

Auctions vs Negotiations

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European Directives 2004-14

- The EU legislator recommends to adopt auctions (competitive tendering) whenever is possible
- That is when the procurement project can be described precisely by the contracting authority (CA)
- The reason is that auctions better satisfy the main principles of fair treatment, transparency, non discrimination

European Directives 2004-14

- Negotiated procedures (without prior publication, competitive tendering with negotiation, Competitive Dialogue CD) should be used in special cases
- When there only one supplier
- Emergencies
- Complex project, where CA is unable to describe exactly the content of tender documentation
- That is, CA knows what it wants but does not know all the details and so needs to learn from companies the needed information to complete its knowledge.

European Directives 2004-14

- If you adopt negotiated procedures are adopted then, when possible, best to use Competitive Dialogue (CD)
- Widely used in the UK (London Olympic Village) but very few, if at all, cases in Italy

Economic perspective

- Economists would provide the same suggestion (preference for auctions whenever possible)
- But the reason is that transparency, fair treatment and non discrimination should lead to more intensive competition and so better outcomes for CA.