



## ABOUT THIS GUIDE

### What is the PPACT Project?

The PPACT (Public Procurement & Cross-border tendering) project provides a series of targeted and inter-related interventions designed to enhance SME capabilities, knowledge and practical skills to tender successfully for cross-border public sector contracts across the EU. The 3 key aspects of the project are: (1) Information, advice and support services for SMEs. (2) Cross-border partnering support services. (3) Cross-border tendering.

PPACT project partners comprise: ACCIO (Spain); Bangor University's Institute for Competition & Procurement Studies (UK); IBDP\_ConsultIRE (Ireland); CCI Paris IdF (France) and UCV EIC (Italy). The project is co-funded by the COSME Programme of the European Union.

### How can this PPACT SME guide help you?

If you are a supplier interested in winning cross-border public sector business from Spain, the UK, Ireland, France or Italy, then this guide provides the definitive starting point for you, allowing you to move forward with confidence and with the key information you need at your fingertips.

To ease understanding, the guide has been laid out in as logical a manner as possible, and has been sub-divided by country into 5 national sections, with each section adopting the same consistent structure. Each national section includes:

- An overview of public procurement;
- Information on the different public sector organisations in that country;
- Details on how to find out about opportunities including the various web-based portals available;
- Information on rules, processes and key procurement policies pertinent to each country;
- Market trends related to cross-border public procurement;
- "Smart City" Public Procurement Trends and Developments (the "Smart City" sector is a particular sector of the public procurement market that the PPACT project has a particular focus on);
- Hints and tips in bidding for public sector contracts in each country as a foreign supplier.

A full glossary of all the terms used in this guide are available at the end of this resource.

### An overview of EU Public Procurement

Public procurement in the EU accounts for more than 14% of its GDP being a highly relevant market opportunity for services, works and goods in many sectors like environment, transport, education, health or ICT. Public authorities such as European institutions, government departments or local authorities buy all kinds of goods and services from companies. It is a key pillar of the single market objective to create a level playing field for all businesses across Europe, offering



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harmonised market conditions, transparency and fair competition. In April 2014, the EU introduced 3 key Directives on procurement covering public procurement, utilities procurement and concessions. Member States were required to transpose the Directives into national law by April 2016. The 3 key Directives are as follows:

- [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 \(utilities contracts\)](#)
- [Directive 2014/23/EU on the award of concession contracts](#)

These rules are designed to provide easier and better access for SMEs to public contracts in the EU with simplified and more efficient procedures (digitalisation and introducing the [ESPD](#)) and limiting some of the turnover requirements. Moreover, some policy objectives are better encouraged in the purchase of goods and services reinforcing social and environmental considerations as well as innovation aspects.

EU law sets these rules for tenders whose monetary value exceeds a certain amount and which are presumed to be of cross-border interest for companies. Above those **thresholds** (revised every two years), EU directives fully applies. For tenders of lower value however, national or regional rules apply, which nevertheless have to respect general principles of EU law. It is therefore highly recommended to [check](#) exactly the thresholds as depending on the “buyer” as well the type of contract, concession and sector, there are different. These thresholds are shown below:

Public Contracts		
Works - all entities		€5,225,000
Services & Supplies	Central Government	€135,000
	Other Contracting Authorities	€209,000
Utilities Contracts		
Works		€5,225,000
Services & Supplies		€418,000

All the countries referred to in this guide are bound to comply with the EU procurement directives

EU information sources you should be aware of when considering bidding for cross-border public sector contracts.

### TED Tenders Electronic Daily

TED (Tenders Electronic Daily) is the online version of the ‘Supplement to the Official Journal’ of the EU where all tenders falling under EU directives are published. More than 460,000 calls for tenders per year are published for about 420 billion euro of value.

<http://ted.europa.eu/TED/misc/chooseLanguage.do>

## e-Certis

eCertis is a useful tool for cross-border procurement that helps you to identify different certificates requested in procurement procedures across the EU

<https://ec.europa.eu/growth/tools-databases/ecertis/>

## ESPD – European Single Procurement Document

Introduced in the last EU public procurement directives, the European Single Procurement Document (ESPD) is a self-declaration of the businesses' financial status, abilities and suitability for a public procurement procedure.

<https://ec.europa.eu/tools/esp/>

## Single European market: Public procurement

Managed by DG GROW from the European Commission, it provides all information about EU public procurement policy and legislation

[ec.europa.eu/growth/single-market/public-procurement/](http://ec.europa.eu/growth/single-market/public-procurement/)

## Solvit: Internal Market Problem Solving System

Provided by the national administration in each EU country and in Iceland, Liechtenstein and Norway, SOLVIT is a network of centres to help citizens and companies in their European Internal Market rights

[ec.europa.eu/solvit/site/index\\_en.htm](http://ec.europa.eu/solvit/site/index_en.htm)

## Your Europe – Business: to carry out company business in another country

The new "Your Europe – Business" portal gives entrepreneurs easy access to information on doing business in other EU Member States and has been established in close cooperation with Member States. The site helps SMEs to take advantage of opportunities to trade and offer their services in the single market.

[ec.europa.eu/youreurope/business/index\\_en.htm](http://ec.europa.eu/youreurope/business/index_en.htm)

## Disclaimer

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## UK GUIDE

### 1.0 OVERVIEW OF UK PUBLIC PROCUREMENT

The UK public sector spends around £260 billion each year on buying goods, works and services (BiP Solutions, 2014/15 data), with spend in the devolved administration of Scotland accounting for around £8 billion, and the other devolved administrations of Wales and Northern Ireland accounting for approximately £4.5 billion and £2.5 billion respectively. This presents a significant opportunity for UK companies and also a real prospect for businesses from other parts of Europe to strategically tap into carefully selected opportunities.

Not only does the UK public sector present a large marketplace, but also an environment supportive of SMEs and the resource constraints they face. Indeed, the government has set a target that 33% of all of its spending is to go to SMEs by 2020. And this is by no means an unrealistic proposition given that over 25% of spend already goes to this sector alone!

Whilst it is too early to state for certain what the impact of Brexit will be on access to the UK public sector marketplace, it is likely there will continue to be a real opportunity for EU based businesses who present a strong product or service and also adopt a pragmatic approach, to capitalise on this potentially lucrative marketplace.

### 2.0 PUBLIC SECTOR OPPORTUNITIES TO PURSUE IN THE UK

#### 2.1 Who is responsible for buying across the UK Public Sector?

Potential public sector customers in the UK are as diverse as they are many, and include:

- Local Authorities / Local Government.
- Central Government departments. The Top 6 Central Government spenders (by value of spend) are the Ministry of Defence; the Department for Work & Pensions; the Ministry of Justice; the Department for Transport; the Home Office and the Department for Health.
- The National Health Service.
- Devolved administrations in Wales (Welsh Government), Scotland (The Scottish Government) and Northern Ireland (Northern Ireland Assembly).
- The Police Service, Fire and Rescue Services, Armed Forces and Prisons.
- Universities and Colleges.

It is also worth noting that various buying agencies exist in the UK that procure on behalf of particular segments of the public sector. For example, the Crown Commercial Service (<https://www.gov.uk/government/organisations/crown-commercial-service>) spends over £12bn a year on common purchases for Central Government Departments, and the National Procurement Service (NPS) in Wales (<http://nps.gov.wales/?skip=1&lang=en>) spends around £1bn per year on common and repetitive spend on behalf of the majority of the Welsh public sector.

## 2.2 Industry Specific Opportunities for you to exploit

Regardless of the industry sector you specialise in, the chances are that there will be a market for it in the UK (either directly or as a subcontractor). The chart below illustrates the diverse opportunities available to you, and the potential size of the particular market segments.

Total gross public procurement expenditure on services by function 2014/2015 £263bn



Source: BiP Solutions

For those of you interested in “Smart City” contracts, the good news is that the UK is a growth market for public sector opportunities in this specific area. For example:

- In the UK there is a major drive towards embracing digital communications in urban (and rural) areas, as evidenced by the comments of David Cameron (the UK’s ex-Prime Minister) in a Government report:

*“At the CeBIT trade fair in March 2014, I restated my ambition to make the UK the most digital nation in the G8. Part of achieving that goal is making the very best of today’s digital technology. But it also means being ahead of the curve for tomorrow’s.”* (Internet of Things: Making the Most of the Second Digital Revolution”, 2014)

- The Government is investing heavily in the transport revolution, as illustrated by Crossrail (the new railway for London and the South East), which is expected to go live in late 2018 following the biggest infrastructure investment in Europe.

### 2.3 Opportunities by region

In terms of UK regions with the highest volume of public sector contracts published, it is no surprise that London (the UK’s capital city) tops the poll with 8,750 contracts awarded in 2015 (Source: BiP Solutions). The West Midlands (including Birmingham, the UK’s second largest city), also awarded a significant number of contracts in the same year, with these amounting to 5790 contracts in all. These statistics should be of interest to “Smart City” suppliers given these regions represent major urban conurbations committed to the “Smart City” agenda.

## 3.0 WHERE TO FIND OUT ABOUT OPPORTUNITIES?

In the UK there are a number of web-based portals that enable you to easily find out about public sector opportunities. However, to gain access to this information, you generally need to create a supplier account and set-up a unique profile. It is vital you fully complete your organisation’s profile, and pay particular attention to the portal’s ‘category / contract-based’ search function to narrow down your opportunity search requirements. For example, every public sector contract is categorised by its CPV (Common Procurement Vocabulary) code, an 8-digit number that defines what a buyer is really looking for in their contracts. If your organisation’s search profile does not have this 8-digit number included within the portal’s search facility it is likely that those contract opportunities will not be sent to you, and you may miss out!

It is also worth noting that sometimes UK public sector organisations publish a contracts pipeline of likely upcoming opportunities. This early notification gives you additional time to find potential partners, develop ideas and innovations, and ultimately make a comprehensive, value-added bid.

### 3.1 National Portals

The following portals enable you to search for public sector opportunities across Wales, England, Scotland and Northern Ireland:

- **Wales:** “Sell2Wales” Portal – [www.sell2wales.gov.wales](http://www.sell2wales.gov.wales)
- **Scotland:** “Public Contracts Scotland” Portal – <https://www.publiccontractsscotland.gov.uk>

➤ **Northern Ireland:** “eSourcing NI” Portal – <https://e-sourcingni.bravosolution.co.uk>

➤ **England:** “Contracts Finder” – <https://www.gov.uk/contracts-finder>. A portal publishing all central government contracts above £10,000, as well as the option for other UK public sector bodies to advertise their own contracts on it.

### 3.2 Industry Sector Portals

There are also a number of industry sector specific portals in the UK, such as the following:

Portal	Description
Constructionline: <a href="https://www.construction-line.co.uk/live-contracts/">https://www.construction-line.co.uk/live-contracts/</a>	A construction specific opportunity portal used by public sector organisations such as schools and hospitals and some of the UK’s largest main contractors.
Bluelight: <a href="https://bluelight.eu-supply.com">https://bluelight.eu-supply.com</a>	Provides access to tenders published by the UK Police and Fire and Rescue services.
Ministry of Defence (MOD) Contracts Online: <a href="https://www.contracts-mod.uk">https://www.contracts-mod.uk</a>	The official source of UK MOD contracts.
UK Department for Environment, Food & Rural Affairs (DEFRA) eSourcing: <a href="https://defra.bravosolution.co.uk">https://defra.bravosolution.co.uk</a>	Provides access to opportunities linked to the Environment, Food, and Rural Affairs.
Food Standards Agency (FSA): <a href="https://food.bravosolution.co.uk/">https://food.bravosolution.co.uk/</a>	Advertises food related procurement opportunities from across the UK.

