



Public Procurement for a Decade of Scarce Public Resources

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Traditional Paradigm for Public Procurement:

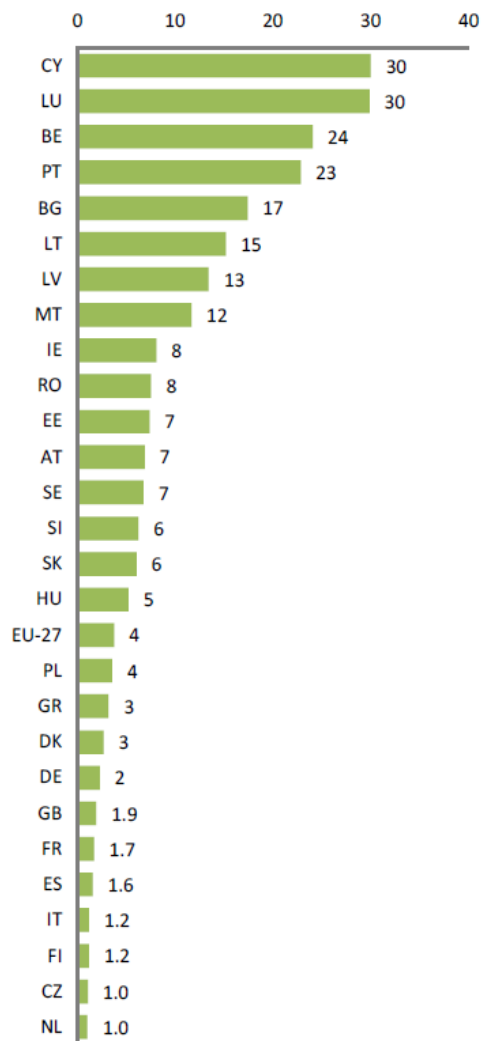
**Applying the Principles of the Treaty of
Lisbon**

Single Market → Public Contracts

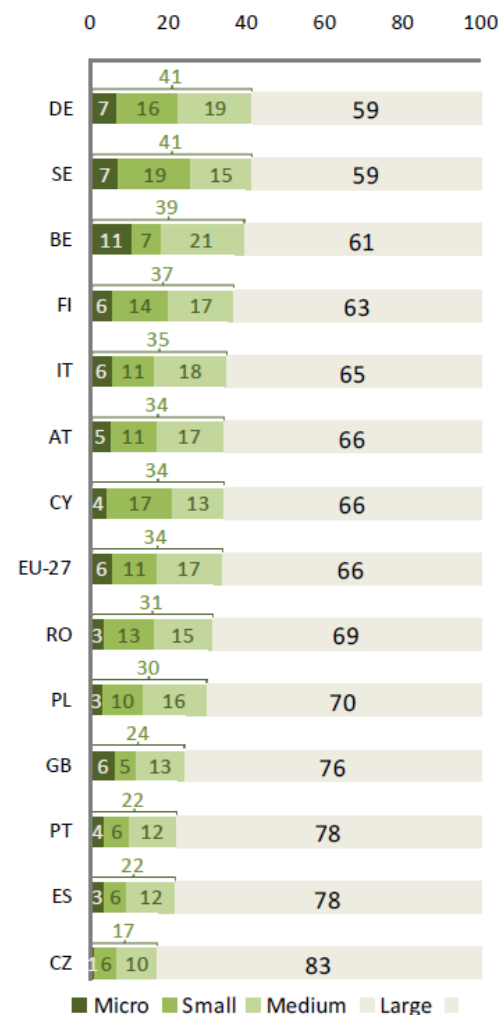
Important Achievements but ...



Public contracts awarded to companies located abroad (by total value of contracts)



Share of SMEs in the total value of contracts awarded, by Member State (total for 2006 – 2008)





Goals

- Growth
- Social Cohesion
- Qualified Employment
- Sustainability

Challenges

- “Contractualizing” State
- Digital Society
- Unstable Financial Markets
- Scarce Public Resources

Public Procurement ?





**Accessibility + Efficiency + Environmental
Sustainability + Social Relevance**



- **e-Procurement (including e-Tendering): EC Green Paper (2010)**

Communications



E-mail

Contracting



E-Procurement

- **Multicriteria qualification and tender evaluation**
- **Also including criteria about efficiency, sustainability, social relevance**
- **Simplification**
- **Contract evaluation and benchmarking**



**eProcurement mandatory for any open,
restricted or negotiated procedure
(since NOV 2009)**



Nº of Procedures and Contract Value by e-Public Procurement (including e-Tendering in Portugal during 2010)

	Nº of Procedures using e-Tendering	Contract Value (M€)
Goods and Services		
Invitation	62150	2394
Open or restricted procedures	4315	1876
Public Works		
Invitation	11139	1462
Open or restricted procedures	2135	5225

National Survey (Dec. 2010)*



> 2000 answers from procurers and suppliers (after 1 year experience)

How do you rate e-public tendering compared to traditional paperwork procedures?

	Better	Worse
Procurers		
More competition	36%	21%
Higher transparency	65%	2%
Higher value for money	40%	16%
Suppliers		
More competition	53%	11%
Higher transparency	61%	11%
Higher value for money	29%	9%

* APMEP – Portuguese Association of Public Markets (www.apmep.pt for the National Regulator of e-Public Procurement: InCI – Instituto da Construção e do Imobiliário, www.base.gov.pt)

Estimated Savings of Public Expenditure:



Pre-award administrative savings	a)Invitation	2.8 M€	} 11.1 M€
	b)Open / restricted	8.3 M€	
Post-award administrative savings	2.4M€*		
Better value for money using e-tendering in open/restricted procedures, assuming that:			
a)	Full benefits of competition are not hampered by undue obstacles (too short bidding periods, too tight specifications, etc.) in p = 100% of procedures	0.18 x 7101M€ = 1278 M€	
b)	p = 50%	639 M€	
Total =		652.5 M€ ↔ 1291.5 M€	

* For a total of 10957M€ contracted value and assuming that all orders and invoices are electronically implemented

6% - 12% Public Expenditure

10 Recommendations for new Directives



- A. National e-portals with all public opportunities and awards
- B. e-Tendering: website TED links to procedure documents downloading and submissions
- C. European network of national registration services for any firms willing to submit tenders to public procurement (e-firms national card → e-firm european card)
- D. Substitution of multiple habilitation documents by a self-signed declaration subject to ex-post control
- E. Award and Qualification criteria should include criteria not just financial or technical but also another group of criteria covering other dimensions (social impact, sustainability, innovation, client proximity, etc.) with an weight higher than 10% for contracts subject to Directives
- F. Contract evaluation: KPI, notices, benchmarking

10 Recommendations for new Directives



G. Procedures should be more flexible and simpler:

G1. Minimal time for receiving tenders or participation requests should be lower (Art^o 38 – 2; 3 of 2004/18/EC): 52 days → 20 days; 37 or 40 → 15 days.

G2. The adoption of qualified electronic signatures and time stamps should be just required for the submission of the file of the tender (or of the participation request) containing the attributes subject to competition and relevant to apply the award (or qualification) criteria.

G3. Other documents and communications can follow any rules considered appropriate by the public contracting authority.

G4. Different types of e-auctions and e-negotiations should be allowed

H. Qualification systems should be allowed by 2004/18/EC

I. Electronic catalogues should be considered as an instrument to improve public procurement.

J. Dynamic purchasing systems should not include another call for participants every time invitations to tender are to be sent.