

# Single Market Scoreboard

*Performance per Policy Area*

## Public Procurement

*(Reporting period: 01/2016 - 12/2016)*



## 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 information on public procurement is available on [Your Europe](#) and on the website of [DG GROWTH](#).

## Performance

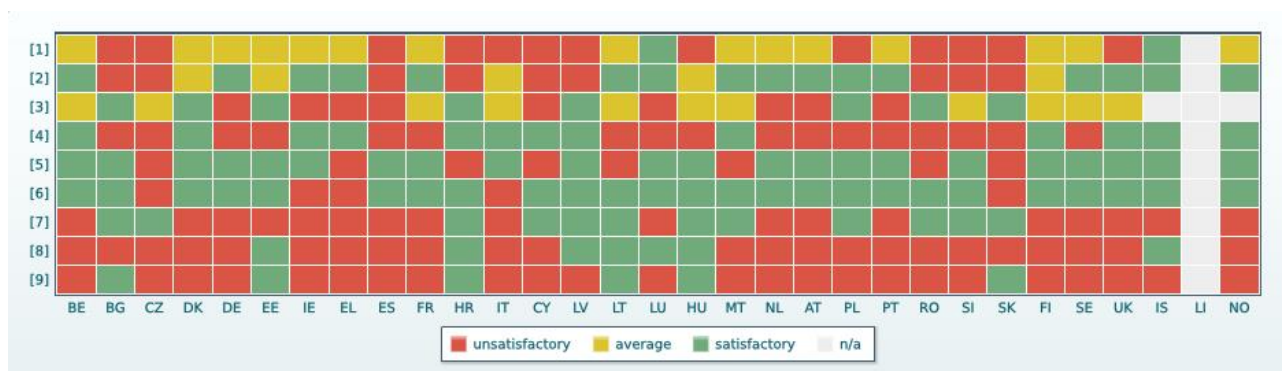
### 1. by indicator

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.

This data is available on the [EU Open Data Portal](#).

