

## **Statement of ACE on the Revision of the Public Procurement Directive**

As of 2<sup>nd</sup> October

**Public procurement plays a central role in the European economy.** Each year, public authorities in the EU spend around 14% of GDP—over EUR 2.4 trillion—on goods, works, and services. In key sectors such as energy, transport, waste management, social protection, health, and education, public authorities are the main buyers. Nearly half of all European Structural and Investment Funds are also delivered through procurement procedures.

**The importance of revising these rules has been underlined by recent political and strategic reports.** The European Court of Auditors' 2023 report on public procurement, followed by the Council Conclusions (C/2024/3521), called for stronger action to address declining competition and unlock the potential of the EU procurement market. Similarly, the reports by Enrico Letta (*Much more than a Market*) and Mario Draghi (*The Future of European Competitiveness*) highlight procurement as a key instrument to deliver EU objectives while addressing persistent challenges.

The European Parliament's own initiative report from 9<sup>th</sup> of September 2025 calls for public tenders to place **greater emphasis on non-price criteria, prioritizing the best price/quality ratio rather than the cheapest initial bid.** MEPs highlight that very low-cost projects often compromise quality, incur high maintenance costs, harm the environment, and exploit workers, and therefore tenders should give more weight to social, environmental, and other qualitative factors. The report also urges to enhance SME participation by simplifying procurement rules and splitting large tenders into smaller lots, thereby promoting competition, flexibility, and value for money for taxpayers.

Efficient and forward-looking procurement is not only vital for EU competitiveness but also essential in the field of architecture. Public procurement procedures determine how architectural services are commissioned, shaping the built environment and influencing quality of life across Europe. Decisions taken within these frameworks affect the sustainability, cultural value, and long-term usability of public spaces and buildings. Because architectural projects typically span decades, procurement rules must allow for the selection of services based on quality, as competence and ability, and innovation rather than cost alone.

The Architects' Council of Europe (ACE), representing 650,000 architects through its 51-member organizations across 30 European countries, is committed to ensuring that the revision of the directive recognizes the specific nature of architectural services. ACE advocates for procurement rules that promote fair access for small and medium-sized practices, support innovation and sustainability, and prioritize quality in the public interest.

## Main Issues identified for the Revision of the Public Procurement Directives

### 1. Clarification, Simplification, and Digitalization of the Process

Architectural services are inherently complex and the procurement of them cannot be simplified beyond a certain point. Nevertheless, the procurement process remains overly complicated and fragmented, placing disproportionate burdens on municipalities and Small and Medium Enterprises (SMEs). More focus on assessing the competence and ability of the tenderers must be introduced in the procurement of architectural services. Clearer rules, broader use of digital tools such as eForms, and limiting over-implementation ("gold plating") are essential for reducing barriers and increasing efficiency.

Existing tools such as eCertis and the European Single Procurement Document (ESPD) are difficult to use and should be improved. **A uniform, user-friendly digital procurement platform** is necessary, as architects currently struggle to identify projects that match their profiles. Importantly, e-documents should be reserved for forms, not for drawings.

Simplification could be achieved by making it mandatory that **only the winning bidder must submit proof** of eligibility, thereby minimizing unnecessary documentation. Auto-declarations and service descriptions could further streamline processes. Service descriptions clarify the scope, content, and quality of services, ensuring transparency and accountability. Reference projects should be defined more openly, with **longer reference periods** (e.g., ten years instead of three) to reflect the realities in the construction industry.

### 2. SME-Friendly Procurement

The current procurement framework often disadvantages SMEs through disproportionate administrative, financial, and experience-based requirements. Furthermore, there often exists an asymmetry between the contracting authority and the architect. More frequent use of negotiations and lot-based awards, simplified criteria, and reserved contracts could promote broader participation and foster innovation among smaller firms.

The asymmetry between contracting authorities and architects requires stronger legal safeguards to ensure fairer conditions. Making the **negotiation procedure the standard procedure** would help rebalance power by preventing authorities from unilaterally imposing conditions, ensuring that agreements reflect the realities of architectural practice.