### 3.3 Regional Portals

The following table provides examples of regional portals in the UK:

Portal	Description
FinditinBirmingham: <a href="https://www.finditinbirmingham.com">https://www.finditinbirmingham.com</a>	An opportunities portal for Birmingham (the second largest city in the UK).
YORtender: <a href="https://www.yortender.co.uk">https://www.yortender.co.uk</a>	Portal for Local Authorities in the Yorkshire and Humber Region, with combined external spend of £4.5 billion per annum.
CapitalEsourcing: <a href="https://www.capitalesourcing.com">https://www.capitalesourcing.com</a>	Advertises opportunities from several participating London Boroughs.
Supplying the South West: <a href="https://www.supplyingthesouthwest.org.uk">https://www.supplyingthesouthwest.org.uk</a>	Publishes tenders from 29 Local Authorities from the South-West of the UK.
The Chest: <a href="https://www.the-chest.org.uk/">https://www.the-chest.org.uk/</a>	A portal advertising opportunities from Local Authorities from the North-West of England (and with combined spend of £6.5 billion).
LGSS: <a href="https://www.lgss-procurementportal.co.uk">https://www.lgss-procurementportal.co.uk</a>	A site used by 14 Local Authorities in the east of England.

## 4.0 PUBLIC PROCUREMENT RULES AND PROCESSES IN THE UK – FAST FACTS FOR SUPPLIERS

Like other Member States of the European Union, Public bodies (and some other regulated organisations) in the UK have to comply with EU law and must follow detailed rules and processes based on EU law, when they award contracts. This means suppliers from outside the UK are free to move goods to the UK, to provide services in the UK and to establish their businesses in the UK including for performing procurement contracts to UK public bodies.

When awarding contracts, UK public bodies must therefore comply with principles, which derive from EU Law. These include:

- Equal treatment – Suppliers from other EU countries must have the same chance to win a contract as suppliers in the UK;
- Transparency – For example, public bodies must state their requirements upfront and stick to them and must ensure suppliers have sufficient information about contract opportunities to decide whether to participate in the competition;

- ▶ Proportionality – Public bodies must set their requirements with reference to the needs of the contract in question;
- ▶ Mutual validity – Public bodies must give equal validity to qualifications and standards from all Member States.

The principles from EU law are backed by a series of EU procurement directives, which have been included in UK law. For England, Wales, and Northern Ireland, the public procurement directive is implemented in the Public Contracts Regulations 2015, while the Public Contracts (Scotland) Regulations 2015 implements the law for Scotland. These regulations, which set down procedures, and standards, to ensure that public bodies treat suppliers equally, non-discriminatory and act in transparent ways, apply to contracts above a certain financial threshold. For Central Government, the threshold is £106,047 for goods and services contracts, and £4,104,394 for construction contracts. For local government bodies, the threshold is £164,176 for goods and services contracts, and £4,104,394 for construction contracts.

In summary, the procedural rules require public bodies to:

- ▶ Publicise certain proposed procurement opportunities.
- ▶ Prohibit design of technical specifications in ways that favour certain or only UK suppliers.
- ▶ Follow laid down rules to select candidates, and qualify and invite tenders from suppliers using one of five procedures: Open procedure; Restricted procedure; Competitive procedure with negotiation; Competitive dialogue procedure or Innovation partnership. A public body is free to use either the Open Procedure (where any interested supplier may submit a bid) or restricted procedure (where the suppliers actually invited to submit a bid may be restricted to a limited number based upon an evaluation of the pre-qualification information submitted by applicants).
- ▶ UK Government strongly encourages the use of the Open Procedure as it is quicker and less costly for authorities and tenderers. Public bodies can only use the Competitive dialogue and Competitive procedure with negotiation in situations where the requirements they wish to procure are not currently available on the market (i.e. where all readily available solutions need adaptation). Public bodies use the Innovation Partnership where the procurement is for the development of an innovative product, service or works which is not available on the market.
- ▶ Observe minimum time limits between the call for competition and the submission of bids by suppliers.
- ▶ Evaluate tenders against set standards previously communicated to suppliers.
- ▶ Observe a minimum standstill period between award and signing of a contract, to allow tenderers time to bring proceedings in the event of perceived breaches of the rules.
- ▶ Award contracts to the tenderer, which offers the most economically advantageous tender, as this provides more flexibility to take account of a wider range of characteristics of tenders.

- Provide feedback, where the supplier requests this information.
- Publish contract award information after the award of a contract.

In terms of practical developments, under the UK Government's Lean Sourcing policy, public bodies are required to complete all but the most complex procurements within 120 working days from publication of Contract Notice to Award. In reality, the process is slightly longer and averages around 140 days. In addition, to alleviate cash flow problems for businesses, the UK Government has introduced a Prompt payment requirement on a public procurement supply chain, which requires that suppliers should be paid within 30 days, unless there are exceptional circumstances.

You are probably wondering what rules will apply after the UK exits the European Union, and the reality at this stage is that nobody knows for sure, as this will depend on the outcome of final exit negotiations. However, it is fair to surmise that some of the current rules would still apply to the conduct of procurement in the UK.

#### **4.1 Complaints and Remedies**

In line with EU law, UK rules also recognise that public bodies may not always get things right so the regulations provide for how a supplier that has been harmed or that may suffer harm as a result of a breach by a public body may seek some remedy. To do this, the supplier has to institute an action in the High Court (England, Wales and Northern Ireland) or Sherriff Court / Court of Session in Scotland. There are time limits within which suppliers must commence their action – generally within 30 days from when the supplier becomes aware or ought to have become aware of the breach. This means that as a supplier, you must act promptly if you intend to seek legal action for the breach by the public body!

Suppliers also have the option to make complaints to the European Commission who will make the decision whether or not to investigate. They may then bring an action against the Member State in the Court of Justice of the EU (CJEU).

### **5.0 PROCUREMENT POLICIES IN THE UK**

Whilst it is beyond the scope of this guide to provide a comprehensive account of the UK's procurement policies, this section of the guide highlights two policy priorities currently being pursued in the UK.

#### **5.1 SME Friendly Procurement and Procurement Simplification**

The government has made a commitment that 33% of its spending should go to SMEs by 2020, either directly or indirectly (as a subcontractor) and has set in motion a number of initiatives to help meet this target. For example, for lower value contracts, pre-qualification questionnaires / PQQs (that historically so many SMEs have complained about) have been abolished. And for above-threshold procurements, a simplified Standard Selection Questionnaire (SSQ), replaces PQQs. Additionally, prompt payment of SME invoices (as alluded to above) is now standard practice and main contractors are also mandated to pay their supply chain swiftly.

#### **5.2 Making Savings**

In a similar vein to other EU countries, the UK is under massive pressure to generate savings in

the public purse and procurement is no exception to this. Severe cuts to governmental budgets since the Financial Crisis has meant there has been moves to for example centralise contracts into larger agreements across the public sector. Whilst such an activity might be viewed as being in contrast to SME-friendly policies, there is a push within the UK that where collaborative procurement and aggregation of demand takes places, then the option of breaking these contracts down into smaller lots is also explored. The arrival of various public sector buying agencies such as the NPS in Wales and the Crown Commercial Service also supports the view that pressure to make savings is a key part of current government procurement policy in the UK.

## 6.0 CROSS-BORDER PUBLIC PROCUREMENT IN THE UK – MARKET TRENDS

Whilst the win-rate when companies based outside the UK bid for UK public sector work on their own is relatively low, when they collaborate with a UK based business, the success rate increases significantly. Indeed, you are **seven times** more likely to win a cross-border opportunity bidding in partnership with an indigenous company than you are trying to win the same piece of work on your own. Statistics from 2010-11 show that approximately 18% of the 63,000 UK public procurement awards made on above threshold contracts went to cross-border collaborations (and those companies from abroad bidding directly). If we assume the value of the UK public sector marketplace is £260 billion a year (as per 2014 / 2015 statistics), this 18% figure translates into approximately £47 billion – a significant amount and a marketplace worth pursuing!

## 7.0 “SMART CITY” PUBLIC PROCUREMENT TRENDS AND DEVELOPMENTS IN THE UK

Major UK cities such as London (England), Glasgow (Scotland) and Cardiff (Wales), are all heavily investing in “Smart City” initiatives. This section of the guide presents an overview of major “Smart City” developments across the UK:

- ▶ **London** - London is making remarkable progress in deploying digital technology to improve Londoners' lives, particularly in relation to its commitment to open data, and the exploitation of data to improve city services. The city has also been a leader in a number of significant urban innovations, including the London Congestion Charge and low-carbon transport programmes. Further details on future “Smart City” opportunities for London can be found at: [www.london.gov.uk/sites/default/files/arup-gla-smart\\_city\\_opportunities\\_for\\_london-160620-lowres.pdf](http://www.london.gov.uk/sites/default/files/arup-gla-smart_city_opportunities_for_london-160620-lowres.pdf)
- ▶ **Cardiff** - Wales' capital city is a hub for “Smart City” developments. The city of Cardiff can boast about being Europe's first city to deploy parking bay sensor technology to improve parking and congestion issues. In addition, the UK Government has recently agreed a £1.2billion city deal for the Cardiff Capital Region – a fund that promises to invest in Cardiff's future infrastructure, and upgrade the smart economy in the region. This fund does not include the city's plans to invest in a £5bn South Wales Metro (a major initiative that significantly improves current transport routes). Contract opportunities related to these initiatives can be found on: [www.sell2wales.gov.wales](http://www.sell2wales.gov.wales)
- ▶ **Glasgow** - Glasgow continues to develop a series of initiatives that showcase the exciting po-

tential offered by “Smart City” technologies. These projects include: Intelligent Street Lighting; Manipulation of Open Data to improve operational aspects of the city; a CCTV Security hub for the city; and energy saving schemes. More information about these initiatives can be found at: <http://futurecity.glasgow.gov.uk>

It is worth noting that the UK government is continually investing heavily in major infrastructure projects hence why the number of “Smart City” public sector opportunities is continually rising. Further information on “Smart City” opportunities / projects can be found at:

- Historical projects: [www.gov.uk/government/publications/infrastructure-and-projects-authority-annual-report-2017](http://www.gov.uk/government/publications/infrastructure-and-projects-authority-annual-report-2017).
- Future projects: [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/574492/national\\_infrastructure\\_and\\_construction\\_pipeline\\_autumn\\_2016.xlsx](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/574492/national_infrastructure_and_construction_pipeline_autumn_2016.xlsx)

## 8.0 TOP TIPS IN BIDDING FOR UK PUBLIC SECTOR CONTRACTS AS A FOREIGN SUPPLIER

- Sign-up to relevant UK-based public sector opportunity portals and make sure you register your details on their systems correctly so you are only alerted to the most relevant opportunities.
- Be strategic as to the public sector opportunities you pursue so that you capitalise on your strengths and put yourself in the best possible position to be successful.
- If you are attempting to bid for UK public sector work from another country, do all you can to partner up with an indigenous organisation – this strategy alone will increase your chance of winning cross-border opportunities seven-fold!
- Keep an eye out for pipeline notices (i.e. information on opportunities that might be offered by a public sector organisation in the next few years) – this will give you additional time to find potential ‘local’ partners and develop ideas and innovations.
- If you are an SME, do not be put off from bidding, the UK public sector marketplace is particularly supportive of SMEs and the resource constraints you face.
- Carefully monitor UK “Smart City” developments so that you are best placed to take advantage of opportunities when they arise and remember that the UK is a real growth hub in this arena!

