

Selling to the public sector in Europe

A practical guide for small and medium-sized companies

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A great deal of additional information on the European Union is available on the Internet. It can be accessed through the Europa server (<http://europa.eu.int>).

Cataloguing data can be found at the end of this publication.

Luxembourg: Office for Official Publications of the European Communities, 2000

ISBN 92-828-6449-9

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Printed in Belgium

PRINTED ON WHITE CHLORINE-FREE PAPER

Preface

During the past decade the European Union (EU) has made a concerted effort to establish a legal framework which would be the basis for open and competitive public procurement throughout Europe. This has been inspired by the need to stimulate growth in EU employment and to make the EU more competitive.

Accompanying the changes in legislation there have been improvements in the availability of information on public procurement, especially over the past five years. Key changes have made the information on contracts via Tenders Electronic Daily (TED) and the world wide web for example, more accessible. Transparency of the procurement process through the availability of information is a major objective.

During this period there have been substantial developments in professional procurement practices, affecting both the public and private sectors. In some areas, the public sector has adopted private sector techniques, such as supply chain management and single supplier sourcing, in pursuit of economic efficiency.

Small and medium-sized enterprises (SMEs) do not appear to have benefited from these changes in the public procurement environment. The main beneficiaries have been other parties, such as large companies, national governments, contracting authorities and the Office for Official Publications of the European Communities (EUR-OP). These have benefited from:

- easier procedures for advertising contracts on TED, overcoming past bureaucratic difficulties;
- more efficient procurement systems, giving purchasing authorities the best level of service at the best possible price;
- improved legal rights for suppliers, at both national and European levels.

How SMEs can benefit from the new environment

Although there is now a standard legal framework for public procurement across the EU, this has not produced a standard public sector market. The market is still fragmented, and this fragmentation must be taken into account in any marketing strategy. Opportunities undoubtedly exist, but to benefit from them, SMEs need to address themselves to the specific characteristics of each market.

The public procurement market is huge and SME managers who want to profit from the considerable opportunities need to:

- assess their company's readiness to sell to the public procurement market;
- anticipate the barriers ahead;
- develop public procurement strategies.

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1. The purpose of this guide

The aim of this guide is to:

- help managers of SMEs assess their company's ability to supply the public sector and utilities in Europe;
- suggest strategies to put companies in a position to profit from opportunities provided by the public sector and utilities.

The guide is concerned with the action you can take to put yourself in the best position to win public sector contracts in Europe. It gives guidance on regional, national or cross-border public procurement, but detailed guidance on individual public sector markets is beyond its scope. Similarly, although the main features of the legislation are drawn out, the guide does not provide detailed advice on public procurement regulation. This is not a guide which is principally concerned with public procurement from a legal perspective, rather it is concerned with selling to the public sector.

The guide provides:

- strategies for marketing to the public sector and the utilities;
- general guidance on bidding practice and pitfalls;
- case studies with examples of problems encountered by SMEs and how they overcame them;
- useful contacts and sources of information;
- information on the current EU regulatory framework.

Who is the guide for?

Managers

This guide is designed for managers of SMEs. For the small company, this means the general manager, director or owner, who might all be the same person. For the medium-sized company, it could be one of several managers — marketing, finance, human resources or production, as well as the managing director.

Trainers

The guide is also intended to be useful for trainers or consultants who are employed in the development of SMEs.

How to use the guide

The guide is designed to highlight key issues, which you, the SME manager, should consider before approaching a new public sector market. Your company's adjustment to public sector markets cannot be conducted in isolation from your other activities, so any decisions must be taken in the context of your overall business plan. Use this guide as an aid in your general business planning.

Information in the guide

Information in the guide is intended to be concise and accurate, but as with all guides information dates rapidly and should be checked before it is acted on. The appendices give sources of further help and information.

Legislation

There is a short section on the legal background but the guide does not give authoritative legal interpretations. Public procurement legislation is complex, and has its own extensive literature. Sources of further information are mentioned in the guide.

Case studies

The guide contains case studies relating the decisions and actions taken by real companies. In some cases a few incidental details have had to be changed to protect commercial confidentiality.

Electronic information

There is frequent reference in the guide to information on the Internet/world wide web. Whilst many companies do not have direct access to the Internet, this information has been included because of the growing importance of electronic commerce. Companies need to be aware of this new form of communication, because it offers new opportunities, customers are beginning to expect it and the competitive advantages are real.

If you do not have direct links to the Internet and want to access a web site mentioned in this guide, try your nearest Euro Info Centre. Most EICs are linked to the Internet, and may provide some information from the Internet for free.

Self-assessment features

Throughout the guide you will find checklists and tasks. These are intended to help you generate discussion within your company. They are not intended to give you ready-made answers to success in public sector markets. Use them as an aid in your business planning process, whether it is carried out internally or with the support of outside consultants.

Author and feedback

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The public procurement market: matched stages for purchasers and suppliers

Figure 1 provides a schematic representation of the public procurement market. The right column represents the stages passed through by a public authority in procuring goods and services. The left column shows the appropriate responses of a company wishing to meet the authority's need.

It is particularly important to note the distinction between the communication phase and the regulated phase. Successful companies do not tend to wait for specific calls for competition; they make advance contact with customers and can sometimes develop good on-going relationships. However, the actions of the supplier during the regulated phase will be radically different: respecting the legal framework and the professional conduct of the purchasing manager.

Figure 1
Stages in public procurement



2. Defining the market

This section looks at the key characteristics of the public sector market. In doing this we also look at consumer and industrial markets. Each market has its own characteristics, of which managers need to be aware. Because companies generally do not trade solely with the public sector, they need to ensure that their activities in the different markets are compatible with each other.

The consumer market

Marketing directly to the consumer is quite different from marketing to the industrial or public procurement sectors. Consumer marketing gives prominence to promotion, advertising, branding, merchandising and the buying behaviour of individual consumers. In contrast, the characteristics of the industrial and public sector markets are much more alike. This is particularly evident in the behaviour of the utilities.

(Throughout this guide, unless specifically indicated otherwise, references to public markets, public sector, public authorities, etc. include the utilities as well as the 'normal' public sector.)

The industrial market

Many companies operate in both the public sector and industrial markets. It is important to assess the similarities and the differences between them when considering a company's overall business plan.

As with the public procurement market, the industrial market is part of an integrated supply chain. The industrial buyer buys things to process them to satisfy another buyer along the supply chain, and so on till the final consumer. This simple satisfaction motive underlies many modern industrial philosophies and practices, such as: just in time/total quality management (JIT/TQM), supply chain management, supplier development, single supplier sourcing and joint product development.

Increasingly, procurement decisions are based not on cost, nor on processing concerns but on marketing and customer satisfaction considerations. In identifying a new supplier, the industrial buyer seeks a supplier who best guarantees the chances of selling the product to the customer at a profit.

The public procurement market

Public service ethic

Public authorities in the EU account for 11% of gross domestic product (EUR 720 billion). The driving characteristic behind public procurement is the need for governments to maintain and develop the type of society demanded by their citizens. The prime motive is not profit, but service to the citizen. This is true at central, regional and local levels. The primacy of the public service motive may not necessarily apply to private utilities, for example, oil companies; however it is still valid for some utilities whose performance and service to the customer/citizen are closely monitored by regulatory bodies in central government.

Regulation and deregulation

Another major characteristic of the public sector is the regulation of the procurement process by local, regional, national and international authorities. Non-discrimination and open competition are prime objectives of many regulatory authorities, especially the European Commission. These objectives may reduce the opportunity for suppliers to develop long-term contractual relationships with public authorities. Annual budgets may also inhibit long-term relationships. Whereas in the industrial market you may be able to develop a long-term relationship with your customers, such agreements are less likely to occur in the public sector.

In contrast, there has been a movement over the past two decades to deregulate parts of the State infrastructure. This has been driven partly by a wish to accelerate the development of particular public services, and partly by political considerations. Public sector enterprises once transferred to the profit

motive, take on many of the characteristics of the industrial market, although they generally remain subject to some form of public sector regulatory control.

While the core motivation behind public procurement is a higher service to the citizen and society, the operation of procurement systems focuses on more practical, pragmatic and 'value for money' issues. As a supplier, it is these issues that are likely to affect you most.

Variations in public procurement

The organisation of public procurement varies throughout Europe (see Section 12 on the organisation of German public procurement). Each tier of government has responsibility for its own procurement. The main tiers are:

- central government;
- regional government;
- local government;
- defence;
- European institutions (e.g. EBRD, European Commission);
- European aid programmes.

Each tier is itself further subdivided and each organisation has its own procurement procedures. These procedures are often produced as written guides for internal use but may be available to you as suppliers.

The European Commission

As an example, the European Commission has its own rules and regulations for handling contracts. These guidelines are contained within the vade-mecum of the ACPC (the European Commission's Advisory Committee on Procurements and Contracts). The vade-mecum is initially intended to be a practical tool for officers within the Commission. However, if the European Commission is or could be one of your customers, then a good understanding of its internal procedures will certainly be of use.

European Commission, *ACPC vade-mecum*, EUR-OP, 1994, ISBN 92-826-8532-2.

Utilities

In addition to main tiers listed above, there are the utilities. These stand at varying distances from government. The distance varies according to Member State and type of utility. For example, the telecommunications industry has been more extensively privatised than water supply. This is reflected in a more flexible regulatory framework for some utilities operating in the area of telecommunications. Indeed as full free market competition is progressively introduced into the area of telecommunications so the utilities in this area will have a stronger case to be completely free of the constraints of the public procurement legislation.

Fragmentation within authorities

Public procurement is executed in a diverse and fragmentary way. Contracting authorities may be responsible for compliance with public procurement legislation, but buying decisions lie with individuals or teams at section or departmental level. This fragmentation is a major characteristic of the public sector market. You need to address it when it comes to your internal planning, organisation, communication and distribution.

Adapting to the public procurement framework

The legislative framework and the procedures ensuring transparency in awarding contracts, make the public sector market highly visible. Paradoxically, this very framework can act as a barrier to communication between SMEs and public authorities. If you ignore this framework and approach the public market as you would the industrial market, you may reduce your chances of success.

Checklist

- Who are your key customers, or types of customer? What are their key features – size, location, quality consciousness, price consciousness, purchasing pattern, etc.?
- To what extent do industrial and public sector clients differ in the demands made upon your company?
- How are the requirements of industry as a whole, and those of individual customers, changing?

3. Defining your product in the public sector market

This section helps you clarify the main characteristics of your product for public procurement purposes. It also helps identify potential barriers to entry in this market.

Selling different products: works, goods and services

In public procurement, as elsewhere, a distinction can be made between three types of product - works, goods and services. Each of these product types requires its own marketing approach. (The word 'product' in this guide is used to mean all goods, services or works bought by the public sector. It is not restricted to tangible goods.)

Another reason for bringing to your attention the division between goods, works and services is that the public procurement legislation treats these three categories differently. So, if you can define your product according to this division you will know which directives will affect you.

Barriers to market entry in the public sector

Barriers to market entry vary according to the product type. Certain goods are subject to high regulatory control, particularly where the public needs protection, for example food and pharmaceuticals. There are other cultural, political and practical barriers which also operate. These issues are dealt with in greater depth in Sections 4 and 5.

The table below gives an indication of the barriers to entry for product category.

Table 1
Relating procurement categories to potential barriers
to market entry ⁽¹⁾

Barriers					
	Regulatory	Technical	Economic	Cultural	Political
Works	Medium-High	High	High	High	High
Goods	Low	Medium	Low	Low-Medium	Low
Services	Low	Medium	Low	High	Medium

(1) -More detailed work 'Technical barriers in the EC — an illustration by six industries' was completed as part of *The Cecchini report — research on the cost of non-Europe*. 1998. EUR-OP. ISBN 92-825-8649-9.

Works

The public procurement market in works traditionally presents the highest barriers to entry for SMEs. Construction is dominated by international, national and regional 'champions'. Public authorities increasingly want total design and build solutions. They outsource entire works projects rather than separately source the design content, main construction, specialist works and installations, and so on.

Indeed, the entire responsibility for procurement may itself be given to a private sector project manager, who makes the real decisions on which companies win the various elements of the project.

The table below indicates opportunities for companies operating in works.

Table 2
Opportunities for categories of contractor

General contractors	Specialist contractors	Subcontractors
SMEs are largely restricted to the local market.	Large companies and consortia which are internationally operational.	International opportunities exist for SMEs usually where the company is specialised or where it has a substantial price advantage.

Works contracts and small SMEs

Small and medium-sized companies in the works sector generally face the greatest challenges in cross-border trade. SMEs even have problems when operating in their own region. Winning public sector contracts is particularly difficult for small contractors. Small subcontractors have most opportunities.

Building services (design/engineering, project management, quantity surveying, etc.) is a fruitful area, but even here a local presence is, in most cases, a prerequisite. Partnership with indigenous companies in the target market is popular. In works contracts, the political barriers to employing external contractors are particularly high (local employment, etc.).

Technical standards

Even the supply of building materials can be very difficult because of the differences in technical standards between Member States. Where technical barriers can be overcome, some suppliers can gain an advantage from favourable exchange rates or State subsidy (e.g. steel). Exchange rate advantages will disappear if full European monetary union takes place.

Goods and services

Goods

SMEs manufacturing or finishing goods have good opportunities for selling to the public sector across Europe. As technical, economic and political barriers are generally low, it may be essential for the SME to internationalise sales because it cannot rely on its home market being protected.

Services

Services are similar to goods in having low regulatory and technical barriers. Some services are quite easy to sell internationally, but others are very sensitive to national or regional preferences.

Product categorisation

To be successful, your product needs to match the specific requirements of the public procurement market that you are trying to enter. These requirements vary according to product type. Table 3 (below) identifies a few different product types and relates them to the:

- likely public sector demand;
- type of procurement procedure;
- importance of price in the procurement decision;
- need to adapt the product;
- distribution method.

The table is in no way meant to be exhaustive and your product will probably not fit all the characteristics of these ‘ classic’ product types. However, the table should raise key issues for your company when deciding how to enter a public procurement market.

Table 3
Market characteristics for different product types

Product definition	Contracting authority	Procedure used ⁽¹⁾ (for an explanation of the main procedures used see Table 9)	Price sensitivity	Need for segmentation (see Section 6, Segmentation)	Need for adaptation of product	Distribution method
Commodity	All	Open/linked to daily market price	Very high	Low	Low	Sales network or franchise
Basic	All	Open	Very high	Medium	Low	Direct/distribution
Off the shelf	All	Open/ Restricted	High	Medium	Low	Distribution/ industry catalogues
Component	Some	Restricted	Medium	High	High	Direct/ subcontract
Bespoke	Individual	Restricted/ Negotiated	Low/ medium	High	High	Direct
Highly technical	Individual	Restricted/ Negotiated	Low	High	High	Direct

(1) -Utilities have a free choice from the three procedures (open, restricted and negotiated) but the normal public sector can only use the negotiated procedure in special circumstances.

Task

Use the headings in Table 3 to help plot a profile for one of your products — you may need to create a new product definition. Use the profile to make an assessment of whether that product is well suited to the public sector market.

This exercise aims to start the on-going assessment of where the demand for your product lies and what preparations you need to make in order to satisfy this demand.

Checklist

If you sell to the public sector, do you know:

- the frequency of purchase orders, and the size of orders?
- how suppliers are invited to tender?
- whether your product is bought directly by the authority or via main contractors/service companies?

4. Technical issues — standards and certification

Technical barriers are a reality of the European market which have not been comprehensively dealt with by legislation. Differences in national regulations, national standards and the conformity certification procedures are a major obstacle to expanding companies. Gaining approval for just one product in each country in Europe can be an expensive, long-term project.

European standards

EC public procurement legislation promotes the use of relevant European standards where they exist. National standards cannot be used to discriminate against other EC origin products. There is also a movement towards mutual recognition of certification procedures and qualifications through the new approach directives and the accreditation of testing and certification authorities.

Standardisation is a complex subject. It is best approached from the specific perspective of your company, your product and its target market. This section deals with general issues relating to standards and public procurement.

What the legislation says on standards

Standards legislation strongly steers contracting authorities towards:

- the use of national standards implementing European standards;
- reference to European technical approvals;
- reference to common technical specifications.

Where an authority cannot satisfy its requirements by adhering strictly to the above guidelines, because of problems of compatibility with existing equipment etc., then it may refer to:

- national specifications complying with the basic requirements in Community directives on technical harmonisation;
- national specifications relating to design and method of calculation and execution of works and use of materials;
- other standards documents. In order of preference: national standards implementing international standards, other national standards and technical approvals, any other standard.

Where the product cannot be defined in any other way the authority may refer to a trademark followed by the words 'or equivalent'.

Directives references

Article 8	93/36/EEC	Supplies
Article 10	93/37/EEC	Works
Article 14	92/50/EEC	Services
Articles 18 and 19	93/38/EEC	Utilities

See Table 8, Section 11 for the main Official Journal references.

Case study

An Irish local authority required, in a works contract, that asbestos pipes should conform to an Irish Specification 118:1975.

An Irish company submitted a bid, quoting pipes made in Spain. These pipes complied with international standards. The bid was rejected and both the Irish and Spanish companies complained to the European Commission.

At stake were not just the requirements of Article 10 of the works directive (the use of European/international standards etc.) but the fundamental principle of Article 30 of the Treaty of Rome (which envisages the elimination of all national measures which impede intra-Community trade).

The European Court of Justice found in the favour of the Irish and Spanish companies.

Key points:

- This case was very straightforward. If you feel that you are experiencing discrimination your first step will probably be to ask for a reasoned explanation from the authority in question.
- If you come up against fundamental barriers to market entry, there may be no alternative but to take legal action.
- Domestic suppliers can experience discrimination by their own government. As a domestic supplier you have as much opportunity to use European law as suppliers in other Member States.

National regulations

Whilst the use of standards is optional, adherence to regulations is legally binding on authorities and suppliers. Product areas which are particularly affected are pharmaceuticals, food and works, where governments often attempt to protect the public interest.

National regulations, however, could still constitute an illegal trade barrier. Where there is a challenge to the legality of a regulation brought by a company, another Member State or the European Commission, the European Court of Justice can order a national government to revoke the regulation.

Case study

Natsteel, a small engineering company from the UK, specialises in the area of the manufacture and the supply of mechanical equipment to port authorities. Because the product is very specialised the company cannot afford to limit its market geographically. The product complies with the requirements of the machinery directive and therefore carries the CE mark.

In 1993 this company identified an invitation to tender for its product through the TED service of its local EIC. It made a bid for the contract, but was unsuccessful.

It needed to find out why its bid had failed. Natsteel discovered that a Portuguese distributor which had an agreement with a Dutch manufacturer had won the contract. The EIC was also told that there existed a Portuguese regulation which required that all suppliers of mechanical equipment must have a physical presence in Portugal (for reasons of the possible need for emergency repairs).

The company could have challenged what seemed to be a contravention of the free movement of goods (Treaty of Rome), but (like many companies) they chose a more pragmatic solution to avoid future problems. They simply appointed their own Portuguese distributor.

Certification and mutual recognition

The main way in which you can show that your product has reached the necessary standard is through having it approved by a recognised and EN45000 qualified accreditation body.

The testing and certification of your product should be accepted by all Member States where there is mutual recognition. So having your product certified by a body in your own Member State should mean that you do not need to have it certified in any other Member State.

However, it is still not uncommon for authorities to openly prefer products certified by a body in their own Member State. This may be protectionism or simply the unfamiliarity of procurement professionals with mutual recognition.

Case study

A contract for provision of environmental consultancy, testing and analysis was put out to tender in 1996 by a public authority. A Dutch company specialising in the area of testing and analysis put in a proposal with a French environmental consultant for the work.

The public authority was initially very happy to award the contract to this consortium. However, the relevant French certification body demanded that the testing procedures be accredited by a French body, even though there existed mutual recognition in this area.

Eventually, the Dutch company did not decide to complain, they simply decided to use the French environmental consultant as the sole principal in the contract, and all communication was made only through the French consultant.

Further information on standards, testing and certification

Look at Appendix III, which contains addresses of the main standards bodies in Europe.

If you would like to know more about the certification and the testing of your product, and mutual recognition, contact the European Organisation for Testing and Certification (EOTC):

EOTC asbl
Egmont House
Rue d'Egmontstraat 15
B-1000 Brussels
Tel. (32-2) 502 41 41
Fax (32-2) 502 42 39
E-mail: postmaster@eotc.be
URL: <http://www.eotc.be>

Linked to the EOTC, whose main objective is harmonisation and encouraging mutual recognition in Europe, there is the testing, calibration and quality assurance (TICQA) database. This project provides several thousand addresses for testing and certification services in Europe. TICQA provides a help desk and a CD-ROM of the database.

TICQA can be contacted at the same address as EOTC.
It also has a website: www.ticqa@eotc.be
E-mail: ticqa@eotc.be

Checklist

- Do you know which standards and regulations apply to your products in your target markets? What are the legal requirements and cultural expectations?
- Are there European/international standards which are relevant?
- Are these standards recognised by the authorities in your target market?
- What standards, relevant to your products, are being developed for the future by industry, governments, the EU?

Responding to technical discrimination

If you encounter actual or potential discrimination in technical requirements or regulations, you might consider the following actions:

- avoid that market or authority;
- take practical measures to avoid exposure to the discrimination — either fulfil the requirements or work with a partner in the Member State concerned;
- seek the support of organisations which would be interested in taking up your grievance — your local EIC, your own national government, your trade association.

If you encounter technical discrimination at the bid stage:

- take legal action, using the provisions of EU public procurement legislation. This can be done through the national courts of your target market. Legal action is obviously an option, but it is a last resort.

Standards relating to the company

Public procurement legislation allows authorities, where appropriate, to restrict invitations to tender to companies reaching specified standards in their organisation and operations. Where such a qualification system or restricted procedure is in operation, companies are often required to produce evidence of:

- good repute;
- professional qualifications;
- economic and financial standing;
- technical ability.

The directives state the specific criteria which a contracting authority may use to select suppliers. Traditional public sector authorities may only use these criteria for the initial selection or rejection of suppliers. The criteria may not be used in subsequent selection procedures. The utilities, while not constrained by the same criteria, may well set similar rules.

Task

- -Refer to the relevant articles in the directives, e.g. Articles 20–25 of the Supplies Directive (93/36/EEC). See directive references above.
- -Where you have a target market in mind, consult the corresponding national legislation for that market. (You might want to start completing this task by asking one of the specialised EICs listed in Appendix I for help.)
- -What evidence can you present to a prospective purchaser that your products meet required criteria for their market?
- -Prepare a qualification file which contains as much information as possible that an authority may require you to produce. Create as much of it as possible in electronic form, it is easy to update.

Other problems in the technical standards area

In many cases, the standards required are well within the competence of a small or medium-sized company, and are fully justifiable from the point of view of the authority. However, you may occasionally encounter problems. Individuals with responsibility for procurement sometimes have a tendency to take comfort in awarding contracts to large experienced companies with plenty of capital and other resources. The well-known phrase ‘You never got fired for buying an IBM’ preys on the psyche of many professionals whose principal objective (at a personal level at least) is to minimise risk in their procurement decisions.

Look at the main case study (Sonic process technologies) in Section 6 for the way in which that company got around the disadvantage of not being formally quality assured.

If, as a small company, you form a consortium with others, the authority must take into account the entire experience of all the members of the consortium. This is also true of EEIGs (see Section 7).

The selection criteria imposed by an authority could constitute discrimination where the criteria are not commensurate with the contract to be executed. Authorities may sometimes use procurement criteria as a way of raising standards throughout its business. It may be possible to challenge some of these criteria. Sometimes SMEs feel that they are discriminated against simply because they are small.

It is important to remember that selection or qualification criteria should only be applied when the authority selects suppliers for invitation to bid. Once you have overcome this hurdle, authorities may not return to it when awarding the contract, unless new evidence arose, e.g. that the company was about to go into liquidation.

Where it is necessary for the performance of the contract, authorities may expect suppliers to be quality assured and have formal accreditation through EN29000. In these cases, purchasing authorities should also accept other evidence that a company has an equivalent quality assurance system.

5. Cultural barriers

Companies selling in the public sector in other EU countries, experience similar cultural barriers to those encountered in the industrial market. These cultural barriers are extensively covered elsewhere, and are not restated in this guide. There are specific cultural barriers however, which you may experience in the public sector and about which you need to be aware.

In the industrial market buyer and seller have a common motivation to resolve cultural differences. In the public sector this attitude is less common. Cultural barriers are sometimes used as a convenient means of fending off unwanted foreign bids for political reasons.

The importance of cultural research

The cultural realities of your target market should be identified during the research and planning phase. It is not uncommon to hear of sales managers who spend valuable time responding to invitations to tender without knowing anything about the cultural environment they hope to trade in.

Language

The notices published on TED may mislead readers as to the appropriate language for tendering. The language used by the contracting authority is translated into Member State languages at the Office for Official Publications of the European Communities (EUR-OP). You will probably read the notice in your own language, but it is essential that you use the language of the customer contracting authority when you respond to the notice.

The shortcomings of an opportunistic approach in selling to the public sector are glaringly apparent when dealing with the cultural environment. An invitation to tender is sometimes regarded by the contracting authority as merely a legal formality. A response which stands out as culturally inappropriate will have failed at the first hurdle.

Transcending cultural barriers

There are a few key steps which will help you to overcome cultural barriers:

Target your markets

Your purpose in getting to know another culture is commercial, not to further the cause of international understanding. A thorough understanding of all European languages and cultures is not a realistic objective. Only invest time in understanding another culture when there is a real prospect of business.

