

PUBLIC PROCUREMENT PROCEDURES WHICH ATTRACT ONLY ONE BID

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AGENDA

1. Background
2. Data and the methodology
3. General overview of the data
4. One bid situations
5. The model
6. Take aways

Ia Cour and Ølykke, "Public procurement procedures which attract only one bid – digging a bit deeper" (2025) PPLR 1, 1-32





1. BACKGROUND

- Why only one bid?
- What is the optimal number of bids?
 - Economic theory: more than one...
 - EU law: enough to create competition
- What to do? Council conclusions of 24 May 2024:

“Ministers are calling for the streamlining and improvement of the rules on public procurement and the launch of an in-depth analysis of the existing legal framework.”

2. DATA AND METHODOLOGY

- We use TED Contract Award Notices (CAN) and TED Contract Notices (CN):
This implies that we can follow a procurement process.
- Our unit of observation is an award (called CA).
- We have CANs for 2009 – 2022. 2,783,692 (on avg. 2.3 CA's per CAN)
- We focus on EU and EEA and UK.

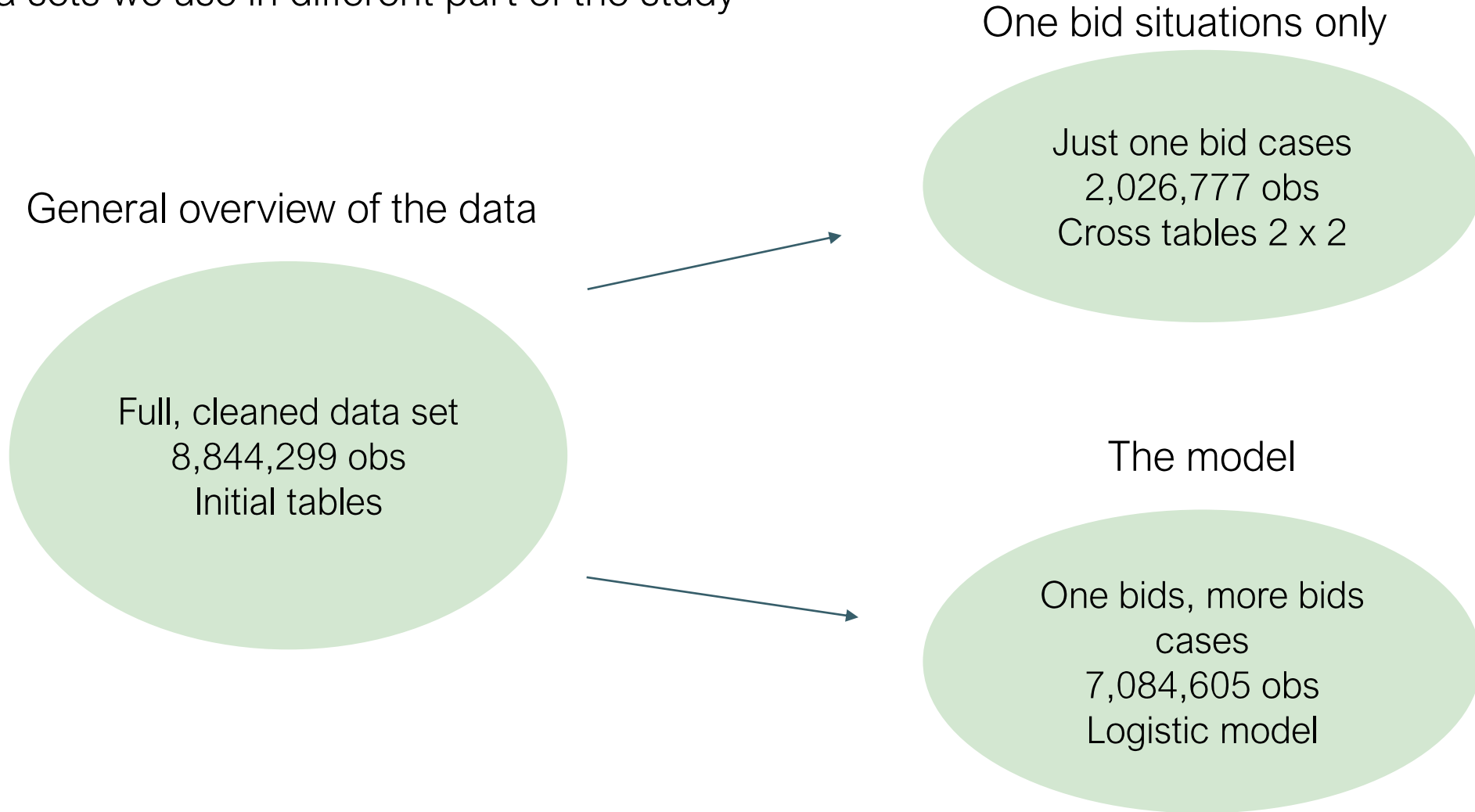
Variables/Factors we study:

- Directive; contract object; Identity and type of contracting authority; Identity of the winner; Number of bids; Type of procedure; Indicators of framework agreement and dynamic purchasing system; Award criteria, Estimated value of the contract, Industry codes (CPV).



