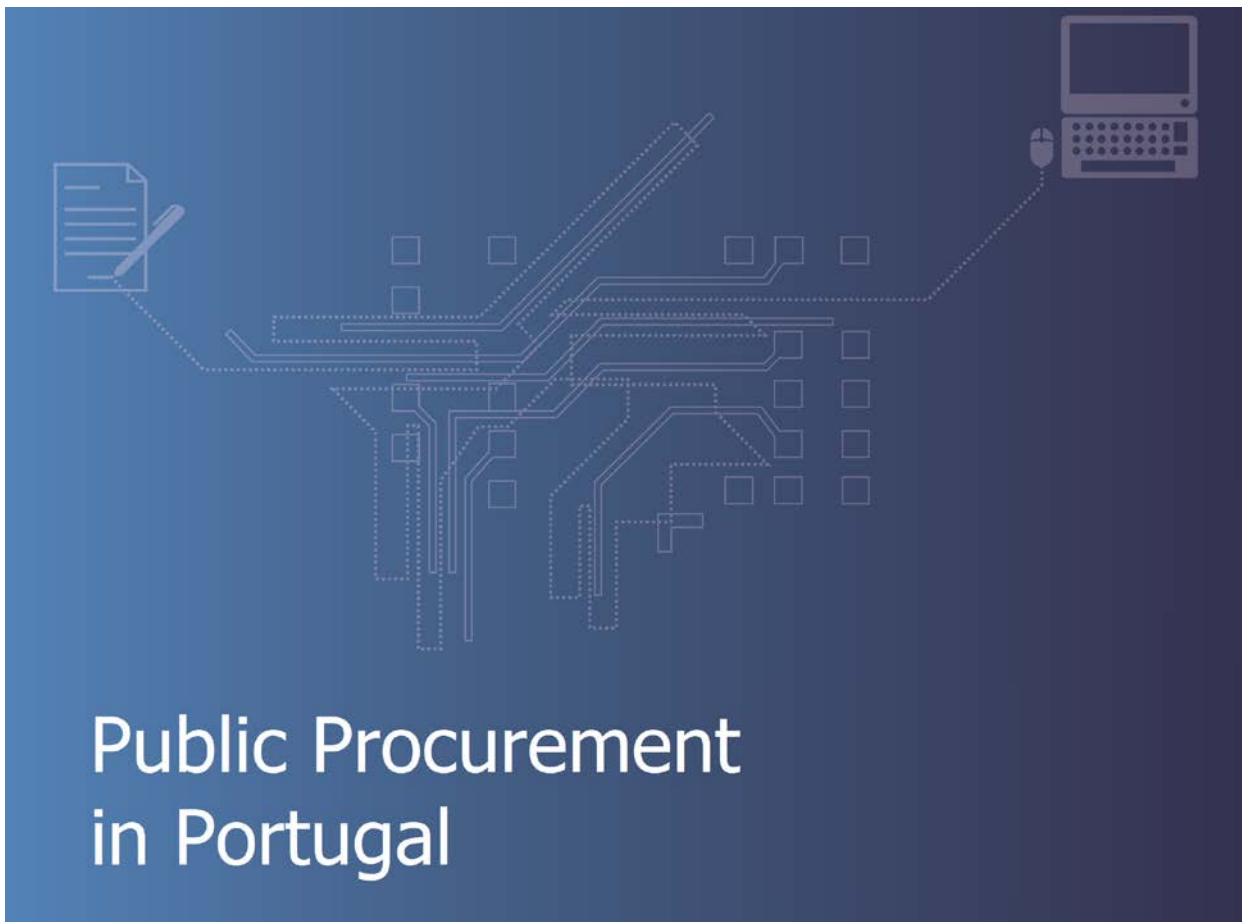




MINISTÉRIO DA ECONOMIA  
E DO EMPREGO



**2011**



---

## TECHNICAL DATA

**Title:**

Public Procurement in Portugal 2011

**Report compiled by:**

Ana Sofia Pais  
Pedro Ministro

**Coordination:**

Pedro Ministro

Directorate of Financial Management, Research and Strategy  
Institute of Construction and Real State, Ministry of Economy and Employment  
Av. Júlio Dinis, 11  
1069-010 Lisboa  
Telephone: 217 946 700 | Fax: 217 946 799 | Email: [geral@inci.pt](mailto:geral@inci.pt)

Date of publication: December 2012

Figures in this report for which the source indicated is the “BASE portal” ([www.base.gov.pt](http://www.base.gov.pt)) are based on data taken from said portal in November 2012.



## CONTENTS

FOREWORD.....	7
1. INTRODUCTION.....	9
2. ELECTRONIC PUBLIC PROCUREMENT IN PORTUGAL.....	11
2.1. The Public Contracts Code .....	12
2.2. The Public Contracts Portal (BASE).....	13
2.3 The Public Works Observatory.....	15
2.4 The electronic procurement platforms .....	16
2.5 The electronic certification bodies .....	17
2.6 Diário da República Eletrónico (DRE).....	18
2.7 The interoperability platform of the Agency for Administrative Modernisation (AMA).....	19
2.8 Electronic public procurement.....	19
2.8.1 E-public procurement index in Portugal (ICPEP).....	19
2.8.2 The Manchester Index (above EU threshold).....	20
3 PUBLIC PROCUREMENT STATISTICS.....	21
3.1 Total value of public procurement.....	23
3.2 Competitive procedures.....	27
3.3 Direct award procedures.....	37
3.3.1 Direct awards by material criterion.....	40
3.4 Contracts by procedure type .....	42
3.4.1 General.....	42
3.4.2 Goods and services .....	43
3.4.3 Public works.....	44
3.5 Breakdown of Contracts according to the “Common Procurement Vocabulary” .....	46
3.6 Framework agreements.....	47
3.7 Contracting authorities.....	48
3.7.1 Contracting authorities that reported contracts to the BASE portal.....	48
3.7.2 Contracting authorities per electronic public procurement platform.....	50
3.7.3 Use of electronic public procurement platforms in direct award procedures .....	50
3.8 Contractors.....	50
4 FINAL CONSIDERATIONS .....	52

## LIST OF ILLUSTRATIONS

Table 1 – E-public procurement in Portugal .....	19
Table 2 – Calculation of the Manchester Index .....	20
Table 3 – Public procurement in Portugal: share of GDP .....	21
Table 4 – Public procurement in Portugal: weight of construction in GFCF .....	21
Table 5 – Public procurement in Portugal: overall figures .....	23
Table 6 – Number and value of contracts in 2011 by year of launch of procedure.....	26
Table 7 – Public procurement in 2011 by type of procedure.....	27
Table 8 – Contracts resulting from competitive procedures in 2011 .....	28
Table 9 – Contracts resulting from competitive procedures published in the OJEU in 2011 .....	30
Table 10 – Relative weight of competitive procedures published in the OJEU: goods and services .....	31
Table 11 – Relative weight of competitive procedures published in the OJEU: public works .....	31
Table 12 – Number of procedures published in the OJEU by contractor nationality.....	33
Table 13 – Contract values of procedures published in the OJEU by contractor nationality .....	33
Table 14 – Contracts resulting from competitive procedures not published in the OJEU, in 2011.....	34
Table 15 – Number of procedures not published in the OJEU, by contractor nationality .....	36
Table 16 – Value of contracts for procedures not published in the OJEU, by contractor nationality.....	36
Table 17 – Direct awards in 2011 .....	37
Table 18 – Origin of reporting of data on contracts preceded by direct award procedures.....	39
Table 19 – Direct awards reported to the BASE portal by criterion .....	40
Table 20 – Material justifications for the use of direct award .....	41
Table 21 – Distribution by type of expenditure of direct award contracts based on material criteria .....	41
Table 22 – Public procurement by procedure type .....	42
Table 23 – Number of contracts by procedure type – 2010/2011.....	42
Table 24 – Contract values per contract type – 2010/2011 .....	43
Table 25 – Distribution of contracts for goods and services by procedure type.....	43
Table 26 – Number of contracts per procedure type (goods and services) – 2010/2011 .....	44
Table 27 – Contract amounts by procedure type (goods and services) – 2010/2011.....	44
Table 28 – Distribution of public works contracts by procedure type.....	45
Table 29 – Number of contracts by procedure type (public works) – 2010/2011.....	45
Table 30 – Contract amounts by procedure type (public works) – 2010/2011 .....	46
Table 31 – Public procurement distribution by CPV, number of contracts .....	47
Table 32 – Procurement under framework agreements.....	47
Table 33 – Contracting authorities that reported contracts in 2011 .....	48
Table 34 – Frequency of contracting authorities by number of contracts awarded in 2011 .....	49
Table 35 – Number of platforms per contracting authority .....	50
Table 36 – Frequency of contractors and total contract value per number of contracts awarded in 2011 .....	51
Graph 1 – Distribution of contracts awarded, by value and by sector (CPV) - 2008.....	22
Graph 2 – Number of contracts in 2010 and 2011.....	24
Graph 3 – Value of contracts in 2010 and 2011 (in EUR million).....	24
Graph 4 – Average value of contracts in 2010 and 2011 (in EUR) .....	25
Graph 5 – Average value of contracts by year of launch of procedure (in EUR) .....	26
Graph 6 – Number of contracts by pre-contractual procedure in 2010 and 2011 .....	27
Graph 7 – Value of contracts resulting from pre-contractual procedures in 2010 and 2011 (in EUR million).....	28
Graph 8 – Number of contracts resulting from competitive procedures: 2010/2011 .....	29
Graph 9 – Number of contracts resulting from competitive procedures: 2010/2011 (in EUR million) .....	29
Graph 10 – Average value of contracts resulting from competitive procedures: 2010/2011 (in EUR).....	30
Graph 11 – Contracts resulting from competitive procedures published in the OJEU: number of contracts 2010/2011 .....	31
Graph 12 – Contracts resulting from competitive procedures published in the OJEU: contract values 2010/2011 (in EUR million).....	32
Graph 13 – Contracts resulting from competitive procedures published in the OJEU: change in average contract value 2010/2011 (in EUR) ..32	32
Graph 14 – Contracts resulting from competitive procedures that were not published in the OJEU: number of contracts 2010/2011 .....	34
Graph 15 – Contracts resulting from competitive procedures that were not published in the OJEU: value of contracts 2010/2011.....	35
Graph 16 – Contracts resulting from competitive procedures that were not published in the OJEU: change in average value 2010/2011 (in EUR) .....	35
Graph 17 – Number of direct award procedures in 2010/2011.....	37
Graph 18 – Value of direct award contracts: 2010/2011 (in EUR million) .....	38
Graph 19 – Average value of direct award contracts: 2010/2011 (in EUR).....	39

## FOREWORD

The “purchasing” role of public authorities is an area that is subject to an ever increasing attention and public scrutiny, a fact that is, of course, to be welcomed. Due to the increasing space for public intervention and the growing complexity of procurement procedures for goods, services and public works, the relative weight of public expenditure has generally been on the increase in the European Union Member States.

A single portal dedicated to public procurement (the BASE portal), to which all procurement procedures carried through by public authorities must be reported, is a tool of great interest to policy-makers, public managers, top officials and citizens in general, not only because it has a development potential that remains untapped (e.g. the possibility of characterising and classifying procurement contracts per contracting authority or the average value per type of contract), but also because it allows for public scrutiny by citizens.

The BASE portal takes on an increased importance in the current economic climate, characterised by budget restrictions and the need for a more meticulous identification of collective needs, greater control in calculating budgets and greater rigour in selecting contractors. In this respect, Portugal is to be congratulated for being the first and so far the only European Union Member State to have such a portal as BASE that is both universal and mandatory.

This report seeks to provide an overview of public procurement in Portugal in 2011, a year marked by wide-reaching cuts in public expenditure in general and in “public procurement” in particular, as a result of the impacts of the sovereign debt crisis and the budget restrictions.

*Fernando Oliveira Silva*  
*Vice-chairman of the Executive Board*  
*(Chairman-in-Office)*





## 1. INTRODUCTION

In this report, the Institute for Construction and Real Estate (InCI, from Instituto da Construção e do Imobiliário) presents the main indicators on public procurement in Portugal, thus contributing to a better knowledge of this important area of activity of the public sector.

The report is based on data from the BASE portal and follows the first report presented in 2011 (on public procurement in 2010<sup>1</sup>), but provides a wider analysis of the situation, namely of the reasons for using the direct award procedure, and includes new statistical data.

This document is published in a changing environment for public procurement in the European Union, where the Portuguese electronic public procurement model has been widely praised by the European authorities. The European Commission has recently issued a Communication (COM(2012) 179 final) entitled *A strategy for e-procurement*, presenting the strategic importance of e-procurement and setting out the main actions through which it intends to **support the transition towards full e-procurement in the European Union**, with a particular reference to the case of Portugal as follows:

*“There are numerous examples of successful e-procurement solutions already in operation across Europe: following the introduction of e-procurement, Portuguese hospitals were able to achieve price reductions of 18% on their procurement contracts. In aggregate, the switch-over to e-procurement in Portugal is estimated to have generated savings of about €650 million in the first year and could have reached €1.2 billion if all contracting authorities had fully implemented e-procurement.”*

Furthermore, on 21 February 2012, on the occasion of dissemination of the report *Europe can do better*, which was drawn up by the High Level Group of Independent Stakeholders on Administrative Burdens, set up to advise the Commission, 74 examples of best practice were identified and the Portuguese case was singled out as follows:

*“Digitalized public procurement in Portugal*

*Since 2009, tender procedures in Portugal must be performed through an electronic platform. The electronic public procurement rate in Portugal is 75% (2010), whereas the EU average is estimated to be less than 5%”.*

---

<sup>1</sup> This report is based on data not only from the BASE portal but also from the electronic public procurement platforms themselves.