Staff development

You may overcome many cultural barriers by using outside support. But there will always be a need for key staff who appreciate the cultural specificities of the target market. This applies not just to sales staff, but also to technical staff and receptionists.

Use of consultants, translators and interpreters

Employing consultants experienced in the business culture of a target market can be an effective use of resources, compared with acquiring the experience yourself. Developing long-term working relationships with translators and interpreters who intimately know your products and markets, helps establish your credentials as a culturally versatile company.

Local presence and partners

Despite all the above, it may still be necessary to establish a local presence in the market. A local presence has so many advantages — communication, distribution, service and local politics — that many companies decide that it is a pre-requisite to market entry. In particular, sub-threshold opportunities

(i.e. smaller contracts which are not required to be advertised in the Official Journal) can often only be identified by having a local presence. See the case study (Baths) in Section 6.

6. Marketing strategies for selling to the public sector

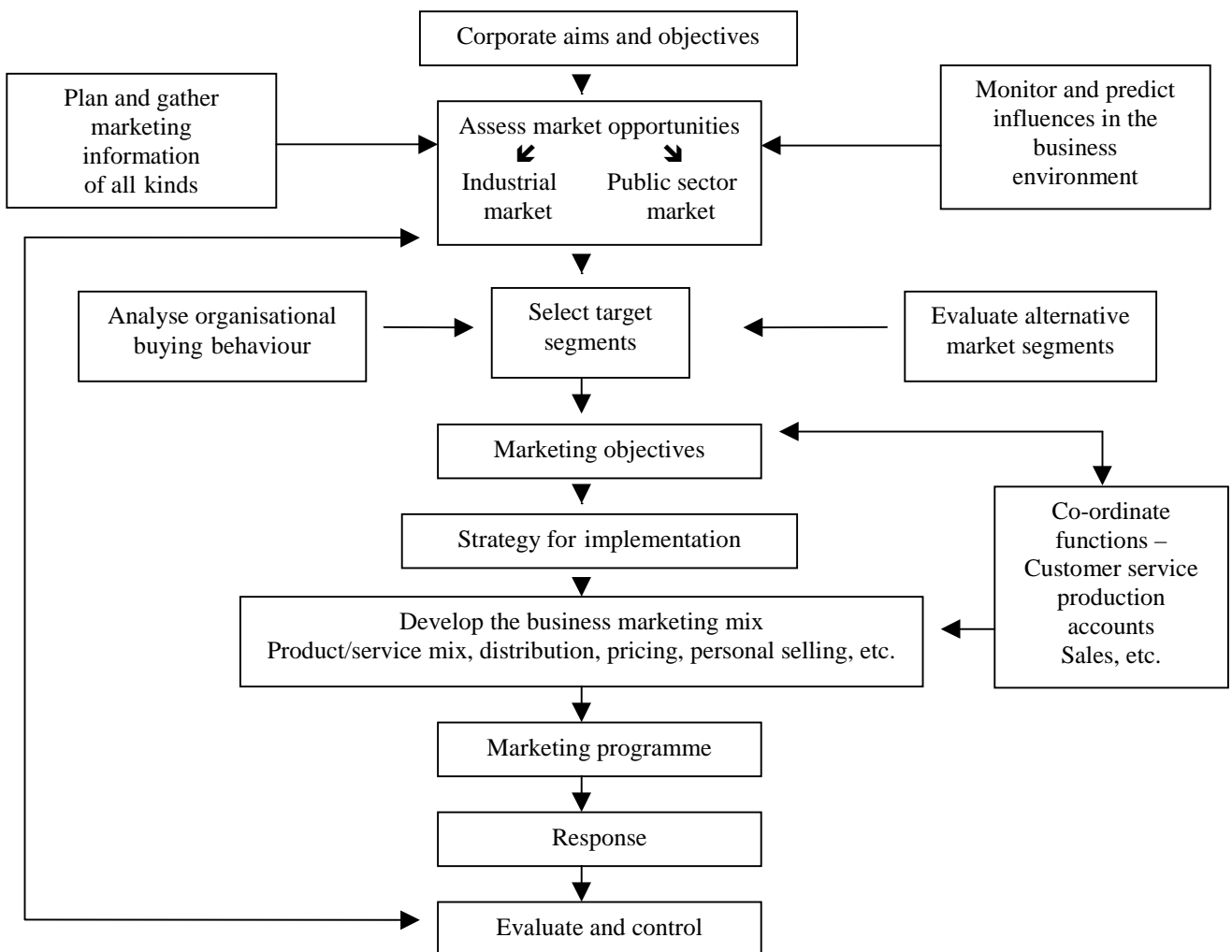
Planning, organisation and control are essential for sustained success in public procurement markets. To convert an opportunity into a revenue stream, you need to have planned and organised to exploit it. This is not to ignore a key advantage of SMEs, the flexibility to respond quickly to lucrative opportunities, but you cannot base a business strategy on the occasional lucky break.

This section will provide an insight into how you may develop a marketing strategy for the public sector market. The section is not a re-statement of marketing theory, but a framework based on the characteristics of the market and the experience of SMEs which have developed their own approaches.

A marketing framework

Marketing needs to be a sustained, organised, rational activity to achieve success. Figure 2 identifies the key elements of a coherent marketing framework.

Figure 2
A marketing planning framework



The key elements identified in Figure 2 need to be incorporated into a company's wider business plan, as essential components of its business strategy. Failure to do this will leave the company rudderless, sooner or later it will find it is producing products for which it has no market.

Evaluation

The emphasis of this guide is on a carefully researched and analysed approach to evaluating and exploiting opportunities. The importance of accurate research in the process of selecting and targeting market segments cannot be stressed too much. Once a marketing strategy is established it is vital to evaluate its actual performance. This control system enables appropriate changes to be made to improve performance.

The components of a marketing strategy

In developing a strategy for the public sector market you will need to ask three basic questions:

- Which products are suitable for the public procurement market?
- Where are the opportunities in the public procurement market?
- How do I get my products to the market and keep them there?

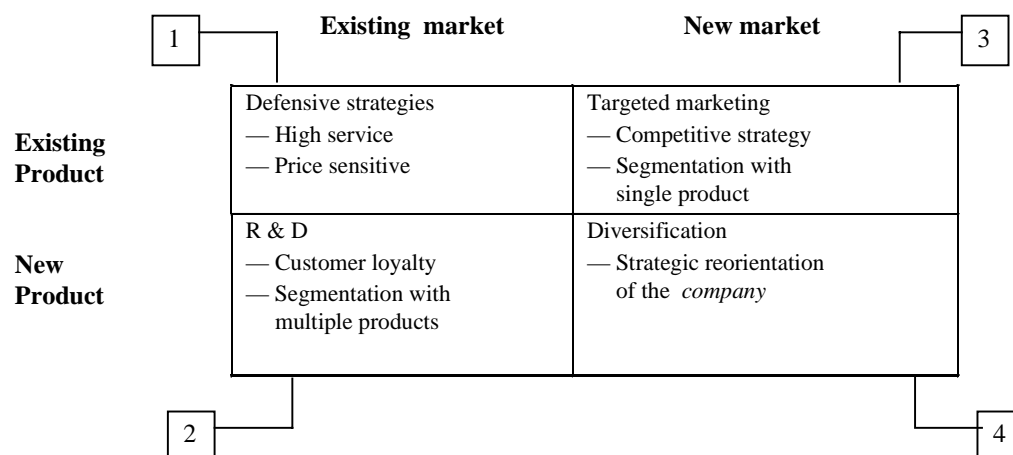
Products and markets

You have four basic choices of where to take your business. You can choose to dedicate your resources to selling:

1. an existing product in an existing market;
2. a new product in an existing market;
3. an existing product in a new market;
4. a new product in a new market.

Key considerations for each of these choices are summarised in Figure 3.

Figure 3
An adapted Ansoff matrix (Ansoff 1957)



Risk tends to rise from 1 to 4

For a company which already has customers in its own established public procurement market, its overall strategy could be defensive (1) or, resources allowing, evolutionary (2) — developing new products to meet the changing needs of existing customers. Where a company is attempting to open up new markets, it can adopt a lower risk approach by a carefully targeted placement of an existing product in the new market (3), or a higher risk strategy by developing new products for the prospective market (4). Either way, careful identification of segment and the product, greatly increases the chances of sustainable activity.

Market information

Success in selection of target markets depends on the manipulation of information. Information is acquired, managed and applied to choose the most attractive markets. Market information needs to be gathered on a continuous basis to identify and exploit new markets or products, and to cultivate existing markets and customers.

Primary research

Primary research means the direct collection of data by yourself/your organisation. The strength of primary research is that you can design the research to collect the precise information you want, its weakness is its cost. Primary research enables you to achieve a clear, up-to-date picture of a target market. The cost of speculative in-depth research may be prohibitive and difficult to justify. The cost of non-speculative research, linked directly to new product development or ongoing evaluation of customer needs is a necessary business expense (see Section 7).

Secondary research

Secondary research means researching published information, in whatever format — printed, electronic, the Internet. The amount of published information available on procurement markets is not as great as that on consumer or industrial markets. Nevertheless, information sources do exist, and provide useful market intelligence for companies taking on strategic marketing.

Sources of information

Directories

There are a number of hard copy (i.e. printed paper as opposed to electronic media) directories of national and local government and utility organisations. In some cases it is possible to buy mailing lists from publishers, on disk or as labels. Use them as a basis for marketing and identifying potential leads.

It is important to bear in mind that the best method of approaching public organisations varies between countries. For example, in some countries the chief elected official or mayor would be the first point of contact in a local authority, whereas in others it would be an officer with responsibility for purchasing.

Example: *European Municipal Directory*
Newmedia Publishing Ltd. Annual. ISSN 0962-7820
Based on the ELGO database. Mailing lists available.

Address
Newmedia Publishing Limited
71 Bondway

London SW8 1SQ
United Kingdom
Tel. (44-171) 793 79 90
Fax (44-171) 820 83 54
E-mail: 100615.2361@compuserve.com

Statistics

Official statistics give information on the patterns of spending by governments and public bodies. This can be used to give an indication of market size and trends. Typical sources of official statistics are the central statistical offices of national governments; international organisations such as the EU, UN, OECD; World Bank; and accounting bodies such as CIPFA in the UK. Official statistics are mainly published as hard copy sources, and are sometimes available on tape or disk, but there is little detailed data readily available on-line.

Example: *Research and Development. Annual Statistics*
Office for Official Publications of the European Communities. Annual.
Catalogue No: CA-90-95-534-3A-C

Contact details
Office for Official Publications of the European Communities (EUR-OP)
2, rue Mercier
L-2985 Luxembourg
Tel. (352) 2929-1
Fax (352) 49 57 19
EUR-OP publications are distributed via sales agents in each country.

The EU also publishes a useful guide to European national statistical offices:
European Official Statistics: Sources of Information.
Office for Official Publications of the European Communities, 1996.
ISBN 92-827-7092-3

Market research reports

Although the majority of published market research reports cover consumer and industrial markets, some publishers, such as MSI and Market & Business Development, also cover public sector markets. These reports typically discuss market size, sectors, trends, government policy and industry structure. As with other market research reports they tend to be expensive, costing hundreds and in some cases thousands of euro. However, it is often possible to negotiate with the publisher to buy sections of the report.

Example: *Healthcare in France.*
MSI Marketing Research for Industry. Databrief, November 1996. GBP 208.10 via MAID.

Contact details
MSI
Viscount House
River Lane, Saltney
Chester CH4 8QY
United Kingdom
Tel. (44-1244) 68 14 24
Fax (44-1244) 68 14 57
E-mail: 106767.2031@compuserve.com

Market research directories

There are numerous sources for tracing published market research, both hard copy and on-line:

Findex, Cambridge Information Group. Also available on-line via Dialog.

Contact details

Cambridge Information Group
7200 Wisconsin Avenue
Bethesda
MD 20814
USA
Tel. (1-301) 961 67 50
Fax (1-301) 961 67 20

Marketing Surveys Index. Marketing Strategies for Industry (UK) Ltd. Also available on-line via FT Profile.

Marketsearch. Arlington Management Publications. Also available on-line via Datastar

Contact details

Arlington Management Publications
1 Hay Hill
London W1X 7LF
United Kingdom
Tel. (44-171) 495 19 40
Fax (44-171) 409 25 57
E-mail: 106076.2024@compuserve.com
URL: <http://www.marketsearch-dir.com>

The best on-line source of market information is the Corporate Profound database hosted by MAID. This contains thousands of market research reports, with the advantage that it is possible to select and download individual tables and sections, often for only a few euro.

Contact details

MAID plc
The Communications Building
48 Leicester Square
London WC2H 7DB
United Kingdom
Tel. (44-171) 930 69 00
Fax (44-171) 930 60 06
E-mail: info@maid.com

Brokers' reports

Brokers' reports are guides to investment in securities. They may be a useful source of information where areas of the public sector are being privatised, or where privatised utilities are covered by procurement legislation. They are primarily intended for the clients of stockbrokers, but they are often made available to others at a premium. Brokers' reports vary in scope from detailed documents which are almost equivalent to a market research report to single sheets on current developments. In general, they focus on a particular company, rather than a sector.

Example: *British Energy* — 1 March 1996.
Barclays de Zoete Wedd. GBP 336.50 via MAID.

Sources for tracing brokers' reports include:

MAID — see above

Investext. Database available via Dialog and Datastar

ICC Brokers' Reports. Database available via ICC, and via Dialog and Datastar.

Contact details

ICC Information Ltd
Field House
72 Oldfield Road
Hampton
Middlesex TW12 2HQ
United Kingdom
Tel. (44-181) 481 88 00
Fax (44-181) 941 60 14

Dialog and Datastar

These on-line hosts are owned by Knight Ridder, which has offices in most of the major European countries. The UK address is:

Knight Ridder Information Ltd
Haymarket House
1 Oxenden Street
London SW1Y 4EE
United Kingdom
Tel. (44-171) 930 76 46
Fax (44-171) 930 25 81

Newspapers, abstracts and newsletters

Newspapers

News services are a good way to find out about public sector market opportunities, when there are developments such as deregulation. Current and archive editions of newspapers such as the *Financial Times*, *Le Monde*, *Frankfurter Allgemeine Zeitung*, and *Il Sole 24 Ore* are all available on-line in full text on Dialog, Datastar and FT Profile.

Abstracts

Databases such as IAC's PROMT and Globalbase provide abstracts, and in some cases full texts of articles, in English, from hundreds of industry journals from around the world. They are fully searchable by product, topic and country codes.

Newsletters

Industry newsletters are usually high-value, limited circulation, specialist publications on particular sectors. These may be particularly useful in researching utilities markets. IAC's Newsletter database, available on Dialog and Datastar, contains the full text of over 650 such newsletters.

Contact details

FT Information Services — FT Profile
13–17 Epworth Street
London EC2A 4DL
United Kingdom
Tel. (44-171) 251 33 33
Fax (44-171) 251 27 25

Dialog and Datastar

These on-line hosts are owned by Knight Ridder, which has offices in most of the major European countries. The UK address is:

Knight Ridder Information Ltd
Haymarket House
1 Oxenden Street
London SW1Y 4EE
United Kingdom
Tel. (44-171) 930 76 46
Fax (44-171) 930 25 81

IAC

The IAC databases are available via Dialog and Datastar (see Knight Ridder above).

Other sources of information

TED

TED is primarily used as a source of contract information (see Section 10). However, many companies use it as a source of market information. TED can provide useful information on future spend of authorities, types of products bought and key contacts (names and addresses). Some companies use it exclusively for this purpose, particularly where they realise that direct selling to the authority is not a realistic route for them. Some companies have gone further and developed their own software to convert the raw data into management information.

The Internet

A great deal of information is available directly from the world wide web, some of this information is free. Even in a fairly specialised area like public procurement, there is so much information that it could become overwhelming. By accurately targeting your information searches on your business plan, you can avoid wasting time and expense.

Checklist

- Based on the potential markets for your products, draw up a list of desired information.
- What information is required on an ongoing basis in order to evaluate changes in your market place?
- Who manages this in your organisation?
- What external support has been identified (brokers, EICs, governmental trade departments)?
- Evaluate the cost of looking for the information yourself versus paying someone else to do it.

Segmentation

Segmentation is a key marketing technique. It is the process of breaking down a large market into a group of smaller sub-markets. These smaller sub-markets are called segments and should be defined according to the specific requirements of the customers who comprise that particular segment. Most companies find that they can target their approach much more profitably using segmentation. Naturally, segmentation is not an automatic approach and cannot guarantee automatic benefits. It relies on extensive accurate primary and secondary research, the purpose of which is to provide specific, contextually relevant information for your company.

To be useful, a segment must be measurable, large enough to be profitable and accessible. It must be constantly checked to ensure that it is not changing radically. You should always be aware of the competitive pressure on, and response to, a segment. It is sometimes surprising how quickly an opportunity identified by one company is spotted by others.

Figure 4
Developing a segmentation strategy

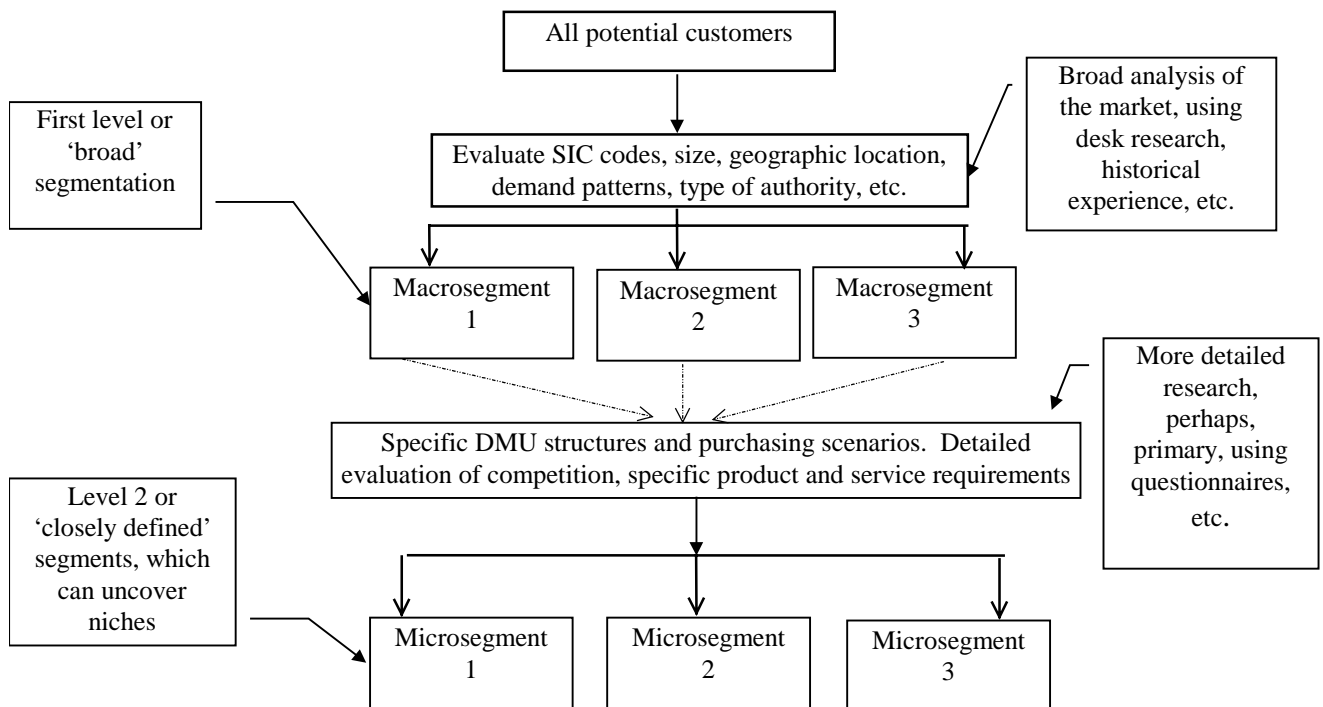


Figure 4 shows the process by which a company can break down a very broad potential market into segments which it can exploit more profitably. Notice how segmentation is absolutely reliant on accurate and relevant market research. Matching the organisational strengths to a particular segment or segments is one of the key tasks for any company, especially for SMEs with limited resources.

If it were decided to target micro-segment 2, then that could be broken down into specific sub-segments to facilitate an even sharper targeting of effort and resources. A greater number of successive breakdowns of

micro-segments increases the niche market approach. A niche is a very specific area of a given micro-segment.

Niche markets can be very profitable. However, niches can close quickly, so constant research is needed to evaluate how the niche is performing. A company operating in a niche must understand the purchasing motivations of potential and existing customers and must be very aware of competitive activity.

Segmenting the public procurement market

The public procurement market, like every other market, is made up of customers. The company, whether its goals are local, national, European or global, must establish:

- where the customers are;
- how they can be segmented:
 - by buyer needs;
 - by geography;
 - by type of contracting authority;
 - by other criteria (e.g. size of orders).

The public procurement market is large and fragmented. The ambition to supply every contracting authority is out of the reach of all but the largest international companies. Your best approach as an SME, is to develop a marketing strategy most likely to achieve the overall goals of your company; taking into account resources, product portfolio and product development. Sustained success in public procurement markets will not come from opportunism alone. Apparent opportunities must be assessed in the light of your company's marketing strategy and overall business plan.

Benefits of segmentation for the SME

The technique of segmentation has been used by larger companies as a way of dealing with the many variables in the market place: consumer demand, culturally diverse markets, technological developments and competition. It has facilitated product development and innovation. At first sight, its use by SMEs might seem inappropriate. But a closer look shows how market segmentation can help you to:

- identify target markets;
- -reduce expenditure on extended marketing programmes;
- be more customer focused;
- achieve profitable results earlier;
- specialise;
- innovate.

Practical segmentation in the public procurement markets might mean arranging the various contracting authorities into groups with common demands, and organising the product offer to meet that demand.

Large companies are able to trade in several market segments, and to continually modify and differentiate products in response to developments in demand. This option is out of the reach of most SMEs. Success for many SMEs depends on specialisation and high quality of service.

Checklist

- Have you gathered adequate information to define distinct segments in the market?
- Define the characteristics of each segment.
- Assess each segment according to size, profitability, accessibility, compatibility with existing products.

Targeting the segment

Case study — Specialist construction products

In the late 1980s, a small German company developed a non-slip coating which was highly effective in extreme conditions, such as wet roads where oil was spilt. Several potential markets were identified, e.g. the coating was very effective near pedestrian crossings, where traffic needs to stop very quickly. But, the individual market opportunities were not easy to identify. The product might be used as part of a larger road project, for example.

At the time, there was a great emphasis on safety in relation to ferry travel (as a result of several major disasters). There was political pressure to ensure that ferry travel enjoyed the highest safety standards.

The company saw a great opportunity to apply the coating to embarkation ramps, decks and quayside areas. A sufficiently distinct segment became apparent. However, some difficulties remained.

- The ferry/shipping industry straddles both the private and regulated sectors.
- The non-slip material would only be a small part of a complete works project. Even the contract notice might not mention a requirement for non-slip surfaces.

The company recognised that they needed to identify the eventual user of their product by:

- researching where port/ferry terminal developments were planned, so that main contractors and port authorities could be identified, and the product introduced at the design phase;
- contacting ferry companies and shipbuilders to have their product specified in designs.

A reactive approach to the market — waiting for invitations to tender to appear on TED — would have been fruitless, although, contract information from TED and other specialised trade journals was used for market information and to identify leads.

Key points

- Social and political factors can generate demand.
- You may be able to identify a segment, but you also need to know how to access it.
- Need for your product may exist equally in the public and private sector. The only difference may be the regulatory framework.

Spreading

With certain products it is not advisable to take a highly focused approach to marketing. Perhaps your product is bought in very small quantities at irregular intervals or forms part of an overall service. Your competitive advantage may lie in manufacturing quality products at attractive prices, not in providing a comprehensive service to the customer.

Case study — Baths

A Portuguese bath manufacturer, with 150 employees and established for many years, recognised that reliance on its domestic market would not be a sustainable competitive position.

Since baths are a relatively standardised product but amenable to slight modifications, many markets seemed to hold potential for the company. The product might be bought by thousands of contracting authorities and by private consumers.

The manufacturer was aware that it could not limit its market geographically, it had to be competitive in many markets. The challenge was to manufacture products for customers from a variety of markets and compete successfully, particularly in terms of price and quality.

Attendance at relevant trade fairs gained exposure for the product in front of large public sector buyers who were actively looking for high quality and value for money products for the next year's spending programme. Trade fairs were also a good place to develop the necessary distribution and service network.

Public bodies tend not to buy large quantities of this type of product, rather they will tend to use call-off or framework contracts and expect the supply of smaller quantities at short notice throughout the duration of the contract. For this reason a contract was signed between the manufacturer and a local distributor.

The distributor did not rely solely on public sector procurement but the public sector orders were substantial and meant that there was further investment in local jobs and premises. This in turn gave the manufacturer a political pay-back, being seen to be strongly linked to a local company creating jobs, not merely as a foreign exporter taking jobs away.

Key points

- Certain products require a local distributor to be established in order to satisfy customer expectations.
- The needs of the customer often demand a local presence for speed of supply.
- Local distributors give you a local image in the mind of the customer.
- Local distributors can provide the value-added service which you cannot.

- At the time of writing, a single European currency does not yet exist. Exchange rate instability may make investment in your own sales premises hazardous if your manufacturing takes place in another Member State.
- Spreading reduces over-reliance on a small number of customers in one or two countries. Your overall business risk is reduced.
- Segmentation is still important because it allows you to identify the needs of types of authority/customer, to target the most lucrative and to organise the necessary distribution to them.

