

# Single Market Scoreboard

*Performance per policy area*

## Public procurement

*(Reporting period: 01/2014 - 12/2014)*



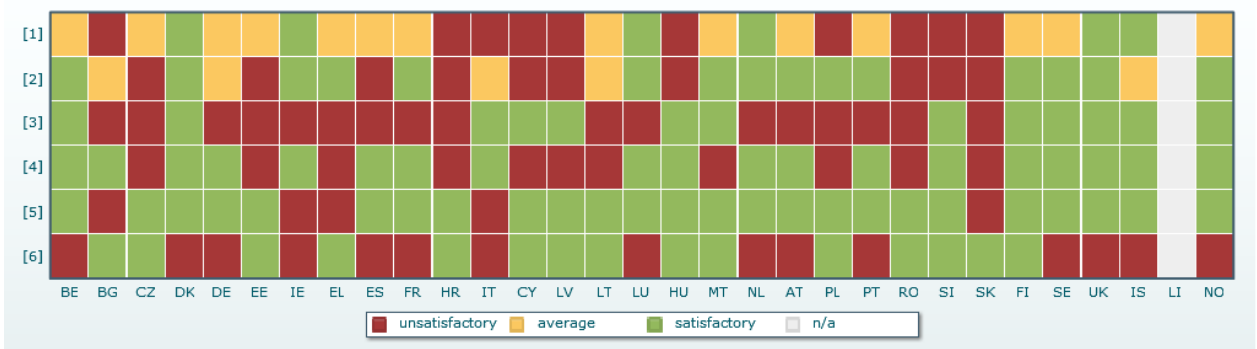
## About

Public purchase of works, goods or services – **public procurement** – is of great economic importance, accounting for around 18% of EU GDP. To make sure that public sector gets best value for money and that the principles of transparency, equal treatment, and non-discrimination are respected, various aspects of procurement are regulated by law. You can find a more comprehensive introduction to public procurement on Your Europe and on the website of DG GROWTH.

## Performance

### 1. by indicator

The indicators set out below reflect how the different EU countries are performing in key aspects of public procurement. While the indicators offer a simplified picture, they nevertheless show 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.

