



Legend:

PT	EN
Contratação Pública em Portugal	Public procurement in Portugal

2012

TECHNICAL DATA

Title:

Public Procurement in Portugal 2012

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Figures in this report for which the source indicated is the “BASE portal” (www.base.gov.pt) are based on data taken from said portal in September 2013.

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Abbreviations

ACT	Above Community thresholds
CPV	Common Procurement Vocabulary
EP	Electronic platforms
GDP	Gross Domestic Product
GFCF	Gross fixed capital formation
ICPEP	Índice de contratação pública eletrónica em Portugal (Electronic public procurement index in Portugal)
InCI	Instituto da Construção e do Imobiliário (Institute of Construction and Real Estate)
INCM	Imprensa Nacional Casa da Moeda (the Portuguese Mint and Official Printing Office)
MI _(act)	Manchester index (above Community thresholds)
OJEU	Official Journal of the European Union
PCC	Public Contracts Code.
pp	Percentage points

1. INTRODUCTION

With this report, the Institute of Construction and Real Estate (hereinafter referred to as “InCI”, from Instituto da Construção e do Imobiliário) seeks to keep on calculating the key indicators related to public procurement, and provide a better insight into an increasingly relevant field for the life of public institutions and thereby for the pursuit of public interest objectives.

It is worth stressing that this report was drafted only thanks to the existence of a public procurement portal – the BASE portal¹, whose development and management have been assigned to the InCI² – and that it builds on the reports already produced for 2010³ e 2011⁴.

Compared with its predecessor, this report has a broader focus, with a particular emphasis on the award criteria, on the length of the procedures and, as far as contract performance is concerned, on price and deadline deviations.

The publication of the new EU public procurement directives is currently waited. According to this new generation of EU legislation, “*Electronic means of information and communication can greatly simplify the publication of contracts and increase the efficiency and transparency of procurement processes*”⁵, and, after a transition period of 30 months, “*...fully electronic communication, meaning communication by electronic means at all stages of the procedure, including the transmission of requests for participation and, in particular, the transmission of the tenders (electronic submission) should be made mandatory.*” This is already a reality in Portugal since 2009, and the Portuguese success certainly contributed to the decision to move decisively towards a situation where public procurement tends to be dematerialised.

Portugal not only moved ahead of the other Member States but also was able to be innovative in designing the procedure for the electronic public procurement, by choosing to promote a private market for electronic platforms (instead of creating a single public platform from scratch as appears to be the most likely solution in other Member States).

¹ <http://www.base.gov.pt/>

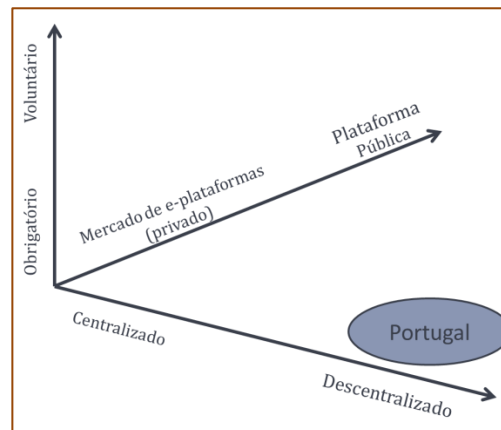
² See Article 3(3)(e) of Decree-Law No 158/2012 of 23 July 2012, which approves InCI’s structure, and Decree Order No 85/2013 of 27 February 2013.

³ <http://www.inci.pt/Portugues/inci/EstudosRelatoriosSectoriais/EstudosRelatorios%20Sectoriais/Contratacao%20Publica%20-%20Relatorio%20Sintese%20-%202010.pdf>.

⁴ http://www.inci.pt/Portugues/inci/EstudosRelatoriosSectoriais/EstudosRelatorios%20Sectoriais/RelContr_Pub_2011_final.pdf.

⁵ Recital 52 of the forthcoming Directive on public contracts, which will repeal Directive 2004/18/EC.

Figure 1 – Characteristics of the electronic public procurement market in Portugal

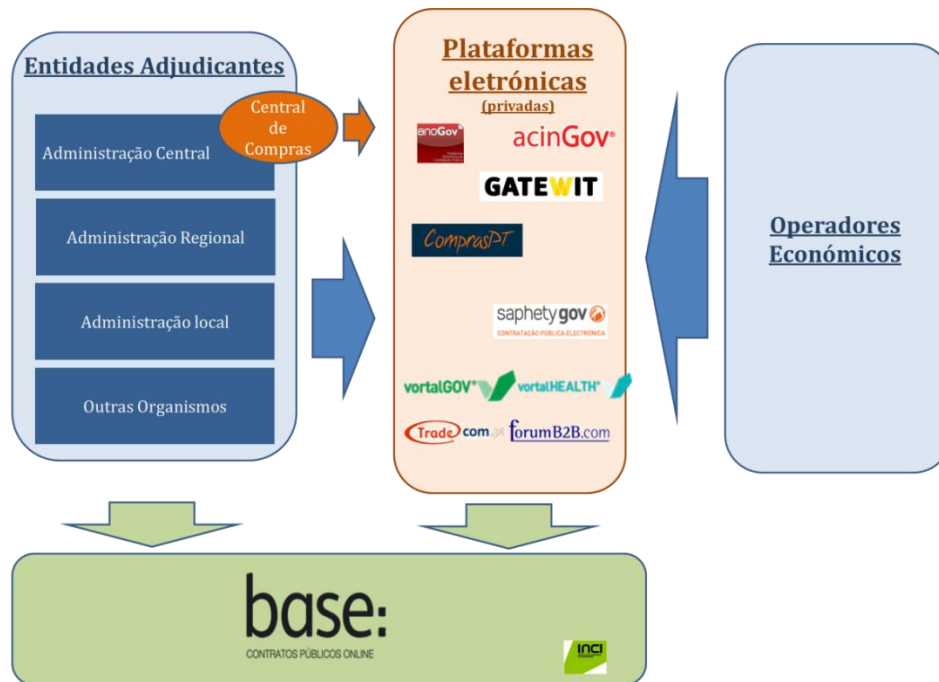


Legend:

PT	EN
Mercado de e-plataformas (privado)	(Private) e-platforms market
Plataforma pública	Public platform
Obrigatório	Mandatory
Voluntário	Voluntary
Centralizado	Centralised
Descentralizado	Decentralised

Besides the mandatory use of electronic means in public procurement procedures and the creation of a private market for electronic platforms, Portugal has managed once again to go further and be innovative by creating a single electronic portal that is intended to be the repository of all relevant information on public procurement produced by the different agents and stakeholders operating in this field (contracting authorities, electronic platforms, Imprensa Nacional Casa da Moeda (the Portuguese Mint and Official Printing Office), etc.).

Figure 2 – Public procurement market



Legend:

PT	EN
Entidades adjudicantes	Contracting authorities
Administração Central	Central Administration
Administração Regional	Regional Administration
Administração Local	Local Administration
Outros organismos	Other bodies
Central de Compras	Central Purchasing Body
Plataformas eletrónicas (privadas)	(Private) electronic platforms
Operadores económicos	Economic operators
BASE: contratos públicos online	BASE – online public contracts

This portal gives substance to the transparency principle, by publicizing and disseminating information on public purchases carried out by public authorities. In contrast to the situation existing prior to the setting-up of the BASE portal, any auditing or inspecting body (Court of Auditors, Inspectorates, etc.), any competitor or stakeholder, and even any citizen can now easily and quickly access data relating to procurement procedures or to contracts awarded by certain public bodies or economic operators.

Therefore, beyond its technological dimension, the BASE portal represents a social innovation that reinforces interaction between the State and the citizens and offers many opportunities for its further development and implementation in this and other areas.

On the other hand, the BASE portal provides an amount of information that contributes to a better knowledge of public purchasing, mostly at a macro level, with a view to supporting decision-making on public policy matters. It can also be useful for the contracting authorities, by quickly providing them with relevant information on both their own record and any other similar contracts they might wish to award.

Since this is an innovative project at a global scale, situations that require or justify improvements may naturally arise. Thanks to this report, it is also possible to identify some aspects that can be improved, possibly when transposing the forthcoming Directives into national law.

Some factors suggest, however, that there is still a long way to go in order to avoid any doubts about the actual generalisation of obligations arising from the Public Contracts Code. They include: the apparently low representativeness of the number of contracting authorities; the low level of the total value of public contracts as compared to the Gross Domestic Product and the budgetary performance of public administrations; the very small number of entities having reported simplified direct awards and the (small) number and (low) level of contractual values of contracts concluded under framework agreements.

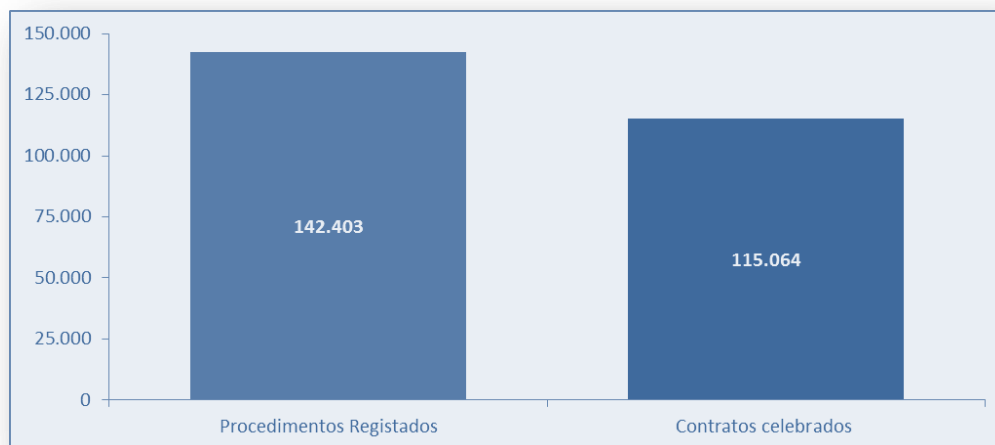
A large proportion of these problems mainly concern direct award procedures as, unlike competitive procedures, they are not mandatorily carried out through the electronic platforms. Under those procedures, when the contracting authority itself carries out the reporting, it actually risks omitting registrations or making “simple” errors during data input, thus affecting the full use of the BASE portal data.

2. ELECTRONIC PUBLIC PROCUREMENT IN PORTUGAL

2.1. THE ELECTRONIC PUBLIC PROCUREMENT INDEX IN PORTUGAL (ICPEP)

In 2012, the number of procedures reported to the Base Portal was 142,403 and the number of awarded and registered contracts – irrespective of the year in which the procedure was launched – amounted to 115,064, representing 80.1 % of the total number of procedures launched.

Graph 1-Comparing the number of procedures launched with the number of contracts concluded (2012)



Source: BASE portal (Sept. 2013)

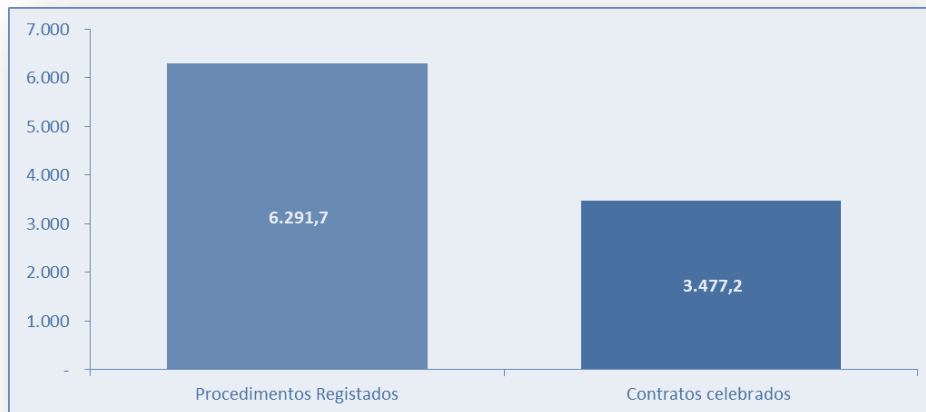
Legend:

PT	EN
Procedimentos registados	Procedures recorded
Contratos celebrados	Contracts concluded (awarded)

As regards the amounts involved, the value of launched procedures totalled EUR 6.3 billion (by reference to the basic price⁶), while the value of awarded contracts reached only EUR 3.5 billion.

⁶ The maximum price the contracting authority is willing to pay for the performance of all services constituting the subject-matter of the contract, including direct awards (Article 47(1) of the Public Contracts Code).

Graph 2-Comparing the value of the basic price of launched procedures with the contractual amounts (2012)



Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Procedimentos registados	Procedures recorded
Contratos celebrados	Contracts concluded

Although we are dealing with two different concepts (the procedure and the contract⁷) and have to bear in mind that some procedures launched in one year may be carried over to the following year and that the basic price represents both an estimate and a ceiling for the future contract – we should therefore be careful in our extrapolations -, we can see that the volume of contracts concluded in 2012 (public expenditure committed) represented 55.3 % of the estimated value of procurement procedures initiated in that same year.

Figure 3 – Authorized electronic platforms



⁷ Even though it is likely to occur, it is not certain that a competitive procedure will result in a contract, and a single procedure may also give rise to several contracts (e.g. subdivision into lots).

Compared to the number of procedures launched in 2012, the procedures carried out through the authorized electronic platforms⁸ represented 24 %. This proportion is higher for the estimated expenditure values: 77.4 % of the basic price of those procedures. This can be explained by the fact that the mandatory use of electronic platforms only applies to competitive procedures (see point 3.5.).

Table 1 – Electronic public procurement in Portugal in 2012: the weight of the number of procedures carried out in Portugal⁹

	Número de contratos		Valor	
	N.º	%	Preço Base	%
Procedimentos tramitados por plataforma eletrónica	34.136	24,0%	4.872.164.693,05 €	77,4%
Procedimentos tramitados diretamente pela Entidade Adjudicante	108.267	76,0%	1.419.543.268,70 €	22,6%
Total	142.403	100,0%	6.291.707.961,75 €	100,0%

Fonte: portal BASE (Set. 2013)

Legend:

PT	EN
Número de contratos	Number of contracts
Valor	Value
Preço base	Basic price
Procedimentos tramitados por plataforma eletrónica	Procedures carried out through an electronic platform
Procedimentos tramitados diretamente pela Entidade Adjudicante	Procedures carried out directly by the contracting authority
Fonte: portal BASE (Set. 2013)	Source: BASE portal (Sept. 2013)

We can thus calculate the Electronic Public Procurement Index in Portugal (ICPEP):

ELECTRONIC-PUBLIC PROCUREMENT INDEX IN PORTUGAL - ICPEP (total) in 2012

ICPEP 2012_(total)=77 %

This index was designed to monitor the weight of public procurement carried out through electronic platforms duly authorised to conduct public procurement procedures. However, as

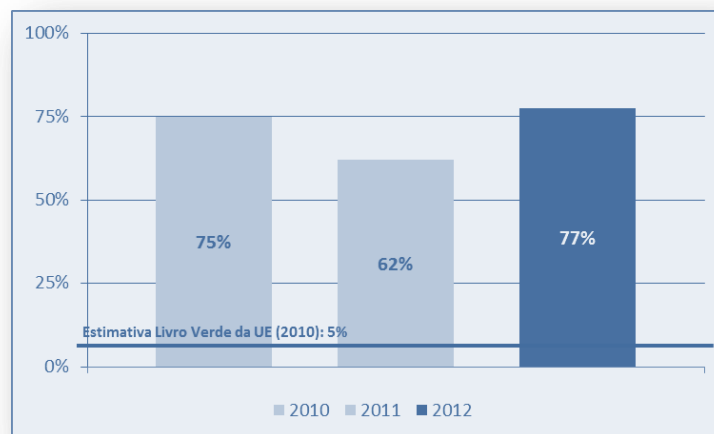
⁸ Platforms of companies certified by the CEGER – Centro de Gestão da Rede Informática do Governo (the management centre for the Government computer network).

⁹ The ICPEP for the previous years (2010 and 2011) was calculated in a different way, based on the number of launched procedures (instead of awarded contracts) throughout the year.

This approach appears to be more appropriate for two reasons: *i)* first, because the use of the number of contracts means that consideration is also given to the procedures launched in previous years, when the use of electronic platforms was supposedly less common; *ii)* second, because the use of the number of concluded contracts would not take into account those procedures that were initiated but did not result in a contract (which does not mean that the procedure does not exist or that it was not carried out through an electronic platform).

shown in the graph below, in 2012 the ICPEP registered its best result, far above the 5 % estimated in 2010 in the Green Paper on expanding the use of e-Procurement in the EU¹⁰.

Graph 3- Changes in the ICPEP



Legend:

PT	EN
Estimativa Livro Verde da EU	EU Green Paper estimate

Since tender procedures¹¹ must be carried out through the platforms, the increase of this indicator is the result of a wider use of platforms by contracting authorities, namely for direct award procedures (whose relative weight even increased in 2012, as explained below – see point 3.5.).

The widespread use of electronic platforms by public authorities as a support tool for public procurement procedures is confirmed by the ICPEP as regards the non-competitive procedures.

¹⁰ Accompanying document to the Green Paper on expanding the use of e-Procurement in the EU (SEC/2010/1214) (<http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1401117965543&uri=CELEX:52010SC1214>) / Green Paper on expanding the use of e-Procurement in the EU COM/2010/0571 final (Portuguese version available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0571:FIN:PT:PDF>; the English version of the Green Paper is not available).

¹¹ Open procedures and restricted procedures.

Table 2 – Electronic public procurement in Portugal: the weight of the number of procedures by direct award carried out in Portugal in 2012

	Número de contratos		Valor	
	N.º	%	Preço Base	%
Procedimentos tramitados por plataforma eletrónica	27.055	20,0%	1.088.884.506,52 €	43,4%
Procedimentos tramitados diretamente pela Entidade Adjudicante	108.267	80,0%	1.419.543.268,70 €	56,6%
Total	135.322	100,0%	2.508.427.775,22 €	100,0%

Fonte: portal BASE (Set. 2013)

Legend:

PT	EN
Número de contratos	Number of contracts
Valor	Value
Preço base	Basic price
Procedimentos tramitados por plataforma eletrónica	Procedures carried out through an electronic platform
Procedimentos tramitados diretamente pela Entidade Adjudicante	Procedures carried out directly by the contracting authority
Fonte: portal BASE (Set. 2013)	Source: BASE portal (Sept. 2013)

The relevance of electronic platforms as a public purchasing tool can be seen in the proportion of their use in non-competitive procedures, where it is optional: 20 % of these procedures, representing 43.4 % of the basic price, are already being conducted through the platforms.

ELECTRONIC PUBLIC PROCUREMENT INDEX IN PORTUGAL – ICPEP - in 2012 (non-competitive procedures)

ICPEP (2012) (non-competitive procedures)=43 %

The figure for direct award procedures conducted electronically is, by itself, much higher than the use “rate” of electronic means (5 %) as estimated in the Green Paper.

2.2. THE MANCHESTER INDEX (ABOVE THE COMMUNITY THRESHOLDS)

The Manchester Declaration was approved in 2005¹² and states that by 2010 at least 50 % of public procurement above the EU public procurement thresholds will be carried out electronically.

Similarly to what has happened since 2010, Portugal reached and largely surpassed that target in 2012.

Table 3 – Calculation of the Manchester Index for Portugal

	Valores Contratuais (2012)
Contratos com publicação no JOUE	1.676.885.278,71 €
Ajustes diretos acima dos limiares comunitários não comunicados ao BASE	184.491.291,00 €
Índice de Manchester	89%

Fonte: JOUE

Legend:

PT	EN
Valores Contratuais	Contractual values
Contratos com publicação no JOUE	Contracts published in the OJEU
Ajustes diretos acima dos limiares comunitários não comunicados ao BASE	Direct awards above the Community thresholds not reported to the BASE portal
Índice de Manchester	Manchester Index
Fonte: JOUE	Source: OJEU

MANCHESTER INDEX (ACT) in 2012

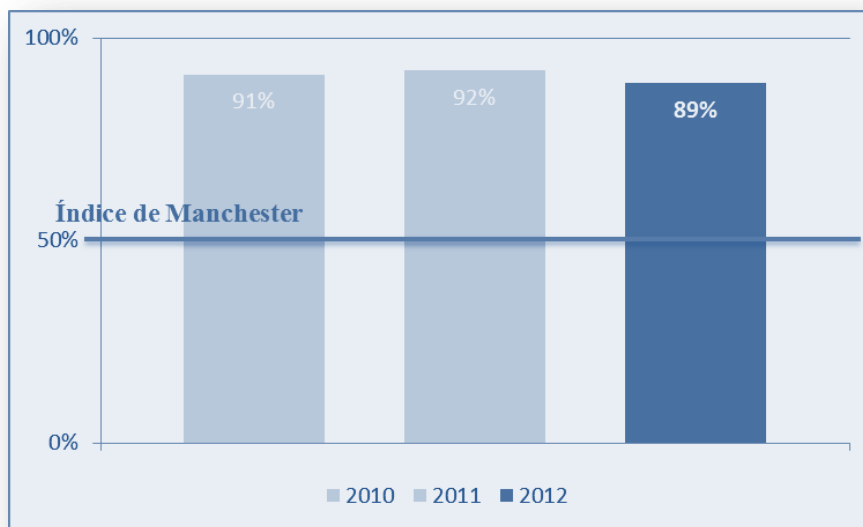
MI 2012_(act) = 89 %

ACT: above Community thresholds

¹² Ministerial Declaration adopted on 24 November 2005 at the Ministerial eGovernment Conference “Transforming Public Services” held in Manchester, UK.