In 2011 about 62% of the procurement procedures were carried out through e-procurement platforms. That figure rises to 92% if only procedures of a value above the EU threshold are considered.

At a time when new European directives on public procurement are being finalised in Brussels, the fact that electronic public procurement at the European level remains a challenge for the EU authorities is enthusiastically welcomed.

In addition to being a very important instrument in terms of accountability and transparency of the diverse public bodies, particularly as regards the management of public money, e-procurement also constitutes an excellent source of statistical information on public contracts.

The overall figures in this report show from the outset a sharp decrease in new public procurement contracts as compared to the preceding year, with the total value of national public procurement falling from EUR 11 billion to approximately EUR 4.7 billion (a drop of 56%). This decrease can essentially be explained by the significant drop in the number of public works contracts.

## 2. ELECTRONIC PUBLIC PROCUREMENT IN PORTUGAL

Since 1 November 2009<sup>2</sup>, competitive procurement procedures (i.e. open tender procedure, restricted tender procedure with prequalification, negotiated procedure, competitive dialogue, framework agreement, design competition and dynamic purchasing system) launched in Portugal under the Public Contracts Code (PCC) must be carried out on electronic platforms throughout all the phases of contract formation – from the publication of the notice to the award of the contract.

The use of electronic means is also mandatory for the transmission of data within the context of direct award procedures, more specifically in two distinct phases of the procedure:

- (a) communications between contract awarding authorities, entities invited to tender/bidders and successful contractors must be made by electronic means, i.e. through the electronic platforms<sup>3</sup> or by electronic mail;
- (b) the signing of any public procurement contract awarded must be registered and publicized on the BASE portal ([www.base.gov.pt](http://www.base.gov.pt)), which is managed by InCI. To that effect, the corresponding data are recorded by the contracting authorities directly on this tool, or are electronically transmitted thanks to the interoperability of the portal with the electronic platforms involved in the public procurement process<sup>4</sup>.

The introduction of electronic means has been an EU-wide concern for some time. In this respect it is worth noting the Manchester Ministerial Declaration of 24 November 2005, in which the EU Member States set the following targets:

- by 2010 all public administrations across Europe will have the capability of carrying out 100% of their procurement electronically (for goods, services and works contracts), thus creating a fairer and more transparent and competitive market for all companies independent of a company's size or location within the market; and

---

<sup>2</sup> Decree-Law No 223/2009 of 11 September.

<sup>3</sup> Be they the electronic platforms specifically certified to carry out the procurement procedures or other platforms, such as that of the Imprensa Nacional Casa da Moeda, the authority responsible for the publication of procurement procedure notices.

<sup>4</sup> Pursuant to Article 127(3) of the Public Contracts Code, *The act of publication referred to in the preceding paragraphs is a condition for the respective contract being concluded, regardless of whether or not it takes the written form, namely for purposes of any payments* (as amended by the State Budget Law for 2012, Law No 64-B/2011 of 30 December 2011).

- by 2010 at least 50% of public procurement above the EU public procurement threshold will be carried out electronically.

Data included in this report show an e-public procurement rate of 62% (quite above the EU average) in 2011. As regards the procedures of a value above the EU threshold, the electronic procurement rate is 92%, reflecting the high degree of utilisation of e-procurement platforms in Portugal.

## 2.1. The Public Contracts Code

The course Portugal has taken, which has allowed it to serve as an example of good practice as regards e-public procurement, began on 29 January 2008 with the publication of Decree-Law No 18/2008, which approved the Public Contracts Code (PCC). With this law, Portugal took the first and decisive step towards modernity in public procurement.

In addition to transposing EU Directives 17/2004/EC and 18/2004/EC, the Code represented a definitive break with the past, a break with excessive bureaucracy, embarking on a new path of speed and transparency in procedures for the procurement of goods, services and works by the State.

Indeed, amongst other innovative measures, the PCC established the following requirements: dematerialisation of procedures (paper must be replaced by electronic means), procedural simplicity, shorter deadlines and improved competition, transparency and efficiency.

To that extent, the PCC provided the legal framework for the setting up of an official portal dedicated to public contracts that would serve as the central base and meeting point for public procurement in Portugal: the BASE portal ([www.base.gov.pt](http://www.base.gov.pt)).



## 2.2. The Public Contracts Portal (BASE)

The BASE portal was launched on 30 July 2008 (the date when the PCC also entered into force), as provided for in Article 4(1) of Decree-Law No 18/2008 of 29 January 2008.

This portal was designed by InCI, which is also responsible for its management, and is nowadays an essential element in the new public procurement strategy, based on information **transparency**. It is absolutely innovative at the European level, with **Portugal being the first European country to gather all information on public procurement contracts in one single official portal**.

Furthermore, the BASE portal is a decisive instrument for the **effectiveness of direct award procedures**, in that contracts resulting from such procedures can only take effect after being published on the portal.

The BASE portal is therefore an official repository of information on public procurement procedures in Portugal and is fed by inputs from the contracting authorities, the electronic public procurement platforms and the *Diário da República Eletrónico* [the national electronic official journal].

Information compiled by the portal is targeted to two specific audiences:

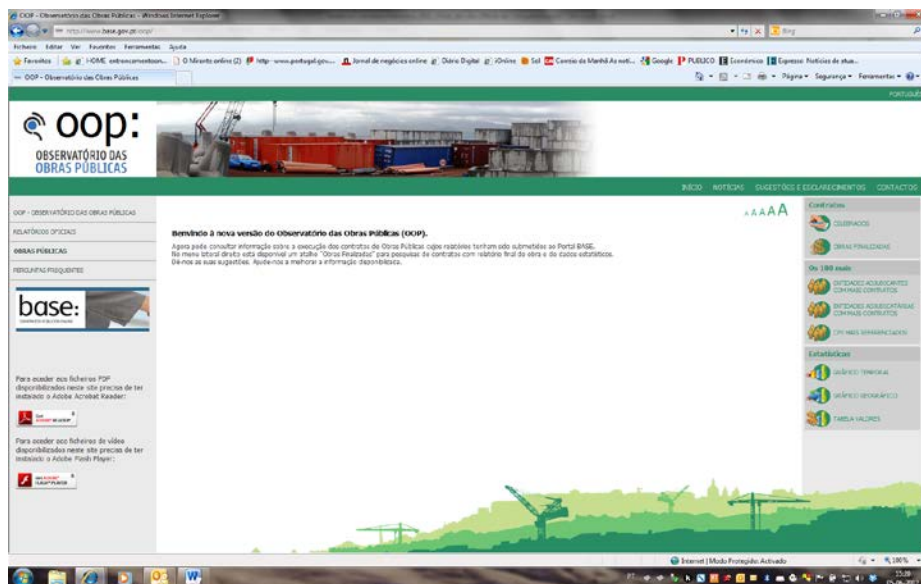
- Citizens in general, who can perform various types of searches, from specific procedures (e.g. data on direct award procurement procedures) to aggregate statistical data, within the public procurement market;
- Entities wishing to draw up relevant statistical reports, such as the InCI and the ESPAP (the entity responsible for the Portuguese public administration shared services, formerly known as ANCP), given that the portal transmits data to the Public Works Observatory and the Goods and Services Management System.



The 2nd version of BASE portal was launched in January 2012 with the aim of optimising the information provided, by presenting structured statistical information and enabling simple or structured searches so that the statistical data can be extracted according to user specifications.

This new BASE portal not only provides information on the formation of contracts following direct award procedures, but also serves as a source of public information on the formation of public procurement contracts in general, whether or not the respective award procedures are competition-based.

### 2.3 The Public Works Observatory



The InCI is also responsible for the management of the Public Works Observatory (OOP, from Observatório das Obras Públicas), which is a sub-system of the BASE portal (<http://www.base.gov.pt/oop/>) since June 2012.

Amongst other features, the Public Works Observatory enables searches on the formation and performance of public works-related contracts (works contracts, concessions and public works-related services). It also allows comparison of the contract value with the actual (paid) total price, as well as of the completion deadline established in a contract with the actual date of completion of the work that is the object of that contract.

This is an important monitoring tool that makes a decisive contribution to minimising overruns in terms of costs and deadlines in public works.

## 2.4 The electronic procurement platforms








The e-procurement system adopted by the Portuguese government is based on the promotion of an electronic procurement services market. These services are provided by companies under controlled competition that manage their respective electronic platforms (*software as a service – SaaS*).

As far as pre-contractual procedures are concerned, Portugal was once again a pioneer, accepting the challenge and the risks involved in carrying out all public procurement phases via the electronic platforms and replacing the paper-based procedures.

Following the adoption of PCC, a number of companies emerged in the market and rose to the challenge of creating electronic public procurement platforms. These companies also had to undergo a certification procedure that is the responsibility of the Management Center for the Government Electronic Network (CEGER – Centro de Gestão da Rede Informática do Governo).

Today there are eight certified electronic platforms operating in the public procurement market:

**Electronic Public Procurement Platforms**

	Platform	Company	Website
	ACINGOV	Academia de Informática Brava, Engenharia de Sistemas, Lda.	<a href="http://www.acingov.pt/">www.acingov.pt/</a>
	ANOGOV	Ano - Sistemas de Informática e Serviços, Lda	<a href="http://www.anogov.com/">www.anogov.com/</a>
	COMPRAS GOV	Central-E-Informação e Comércio Eletrónico, S.A.	<a href="https://comprasgov.forumb2b.com">https://comprasgov.forumb2b.com</a>
	GATEWIT	Construlink - Tecnologias de Informação, S.A.	<a href="http://www.compraspublicas.com/">www.compraspublicas.com/</a>
	COMPRAS PT	Infosistema - Sistemas de Informação, S.A.	<a href="http://www2.compraspt.com/">www2.compraspt.com/</a>
	SAPHETY GOV	Saphety Level - Trusted Services, S.A.	<a href="http://www.saphety.com/saphetygov">www.saphety.com/saphetygov</a>
	VORTALGOV	Vortal, Comércio Eletrónico Consultadoria e Multimédia, S.A.	<a href="http://portugal.vortal.biz/vortalgov">http://portugal.vortal.biz/vortalgov</a>



These platforms are a testimony to the commitment of the Portuguese companies in technological innovation. Thanks to their pioneering role, they are now able to export their know-how to other markets within the European Union and in other parts of the world where some of them have already established subsidiaries. Moreover, it should be noted that the European Union Green Paper on public procurement calls on Member States to share their experiences, by developing a benchmarking philosophy, and in this field Portugal figures prominently at the forefront.

## 2.5 The electronic certification bodies

The dematerialisation of administrative procedures becomes particularly demanding in the area of public procurement, not only in terms of adhering to the principle of competition in the global market by compiling mass information in a database and making it available to the general public, but also within the specific context of the electronic transmission of documentation for each procedure, whereby the economic operator and potential contractor electronically submits information on the advantages it offers in the market.






Therefore, the safe operation of this (recent) information system is also being ensured by those platforms that issue qualified digital certificates and time stamps, thus complementing the work of the electronic procurement platforms, namely with respect to:

- (a) the integrity, non-repudiation and confidentiality of the documents made available via the electronic procurement platforms;
- (b) the authentication and identification of stakeholders in electronic procurement;
- (c) the time stamping of all documents made available and communications made over the electronic procurement platforms, making it possible to ascertain their time of submission for the purpose of complying with the rules laid down by law.

The electronic certification platforms must undergo an accreditation procedure under the oversight of the National Security Office (GNS – Gabinete Nacional de Segurança) in order to

be able to issue qualified digital certificates and time stamps. The following bodies are currently accredited for this purpose:

#### Electronic Certification Bodies

	Accreditation type	Body/company	Website
	Qualified digital certificates and qualified time stamps	State Common Certifying Body (ECCE)	<a href="http://www.ecce.gov.pt">www.ecce.gov.pt</a>
	Qualified digital Certificates	Citizen ID Card Certifying Body	<a href="http://pki.cartaodecidadao.pt">pki.cartaodecidadao.pt</a>
	Qualified digital Certificates	Portuguese Parliament Certifying Body	<a href="http://www.parlamento.pt">www.parlamento.pt</a>
	Qualified digital certificates and qualified time stamps	Multicert - Serviços de Certificação Electrónica, S.A.	<a href="http://www.multicert.com">www.multicert.com</a>
	Qualified digital Certificates	British Telecommunications plc (registration services carried out by DigitalSign – Certificadora Digital Lda.)	<a href="http://www.bt.com">www.bt.com</a> ( <a href="http://www.digitalsign.pt">www.digitalsign.pt</a> )

## 2.6 Diário da República Eletrónico (DRE)



Since the BASE portal was set up, the InCI and the INCM (Imprensa Nacional Casa da Moeda, I.P., the Portuguese Mint and Official Printing Office, which is responsible for managing the DRE, the Portuguese electronic official journal) have been involved in a close cooperation that has an important impact on the electronic public procurement.

The synchronisation between these two bodies has enabled, amongst other things, the use of a common authentication system. Thanks to this system, the login provided by INCM to contracting authority representatives so that they can access the DRE reserved area, also provides access to the BASE reserved area, thus avoiding duplication of systems.

Another aspect of the aforementioned synchronisation has been the automation of data migration to the BASE portal following the publication of all pre-contractual procedure notices in the DRE, thus making it possible for all interested parties not only to view the on-going tender procedures, but also to benefit from the data already entered into the information system, whenever it is necessary to fill out forms in the course of any procedure.

