



Evaluation of the effects of the Dutch Public Procurement Act



Public Procurement Principle: **Evaluation**



Procurement Stage: **All phases**



Audience: **Policy makers, Procuring entity**

Description

Following enactment of the Dutch Public Procurement Act of 2012, in 2014 the Netherlands Government evaluated its effect with regard to the ambitions formulated at its drafting, which included:

- Enhancing access for companies – especially SMEs – to government contracts
- Standardisation of the procurement practice
- Creating room for innovation and sustainability
- Decreasing administrative burdens
- Increasing compliance with procurement rules

The evaluation was divided into three parts: one study dealt with access, standardisation, innovation and sustainability, a second examined administrative burdens and a third focused on compliance. The evaluation was based on a data study based on the Netherlands Government procurement platform TenderNed and, where necessary to complete the picture, from the private platform Aanbestedingskalender. To complement the data from these platforms, a survey was sent to a representative sample of contracting authorities, selected on the basis of European and national procurement procedures they had conducted in the relevant period. This process was employed for all three parts of the study. Afterwards, additional data were collected for each particular study to arrive at a relevant data set for each study. As an example, for the study on SME participation, the following methods were used:

- Data derived from the above methods were checked against information registered at the Dutch Chamber of Commerce to supplement missing information.
- Contract values were checked, and where values were unrealistic (EUR 1 for instance), the contracts were left out of the analysis

- Collected data were supplemented with data from the CBS (Dutch Central Bureau for Statistics). All this data gathering produced the most thorough and complete picture of SME participation possible. Then it was a simple matter of counting the number of procurement procedures in which SMEs in fact participated compared to the total number of procurement procedures in the relevant period, so as to be able to evaluate their participation. Another aspect examined was the number of contracts actually awarded to SMEs.

The study found that:

1. About two-thirds of government contracts procured in 2014 were awarded to SMEs. Within that group, most contracts went to SMEs with up to 100 employees.
2. In 2014, larger companies (not falling within the definition of a SME with < 250 employees) more often won larger, higher-value contracts than smaller companies (who did come within the definition of SME).
3. SMEs that participated in procurement procedures in 2014 were proportionally less likely to win than larger companies.
4. The percentage of SMEs awarded contracts has not or barely increased between 2012 and 2014.
5. Since 2006 there has only been a small, gradual increase in SME participation in procurement procedures.
6. The participation of SMEs in European procurement procedures for goods, services and works remained the same in 2014 as in 2012.
7. In national procurement procedures for works, SME participation decreased in 2014 from 2012. In services, there was an increase in the same period.
8. Participation of SMEs in European procurement procedures has increased for companies in special utilities (for which special procurement procedures apply) and with the central government.

At the time this evaluation was published, the government expressed that SME participation and frequency of contract awards will be regularly monitored.

The form of this regular monitoring and the methodology to be used are still under discussion.

Source: OECD (2018), SMEs in Public Procurement: Practices and Strategies for Shared Benefits, OECD Public Governance Reviews, OECD Publishing, Paris. https://read.oecd-ilibrary.org/governance/smes-in-public-procurement_9789264307476-en