## IRISH GUIDE

### 1.0 OVERVIEW OF PUBLIC PROCUREMENT IN IRELAND

Procurement is a key element of the Irish Government's Public Service Reform Programme. The State spends approximately €8.5 billion on goods and services annually and it is essential that this money is spent in a way that achieves maximum value for money and a sustainable delivery of public services for the citizen. It is expected that €85 billion will be spent over the next 5 years and this represents less than 1% of the EU public procurement market total. The good news is that a sizeable percentage of Irish public sector business is awarded to companies based outside the Irish State, with statistics indicating that this could be as high as 23% of all contracts awarded.

Ireland's public procurement system is relatively modern and progressive, and is currently undergoing a move towards greater procurement centralisation, particularly at the state level, where a large number of diverse functions have recently been consolidated in a single office. There has also been a move to introduce greater standardisation and simplification of processes, which is expected to accelerate under the coordination of the central procurement authority.

Interestingly the breakdown of contracts awarded by value is quite different to EU averages with 30% for Goods, 61% for Services and only 9% for Works. In a recent 2016 survey, some of the key findings were:

PPACT in Ireland				
Overview	Total Procurement 15.540.000.000€	Procurement % GDP 9%	2013 GDP 174.791.300.000€	Contracting Authorities 3.319
Procedures applied	Open 68% Restricted 14%	Negotiated procedure with call 15%	Competitive dialogue 1%	Direct award 0% Other 1%
Share of contract notices by buyer	National 34%	Regional/Local 11%	Body governed by public law 40%	Other 15%
Contract type	Services 61%	Works 9%	Supplies 30%	Framework agreement 24%
<b>EU rules. Transparency. Training and Administrative Capacity Fully met (as of 2014)</b>				
E-procurement adoption	E-notification Mandatory	E-access Mandatory	E-submission Voluntary	Uptake rate 22%
TED indicators	Value of tenders 2.434.831.083€	Of total procurement 16%	#contract notices 1.279	#contract awards 763
Other indicators	Won by foreign firms 11%	Related to EU funds 2%	Join purchase 9%	Central purchasing Yes. NPS

FIGURE 1. Key facts and figures Ireland – European Commission (2016)

- Less than 30% of companies have bid in a consortium, which potentially suggests a missed opportunity for many from the perspective of optimising their prospects of winning by capitalising on the complementary strengths of other organisations
- Some 24% of all tenders were via Framework contracts
- Frameworks have an average of 17.6 bids per tender whilst competitive bids have an average of 6.7

## 2.0 WHO IS RESPONSIBLE FOR BUYING ACROSS THE IRISH PUBLIC SECTOR?

Potential public sector customers in Ireland are numerous and include:

- Local Authorities / Local Government
- Central Government departments
- The Health Service Executive
- The Gardaí, Fire and Rescue Services, Armed Forces and Prisons
- Universities and Colleges

Compiled statistics for 2013 indicate there are over 3,000 Contracting Authorities in Ireland listed on the official Government Procurement site.

## 3.0 WHERE TO FIND OUT ABOUT OPPORTUNITIES?

[www.eTenders.gov.ie](http://www.eTenders.gov.ie) has been developed as part of the Irish Government's Strategy for the Implementation of eProcurement in the Irish Public Sector. The site is designed to be a central facility for all public sector contracting authorities to advertise procurement opportunities and award notices. All public contracts above €25,000, and some below this value, should be published on this platform.

The site displays, on a daily basis, all Irish public sector procurement opportunities currently being advertised in the Official Journal of the European Union (OJEU), as well as other lower-value contracts uploaded to the site from awarding authorities. At any given time it will contain all open opportunities in the form of Tender Notices, Prior Indicative Notices (PIN) and Contract Award Notices (CAN).

The site has the functionality to allow Awarding Authorities to publish notices on the site which will then be sent to the OJEU automatically. Every registered user will be informed of all the opportunities available in their chosen field or fields, sectors and regions. Other functionality includes: facility for conducting online clarifications via a Q&A facility; online submission of tenders; email alerts and response management facilities to suppliers. There is also comprehensive notice search and help functions. [www.eTenders.gov.ie](http://www.eTenders.gov.ie) also provides comprehensive information on procurement rules and guidelines. These include European Directives and National Guidelines on the Public Procurement Process.

## 4.0 PUBLIC PROCUREMENT RULES AND PROCESSES IN IRELAND – FAST FACTS FOR SUPPLIERS

In general, when it comes to directives, rules and processes, Ireland has taken a similar approach to those adopted by the other EU countries in terms of implementation. Some of the main principles of Public Procurement in Ireland are the following:

- Ireland chose to implement mandatory electronic communication by implementing eProcurement, rather than deferring until April 2017.
- Ireland has left open whether contracts are divided into lots.
- Ireland allows tenderers to not declare their proposed use of sub-contractors or provide for authorities to make direct payments to sub-contractors on request.
- Ireland allows the use of price-only / cost-only as award criteria.

## 5.0 PROCUREMENT PRIORITIES IN IRELAND

The 2016 Regulations contain a number of provisions **to make it easier for businesses and in particular SMEs to tender for Public Sector procurement contracts**. Measures specifically designed to improve access for SMEs and start-ups include:

- The financial capacity criterion is generally limited to twice contract value
- Electronic methods of communication are mandated in parts of the tender process
- The introduction of the European Single Procurement Document (ESPD), a self-declaration form aimed at reducing red tape for suppliers
- Discretion to divide public contracts into lots, with the proviso that opting not to divide a contract into lots must be explained in the procurement documents or the report on the procurement process
- Provision for “consortia bidding” may assist SMEs to participate in procurement procedures where they would not have the relevant capability or scale if they were to bid as sole tenderers
- Explicit provision for pre-market discussion with suppliers and independent experts, subject to safeguards against distorting competition or violating transparency and non-discrimination principles

When these Directives were adopted in 2014, Ireland took this as an opportunity to encourage SME participation by publishing Circular 10/14 which instructs public bodies to adopt the above measures.

The Office of Government Procurement carried out an in-depth study on the expenses made in Ireland in different sectors and the amount of SMEs involved in those contracts for the year of 2013. The results may be found on file: <///C:/Users/desk2/Downloads/OGP-Public-Service-spend-tendering-analysis-2013.pdf>.

SMEs now win 34% of all tenders but fair better with the lower value tenders.

## 6.0 CROSS-BORDER PUBLIC PROCUREMENT IN IRELAND – MARKET TRENDS

At the EU level, foreign company participation in public procurement is much higher in smaller countries with open economies such as Ireland. Indeed, the average direct leakage rate in Ireland is significantly higher than the EU average of 3.4% and some contend Irish leakage is nearly 23% of all contracts awarded! This effectively means that Ireland is nearly at the top of the list for awarding contracts to foreign firms. Works and Services contracts attract the most overseas interest, with UK and Northern Ireland firms unsurprisingly the main beneficiaries.

## 7.0 “SMART CITY” PUBLIC PROCUREMENT TRENDS AND DEVELOPMENTS IN IRELAND

Some examples of “Smart City” technologies being used in urban areas in Ireland are centralised control rooms, urban dashboards, integrated travel ticketing, bike share schemes, real-time passenger information displays, smart energy grids, controllable lighting, smart meters, sensor networks, building management systems, and an array of smartphone apps and sharing economy platforms.

Ireland’s “Smart City” main initiative is **Smart Dublin** which aims to position Dublin as a world leader in the development of new urban solutions, using open data, and with the city region as a test bed. Collectively, this data creates the evidence base to run cities more efficiently, productively, sustainably, transparently and fairly.

A recently completed “Smart City” initiative in Dublin was “Keeping Our City Streets Clean”. A critical role of Dublin City Council is that of street cleaning and waste management across a busy city centre area. A smart solution for this problem was the installation of Smart Bins. These are solar-powered, Wi-Fi enabled bins that are now being installed into other towns, villages and residential areas across the country to replace traditional public litter bins.

These technologies incorporate features such as:

- Sensors that communicate back to the street cleaners when they are full
- Use of accompanying software that allow for optimization of routes for cleaning schedules
- Use of software applications that deliver real-time data information (through a web portal or smartphone) on each bin status, their inventory management and other efficiency related data

## 8.0 TOP TIPS IN BIDDING FOR PUBLIC SECTOR CONTRACTS IN IRELAND AS A FOREIGN SUPPLIER

- Sign-up to relevant Irish public sector opportunity portals (for example: <http://www.etenders.gov.ie/> and <http://www.intertradeireland.com/go-2-tender/>) and make sure you register your details on their systems correctly so you are only alerted to the most relevant opportunities.
- Analyse the market and be strategic as to the public sector opportunities you pursue so that you capitalise on your strengths and put yourself in the best possible position to be successful.

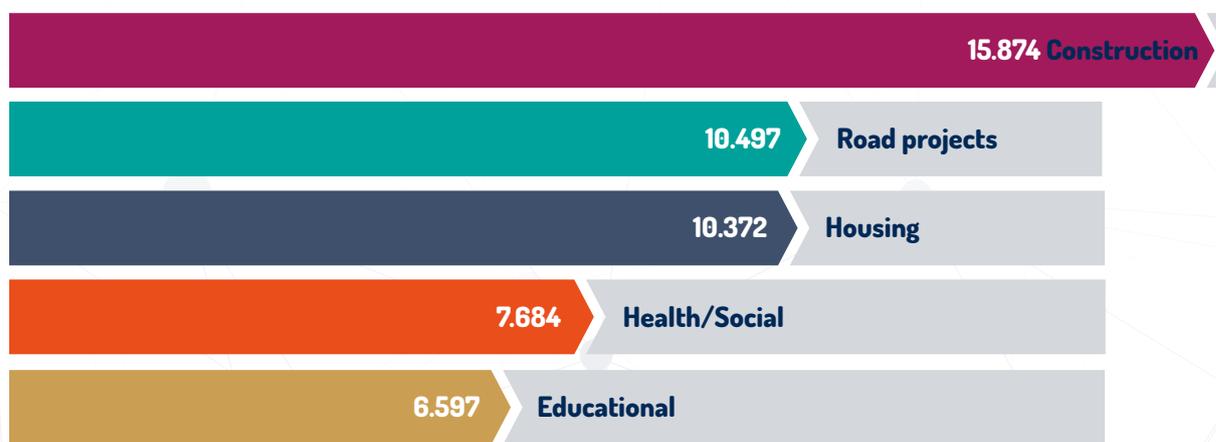
- 
- If you are attempting to bid for the Irish public sector from another country, do all you can to partner up with a local organisation - this strategy alone will considerably increase your chance of winning cross-border opportunities.
  - A recommended way of meeting Irish organisations for joint ventures and consortia is by attending networking events. Enterprise Ireland host several events that you can monitor on <https://www.enterprise-ireland.com/en/Events/>.
  - Keep an eye out for pipeline notices (i.e. information on opportunities that might be offered by a public sector organisation in the next few years) - this will give you additional time to find potential Irish partners and develop ideas and innovations.
  - If you are an SME, do not be put off from bidding, the Irish public sector marketplace is particularly supportive of SMEs and the resource constraints you face.
  - Carefully monitor Ireland's "Smart City" developments so that you are best placed to take advantage of opportunities when they arise and remember that Dublin is a leading player in this area.