## 2.7 The interoperability platform of the Agency for Administrative Modernisation (AMA)



To conclude this characterisation of the electronic public procurement circuit, it is important to highlight the concern to make good use of already available resources, another reason for the successful implementation of the system. With a view to maximising the use of existing public infrastructures, the InCI signed a protocol with the Agency for Administrative Modernisation (AMA – Agência para a Modernização Administrativa), establishing that the interconnection between the electronic platforms and the BASE portal should be made through that agency's interoperability platform, as an instrument specifically aimed at maximising interoperability between public administration agents.

## 2.8 Electronic public procurement

### 2.8.1 Public e-procurement index in Portugal (ICPEP)

Table 1 –Public e-procurement in Portugal

	N.º	Amount
Public procurement	122.763	4.764.817.691 €
Public procurement via electronic platforms	16.847	2.937.950.218 €

Source: BASE portal (Nov. 2012)

In 2011, public procurement contracts in Portugal totalled EUR 4.7 billion, of which EUR 2.9 billion - i.e. 62% of the total value of contracts<sup>5</sup> - correspond to procurement carried out via the electronic platforms.

**INDEX OF ELECTRONIC PUBLIC PROCUREMENT IN PORTUGAL – ICPEP\* (total)**

$$ICPEP_{(total)} = 62\%$$

\*ICPEP (Índice de contratação pública eletrónica em Portugal)

**2.8.2 The Manchester Index (above EU threshold)**

As far as the Manchester commitment is concerned, Portugal has performed **even** better in 2011 than in 2010 (91%). Indeed, if we exclude from the competitive procedures the direct award procedures with a contract value above the threshold and not yet reported to the BASE portal on the date of the data collection (a total of 57 procedures amounting to just over EUR 116 million), we arrive at a figure of 92% for the Manchester Index.

Table 2 – Calculation of the Manchester Index

	Contract Value (2011)
Procedures published in the OJEU	1.444.330.132 €
Direct awards above the threshold values and not reported to BASE portal	116.292.458 €
<b>Manchester Index</b>	<b>92%</b>

Source: BASE portal (Nov. 2012); OJEU

**MANCHESTER INDEX (ATV)**

$$MI_{(ATV)} = 92\%$$

ATV: Above Threshold Values

<sup>5</sup> As previously pointed out, it should be borne in mind that the method for ascertaining data for 2011 was different to that used for 2010: while in 2010 the data in the BASE portal were cross-checked with information provided by the platforms, in this report the only source used to determine the utilisation rates was the BASE portal, which means that the real rate of public procurement procedures performed via the electronic platforms may be underestimated here as a result of the interconnection between the various platforms and the public procurement portal not being coincident in all cases.

### 3 PUBLIC PROCUREMENT STATISTICS

In 2011 there was a drop in the total value of new public procurement contracts reported to the BASE portal<sup>6</sup> as compared to 2010, accompanying the downward trend in the country's GDP. In fact, the relative weight of procurement contracts in the total wealth produced in the country fell 3.56 percentage points to 2.8%, as illustrated in the table below:

Table 3 – Public procurement in Portugal: share of GDP

	2010	2011	Δ %
Gross Domestic Product	172.670	171.112	-0,9
Total contract value	10.958	4.765	-56,5
<b>Public procurement as a share of GDP</b>	<b>6,3%</b>	<b>2,8%</b>	

Source: BASE portal (Nov. 2012)

INE Quarterly and Annual State Accounts – 4th quarter of 2011 and year 2011

There was a similar but sharper drop in the total contract value for public works reported to the BASE portal. In this case, the drop in contract value (-60%) has also contributed to a decrease of 19.3 percentage points to 16% of the relative weight of public works in the gross fixed capital formation (GFCF) in the construction sector.

Table 4 – Public procurement in Portugal: weight of construction in GFCF

	2010	2011	Δ %
Gross fixed capital formation – construction	18.953	16.780	-11,5
Total value of public works contracts	6.687	2.678	-60,0
<b>Share of public works in GFCF in construction</b>	<b>35,3%</b>	<b>16,0%</b>	

Unit: € million  
Source: BASE portal (Nov. 2012)

INE Quarterly and Annual State Accounts – 4th quarter of 2011 and year 2011

<sup>6</sup> Given their nature and the legal framework, there are a number of public procurement contracts that may not have been fully reported to the BASE portal in 2010 and 2011, namely:

- (a) contracts with a value of less than EUR 5,000;
- (b) contracts for the purchase of water supply and electric power services;
- (c) contracts with authorities in special sectors (water, energy, transport and postal services) below the EU threshold;
- (d) contracts excluded pursuant to Article 4 of the PCC;
- (e) contracts resulting from procedures that are not subject to part II of the PCC, pursuant to Article 5 of that code (e.g. “in-house” procurement).

At any rate it should be noted that in 2011 a considerable number of registrations of these types of contracts were made, particularly relating to simplified direct award procedures: of the procedures taken into consideration, 70,563 contracts (64.2% of the total number of contracts for goods and services) had a value of less than EUR 5,000 (the threshold value for the simplified direct award procedure), amounting to a total value of EUR 55,034,919.05 (2.6% of the total value of goods and services contracts taken into consideration).

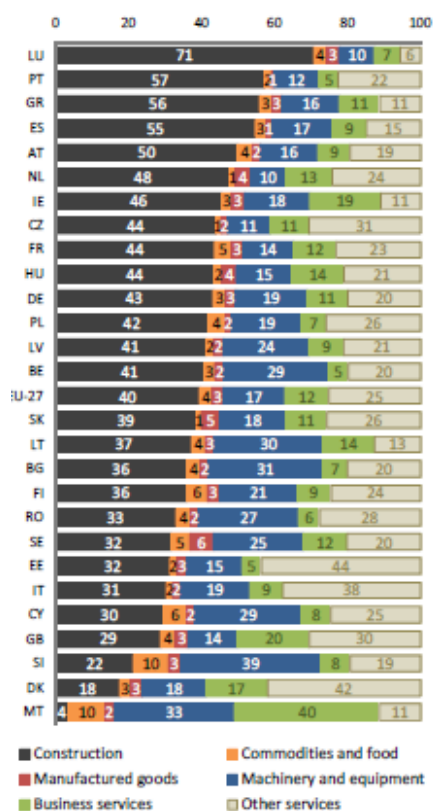
Such a significant figure in comparison to the preceding year may be connected to the widespread use of the electronic public procurement platforms by a number of contracting authorities also for low-value purchases.

Figures in tables 3 and 4 represent the planned and assumed expenditure in the contract formation process (for new contracts) and the actual expenditure (GDP and GFCF, respectively)<sup>7</sup>. They do not include the expenditure resulting from on-going contracts (contracts awarded in previous years).

Notwithstanding a certain time lag inherent in the phases in which the expenditure amount is determined, the figures show a trend towards a reduction in public spending in line with the need to restrain the budget deficit and reduce the public debt.

On the other hand, the drop in the volume of public works (as a share of the total volume of public procurement contracts) may indicate that, after decades of structural investment to promote the development of the country, we are now approaching the average values of the most developed European Union Member States (where figures for goods and services purchasing are higher than those for public works), as shown in the graph below.

Graph 1 – Distribution of contracts awarded, by value and by sector (CPV) - 2008



Source: GHK, *Evaluation of SME's access to public procurement markets in the EU*, DG Enterprise and Industry Final Report, September 2010

<sup>7</sup> From a budgetary and financial point of view, the drop in the contract value suggests a lower execution rate in the future.

### 3.1 Total value of public procurement

In 2011 the total value of public procurement in Portugal reported to the BASE portal amounted to approximately EUR 4.76 billion, resulting from 122,763 procurement procedures.

Table 5 – Public procurement in Portugal: overall figures

	N.º	%	AMOUNT	%
Goods and services	109.831	89,5%	2.086.727.006 €	43,8%
Public works	12.932	10,5%	2.678.090.684 €	56,2%
<b>TOTAL</b>	<b>122.763</b>	<b>100%</b>	<b>4.764.817.691 €</b>	<b>100%</b>

Source: BASE portal (Nov. 2012)

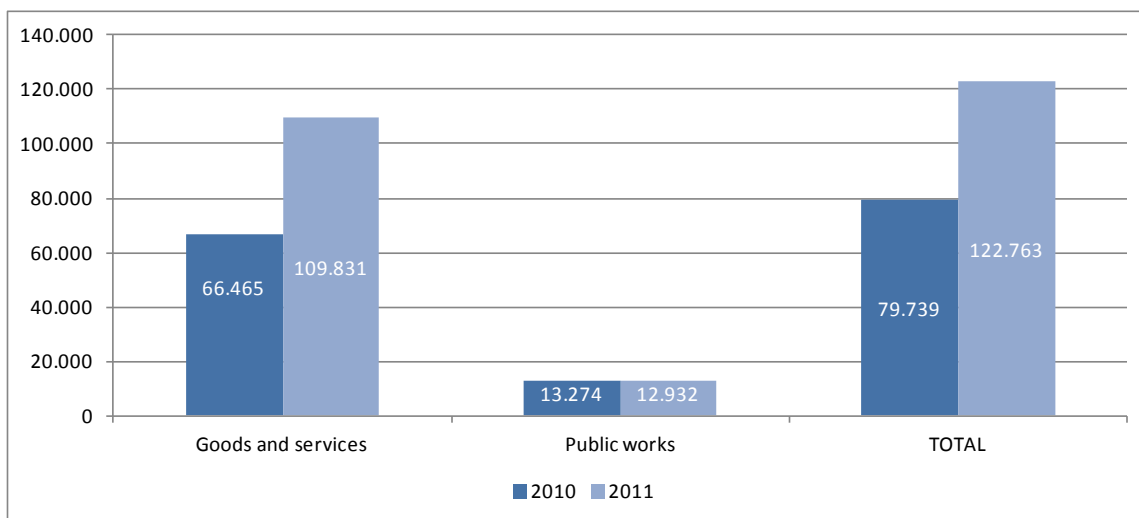
The great majority of procedures resulting in contracts in 2011 focused on the purchase of goods and services (109,831 procedures, accounting for 89.5% of the total number of procedures reported to the BASE portal). However, as far as the value of the contracts is concerned, public works<sup>8</sup> contracts had slightly more weight, accounting for 56.2% of the total value of contracts (approx. EUR 2.68 billion).

It should be noted that a significant number of contracts for goods and services with a contract value of less than EUR 5,000 was reported during 2011: 70,563 contracts (64.2% for goods and services, corresponding to 57.5% of all contracts) which accounted for a total amount of EUR 55,034,919 (or 2.6% of the total value of contracts for goods and services or 1.2% of the overall contract value reported). This figure – which is the result of the widespread use of the electronic procurement platforms by some contracting authorities, not only for direct award procedures but also for simplified direct awards – may affect the conclusions to be drawn, particularly as far as the trend in the number of contracts is concerned.

With respect to public works contracts, there was a drop in the number of procedures (342 contracts less, or a drop of 2.58%).

<sup>8</sup> Including public works-related services under public works.

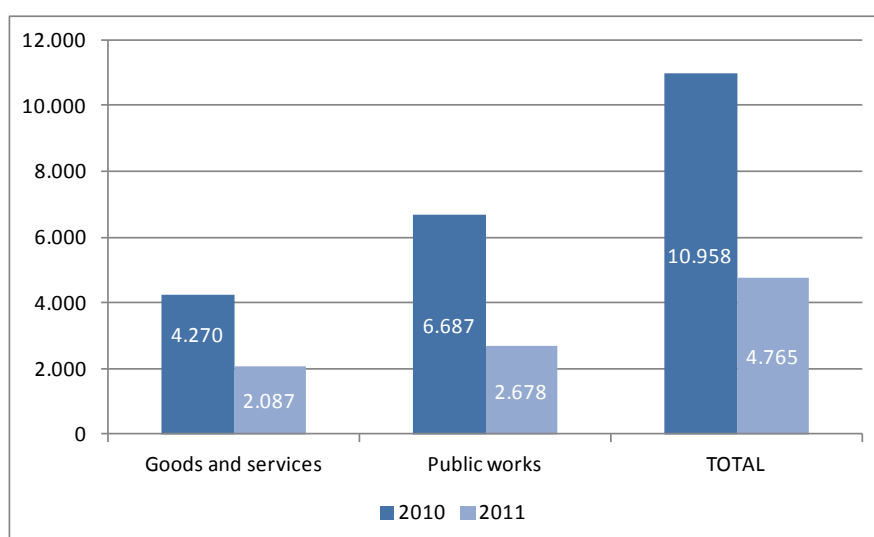
Graph 2 – Number of contracts in 2010 and 2011



Sources: "Electronic Public Procurement Report 2010" and BASE portal (Nov. 2012)

This decrease becomes more evident when one looks at the contract values: in terms of value, the drop amounted to about EUR 6.19 billion, which is equivalent to a 56.5% decrease in comparison to 2010 (Graph 3). It was particularly significant in the public works segment (-59.5%, corresponding to a "loss" of EUR 4.01 billion), although the relative change in the case of contracts for goods and services was not very far from these figures (-51.13% or a decrease of EUR 2.18 billion).