The benefits of a focus strategy for the SME

Just as a spreading approach is suitable for certain types of product, so a focused approach will be appropriate for others, for example specialised services, high value bespoke machinery and certain IT systems. The benefits of a focused approach are:

- fewer resource problems;
- building on strength;
- enhancement of 'specialist' image;
- competition on criteria other than price;
- niche markets;
- closeness to key customers.

A focused, segmented approach to the market, allows you to build on your strengths as an SME and to compete with larger, more well-established competitors. The primary marketing objective is a sustained and profitable participation in the market rather than being over-ambitious in terms of market share. The key is to exploit those areas of the market where the opportunities match your organisational strengths.

A customer-focused, segmentation strategy will enable you to play to your strengths, to have a market presence, geared towards early profitability, at relatively low cost and to be in a position to exploit opportunities when they arise.

Case study — Sonic process technologies

Background

In the early 1990s a small UK company, Hawthorn Applied Technology, managed by Les Balmer, was developing applications for ultrasonics for the processing industries.

The main feature of ultrasonics is the capability to produce cavitation, which from early days in the development of steam ships was recognised as a negative and destructive energy because it formed along and around propellers and caused their disintegration.

The creation of cavitation in a controlled way, within process vessels (such as sonicated process pipes), enabled a major step forward in process technology applications. For example, trials were

conducted in the dyes industry using ultrasonics as a processing mechanism to rapidly break-up and de-agglomerate dye intermediates. This had previously used high shear mixers and in-line filters, which resulted in up to 5 % yield losses. These losses were reduced to less than 1 % using ultrasonics, producing annual savings of ECU 300 000.

Although there was a clear application in the dyeing industry, the industry itself was not strong. Innovation and the take-up of new technology were slow. There seemed to be an attitude of coping with existing methods rather than investing in new solutions. Despite isolated success with individual customers, it was difficult to gain third party references endorsing the product because of competitive rivalry.

As a small company, Hawthorn Applied Technology were finding it difficult to achieve the necessary rates of return and were having problems with cash flow. It was critical, if they were to convert the new technology into a practical solution for customers, that they find a market where the financial pay-back for the customer was good.

Which market?

Les researched other potential markets and applications including water treatment and food processing. At the time there was public and political concern over the environmental impact of offshore drilling operations. Operators were faced with the expensive and time-consuming prospect of transferring drilling waste from the sea-platform to land for treatment. Legislation was imminent. The timing seemed to be right.

A separate company, Sonic Process Technologies (SPT), was set up to focus specifically on the application of ultrasonics to, in the first instance, the oil and gas business.

It was very clear that the offshore oil and gas industry held real potential for this new technology. The industry was seen to be dependent on new technologies which could provide solutions. The industry was already operationally demanding, but increasingly had to find technical solutions to environmental concerns. If the industry had relied on traditional methods of exploration and production, and not actively searched for new solutions, the North Sea would not be competitive with other parts of the world.

A conscious decision was made to target the oil and gas industry. However, SPT was still a small company with four employees, none of whom had any experience of the industry.

Les attempted to make direct contact with operators and contractors. With the support of his local Euro Info Centre, he also participated in a European Commission programme which facilitated cooperation between European companies in particular sectors. The programme was called Interprise. It had organised a specific event, Exploration Europe, which focused on the oil and gas business. Les's attendance at the event meant that he could speak to contractors and suppliers, many of whom expressed a very strong interest in his product.

Another key decision was to enlist the support of a consultant who was specialised in the oil and gas business. The consultant introduced him to many contacts in the industry.

It was clear that the oil and gas industry had a very well developed supply chain. The operational and logistical characteristics of the industry meant that the industry was highly service-driven. SPT could not alone reach the level of service demanded in order to supply their product.

Les was introduced to a contractor who was interested in his product. A critical stage was reached : how could Les fully exploit the commercial potential of his product and still retain control?

A world-wide patent had already been taken out, so this gave Les some control. He now needed to establish a working agreement which made up for his lack of commercial expertise and contacts in the industry. Over several months a licence agreement was worked out between Les and the contractor. The agreement limited the licence to the upstream oil and gas industry and set an expiry date for the licence.

In establishing this relationship Les recognised the key competitive advantage of SPT and of many small companies: the conversion of ideas or technologies into solutions for industry. The contractor's competitive advantage lay in commercial, logistical and operational expertise within the oil and gas business.

The technical aspects

SPT's product was to be used on rigs in the North Sea. It needed to reach the highest standards of safety and functionality. The legal requirements were laid out in Directive 76/117/EEC and corresponding EN standards (EN 50014 et seq.). Previously, each country had its own national standard. In the past Les would have been faced with the prospect of having his product approved in each Member State he wanted to trade in.

SPT were able to meet these requirements through having their product tested and certified by an accredited centre in the UK (Baseefa). They aimed for the widely accepted rating of 'Eexd' (E = European-wide acceptance; ex = electrical equipment to be used in hazardous areas; d = flameproof). This is of necessity a very exacting test procedure, aiming for the highest of safety standards for use in the potentially hazardous offshore environment. The first time it was sent for testing, the product failed on three out of eight tests. The flaws in design were identified, mistakes rectified and the next time it passed all tests. Once certified, the product was legally acceptable in all EU and EFTA countries.

Quality

SPT was a small and recently formed company with no formal quality assurance. Instead of achieving EN 29000, it was acceptable for them to ensure that:

- all their suppliers were quality assured;
- SPT kept a quality manual for the manufacture and delivery of the product.

Price and bidding

The upstream activities of operators are covered by public procurement legislation, and though there is greater freedom than in the traditional public sector, there are still formal registration systems and bidding procedures.

Despite the fact that SPT offered a unique and very attractive solution to the oil and gas business, and that Les had already communicated the advantages of the product to the engineers and technicians, it still had to compete on price with other more traditional alternatives.

Bidding in response to invitations to tender is still very much concerned with cost from the point of view of the procurement manager. This is particularly true of the oil and gas industry where the procurement process is a key element in adding value and reducing costs. Each bid must show in financial terms what the benefits are compared with using other methods.

Alternative markets for the future

SPT's product is now operational on rigs in the North Sea. But Les will not rely purely on business from this market. The product may not be suitable long-term for the offshore environment. Servicing may be a costly problem, and new technologies may cause it to become obsolete. He has begun to target other markets, and has recently used PR, in the form of editorials in specialist magazines, to communicate with the technical people in key industries. Some industries are covered by public procurement legislation, others are in the industrial sector. One article in a UK publication called 'Processing' (June 1997) has already drawn serious interest from very large organisations in the food-processing, petrochemical and water industry.

Les has also identified partners through the European Commission's CORDIS network. This is helping to bring ultrasonics to the point of commercial exploitation in several markets.

The market in Europe for SPT's current product is limited to the oil-producing countries. The alternative uses for other industries mean a much wider market. This poses more challenging marketing, distribution and service problems. The solution to exploiting this market, Les thinks, is a deeper, strategic relationship with a larger company.

Positioning

Positioning your company and your product correctly in selling to the public sector can be critical to your success. Perceptions by specifiers, buyers and end-users can hold great sway over purchasing decisions, notwithstanding the objective selection of bids in a tendering procedure.

It is important that you are aware of the relationship between segmentation, targeting and positioning. Having organised data into useable information as the basis of a segmentation policy, a precision targeting approach is adopted to match organisational strengths with exploitable opportunities.

The perceptions which potential customers form of your company, products and support services, influence what they think of your company in relation to its competitors.

You must try to influence the perceptions of customers and potential customers.

Checklist

- -How does the company rank against competitors?
- -Does the company have products which are regarded as high or low quality?
- -Are the prices seen as offering high or low value for money?
- -Are the support services regarded as excellent, ordinary or poor?
- -How does the company rate with regard to speed and reliability of delivery?
- -Is the company seen as being focused on its customers or its products?
- -Does the company promote itself effectively?
- -Are the sales and customer services staff viewed as being professional?

By being aware of the above issues you can develop a coherent, quality-orientated approach through all the key areas of your business. You can also check whether customer perceptions — reality for the customer — match their expectations.

Positioning can yield very positive financial results. Many SMEs choose cost leadership as an entry strategy to new public sector markets. In many cases cost leadership is the worst possible approach that can be taken by an SME, because:

- it can cause cash flow problems;
- rates of return are not high enough for long term survival;
- larger companies have competitive advantage through economies of scale.

If you have a clear picture of how your customers perceive your company and your products, it will be a lot easier to make decisions at the bid stage.

Case study — Electronic commerce and the positioning of your company

Companies sometimes feel that discrimination (intentional or otherwise) is a very real barrier to overcome. They feel that the hardest barriers to overcome are not customs posts, languages or standards, but people's attitudes.

In order to increase its chances of being accepted by potential customers in the UK, a German company became a member of the relevant national association for laboratory supplies. National associations can offer not only very useful advice and information in your specific industry, they also, in the minds of the customer, give you a stamp of national approval (although it is not a legal requirement for companies to be a member).

On the website of the national association, the company created a link from the site of the national association to its own home page. Their website carries lots of useful information about their latest products and general information about the company.

The company also used a UK telephone number in all promotional material but arranged with the telephone company to divert the call to the office in Germany. The customer only paid the national call rate, the company paying the cost of the call from the UK to Germany. The cost to arrange this service was negligible (ECU 7 per month). The staff obviously had to be trained to handle enquiries in another language, but the benefits were very real.

Key points

- In the minds of the potential customer, the company seemed very close to them.
- -Small companies are global players on the world wide web.
- Technology can help you avoid the need for a physical local presence by giving you a virtual local presence.

Communicating with the customer

Communicating with the public procurement market does not begin or end with your response to invitations to tender published in the Official Journal. For you, the buyer might be the last person you need to communicate with in the decision making unit of a public authority; Often, the buyer is not the person with most influence over purchasing decisions.

This section helps you build your own approach to communicating with customers. The more effective you are in this, the easier your task will be at the bid stage.

As an SME manager with limited resources, the central task of your communications strategy will be to talk directly to key ‘ influencers’ on the purchasing decision. The timing of message delivery is also crucial: it will depend greatly upon your product and how it is normally bought or supplied.

Effective communication depends on knowing what you want to say, who you want to say it to, how you are going to say it, and how often it needs to be said. Systematically reviewing the outcome of your communication is the only way to improve its effectiveness (see Table 4).

Table 4
Five key communication elements

1	Message content	What are you trying to say?
2	The audience	Who are you saying it to?
3	The media	Which are the most appropriate media? (e.g. press, posters, radio, personal selling, trade journals, conferences, trade shows)
4	Frequency	How often should the message be repeated?
5	Effect	Responses to the communication need to be measured and evaluated.

Checklist

- How do you measure the effectiveness of communication with customers?
- What kind of relationship is being built up by your sales people? (Buyer/seller v partnership). Are they sensitive to the highly regulated nature of key stages in the public procurement process, and, in particular, the legal obligations of buyers in the award of contracts? (See Figure 1)

Forms of media

There are many ways to communicate with your potential market. The more important methods are:

1. Advertising in specialist trade journals aimed at key purchasers in particular industrial segments. The language and style of the advertisement should be designed with the specific reader profile in mind. The company image and reputation should be stressed.
2. Sales calls and visits. Personal selling is extremely important in the public sector. The sales visit allows a great deal of market research and data gathering to be carried out. The salesforce becomes the 'radar' of the organisation in this respect. Personal interviews with key buyers are particularly important.
3. Trade exhibitions and conferences. A strong presence at this kind of event is usually crucial to build up a relationship with a range of possible clients, and to give maximum exposure to the organisation and its products.
4. Targeted direct mail. Companies can use their databases to sort and analyse the key named personnel in the buying authorities and centres. The database should be regularly monitored and updated as the key personnel change jobs or move on via promotions.
5. Using the Internet. Using the world wide web could be a cost-effective way of enhancing the company profile. A well-designed website often gives small companies the appearance of a company with presence and credibility. It can also be used to improve the delivery of your service.

The use of public relations by the SME

Many large companies use PR very effectively to enhance their image, offset any negative impressions, develop a closer relationship with the consumer, and to keep the market informed. A key reason for using PR is that it is cheap compared with advertising. This should appeal to SMEs, but often they do not consider PR. In public procurement, small companies experience discrimination simply because of their size. PR can help to turn an SME into a global player in the minds of the customer.

Press releases

Press releases can be sent to local and national newspapers and television stations. The press release should emphasise why the media would want to use the story, and not simply give a lot of favourable information about the company generally.

Press releases can also be targeted at the editors of specialist technical or trade magazines, journals, newsletters or directories. These are often read by the key decision-makers of contracting authorities.

Writing an effective press release

In writing a press release you should ask yourself the following.

- (i) Is there a human interest element present? Examples include job creation, employee recognition, novel ideas from employees. This is particularly useful when you are targeting other Member States.

- (ii) Do the company's actions have a strong social or ethical benefit? Are the company's products helping to alleviate suffering in a war zone or a disaster area, do the products minimise damage to the environment?
- (iii) Can you use an occasion such as a State visit or a visit from a satisfied overseas customer to generate media interest in the company and its products?
- (iv) Has the company won any prestigious awards which could merit media attention?

Any positive media attention is beneficial in terms of raising the company's profile, and encouraging positive editorial comment. No amount of paid advertising could have the same level of credibility as an impartial comment.

Other PR activities

Other aspects of public relations of which you should be aware are:

1. Local community relations and events. These are designed to maintain goodwill with local residents, employees and local organisations. This may include some limited form of sponsorship.
2. Testimonials from satisfied customers can be used to stress company and product strengths. Exploit the success in winning one contract by using it as reference or endorsement to interest or impress future customers.
3. In-house journals or magazines can keep employees, local people and local media aware of key issues facing the company.

PR need not be a costly exercise, and the beneficial effects of positive publicity cannot be overstated. Successful companies, of whatever size, are usually highly visible — they are talked about frequently, and are seen regularly in the local and national media.

Supplier performance — gauging customer expectations

A regular assessment of customer expectations will help you improve your overall competitiveness. A clear picture of customer expectations will also make for more effective bids. Below is a basic grid for measuring your customer's perception of your company and its products.

Table 5
Evaluating customer expectations

Aspect	Low importance											High importance										
	0	1	2	3	4	5	6	7	8	9	10	0	1	2	3	4	5	6	7	8	9	10
Quality (relative to price)																						
Delivery																						
Total cost reduction offered on book price																						
Technical help Offered																						
New product ideas and R&D initiatives																						
All-round customer service																						

Try to gauge the relative importance of each of the above criteria (and others) in order to ensure that your products exceed customer expectations. Ask the customer to fill in the grid shown in Table 5, which will show the relative importance placed on each aspect by the customer. If a customer rated delivery with a score of 8 in terms of importance, but you recognise weaknesses within your company in this area, adjustments could be made.

Electronic commerce

The value of the Internet lies not so much in the potential of mass marketing to a large and disparate audience, but in the development of your communication/relationship with your customers.

The establishment of a website is essentially a passive action and does not, in itself, improve communication or reach new customers. However, it does allow you to invite any customers to enter a space where they feel in control of what they see and look for. Websites, e-mail user groups, etc. can be effective tools in developing on-going relationships with existing and future customers.

The Net and the public sector

The value of the Internet for developing a relationship with public sector customers seems to be very high. Because of the formal and regulated nature of public procurement, the Internet can offer the public authority a way of knowing more about potential suppliers, new products, etc. without any sense of personal obligation or danger of being compromised.

E-mail can offer a more comfortable and convenient means of communication. E-mail etiquette ('netiquette') is again less formal. Individuals seem happier to take a collaborative approach when communicating in this way. E-mail is cheap and convenient for all users and can support the on-going

relationship between salespeople and customers. An e-mail message can be sent to groups of key customers. It can be a lot less intimidating than a telephone sales call and it is easy for the customer to respond.

You can participate in, or even set up, your own 'discussion list', where you can send information to your customers about new developments in a particular field related to your product. These lists can also be used for primary research, to gauge customer perceptions to various elements of your business, e.g. the service expected, need for new products and information on competitors' products.

Other uses for electronic commerce may be driven by the customer. For example, a large customer may require that invoices be sent by e-mail. Or your competitors may offer electronic facilities which give them a competitive advantage (see the case study on electronic commerce and the straight rebuy in Section 7).

7. Procurement planning, buyer behaviour and decision-making units

The purchaser perspective

For the supplying company, the public procurement market may appear to be just another market in which it sells products, but from the point of view of the contracting authority, the company does not sell to it. Rather, the authority procures from the company according to its own plans and within the regulatory framework imposed upon it by the WTO, the EU and by national and regional governments.

Assessing buyer behaviour

In assessing the buyer behaviour of a contracting authority, a potential supplier needs to consider the following.

- Culture — familiarity with national standards, language, design sensitivities.
- Procurement organisation — devolved, centralised, functional, project by project, outsourced.
- Planning cycles and procurement cycles — annual, sporadic, long term, ongoing, disorganised.
- Prime motivational factors — price, quality, service (see Table 5 and Figure 5). In individual invitations to tender sometimes all of these will be stated; sometimes they may not.
- Standards demanded of suppliers — high or low, experience, ISO 9000, ISO 7750.

Responding to different buying situations

The nature of your product will determine the type of buying situation in which it is traded. Below is a simple division:

Table 6
Three different buying situations (after Robinson Faris and Wind)

Buying situation	Decision making unit	Key actions of potential supplier
New task	Typically complex. Comes together for the first time. High value capital items are given special consideration. <i>Examples: major works, complete IT systems/solutions, etc.</i>	Participate actively in the early stage of the buying process by supplying technical advice and information. Isolate specific needs and recommend product and service solutions.

Buying situation	Decision making unit	Key actions of potential supplier
Modified rebuy	Often slightly less complex than with new task purchases. Requires reassurance that necessary improvements are dealt with. <i>Examples: computer upgrades, products with a high service content (e.g. insurance and advertising).</i>	Act immediately to modify any existing problems with customer (through continuous communication, after-sales service). Re-examine the modified requirements of the customer.
Straight rebuy	Often handled by just one other person. Usually straightforward, based on established criteria. <i>Examples: stationery, furniture, minor works, etc.</i>	Stress the relationship between the buyer and seller. Aim to meet, and if possible exceed, expectations. Ordering, service and delivery are key.

Decision-making units

In Table 6 above the degree of complexity varies: from the simple, in the case of a ‘straight re-buy’, to very complex in the case of a ‘new task’. It is in ‘new task’ and ‘modified re-buy’ situations that decision-making units (DMU) tend to form. The key to success for the potential supplier is to understand the purchasing motivations of the DMU.

Case study — Electronic commerce and the straight re-buy

Where a standard product of relatively low price is bought in small quantities, irregularly, and by several people within an authority, a key objective is to get the buyer to think of your product whenever the need is recognised. Suppliers have traditionally used promotional gifts and catalogues to achieve this. However, new opportunities are arising through the use of the world wide web.

Suppliers of office materials, for example, need not search for one of many product catalogues, leaf through the catalogue and try to order what s/he needs by telephone. Now the supplier can, through a website, list all products and allow the customer to make an order by clicking on a key.

This facility has obvious practical advantages, but it also helps retain the position of your company in the mind of your customer. However, just as TED is not a total solution to winning contracts, the web is not a total solution to marketing your product.

Figure 5
Spheres of influence in the DMU

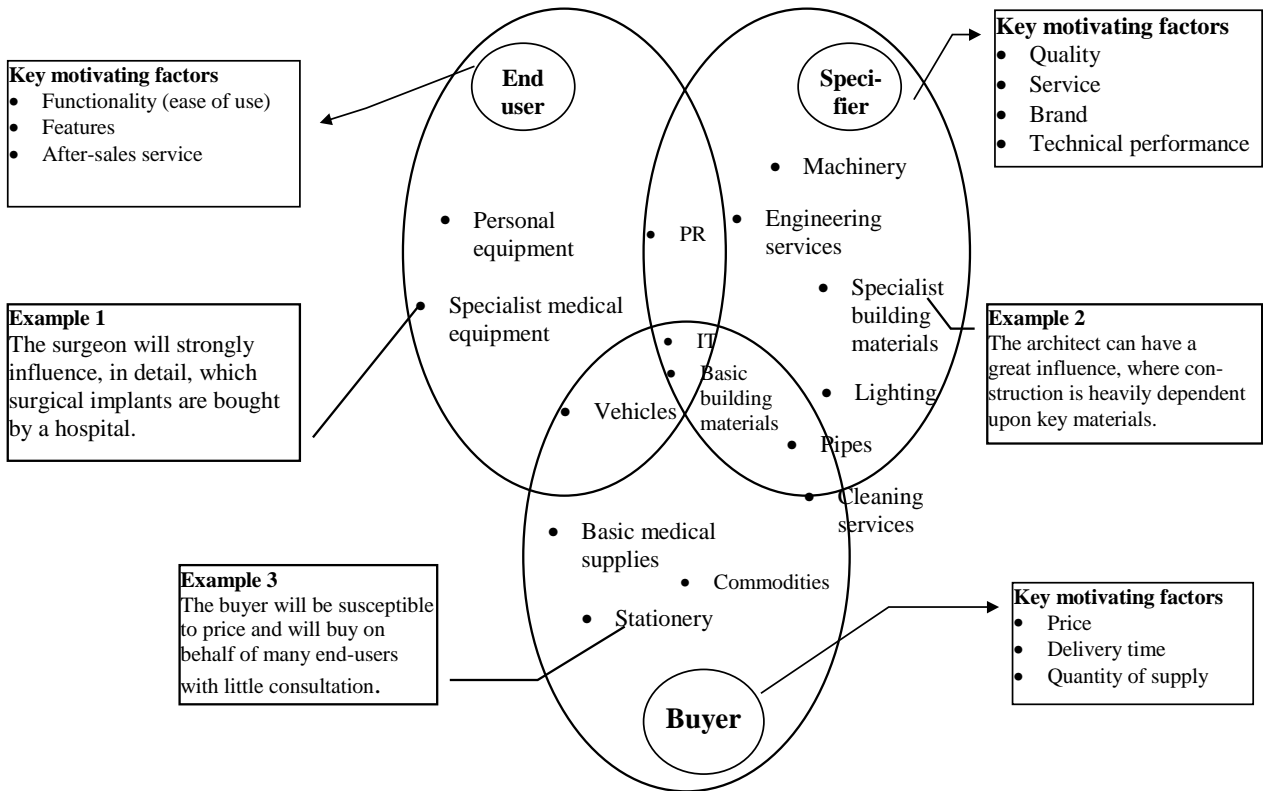


Figure 5 shows the different spheres of influence, depending on which product is being bought. Figure 5 is illustrative only, this kind of mapping can never be exact, particularly in the case of 'new tasks' or complex projects.

Task

Position your product according to which person has more influence over the purchase decision.

Perhaps each person will play a key role at different stages of the procurement process.

Figure 6
Key influence on a contracting authority

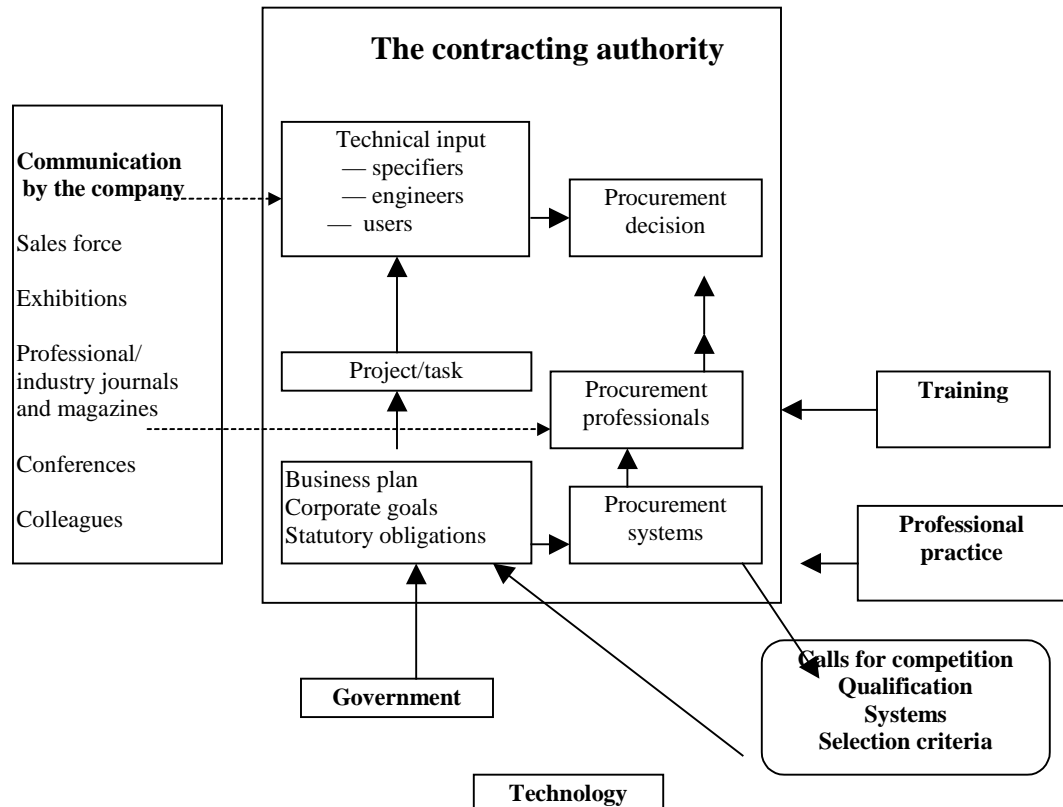


Figure 6 is designed to help you understand:

- how procurement decisions are made;
- what and who may be influenced by marketing communications;
- at what stage this influence can be made.

