

**Minutes of meeting of the EURIM Public Procurement Working Party
held at Andersen Consulting, 15 Essex Street, London WC2
on 15th March 1999**

1. Presentation to MEPs

- 1.1 In opening the meeting, the Chairman explained that the most urgent priority was to complete the arrangements for a presentation to MEPs on the current situation, including finalising the Status Report that would be sent to them.
- 1.2 The first draft of the Report was discussed. It was agreed that the paper needed to start with attention grabbing facts, supported by figures. A possible area to look at was an estimate in ECU of the waste involved in current procurement methods, compared with, eg, a single state's welfare budget. It was believed that at least 10% of EU GDP was being wasted. The Commission had had an opportunity to prevent some of the waste caused by current procurement methods but had so far failed to do so.
- 1.3 It was noted that several papers produced by the Commission in the last few months had been received by the CBI although none of these had reached EURIM, either directly from DGXV or via the Treasury. It was unclear why the distribution had been partial, but this raised concerns about the thoroughness of the consultation process currently being undertaken. If only the representatives of large organisations were involved, then SMEs were still being left out of consideration, despite Commission assurances to the contrary.
- 1.4 Perusal of the papers indicated that they were not linked to decision making and that a whole year after their March 1998 statement and accompanying timetables for action, the Commission were still asking questions instead of starting to make progress on the issues raised in that statement.
- 1.5 There were a number of anomalies currently evident. For instance, the attitude to framework agreements seemed to be at variance with the desire to extend the use of electronic procurement through GCAT, etc since this could only be achieved with framework agreements.
- 1.6 The directives as currently framed were a barrier to SMEs because of the complexity and cost involved in submitting proposals. It was noted that the reality was that the market was moving away from SMEs being able to operate as prime on contracts in IT areas, but government were not recognising this. The market was polarising between very large and very small. Most of the multi-media industry is currently small shifting firms. A scheduled Treasury meeting on electronic tendering should help SMEs and there needed to be a basis for co-operation between large and small companies.
- 1.7 While it was noted that MEPs were 50% of the decision making process, it was felt that this point should not be particularly emphasised in the report.
- 1.8 The working party report should set out clearly the questions that MEPs could ask to find out if declared objectives were being met. EURIM's objective was to ratchet issues higher up the political agenda so that action happened.

1.9 A revised draft of the paper would be produced within the next ten days and key MEPs who were EURIM members would be consulted on it and the presentation meeting, which should be held in late April before the formal election campaign started.

2. Minutes of last meeting and update on matters arising

2.1 The minutes of the meeting held on 1 February 1999 were approved.

2.2 Philip Virgo reported on progress with the planned update by IMIS of the Guidelines. A timetable for the work would be agreed with Bob Assirati. Revisions were needed mainly in the context of PPPs and it was recognised that the principal need was to ensure good publicity for them this time.

2.3 IMIS were also examining the skills needs consequent upon electronic commerce and training on IT procurement would be one of the issues discussed. The main problem was in achieving the initial specification. Electronic procurement was a separate thread, but one that would also merit attention.

2.4 There was no further information available relating to the proposed pilots.

3. Next meeting

This was scheduled for the afternoon of Monday 17th May.