Graph 3 – Value of contracts in 2010 and 2011 (in EUR million)

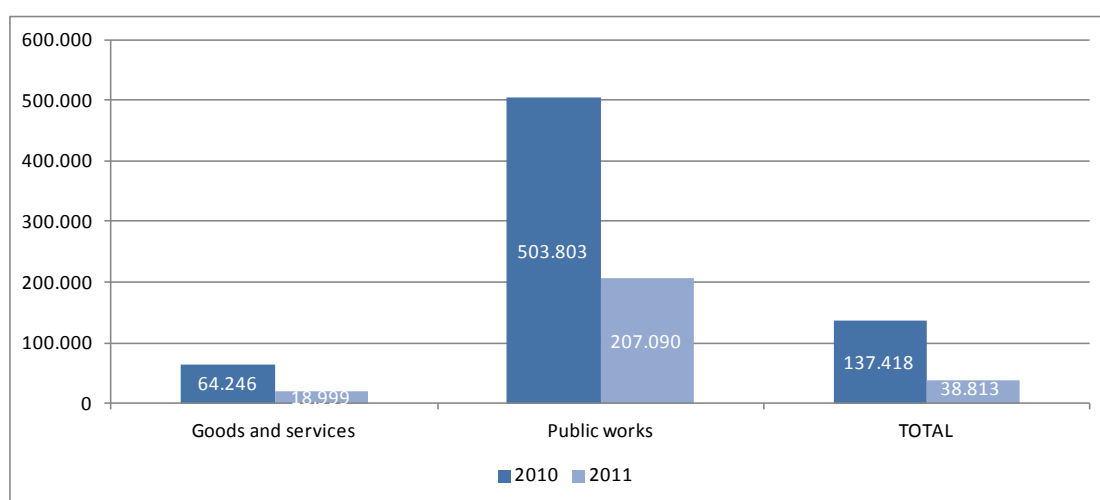


Sources: "Electronic Public Procurement Report 2010" and BASE portal (Nov. 2012)



The average value for all contracts fell from EUR 137,418 in 2010 to EUR 38,813 in 2011, a decrease of 71.8%. As far as public works specifically are concerned, there has been a decrease of 52.8% (from EUR 503,803 to EUR 207,090), while goods and services contracts saw a decrease of 70.4% (from EUR 64,246 in 2010 to EUR 18,999 in 2011), as the following graph illustrates:

Graph 4 – Average value of contracts in 2010 and 2011 (in EUR)



Sources: "Electronic Public Procurement Report 2010" and BASE portal (Nov. 2012)

However, if we exclude goods and services contracts with a value of less than EUR 5,000, the average contract value (for goods and services and for public works) is EUR 90,226, equivalent to a decrease of 34.3% as compared to 2010. In the specific case of goods and services, the average contract value is EUR 51,739, which corresponds to a decrease, albeit less pronounced, of 19.5% in relation to 2010.

Considering the year when the respective procurement procedures were launched, the great majority of contracts were awarded following procedures launched in 2011 itself: a total of 120,808 (or 98.4% of all contracts). However, this share drops significantly when reported in terms of contract value: "only" 70.7% of the total value of procurement – equivalent to EUR 3.37 billion – resulted from procedures launched in 2011.

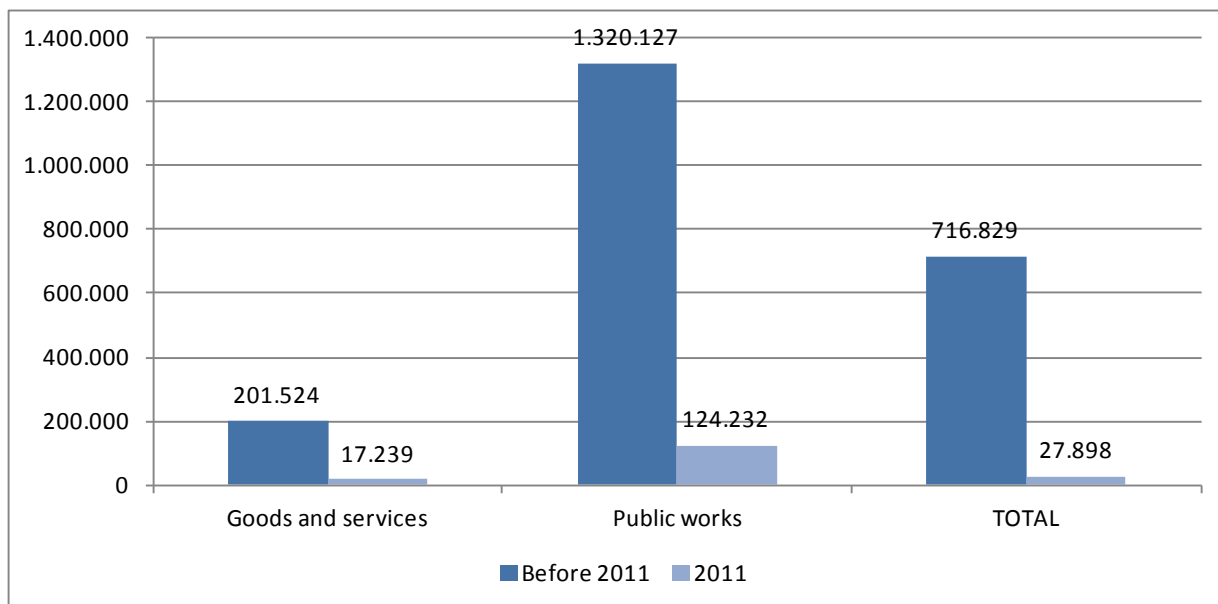
Table 6 – Number and value of contracts in 2011 by year of launch of procedure

	Year in which procedure was opened					
	Before 2011		2011		Total	
	N.º	VALUE	N.º	VALUE	N.º	VALUE
Goods and services	1.049	211.398.522 €	108.782	1.875.328.485 €	109.831	2.086.727.006 €
Public works	896	1.182.833.606 €	12.036	1.495.257.078 €	12.932	2.678.090.684 €
<b>TOTAL</b>	<b>1.945</b>	<b>1.394.232.128 €</b>	<b>120.818</b>	<b>3.370.585.563 €</b>	<b>122.763</b>	<b>4.764.817.691 €</b>

Source: BASE portal (Nov. 2012)

An analysis of the data shows that 2011 saw a pronounced decrease (96%) in the average contract value, falling from EUR 716,829 in 2010 to EUR 27,898 in 2011. While this trend affected both goods and services and public works, the drop was more pronounced in the latter segment, with the difference in the average contract value being -90.6%. Even taking into consideration some of the procedures with a higher base price that are more complex in nature and, accordingly, have longer pre-contractual procedures – e.g. international procedures – it is still a significant difference that should be highlighted.

Graph 5 – Average value of contracts by year of launch of procedure (in EUR)



Source: BASE portal (Nov. 2012)

### 3.2 Competitive procedures

In 2011, contracts based on competitive procedures accounted for 4.1% (4,994 contracts) of the total number of contracts and 54.2% (more than EUR 2.5 billion) of the total expenditure.

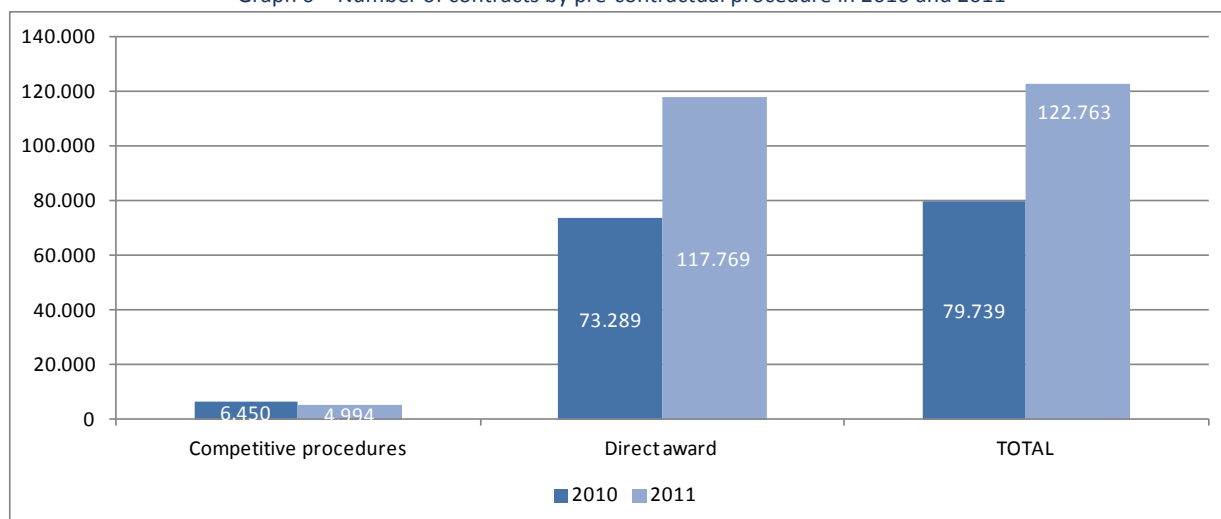
Table 7 – Public procurement in 2011 by type of procedure

	Number of contracts		Value of contracts	
	Value	%	Value	%
Competitive procedures	4.994	4,1%	2.582.088.181 €	54,2%
Direct award	117.769	95,9%	2.182.729.509 €	45,8%
<b>TOTAL</b>	<b>122.763</b>	<b>100%</b>	<b>4.764.817.691 €</b>	<b>100%</b>

Source: BASE portal (Nov. 2012)

Compared to 2010, these figures reflect a slight increase of four percentage points in the relative number of direct award contracts as opposed to the number of contracts originating from competitive procedures.

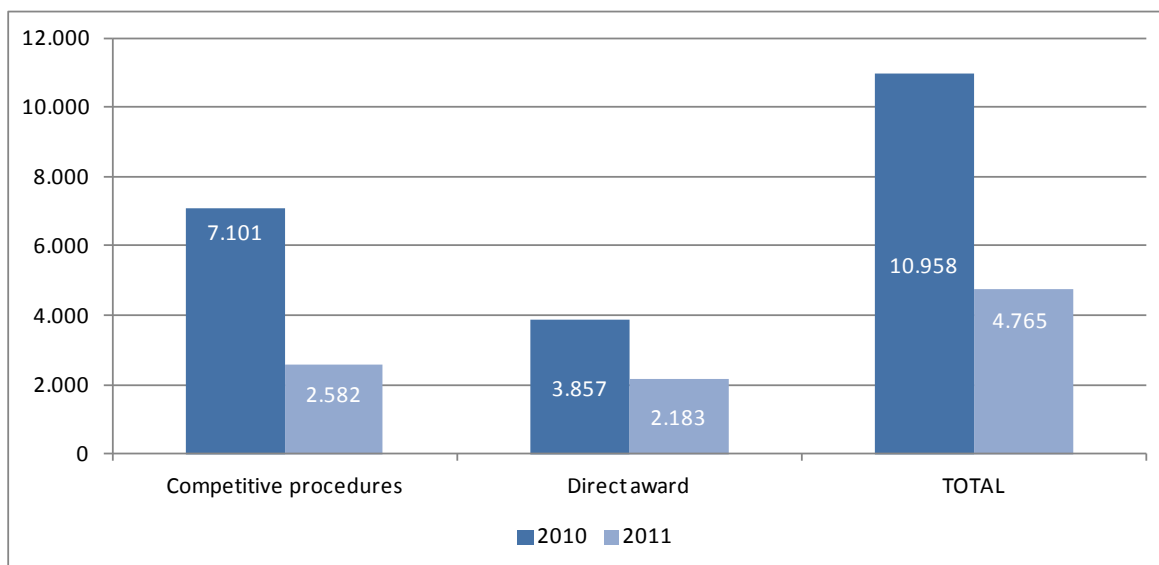
Graph 6 – Number of contracts by pre-contractual procedure in 2010 and 2011



Sources: “Electronic Public Procurement Report 2010” and BASE portal (Nov. 2012)

The decrease in the relative weight of the competitive procedures was more significant in terms of contract value: while in 2010 such procedures accounted for 64.8% of the total value of public procurement contracts reported to the BASE portal, in 2011 their weight decreased to “only” 54.2% (i.e. a loss of 10.6 percentage points based on procedure type).

Graph 7 – Value of contracts resulting from pre-contractual procedures in 2010 and 2011 (in EUR million)



Sources: "Electronic Public Procurement Report 2010" and BASE portal (Nov. 2012)

In 2011, the number of contracts resulting from competitive procedures and reported to the BASE portal was 4,994, of which 65.0% (3,246) related to goods and services and 35.0% (1,748) to public works. In terms of contract value, the situation is reversed, as the greatest share is accounted for by public works contracts (74.8%) and the remaining (25.2%) by goods and services contracts.

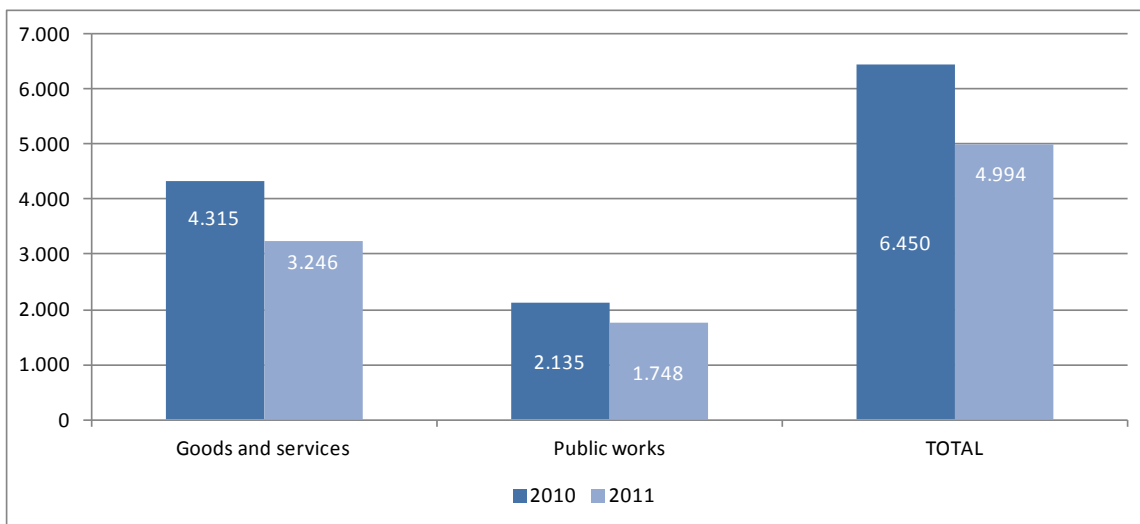
Table 8 – Contracts resulting from competitive procedures in 2011

	Number of contracts		Value of contracts	
	Value	%	Value	%
Goods and services	3.246	65,0%	650.090.335 €	25,2%
Public works	1.748	35,0%	1.931.997.847 €	74,8%
<b>TOTAL</b>	<b>4.994</b>	<b>100%</b>	<b>2.582.088.181 €</b>	<b>100%</b>

Source: BASE portal (Nov. 2012)

In terms of number of procedures, data for 2011 indicate a significant drop in relation to the preceding year: there were 24.8% less procedures for goods and services and 18.1% less for public works.