Despite a slight decrease in this index (2 percentage points), Portugal has continued to record a high level of performance as regards this European target. From the moment the Manchester Index started being calculated, the performance level of the Portuguese public procurement market has been consistently high, as shown in the graph below.

Graph 4- Changes in the Manchester Index



Legend:

PT	EN
Índice de Manchester	Manchester Index

3. PUBLIC PROCUREMENT FIGURES

Public contracts reported to the BASE portal¹³ in 2012 totalled EUR 3.47 billion as a result of 115,064 procurement procedures.

Table 4 – Public procurement in Portugal in 2012: global figures

	Número de contratos		Valores Contratuais	
	N.º	%	Montante	%
Bens e Serviços	98.288	85,4%	1.872.250.030,06 €	53,8%
Obras Públicas	16.776	14,6%	1.604.918.136,11 €	46,2%
TOTAL	115.064	100,0%	3.477.168.166,17 €	100,0%

Fonte: portal BASE (Set. 2013)

Legend:

PT	EN
Número de contratos	Number of contracts
Valores Contratuais	Contractual values
Montante	Amount
Bens e Serviços	Goods and services
Obras Públicas	Public works
Fonte: portal BASE (Set. 2013)	Source: BASE portal (Sept. 2013)

¹³ As indicated in the **2011** report, it is important to bear in mind that, because of their nature and legal framework, some public contracts may have not been fully reported to the BASE, namely:

- (a) Contracts with a contractual price of less than EUR 5,000;
- (b) Contracts for the purchase of water and electricity services;
- (c) Contracts of entities operating in the special sectors (water, energy, transport and postal services) below the Community thresholds;
- (d) Contracts excluded under Article 4 of the Public Contracts Code;
- (e) Contracts resulting from procedures not covered by Part II of the Public Contracts Code, pursuant to Article 5 thereof (e.g.: in house procurement).

3.1. PUBLIC PROCUREMENT STATISTICS

The value we obtained shows a contraction that is confirmed by both a decrease in value (-27 %, compared to the previous year) and its weight against the Gross Domestic Product (-0.68 percentage points)

Table 5 – Public procurement in Portugal as a share of GDP

	2011	2012	Δ%
Produto Interno Bruto	170.960	165.174	-3,4%
Montante Contratual	4.765	3.477	-27,0%
Peso da contratação pública em função do PIB	2,79%	2,11%	

Fonte: portal BASE (Set. 2013)

INE Contas Nacionais Trimestrais (2.º trm 2013) e Anuais

Legend:

PT	EN
Produto Interno Bruto	Gross Domestic Product
Montante contratual	Contractual amount
Peso da contratação pública em função do PIB	Public procurement as a share of GDP
Fonte: portal BASE (Set. 2013)	Source: BASE portal (Sept. 2013)
INE Contas Nacionais Trimestrais (2.º trm 2013) e Anuais	INE Annual and Quarterly National Accounts (Q2 2013)

This evolution is even more pronounced in the case of public works contracts reported to the BASE portal, which decreased by EUR 1,605 million (-40.1 %) from 2011 to 2012.

Table 6 – Public procurement in Portugal as a share of the GFCF in the construction sector

	2011	2012	Δ%
Formação Bruta de Capital Fixo - Construção	16.780	15.654	-6,7%
Montante Contratual Obras Públicas	2.678	1.605	-40,1%
Peso das obras públicas na FBCF - Construção	15,96%	10,25%	

Fonte: portal BASE (Set. 2013)

INE Contas Nacionais Trimestrais (2.º trm 2013) e Anuais

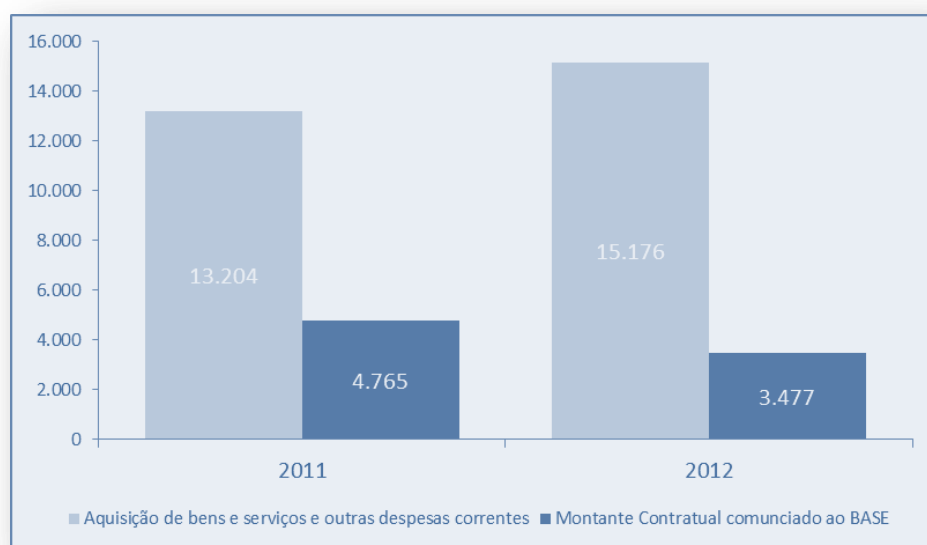
Legend:

PT	EN
Formação Bruta de Capital Fixo	Gross Fixed Capital Formation
Montante Contratual Obras Públicas	Contractual amount for public works
Peso das obras públicas na FBCF - Construção	Public works as a share of the GFCF - Construction
Fonte: portal BASE (Set. 2013)	Source: BASE portal (Sept. 2013)
INE Contas Nacionais Trimestrais (2.º trm 2013) e Anuais	INE Annual and Quarterly National Accounts (Q2 2013)

The decrease in public works contracts reported to the BASE portal also led to a decrease of 5.71 percentage points in the weight of public works in the gross fixed capital formation in construction, which now accounts for just over 10 %.

Comparing to the budgetary implementation by public administrations, we see that, unlike the increase (+14.9 %) in the amounts paid by those entities for the purchase of goods and services and other current expenditure from 2011 to 2012, there is a reverse trend in the contractual values of public works reported to the BASE portal: -27 %. As a consequence, the proportion of reported contracts as regards the expenditure for the purchase of goods and services by the State decreased from 36.09 % (2011) to 22.91 % (2012).

Table 7 – Public procurement in Portugal: comparison with budgetary implementation (in EUR million)



Source: BASE portal (Sept. 2013)
Direção Geral do Orçamento (Sínteses da Execução orçamental)

Legend:

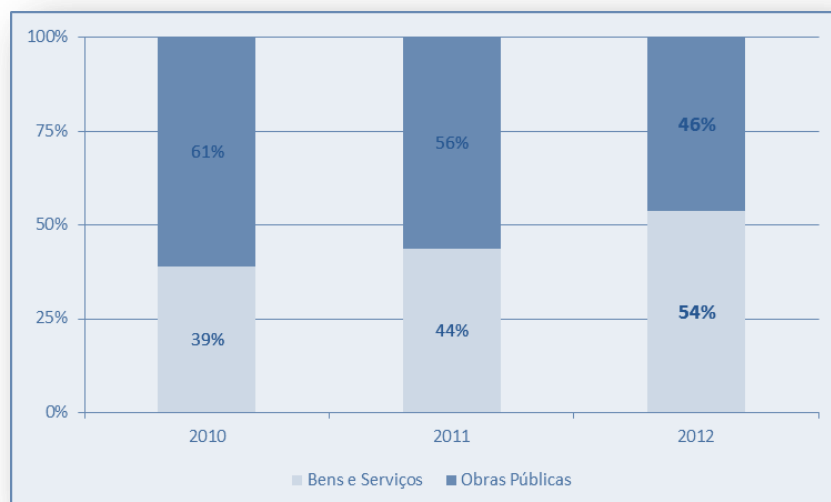
PT	EN
Aquisição de bens e serviços e outras despesas correntes	Purchase of goods and services and other current expenditure
Montante contratual comunicado ao BASE	Contractual amount reported to BASE
Fonte: portal BASE (Set. 2013)	Source: BASE portal (Sept. 2013)
Direção-Geral do Orçamento (Sínteses da Execução Orçamental)	Directorate-General of Budget (Summaries of Budget Implementation)

3.2. PUBLIC PROCUREMENT PER TYPE OF CONTRACT

Most procedures reported to the BASE portal (85.4 %) concerned the purchase of goods or services. As regards the relevant contractual values, their relative weight was lower (53.8 %) even though the purchase of goods and services resulted in a larger number of contracts.

Although the weight of public works¹⁴ remains more significant in the case of contractual amounts as compared to the number of procedures, the fact is that the contractual values for public works in 2012 fell below 50 %, a trend that was already developing in the last few years.

Graph 5- Relative weight of goods and services as compared to public works: from 2010 to 2012



Source: BASE portal (Sept. 2013)

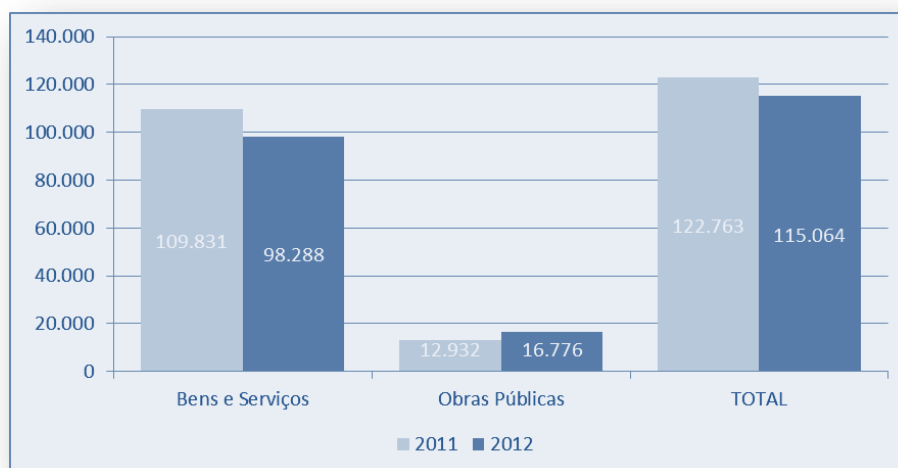
¹⁴ Including public works-related services.

Legend:

PT	EN
Bens e Serviços	Goods and services
Obras Públicas	Public works

Compared with the previous year, there was an overall decrease in the number of awarded contracts (-6.3 %, representing a total reduction of 7,699 contracts) in 2012. This evolution reflects, however, the negative change in the number of contracts for goods and services (-10.5 %, i.e. 11,543 fewer contracts), since public works contracts showed a positive change (29.7 %, i.e. 3,844 more contracts).

Graph 6- Number of contracts concluded in 2011 and 2012



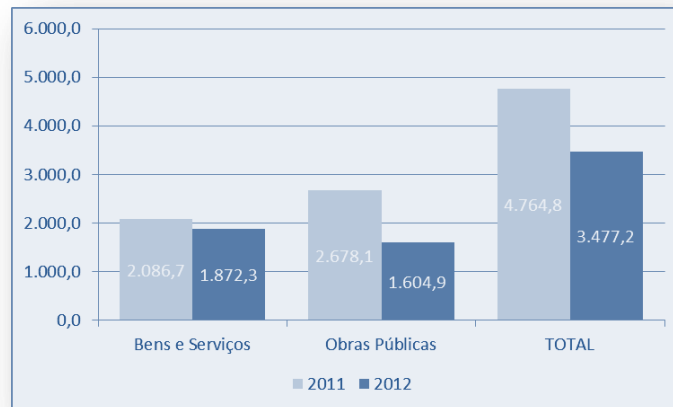
Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Bens e Serviços	Goods and services
Obras Públicas	Public works

For contractual values, the (negative) change is even more pronounced overall: the value of contracts concluded in 2012 was EUR 1,287.6 million lower (-27 %) than in 2011. In this case, there was a retraction not only in goods and services (-10.3 %, i.e. EUR -214 million) but also and in particular in public works (-40.1 %, i.e. EUR -1,073.1 million).

Graph 7- Value of contracts concluded in 2011 and 2012 (in EUR billion)



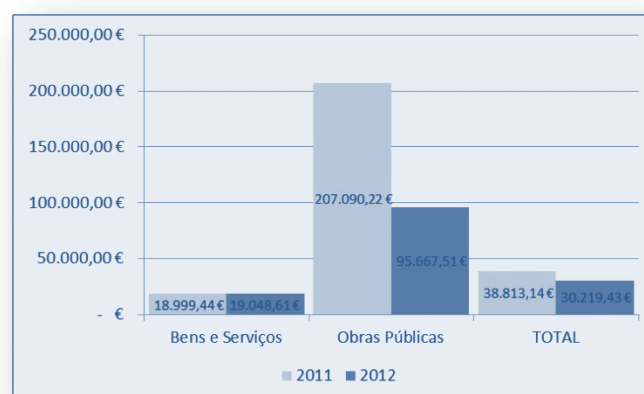
Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Bens e Serviços	Goods and services
Obras Públicas	Public works

In line with these trends, there was also a decrease in the average contract value between 2011 and 2012.

Graph 8- Average value of contracts concluded in 2011 and 2012 (in EUR)



Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Bens e serviços	Goods and services
Obras públicas	Public works

As regards the average value per type of contract, there was an overall change of -22.1 %, (from an average value of EUR 38,813.14 in 2011 to EUR 30,219.43 in 2012); this change was particularly pronounced in public works contracts, where the average value decreased by EUR 111,422.71, i.e., -53.8 %; in 2012, the corresponding average value was EUR 95,667.51.

3.3. CONTRACTS PER YEAR OF THE DECISION TO CONTRACT AND PER AVERAGE LENGTH OF PROCEDURES

3.3.1. CONTRACTS PER YEAR OF THE DECISION TO CONTRACT

Considering the year of the decision to contract, we notice that 92.5 % of the contracts concluded in 2012 result from procedures initiated in the same year. Only 7.3 % of those contracts had been initiated in 2011, and the number of procedures initiated two or more years earlier can be regarded as residual.

The number of contracts concluded in 2011, with the corresponding procedures initiated in the same year, represents 98.4 % of the total number of contracts concluded in the same period.

Table 8 – Contracts concluded in 2012 per year of the decision

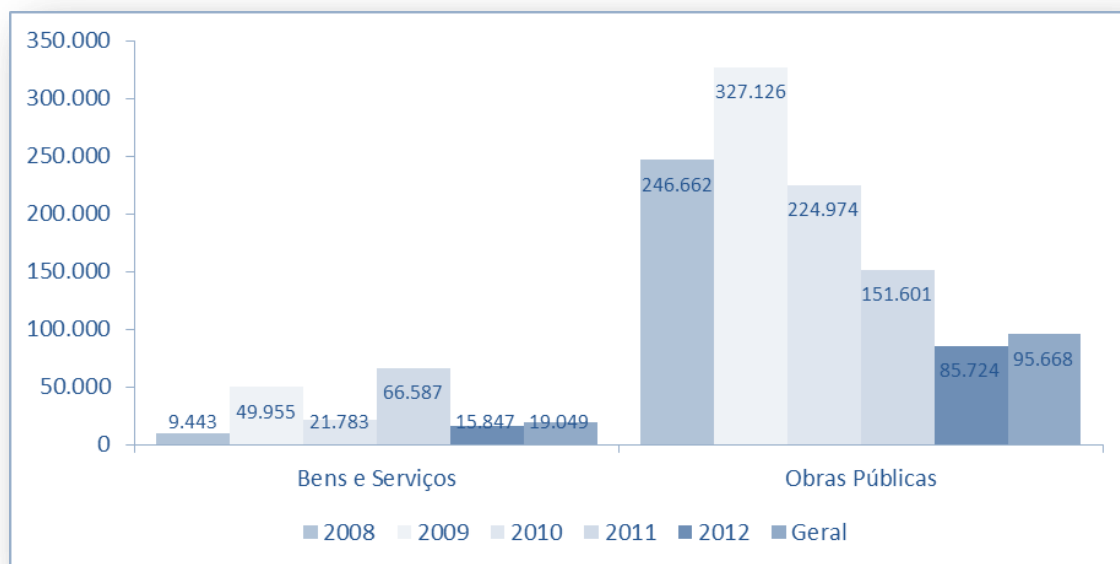
	Ano da Decisão					Total
	2008	2009	2010	2011	2012	
Bens e Serviços	11	24	154	7.082	99.042	106.313
Obras Públicas	1	28	63	1.296	7.363	8.751
TOTAL	12	52	217	8.378	106.405	115.064

Fonte: portal BASE (Set. 2013)

Legend:

PT	EN
Ano da Decisão	Year of the decision
Bens e serviços	Goods and services
Obras públicas	Public works
Fonte: portal BASE (Set. 2013)	Source: BASE portal (Sept. 2013)

Graph 9- Average value of contracts concluded in 2012 per year of the decision (in EUR)



Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Bens e serviços	Goods and services
Obras públicas	Public works

The graph above shows that, among the contracts concluded in 2012, the average value of public works contracts saw a decrease in line with the year of the decision to contract; although the average value of contracts initiated in 2009 was EUR 327,126, the average value of contracts decided upon in the same year (2012) was "only" EUR 95,668. It is not possible to draw a similar conclusion on the contracts for goods and services, because their values changed randomly.

Although we should bear in mind that more complex procedures tend to be more time-consuming and, as a consequence, are more easily carried over from one financial year to the next, this change in value per year of the decision to contract is consistent with the figures relating to contract values (see point 3.2.)

3.4. CONTRACTS PER TYPE OF PROCEDURE

Among the contracts concluded in 2012, the most frequently used procedure was the direct award, corresponding to 96.2 % of the total number of procedures and to 51 % of the total contractual value involved.

Table 9 – Public procurement per type of procedure (2012)

	Número de contratos		Valores Contratuais	
	N.º	%	Montante	%
Concurso Público	4.315	3,8%	1.520.617.969,88 €	43,7%
Concurso Limitado por Prévia Qualificação	104	0,1%	181.833.555,72 €	5,2%
Por negociação / Ajuste Direto	110.645	96,2%	1.774.716.640,57 €	51,0%
TOTAL	115.064	100,0%	3.477.168.166,17 €	100,0%

Fonte: portal BASE (Set. 2013)

Legend:

PT	EN
Número de contratos	Number of contracts
Valores contratuais	Contractual values
Montante	Amount
Concurso Público	Open procedure
Concurso Limitado por Prévia Qualificação	Restricted procedure
Por negociação / Ajuste Direto	Negotiated procedure / Direct award
Fonte: portal BASE (Set. 2013)	Source: BASE portal (Sept. 2013)

There was a decrease in the number of contracts in all types of procedures (-6 %), but contracts resulting from restricted procedures had the most pronounced change (-38.8 %). In spite of a decrease in the number of contracts, direct awards had their weight reinforced in the context of public procurement and now represent 96.2 % of the total number of contracts.

Table 10 – Number of contracts per type of procedure

	2011		2012		Var. 2012/2011
	N.º	%	N.º	%	
Concurso Público	4.812	3,9%	4.315	3,8%	-10,3%
Concurso Limitado por Prévia Qualificação	170	0,1%	104	0,1%	-38,8%
Por negociação / Ajuste Direto	117.781	95,9%	110.645	96,2%	-6,1%
TOTAL	122.763	100%	115.064	100%	-6%

Fonte: portal BASE (Set. 2013)

Legend:

PT	EN
Var.	Change
Concurso Público	Open procedure
Concurso Limitado por Prévia Qualificação	Restricted procedure
Por negociação / Ajuste Direto	Negotiated procedure / Direct award
Fonte: portal BASE (Set. 2013)	Source: BASE portal (Sept. 2013)

The change was more pronounced (-27 %) for the contractual amounts, because restricted procedures “lost” their representativeness (-10.8 pp) to open procedures (+5.7 pp), which now represent 43.7 % of the total contractual amounts, and to direct awards (+4.9 pp), which now also represent the bulk of the contractual amounts (51 %).

Table 11 – Contractual amounts per type of procedure

	2011		2012		Var. 2012/2011
	N.º	%	N.º	%	
Concurso Público	1.811.091.177	38,0%	1.520.617.970	43,7%	-16,0%
Concurso Limitado por Prévia Qualificação	758.123.032	15,9%	181.833.556	5,2%	-76,0%
Por negociação / Ajuste Direto	2.195.603.481	46,1%	1.774.716.641	51,0%	-19,2%
TOTAL	4.764.817.691	100%	3.477.168.166	100%	-27%

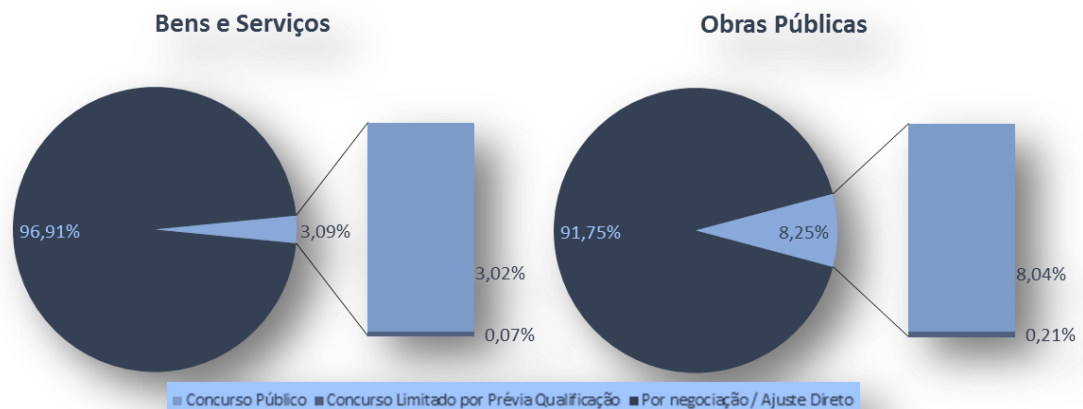
Fonte: portal BASE (Set. 2013)

Legend:

PT	EN
Var.	Change
Concurso Público	Open procedure
Concurso Limitado por Prévia Qualificação	Restricted procedure
Por negociação / Ajuste Direto	Negotiated procedure / Direct award
Fonte: portal BASE (Set. 2013)	Source: BASE portal (Sept. 2013)

An analysis per type of contract shows that the breakdown per type of procedure tends to be similar for goods and services and for public works: high significance for direct awards (more significant for the purchase of goods and services) and relative and almost residual significance for restricted procedures, especially as regards the purchase of goods and services (0.07 %).