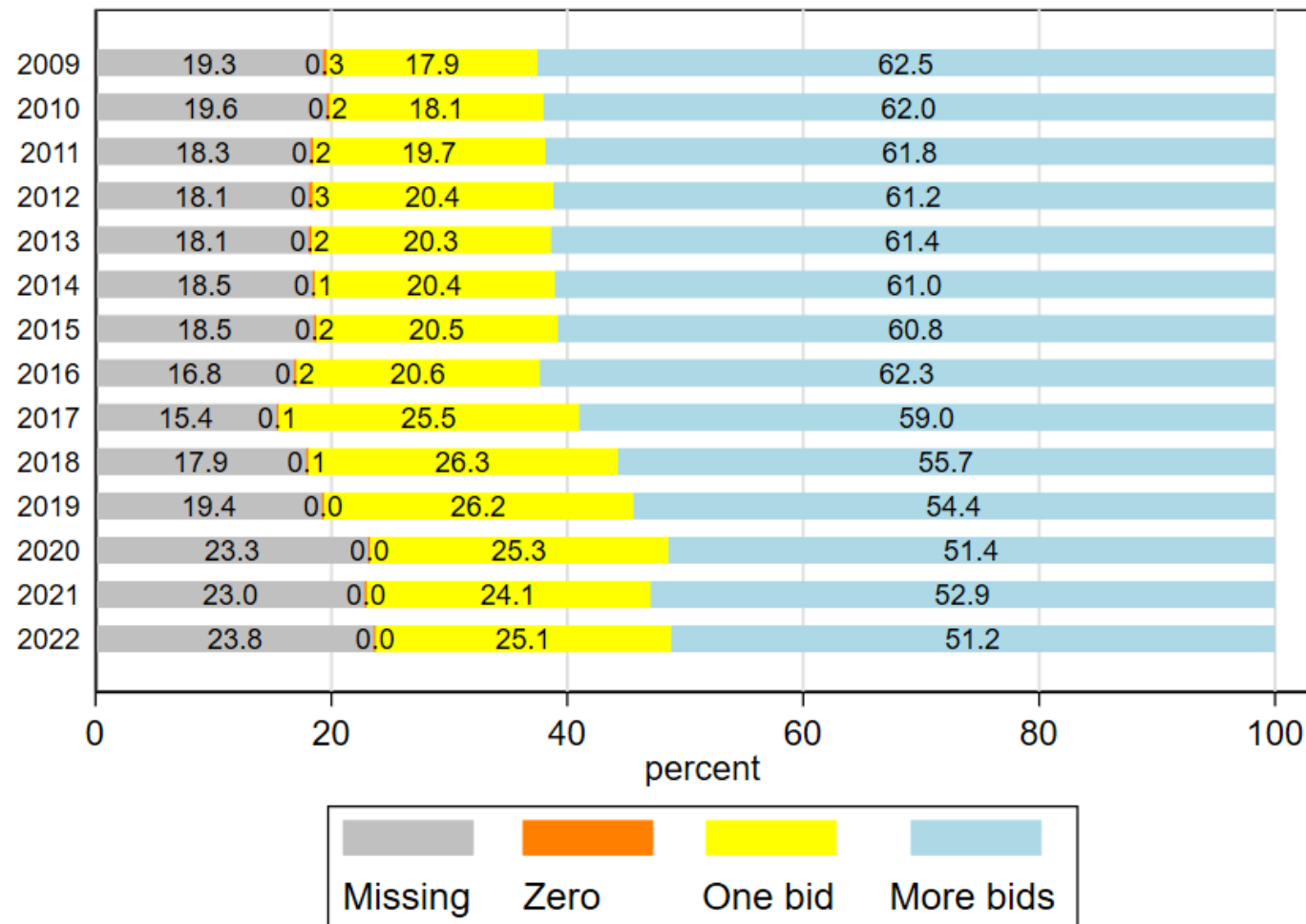
2. DATA AND THE METHODOLOGY

Data sets we use in different part of the study



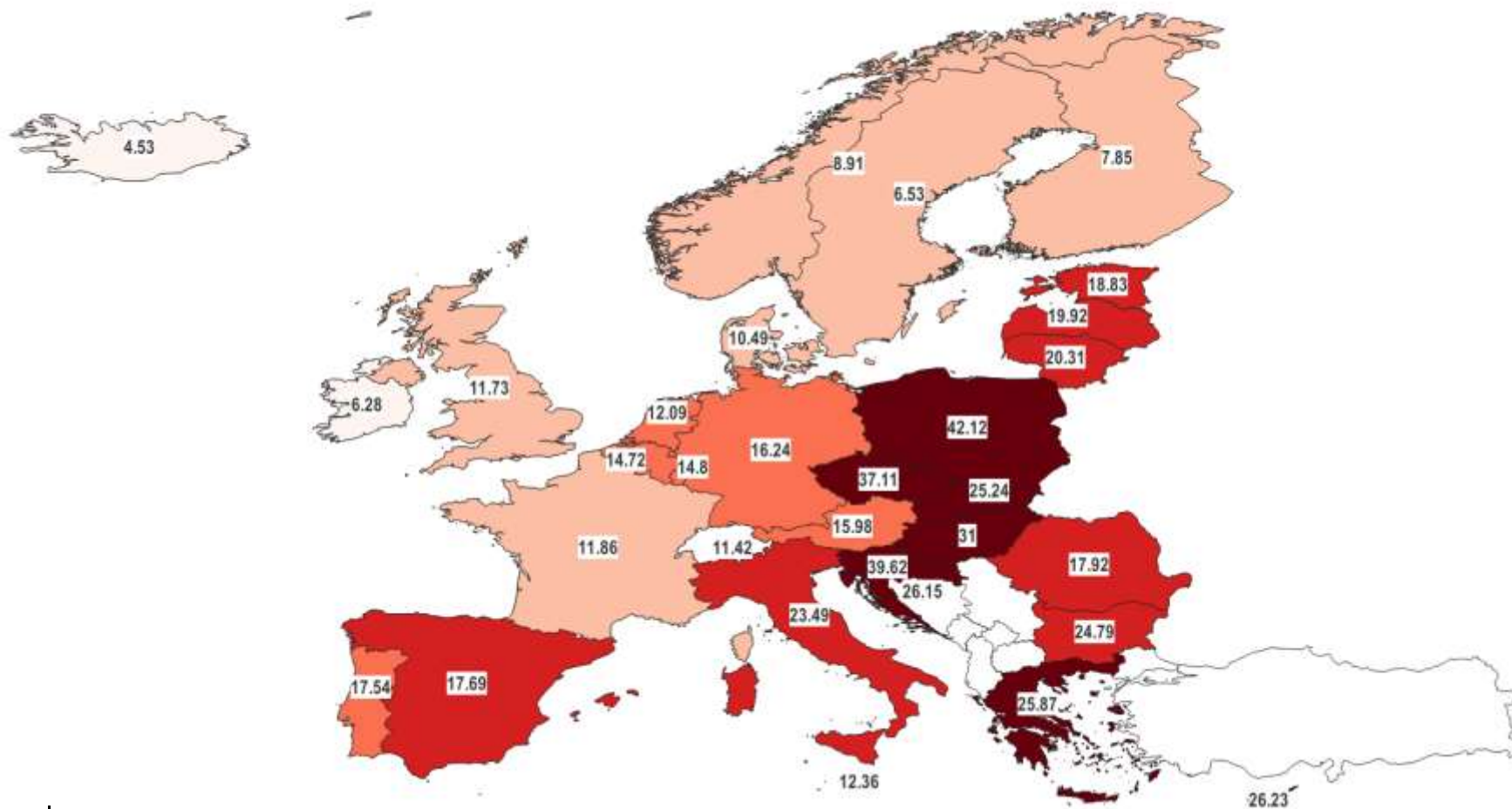
3. GENERAL OVERVIEW OF THE DATA

Percentages of the categories of number of bids (2009 – 2022)



3. GENERAL OVERVIEW OF THE DATA

The percentages of one bid situations across countries



Note: The darker the colour the more one bid cases.