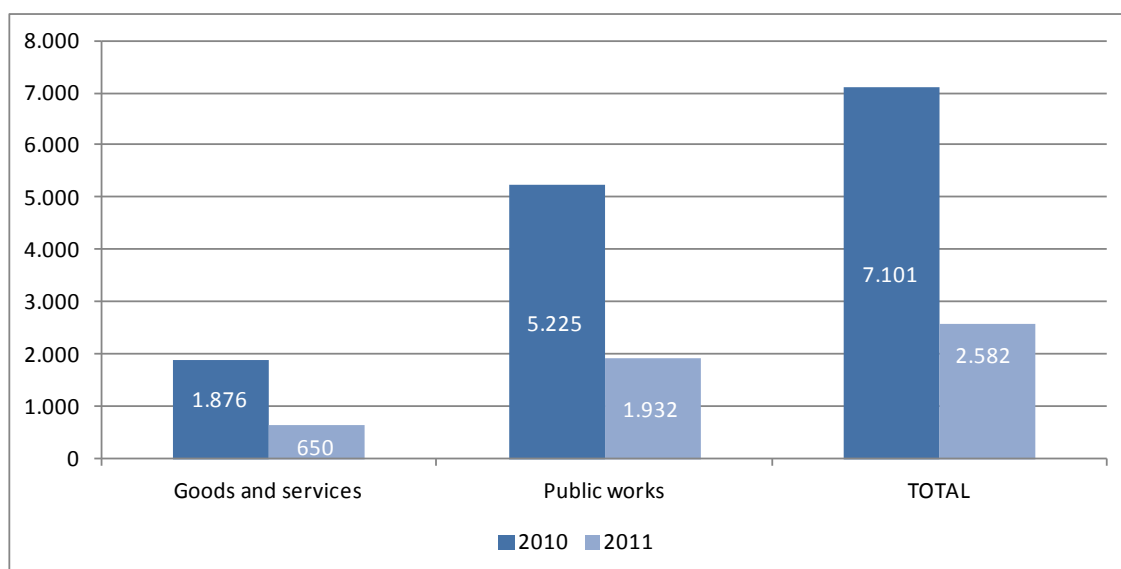
Graph 8 – Number of contracts resulting from competitive procedures: 2010/2011



Sources: "Electronic Public Procurement Report 2010" and BASE portal (Nov. 2012)

The difference is even more noticeable in terms of value: between 2010 and 2011 the value of contracts that were preceded by competitive procedures registered an overall drop of 63.6%, with the drop in the purchase of goods and services (65.3%) being more pronounced than that for public works (63%).

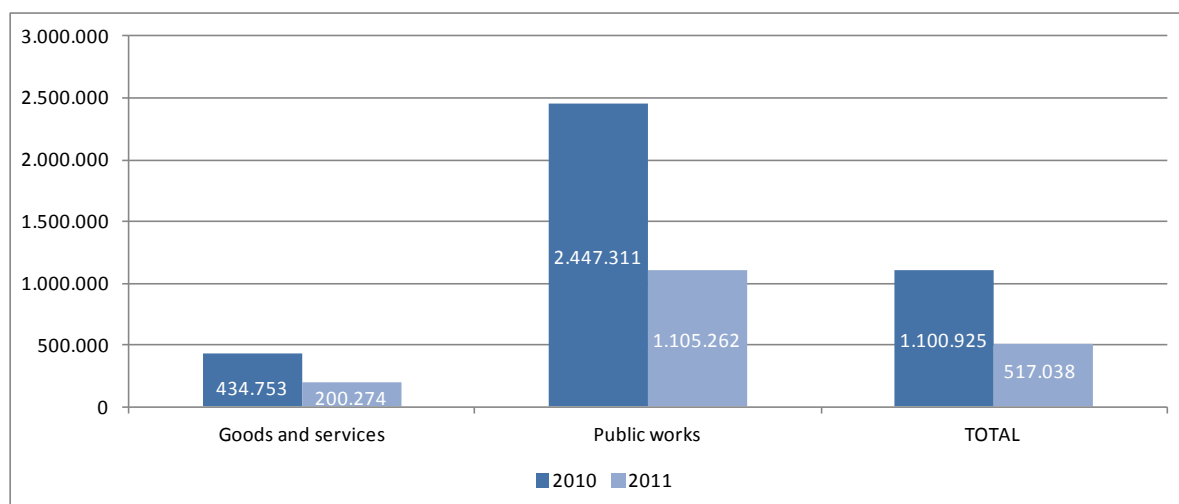
Graph 9 – Number of contracts resulting from competitive procedures: 2010/2011 (in EUR million)



Sources: "Electronic Public Procurement Report 2010" and BASE portal (Nov. 2012)

There was also a sharp decrease in the average contract value: from 2010 to 2011 the average value of public contracts that were preceded by competitive procedures decreased by 53%: 53.9% for the purchase of goods and services and 54.8% for public works.

Graph 10 – Average value of contracts resulting from competitive procedures: 2010/2011 (in EUR)



Sources: "Electronic Public Procurement Report 2010" and BASE portal (Nov. 2012)

Of the 4,994 contracts that resulted from competitive procedures and were reported to the BASE portal, 956 (accounting for EUR 1.44 billion) resulted from procedures that were published in the Official Journal of the European Union (OJEU).

Table 9 – Contracts resulting from competitive procedures published in the OJEU in 2011

	Number of contracts		Value of contracts	
	Value	%	Value	%
Goods and services	789	82,5%	482.099.079 €	33,4%
Public works	167	17,5%	962.231.052 €	66,6%
<b>TOTAL</b>	<b>956</b>	<b>100%</b>	<b>1.444.330.132 €</b>	<b>100%</b>

Source: BASE portal (Nov. 2012)

These competitive procedures published in the OJEU were unevenly divided between contracts for goods and services and contracts for public works. Contracts for goods and services accounted for 24.3% of the total number of procedures and 74.2% in terms of contract value.

Table 10 – Relative weight of competitive procedures published in the OJEU: goods and services

	N.º	VALUE
International tender procedures	789	482.099.079 €
Competitive procedures	3.246	650.090.335 €
Relative weight	24,3%	74,2%

Source: BASE portal (Nov. 2012)

As far as public works are concerned, contracts resulting from competitive procedures published in the OJEU represent “only” 9.6% of the total number of competitive procedures but 49.8% of the total contract value.

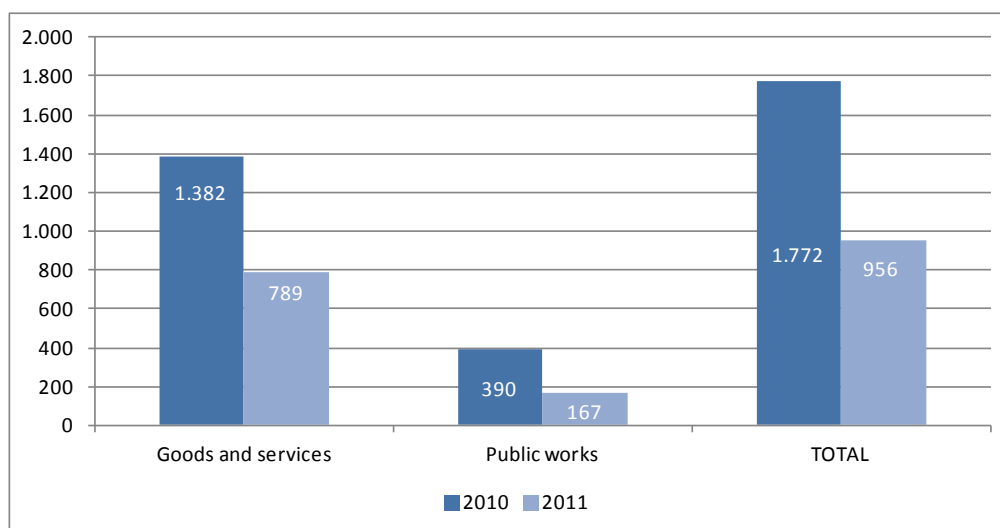
Table 11 – Relative weight of competitive procedures published in the OJEU: public works

	N.º	VALUE
International tender procedures	167	962.231.052 €
Competitive procedures	1.748	1.931.997.847 €
Relative weight	9,6%	49,8%

Source: BASE portal (Nov. 2012)

With reference to the year 2010 there was also a significant decrease in contracts resulting from competitive procedures published in the OJEU. In terms of number of procedures, the drop was equivalent to 42.9% for goods and services and 57.2% for public works.

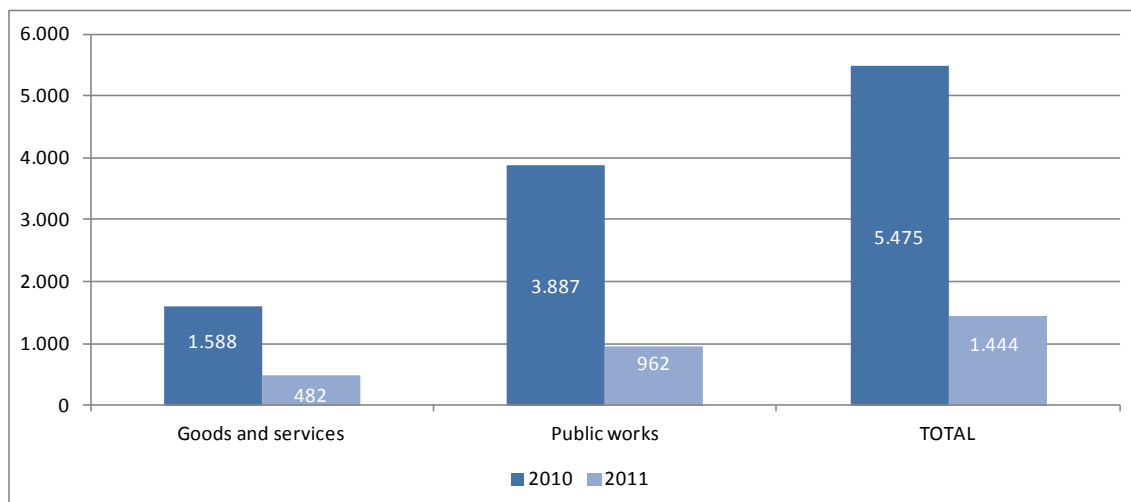
Graph 11 – Contracts resulting from competitive procedures published in the OJEU: number of contracts 2010/2011



Sources: “Electronic Public Procurement Report 2010” and BASE portal (Nov. 2012)

In terms of contract value, the decrease was even sharper: 69.6% for goods and services and 75.2% for public works.

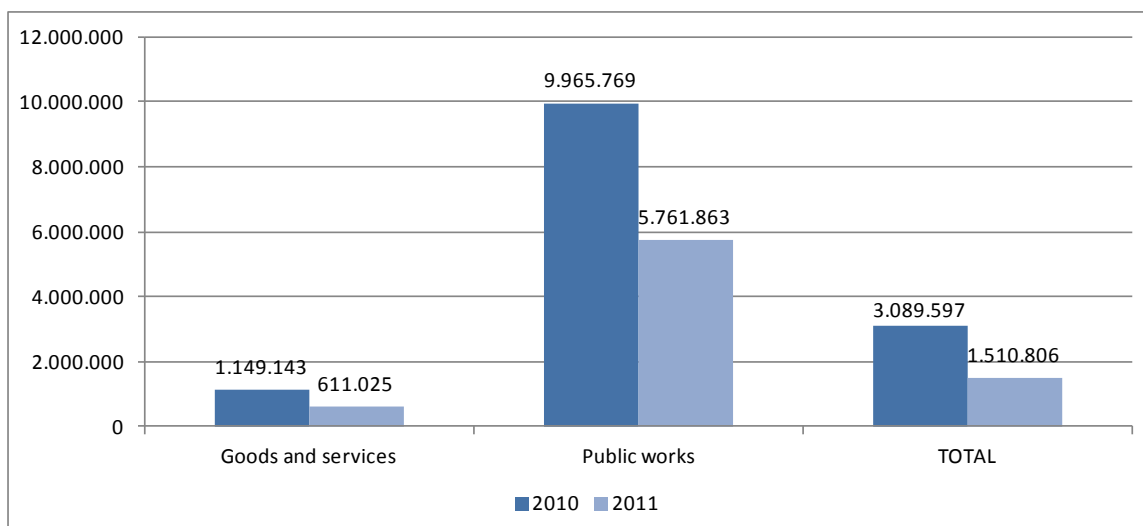
Graph 12 - Contracts resulting from competitive procedures published in the OJEU: contract values 2010/2011 (in EUR million)



Sources: "Electronic Public Procurement Report 2010" and BASE portal (Nov. 2012)

As a result of the aforementioned changes, there was also a decrease in the average contract value in 2011 as compared to 2010: 46.8% for goods and services and 42.2% for public works.