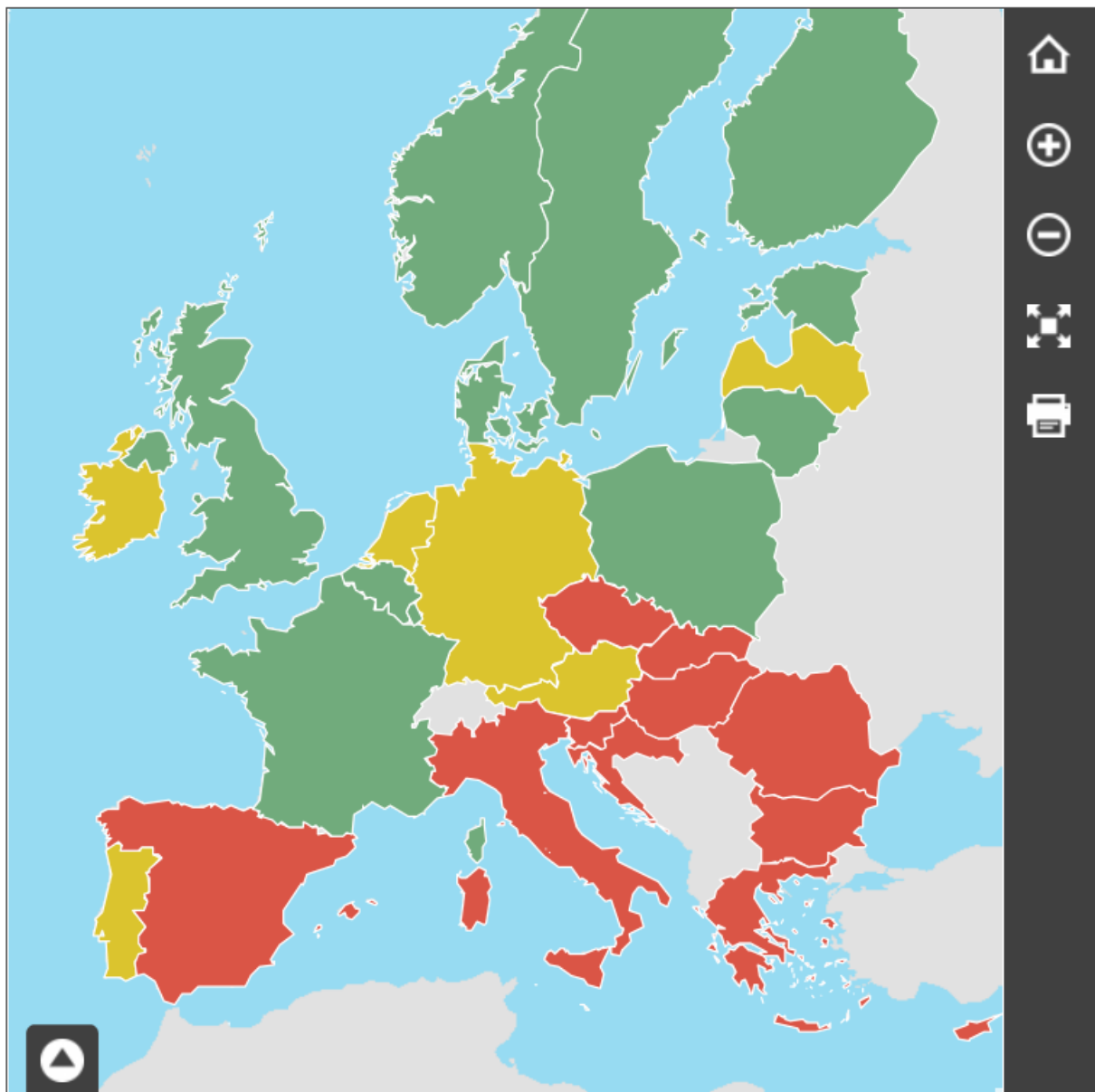


The colour thresholds have been set on the basis of two factors:

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

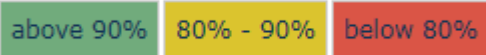
[1] One Bidder	≤10%	> 20%
[2] No Calls for Bids	≤ 5%	≥ 10%
[3] Publication Rate	>5%	< 2,5%
[4] Cooperative Procurement	≥ 10%	< 10%
[5] Award Criteria	≥ 80%	< 80
[6] Decision Speed	≤ 120 days	> 120 days
[7] Missing Values	≤ 3%	> 3%
[8] Missing Calls for Bids	≤3%	> 3%
[9] Missing Registration Numbers	≤3%	> 3%

## 2. overall (all 9 indicators combined)



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

**Overall performance** is a weighted average of all 9 performance indicators. The most important indicators, **One Bidder, No Calls for Bids** and **Publication Rate** are triple-weighted. The last 3 indicators (Missing Values, Missing Calls for Bids and Missing Registration numbers), which concern **transparency** have been given a one-third weighting.



“**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.

