

Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (Text with EEA relevance)

## TITLE I

### SCOPE, DEFINITIONS AND GENERAL PRINCIPLES

#### CHAPTER I

##### *Subject-matter and definitions*

###### *Article 1*

###### **Subject matter and scope**

1 This Directive establishes rules on the procedures for procurement by contracting entities with respect to contracts as well as design contests, whose value is estimated to be not less than the thresholds laid down in Article 15.

2 Procurement within the meaning of this Directive is the acquisition by means of a supply, works or service contract of works, supplies or services by one or more contracting entities from economic operators chosen by those contracting entities, provided that the works, supplies or services are intended for the pursuit of one of the activities referred to in Articles 8 to 14.

3 The application of this Directive is subject to Article 346 of TFEU.

4 This Directive does not affect the freedom of Member States to define, in conformity with Union law, what they consider to be services of general economic interest, how those services should be organised and financed, in compliance with the State aid rules, and what specific obligations they should be subject to. Equally, this Directive does not affect the decision of public authorities whether, how and to what extent they wish to perform public functions themselves pursuant to Article 14 TFEU and Protocol No 26.

5 This Directive does not affect the way in which the Member States organise their social security systems.

6 The scope of this Directive shall not include non-economic services of general interest.

###### *Article 2*

###### **Definitions**

For the purposes of this Directive, the following definitions apply:

- (1) ‘supply, works and service contracts’ means contracts for pecuniary interest concluded in writing between one or more contracting entities and one or more economic operators and having as their object the execution of works, the supply of products or the provision of services;

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- (2) ‘works contracts’ means contracts having as their object one of the following:
  - (a) the execution, or both the design and execution, of works related to one of the activities within the meaning of Annex I;
  - (b) the execution, or both the design and execution, of a work;
  - (c) the realisation by whatever means of a work corresponding to the requirements specified by the contracting entity exercising a decisive influence on the type or design of the work;
- (3) ‘a work’ means the outcome of building or civil engineering works taken as a whole which is sufficient in itself to fulfil an economic or technical function;
- (4) ‘supply contracts’ means contracts having as their object the purchase, lease, rental or hire-purchase, with or without an option to buy, of products. A supply contract may include, as an incidental matter, siting and installation operations;
- (5) ‘service contracts’ means contracts having as their object the provision of services other than those referred to in point 2;
- (6) ‘economic operator’ means any natural or legal person, or a contracting entity, or a group of such persons and/or entities, including any temporary association of undertakings, which offers the execution of works and/or a work, the supply of products or the provision of services on the market;
- (7) ‘tenderer’ means an economic operator that has submitted a tender;
- (8) ‘candidate’ means an economic operator that has sought an invitation or has been invited to take part in a restricted or negotiated procedure, in a competitive dialogue or in an innovation partnership;
- (9) ‘procurement document’ means any document produced or referred to by the contracting entity to describe or determine elements of the procurement or the procedure, including the contract notice, the periodic indicative notice or the notices on the existence of a qualification system where they are used as a means of calling for competition, the technical specifications, the descriptive document, proposed conditions of contract, formats for the presentation of documents by candidates and tenderers, information on generally applicable obligations and any additional documents;
- (10) ‘centralised purchasing activities’ means activities conducted on a permanent basis, in one of the following forms:
  - (a) the acquisition of supplies and/or services intended for contracting entities,
  - (b) the award of contracts or the conclusion of framework agreements for works, supplies or services intended for contracting entities;
- (11) ‘ancillary purchasing activities’ means activities consisting in the provision of support to purchasing activities, in particular in the following forms:
  - (a) technical infrastructure enabling contracting entities to award public contracts or to conclude framework agreements for works, supplies or services;
  - (b) advice on the conduct or design of procurement procedures;

- (c) preparation and management of procurement procedures on behalf and for the account of the contracting entity concerned;
- (12) ‘central purchasing body’ means a contracting entity within the meaning of Article 4(1) of this Directive or a contracting authority within the meaning of point 1 of Article 2(1) of Directive 2014/24/EU providing centralised purchasing activities and, possibly, ancillary purchasing activities.
- Procurement carried out by a central purchasing body in order to perform centralised purchasing activities shall be deemed to be procurement for the pursuit of an activity as described in Articles 8 to 14. Article 18 shall not apply to procurement carried out by a central purchasing body in order to perform centralised purchasing activities;
- (13) ‘procurement service provider’ means a public or private body, which offers ancillary purchasing activities on the market;
- (14) ‘written’ or ‘in writing’ means any expression consisting of words or figures which can be read, reproduced and subsequently communicated, including information transmitted and stored by electronic means;
- (15) ‘electronic means’ means electronic equipment for the processing (including digital compression) and storage of data which is transmitted, conveyed and received by wire, by radio, by optical means or by other electromagnetic means;
- (16) ‘life cycle’ means all consecutive and/or interlinked stages, including research and development to be carried out, production, trading and its conditions, transport, use and maintenance, throughout the existence of the product or the works or the provision of the service, from raw material acquisition or generation of resources to disposal, clearance and end of service or utilisation;
- (17) ‘design contests’ means those procedures which enable the contracting entity to acquire, mainly in the fields of town and country planning, architecture, engineering or data processing, a plan or design selected by a jury after being put out to competition with or without the award of prizes;
- (18) ‘innovation’ means the implementation of a new or significantly improved product, service or process, including but not limited to production, building or construction processes, a new marketing method, or a new organisational method in business practices, workplace organisation or external relations, inter alia, with the purpose of helping to solve societal challenges or to support the Europe 2020 strategy for smart, sustainable and inclusive growth;
- (19) ‘label’ means any document, certificate or attestation confirming that the works, products, services, processes or procedures in question meet certain requirements;
- (20) ‘label requirements’ means the requirements to be met by the works, products, services, processes or procedures in question in order to obtain the label concerned.

### *Article 3*

#### **Contracting authorities**

1 For the purpose of this Directive ‘contracting authorities’ means State, regional or local authorities, bodies governed by public law or associations formed by one or more such authorities or one or more such bodies governed by public law.

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2 'Regional authorities' includes all authorities of the administrative units, listed non-exhaustively in NUTS 1 and 2, as referred to in Regulation (EC) No 1059/2003 of the European Parliament and of the Council<sup>(1)</sup>.

3 'Local authorities' includes all authorities of the administrative units falling under NUTS 3 and smaller administrative units, as referred to in Regulation (EC) No 1059/2003.

4 'Bodies governed by public law' means bodies that have all of the following characteristics:

- a they are established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character;
- b they have legal personality; and
- c they are financed, for the most part, by the State, regional or local authorities, or by other bodies governed by public law; or are subject to management supervision by those authorities or bodies; or which have an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities, or by other bodies governed by public law.

#### *Article 4*

### **Contracting entities**

1 For the purpose of this Directive contracting entities are entities, which:

- a are contracting authorities or public undertakings and which pursue one of the activities referred to in Articles 8 to 14;
- b when they are not contracting authorities or public undertakings, have as one of their activities any of the activities referred to in Articles 8 to 14, or any combination thereof and operate on the basis of special or exclusive rights granted by a competent authority of a Member State.

2 'Public undertaking' means any undertaking over which the contracting authorities may exercise directly or indirectly a dominant influence by virtue of their ownership of it, their financial participation therein, or the rules which govern it.

A dominant influence on the part of the contracting authorities shall be presumed in any of the following cases in which those authorities, directly or indirectly:

- a hold the majority of the undertaking's subscribed capital;
- b control the majority of the votes attaching to shares issued by the undertaking,
- c can appoint more than half of the undertaking's administrative, management or supervisory body.

3 For the purposes of this Article, 'special or exclusive rights' means rights granted by a competent authority of a Member State by way of any legislative, regulatory or administrative provision the effect of which is to limit the exercise of activities defined in Articles 8 to 14 to one or more entities, and which substantially affects the ability of other entities to carry out such activity.

Rights which have been granted by means of a procedure in which adequate publicity has been ensured and where the granting of those rights was based on objective criteria shall not constitute special or exclusive rights within the meaning of the first subparagraph.

