Abstract

The goal of this thesis is to analyze the effect the choice of procurement procedure has on the price of public procurement. We achieve this by investigating the dataset on public procurement data in the EU by the Digiwhist project. In the presented model, we explain the variation in the difference of final and estimated price of procurement as a function of procurement procedure used and a set of auction characteristics such as the number of bidders, contract complexity, type of supply and others.

The results show that the open procedure is generally superior to its alternatives in terms of monetary savings. We also demonstrate that in the open procedure, the largest part of the cost reduction comes from the competition effect caused by the number of bidders present, whereas other procedures are not as sensitive to changes in the number of bidders. We find that the average number of bidders is significantly lower than the optimal number would be.