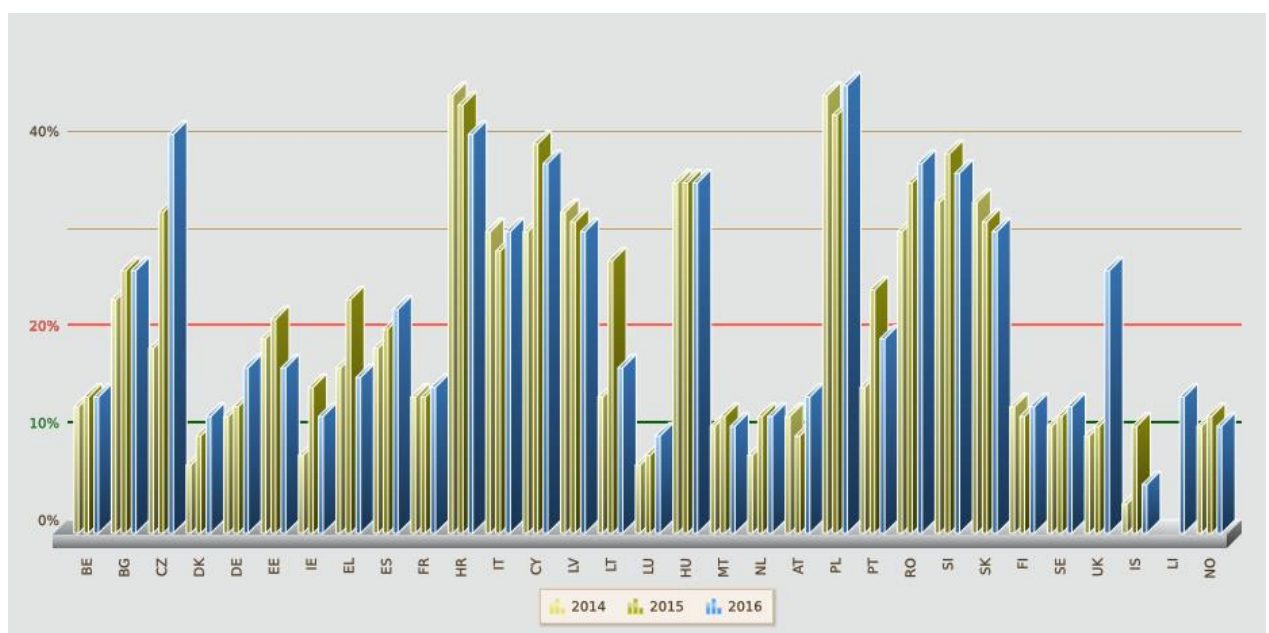
Like all indicators, however, these indicators simplify reality. They are affected by country-specific factors such as what is actually being bought, the structure of the economies concerned, and the relationships between different tendering options, none of which are taken into account.

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 very useful information, it gives only a partial view of EU countries' public procurement performance.

**Please note:** the methodology for calculating some of the indicators has changed since last year, so some values may have changed. You'll find more information about the methodology in this document.

