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Public Procurement – policy priorities

DG GROW.G2

06/12/2018

These slides accompany the explanation of the acquis to Albania and North Macedonia and can only be used for that purpose. Their content is subject to further development of the acquis and interpretation by the Court of Justice of the European Union

Public procurement Package, adopted on 3 October 2017

1) ***a Communication on Public Procurement*** *- Commission's strategy for improving PP*
2) ***a Communication on a voluntary ex-ante mechanism*** *for large infrastructure projects (SMS)*
3) ***a Recommendation on professionalisation*** *of public procurement to Member States*
4) *a draft* ***guidance document on procurement of innovation*** *– launch of targeted consultation*

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COMMUNICATION: MAKING PUBLIC PROCUREMENT WORK IN AND FOR EUROPE

Key political messages of Chapeau

- ***PP is a strategic area for policy makers.***
  not just an administrative process, but an opportunity to deliver value for public money (14% of GDP!).
- ***A partnership to improve the PP in practice.***
  Beyond 2014 legal reform, improvement needs smart implementation of the new rules.
- ***The Commission is ready to play its part.***
  We will develop a range of support tools, (guidelines, best practices) for authorities.

- ***6 priority areas*** *for improving PP in practice*

6 priority areas for improving PP

Wider uptake of strategic procurement

- 55% of tenders use lowest price only
- Boost green, social and innovative procurement through guidance and best practices
- Support for strategic sectors (IT, health, construction)

Professionalising public buyers

- Encourage Member States to develop professionalisation strategies
- Ensure buyers have the needed skills and competences
- Provide necessary tools and support

6 priority areas for improving PP

Increase access to procurement markets

- SMEs win only 45% of contracts
- Make PP more atttractive for companies, also Xborder
- Open international procurement markets (IPI!)

Improving transparency, integrity, data

- Enable reporting of corruption
- protecting whistleblowers against retaliation
- More and better data, setting-up contract registers

6 priority areas for improving PP

Boosting the digital transformation of PP

- Legal obligation in October 2018, but real benefits if all steps of PP process are digitalised
- Roll-out of eProcurement is slow
- Continue to provide technical & financial support to MS

Cooperating to procure together

- Only 11% of procedures through cooperative PP
- More cooperation leads to better outcomes
- Joint procurement by multiple MS facilitated

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RECOMMENDATION ON PROFESSIONALISATION

RECOMMENDATION ON PROFESSIONALISATION:

Facilitate uptake of professionalisation policies in MS:
- NOT to prescribe a specific model
→ but provide **framework** of reference and **good practices**

Definition of Professionalisation:
NOT to create a "profession"
→ but lead to the **overall improvement** of competences

A collaborative process:
→ Member States
→ IOs
→ across the Commission

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RECOMMENDATION ON PROFESSIONALISATION:

Recommendations 1-2: Defining the architecture for professionalisation of public procurement
Long term professionalisation strategies

Recommendations 3-4-5: Support professionalisation of procurement officials
Getting the right people with the right set of skills

Recommendation 6-7-8-9: Develop systems, tools and lean methodologies to support professional procurement practice
Provide support for practitioners

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Follow Up: Commission tools and support

The Commission will provide support and tools:

- **e-Competence** Centre for PP
- **Good practices** repository and exchange
- **Trainings** with EU added value (auditors, judges)
- **European Competency Framework**

Support tools for public buyers

e-Competence Centre: tools and information to help public buyers get value for money and better policy outcomes for citizens

Green procurement

Guidance and good practice on buying products, services and works that can help protect the environment, and specific guidance on bio-based products.

Social procurement

Updated guidance and awareness-raising to make socially-responsible purchases.

Innovation procurement

Guidance and good practice on buying innovative products and services.

Professionalisation of public buyers

Help public buyers get the necessary skills, knowledge and competences to carry out efficient procurement.

Support to large infrastructure projects

National authorities can ask questions to the European Commission and receive an assessment of the projects' compatibility with EU procurement rules.

eLibrary of good practices

A collection of solutions and approaches for improving public procurement processes.

Procurement of projects funded by EU structural and investment funds

How to avoid the most common errors in public procurement of projects funded by the European structural and investment funds.

eProcurement tools

Information and tools on the transition to electronic procurement, including eInvoicing, e-Certis, and the European Single Procurement Document.

Sector-specific tools

Specific guidance and support for strategic sectors: IT, health and construction.

Public procurement in EU countries

Contact points and portals for procurement information in EU countries.

https://ec.europa.eu/info/policies/public-procurement/support-tools-public-buyers_en

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GUIDANCE ON PROCUREMENT OF INNOVATION

Guidance on Procurement of Innovation

Benefits of PP of Innovation?

