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ON TARIFFS AND TRADE**

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Interim Committee on Government Procurement

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**QUESTIONNAIRE ON INFORMATION TECHNOLOGY
IN GOVERNMENT PROCUREMENT**

Response by the European Union

The attached communication contains the replies from the delegation of the European Union to the questionnaire on Information Technology in Government Procurement contained in document GPA/IC/W/4/Rev.1, dated 16 September 1994.

INFORMATION TECHNOLOGY IN GOVERNMENT PROCUREMENT

Replies received from the European Union

In replying to the questions set out in document GPA/IC/W/4/Rev.1, it is useful to identify two broad categories of use of information technology (IT) in the area of public procurement:

- simple databases which "list government procurement opportunities"; and
- use of IT for the carrying out of a significant part of the procurement process, going beyond dissemination of opportunities to include such elements as demand and receipt of documentation and specifications, tender submission, invoicing. The term "electronic commerce" would more appropriately apply to this second category.

At the European Union level, we would currently be placed in the first of these two categories.

Some of the questions set out in the document (e.g. question 1) refer to both of these categories. In order to ensure clarity in our responses we will answer the questions in the following structure:

- A. Question 6 and those parts of questions 1 to 5 relevant to our database on procurement opportunities;
- B. A summary of planned developments and enhancements involving the database system described under A; and
- C. Finally, some information on "electronic commerce".

A. Question 6

6. For those delegations who use a database which lists government procurement opportunities:

(i) What is the name of this database?

The name of the database is Tenders Electronic Daily (TED).

(ii) How long has the database been operational and how many suppliers use the database?

TED has been operational since 1988 and has approximately 5,000 users. These include suppliers, information brokers and our network of European Information Centres (EICs). The final information-user population is therefore difficult to quantify but is far in excess of 5,000.

(iii) Is a fee charged to suppliers using this system? If so, how much, and what is included in the fee?

There is a charge for using the system. Examples of charging rates are: ECU 600 (approx. SDR 540) per hour or ECU 0.8 per notice.

- (iv) Can suppliers obtain tender documentation electronically? If so, how?

No, suppliers cannot obtain tender documentation electronically.

- (v) How is information on the database organized?

The information on each notice is held on the database in text format. However, a large amount of key information for each notice is held in separately searchable fields. This allows, among others, definition of search strategies broken down by type of contract (supplies/construction/services), by "product", by type of purchasing entity (central, utilities, etc.), by GATT/non-GATT covered, by geographical location, by name of contracting entity, by submission deadlines; by publication date. Having narrowed a search using some of the above strategies, the entire text of the notices selected can also be submitted to a keyword search, full or truncated.

- (vi) Does the database offer any other features?

An MS Windows-based graphical user interface has been developed and is currently being tested.

- (vii) What is the approximate number of procurement opportunities listed on the database annually?

There were approximately 50,000 procurement opportunities listed in 1993 and this figure is growing annually.

- (viii) Is the system managed by the government or a private company?

The system is managed by the European Commission (Office of Publications).

A. Question 1

1. Could delegations give a brief description of any steps taken or planned to introduce information technology (electronic commerce) into public procurement? If so, does this cover contracts which are covered under the Agreement presently in force, or under the newly-signed Agreement? At all levels of government? In the event that delegations are not considering introducing information technology into public procurement, could they explain the reasons?

The TED system covers all contracts coming under the terms of the EU's Directives on public procurement, therefore covers all levels of government and caters for both the current and newly-signed Agreement.

A. Question 2

2. What function(s) would information technology serve in such systems and who will be the users?

The main function of TED is to allow suppliers to become aware of procurement opportunities in a format other than paper-based. The system is also used for surveillance and market analysis although it is not principally geared for these purposes and therefore does not at present lend itself easily to such use.

Users of the TED include suppliers, information brokers, contracting entities and supervisory authorities.

A. Question 3

3. Could delegations describe the technical aspects of the systems in use or planned? In particular as regards infrastructure/hardware-software and its options/standards?

TED is built on Siemens hardware using DIMDI as its database management system.

A. Question 4

4. Could delegations describe any limitations affecting access to information available in a system? How wide is potential access to interested suppliers? What are the access possibilities for suppliers of other signatory countries? What possible obstacles to access might arise for suppliers in other signatory countries?

Potential access to the system is worldwide. There are no real limitations to access but efficient use of the system is clearly dependent upon familiarity with query commands and search strategies. (A user manual is available to subscribers.) The MS Windows interface, with its query forms and on-line help, will greatly simplify use of the system.

Suppliers (or information brokers), both domestic and foreign, can access the database via the public switched network (X25) connecting to a Network User Address.

B. Summary of Planned Developments

Under the project title SIMAP (Système d'Informations Marchés Publics), the following initiatives are either under way or soon to be undertaken at EU level which will enhance the current TED system:

1. development of a PC-based software with graphical user interface and contextual on-line help for the controlled data entry of information contained on standard public procurement notices - so-called "electronic forms".
2. development of EDIFACT messages, according to which the data contained on the "electronic forms" will be structured, ready to be transmitted to the designated receiving system - the SIMAP Central Unit.
3. development of E-mail service for transmission of the EDIFACT electronic forms to the SIMAP Central Unit.
4. development of application software running on the SIMAP Central Unit, for the central processing of the data contained on the electronic forms.
5. pilot running, at EU level, of the notification system outlined at 1 to 4 above.
6. development of a simple search and retrieval tool to be used as user-friendly "link through" software for accessing hosts containing data on "below threshold" contracts as well as for accessing TED.
7. pilot running of the development described at 6 above.

8. carrying out of a feasibility study to determine potential ways of stimulating/providing access to databases containing general information on public procurement - e.g. legal rules, standards, qualification systems.

C. Electronic Commerce

While a very small number of private sector initiatives of various levels of sophistication covering individual sectors such as electricity generation and distribution have recently been developed, nothing yet exists at the EU level which is in any way comparable to the US Electronic Commerce initiative.

However, recognizing the importance of this subject, the EU Commission is launching a comprehensive study covering worldwide developments in the field. The results of this study will be used as a basis for deciding the best way of encouraging and assisting the development of electronic commerce in an environment accessible to all those wishing to do business in the government procurement market.