

THE EUROPEAN SINGLE PROCUREMENT DOCUMENT (the ESPD)

TOWARD THE UNIFORM DEMATERIALIZATION OF PUBLIC PROCUREMENT PROCESSES AT EUROPEAN LEVEL

AUTHORS



BENOIT SERIZAY
benoit.serizay@wavestone.com

EMMANUELLE GAZAY
emmanuelle.gazay@wavestone.com

Harmonizing, dematerializing, and streamlining public procurement at European level: these are the challenges that must be met to boost public procurement in the European Union.

The evolution of regulations on the **dematerialization** of public procurement is bringing about real change for both public and private players.

But good change management is needed if the new approaches are to be properly adopted. EU Directive 2014/24, French government Decree No. 2016-360 of 25 March 2016 on public procurement, and France's dematerialization of markets legislation of 1 October 2018 **require public entities to embrace the dematerialization of administrative procedures.**

THE ESPD MARKET IN EUROPE

1. Background

The EU's Directorate General for the Internal Market, Industry, Entrepreneurship and SMEs estimates that European public procurement was worth over €2,015bn in 2015, or 13.7% of EU GDP. However, the calls for tender published on Tenders Electronic Daily, the online supplement of the official EU journal dedicated to the publication of tenders from all Member States, represent a value of only €349bn. This means that the vast majority of tenders issued cannot be accessed easily by all potentially interested companies.

Microenterprises* represent:

- 93% of all companies in the EU
- 2/3 of all jobs in the European nonfinancial private sector
- 63% of all jobs in non-financial companies in France

* A microenterprise has a workforce of <10 people, and revenue of <€20m.

To boost public procurement and encourage the dematerialization of public procurement at European level, the European Commission has created a standard, dematerialized response document that harmonizes the pre-qualification response to calls for tenders for all member countries: the European Single Procurement Document. But there are several issues associated with its deployment.

2. Simplifying and improving access to public procurement for microenterprises

Given the significant impact small businesses have on the European economy, the European Commission has defined access to public procurement for very small businesses and small and medium-sized

enterprises (SMEs) as one of its priority work streams. Its activity in this area involves, on the one hand, simplifying and lightening administrative procedures, and, on the other, the creation of a single, fully dematerialized response document common to all EU member countries.

3. Boosting the public sector through its procurement processes

Increasing economic and technical competitiveness

The opening up of public procurement to all companies reduces the risk of monopolies appearing and being maintained in the EU. This opening for competition between companies enables public entities to choose from a more diverse range of offers, in both financial and technical terms. The result is better value public procurement and the encouragement of

new competitive clusters.

Stimulating innovation

Faced with an increasing number of bidders, companies have a strong driver to differentiate themselves by offering more innovative services. In France in particular, many start-ups specializing in legal tech and civic tech could benefit from the opening up of public procurement, something that would enable them to offer new services and compete with the major players in the sector, who would, in turn, be forced to innovate. Such innovation can only benefit public bodies, which are having to rapidly adapt to developing regulations and changes in user/government relations.

Dematerializing to increase value added

The dematerialization of public procurement

is delivering real productivity gains for all stakeholders. For businesses, sending files electronically, being able to automatically access administrative data, and the reuse of information they have already provided to government departments (the "Tell us once" principle) represent significant time savers. For public bodies, dematerialization also optimizes business processes for purchasers (no need to re-enter data, data being reused, automatic filling of fields, robotization, and use of artificial intelligence during checks and controls, etc.). This allows public bodies to focus on high-value-added tasks and automate the most mechanical and redundant work. However, if this transition is to take place in the best possible way and the benefits of dematerialization are to be truly felt, good change management will be needed.

Beyond improving business practices, dematerialization enables all public-sector bodies to reduce their costs.

Beyond improving business practices, dematerialization enables all public-sector bodies to reduce their costs. According to the French Environment and Energy Management Agency (ADEME), a department of a hundred people consumes an average of €10,000 to €25,000 worth of paper every year. And in France, the cost of unnecessary printing stands at €400m annually. While it can be difficult to put numbers to the savings that dematerialization generates, there's no doubt that the approach is beneficial, both financially and environmentally.

THE ESPD IN FRANCE

1. The main principles

In France, the Civil Service's Legal Affairs Department has decided to accelerate the dematerialization of the entire public procurement process by implementing a Public Procurement Digital Transformation

Plan. The plan consists of a number of actions, including the transposition of the European Single Procurement Document (ESPD) at national level.

2. What is the ESPD?

The ESPD comes in at tendering stage, upstream of the procurement process itself. It's used to create the proposal documentation for buyers and economic operators' (companies) pre-qualification responses to a call for tenders.

Where the ESPD comes into play in the public procurement process



The different stages in a public-sector call for tenders

THE ESPD: ADVANTAGE OR CONSTRAINT?

From now on, any French public body involved in procurement will be free to choose between three procurement methods: the ESPD, the Simplified Contract Notice (MPS), or the DC1 and DC2 contract notices.