For each contracting authority or type of contracting authority, decide which external factors may be used most effectively to influence the procurement decision. This way, when a need for procurement arises you are well placed to have your bids favourably received.

Checklist

- How much do you know about the way in which individual contracting authorities manage their procurement, in particular what systems are set up to deal with suppliers?
- How far have you anticipated the demand for your product by each authority?

8. Subcontracting and partnerships with other companies

This guide is concerned with selling directly to the public sector. However, it must be recognised that for logistical, marketing or discriminatory reasons, this is simply not possible in certain situations, so we have included a short section on subcontracting. Partnerships on the other hand, may involve direct contact with the public sector — for this reason they are dealt with more fully.

Subcontracting

In some circumstances it might not be possible to establish direct relationships with contracting authorities. Subcontracting may then be the most attractive option for an SME.

Setting up a subcontract arrangement can have real attractions:

- long-term agreements;
- regular work;
- -less exposure to cultural problems;
- no need to respond quickly to invitations to tender.

But there are also risks:

- -lack of control;
- -no communication with the customer;
- -less profitable;
- -threat of competition from cheaper sources of supply.

The European Commission has looked at creating a favourable environment for subcontracting.

For information on current initiatives contact:

European Commission
DG Enterprise/B.2
Rue de la Loi 200
B-1049 Brussels
Tel. (32-2) 299 11 11

In the past, several useful publications have been produced, including:

- *A practical guide to the legal aspects of industrial subcontracting in the European Community*, EUR-OP, 1992. ISBN 92-825-9584-6.
- *Guidelines for partnership in industrial subcontracting*, EUR-OP, 1997. ISBN 92-828-1504-8.

Contact your relevant trade association. It will have a greater insight into the particular way in which subcontracting operates in your industry.

What is partnership?

Partnership and cooperation may seem like idealistic concepts not relevant to the commercial world. But many companies, small and large, benefit from the cooperation of local partners in exploiting non-domestic

markets. Trading in markets other than your national market introduces additional problems and local partnerships are one way of overcoming these.

For the purposes of this guide the meaning of the word partnership is not limited to the legal form of company. It is used to include all the ways in which companies work together, usually within some sort of legal or contractual framework, to build on complementary strengths, and to access new markets.

Different types of partnership

Table 7 gives different types of partnership arrangements and lists their strengths and weaknesses.

Table 7
Choosing the appropriate type of partnership

Some types of partnership	Some pros	Some cons
Agent	<ul style="list-style-type: none"> • Easy to appoint • Cheap in comparison with other partnerships • Paying only by commission is possible • Some local knowledge 	<ul style="list-style-type: none"> • Lack of control • Needs a great deal of support • Opportunistic • Little power in the market • May carry the goods of a competitor • Now protected by the commercial agents directive
Distributor	<ul style="list-style-type: none"> • Pays you for goods in anticipation of sales • Takes on logistical, marketing and financial responsibilities in your target market • Can have an interest in developing the market • Wider local knowledge • Provides a physical local presence 	<ul style="list-style-type: none"> • Can demand better deals from you • May be very protective territorially whilst at the same time passive
Franchise	<ul style="list-style-type: none"> • Provides an agreed fee for you at regular intervals according to the contract • Retain control over branding, strategy, etc. 	<ul style="list-style-type: none"> • May lose control of levels of service in target market
Market research	<ul style="list-style-type: none"> • Insight into target market at reduced costs • May lead to further commercial partnership 	<ul style="list-style-type: none"> • The partner may not be objective in the research
Licensing	<ul style="list-style-type: none"> • See case study • You and your partner concentrate on areas in which you both excel • Stable financial arrangement with staged payments 	<ul style="list-style-type: none"> • You may not be seen by the customer as the supplier of the product • You may not get the full benefits of commercial exploitation

Some types of partnership	Some pros	Some cons
Joint venture	<ul style="list-style-type: none"> • A synergistic approach can open many more doors • You overcome the disadvantage of being small 	<ul style="list-style-type: none"> • You lose control of the whole company in its current state

Two important points need to be borne in mind if you are considering a partnership:

- Partnership is a two-way relationship, it requires trust, openness and mutual support.
- You must ensure that your partnership agreement has the appropriate contractual strength to achieve your ends, and to protect your interest should things go wrong

Task

The choice of partnership is in some ways a solution to weaknesses in your organisation (size, distribution, language ability) or to external barriers (distance, fragmented market, discrimination).

Identify the weaknesses in your company and the barriers faced in dealing with your target market. Specify how a partner would overcome these weaknesses and barriers.

How to find a partner

If you have a clear idea of your partner's role, it will make the search for a partner a great deal easier.

Sometimes, partners are relatively easy to identify. It may be that your ideal partner is an existing company — a major distributor or a specialised service company. In these cases, using directories and databases could be the most effective and the cheapest approach.

Where your 'ideal' partner is not immediately apparent, you can get help from specialised networks and organisations, which help companies find partners e.g. BRE, BC-NET. Partnership events are also organised regularly. Some focus on specific regions in Europe (Europartenariat); others bring together companies involved in a specific industry or sector of business (Interprise).

Further information

For information on any of the above networks or programmes contact your local EIC or contact:

European Commission
 DG Enterprise/B.2
 Rue de la Loi 200
 B-1049 Brussels
 Tel. (32-2) 299 11 11

Guidelines to successful partnership

Your partner may be a solution to your problems in selling to the public sector in other regions of Europe, but unless the relationship is a mutual one — with lots of communication, support and trust — time and money will be wasted.

Even a simple agency agreement requires a lot more than a contractual agreement to pay the agent a percentage on sales. An attractive financial incentive can fail to achieve sales because there is no technical training, no promotional support, poor sales literature, etc.

A good and developing relationship with your partner will also pay dividends in terms of:

- your company's status in the eyes of public authorities;
- indications of future demand;
- opportunities for product development;
- competitive information;
- buyer behaviour.

The different legal forms of partnership

A partnership does not necessarily need a legal form. However, it is often necessary in order to protect the individual partners and the contracting authority. Partnerships take many different legal forms in the different countries, from cooperative through joint venture to limited company — as in the Commworld case study below.

A good source of the various forms of partnership can be found in the following publication, compiled by legal experts in all Member States of the EU.

International Corporate Procedures, ISBN 0-85308-15-6
Jordan Publishing Limited
21 St Thomas Street
Bristol BS1 6JS
United Kingdom
Tel. (44-117) 923 06 00
Fax (44-117) 925 04 86

Your choice of partnership should be based not only on marketing considerations but also on legal and financial concerns.

Case study — A network approach to winning advertising contracts

Background

Commworld is an international network of independent advertising, marketing and PR agencies. It was founded in 1989 by a small group of agencies in Europe, who recognised that Europe would present both opportunities and challenges for their present and future clients.

Market demand for advertising services

It was recognised that medium-sized companies, who wanted to trade in the EU and beyond, would need considerable help in their marketing, where they did not have their own offices in their target export countries. Public sector organisations also needed a wide variety of services from their suppliers of advertising services. Small or medium-sized advertising agencies tended to operate regionally or nationally, and did not offer a full range of services. This was a problem for public and private sector clients who needed to convey a uniform message to culturally diverse audiences.

The only alternative for many purchasing organisations would be to use one of the large multi-national advertising agencies, who are expensive and who would often put most of their energy into servicing blue-chip customers.

Targeting and organisation

A niche had been identified and the challenge was to:

- build on the competitive advantage of the partners in Commworld (cost-effective, quality solutions for the small to medium-sized organisation (public or private));
- organise themselves into a structure which could exploit opportunities more effectively, as individual members or collaboratively.

The network was originally incorporated as Commworld Europartners, a ‘société cooperative’ in Brussels, based at the offices of the Belgian member of Commworld. In recent years, due to the high tax and other costs of incorporation in Belgium, the location and structure of Commworld was reviewed by members. Included in the review was the possibility of re-incorporating as a European economic interest grouping (see below). It was decided against this option for two principal reasons:

- the fact that Commworld by then had expanded beyond EU countries to eastern Europe and the USA;
- because of the ‘joint and several’ nature of the liability.

In the end, it was decided that a straightforward limited company would best suit the purposes of the network and that the UK offered the most attractive tax and administrative regime.

The new company was eventually registered in England as ‘The Commworld Partnership Ltd.’ in June 1996.

There are presently 13 members, covering most EU countries, plus Norway. The only EU gaps are now Greece and Ireland and a partner is also sought for Switzerland to complete the coverage of western Europe. Only one member is permitted per country (with the exception of countries like the USA) and each member becomes a shareholder in the UK registered company. Typically two meetings of all partners are held each year in different member countries.

Benefits of the partnership

The role of Commworld is to provide an ‘umbrella’ name under which members may compete for international business, often against the large multinationals or other such networks. Members, however, retain their independence and continue to trade generally under their own names. The organisation also provides a forum for the exchange of ideas and even, on occasion, staff.

Usually, a member will seek international business and build on the experience of those other members who are relevant to the client’s requirements. They may be used initially for market research purposes to feed back information on the client’s market in each country, for high quality translation work for brochures, for the placement of advertising, right up to fully- integrated marketing communication campaigns which are jointly planned from the outset.

The network company, Commworld, is responsible for producing network brochures, for identifying and recruiting new members, for monitoring the continuing standards of existing members, for ensuring the regular flow of information between members, for organising meetings, for developing a network marketing strategy and for identifying new network business opportunities. Currently, it is developing a world wide web site for the network. These tasks are the responsibility of Commworld's part-time director-general, Ron Pollin, acting under the control of the board of directors who are elected annually from among the members.

One task is the monitoring and distribution of potential EU contracts. This is done by subscribing to the TED monitoring service of Norwich's Euro Info Centre.

In the case of multinational contracts, such as those from the European Commission, individual Commworld members are invited to offer their services as the 'lead' partner to plan and coordinate the work of others in the network and be the main point of contact with the Commission — in contracts with the Commission, physical location of the lead partner is generally not a key issue. The lead partner submits the proposal and harnesses the experience of the whole network to demonstrate a wide and deep experience to the authority.

For other contracts, such as those for national and local government and the utilities, the relevant member will be sent the details and be left to decide whether to pursue them in their own right or with other members.

Contact details

Ron Pollin

The Commworld Partnership Ltd

Tel. (44-1603) 78 31 15

Fax (44-1603) 78 43 69

E-mail: Commworld.UK@btinternet.com

European economic interest grouping (EEIG)

The EEIG is a relatively new form of partnership which can help cooperation and partnership between SMEs. The major advantage of the EEIG is that an enterprise can be created by several partners in different EU countries, and has legal status in all EU countries. In addition, the partners can retain their independence as separate trading companies.

The one key principal risk for all members of the EEIG is that they have unlimited joint and several liability for the debts of the EEIG. So, control and management are key factors when setting up an EEIG.

Advantages of EEIGs

For the company which wants to sell to the public sector, through a partnership/consortium arrangement, the EEIG would seem to have potential.

- The EEIG can help focus the objectives of the group and establish a shared vision.
- It can exploit complementary skills.
- It gives an air of stability to public authorities.
- Members have an existing network through which to work in order to respond quickly to public sector opportunities.
- Contracting authorities cannot require a tender grouping to assume a specific legal form at the tender stage. However, they may require that a grouping forms itself into a legal entity before entering into, or as a term of, the contract.
- In assessing the financial and the economic capacity of an EEIG to undertake a contract, the contracting authority has to take account of the cumulative capacity of its constituents.
- The greatest obstacle to EEIG participation in selling to the public sector is ignorance, which EEIGs can themselves help to dispel.

Forming an EEIG is one way of managing the opportunistic elements of public procurement. Opportunities identified by SMEs through TED often have to be turned down because there is not the necessary management structure to exploit them.

Further information on EEIGs

There are currently more than 800 EEIGs established. An EEIG database containing a list is available (DG Internal Market/C.5, fax: 32 2 299 30 81, e-mail: michele.collon@cec.eu.int)

The Commission has also been promoting the use of the EEIG through the REGIE network of EEIGs (http://europa.eu.int/comm/dg23/gen_policy/regie_network/regie_network.html). The REGIE network provides a forum for regular meetings between EEIGs and any parties interested in this form of European cooperation.

A useful publication which gives a lot of background to EEIGs is:

EEIG — The emergence of a new form of European cooperation. EUR-OP, 1993. ISBN 92-826-5186-X

There has also been a recent communication from the European Commission which aims to make all relevant organisations (especially suppliers and authorities) aware of the characteristics of the EEIG, its suitability for use in selling to the public sector and participating in programmes supported by public funds, and the position of EEIGs in gaining access to credit.

Participation of European economic interest groupings (EEIGs) in public contracts and programmes financed by public funds. COM(97) 434 final, 9.9.1997.

A key source of information on EEIGs is:

European Commission

DG Enterprise

Network of EEIGs (REGIE)

Rue de la Loi 200

B-1049 Brussels

Tel. (32-2) 299 11 11

Website: http://europa.eu.int/comm/dg23/gen_policy/regie_network/regie_network.html

9. Contract information

Using information

The search for and response to contract information will normally only take place after a great deal of strategic thinking, planning and organisation. The contract information stage may be the start of a sales opportunity but it should be near the end of your marketing approach to the public sector. When responding to calls for tender, you should already have positioned your company to exploit contract opportunities. To recap, the key stages in a marketing orientation towards the public sector are:

- establishment of a robust business plan;
- development of a marketing strategy;
- accumulation of knowledge on, and even the direct contact with, individual contracting authorities;
- adoption of necessary technical standards and the certification of products where required;
- recognition of the functioning of supply chains and distribution networks;
- acquisition of the necessary language skills and cultural knowledge;
- establishment of partnerships where necessary.

Contracts are sometimes advertised with short deadlines. They are often very large or comprise several components. It is difficult to respond effectively, without having carefully prepared the ground first. In most cases — though not all — the successful bidder will already know something about the authority.

The successful search for and use of contract information reflects a coherent approach to the public sector market — one that is targeted. Information is only as good as the use to which it is put.

Other uses of contract information

As mentioned earlier in the guide, contract information can be used by the SME for purposes other than submitting bids. A major use is market information. It can provide useful information on:

- the future spend of an authority;
- standards expected;
- contact names and addresses;
- subcontract opportunities.

Supplement to the *Official Journal of the European Communities* (OJ S) and TED

The Supplement is the official name for the publication where notices of public sector contracts are placed. Supplement S used to be a paper document published five times a week. Now the official version of Supplement S is the CD-ROM which is produced by the Office for Official Publications of the European Communities (EUR-OP) five times a week. In addition, the information which is published on this CD-ROM is also produced on a twice-weekly version. If you have access to the world wide web, you may also find this information on the EUR-OP website. If you would like a tailored alerting service which provides you with only those contract notices which are relevant to your business, then you may use one of several intermediaries, notably Euro Info Centres.

What is in Supplement S

Supplement S contains the following information:

- public contracts for works, supplies and services from all EU Member States;
- utilities contracts (water, energy, transport and telecommunications sectors);
- public contracts from EU institutions;
- European Development Fund contracts (ACP countries);
- Phare, Tacis and other contracts from central and eastern Europe;
- European Investment Bank, European Central Bank and European Bank for Reconstruction and Development financed projects;
- European Economic Area contracts (Norway, Iceland, Switzerland and Liechtenstein);
- notices concerning European Economic Interest Groupings (EEIGs);
- public contracts for food aid;
- public contracts for air services.

Publication languages

Invitations to tender are published in all the official EU languages. You should note that the tender information received from an awarding authority will usually be sent in its native language, and users must be prepared to submit their bid in the awarding authority's language.

CD-ROM

The CD-ROM edition, replacing the paper edition, is published from Tuesday to Saturday and carries as many as 500 invitations to tender a day. As a cumulative, multilingual edition, it contains information on all previously published tenders as long as they remain open.

The CD-ROM offers the following features:

- multiple search profiles which can be stored for repeated use;
- tenders published in text format;
- full text search facility;
- can be used in conjunction the web version of TED;
- can be used with Internet Explorer 4 or Netscape 4.5 browser.

The CD-ROM is available as a five times a week or twice-weekly (published Wednesday/Saturday) subscription. Individual copies can also be purchased. Please contact your local sales agent for the costs of subscribing to the CD-ROM.

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Dublin 2
Tel. (353-1) 661 31 11
Fax (353-1) 475 27 60

Italia

Licosa SpA
Via Duca di Calabria, 1/1
Casella postale 552
I-50125 Firenze
Tel. (39) 055 64 83 1
Fax (39) 055 64 12 57
E-mail: licosa@ftbcc.it
URL: <http://www.ftbcc.it/licosa>

Luxembourg

Messageries du livre SARL
5, rue Raiffeisen
L-2411 Luxembourg
Tél. (352) 40 10 20
Fax (352) 49 06 61
E-mail: mail@mdl.lu
URL: <http://www.mdl.lu>

Abonnements:
Messageries Paul Kraus
11, rue Christophe Plantin
L-2339 Luxembourg
Tél. (352) 49 98 88-8
Fax (352) 49 98 88-444
E-mail: mail@mpk.lu
URL: <http://www.mpk.lu>

Nederland

SDU Servicecentrum Uitgevers
Christoffel Plantijnstraat 2
Postbus 20014
2500 EA Den Haag
Tel. (31-70) 378 98 80
Fax (31-70) 378 97 83
E-mail: sdu@sdu.nl
URL: <http://www.sdu.nl>

Österreich

Manz'sche Verlags- und
Universitätsbuchhandlung GmbH
Kohlmarkt 16
A-1014 Wien
Tel. (43-1) 53 16 11 00
Fax (43-1) 53 16 11 67
E-mail: bestellen@manz.co.at
URL: <http://www.manz.at>

Portugal

Distribuidora de Livros Bertrand Ld.^a
Grupo Bertrand, SA
Rua das Terras dos Vales, 4-A
Apartado 60037
P-2700 Amadora
Tel. (351) 214 95 90 50
Fax (351-1) 496 02 55

Imprensa Nacional-Casa da Moeda, EP
Rua Marquês Sá da Bandeira, 16-A
P-1050 Lisboa Codex
Tel. (351) 213 53 03 99
Fax (351) 213 53 02 94
E-mail: del.incm@mail.telepac.pt
URL: <http://www.incm.pt>

Suomi/Finland

Akateeminen Kirjakauppa/Akademiska
Bokhandeln
Keskuskatu/Centralgatan 1
PL/PB 128

FIN-00101 Helsinki/Helsingfors
P./tfn (358-9) 121 44 18
F./fax (358-9) 121 44 35
Sähköposti: akatilaus@akateeminen.com
URL: <http://www.akateeminen.com>

Sverige

BTJ AB
Traktorvägen 11
S-221 82 Lund
Tfn (46-46) 18 00 00
Fax (46-46) 30 79 47
E-post: btjeu-pub@btj.se
URL: <http://www.btj.se>

United Kingdom

The Stationery Office Ltd
International Sales Agency
51 Nine Elms Lane
London SW8 5DR
Tel. (44-171) 873 90 90
Fax (44-171) 873 84 63
E-mail: ipa.enquiries@theso.co.uk
URL: <http://www.the-stationery-office.co.uk>

Ísland

Bokabud Larusar Blöndal
Skólavörðustig, 2
IS-101 Reykjavik
Tel. (354) 552 55 40
Fax (354) 552 55 60
E-mail bokabud@simnet.is

Norge

Swets Norge AS
Østenjoveien 18
Boks 6512 Etterstad
N-0606 Oslo
Tel. (47-22) 97 45 00
Fax (47-22) 97 45 45

Schweiz/Suisse/Svizzera

Euro Info Centre Schweiz
c/o OSEC
Stampfenbachstraße 85
PF 492
CH-8035 Zürich
Tel. (41-1) 365 53 15
Fax (41-1) 365 54 11
E-mail: eics@osec.ch
URL: <http://www.osec.ch/eics>

Tenders Electronic Daily

Tenders Electronic Daily, better known as TED, is the on-line version of the printed Supplement S to the *Official Journal of the European Communities*. TED is produced by the Office for Official Publications of the European Communities (EUR-OP), hosted by the European Commission Host Organisation (ECHO) and offered in many countries via official gateways. TED is also available via the world wide web and via Euro Info Centres.

The benefits of TED are that, with the publication of some 400 to 700 documents daily, it saves time. Searching and selecting appropriate documents is easier with the on-line version, because the database provides numerous scanning possibilities.

The database is updated daily from Tuesday to Saturday on the morning of publication of the new documents in the Supplement S.

Access to TED

World wide web

A daily updated on-line edition is available in the 'Tenders Electronic Daily' (TED) database (<http://ted.eur-op.eu.int>).

In addition to current tenders, the TED database also gives access to all the archives for the previous five years of the S series in English. The user may select or enter multiple search criteria including geographical data, type of document, nature of contract, keywords and more.

Access to TED is free of charge.

Tailored services

Euro Info Centres

Euro Info Centres provide local access to a range of specialised information and advisory services to help companies develop their business in Europe. EICs can provide help in areas such as standardisation, finding business partners, market information and, of course, public procurement.

All EICs can give basic services related to public procurement. All can access notices published on TED and can give you information on the relevant directives.

EICs which are specialised in the area of public procurement can provide more extensive services. If you need clarification on any issue mentioned in this guide you can contact one of the specialised EICs (see Appendix I). This may be particularly necessary when directives are amended, thresholds change or where the European Commission is launching new initiatives to facilitate access to public sector contracts.

EICs are not the only organisations to provide information on TED. Other service providers can be found on the world wide web. Note that these have different service and price offers.

Licensed products

Since the TED database became free of charge on 1 January 1999, the TED ALERT network has been formally replaced by a variety of licensed products. A list of licence holders is available on-line on TED, or on request from:

EUR-OP help desk
EUR-OP (Office for Official Publications)
2, rue Mercier
L-2985 Luxembourg
Tel. (352) 29 29-42001
Fax (352) 29 29-42700
E-mail: helpdesk.offline@opoce.cec.be)

SIMAP (*système d'information pour les marchés publics*)

SIMAP is a European Commission initiative which is applying the new information and communication technologies to public procurement. SIMAP deals with various aspects of the information chain in European public procurement: collection of data, electronic notification to EUR-OP, publication in print and on-line, dissemination, access to public procurement information other than TED, etc. The SIMAP project covers the whole procurement life cycle from the notification procedure and dissemination, to monitoring and electronic tendering.

Commercial opportunities

SIMAP is concerned with improving the commercial environment for EU companies. Areas of activity for SIMAP include:

- Making full use of the world wide web for access to contract and other information. If you have access to the Internet visit the SIMAP website (see below). There are links from there to many national and international databases of contract information and other sources of background information e.g. standardisation bodies in the EU.
- -Investigating the wider use of electronic commerce in public procurement, e.g. electronic tendering, ordering, electronic catalogues, billing.
- Developing a Europe-wide use of electronic tendering and direct exchange of information between purchasers and suppliers, with the aim of enabling 'procurement by wire'.
- Using e-mail to transmit contract information from the public sector to EUR-OP.
- In the first pilot, contracting entities will use electronic mail to send notices of tender opportunities and contracts awarded for publication in the *Official Journal of the European Communities* and in its on-line equivalent TED (Tenders Electronic Daily). Since November 1995 some 80 public authorities and utilities have been taking part in a SIMAP pilot project using standard electronic forms to transmit information by electronic mail to the Official Journal.

Information

If you want more information on SIMAP contact:

European Commission
Directorate-General Internal Market/B.4
Rue de la Loi 200
B-1049 Brussels
Tel. (32-2) 295 73 66
Fax (32-2) 295 01 27

Or, visit the SIMAP website.

<http://simap.eu.int>

This site is constantly being updated and provides very useful links to the sites of national government and national standardisation bodies, for example.

International opportunities

Supplement S and TED no longer contain information on US and Japanese contract notices. However, they are accessible via the world wide web.

US: <http://cbdnet.access.gpo.gov/index.html> (English only)

The on-line 'Commerce Business Daily' (CBD) database is free and updated every business day. You can also find details of the subscription to the paper version and of a daily electronic datafeed for commercial resale on this site.

Japan: <http://www.jetro.go.jp/cgi-bin/gov/govinte.cgi>

The Japanese Government procurement database system is free of charge, and allows you to search and receive results in English. It is run by the Japan External Trade Organisation (JETRO — <http://www.jetro.go.jp>) which has offices worldwide.

National sources of contract information

Each Member State of the EU has its own approach to regulating the advertising and award of contracts not covered by EU legislation. Some Member States have an official bulletin or database. Others are not so prescriptive about where and how contracts should be advertised.

Contract databases or bulletins require a thorough understanding of the procurement and commercial environment. They are published in the language of the country in question. Access to information may be a lot easier these days, making effective use of that information is still as hard.

National sources of contract information

Below are sources of information for different Member States of the EU. Some are public and some are private publications. The list is not exhaustive, but provides a point of departure for your information search.

(See Section 12 on Germany for a fuller example of what is available at a national level.)