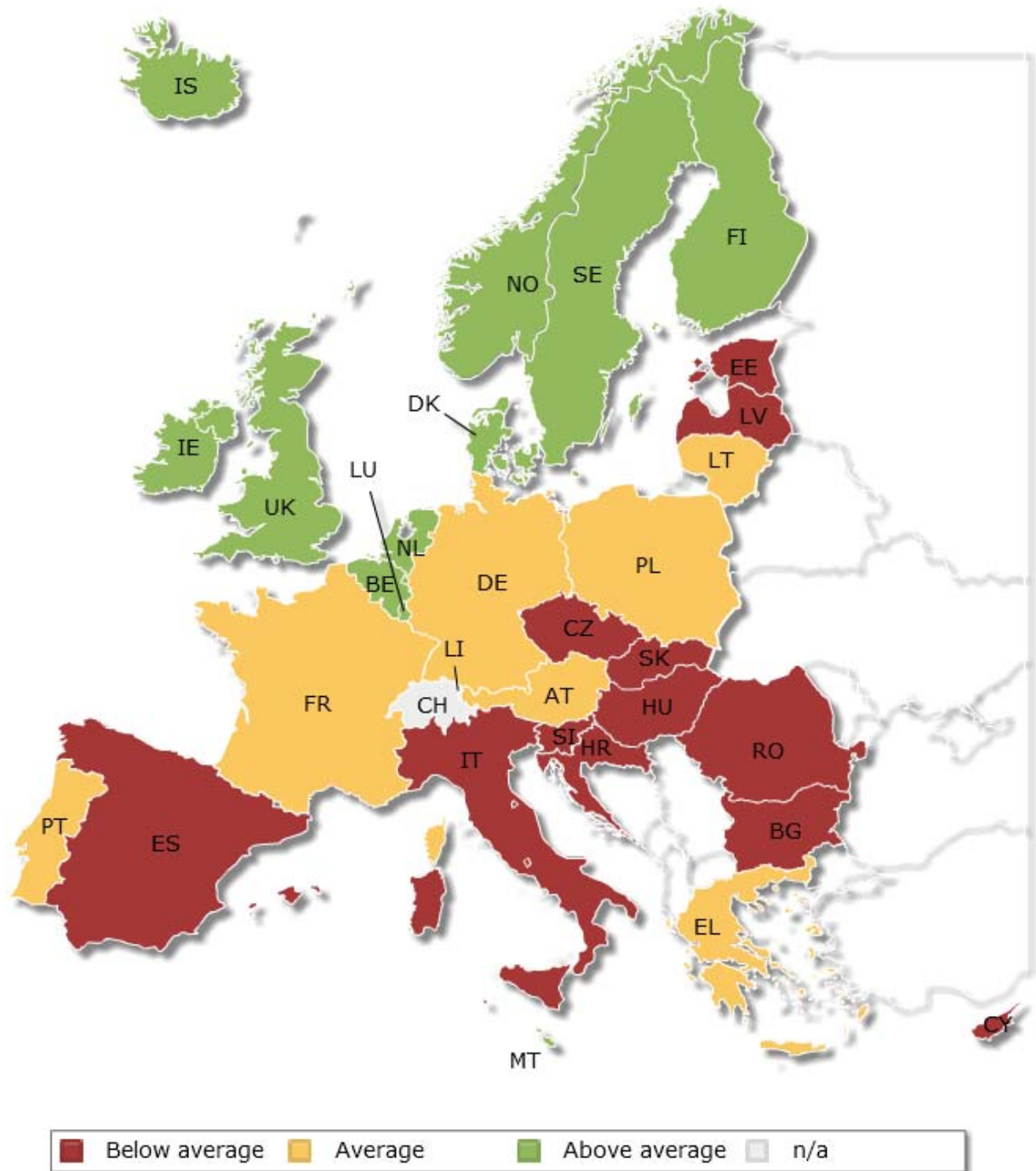


The thresholds have been set on the basis of two factors:

- 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%

**1. overall**  
(all 6 indicators combined)



The **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.

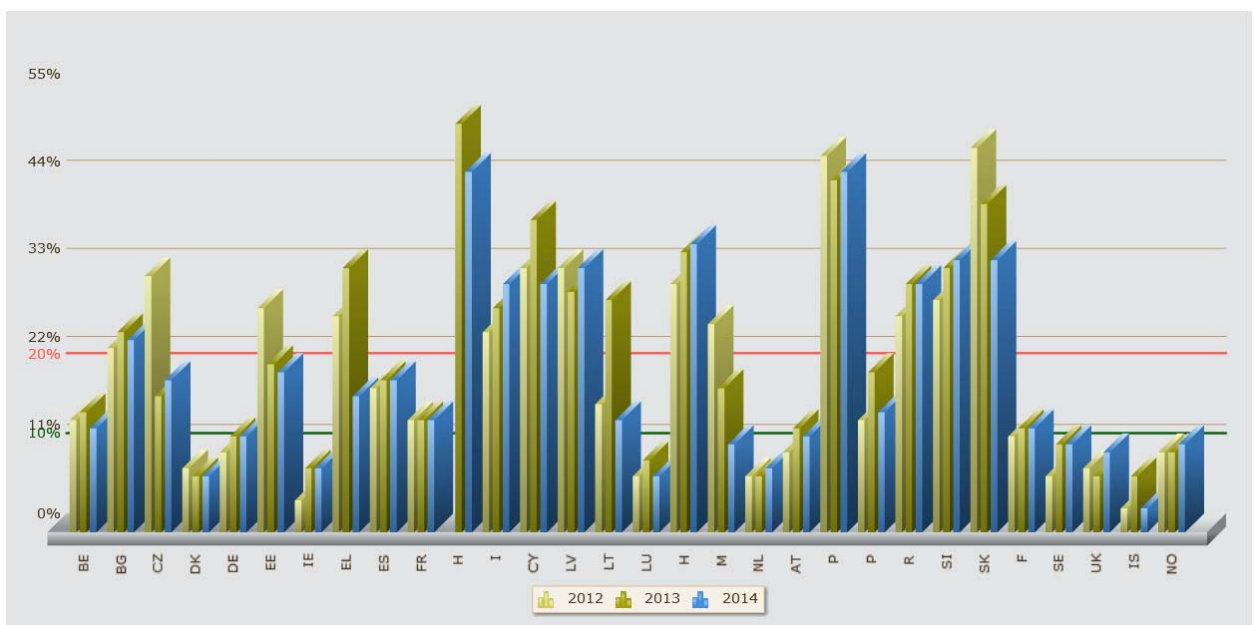
above 90%	80% 90%	-	below 80%
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'Performance' measures the extent to which purchasers obtain good value for money. The indicators below measure important influences on public procurement performance in a way that is transparent, readily comprehensible and comparable.

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 - for instance corruption, administrative burden and professionalism. Thus, although the Scoreboard provides very useful information, it gives only a partial view of EU countries' public procurement performance.