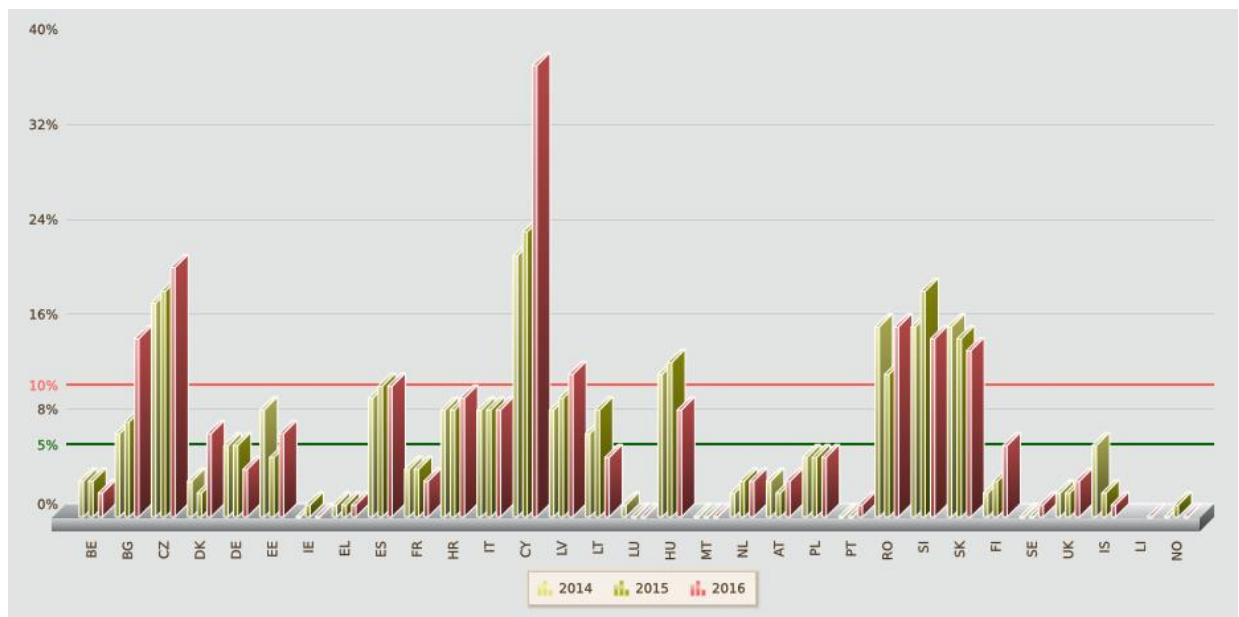
### Indicator [1] – One Bidder

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

This indicator reflects several aspects of procurement, including **transparency** and **competition**. 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 "No Calls for Bids" indicator measures the proportion of procurement procedures that were negotiated with a company without a call for bids.

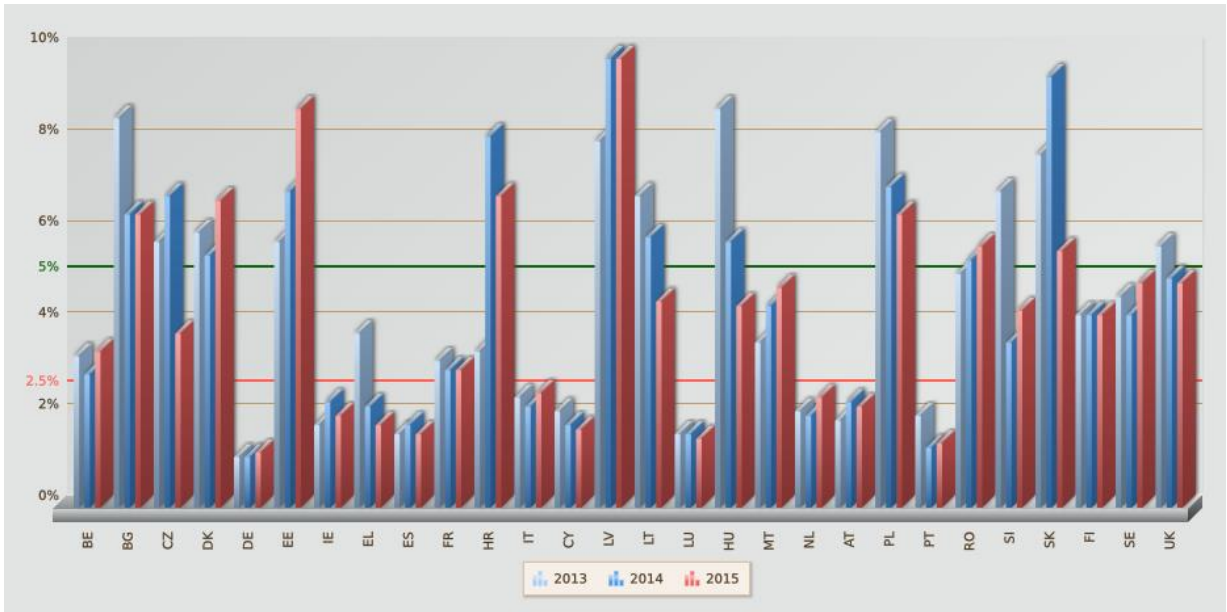


### Indicator [3]: Publication Rate

This indicator shows the value of national **public procurement advertised to businesses**.

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. "Publication Rate" measures the value of procurement advertised on TED as a proportion of national gross domestic product (GDP).

The results are based on data for 2015, not 2016, because of the delayed availability of GDP data. The full details of the methodology for calculating this indicator are available in our [annual report on public procurement indicators](#).



