

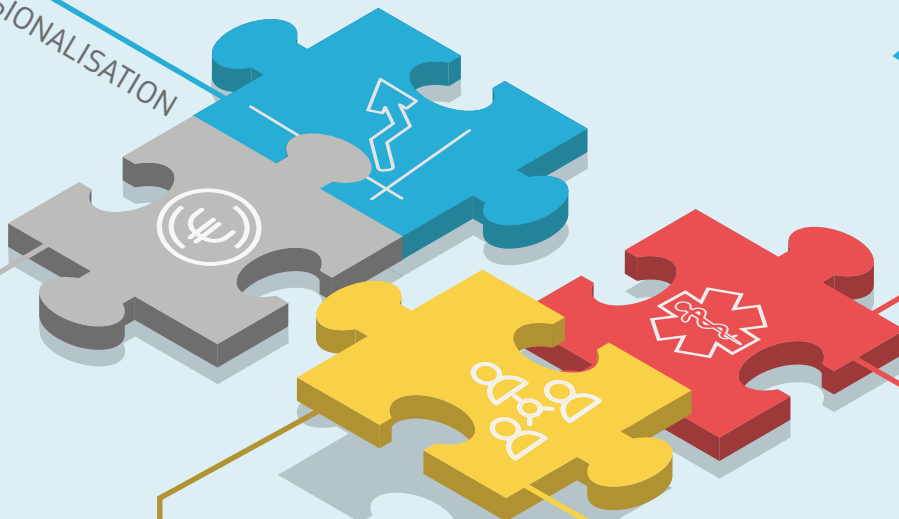
STRATEGIC PUBLIC PROCUREMENT



PROFESSIONALISATION



SUSTAINABILITY



INNOVATION



TRANSPARENCY
& INTEGRITY



LARGE
INFRASTRUCTURE



SOCIAL
RESPONSIBILITY



ELŻBIETA BIEŃKOWSKA



“With the new public procurement framework across Europe, now is the perfect time to move to a new way of thinking among procurers. The main task will be in the hands of public authorities. We are here to work with you. If we all play our part, we can use public procurement and public investment much more effectively and strategically.”

European Commissioner for Internal Market, Industry, Entrepreneurship and SMEs in her opening remarks at the Conference on Strategic Public Procurement, 2nd June 2017, Paris

INTRODUCTION



In times of fundamental change for the EU and of a renewed debate about its future direction, it is clear that Europeans deserve and increasingly demand an EU that delivers concrete results. Actions taken at EU level should translate into economic growth and competitiveness, sustainability, solidarity and security. As spelled out by the Investment Plan for Europe, stimulating investment is key to obtain such results by unlocking the creation of more jobs and sustainable growth.

A substantial part of public investment in our economy is spent through public procurement, representing 14 % of the EU GDP. Public authorities can use this lever in a more strategic manner, to obtain better value for each euro of public money spent and to contribute to a more innovative, sustainable, inclusive and competitive economy.

The recently reformed EU public procurement rules were adopted with the intent of achieving a flexible legal framework, giving contracting authorities the opportunity to choose the right type of procedure, requirements and criteria allowing them to make purchases to satisfy their needs, while at the same time guaranteeing transparency and equal treatment.

Thanks to the new legal framework, strategic considerations may be taken into account at virtually every step of the procurement process, including in preliminary market research and during the performance of the contract. To safeguard the possibility of the contracting authority to freely choose the kind of performance that better meets

its need, the EU legislator in most cases decided to keep the solutions set forth in the rules as optional. In practice, however, a solid legal framework is a necessary but insufficient precondition for a successful application of strategic public procurement.

PUBLIC PROCUREMENT UP TO NOW

- A substantial part of public investment in our economy is spent through public procurement: up to €2 000 bn per year, representing 14 % of the EU GDP.
- 55% of procurement procedures still use the lowest price as the only award criterion. Most economically advantageous tenders (MEAT), which may include social, environmental, innovative, accessibility or other qualitative criteria, are still underused.
- Still only 5 % of public contracts published are awarded after negotiation, without a call for tender being published.
- Between 2006 and 2016, the number of tenders with only one bid has grown from 17 % to 30 %.
- SMEs win only 45 % of the value of public contracts above EU thresholds - below their weight in the economy.
- Digital transformation of public procurement is slow. In a 2016, only four Member States rely on digital technologies for all major steps of the procurement process.
- Contracting authorities are rarely buying together, as only 11 % of procedures are carried out by cooperative procurement.