Graph 10- Number of contracts per type of procedure (2012)



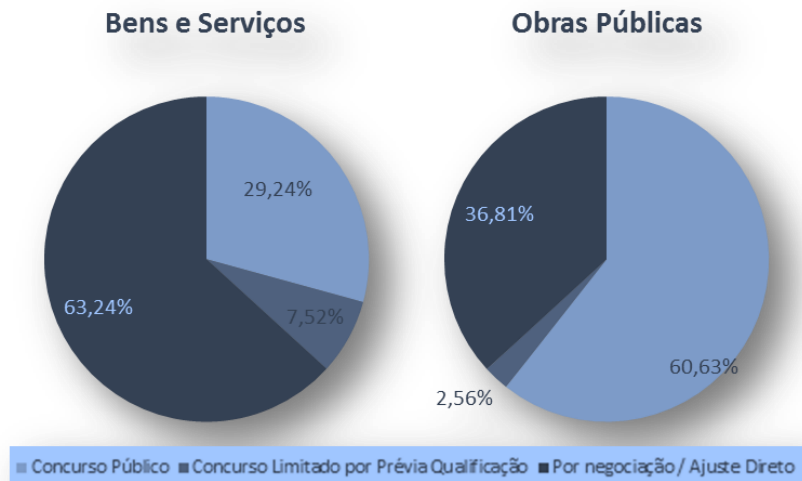
Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Bens e Serviços	Goods and services
Obras Públicas	Public works
Concurso Público	Open procedure
Concurso Limitado por Prévia Qualificação	Restricted procedure
Por negociação / Ajuste Direto	Negotiated procedure / Direct award

On the other hand, the breakdown of contractual amounts per type of contract shows some differences that should be highlighted. While in the purchase of goods and services the direct awards and the negotiated procedures are the most relevant as regards the values of the awarded contracts (63.24 %), in the case of public works the open procedures prevail, with 60.63 % of the total contractual amount.

Graph 11- Contractual amounts per type of procedure (2012)



Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Bens e Serviços	Goods and services
Obras Públicas	Public works
Concurso Público	Open procedure
Concurso Limitado por Prévia Qualificação	Restricted procedure
Por negociação / Ajuste Direto	Negotiated procedure / Direct award

3.5. COMPETITIVE PROCEDURES VS DIRECT AWARDS

In 2012, the contracts concluded following competitive procedures accounted for 3.8 % (4,419) of the total number of contracts and for 49 % (over EUR 1.7 billion) of the total volume of the contractual price.

Table 12 – Public procurement in 2012 per type of procedure

	Número de contratos		Valores Contratuais	
	N.º	%	Montante	%
Procedimentos Concorrenciais	4.419	3,8%	1.702.451.526 €	49,0%
Ajuste Direto	110.645	96,2%	1.774.716.641 €	51,0%
TOTAL	115.064	100,0%	3.477.168.166 €	100,0%

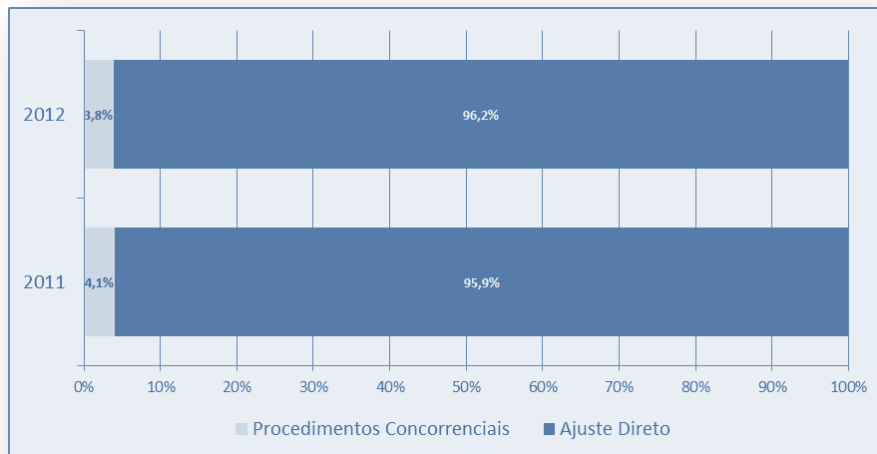
Fonte: portal BASE (Set. 2013)

Legend:

PT	EN
Número de contratos	Number of contracts
Valores Contratuais	Contractual values
Montante	Amount
Procedimentos Concurais	Competitive procedures
Ajuste Direto	Direct awards
Fonte: portal BASE (Set. 2013)	Source: BASE portal (Sept. 2013)

Compared to 2011, there was a slight increase in the relative weight of the number of direct award procedures launched in 2012 (from 95.9 % to 96.2 %).

Graph 12- Relative weight of competitive procedures, considering their number, in 2011 and 2012



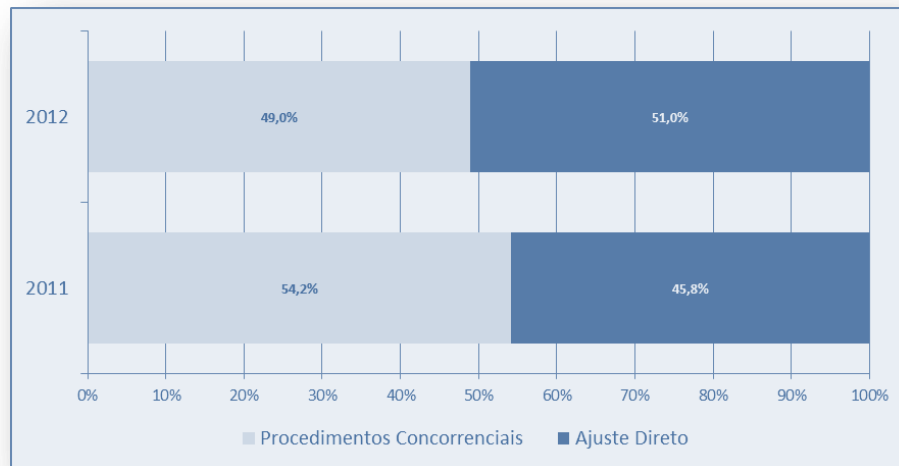
Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Procedimentos Concorrenciais	Competitive procedures
Ajuste Direto	Direct award

This increase is, however, more remarkable when we consider the contractual amounts: from 2011 to 2012, direct awards won a share of 4.2 pp, accounting for more than a half of the contractual amounts.

Graph 13- Relative weight of competitive procedures, considering the contractual amounts, in 2011 and 2012



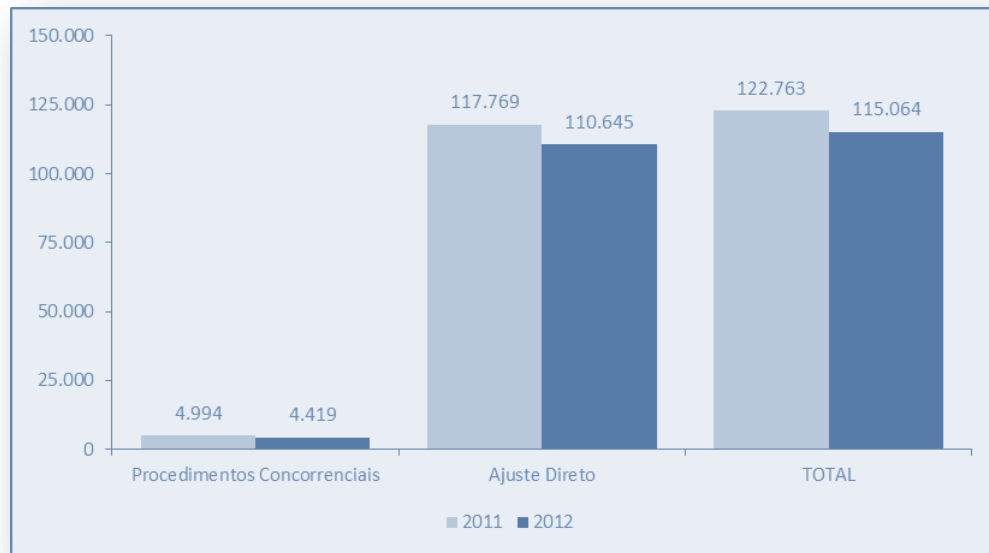
Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Procedimentos Concorrenciais	Competitive procedures
Ajuste Direto	Direct award

This slight adjustment in terms of adopted procedures occurs against a background of reductions of both the number of contracts concluded and the amounts involved. Between 2011 and 2012, the number of contracts decreased by 7,699 (-6.3 %): 575 fewer contracts (-11.5 %) under competitive procedures and 7,124 fewer contracts (-6 %) under direct award procedures.

Graph 14- Number of contracts per pre-contractual procedures in 2011 and 2012



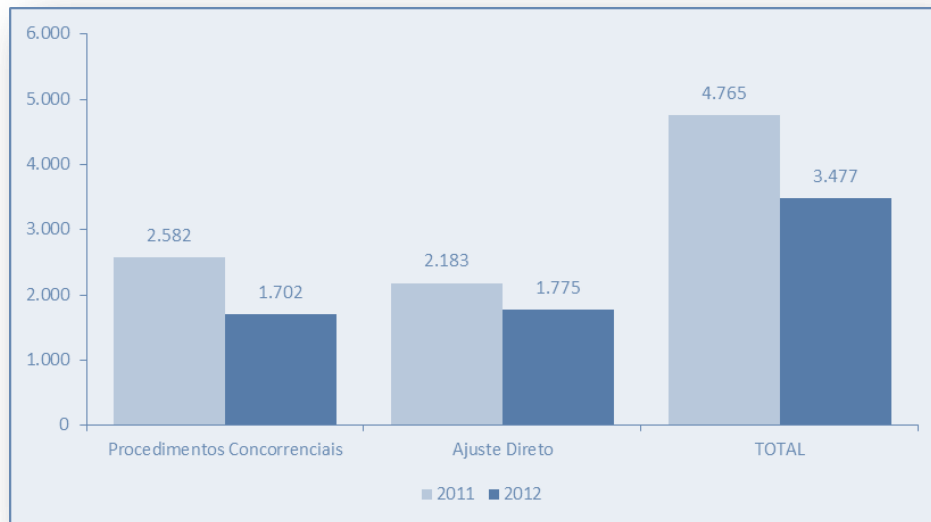
Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Procedimentos Concorrenciais	Competitive procedures
Ajuste Direto	Direct award

A similar trend can also be noticed when we consider the contractual amounts. In 2012, the overall contractual amount decreased by EUR 1.288 billion (-27 %): EUR 879.7 million in competitive procedures (-34.1 %) and the remaining EUR 408 million in direct award procedures.

Graph 15- Contractual amounts, per pre-contractual procedures, in 2011 and 2012 (in EUR million)



Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Procedimentos Concorrenciais	Competitive procedures
Ajuste Direto	Direct award

3.5.1. COMPETITIVE PROCEDURES

Compared to 2011 and as mentioned above, there was a decrease in both the number and the overall amount of contracts concluded in 2012 following competitive procedures and reported to the BASE portal.

Thus, the number of contracts concluded in 2012 following competitive procedures for the purchase of goods and services accounted for 68.7 % (3,035) of the total number of contracts, representing 40.4 % (EUR 688 million) of the contractual amounts.

Table 13 – Contracts resulting from competitive procedures in 2012

	Número de contratos		Valores Contratuais	
	N.º	%	Montante	%
Bens e Serviços	3.035	68,7%	688.291.642 €	40,4%
Obras Públicas	1.384	31,3%	1.014.159.884 €	59,6%
TOTAL	4.419	100,0%	1.702.451.526 €	100,0%

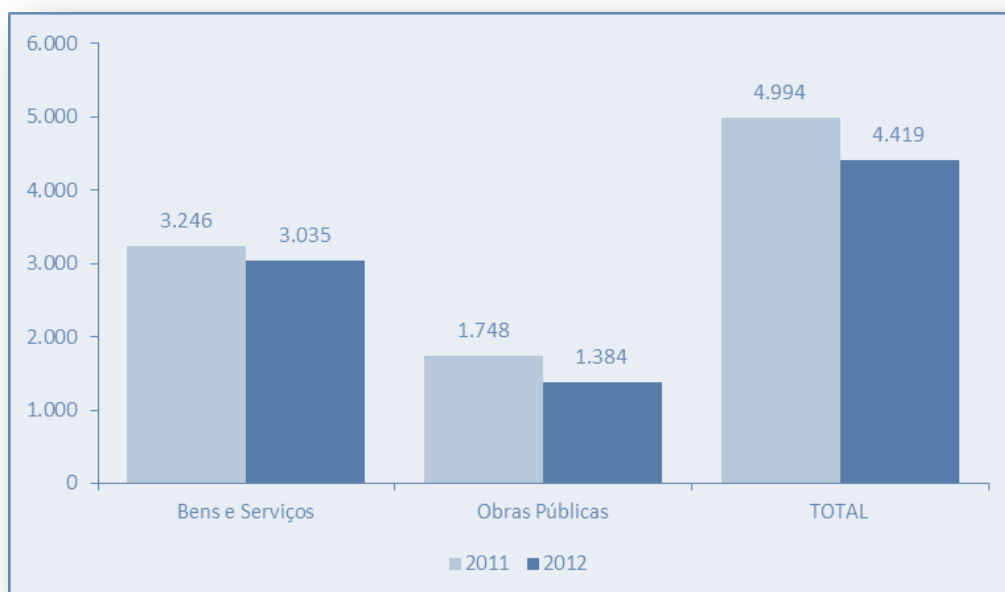
Fonte: portal BASE (Set. 2013)

Legend:

PT	EN
Número de contratos	Number of contracts
Valores Contratuais	Contractual values
Montante	Amount
Bens e Serviços	Goods and services
Obras Públicas	Public Works
Fonte: portal BASE (Set. 2013)	Source: BASE portal (Sept. 2013)

Compared to 2012, the figures show a decrease in the number of contracts awarded, which is more pronounced for public works (-20.8 %) than for goods and services (-6.5 %).

Graph 16- Number of contracts resulting from competitive procedures: 2012/2011



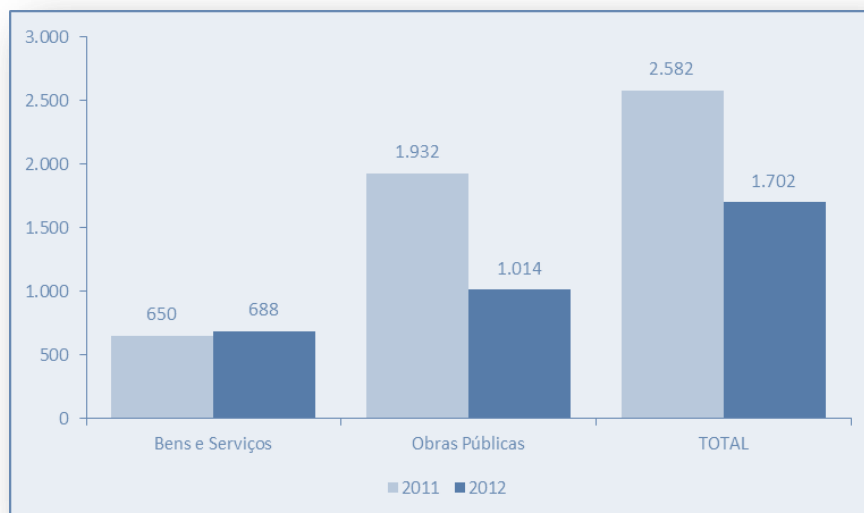
Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Bens e Serviços	Goods and services
Obras Públicas	Public works

An analysis per contractual amounts shows a sharp decrease - by almost half (-47.5 %) - in public works and a slight increase of EUR 38 million (+5.9 %) in goods and services.

Graph 17- Amounts of contracts resulting from competitive procedures: 2012/2011 (in EUR million)



Source: BASE portal (Sept. 2013)

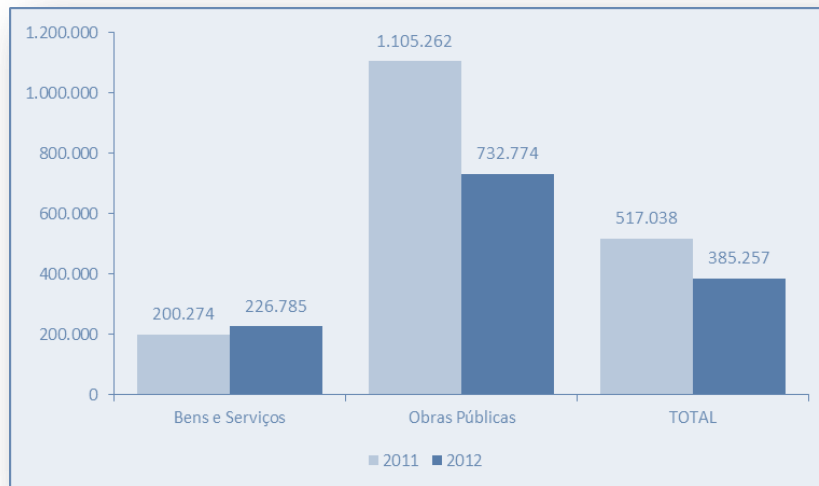
Legend:

PT	EN
Bens e Serviços	Goods and services
Obras Públicas	Public works

It follows from the above analyses that the average value of contracts awarded under competitive procedures increased for goods and services: the average value of each contract was EUR 226,785 (+13.2 %).

On the other hand, the average value for public works contracts under competitive procedures decreased by EUR 372,487 (-33.7 %) to stand at EUR 732,774.

Graph 18- Average value of contracts resulting from competitive procedures: 2011/2012



Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Bens e Serviços	Goods and services
Obras Públicas	Public works

3.5.2. DIRECT AWARDS

From the 110,645 contracts concluded in 2012 following direct award procedures, 86.1 % (95,253) concerned the purchase of goods and services, while the remaining 13.9 % (15,392) were related to public works.

As for the contractual amounts, about $\frac{2}{3}$ concerned the purchase of goods and services, while the remaining $\frac{1}{3}$ concerned public works.

Table 14 – Direct awards in 2012

	Número de contratos		Valores Contratuais	
	N.º	%	Montante	%
Bens e Serviços	95.253	86,1%	1.183.958.388 €	66,7%
Obras Públicas	15.392	13,9%	590.758.253 €	33,3%
TOTAL	110.645	100,0%	1.774.716.641 €	100,0%

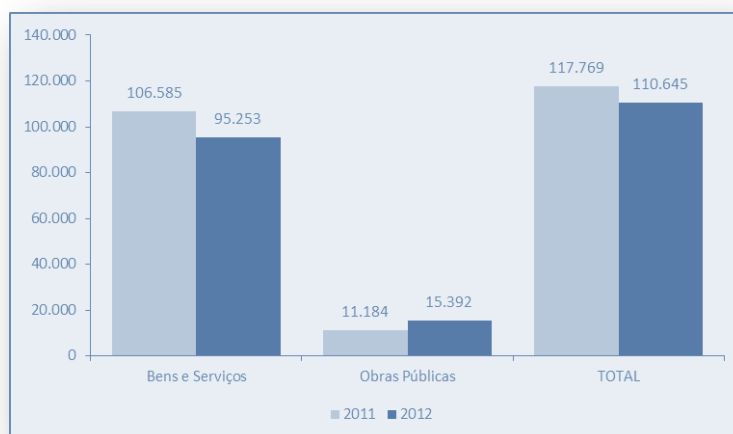
Fonte: portal BASE (Set. 2013)

Legend:

PT	EN
Número de contratos	Number of contracts
Valores Contratuais	Contractual values
Montante	Amount
Bens e Serviços	Goods and services
Obras Públicas	Public works
Fonte: portal BASE (Set. 2013)	Source: BASE portal (Sept. 2013)

Compared to 2011, the number of contracts by direct award for the purchase of goods and services decreased (-10.6 %) in 2012. Conversely, there was an increase in the number of contracts under direct award procedures relating to public works (+37.6 %).

