



European Commission

Internal Market and Services Directorate General

Public procurement horizontal rules & administrative provisions

CPV, Standard Forms, electronic public procurement

Examination of the acquis – Public procurement

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Olivier Coppens/ Julia Ferger

*DG Markt/C1: International and economic aspects
of public procurement, e-procurement*

- **Common Procurement Vocabulary (CPV)**
- **Standard forms for the publication of notices**
- **The new EU legal framework on electronic public procurement**

Common Procurement Vocabulary (CPV)

The CPV is a coding system

- to describe intended procurement of goods or services
- to identify notices in TED (OJ database)

Example: 34121000-1 'Buses'

- CPV does not define the scope of the Directives:
CPC prov (services) – cf. Annex IIA, IIB
NACE (works)

Basic legislation:

Regulation (EC) n° 2195/2002 on the Common
Procurement Vocabulary

Modifications through « Comitology »

Last modification:

Regulation (EC) n°2151/2003 amending Regulation (EC)
n°2195/2002

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Standard forms for procurement notices

Format and procedures for sending notices

ANNEX VIII to Directive 2004/18/EC 'FEATURES CONCERNING PUBLICATION'

- Notices are sent to the Office for Official Publications of the European Communities in the format required, including prior information notices published on a buyer profile
- Contracting authorities are encouraged to publish specifications and additional documents on-line
- The format and procedure for sending notices on-line are accessible at '<http://simap.eu.int>'.

Legal instruments (JO n° L257 of 1/10/2005) :

Commission Regulation (EC) No 1564/2005 of 7 September 2005 establishing standard forms for the publication of notices in the framework of public procurement procedures pursuant to Directives 2004/17/EC and 2004/18/EC of the European Parliament and of the Council

Commission Directive 2005/51/EC of 7 September 2005 amending Annex XX to Directive 2004/17/EC and Annex VIII to Directive 2004/18/EC of the European Parliament and the Council on public procurement

Electronic standard forms for procurement notices

Commission Regulation 1564/EC on new standard forms

- Published 1 October 2005 (JO n° L257 of 1/10/2005)

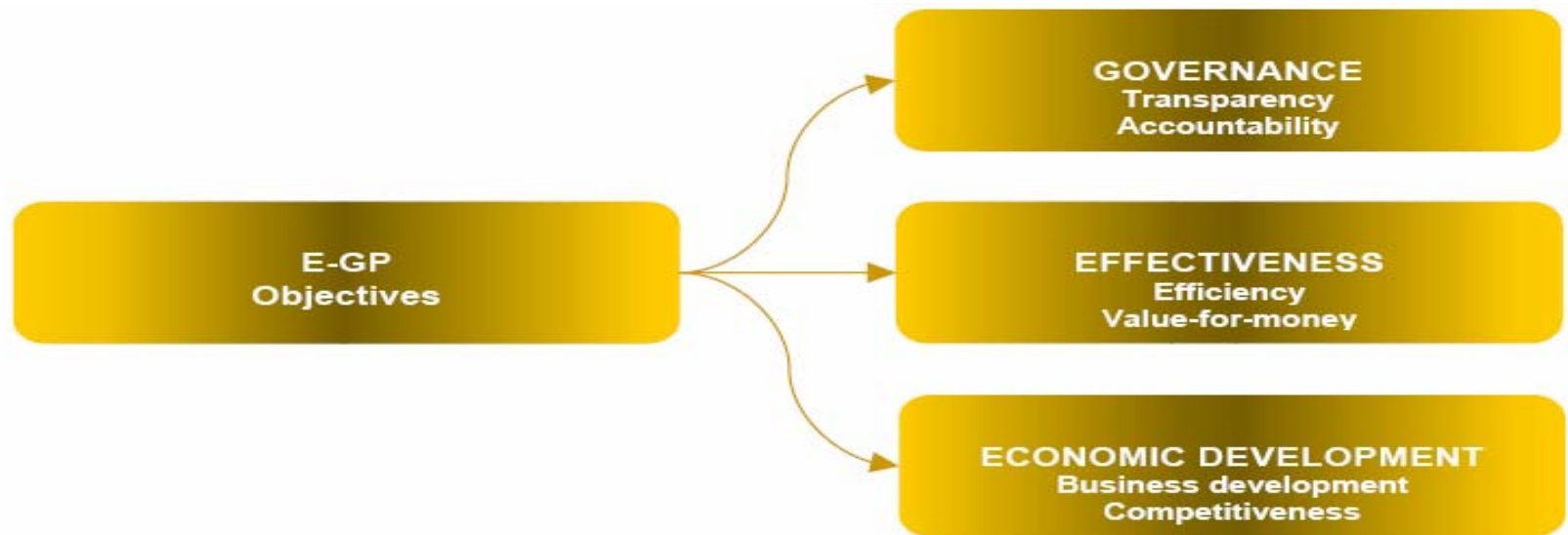
Replaces existing standard forms of Directive 2001/78/EC

- Entry into force 21 October 2005
But contracting authorities may continue to use existing standard forms until 31 January 2006 (implementation of new public procurement directives)
- Electronic forms for online filling and publication in Official Journal of the EU/TED – Tenders Electronic Daily

Available on SIMAP 24 October 2005 at www.simap.eu.int

The new legal framework for electronic public procurement

Reform objectives for e-procurement



(source: World Bank 2004)

Online, offline – what's the difference?