3. GENERAL OVERVIEW OF THE DATA

Bids by applicable directive

One bid situations
generally higher than
20%

Number of bids	Missing	Zero	One bid	More bids	Total CAs
Directive					
2014 Public Sector Directive	18.79%	0.11%	23.34%	57.76%	8,147,798
2014 Utilities Directive	34.70%	0.07%	16.08%	49.15%	561,445
Concessions Directive	16.83%	0.00%	32.88%	50.28%	9,035
Defence and Security Directive	20.89%	1.03%	35.16%	42.92%	31,084
Social and other specific services					
2014 Public Sector Directive	16.71%	0.00%	22.21%	61.08%	92,774
2014 Utilities Directive	17.39%	0.00%	23.08%	59.53%	1,265
Concessions Directive	13.92%	0.00%	24.39%	61.69%	898
Total CAs	1,747,701	9,993	2,026,777	5,057,828	8,844,299
	19.78%	0.11%	22.92%	57.19%	100%

3. GENERAL OVERVIEW OF THE DATA

Bids by procedure

Procedure	Number of bids	Missing	Zero	One bid	More bids	Total CAs
Open procedure		19.06%	0.11%	22.42%	58.41%	7,497,518
Accelerated open procedure		23.45%	0.00%	33.88%	42.66%	97,997
Restricted procedure		16.02%	0.13%	14.11%	69.74%	366,004
Accelerated restricted procedure		9.94%	0.44%	23.51%	66.10%	23,229
Negotiated procedure with a call for competition		34.23%	0.13%	13.27%	52.37%	409,107
Accelerated negotiated procedure with a call for competition		55.83%	0.12%	19.87%	24.18%	19,664
Competitive dialogue		19.09%	0.03%	13.00%	67.87%	11,588
Negotiated procedure without a call for competition		17.41%	0.11%	66.45%	16.03%	221,291
Innovation partnership		16.70%	0.00%	28.39%	54.91%	2,455
Award of contract without prior publication of a contract notice		20.37%	0.07%	27.41%	52.15%	164,552
Not specified		36.46%	0.94%	9.75%	52.85%	30,894
Total		1,749,701 19.78%	9,993 0.11%	2,026,777 22.92%	5,057,828 57.19%	8,844,299 100%

3. GENERAL OVERVIEW OF THE DATA

Bids by contract value

Appr. cut-off between
quantiles

Number of bids Contract value	Missing	Zero	One bid	More bids	Total CAs
Missing	52.26%	0.30%	7.90%	39.54%	1,333,235
1st (lowest) quartile	15.08%	0.05%	28.82%	56.06%	1,877,777
2nd quartile	12.79%	0.08%	27.98%	59.15%	1,877,783
3rd quartile	12.72%	0.09%	26.98%	60.20%	1,877,744
4th quartile	15.49%	0.11%	18.54%	65.86%	1,877,760
Total CAs	1,749,701	9,993	2,026,777	5,057,828	8,844,299
	19.78%	0.11%	22.92%	57.19%	100%

3. GENERAL OVERVIEW OF THE DATA

Bids by industry

Two-digit CPV	Number of bids	Missing	Zero	One bid	More bids	Total CAs
15 – Food, beverages, tobacco and related products		18.88%	0.10%	24.49%	56.53%	440,569
30 – Office and computing machinery, equipment and supplies except furniture and software packages		20.74%	0.07%	20.94%	58.25%	216,893
33 – Medical equipment, pharmaceuticals and personal care products		20.53%	0.10%	28.95%	50.42%	2,872,573
34 – Transport equipment and auxiliary products to transportation		22.13%	0.24%	24.77%	52.86%	280,539
38 – Laboratory, optical and precision equipment (excluding glasses)		17.03%	0.10%	40.00%	42.87%	136,515
39 - Furniture (incl. office furniture), furnishings, domestic appliances (excl. lighting) and cleaning products		22.28%	0.12%	13.81%	63.79%	167,647
45 – Construction work		21.81%	0.11%	8.20%	69.88%	779,471
50 – Repair and maintenance services		25.39%	0.21%	25.19%	49.20%	314,797
60 - Transport services (excl. Waste transport)		22.00%	0.07%	16.43%	61.50%	283,231
66 - Financial and insurance services		17.40%	0.25%	18.61%	63.73%	165,593
71 - Architectural, construction, engineering and inspection services		18.05%	0.02%	9.86%	72.07%	407,538
72 – IT services: consulting, software development, internet and support		16.30%	0.07%	27.81%	55.81%	164,003
77 – Agriculture, forestry, horticultural, aquacultural and apicultural services		17.54%	0.04%	26.47%	55.95%	251,784
79 - Business services: law, marketing, consulting, recruitment, printing and security		15.27%	0.08%	15.03%	69.62%	323,621
80 – Education and training services		17.07%	0.17%	32.47%	50.30%	191,954
85 – Health and social work services		13.22%	0.11%	29.82%	56.85%	212,644
90 - Sewage, refuse, cleaning and environmental services		16.71%	0.11%	17.57%	65.61%	386,198
Other		20.02%	0.15%	21.11%	58.72%	1,043,363
Missing		6.59%	0.16%	15.07%	78.19%	3,186
Total CAs		1,749,701	9,993	2,026,777	5,057,828	8,844,299
		19.78%	0.11%	22.92%	57.19%	100%

