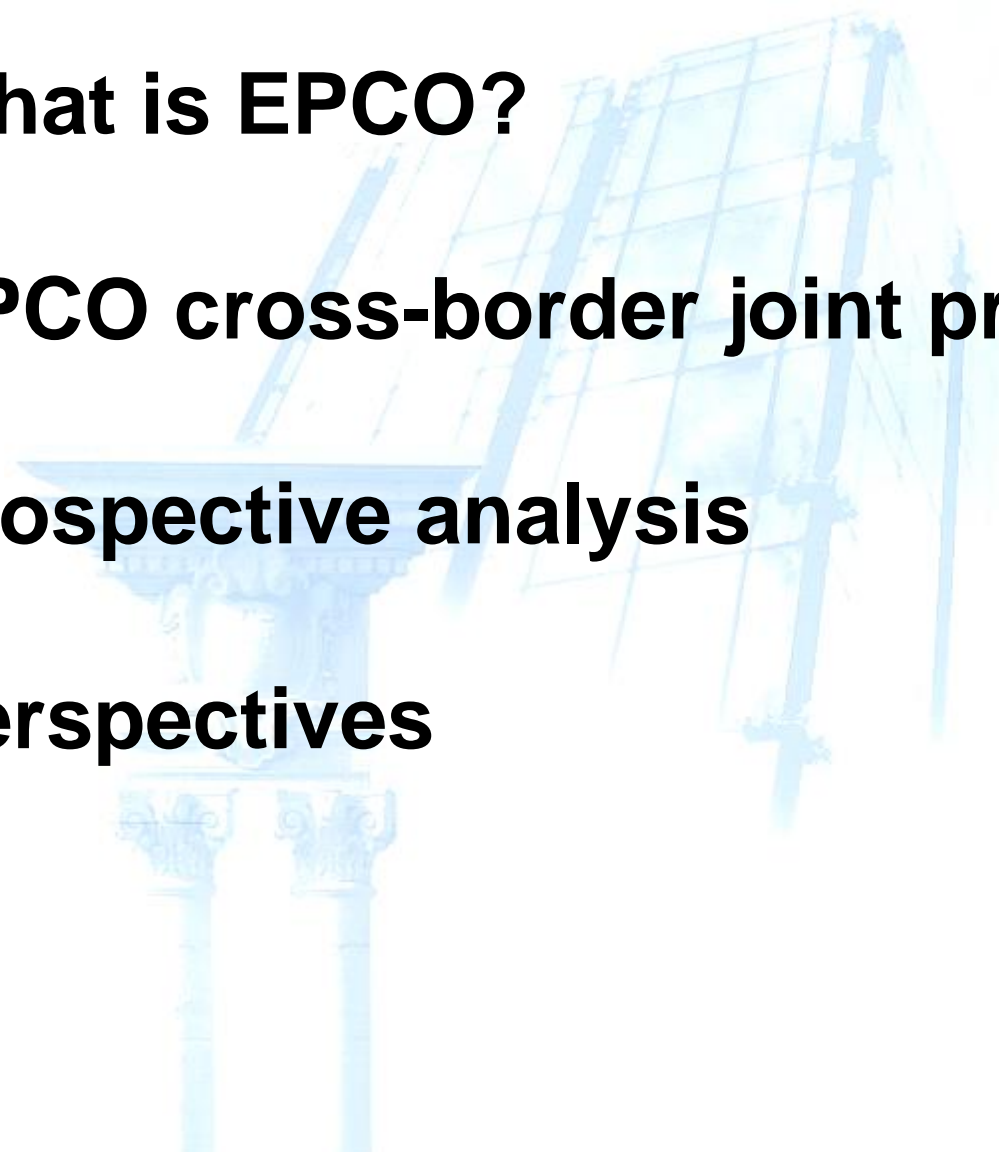




Eurosystem Procurement Coordination Office (EPCO) A cross-border case in the public sector June 2015



- 
- 1. What is EPCO?**
 - 2. EPCO cross-border joint procurement**
 - 3. Prospective analysis**
 - 4. Perspectives**

1. What is EPCO?

- Key information
- Mission & tasks
- Participation & Financing

2. EPCO cross-border joint procurement

- Joint Procurement Planning
- Procurement Implementation
- Joint Contracts
- Areas of activity

3. Prospective analysis

- Challenges
- Achievements so far
- Success factors

4. Perspectives

1. EPCO – Key information

The Eurosystem Procurement Coordination Office (EPCO)

Establishment:

- By **ECB Governing Council** in **2008**
- “**Coordination**” office
- **Coordination of joint procurements** for the benefit of EU Central Banks