Graph 19- Number of contracts by direct award: 2012/2011



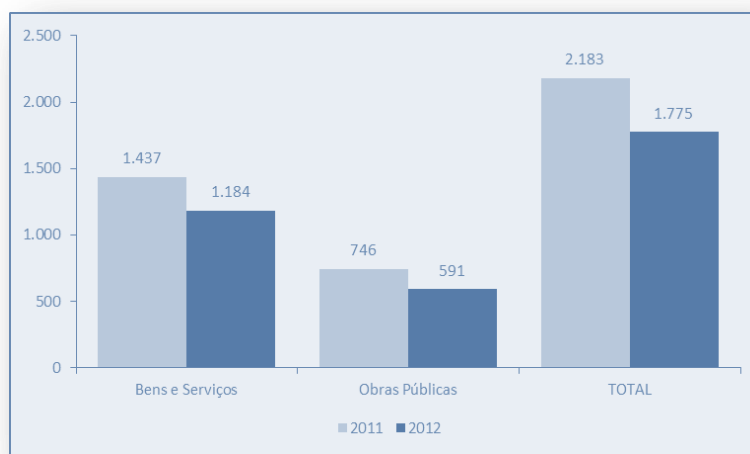
Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Bens e Serviços	Goods and services
Obras Públicas	Public works

Considering the contractual amounts involved, there was a decrease in the procurement of both goods and services (-17.6 %) and public works (-20.8 %).

Graph 20- Value of contracts by direct award: 2012/2011 (in EUR million)



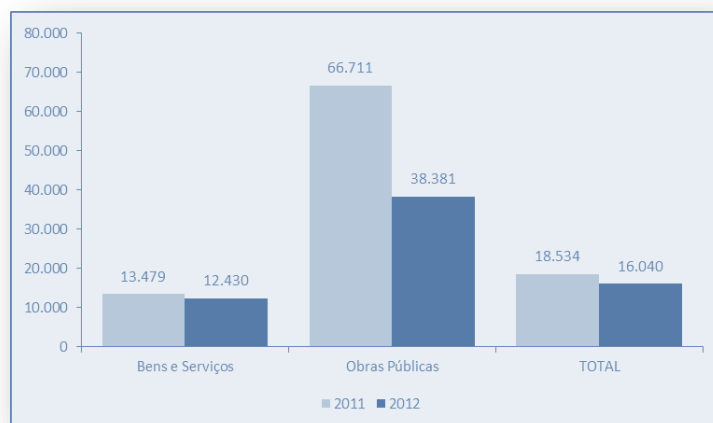
Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Bens e Serviços	Goods and services
Obras Públicas	Public works

In line with the trends described above, the average value of contracts saw an overall decrease in goods and services (-7.8 %) and especially in public works (-42.5 %).

Graph 21- Average value of contracts by direct award: 2012/2011 (in EUR million)



Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Bens e Serviços	Goods and services
Obras Públicas	Public works

The number of entities (excluding groupings of entities) that reported direct awards in 2012 totalled 3,321, accounting for 98.2 % of the entities that reported contracts.

Table 15 – Direct awards in 2012, per CPV

Código	Descrição CPV	Nº Contratos	%	Preço Contratual	%
45	Construção	7.305	6,6%	437.248.571 €	24,6%
33	Equipamento médico, medicamentos e produtos para cuidados pessoais	5.359	4,8%	160.050.896 €	9,0%
79	Serviços a empresas: direito, comercialização, consultoria, recrutamento, impressão e segurança	7.438	6,7%	139.815.706 €	7,9%
72	Serviços de TI: consultoria, desenvolvimento de software, Internet e apoio	2.999	2,7%	95.540.416 €	5,4%
71	Serviços de arquitectura, construção, engenharia e inspecção	4.136	3,7%	82.057.901 €	4,6%
50	Serviços de reparação e manutenção	11.186	10,1%	70.733.265 €	4,0%
55	Serviços de hotelaria, restauração e comércio a retalho	2.002	1,8%	64.886.571 €	3,7%
34	Equipamento e produtos auxiliares de transporte	4.612	4,2%	63.238.561 €	3,6%
09	Produtos petrolíferos, combustíveis, electricidade e outras fontes de energia	1.374	1,2%	55.400.156 €	3,1%
92	Serviços recreativos, culturais e desportivos	3.223	2,9%	48.537.615 €	2,7%
90	Serviços relativos a águas residuais, resíduos, limpeza e ambiente	1.666	1,5%	40.997.121 €	2,3%
48	Pacotes de software e sistemas de informação	834	0,8%	40.363.691 €	2,3%
	Outros	58.511	52,9%	475.846.170 €	26,8%

Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Código	CPV Code
Descrição CPV	CPV Description
Nº Contratos	Number of contracts
Preço Contratual	Contractual price
Construção	Construction work
Equipamento médico, medicamentos e produtos para cuidados pessoais	Medical equipments, pharmaceuticals and personal care products
Serviços a empresas: direito, consultoria, recrutamento, impressão e segurança	Business services: law, marketing, consulting, recruitment, printing and security
Serviços de TI: consultoria, desenvolvimento de software, Internet e apoio	IT services: consulting, software development, Internet and support
Serviços de arquitetura, construção, engenharia e inspeção	Architectural, construction, engineering and inspection services
Serviços de reparação e manutenção	Repair and maintenance services
Serviços de hotelaria, restauração e comércio a retalho	Hotel, restaurant and retail trade services
Equipamento e produtos auxiliares de transporte	Transport equipment and auxiliary products to transportation
Produtos petrolíferos, combustíveis, eletricidade e outras fontes de energia	Petroleum products, fuel, electricity and other sources of energy
Serviços recreativos, culturais e desportivos	Recreational, cultural and sporting services
Serviços relativos a águas residuais, resíduos, limpeza e ambiente	Sewage-, refuse-, cleaning-, and environmental services
Pacotes de software e sistemas de informação	Software package and information systems
Outros	Others

As regards the types of contracts classified according to the CPV nomenclature and concluded under direct award procedures, the most important was “Construction” (24.6 % of the contractual values), followed by “Medical equipments, pharmaceuticals and personal care products” (9.0 %), “Business services: law, marketing, consulting, recruitment, printing and security “ (7.9 %), “IT services: consulting, software development, Internet and support” (5.4 %) and “Architectural, construction, engineering and inspection services” (4.6 %), which altogether represent half of the total contractual amount of direct awards.

3.5.2.1. SIMPLIFIED DIRECT AWARDS

Among the direct awards reported to the BASE portal, 42,296 correspond to simplified direct awards.

Table 16 – Simplified direct awards in 2012

	N.º	Montantes Contratuais
Ajustes diretos	42.296	27.294.113

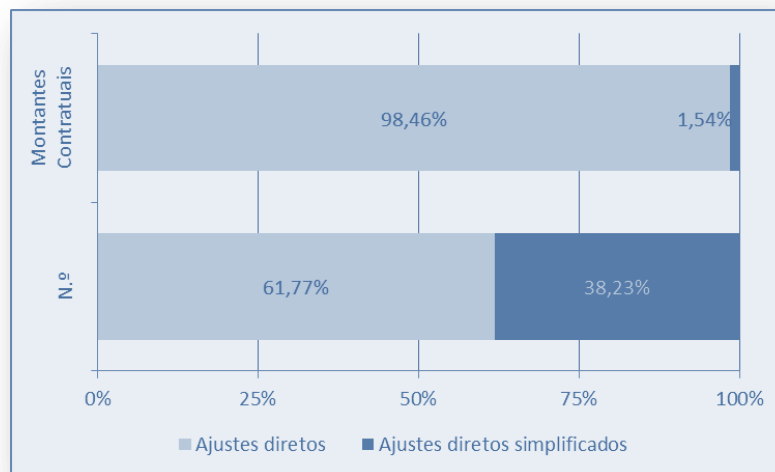
Fonte: portal BASE (Set. 2013)

Legend:

PT	EN
Montantes Contratuais	Contractual Amounts
Ajustes diretos	Direct awards
Fonte: portal BASE (Set. 2013)	Source: BASE portal (Sept. 2013)

Although this type of procedure represents 38.23 % of the total number of reported direct awards, it corresponds to only 1.54 % of the contractual amounts.

Graph 22- Relative weight of simplified direct awards as compared to the total number of direct awards in 2012



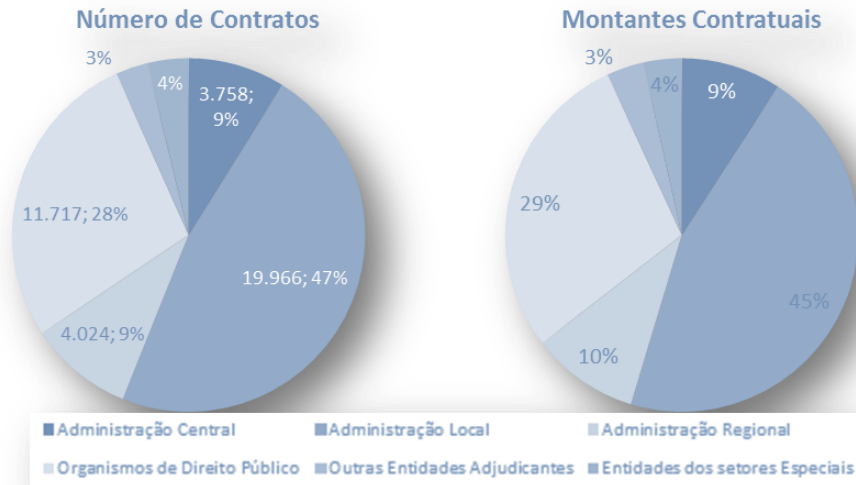
Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Montantes Contratuais	Contractual Amounts
Ajustes diretos	Direct awards
Ajustes diretos simplificados	Simplified direct awards

Its relative weight may, however, be underestimated, as “only” 315 contracting authorities did report this type of contract. Therefore, only 9.5 % of the entities reported direct awards and simplified direct awards. Now, as these contracts have a lower average contractual value, it can be expected that this type of procedure will be used by a larger number of contracting authorities and more often.

Graph 23- Breakdown of simplified direct awards, per type of authority, in 2012



Legend:

PT	EN
Número de contratos	Number of contracts
Montantes Contratuais	Contractual amounts
Administração Central	Central Administration
Administração Local	Local Administration
Administração Regional	Regional Administration
Organismos de Direito Público	Bodies governed by public law
Outras Entidades Adjudicantes	Other contracting authorities
Entidades dos setores Especiais	Entities operating in the special sectors

Entities having reported a larger number of contracts by simplified direct award to the BASE portal belong to the local government, followed by the bodies governed by public law.

If we only exclude the simplified direct awards from the previous analysis, we can find a greater similarity between the different contractual amounts established according to the CPV nomenclature, as shown in the table below.

Table 17 – Simplified direct awards in 2012 per CPV

Código	Descrição CPV	Nº Contratos	%	Preço Contratual	%
50	Serviços de reparação e manutenção	6.268	14,8%	3.532.522 €	12,9%
33	Equipamento médico, medicamentos e produtos para cuidados pessoais	1.249	3,0%	2.295.198 €	8,4%
79	Serviços a empresas: direito, comercialização, consultoria, recrutamento, impressão e segurança	2.635	6,2%	2.194.606 €	8,0%
44	Estruturas e materiais de construção; produtos auxiliares de construção (excepto aparelhos eléctricos)	5.005	11,8%	1.850.339 €	6,8%
98	Outros serviços comunitários, sociais e pessoais	2.105	5,0%	1.701.026 €	6,2%
39	Mobiliário (incl. de escritório), acessórios, aparelhos domésticos (excl. iluminação) e produtos de limpeza	1.917	4,5%	1.162.626 €	4,3%
30	Máquinas, equipamento e material de escritório e de informática, excepto mobiliário e pacotes de programas (software)	2.273	5,4%	1.155.353 €	4,2%
92	Serviços recreativos, culturais e desportivos	1.059	2,5%	1.085.990 €	4,0%
34	Equipamento e produtos auxiliares de transporte	3.010	7,1%	1.029.440 €	3,8%
71	Serviços de arquitectura, construção, engenharia e inspeção	997	2,4%	875.534 €	3,2%
31	Maquinaria, aparelhagem, equipamento e consumíveis eléctricos; iluminação	2.049	4,8%	795.370 €	2,9%
85	Serviços de saúde e acção social	98	0,2%	772.999 €	2,8%
60	Serviços de transporte (excl. transporte de resíduos)	876	2,1%	675.815 €	2,5%
55	Serviços de hotelaria, restauração e comércio a retalho	886	2,1%	645.966 €	2,4%
42	Máquinas industriais	1.272	3,0%	644.580 €	2,4%
22	Material impresso e afins	1.231	2,9%	636.403 €	2,3%
72	Serviços de TI: consultoria, desenvolvimento de software, Internet e apoio	457	1,1%	634.092 €	2,3%
	Outros	8.909	21,1%	5.606.252 €	20,5%

Source: BASE portal (Sept. 2013)

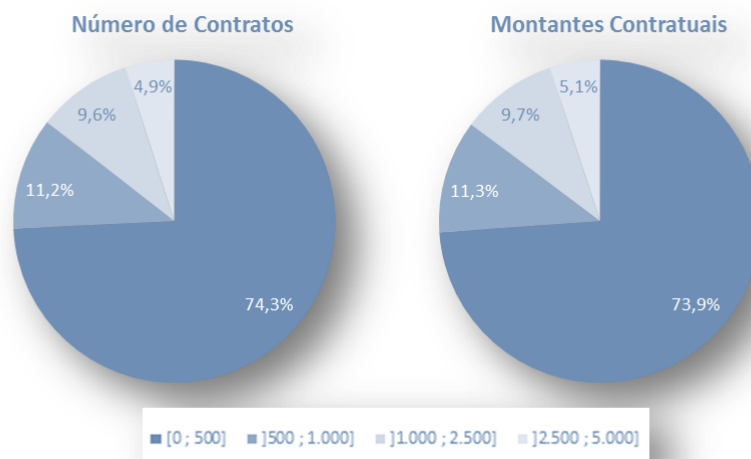
Legend:

PT	EN
Código	CPV Code
Descrição CPV	CPV Description
Nº Contratos	Number of contracts
Preço Contratual	Contractual price
Serviços de reparação e manutenção	Repair and maintenance services
Serviços a empresas: direito, consultoria, recrutamento, impressão e segurança	Business services: law, marketing, consulting, recruitment, printing and security
Estruturas e materiais de construção; produtos auxiliares de construção (excepto aparelhos eléctricos)	Construction structures and materials; auxiliary products to construction (except electric apparatus)
Outros serviços comunitários, sociais e pessoais	Other community, social and personal services
Mobiliário (incl. de escritório), acessórios, aparelhos domésticos (excl. iluminação) e produtos de limpeza	Furniture (incl. office furniture), furnishings, domestic appliances (excl. lighting) and cleaning products
Máquinas, equipamento e material de escritório e de informática, excepto mobiliário e pacotes de programas (software)	Office and computing machinery, equipment and supplies except furniture and software packages
Serviços recreativos, culturais e desportivos	Recreational, cultural and sporting services
Equipamento e produtos auxiliares de transporte	Transport equipment and auxiliary products to transportation
Serviços de arquitectura, construção, engenharia e inspeção	Architectural, construction, engineering and inspection services
Maquinaria, aparelhagem, equipamento e consumíveis eléctricos; iluminação	Electrical machinery, apparatus, equipment and consumables; Lighting
Serviços de saúde e acção social	Health and social work services
Serviços de hotelaria, restauração e comércio a retalho	Hotel, restaurant and retail trade services
Máquinas industriais	Industrial machinery
Material impresso e afins	Printed matter and related products
Serviços de TI: consultoria, desenvolvimento de software, Internet e apoio	IT services: consulting, software development, Internet and support
Outros	Others

This table shows that the type of expenditure more often associated with the simplified direct award relates to “Repair and maintenance services”, although it “only” represents 14.8 % of the number of contracts and 12.9 % of the contractual amounts.

As far as the amounts are concerned, contracts with a value of less than EUR 500 are predominant as regards both the number of contracts and the contractual amounts, representing almost ¾ of the total.

Graph 24- Breakdown of contracts by simplified direct award, per ranges



Source: BASE portal (Sept. 2013)

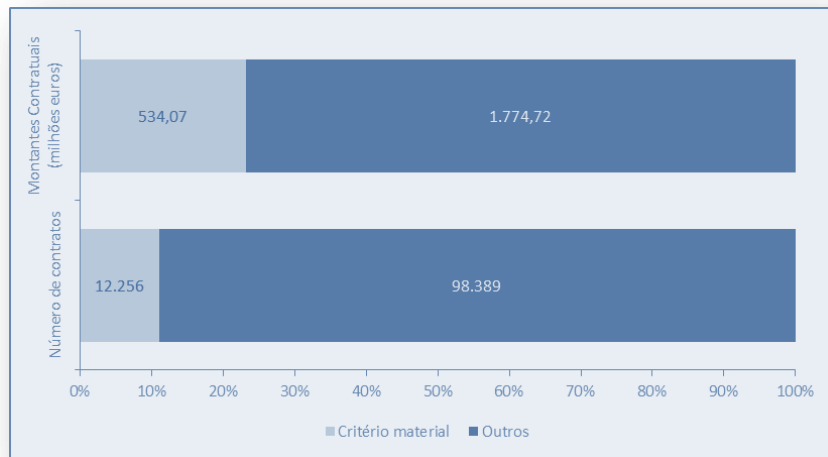
Legend:

PT	EN
Número de Contratos	Number of contracts
Montantes Contratuais	Contractual amounts

3.5.2.2. DIRECT AWARDS PER SUBSTANTIVE CRITERION

Contracts concluded as a result of a direct award procedure on the basis of material criteria (thus, not focused on the contract value) represented 11.1 % of the number of contracts by direct award and 23.1 % of the contractual amounts of those contracts.

Graph 25 – Relative weight of contracts concluded by direct award for substantive reasons



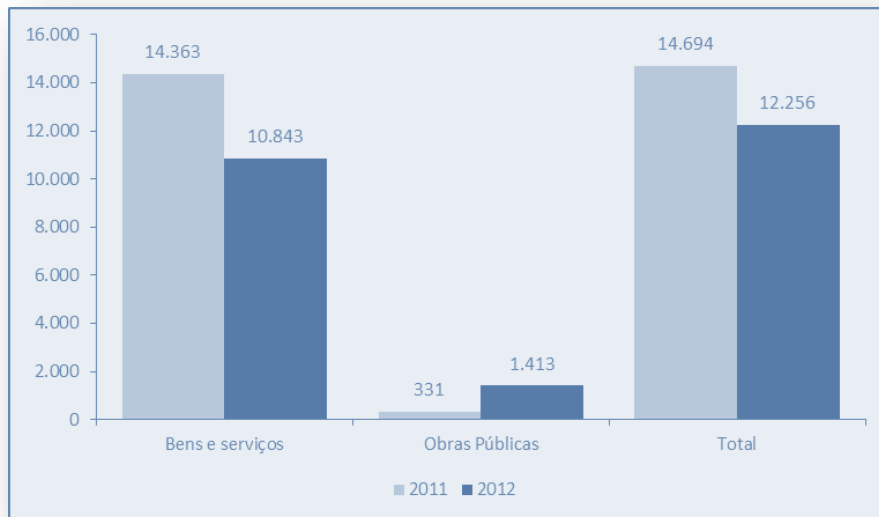
Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Montantes Contratuais (milhões euros)	Contractual amounts (EUR million)
Número de contratos	Number of contracts
Critério material	Substantive criterion
Outros	Others

Compared to the previous year, there was a decrease in the number of contracts concluded under direct award procedures based on substantive criteria (-16.6 %), against an increase in the number of public works contracts (+1,082 contracts).

Graph 26- Changes in the number of contracts concluded on the basis of a substantive criterion in 2012



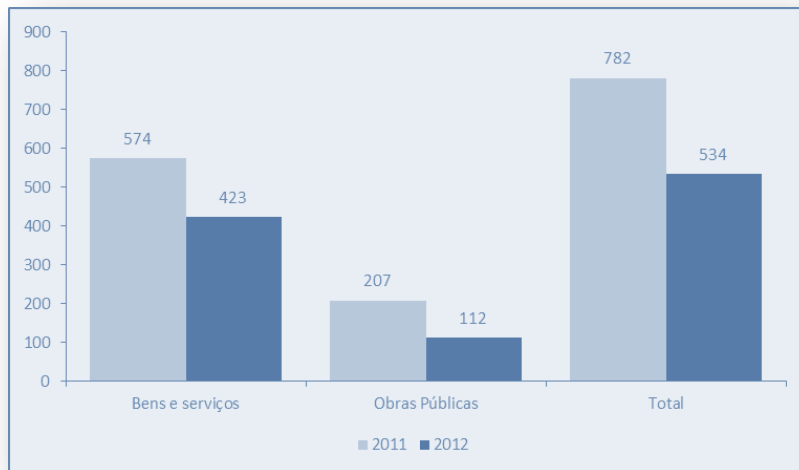
Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Bens e serviços	Goods and services
Obras Públicas	Public works

As regards the contractual amounts of these contracts, they decreased by EUR 248 million (-31.7 %) between 2011 and 2012.

Graph 27- Changes in the contractual amounts of contracts concluded on the basis of a substantive criterion in 2012



Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Bens e serviços	Goods and services
Obras Públicas	Public works

The most frequently mentioned grounds for the use of these contracts are “technical or artistic reasons or reasons connected with the protection of exclusive rights” (42.75 % of the total number of these contracts), which together with the “reasons of extreme urgency” represented more than 50 % of the contracts and values involved.