ENSURING WIDER UPTAKE OF STRATEGIC PUBLIC PROCUREMENT

Strategic public procurement should play a bigger role for central and local governments to respond to societal, environmental and economic challenges.

Mainstreaming innovative, green, and social criteria, a more extensive use of preliminary market consultation or qualitative assessments (MEAT) as well as procurement of innovative solutions at the pre-commercial stage requires not only a highly competent pool of public procurers but above all policy vision and political ownership.

- Some Member States made MEAT, including green criteria mandatory for their procurement processes. Others could consider setting voluntary targets to monitor the uptake.
- To achieve optimum outcomes in public procurement, **strategic criteria need to be applied systematically**. This can be enabled by extensive practical support, such as dissemination of standards, methodologies for benchmarks, regular updates of labels and evaluation criteria and availability of a library of good practice.
- The European Commission has been working on developing guidance and support tools for strategic public procurement for a few years now, and will continue to increase its efforts in this direction.

GREEN PUBLIC PROCUREMENT



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Voluntary common green public procurement (GPP) criteria

The Commission is developing and updating voluntary common green public procurement criteria for goods, services and works in areas with high environmental impact. More than 20 such common criteria are available in all the official EU languages, primarily based on available scientific information and data, as well as on existing Ecolabel criteria. The idea is that the criteria used in the Member States should be similar in order to avoid distortion of the single market. This also reduces considerably the administrative burden for economic operators and for public administrations.

Common green public procurement criteria are of particular benefit to SMEs and companies operating in more than one Member State.

Buying Green!

A Handbook on green public procurement is available in all official languages of the EU, and it is the main guidance document to assist public authorities in the process of buying goods and services with a lower environmental impact. It is also a useful reference for policy makers and companies responding to green tenders. It includes: guidance on how

considerations can be included at each stage of the procurement process; sector specific approaches and more than 100 good examples on green public procurement from across the EU Member States.

Guidance for Bio-Based products in public procurement

Guidance materials include: a training handbook, a dynamic meta database and case studies on the uptake of innovative bio-based products in procurement and factsheets on the innovation potential of bio-based product groups.

OTHER SUPPORTING TOOLS AND INFORMATION INCLUDE :

- green public procurement training toolkit
- helpdesk on green public procurement
- regularly updated list of events dedicated to green public procurement
- green public procurement news alert
- work is also ongoing to develop a voluntary tool for calculating life-cycle costs for certain products

The Circular Economy Package adopted in December 2015 also includes actions to enhance wider use of green public procurement and to promote inclusion of green public procurement criteria in the spending of EU funds. For mainstreaming resource efficiency and energy efficiency considerations in public procurement the following policy-specific EU legislative acts are particularly relevant: the Energy Performance of Buildings Directive; the Clean Vehicles Directive; the Energy Efficiency Directive; the Energy Star legislation.

SOCIALLY RESPONSIBLE PUBLIC PROCUREMENT

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In 2011 the Commission published *Buying Social* – A guide to taking account of social considerations in public procurement. The guidance document provides general indications to contracting authorities on how to integrate social considerations throughout their tender procedure, based on the 2004 public procurement

Directives. It includes legal and practical guidance on the various phases of procurement accompanied by concrete examples often drawing inspiration from good practices at national level. While the guide may still be considered a useful instrument for contracting authorities, it will be updated to the 2014 Directives.



The Commission has also published a legislative proposal, the European Accessibility Act . The proposed text establishes which products and services need to be accessible in terms of functional requirements but will not impose detailed technical solutions prescribing how they should be made accessible. Such accessibility requirements will become compulsory in public procurement, in particular when setting technical specifications for all procurements intended for use by natural persons .

PUBLIC PROCUREMENT OF INNOVATION (PPI)



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The EU Directives make a significant step towards making the public procurement legal framework more innovation-friendly by consolidating and optimising all existing innovation instruments: functional criteria, variants, quality considerations in technical specifications and award criteria, competitive dialogue, exceptions for certain forms of R&D services and pre-commercial procurement. They also establish a new full-fledged procedure specifically designed for innovative projects, the Innovation Partnership and they pave the way for cross-border collaboration projects by clarifying the legal framework. The EU also contributes to innovation procurement through, mainly, the European Structural and Investment Funds and the Horizon 2020 programme.

In more practical terms, the Commission has launched several support initiatives aimed at helping national authorities to set innovation friendly public procurement policies assisting individual contracting authorities in set up public procurement procedures of innovative solutions, such as:

- The European Assistance for Innovation,
- Procurement consultancy project or Mutual Learning Exercise between national policy makers under the Horizon 2020 Policy Support Facility
- Urban Agenda, under the Regional Policy, to build expertise at the level of municipalities.