4. ONE BID SITUATIONS

Industries and countries

CPV	Country	BG	CZ	DE	DK	ES	FR	IT	PL	RO	SI	UK
15 – Food, beverages		3.68	0.70	0.52	1.40	2.31	5.04	1.47	0.57	4.32	55.18	0.82
30 – Office		2.78	10.32	2.33	0.47	1.34	1.67	0.93	1.80	1.02	3.63	0.32
33 – Medical equipment		23.87	21.12	15.66	38.48	28.78	9.77	42.51	66.28	52.97	17.43	3.97
34 – Transport equipment		4.61	4.28	11.84	5.13	3.69	6.41	4.40	1.19	2.09	2.83	1.46
38 – Laboratory, optical		2.08	4.54	5.03	4.82	2.92	1.60	2.16	2.49	1.22	0.72	1.83
39 - Furniture		1.02	2.17	1.78	0.80	1.02	2.87	0.51	0.53	0.89	1.02	0.50
45 – Construction work		5.87	3.90	10.56	3.30	0.92	11.99	1.54	0.56	2.15	0.67	3.72
50 – Repair and maintenance		7.00	4.64	2.20	1.07	7.65	6.21	4.34	2.28	6.97	2.29	2.19
60 - Transport services		2.80	1.07	3.70	2.31	5.42	5.20	2.21	0.55	1.21	2.08	12.49
66 - Financial and insurance		1.05	0.62	0.38	9.42	2.10	3.14	8.52	0.81	0.48	0.40	3.37
71 - Architectural		6.31	2.92	6.29	2.79	1.65	2.60	1.07	0.87	1.45	0.96	1.18
72 – IT services		1.75	4.56	4.36	3.98	7.24	2.85	2.64	0.57	1.14	1.32	1.54
77 – Agriculture, forestry		0.93	5.20	0.89	0.58	0.60	1.69	0.37	4.86	5.41	0.55	0.31
79 - Business services		3.41	4.70	2.18	1.90	3.34	3.69	1.94	0.86	1.48	0.84	10.31
80 – Education and training		0.28	7.54	5.45	0.81	1.86	5.04	1.00	3.50	0.08	0.09	2.60
85 – Health and social work		0.53	1.98	1.72	1.36	4.57	1.70	4.06	1.88	4.00	0.32	40.34
90 - Sewage		3.52	1.85	3.55	8.69	3.28	6.31	7.21	2.91	1.69	1.93	1.29
Other/missing		28.51	17.89	21.57	12.68	21.30	22.23	13.13	7.49	11.44	7.73	11.77
Total CAs		51796100	96188100	121625100	10119100	77343100	202223100	76166100	794039100	149705100	129364100	52883100

4. ONE BID SITUATIONS

Industries and procedures

Industry Procedure	15	30	33	34	38	39	45	50	60	66	71	72	77	79	80	85	90	Missing/ other	Total
Open procedure	97.2	83.43	92.75	81.5	81.62	88.61	69.7	74.83	82.17	81.07	58.64	49.77	79.75	60.26	78.29	77.27	83.63	69.7	82.93
Accelerated open procedure	0.35	1.13	2.4	0.92	1.14	0.77	0.66	1.06	0.85	1.33	0.58	1.13	4.45	0.82	0.19	0.3	1.99	1.09	1.64
Restricted procedure	0.59	7.43	1.1	2.99	1.68	3.4	4.32	3.59	3.09	2.61	4.68	3.89	4.48	10.9	2.25	3.55	1.62	3.64	2.55
Accelerated restricted procedure	0.15	0.16	0.14	0.52	0.23	0.29	0.65	0.6	0.24	0.94	0.27	0.24	0.27	0.31	0.6	0.09	0.16	0.4	0.27
Negotiated procedure with a call for competition	0.4	1.28	0.31	4.82	2.82	1.29	5	5.19	5.81	7.62	15.25	5.16	0.82	8.39	3.22	4.16	2.23	4.99	2.68
Accelerated negotiated procedure with a call for competition	0.02	1.81	0.05	0.07	0.14	0.04	0.15	0.18	0.09	0.89	0.48	0.16	0.2	0.41	0.44	0.21	0.15	0.32	0.19
Competitive Dialogue	0	0.04	0.03	0.04	0.07	0.06	0.24	0.11	0.04	0.23	0.14	0.25	0	0.31	0.02	0.1	0.04	0.13	0.07
Negotiated procedure without a call for competition	1.05	3.86	2.77	7.28	10.85	4.12	10.05	11.91	6.05	4.29	15.62	34.89	8.14	12.92	5.22	5.18	7.43	15.64	7.26
Award without priorpublication of a contract notice	0.22	0.84	0.36	1.71	1.36	1.39	9.14	2.42	1.56	0.95	4.22	4.38	1.7	5.5	8.86	7.38	2.71	3.92	2.23
Innovation partnership	0.01	0	0.07	0	0	0	0.02	0	0	0	0	0.01	0	0.03	0	0	0	0.01	0.03
Missing	0.01	0.02	0.02	0.15	0.1	0.03	0.08	0.1	0.09	0.07	0.11	0.11	0.18	0.15	0.9	1.75	0.03	0.16	0.15
Total CAs	107909	45421	831711	69487	54603	23154	63944	79309	46523	30817	40191	45616	66645	48654	62319	63417	67836	279221	2026777
Column %	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Row %	5.32	2.24	41.04	3.43	2.69	1.14	3.15	3.91	2.3	1.52	1.98	2.25	3.29	2.4	3.07	3.13	3.35	13.78	100

5. THE MODEL

- We want to assess the important drivers of one bid cases when taking all the variables/factors we have discussed earlier into account
- Data set with one bid and more bid cases only
- Variables/factors: year, country, directive, procedure, object, authority, two-digit CPV industries, award criteria, contract value in quantiles.
- Model: logistic regression (a non-linear model)
- Estimation: maximum likelihood (standard)
- Testing for significance of coefficients (not shown – but they are signif.)
- We will look at the fit of the model (next slide.
- Interpretation by presenting *predicted percentages* for one variable at a time. Other variables are left with actual values. Finally, an average of these predictions are calculated and presented graphically
- We will predict the probability of a one bid case for hypothetical cases based on the model