### Indicator [4]: Cooperative Procurement

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.

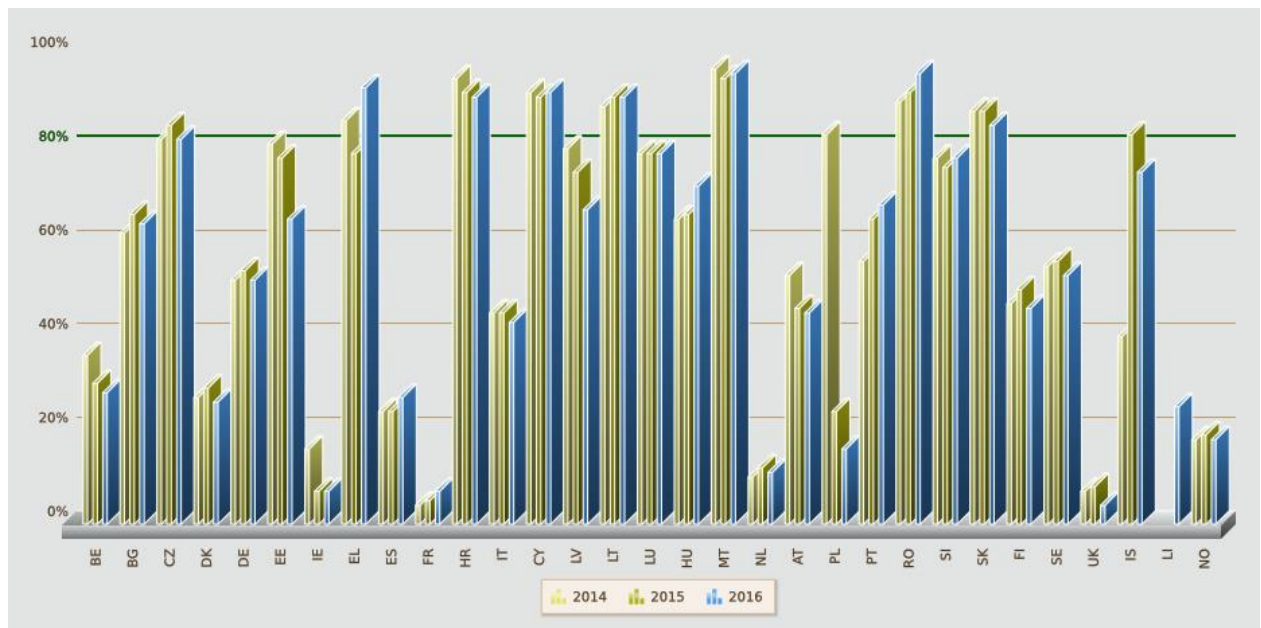
The "Cooperative Procurement" indicator measures the proportion of procurement procedures with more than one public buyer.



### Indicator [5]: Award Criteria

This indicator shows **how public buyers choose the companies they award contracts to**. In particular, this indicator measures whether they decide based on price alone, or if they also take quality into account.