Principal objectives:

- Comply with **cost-efficiency and effectiveness principles**
- Exploit **synergies and economies of scale**

Governance:

- **Reports to ECB Governing Council**
- **Hosted by Banque centrale du Luxembourg (BCL) → Mandate 2008-2019**

Legal framework:

- **Decision ECB/2008/17** establishing the framework for joint procurement

1. EPCO – Main missions & tasks

Main missions of EPCO (Decision ECB/2008/17):

1. Coordinate the **Eurosystem / ESCB procurement agenda**
 - Identify & coordinate joint Eurosystem / ESCB procurement activities
2. Encourage the adoption of “**best procurement practices**” for Eurosystem / ESCB
3. Develop the **infrastructure** needed for joint procurements
4. **Assist** the Central Banks in the context of (ESCB, internal) **tender procedures**

1. EPCO – Participation & Financing

Participation rules

- Membership is open to **all Eurosystem / ESCB members**
- “**Voluntary** “ **principle** to become an “EPCO member”

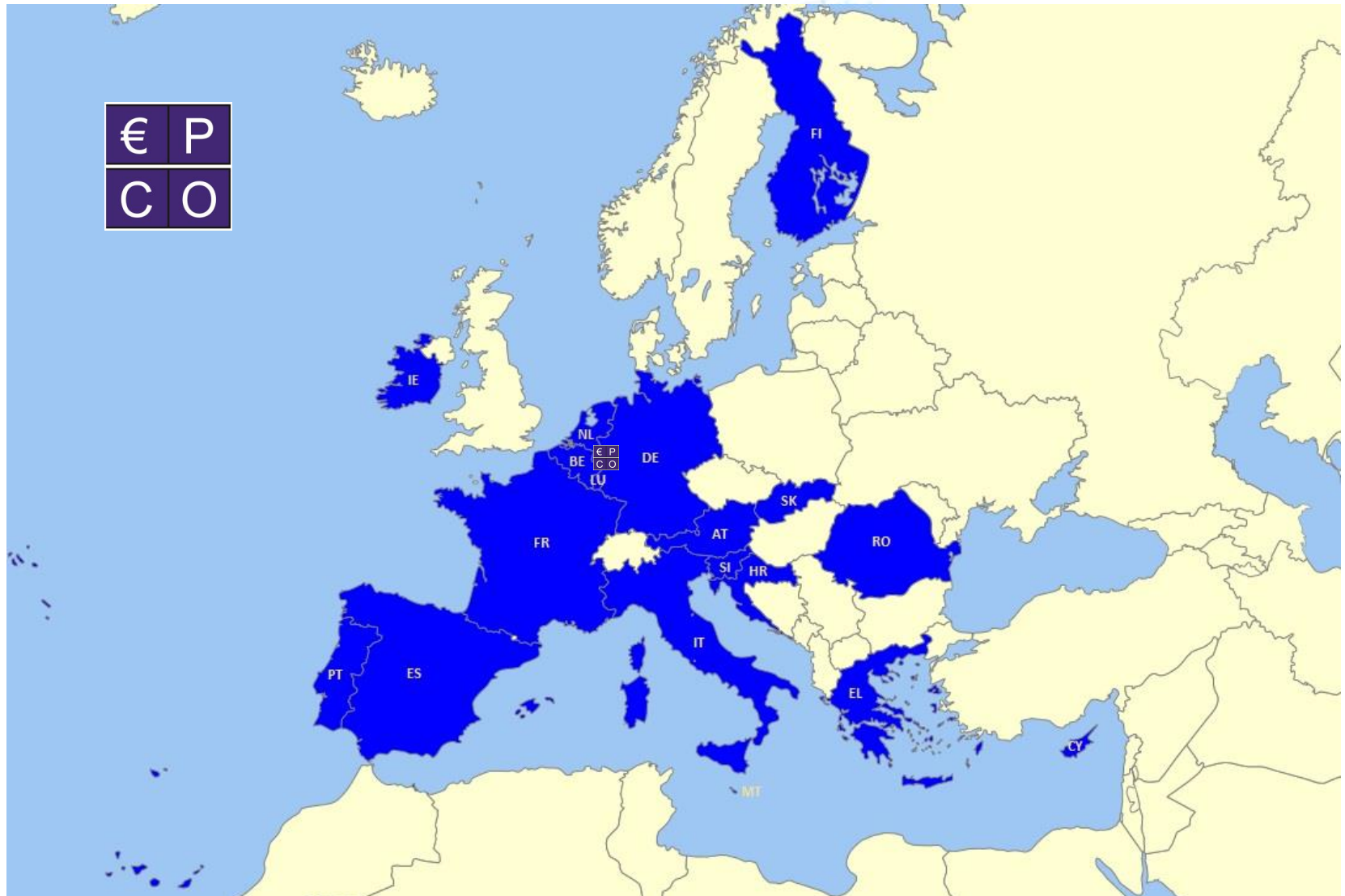
Financing principles

- Financed by **EPCO members**
- According to **ECB Governing Council rules**

EPCO Central Banks (2015)