Austria

Federal public tenders are published in:

Wiener Zeitung
Verlag der österreichischen Staatsdruckerei
Rennweg 12a
1030 Wien
Tel. (43-1) 79789 0
Fax (43-1) 79789 139

Local and regional authorities publish notices in the regional press and on the database of the Austrian federal economic chamber. The county of Vorarlberg publishes directly on the Internet:

<http://www.vorarlberg.at/Landesregierung/lhba/ausinh.htm>

Contracts financed by the federal budget are published in:

Lieferungsanzeiger
Compass-Verlages
Matznerg. 17
1141 Wien
Tel. (43-1) 98 11 60
Fax (43-1) 98 11 618
E-mail: webmaster@zentralblatt.co.at
Homepage: <http://www.zentralblatt.co.at>

There is a comprehensive database of the Austrian Federal Economic Chamber, which has international information and links:

<http://www.wk.or.at/aw/ausschreibungen>

Further Internet addresses with tender information:

<http://members.ping.at/camen>
http://www.bau-info.at/ind_oeff.htm
http://www.magwien.gv.at/ma53/in_auss.htm
<http://www.osiris.co.at/abserv/aindex2.htm>

Belgium

Bulletin des adjudications (BdA)
(Direction du *Moniteur belge*)
Rue de Louvain 40–42
B-1000 Bruxelles
Tel. (32-2) 552 22 11

Notices relating to construction projects are published in French and Dutch in the weekly journal of the federation of construction companies:

CNC — Confédération nationale de la construction
Rue du Lombard 34–42
B-1000 Bruxelles
Tel. (32-2) 545 58 49
Fax (32-2) 545 59 02

Tender documents can be bought, ordered or read at:

Bureau de vente et de consultation des cahiers des charges
(Open: 10.00–17.00)
Rue J. de Lalaing 10
B-1040 Bruxelles
Tel. (32-2) 286 48 50 / 51
Fax (32-2) 286 48 90

Denmark

Tenders must be published by advertisements in local news and technical journals. The most comprehensive publication in this field is:

Visholm Media A/S
Sydvestvej 49
DK-2600 Glostrup
Tel. (45) 43 63 02 22
Fax (45) 43 63 01 21
<http://www.visholm.dk>

Finland

Besides TED, public tenders will be published in the Finnish Official journal:

Oy Edita Ab
Hakunimaantie 2/PL 110
FIN 00101 Helsinki
Tel. (358-9) 566 01
Fax (358-9) 566 03 74
<http://portti.edita.fi/lehdet/julha/>

France

Bulletin officiel des annonces des marchés publics (BOAMP)
Journal officiel
26, rue Desaix
F-75727 Paris Cedex 15
Tel. (33) 140 58 78 78
Fax (33) 140 79 17 84

On-line access: Direction des Journaux officiels, Tel. (33-1) 40 58 78 70.
Through: 3617 JOELECO

Service de veille commercial export-affaires
Export-affaires
24, bd de l'Hôpital
75005 Paris
Tel. (33) 140 73 36 72
Fax (33) 143 36 47 98
Through: 3617 Ciblexport

Germany

See Section 12

Greece

Tender notices have to be published in the daily papers:

Express

39 Amaroussiou-Halandriou Rd.
GR-151 25 Maroussi/Attica
Tel. (30-1) 689 94 00
Fax (30-1) 689 94 22
Internet: <http://www.kapatel.gr/express>

Kerdos

178 Kiffisia Ave.
GR-152 31 Halandri Athen
Tel. (30-1) 674 78 81
Fax (30-1) 674 78 93
E-mail: kerdos1@netor.gr

Naftemporiki

205 Lenorman
GR-104 42 Athen
Tel. (30-1) 513 06 05
Fax (30-1) 514 60 13
E-mail: naftemporiki@hol.gr
Internet: <http://www.hol.gr/naftemporiki>

Technical procurements are published in the journal of the chamber of engineers:

TEE

4, Karagiorgis Servias
GR-102 48 Athen
Tel. (30-1) 325 45 91
Fax (30-1) 322 17 72
E-mail: teedem@tee.gr

The procurement programme for the forthcoming year will be published in April or May in the procurement catalogue.

Ireland

Public procurement

Government Publications Sales Office
Molesworth Street
Dublin 2
Ireland
Tel. (353-1) 661 31 11
Fax (353-1) 475 27 60

Newspapers:

Irish Times
11 D'Olier Street
Dublin 2
Ireland
Tel. (353-1) 679-20 22
Fax (353-1) 679 39 10
E-mail: itwired@irish-times.com

Irish Independent
Independent Newspapers
90 Middle Abbey Street
Dublin 1
Ireland
Tel. (353-1) 873 13 33
Fax (353-1) 873 17 87

The Examiner
Academy Street
Cork
Ireland
Tel. (353-21) 27 27 22
Tel. (353-21) 27 51 12
E-mail: mail@examiner.ie

Italy

There is no formal procedure on how to publish notices. In most cases invitations to tender are announced in the official notices of the regions or in the important daily press. Besides these publications there are more specialised publications. Two of the most important information papers are:

Teledil
Bulletin of the federation of Italian construction companies
ANCE
Via Guattani 20
I-00161 Roma
Tel. (39) 068 48 83 34
Fax (39) 06 44 23 29 94

Telemat
Bulletin for construction procurement
Largo Parolini 89
I-36061 Bassano del Grappa (VI)
Tel. (39) 04 24 52 11 55
Fax (39) 04 24 52 11 66

Netherlands

The official bulletin:

Staatscourant
SDU Servicecentrum Uitgeverijen
Postbus 20014
2500 EA Den Haag
The Netherlands
Tel. (31-70) 378 93 79
Fax (31-70) 382 27 59
E-mail: staatscourant@sdu.nl

Cobouw
Construction journal
Ten Hagen & Stam B.V.
Postbus 34
2501 AG Den Haag
The Netherlands
Tel. (31-30) 457 00
Fax (31-30) 458 00
E-mail: cobouw@wkths.nl

WEAG — West European Armaments Group
Contracts bulletin for military requirement
N I I D
Prinsessegracht 19
2514 AP Den Haag
The Netherlands
Tel. (31) 364 48 07
Fax (31) 365 69 33
E-mail: niid@pi.net

Portugal

Tenders are published in the following daily papers and technical press:

Diário da República
Imprensa Nacional
Rua Escola Politécnica, 135
P-1200 Lisboa
Tel. (351) 213 97 47 68
Fax (351) 213 96 94 33

Diário de Notícias
Av. da Liberdade, 266
P-1200 Lisboa
Tel. (351) 213 56 11 51
Fax (351) 213 52 48 95

Público

Rua João de Barros, 265
P-4150 Porto
Tel. (351) 226 15 10 00
Fax (351) 226 15 10 99

Expresso

Rua Duque de Palmela, 37-3.º
P-1299 Lisboa Codex
Tel. (351) 213 11 40 00
Fax (351) 213 14 49 81

Diário Económico

Av. Almirante Reis, 113-8.º
P-1150 Lisboa
Tel. (351) 213 53 85 25
Fax (351) 213 52 85 15

Boletim de Informações

Rua dos Correeiros, 40-2.º Dt.º
P-1118 Lisboa Codex
Tel. (351) 213 42 41 05
Fax (351) 213 47 75 57

Spain

Invitations to tender and contracts awarded are published in either the official bulletin at national level (see below), in the official notices of the individual local or regional authorities, or in the official bulletins of the municipalities. Notices can also be found in the regional daily press and in some business-related publications.

Boletín Oficial del Estado (BOE)

Trafalgar, 29
E-28071 Madrid
Tel. (34) 915 38 21 00
Fax (34) 915 38 22 75

Spanish tenders: Conpub (Concursos Publicos), containing both national and regional invitations to tender, updated daily and taken from the official publication (*Boletín Oficial del Estado*). On-line access: IMPI, Tel. (34) 915 82 93 38.

Sweden

Anbuds Journalen i Sverige AB

Box 406
S-791 28 Falun
Tel. (46-23) 652 00
Fax (46-23)66 52 05
Homepage: <http://www.ajour.se>
(Newspaper; twice monthly)

Anbud och Ink
Box 3313
S-103 66 Stockholm
Tel. (46-8) 412 27 02
Fax (46-8) 411 41 21
(Newspaper; once weekly)

OAS, Offentlig Anbudsservice AB
Box 70262
S-107 22 Stockholm
Tel. (46-8) 406 06 20
Fax (46-8) 406 06 22

(Private service company offering tender identification services in Sweden and the rest of Europe)

United Kingdom

In the UK there is no 'official bulletin'. Contracting authorities decide for themselves where it is best to advertise contracts, commonly in specialist journals for larger contracts and local newspapers for smaller ones.

A private company, Business Information Publications Limited, publishes contract notices from central government departments, the Ministry of Defence and other contracting authorities. You can subscribe by contacting them at the following address:

Business Information Publications Limited
Freepost
Glasgow G3 6BR
United Kingdom
Tel. (44-141) 332 82 47
Fax (44-141) 331 26 52
Internet: <http://www.bipcontracts.com>

Other databases containing contract information

- Swedish tenders: ADB-LINK (Upphandlingsdatabas), containing Swedish tenders and related information.
On-line access: Dialog Informationssystem AB, tel. (46-8) 74 98 000.
- USA tenders: CBD (Commerce Business Daily), on-line version of the printed official journal with the same name.
On-line access: Knight Ridder Information/Dialog, tel. (44-171) 930 55 03.
- Indian tenders: AKR Tenderbase.
On-line access: AKR Information, fax (91-11) 331 26 01.
- International tenders (mostly developing countries): SCAN-A-BID, on-line version of the Development Business magazine published in the UN Development Forum.
On-line access: Knight Ridder Information/Data-Star, tel. (44-171) 930 55 03.

- International tenders (mostly developing countries): BfAI-Auslandsausschreibungen, produced by the German Chamber of Foreign Trade.
On-line access: Genios, tel. (49-211) 887 15 24; GBI, tel. (49-89) 957 60 64; FIZ Technik, tel. (49-69) 430 82 25.

Checklist

- To what use(s) will you put the information?

- to bid for contracts;
- to identify subcontracting routes;
- as a source of market information.

For example, if it is the latter, you may want to opt for the source that costs the least in terms of use of resources and actual cost, whereas if there is a high probability of gaining new business directly from this information, there is better justification for spending more time and money on sourcing the opportunities.

- Which 'alerting' method is the most appropriate for you?

- Staff time is important — can you afford the time needed to scan journals, databases, etc.?
- Staff need to be trained on the use of database systems, if you are using these. Can this be done in-house?

Do you have the necessary IT resources already in place?

Finance — database and on-line charges can be costly, as can subscriptions to journals.

If you do not have the resources to carry out the search for information effectively, then consider employing a third party to administer the searches.

- Contact your local Euro Info Centre.

Do they offer an alerting service for public sector contracts?

What sources do they use — are these sufficient for your needs?

What level of service do they offer (can they help with advice on bidding, etc.)?

10. The bidding phase

Previous sections have looked at the planning and organisation phases of your approach to the public procurement markets. Much emphasis has been placed upon the need to prepare for the opportunity to bid for public contracts. If this has been done then the likelihood of success in the bidding phase will be increased. A clear understanding of your product, market, communication channels and distribution would appear to make the decision to bid a straightforward issue. However, this decision is of crucial importance to your company. Not only can bids be expensive in time and money if they fail, they can also be expensive when accepted if it is not right for your company. Companies fail not only from lack of business but also from a lack of the right kind of business.

A planned approach to the bidding phase is important. In building experience in submitting bids, you should develop a planned approach, which allocates sufficient physical and human resources to identifying real opportunities and reacting efficiently to them.

Successful bids obviously contribute to the company's ability to sustain a market presence, but failed bids can also contribute to the company's long-term viability. Constructive feedback from the contracting authority can help correct technical mistakes, and re-define your marketing strategy.

Where you feel that your chances of a successful bid were non-existent from the beginning because of discrimination, you may wish to consider action to have the bidding process recommenced on a fair basis. Alternatively you may wish to take legal action to claim damages. Most SMEs, however, do not take this course of action.

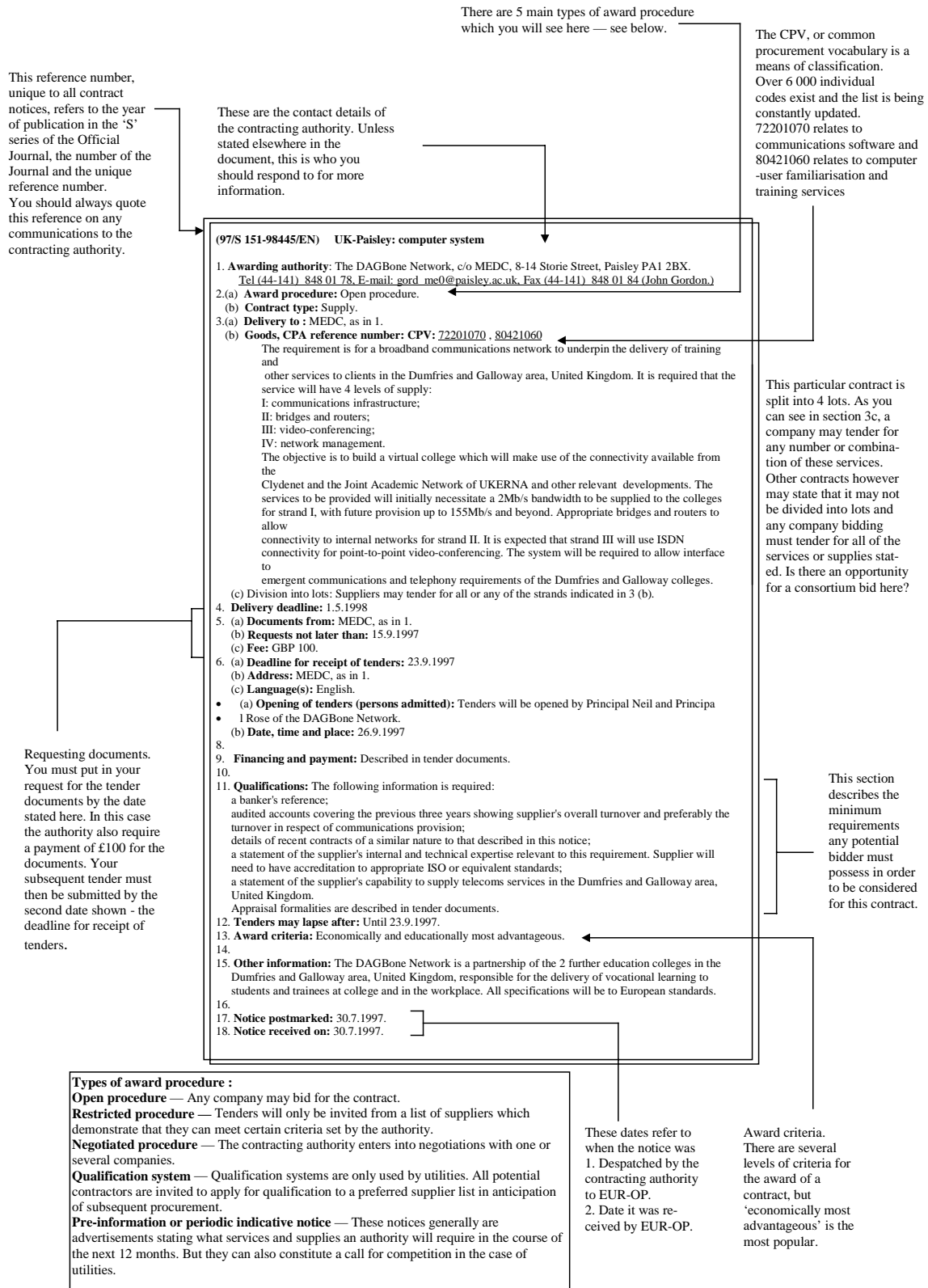
What does a contract notice look like?

We shall now look at the information contained in notices published on TED. The notice might contain:

- important information relating to the performance of the contract;
- contacts;
- deadlines;
- clues about what the authority is really looking for.

Figure 7 shows a typical example of a contract notice together with a commentary that picks out key features of the notice.

Figure 7
A typical contract notice



Commentary by the contracting authority on Figure 7

The following commentary gives valuable insight into what contractors are looking for when notifying contracts.

IT procurement is characterised by several high-risk factors (for example, obsolescence, extreme price variance and turning ideas into practical solutions). There is continual new product development from a myriad of companies, so it is impossible to be completely confident that we have identified the best solution at the best price. We are constantly researching the market for new products, which we need to be aware of when a need arises to procure.

Our attitude to advertising on TED

We believe that TED provides us with a well-structured means to invite proposals from appropriately qualified companies. The notice gives exposure of our needs to as many relevant companies as possible. This is critical, particularly in IT. We can be fairly clear on what the basic requirements are in terms of end-users and integration with existing systems, but a company may hold the optimum solution, using techniques which we may not have considered. This is reflected in our decision to choose the open procedure and invite tenders from anybody who considers themselves to be suitably qualified, and able to offer a product which will meet, or more likely, exceed our stated needs.

Lots

In dividing the contract into four lots we recognise that SMEs may be specialists in only one area. We aim to achieve excellence in each area of the project. We are not looking for one supplier who will provide a mediocre total solution.

Fees

We set a fee for the specifications/bid documents because there is a great deal of time spent by us not merely in administrative procedures but also in providing extra technical clarification. We would be very surprised if any bidder did not ask for further information, so we organise open days, when interested companies can ask technical questions and get a feel for our real needs. The transcript of any open day is sent to all companies interested in bidding.

Electronic commerce

We use the web on an ongoing basis to source information relating to new products which might provide solutions for us in the future. A few of our suppliers use their website as a forum for discussion on important development areas. We visit these websites to keep abreast of these developments.

At present we would not consider using e-mail or the web to send documents, nor would we like to receive bids in this way. If encryption is proven to be completely secure and practicable we would reconsider this.

Qualifications

From our point of view the criteria we set are designed to give us the necessary guarantees to ensure, so far as is possible, a high quality supply, highly qualified personnel, excellent project management and high levels of service throughout the life of the project.

Supplier location

We are happy to deal with any company from any country as long as they can meet the necessary criteria, particularly in terms of technical support should emergencies occur (which are common in IT). For example, we would like companies to be on our premises starting to resolve any problems within four hours of our call for assistance. This does not mean that we prefer to deal with local

companies. A company from another European country could supply us so long as they show that they can put in place the logistical arrangements to provide appropriate technical support. This could be achieved, for example, by a partnership arrangement or simply by showing that airline schedules are adequate.

We are looking for reliable companies with the necessary experience. Companies which can demonstrate that they have excellent products and service, and the necessary processes and management structures in place.

Standards

We always refer to European standards in the first instance. We rely on various sources of information, including EITA (European Information Technology Association), ABC (Authorities Buying Consortium) in the area of standards and their use/application. We also receive information from our local EIC on recent developments.

Award criteria

Awards are never based on price alone. The project specifications contain clear information on how the bids will be assessed.'

Should I bid?

Assessing the opportunity

A notice in the Official Journal or in a trade journal may seem a real opportunity for your company and you may think that you have a good chance of submitting a successful bid. But, will the contract take your company any further towards your business goals? Does the opportunity help sustain your market presence or will it take the company down a marketing cul-de-sac? Always ask yourself 'Does this opportunity fit in with my marketing strategy and overall business plan?'

It is difficult to turn down opportunities when there seems to be a quick way of making a profit. One of your major strengths as an SME is the flexibility to take advantage of these opportunities without a major corporate upheaval. They might lead to sustained sales or to the development of new products. But worse than an unsuccessful bid, the losses from which are fairly contained, is a successful bid which stretches the company to fulfil an uneconomic contract, leading possibly to bankruptcy.

Knowing the contracting authority

How well do you understand the needs and attitudes of the decision-makers and those with influence in the contracting authority? Where does this contract sit in relation to their overall procurement plan? Ignorance of the contracting authority may not necessarily mean that you have no chance of a successful bid (particularly if your product is basic and the buyer is price sensitive), but even at the bid stage it is advisable to get as much information as possible. This will help you to decide whether to continue with the bid.

Your next steps if you decide to continue

If you are interested in a contract then attempt to make direct contact with the technical people involved in the bid evaluation. Further information will help you decide whether to submit a bid at all, or it may give you an indication of what the evaluation panel is placing most importance upon — price, delivery or service, for example. There may be an ‘open day’, seminar or site visit arranged to give potential suppliers a better idea of the substance of the contract.

Warning

Legislation does not allow contracting authorities to give extra information or advice to potential suppliers, other than for reasons of clarification. More importantly, you are dealing with procurement professionals who may take a dim view of companies who overstep the mark in requesting extra information, so make a careful and calculated approach.

By the same token, if you discover that a competitor has been given exclusive information which helps it to submit a more attractive bid, you could take legal action.

Is there a real prospect of a contract?

Occasionally, contracting authorities may issue an invitation to tender in order to test the market, to gain ideas or simply to scare their regular supplier into giving them a better price, with no intention of awarding a contract. Other contracting authorities may become unsure during the process about what they actually want. Certain projects are dependent on financial support from a third party in the form of a grant or subsidy. Again, a good relationship with the people who know can avoid wasted effort and unwarranted hopes.

Do the notice and bid documents appear to have been written with one company in mind?

The great majority of contracting authorities regard procurement as a value-adding part of their business. They invite companies to tender with no hidden agendas. However, some contracting authorities may regard the exposure of contracts to competition as a waste of time, and are determined to work with the company with whom they are familiar. You may be able to spot signs of this in the notice itself:

- there is very little information in the notice;
- an accelerated procedure is used;
- the qualification criteria seem unusually burdensome for this contract;
- the standards quoted will not allow alternatives to be used.

A close look at the bid documents themselves may reinforce these suspicions. If so, you have several options:

- ignore the contract and concentrate on more likely prospects;
- contact the contracting authority and speak with the person responsible for the bid process with the intention of airing your grievance and/or attempting to achieve a change in the specifications and conditions;
- make an official complaint to the contracting authority and/or to the central government department which has responsibility for that type of authority;

- make an official complaint to the European Commission (perhaps via the national department responsible for implementing public procurement legislation);
- take action in your national courts (where this is possible) to suspend the contract.

Submitting the bid

If, after extracting as much information as permissible from the contracting authority and after considering all the implications, you believe that you have a good chance of success and decide to submit a bid, what do you do to make your bid as effective as possible? The following pages give advice on issues which you should bear in mind when designing your bid.

What does the contracting authority really want to know?

The information which you have gathered on the contracting authority and the specific information on the contract in question will be your primary guide in compiling your bid. If your bid does not directly address the contract issues then it will be easily weeded out at the first screening by the authority.

Only rarely does a contracting authority wish to know simply the price and a description of the product. The authority will also need to be reassured on questions of delivery, service, the professionalism of your company, and the qualifications and experience of your people.

Supplementary information

It may seem that what the contracting authority wants is simply supply or service, but what they really want is a solution, experience, partnership and good communication. Your on-going communication with the contracting authority should have done most of this work but it is still important to reinforce it at the bidding stage. Think of the information required by a contracting authority as falling into two categories:

Prescribed information demand	Implied information demand
Standards Specifications Deadlines Quantities Materials	Management High service level Added value Solutions

It is important to supply both types of information.

Price

From a marketing point of view your price is as much a part of your product as the materials of which it is composed or the people who provide it. A drastic U-turn in the pricing of your product may do damage which would take years to repair. This bid is one step in your aim of a sustainable market presence. If the market which you are targeting or the segment of contracting authorities which you have identified expects discounted prices then this should be borne in mind when developing your marketing strategy. Cost leadership is sometimes used successfully by larger companies, but SMEs often cannot work on long payback periods.

The reaction of contracting authorities to abnormally low bids is often the same as that to very high bids: they are discounted. Thoughts like ‘Where is the hidden price increase clause?’ or ‘This will mean very poor after-sales service’ go through their head.

Sell to your strengths

Even at the bid stage, concentrate on the strengths of your product not those of your competitor. There is no point in battling it out on price if your product is technologically well ahead of its competitors and appeals to the specifier or end-user, rather than the buyer.

Communicate your ability to communicate

When your product demands close liaison with employees of the contracting authority, you need to convey that you are good people to do business with, at the bid stage. The buyers and technical people in the contracting authority will have had experience working with people who are difficult, and will seek to avoid a repetition.

Structure and presentation

Your presentation must address both the specified issues and the implied issues in a bid. It may appear to be a straightforward bid, requiring only a straightforward response, but all bids contain implied or expected elements as well as the stated specifications, quantities and prices.

One contracting authority was so concerned about the poor quality of bids which it was receiving that it dedicated research time to discover the nature of the problem. An alarming outcome was that 75 % of bids from SMEs were rejected simply because they did not include what was asked for. Reasons for rejection ranged from lack of information on qualification criteria to bids being incoherent or illegible. Here are a few points for consideration when preparing your bid.

Follow the format requested by the authority.

- Involve all managers in the writing of the bid. A bid submitted by the sales manager alone could contain disastrous errors or promises.
- Define in appropriate detail the technical aspects of your bid. A combination of buyers and technical staff may be involved in appraisal, so simplified summaries may be necessary.
- Address the servicing aspect of the contract. Assessors are often more interested in the everyday use of the product, not how it looks in isolation or in a technical diagram.
- Your people are part of the product, particularly in service products. Experience counts for a lot and gives the buyer confidence that they are choosing the right company.
- Include indicators of good practice, such as equal opportunities, health and safety, training programmes for staff.
- Place emphasis on how you will deliver. A detailed schedule will not only convince the buyer that you can manage the contract, but it will highlight key logistical areas which you will need to resolve to deliver the contract.
- Provide a detailed breakdown of costs. Some bidders give only global estimates to conceal where and how they are making their profit. But this may well undermine purchaser confidence, not because the supplier is making too much profit but because it appears the supplier has not thought through all possible contingencies. Do your figures add up?

