

PUBLIC PROCUREMENT REFORM

FACTSHEET No. 6 : A NEW SIMPLIFIED REGIME FOR SERVICE CONTRACTS

Award of services – different rules

European public procurement rules vary between **different service categories**:

- **Most services** require the **full application** of public procurement rules for contracts above 207,000 Euros (above 134,000 Euros for contracts awarded by Central Government Authorities).
- However, for **some services, notably health, social and cultural services**, a **simplified award regime** applies to take into account the specificities of these services.

New light regime, in particular for health, social and cultural services

In the framework of the new simplified regime:

- European public procurement rules only apply to **contracts above 750,000 Euros**.
- Contracting authorities have to **publicise in advance** their intention to award contracts of this value and announce the **contract award decision** after the procedure.
- There are **no procedural rules apart from** the obligation to treat bidders equally.
- Below 750,000 Euros, no European rules apply for the award of contracts.

This simplified regime should help to ensure the quality of these services and other important factors such as continuity, accessibility and affordability of these services to users, including disadvantaged and vulnerable groups.

Overview of the different rules for services:

	Full regime	Light regime
<u>Contract value</u>	above 207,000 Euros	above 750,000 Euros
<u>Procedure</u>	Regular tender procedure subject to the full set of procedural rules	Simplified prior advertising of contracts Equal treatment of bidders
<u>Services covered (selection)</u>	All services except those identified as belonging to the light regime (an Annex to the Directive provides an exhaustive list of all light regime services)	Social services Health services Cultural services Educational services Certain legal services Hotel and restaurant services

Reserving contracts for health, social and cultural services for specific organisations

It is possible to reserve certain contracts for health, social and cultural services to organisations **with a public service mission** linked to the provision of these services, if the following conditions are met:

- these organisations **redistribute or reinvest the profits** they make and are run based on **employee ownership** or other participatory principles.
- this possibility to reserve contracts is limited to contracts with a maximum, non-renewable duration of **3 years**.

Services excluded from the scope of European public procurement rules

Certain service contracts can be awarded without the application of the European public procurement rules:

- Some services have already been excluded in the past and this will continue to be the case.
- In addition, some **new services** will be excluded from the scope of the Directives, as detailed below:

Exclusion under the old rules (maintained)	Additional exclusions under the new rules
<ul style="list-style-type: none">➤ Purchase or rent of existing buildings;➤ Certain audio-visual media services (purchase, development or production of programme material);➤ Arbitration and conciliation services;➤ Certain financial services related to transactions of financial instruments, including central bank services;➤ Employment contracts;➤ Certain research and development services;➤ Services awarded to other contracting authorities on the basis of exclusive rights	<ul style="list-style-type: none">➤ Certain legal services (legal representation, advice in preparation of legal proceedings);➤ Public loans (independent from link with transactions of financial instruments);➤ Certain civil defence, civil protection and danger prevention services if provided by non-profit organisations;➤ Public passenger transport by rail or metro (since 2007 falling under a separate transport regulation);➤ Political campaign services during election campaigns