5. THE MODEL

Model fit

We classify a predicted value as a one bid if its probability is higher than 50% (standard)

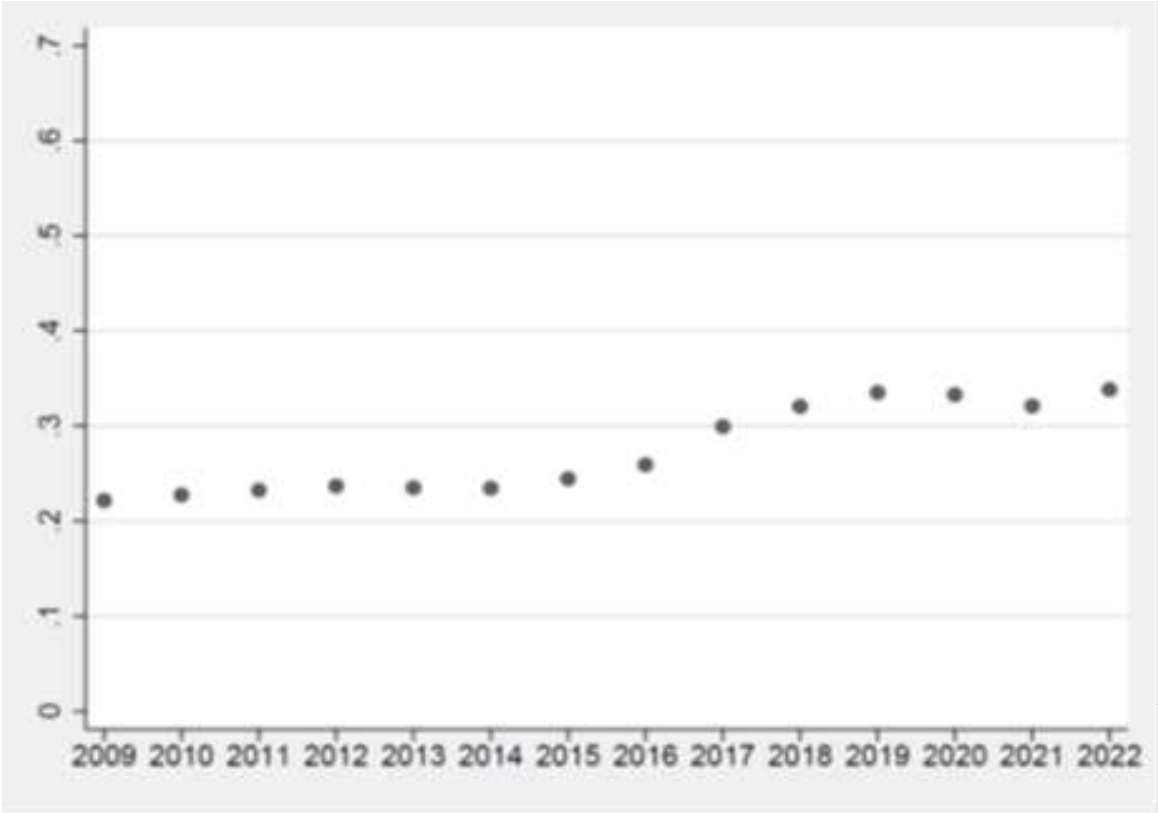
	True one bid	True more bids	Total
Cases predicted as one bid	647,041	418,941	1,065,982
Cases predicted as more bids	1,379,736	4,638,887	6,018,623
Total	2,026,777	5,057,828	7,084,605
Correctly predicted true one bid	31.92%		
Correctly predicted true more bids		91.72%	

