DANISH COMPETITION AND CONSUMER AUTHORITY

WELL-FUNCTIONING MARKETS

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Better access to tenders for small and medium-sized companies

Public contracting entities conduct up to 3,000 EU tenders in Denmark every year. The competition for contracts contributes to efficient use of public resources.

The Danish Public Procurement Act, which came into force on January 1 2016, has introduced a divide-or-explain principle, which obliges contracting entities to assess whether it is expedient to divide a contract into partial agreements. In addition, where relevant the contracting entity must explain why a contract has not been devided.

The aim is to ensure that more small and medium-sized companies will be able to offer innovative solutions. This can strengthen competition for contracts.

The Competition and Consumer Authority has carried out an evaluation of the divide-or-explain principle, as presented in this article.

Overall, the evaluation demonstrates that the proportion of EU tenders that are divided into smaller partial contracts seems to have increased. The evaluation also indicates that many of the public contracting entities that have not divided up a contract have failed to explain why. Thus, there are a number of contracting entities who are not complying with the divide-or-explain principle.

Click here for the complete article (only available in Danish)