

GENERAL AGREEMENT ON

RESTRICTED

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TARIFFS AND TRADE

Committee on Government Procurement

ARTICLE IX:6(b) NEGOTIATIONS - PROPOSED WORK PROGRAMMES IN THE AREAS OF BROADENING AND SERVICE CONTRACTS

The following proposals were tabled at the Committee's meeting on 20 May 1987.

A. PROPOSAL FOR WORK PROGRAMME ON BROADENING

First stage*

Submission of papers by the Parties and examination of these papers with a view to clarifying the sphere of application which the Government Procurement Code is expected to cover.

The papers to be submitted by the Parties shall include, inter alia, the following points:

- List of all government and government affiliated agencies or sub-agencies which are not presently covered by the Code.
- Constraints, if any, when expanding the Code to such agencies.
- Proposal on the criteria to be applied in order to determine the coverage to be pursued of the Code.

Second stage

Elaboration of the appropriate approaches to expand the Code, which include, inter alia, the following elements:

- Techniques and modalities of negotiations on broadening.
- Appropriateness of partial modification or exemption of the provisions of the Code to accommodate the possible broadening.

*The attached is a starting point for discussion.

- Mechanism to adapt the coverage to a new situation such as privatization of entities.

Third stage

Negotiations on the basis of the techniques and modalities agreed in the Second stage.

Balance of offer of the Parties will be achieved by taking into account, especially, the coverage of each Party's government procurement compared with the appropriately defined coverage of the Code.

Attachment

AREAS NEEDING LIBERALIZATION
(starting point for discussion)

I. Covered:

Biased specifications, including compatibility;
single tendering;
national security exceptions/exclusions.

II. Not covered:

A. Traditional consumer-type procurement

Below threshold;

Federal funds - regional programmes or decentralized "national"
procurement;

indirect (federal funds portion);

sensitive areas (exclusions).

B. "Jurisdictional" problems (but entity plays consumer rôle)

Sub-federal (consumption for own use);

quasi-government (invested government capital);

no government ownership/practical guidance.

C. Non-traditional procurement (to be used in production, i.e. sale
or resale)

Public interest sellers (services and goods):

1. Monopolies;

2. controlled number of competitors (licensing);

3. competing freely.

Sellers which are manufacturers (including through vertical
integration).

B. PROPOSED WORK PROGRAMME ON SERVICE CONTRACTS

Further to its decision of November 1986 (GPR/M/24, Annex II), the Committee agrees that the first stage of the work programme in the area of service contracts should be confined to a process of examination and should include the following points:

- (i) Submissions of information on the nature and scope of service contracts awarded by entities, without requiring detailed statistics to be given at this stage;
- (ii) a general description of services and a discussion of special characteristics in the area of service contracts awarded by central governments, as they might relate to the provisions of the Agreement; and
- (iii) a review of the different procedures currently used to procure services vis-à-vis those existing for the procurement of goods, within the Agreement or Government Procurement.