Such procedures include:

- a procurement procedures with a prior call for competition in conformity with Directive 2014/24/EU, Directive 2009/81/EC, Directive 2014/23/EU or this Directive;
- b procedures pursuant to other legal acts of the Union listed in Annex II, ensuring adequate prior transparency for granting authorisations on the basis of objective criteria.

4 The Commission shall be empowered to adopt delegated acts in accordance with Article 103 concerning the modification of the list of Union legal acts set out in Annex II, when on the basis of the adoption of new legal acts, repeal or modification of such legal acts, such amendments prove necessary.

### *Article 5*

#### **Mixed procurement covering the same activity**

1 Paragraph 2 shall apply to mixed contracts which have as their subject-matter different types of procurement all of which are covered by this Directive.

Paragraphs 3 to 5 shall apply to mixed contracts which have as their subject-matter procurement covered by this Directive and procurement covered by other legal regimes.

2 Contracts which have as their subject-matter two or more types of procurement (works, services or supplies) shall be awarded in accordance with the provisions applicable to the type of procurement that characterises the main subject of the contract in question.

In the case of mixed contracts consisting partly of services within the meaning of Chapter I of Title III and partly of other services or of mixed contracts consisting partly of services and partly of supplies, the main subject shall be determined in accordance with which of the estimated values of the respective services or supplies is the highest.

3 Where the different parts of a given contract are objectively separable, paragraph 4 shall apply. Where the different parts of a given contract are objectively not separable, paragraph 5 shall apply.

Where part of a given contract is covered by Article 346 TFEU or Directive 2009/81/EC Article 25 of this Directive shall apply.

4 In the case of contracts which have as their subject-matter procurement covered by this Directive as well as procurement not covered by this Directive, contracting entities may choose to award separate contracts for the separate parts or to award a single contract. Where contracting entities choose to award separate contracts for separate parts, the decision as to which legal regime applies to any one of such separate contracts shall be taken on the basis of the characteristics of the separate part concerned.

Where contracting entities choose to award a single contract, this Directive shall, unless otherwise provided in Article 25, apply to the ensuing mixed contract, irrespective of the value of the parts that would otherwise fall under a different legal regime and irrespective of which legal regime those parts would otherwise have been subject to.

In the case of mixed contracts containing elements of supply, works and service contracts and of concessions, the mixed contract shall be awarded in accordance with this Directive, provided that the estimated value of the part of the contract which constitutes a contract covered by this Directive, calculated in accordance with Article 16, is equal to or greater than the relevant threshold set out in Article 15.

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5 Where the different parts of a given contract are objectively not separable, the applicable legal regime shall be determined on the basis of the main subject-matter of that contract.

### *Article 6*

#### **Procurement covering several activities**

1 In the case of contracts intended to cover several activities, contracting entities may choose to award separate contracts for the purposes of each separate activity or to award a single contract. Where contracting entities choose to award separate contracts, the decision as to which rules apply to any one of such separate contracts shall be taken on the basis of the characteristics of the separate activity concerned.

Notwithstanding Article 5, where contracting entities choose to award a single contract, paragraphs 2 and 3 of this Article shall apply. However, where one of the activities concerned is covered by Article 346 TFEU or Directive 2009/81/EC, Article 26 of this Directive shall apply.

The choice between awarding a single contract or awarding a number of separate contracts shall not, however, be made with the objective of excluding the contract or contracts from the scope of application either of this Directive or, where applicable, Directive 2014/24/EU or Directive 2014/23/EU.

2 A contract which is intended to cover several activities shall be subject to the rules applicable to the activity for which it is principally intended.

3 In the case of contracts for which it is objectively impossible to determine for which activity the contract is principally intended, the applicable rules shall be determined in accordance with points (a), (b), and (c):

- a the contract shall be awarded in accordance with Directive 2014/24/EU, if one of the activities for which the contract is intended is subject to this Directive and the other to Directive 2014/24/EU;
- b the contract shall be awarded in accordance with this Directive, if one of the activities for which the contract is intended is subject to this Directive and the other to Directive 2014/23/EU;
- c the contract shall be awarded in accordance with this Directive, if one of the activities for which the contract is intended is subject to this Directive and the other is not subject to either this Directive, Directive 2014/24/EU or 2014/23/EU.

## *CHAPTER II*

### *Activities*

#### *Article 7*

#### **Common provisions**

For the purposes of Articles 8, 9 and 10, 'supply' shall include generation/production, wholesale and retail sale.

However, production of gas in the form of extraction falls within the scope of Article 14.

### *Article 8*

#### **Gas and heat**

1 As far as gas and heat are concerned, this Directive shall apply to the following activities:

- a the provision or operation of fixed networks intended to provide a service to the public in connection with the production, transport or distribution of gas or heat;
- b the supply of gas or heat to such networks.

2 The supply, by a contracting entity other than a contracting authority, of gas or heat to fixed networks which provide a service to the public shall not be considered to be a relevant activity within the meaning of paragraph 1 where all of the following conditions are met:

- a the production of gas or heat by that contracting entity is the unavoidable consequence of carrying out an activity other than those referred to in paragraph 1 of this Article or in Articles 9 to 11;
- b the supply to the public network is aimed only at the economic exploitation of such production and amounts to not more than 20 % of the contracting entity's turnover on the basis of the average for the preceding three years, including the current year.

### *Article 9*

#### **Electricity**

1 As far as electricity is concerned, this Directive shall apply to the following activities:

- a the provision or operation of fixed networks intended to provide a service to the public in connection with the production, transport or distribution of electricity;
- b the supply of electricity to such networks.

2 The supply, by a contracting entity other than a contracting authority, of electricity to fixed networks which provide a service to the public shall not be considered to be a relevant activity within the meaning of paragraph 1 where all of the following conditions are met:

- a the production of electricity by that contracting entity takes place because its consumption is necessary for carrying out an activity other than those referred to in paragraph 1 of this Article or in Articles 8, 10 and 11;
- b supply to the public network depends only on that contracting entity's own consumption and has not exceeded 30 % of that contracting entity's total production of energy, on the basis of the average for the preceding three years, including the current year.

### *Article 10*

#### **Water**

1 As far as water is concerned, this Directive shall apply to the following activities:

- a the provision or operation of fixed networks intended to provide a service to the public in connection with the production, transport or distribution of drinking water;
- b the supply of drinking water to such networks.

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2 This Directive shall also apply to contracts or design contests awarded or organised by contracting entities which pursue an activity referred to in paragraph 1 and which are connected with one of the following:

- a hydraulic engineering projects, irrigation or land drainage, provided that the volume of water to be used for the supply of drinking water represents more than 20 % of the total volume of water made available by such projects or irrigation or drainage installations,
- b the disposal or treatment of sewage.

3 The supply, by a contracting entity other than a contracting authority, of drinking water to fixed networks which provide a service to the public shall not be considered to be a relevant activity within the meaning of paragraph 1 where all of the following conditions are met:

- a the production of drinking water by that contracting entity concerned takes place because its consumption is necessary for carrying out an activity other than those referred to in Articles 8 to 11;
- b the supply to the public network depends only on that contracting entity's own consumption and has not exceeded 30 % of that contracting entity's total production of drinking water, on the basis of the average for the preceding three years, including the current year.

#### *Article 11*

### **Transport services**

This Directive shall apply to activities relating to the provision or operation of networks providing a service to the public in the field of transport by railway, automated systems, tramway, trolley bus, bus or cable.

As regards transport services, a network shall be considered to exist where the service is provided under operating conditions laid down by a competent authority of a Member State, such as conditions on the routes to be served, the capacity to be made available or the frequency of the service.

#### *Article 12*

### **Ports and airports**

This Directive shall apply to activities relating to the exploitation of a geographical area for the purpose of the provision of airports and maritime or inland ports or other terminal facilities to carriers by air, sea or inland waterway.

