

Public procurement: Parliament calls for better implementation and use of quality criteria

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The excessive use of the lowest price as the primary award criterion and the need to support SMEs' participation in tenders are among the issues addressed in a report approved today.

The European Parliament is deeply disappointed by the pace at which many member states have transposed the 2014 public procurement directives and by the many delays, urging them to swiftly complete the transposition without any further delay.

MEPs ask the European Commission to better and more clearly organise the guides and other tools developed to help member states with the implementation of the public procurement framework in a more accessible and user-friendly way.

Qualitative, environmental and social aspects

Parliament welcomes the fact that many EU countries have made provisions for the use of quality criteria (including the best price-quality ratio) and encourages their systematic application.

Contracting authorities should apply "criteria other than simply the lowest price or cost effectiveness, taking into account qualitative, environmental and/or social aspects", and consider the full life-cycle of products, including their impact on the environment, in their purchasing decisions, says the report.

Parliament also encourages contracting authorities to cooperate with the market in order to develop innovative methodologies, products, works or services which do not yet exist.

Carlos Coelho (EPP, PT), rapporteur from the Internal Market and Consumer Protection Committee, said: "Over 250.000 public authorities in the EU spend around 14% of the GDP, namely nearly 2,000 billion euros, each year on the purchase of services, works and supplies".

"With this report we intend to guide the Commission and member states on the right way to approach public procurement markets in a more ethical, transparent, efficient and sustainable way. The new directives from 2014 not only set the rules with which public authorities need to comply in order to justify how they spend taxpayers' money but they also provide huge opportunities for the member states to attain strategic goals and pursue policies through public procurement".

Specific recommendations

MEPs call on the Commission and member states to:

- analyse and report on the reasons behind the excessive use of the lowest price as the primary award criterion in a number of EU countries with disregard to quality, sustainability and social inclusion,

- use innovative procurement to achieve smart, green and inclusive growth and to strengthen the circular economy; MEPs underline the new possibilities offered by the public procurement directives as regards goods and services reused, repaired, remanufactured, refurbished and other sustainable and resource-efficient products and solutions,

- support SMEs' participation in tenders, for example by mandatory division into lots when possible or by placing a limit on the turnover required to participate in a tender procedure (division of contracts into lots fosters competition in the market and avoids the risk of single-supplier dependency, notes the report); advisory services and training for SMEs should be developed to improve their participation in tendering processes,

- strive for a rapid digital transformation of the procedures and for the introduction of e-processes for all major stages, namely from notification, access to tenders and submission to evaluation, contract award, ordering, invoicing and payment,

- adopt national strategies to modernise the national public procurement systems and enhance their efficiency,

- increase joint procurement procedures, including cross-border, as facilitated by the revised EU rules,

- use cost-efficient tools for managing contracts, for improving transparency, integrity and data, and for better governance of public procurement, such as contract registers,

- ensure interoperability in purchased goods and services and avoid vendor lock-in,

- develop national plans on professionalisation, paying attention to all levels of public administration and on quality criteria, such as social and environmental criteria,

- adopt a European code of ethics for public procurement for the various actors in the procurement process,

- encourage universities to further develop university courses in European public procurement law.

The report was approved in plenary by 534 votes in favour, 54 against and 15 abstentions.

Background

This report is Parliament's response to a package of two communications and one recommendation in the area of public procurement presented by the Commission on 3 October 2017.

According to the Commission, 55% of the public procurement procedures still use the lowest price as the only award criterion, instead of, for instance, strategic social and environmental criteria.

The number of tender procedures with only one bid increased from 14% to 29% in the period 2006-2016. SMEs win only 45% of

the value of public contracts above EU thresholds, clearly below their weight in the economy, revealed the communication.

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Further information

[Report on the public procurement strategy package](#)

[Subject file](#)

[Press release: New EU-procurement rules to ensure better quality and value for money \(15.01.2014\)](#)

[EU fact sheet: Public procurement contracts](#)

[EP Research: Systems and e-procurement - Improving access and transparency of public procurement](#)

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