- negotiate international agreements and encourage 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);
- promote regulatory convergence, in particular with Brazil, India, Ukraine, Georgia and Africa;
- ensure consistency between our internal and external rules for public procurement (e.g. International Procurement Instrument proposal, GPA and FTA commitments).

Achievements

Public procurement directives

All Member States have transposed the 2014 procurement directives. The Commission continued to ensure the compatibility of all transposition measures with the directives in cooperation with the Member States.

External partners

Negotiations with China, North Macedonia, Russia, Kyrgyzstan and Tajikistan on joining the WTO's revised Government Procurement Agreement (GPA) have continued. Brazil, as a first South American country, has sent its initial market access offer and the replies to the checklist of issues. The UK acceded to the GPA in its own right on the 1st of January 2021.

An agreement in principle was reached with Mercosur, while an agreement on the revised free trade agreement with Mexico was concluded. Progress was made on free trade negotiations with Chile and Indonesia.

Strategic Public procurement and access to procurement markets

Supporting public buyers throughout the EU with advice and assistance to further well-functioning, transparent, and fair procurement markets.

Creating networks of buyers to increase the uptake of innovation and sustainable procurement.

Cooperating to include mandatory green targets and criteria in sectorial initiatives.

Publishing a White Paper on the distortive effects of foreign subsidies proposing solutions to create a level playing field in procurement markets.

Progressing on opening worldwide procurement markets through negotiations with key partners and advancing the International Procurement Instrument proposal.

Supporting the position of EU companies at world public procurement market, including providing the guidance on the participation of third country bidders in the EU procurement market that provides practical advice and solution to public buyers.

eProcurement

Significant progress has been made in the field of digital procurement as a result of the current legal framework obligations. Furthermore, there has been a continuous evolution in the digitalisation of the public procurement life cycle that goes beyond these obligations.

This increase in digitalisation leads to an increase of available information, in particular structured data, which is fundamental to the governance of public procurement. Significant efforts have been made to improve the quality and quantity of data. The implementation of the new eforms, from next year, is a fundamental step in this direction.

Professionalisation of public buyers

Publishing ProcurCompEU - the European competency framework for public procurement professionals to assist public buyers to use the full potential of the procurement directives.

More information on Public Procurement

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

Although the picture they give is rather simplified, they nonetheless highlight basic aspects of countries' procurement markets.

All indicators are based on notices published in the Tenders Electronic Daily (TED) database, under four EU Procurement Directives (general, sectoral, concessions and defence).

These data are available at the EU Open Data Portal. More data and indicators are also available at opentender.eu , an EU-funded research project.

For more detailed information on public procurement, see: [EU public procurement](#).

For general information on public procurement, see [Your Europe](#).