- | | |
|---|---|
| <ul style="list-style-type: none"> • Banca d'Italia • Banca Nationala a României • Banco de España • Banco de Portugal • Bank of Greece • Banka Slovenije • Banque centrale du Luxembourg • Banque de France • Central Bank of Cyprus • Central Bank of Ireland | <ul style="list-style-type: none"> • Central Bank of Malta • De Nederlandsche Bank • Deutsche Bundesbank • European Central Bank • Hrvatska narodna banka • Národná banka Slovenska • Banque Nationale de Belgique • Oesterreichische Nationalbank • Suomen Pankki - Finlands Bank |
|---|---|

1. EPCO – 2015 Members



2. EPCO – Joint Procurement Planning

Establishment of the EPCO Procurement Plan (annual)

1. **Identification** of potential areas of activity (consultation of CBs)
2. **Assessment** of potential areas of activity, including:
business requirements, preliminary CBs interest & market study
3. **Decision** on future joint procurements & areas of study
4. **Identification** of Lead CB
5. **Call for CBs' expression of interest for participation**
6. **Approval** of Procurement Plan and **updates** (if required)

2. EPCO – Joint Procurements

Justification for an EPCO joint procurement:

1. More advantageous purchasing conditions
2. Adoption of harmonised requirements and standards

EPCO as a centralised purchasing technique

Lead Central Bank(s), with EPCO's coordination:

- **Award(s)** public contracts/framework for Central Banks and
- **Acquire(s)** supplies/services for Central Banks

2. EPCO – Joint Procurement Implementation

Principles for the implementation of Joint tender procedures:

1. EPCO acts as coordinator

... **collects & assess CBs' requirements** with Lead CB

... **centralises** the information on the procurement process

2. The Lead Central Bank...

... **carries out the tender procedure**, according to its applicable law/language regime

... **awards and manage** the framework agreement/contract for the benefit of CBs

3. The Participating Central Banks...

... **submit their business requirements** to EPCO/Lead CB

... **order** from & pay the products to the contractor (or if applicable from the Lead CB)

2. EPCO – Joint Contracts

Main characteristics of EPCO Framework Agreements/Contracts:

- **Two principal approaches:**
 - Standard joint contracts (requires efforts for the establishment of requirements)
 - “Piggy-backing” joint contract (contracting authority “opens” a contract for use by others)
- **Multisupplier / single supplier** framework agreements
- Establishing **all the terms vs. requiring competition**
- **Centrally managed**
Implemented in a decentralised way (flexibility)
- Different forms of **commitment on volumes**
- Access is **open to potential users** (general rule)

2. EPCO – Joint Contracts



3. EPCO – Prospective analysis

Main achievements / benefits from joint procurement

Principal achievements

- Establishment of a **coordination procurement platform for ESCB**
- Reinforcement of a joint **Eurosystem procurement culture**

Main benefits from joint procurement

- **Financial savings**
 - Via centralisation of purchasing power
 - Benefits vary in different procedures
- **Administrative benefits**
 - **Centralised procurement**
 - **(De)centralized & simple purchasing process** (direct ordering)
- **Contractual benefits**
 - **Improved conditions**
 - **Large scope** of goods and services
 - **Reduced contractual/legal workload**
- **Business benefits:**
 - **Harmonization** of standards
 - **Pooling of expertise and skills**

3. Success factors

Operational side

- Identify attractive **business opportunities**
- **Combine procurement volumes** to reinforce ESCB purchasing power
- Establish a **flexible and easy way to use framework agreements**
- Establish **legally sound procurements & contracts**
- Facilitate **market capacity**

Mandate & commitment

- **Users commitment** to participate
- Support from **decision-making bodies**
- EPCO's **legal framework**

4. Perspectives

Some perspectives...

- **Enlarge current procurement activities to new areas**
- **Increase benefits for users**
- **Continue to promote joint cross-border procurement**
- **Extend membership to new participants**
- **Review EPCO's legal framework**
 - New EU Public Procurement framework
 - EPCO's mandate

EPCO

Thank you very much for your attention

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