#### *Article 13*

### **Postal services**

1 This Directive shall apply to activities relating to the provision of:

- a postal services;
- b other services than postal services, on condition that such services are provided by an entity which also provides postal services within the meaning of point (b) of paragraph 2 of this Article and provided that the conditions set out in Article 34(1) are not satisfied in respect of the services falling within point (b) of paragraph 2 of this Article.



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2 For the purpose of this Article and without prejudice to Directive 97/67/EC of the European Parliament and of the Council<sup>(2)</sup>:

- a 'postal item' means an item addressed in the final form in which it is to be carried, irrespective of weight. In addition to items of correspondence, such items also include for instance books, catalogues, newspapers, periodicals and postal packages containing merchandise with or without commercial value, irrespective of weight;
- b 'postal services' means services consisting of the clearance, sorting, routing and delivery of postal items. This shall include both services falling within as well as services falling outside the scope of the universal service set up in conformity with Directive 97/67/EC;
- c 'other services than postal services' means services provided in the following areas:
  - (i) mail service management services (services both preceding and subsequent to despatch, including mailroom management services);
  - (ii) services concerning postal items not included in point (a), such as direct mail bearing no address.

#### *Article 14*

### **Extraction of oil and gas and exploration for, or extraction of, coal or other solid fuels**

This Directive shall apply to activities relating to the exploitation of a geographical area for the purpose of:

- (a) extracting oil or gas;
- (b) exploring for, or extracting, coal or other solid fuels.

#### *CHAPTER III*

### ***Material scope***

#### *Section 1*

### ***Thresholds***

#### *Article 15*

### **Threshold amounts**

Save where they are ruled out by the exclusions in Articles 18 to 23 or pursuant to Article 34, concerning the pursuit of the activity in question, this Directive shall apply to procurements with a value net of value-added tax (VAT) estimated to be equal to or greater than the following thresholds:

- (a) [F<sup>1</sup>EUR 428 000] for supply and service contracts as well as for design contests;
- (b) [F<sup>1</sup>EUR 5 350 000] for works contracts;
- (c) EUR 1 000 000 for service contracts for social and other specific services listed in Annex XVII.

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#### Textual Amendments

- F1** Substituted by [Commission Delegated Regulation \(EU\) 2019/1829 of 30 October 2019 amending Directive 2014/25/EU of the European Parliament and of the Council in respect of the thresholds for supply, service and works contracts, and design contests \(Text with EEA relevance\).](#)

### Article 16

#### Methods for calculating the estimated value of procurement

1 The calculation of the estimated value of a procurement shall be based on the total amount payable, net of VAT, as estimated by the contracting entity, including any form of option and any renewals of the contracts as explicitly set out in the procurement documents.

Where the contracting entity provides for prizes or payments to candidates or tenderers it shall take them into account when calculating the estimated value of the procurement.

2 Where a contracting entity is comprised of separate operational units, account shall be taken of the total estimated value for all the individual operational units.

Notwithstanding the first subparagraph, where a separate operational unit is independently responsible for its procurement or certain categories thereof, the values may be estimated at the level of the unit in question.

3 The choice of the method used to calculate the estimated value of a procurement shall not be made with the intention of excluding it from the scope of this Directive. A procurement shall not be subdivided with the effect of preventing it from falling within the scope of this Directive, unless justified by objective reasons.

4 That estimated value shall be valid at the moment at which the call for competition is sent or, in cases where such call for competition is not foreseen, at the moment at which the contracting entity commences the contract procurement procedure, for instance, where appropriate, by contacting economic operators in relation to the procurement.

5 With regard to framework agreements and dynamic purchasing systems, the value to be taken into consideration shall be the maximum estimated value net of VAT of all the contracts envisaged for the total term of the agreement or system.

6 In the case of innovation partnerships, the value to be taken into consideration shall be the maximum estimated value net of VAT of the research and development activities to take place during all stages of the envisaged partnership as well as of the supplies, services or works to be developed and procured at the end of the envisaged partnership.

7 For the purposes of Article 15, contracting entities shall include in the estimated value of a works contract both the cost of the works and the total estimated value of any supplies or services that are made available to the contractor by the contracting entities provided that they are necessary for the execution of the works.

8 Where a proposed work or a proposed provision of services may result in contracts being awarded in the form of separate lots, account shall be taken of the total estimated value of all such lots.

Where the aggregate value of the lots is equal to or exceeds the threshold laid down in Article 15, this Directive shall apply to the awarding of each lot.

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9 Where a proposal for the acquisition of similar supplies may result in contracts being awarded in the form of separate lots, account shall be taken of the total estimated value of all such lots when applying points (b) and (c) of Article 15.

Where the aggregate value of the lots is equal to or exceeds the threshold laid down in Article 15, this Directive shall apply to the awarding of each lot.

10 Notwithstanding paragraphs 8 and 9, contracting entities may award contracts for individual lots without applying the procedures provided for under this Directive, provided that the estimated value net of VAT of the lot concerned is less than EUR 80 000 for supplies or services or EUR 1 million for works. However, the aggregate value of the lots thus awarded without applying this Directive shall not exceed 20 % of the aggregate value of all the lots into which the proposed work, the proposed acquisition of similar supplies or the proposed provision of services has been divided.

11 In the case of supply or service contracts which are regular in nature or which are intended to be renewed within a given period, the calculation of the estimated contract value shall be based on the following:

- a either the total actual value of the successive contracts of the same type awarded during the preceding 12 months or financial year adjusted, where possible, to take account of the changes in quantity or value which would occur in the course of the 12 months following the initial contract;
- b or the total estimated value of the successive contracts awarded during the 12 months following the first delivery, or during the financial year where that is longer than 12 months.

12 With regard to supply contracts relating to the leasing, hire, rental or hire purchase of products, the value to be taken as a basis for calculating the estimated contract value shall be as follows:

- a in the case of fixed-term contracts, if that term is less than or equal to 12 months, the total estimated value for the term of the contract or, where the term of the contract is greater than 12 months, the total value including the estimated residual value;
- b in the case of contracts without a fixed term or the term of which cannot be defined, the monthly value multiplied by 48.

13 With regard to service contracts, the basis for calculating the estimated contract value shall, where appropriate, be the following:

- a insurance services: the premium payable, and other forms of remuneration;
- b banking and other financial services: the fees, commissions payable, interest and other forms of remuneration;
- c design contracts: fees, commissions payable and other forms of remuneration.

14 With regard to service contracts which do not indicate a total price, the basis for calculating the estimated contract value shall be the following:

- a in the case of fixed-term contracts, where that term is less than or equal to 48 months: the total value for their full term;
- b in the case of contracts without a fixed term or with a term greater than 48 months: the monthly value multiplied by 48.

## Article 17

### Revision of the thresholds

1 Every two years from 30 June 2013, the Commission shall verify that the thresholds set out in points (a) and (b) of Article 15 correspond to the thresholds established in the World Trade Organisation Agreement on Government Procurement (GPA) and shall, where necessary, revise them in accordance with this Article.

In accordance with the calculation method set out in the GPA, the Commission shall calculate the value of those thresholds on the basis of the average daily value of the euro in terms of the special drawing rights (SDRs), over a period of 24 months terminating on 31 August preceding the revision with effect from 1 January. The value of the thresholds thus revised shall, where necessary, be rounded down to the nearest thousand euros so as to ensure that the thresholds in force provided for by the GPA, expressed in SDRs, are observed.

2 Every two years from 1 January 2014, the Commission shall determine the values, in the national currencies of Member States, whose currency is not the euro, of the thresholds referred to in points (a) and (b) of Article 15, revised pursuant to paragraph 1 of this Article.

At the same time, the Commission shall determine the value, in the national currencies of the Member States, whose currency is not the euro, of the threshold referred to in point (c) of Article 15.

In accordance with the calculation method set out in the GPA, the determination of such values shall be based on the average daily values of those currencies, corresponding to the applicable threshold expressed in euros over the 24 months terminating on 31 August preceding the revision with effect from 1 January.