... for suppliers

- Cut red tape
- Save time
- Lower costs
- More transparent information & processes
- Increased market access
- Secure bidding environment
- Better process documentation
- Fewer possibilities for abuse

... for buyers

- More value for money
 - lower prices
 - lower administrative costs
- more standardised procurement process
 - more efficient and faster processes
 - easier comparison of bids
- increased competition - higher number of tenderers
- greater transparency

= more time to concentrate on purchase itself!!

Time-table

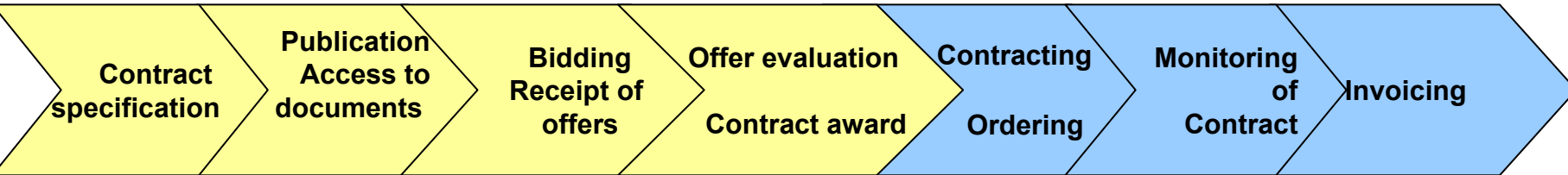
May 2000	LEGISLATIVE PACKAGE PROPOSED BY THE COMMISSION <ul style="list-style-type: none">• 2004/18/EC 'CLASSIC DIRECTIVE' (SUPPLIES, SERVICES, WORKS)• 2004/17/EC 'UTILITIES DIRECTIVE'
Feb 2004	FINAL ADOPTION OF THE LEGISLATIVE PACKAGE
Apr 2004	ENTRY INTO FORCE OF THE NEW DIRECTIVES
Dec 2004	ADOPTION OF ACTION PLAN ON E-PROCUREMENT (2005-2007)
31 Jan 2006	TRANSPOSITION BY MEMBER STATES (21 months)

e-procurement:

rooted in the traditional public procurement legal framework

- **ELECTRONIC MEANS ON AN EQUAL FOOTING WITH TRADITIONAL MEANS**
- **DECISION TO USE ELECTRONIC MEANS IN PROCUREMENT is left to the buyers**
- **ALL STAGES OF THE PROCEDURE can be conducted electronically**
- **FUNDAMENTAL PRINCIPLES:**
 - *Non-discrimination*
 - *Transparency*
 - *Fair competition*
- **GENERAL REQUIREMENTS for communicating and receiving offers electronically**
- **PROCEDURAL RULES SET FOR NEW ELECTRONIC PURCHASING PRACTICES:**
 - *Dynamic purchasing systems*
 - *Electronic auctions*
- **FLEXIBLE, TECHNOLOGY NEUTRAL FRAMEWORK**

Scope of EU procurement rules



→ Electronic Purchasing Methods

Choice of procedure	Shorter time-limits for online notices and electronic access to tender documents	Online bidding (e-auctions)	Automated Selection
Thresholds/ Rules of aggregation	New standard forms for publication in OJEU	Data integrity	Award
		Confidentiality	
		Non-discrimination	
		Authentication	

Outside the scope of EU procurement Directives

E-commerce Directive
Electronic Signatures Directive

E-invoicing
Data protection

For example: electronic reverse auctions

Community definition: Electronic auctions are *iterative processes involving an electronic device that allows tenderers to present new prices and/or new values for some or all elements of their tenders*

- exclusively electronic system (automated ranking)
- repetitive tendering process
- can be used under most procedures as part of the award phase
- system must be non-discriminatory, generally available and interoperable

- Requirements for electronic receipt of tenders:
security, confidentiality, authentication and traceability