The Commission proposes to establish innovation brokers, i.e. entities in charge of launching initiatives aimed at facilitating access of innovative enterprises (including SMEs and start-ups) to large public buyers. Furthermore, the Commission is drafting a guidance paper on PPI explaining the ways to procure innovation and is supporting ad-hoc joint and mutual training activities with relevant stakeholders.

Public procurement of innovation can be an important policy tool for supporting innovative businesses. Public demand can be used to provide a first customer and an initial investor in start ups offering innovative products or services. Furthermore, it can also help to scale up start ups' businesses if more than one public buyer decides to buy their products or services.

The Renewed Industrial Policy Strategy presented in September 2017 requires more efforts from all actors towards a smart, innovative and sustainable industry. Public procurement can be an important driver of competitiveness of European industry. Strategic public procurement can help to build markets for smart and clean technologies.

STRATEGIC PROCUREMENT IS A STATE OF MIND

Citizens expect more efficient public service in terms of quality and cost which puts pressure on public procurers to explore innovative and sustainable solutions. The Commission supports public administrations and contracting authorities/entities in their efforts to improve their procurement through financial and practical means and through engaging with all stakeholders to build the necessary competence and capacity

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CONCLUSION

Public authorities are striving to create a fairer society based on equal opportunity, sustainable economic growth and wide market participation, while providing for sustainable public finances.

Public procurement will remain a crucial instrument of policy delivery.

Given its magnitude in public spending, it can empower governments to achieve key policy outcomes, if used as a strategic tool.

Several Member States have already started to develop a strategic approach to procurement policies, complemented by promising local initiatives. More can be achieved through working together and drawing inspiration from each other. The Commission is keen to play an enabling role in this transformation process towards modern, innovative sustainable procurement systems fit for the 21st century, driven by an inclusive and committed EU partnership for smart public procurement

USEFUL LINKS

- [DIRECTIVE 2014/23/EU ON CONCESSION CONTRACTS](#)
- [DIRECTIVE 2014/24/EU ON PUBLIC PROCUREMENT](#)
- [DIRECTIVE 2014/25/EU ON PROCUREMENT BY ENTITIES OPERATING IN THE WATER, ENERGY, TRANSPORT AND POSTAL SERVICES SECTORS](#)
- [COMMISSION COMMUNICATION: CLOSING THE LOOP - AN EU ACTION PLAN FOR THE CIRCULAR ECONOMY / **\(Annexe\)**](#)
- [BUYING GREEN! - A HANDBOOK ON GREEN PUBLIC PROCUREMENT](#)
- [EU GPP CRITERIA](#)
- [GPP GOOD PRACTICES **\(1\)** & **\(2\)**](#)
- [GPP HELP DESK](#)
- [COMMISSION JOINT COMMUNICATION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL RESILIENCE, DETERRENCE AND DEFENCE: BUILDING STRONG CYBERSECURITY FOR THE EU](#)
- [DIRECTIVE 2010/31/EU ON THE ENERGY PERFORMANCE OF BUILDINGS](#)
- [DIRECTIVE 2009/33/EC ON THE PROMOTION OF CLEAN AND ENERGY-EFFICIENT ROAD TRANSPORT VEHICLES](#)
- [DIRECTIVE 2012/27/EU ON ENERGY EFFICIENCY](#)
- [EU ENERGY STAR LEGISLATION](#)
- [PROPOSAL FOR A EUROPEAN ACCESSIBILITY ACT **\(Annexe 1 , Annexe 2 , Annexe 3\)**](#)
- [EUROPEAN ASSISTANCE FOR INNOVATION PROCUREMENT](#)
- [PUBLIC PROCUREMENT GUIDANCE FOR PRACTITIONERS](#)
- [MUTUAL LEARNING EXERCISE BETWEEN NATIONAL POLICY MAKERS UNDER THE HORIZON 2020 POLICY SUPPORT FACILITY](#)
- [HANDBOOK FOR THE INTRODUCTION OF BUILDING INFORMATION MODELLING BY THE EUROPEAN PUBLIC SECTOR](#)
- [EUROPEAN CATALOGUE OF ICT STANDARDS FOR PROCUREMENT](#)
- [GUIDANCE FOR BIO-BASED PRODUCTS IN PROCUREMENT](#)

FOR FURTHER INFORMATION, PLEASE CONTACT:



DIRECTORATE-GENERAL FOR INTERNAL MARKET,
INDUSTRY, ENTREPRENEURSHIP AND SMEs