3 The Commission shall publish the revised thresholds referred to in paragraph 1, their corresponding values in the national currencies referred to in the first subparagraph of paragraph 2, and the value determined in accordance with the second subparagraph of paragraph 2 in the *Official Journal of the European Union* at the beginning of the month of November following their revision.

4 The Commission shall be empowered to adopt delegated acts in accordance with Article 103 to adapt the methodology set out in the second subparagraph of paragraph 1 of this Article to any change in the methodology provided in the GPA for the revision of the thresholds referred to in points (a) and (b) of Article 15 and for the determination of the corresponding values in the national currencies of the Member States, whose currency is not the euro, as referred to in paragraph 2 of this Article.

The Commission shall be empowered to adopt delegated acts in accordance with Article 103 to revise the thresholds referred to in points (a) and (b) of Article 15 when necessary.

5 Where it is necessary to revise the thresholds referred to in points (a) and (b) of Article 15 and time constraints prevent the use of the procedure set in Article 103 and therefore imperative grounds of urgency so require, the procedure provided for in Article 104 shall apply to delegated acts adopted pursuant to the second subparagraph of paragraph 4 of this Article.

## Section 2

### ***Excluded contracts and design contests; special provisions for procurement involving defence and security aspects***

#### Subsection 1

### ***Exclusions applicable to all contracting entities and special exclusions for the water and energy sectors***

#### Article 18

### **Contracts awarded for purposes of resale or lease to third parties**

1 This Directive shall not apply to contracts awarded for purposes of resale or lease to third parties, provided that the contracting entity enjoys no special or exclusive right to sell or lease the subject of such contracts, and other entities are free to sell or lease it under the same conditions as the contracting entity.

2 The contracting entities shall notify the Commission if so requested of all the categories of products or activities which they regard as excluded under paragraph 1. The Commission may periodically publish in the *Official Journal of the European Union*, for information purposes, of lists of the categories of products and activities which it considers to be covered by this exclusion. In so doing, the Commission shall respect any sensitive commercial aspects that the contracting entities may point out when forwarding information.

#### Article 19

### **Contracts and design contests awarded or organised for purposes other than the pursuit of a covered activity or for the pursuit of such an activity in a third country**

1 This Directive shall not apply to contracts which the contracting entities award for purposes other than the pursuit of their activities as described in Articles 8 to 14 or for the pursuit of such activities in a third country, in conditions not involving the physical use of a network or geographical area within the Union nor shall it apply to design contests organised for such purposes.

2 The contracting entities shall notify the Commission, if so requested, of any activities which they regard as excluded under paragraph 1. The Commission may periodically publish in the *Official Journal of the European Union*, for information purposes, lists of the categories of activities which it considers to be covered by this exclusion. In so doing, the Commission shall respect any sensitive commercial aspects that the contracting entities may point out when forwarding this information.

#### Article 20

### **Contracts awarded and design contests organised pursuant to international rules**

1 This Directive shall not apply to contracts or design contests which the contracting entity is obliged to award or organise in accordance with procurement procedures different from those laid down in this Directive established by any of the following:

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- a a legal instrument creating international law obligations, such as an international agreement, concluded in accordance with the Treaties, between a Member State and one or more third countries or subdivisions thereof and covering works, supplies or services intended for the joint implementation or exploitation of a project by their signatories;
- b an international organisation.

Member States shall communicate all legal instruments referred to in point (a) of the first subparagraph of this paragraph to the Commission, which may consult the Advisory Committee for Public Contracts referred to in Article 105.

2 This Directive shall not apply to contracts and design contests which the contracting entity awards or organises in accordance with procurement rules provided by an international organisation or international financing institution, where the contracts or design contests concerned are fully financed by that organisation or institution; in the case of contracts or design contests co-financed the most part by an international organisation or international financing institution the parties shall agree on applicable procurement procedures.

3 Article 27 shall apply to contracts and design contests involving defence or security aspects which are awarded or organised pursuant to international rules. Paragraphs 1 and 2 of this Article shall not apply to those contracts and design contests.

### *Article 21*

#### **Specific exclusions for service contracts**

This Directive shall not apply to service contracts for:

- (a) the acquisition or rental, by whatever financial means, of land, existing buildings or other immovable property or concerning rights thereon;
- (b) arbitration and conciliation services;
- (c) any of the following legal services:
  - (i) legal representation of a client by a lawyer within the meaning of Article 1 of Council Directive 77/249/EEC<sup>(3)</sup> in:
    - an arbitration or conciliation held in a Member State, a third country or before an international arbitration or conciliation instance; or
    - judicial proceedings before the courts, tribunals or public authorities of a Member State or a third country or before international courts, tribunals or institutions;
  - (ii) legal advice given in preparation of any of the proceedings referred to in point (i) of this point or where there is a tangible indication and high probability that the matter to which the advice relates will become the subject of such proceedings, provided that the advice is given by a lawyer within the meaning of Article 1 of Directive 77/249/EEC;
  - (iii) document certification and authentication services which must be provided by notaries;
  - (iv) legal services provided by trustees or appointed guardians or other legal services the providers of which are designated by a court or tribunal in the

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- Member State concerned or are designated by law to carry out specific tasks under the supervision of such tribunals or courts;
- (v) other legal services which in the Member State concerned are connected, even occasionally, with the exercise of official authority;
- (d) financial services in connection with the issue, sale, purchase or transfer of securities or other financial instruments within the meaning of Directive 2004/39/EC of the European Parliament and of the Council<sup>(4)</sup> and operations conducted with the European Financial Stability Facility and the European Stability Mechanism;
- (e) loans, whether or not in connection with the issue, sale, purchase or transfer of securities or other financial instruments;
- (f) employment contracts;
- (g) public passenger transport services by rail or metro;
- (h) civil defence, civil protection, and danger prevention that are provided by non-profit organisations or associations, and which are covered by CPV codes 75250000-3, 75251000-0, 75251100-1, 75251110-4, 75251120-7, 75252000-7, 75222000-8; 98113100-9 and 85143000-3 except patient transport ambulance services;
- (i) contracts for broadcasting time or programme provision that are awarded to audiovisual or radio media service providers. For the purposes of this point, ‘media service providers’ shall have the same meaning as pursuant to point (d) of Article 1(1) of Directive 2010/13/EU of the European Parliament and of the Council<sup>(5)</sup>. ‘Programme’ shall have the same meaning as pursuant to point (b) of Article 1(1) of that Directive, but shall also include radio programmes and radio programme materials. Furthermore, for the purposes of this provision, ‘programme material’ shall have the same meaning as ‘programme’.

#### *Article 22*

##### **Service contracts awarded on the basis of an exclusive right**

This Directive shall not apply to service contracts awarded to an entity which is itself a contracting authority or to an association of contracting authorities on the basis of an exclusive right which they enjoy pursuant to a law, regulation or published administrative provision which is compatible with the TFEU.

#### *Article 23*

##### **Contracts awarded by certain contracting entities for the purchase of water and for the supply of energy or of fuels for the production of energy**

This Directive shall not apply:

- (a) to contracts for the purchase of water if awarded by contracting entities engaged in one or both of the activities relating to drinking water referred to in Article 10(1);
- (b) to contracts awarded by contracting entities themselves being active in the energy sector by being engaged in an activity referred to in Article 8(1), Article 9(1) or Article 14 for the supply:

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- (i) of energy;
- (ii) of fuels for the production of energy.

#### *Subsection 2*

### ***Procurement involving defence and security aspects***

#### *Article 24*

### **Defence and security**

1 In respect of contracts awarded and design contests organised in the fields of defence and security, this Directive shall not apply to:

- a contracts falling within the scope of Directive 2009/81/EC;
- b contracts to which Directive 2009/81/EC does not apply pursuant to Articles 8, 12 and 13 thereof.

2 This Directive shall not apply to contracts and design contests not otherwise exempted under paragraph 1, to the extent that the protection of the essential security interests of a Member State cannot be guaranteed by less intrusive measures, for instance by imposing requirements aimed at protecting the confidential nature of information which the contracting entity makes available in a contract award procedure as provided for in this Directive.