Getting paid

The advantage of having a business relationship with the public sector is that they don't go into receivership if they perform badly, and you probably will get paid. However, the question is when? Late payment means cash flow problems, and cash flow problems for a small company are life threatening. One out of four insolvencies is due to late payment (*source*: Fédération nationale de l'information d'entreprises et de la gestion de créances, Lyon, September 1997).

Late payment is an issue which some Member States have addressed. There are guidelines for payment periods with compensation arrangements for defaulting payers. You should find out exactly what the provisions are in the Member States in which you do business.

After the contract award stage you may have an opportunity to influence issues such as payment periods, performance bonds and stage payments. But, you will often have to comply with the standard terms of the authority.

The risk of late payment and the impact on cash flow can be partly offset by the use of private credit arrangements (e.g. factoring). But this will obviously have direct effect upon your profit margin.

European action on late payment

The European institutions are directly facing up to the problem of late payment. It is recognised that it is not only a problem for companies who are owed money, but also that it inhibits the proper functioning of the single market, by discouraging companies from developing their business outside their domestic market.

The Commission has published a proposal for a directive on combating late payment in commercial transactions COM(1998) 126 final of 25 March 1998. Some of the key suggestions are:

statutory interest payments to creditors;

- retention of title to the goods;
- simple court procedures to recover undisputed debts;
- simple low-cost measures for recovering smaller debts (less than EUR 20 000).

The proposal proposes extra changes for the public sector:

- a requirement for public authorities to indicate precise details of payment periods on all contracts;
- payment of contractual debts not to exceed 60 days;
- automatic entitlement for creditors to interest payments on overdue debts;
- authorities may not request that the creditors' rights be waived.

For the latest position contact your local EIC.

Feedback

When you make an unsuccessful bid, it is natural to want to know why. You may request of the authority reasons for rejection of your bid and you may also ask to be informed about the relative advantages of the tender selected. However, the authority may withhold information where the release of such information might be contrary to the public interest or where it might prejudice competition between suppliers.

Some people in the procurement unit of contracting authorities may be particularly uncomfortable about giving feedback to unsuccessful bidders. They sometimes fear that anything they say then can be used against them. This will less likely be the case if your sales people have developed good on-going relationships. Depending on how good your relationship is, you may be able to get valuable advice on how to: submit better bids in the future; improve customer service; develop your product; or adjust your marketing strategy.

The directives covering the normal public sector include provisions for suppliers to receive feedback on reasons why they were not successful in their application to be invited to bid or why a specific tender itself was unsuccessful. You may wish to refer to the relevant articles in the directives: Supplies, Article 7; Works, Article 8; Services, Article 12. (Refer to Table 8 for the OJ references.) There is a proposal to amend the Utilities Directive (93/38/EEC) in order to, amongst other things, give suppliers the same rights as those enjoyed through the normal public sector directives. By the time this guide is published this proposal may have become law.

11. The legal background

This section provides information on the main areas of the legislation which affect you directly. It does not give a precise legal commentary on all aspects of the legislation in all possible circumstances in all Member States. It takes the perspective of the SME manager who does not have the time nor inclination to become a legal expert. This is not the perspective of the European Commission, national governments or contracting authorities — these bodies would undoubtedly find the information incomplete or lacking the precision of a legal document. For further detail or clarification it may be necessary to refer to the directives or national legislation which implements the directives or seek guidance from your local Euro Info Centre or from a lawyer.

The procurement framework

Procurement in the EU and in the EEA has been regulated for some time by European directives on public procurement. The political aim is to create a single market for public procurement, so that European companies may, in principle, have access to contracts without any kind of discrimination. It is important to put the legal framework in perspective: the legal framework cannot win contracts for you. The obligation for an authority to advertise does not necessarily mean that it is seeking new suppliers, it is simply obliged to comply with the legislation. This said, many authorities do indeed use procurement as a way of adding value to their organisation. Also, national governments often see procurement as a key step in achieving value for money.

The planned objectives of an individual authority will have a great bearing on the outcome of any tender process. Cultural and political pressures are also strong, and can heavily influence the procurement process and individual contract awards.

The legislation provides a framework in which the authorities must operate. If you understand the framework it will help you understand the difference between what the authority is legally obliged to do and what it actually wants to do. This can only help in winning contracts, or at least recognising when making a bid is worthwhile.

A summary of the legal framework

The aims of the legislation

The legislation aims to ensure:

- establishment of common procedures;
- competition;
- compliance by regulated (mainly public/governmental) bodies;
- fair, transparent and predictable procedures;
- equal access to opportunities for all EU suppliers.

What is covered?

The European public procurement legislation covers procurement by authorities and other entities (e.g. utilities) of most contracts for supplies (i.e. goods) works and services. Contracts above a certain threshold normally need to be advertised. Table 8 shows the main directives and the thresholds which apply. Contracts below the thresholds will probably not appear in the Official Journal.

European directives should be transposed by each Member State into their own legislative framework. Where practicable, it is preferable to work from the national legislation rather than the directives, the former will probably be a little more detailed (for example, legitimate reasons for rejection of suppliers, or

procedures for taking action in the courts). There may also be separate legal requirements enacted by national authorities of which you should be aware.

The table below summarises the main legislation and thresholds. We could go into much greater depth here, but the purpose of the guide is to provide the information which will be of most practical use and to avoid discussion of the legal minutiae — to explain the general rules, not the exceptions. In particular, there are exceptions to the thresholds applicable. For example, certain services are covered by an EUR 200 000 threshold not the 200 000 SDR threshold. Should you need a definitive statement refer to the relevant directives.

Table 8
The main legislation and thresholds

	Legislation Directive	Official Journal reference
Public sector		
Works	93/37/EEC	L 199, 9.8.1993
Supplies	93/36/EEC	L 199, 9.8.1993
Services	92/50/EEC	L 209, 24.7.1992
Remedies	89/665/EEC	L 395, 30.12.1989
GPA directive	97/52/EC	L 328, 28.11.1997
Utilities		
Works	93/38/EEC	L 199, 9.8.1993
Supplies	93/38/EEC	L 199, 9.8.1993
93/38/EEC	L 199, 9.8.1993	
93/38/EEC	L 199, 9.8.1993	
Services (telecoms)	93/38/EEC	L 199, 9.8.1993
Remedies	92/13/EEC	L 76, 23.3.1992
GPA directive	98/4/EC	L 101, 1.4.1998
Thresholds⁽¹⁾		
Central government		
	SDR	ECU
Works	5 000 000	
Supplies	130 000	
Services	130 000	
Other public sector		
Works	5 000 000	
Supplies	200 000	
Services	200 000	
Utilities⁽²⁾		
Works	5 000 000	5 000 000
Supplies and services	400 000	400 000
Supplies and services (telecoms)		600 000

⁽¹⁾ Thresholds are calculated according to special drawing rights (SDRs). Relative values in ecu and in national currency are adjusted on 1 January in even years (i.e. 1998, 2000, etc.). The values in national currencies are published in the Official Journal (for example, the values effective from 1.1.1998 to 31.12.1999 were published in OJ C 22 of 23.1.1998). In the public sector most thresholds are based on SDR calculations. However, there are a few exceptions (refer to the GPA Directive (97/52/EC) for more details).

⁽²⁾ SDR thresholds are applicable to public undertakings in sectors covered by the GPA and, following the coming into force of the GPA Directive (utilities), to private contracting entities in sectors covered by the GPA. ECU thresholds will remain applicable to all contracting entities in sectors not covered by the GPA (e.g. telecoms, offshore oil exploration, coal and natural gas, railway transport).

Notices published on TED sometimes refer to articles within the directives (or within corresponding national legislation). This is particularly the case with regard to the qualification criteria which an authority can demand of potential suppliers (see the 'Task' near the end of Section 4).

Short of becoming a legal expert yourself you can contact your local Euro Info Centre for an explanation of the basic features of the legislation. You may wish for a deeper understanding should you experience discrimination. If so, it would be important to study the legislation in more depth with the support of a lawyer. The directives have been transposed into national law, and it is advisable to familiarise yourself with the relevant national legislation as well as the directives.

Adjusting thresholds

The thresholds cited in Table 8 will only change if there is a change in the legislation. However, adjustments are made every two years to take account of changing values (SDR against EUR, and EUR against national currency).

The impact of the introduction of the euro on thresholds

The introduction of the euro would mean that, for those Member States which join, the need for revising the thresholds expressed in the national currency will obviously disappear.

Thresholds will still be revised every two years in the case of those Member States which remain outside the single currency.

Third countries

The benefits of the EC directives have been extended to other countries under the European Economic Area Agreement and various Europe Agreements. The EU is also a signatory to the WTO (formerly GATT) government procurement agreement (GPA). The relevant States are:

EU: Austria, Belgium, Denmark, Germany, Finland, France, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, United Kingdom;

EEA: Iceland, Liechtenstein, Norway;

Europe Agreements: Bulgaria, Czech Republic, Hungary, Poland, Romania, Slovakia.

GPA (government procurement agreement)

From 1 January 1996 the GPA was extended beyond the central government bodies listed in Annex 1 to the supplies directive to cover local authorities, other public bodies and public sector utilities in the ports, airports, water, urban transport and electricity. Broadly speaking, compliance with the EC rules will ensure compliance with the GPA, where it applies. GPA suppliers etc. have the same rights as EC suppliers. The current signatories of the GPA are: Aruba, Canada, EU, Hong Kong, Israel, Japan, Republic of Korea, Liechtenstein, Singapore, Switzerland, USA.

The qualifying and bidding procedures

Authorities are obliged to use specified procedures laid down in the legislation when they place contracts. Below are the main procedures used.

Table 9
The main procedures

Procedure	Characteristics	Deadline for requests to participate	Deadline for receipt of tenders
Open	Any company can submit a tender		Not less than 52 days (¹)
Restricted	Each company must prove suitability to the contracting authority before being invited to submit a tender	Not less than 37 days	Not less than 40 days (¹)
Negotiated (²)	The contracting authority negotiates the terms of a contract directly with one or several companies	Not less than 37 days	

(¹) These deadlines may be reduced if an indicative notice has been published.

(²) As with the open and restricted procedures, contracts should be advertised on TED and a minimum of three companies selected to ensure competition. However, in very exceptional circumstances a single company may be selected without a call for competition.

Table 9 shows the three main procedures which an authority uses to invite candidates to qualify and bid for contracts. For the public sector the authority has a free choice between the open and restricted procedures, but can use the negotiated procedure in the exceptional circumstances described in the directives. The utilities have a free choice of all three procedures.

The deadlines in Table 9 are the standard ones. However, public authorities may, in cases of urgency, use shorter specified deadlines. Utilities again have greater flexibility in terms of deadlines and choice of procedure.

It is likely that you will be asked to provide evidence that your company has the experience, technical capacity, etc. to qualify for submitting a bid. These criteria must be objective and, in particular, should not discriminate against companies because of their size or country of origin.

Key factors in the selection of companies include economic standing, technical capacity, experience and quality guarantees. This subject has already been dealt with in Section 4.

Qualification systems

In Section 2.2 we drew out the basic differences between utilities and the normal public sector. One option utilities have (for contracts covered by the EC rules), which the public sector does not, is the 'qualification system'. This means that they may invite companies to register to supply the authority should a later requirement arise. Registration can be a very time-consuming business, and you may well have to pay to register. The benefit of registration is that you will not have to pass the selection criteria for each specific contract. It can also help establish credibility in a non-national market.

Qualification systems are used by contracting authorities to manage and administer procurement programmes in a more controlled and long-term manner. They are not necessarily easy ways for companies to win contracts. Registration is not sufficient, on its own, to ensure that you will be awarded contracts — you still have to present a strong case to the purchaser.

Case study - who benefits from registration

At a conference on public procurement a paper was presented by a major purchaser on how SMEs could supply it. Much emphasis was placed on its qualification system, advertised on TED, on which companies could (for a fee) be placed. One delegate stood up and said that he had sent the relevant information and the fee to the authority, but had not only received no invitations to tender, but in addition had received no confirmation that the company had been placed on the qualification system. The domino effect immediately was activated, with delegate after delegate relating the same experience.

Qualification systems or registration systems are not the answer to every marketing or sales professional's dreams. This said, they are increasingly used by utilities who wish to manage the supply chain in a more controlled way, and add value to their whole operation. An example of a well-developed registration system is the utilities vendor database, administered on behalf of UK water, electricity and gas utilities by Achilles. This system gives scope for greater communication between buyers and suppliers on standards expected and on the individual capability of suppliers.

Whilst registration systems may be the commercial reality of the future, utilities must still ensure that these systems are consistent with the regulatory framework. So, where you encounter barriers, which inhibit free competition and transparency, you may still have a strong case to present to the regulatory authorities.

Prior information

Before the actual tender procedure, public authorities may issue a pre- or prior-information notice. This relates to a specific project, in the case of works, or to a variety of supplies or services to be procured throughout the following financial year. The public authorities use the notice to inform companies about intended procurement. It is not an invitation to companies to tender or even ask for further information. Utilities can, in contrast, use the notice to call for competition. It is important that you recognise the difference, procurement officers find it very irritating when companies respond to a notice when there is no call for competition.

Prior-information notices are also useful to assess likely demand for products throughout the year. Also, remember that the eventual contracts may fall below the thresholds and therefore may not be published on TED.

Award criteria

The contracting authority should state in the notice published on TED or in the tender documents, the criteria on which the purchasing decision will be based. Contracts should be awarded on the basis of objective criteria which are made clear to all potential suppliers. An authority will not normally use price alone as the sole criterion, but may use other criteria such as quality, service or design in selecting the bid which is the 'most economically advantageous offer'.

Changing the award criteria or even a change in relative importance of the criteria may mean that an authority is favouring a particular company. If you have evidence of this you can apply to have the award procedure stopped, providing the contract has not been entered into.

Case study — the Walloon buses

A good example of the procurement procedures being abused at the contract award stage is the Walloon buses case (*C-87/94 Commission v Belgium*, ECJ 5CH, 25.4.1996.) Here the awarding authority initially selected two Flemish suppliers to be awarded the contract. Before the official recommendation was made, but after the deadline, a Walloon bus company sent extra memoranda. These contained information making their initial offer more attractive but still did not fully meet the award criteria. Under the advice of the government, the information from the Walloon company was taken into consideration and it gained the contract.

The Flemish companies failed to get the award suspended, and complained to the Commission. The case went to the European Court of Justice and the Belgian Government was found to have contravened the principles underlying the utilities directive. The judgment went in the Commission's favour. The main findings were that one bidder was unlawfully allowed to submit extra information after the official deadlines, and the award criteria were unlawfully altered.

The key principles to note are:

- companies should enjoy equal treatment;
- award criteria cannot be changed.

Your rights to complain and seek redress

If you feel that a contracting authority is acting in a discriminatory way which might lead to your being disadvantaged, you may wish to seek legal advice and pursue the matter through your national judicial system. National courts have the powers to penalise authorities and to award damages. The European Commission may also be interested in your grievance as a matter of principle.

Checklist

- What is the nature of your grievance?
- Have you raised it with the authority?
- Do you have a good grasp of the legislation?
- Have you sought basic guidance from a Euro Info Centre or another independent body?
- What is your ultimate objective in seeking legal redress?
- How far are you prepared to pursue your complaint, given that you will have to surrender your anonymity at some stage?
- Have you sought legal advice?
- What is the cost of losing versus reward from winning?

(The subject of tender feedback was covered in Section 10.5.)

Sources of information and help

The purpose of this guide is not to give a comprehensive and detailed examination of the legislation. Other publications (some listed below) already do this. If you need more general information about the legal framework free local sources are probably the best place to start — your nearest EIC for example.

Directorate-General Internal Market of the European Commission

DG Internal Market is the department of the European Commission which has responsibility for the application of public procurement legislation and the development of policy. DG Internal Market will involve itself in fundamental issues relating to the application or non-application of the legislation. It will not be able to give general advice or help to suppliers, unless, perhaps, there is a fundamental principle at stake. The main units responsible for public procurement within DG Internal Market are:

Unit B.1 infringements of the directives

Deals with infringements related to the following countries:
Belgium, France, Luxembourg, Portugal, Spain

Tel. (32-2) 295 31 18
Fax (32-2) 296 09 62

Unit B.2 infringements of the directives

Deals with infringements related to the following countries:
Denmark, Greece, Ireland, Italy, United Kingdom

Tel. (32-2) 295 31 18
Fax (32-2) 296 09 62

Unit B.3 infringements of the directives

Deals with infringements related to the following countries:
Austria, Finland, Germany, the Netherlands, Sweden

Tel. (32-2) 295 57 24
Fax (32-2) 295 01 27

Unit B.4 policy developments

Deals with international relations, economic aspects, electronic procedures and SIMAP.

Euro Info Centres (EICs)

EICs can provide you with the relevant directives on public procurement, amending legislation and judgments from the Court of Justice.

They are a first stop for suppliers who want information relating to public procurement (see Appendix I for a list of services offered and a list of those EICs specialising in public procurement).

Associations for public and regulated procurement

Over the last few years, in response to the growing impact and interest in public procurement, several associations for public and regulated procurement have been set up. These encourage the exchange of information and experiences. See Appendix II for the full list of associations currently established.

National governments

National governments are often very interested in instances where domestic companies have problems operating in the European Union. In some countries, special units to investigate these instances have been established. Contact the department of trade in your country to find out what sources of help are available.

Trade associations

Trade associations can be very helpful. They can sometimes give a deeper and more applied insight into the legal conventions pertaining to public procurement and the wider issues (forms of contract, standards, etc.) within your particular sector. Try to find out if there is specialist knowledge within your trade association or sectoral organisation.

Trade associations are very interested in cases where companies are experiencing similar difficulties. They may also be able to complain on your behalf if you experience discrimination.

Lawyers

You will need to engage lawyers at the contract stage or if you lodge a grievance. There is no substitute for specialist and personal legal representation and advice.

The associations for public and regulated procurement may be able to provide you with lists of lawyers who have experience in representing suppliers involved in public procurement.

Publications

European Commission publications

The European Commission has produced several publications on public procurement. Two recent texts, which are useful as basic reference documents, are given below. These texts restrict themselves to a straightforward restatement of the legislation. They do not take account of how the legislation has been transposed by the Member States. Also, legislation is amended at unpredictable intervals, so it is always advisable to check that you have the most recent version.

The rules governing the procedure in the awards of public procurement contracts

ISBN 92-827-9205-6, EUR-OP

This is a very brief overview of the legislation from the point of view of compliance with the directives.

Public procurement in Europe: the directives

ISBN 92-826-8188-2, EUR-OP

This text brings together all the directives relating to public procurement which were current in 1994. But remember:

- Legislation has been amended since publication.
- The national legislation which transposes the directives may be more useful. Also, national authorities sometimes produce corresponding guidance notes which put the legislation into a national context.

Member State publications

Some Member States have produced copious information on the legal framework, best practice and practical guidance. This information is generally targeted at the procurement professional or at the legal department of contracting authorities. The government department responsible for ensuring that companies have access to public markets is not necessarily the one responsible for implementing public procurement legislation. You are most likely to get useful information from government departments responsible for trade, industry or Europe.

An example of a recent publication which gives a good insight into public procurement markets — legal background, market structure and sources of information — is:

Guide to public purchasing (1997 edition)

Ref.: 97/6001/C/EPU

Cost: GBP 100

This is based on a collaborative project by European trade promotion organisations. Information from this publication is included in Section 13 below.

Contact details

DTI export publications

Tel. (44-171) 215 24 70

Fax (44-171) 215 24 82

Other publications

Periodicals

Public procurement law review (EN): This journal covers English language articles on the legal background of public procurement. The monthly journal is published by Sweet and Maxwell, South Quay Plaza, 183 Marsh Wall, London E14 9FT, United Kingdom.

EC public contract law / Droit Européen des marchés publics / Europäisches Vergaberecht (EN, FR, DE): This review covers legal aspects and mainly focuses on the EU Member States. The bi-monthly issues appear with a three-column layout with the same texts in English, French and German. Contact: ProPress, EC Public Contract Law, Sales Department, Am Buschhof 8, D-53227 Bonn.

Marchés Publics + Télégrammes marchés publics (FR): These monthly bulletins in French, report on different aspects in public procurement — on both French and international levels. Subscriptions: La Documentation française, 124 rue Henri-Barbusse, F-93308 Aubervilliers Cédex.

Tender Nieuwsbrief (NL): ‘Actuele feiten an achtergronden over Europese aanbestedingen’ in Dutch. 8 issues per year. Subscriptions: Tender Nieuwsbrief, Antwoordnummer 46020, 1060 VB Amsterdam, Netherlands.

Monographs

Public procurement in the European Community (EN): A series of volumes, published by Earlsgate Press. As an example, Volume IV deals with ‘Remedies for enforcing the public procurement rules’, ed. S. Arrowsmith, published 1992.

Public procurement in the EC (EN): Written to meet the needs of those working in the government department of public authorities, government agencies and private utilities. Available from bookshops under ISBN 0-86325-323-7 (UK 5558).

Les marchés publics européens (FR): Booklet published in the series 'Que sais-je'. No 2625, 1991 details EU legislation, EU control mechanism and national public procurement in France, United Kingdom, Italy and Germany. Author: Jean-Pierre Gohon. ISBN 2-13-044171-8.

Marchés publics, 'Le guide' (FR): Brochure written by the Secrétariat Général de la Commission Centrale des Marchés (CCM). Provides an overview of public procurement matters in France in the form of checklists. Copies can be ordered at CCM, tel. (33-1) 53 17 87 29. More information on public procurement can also be obtained via Minitel (3616 CCM).

Insider-Wissen Ausschreibungen (DE): Book explaining the European tender procedures and the use of TED. Available from bookshops under ISBN 3-929642-08-5.

Beschaffungstexte — Die neuen Ausschreibungsregularien (DE): Special focus on the six EU directives and the legal background of public procurement. Available from ProLibris, Am Buschhof 8, D-53 227 Bonn.

Öffentliches Auftragswesen in der EU (DE): Booklet explaining most important aspects of EU public procurement (directives, legal aspects, terminology, etc.). Contact: Wirtschaftskammer Österreich, EU-Öffentlichkeitsarbeit, Wiedener Hauptstr. 63, A-1045 Wien, tel. (43-1) 501 05/43 32, fax (43-1) 502 06 255.

Internationales Ausschreibungs — ABC (DE): This book (130 pages) explains, in German, the most important terminology used in international public procurement. The book includes names of major developing country funding organisations and a glossary of English and French terminology with the German equivalent. Contact: BfAI, Agrippastr. 87-93, D-50676 Köln, tel. (49-221) 205 70, fax (49-221) 205 72 12.

12. A detailed look at public procurement in one EU country — Germany

Germany is a large, high-value market in terms of the number of its consumers, GDP, standard of living and industrial base. For most companies it is a highly attractive, but highly challenging market. This also applies to its public procurement market, which is worth about DEM 400 billion (about 7% of GDP)¹. The public procurement market is attractive due to its size, but as with many public sector markets, it is complex and fragmented. A considered approach is a pre-requisite for sustained success.

Germany offers few opportunities for a short-term approach by companies. Many non-German companies reach the conclusion that a sustained physical presence — through setting up an office or through a partnership arrangement — is the only way to gain entry to this very large but demanding market. For German companies also, knowledge of the differing commercial and administrative environments of each of the *Länder* is a pre-requisite for selling to the public sector.

The organisation of the public procurement market

The public procurement market in Germany comprises a large number of public bodies. These are answerable to different levels of government, as shown in Table 10.

Table 10
The main levels of government in Germany

National	The federal government (ministries, federal post office, railways, German Telecom and subsidiary federal authorities)
Regional	Ministries of the 16 federal States (<i>Bundesländer</i>) and affiliated authorities
Local	District councils, local authorities, universities, hospitals, social institutions

Notification

While Federal Government authorities are required to publish their tenders in the national federal submission journal *Bundesausschreibungsblatt*, the public bodies at regional and local level can publish in their own official journals or in local newspapers.

Companies who are particularly interested in the construction sector can find tenders in the federal submission journal *Submissionsanzeiger*. The official journal of the *Land* Rhineland-Palatinate, for example, is called *Staatsanzeiger*.

Identification of potential buyers

Annex I of the Directive 93/37/EEC provides a general overview of the public bodies subject to public procurement in Germany (approximately 35 000 bodies in total). There is no complete list of procurement agencies and their individual characteristics in Germany because of the large number of public bodies. A

¹ These figures are from an article in *Frankfurter Allgemeine Zeitung*, 30 September 1997 by Herta Dübler-Gmelin, Vice-President of the German SPD (Social Democrats), who specialises in European law.

starting point for identifying the public sector bodies is the European Municipal Directory (see Market information in Section 6).

Another way to gain information on the German public procurement market is through the monitoring of tenders publications and databases. A few sources are listed later on in this section, but there are many others.

Private intermediaries

More and more public bodies out-source the warding of contracts to private planning and engineering companies. Your approach to the market should take this into account, especially because these private intermediaries define the technical specifications in the tender documents. The names and addresses of planning and engineering companies can be obtained by establishing good liaison with the public bodies and by regular monitoring of tender publications.

Procurement legislation

The awarding of public contracts in Germany is subject to civil law and specific directives define methods and procedures according to the nature of contracts:

**Table 11
German public procurement legislation**

Services and supplies	The directive ‘Verdingungsordnung für Leistungen (VOL)’ outlines the tendering and performance stipulations for services and supplies contracts.
Works	The ‘Verdingungsordnung für Bauleistungen (VOB)’ defines the tendering and performance stipulations for works contracts.
Services	The ‘Verdingungsordnung für freiberufliche Leistungen (VOF)’ defines the tendering only for self-employed services (e.g. services of architects). All other services (e.g. cleaning) are furthermore handled under the VOL
Utilities	The EC utilities directive has been transposed into German law and is integrated in the third and fourth paragraph of the VOL, and the VOB and will be integrated in the VOF.