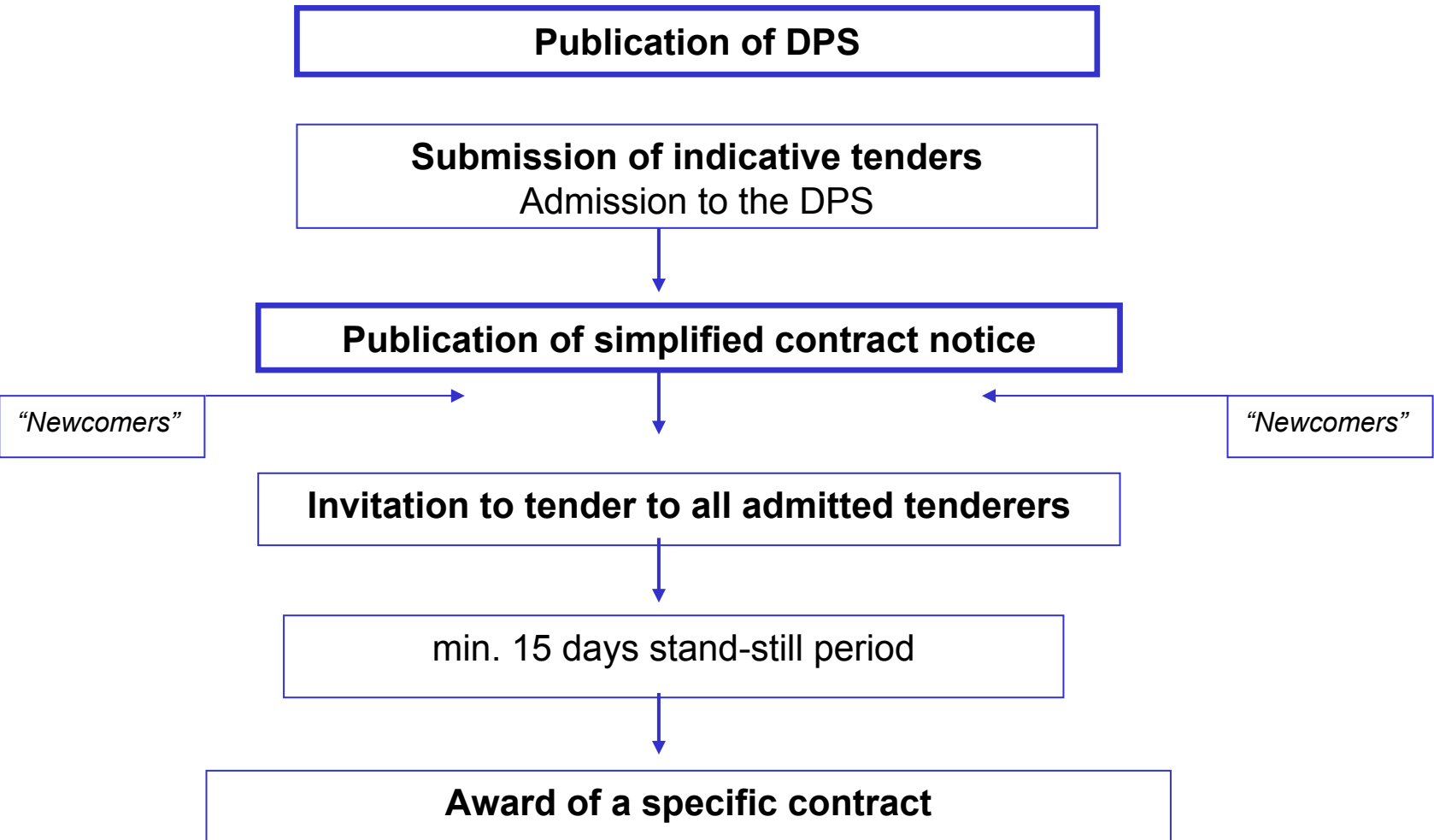
Important: MS may regulate and limit the use of e-auctions but if allowed, these must be in strict conformity with the requirements of the Directives!!!

