

# **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**



# 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.**



# 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**



# Basic Principles

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



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# 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

<b>Contract Notice</b>	<b>€134,000</b>	<b>Threshold applies to Government Departments and Offices</b>
<b>Contract Notice</b>	<b>€207,000</b>	<b>Threshold applies to Local &amp; Regional Authorities and public bodies outside the Utilities sector</b>



# 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**



# 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



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# 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)**



# 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 Intermediate Bodies and Public Beneficiary Bodies

Public Procurement process will be subject to checks by Managing Authority, Intermediate Body, Financial Control Unit & Commission

## Audits



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# Lessons Learned OP 2000-2006

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



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# Q & A

## 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)



# Contact Details

- Southern & Eastern Regional Assembly,  
Assembly House, O'Connell Street, Waterford  
Tel 051 860700, Fax 051 879887  
Web : [www.seregassembly.ie](http://www.seregassembly.ie)
- Border, Midland & Western Regional Assembly,  
The Square, Ballaghaderreen, Co Roscommon  
Tel 094 9862970, Fax 094 9862973  
Web : [www.bmwassembly.ie](http://www.bmwassembly.ie)

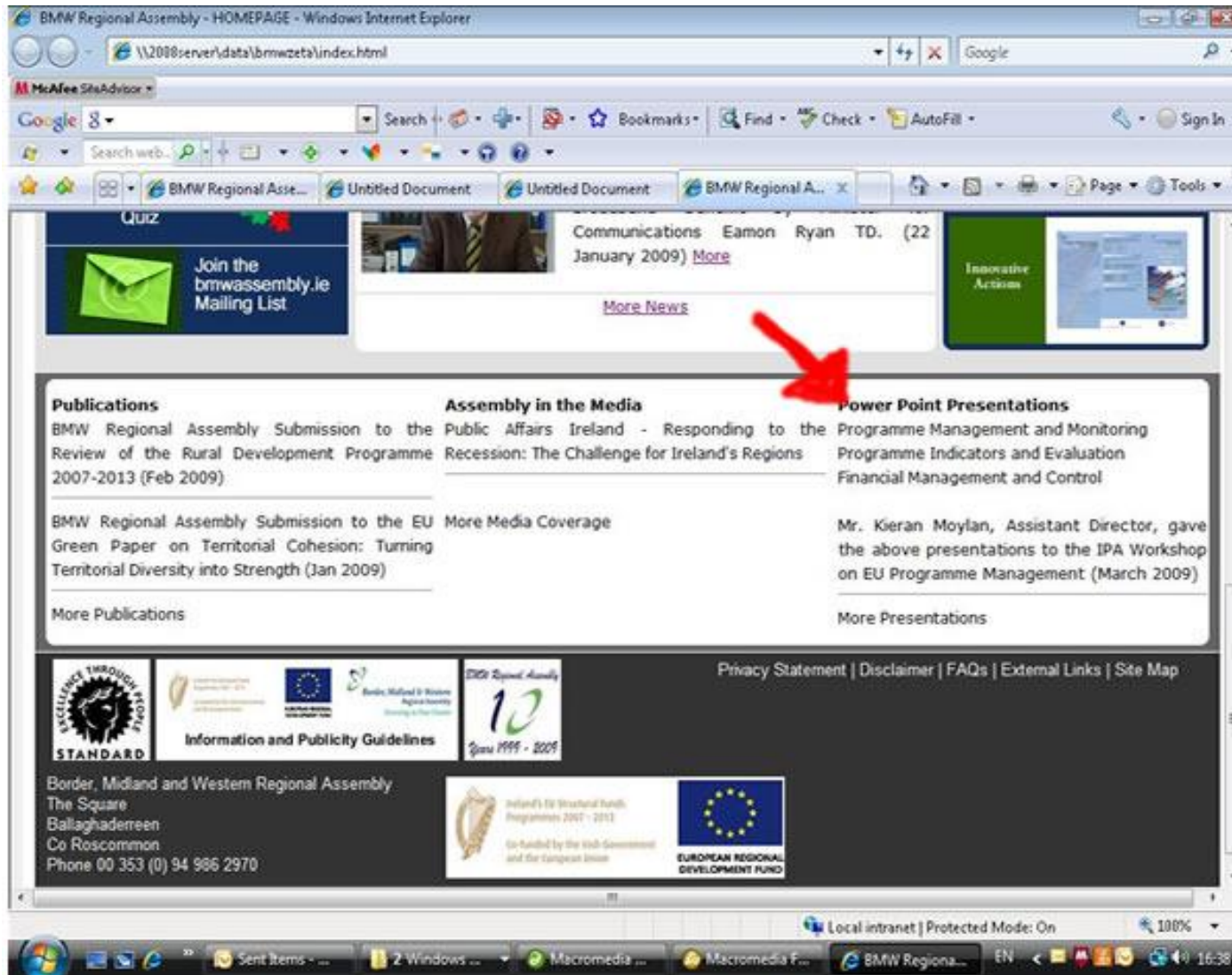


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