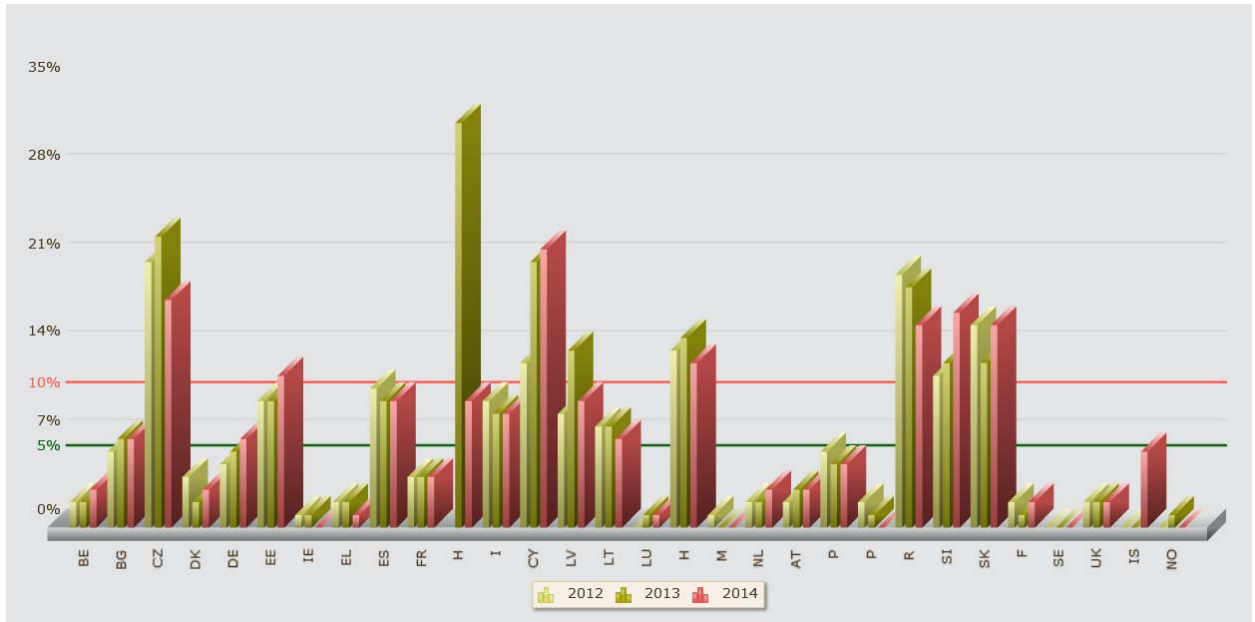
### Indicator [1] – One Bidder

This indicator reflects **several aspects of procurement, including competition and red tape**. More bidders are better, as they give the public buyers more options, and thus lead to better value for money. One Bidder measures the proportion of contract awards with just one bidder (excluding framework agreements, as they have different reporting patterns).



