

BUSINESSEUROPE



SME perspectives on Public Procurement

Committee on Internal Market and Consumer Protection

public hearing 8th May 2007

**Adapting Contracting Authorities to SME needs / increasing
the competences of SMEs in working the public procurement
system**

Vincent McGovern

Public Procurement (Main Principles)

- ❑ The basic principles of the Treaty apply to all procurement, even the smallest of contracts
- ❑ any effort to strengthen SME access to Public Procurement must be in conformity with **basic market principles**
- ❑ the principle of **'free and fair'** competition i.e. a **'level playing field'** must be more vigorously pursued ...
- ❑ the 'most economically advantageous tender' i.e. **quality and value for money** rather than 'lowest price' is what should be the basis for Public Procurement



Adapting contracting authorities to SME needs

- ❑ BUSINESSSEUROPE believes that **advanced education and training** is key in, amongst other things, adapting contracting authorities to SME needs.

- ❑ Civil servants in charge of public procurement will need **Highly developed skills** to enable them to choose the most economically appropriate procedures and to optimise their project planning.

- ❑ We believe that **suppliers also need advanced knowledge and training** on how to participate successfully in modern procurement procedures.



Barriers faced by SMEs

Some typical barriers faced by SMEs in accessing the procurement system include:

- insufficient information**, especially in the invitation to tender,
- excessive **administrative burden**, often due to unnecessarily complicated invitations to tender,
- unclear specifications** in the invitation to tender, and
- too short a time frame** to be able to respond.



How to increasing the competences of SMEs (i)

BUSINESSEUROPE recommendations to assist SME access to Public Procurement suggest that:

- ❑ Contracting authorities should promote an **SME-strategy** to encourage SME participation in Public Procurement
- ❑ Contracting authorities should conduct **market surveys** in order to identify particularly capable SMEs.
- ❑ Contracting authorities should more often consider the possibility of **engaging SMEs as prime contractors**.
- ❑ Contracting authorities should **effect payment within a reasonable time**.



How to increasing the competences of SMEs (ii)

BUSINESSEUROPE recommendations to assist SME access to Public Procurement:

- ❑ Contracting authorities should refrain from asking SMEs to produce unduly **burdensome financial guarantees**
- ❑ **Small public procurement contracts** ought to be advertised on a national centralised **website**
- ❑ Contracting authorities should encourage SMEs to form **consortia**
- ❑ Any SME business service ought to provide **advice and training** on public procurement .



How to increasing the competences of SMEs (iii)

BUSINESSEUROPE recommendations to assist SME access to Public Procurement:

- A standardised, **common information document** for all contracts should be developed
- SMEs not awarded a contract should receive **debriefing** as to why they were not chosen
- Disproportionate, non-contract related, selection criteria** should be abolished
- Adequate remedies**, also below the thresholds, must be available



What is not needed...

... in our view is the introduction of new legislation which some may think may assist SMEs.

We should work with what we have at hand first before looking to introduce new rules and regulations.

In our view there has not yet been sufficient practical implementation and use of the new legal framework (the 2004 directives) to justify any legislative modifications.



Further information

www.businessseurope.eu

