

ECOS/004

Brussels, 26 March 2002

OPINION
of
the Committee of the Regions
of 14 March 2002
on the
**Proposal for a Regulation of the European Parliament and of the Council on the
Common Procurement Vocabulary (CPV)**
COM(2001) 449 final

The Committee of the Regions

HAVING REGARD TO the Proposal for a "Regulation of the European Parliament and of the Council on the Common Procurement Vocabulary (CPV)" (COM(2001) 449 final);

HAVING REGARD TO the decision of the Council on 15 September 2001, under the first paragraph of Article 265 of the Treaty establishing the European Community, to consult it on this matter;

HAVING REGARD TO the decision of the President of the Committee of the Regions on 11 September 2001 to instruct Commission 6 (Employment, Economic Policy, Single Market, Industry and SMEs) to draw up an opinion on this subject;

HAVING REGARD TO the Commission's Communication on Public Procurement in the European Union, COM(98) 143 final;

HAVING REGARD TO its opinion on the Commission's Communication on public procurement in the European Union, CdR 108/1998 fin¹;

HAVING REGARD TO the Commission's Green Paper on public procurement in the European Union: Exploring the way forward, COM(96) 583 final;

HAVING REGARD TO its opinion on the Green Paper on public procurement in the European Union: Exploring the way forward, CdR 81/1997 fin²;

HAVING REGARD TO the Proposal for a Directive of the European Parliament and of the Council on the coordination of procedures for the award of public supply contracts, public service contracts and public works contracts and the Proposal for a Directive of the European Parliament and of the Council coordinating the procurement procedures of entities operating in the water, energy and transport sectors (COM(2000)275 final and COM(2000) 276 final;

HAVING REGARD TO its Opinion on the Proposal for a Directive of the European Parliament and of the Council on the coordination of procedures for the award of public supply contracts, public service contracts and public works contracts and the Proposal for a Directive of the European Parliament and of the Council coordinating the procurement procedures of entities operating in the water, energy and transport sectors, CdR 312/2000 fin³;

HAVING REGARD TO the draft opinion (CdR 391/2001 rev 2) adopted unanimously by Commission 6 on 21 January 2002 (rapporteur: **Ms Segersten Larsson**, S-EPP, Opposition Commissioner, Värmland County Council);

WHEREAS the Committee of the Regions strongly supports the CPV and welcomes the new, improved version of the nomenclature, it would point to the need to consider further changes in order to make the code more relevant and navigable,

adopted the following opinion unanimously at its 43rd plenary session of 13 and 14 March 2002 (meeting of 14 March).

1. Views of the Committee of the Regions on the proposal

1. The Committee of the Regions feels that an effective procurement nomenclature is a prerequisite for proper operation of public procurement. Unless the contracting entities are able to classify tenders relevantly, potential suppliers will not be able to find the notices of tender, thereby impeding competition.
2. In previous opinions on public procurement the Committee of the Regions has stressed the urgency of streamlining rules in this area. With this in mind the Committee warmly welcomes the Commission's proposal that a single system should be used. That will make it easier for both contracting entities and suppliers. The Committee fully supports the view that an effective classification system is an excellent tool for making the process easier for both parties and substantially reducing the risk of misunderstandings. It also saves time and money by improving the efficiency of tenders.
3. Though the Committee welcomes the new, improved version of the CPV nomenclature, it feels that the CPV is still afflicted with shortcomings which make it difficult to navigate. One of the reasons is that many contracting entities active in the field regard the basic structure as illogical. In addition, some sections of the classification are felt to be far too detailed, and others far too rough.
4. To take some examples of confusing classification: comforters and credit cards are in the same group. Picture frames, hooks and eyes and ship propellers are in another. Pumps for medical use are classified among concrete pumps. Delivery of bed linen to hospitals is included among health services while bed linen for medical staff is classified as a laundry service. Another problem is that certain products are classified under several different headings, which makes it difficult for contracting entities to know whether they have indicated the right product. Classification of medicines is another area where many problems arise. The distinction made between the different

headings causes much confusion. Purchasers of medicines find it hard to understand why this particular classification was chosen. For instance, why are five vaccines specified as preparations yet there is no heading whatsoever for many groups of medicines?

5. The Committee would stress that e-commerce is increasingly gaining ground in the Member States. An effective procurement nomenclature is a prerequisite for optimum efficiency.
6. The Committee would point out that a better CPV could also provide the Commission with a tool for obtaining accurate procurement statistics directly through TED⁴, thereby reducing the administrative burden on the contracting entities.
7. The Committee of the Regions points out that the CPV is an example where an early involvement of the CoR and better involvement of local and regional actors in preparation of EU policy-making in Member States, as outlined in the White Paper on European Governance⁵, would have strengthened the consultation procedure of the European Commission as the amending of CPV to a sufficient extent can only be done by practitioners that work with the CPV regularly.
8. The Committee of the Regions urges the Commission, the European Parliament and the Council to consider the amendments proposed to the CPV in this opinion and also to consider further amendments proposed by local and regional players or their representatives at a later stage of the decision-making procedure on the CPV.

2. Recommendations of the Committee of the Regions concerning the proposal

1. Several earlier Committee of the Regions opinions on public procurement have highlighted the practical problems connected with the CPV.⁶
2. The Committee supports a single nomenclature but on condition that it operates satisfactorily. Feedback from both contracting entities and firms indicates that the revised CPV is still imprecise, uneven and difficult to navigate.
3. The main problem is considered to be the illogical basic structure. In the case of goods, a classification according to the potential use of the product, rather than the material used for its manufacture, should be considered. The difficulty of the latter approach is that a product is classified in many different places. Where internationally recognised and applied methods of classification exist in an area, their use should be envisaged, as in the case of medicines, where the ATC system could suitably be applied. The ATC nomenclature is drawn up by the WHO and recommended for notification of the use of medicines.
4. Public procurement offers to tender should seek out suppliers which do not primarily target the public sector or a particular geographical area. In this connection it should be noted that a classification system exists for seeking, selecting and identifying products and services: the UNSPSC (Universal Standard Products and Service Classification). This system has now made a major impact, via e-commerce, on many groups of users.
5. The desired smooth interaction between the CVP and UNSPSC can be achieved, for instance, by compiling an inter-system cross-reference list. The Commission should therefore take steps, in conjunction with the UNSPSC, to see that such inter-system cross-reference lists relevant to e-commerce are compiled and kept updated.

6. To ensure the success of efforts to review, maintain and update the CVP and to attain the common objective of achieving an effective nomenclature, it is vital to involve contracting entities and suppliers active in the field. As regional and local authorities are responsible for a large share of public procurement, the Committee of the Regions recommends a large proportion of the procurement experts should come from these bodies.

Brussels, 14 March 2002.

The President

The Secretary-General

of the

of the

Committee of the Regions

Committee of the Regions

Albert Bore

Vincenzo Falcone

¹ OJ C 373 of 2.12.1998, p. 13

² OJ C 244 of 11.8.1997, p. 28

³ OJ C 144 of 16.5.2001, p. 23

⁴ Tenders Electronic Daily

⁵ European Governance: A white paper COM(2001) 428

⁶ CdR 81/97 p. 3.4.1-3.4.3, CdR 108/1998 p. 3.3.5, CdR 312/2000 p. 2.8.1-2.8.4

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