Graph 13 – Contracts resulting from competitive procedures published in the OJEU: change in average contract value 2010/2011 (in EUR)



Sources: "Electronic Public Procurement Report 2010" and BASE portal (Nov. 2012)



Amongst the contracts resulting from procedures published in the OJEU there was a predominance of contractors based in Portugal: in terms of number of contracts, in 97.1% of cases the contractors were exclusively Portuguese companies, while in other cases (2.9%) they were based in third countries.

Table 12 – Number of procedures published in the OJEU by contractor nationality

Contractor nationality	Goods and services		Public works		Total	
	N.º contracts	%	N.º contracts	%	N.º contracts	%
Portugal	767	97,2%	161	96,4%	928	97,1%
Other EU Member States	20	2,5%	6	3,6%	26	2,7%
Non-EU countries	2	0,3%	0	0,0%	2	0,2%
<b>TOTAL</b>	<b>789</b>	<b>100%</b>	<b>167</b>	<b>100%</b>	<b>956</b>	<b>100%</b>

Source: BASE portal (Nov. 2012)

As regards the type of contract, the distribution of the contracts between domestic and non-domestic bidders was similar, with a slight predominance of domestic contractors for goods and services (97.2%) over domestic contractors for public works (96.4%).

In terms of contract value, the predominance of domestic contractors remains high – overall they accounted for 93% of contract value, and their weight is more significant in contracts for goods and services (93.9%) than for public works (92.6%).

Table 13 – Contract values of procedures published in the OJEU by contractor nationality

Contractor nationality	Goods and services		Public works		Total	
	Total contract value	%	Total contract value	%	Total contract value	%
Portugal	452.543.286 €	93,9%	891.374.823 €	92,6%	1.343.918.109 €	93,0%
Other EU Member States	29.546.200 €	6,1%	70.856.229 €	7,4%	100.402.430 €	7,0%
Non-EU countries	9.593 €	0,002%	0 €	0,0%	9.593 €	0,0%
<b>TOTAL</b>	<b>482.099.079 €</b>	<b>100%</b>	<b>962.231.052 €</b>	<b>100%</b>	<b>1.444.330.132 €</b>	<b>100%</b>

Source: BASE portal (Nov. 2012)

Of the 4,038 contracts preceded by competitive procedures that were not published in the OJEU 2,457 (60.8%) related to goods and services and 1,581 (39.2%) to public works. In terms of contract value the public works segment was predominant (85.2%), while contracts for goods and services represented 14.8%.

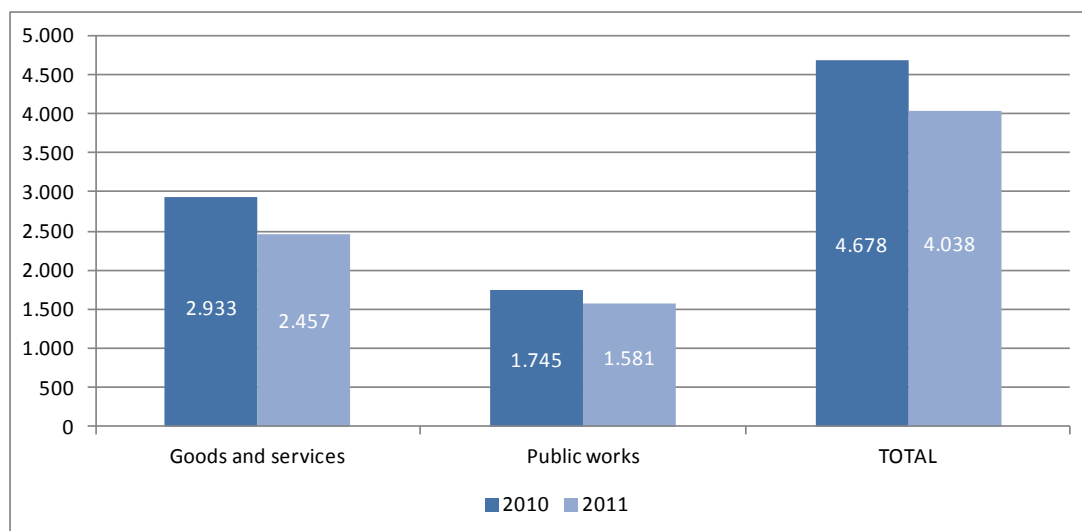
Table 14 – Contracts resulting from competitive procedures not published in the OJEU, in 2011

	N.º	%	VALUE	%
Goods and services	2.457	60,8%	167.991.256 €	14,8%
Public works	1.581	39,2%	969.766.794 €	85,2%
<b>TOTAL</b>	<b>4.038</b>	<b>100%</b>	<b>1.137.758.050 €</b>	<b>100%</b>

Source: BASE portal (Nov. 2012)

In comparison to 2010 there was a drop in the number of procedures, both for goods and services (-16.2%) and for public works (-9.4%). However, the decrease was less significant than that for contracts resulting from competitive procedures published in the OJEU.

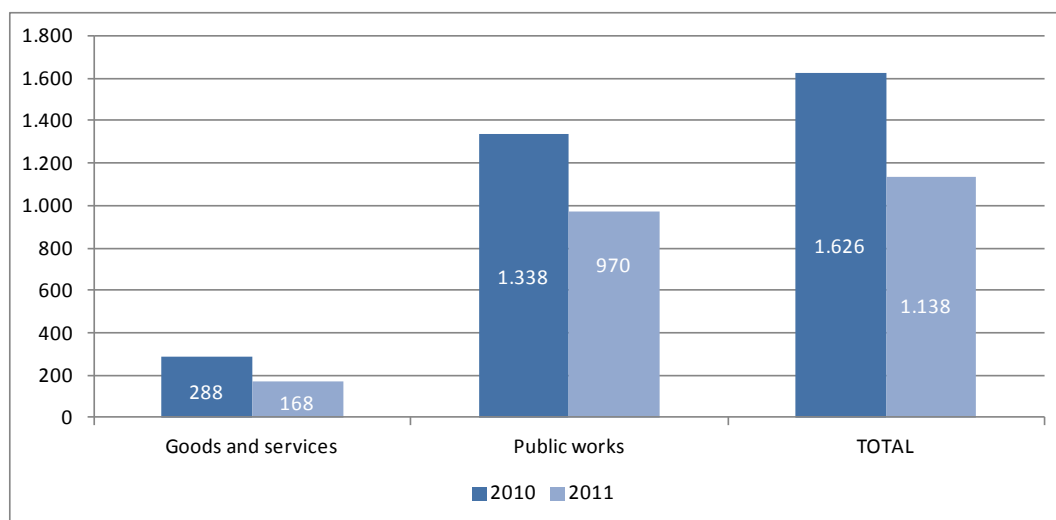
Graph 14 – Contracts resulting from competitive procedures that were not published in the OJEU: number of contracts 2010/2011



Sources: "Electronic Public Procurement Report 2010" and BASE portal (Nov. 2012)

A similar trend can be observed as regards the contract value: there was a drop in contract value in comparison to 2010 (-41.6% for goods and services and -27.5% for public works), although it was less severe than for competitive procedures published in the OJEU.

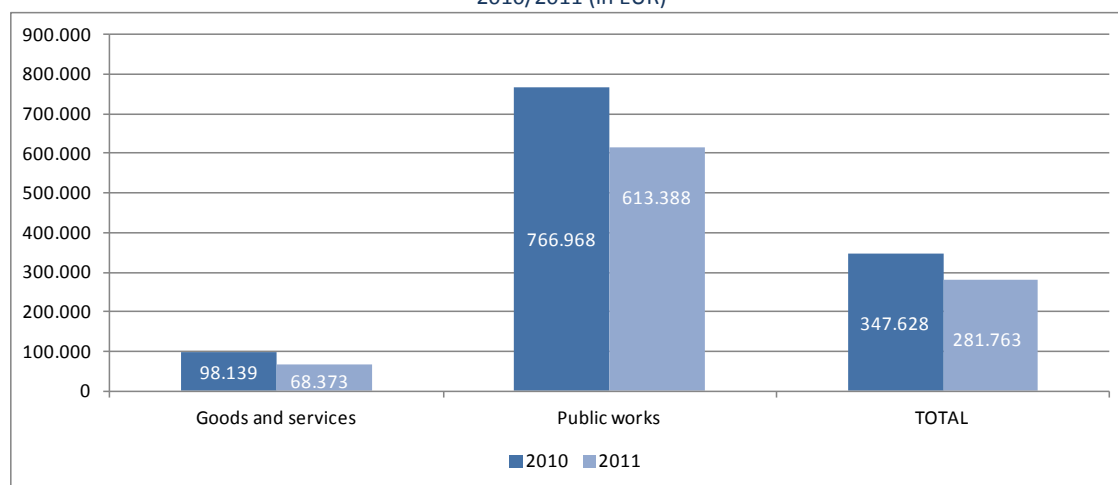
Graph 15 – Contracts resulting from competitive procedures that were not published in the OJEU: value of contracts 2010/2011 (in EUR million)



Sources: "Electronic Public Procurement Report 2010" and BASE portal (Nov. 2012)

The average value of contracts resulting from competitive procedures that were not published in the OJEU was also lower than in 2010, with a sharper decrease for goods and services (-30.3%) than for public works (-20%).

Graph 16 – Contracts resulting from competitive procedures that were not published in the OJEU: change in average value 2010/2011 (in EUR)



Sources: "Electronic Public Procurement Report 2010" and BASE portal (Nov. 2012)

Data breakdown by contractor nationality shows that Portugal-based companies account for 98.7% of the contracts reported to the BASE portal. Their weight is more significant for public works (99.7%) than for goods and services (98.6%).

Table 15 – Number of procedures not published in the OJEU, by contractor nationality

Contractor nationality	Goods and services		Public works		Total	
	N.º contracts	%	N.º contracts	%	N.º contracts	%
Portugal	107.511	98,6%	12.732	99,7%	120.243	98,7%
Other EU Member States	1.361	1,2%	30	0,2%	1.391	1,1%
Non-EU countries	170	0,2%	3	0,024%	173	0,1%
<b>TOTAL</b>	<b>109.042</b>	<b>100%</b>	<b>12.765</b>	<b>100%</b>	<b>121.807</b>	<b>100%</b>

Source: BASE portal (Nov. 2012)

The relative weight of domestic companies is, naturally more significant for procedures that were not published in the OJEU (98.7%) than for procedures that were published in that journal (97.1%).

In terms of contract value, the predominance of domestic companies over third country companies remains high (97.4%), and it is more significant for the public works segment (99.4%) than for goods and services (95.2%).

Table 16 – Value of contracts for procedures not published in the OJEU, by contractor nationality

Contractor nationality	Goods and services		Public works		Total	
	Total contract value	%	Total contract value	%	Total contract value	%
Portugal	1.528.210.888 €	95,2%	1.705.023.869 €	99,4%	3.233.234.757 €	97,4%
Other EU Member States	68.750.464 €	4,3%	10.785.401 €	0,6%	79.535.865 €	2,4%
Non-EU countries	7.666.575 €	0,5%	50.362 €	0,003%	7.716.936 €	0,2%
<b>TOTAL</b>	<b>1.604.627.927 €</b>	<b>100%</b>	<b>1.715.859.632 €</b>	<b>100%</b>	<b>3.320.487.559 €</b>	<b>100%</b>

Source: BASE portal (Nov. 2012)

Compared to the weight of domestic contractors in contracts resulting from procedures published in the OJEU (93%), the weight of domestic contractors in procedures that were not published at the EU level is also greater, following the same trend as in the number of contracts.

### 3.3 Direct award procedures

In 2011 a total of 117,769 contracts resulting from direct award procedures were reported to the BASE portal: 90.5% related to goods and services and the remaining 9.5% to public works. The distribution of the total contract value resulting from this procedure type (EUR 2.18 billion) shows a less pronounced dispersion: 65.8% (EUR 1.4 billion) for goods and services and the remaining 34.2% (EUR 746 million) for public works.

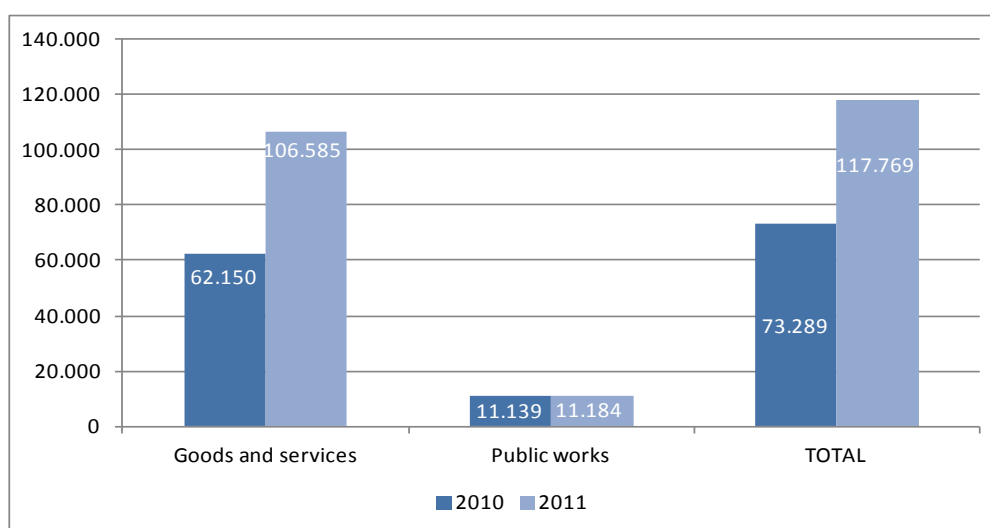
Table 17 – Direct awards in 2011

	N.º	%	VALUE	%
Goods and services	106.585	90,5%	1.436.636.672 €	65,8%
Public works	11.184	9,5%	746.092.838 €	34,2%
<b>TOTAL</b>	<b>117.769</b>	<b>100%</b>	<b>2.182.729.509 €</b>	<b>100%</b>

Source: BASE portal (Nov. 2012)

The number of contracts resulting from direct award procedures in 2011 represents an increase of 60.7% in relation to the figures registered in the BASE portal and taken into consideration for 2010. This increase can essentially be explained by the inclusion of simplified direct award procedures in the figures for 2011. As far as goods and services contracts are concerned, there was an increase of 71.5%; for public works contracts the increase was not very significant (only 0.4%).

