


# Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)	<a href="#">1998/2062(COS)</a>	Procedure completed
Public procurement: simplification of the regulatory framework, follow-up of the green paper COM(1996)0583		
Subject 2.10.02 Public procurement		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>ECON</b> Economic and Monetary Affairs, Industrial Policy	PSE <a href="#">TAPPIN Michael</a>	16/04/1998
Council of the European Union	Committee for opinion	Rapporteur for opinion	Appointed
	<b>JURI</b> Legal Affairs, Citizens' Rights	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Competitiveness (Internal Market, Industry, Research and Space) 2130</a>		09/11/1998
	<a href="#">Competitiveness (Internal Market, Industry, Research and Space) 2094</a>		18/05/1998
	<a href="#">Competitiveness (Internal Market, Industry, Research and Space) 2079</a>		30/03/1998

Key events			
11/03/1998	Non-legislative basic document published	<a href="#">COM(1998)0143</a>	Summary
30/03/1998	Debate in Council	<a href="#">2079</a>	
03/04/1998	Committee referral announced in Parliament		
18/05/1998	Resolution/conclusions adopted by Council		
28/10/1998	Vote in committee		Summary
28/10/1998	Committee report tabled for plenary	<a href="#">A4-0394/1998</a>	
09/11/1998	Debate in Council	<a href="#">2130</a>	
27/01/1999	Debate in Parliament		
09/02/1999	Decision by Parliament	T4-0077/1999	Summary
	End of procedure in Parliament		

09/02/1999			
28/05/1999	Final act published in Official Journal		

### Technical information

Procedure reference	1998/2062(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/09901

### Documentation gateway

Non-legislative basic document		COM(1998)0143	11/03/1998	EC	Summary
Committee of the Regions: opinion		<a href="#">CDR0108/1998</a> <a href="#">OJ C 373 02.12.1998, p. 0013</a>	16/09/1998	CofR	
Committee report tabled for plenary, single reading		<a href="#">A4-0394/1998</a> <a href="#">OJ C 379 07.12.1998, p. 0004</a>	28/10/1998	EP	
Text adopted by Parliament, single reading		T4-0077/1999 <a href="#">OJ C 150 28.05.1999, p. 0018-0064</a>	09/02/1999	EP	Summary
Follow-up document		COM(2001)0566	15/10/2001	EC	Summary

## Public procurement: simplification of the regulatory framework, follow-up of the green paper COM(1996)0583

**PURPOSE:** to reinvigorate public procurement policy and define its direction in the European Union over the next five years. **CONTENT:** the Commission proposes to do this by : - creating a legal framework where rules, policy and enforcement should follow reality rather than the other way round ; - simplifying the legal framework by clarifying existing rules or, where clarification is not sufficient, by proposing amendments through a legislative package which will cover the following areas : 1) exclusion from the field of application of Directive 93/38/EEC, the sectors or services to which it currently applies (water, energy, transport and telecommunications) that operate, in each of the Member States, under conditions of effective competition ; 2) introduction of more flexible procedures, namely a competitive negotiated procedure and framework contracts, to prevent procedures from being excessively rigid and formalistic and, where complied with strictly, leading to malfunctioning in the award of contracts ; 3) adoption of rules to take account of certain trends, such as concessions and other forms of partnership between the public and private sectors and privatisation, to ensure that their proper functioning is compatible with that of the single market ; 4) introduction of fully-fledged electronic procurement to allow the public procurement process to take place much more rapidly and significantly reduce transaction costs over the entire lifecycle of the goods or services purchased. - providing training for operators in public procurement which focusses on how to use the legal provisions effectively day-to-day procurement and how to develop new ways of working in a changing market environment; - combatting the relatively low response from suppliers to the enormous volume of contract opportunities by raising awareness of what is at stake, improving transparency of, and access to, information on contract opportunities, general market monitoring and other useful information; - taking specific action in favour of the participation of SMEs, as sought by the European Parliament; - taking measures in connection with the general problems of supplier participation.?

## Public procurement: simplification of the regulatory framework, follow-up of the green paper COM(1996)0583

The Committee has adopted the report by Mr Michael TAPPIN (PES, UK) on the Commission Communication on public procurement in the EU. In general terms, the Committee considers that current procurement rules need to be made simpler, easier to adapt to changes in society, easier to enforce and more effective. When changing the rules, the Committee calls on the Commission to ensure full participation of companies and authorities. As for the rules themselves, the Committee considers that social and environmental concerns should be given a more prominent role in the selection of bids; eg. by allowing public authorities to not only set requirements for products' characteristics, but also for production processes' impact on the environment. Another leitmotif in the reform of public procurement should be greater use of electronic means for publishing tenders and submitting tenders, as well as, to take concrete action to improve SME participation in public procurement. To that end, the Committee calls on the Commission and the Member States to set voluntary targets for SME penetration, and to offer greater assistance for SMEs, for example by setting up national procurement advice centres. In external negotiations, on procurement the

Committee calls on the Commission to ensure that the principles of reciprocity, fairness and transparency are respected, and for it to promote the raising of current threshold values.?