Furthermore, and in conformity with point (a) Article 346(1) TFEU, this Directive shall not apply to contracts and design contests not otherwise exempted under paragraph 1 of this Article to the extent that the application of this Directive would oblige a Member State to supply information the disclosure of which it considers contrary to the essential interests of its security.

3 Where the procurement and performance of the contract or design contest are declared to be secret or must be accompanied by special security measures in accordance with the laws, regulations or administrative provisions in force in a Member State, this Directive shall not apply provided that the Member State has determined that the essential interests concerned cannot be guaranteed by less intrusive measures, such as those referred to in the first subparagraph of paragraph 2.

#### *Article 25*

### **Mixed procurement covering the same activity and involving defence or security aspects**

1 In the case of mixed contracts covering the same activity which have as their subject-matter procurement covered by this Directive and procurement or other elements covered by Article 346 TFEU or Directive 2009/81/EC, this Article shall apply.

2 Where the different parts of a given contract are objectively separable, contracting entities may choose to award separate contracts for the separate parts or to award a single contract.

Where contracting entities choose to award separate contracts for separate parts, the decision of which legal regime applies to any one of such separate contracts shall be taken on the basis of the characteristics of the separate part concerned.



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Where contracting entities choose to award a single contract, the following criteria shall apply to determine the applicable legal regime:

- a where part of a given contract is covered by Article 346 TFEU, the contract may be awarded without applying this Directive, provided that the award of a single contract is justified for objective reasons;
- b where part of a given contract is covered by Directive 2009/81/EC, the contract may be awarded in accordance with that Directive, provided that the award of a single contract is justified for objective reasons. This point shall be without prejudice to the thresholds and exclusions for which that Directive provides.

The decision to award a single contract shall not, however, be taken for the purpose of excluding contracts from the application of either this Directive or Directive 2009/81/EC.

3 Point (a) of the third subparagraph of paragraph 2 shall apply to mixed contracts to which both point (a) and point (b) of that subparagraph could otherwise apply.

4 Where the different parts of a given contract are objectively not separable, the contract may be awarded without applying this Directive where it includes elements to which Article 346 TFEU applies; otherwise it may be awarded in accordance with Directive 2009/81/EC.

#### *Article 26*

##### **Procurement covering several activities and involving defence or security aspects**

1 In the case of contracts intended to cover several activities, contracting entities may choose to award separate contracts for the purposes of each separate activity or to award a single contract. Where contracting entities choose to award separate contracts for separate parts, the decision of which legal regime applies to any one of such separate contracts shall be taken on the basis of the characteristics of the separate activity concerned.

Where contracting entities choose to award a single contract, paragraph 2 of this Article shall apply. The choice between awarding a single contract and awarding a number of separate contracts shall not be made with the objective of excluding the contract or contracts from the scope of this Directive or Directive 2009/81/EC.

2 In the case of contracts intended to cover an activity which is subject to this Directive and another which is:

- a subject to Directive 2009/81/EC, or
- b covered by Article 346 TFEU,

the contract may be awarded in accordance with Directive 2009/81/EC in the cases set out under point (a) and may be awarded without applying this Directive in the cases set out under point (b). This subparagraph is without prejudice to the thresholds and exclusions for which Directive 2009/81/EC provides.

Contracts as set out under point (a) of the first subparagraph, which in addition include procurement or other elements which are covered by Article 346 TFEU, may be awarded without applying this Directive.

However, it is a condition for the application of the first and second subparagraph that the award of a single contract is justified for objective reasons and the decision to award a single contract is not taken for the purpose of excluding contracts from the application of this Directive.

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### *Article 27*

#### **Contracts and design contests involving defence or security aspects which are awarded or organised pursuant to international rules**

1 This Directive shall not apply to contracts or design contests involving defence or security aspects which the contracting entity is obliged to award or organise in accordance with procurement procedures different from those laid down in this Directive established by any of the following:

- a an international agreement or arrangement, concluded in accordance with the Treaties, between a Member State and one or more third countries or subdivisions thereof and covering works, supplies or services intended for the joint implementation or exploitation of a project by their signatories;
- b an international agreement or arrangement relating to the stationing of troops and concerning the undertakings of a Member State or a third country;
- c an international organisation.

All agreements or arrangements referred to in point (a) of the first subparagraph of this paragraph shall be communicated to the Commission, which may consult the Advisory Committee on Public Procurement referred to in Article 105.

2 This Directive shall not apply to contracts and design contests involving defence or security aspects which the contracting entity awards in accordance with procurement rules provided by an international organisation or international financing institution, where the contracts or design contests concerned are fully financed by this organisation or institution. In the case of contracts or design contests co-financed for the most part by an international organisation or international financing institution the parties shall agree on applicable procurement procedures.

### *Subsection 3*

#### ***Special relations (cooperation, affiliated undertakings and joint ventures)***

### *Article 28*

#### **Contracts between contracting authorities**

1 A contract awarded by a contracting authority to a legal person governed by private or public law shall fall outside the scope of this Directive where all of the following conditions are fulfilled:

- a the contracting authority exercises over the legal person concerned a control which is similar to that which it exercises over its own departments;
- b more than 80 % of the activities of the controlled legal person are carried out in the performance of tasks entrusted to it by the controlling contracting authority or by other legal persons controlled by that contracting authority;
- c there is no direct private capital participation in the controlled legal person with the exception of non-controlling and non-blocking forms of private capital participation required by national legislative provisions, in conformity with the Treaties, which do not exert a decisive influence on the controlled legal person.

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A contracting authority shall be deemed to exercise over a legal person a control similar to that which it exercises over its own departments within the meaning of point (a) of the first subparagraph where it exercises a decisive influence over both strategic objectives and significant decisions of the controlled legal person. Such control may also be exercised by another legal person, which is itself controlled in the same way by the contracting authority.

2 Paragraph 1 also applies where a controlled person which is a contracting authority awards a contract to its controlling contracting authority, or to another legal person controlled by the same contracting authority, provided that there is no direct private capital participation in the legal person being awarded the public contract with the exception of non-controlling and non-blocking forms of private capital participation required by national legislative provisions, in conformity with the Treaties, which do not exert a decisive influence on the controlled legal person.

3 A contracting authority, which does not exercise over a legal person governed by private or public law control within the meaning of paragraph 1, may nevertheless award a contract to that legal person without applying this Directive, where all of the following conditions are fulfilled:

- a the contracting authority exercises jointly with other contracting authorities a control over that legal person which is similar to that which they exercise over their own departments;
- b more than 80 % of the activities of that legal person are carried out in the performance of tasks entrusted to it by the controlling contracting authorities or by other legal persons controlled by the same contracting authorities; and
- c there is no direct private capital participation in the controlled legal person with the exception of non-controlling and non-blocking forms of private capital participation required by national legislative provisions, in conformity with the Treaties, which do not exert a decisive influence on the controlled legal person.

For the purposes of point (a) of the first subparagraph, contracting authorities shall be deemed to exercise joint control over a legal person where all of the following conditions are fulfilled:

- (i) the decision-making bodies of the controlled legal person are composed of representatives of all participating contracting authorities. Individual representatives may represent several or all of the participating contracting authorities;
- (ii) those contracting authorities are able to jointly exert decisive influence over the strategic objectives and significant decisions of the controlled legal person; and
- (iii) the controlled legal person does not pursue any interests which are contrary to those of the controlling contracting authorities.

4 A contract concluded exclusively between two or more contracting authorities shall fall outside the scope of this Directive, where all of the following conditions are met:

- a the contract establishes or implements a cooperation between the participating contracting authorities with the aim of ensuring that public services they have to perform are provided with a view to achieving objectives they have in common;
- b the implementation of that cooperation is governed solely by considerations relating to the public interest; and
- c the participating contracting authorities perform on the open market less than 20 % of the activities concerned by the cooperation.

5 For the determination of the percentage of activities referred to in point (b) of the first subparagraph of paragraph 1, point (b) of the first subparagraph of paragraph 3 and point (c) of paragraph 4, the average total turnover, or an appropriate alternative activity based measure such as costs incurred by the relevant legal person with respect to services, supplies and works for the three years preceding the contract award shall be taken into consideration.