## FRENCH GUIDE

### 1.0 OVERVIEW OF PUBLIC PROCUREMENT IN FRANCE

The French public procurement marketplace presents the prospect for both indigenous businesses and those from other parts of Europe to tap into the wide-ranging opportunities available. In 2016 for instance, the French public sector spent more than €72 billion and published over 240,000 tenders. Whilst these contracts were of varying sizes, both large and small, the average contract was around €300,000 in value, which potentially is within range for many small and medium-sized enterprises (SMEs). In looking at the industry sectors that these contracts have originated from, five main sectors dominate and account for 70% of spend (€51billion):

#### Volume of published calls (in M€)



Looking at this spend from an alternative viewpoint, the market share is as follows (with services and works dominating):

- 42% for services
- 39% for works
- 14% for supplies
- 4% for the rest.

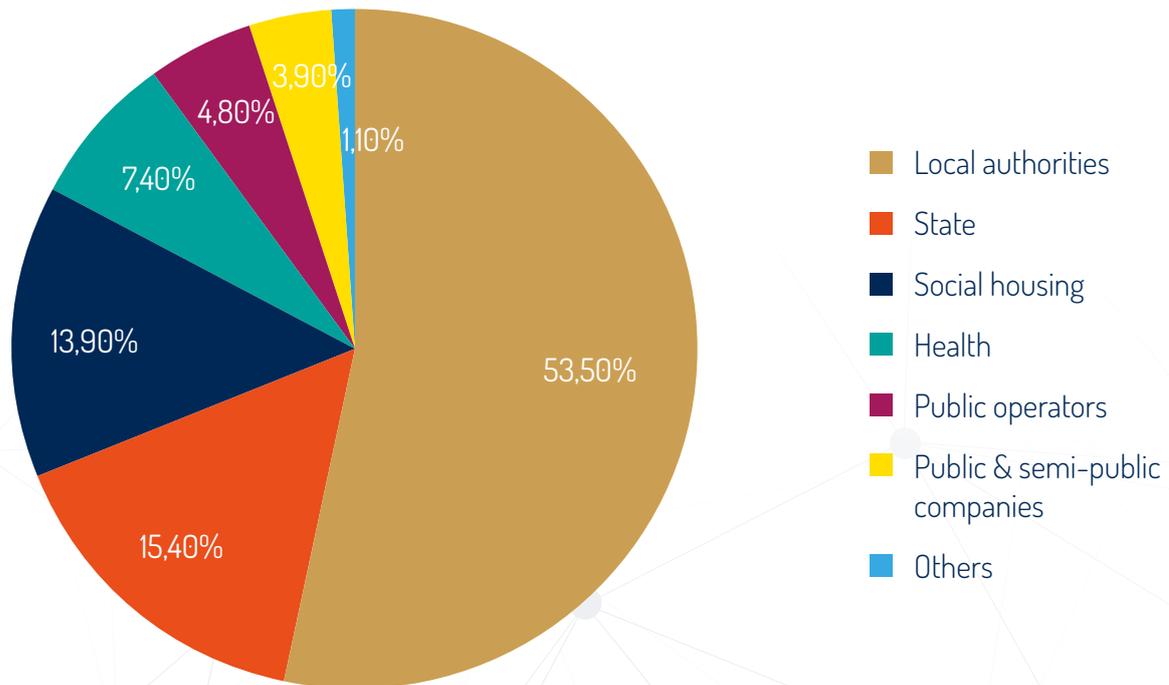
### 2.0 WHO IS RESPONSIBLE FOR BUYING ACROSS THE FRENCH PUBLIC SECTOR?

In France, tenders are published by:

- State and public institutions
- Regional and local authorities
- Local public companies and semi-public companies
- Hospitals, as well as other medical and social public institutions

- Providers of social housing and public housing institutions (for example – OPH: Public Housing Offices; ESH: the social housing companies; ANAH: National Agency of habitat)
- Major public operators (for example – SNCF: the national railway company; RFF: the French rail network; RATP: Paris public transportation network).

### Volume of public sector contracts in 2016 by buyer categories:



### 3.0 WHERE TO FIND OUT ABOUT OPPORTUNITIES?

For tender opportunities above €90,000 (pre-tax), it is compulsory to publish these notices on-line, however for contracts between €25 000 (pre-tax) and €90,000 (pre-tax), the procurer has the flexibility to choose his advertising medium and for the lowest value contracts (below €25,000 pre-tax), no advertising is required.

However, when tenders are advertised on-line in France, the main routes are as follows:

- BOAMP: [www.journal-officiel.gouv.fr](http://www.journal-officiel.gouv.fr)

This is the French official public procurement opportunities portal. It displays national public sector contract opportunities as well as Award notices and performs various additional functionality. It compiles all the legislation about French public procurement.

Advertising on the BOAMP is compulsory for contracts beyond 135 000EUR.

There are a plethora of other web portals displaying French public sector contract opportunities; examples include: [www.marches-publics.gouv.fr](http://www.marches-publics.gouv.fr) (also called PLACE); [www.achat-etat.com](http://www.achat-etat.com); and [www.achatpublic.com](http://www.achatpublic.com). The Ile-de-France region also has its own public sector opportunities

portals: <http://www.maximilien.fr> and [www.ccibusiness-grandparis.fr](http://www.ccibusiness-grandparis.fr). The latter portal is exclusively dedicated to the 'Grand Paris' project, detailed in Section 7.0 of this guide. Indeed, there are numerous regional portals throughout France and it is a case of strategically targeting those of most interest to you. For example, if you are an SME from Italy you might decide to investigate opportunities from regional portals located on the France-Italy border.

#### 4.0 PUBLIC PROCUREMENT RULES AND PROCESSES IN FRANCE – FAST FACTS FOR SUPPLIERS

In France, the rules governing public procurement are set out by the “Code des Marchés Publics” (the Public Procurement Code), which ensure that principles such as equal treatment, non-discrimination and transparency are respected by public authorities in the treatment of different suppliers' offers.

French public procurements are governed by the following laws:

- The article 2015-899 of 23rd July 2015 : <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000030920376&categorieLien=cid>
- and its enforcement decree 2016-360 of 25th March 2016 on public procurement : <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000032295952&categorieLien=id>

French law imposes different procedures to public purchasers depending on the value and type of contract:

##### Different procedures to public purchasers depending on the value and type of contract:

Type of procurement	Type of public purchaser	Over-the-Counter market	MAPA	Formalised procedure (compulsory disclosure on BOAMP and JOUE websites)
Supplies and services	National authorities	< €25 000 pre-tax	From €25 000 pre-tax to €134 999.99 pre-tax	> €134 000 pre-tax
	Local authorities	< €25 000 pre-tax	From €25 000 pre-tax to €208 999.99 pre-tax	> €209 000 pre-tax
Works	Local & National authorities	< €25 000 pre-tax	From €25 000 pre-tax to €5 224 999.99 pre-tax	> €5 225 000 pre-tax

Note that:

- A “formalised procedure” is a contract that has to strictly adopt the French Public Procurement Code.
- “MAPA” is where the terms of the contract are fixed by public authorities, but they have to comply with the rules of the French Public Procurement Code (a light touch version of a “formalised procedure”).

➤ An “Over-the-Counter market” means that public authorities can make a direct arrangement with the supplier without prior formalities or with minimum formality.

BOAMP (mentioned in Section 3.0) provides extensive details of the public procurement procedures used in France: <http://www.boamp.fr/Espace-entreprises/Comment-repondre-a-un-marche-public/Questions-de-reglementation>.

## 5.0 PROCUREMENT PRIORITIES IN FRANCE

French SMEs have historically struggled to win public sector contracts in France, due to the fact that SMEs have failed to appreciate the differences between bidding for public sector business and bidding for private sector work and also because of the administrative burden imposed on SMEs in tendering within the public sector. However, in recent years things have improved and now around 30% of public sector contracts in France are awarded to SMEs. These improvements have been driven by the push in France to remove barriers to SME participation in public procurement, for example through:

- Dividing contracts into smaller lots suitable for SMEs to “swallow”.
- Ensuring payment to SMEs takes place within 30 days.
- Supporting SMEs to form consortia that collectively have a wider range of skills, expertise and experience such that they are better placed to win contracts.
- Making greater use of E-procurement. For example, details about contract opportunities above €90,000 have been made available on-line since 2010 and from October 2018 public procurers will have to digitalize all public procurement procedures (apart from E-Invoicing which will be completed by 2020).
- Increased emphasis on understanding the supply market so the public sector have better knowledge of local/regional suppliers.

Other procurement priorities in France include promoting social and environmental sustainability, as well as procurement of innovation (for example, French Authorities plan to allocate 4% of public sector tenders to innovative SMEs by 2025).

## 6.0 CROSS-BORDER PUBLIC PROCUREMENT IN FRANCE- MARKET TRENDS

Whilst there are no official or reliable statistics relating to the proportion of public sector contracts in France won by foreign firms, the reality is that where foreign companies adopt a strategic and targeted approach to winning french public sector business then they stand a realistic chance of being successful. For example, companies located on the border with France might be particularly inclined to bid for french public sector business. It may be the case for instance that there are works projects between France and Italy or Belgium and Spain (i.e. involving two countries) and relating to work on tunnels, roads, and railways that present that strategic opportunity.

Detailed below are some of the public sector opportunities portals relating to regions sharing borders with other EU countries:

- Auvergne-Rhône-Alpes region (shared border with Italy and Switzerland): <https://marches-publics.auvergnerhonealpes.eu/?page=entreprise.AccueilEntreprise>
- Alsace-Champagne-Ardenne -Lorraine region (shared border with Germany, Luxembourg and Belgium): <https://alsacemarchespublics.eu/?page=entreprise.EntrepriseHome&goto=>
- Languedoc-Roussillon-Midi-Pyrénées region (shared border with Spain): <https://marchespublics.laregion.fr/?page=entreprise.AccueilEntreprise>

In addition, the 'Clause Moliere' (which requires contract executives to speak French) prompts more and more foreign companies to commence partnerships with French companies. It is also worth noting that the multiplicity of opportunities portals in France means that collaborating with French companies presents the chance to tap into their knowledge of local markets.