5. THE MODEL

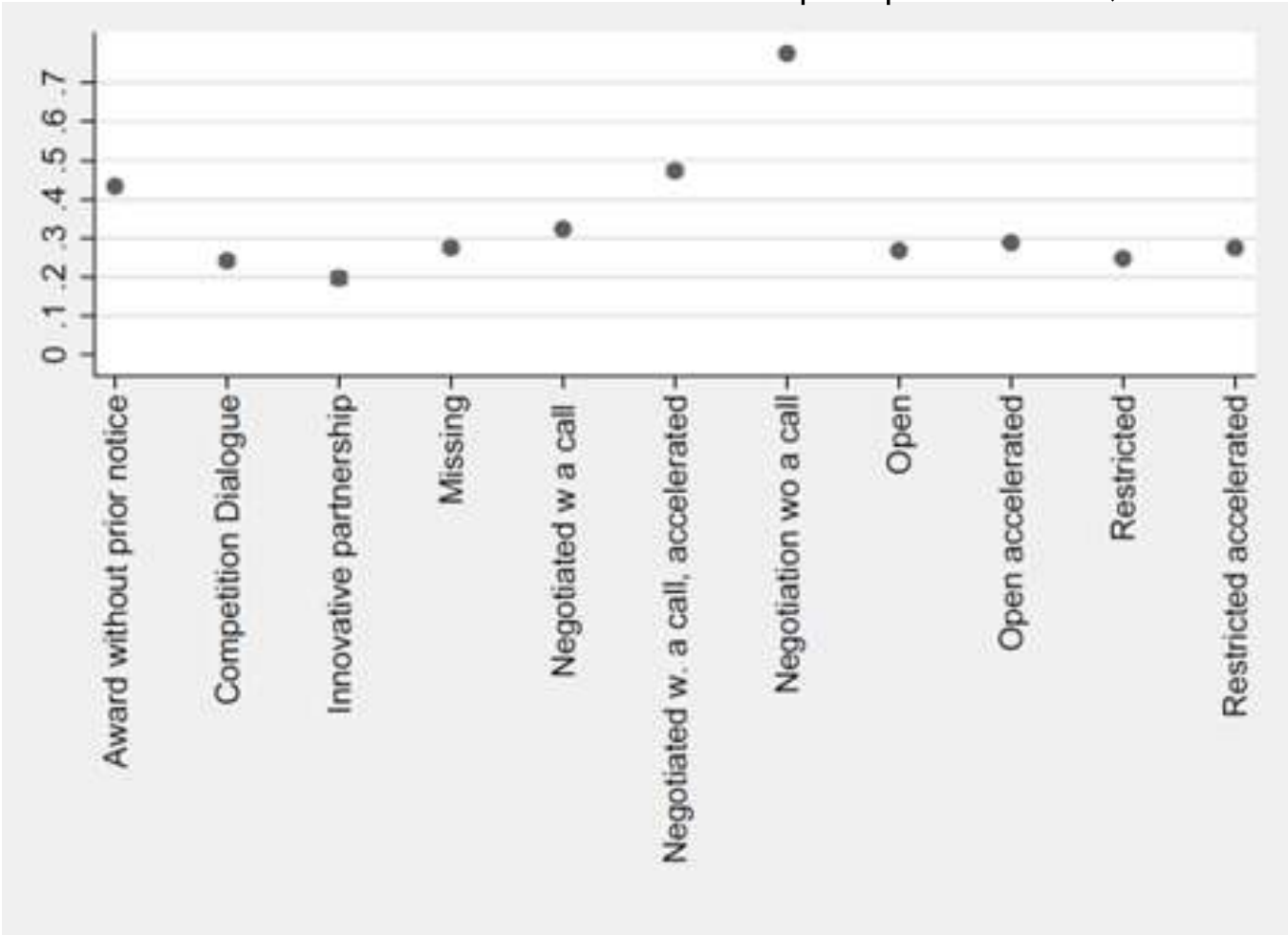
Predictions

Note: The Y-axis is percentages, i.e., “.7” is 70 %.

Predicted one bid situations per year, %



Predicted one bid situations per procedure, %

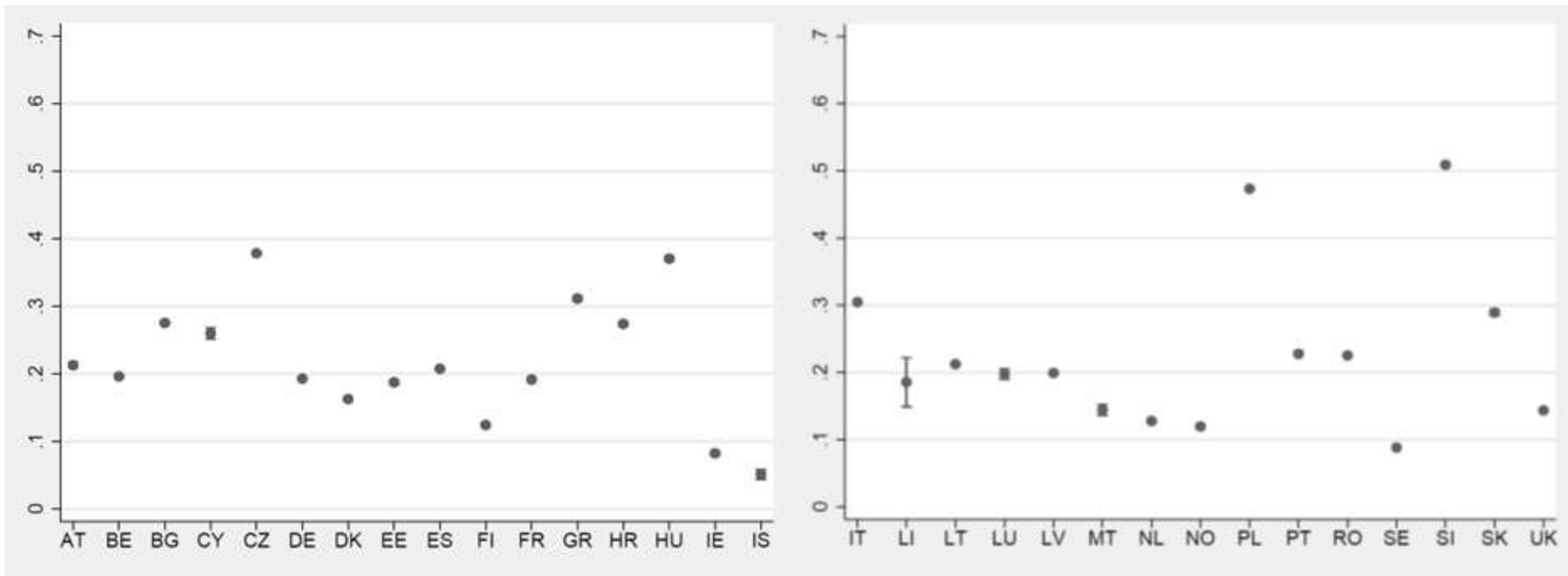


5. THE MODEL

Predictions

Note: The Y-axis is percentages, i.e., “.7” is 70 %.

Predicted one bid situations per country, %



5. THE MODEL

Case studies

Test of industry, country, contract object, authority, value, and procedure

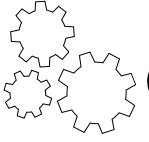
Common variables: Public Sector Directive, 2022, award criterion (lowest price)

Results

Country
Industry
Value of contract
Procedure

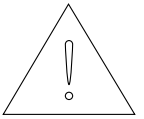
Case 1: CPV 33 (Medical equipment) Common category values: Supplies, PSD , 2022, lowest price		PL			FR		
Authority	Value (quartile)	Open	Restricted	Negotiated without prior publication	Open	Restricted	Negotiated without prior publication
Regional	1	62.07%	59.13%	95.84%	27.60%	25.21%	84.30%
National		62.55%	59.62%	95.92%	28.01%	25.59%	84.57%
Regional	4	53.43%	50.36%	94.17%	21.09%	19.12%	79.01%
National		53.94%	50.86%	94.28%	21.43%	19.43%	79.35%
Case 2: CPV 72 (IT services) Common category values: Services, PSD, 2022, lowest price		PL			FR		
Authority	Value (quartile)	Open	Restricted	Negotiated without prior publication	Open	Restricted	Negotiated without prior publication
Regional	1	66.36%	63.56%	96.53%	31.49%	28.89%	86.62%
National		66.81%	64.03%	96.59%	31.93%	29.31%	86.85%
Body		65.58%	62.75%	96.41%	30.75%	28.19%	86.21%
Regional	4	58.04%	55.01%	95.12%	24.37%	22.17%	81.95%
National		58.53%	55.52%	95.21%	24.75%	22.53%	82.25%
Body		57.20%	54.16%	94.95%	23.74%	21.58%	81.43%
Case 3: CPV 45 (Construction work) Common category values: Works, PSD, 2022, lowest price		PL			FR		
Authority	Value (quartile)	Open	Restricted	Negotiated without prior publication	Open	Restricted	Negotiated without prior publication
Regional	1	38.18%	35.32%	89.69%	12.58%	11.29%	66.97%
National		38.67%	35.79%	89.88%	12.81%	11.49%	67.41%
Body		37.37%	34.54%	89.37%	12.21%	10.95%	66.19%
Regional	4	30.22%	27.69%	85.92%	9.17%	8.19%	58.70%
National		30.65%	28.10%	86.16%	9.34%	8.35%	59.19%
Body		29.50%	27.00%	85.49%	8.88%	7.94%	57.86%