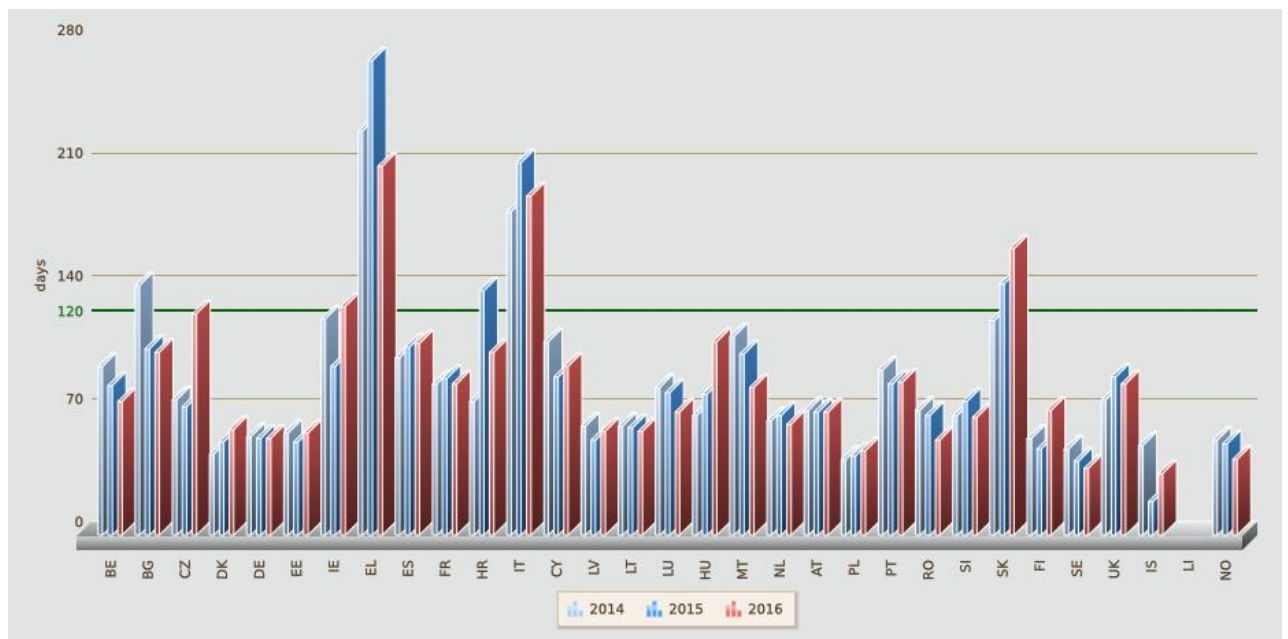
While the choice of criteria depends on what is being purchased, over-reliance on price suggests better criteria could have been used – and thus a better purchase made. The "Award Criteria" indicator measures the proportion of procedures which were awarded only on the basis of lowest price.



### Indicator [6]: Decision Speed

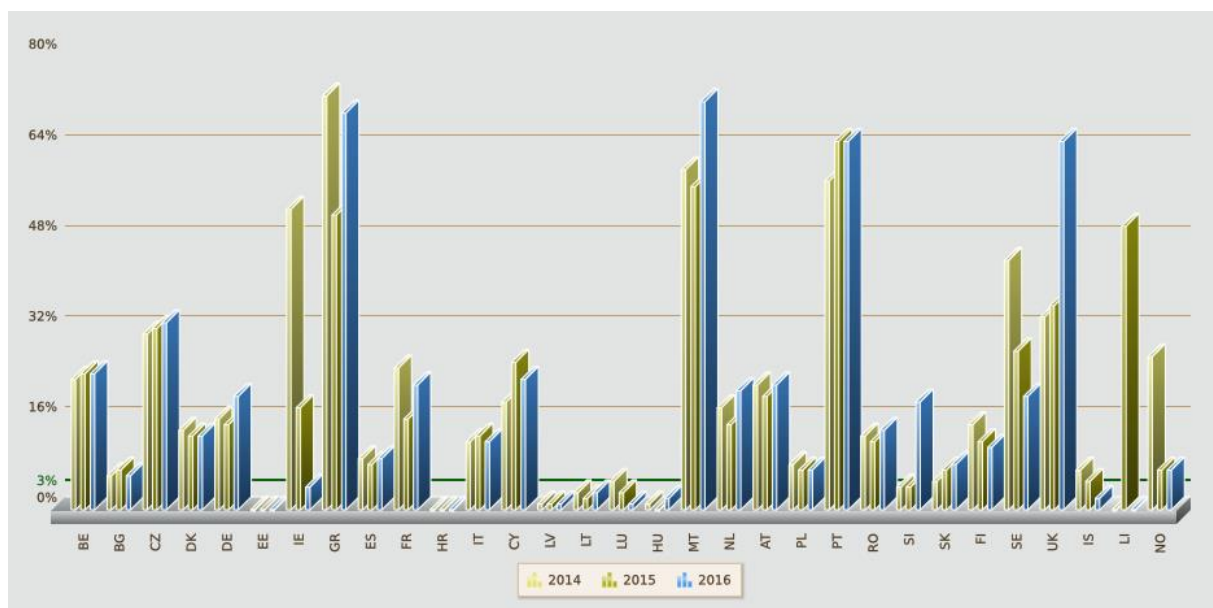
This indicator reflects the **speed of the public buyers' decision making**. Very lengthy procedures are bad because they are expensive and cause uncertainty for both the public buyers and companies.