## 7.0 "SMART CITY" PUBLIC PROCUREMENT TRENDS AND DEVELOPMENTS IN FRANCE:

In France, there are currently 4 major projects that are ongoing in relation to the "Smart Cities" sector:

### 1. "GRAND PARIS" project (<http://www.ccibusiness-grandparis.fr/reseau/106134-cci-business-grand-paris>)

"Grand Paris" is a major project of design and economic development for the region 'Ile-de-France'.

It is the biggest infrastructure project in Europe, twice as big as Crossrail in London and the fourth in the world behind Chinese and Indian projects.

The Grand Paris project involves unprecedented investments (more than €100 billion by 2030), allocated to:

- Transportation infrastructure with 68 new railway stations, 200km of railways and €32 billion of investments to be made;
- Construction with 70,000 new houses to be built yearly over 25 years;
- Urban Management;
- Digital technology (digital transport network, connected stations, etc) or even energy networks.

### 2. "NICE GRID" (<http://www.smartgrids-cre.fr/index.php?p=nice-grid>)

NICE GRID is a €30 billion project to develop a smart and innovative "solar neighbourhood" in the city of Nice (Provence region). The project aims at testing an intelligent solar neighbourhood with a significant share of local photovoltaic production, electricity storage solutions and 2,500 smart meters in order to improve the management of electrical consumption and / or production peaks at different time scales.

### 3. OLYMPIC GAMES

France has been awarded the 2024 Olympic Games with plans to spend €3.3 billion in various

infrastructure projects such as public transportation networks, an Olympic Swimming Pool, and an athletes and media village.

#### 4. DIJON

The metropolis of Dijon wants to position itself as the French pioneer of the “Smart City”. Greater Dijon includes 24 municipalities (256, 000 inhabitants) and has entrusted several companies with the task of creating a unified center for the management of public spaces. A consortium composed of “Bouygues Energies et Services”, Citelum (a subsidiary of EDF), Suez and Capgemini, won the €105 million contract for the “design, operation and maintenance” of a connected public space management system.

Dijon has chosen to combine in one contract the management of public lighting, energy, road management, video surveillance (CCTV), and manage the operation from a single grid (with a single command station expected by the end of 2018, compared to six today).

### 8.0 TOP TIPS IN BIDDING FOR PUBLIC SECTOR CONTRACTS IN FRANCE AS A FOREIGN SUPPLIER

- Don't forget that tapping into the public sector procurement market in France as a foreign supplier provides numerous opportunities, with the French public sector presenting more contract opportunities per year than any other country in Europe!
- In France, significant efforts have been made to enhance access to public sector contracts for SMEs, so if you are a small or medium sized enterprise, the environment is a positive one for you!
- Be proactive in monitoring contract opportunities from the various opportunities portals available in France. Whilst there are some principal sites for you to register with as outlined in Section 3, some regions of France such as Bourgogne and Bretagne still use their own E-procurement platforms, so make sure you register with them if particular regions of France are of interest to you.
- Remember that partnering up with French companies can enhance your chances of success and overcome some of the peculiarities of the French market. For example, the decree n° 2017-516 of 10th April 2017 mentions that “the purchaser can require candidates to attach a translation into French for items written in another language”. It is also worth partnering up with french companies in the context of the “Clause Molière”, which is a provision intended to impose the use of French on construction sites and requires workers of a company answering a public tender to speak and understand French or, if not, to engage an interpreter.

# CATALONIA GUIDE

## 1. OVERVIEW OF PUBLIC PROCUREMENT IN CATALONIA

The Catalan Government awarded 7,588 contracts in 2016, amounting to some €1.6bn. The statistics below illustrate the proportion of contracts awarded according to company size.

### Awards by type of successful bidder 2015

Type	Number	%	Amount in million €	%
SMEs	5,113	69,3%	739	46,9%
Large enterprise	1,651	22,4%	622	39,5%
Consortia	157	2,1%	186	11,8%
Foreign enterprise	140	1,9%	18	1,1%
Others	269	3,6%	6	0,4%
Self-employed	43	0,6%	4	0,3%
Total	7,373	100%	1,6 billions €	100%

Source: Public register of Contracts. Elaboration: DGCP.

## 2. WHO IS RESPONSIBLE FOR BUYING ACROSS THE CATALAN PUBLIC SECTOR?

Spain operates a decentralised political system, which means that presently there are numerous contracting bodies. Substantial efforts are however underway to improve this situation through implementing a degree of centralisation.

In Catalonia, the **Government of Catalonia** (Generalitat de Catalunya) is responsible for administering contracts for the public administration of Catalonia and in establishing the rules that govern how procurement operates regionally.

**Local Administrations** account for most of the tender opportunities that become available. Among these, usually the more active ones are those focusing on Barcelona and its metropolitan area:

- **Àrea Metropolitana de Barcelona (AMB):** a supramunicipal entity responsible for the management (basically related to Waste and Environment, Transportation and Infrastructure) of 36 municipalities, around Barcelona and comprising a population of around 3.3 M people.
- **Diputació de Barcelona (DIBA):** a local government institution which has certain administrative responsibilities for the province of Barcelona.
- **City Halls** are also very active in tendering.

Other entities advertising tender opportunities are the Catalan Agency for Waste, the Catalan Agency for Water, and the Catalan Railways. In terms of “Smart City” opportunities, Barcelona is by far the most active procurer, followed by the nearby municipalities of Sabadell, Terrassa and Sant Cugat.

### 3. WHERE TO FIND OUT ABOUT OPPORTUNITIES?

All tendering opportunities in Catalonia, as well as details of tender awards, are published in Catalonia’s [Electronic Procurement Platform](#). Whilst the platform itself can be accessed in English, tender announcements are in both Catalan and Spanish. However, the administrative documents (“plecs” in Catalan) relating to contract opportunities are usually found just in Catalan. Yet, bidders can always ask for an ad-hoc Spanish version.

The facility has the functionality to enable suppliers who register on the site to receive email alerts relating to opportunities of interest. The platform also includes publications from the rest of Spain.

## 4. PUBLIC PROCUREMENT RULES AND PROCESSES IN CATALONIA – FAST FACTS FOR SUPPLIERS

### 4.1. PUBLIC PROCUREMENT RULES

The most usual bidding procedure in Catalonia is the **open** one. The restrictive procedure (where there is a pre-qualification element) is less used but, nonetheless, it is still used regularly. For common goods and services required on a repetitive basis **framework agreements are typically used**, in which the Administration accredits a number of companies (a short-list), and the different units contract with those approved companies according to the offers presented in the framework agreement.

### 4.2. BIDDING PROCESSES

In an **open** procedure, the deadline for presenting offers with an estimated value below the EU thresholds<sup>1</sup> is at least 15 days starting on the publication of the bidding advert or 26 days for a public works contract. In those contracts with an estimated value equal to or above the EU value threshold, the deadlines are those established in the EU Procurement Directives.

In terms of the tender submission, they can be delivered by hand or mailed. By 2018 suppliers should be able to submit their tenders electronically.

### 4.3. CONTRACT AWARD - CRITERIA

The organisation which selects and evaluates bids is the Evaluating Committee. The Committee analyses if bidders meet the requirements via the *The European Single Procurement Document* (ESPD) and evaluates and grades the technical and economic proposals. Economic proposals are always evaluated and scored after the technical ones, in a single public session which can be attended by all bidders.

<sup>1</sup>5,186,000 € (public work contracts), 207,000 € (service and supplies contracts) and 750,000€ (social services contracts).

The European Single Procurement Document (ESPD) is a self-declaration form used in public procurement procedures by public buyers and businesses in the EU. Before the introduction of the ESPD, companies were required to submit various documents to prove that they fulfil the exclusion and selection criteria of a tender, for example have paid taxes and have not been convicted of criminal activity. Now, companies are able to meet these obligations with a single ESPD self-declaration form. The actual documents will only have to be provided by the winner of the tender. The ESPD service is also integrated with [e-Certis](#) - a mapping tool used to identify and compare certificates requested in public procurement procedures across the EU.

#### 4.4. CONTRACT AGREEMENT

The award is published on the electronic platform. The contractor, in up to 15 days, must present the *accrediting documentation* to prove it meets all criteria stated in the ESPD and usually must *deposit a guarantee* equivalent to 5% of the total contract amount.

The *signing* of the contracting document entails that the contractor agrees to meet the specification set out by the public sector body and the technical and economic proposal presented.

#### 4.5. CONTRACT EXECUTION

The contractor must *initiate* the works on the date established in the contract and in any case after the formalization of the contractual document.

In most contracts, a contract manager is selected, being in charge of progress tracking and execution control, having the capacity to give orders to the contractor and being their intermediary, representing the contracting organisation.

The contractor is able to *subcontract* according to the terms of the contract and up to 60% of the price of the contract.

### 5. PROCUREMENT PRIORITIES IN CATALONIA

Public Procurement in Catalonia is increasingly adopting a more proactive approach towards embracing sustainable development principles in its procurement activities. In adopting a socially, economically and environmentally-friendly approach, a number of different aspects are considered, for example:

- Facilitating SME access to public procurement opportunities through the division of contracts into smaller lots.
- Giving consideration to the energy consumption of products, prioritising long-life products or those that can be recycled, etc.
- Including clauses related to working conditions, gender equality, positive discrimination in favour of those at risk of exclusion, etc.

It is also worth noting that Catalonia has up to €100M available to purchase through Public Procurement of Innovation (PPI). Currently, there are 6 PPI projects such as the promotion of sustainable technologies for road pavements and an innovative predictive method to detect people at risk

of energy poverty and advanced home care. PPI is increasingly being used throughout Europe to foster innovation within the market, as well as greater use of innovative solutions.

## 6. CROSS-BORDER PUBLIC PROCUREMENT IN CATALONIA AND MARKET TRENDS

Whilst the number of bids won by foreign companies in Catalonia is relatively modest (€ 18 million in 2015), where foreign companies adopt a strategic approach to targeting opportunities and/or combine with local partners, then the market presents a real prospect for companies from other parts of the EU. As can be seen in the table below, in 2015, Irish firms were most successful in terms of value of contracts, whereas France was the most successful in terms of the number of companies.

**Distribution of contracts to foreign bidders, 2015**

	Value of contracts €	%	Number of contracts	%	Number of firms	%
1. Ireland	7,586,317	42%	7	5.00%	6	5.08%
2. UK	1,978,458	11%	19	13.57%	14	11.86%
3. USA	1,755,711	10%	19	13.57%	17	14.41%
4. France	1,706,220	9%	26	18.57%	22	18.64%
5. Germany	1,481,558	8%	21	15.00%	19	16.10%
6. The Netherlands	1,198,707	7%	16	11.43%	10	8.47%
7. Switzerland	688,230	4%	7	5.00%	7	5.93%
8. Italy	624,492	3%	6	4.29%	6	5.08%
9. Belgium	337,315	2%	5	3.57%	4	3.39%
10. India	195,000	1%	1	0.71%	1	0.85%
<b>Total</b>	<b>17,552,008</b>	<b>98%</b>	<b>127</b>	<b>90,73%</b>	<b>106</b>	<b>89,83%</b>

Source: Public register of Contracts. Elaboration: DGCP.