6. TAKE AWAYS



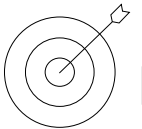
Choice of procedure is not important

- Most one bid situations occur in open procedures
- Business services (CPV 79): one bid situations occur more often in several procedures than in the case for other industries



The characteristics in the industry (in certain countries) and/or the contracting authorities procurement practices are decisive

- Medical equipment (CPV 33, many countries)
- Food/beverages (CPV 15, SI)
- Health services and social work (CPV 85, UK)



Prediction?

- Model can be refined, e.g. by machine learning
- Case studies show predicted country differences across sectors and procedures



THANK YOU FOR THE ATTENTION

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KIRSI-MARIA HALONEN

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The one bid problem – How Finland is trying to increase competition in public procurement

EU Public Procurement anno 2025

- **Are the rules fit for purpose?**

Copenhagen 23-24 April 2025



LAPIN YLIOPISTO

UNIVERSITY OF LAPLAND

Pohjoisen puolesta – maailmaa varten

IMPACT OF COMPETITION

AMOUNT OF COMPETITION AND PRICE

- [European Court of Auditors Special Report 28/2023](#): Highlights the increase in single bidding and direct awards as well as the limited amount of cross border procurement during the past 10 years
 - Worsened throughout the years
- Plenty of empirical evidence on the correlation between competition (amount of tenders) and price: in low competition awards each additional bidder results in 3-10 per cent price decrease depending on the research data and country
 - [Jääskeläinen ja Tukiainen \(FIN\) VATT 2019](#); [Halonen & Tukiainen \(SWE\) Konkurrensverket 2020](#) ; [V. Titl \(CZE\)](#) ; [KFST \(DEN\)](#)
- Little evidence on how competition is affected by sustainable public procurement and what is its cost: makes procurement more complex and demanding – some narrowing of competition will take place
 - Spanish data ([Carreras 2023](#)): use of environmental award criteria (-5.6%) and socially responsible award criteria (-8.3%) lowers the numbers of bids received