"Decision Speed" measures the mean decision-making period. This is the time between the deadline for receiving offers and the award of the contract. To ensure comparability, only notices published under the open procedure and not including framework agreements are considered.



### Indicator [7]: Missing Values

This indicator shows when, against the law, public buyers provide **insufficient information about their procurement**. A lower "Missing Values" indicator 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 without information about the value (excluding framework agreements, as they have different reporting patterns).



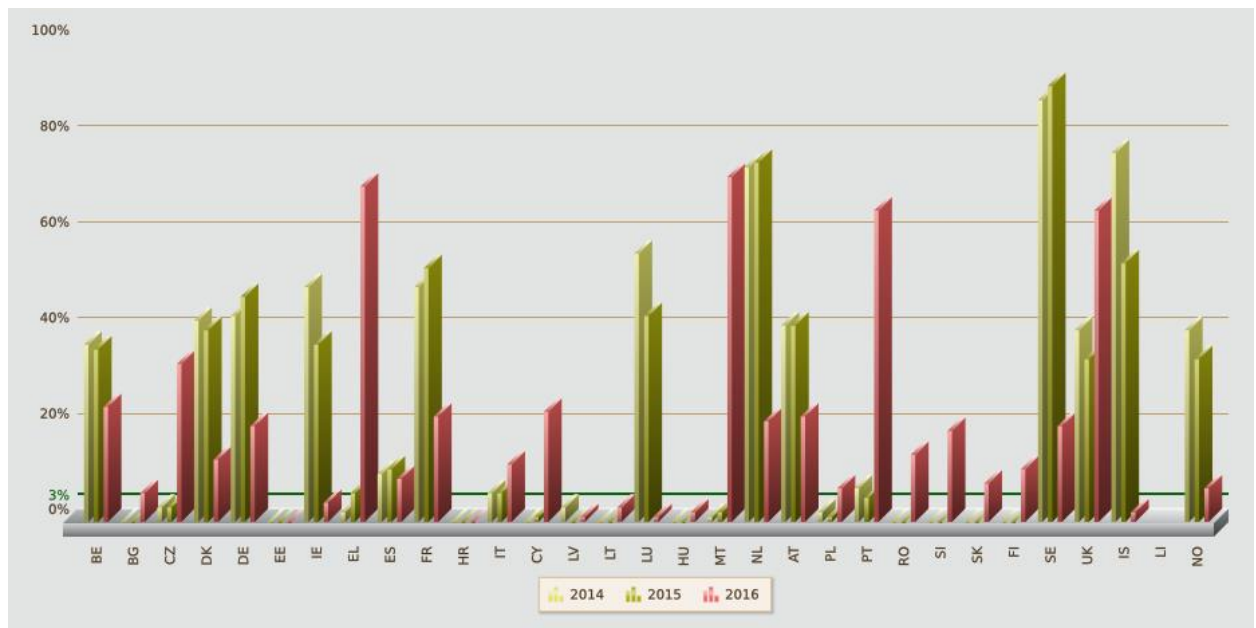
### Indicator [8]: Missing Calls for Bids

This indicator shows when, against the law, public buyers provide **insufficient information about their procurement activities**.