In addition to these directives, certain public procurement agencies will have their own special procedures in dealing with potential suppliers. The military, in particular, uses procedures unique to itself. You should try to make direct contact or seek clarification from a contract advisory office (‘ Auftragsberatungsstelle’). See later in this section for a list of addresses.

Building the relationship

No other marketing approaches can replace a good professional relationship with the officials in the procurement agencies who decide on public contracts. It is useful to build up this relationship prior to any tendering procedure. When approaching an authority it is useful to provide a list of references of contracts executed, either for your own country or in other EU countries.

Register your company at the respective contract advisory office

The contract advisory offices play a special role in the German public procurement market. Located in every *Bundesland* (federal state) they form the link between the different procurement agencies and the companies. They advise suppliers about public procurement agencies, and suggest capable companies to procurement agencies in cases of restricted or negotiated procedures. However it should be noted that they will only act on behalf of companies based in their own *Bundesland*.

Tender documents should mention who to approach in case of the need for arbitration. Alternatively, approach the contract advisory office for guidance.

Obtaining invitations to tender

The German procurement law outlines three different awarding procedures corresponding to EC legislation. Each awarding procedure requires a different approach to obtaining invitations to tender and to submitting bids. The main procedures are outlined in Table 9 (see Section 11).

If a contracting authority places a contract notice on TED, it does not necessarily have to publish it in the national or regional bulletins as well. It is important if you are trying to identify suitable contracts to have access to all the sources of contract information.

Because restricted and negotiated award procedures are not open to an unlimited number of bidders, new entrants obviously need to reach a position where they will be invited to bid. Therefore, direct contacts with the awarding authorities and the contract advisory office are necessary.

German Euro Info Centres specialised in public procurement

The EICs are a good point of orientation for any company approaching the public sector markets. Some EICs are established in contract advisory offices, standardisation institutes or chambers of commerce, and so will be able to provide a reasonable insight into public procurement in Germany. (Refer to the list of German EICs in Appendix I.)

Tips on bidding

Price

- In the open procedure, competition is high due to the high number of potential bidders. While the awarding criterion is the 'most economic bid', in practice it is the bidder quoting the lowest price who is favoured.
- Market prices have priority over cost prices. Only in special circumstances (e.g. contracts related to national security) will cost prices be considered.
- Fixed prices are expected. Avoid clauses mentioning price changes.
- Discounts and bonuses commonly given should also be given to public bodies.
- The VAT must be stated.

Quality

German safety and quality seals can be obtained for products. Information on technical standards (DIN) is available from the Deutsche Informationszentrum für technische Regeln. There is also a Euro Info Centre in this organisation. From a cultural point of view DIN standards are the most recognised and accepted in Germany. From a legal point of view, German authorities must recognise the equivalent standards of your Member State.

Formal aspects

- Time limits for the presentation of a tender must be strictly adhered to.
- Offers must be handed in a closed envelope.
- There can be no change to a bid once submitted.

How to complain

In Germany, seeking redress for malpractice in tenders above the European thresholds is a two-level procedure.

1. Refer first to the appropriate awarding check office (*Vergabeprüfstellen*). Every tender document should mention the relevant office.
2. The second level of referral is to the awarding check offices committees (*Vergabeüberwachungsausschüsse*). These are for the most part administered by government bodies.

There has been recognition that the rights of aggrieved suppliers are not sufficiently provided for in the judicial system. It is likely that this will change in the next few years.

Tender publications (national and European)

Bundesausschreibungsblatt

Bundesausschreibungsblatt GmbH
Höherweg 278,
D-40231 Düsseldorf
Postfach 20 01 80,
D-40099 Düsseldorf
Tel. (49-211) 37 08 48/49
Fax (49-211) 38 16 07

Frequency: three times a week

Price: half-yearly DEM 121 incl. 7 % VAT

Bundesausschreibungsblatt ‘ On-line’

Internet: <http://www.bundesausschreibungsblatt.de>

E-mail: service@bundesausschreibungsblatt.de

Supplement S of OJ

Bundesanzeiger Verlag, Breite Str. 78– 80,
D-50667 Köln
Postfach 10 05 34
D-50445 Köln
Tel. (49-221) 20 29-0
Fax (49-221) 20 29-278

Frequency: five times a week
Price: DEM 1 586 (EUR 800) yearly

A CD-ROM version is also available
Price: EUR 600

Bulletin — Informationsblatt über Beschaffungen der Bundeswehr

SZ Offsetdruck-Verlag Herbert W. Schallowetz GmbH
Postfach 31 29
D-53740 Sankt Augustin
Tel. (49-2241) 91 33-0
Fax (49-2241) 91 33-33

Frequency: monthly
Price: DEM 144 yearly plus dispatch and postage

Tender publications (regional)

Staatsanzeiger Baden-Württemberg

Postfach 10 43 63
D-70038 Stuttgart
Tel. (49-711) 666 01 30
Fax (49-711) 666 01 34

Frequency: twice a week
Price: DEM 95 yearly

Bayerischer Staatsanzeiger

Bayerische Staatszeitung
Postfach 14 02 20
D-80452 München
Tel. (49-89) 20 24 02 64
Fax (49-89) 20 24 02 16

Frequency: weekly
Price: DEM 23 quarterly

Amtsblatt für Berlin

Senator für Inneres
D-10702 Berlin
Kulturbuch-Verlag GmbH
Sprosserweg 3
D-12351 Berlin
Postfach 47 04 49
D-12313 Berlin
Tel. (49-30) 661 84 84
Fax (49-30) 661 78 28

Frequency: weekly

Price: DEM 40 quarterly incl. VAT

Ausschreibungsblatt des Landes Brandenburg

Ministerium des Innern des Landes Brandenburg
n.o.-Agentur 'neue odersche' Verlags- und Medien GmbH
Birnbauismühle 65
D-15234 Frankfurt/Oder
Redaktionstelefon (49-335) 414 59 13
Fax (49-335) 433 37 03
Vertriebstelefon (49-335) 414 59 11

Internet: <http://www.brandenburg.de/land/mw/ausblatt/welcome.html>

Frequency: weekly

Price: DEM 380 yearly (incl. dispatch plus 7 % VAT)

DEM 200 half yearly (ditto)

DEM 120 quarterly (ditto)

DEM 7 single issue (ditto)

Amtlicher Anzeiger — Hamburg

Verlag Lütcke & Wulff GmbH
Heidenkampsweg 76 b
D-20259 Hamburg
Tel. (49-40) 23 51 290
Fax (49-40) 23 27 86

Frequency: three times a week

Price: DEM 132 yearly

Staatsanzeiger für das Land Hessen

Verlag Kultur und Wissen GmbH
Postfach 22 29
D-65012 Wiesbaden
Tel. (49-611) 36 09 80
Fax (49-611) 30 13 03

Frequency: weekly

Price: DEM 112.40 yearly

Amtsblatt für Frankfurt am Main

Stadt Frankfurt am Main, Presse- und Informationsamt
Postfach 10 21 21
D-60021 Frankfurt
Tel. (49-69) 21 23 33 62
Fax (49-69) 21 23 77 63

Frequency: weekly

Price: DEM 166 yearly

Amtsblatt für Mecklenburg-Vorpommern

cw Obotritendruck GmbH
Von-Stauffenberg-Str. 27
D-19061 Schwerin
Tel. (49-385) 55 85 20
Fax (49-385) 55 85 222

Frequency: weekly

Price: DEM 106 yearly plus dispatch

Staatsanzeiger für Rheinland-Pfalz

Jean Greim GmbH, Postfach 8
D-55284 Würstadt
Tel. (49-6732) 60 61 13
Fax (49-6732) 60 61 09

Frequency: weekly

DEM 46 yearly plus DEM 2 explanation fee

Amtsblatt des Saarlandes

Saarbrücker Druckerei und Verlag GmbH
Halbergstr. 3
D-66121 Saarbrücken
Tel. (49-681) 66 50 10
Fax (49-681) 66 50 110

Frequency: weekly

Price: DEM 69 yearly

Sächsisches Ausschreibungsblatt

SDV Sächsisches Druck- und Verlagshaus GmbH
Tharandter Str. 23-27
D-01159 Dresden
Tel. (49-351) 42 03 1 82/3
Fax. (49-351) 42 031 86

Frequency: weekly

Price: DEM 300 yearly plus dispatch and VAT

Ausschreibungsanzeiger Sachsen-Anhalt

DVZ-Marketing-Service GmbH
Ausschreibungsanzeiger Sachsen-Anhalt
Nietlebener Str. 1
D-06126 Halle
Postfach 90 02 54
D-06054 Halle
Tel. (49-345) 693 25 54
Fax (49-345) 693 25 55

Frequency: weekly

Price: DEM 300 yearly incl. dispatch plus VAT

Thüringer Staatsanzeiger

Gisela Husemann Verlag
ST Stedtfeld, Wartburgstr. 6
D-99819 Eisenach
Tel. (49-3691) 69 05 40
Fax (49-3691) 69 05 44

Frequency: weekly

Price: DEM 96 yearly

Ausschreibungsanzeiger Thüringen

Röpcke & Neubert Verlagsgesellschaft
Postfach 4 08
D-98503 Suhl
Tel. (49-3681) 42 26 15
Fax (49-3681) 42 26 17

Frequency: weekly

Price: DEM 132.15 quarterly incl. dispatch and VAT

Other tender publications (including private contracts)

Ausschreibungs-Anzeiger-Bauwesen

Röpcke & Neubert Verlagsgesellschaft Suhl
Postfach 4 08
D-98503 Suhl
Am Sehmar 4
D-98527 Suhl
Tel. (49-3681) 241 57
Fax (49-3681) 200 18

Frequency: weekly

Price: DEM 6.50 per single issue incl. 7 % MWSt and dispatch

bfai Projekte

Bundesstelle für Außenhandelsinformationen (bfai)
Postfach 10 05 22
D-50445 Köln
Tel. (49-221) 205 70
Fax (49-221) 205 72 12

Frequency: weekly
Price: DEM 355 yearly

bi Bauwirtschaftliche Informationen

'Zeitung für die Bauwirtschaft'
Norddeutscher Wirtschaftsverlag GmbH
Faluner Weg 33
D-24109 Kiel
Postfach 34 07
D-24033 Kiel
Tel. (49-431) 53 59 20
Fax (49-431) 53 59 225

Internet: <http://www.baiwi.de>
E-mail: bi-Kiel@t-online.de
Büro Berlin:
Dr. Eberhard Braun
Prenzlauer Promenade 185
D-13189 Berlin
Tel. (49-30) 472 06 24
Fax (49-30) 478 40 85

Frequency: five times a week
Price: DEM 57 monthly

Bauvorhaben

Vogel Baumedien GmbH
Blücherstr. 31 a
D-10961 Berlin
Tel. (49-30) 693 28 51
Fax (49-30) 691 10 46

Frequency: three times a month
Price: DEM 254.40 yearly plus DEM 27.30 dispatch incl. VAT

Berlin-Brandenburgische Bauwirtschaft

Bauverlag GmbH, Wiesbaden
Zweigniederlassung Berlin
Nikolsburger Str. 11
D-10717 Berlin
Tel. (49-30) 883 58 88
Fax (49-30) 883 31 09

Frequency: at the beginning and the middle of the month
Price: DEM 147 yearly plus dispatch of DEM 22
Total price: DEM 169 (incl. VAT)

DBI — Deutscher Baustellen Informations Dienst

Eisenlohr Verlag & Co.
Postfach 50 03 29
D-70333 Stuttgart
Tel. (49-711) 50 99 50
Fax (49-711) 56 25 14

Frequency: weekly

Price: on request

ibau — Planungsinformationen

i.p. ibau — Planungsinformationen GmbH
Geringhoffstr. 45
D-48163 Münster
Postfach 86 07
D-48046 Münster
Tel. (49-251) 78 05 0
Fax (49-251) 78 05 200

Frequency: twice a week, 37 regional issues

Price: on request

Bauprojekt — Info

ADI Auftragsdienst der deutschen Industrie GmbH
Black & Decker Str. 17
D-65510 Idstein-Taunus
Tel. (49-6126) 99 30
Fax (49-6126) 99 31 23

Frequency: weekly, 30 regional issues and 8 special issues

Price: on request

Nachrichten für Aussenhandel

VWD Vereinigte Wirtschaftsdienste GmbH
Niederurseler Allee 8-10
D-65760 Eschborn
Tel. (49-6196) 40 52 08
Fax (49-6196) 40 51 23

Frequency: weekly on workdays

Price: DEM 164.25 monthly

Submissionsanzeiger

Verlag und Druckerei Hintze und Sachse GmbH
Postfach 20 16 65
D-20243 Hamburg
Tel. (49-40) 40 19 400
Fax (49-40) 40 19 40 31

Frequency: five times a week

Price: DEM 708 yearly

subreport, subselect

Verlag Schawe GmbH
D-51101 Köln
Tel. (49-221) 98 57 80
Fax (49-221) 98 57 866

Frequency: five times a week

Price: on request

Legal information

Verordnung über die Vergabebestimmungen für öffentliche Aufträge (Vergabeverordnung), vom 22. Februar 1994, Bundesgesetzblatt (BGBL) I 1994, 321–323.

Verordnung über das Nachprüfverfahren für öffentliche Aufträge (Nachprüfverordnung) vom 22. Februar 1994, BGBL I 1994, 324 f.

Verdingungsordnung für Bauleistungen (VOL), Bundesanzeiger Verlag, Postfach, 10 05 34, 50445 Köln.

Verdingungsordnung für Leistungen (VOL), Bundesanzeiger Verlag, address see above.

Verdingungsordnung für freiberufliche Leistungen (VOF), Bundesanzeiger Verlag, address see above.

Awarding offices by institutions/sectors

Bundesamt für Wehrtechnik und Beschaffung

Ferdinand-Sauerbruch-Str. 1
D-56073 Koblenz
Tel. (49-261) 40 00
Fax (49-261) 400 76 30

Deutsche Bahn AG

Konzerneinkauf
Ruschestr. 104
D-10365 Berlin
Tel. (49-30) 29 72 67 60
Fax (49-30) 29 72 61 38

Deutsche Post AG

Generaldirektion
Abt. 431
Heinrich-von-Stephan-Str. 1
D-53175 Bonn
Tel. (49-228) 43 17 / 43 01
Fax (49-228) 70 24 / 72 17

Deutsche Telekom

TN5
Friedrich-Ebert-Str. 140
D-53113 Bonn
Tel. (49-228) 181 83 01
Fax (49-228) 181 86 69

Federal contract advisory offices

Auftragsberatungsstelle Baden-Württemberg (closed since 01.01.98)
Please contact the coordinating Chamber of Commerce and Industry in Baden-Württemberg:

Industrie- und Handelskammer Region Stuttgart
Jägerstr. 30
D-70174 Stuttgart
Postfach 10 24 40
D-70020 Stuttgart
Tel. (49-711) 20 05 0
Fax (49-711) 20 05 354

Landesauftragsstelle Bayern**— Beratungsstelle für das öffentliche Auftragswesen**

Joseph-Dollinger-Bogen 26
D-80807 München
Tel. (49-89) 323 16 73 / 74 / 75
Fax (49-89) 324 13 40

BAO Berlin — Marketing Service GmbH**— Auftragsberatungsstelle**

Fasanenstr. 85
D-10623 Berlin
Tel. (49-30) 31 51 03 18 / 19
Fax (49-30) 31 51 03 16

Auftragsberatungsstelle Brandenburg

Hausadresse:
Goethestr. 1
D-03046 Cottbus
Tel. (49-355) 38 13 20
Fax (49-355) 38 13 221
Postanschrift:
Postfach 10 06 61
D-03006 Cottbus

Handelskammer Bremen
Auftragsberatungsstelle im Lande Bremen

Hausadresse:
Haus Schütting
Am Markt 13
D-28195 Bremen
Tel. (49-421) 363 72 36
Fax (49-421) 363 73 26
Telex: 244 743 haka
Postanschrift:
Postfach 10 51 07
D-28051 Bremen

Beratungsstelle für Auftragswesen
(Auftragsstelle) Hamburg e. V.
Handelskammer Hamburg

Adolphsplatz 1
D-20457 Hamburg
Tel. (49-40) 36 13 82 65
Fax (49-40) 36 13 82 69
Telex: 211 250 hkhmb d
Postfach 11 14 49
D-20414 Hamburg

Beratungsstelle für Auftragswesen
(Auftragsstelle) Hamburg e. V.
Vertretung Bonn

Adenauerallee 148
D-53113 Bonn
Tel. (49-228) 10 4(1)6 64 / 65
Fax (49-228) 10 45 59
Telex: 886 805 (Handelstag Bonn)

Auftragsberatungsstelle Hessen e. V.
— **Beratungsstelle für das öffentliche Auftragswesen**

Adelheidstr. 23
D-65185 Wiesbaden
Tel. (49-611) 37 20 88 / 89
Fax (49-611) 30 96 25
E-mail: absthessen@t-online.de

Auftragsberatungsstelle Mecklenburg-Vorpommern e. V.

Hagenower Str. 73
D-19061 Schwerin
Tel. (49-385) 63 44 250 / 251
Fax (49-385) 63 44 252

**Beratungsstelle für öffentliches Auftragswesen
(Auftragsstelle) Niedersachsen e. V.**

Hausadresse:
Schiffgraben 49
D-0175 Hannover
Tel. (49-511) 310 73 95
Fax (49-511) 310 73 69
Postanschrift:
Postfach 4 25
D-30004 Hannover

**Beratungsstelle für das öffentliche Auftragswesen
im Land Nordrhein-Westfalen**

Hausadresse:
Goltsteinstr. 31
D-0211 Düsseldorf
Tel. (49-211) 367 02 18
Fax (49-211) 367 02 22
Postanschrift:
Postfach 24 01 20
D-40090 Düsseldorf

Auftragsberatungsstelle Rheinland-Pfalz

Schloßstr. 2 (IHK)
D-56068 Koblenz
Tel. (49-261) 10 62 16 / 20 51
Fax (49-261) 10 62 34
E-mail: weber@koblenz.ihk.de

Auftragsberatungsstelle des Saarlandes

Hausadresse:
Franz-Josef-Röder Str. 9
D-66119 Saarbrücken
Tel. (49-681) 952 04 00
Fax (49-681) 952 08 88
Postanschrift:
D-66104 Saarbrücken

Auftragsberatungsstelle Sachsen e. V.

Niedersedlitzer Str. 63
D-01257 Dresden
Tel. (49-351) 280 24 02
Fax (49-351) 280 24 04

Auftragsberatungsstelle Sachsen-Anhalt

Klausenerstr. 30
D-39112 Magdeburg
Tel. (49-391) 623 04 46, 620 95 02, 620 95 03
Fax (49-391) 623 04 47
E-mail: info@abst.sachsen-anhalt.de

Auftragsberatungsstelle Schleswig-Holstein e. V.

Lorentzendam 22
D-24103 Kiel
Tel. (49-431) 518 54
Fax (49-431)55 22 22

Auftragsberatungsstelle Thüringen e. V.

Hausadresse:
Weimarische Str. 45
D-99099 Erfurt
Tel. (49-361) 348 41 12
Fax (49-361) 348 41 88
Postanschrift:
Postfach 2 25
D-99005 Erfurt

Other useful addresses

Deutsches Informationszentrum für technische Regeln (DITR) im DIN e.V.
Burggrafenstr. 6
D-10787 Berlin
Tel. (49-30) 26 01 / 26 05
Fax (49-30) 26 28 125

Deutscher Industrie- und Handelstag (DIHT)
Adenauerallee 148
D-53113 Bonn

Publications on public procurement in Germany

Wie komme ich an Öffentliche Aufträge? Erfolgreiche Akquisition von Aufträgen der Öffentlichen Hand - ein Leitfaden für Industrie-, Gewerbe- und Handelsunternehmen.

Wegweiser-Reihe des Beta Verlages, Celsiusstr. 43
D-53125 Bonn
Tel. (49-228) 91 93 70
Fax (49-228) 25 20 67

Öffentliche Ausschreibungen und Preisrecht — Ratgeber für kleine und mittlere Unternehmen zu Ausschreibungen, Vergabe und Preisbildung Öffentlicher Aufträge einschliesslich Bauaufträgen, Karl J. Birgel, Rudolf Haufe Verlag, Freiburg, Berlin 1994, ISBN 3-448-03075-9

Das Öffentliche Auftragswesen in der Europäischen Union,
Hans-Joachim Priess, Carl Heymanns Verlag KG, Köln, Berlin, Bonn, München
ISBN 3-452-22975-0

(Overview of all EU rules concerning public procurement, with comments and explanations)

Beim Staat verkaufen — Akquisition und Abwicklung öffentlicher Aufträge, Deutscher Industrie- und Handelstag

Vergabe News:

Arnold Boesen
Bundesanzeiger Verlag Köln
Breite Strafle 78-80
D-50667 Köln
Fax (49-2 21) 202 92 71
(monthly publication, price per year DEM 246 plus postage)

VergabeRecht — Zeitschrift für Öffentliche und private Beschaffung:

R. Uwe Proll
Spree Service- und Beratungs GmbH
Am Buschhof 8
D-53227 Bonn
Fax (49-228) 44 42 96
(frequency: 6 publications per year, price per year DEM 60 plus postage,
price for a single publication DEM 10 plus postage)

Appendix I

List of Euro Info Centres specialising in public procurement

Any of the 270 (approx.) EICs will be able to provide you with basic information on public procurement (the directives and corresponding national legislation, notices from TED, etc.). However, there are a substantial number of EICs which provide a fuller service to companies. This service may involve amongst other things:

- tailored searches of the TED database;
- training;
- guides especially written for companies in your region/country;
- studies on public procurement;
- partner searches;
- seminars and conferences;
- market information;
- guidance on the legal framework (not legal advice);
- support where you experience discrimination.