The ESPD is not yet compulsory in France. However, from October 2018, public bodies will be obliged to make the DC-type notices available in paperless format for contracts over €25,000. Anticipating the arrival of the ESPD enables public-sector purchasers to be as well prepared as possible. Ultimately, the ESPD is intended to replace the MPS.

It will then represent the only procurement method that enables data to be organized, stored, and subsequently reused—from the point where a company enters a public procurement process.

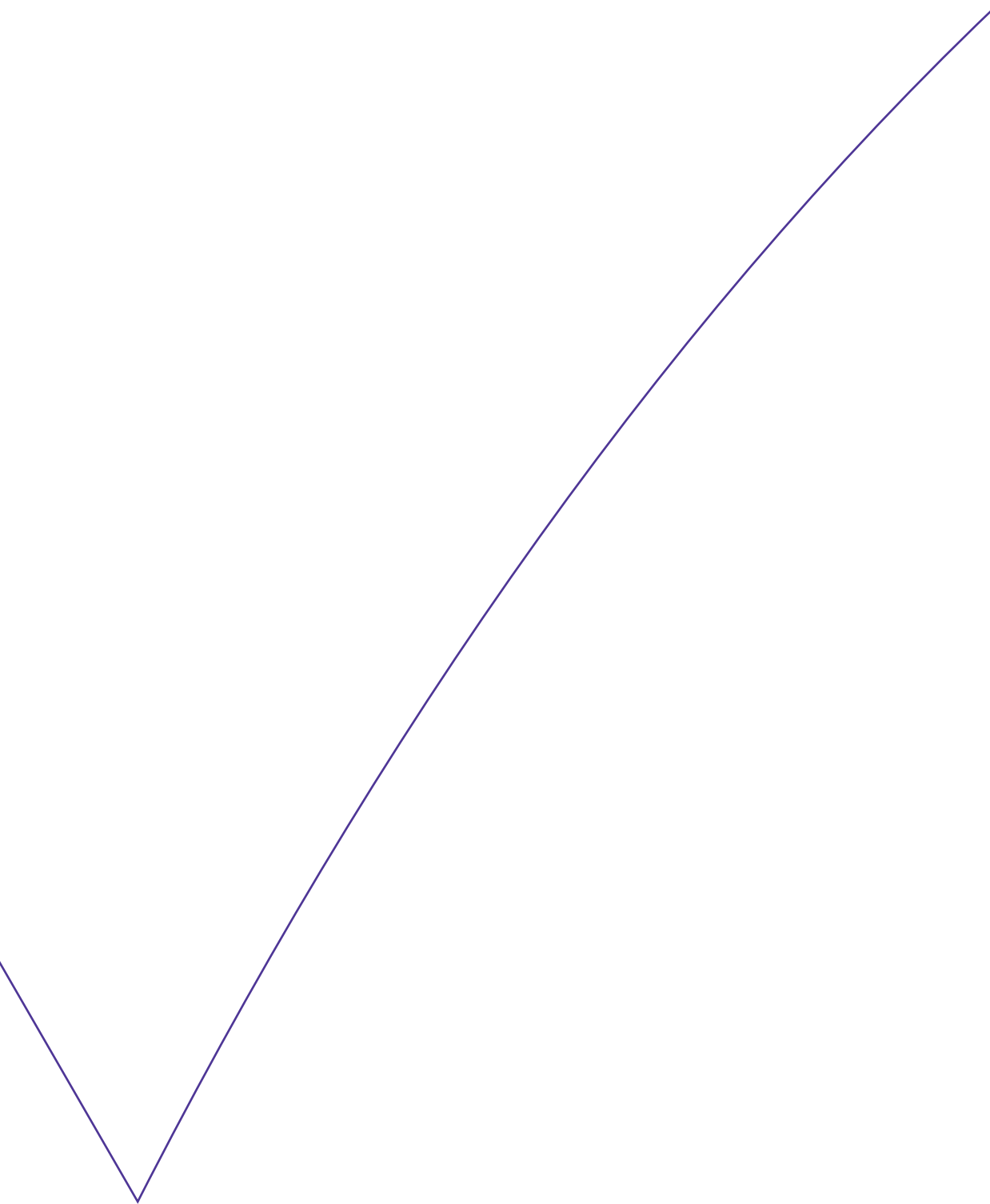
"TELL US ONCE"

The ESPD is consistent with the "Tell us once" principle put in place by France's interdepartmental directorate for digital, IS, and government communications (the DINSIC): when a public or private entity transmits information to the government, it should be shared between government departments and reused for other interactions

Comparing the different procurement methods

	DC1,2	MPS	ESPD
Dematerialized service	●	●	●
No certificates required		●	●
Data can be reused		●	●
Compatible with all tender types			●
EU documentation			●





WAVESTONE

www.wavestone.com

In a world where knowing how to drive transformation is the key to success, Wavestone's mission is to inform and guide large companies and organizations in their most critical transformations, with the ambition of a positive outcome for all stakeholders. That's what we call "The Positive Way."

Wavestone draws on some 2,800 employees across 8 countries. It is a leading independent player in European consulting, and the number one in France.

Wavestone is listed on Euronext Paris and recognized as a Great Place to Work®.