Graph 17 – Number of direct award procedures in 2010/2011

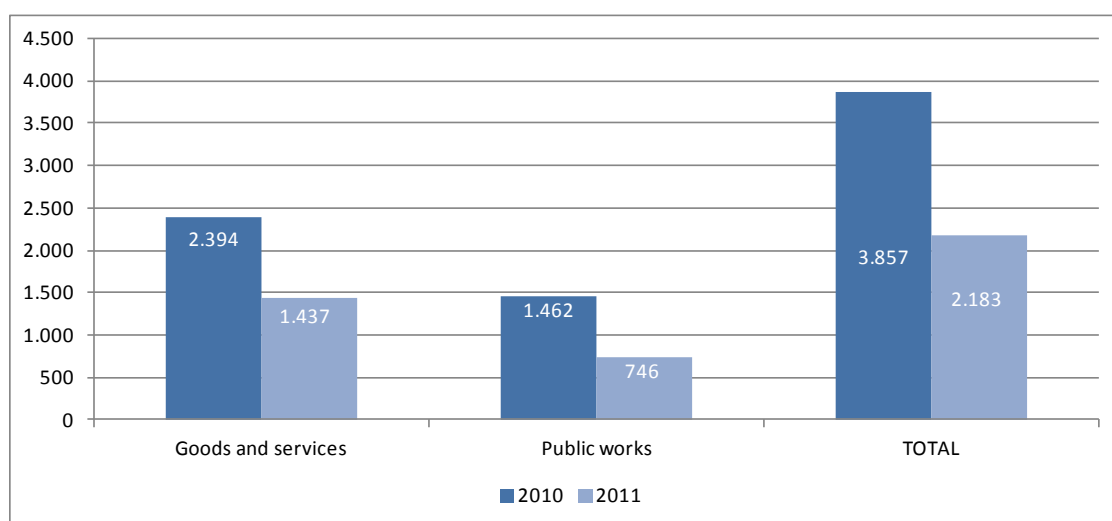


Sources: "Electronic Public Procurement Report 2010" and BASE portal (Nov. 2012)

The change registered for this type of contract contrasts therefore with that registered for contracts resulting from competitive procedures, both in the goods and services segment (-24.8% versus +71.5%) and in public works (-18.1% versus +0.4%).

In terms of contract value reported to the BASE portal in 2011 the total of EUR 2.18 billion represents a decrease of EUR 1.67 billion (-43%) in relation to 2010 (EUR 3.85 billion).

Graph 18 – Value of direct award contracts: 2010/2011 (in EUR million)

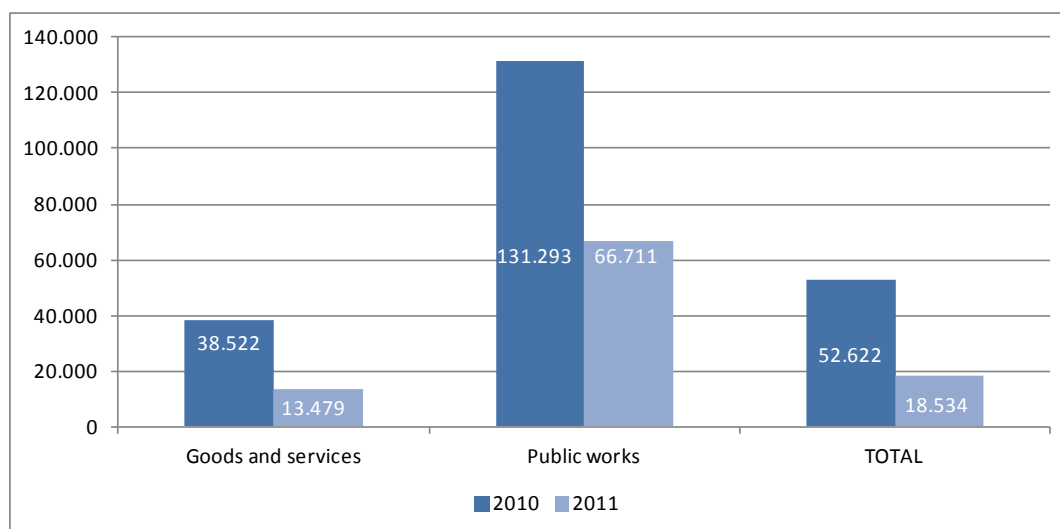


Sources: "Electronic Public Procurement Report 2010" and BASE portal (Nov. 2012)

This decrease was more noticeable in the public works segment (-49%), although the reduction (-40%) in the purchase of goods and services was also significant. Similarly, the negative trend in this area was less pronounced for contracts resulting from direct award procedures than for competitive procedures both in goods and services (-40% versus -65%) and in public works (-49% versus -63%).

There was also a decrease of 64.8% in the overall average contract value: from EUR 52,622 in 2010 to EUR 18,534 in 2011.

Graph 19 – Average value of direct award contracts: 2010/2011 (in EUR)



Sources: "Electronic Public Procurement Report 2010" and BASE portal (Nov. 2012)

The registered change in value was more noticeable in the goods and services segment (in 2011 the average value of these contracts was EUR 13.479, i.e. 65% lower than in 2010), although the drop in public works contract value was also significant (EUR 66,711 in 2011, corresponding to a drop of 49.2% in relation to 2010).

Among the contracts preceded by direct award procedures and registered in the BASE portal for 2011 24.5% of the total value (EUR 534,844,995) and 10.6% of the contracts (12,454) were reported by the electronic platforms.

Table 18 – Origin of reporting of data on contracts preceded by direct award procedures

Origin of data	Contracts		Total contract value	
	N.º	%	VALUE	%
Platforms	12.454	10,6%	534.844.997 €	24,5%
Contracting authorities	105.315	89,4%	1.647.884.512 €	75,5%
<b>TOTAL</b>	<b>117.769</b>	<b>-</b>	<b>2.182.729.509 €</b>	<b>-</b>

Source: BASE portal (Nov. 2012)

The percentage of the reported contract value (24.5%) would appear to be a drop in relation to the figures for 2010 (29%). However, it should be borne in mind that the methodology for determining the value differed from that for the preceding year: while figures for 2010 were

based on a comparison of the data provided by the platforms, for 2011 only information from the BASE portal was used.

While 2011 was marked by a progressive interoperability between the BASE portal and the various public procurement platforms, it was not possible to connect the BASE portal to all those platforms. Even where this connection was possible, it did not happen necessarily during the whole year.

### 3.3.1 Direct awards by material criterion

Of the total number of contracts resulting from direct award procedures, 14,694 contracts (13.2%), making up a total of EUR 781 million (36.1% of the total contract value), were related to procedures legally justified on the basis of material criteria, which would justify or even impose direct award, regardless of their contract value.

Table 19 – Direct awards reported to the BASE portal by criterion

	No. Contracts		Total contract value	
	N.º	%	Value	%
Goods and services	100.475	-	1.423.478.866 €	-
<i>Incidence of material criteria</i>	14.363	14,3%	574.428.567 €	40,4%
Public works	11.082	-	744.474.147 €	-
<i>Incidence of material criteria</i>	331	3,0%	207.278.304 €	27,8%
<b>TOTAL</b>	111.557	-	2.167.953.014 €	-
<i>Incidence of material criteria</i>	14.694	13,2%	781.706.871 €	36,1%

Source: BASE portal (Nov. 2012)

The incidence of material criteria is more significant for contracts related to goods and services (14% of total number of contracts and 40% of contract value) than for public works-related procedures (only 3% of total number of procedures, and 27.8% of the total value of contracts).

Of these contracts, the most important justifications in terms of public expenditure had to do with technical or artistic reasons or the protection of exclusive rights (35.6%), reasons of absolute urgency (14.6%), the need for the contract to be declared secret (12.8%), framework agreements, and previous procedures without competitors or with all tenders excluded (10.1%).



Table 20 – Material justifications for the use of direct award

Material justification	No. Contracts		Total contract value		
	N.º	%	Value	%	Average value
Technical or artistic reasons or reasons related with protection of exclusive rights	5.873	40,0%	278.594.268 €	35,6%	47.436 €
Urgency reasons	1.815	12,4%	114.344.468 €	14,6%	63.000 €
Secrecy reasons	52	0,4%	100.402.521 €	12,8%	1.930.818 €
Framework agreements	4.030	27,4%	79.162.489 €	10,1%	19.643 €
Procedure without competitors or with all tenders excluded	489	3,3%	78.858.955 €	10,1%	161.266 €
Repetition of similar services	258	1,8%	32.692.247 €	4,2%	126.714 €
IT services	976	6,6%	30.268.571 €	3,9%	31.013 €
Intellectual or financial services	328	2,2%	11.781.778 €	1,5%	35.920 €
Consumption of goods of general interest	20	0,1%	5.447.925 €	0,7%	272.396 €
Research, experimentation, study or development purposes	388	2,6%	2.581.405 €	0,3%	6.653 €
Special sectors	21	0,1%	799.360 €	0,1%	38.065 €
Others	444	3,0%	46.772.884 €	6,0%	105.344 €
<b>TOTAL</b>	<b>14.694</b>		<b>781.706.871 €</b>		<b>53.199 €</b>

Source: BASE portal (Nov. 2012)

The use of material criteria to justify the implementation of direct award procedures was more frequent for goods and services contracts (97.7% of the total procedures and 73.5% of the total value of contracts) than for public works contracts (2.3% of procedures and 26.5% of contract value).

Table 21 – Distribution by type of expenditure of direct award contracts based on material criteria

	Nº. Contracts		Total contract value	
	N.º	%	Value	%
Goods and services	14.363	97,7%	574.428.567 €	73,5%
Public works	331	2,3%	207.278.304 €	26,5%
<b>TOTAL</b>	<b>14.694</b>		<b>781.706.871 €</b>	

Source: BASE portal (Nov. 2012)

### 3.4 Contracts by procedure type

#### 3.4.1 General

An analysis of public contracts in 2011 based on the type of procedure shows that direct award procedures were the most representative both in terms of number of contracts (95.9%) and the public expenditure amounts involved, accounting for almost half of the expenditure (46.1%) in the latter case.

Table 22 – Public procurement by procedure type

PROCEDURE TYPE	N.º	%	VALUE	%
Open tender procedure	4.812	3,9%	1.811.091.177 €	38,0%
Restricted procedure with prior qualification	170	0,1%	758.123.032 €	15,9%
Negotiation/direct award procedure	117.781	95,9%	2.195.603.481 €	46,1%
<b>TOTAL</b>	<b>122.763</b>	<b>100%</b>	<b>4.764.817.691 €</b>	<b>100%</b>

Source: BASE portal (Nov. 2012)

In the case of procedures opened within the market (open tender procedures and restricted tender procedures with prior qualification), there was a significant drop in the number of procedures resulting in contracts.

Table 23 – Number of contracts by procedure type – 2010/2011

PROCEDURE TYPE	2010		2011	
	N.º	%	N.º	%
Open tender procedure	5.912	7,4%	4.812	3,9%
Restricted procedure with prior qualification	492	0,6%	170	0,1%
Negotiation/direct award procedure	73.289	91,9%	117.781	95,9%
Others	46	0,1%	0	0,0%
<b>TOTAL</b>	<b>79.739</b>	<b>100%</b>	<b>122.763</b>	<b>100%</b>

Sources: "Electronic Public Procurement Report 2010" and BASE portal (Nov. 2012)

As regards the value of contracts resulting from those procedures, there was a sharper decrease than in the number of contracts itself, and this is true for all procedure types.

Table 24 – Contract values per contract type – 2010/2011

PROCEDURE TYPE	2010		2011	
	VALUE	%	VALUE	%
Open tender procedure	3.711.174.438 €	33,9%	1.811.091.177 €	38,0%
Restricted procedure with prior qualification	3.364.305.269 €	30,7%	758.123.032 €	15,9%
Negotiation/direct award procedure	3.856.607.936 €	35,2%	2.195.603.481 €	46,1%
Others	25.487.740 €	0,2%	0	0,0%
<b>TOTAL</b>	<b>10.957.575.383 €</b>	<b>100%</b>	<b>4.764.817.691 €</b>	<b>100%</b>

Sources: "Electronic Public Procurement Report 2010" and BASE portal (Nov. 2012)

### 3.4.2 Goods and services

With respect to goods and services, contracts preceded by negotiation/direct award procedures make up the majority – both in terms of contract number (97.1%) and contract amounts involved (69.2%).

Table 25 – Distribution of contracts for goods and services by procedure type

PROCEDURE TYPE	N.º	%	VALUE	%
Open tender procedure	3.145	2,9%	578.866.653 €	27,7%
Restricted procedure with prior qualification	90	0,1%	63.369.626 €	3,0%
Negotiation/direct award procedure	106.596	97,1%	1.444.490.728 €	69,2%
<b>TOTAL</b>	<b>109.831</b>	<b>100%</b>	<b>2.086.727.006 €</b>	<b>100%</b>

Source: BASE portal (Nov. 2012)

In comparison to 2010 there was a general drop in the number of contracts that affected in particular the restricted tender (-69%) and public tender (-21%) procedures.