- Improving efficiency of public service
- Creating opportunities for innovative suppliers
- Helping the strategic aspects, such as green and social

Why Guidance?

- Calls from stakeholders for guidance
- Existing materials are either too brief or too specialised
- Linking **policy** with **legal tools** and practical **examples**

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Guidance on Procurement of Innovation

Content

- Importance of PPI
- How to develop policy for PPI
- How to attract innovators
- How to attract innovation
- How to use innovation friendly tools from Directive

Process

- Targeted stakeholder consultation Oct-Jan 2018 on draft guidance document
- Update based on comments
- Guidance C(2018) 3051 adopted on 15 May 2018

Questions?

Unit GROW.G2

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COLLUSION

Collusion- Tools and initiatives:

- actions to improve the market knowledge of contracting authorities,
- support to contracting authorities careful planning and design of procurement processes and better cooperation and exchange of information between public procurement and competition authorities
- guidelines on the application of the new EU procurement directives on exclusion grounds on collusion

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SMEs in public procurement

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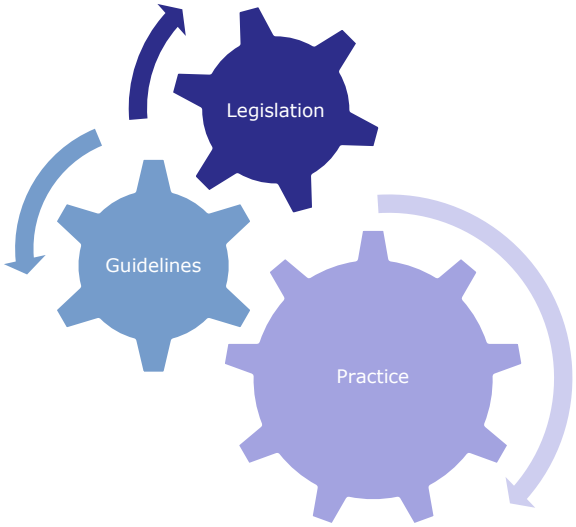
Measures to enhance SME's access to public contracts



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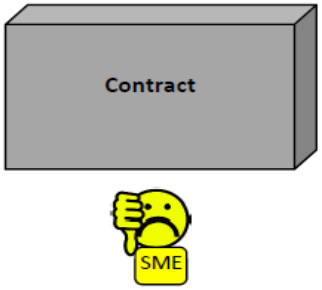
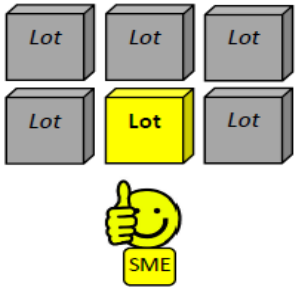
Better access for SMEs

I. Division of contracts into lots

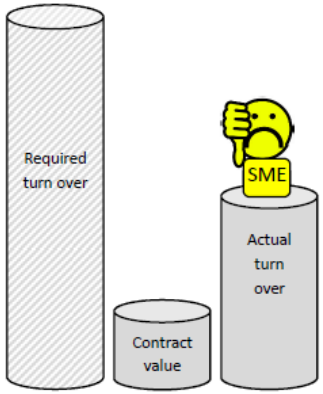
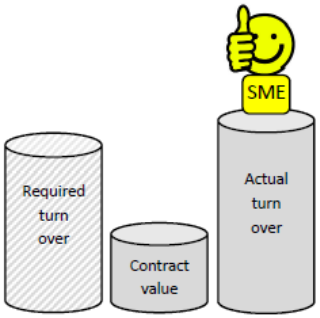
II. Turnover cap

III. Reduction of administrative burden

I. Division of contracts into lots

	Old rules	New rules
Awarding contracts in small portions (lots)	Free choice for contracting authorities whether to split contracts into lots or not 	Splitting into lots becomes the rule  Deviation from this rule requires an explanation

II. Limitation of the turnover required to participate in a tender procedure

	Old rules	New rules
Financial situation of bidders	No strict limits for turnover requirements 	Annual turnover of bidders must not be higher than twice the contract value.  Deviation from this rule requires explanations

III. Reduction of administrative burden

	Old rules	New rules
At the start of a procurement procedure	All bidders: full documentary evidence Overall burden: high	All bidders: European Single Procurement document (standard self-declaration form) Overall burden: low
At the end of a procurement procedure	---	Winning bidder: full documentary evidence or link to national databases Overall burden: low

Other SME friendly provisions

- *E-procurement*
- *E-Certis*
- *Green, social and innovation procurement*

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