A lower "Missing Calls for Bids" indicator score is better, because it means businesses and citizens can understand how contractors have been selected.



The indicator measures the proportion of contract awards for which a call for bids took place, but it is not clear what the name of the call was or what the conditions were.

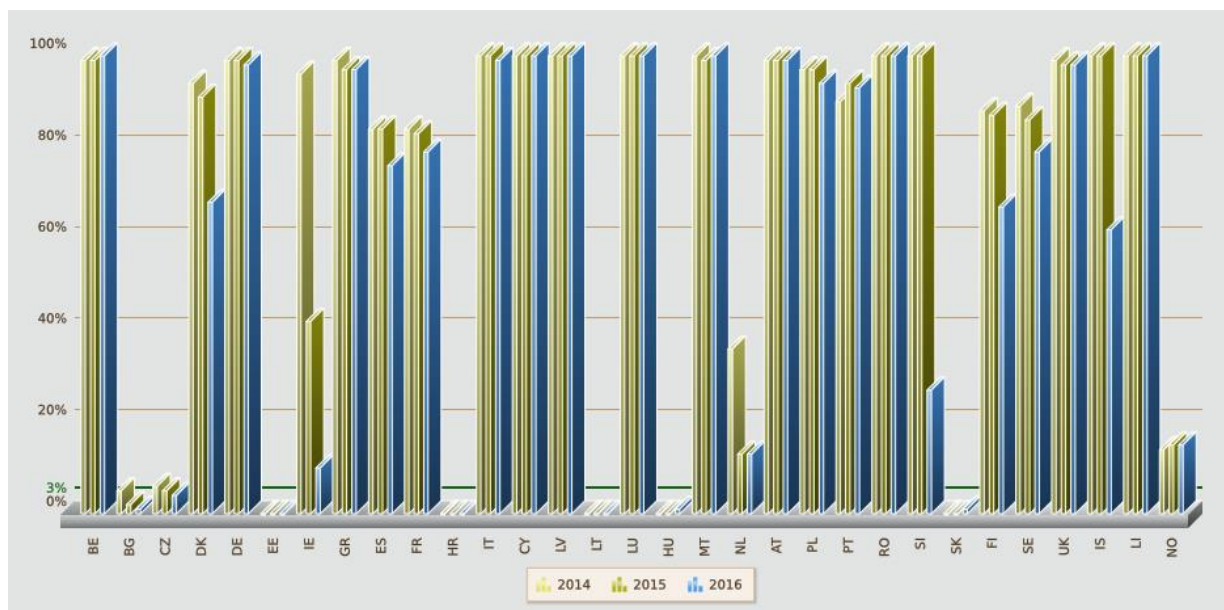


### Indicator [9]: Missing Registration Numbers

This indicator shows when, against the law, public buyers provide **insufficient information about their procurement**.

A lower "Missing Registration Numbers" indicator score is better, because registration numbers (e.g. those given by business registries) for buyers and sellers are crucial to understanding who is buying from whom across different procurement procedures.

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



## Achievements

- The 2014 general, utility, and concession directives on public procurement have been transposed by 19 Member States. These directives simplify procurement procedures, increase value for money, and improve access to tenders for small and medium enterprises.
- Progress has been made in the negotiations with China and Australia to join the WTO's revised Government Procurement Agreement (GPA). Negotiations with other countries, including Kyrgyzstan and Tajikistan, began in 2016.
- E-procurement is generating major savings. Digitising public procurement makes it easier for companies to access public procurement markets and contribute to modernising public administrations. The e-invoicing directive enables information to be shared between EU countries.

## Priorities

- Support the implementation of the new directives, including the full transition to electronic bid submission of by 2018. Ensure that the directives are implemented strategically.
- 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, Mexico and the United States. Promote regulatory convergence, in particular with Brazil, India, Ukraine, and possibly Turkey.