If you would like a full list of EICs contact the EIC support structure in Brussels:

European Commission
Directorate-General Enterprise
Unit B.2, Business cooperation, networks and partnerships — Euro Info Centres
Rue de la Loi
B-1049 Brussels
Tel. (32-2) 29 62 613
Fax (32-2) 29 55 540

The specialised EICs

Austria

Euro Info Centre Linz
Wirtschaftskammer Oberroesterreich
Mozartstrasse 20
A-4010 **Linz**
Tel. (43-732) 780 02 49
Fax (43-732) 780 06 42
E-mail: eicoo@wkoee.wk.or.at

Euro Info Centre
Wirtschaftskammer Österreich
Wiedner Hauptstrasse 63
A -1045 **Wien**
Tel. (43-1) 501 05 41 93
Fax (43-1) 50 20 62 55
E-mail: euaussch@aw.wk.or.at

Belgium

EIC Liège
Rue Vertbois 13A
B-4000 **Liège**
Tel. (32-4) 220 11 11
Fax (32-4) 220 11 20
E-mail: ipcm@mail.interpac.be

Bureau économique de la province de Namur
(BEPN)

Avenue Sergent Vriethoff 2
B-5000 **Namur**
Tel. (32-81) 71 71 71
Fax (32-81) 71 71 00
E-mail: sri@bepn.namur.be

Germany

EIC Berlin
ERIC Berlin in der BAO
Berlin-Marketing Service GmbH
Fasanenstr. 85 (Ludwig-Erhard-Haus)
D-10623 **Berlin**
Tel. (49-30) 315 10 240 / 241
Fax (49-30) 315 10 316 / 154
E-mail: hes@berlin.ihk.de

Euro Info Centre Bremen
Hanseatenhof 8
D-28195 **Bremen**
Tel. (49-421) 17 55 55
Fax (49-421) 17 16 86
E-mail: d.voss@axon-technologie.de

Euro Info Centre Hannover
NATI — Niedersächsische Agentur
für Technologietransfer und Innovation GmbH
Vahrenwalder Str. 7
D-30165 **Hannover**
Tel. (49-511) 93 57 121 / 122
Fax (49-511) 93 57 439
E-mail: nati@asys-h.de

Euro Info Centre
IHK Suedlicher Oberrhein
Lotzbeckstr. 31
Postfach 1547
D-77905 **Lahr/Schw**
Tel. (49-78) 212 70 36 91
Fax (49-78) 212 70 37 77
E-mail: eic@lr.freiburg.ihk.de

Euro Info Centre Leipzig
Goerdelerring 5
D-04109 **Leipzig**
Tel. (49-341) 126 73 25
Fax (49-341) 126 74 25
E-mail: friedrich@leipzig.ihk.de

Euro Info Centre
Zenit GmbH
Euro Info Centre
Dohne 54
Postfach 10 22 64
D-45468 **Mulheim an der Ruhr**
Tel. (49-208) 300 04 21
Fax (49-208) 300 04 29
E-mail: mk@www.zenit.de

Euro Info Centre
Industrie - und Handelskammer
fuer Muenchen und Oberbayern
Max-Joseph-Strasse 2
D-80333 **München**
Tel. (49-89) 511 62 09
Fax (49-89) 511 682 09
E-mail: eic@muenchen.ihk.de

Euro Info Centre
ZPT Saar e.V.
Franz-Josef-Roeder-Strasse 9
D-66119 **Saarbrücken**
Tel. (49-681) 952 04 55
Fax (49-681) 584 61 25
E-mail: baus.zpt@t-online.de

Euro Info Centre Stuttgart
Handwerkskammer Region Stuttgart
Heilbronner Str. 43
D-70191 **Stuttgart**
Tel. (49-711) 165 72 52
Fax (49-711) 165 73 00
E-mail: csalm@hwk-stuttgart.de

Euro Info Centre Trier
Bahnhofstr. 30-32
PF 1930
D-54209 **Trier**
Tel. (49-651) 19 92
Fax (49-651) 975 67 33

Denmark

Eu-Kontoret (Euro Info Centre)
Haslegaardsvaenget 18-20
DK-58210 **Aarhus V**
Tel. (45) 86 15 25 77
Fax (45) 86 15 43 22
E-mail: lr@cvu.dk
Internet: www.cvu.dk

Euro Info Centre
The Danish Chamber of Commerce
Boersen
DK-1217 **Copenhagen**
Tel. (45) 33 95 05
Fax (45) 33 32 52 16
E-mail: eic@commerce.dk

Euro Info Centre Herning
Centerpark 7
DK-7400 **Herning**
Tel. (45) 97 12 92 00
Fax (45) 97 12 92 44
E-mail: herning@inet.uni-c.dk

Euro Info Centre Fyn
Blangstedgaardsvej
DK-5220 **Odense SOE**
Tel. (45) 66 15 65 31
Fax (45) 66 15 65 31
E-mail: fer@fynerhv.dk
Homepage: www.fynerhv.dk

EIC Sonderjylland
Bjerggade 4 C
Tel. (45) 73 62 10 10
Fax (45) 73 62 10 11
E-mail: sec@po.ia.dk

Euro Info Centre
Gregersenvej, P.O. Box 141
DK-2630 **Taastrup**
Tel. (45) 43 50 40 00
Fax (45) 43 71 63 60
E-mail: eic@dti.dk

Euro Info Centre
Haandvaerksraadet International
Lille Sct. Hansgade 20
DK-880 **Viborg**
Tel. (45) 62 77 11
Fax (45) 61 49 21
E-mail: hvri@hvri.image.dk

Euro Info Centre Storstroem
Marienbergvej 80
DK-4760 **Vordingborg**
Tel. (45) 55 34 01 55
Fax (45) 55 34 03 55
E-mail: seic@post3.tele.dk

Spain

Euro Info Centre
Camara de Comercio e
Industria de Madrid
Plaza de la Independencia
E-28001 **Madrid**
Tel. (34) 915 38 36 10
Fax (34) 915 38 36 43
E-mail: eurl@camaramadrid.es

Euro Info Centre
Instituto de Fomento Region de Murcia
Plaza San Agustin, 5
E-30005 **Murcia**
Tel. (34) 968 36 28 18
Fax (34) 968 29 32 45
E-mail: rafael.ataz@info.carm.es

Finland

Euro Info Centre
Finnish Foreign Trade Association
PO Box 908
FIN-00101 **Helsinki**
Tel. (358-9) 19 92
Fax (358-204) 69 55 35
E-mail: teuvo.jurela@exports.finland.fi

Euro Info Centre North Finland
Asemakatu 37
FIN-90100 **Oulu**
Tel. (358-8) 316 02 20
Fax (358-8) 316 02 21
E-mail: 1fi652@eic.dg23vans.atlas.be

Euro Info Centre /
MTI Regional Business Service in Turku
Puolalankatu 1
FIN-20100 **Turku**
Tel. (358-2) 251 00 51
Fax (358-2) 231 06 67
E-mail: jyri.arrponen@ktm.vn.fi
or satu.artiola@ktm.vn.fi

EIC Botnia
Raastuvankatu 20
FIN-65100 **Vaasa**
Tel. (358-6) 317 22 79
Fax (358-6) 312 66 56
E-mail: eic-botnia@multi.fi

France
Euro-info-centre
Chambre de commerce et d'industrie de
Bordeaux 2, place de la Bourse
F-33076 **Bordeaux** Cedex
Tel. (33) 556 79 44 34
Fax (33) 556 79 44 38
E-mail: mdronval@bordeaux.cci

EIC Grenoble
BP 1509
F-38025 **Grenoble** Cedex 1
Tel. (33) 476 28 28 43
Fax (33) 476 28 28 35
E-mail: beyet@esc-grenoble.fr

Euro-info-centre Lorraine
WTC Tour B
2, rue Augustin-Fresnel
Technopole 2000
F-57082 **Metz** Cedex 3
Tel. (33) 387 20 40 90
Fax (33) 387 74 03 15

Euro-Info-centre Val-de-Loire
35, avenue de Paris
F-45000 **Orléans**
Tel. (33) 238 54 58 58
Fax (33) 238 54 09 09
E-mail: gdebruin@valcofim.fr

Euro-info-centre Île-de-France
Chambre régionale
de commerce et d'industrie
21, rue d' Angiviller
BP 3541
F-78035 **Versailles** Cedex
Tel. (33) 139 20 58 67
Fax (33) 139 20 58 78
E-mail: idf2@freenet.fr

Greece
EIC Partras
21 Aratou Str
GR-262 21 **Patra**
Tel. (30-61) 22 02 48
Fax (30-61) 22 34 96
E-mail: patra@athens.eommex.gr

Ireland
Euro Info Centre
Waterford Chamber of Commerce
George's Street
Waterford
Ireland
Tel. (353-51) 87 25 39
Fax (353-51) 87 60 02
E-mail: jorourke@indigo.ie

Italy
Euro Info Centre Assolombarda
Via Pantano, 9
I-20122 **Milano**
Tel. (39) 02 58 37 04 11
Fax (39) 02 58 37 04 16
E-mail: ail.euro@ibm.it

EIC Verona
Viale el Lavoro, 8
I-Verona
Tel. (39) 045 829 82 83, 829 39 17/22/23
Fax (39) 045 829 82 45
E-mail: euroinfo@europortellovr.inet.it
Internet: <http://www.intersys.it/europortellovr>

Luxembourg
Euro-info-centre Luxembourg
Chambre de Commerce/FEDIL
7, rue Alcide de Gasperi
L-2981 **Luxembourg**
Tel. (352) 42 39 39 / 33
Fax (352) 43 83 26
E-mail: eic@cc.lu

Netherlands

Euro Info Centre
Amsterdam
Postbus 2852
1000 CW **Amsterdam**
Nederland
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Fax (31-20) 531 45 98
E-mail: eic@amsterdam.kvk.nl

Euro Info Centre Oost-Nederland
Nieuwe Plein 1B
Postbus 7006
6801 HA **Arnhem**
Nederland
Tel. (31-26) 446 19 42
Fax (31-26) 446 15 37
E-mail: eic457@tref.nl

Eg-Adviescentrum
Zuid-Nederland
Postbus 70060
5201 DZ **'s-Hertogenbosch**
Nederland
Tel. (31-73) 680 66 00
Fax (31-73) 612 32 10
E-mail: egadvies@pi.net

Norway

Euro Info Centre Nord
Teknologiveien 10
N-8500 **Narvik**
Tel. (47) 76 96 72 00
Fax (47) 76 96 72 01
E-mail: eicnord@vinn.no

Euro Info Centre Oslo
Drammensveien 40
N-0243 **Oslo**
Tel. (47) 22 92 65 70
Fax (47) 22 43 16 40
E-mail: euroinfo@ntc.no

Euro Info Centre Mid-Norway
PO Box 6018
N-7003 **Trondheim**
Tel. (47) 73 82 54 50
Fax (47) 73 82 54 40
E-mail: soer@online.no

Portugal

Euro Info Centre
Comissão de Coordenação
da Região Centro
Rua Luis de Camões 150
P-3000 **Coimbra**
Tel. (351) 239 70 14 75/70 15 62/40 56 88/
40 16 08
Fax (351) 239 40 56 88/70 15 62
E-mail: mailto:eicrc@mail.telepac.pt

Euro Info Centre Porto
Associação Industrial Portuense
Exponor — Feira Internacional do Porto
P-4450 **Leça da Palmeira**
Tel. (351) 229 98 15 80
Fax (351) 229 95 70 17

EIC

Associação Industrial Portuguesa
Apartado 3200
P-1301 **Lisboa** CODEX
Tel. (351) 213 63 94 58
Fax (351) 213 64 67 86
E-mail: eic@aip.pt

Sweden

Euro Info Centre Syd
Järnvagsgatan 14
S-252 78 **Helsingborg**
Tel. (46-42) 10 44 00
Fax (46-42) 16 10 50
E-mail: euinfo@eicsyd.se

Euro Info Centre Malar Region
Stora Gatan 16
S-722 27 **Vasteras**
Tel. (46-21) 10 78 60
Fax (46-21) 19 78 69
E-mail: c.tegerstrand@arosnet.se

United Kingdom

Euro Info Centre
Local Enterprise Development Unit
LEDU House
Upper Galwally

Belfast BT8 4TB
United Kingdom
Tel. (44-232) 49 10 31
Fax (44-232) 69 14 32
E-mail: ebic.ledu@nics.gov.uk

European Information Centre
Birmingham Chamber of Commerce
75 Harborne Road
Birmingham B15 3DH
United Kingdom
Tel. (44-121) 455 02 68
Fax (44-121) 455 86 70
E-mail: g.quinton@briminghamchamber.org.uk

West Yorkshire
Euro Info Centre
2nd Floor, Mercury House
Manchester Road
Bradford BD5 0QL
United Kingdom
Tel. (44-1274) 75 42 62
Fax (44-1274) 39 32 26
E-mail: info@wyebic.demon.co.uk Bristol

Euro Info Centre
Bristol Chamber of Commerce
16 Clifton Park
Clifton
Bristol BS8 3BY
United Kingdom
Tel. (44-117) 973 73 73
Fax (44-117) 923 80 24
E-mail: eic@blw.westec.co.uk.

Wales Euro Info Centre
Cardiff Business Technology Centre
Senghennydd Road
Cathays
Cardiff CF2 4AY
United Kingdom
Tel. (44-1222) 22 95 25
Fax (44-1222) 22 97 40

Euro Info Centre Glasgow
Franborough House
123 Bothwell Street
Glasgow G2 7JP
United Kingdom
Tel. (44-141) 221 09 99
Fax (44-141) 229 65 39

Euro Info Centre
Humberside
Brynmor Jones Library
The University of Hull
Cottingham Road
Hull HU6 7RX
United Kingdom
Tel. (44-1482) 46 59 40 / 35
Fax (44-1482) 46 64 88
E-mail: euro-info-centre@hull.ac.uk
E-mail: euroinfocentre@scotent.co.uk

Euro Info Centre
20 Bridge Street
Inverness IV1 1QR
United Kingdom
Tel. (44-1463) 70 25 60, 71 54 00
Fax (44-1463) 71 56 00
E-mail: eic@sprite.co.uk,internet

Euro Info Centre
10 York Road
Leicester LE1 5TS
United Kingdom
Tel. (44-116) 255 99 44
Fax (44-116) 255 34 70
E-mail:
joanne.martin@leicestershire.businesslink.co.uk

Euro Info Centre North West
Liverpool Central Libraries
William Brown Street
Liverpool L3 8EW
United Kingdom
Tel. (44-151) 298 19 28
Fax (44-151) 224 24 01
E-mail: info@eicnw.u-net.com

Euro Info Centre
London Chamber of Commerce
and Industry
33 Queen Street
London EC4R 1AP
United Kingdom
Tel. (44-171) 489 19 92
Fax (44-171) 489 03 91
E-mail: tony@maslen.win.uk.net

Kent Euro Info Centre
Springfield
Maidstone ME14 2LL
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Tel. (44-1622) 69 41 09
Fax (44-1622) 69 14 18
E-mail: kenteic@kent.gov.uk

Manchester Euro Info Centre
Business Link
Churchgate House
56 Oxford Road
Manchester M60 7BL
United Kingdom
Tel. (44-161) 237 40 20
Fax (44-161) 236 99 45
E-mail: dereks@manccitecbl.org.uk

North of England EIC
Great North House
Sandyford Road
Newcastle upon Tyne NE1 8ND
United Kingdom
Tel. (44-191) 261 00 26
Fax (44-191) 261 17 74
E-mail: kirsten_johnston.ndc@nordev.co.uk

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Norfolk and Waveney
Chamber of Commerce and Industry
112 Barrack Street
Norwich NR3 1UB
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Fax (44-1603) 63 30 32
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Euro Info Centre
Nottingham
The Business Information Centre
309 Haydn Road
Nottingham NG5 1DG
United Kingdom
Tel. (44-115) 962 46 24
Fax (44-115) 985 66 12

Thames Valley Euro Info Centre
Commerce House
2 Bath Road
Slough Berks SL1 3SB
United Kingdom
Tel. (44-1753) 57 78 77
Fax (44-1753) 52 46 44
E-mail: enquiries@thamesvalleychamber.co.uk

Southern Area
Euro Info Centre
Northguild
Civic Centre
Southampton SO14 7LW
United Kingdom
Tel. (44-1703) 83 28 66
Fax (44-1703) 23 17 14
E-mail: xeicsenq@hants.gov.uk

European Business Centre
Commerce House
Festival Park
Stoke-on-Trent ST1 5BE
United Kingdom
Tel. (44-1782) 20 22 22
Fax (44-1782) 27 43 94
E-mail: 106025.716@compuserve.com

Shropshire and Staffordshire EIC
Business Link Shropshire Limited
Trevithick House
Stafford Park 4
Telford TF3 3BA
United Kingdom
Tel. (44-1952) 20 82 13
Fax (44-1952) 20 82 08
E-mail: ebc sshire@Blink_sshire.cityscape.co.uk

Appendix II

European procurement associations

All the associations established so far have common characteristics. They are

- a neutral forum for discussion, information dissemination, etc.;
- non-profit-making;
- non-lobbying;
- membership open to contracting entities, suppliers and all other parties interested in public and regulated procurement.

Associations provide information and training to members and sometimes non-members on the detail of the legislation and how it is implemented. They can also give an insight into key judgements from the European Court of Justice. Membership of these organisations comes mainly from the contracting authorities. However, suppliers may also join.

Association for Regulated Procurement
Birmingham Chamber of Commerce
75 Harborne Road
Birmingham
B15 3DH
Tel. (44-121) 450 42 39
Fax (44-121) 455 86 70

Esimap
Av. General Michel, 1/E
Box 20
B-6000 Charleroi
Tel. (32-71) 27 03 22
Fax (32-71) 31 67 35

President
Vlaamse Vereniging voor Aanbestedingsrecht
(V.V.A.)
Naamsestraat 142/5
B-3000 Leuven
Tel. and Fax (32-16) 29 37 87

Forum Öffentliches Auftragswesen
Forum OA E.V.
Gustav-Heinemann
Ufer 84-88
D-50968 Köln
Tel. (49-221) 370 84 01
Fax (49-221) 370 86 20

Ictinos
Centre of International and European Economic
Law
University of Thessaloniki
GR-55102 Thessaloniki
Tel. (30-31) 83 26 22
Fax (30-31) 43 41 00

AECOPYR
c/o UNESA
Depto. Relaciones Internacionales
Francisco Gervas, 3
E-28020 Madrid
Tel. (34) 915 67 48 00

Room A 123
Forum on Procurement c/o ESB
27 Lower Fitzwilliam Street
Dublin 2
Ireland
Tel. (353-1) 702 68 14
Fax (353-1) 702 61 80

Verso l'Europa
Palazzina Vitelli
Via S. Bartolomeo
I-06012 Citta' di Castello
Perugia
Tel. (39) 07 58 52 16 16
Fax (39) 07 58 52 16 17

Nederlandse Vereniging Voor
Aanbestedingsrecht
c/o Houthoff Advocaten en Notarissen
Postbus 75505
1070 AM Amsterdam
Netherlands
Tel. (31-20) 570 03 77
Fax (31-20) 570 02 83

Appendix III

List of standards bodies

Belgique/België

*Comité électrotechnique belge (CEB)/
Belgisch Elektrotechnisch Comité (BEC)*
Avenue Fr. Van Kalken 9
B-1070 Brussels
Tel. (32-2) 556 01 10
Fax (32-2) 556 01 20
Telegram: CEB TF 5560110 — Bruxelles

CEN
Rue de Stassart 36
B-1050 Brussels
Tel. (32-2) 550 08 11
Fax (32-2) 550 08 19
X 400...C 3DB2, A 3DRTT, P 3DCENCLC
G 3DBEL, S 3DCEN
Internet: cen@clcbel.be

Cenelec
Rue de Stassart 35
B-1050 Brussels
Tel. (32-2) 519 68 71
Fax (32-2) 519 69 19

*Institut belge de normalisation/Belgisch
Instituut voor Normalisatie (IBN/BIN)*
Avenue de la Brabançonne 29
Brabançonnelaan 29
B-1000 Brussels
Tel. (32-2) 738 01 11
Fax (32-2) 733 42 64
Telegram: benor

Danmark

Dansk Standard (DS)
(Electrotechnical Sector)
Baunegaardsvej 73
DK-2900 Hellerup
Tel. (45) 39 77 01 01
Fax (45) 39 77 02 02
Telex: (055) 11 92 03. ds stand
Telegram: danskstandard
Telex: 238-1119203 3=dsstand

Deutschland

*Deutsche Elektrotechnische Kommission im DIN
und VDE (DKE)*
Stresemannallee 15
D-60596 Frankfurt/Main
Tel. (49-69)630 80
Telex: 41 4-12871 vdetz
Fax (49-69) 631 29 25
Teletex: 2627-699798 3DDKED
Telegram: Elektrobund

Deutsches Institut für Normung e.V. (DIN)
D-10772 Berlin
Tel. (49-30) 260 11
Telex: (041) 184273 din d
Fax (49-30) 26 01 12 31
Telex: 2627-308896 3Ddin
Telegram: deutschnormen berlin

Elláda

*Hellenic Organisation for Standardisation
(ELOT)*
313, Acharnon
GR-11145 Athens
Tel. (30-1) 228 00 01/201 50 25
Telex: (0601) 219 62 70 elot gr
Fax (30-1) 202 07 76
Telegram: elotyp athens

España

*Asociación Española de Normalización
y Certificación — AENOR*
Comité Electrotécnico Español
Calle Fernández de la Hoz, 52
E-28010 Madrid
Tel. (34) 914 32 60 00
Fax (34) 913 10 45 96/310 49 76
Telex: (052) 46545-unor E
Telegram: aenor

France

Association française de normalisation (AFNOR)
Tour Europe
F-92049 Paris-la Défense Cedex 7
Tel. (33) 142 91 55 55
Telex: (042) 61 19 74 afnor f
Fax (33) 142 91 56 56
Telex: 933-142915611 3=afnor
Telegram: afnor courbevoie

Union technique de l'électricité (UTE)
Immeuble Lavoisier
F-92052 Paris-la Défense Cedex
Tel. (33) 146 91 11 11
Telex (042) 62 08 16 cefute
Fax (UTE Approval Dept) (33) 147 89 45 87
(UTE All Services) (33) 147 89 47 75
(UTE Standardisation Dept)
(33) 146 91 11 60

Ireland

Electro-Technical Council of Ireland (ETCI)
ESB Office
Parnell Avenue
Harold's Cross
Dublin 12
Tel. (353-1) 454 58 19
Fax (353-1) 454 58 21

The National Standards Authority of Ireland (NSAI)
Ballymun road
Dublin 9
Tel. (353-1) 807 38 00
Telex: (0500) 32501olas ei
Fax (353-1) 807 38 38
Telegram: research dublin

Italia

Comitato elettrotecnico italiano (CEI)
Viale Monza, 259
I-20126 Milano
Tel. (39) 02 25 77 31
Telex: + 43.31.22.07 ceitalia
Fax (39) 02 25 77 321
Telegram: ELETROCOMIT MILANO

Ente nazionale italiano di unificazione (UNI)
Via Battistotti Sassi, 11b
I-20133 Milano
Tel. (39) 02 70 02 41
Telex: (043) 312481 uni i
Fax (39) 02 70 10 61 06, 70 10 61 49
Telegram: unificazione

Luxembourg

Inspection du travail et des mines (ITM)
BP 27
26, rue Zithe
L-2010 Luxembourg
Tel. (352) 478 61 54
Telex: (0402) 2985 mintss lu
Fax (352) 49 14 47

Service de l'énergie de l'État (SEE)
L-2227 Luxembourg
Adresse postale:
c/o Service de l'énergie de l'État
BP 10
L-2010 Luxembourg
Tel. (352) 46 97 46-1
Fax (352) 22 25 24

Nederland

Nederlands Elektrotechnisch-Comité (NEC)
Postbus 5059
Kalfjeslaan 2
2600 GB Delft
Nederland
Tel. (31-15) 69 03 90
Telex: (0 44) 38.144.nmi nl
Fax (31-15) 69 01 90
Telegram: NORMALISATIE DELFT

Nederlands Normalisatie-Instituut (NNI)
Postbus 5059
Kalfjeslaan 2
2600 GB Delft
Nederland
Tel. (31-15) 269 03 90
Telex: (044) 38.144.nni nl
Fax (31-15) 269 01 90
Telegram: normalisatie

Österreich

Österreichisches Normungsinstitut (ÖN)
POSTFACH 130
Heinestra e 38
A-1021 Wien 2
Tel. (43-1) 213 00
Telex: (47) 11 59 60 norm a
Fax (43-1) 21 30 06 50
Telegram: austrianorm

Österreichischer Verband für Elektrotechnik (ÖVE)
Eschenbachgasse 9
A-1010 Wien
Tel. (43-1) 587 63 73
Fax (43-1) 586 74 08

Portugal

Instituto Português da Qualidade (IPQ)
Rua C, Av. dos Tres Vales
P-2825 Monte da Caparica
Tel. (351) 212 94 81 00
Telex: (0404) 13042 qualit p
Fax (351) 212 94 81 01/294 82 22
Telegram: igpai

Suomi/Finland

Finnish Electrotechnical Standards Association (SESKO)
Särkiniementie 3
PO Box 134
FIN-00211 Helsinki
Tel. (358-0) 69 63 91
Fax (358-0) 67 70 59

Suomen Standardisoimisliitto r.y. (SFS)
PO Box 116
FIN-00241 Helsinki
Tel. (358-0) 149 93 31
Telex: (057) 12 23 03 stand sf
Fax (358-0) 146 49 25
Telegram: finnstandard

Sverige

Standardiseringsen i Sverige (SIS)
Box 6455
S-113 82 Stockholm
Tel. (46-8) 610 30 00
Telex: (054) 17453 sis s
Fax (46-8) 30 77 57
Telegram: standardis

Svenska Elektriska Kommissionen (SEK)
Kistagangen 19
Box 1284
S-164 28 Kista Stockholm
Tel. (46-8) 444 14 00
Telex +54 17109 elnorm
Fax (46-8) 444 14 30
Teletex: 2401-8126725
Telegram: ELNORM

United Kingdom

British Electrotechnical Committee (BEC)
British Standards Institution (BSI)
389, Chiswick High Road
London W4 4AL
United Kingdom
Tel. (44-181) 996 90 00
Fax (44-181) 996 77 99/996 74 00
Telegram: standards london W1

Glossary

Achilles

A private company specialising in the provision of procurement-related services to contracting authorities

BASEEFA

British Approvals Service for Electrical Equipment in Flammable Atmospheres

BC Net

Business Cooperation Network (set up by Business Cooperation Centre, Brussels)

BRE

Bureau du rapprochement des entreprises

CE mark

A standards mark confirming conformance to EC standards

CIPFA

Chartered Institute of Public Finance and Accountancy

CORDIS

Community Research and Development Information Service

CPV

Common procurement vocabulary

DE

German language

DG Internal Market

Directorate-General Internal Market (of the European Commission)

DIN

Deutsche Industrie Norm (standard defined by the German national standards organisation)

directive

EU legislation, which Member States give the force of law by incorporating in their national legislation

DMU

Decision making unit (comprising several individuals involved in the procurement decision)

EBRD

European Bank for Reconstruction and Development

EC

European Communities

EEA

European Economic Area (EU States + Iceland and Norway)

EEIG

European economic interest grouping (legal entity formed by a contractual agreement between at least two parties in different Member States for the purpose of bidding for a contract to be carried out by the group's members)

EIC

European information centre (one of a network set up by the European Commission to provide information on business in Europe)

EOTC

European Organisation for Testing and Certification

EN

English language

ETPO

European trade promotion organisations

EUR-OP

Office for Official Publications of the European Communities

factoring

Buying the invoices of a business and taking responsibility for collecting payments due

FR

French language

GDP

Gross domestic product

GPA

Government procurement agreement

hard copy

Printed paper as opposed to electronic media

home page

The main page of an organisation's website

Interprise

European Commission programme designed to develop partnerships among SMEs in Europe

JIT

Just in time

NL

Dutch language

OECD

Organisation for Economic Cooperation and Development

OJ

Official Journal of the European Communities

product

The word 'product' in this guide is used to mean all goods, services or works bought by the public sector. It is not restricted to tangible goods

SIC

Standard industrial classification

SDR (special drawing rights)

SDR were created by the International Monetary Fund. They are an international calculation, based on a basket of national currencies. In this way, they could be likened to the EUR

SIMAP

Système d'information pour les marchés publics

single supplier source

Where a company or contracting authority deals with only one supplier instead of several — in order to achieve better control or quality, for example

SME

Small and medium-sized enterprises

supply chain management

A management approach aimed at adding value at all stages of the supply chain

TED

Tenders Electronic Daily (machine-readable text of procurement advertisements published in the Official Journal)

TICQA

Database related to testing calibration inspection and certification in the EU

TQM

Total quality management

URL

world wide web abbreviation for uniform resource locator — the address of a website

website

A collection of pages (of information) accessible via the world wide web

WTO

World Trade Organisation

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ACPC. *See* European Commission's Advisory Committee on Procurements and Contracts

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