

# EU Structural Funds Programmes 2007-13

## Public Procurement

Financial Management and Control  
BMW and S&E Regional Operational  
Programme 2007-2013



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# Outline of Presentation

**Legal Basis for Public Procurement at both EU and Member State Level**

**Role of Managing Authority**

**Experiences & lessons learned OP.2000-06,**



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# Background

**The aims of public procurement are to:**

**Ensure value for money for contracting authorities**

**Ensure efficient use of taxpayers' money (Corruption, protectionism).**

**Open, non discriminatory, transparent procurement procedures also contribute to the competitiveness of companies active on these markets.**



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# General Legal Framework at EU Level

Current legislation :

EU Directive 2004/18/EC covering the procurement procedures of public bodies, the classic directive

EU Directive 2004/17/EC covering the procurement procedures of entities operating in the utilities sector (water, transport, energy, postal services).

Both directives were transposed into Irish Law by S.I. No 329 of 2006 and No 50 of 2007 respectively



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# Basic Principles

- Publication of Notices
- Tendering Procedures (Open, Restricted etc)
- Time Limits
- Selection & Award Criteria (Lowest Price or MEAT)
- Advertising – Notice & Award



# EU Thresholds

EU public procurement Directives apply to any contract placed by a public body that is over the financial threshold set (unless covered by a clearly defined exception)

The thresholds are revised by the Commission at two yearly intervals, the current thresholds apply from 1 January 2008 to 31 December 2009

The Current thresholds (exclusive of VAT) which advertising of contracts in the official Journal of the EU is obligatory are as follows,

## Supplies and Services

**Contract Notice  
Government  
Offices**

**€133,000**

**Threshold applies to  
Departments and**

**Contract Notice**

**€206,000**

**Threshold applies to Local &  
Regional Authorities and public  
bodies outside the Utilities sector**



# 2004 Guidelines - Competitive Process

**Replace 1994 Guidelines [Green Book]**

**Reflect provisions of new Directives**

**More detailed than 1994 Guidelines**

**Recommend Competitive process appropriate to size and type of project**



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# New Guidelines – Below EU Thresholds

Threshold	<€5K	€5K-€50K	€50K – EU Threshold
Process	Min. 3 verbal quotes	Min. 3 written quotes	Formal Tendering Process <a href="http://www.etenders.gov.ie">www.etenders.gov.ie</a> Voluntary OJ EU
Award	Lowest Price / most suitable	Most suitable offer Notify unsuccessful bidders	Lowest price or MEAT



# Receipt and opening of tenders

**All tenders should be opened together as soon as possible after the submission deadline**

**Tenders received after the deadline should not be accepted**

**Facility for electronically receiving tenders (etenders postbox) on [www.etenders.gov.ie](http://www.etenders.gov.ie)**



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# Clear and Objective Award Criteria

**Contracting authorities must apply clear and objective criteria in selecting tenderers and awarding contracts**

**Contracting authorities may choose to award contracts on the basis of:**

**Lowest priced tender**

**Most economically advantageous tender (MEAT)**

**The most economically advantageous tender  
Criteria, in addition to price are specified**

**Examples: running costs, level of after sales service, environmental  
criteria**



# Clear and Objective Award Criteria Cont'd

**Request for tenders (RFT) must state all criteria being applied and their relative weightings**

**New or amended criteria must not be introduced in the course of the procedure**

**Evaluation process must be:  
demonstrably objective and transparent  
based solely on the published criteria**

**Objectivity and transparency are best achieved by use of a weighted scoring system based on the published criteria**



# Clear and Objective Award Criteria Cont'd

**Tenders which do not comply with the RFT requirements should not be accepted**

**Price should be evaluated exclusive of VAT  
Post tender negotiation not permitted**

## **Abnormally low tenders**

**An abnormally low tender should not be rejected without investigation into the reasons behind the particularly low bid**

**The tenderer should be given the opportunity to explain the basis of the tender**



# Role of Managing Authority

- Ensure sound Financial Management
- Ensure Public Procurement Rules are complied with
- Provide guidance to IB's and PBB's

Public Procurement process will be subject to check by MA, IB, FCU & Commission Audits



# Lessons Learned OP 2000-2006

- **Lack of documentary evidence**
- **Cost variations V Original Tender**
- **Tender Notices not publicising Structural Funds**
- **Unsuccessful Bidders not notified**
- **Extension of Contract where original contract exceeded the threshold**



# Session and Discussion



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# Thank You For Your Attention



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# Useful Internet Sites

- Circulars and Regulations referred to in this presentation can be accessed at the following :
- [www.eustructuralfunds.ie](http://www.eustructuralfunds.ie)
- [www.finance.gov.ie](http://www.finance.gov.ie)
- [www.bmwassembly.ie](http://www.bmwassembly.ie)
- [www.seregassembly.ie](http://www.seregassembly.ie)
- [http://ec.europa.eu/index\\_en.htm](http://ec.europa.eu/index_en.htm)



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- Border, Midlands and West Regional Assembly  
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