**Contracts could be earmarked for Very Small Enterprises (VSEs), SMEs, and young architects.** Qualification requirements, such as maximum turnover thresholds or maximum time passed since the diploma, could be determination criteria. Selection criteria must be proportionate and consistently applied; misuse often excludes smaller firms.

The difficulties faced by SMEs and new companies in accessing public procurement markets are closely linked to the **disproportionate application of selection criteria** by contracting authorities. Requirements such as excessively high turnover thresholds often exclude smaller firms from the outset, regardless of their capacity to deliver the project. To ensure fair competition, selection criteria must always be proportionate to the value and scope of the contract.

The **division of contracts into lots** could be an important tool for improving SME access to public procurement. When used appropriately, it allows smaller firms to compete for projects that would otherwise be out of reach and strengthen competition in the market. However, this instrument must not be misapplied. Splitting a single professional service, such as architecture, into multiple lots, risks fragmenting responsibilities, lowering fees, and ultimately reducing the

overall quality of outcomes. Lot division should therefore be used to broaden participation and enhance quality, not to undermine professional standards.

### 3. Quality Selection Criteria

Price-focused evaluation undermines innovation and long-term value. The principle of the most economically advantageous tender (MEAT) should be reinforced to emphasize quality over cost. In architecture, decisions are long-lasting, shaping public spaces for decades, and must therefore be assessed through qualitative criteria.

In public procurement for architectural services, it is crucial that the **criteria used are those that can be assessed** rather than simply measured. Architectural services are inherently complex and evaluating them based solely on price fails to capture their true value. Similarly, establishing a **fixed, binding list of criteria can be counterproductive**, given the multifaceted nature of the service. What matters most are **procedures that allow the quality of the service**, i.e. the competence and ability of the architect, to be properly evaluated. This can include methods such as interviews or competitive dialogues. In architect and design competitions there is also the possibility to assess the quality of a proposal.

However, **certain practices are unsuitable for architectural services**. Electronic auctions reduce evaluation to price and fail to reflect qualitative aspects. This is also the case for the overuse and inappropriate application of framework agreements. Framework agreements favor the lowest price for architectural services because procurement systems prioritize cost as the most objective and defensible criterion. When such agreements are relied upon excessively, they can limit opportunities for smaller or more innovative firms to participate, reduce competitive pressure to deliver high-quality solutions, and encourage a focus on cost-cutting rather than design excellence. By limiting the use of framework agreements to appropriate contexts, public authorities can foster a more dynamic and diverse market, while ensuring that procurement outcomes reflect both functional and aesthetic excellence.

### 4. Green Public Procurement

Public procurement can be a key tool for achieving sustainability goals, such as those set by the New European Bauhaus (NEB) and the Energy Performance of Buildings Directive (EPBD). Clear definitions, harmonized assessment tools, and quality-based competition will be necessary in public procurement to promote sustainability. It is therefore essential that the revised Public Procurement Directive (PPD) makes it possible for contracting authorities to procure green.

The Public Procurement Directive's **illustrative list of criteria for the Most Economically Advantageous Tender (MEAT)** should as well reference the values of the New European Bauhaus (NEB) for architectural services. Using the NEB Checklist, contracting authorities can assess tenders not only on cost and technical merit, but also on sustainability, aesthetics, and inclusivity. Embedding NEB criteria into MEAT would ensure that public procurement drives high-quality, future-proof projects while supporting the EU's broader environmental and social objectives.

### 5. Architect and Design Contests (ADC)

Architectural Design Competitions (ADCs) are widely recognized as a powerful tool for promoting quality in the built environment, yet they remain underused and often difficult for smaller practices to access. To unlock their full potential, ADCs must be made more transparent, less burdened by bureaucracy, and better supported to encourage broader participation, including across borders.

For Architectural Design Competitions (ADCs) to serve as an effective procurement tool, it is essential that **the winner of the contest is directly awarded the subsequent contract**. This guarantees that the creative and innovative solutions presented in the competition are not sidelined but carried out to implementation. This general principle enhances trust in the process, ensures continuity and accountability, and motivates architects to invest their time and expertise with confidence that their efforts may lead to a tangible outcome. Linking the award of the contract to the ADC also raises the attractiveness of the procedure, encouraging broader participation and thereby improving the quality of submissions and the value delivered to public authorities.