Where, because of the date on which the relevant legal person was created or commenced activities or because of a reorganisation of its activities, the turnover, or alternative activity based measure such as costs, are either not available for the preceding three years or no longer relevant, it shall be sufficient to show that the measurement of activity is credible, particularly by means of business projections.

#### *Article 29*

### **Contracts awarded to an affiliated undertaking**

1 For the purposes of this Article, ‘affiliated undertaking’ means any undertaking the annual accounts of which are consolidated with those of the contracting entity in accordance with the requirements of the Directive 2013/34/EU.

2 In the case of entities, which are not subject to Directive 2013/34/EU, ‘affiliated undertaking’ shall mean any undertaking that:

- a may be, directly or indirectly, subject to a dominant influence by the contracting entity;
- b may exercise a dominant influence over the contracting entity; or
- c in common with the contracting entity, is subject to the dominant influence of another undertaking by virtue of ownership, financial participation, or the rules which govern it.

For the purposes of this paragraph, ‘dominant influence’ shall have the same meaning as in the second subparagraph of Article 4(2).

3 Notwithstanding Article 28 and provided that the conditions in paragraph 4 of this Article are met, this Directive shall not apply to contracts awarded:

- a by a contracting entity to an affiliated undertaking, or
- b by a joint venture, formed exclusively by a number of contracting entities for the purpose of carrying out activities described in Articles 8 to 14, to an undertaking which is affiliated with one of those contracting entities.

4 Paragraph 3 shall apply to:

- a service contracts provided that at least 80 % of the average total turnover of the affiliated undertaking over the preceding three years, taking into account all services provided by that undertaking, derives from the provision of services to the contracting entity or other undertakings with which it is affiliated;
- b supply contracts provided that at least 80 % of the average total turnover of the affiliated undertaking, taking into account all supplies provided by that undertaking, over the preceding three years derives from the provision of supplies to the contracting entity or other undertakings with which it is affiliated;
- c to works contracts provided that at least 80 % of the average total turnover of the affiliated undertaking, taking into account all works provided by that undertaking, over the preceding three years derives from the provision of works to the contracting entity or other undertakings with which it is affiliated.

5 Where, because of the date on which an affiliated undertaking was created or commenced activities, the turnover is not available for the preceding three years, it shall be

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sufficient for that undertaking to show that the turnover referred to in points (a), (b) or (c) of paragraph 4 is credible, in particular by means of business projections.

6 Where more than one undertaking affiliated with the contracting entity with which they form an economic group provides the same or similar services, supplies or works, the percentages shall be calculated taking into account the total turnover deriving respectively from the provision of services, supplies or works by those affiliated undertakings.

#### *Article 30*

### **Contracts awarded to a joint venture or to a contracting entity forming part of a joint venture**

Notwithstanding Article 28 and provided that the joint venture has been set up in order to carry out the activity concerned over a period of at least three years and that the instrument setting up the joint venture stipulates that the contracting entities, which form it, will be part thereof for at least the same period, this Directive shall not apply to contracts awarded by any of the following:

- (a) by a joint venture, formed exclusively by a number of contracting entities for the purpose of carrying out activities within the meaning of Articles 8 to 14, to one of those contracting entities; or
- (b) by a contracting entity to such a joint venture of which it forms part.

#### *Article 31*

### **Notification of information**

Contracting entities shall notify to the Commission, if so requested, the following information regarding the application of Article 29(2) and (3) and Article 30:

- (a) the names of the undertakings or joint ventures concerned,
- (b) the nature and value of the contracts involved,
- (c) proof deemed necessary by the Commission that the relationship between the undertaking or joint venture to which the contracts are awarded and the contracting entity complies with the requirements of Articles 29 or 30.

#### *Subsection 4*

### ***Specific situations***

#### *Article 32*

### **Research and development services**

This Directive shall only apply to service contracts for research and development services which are covered by CPV codes 73000000-2 to 73120000-9, 73300000-5, 73420000-2 and 73430000-5 provided that both of the following conditions are fulfilled:

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- (a) the benefits accrue exclusively to the contracting entity for its use in the conduct of its own affairs, and
- (b) the service provided is wholly remunerated by the contracting entity.

### *Article 33*

#### **Contracts subject to special arrangements**

1 Without prejudice to Article 34 of this Directive the Republic of Austria and the Federal Republic of Germany shall ensure, by way of the conditions of authorisation or other appropriate measures, that any entity operating in the sectors mentioned in Commission Decision<sup>(6)</sup> 2002/205/EC and Commission Decision 2004/73/EC<sup>(7)</sup>:

- a observes the principles of non-discrimination and competitive procurement in respect of the award of supplies, works and service contracts, in particular as regards the information which the entity makes available to economic operators concerning its procurement intentions;
- b communicates to the Commission, under the conditions defined in Commission Decision 93/327/EEC<sup>(8)</sup>, information relating to the contracts they award.

2 Without prejudice to Article 34, the United Kingdom shall ensure, by way of the conditions of authorisation or other appropriate measures, that any entity operating in the sectors mentioned in Decision 97/367/EEC applies points (a) and (b) of paragraph 1 of this Article in respect of contracts awarded for the pursuit of that activity in Northern Ireland.

3 Paragraphs 1 and 2 shall not apply to contracts awarded for the purpose of exploring for oil or gas.

### *Subsection 5*

#### ***Activities directly exposed to competition and procedural provisions relating thereto***

### *Article 34*

#### **Activities directly exposed to competition**

1 Contracts intended to enable an activity mentioned in Articles 8 to 14 to be carried out shall not be subject to this Directive if the Member State or the contracting entities having introduced the request pursuant to Article 35 can demonstrate that, in the Member State in which it is performed, the activity is directly exposed to competition on markets to which access is not restricted; nor shall design contests that are organised for the pursuit of such an activity in that geographic area be subject to this Directive. The activity concerned may form a part of a larger sector or be exercised only in certain parts of the Member State concerned. The competition assessment referred to in the first sentence of this paragraph, which will be made in the light of the information available to the Commission and for the purposes of this Directive, is without prejudice to the application of competition law. Such assessment shall be made having regard to the market for the activities in question and the geographical reference market within the meaning of paragraph 2.

2 For the purposes of paragraph 1 of this Article, the question of whether an activity is directly exposed to competition shall be decided on the basis of criteria that are in conformity with the provisions on competition of the TFEU. Those may include the characteristics of the

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products or services concerned, the existence of alternative products or services considered to be substitutable on the supply side or demand side, the prices and the actual or potential presence of more than one supplier of the products or provider of the services in question.

The geographical reference market, on the basis of which exposure to competition is assessed, shall consist of the area in which the undertakings concerned are involved in the supply and demand of products or services, in which the conditions of competition are sufficiently homogeneous and which can be distinguished from neighbouring areas because, in particular, conditions of competition are appreciably different in those areas. That assessment shall take account in particular of the nature and characteristics of the products or services concerned, of the existence of entry barriers or of consumer preferences, of appreciable differences of the undertakings' market shares between the area concerned and neighbouring areas or of substantial price differences.

3 For the purposes of paragraph 1 of this Article, access to a market shall be deemed not to be restricted if the Member State has implemented and applied the Union legislation listed in Annex III.

If free access to a given market cannot be presumed on the basis of the first subparagraph, it must be demonstrated that access to the market in question is free de facto and de jure.

#### *Article 35*

#### **Procedure for establishing whether Article 34 is applicable**

1 Where a Member State or, where the legislation of the Member State concerned provides for it, a contracting entity considers that, on the basis of the criteria set out in Article 34(2) and (3), a given activity is directly exposed to competition on markets to which access is not restricted, it may submit a request to the Commission to establish that this Directive does not apply to the award of contracts or the organisation of design contests for the pursuit of that activity, where appropriate together with the position adopted by an independent national authority that is competent in relation to the activity concerned. Such requests may concern activities which are part of a larger sector or which are exercised only in certain parts of the Member State concerned.