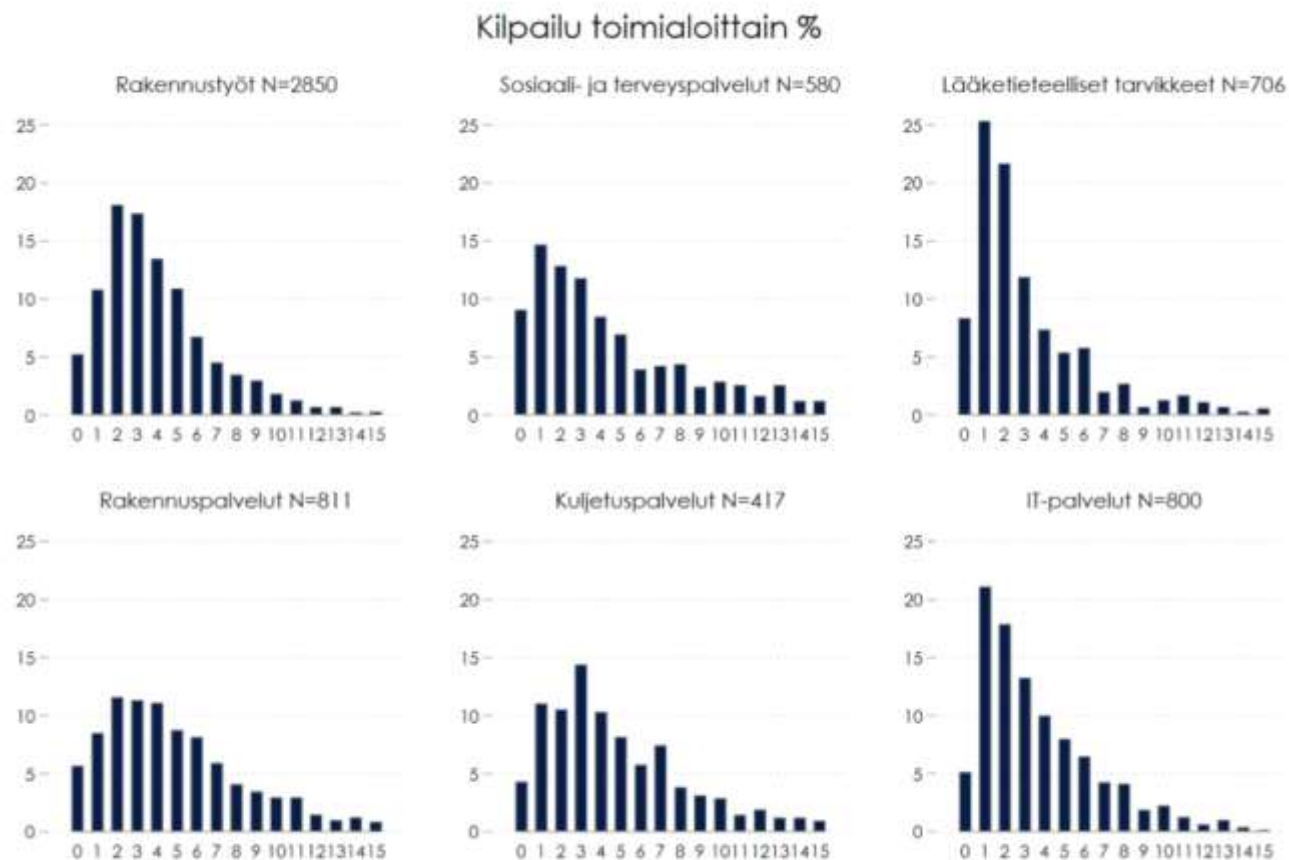
BACKGROUND IN FINLAND

AMOUNT OF COMPETITION

- Two extensive research reports on the amount of competition with Finnish data and one with Swedish data conducted by our research group members
- [Jääskeläinen & Tukiainen \(2019\)](#) based on data from 2010-2017 covering 275 000 contract awards / lots
 - **Conclusion: chronic lack of competition 31 per cent 0 bids; 61 per cent 0-2 bids**
 - **One additional bid equals to 5 per cent savings in tendered price**
- Finnish Competition Authority [\(Jääskeläinen et al. 2023\)](#) report based on data from 2017–2022 covering 92 024 contract awards / lots
 - **Conclusion: 15 per cent auctions receive 1 bid (7 per cent 0 bids), median was 3 bids**
- In Sweden the situation is rather the same [\(Halonen & Tukiainen 2020\)](#)

DIFFERENCES BETWEEN SECTORS

AMOUNT OF COMPETITION



- Competition varies between sectors:
- IT services, medical supplies and construction works have least competition
- Partly because of the market structure (medical supplies) and partly because of the design of the procurement (IT)

Kuva 4. Saatujen tarjousten määrä jakaumia toimialoittain.

Figure from Jääskeläinen et. al 2023

REQUIREMENT TO RETENDER (SINGLE BIDDING)

THE ONE AND ONLY: SINGLE BIDDING IN PUBLIC PROCUREMENT

- Vítězslav Titl published his [research 2021](#) on Czech procurement data and studied the effect of Czech legislative reform that **prohibited single-bid awards and requested a new award procedure if only one bid was submitted**
 - Titl analysed data both before and after the reform
 - There was criticism towards the requirement due to the increased administrative burden of a new procedure

Conclusion: The requirement for a new award procedure increased the number of bids received, lowered bid prices, and did not increase the overall number of procurement procedures. Instead, it encouraged contracting authorities to design their procurements more carefully and resulted in up to a 10 per cent reduction in bid prices for each additional bidder

CURRENT GOVERNMENT PROGRAMME IN FINLAND

EFFECTIVENESS AND SAVINGS POTENTIAL

- Prime Minister Orpo's programme includes several proposals relating to enhancing effectiveness of public procurement and aiming to generate savings in public spending
 - Many based on the research of our Academy of Finland funded research project Comp_Eff_PP and proposals made to the Ministry of Finance in 2023
- Working Group proposal on Procurement Act reform was published late 2024 and is about to go to the Parliament during 2025
 - Public consultation resulted to more than 607 statements by stakeholders
 - Highly politicized and debated topic



WORKING GROUP'S PROPOSAL

REQUIREMENT TO ORGANISE A NEW PROCUREMENT PROCEDURE

- Proposed Section 125:
[...]The procedure must be cancelled if only one tender has been received in an open procedure. If the contracting authority still intends to carry out the procurement as a public contract, a new procurement procedure must be organised. The procedure may only be repeated once. The obligation to cancel does not apply if the contracting authority has conducted a market consultation in accordance with Section 65 or has divided the contract into lots in accordance with Section 75.
- Original proposal did not contain limitations, but due to political pressure by contracting authorities, they were added by the working group

NEXT STEPS?

LEGISLATIVE PROCESS

- Legislative procedure by the Finnish Parliament scheduled to start after summer 2025, new rules in place at some point in 2026?
 - Due to extensive amount of stakeholder statements there is pressure to make some amendments before sending the proposal to the Parliament and its committees
 - Retendering requirement is not the most debated topic of the proposal
 - includes other, more politicized topics such as additional requirements for multi-owner in house entities



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Lessons learned from the utilities sector that can lead to more competition

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Andel is a cooperative society within energy production, infrastructure and different customer solutions. Andel is responsible for the electric grid and the distribution of electricity which is managed through subsidiaries. The subsidiaries transport 35% of all electricity in the Danish electricity grid to 1,506,000 grid customers in Eastern Denmark. Procurement from the subsidiaries and from other companies related to the distribution activities are covered by the Utilities Directive.

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The Utilities Directive.... not the sector.

What can we learn from the sector?

The Utilities Directive create the base for
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The Utilities Directive create the base for **Competition** and the **Control** of the competition

But with more options than in the Public Procurement Directive. Used correctly this can support an effective competition.

Like a buffet, but with more options

- Qualification systems – art. 77
- Duration of framework agreements – art. 51.
- Unrestricted access to the negotiated procedure with prior call for competition – art. 47.
- Other measures

BUT: Remember the balance.



Qualification systems

A list of prequalified companies.

- It can reduce the risk of only receiving a few tenders – or only one tender.
- It can ensure rapid and repeated procurement within an area with flexibility.
- It can create a better access to changes to the tender documents during the procurement process. The argument can be made, since you have a finite pool of tenderers.
- But it requires some maintenance and development as well as ensuring that the correct field of tenderers are assembled.



Duration of framework agreements

The Utilities Directive includes the possibility of framework agreements with a longer duration (8 years).

This may be particularly relevant for products with a low degree of innovation, such as cables. It takes many years to develop and test new products, and this is a very costly process. Longer framework agreements may mean a longer depreciation period.



Unrestricted access to the negotiated procedure


- The negotiated procedure must be used with the relevant access to control of the procurement process. Among other things, to counteract the risk of favoritism.
- Negotiations can clear up misunderstandings and provide valuable feedback.
- Negotiations can help to improve the tenders and, as a result, support an effective competition.
- Errors can be identified and corrected before the final tender, and as a result more tenders can be considered.
- The limited access in the Public Procurement Directive can result in a reluctance to use negotiations, even when there may be reasons for negotiations.



Other measures

- Flexible deadlines – setting the deadline in corporation with the market – art. 46-47
- Selection criteria – art. 80.
- Tenders comprising products originating in third countries – art. 85-86





The End.

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