Table 18 — Breakdown of contractual amounts of the contracts concluded on the basis of a substantive criterion in 2012, per substantive reason

Motivos de natureza material	Contratos		Contratos	
	N.º	%	Montante contratual	%
Por motivos técnicos, artísticos ou relacionados com a proteção de direitos exclusivos	5.239	42,7%	199.133.485,05 €	37,3%
Por motivos de urgência imperiosa	1.477	12,1%	76.432.879,35 €	14,3%
Decorrente de procedimento com todas as propostas excluídas	106	0,9%	66.820.202,35 €	12,5%
Acordo quadro	2.792	22,8%	63.441.116,08 €	11,9%
Repetição de serviços similares	408	3,3%	45.965.905,30 €	8,6%
Serviços de informática	725	5,9%	21.341.221,62 €	4,0%
Substituição parcial ou ampliação de bens ou equipamentos de específico uso corrente da entidade adjudicante	351	2,9%	16.306.485,71 €	3,1%
Decorrente de procedimento anterior sem concorrentes	243	2,0%	9.335.776,32 €	1,7%
A natureza das prestações não permite a elaboração de especificações contratuais suficientemente precisas	337	2,7%	8.611.659,75 €	1,6%
Por motivos de secretismo	44	0,4%	7.152.266,66 €	1,3%
Aquisição de bens cotados em bolsa de matérias-primas	16	0,1%	5.599.180,44 €	1,0%
Outros	518	4,2%	13.934.077,36 €	2,6%
Total Geral	12.256		534.074.255,99 €	

Fonte: portal BASE (Set. 2013)

Legend:

PT	EN
Motivos de natureza material	Substantive reasons
Contratos	Contracts
Montante contratual	Contractual amount
Por motivos técnicos, artísticos ou relacionados com a proteção de direitos exclusivos	For technical or artistic reasons or reasons connected with the protection of exclusive rights
Por motivos de urgência imperiosa	For reasons of extreme urgency
Decorrente de procedimento com todas as propostas excluídas	Resulting from a procedure where all tenders were excluded
Acordo quadro	Framework agreement
Repetição de serviços similares	Repetition of similar services
Serviços de informática	IT services
Substituição parcial ou ampliação de bens ou equipamentos de específico uso corrente da entidade adjudicante	Partial replacement or extension of goods or equipment for specific normal use by the contracting authority
Decorrente de procedimento anterior sem concorrentes	Resulting from a previous procedure that has had no response
A natureza das prestações não permite a elaboração de especificações contratuais suficientemente precisas	Due to the nature of the supplies it is not possible to draft sufficiently precise contractual specifications
Por motivos de secretismo	For reasons of secrecy
Aquisição de bens cotados em bolsa de matérias-primas	Purchase of goods that are quoted on a commodity exchange
Outros	Others
Total Geral	Grand Total

As in 2011¹⁵, it appears that the number of contracts (2,792) concluded under framework agreements and their contractual amounts (EUR 63.4 million) are underestimated.

¹⁵ See the report "Public Procurement in Portugal: 2011".

Regarding the type of expenditure according to the CPV nomenclature, substantive reasons were mainly invoked for the purchase of “Medical equipments, pharmaceuticals and personal care products” and “Construction”, which together represent a “share” of 35 %.

Table 19 — Breakdown of contractual amounts of contracts concluded on the basis of a substantive criterion in 2012, per CPV

CPV	Descrição CPV	Nº Contratos	%	Preço Contratual	%
33	Equipamento médico, medicamentos e produtos para cuidados pessoais	2.660	21,7%	126.572.790 €	23,7%
45	Construção	147	1,2%	60.112.017 €	11,3%
72	Serviços de TI: consultoria, desenvolvimento de software, Internet e apoio	731	6,0%	39.516.483 €	7,4%
55	Serviços de hotelaria, restauração e comércio a retalho	340	2,8%	28.049.083 €	5,3%
34	Equipamento e produtos auxiliares de transporte	386	3,1%	27.704.386 €	5,2%
50	Serviços de reparação e manutenção	1.716	14,0%	27.670.315 €	5,2%
79	Serviços a empresas: direito, comercialização, consultoria, recrutamento, impressão e segurança	572	4,7%	24.752.906 €	4,6%
09	Produtos petrolíferos, combustíveis, electricidade e outras fontes de energia	199	1,6%	19.572.866 €	3,7%
60	Serviços de transporte (excl. transporte de resíduos)	193	1,6%	18.884.791 €	3,5%
92	Serviços recreativos, culturais e desportivos	490	4,0%	18.152.521 €	3,4%
71	Serviços de arquitectura, construção, engenharia e inspecção	515	4,2%	17.900.345 €	3,4%
48	Pacotes de software e sistemas de informação	168	1,4%	15.929.900 €	3,0%
	Outros	4.139	33,8%	109.255.855 €	20,5%

Source: BASE portal (Sept. 2013)

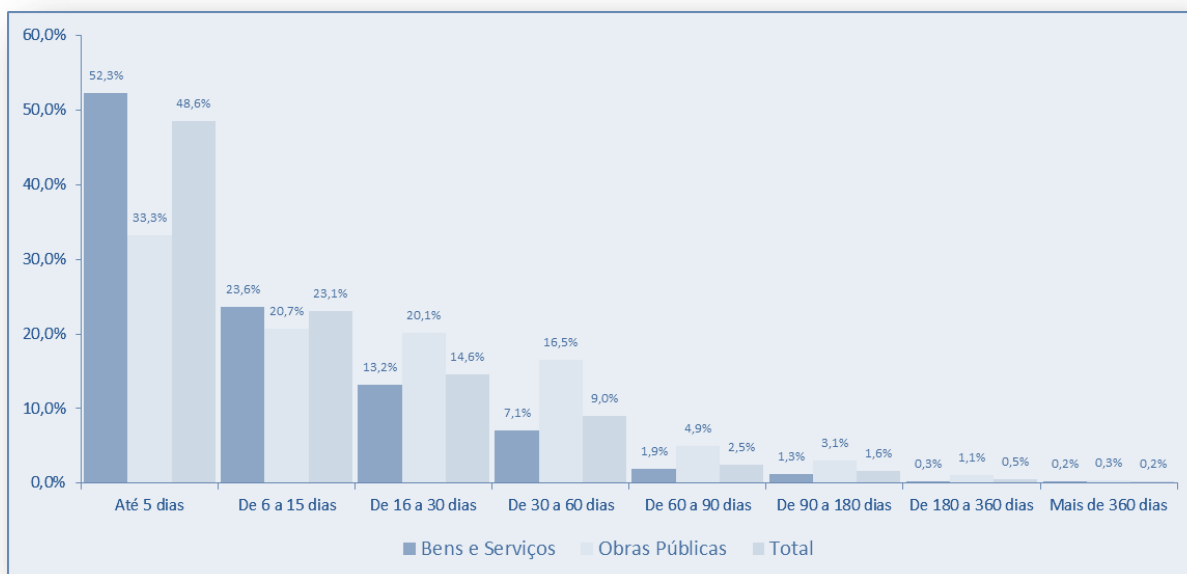
Legend:

PT	EN
CPV	CPV Code
Descrição CPV	CPV Description
Nº Contratos	Number of contracts
Preço Contratual	Contractual price
Equipamento médico, medicamentos e produtos para cuidados pessoais	Medical equipments, pharmaceuticals and personal care products
Construção	Construction work
Serviços de TI: consultoria, desenvolvimento de software, Internet e apoio	IT services: consulting, software development, Internet and support
Serviços de hotelaria, restauração e comércio a retalho	Hotel, restaurant and retail trade services
Equipamento e produtos auxiliares de transporte	Transport equipment and auxiliary products to transportation
Serviços de reparação e manutenção	Repair and maintenance services
Serviços a empresas: direito, consultoria, recrutamento, impressão e segurança	Business services: law, marketing, consulting, recruitment, printing and security
Produtos petrolíferos, combustíveis, electricidade e outras fontes de energia	Petroleum products, fuel, electricity and other sources of energy
Serviços de transporte (excl. transporte de resíduos)	Transport services (excl. waste transport)
Serviços recreativos, culturais e desportivos	Recreational, cultural and sporting services
Serviços de arquitetura, construção, engenharia e inspecção	Architectural, construction, engineering and inspection services
Pacotes de software e sistemas de informação	Software package and information systems
Outros	Others

4. AVERAGE LENGTH OF PROCUREMENT PROCEDURES

As for the length of the pre-contractual procedure, i.e. the number of days between the beginning of the procedure (publication of the tender notice or dispatch of the invitation to tender) and the date of the conclusion of the contract, the majority of the procedures took less than 30 days to be decided upon. In the case of goods and services, the majority of the procedures have been decided upon in less than 5 days.

Graph 28- Length of the procedures for contracts concluded in 2012, per range and per type of contract (all contracts, excluding simplified direct awards)



Source: BASE portal (Sept. 2013)

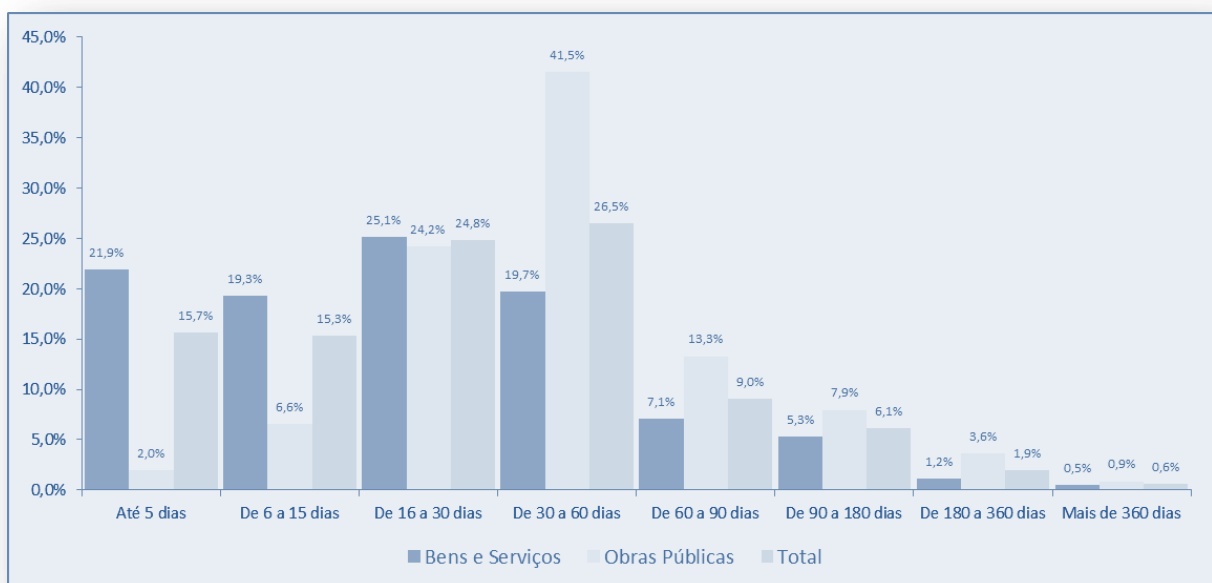
Legend:

PT	EN
Até 5 dias	Up to 5 days
De a dias to days
Mais de 360 dias	Over 360 days
Bens e Serviços	Goods and services
Obras Públicas	Public works

The above mentioned figures are naturally influenced by direct awards. This influence results from the combination of the relative weight of direct award procedures (96.2 %) and the procedural simplification associated with these procedures, especially the simplified ones, which, because of a relatively large number of contracts within the universe concerned, leads to a shorter duration of the procedures.

Nonetheless, the results obtained for the competitive procedures alone still show a degree of efficiency that should be highlighted: 67.8 % of the contracts for goods and services e 71.3 % of the public works contracts concluded within 60 days from the initiation of the procedure.

Graph 29- Length of procedures related to contracts concluded in 2012, per range and per type of contract (contracts resulting from competitive procedures)



Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Até 5 dias	Up to 5 days
De a dias to days
Mais de 360 dias	Over 360 days
Bens e Serviços	Goods and services
Obras Públicas	Public works

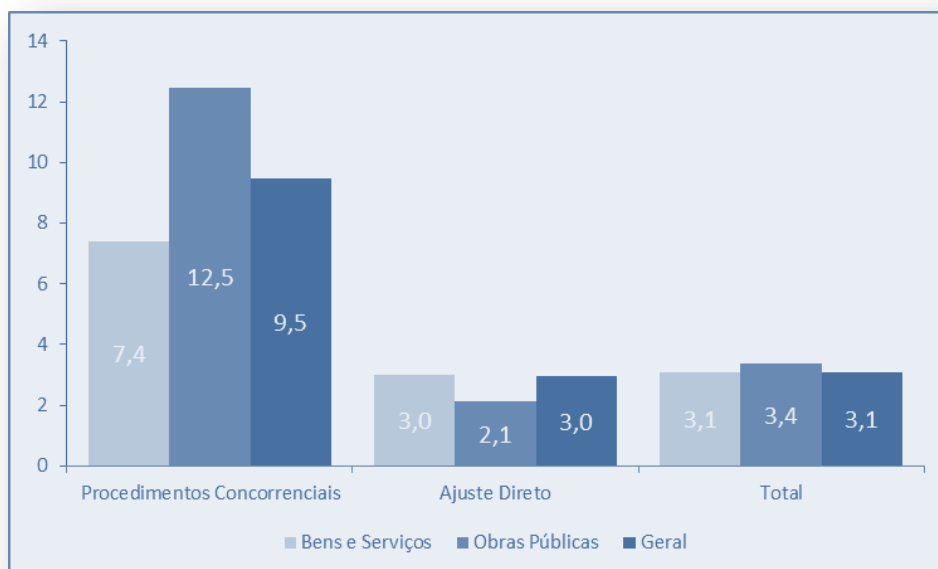
These figures should, however, be analysed with some caution, as a considerable number of procedures having not led to a contract in 2012 remain open.

5. NUMBER OF COMPETITORS PER PROCEDURE

In order to measure the level of competition in public procurement, a sample of 50,228¹⁶ procedures conducted through electronic platforms was analysed.

As shown in the graph below, an average of 3.1 tenders were submitted under each type of procurement procedure. The average number of tenders per procedure is slightly higher for public works (3.4) than for goods and services (3.1).

Graph 30- Average number of tenders per procedure (2012)



Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Procedimentos Concorrenciais	Competitive procedures
Ajuste Direto	Direct award
Bens e Serviços	Goods and services
Obras Públicas	Public works
Geral	General

The average number of tenders in competitive procedures (9.5) is higher than in direct awards (3.0), which is in line with the expectations of a higher level of competition within open procedures.

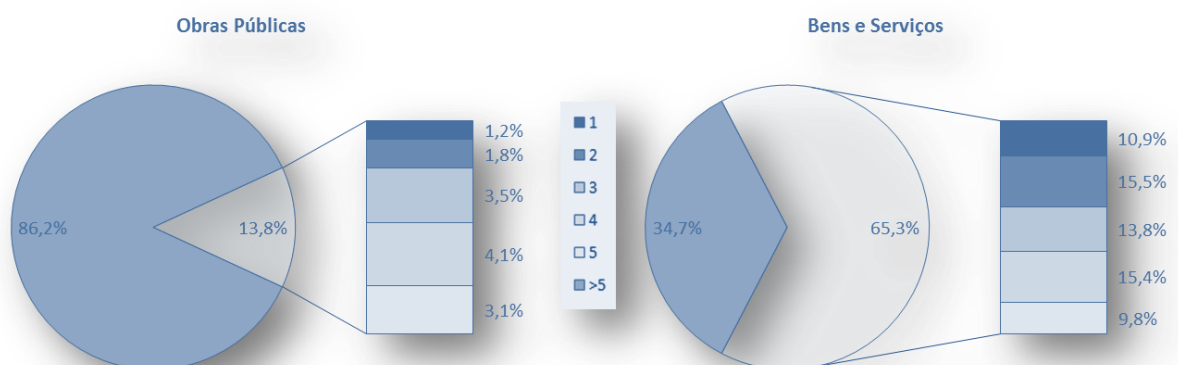
¹⁶ Of which 28,668 direct award procedures, 11,197 open procedures and 31 restricted procedures.

It is worthwhile noting that in the case of the competitive procedures there is a differentiation between the market for goods and services and the market for public works: as an average, procedures related to public works received 5.1 more tenders per procedure (12.5) than those related to goods and services (7.4), which appears to demonstrate the vitality of the construction sector.

5.1. COMPETITIVE PROCEDURES

When analysing the competitive procedures more closely, it is worth noting those procedures in which at least two tenders were submitted: in 89.1 % of the procedures for the purchase of goods and services and in 98.8 % of the procedures related to public works, at least two tenders were submitted for a decision to contracting authorities.

Graph 31- Average number of tenders per procedure: competitive procedure (2012)



Source: BASE portal (Sept. 2013)

Legend:

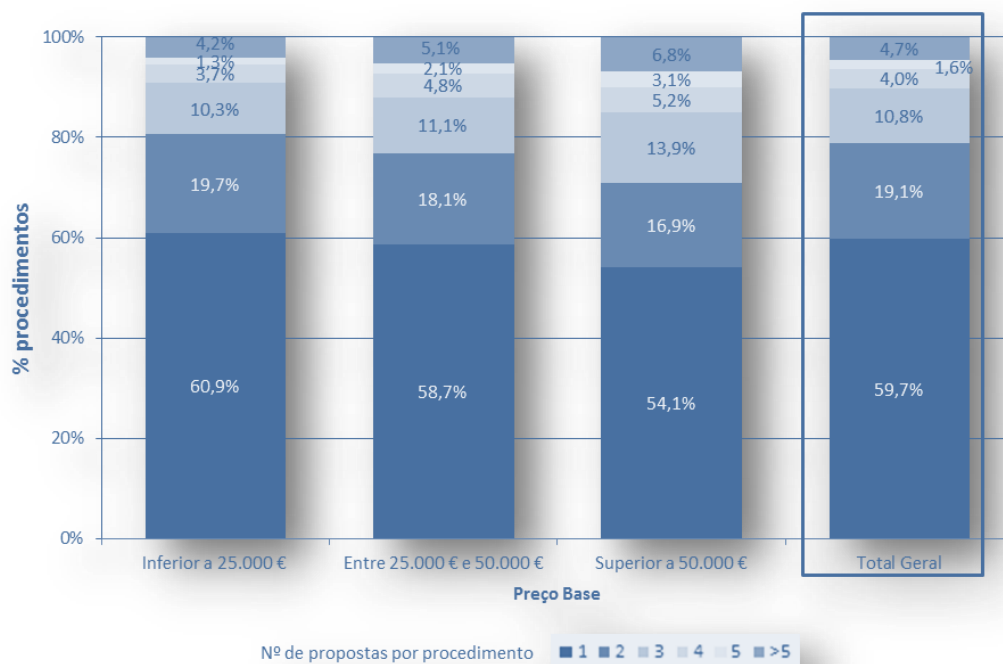
PT	EN
Bens e Serviços	Goods and services
Obras Públicas	Public works

It is also worth noting that more than five tenders were submitted within a significant number of procedures, particularly in the case of public works (86.2 % of the procedures), but also in goods and services (34.7 %).

5.2. DIRECT AWARD PROCEDURES

In the case of direct awards for the purchase of goods and services, there was only a tender in 59.7 % of the procedures. As the average value of the procedure increases, the number of procedures with more than one tender also increases, which appears to indicate a greater concern for competition. While 60.9 % of the procedures with a basic price of less than EUR 25,000 had only one tender, that proportion decreased 5.8 percentage points (54.1 %) for procedures with a basic price of more than EUR 50,000, a situation that prevails.

Graph 32- Average number of tenders per procedure: direct awards for the purchase of goods and services (2012)



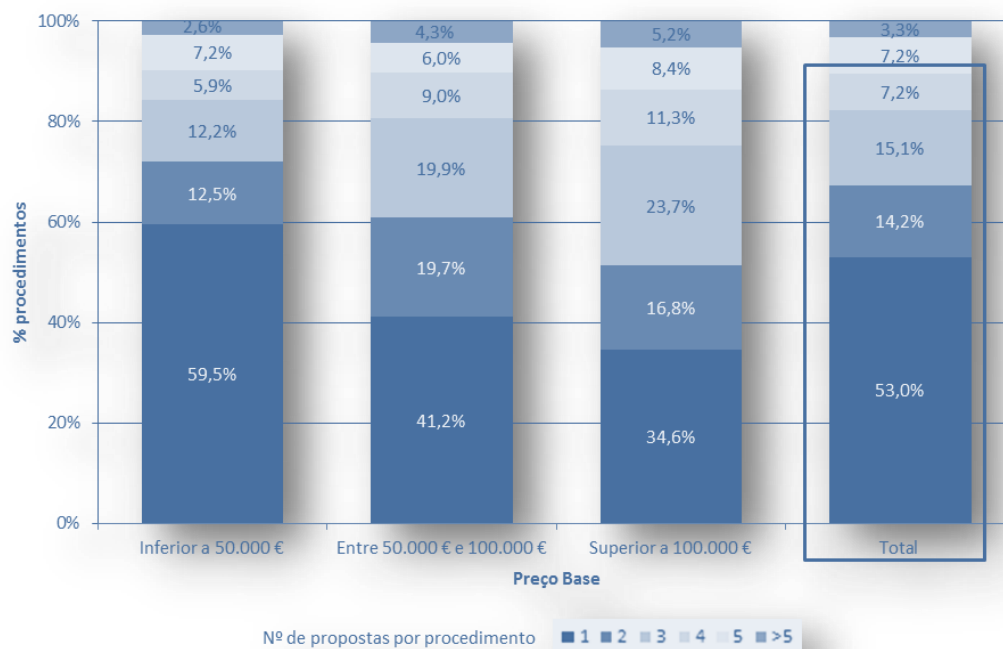
Source: BASE portal (Sept. 2013)

Legend:

PT	EN
% procedimentos	% procedures
Inferior a	Below
Entre e	Between and
Superior a	Above
Total Geral	Grand Total
Preço Base	Basic price
Nº propostas por procedimento	Number of tenders per procedure

In the case of public works the influence of the estimated cost of expenditure appears to have a more evident effect on competition within the procedures. In fact, while in procedures with a basic price of less than EUR 50,000 only a tender was submitted in 59.5 % of the cases, in procedures with a basic price of more than EUR 100,000, that proportion decreased by 24.9 percentage points (34.6 %), meaning that in the latter case at least two tenders were submitted in almost 2/3 of the procedures.