In the request, the Member State or contracting entity concerned shall inform the Commission of all relevant facts, and in particular of any law, regulation, administrative provision or agreement concerning compliance with the conditions set out in Article 34(1).

2 Unless a request coming from a contracting entity is accompanied by a reasoned and substantiated position, adopted by an independent national authority that is competent in relation to the activity concerned, which thoroughly analyses the conditions for the possible applicability of Article 34(1) to the activity concerned in accordance with paragraphs 2 and 3 of that Article, the Commission shall immediately inform the Member State concerned. The Member State concerned shall in such cases inform the Commission of all relevant facts, and in particular of any law, regulation, administrative provision or agreement concerning compliance with the conditions set out in Article 34(1).

3 Upon request submitted in accordance with paragraph 1 of this Article, the Commission may, by means of implementing acts adopted within the periods set out in Annex IV, establish whether an activity referred to in Articles 8 to 14 is directly exposed to competition

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on the basis of the criteria set out in Article 34. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 105(2).

Contracts intended to enable the activity concerned to be carried out and design contests that are organised for the pursuit of such an activity shall cease to be subject to this Directive in any of the following cases:

- a The Commission has adopted the implementing act establishing the applicability of Article 34(1) within the period provided for in Annex IV;
- b has not adopted the implementing act within the period provided for in Annex IV.

4 After the submission of a request, the Member State or the contracting entity concerned may, with the Commission's agreement, substantially modify its request, in particular as regards the activities or the geographical areas concerned. In that case, a new period for the adoption of the implementing act shall apply, which shall be calculated in accordance with paragraph 1 of Annex IV, unless a shorter period is agreed on by the Commission and the Member State or contracting entity which has presented the request.

5 Where an activity in a given Member State is already the subject of a procedure under paragraphs 1, 2 and 4, further requests concerning the same activity in the same Member State before the expiry of the period opened in respect of the first request shall not be considered as new procedures and shall be treated in the context of the first request.

6 The Commission shall adopt an implementing act establishing detailed rules for the application of paragraphs 1 to 5. That implementing act shall include at least rules relating to:

- a the publication in the *Official Journal of the European Union*, for information, of the date on which the period set out in paragraph 1 of Annex IV begins and ends, including any prolongations or suspensions of those periods, as provided for in that Annex;
- b publication of the possible applicability of Article 34(1) in accordance with point (b) of the second subparagraph of paragraph 3 of this Article;
- c implementing provisions concerning the form, content and other details of requests pursuant to paragraph 1 of this Article;

Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 105(2).

## CHAPTER IV

### *General principles*

#### *Article 36*

### **Principles of procurement**

1 Contracting entities shall treat economic operators equally and without discrimination and shall act in a transparent and proportionate manner.

The design of the procurement shall not be made with the intention of excluding it from the scope of this Directive or of artificially narrowing competition. Competition shall be considered to be artificially narrowed where the design of the procurement is made with the intention of unduly favouring or disadvantaging certain economic operators.

2 Member States shall take appropriate measures to ensure that in the performance of public contracts economic operators comply with applicable obligations in the fields of



environmental, social and labour law established by Union law, national law, collective agreements or by the international environmental, social and labour law provisions listed in Annex XIV.

### *Article 37*

#### **Economic operators**

1 Economic operators that, under the law of the Member State in which they are established, are entitled to provide the relevant service, shall not be rejected solely on the ground that, under the law of the Member State in which the contract is awarded, they would be required to be either natural or legal persons.

However, in the case of service and works contracts as well as supply contracts covering in addition services or siting and installation operations, legal persons may be required to indicate, in the tender or the request to participate, the names and relevant professional qualifications of the staff responsible for the performance of the contract in question.

2 Groups of economic operators, including temporary associations, may participate in procurement procedures. They shall not be required by contracting entities to have a specific legal form in order to submit a tender or a request to participate.

Where necessary, contracting entities may clarify in the procurement documents how groups of economic operators are to meet the criteria and requirements for qualification and qualitative selection referred to in Articles 77 to 81 provided that this is justified by objective reasons and is proportionate. Member States may establish standard terms for how groups of economic operators are to meet those requirements.

Any conditions for the performance of a contract by such groups of economic operators, which are different from those imposed on individual participants, shall also be justified by objective reasons and shall be proportionate.

3 Notwithstanding paragraph 2, contracting entities may require groups of economic operators to assume a specific legal form once they have been awarded the contract, to the extent that such a change is necessary for the satisfactory performance of the contract.

### *Article 38*

#### **Reserved contracts**

1 Member States may reserve the right to participate in procurement procedures to sheltered workshops and economic operators whose main aim is the social and professional integration of disabled or disadvantaged persons or may provide for such contracts to be performed in the context of sheltered employment programmes, provided that at least 30 % of the employees of those workshops, economic operators or programmes are disabled or disadvantaged workers.

2 The call for competition shall make reference to this Article.

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### Article 39

#### **Confidentiality**

1 Unless otherwise provided in this Directive or in the national law to which the contracting entity is subject, in particular legislation concerning access to information, and without prejudice to the obligations relating to the advertising of awarded contracts and to the information to candidates and tenderers set out in Articles 70 and 75, the contracting entity shall not disclose information forwarded to it by economic operators which they have designated as confidential, including, but not limited to, technical or trade secrets and the confidential aspects of tenders.

2 Contracting entities may impose on economic operators requirements aimed at protecting the confidential nature of information which the contracting entities make available throughout the procurement procedure, including information made available in connection with the operation of a qualification system, whether or not this has been the subject of a notice on the existence of a qualification system used as a means of calling for competition.

### Article 40

#### **Rules applicable to communication**

1 Member States shall ensure that all communication and information exchange under this Directive, in particular electronic submission, are performed using electronic means of communication in accordance with the requirements of this Article. The tools and devices to be used for communicating by electronic means, as well as their technical characteristics, shall be non-discriminatory, generally available and interoperable with the ICT products in general use and shall not restrict economic operators' access to the procurement procedure.

Notwithstanding the first subparagraph, contracting entities shall not be obliged to require electronic means of communication in the submission process in the following situations:

- a due to the specialised nature of the procurement, the use of electronic means of communication would require specific tools, devices or file formats that are not generally available or supported by generally available applications;
- b the applications supporting file formats that are suitable for the description of the tenders use file formats that cannot be handled by any other open or generally available applications or are under a proprietary licensing scheme and cannot be made available for downloading or remote use by the contracting entity;
- c the use of electronic means of communication would require specialised office equipment that is not generally available to contracting entities;
- d the procurement documents require the submission of physical or scale models which cannot be transmitted using electronic means.

In respect of communications for which electronic means of communication are not used pursuant to the second subparagraph, communication shall be carried out by post or other suitable carrier or by a combination of post or other suitable carrier and electronic means.

Notwithstanding the first subparagraph of this paragraph, contracting entities are not obliged to require electronic means of communication in the submission process to the

extent that the use of means of communication other than electronic means is necessary either because of a breach of security of the electronic means of communications or for the protection of the particularly sensitive nature of information requiring such a high level of protection that it cannot be properly ensured by using electronic tools and devices that are either generally available to economic operators or can be made available to them by alternative means of access within the meaning of paragraph 5.

It shall be the responsibility of the contracting entities requiring, in accordance with the second subparagraph of this paragraph, means of communication other than electronic means in the submission process to indicate in the individual report referred to in Article 100 the reasons for this requirement. Where applicable, contracting entities shall indicate in the individual report the reasons why use of means of communication other than electronic means has been considered necessary in application of the fourth subparagraph of this paragraph.

2 Notwithstanding paragraph 1, oral communication may be used in respect of communications other than those concerning the essential elements of a procurement procedure, provided that the content of the oral communication is documented to a sufficient degree. For this purpose, the essential elements of the procurement procedure include the procurement documents, requests for participation and confirmations of interest and tenders. In particular, oral communications with tenderers which could have a substantial impact on the content and assessment of the tenders shall be documented to a sufficient extent and by appropriate means, such as written or audio records or summaries of the main elements of the communication.