It is worth noting that Catalonia welcomes international suppliers and this is evident in the way Catalonia's Electronic Procurement Platform is available in English, as is the majority of the services available on it. The public contracting office for Catalonia also has a very good customer service department that could help with any questions a foreign supplier might have. It is however important to point out that details of particular contract opportunities are usually provided in Catalan.

## 7. "SMART CITY" PUBLIC PROCUREMENT TRENDS AND DEVELOPMENTS IN CATALONIA

According to a recent study, Catalonia is the region in Spain with the largest number of "Smart City" enterprises, with 270 companies in total (2015 data), with the main sectors being:

► Mobility: 51 companies / €641 M turnover.

► Lighting: 26 companies / €259 M turnover.

► Waste: 18 companies / € 1,935 M turnover.

*SmartCatalonia* is the strategy of the Government of Catalonia which in line with the Europe 2020 strategy of the European Commission, extends the “Smart City” concept on a national level to undertake a programme that integrates and coordinates local and multi-region initiatives in support of businesses and ongoing smart initiatives throughout the territory. More than 40 cities are currently developing “Smart City” Projects. Innovation within the “Smart City Sector” is being introduced by pilot projects and examples include the following initiatives:

► Premià de Mar: Smart Lighting project worth €3.5 M

► Terrassa (a town of 200,000 inhabitants): implementation of the Platform Sentilo – a multi-tenant model and software service (SaaS).

In addition, the “Barcelona” brand is of growing importance in relation to “Smart Cities”:

► Positioned as the second ranked “Smart City” in the world, after Singapore (Juniper Research, 2016).<sup>2</sup>

► Barcelona hosts the “Smart City” Expo World Congress and Mobile World Congress.

## 8. TOP TIPS IN BIDDING FOR PUBLIC SECTOR CONTRACTS IN CATALONIA AS A FOREIGN SUPPLIER

► Sign-up to relevant public sector opportunity portals such as the [Electronic Procurement Platform](#). Make sure you register your details on their systems correctly so you are only alerted to the most relevant opportunities.

► Catalonia is committed to facilitating SME access to public procurement; so if you are a small or medium sized enterprise, the business environment is a positive one for you!

► Be open to partner up with local firms - this strategy alone will increase your chance of winning cross-border opportunities seven-fold!

► Fiscal transparency: successful tenderers will need to pledge to comply with the current tax regulations in Catalonia and to not operate against the law. This might be particularly relevant with regard to foreign suppliers coming from countries with no capital control and/or pinpointed as tax havens by the EU.

► Carefully monitor Catalonia “Smart City” developments so that you are best placed to take advantage of opportunities when they arise and remember that the Catalan ecosystem is a real growth hub in this sector!

► Catalonia does not excessively use the negotiated procedure (which is commonly used in the rest of Spain). Instead, the Open procedure is most often used, meaning there will be prior publication of a contract notice.

<sup>2</sup>40 metrics were evaluated, covering technology, transport, energy, open data and economy.

## ITALIAN GUIDE

### 1.0 OVERVIEW OF PUBLIC PROCUREMENT IN ITALY (WITH FOCUS ON THE VENETO REGION)

Public procurement in Italy is regulated by the new procurement code (nuovo codice appalti) DLgs 50/2016 which became law on the 19th of April 2016. As outlined in the report of the ANAC (National Anti-Corruption Authority), public procurement in Italy has played a leading role in the development of the country (for example, through the building of hospitals; schools; roads; etc) and public procurement will be further modernised as the new procurement code is adopted. In 2016, the total value of public works contracts in Italy was around 17 billion euros. This is a significant figure and following the adoption of the new procurement code, which will simplify procurement procedures and reduce bureaucracy, it is expected that more and more companies will be interested in Italian public sector business.

#### Headline public procurement statistics in Italy (2011-2013) by number and value of contracts (€)

##### Headline public procurement statistics in Italy (2011-2013)

REGION	2011		2012		2013	
	Number	Amount	Number	Amount	Number	Amount
Abruzzo	91	876.083.240	95	332.326.000	129	222.127.000
Basilicata	123	442.180.000	32	105.572.180	29	63.358.979
Calabria	890	558.950.000	735	472.500.946	853	948.570.000
Campania	625	1.132.880.000	460	1.064.390.101	130	449.033.754
Emilia-Romagna	544	3.310.400.000	333	1.183.640.000	343	830.370.000
Friuli-Venezia Giulia	230	495.083.347	281	342.000.000	244	425.910.000
Lazio	557	2.520.327.170	570	3.863.275.941	571	3.280.558.379
Liguria	1.820	1.012.039.000	203	427.900.000	128	416.690.000
Lombardia	1.310	5.088.345.571	951	2.258.076.027	1077	2.138.132.773
Marche	198	324.771.318	160	343.970.712	162	227.550.378
Molise	43	148.083.138	29	93.138.851	31	52.689.980
Piemonte	992	2.406.298.643	559	1.729.250.713	712	1.166.475.273
Puglia	366	918.602.480	378	871.243.786	352	407.536.774
Sardegna	360	1.284.308.835	359	531.569.349	321	850.076.447
Sicilia	327	421.675.184	353	1.409.120.426	439	901.283.798
Toscana	531	1.222.123.968	149	565.951.526	480	1.067.707.211

Umbria	89	148.819.154	56	43.797.671	55	91.500.000
Valle d'Aosta	154	507.245.521	104	67.790.000	63	37.425.575
Veneto	458	1.337.681.827	445	981.088.619	339	618.378.000
Prov. aut. di Bolzano	4	6.649.778	366	142.000.000	131	121.040.000
Prov. aut. di Trento	56	235.422.039	31	21.893.305	33	192.766.697
Ambito Nazionale	145	2.330.295.727	133	5.568.348.878	192	7.704.965.406
TOTALE	9.913	26.728.265.940	6.782	22.418.845.031	6.814	22.214.146.424

Source: Regional Observatory for Public Procurement of Veneto Region

Detailed information about public procurement in the Veneto Region can be found by visiting the following link from the "Regional Observatory for Public Procurement": <http://www.regione.veneto.it/web/lavori-pubblici/area-pubblicazioni-o.r.a>.

### Volume and Value of public sector contracts by type of public sector procurer in Veneto

#### Volume and Value of public sector contracts equal to or above 40.000 euros

	2010		2011		2012		2013		2013	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	Typology of public procurer									
State administrations	9	705	6	701	3	417	2	300	-	-
Municipalities and Union of municipalities	1	61	3	511	-	-	2	638	-	-
Public/Private companies	4	25.065	14	34.570	24	65.115	19	6.110	8	702.876
Provinces	-	-	-	-	-	-	-	-	-	-
Region	71	87.869	722	824.100	276	481.980	131	169.539	1.021	2.218.210
Exclusion of maxi-gara	71	87.869	722	824.100	276	481.980	131	169.539	507	456.722
Regional agencies	6	4.600	-	-	-	-	10	5.783	-	-
Universities, Chambers Commerce and others	-	-	3	15.890	3	1.648	18	92.290	14	86.869
Hospitals	283	187.407	170	68.999	131	56.014	151	103.600	92	50.623
Total	374	301.106	918	944.771	437	605.175	333	372.477	1.135	3.058.578
Total with exclusion of maxi-gara	374	301.106	918	4.771	437	605.175	333	372.477	621	1.297.089

Source: Regional Observatory for Public Procurement of the Veneto Region.

\*\* Note that Maxi-gara in the table above refers to collaborative procurement activity / aggregation.\*\*

## 2.0 PUBLIC SECTOR OPPORTUNITIES TO PURSUE IN ITALY AND IN VENETO

### 2.1 Who is responsible for buying across the Veneto Public Sector?

Potential public sector customers in Italy and Veneto Region are diverse, and include:

#### Local Authorities / Local Government:

Veneto Region: <https://www.regione.veneto.it/>

Chamber of Commerce Delta Lagunare (Venice – Rovigo): [www.dl.camcom.gov.it/](http://www.dl.camcom.gov.it/)

Chamber of Commerce of Padova: [www.pd.camcom.it/](http://www.pd.camcom.it/)

Chamber of Commerce of Treviso – Belluno: [www.tv.camcom.gov.it/](http://www.tv.camcom.gov.it/)

Chamber of Commerce of Verona: <https://www.vr.camcom.it/>

Chamber of Commerce of Vicenza: <https://www.vi.camcom.it/>

#### Central Government departments:

Italian Ministry of Infrastructure and Transport: <http://www.mit.gov.it/en/about-us>

Italian Ministry of Environment: <http://www.minambiente.it/>

#### National and Regional Health Service:

Italian National Health Service: <http://www.salute.gov.it/portale/home.html>

Veneto Region Health Portal: <https://salute.regione.veneto.it/info/informazioni/aziende-ul-ss-e-ospedaliere>

#### Regional agencies (environment, water, waste management):

AVEPA - Regional Agency for Agriculture: [www.avepa.it](http://www.avepa.it)

VERITAS - Venetian Energy Resources Territory Environment Services: [www.gruppoveritas.it](http://www.gruppoveritas.it)

ARPA - Regional Agency for the Prevention and Environmental Protection of Veneto: [www.arpa.veneto.it/](http://www.arpa.veneto.it/)

#### Port Authorities:

Venice Port Authority: <https://www.port.venice.it/>

#### Universities:

University of Padova: [www.unipd.it](http://www.unipd.it)

University of Venice Cà Foscari: [www.unive.it](http://www.unive.it)

University of Venice IUAV: [www.iuav.it](http://www.iuav.it)

## 3.0 WHERE TO FIND OUT ABOUT OPPORTUNITIES?

### 3.1 National Portals

All public sector contract opportunities in Italy are published on the website of the “Gazzetta Ufficiale della Repubblica Italiana”: <http://www.gazzettaufficiale.it/>

### 3.2 Regional Portals

In relation to regional opportunities in Veneto, all contract opportunities are advertised on the following portal: <http://bandi.regione.veneto.it/Public/Elenco?Tipo=1>

These can be searched by sector of interest and by type of beneficiary, for example: general affairs, environment, government property and heritage, school buildings, urban planning, and energy.

### 3.3 Industry Sector Portals

There are also a number of sector-specific portals for the whole of Italy, such as the following:

Portal	Description
Info Appalti: <a href="http://www.infoappalti.it">www.infoappalti.it</a>	Provides access to opportunities linked to the industrial and commercial sectors in Italy.
Il Portale dell'Edilizia: <a href="http://www.lavoripubblici.it/">www.lavoripubblici.it/</a>	Advertises opportunities in relation to public housing.

## 4.0 PUBLIC PROCUREMENT RULES AND PROCESSES IN ITALY – FAST FACTS FOR SUPPLIERS

### 4.1. Public Procurement Rules

Different public procurement procedures in Italy are followed according to the value threshold of the contract concerned (article 36 of the Italian Code for Public Procurement):

- Up to € 40,000 (all sectors): direct award without tender;
- Contracts from €40,000 to €150,000: negotiated procedure after inviting bids from at least ten bidders for works and five for services or supplies identified by market analysis or by consulting database of economic operators;
- Works contracts from €150,000 to €1,000,000: negotiated procedure after inviting bids from at least fifteen bidders identified by market analysis or by consulting database of economic operators;
- Works contracts above €1,000,000: Ordinary procedure (Open or Restricted).