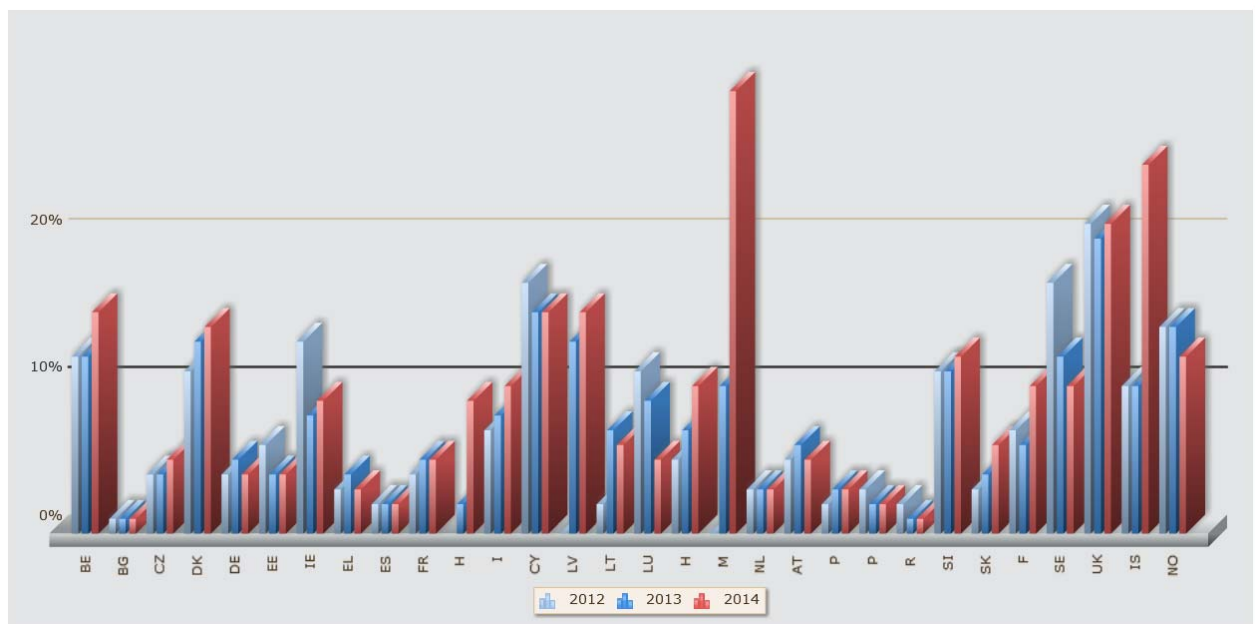
### Indicator [2]: No Calls for Bids

This indicator reflects **important aspects of transparency and competition**. Calling for bids is better, as it makes the bidder selection process more transparent and raises the number of bids. This leads to better value for money. No Calls for Bids measures the proportion of procurement procedures which were negotiated with a selected company without being preceded by a call for tender.



### Indicator [3]: Aggregation

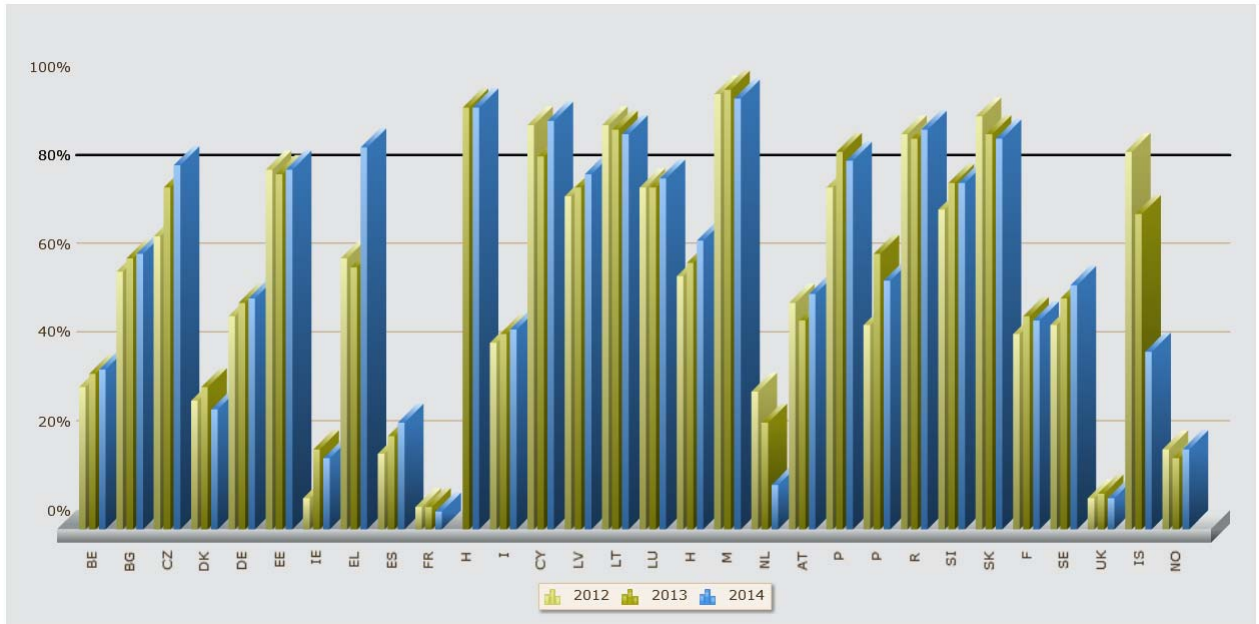
This indicator shows **how often public buyers buy together**. Buying in bulk often leads to better prices and also offers an opportunity to exchange know-how. While not every type of purchase can benefit from aggregation, excessively low aggregation levels mean that an opportunity is probably being missed. Aggregation measures the proportion of procedures with more than one public buyer.