3 In all communication, exchange and storage of information, contracting entities shall ensure that the integrity of data and the confidentiality of tenders and requests to participate are preserved. They shall examine the content of tenders and requests to participate only after the time limit set for submitting them has expired.

4 For public works contracts and design contests, Member States may require the use of specific electronic tools, such as of building information electronic modelling tools or similar. In such cases the contracting entities shall offer alternative means of access as provided for in paragraph 5, until such time as those tools become generally available within the meaning of the second sentence of the first subparagraph of paragraph 1.

5 Contracting entities may, where necessary, require the use of tools which are not generally available, provided that the contracting entities offer alternative means of access.

Contracting entities shall be deemed to offer suitable alternative means of access in any of the following situations, where they:

- a offer unrestricted and full direct access free of charge by electronic means to those tools and devices from the date of publication of the notice in accordance with Annex IX or from the date on which the invitation to confirm interest is sent. The text of the notice or the invitation to confirm interest shall specify the internet address at which those tools and devices are accessible;
- b ensure that tenderers having no access to the tools and devices concerned, or no possibility of obtaining them within the relevant time limits, provided that the lack of access is not attributable to the tenderer concerned, may access the procurement procedure through the use of provisional tokens made available free of charge online; or
- c support an alternative channel for electronic submission of tenders.

6 In addition to the requirements set out in Annex V, the following rules shall apply to tools and devices for the electronic transmission and receipt of tenders and for the electronic receipt of requests to participate:

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- a information on specifications for the electronic submission of tenders and requests to participate, including encryption and time-stamping, shall be available to interested parties;
- b Member States, or contracting entities acting within an overall framework established by the Member State concerned, shall specify the level of security required for the electronic means of communication to be used in the various stages of the specific procurement procedure; that level shall be proportionate to the risks attached;
- c where Member States, or contracting entities acting within an overall framework established by the Member State concerned, conclude that the level of risks, assessed under point (b) of this paragraph, is such that advanced electronic signatures as defined by Directive 1999/93/EC of the European Parliament and of the Council<sup>(9)</sup> are required, contracting entities shall accept advanced electronic signatures supported by a qualified certificate, taking into account whether those certificates are provided by a certificate services provider, which is on a trusted list as provided for in Commission Decision 2009/767/EC<sup>(10)</sup>, created with or without a secure signature creation device, subject to compliance with the following conditions:
  - (i) the contracting entities shall establish the required advanced signature format on the basis of formats established in Commission Decision 2011/130/EU<sup>(11)</sup> and shall put in place necessary measures to be able to process those formats technically; in case a different format of electronic signature is used, the electronic signature or the electronic document carrier shall include information on existing validation possibilities, which shall be under the responsibility of the Member State. The validation possibilities shall allow the contracting entity to validate online, free of charge and in a way that is understandable for non-native speakers, the received electronic signature as an advanced electronic signature supported by a qualified certificate. Member States shall notify information on the provider of validation services to the Commission, which shall make the information received from the Member States available to the public on the internet;
  - (ii) where a tender is signed with the support of a qualified certificate that is included on a trusted list, the contracting entities shall not apply additional requirements that may hinder the use of those signatures by tenderers.

In respect of documents used in the context of a procurement procedure that are signed by a competent authority of a Member State or by another issuing entity, the competent issuing authority or entity may establish the required advanced signature format in accordance with the requirements set out in Article 1(2) of Decision 2011/130/EU. They shall put in place the necessary measures to be able to process that format technically by including the information required for the purpose of processing the signature in the document concerned. Such documents shall contain in the electronic signature or in the electronic document carrier information on existing validation possibilities that allow the validation of the received electronic signature online, free of charge and in a way that is understandable for non-native speakers.

7 The Commission shall be empowered to adopt delegated acts in accordance with Article 103 to amend the technical details and characteristics set out in Annex V to take account of technical developments.

The Commission shall be empowered to adopt delegated acts in accordance with Article 103 to amend the list set out in points (a) to (d) of the second subparagraph of paragraph 1 of this Article where technological developments render continued exceptions from

the use of electronic means of communication inappropriate or, exceptionally, where new exceptions must be provided for because of technological developments.

To ensure the interoperability of technical formats as well as of process and messaging standards, especially in a cross-border context, the Commission shall be empowered to adopt delegated acts in accordance with Article 103 to establish the mandatory use of such specific technical standards, in particular with regard to the use of electronic submission, electronic catalogues and means for electronic authentication, only where technical standards have been thoroughly tested and proved their usefulness in practice. Before making the use of any technical standard mandatory, the Commission shall also carefully consider the costs that this may entail, in particular in terms of adaptations to existing e-procurement solutions, including infrastructure, processes or software.

#### *Article 41*

### **Nomenclatures**

1 Any references to nomenclatures in the context of public procurement shall be made using the Common Procurement Vocabulary (CPV) as adopted by Regulation (EC) No 2195/2002.

2 The Commission shall be empowered to adopt delegated acts in accordance with Article 103 to adapt the CPV codes referred to in this Directive, whenever changes in the CPV nomenclature have to be reflected in this Directive and they do not imply a modification of the scope of this Directive.

#### *Article 42*

### **Conflicts of interest**

Member States shall ensure that contracting authorities take appropriate measures to effectively prevent, identify and remedy conflicts of interest arising in the conduct of procurement procedures so as to avoid any distortion of competition and to ensure equal treatment of all economic operators.

The concept of conflicts of interest shall at least cover any situation where staff members of the contracting authority or of a procurement service provider acting on behalf of the contracting authority who are involved in the conduct of the procurement procedure or may influence the outcome of that procedure have, directly or indirectly, a financial, economic or other personal interest which might be perceived to compromise their impartiality and independence in the context of the procurement procedure.

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- (1) Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) ([OJ L 154, 21.6.2003, p. 1](#)).
- (2) Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 on common rules for the development of the internal market of Community postal services and the improvement of quality of service ([OJ L 15, 21.1.1998, p. 14](#)).
- (3) Council Directive 77/249/EEC of 22 March 1977 to facilitate the effective exercise by lawyers of freedom to provide services ([OJ L 78, 26.3.1977, p. 17](#)).
- (4) Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC ([OJ L 145, 30.4.2004, p. 1](#)).
- (5) Directive 2010/13/EU of the European Parliament and of the Council of 10 March 2010 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services (Audiovisual Media Services Directive) ([OJ L 95, 15.4.2010, p. 1](#)).
- (6) Commission Decision 2002/205/EC of 4 March 2002 following a request by Austria applying for the special regime provided for in Article 3 of Directive 93/38/EEC ([OJ L 68, 12.3.2002, p. 31](#)).
- (7) Commission Decision 2004/73/EC of 15 January 2004 on a request from Germany to apply the special procedure laid down in Article 3 of Directive 93/38/EEC ([OJ L 16, 23.1.2004, p. 57](#)).
- (8) Commission Decision 93/327/EEC of 13 May 1993 defining the conditions under which contracting entities exploiting geographical areas for the purpose of exploring for or extracting oil, gas, coal or other solid fuels must communicate to the Commission information relating to the contracts they award ([OJ L 129, 27.5.1993, p. 25](#)).
- (9) Directive 1999/93/EC of the European Parliament and of the Council of 13 December 1999 on a Community framework for electronic signatures ([OJ L 13, 19.1.2000, p. 12](#)).
- (10) Commission Decision 2009/767/EC of 16 October 2009 setting out measures facilitating the use of procedures by electronic means through the points of single contact under Directive 2006/123/EC of the European Parliament and of the Council on services in the internal market ([OJ L 274, 20.10.2009, p. 36](#)).
- (11) Commission Decision 2011/130/EU of 25 February 2011 establishing minimum requirements for the cross-border processing of documents signed electronically by competent authorities under Directive 2006/123/EC of the European Parliament and of the Council on services in the internal market ([OJ L 53, 26.2.2011, p. 66](#)).