Further details on these rules can be found at: [https://www.codiceappalti.it/dlgs\\_50\\_2016/art\\_36\\_contratti\\_sotto\\_soglia/8406](https://www.codiceappalti.it/dlgs_50_2016/art_36_contratti_sotto_soglia/8406)

## 4.2. Bidding Processes

**Tendering procedures (Article 59 of the Italian Code of Public Procurement):**

Article 59 of the Italian Code of Public Procurement identified 6 separate procurement procedures:

- 1) Open procedure (general model);
- 2) Restricted procedure (general model);
- 3) Innovation partnership (general model);
- 4) Competitive procedure with negotiation (exceptional model);
- 5) Competitive dialogue (exceptional model);
- 6) Negotiated procedure without previous publication of tender (exceptional model).

## 4.3. Contract Award Criteria

The Award becomes effective only after verification of the prescribed requirements.

Once the award has been effective and without prejudice to the exercise of the powers to authorize it in the cases permitted by the applicable rules, the award of a contract or a concession will take place within the following 60 days, unless otherwise specified in the notice or in the tender invitation.

## 4.4. Contract Agreement

The award of the tender is notified and published in the BUR (Official Regional Bulletin) and Official gazette (<http://www.gazzettaufficiale.it/>).

The contractor, in up to 15 days, must present the relevant documentation to prove it meets all criteria stated in the tender notice and also sign the contracting documents.

## 4.5. Contract Execution

The execution of the contract may only start after it has become effective, unless urgent cases require early execution.

## 4.6. Complaints and Remedies

In case of complaints, Italian law foresees specific procedures which are outlined by the Decree 50/2016, Article 120. Companies that have been harmed as a result of breach by a public body or have noticed irregularity in the public procurement procedure (e.g., eligibility requirements; financial aspects; technical capacity required) may seek a remedy by appealing to the Regional Administrative Court within 30 days from its publication by the procurer.

If the procedure is not challenged within the above terms, no other action can be undertaken in reference to the selected procedure.

## 5.0 PROCUREMENT PRIORITIES AND POLICIES IN VENETO

The Veneto Region, in line with the objective of Europe 2020, has set-up and identified a series of

priorities for the development of the territory, and in particular to improve the competitiveness of SMEs through the creation of “The Smart Specialisation Strategy”.

This strategy includes 4 main sectors. These are detailed below and are inclusive of various sub-sectors:

### **SMART MANUFACTURING**

- ▶ New organizational and production models
- ▶ Production and sustainable process
- ▶ Design and advanced technologies production
- ▶ Automation
- ▶ Inclusive and innovative work place

### **SMART AGRIFOOD**

- ▶ Sustainable agrifood
- ▶ Intelligent resource management
- ▶ Nutrition, health and security
- ▶ Traceability and protection of supply chains
- ▶ Innovative and sustainable processes

### **SUSTAINABLE LIVING**

- ▶ Wellness in the environments of life
- ▶ Smart and sustainable buildings and cities
- ▶ Recovery, regeneration and architectural restoration
- ▶ Health and security

### **CREATIVE INDUSTRIES**

- ▶ Innovative marketing and product virtualization
- ▶ Innovative materials and biomaterial
- ▶ New business models
- ▶ Creative design
- ▶ Technology for the use of cultural heritage

If you are interested in the sectors identified in other Italian Regions, please view the following link:  
<http://s3platform.jrc.ec.europa.eu/s3-platform-registered-regions>

## Improving access to Public Procurement opportunities for suppliers:

An electronic marketplace called MEPA has been set-up in Italy in order to fulfil a range of functions, including simplifying access for suppliers to public procurement opportunities; improving transparency of opportunities; and helping to secure better value for money for the public sector. This platform - <https://www.acquistinretepa.it> - which can be used by any public sector organisation in Italy, provides a number of advantages for both public authorities and suppliers, for example:

### *For Public Authorities:*

- Simplification of purchasing processes.
- Reduction in prices paid for suppliers.
- Greater transparency and competition.

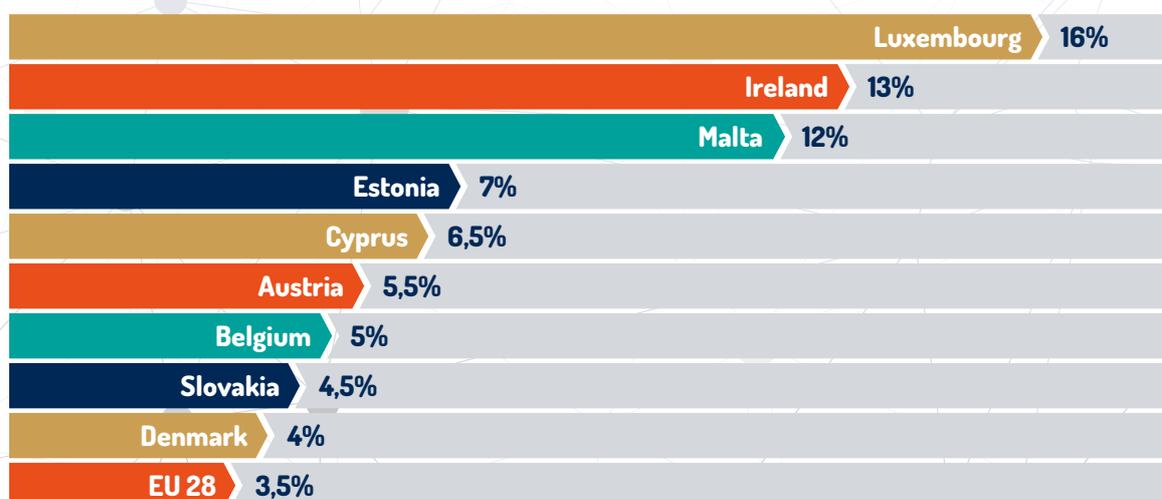
### *For Suppliers:*

- Access to the entire public sector marketplace in Italy.
- Possibility of becoming a supplier to various public authorities through a single tender (i.e. where contracts are aggregated).
- Guarantee of a completely transparent procurement process.
- Payment within 30 days.

## 6.0 CROSS-BORDER PUBLIC PROCUREMENT IN VENETO AND MARKET TRENDS

The level of participation of non-national operators in the Italian public procurement market is rather low, however where these foreign companies collaborate with Italian firms, their success rate is much improved. The table below shows the proportion of Italian public sector contracts awarded to foreign companies in the period 2009-2015.

### Top-ten EU countries by share of contracts awarded, 2009-2015:



Source: National study on Public Procurement

## 7.0 “SMART CITY” PUBLIC PROCUREMENT TRENDS AND DEVELOPMENTS IN VENETO

The cities of Venice, Treviso, Padova and Verona have joined the Italian Observatory of “Smart Cities”. More information about this Observatory and its members can be found at: <http://osservatoriosmartcity.it/citta/>

The “Smart City” objectives and priorities of these cities are:

- Urban development
- Transport
- Waste management
- Water management
- Energy efficiency
- Social housing
- House construction
- Governance.

By viewing the following web link, it is possible to download a guide which details the “Smart City” priorities of a number of Italian cities: <http://osservatoriosmartcity.it/>

Other useful web links are as follows:

<http://www.cittalia.it/>

<http://www.anci.it/>

<http://www.forumpa.it/>

## 8.0 TOP TIPS IN BIDDING FOR PUBLIC SECTOR CONTRACTS IN VENETO AS A FOREIGN SUPPLIER

- Be proactive and regularly check the major opportunities portals of interest to you. If it is possible to register to receive email alerts of opportunities, then take advantage of this functionality!
- Keep in mind regional priorities within different parts of Italy as you search for relevant opportunities for you and in particular, don't forget the sectoral priorities identified in the Smart Specialization Strategy outlined in this guide. Additionally, if you consult the development plans of key Cities in Italy, you will also be able to garner key intelligence as to possible opportunities for your business.
- Try to collaborate with local companies in Italy to strengthen your product / service offering and to maximise your chances of winning Italian public sector business.

- 
- Consult experts from Italian Chambers of Commerce and Regional/Local Authorities to explore the opportunities and support available to you in your quest to win public sector business in Italy.
  - Attend information events, conferences and seminars to get a better understanding of the opportunities available to you and how best to win business from the Italian public sector marketplace.

## APPENDIX 1: GLOSSARY

**Accreditation:** External recognition that you meet certain standards. This can be general (for example, your quality assurance system if you have one), or specific to a particular activity such as aspects of health care.

**Added value:** Features and benefits that you offer which exceed the specification for the contract.

**Advertise:** To make a public announcement of the intention to purchase products, services or works with the intention of increasing the response and enlarging the competition. The announcement must conform to the legal requirements imposed by established laws, rules, policies and procedures to inform the public.

**Aggregation:** Some form of consolidation of orders or invoices.

**Approved list:** A list of suppliers that a public sector organisation has already assessed and accepted as credible bidders for one or more services.

**Best and Final Offer:** Once initial bids have been received from tenderers, a public procurer can select the best 2 bidders and request that they produce a best and final offer.

**Best Value:** This involves consideration of costs as well as making the most of money spent, making sure that services meet the needs of communities and public sector priorities. The principles of sustainable procurement are consistent with the principles of Best Value. Benefits to local people, good workforce management, community safety, diversity and fairness are also key elements of best value of relevance to sustainable procurement.

**Bid:** A formal proposal to supply goods or services at a specified price, usually describing how the contract requirements will be met. Also known as a 'tender', 'quote' or 'quotation'.

**Bidder:** The supplier that is bidding to the public sector body.

**Buyer:** The organisation responsible for issuing the tender and subsequent order.

**Buying Categories:** The different areas of spend are divided into two categories: indirect (or non-strategic) materials, such as office supplies and IT hardware, that are required for the operation of a public sector organization and direct (or strategic) materials, such as raw materials that are intrinsic to the delivery of a public sector service.

**Call for Tender:** A formal request to prospective economic operators soliciting price quotations or bids; contains, or incorporates by reference, the specifications or scope of work and all contractual terms and conditions. The official public available document describing the Call for Tender can also be referred to as "Contract Notice" (see below).

**Call-off Contract:** A type of framework contract (see below) where there is an obligation on both sides to buy and supply. The public sector will 'call off' products and services from the suppliers as and when required.

**Clarification Answer:** Reply sent by the supplier to the contracting authority in response to a clarification request.

**Clarification Request:** Sent by the contracting authority to a supplier regarding his request to participate or tender.

**Collaborative Procurement:** The combining of requirements of two or more governmental units to obtain the benefits of volume purchases and/or reduction in administrative expenses.

**Competitive Dialogue:** A procurement procedure for the award of highly complex contracts when it is considered that neither the Open or Restricted procedures will allow for the award of the contract. Its purpose is to allow for the definition of the best solution for the contracting authorities needs through dialogue with the candidates. This procedure essentially allows buyers to enter into a dialogue with suppliers before seeking final tenders from them.

**Contract:** A binding agreement to perform a certain service or provide a certain product in exchange for valuable consideration, usually money.