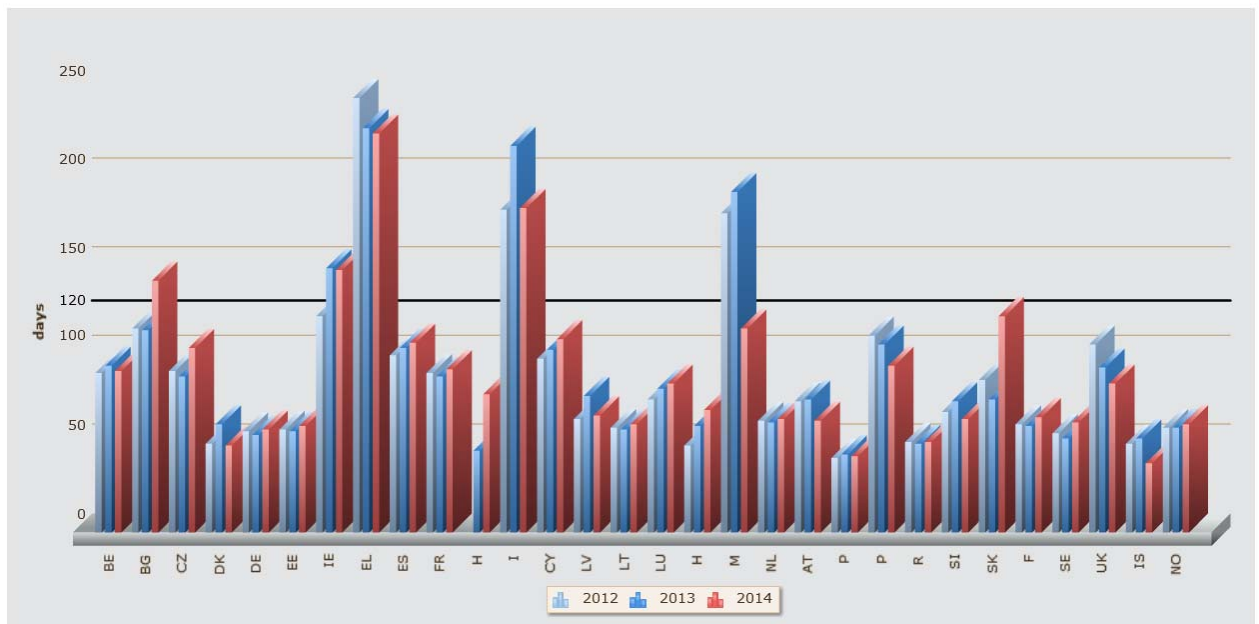
### Indicator [4]: Award Criteria

This indicator shows **how public buyers choose companies to whom they award contracts**. In particular, it shows whether they decide only on the basis of price, or take into account also quality criteria. While the appropriate choice of criteria always depends on what is being bought, excessive reliance on price means that probably better criteria could have been found – and thus a better purchase made. Award Criteria 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**. Excessively slow procedures are bad, because they lead to uncertainty and costs for both the public buyers and companies. The indicator measures the mean decision period, i.e. the time between the deadline for receipt of offers (or requests to participate) and the awarding 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**. Higher Reporting Quality 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 contract awards containing no information about the value of the contracts awarded (excluding framework agreements, as they have different reporting patterns). This is representative of contents of notices as a whole.



## FACTS AND FIGURES

### Publication Rate

This indicator shows the proportion of national **public procurement advertised to businesses coming from the entire European Economic Area and other countries**. Higher Publication Rate is better, as it allows more companies to bid, thus leading to better value for money. It also means better transparency, as more information is available to the public. The Publication Rate measures the value of procurement advertised on Tenders Electronic Daily as a proportion of general government expenditures on works, goods, and services.

This indicator measures the size of public procurement, not its performance, and thus is not a part of the composite performance indicator. Furthermore, because of delayed availability of expenditure data, values for 2014 are not given.



## ACHIEVEMENTS

- The new general, utility, and concession directives on public procurement entered into force in April 2014. These simplify procedures, increase value for money, and improve access to tenders for small and medium enterprises.
- After extensive negotiation, the WTO's revised Government Procurement Agreement (GPA) entered into force on 6th April 2014. Once signed by all countries, this will increase access to markets by an estimated €65 billion annually, meaning significant new business opportunities for European companies. In addition, negotiations with New Zealand and Montenegro to join the GPA were completed in 2014.
- E-procurement is generating significant 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.
- Emphasize the importance of ground-level enforcement, i.e. make sure procurement rules are followed and encourage better procurement governance structures in EU countries.
- Negotiate with China, US, and Japan further opening of public procurement markets and reduction of administrative burden. Promote regulatory convergence, in particular with Turkey, Ukraine, and Brazil.