

COUNCIL OF THE EUROPEAN UNION



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Council adopts directives for the reform of public procurement

The Council today¹ adopted the legislative package for modernisation of public procurement in the EU, which is made up of:

- a directive on public procurement (replacing directive <u>2004/18/EC</u>): (<u>PE-CONS 74/13</u> and <u>5862/14 ADD 1</u>);
- a directive on procurement by entities operating in the utilities sectors: water, energy, transport and postal services (replacing directive <u>2004/17/EC</u>):
 (<u>PE-CONS 75/13</u>); and
- a directive on the award of concession contracts: (<u>PE-CONS 73/13</u> and <u>5860/14 ADD 1 REV 1</u>).

This review, which is one of the twelve priority actions of the *Single Market Act*, is a major overhaul of public procurement rules across the EU. It will improve a wide range of areas applying to the procurement of goods, works and services, including:

Simplification and flexibilisation of procurement procedures

The package provides for a simplification and flexibilisation of the procedural regime set by the current rules, which date back to 2004. To this end, it contains measures to make procurement easier and administratively less burdensome and to create flexibility for public authorities enabling better procurement outcomes. Promotion of electronic procurement as a more user-friendly feature is a cornerstone of the simplification process.

The decision was taken without discussion at a meeting of the General Affairs Council. It follows an agreement with the European Parliament at first reading.



Rue de la Loi 175 B – 1048 BRUSSELS Tel.: +32 (0)2 281 6319 Fax: +32 (0)2 281 8026 press.office@consilium.europa.eu http://www.consilium.europa.eu/press

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Strategic use of public procurement in response to new challenges

The new rules seek to ensure greater inclusion of common societal goals in the procurement process. These goals include environmental protection, social responsibility, innovation, combatting climate change, employment, public health and other social and environmental considerations.

Better access to the market for small companies

The package provides for concrete measures to remove barriers for market access by small and medium-sized enterprises (SMEs), such as simplification of documentation obligations in procurement procedures, the creation of a standardised document for selection purposes, an incitation for contracting authorities to consider the division of contracts into smaller lots that are more accessible for SMEs, and a reduction on requirements for participation.

Sound procedures

The new regime seeks to ensure that contracting authorities take appropriate measures to prevent, identify and remedy conflicts of interests arising in the conduct of procurement procedures so as to avoid any distortion of competition and ensure equal treatment of all economic operators.

Governance

The new directives contain obligations for member states to monitor and report on public procurement activity in order to improve the efficacy and uniform application of EU law in this field.

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Background

On 20 December 2011, the Commission presented the package of the three initial proposals for modernising public procurement.

The European Parliament voted at the plenary session of 15 January 2014.

Website: http://ec.europa.eu/internal_market/publicprocurement/index_en.htm