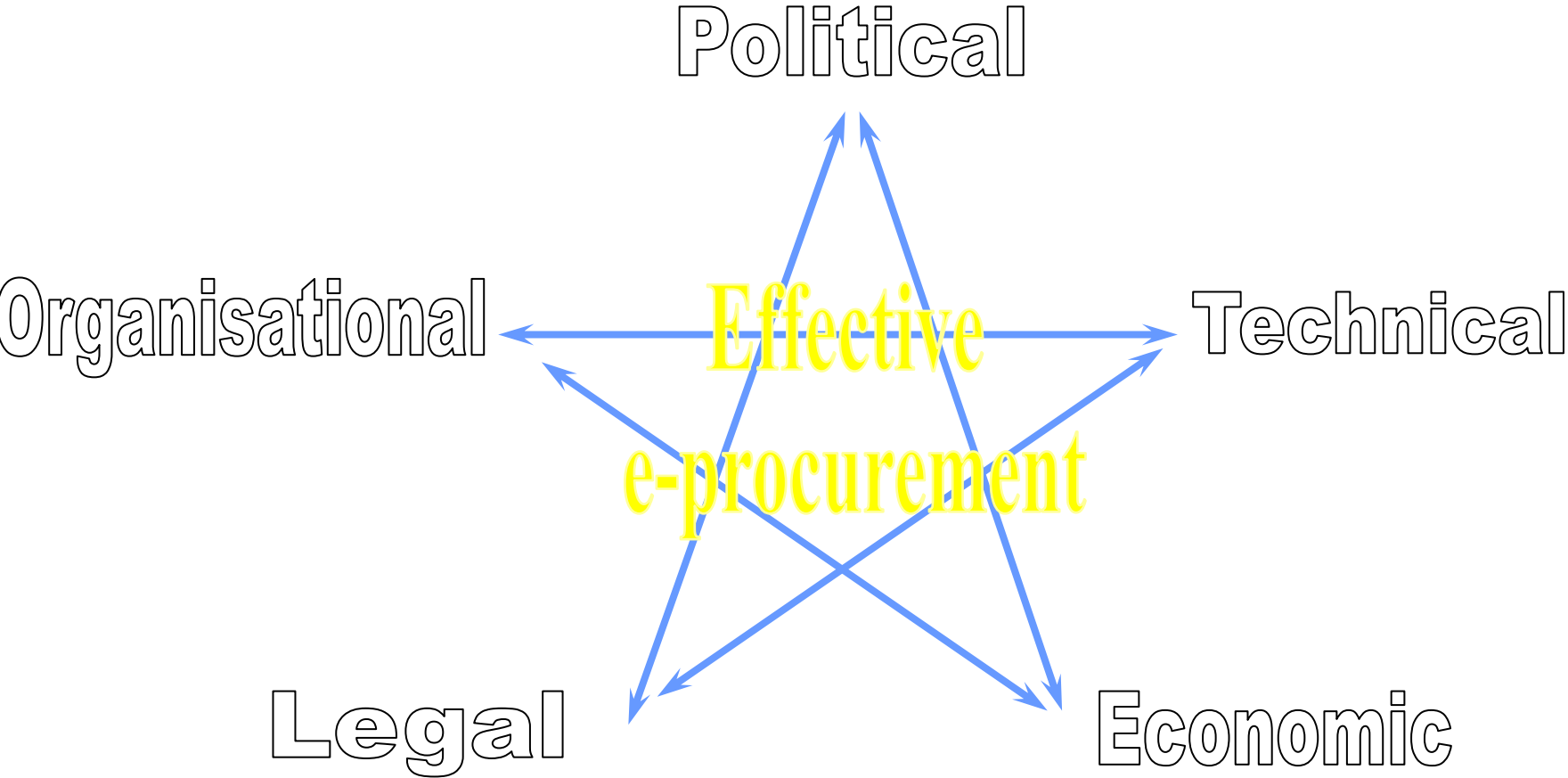
For example: Dynamic Purchasing system (DPS)

Open electronic multi-supplier system which allows for repetitive purchases while granting tenderers the possibility to join throughout its duration

- Entirely electronic system
- Max duration of 4 years
- Purchase of commonly used goods or services

For example: Dynamic Purchasing system (DPS)





Objectives

- Ensure a well functioning Internal Market in electronic public procurement
- Achieve greater efficiency in procurement, improve governance and competitiveness
- Work towards international framework for e-procurement

Milestones

April 2005	Functional requirements report & learning demonstrators
June 2005	Interpretative Document on the legal framework
October 2005	Common tools: Regulation on standard forms
on-going	Revised Common Procurement Vocabulary (CPV)

Moving ahead

- Establish compliance verification mechanisms for e-procurement systems
- Provide basis for interoperable e-procurement tools: e-signatures , e-catalogues, e-certificates

Conclusions

- e-procurement can improve public purchases but should be used only in well defined circumstances
- Public procurement is a 'business' in itself; e-procurement is a profound change
- Technical interoperability of systems and tools is a permanent concern
- It will take time before effective changes to back office systems and knowledge transfer come into play
- Practical implementation and court decisions will shape scope and functioning of e-procurement

- **DG Markt – e-procurement**
http://europa.eu.int/comm/internal_market/publicprocurement/e-procurement_en.htm
(Action Plan, explanatory documents, studies)
- **IDA/IDABC – e-procurement**
<http://europa.eu.int/idabc/eprocurement>
(e-procurement tools, technical background documents, demonstrators)
- **SIMAP** <http://simap.eu.int>
(standard forms, publication of notices)
- **Multilateral Development Banks – e-Government Procurement site**
<http://www.mdb-egp.org/data/default.asp>
(explanatory documents, assessment tools)