**Contract Award Criteria:** The criteria that will be used by the Tendering Department to evaluate the admitted tenders (essentially the key points that a supplier's tender will be judged by). These criteria are made public by including them in the Call for Tender or by publishing them separately.

**Contractual Terms:** All language in a contract including applicable standard clauses and special provisions. Terms and conditions are the rules under which all offers must be submitted.

**Contractor:** Any natural or legal person or public entity or group of such persons and/or bodies which offers on the market the execution of works and/or a work.

**Contract Management:** The process that enables both parties to a contract to meet their obligations in order to deliver the outputs required from the contract. It also involves building a good working relationship between the public sector purchaser and the supplier. It continues throughout the life of the contract and involves managing proactively to anticipate future needs as well as reacting to situations as they arise.

**Contracting Authority:** The public entity (a state, a regional or local authority, a body governed by public law) establishing a contract related to a specific purchase.

**Contract notice:** An advertisement showing a public sector body is looking to place a contract for specific goods and services, and explaining the type of procurement process to be used, as well as how to obtain the necessary documentation.

**Contract Award Notice:** An advertisement published on Sell2Wales or a similar website showing who a public sector organisation has awarded a contract to. It may also include the value of the contract.

**Contracting party:** The leading organisations that have entered into contractual obligations. If you have a contract with a public sector organisation and you have subcontracted some of the work to others, you are the contracting party, the sub-contractors are not.

**Contracting Authority:** The public sector organisation that awards the contract.

**Contractor:** Someone (a person or entity) who enters into a binding agreement to perform a certain service or provide a certain product in exchange for valuable consideration, usually money.

**Costs:** The money spent on resources to deliver a service.

**CPV Codes (Common Procurement Vocabulary Codes):** A range of codes used in the public sector which classifies the type of product or service within a standardised coding structure. Contract notices published on many E-tendering portals will include a CPV relevant to the Procurement undertaken. CPV codes help to find tender opportunities that relate to the products or services you provide quickly and easily. Both OJEU (see below) and many E-tendering portals use CPV codes.

**Debrief:** A meeting to help suppliers improve their future bids by outlining why their tender was not successful.

**Directive:** Type of European legislation that is binding on Member States as to the result to be achieved, but leaves the method of implementation to national governments.

**Disaggregation:** Where a contract is broken down into lots.

**Disqualification:** The disqualification of an economic operator to receive invitations to tender or requests for proposals, or the award of a contract by a contracting authority, for a specified time commensurate with the seriousness of the offence, the failure, or the inadequacy of performance.

**eAuction:** A repetitive process where bidders go on-line and bid against each other live to offer the lowest price. This occurs after an initial full evaluation of the tenders, enabling them to be ranked using automatic evaluation methods. They will only be allowed to bid a price if their offer has met all the requirements.

**eCatalogue:** Organised descriptive list of products or services made available by economic operators to potential buyers via the Internet. A catalogue usually includes descriptive information or illustrations and contains items from a variety of suppliers or service providers, merged together. The catalogue has generic prices and is accessible by the general user population.

**Economic Operator:** A contractor, a supplier or service provider who aims at proposing his services, goods or works in response to the request of the Contracting Authority.

**eInvoicing:** The transmission and storage of invoices, without the delivery of paper documents, by electronic means.

**eProcurement:** Electronic procurement of goods and/or services. E-procurement combines the use of Internet technology with procurement best practices to streamline the purchasing process and reduce costs.

**E-Tendering:** The carrying out of the competitive tendering process using electronic means (e.g. the internet and specialist e-tendering software).

**Ethical and Fair Trade:** Fair trade is a growing international movement which ensures that producers in poor countries get a fair price for their goods, decent working terms and conditions and longer term contracts that provide security. Ethical trade is a wider term which can include Fair Trade principles but also other issues such as business ethics.

**EU Public Procurement Directives:** Rules and regulations that Public Sector organisations must adhere to when procuring Goods, Services and Works over a certain value threshold.

**Evaluation:** The process of assessing each bidder's tender so as to be able to select the best one.

**Evaluation Panel:** A panel of people that analyse received tenders and make recommendations on who should be awarded the contract.

**Expression of Interest:** In restricted procedures, a letter (or similar) showing that you are interested in the contract and are thinking of submitting a PQQ or tender.

**Feedback:** Explanation of the reasons for the success or failure of a tender or PQQ so as to learn how to respond effectively in future.

**Framework agreement:** An arrangement where a purchaser selects suppliers and fixes terms and conditions and prices for a period in advance (often three years), and then calls on the suppliers (call-offs) to deliver as and when required.

**Framework Contract:** A fixed-term contract which enables the public sector to buy products and services on an ongoing basis, but where neither party is under obligation to buy or supply. A business on a framework contract will have successfully tendered and agreed terms and charges for specific products and services, but is not guaranteed to be given business.

**Information Answer:** One or more questions with their answer(s) sent by the contracting authority to economic operators.

**Information Request:** Question sent by the economic operator to the contracting authority.

**Invitation to tender (ITT):** A formal document that sets out what the public sector organisation wishes to buy, the criteria they will make the decisions on and the procedure they will follow, as well as the terms and conditions, which will govern the contract once it is active.

**Invoice:** A list of goods or services sent to a purchaser showing information including prices, quantities and shipping charges for payment.

**Lead Time:** The time that it would take a supplier to deliver goods after receipt of order.

**Lot:** Some contracts are divided into a number of parcels of work (called "lots") and suppliers are invited to state whether they are bidding for the whole contract or just parts of it.

**Lowest Price:** A contract award criteria. The award is made only by the best price for contracting authority.

**MEAT (Most Economically Advantageous Tender):** The criteria by which the most economically advantageous tender is chosen will be determined based on a combination of the price and quality. The percentage weightings may be different for each tender but will be clearly stated in the tender documentation, providing suppliers with the necessary information on how their bid will be evaluated.

**Method Statement:** This is the supplier's opportunity to explain how they propose to carry out the contract. The information provided in the Method Statement is specific to each procurement undertaken and normally forms part of the quality evaluation.

**Negotiated Procedure:** This procedure allows buyers to consult with pre-qualified suppliers and negotiate the terms of the contract. Only used when the project's complexity makes it impossible to draw up a detailed specification, or when the contract is for R&D Purposes.

**OJEU:** The Official Journal of the European Union, where all contract notices must be published for tenders that fall within the European procurement laws (i.e. are above specified values).

**OJEU Tender:** The selection of a supplier through a tender, where the contract value is above the level of expenditure at which EU regulations require the contract to be advertised in the Official Journal of the European Union (OJEU).

**Open Procedure:** The process where anyone can submit a tender for a contract.

**Output Specification:** Where a Council sets out its specification requirements in terms of what they want to achieve, leaving the tenderers to decide on how they will deliver those requirements. This can lead to innovation by the tenderers.

**Overheads:** The indirect costs incurred in running a business. These include rent and rates, marketing and publicity, administrative and financial costs.

**Partnership:** A cooperative relationship between people or groups who agree to share responsibility for achieving some specific goal.

**Performance:** Delivery of goods or services, judged against the standard specified in a contract.

**Pre-qualification:** A questionnaire used by public sector organisations to check the suitability of suppliers and shortlist the ones they will invite to tender (the first stage in a restricted tender process).

**Prior Information Notice (PIN):** An advertisement indicating a contract will be coming up for tender within the next 12 months.

**Procurement:** The process of buying goods and services.

**Procurement card:** Like a credit or debit card, but for organisations rather than individuals. It allows purchasers to order and pay for goods and services in the same way.

**Purchasing:** The buying of goods and services.

**Purchase Order:** A purchase order serves as the legal and binding contract between both parties.

**Quality:** Fitness for purpose when judged against the standards specified in the contract.

**Quotation** A less formal (sometimes non-competitive) written offer to supply goods or services at a particular price.

**Request for Quote (RFQ):** A document used for smaller contracts where the purchaser (typically) only needs to obtain three or more quotes from suppliers.

**Resources:** People, equipment, facilities, funding, or anything else required for the completion of an activity.

**Routine Procurement:** Low value items are day-to-day purchasing of goods such as stationery, books, periodicals and small items of equipment. Typically these items will be purchased using the Government Purchasing Card, call off contracts or electronic catalogues.

**Restricted Procedure:** The process where only suppliers who have completed a pre-qualification questionnaire are asked to submit a full tender.

**Small Contract:** A Small Contract refers to good/services that a Public Authority may purchase that are valued below threshold levels and do not need to go through the formal tendering process.

**Specification:** A written statement that defines the public sector organisation's requirements. For a simple product, the specification may be a brief description, while in the case of a complex requirement, it will be a comprehensive document e.g. contract requiring an element of design.

**Statement of Requirements:** A description of what the public sector wants to buy.

**Sub-contractor:** Someone (a person or entity) who signs a contract to perform part or all of the obligations of another's contract.

**Sub-contracting:** Used for suppliers that will delegate part of a contract to another contractor.

**Sustainable:** Procurement Assessing the social, environmental and economic impact of a requirement and using that information to influence the procurement process where appropriate.

**Sustainability:** The provisioning of resources for the present without compromising resources for the future. Sustainability is divided into three categories:

- Environmental: aspects of procurement that have effects on the natural environment (e.g. sourcing recycled products)
- Economical: aspects of procurement that have effects on the local economy (e.g. buying from local suppliers)
- Social: aspects of procurement that have social effects on society (e.g. purchasing from a supplier that has a youth outreach programme)

**Technical Specifications:** A concise statement of a set of requirements to be satisfied by a product, material or process that indicates whenever appropriate the procedures to determine whether the requirements are satisfied. As far as practicable, it is desirable that the requirements are expressed numerically in terms of appropriate units, together with their limits.

**TED (Tenders Electronic Daily):** An on-line version of the OJEU containing all contract notices above the EU thresholds and contract awards. <http://ted.publications.eu.int>

**Tender:** Offer made in response to a contract notice advertised by a contracting authority.

**Tenderer:** An economic operator who has submitted a tender in reply to a Call for Tender or a Contract Notice.



**Tendering:** The process of choosing suppliers of goods, works or services. Although tenders come in all shapes and sizes, it is essentially a process of submitting sealed bids in which the supplier demonstrates their capability and capacity to undertake the work in question, and the price they are proposing to charge. It ensures a fair, open, competitive process for obtaining goods and services.

**Thresholds:** The EC Public Procurement Directives apply to contracts above certain thresholds.

**Unique selling point:** A unique proposition that may help give a supplier a competitive advantage.

**Value Band:** The approach taken for each procurement is dictated by the estimated value of the requirement. Values are estimated based on a combination of historical spend, budgets available and market research.

**Value for Money (VFM):** The optimum combination of whole-life cost and quality to meet the user's requirement – essentially the principle underpinning all public sector purchasing activity.

**Whole Life Cycle:** The whole life cycle of a product or service includes the following key stages: design, extraction of raw materials and resources, manufacture, distribution, use and end disposal.

**Whole Life Costs:** Whole life costing is based on the principle that financial, environmental and social costs accrue to each part of a product or service during its whole life cycle, not just at the point of buying and using the service.