Graph 33- Average number of tenders per procedure: direct awards for the purchase of public works (2012)



Source: BASE portal (Sept. 2013)

Legend:

PT	EN
% procedimentos	% procedures
Inferior a	Below
Entre e	Between and
Superior a	Above
Total Geral	Grand Total
Preço Base	Basic price
Nº propostas por procedimento	Number of tenders per procedure

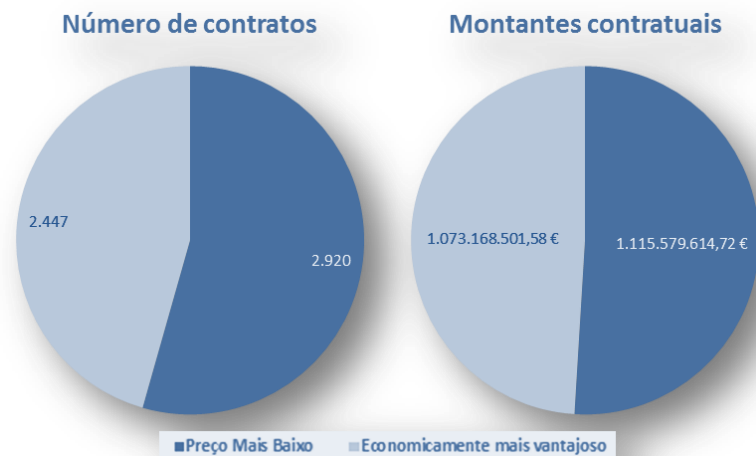
6. AWARD CRITERIA

6.1. “THE LOWEST PRICE” VS “THE MOST ECONOMICALLY ADVANTAGEOUS TENDER”

The Public Contracts Code lays down two distinct criteria¹⁷: (i) *the most economically advantageous tender for the contracting authority*, and (ii) *the lowest price*.

In a sample of 5,367¹⁸ competitive procedures for which the decision to contract was made in 2012, it was found that the lowest price (as provided for in Article 74(1)(b)) had been the (only) award criterion in 54.4 % (2,920) of the procedures.

Graph 34- Award criteria in the procedures launched (open procedures and restricted procedures)



Source: BASE portal (Sept. 2013)

Legend:

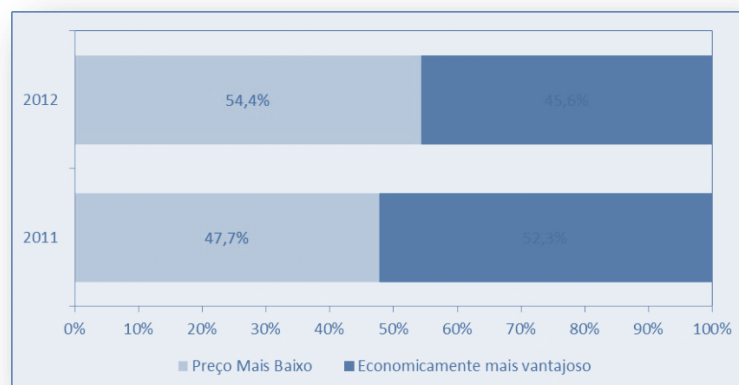
PT	EN
Número de contratos	Number of contracts
Montantes contratuais	Contractual amounts
Preço mais baixo	Lowest price
Economicamente mais vantajoso	Most economically advantageous tender

¹⁷ See Article 74(1) of Public Contracts Code.

¹⁸ Procurement procedures for which it was possible to identify the type of criterion used and its respective weight, when applicable. Direct award procedures were excluded. This sample corresponds to 75.8 % of the competitive procedures initiated in 2012.

The relative weight of this criterion increased from 2011¹⁹ to 2012: while in 2011 the criterion “the lowest price” represented 47.7 % of the procedures launched, in 2012 it increased to 54.4 %.

Graph 35 – Relative weight of award criteria: changes from 2011 to 2012



Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Preço mais baixo	Lowest price
Economicamente mais vantajoso	Most economically advantageous tender

It should be stressed that, according to the law, the criterion of the lowest price can only be used when the specifications lay down ... *all the remaining aspects of the performance of the contract to be concluded* ...²⁰. In other words, the only thing the contracting entity does not establish is the price to be paid for the purchase of the good or service or the work.

Thus, while on the one hand the criterion of the lowest price can encourage the economic operators to “squeeze” the profit margins, on the other hand it means that the contracting authority was able to define precisely all the aspects of the good, service or work to be purchased and, in addition, it did not consider as relevant the existence of tenders with some attributes or factors that are subject to what the market can offer, and therefore did not subject them to competition.

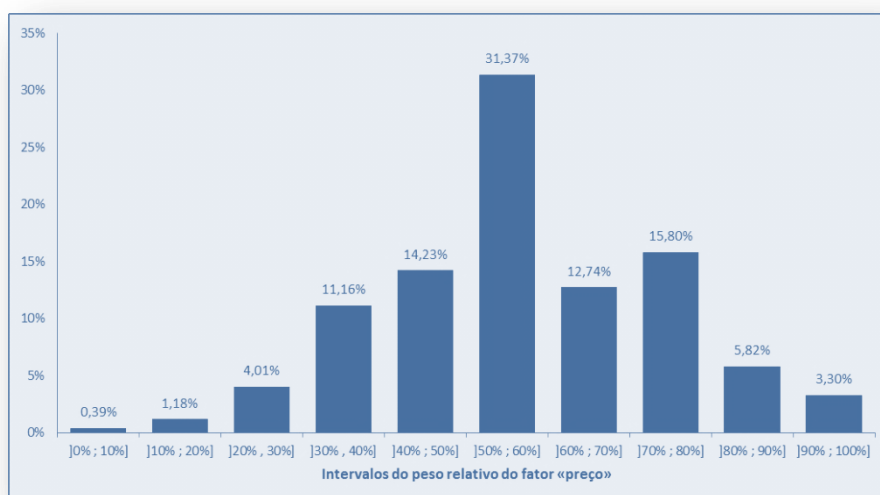
¹⁹ In a sample of 6,523 contracts under the same circumstances, i.e. competitive procedures for which it was possible to process the award criteria. This sample corresponds to 74.8 % of the competitive procedures launched in 2011.

²⁰ See Article 74(1) of the Public Contracts Code.

6.2. “THE MOST ECONOMICALLY ADVANTAGEOUS TENDER”: THE IMPORTANCE OF THE PRICE FACTOR

In the procedures launched in 2012 in which the criterion for the assessment of tenders was “the most economically advantageous tender”, it was possible to observe the preponderance of the price factor (or the like²¹). It is possible to see in the following graphs that the weight of the price factor, or the like, was higher than ½ in 69 % of the competitive procedures launched in 2012 and included in the processed sample.

Graph 36- Breakdown of the weight of the “price” factor, or the like, in the assessment of tenders under procedures launched in 2012



Source: BASE portal (Sept. 2013)

Legend:

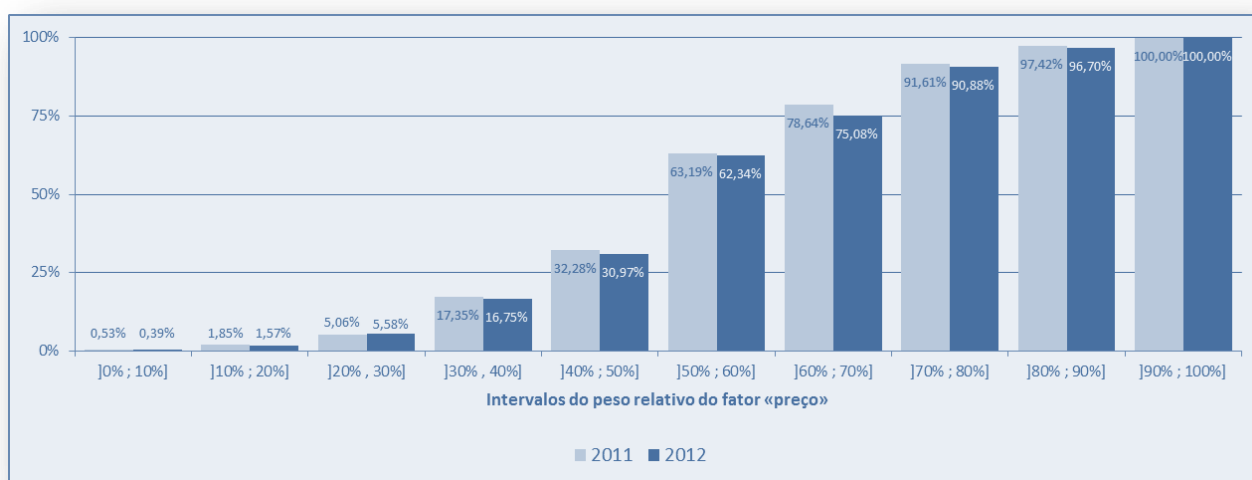
PT	EN
Intervalos do peso relativo do fator «preço»	Relative weight ranges for the «price» factor

If we include the procedures in which the lowest price is the main factor in tender assessment, we come to the conclusion that in 70.8 % of the launched competitive procedures, the price represented more than 50 % of the assessment factors.

²¹ “The like” refers to the economic factor of the contract (financial charges, rents to be paid, etc.).

An analysis of the processed samples from 2011 and 2012 shows a trend towards a reinforcement of the price factor. In 2011, in 32.28 % of the procedures analyzed, the relative weight of the price factor was equal to or below 50 %, while in 2012 it dropped to 30.97 %.

Graph 37- Cumulative breakdown of the weight of the price factor, or the like, when assessing the tenders: comparing 2011 and 2012



Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Intervalos do peso relativo do fator «preço»	Relative weight ranges for the «price» factor

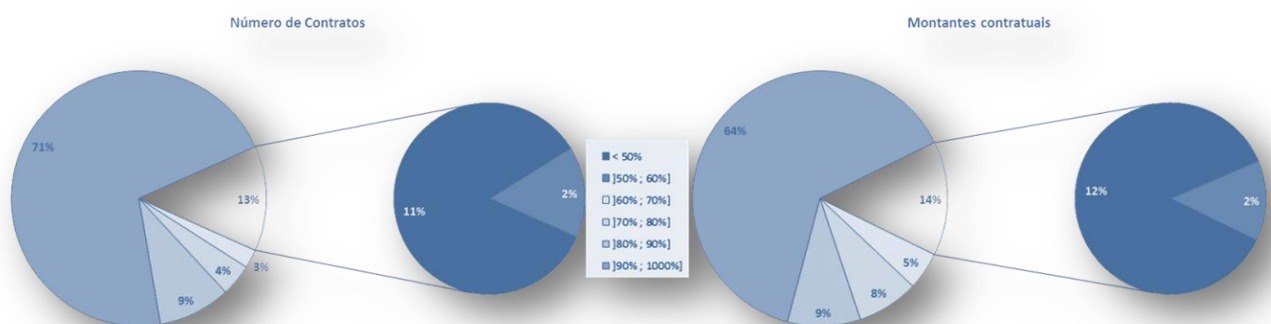
6.3. ABNORMALLY LOW PRICES

The preponderance of the factor “the lowest price” and the weight of the economic factor in the remaining procedures will tend to trigger competition, due to the cost contracting authorities have to bear. At a time when Portugal is still undergoing an economic crisis, marked by a slowdown in public expenditure, the economic operators may be tempted to jeopardize their “normal” margin.

One way of addressing this issue is by analysing the final contractual value of the contract taking into account the basic price²² and the abnormally low price²³.

If we consider contracts for goods and services (including public works), regardless of the type of procedure, we see that in 13 % of the sample contracts²⁴ the final contractual values are close to or even lower than the abnormally low price calculated by reference to the basic price. Their representativeness in terms of overall contractual amounts is similar (14 %).

Graph 38 – Deviation between the basic price and the contractual price, per contractual price range, of contracts for goods and services (including public works related services) in 2012



Source: BASE portal
(Sept. 2013)

Legend:

PT	EN
Número de Contratos	Number of contracts
Montantes contratuais	Contractual amounts

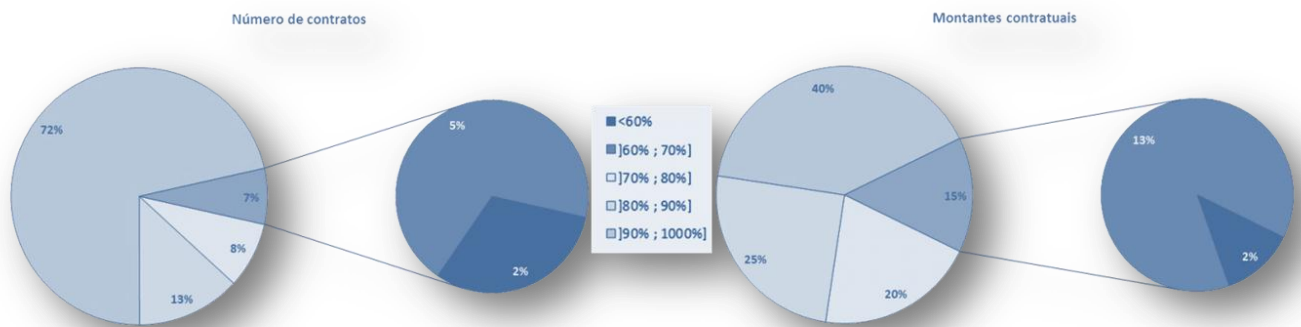
As regards public works contracts, the relevance of those contracts whose contractual value is near the limit of the abnormally low price is greater: for 15 % of the contracts, representing 28 % of the contractual amounts, the contractual values were lower than or equal to 30 % of the basic price.

²² An innovative concept of the Portuguese legal framework corresponding to the "... maximum price the contracting authority is willing to pay for the performance of all the services that constitute its subject matter ..." (Article 47 of the Public Contracts Code).

²³ According to Article 71(1) of the Public Contracts Code, "... the total price resulting from a tender is deemed abnormally low when it is: a) 40 % or more lower than that one, in the case of a procedure for the formation of a public works contract; b) 50 % or more lower than that one, in the case of a procedure for the formation of any other contracts".

²⁴ Considering 44.5 % of the contracts, which represent 85.9 % of the contractual amounts.

Graph 39 - Deviation between the basic price and the contractual price, per contractual price range, of public works contracts (including public works related services) in 2012



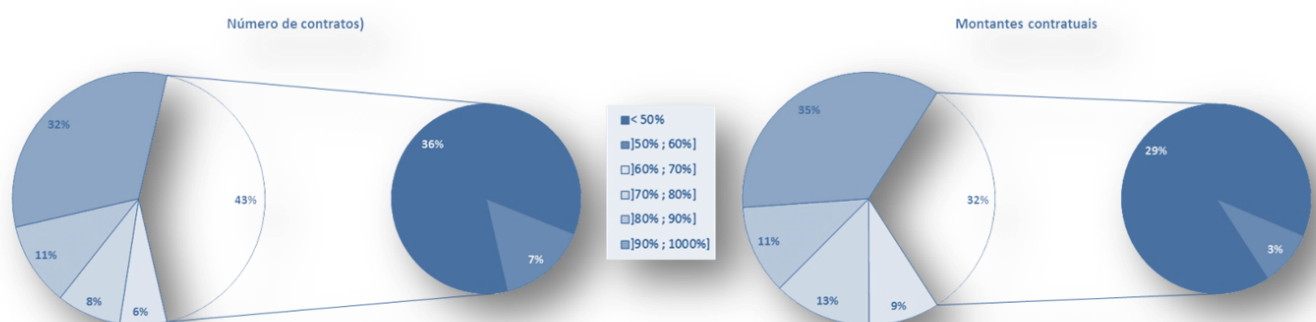
Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Número de Contratos	Number of contracts
Montantes contratuais	Contractual amounts

If we only consider the competitive procedures, we see that the award of contracts whose value is close to the abnormally low price becomes more frequent. For goods and services, the number of contracts with a contractual value equal to or lower than 40 % below that price reaches 43 %, representing 32 % of the contractual amounts.

Graph 40 - Deviation between the basic price and the contractual price, per contractual price range, of contracts for goods and services (including public works related services) under competitive procedures in 2012



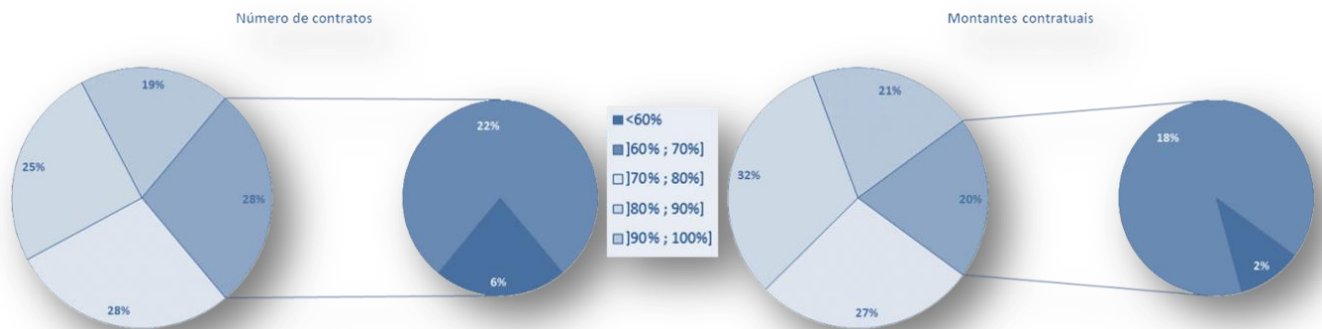
Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Número de contratos	Number of contracts
Montantes contratuais	Contractual amounts

This is also true for public works contracts, where both the number of contracts and the relative contractual amounts whose contractual price came closer to the abnormally low price (in this case, 40 % below the basic price), reached 28 % and 20 %, respectively, which makes them more representative.

Graph 41 - Deviation between the basic price and the contractual price, per contractual price range, of public works contracts under competitive procedures in 2012



Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Número de contratos	Number of contracts
Montantes contratuais	Contractual amounts

7. CONTRACTS AS CLASSIFIED ACCORDING TO THE “COMMON PROCUREMENT VOCABULARY” (CPV)

A brief analysis based on the CPV shows a predominance of public works over the remaining expenditure, mainly due to “Construction”, which represents 40.7 % of the total contractual value.

Table 20 – Breakdown of procurement per CPV

Código CPV	Descrição CPV	Nº Contratos	%	Preço Contratual	%
45	Construção	8.443	2,9%	1.416.928.399 €	40,7%
50	Serviços de reparação e manutenção	11.324	3,9%	210.762.719 €	6,1%
33	Equipamento médico, medicamentos e produtos para cuidados pessoais	5.820	2,0%	193.795.909 €	5,6%
79	Serviços a empresas: direito, comercialização, consultoria, recrutamento, impressão e segurança	7.675	2,6%	181.023.041 €	5,2%
90	Serviços relativos a águas residuais, resíduos, limpeza e ambiente	1.864	0,6%	157.149.603 €	4,5%
09	Produtos petrolíferos, combustíveis, electricidade e outras fontes de energia	1.578	0,5%	135.608.424 €	3,9%
55	Serviços de hotelaria, restauração e comércio a retalho	2.140	0,7%	121.185.940 €	3,5%
72	Serviços de TI: consultoria, desenvolvimento de software, Internet e apoio	3.086	1,0%	109.620.709 €	3,2%
71	Serviços de arquitetura, construção, engenharia e inspeção	4.409	1,5%	101.070.403 €	2,9%
34	Equipamento e produtos auxiliares de transporte	4.757	1,6%	79.555.590 €	2,3%
	Outros	63.968	21,8%	770.467.429 €	22,2%
	Total	115.064		3.477.168.166 €	

Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Código CPV	CPV Code
Descrição CPV	CPV Description
Nº Contratos	Number of contracts
Preço Contratual	Contractual price
Construção	Construction work
Serviços de reparação e manutenção	Repair and maintenance services
Equipamento médico, medicamentos e produtos para cuidados pessoais	Medical equipments, pharmaceuticals and personal care products
Serviços a empresas: direito, consultoria, recrutamento, impressão e segurança	Business services: law, marketing, consulting, recruitment, printing and security
Serviços relativos a águas residuais, resíduos, limpeza e ambiente	Sewage, refuse, cleaning and environmental services
Produtos petrolíferos, combustíveis, electricidade e outras fontes de energia	Petroleum products, fuel, electricity and other sources of energy
Serviços de hotelaria, restauração e comércio a retalho	Hotel, restaurant and retail trade services
Serviços de TI: consultoria, desenvolvimento de software, Internet e apoio	IT services: consulting, software development, Internet and support
Serviços de arquitetura, construção, engenharia e inspeção	Architectural, construction, engineering and inspection services
Equipamento e produtos auxiliares de transporte	Transport equipment and auxiliary products to transportation
Outros	Others

A comparison with the value for 2011 shows different changes.

