Mirko Orešković, Ph.D. C.Eng. ECEC President



Zagreb, July 11. 2008.

To ENTR-LMI@ec.europa.eu.

Sirs/Madams,

Find below ECEC answers/opinions on:

"Public consultation
Establishing
Public Procurement Networks in Support of the Lead Market Initiative
DG Enterprise and Industry consultation document
May 2008
Opinion of the European Council of Engineers Chambers (ECEC):

Background: All interested stakeholders, and particularly those organisations that are active public procuring authorities in the lead market areas, are invited to submit comments by Friday 25 July 2008 to ENTR-LMI@ec.europa.eu.

The comments received will be used to help the Commission services to specify the call for proposals that is due to be launched in autumn 2008."

- Name of the Organisation: European Council of Engineers Chambers (ECEC) www.ececnet.org
- Countries: Member organisations of the ECEC are the Engineers Chambers of Austria, Bulgaria, Croatia, Czech Republic, Germany, Hungary, Italy, Montenegro, Poland, Serbia, Slovak Republic, Slovenia
- The comments relate to the lead market of **CONSTRUCTION**.
- Yes, the contribution can be made publicly available on the internet.

Question 1: The aim of establishing thematic networks of contracting authorities, including government organisations that promote professionalism in public procurement in the lead market areas; what are the particular objectives that the networks should address; are there similar existing or planned networks and initiatives at national or European level that should be taken into consideration?

ECEC opinion:

A very important objective of thematic networks should be the enforcement and improvement of the ability and willingness of public procuring authorities to identify and award the **economically most advantageous tender.**

Although there were already quite some guidelines on "public procurement practices supportive for innovation" issued, in the day-to-day practice of public procuring authorities the identification of the economically most advantageous tender is not as widely used as it should be. Only the use of the concept of the economically most advantageous tender is appropriate to ensure safety and security through high quality services leading to a high quality of the built environment and quality of life. Therefore these networks should be used to raise the awareness of public authorities on the advantages and positive consequences of defining between the "cheapest" and the "economically most advantageous" tenders. As the ability to identify the economically most advantageous tender is not always given, the networks should also address the implementation of appropriate measures to improve this ability within public procuring authorities. Another special topic in this thematic area is the assessment of life-cycle costs, which has to become – for a lead market of sustainable construction / energy efficiency / renewable energy – a major aspect of public procurement. Construction costs, maintenance costs and operating cost must be evaluated and assed in the procedure of defining the economically most advantageous tender. This objective should also be addressed in the thematic networks.

The networks should also raise the awareness of the possibility to ask for solution concepts - especially for engineering solutions - during the procuring procedure. This can promote innovation and highest quality solutions. The networks should define basic principles which are necessary to guarantee the fair and appropriate use of this method.

So with this background a discussion process on the different aspects of the relation between price and quality and innovation should take place in the networks.

Question 2: The described scope of the networks set out in Section II; should the scope be more targeted or allow more flexibility; should other areas be included?

ECEC opinion:

As sustainable construction is closely related to other areas like for example energy efficiency, renewable energy... very strict targets do not seem appropriate. Therefore some flexibility should be allowed.

Question 3: The described activities that will be supported in the networks set out in Section III; are they relevant to all lead market areas; are additional activities needed for particular lead market areas?

ECEC opinion:

We would like to enforce the aspect of networking not only within different public procuring authorities but also between public procuring authorities, experts, planners and suppliers. So the participation of representatives of professional organisations of planners and suppliers will be necessary. As the built environment has a great impact on the face of a city/community and the quality of life the participation of cultural, social and environmental organisations could additionally enhance sustainable solutions within the thematic networks.

Especially according to the aspects mentioned in our opinion concerning question 1 it is essential that a dialogue as well as a knowledge-transfer takes place between the authorities and the technical experts, the planners and suppliers. According to our view this is important to guarantee the success of the call.

As already mentioned, awareness raising activities together with preparing the implementation of measures to ensure the evaluation of construction, maintenance and operation costs and the use of assessment of life cycle costs, and the preference of the economically most advantageous tender over the cheapest should be supported. Other possible activities could be the investigation in the questions of the relation of price and quality in this lead market, always with the background of identifying the economically most advantageous tender.

Question 4: The described modalities for the networks set out in Section IV; are different modalities needed to fit the characteristics of particular lead market areas

ECEC opinion:

As already mentioned in our opinion on question 3 we would like to point out again, that we see the dialogue between the different parties of a procurement procedure as essential for the outcome of good network results. Therefore we would suggest that this aspect should be shown in the composition of the consortia also, so the participation of organisations representing the side of the planners and suppliers – like national and international professional organisations - should be enforced/guaranteed in the call. The participation in the project should be possible for organisations in related areas of expertise as well, for example cultural or environmental organisations.

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Copy: ECEC Head office Vienna ECEC Liaison office Brussels