Table 26 – Number of contracts per procedure type (goods and services) – 2010/2011

PROCEDURE TYPE	2010		2011	
	N.º	%	N.º	%
Open tender procedure	3.983	5,0%	3.145	2,6%
Restricted procedure with prior qualification	292	0,4%	90	0,1%
Negotiation/direct award procedure	62.150	77,9%	106.596	86,8%
Others	40	0,1%	0	0,0%
<b>TOTAL</b>	<b>66.465</b>	<b>83%</b>	<b>109.831</b>	<b>89%</b>

Sources: "Electronic Public Procurement Report 2010" and BASE portal (Nov. 2012)

The aforementioned trend was also confirmed by an analysis of the contract amounts involved: there was a sharp drop in open tender procedures (-87% and -58% for contracts resulting from restricted and public procedures, respectively) and also a significant decrease in the number of non competitive procedures (-40%).

Table 27 – Contract amounts by procedure type (goods and services) – 2010/2011

PROCEDURE TYPE	2010		2011	
	VALUE	%	VALUE	%
Open tender procedure	1.371.240.347 €	12,5%	578.866.653 €	12,1%
Restricted procedure with prior qualification	480.225.163 €	4,4%	63.369.626 €	1,3%
Negotiation/direct award procedure	2.394.132.110 €	21,8%	1.444.490.728 €	30,3%
Others	24.492.740 €	0,2%	0	0,0%
<b>TOTAL</b>	<b>4.270.090.360 €</b>	<b>39%</b>	<b>2.086.727.006 €</b>	<b>44%</b>

Sources: "Electronic Public Procurement Report 2010" and BASE portal (Nov. 2012)

### 3.4.3 Public works

Public works contracts using the direct award procedure accounted for 86.5% of the total number of contracts and 28% of the total contract value. Open procedures were more representative in terms of contract amounts (72%) than in terms of number of contracts (13.5%). Here, the restricted procedures stood out (accounting for only 0.6% of the number of contracts but 25.9% of the total contract value in 2011).

Table 28 – Distribution of public works contracts by procedure type

PROCEDURE TYPE	N.º	%	VALUE	%
Open tender procedure	1.667	12,9%	1.232.224.524 €	46,0%
Restricted procedure with prior qualification	80	0,6%	694.753.406 €	25,9%
Negotiation/direct award procedure	11.185	86,5%	751.112.754 €	28,0%
<b>TOTAL</b>	<b>12.932</b>	<b>100%</b>	<b>2.678.090.684 €</b>	<b>100%</b>

Source: BASE portal (Nov. 2012)

In comparison to 2010, an overall drop in the number of contracts (-2.6%) was particularly sharp for those resulting from restricted procedures with prior qualification (-60%) and also quite significant in the case of open tender procedures (-13.6%).

Table 29 – Number of contracts by procedure type (public works) – 2010/2011

PROCEDURE TYPE	2010		2011	
	N.º	%	N.º	%
Open tender procedure	1.929	2,4%	1.667	1,4%
Restricted procedure with prior qualification	200	0,3%	80	0,1%
Negotiation/direct award procedure	11.139	14,0%	11.185	9,1%
Others	6	0,0%	0	0,0%
<b>TOTAL</b>	<b>13.274</b>	<b>17%</b>	<b>12.932</b>	<b>11%</b>

Sources: "Electronic Public Procurement Report 2010" and BASE portal (Nov. 2012)

Accompanying the trend for goods and services, the drop in contract value for public works (-60% overall) was also more significant than the drop in the number of procedures (particularly in the case of contracts resulting from restricted procedures, where the decrease was 76%). The drop in the amounts for contracts resulting from open tender and direct award procedures was similar for goods and services (-47% and -49%, respectively).

Table 30 – Contract amounts by procedure type (public works) – 2010/2011

PROCEDURE TYPE	2010		2011	
	N.º	%	N.º	%
Open tender procedure	2.339.934.091 €	21,4%	1.232.224.524 €	25,9%
Restricted procedure with prior qualification	2.884.080.106 €	26,3%	694.753.406 €	14,6%
Negotiation/direct award procedure	1.462.475.826 €	13,3%	751.112.754 €	15,8%
Others	995.000 €	0,0%	0	0,0%
<b>TOTAL</b>	<b>6.687.485.023 €</b>	<b>61%</b>	<b>2.678.090.684 €</b>	<b>56%</b>

Sources: "Electronic Public Procurement Report 2010" and BASE portal (Nov. 2012)

### 3.5 Breakdown of Contracts according to the "Common Procurement Vocabulary"

A brief analysis based on the Common Procurement Vocabulary (CPV) shows a predominance of public works mostly in terms of procurement classified as "construction work", which accounts for a quite significant share (56.3%) as regards the amounts involved, but also of public works-related services, which include "architectural, construction, engineering and inspection services" i. a..

Equally significant in terms of weight<sup>9</sup> are the following classes: "business services: law, marketing, consulting, recruitment, printing and security" (4.2% of contract value), "medical equipments, pharmaceuticals and personal care products (3.8%), "petroleum products, fuel, electricity and other sources of energy" (3.4%), "sewage, refuse, cleaning, and environmental services" (2.8%) and "IT services: consulting, software development, Internet and support" (2.4%).

<sup>9</sup> More than 2% of the total contract value.

Table 31 – Public procurement distribution by CPV, number of contracts

CPV Code	CPV description	N.º of contracts		Contract value	
		N.º	%	Value	%
45	Construction work	11.310	9,2%	2.623.191.722 €	55,1%
79	Business services: law, marketing, consulting, recruitment, printing and security	8.509	6,9%	198.885.510 €	4,2%
33	Medical equipments, pharmaceuticals and personal care products	6.609	5,4%	182.126.863 €	3,8%
71	Architectural, construction, engineering and inspection services	5.648	4,6%	176.585.770 €	3,7%
9	Petroleum products, fuel, electricity and other sources of energy	1.746	1,4%	164.032.379 €	3,4%
90	Sewage, refuse, cleaning, and environmental services	2.459	2,0%	158.966.639 €	3,3%
50	Repair and maintenance services	9.479	7,7%	134.035.434 €	2,8%
72	IT services: consulting, software development, Internet and support	3.121	2,5%	114.875.601 €	2,4%
-	Others	73.882	60,2%	1.012.117.772 €	21,2%
Total		122.763		4.764.817.691 €	

Source: BASE portal (Nov. 2012)

### 3.6 Framework agreements

Procedures reported to the BASE portal include 1,441 contracts resulting from framework agreements that make up a total of EUR 82 million. However, according to the data provided by the National Agency for Public Procurement (ANCP – Agência Nacional de Compras Públicas), currently known as ESPAP (the entity responsible for the Portuguese public administration shared services), under the framework agreements established by the agency a total of 1,279 contracts were awarded in 2011 for a total contract value of about EUR 181,500 million, i.e. more than twice the total amount for procedures resulting from framework agreements reported to the BASE portal<sup>10</sup>.

Table 32 – Procurement under framework agreements

Framework agreements	N.º contracts	Contract value
Reported do BASE	1.441	82.023.491 €
ANCP	1.279	181.466.428 €

Source: BASE portal (Nov. 2012) / ANCP

<sup>10</sup> Comparing data from the BASE portal and from the ANCP it was only possible to confirm correspondence of 40 procedures totalling EUR 8,968,834.23.

## 3.7 Contracting authorities

### 3.7.1 Contracting authorities that reported contracts to the BASE portal

In 2011 there were 3,609 contracting authorities registered on the public procurement electronic platforms.

Table 33 – Contracting authorities that reported contracts in 2011

N.º platforms	N.º
N.º contracting authorities with platform(s)	3.609
N.º contracting authorities reporting contracts	3.027
Rate of contracting authorities reporting	84%

Source: electronic platforms and BASE portal

The number of contracting authorities having reported procurement procedures, either directly or via the platforms, amounted to 3,027, i.e. 84% of the contracting authorities registered on the public procurement electronic platforms.

The average number of contracts reported per contracting authority was 40 for the year 2011. However, the majority of the contracting authorities did not report more than 4 contracts. It should also be noted that 28.1% of contracting authorities (the equivalent to 858) reported only 1 contract during the whole year.



Table 34 – Frequency of contracting authorities by number of contracts awarded in 2011

N.º contracts per contracting authority	N.º contracting authorities	
	N.º	%
Up to 5	1.706	55,9%
<i>Of which:</i>		
1	858	28,1%
2	409	13,4%
3	187	6,1%
4	149	4,9%
5	103	3,4%
6--10	306	10,0%
11--20	253	8,3%
21--50	291	9,5%
More than 50	395	12,9%
Sub-total	2.951	96,7%
Groupings	100	3,3%
<b>Total</b>	<b>3.051</b>	<b>100,0%</b>

Source: BASE portal (Nov. 2012)

Nevertheless, 12.9% of all contracting authorities reported more than 50 procurement contracts in 2011.

The low number of contracts per contracting authority (40) and, above all, the significant relative weight of contracting authorities having reported only one procurement contract for the whole year may also indicate that reporting is below the actual figures.

### 3.7.2 Contracting authorities per electronic public procurement platform

As far as the use of electronic platforms is concerned, the great majority (84.5%) of the aforementioned 3,609 contracting authorities resorted to only one platform. Of the remaining contracting authorities, 15.2% (548 in all) had two platforms at their disposal, while a total of 13 authorities could make simultaneous use of 3 platforms.

Table 35 – Number of platforms per contracting authority

N.º platforms	Contracting authorities	
	N.º	%
1	3.048	84,5%
2	548	15,2%
3	13	0,4%
Overall total	3.609	100%

Source: electronic platforms

### 3.7.3 Use of electronic public procurement platforms in direct award procedures

As Table 18 shows, data reported to the BASE portal illustrate that 10.6% of the total number of direct award procedures were carried out through the electronic platforms (accounting for 24.5% in terms of contract value).

## 3.8 Contractors

According to data provided by the electronic platform operators, in 2011 there were 48,136 economic operators registered with the platforms, of which 65.7% were registered with at least two platforms.

Of the total number of registered economic operators, 20,843 companies (or 43.3%) entered into contracts with public authorities subject to the Public Contracts Code.

Table 36 – Frequency of contractors and total contract value per number of contracts awarded in 2011

N.º contracts	N.º contractors	%	N.º contracts	%	Total contract value	%
1 -- 5	25.485	85,7%	41.944	34,2%	2.098.721.628 €	44,0%
1	16.472	55,4%	16.472	13,4%	1.098.272.316 €	23,0%
2	4.639	15,6%	9.278	7,6%	521.133.004 €	10,9%
3	2.168	7,3%	6.504	5,3%	203.076.761 €	4,3%
4	1.340	4,5%	5.360	4,4%	169.989.701 €	3,6%
5	866	2,9%	4.330	3,5%	106.249.846 €	2,2%
6 -- 29	3.676	12,4%	42.338	34,5%	1.843.801.888 €	38,7%
30 -- 52	314	1,1%	12.131	9,9%	341.693.657 €	7,2%
53 -- 75	121	0,4%	7.614	6,2%	163.548.284 €	3,4%
76 -- 98	58	0,2%	4.922	4,0%	48.393.737 €	1,0%
≥ 99	85	0,3%	13.814	11,3%	268.658.496 €	5,6%
<b>TOTAL</b>	<b>29.739</b>	<b>100%</b>	<b>122.763</b>	<b>100%</b>	<b>4.764.817.691 €</b>	<b>100%</b>

Source: BASE portal (Nov. 2012)

More than 61% of those companies (16,472 in all) entered into only one procurement contract and together account for 23% of the total contract value. However, 85.7% of contractors entered into up to 5 contracts accounting for 44% of the total contract value.

## 4 FINAL CONSIDERATIONS

**1.** – The total value of new public procurement contracts reported to the BASE portal (EUR 4.76 billion) in 2011 demonstrate a sharp decrease as compared to the previous year, reflecting a drop in the relative weight of public procurement, both in relation to the Gross Domestic Product (a drop of 3.56 percentage points from 6.3% in 2010 to 2.8% in 2011) and in terms of the weight of public works in relation to the gross fixed capital formation in the construction work sector (a drop of 19.3 percentage points to make up only 16% of this macroeconomic indicator in 2011).

**2.** – As compared to 2010, the total public procurement reported to the BASE portal represents a decrease in both the total value of contracts (-56.5% over 2010) and the average contract value (in general, the average contract value in 2011 was 71.8% lower than that for contracts awarded in 2010; indeed, the average value for contracts awarded in 2011 and commenced during this same year was 96% lower than for contracts awarded in 2011 but for which the procedure was launched before 2011).

**3.** – The decrease was felt both at the level of goods and services (a drop of 51.1% in terms of total contract value) and of public works (-60%) and also across the various types of procedures, be they competitive procedures – public tender procedures (which saw a drop of 51.2% in terms of contract value) and restricted procedures (-77.5%) – or direct award procedures (-43.1%).

**4.** – The downturn experienced in 2011 was also reflected in the drop in the average contract value, which had variations the of -70.4% and -58.9% for goods and services and for public works, respectively. The decrease is all the more noticeable when looking at the average value of contracts whose procedures were launched before 2011 and those launched during that year, where the drop was 91.4% and 90.6% for goods and services and for public works, respectively.

5. – The final figures established for 2011 confirm the success that e-public procurement has had in Portugal, as demonstrated by the figures calculated for the following indicators:

- the figure for the **Public E-Procurement Index in Portugal (ICPEP)** was 62%, meaning that almost two-thirds of public procurement reported to the BASE portal was carried out via the certified electronic public procurement platforms;
- the figure for the **Manchester Index (above EU threshold)** was 92%, i.e. higher than in 2010, reflecting the success of the Portuguese public procurement in meeting the objectives set out in the “Manchester Declaration”.