At the same time, the **economic viability of ADCs for architects** remains a critical challenge. Preparing high-quality entries requires substantial resources, which can disproportionately affect SMEs and early-career professionals. Without adequate compensation or fair cost recovery mechanisms, many talented architects are excluded, limiting diversity and innovation in procurement. Establishing fair remuneration practices not only levels the playing field for smaller practices but also ensures that competitions remain sustainable and credible. By addressing both the contractual certainty and the financial conditions of ADCs, public procurement can fully harness their potential as a driver of high-quality, inclusive, and innovative outcomes in the built environment.

Juries for Architectural Design Competitions should include a **higher proportion of qualified and independent experts**, complemented by key stakeholders, to ensure fair, transparent, and well-informed decision-making. Independent experts bring professional competence and impartiality, safeguarding the integrity of the evaluation process, while stakeholder representation ensures that local needs, public interests, and project-specific requirements are duly considered. This balanced composition strengthens both the credibility of the competition and the quality of the outcomes, fostering trust among participants and the wider public.

## 6. Professionalization

A shortage of trained personnel and limited administrative capacity remain major obstacles to achieving competitive, innovative, and quality-oriented procurement across the EU. Procurement is a highly complex process that requires not only legal and procedural knowledge but also the ability to assess qualitative criteria such as sustainability, design quality, and long-term value for money. Without adequate expertise, contracting authorities often default to overly simplistic approaches—such as relying primarily on price—which undermines competition, innovation, and overall project outcomes.

**Strengthening education, training, and capacity-building programs for public authorities** is essential to improving procurement practices. Well-trained staff are better equipped to design proportionate procedures, apply quality-based selection criteria, and make full use of the flexibility offered by EU law. By investing in administrative capacity, contracting authorities can ensure more efficient procurement processes, open fairer opportunities for SMEs, and deliver higher-quality results that serve the public interest and align with broader policy goals.

Equally important is **the competence of those responsible for evaluating tenders**, particularly in the procurement of architectural services. Decision-makers must be able to assess complex qualitative criteria beyond price, which require appropriate expertise and judgment. Establishing **minimum qualifications for evaluators** helps guarantee that procurement processes uphold professional standards and that design quality, sustainability, and long-term value are properly taken into account. This not only strengthens the credibility of competitions but also ensures that public investment results in built environments of lasting quality.

## 7. Improvement of procurement practices

Improving public procurement requires not only clear rules but also better practical implementation. To achieve this, guides and a European Code of Best Practice can provide essential reference points, helping contracting authorities navigate complex procedures and make informed decisions. By promoting consistent standards and fostering a shared understanding of quality-based procurement, such tools can enhance transparency, fairness, and efficiency across the EU.

A coordinated EU-level effort is needed to **promote best practices** and develop practical, user-friendly guidelines. A dedicated handbook of award criteria and evaluation methods could support contracting authorities, simplify decision-making, reduce procedural complexity, and harmonize procurement practices across member states. By providing practical tools and reference materials, the EU can ensure that procurement processes consistently deliver high-quality, innovative, and sustainable outcomes.

### Conclusion – A Dedicated Chapter for Intellectual Services

To fully address the unique characteristics of intellectual services such as architecture and planning, a dedicated chapter should be introduced in the directives. Unlike material goods, these services cannot be evaluated on cost alone; they require procedures that recognize creativity, quality, and long-term value.

Such a chapter would ensure:

- tailored rules for intellectual services,
- simplification without compromising quality,
- fairer competition for SMEs and young professionals,
- a procurement framework that fosters innovation, sustainability, and excellence.

By combining simplification, SME access, quality-based evaluation, green objectives, professionalisation, and tailored rules for intellectual services, the revised directives can create a procurement system that is fairer, more efficient, and better aligned with Europe's societal and environmental ambitions.