Table 21 – Breakdown of procurement per CPV: comparing 2012 with 2011

Código CPV	2011		2012		Variação	
	Montante Contratual	%	Montante Contratual	%	Montante contratual	Δ%
45 Construção	2.623.191.721,61 €	55,1%	1.416.928.399 €	40,7%	-1.206.263.322,25 €	-46,0%
50 Serviços de reparação e manutenção	134.035.434,12 €	2,8%	210.762.719 €	6,1%	76.727.284,95 €	57,2%
33 Equipamento médico, medicamentos e produtos para cuidados pessoais	182.126.863,15 €	3,8%	193.795.909 €	5,6%	11.669.046,17 €	6,4%
79 empresas: direito, comercialização, consultoria, recrutamento, impressão	198.885.510,29 €	4,2%	181.023.041 €	5,2%	-17.862.468,90 €	-9,0%
90 Serviços relativos a águas residuais, resíduos, limpeza e ambiente	158.966.639,16 €	3,3%	157.149.603 €	4,5%	-1.817.036,53 €	-1,1%
09 Produtos petrolíferos, combustíveis, electricidade e outras fontes de energia	164.032.379,02 €	3,4%	135.608.424 €	3,9%	-28.423.955,45 €	-17,3%
55 Serviços de hotelaria, restauração e comércio a retalho	-	-	121.185.940 €	3,5%	-	-
72 serviços de TI: consultoria, desenvolvimento de software, Internet e apoio	114.875.601,34 €	2,4%	109.620.709 €	3,2%	-5.254.892,03 €	-4,6%
71 Serviços de arquitectura, construção, engenharia e inspecção	176.585.770,22 €	3,7%	101.070.403 €	2,9%	-75.515.367,33 €	-42,8%
34 Equipamento e produtos auxiliares de transporte	-	-	79.555.590 €	2,3%	-	-
Total	4.764.817.690,75 €		3.477.168.166 €		-1.287.649.524,59 €	-27,0%

Fonte: portal BASE (Set. 2013)

Legend:

PT	EN
Código CPV	CPV Code
Variação	Changes
Montante Contratual	Contractual amount
Construção	Construction work
Serviços de reparação e manutenção	Repair and maintenance services
Equipamento médico, medicamentos e produtos para cuidados pessoais	Medical equipments, pharmaceuticals and personal care products
Serviços a empresas: direito, consultoria, recrutamento, impressão e segurança	Business services: law, marketing, consulting, recruitment, printing and security
Serviços relativos a águas residuais, resíduos, limpeza e ambiente	Sewage, refuse, cleaning and environmental services
Produtos petrolíferos, combustíveis, electricidade e outras fontes de energia	Petroleum products, fuel, electricity and other sources of energy
Serviços de hotelaria, restauração e comércio a retalho	Hotel, restaurant and retail trade services
Serviços de TI: consultoria, desenvolvimento de software, Internet e apoio	IT services: consulting, software development, Internet and support
Serviços de arquitetura, construção, engenharia e inspecção	Architectural, construction, engineering and inspection services
Equipamento e produtos auxiliares de transporte	Transport equipment and auxiliary products to transportation
Fonte: portal BASE (Set. 2013)	Source: BASE portal (Sept. 2013)

On the one hand, we see very pronounced negative changes (higher than the global change of -27 %) in the areas of “Constructions” (-46 %) and “Architectural, construction, engineering and inspection services” (-42.8 %).

Also with negative changes but lower than the global ones, we find “Petroleum products, fuel, electricity and other sources of energy” (-17.3 %), “Business services: law, marketing, consulting, recruitment, printing and security” (-9 %), “IT services: consulting, software development, Internet and support” (-4.6 %) and “Sewage, refuse, cleaning and environmental services” (-1.1 %).

Conversely, there were increases in “Maintenance and repair services” (+57.2 %) and “Medical equipments, pharmaceuticals and personal care”.

These variations led to a change in the spending structure, especially for “Maintenance and repair services”, which moved up to second place, and “Architectural, construction, engineering and inspection services”, which dropped from fourth to ninth.

8. ACTORS INVOLVED IN PUBLIC PROCUREMENT PROCEDURES

8.1. CONTRACTING AUTHORITIES

In 2012, the number of contracting authorities having registered contracts with the BASE portal was 3,383. Comparing to 2011, this represents an increase of 356 authorities (+11.76 %).

Table 22 – Number of contracting authorities having reported contracts: changes from 2011 to 2012

2011	2012	Var.
3.027	3.383	11,76%

Fonte: portal BASE (Set. 2013)

Legend:

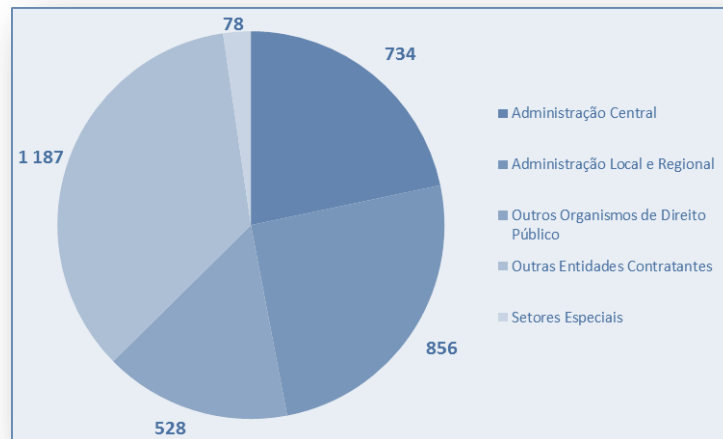
PT	EN
Variação	Changes
Fonte: portal BASE (Set. 2013)	Source: BASE portal (Sept. 2013)

Nevertheless, the number of authorities having reported public contracts appears to be lower, in absolute terms, than the number that could be expected in view of the public administration structure.

Moreover, a stratification per type of authorities shows a number that is in fact lower than the universe of authorities covered by the Public Contracts Code²⁵.

²⁵ You only need to compare the number of authorities from the Regional and Local Administrations (734) with the number of municipalities and parishes.

Graph 42- Number of contracting authorities per type of authority (2012)



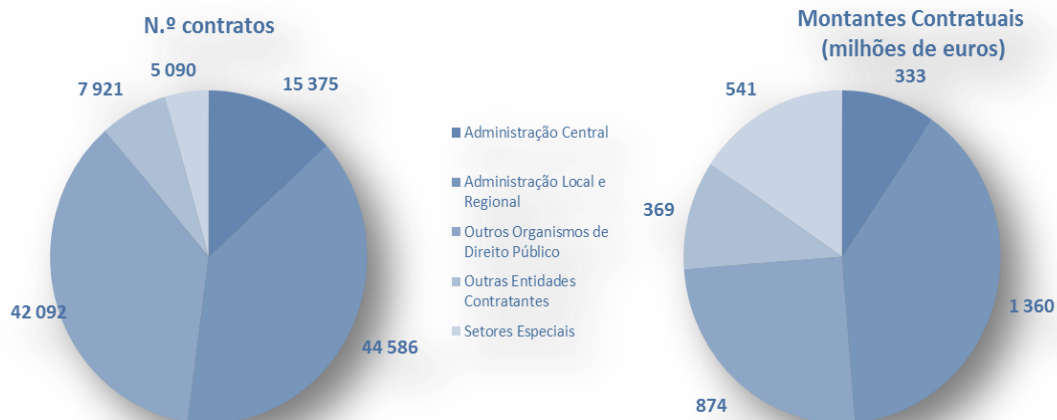
Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Administração Central	Central Administration
Administração Local e Regional	Local and Regional Administration
Outros Organismos de Direito Público	Other bodies governed by public law
Outras Entidades Contratantes	Other contracting authorities
Setores Especiais	Special sectors

Authorities belonging to the “Regional and Local Administration” are the most representative in terms of both the number of concluded contracts (38.7 %) and the contractual amounts involved (39.1 %). The second most representative authorities belong to “Other bodies governed by public law”, accounting for 36.6 % of the number of contracts and 25.1 % of the contractual amounts.

Graph 43- Public procurement in 2012 per type of authority



Source: BASE portal (Sept. 2013)

Legend:

PT	EN
N.º contratos	Number of contracts
Montantes Contratuais (milhões de euros)	Contractual Amounts (EUR million)
Administração Central	Central Administration
Administração Local e Regional	Local and Regional Administration
Outros Organismos de Direito Público	Other bodies governed by public law
Outras Entidades Contratantes	Other contracting authorities
Setores Especiais	Special sectors

When we try to draw up a profile per type of authority, we observe that authorities operating in the special sectors recorded on average the highest number of contracts (26 contracts) and the highest amount in terms of contract values (EUR 1.8 million).

Table 23 –The procurement profile in 2012 per type of authority

Tipo de Entidades	N.º	Montantes Contratuais
Administração Central	3	38.589,80 €
Administração Local	3	94.454,63 €
Administração Regional	9	232.299,20 €
Outros Organismos de Direito Público	7	229.242,85 €
Outras Entidades Contratantes	2	70.023,73 €
Entidades dos Setores Especiais	26	1.838.253,77 €
TOTAL	3	81.512,90 €

Fonte: portal BASE (Set. 2013)

Legend:

PT	EN
Tipo de Entidades	Type of authorities
Montantes Contratuais	Contractual Amounts
Administração Central	Central Administration
Administração Local	Local Administration
Administração Regional	Regional Administration
Outros Organismos de Direito Público	Other bodies governed by public law
Outras Entidades Adjudicantes	Other contracting authorities
Entidades de Setores Especiais	Authorities operating in the special sectors
Fonte: portal BASE (Set. 2013)	Source: BASE portal (Sept. 2013)

The 10 most representative contracting authorities as regards the number of public contracts accounted for 16.4 % of the total contractual values reported to the BASE portal.

Table 24 – Ranking of contracting authorities with the largest procurement volume

Entidade Adjudicante	N.º	Montantes Contratuais	%
Rede Ferroviária Nacional - REFER, E.P.	167	141.271.683,90 €	4,1%
Secretaria Regional do Equipamento Social	17	81.990.336,02 €	2,4%
Município de Lisboa	972	70.241.280,34 €	2,0%
Município de Gondomar	159	44.895.660,06 €	1,3%
Santa Casa da Misericórdia de Lisboa	165	43.909.283,08 €	1,3%
Administração Regional de Saúde de Lisboa e Vale do Tejo, I.P.	993	42.709.660,80 €	1,2%
ANA - Aeroportos de Portugal, S.A.	127	42.528.387,59 €	1,2%
EP Estradas de Portugal, S.A.	188	39.178.054,64 €	1,1%
CP - Caminhos de Ferro Portugueses, E. P. E.	53	33.755.627,59 €	1,0%
Secretaria Regional da Educação, Ciência e Cultura	28	30.845.417,03 €	0,9%
Outras	112.195	2.905.842.775,12 €	83,6%
TOTAL	115.064	3.477.168.166,17 €	100,0%

Fonte: portal BASE (Set. 2013)

Legend:

PT	EN
Entidade Adjudicante	Contracting authority
N.º	No
Montantes Contratuais	Contractual amounts
Outras	Others
Fonte: portal BASE (Set. 2013)	Source: BASE portal (Sept. 2013)

8.2. ECONOMIC OPERATORS

The number of economic operators having been awarded a contract by a contracting authority amounted to almost 30,000.

Table 25 – Contractors, per nationality

	2012	%
Portugal	27.191	93,5%
Dos quais, Agrupamentos de empresas	908	
União Europeia	1.758	6,0%
Dos quais, Agrupamentos Portugal / União Europeia	60	
Países Terceiros	138	0,5%
Dos quais, Agrupamentos Portugal / Países Terceiros	1	
Total	29.087	100,0%

Fonte: portal BASE (Set. 2013)

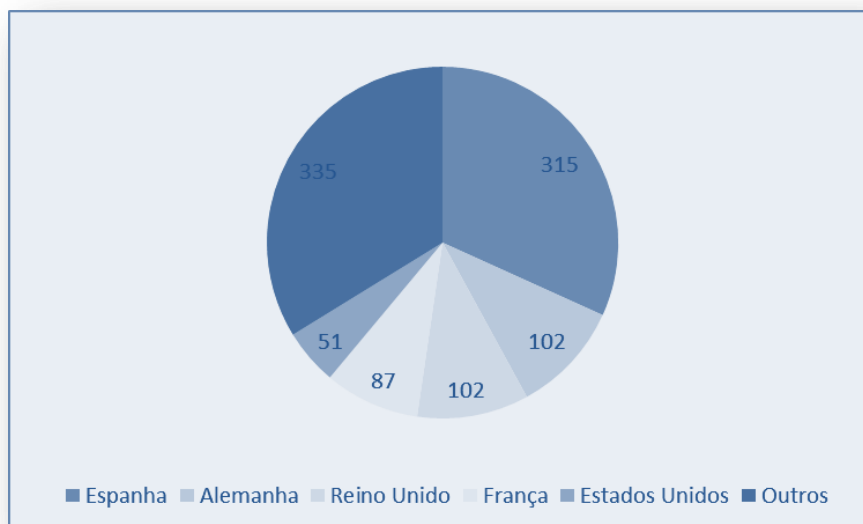
Legend:

PT	EN
Portugal	Portugal
Dos quais, Agrupamentos de empresas	Of which, clusters

União Europeia	European Union
Dos quais, Agrupamentos Portugal / União Europeia	Of which, Portugal / European Union clusters
Países terceiros	Third countries
Dos quais, Agrupamentos Portugal / Países Terceiros	Of which, Portugal / Third country clusters
Fonte: portal BASE (Set. 2013)	Source: BASE portal (Sept. 2013)

Most contracts (93.5 %) were concluded with companies based in Portugal, although a significant number of companies from other EU Member States also concluded contracts in Portugal (6 %).

Graph 44- Number of contractors, per country (2012)



Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Espanha	Spain
Alemanha	Germany
Reino Unido	United Kingdom
França	France
Estados Unidos	United States
Outras	Others

Considering their country of origin, the majority of foreign companies having been awarded contracts come from Spain (315), followed by Germany and the United Kingdom (102) and France (87). The number of contracts awarded to companies based in the United States amounted to 51.

Contractors from third countries (137) include 19 from countries that are members of the Community of Portuguese-Speaking Countries (CPLP – Comunidade dos Países de Língua Portuguesa):

Table 26 – Contractors from the Community of Portuguese-Speaking Countries

País de Origem	2012
Angola	1
Brasil	11
Cabo Verde	1
Guiné-Bissau	1
Moçambique	3
São Tomé e Príncipe	2
Total	19

Fonte: portal BASE (Set. 2013)

Legend:

PT	EN
País de origem	Country of origin
Angola	Angola
Brasil	Brazil
Cabo Verde	Cape Verde
Guiné-Bissau	Guinea-Bissau
Moçambique	Mozambique
São Tomé e Príncipe	São Tomé and Príncipe
Fonte: portal BASE (Set. 2013)	Source: BASE portal (Sept. 2013)

In terms of amounts, the 10 operators that concluded the largest volume of public contracts represented 11.4 % of the total number of contracts concluded in 2012 and reported to the BASE portal.

Table 27 – Ranking of contracting authorities with the largest procurement volume

Entidade Adjudicante	N.º	Montantes Contratuais	%
Mota-Engil, Engenharia e Construção, S.A.	35	102.429.048,82 €	2,9%
EDP COMERCIAL - Comercialização de Energia, S.A.	226	64.850.400,50 €	1,9%
GERTAL - Companhia Geral de Restaurantes e Alimentação, SA.	140	43.509.120,62 €	1,3%
Petróleos de Portugal - Petrogal, S.A.	286	33.941.583,94 €	1,0%
AFA VIA S - ENGENHARIA E CONSTRUÇÕES, S.A.	9	31.636.550,40 €	0,9%
Somague - Ediçor, Engenharia SA	19	28.113.261,69 €	0,8%
CESPA PORTUGAL, S.A.	12	24.568.550,19 €	0,7%
Costa & Carvalho, S.A.	12	23.158.243,80 €	0,7%
Sociedade de Construções Soares da Costa, S. A.	5	22.454.509,10 €	0,6%
CONSTRUCOES GABRIEL A S COUTO SA	13	21.384.145,46 €	0,6%
Outras	114.307	3.081.122.751,65 €	88,6%
TOTAL	115.064	3.477.168.166,17 €	100,0%

Fonte: portal BASE (Set. 2013)

Legend:

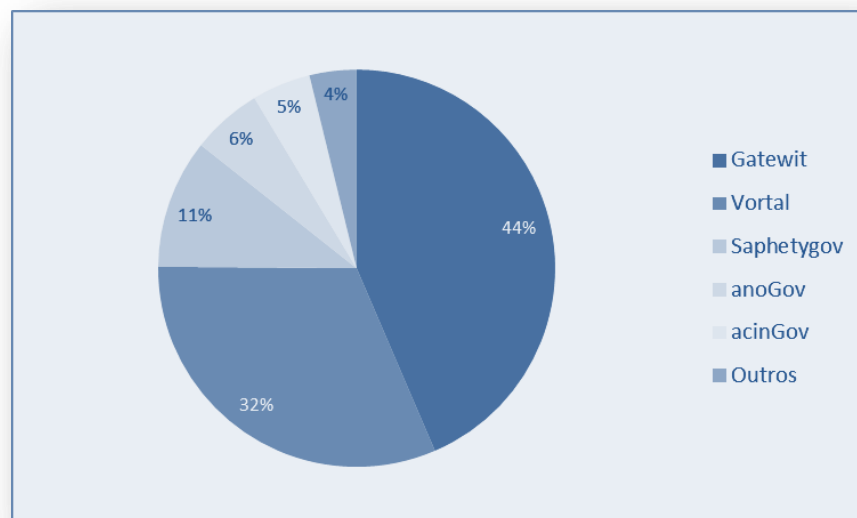
PT	EN
Entidade adjudicante	Contracting authority
N.º	Number of contracts
Montantes Contratuais	Contractual amounts
Outras	Others
Fonte: portal BASE (Set. 2013)	Source: BASE portal (Sept. 2013)

8.3. ELECTRONIC PLATFORMS

As mentioned in point 2, electronic platforms carried out 24 % of the procedures initiated in 2012, representing 77.4 % of the implicit basic price that serves as a reference for assessing the level of penetration of the electronic platforms in this market.

Now if we consider the contracts concluded in 2012 between contracting authorities and the authorised electronic platforms for public procurement, we see that they tend to concentrate in two platforms – Gatewit and Vortal.

Graph 45- Breakdown of contracts concluded with electronic platforms for the conduct of procedures, per platform



Source: BASE portal (Sept. 2013)

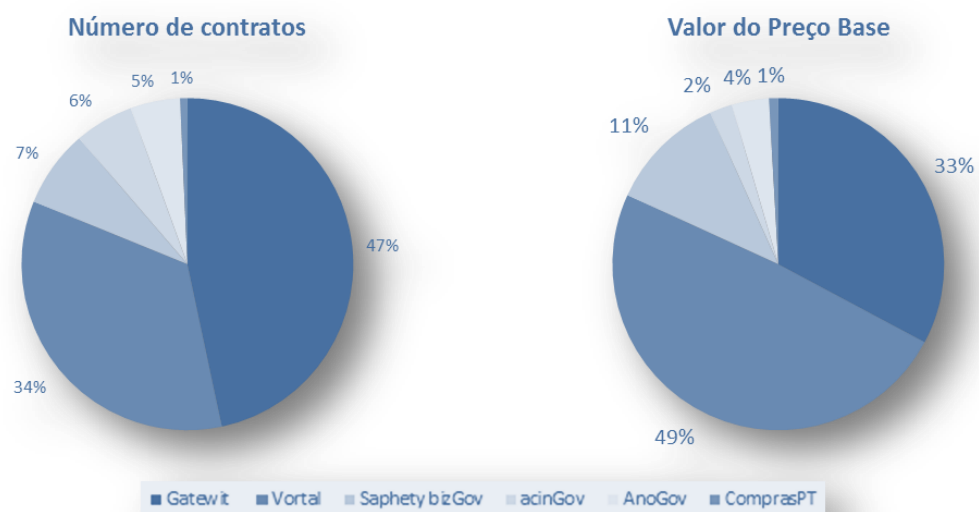
Legend:

PT	EN
Outros	Others

From the new contracts relating to the provision of electronic platforms, 76 % were concluded with these two platforms.

A similar situation can be observed if we consider the relevance of each platform in the context of public procurement, that is, if we assess the relative weight of the number of contracts and the contractual amounts processed by each platform: these two platforms performed 81 % of all the contracts reported to the BASE portal, representing 82 % of the overall contractual amount.

Graph 46- Breakdown of the number of contracts and the contractual amounts processed, per platform



Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Número de contratos	Number of contracts
Valor do Preço Base	Value of basic price

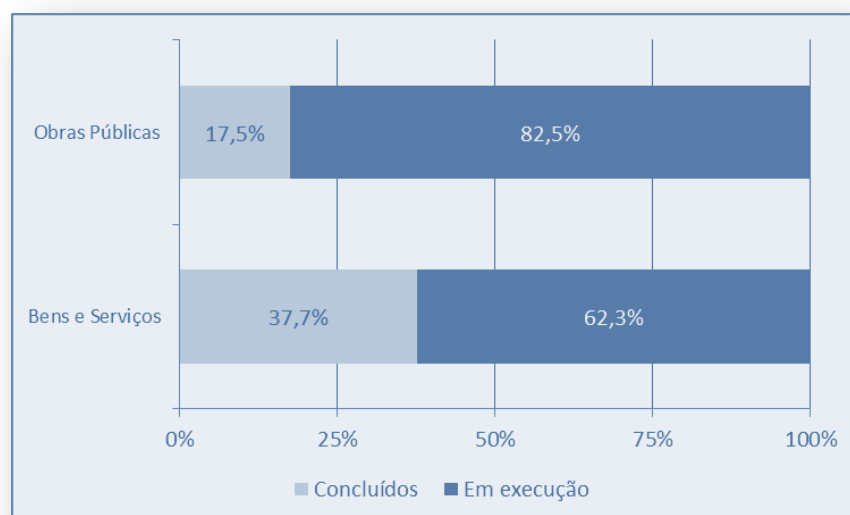
We also can observe that Gatewit had a greater weight in terms of number of contracts (47 %), but Vortal was first in terms of contractual amount (49 %).