## Public procurement: simplification of the regulatory framework, follow-up of the green paper COM(1996)0583

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The European Parliament approved the resolution by Michael Tappin (PSE,UK) on the communication from the Commission on public procurement in the European Union. Mr. Tappin's report welcomes the communication but reminds the Commission that procurement legislation must be simple, adaptable, enforceable and effective. It asks the Commission to draw up a documentary interpretation of how public procurement relates to the new article in the Treaty on promoting public services and social and territorial cohesion in the EU. The Parliament looks to the Commission to take initiatives to ensure that citizens and local communities have influence over private operators of public services, especially those operating on a transnational level. It also expects the Commission to remain open to the ideas and opinions of users and maintain full transparency and consultation in its ongoing clarification, interpretation and amendment of public procurement legislation. The Parliament wishes to see users protected from penalties arising solely from Commission changes in interpretation of legislation and stresses that good procurement should facilitate and not impede best practice or choice. It calls on the Commission to ensure genuine integration between the EU's tendering rules and Community environment policy and would like to see international environmental standards applied in connection with procurement as well as binding legislation to ensure compliance with social legislation and certain ILO conventions. The report also singles out certain new measures to combat corruption and deal with complaints and non-compliance with procurement legislation. It also expresses the Parliament's desire to see continued efforts to promote electronic procurement and new measures to facilitate procurement for SMEs. The Parliament stresses that external negotiations for the opening up of foreign markets to reciprocal agreements should be based upon the principles of reciprocity, fairness and transparency and is anxious that the applicant countries should be fully prepared for enlargement in terms of compliance with procurement legislation. It calls on the Commission to make the necessary legislative changes to exempt sectors or subsectors from the amended Directive 93/38/EEC as soon as Community legislation establishing a competitive environment for those sectors has entered into force. The report stresses the importance, especially for the protection of consumers, of respecting the principles of fair competition and warns that the extension of the right to concessions must not be allowed to undermine best value through real competition. It calls for a clarification of the parameters for the viability of associated subjects in order to avoid constraining the market. The Parliament supports the extension of the competitive dialogue procedure to the three traditional directives and urges consideration of the need to accommodate ethical, transparent post-tendering negotiation and longer-term contracts without precluding full competition. As regards defence procurement, it considers it vital that, without prejudicing fair competition, necessary confidentiality be maintained and recommends on-going discussion among the Member States, within the context of the common foreign and security policy, on cooperation in public arms procurement. When negotiating international agreements, the Parliament urges the Commission to promote the raising of threshold values as follows: - from EUR 200,000 to EUR 500,000 for public service contracts under Directive 92/50/EEC; - from EUR 130,000 to EUR 250,000 for public supply contracts under Directive 93/60/EEC; - from EUR 5m to EUR 10m for public works contracts under Directive 93/37/EEC; - from EUR 5m to EUR 10m for works contracts and from EUR 600,000 or EUR 400,000 to EUR 1m for supply and service contracts under sectoral Directive 93/38/EEC. The report calls for the liberalised telecommunications field to be completely removed from sectoral Directive 93/38/EEC as of 01/01/99 and finally calls on the Commission to secure support for the higher threshold values in international treaties in future negotiations in the context of reviewing the WTO code on government procurement.?

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The aim of this Communication is to clarify the range of possibilities under the existing Community legal framework for integrating social considerations into public procurement. This Communication also figures among the actions announced in the Social Policy Agenda adopted by the European Council of Nice in December 2000. The Agenda is part of the integrated European approach set out in Lisbon whose goal is economic and social renewal. It seeks in particular to provide a dynamic and positive interaction between economic, social and employment policies, which mutually reinforce one another. More specifically, the Communication interprets existing law, comprising EC Treaty Internal Market rules and the public procurement Directives. It therefore refers both to public contracts that are covered by the EC Directives on public procurement as well as those that are not covered by these Directives but are nevertheless subject to Treaty rules. In doing so, it seeks to reconcile the respective goals of social policy and efficient and fair public procurement in the Internal market.?