9. CONTRACT PERFORMANCE

9.1. PRICE DEVIATION²⁶

When the data collection for this report took place, 34.7 % of the awarded contracts (39,966) already included the actual total price. The completion rate recorded was higher for goods and services (37.7 %, i.e. 37,035 contracts) than for public works (17.5 %, i.e. 2,931 contracts).

Graph 47- Contracts indicating the actual total price



Source: BASE portal (Sept. 2013)

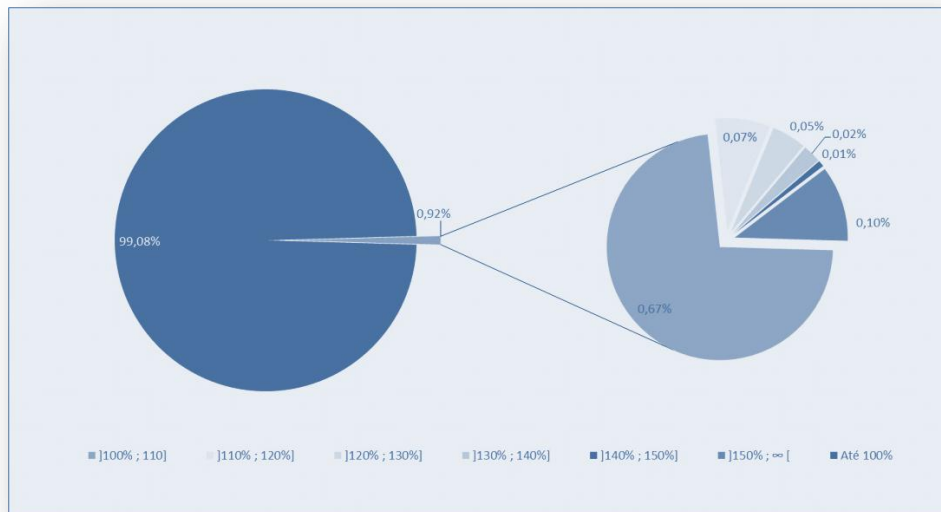
Legend:

PT	EN
Obras Públicas	Public works
Bens e Serviços	Goods and services
Concluídos	Completed
Em execução	Ongoing

When we compare the actual total value of each contract, we see that only in 0.92 % of the contracts for goods the final total price was higher than the contractual value.

²⁶ It should be noted that the price deviation in this context corresponds to the difference between the actual total price of the contract and the contractual price. The nature of extra costs is not considered; for lack of information, these deviations may be due to more and/or less work than expected, to default interest, etc.

Graph 48- Price deviations per range: goods and services



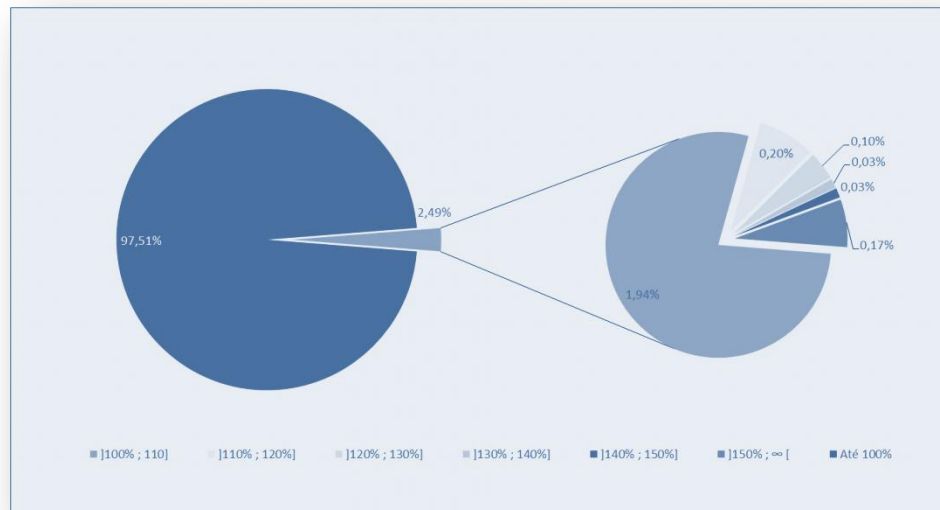
Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Até 100%	Up to 100%

As regards public works, the weight of contracts in a similar situation is higher, but the proportion is very low: the final value was higher than the contractual value in only 2.49 % of the contracts relating to public works.

Graph 49- Price deviation per range: public works



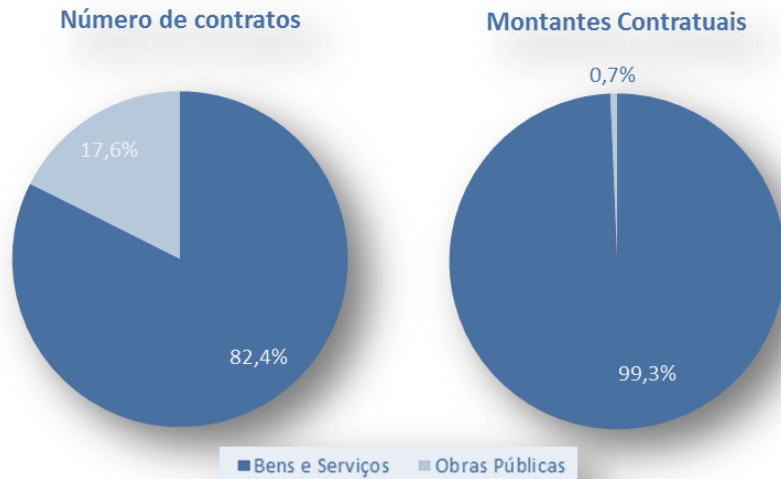
Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Até 100%	Up to 100%

As regards the contracts concluded in 2012 and containing information on the actual total price when data were collected, more than $\frac{2}{3}$ (82.4 %) related to goods and services, representing almost all the contractual amounts involved (99.3 %).

Graph 50- Contracts with an actual price higher than the contractual price, per type of contract



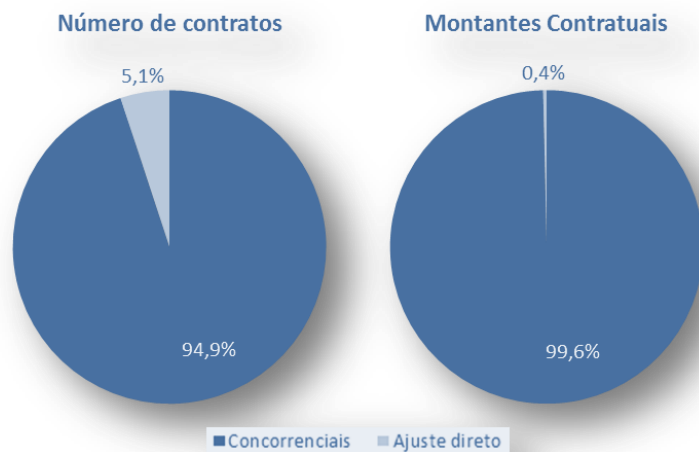
Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Número de contratos	Number of contracts
Montantes Contratuais	Contractual amounts
Bens e Serviços	Goods and services
Obras Públicas	Public works

If we consider the type of procedure that originated the contract, we observe that most contracts (94.9 %) and virtually the entire contractual amount (99.6 %) with a final price of more than the contractual price resulted from open or competitive procedures.

Graph 51- Contracts with an actual price higher than the contractual price, per type of procedure



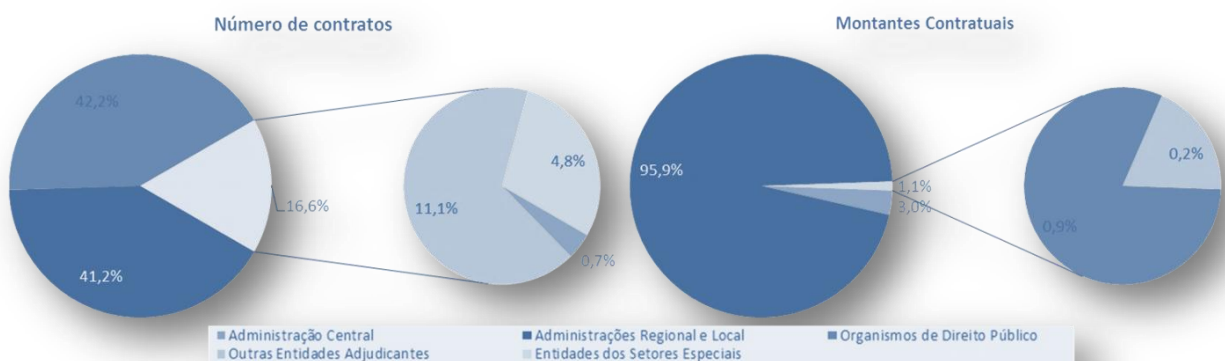
Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Número de contratos	Number of contracts
Montantes Contratuais	Contractual amounts
Concorrenciais	Competitive procedures
Ajuste direto	Direct award

As regards the type of contracting authorities that awarded contracts with an actual final price higher than the contractual value, the highest percentages belong to the Regional and Local Administrations (41.2 % of the contracts) and to bodies governed by public law (42.2 %).

Graph 52- Contracts with an actual price higher than the contractual price, per type of contracting authority



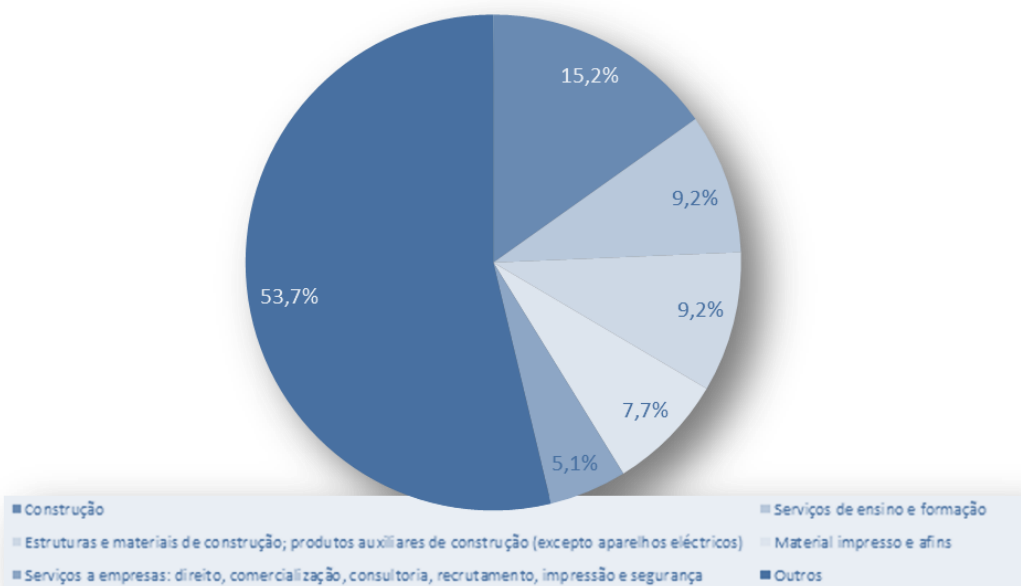
Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Número de contratos	Number of contracts
Montantes Contratuais	Contractual amounts
Administração Central	Central Administration
Administrações Regional e Local	Regional and Local Administrations
Organismos de Direito Público	Bodies governed by public law
Outras Entidades Adjudicantes	Other contracting authorities
Entidades dos Sectores Especiais	Entities operating in the special sectors

Considering the type of expenditure, “Construction” had the highest number of contracts (15.2 %), followed by “Education and training services” and “Construction structures and materials; auxiliary products to construction (except electric apparatus)” (9.2 %), “Printed matter and related products” (7.7 %), and “Business services: law, marketing, consulting, recruitment, printing and security” (5.1 %). The remaining (53.7 %) are scattered throughout the other categories of the Common Procurement Vocabulary.

Graph 53- Contracts with an actual price higher than the contractual price, per CPV



Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Construção	Construction work
Estruturas e materiais de construção; produtos auxiliares de construção (exceto aparelhos elétricos)	Construction structures and materials; auxiliary products to construction (except electric apparatus)
Serviços a empresas: direito, comercialização, consultoria, recrutamento, impressão e segurança	Business services: law, marketing, consulting, recruitment, printing and security
Serviços de ensino e formação	Education and training services
Material impresso e afins	Printed matter and related products
Outros	Others

9.2. DEADLINE DEVIATION

When data were collected for this report, 34.5 % of the contracts did mention the actual duration of the contract (37.7 % of the contracts for goods and services and 15.8 % of the contracts for public works).

As regards compliance with the established deadlines for the performance of the contracts, the contractual deadline was not met in 10.97 % of the contracts for goods and services.

Table 28 – Contracts indicating the final deadline

	Total	Concluídos	Peso
Bens e Serviços	98.288	37.054	37,7%
Obras Públicas	16.776	2.650	15,8%
TOTAL	115.064	39.704	34,5%

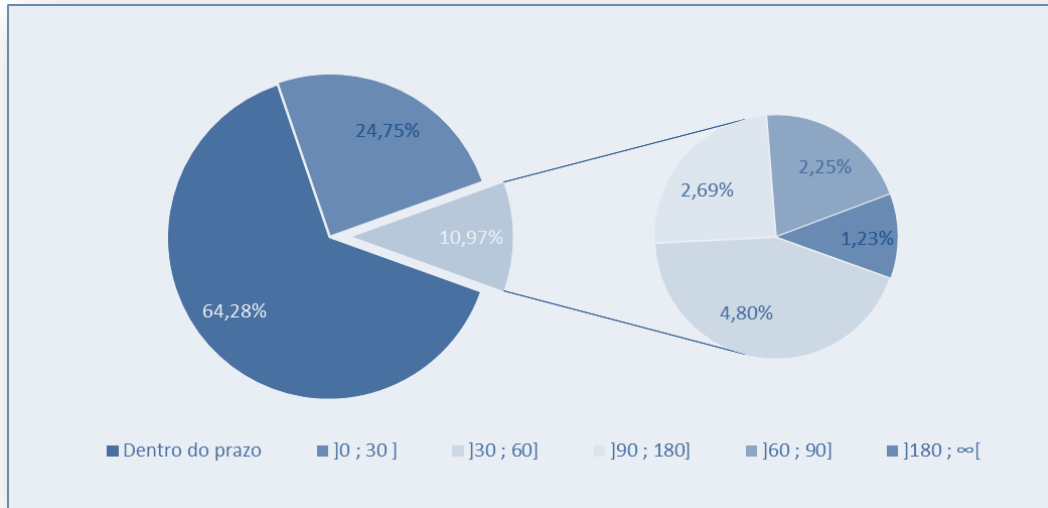
Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Concluídos	Completed
Peso	Weight
Bens e Serviços	Goods and services
Obras Públicas	Public works

As regards the contracts for goods and services, the contractual deadline was not met in almost 11 % of the contracts. Nevertheless, the delay exceeded 60 days in only 6.17 % of the contracts.

Graph 54- Deadline deviations per range: goods and services



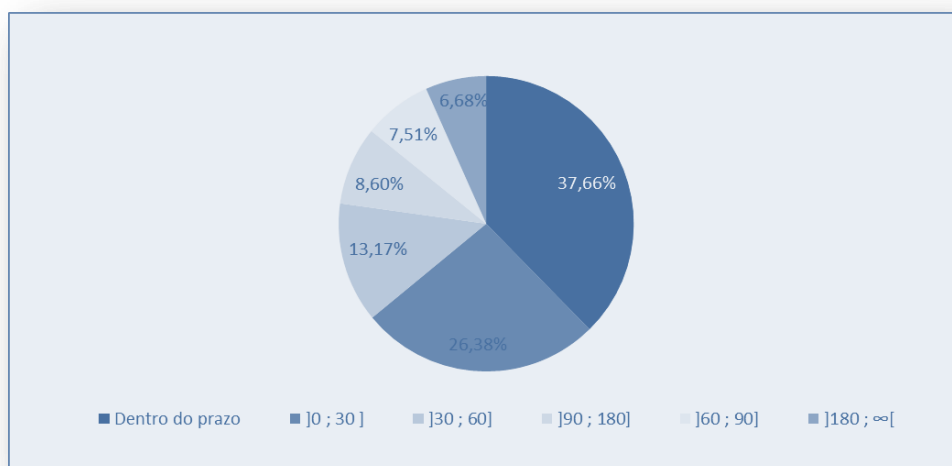
Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Dentro do prazo	Within the deadline

As regards public works, most contracts did not respect the established deadline: this was respected in only 37.7 % of the contracts. The delay exceeded 60 days in 1/3 of the cases.

Graph 55- Deadline deviations per range: public works



Source: BASE portal (Sept. 2013)

Legend:

PT	EN
Dentro do prazo	Within the deadline

10. FINAL CONSIDERATIONS

1. In 2012, Portugal confirmed once again a good performance as regards the Manchester commitment on electronic public procurement. In fact, 89 % of the contracts above EU thresholds concluded in Portugal in 2012 were carried out on a dematerialized basis.

Since 2010 – the time limit established by the Member States for reaching the 50 % target for the procedures with a value above EU thresholds to be carried out electronically – Portugal has consistently reached and largely exceeded this European target.

2. The Electronic Public Procurement Index in Portugal (ICPEP) recorded a very positive value as well (77 %).

Measuring the use rate of electronic procedures in public procurement, it was in 2012 that this index recorded its best performance, reflecting the consistency of the Portuguese solution for public procurement, which has been validated by the increasing use of electronic platforms also in direct award procedures.

3. The values of the contracts concluded in 2012 and reported to the BASE portal totalled EUR 3.5 billion, reflecting a decrease of EUR 1.2 billion, i.e. a change of -27 %, as compared with 2011.

This decrease is consistent with the economic crisis still affecting Portugal and the public expenditure constraints, and resulted in a loss of representativeness as regards the Gross Domestic Product (2.11 %, compared to 2.79 % in 2011) and the budget implementation by the Public Administration (22.91 % of the expenditure on the “Purchase of goods and services and other current expenditure”, against 36.09 % in 2011).

4. Although there was a widespread fall in the contractual amounts, it was more pronounced for contracts relating to public works, where the variation reached -40.1 %. As a consequence, there was a change at the level of the contract costs, with the values of the purchase of goods and services (also) exceeding the values of the contracts relating to public works.

5. The decrease in procurement procedures was shaper in terms of the amounts involved than in terms of the number of procedures, leading to an average decrease of -22.1 % in the average value of contracts, especially in public works contracts where the change reached -53.8 %.
6. Compared to 2011, there was an increase in the weight of direct award procedures on the number of procedures, reaching 96.2 % for the contracts (including simplified direct awards, which represent 38.2 % of the number of direct awards) and 51 % for the contractual amounts.
7. Most of the contract formation procedures took at least 30 days (less than 5 days for goods and services), which is a sign of procedural promptness. However, if we exclude direct award procedures (which tend to be swifter), more than $\frac{2}{3}$ of the contracts were awarded within less than 60 days following the initiation of the procedure.
8. The most used criterion for assessing the proposals is the lowest price (54.4 % of the cases). In the remaining cases the price factor (or the like) still accounts, with a specific weight of more than $\frac{1}{2}$ in 69 % of the other procedures. This trend became slightly more pronounced from 2011 to 2012.
9. Also because of the weight given to the price factor when assessing the proposals, the contractual prices tend to be closer to the abnormally low price, mainly in the case of public works contracts.
Although a price close to 60 % (public works contracts) or 50 % (purchase of goods and services) does not necessarily mean that we are dealing with an abnormal tender, that trend may justify a shift towards allowing the elimination, within the process, of any proposals potentially detrimental to the public interest, since the potential contractors may not be able to correspond to the contract subject matter, mainly in an economic context like the existing one, where companies are more willing to propose values below the cost in order to keep their resources operational.

Depending on the weight of the abnormally low price, it may be advisable to introduce some amendments to the rules, either by changing the criterion for identifying such tenders (e.g. the average value of the tender), or by introducing procedural stages (e.g. the

prior hearing of other competitors if the competition jury accepts the justification put forward by the tenderer), or even by changing the tender assessment criteria.

10. The number of contracting authorities that reported contracts in 2012 (3,383) increased as compared to 2011 (+11.76 %). However, it remains at a level that raises doubts as to whether all contracting authorities actually comply with their reporting obligations, namely as far as direct awards are concerned.
11. Among the economic operators that concluded public contracts in 2012 (29,087), 1,896 (6.5 %) were foreign companies and most of them were from other EU Member States (6 %), namely Spain, Germany and the United Kingdom. There were only 19 registered suppliers from the Portuguese-speaking countries, of which 11 were from Brazil.
12. As far as the electronic platform market for public procurement is concerned, it is dominated by two companies – Construlink and Vortal – which together ensure the procedural steps of more than $\frac{3}{4}$ of the new contracts, as well as the conduct of more than 80 % of both the procedures that gave rise to contracts in 2012 and the amounts involved.
13. As far as the total cost of the contracts is concerned, among the contracts concluded and performed in 2012, the actual cost was higher than the contractual price in only 0.92 % of the contracts relating to the purchase of goods and services and in 2.49 % of the contracts relating to public works. The extra costs were more significant for goods and services as well as for competitive procedures.

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