Aggregated purchasing: the future challenge

Gabriella M. Racca
Full Professor of Administrative Law
University of Turin - ITALY
http://web.econ.unito.it/racca
www.ius-publicum.com
gabriella.racca@unito.it

WHY?

HIGH PP MARKET FRAGMENTATION
(in EU 250,000 contracting authorities- 80% of PP outside the scope of Dir. 1,6% of cross border procurement)

LIMITS IN PURCHASING POWER
Limits “intelligent” customers and demand-side policy and the driving of the EU market towards primary and secondary GOALS

….COLLABORATIVE PROCUREMENT becomes STRATEGIC

- Increase of professional skills
- Reduction of transaction costs
- “Innovative” and “social” best value for money

© Copyright 2012 G. M. Racca, University of Turin
**Aggregated purchasing changes the perspective**

- different skills
- wider market analysis
- wider procurement strategy
- IT innovative solutions

**CHALLENGES**

- More transparency in the award procedure and execution
- IT solution in the award procedure (FA, DPS, e-auction)
- Overcome cross border barriers
- Overcome legal barriers
- Overcome linguistic barrier
- Favor for innovative SMEs
- Driving choices toward innovation and sustainability

---

**Title II-Chapter II: Techniques and instruments for e- and aggregated procurement** (art.31-38) wh.20...

Aggregated purchasing: how?

- voluntary cooperation
- contractual model of cooperation (*alliances*)
  - *consortia* model
  - corporate model
  - Central Purchasing Body
    - wholesaler - intermediary

**Cross-border??**

- Collusion risk?

**Individual contracting authority** vs. **Public–private??**

- high transaction costs
- not adequate professionalism
- inefficiency
The most appropriate level (local, regional, national) of aggregation depends on:

- Nature of goods, works, services
- Characteristics of the supply market

FUTURE CHALLENGE for INNOVATION

EU networks btw CPBs

(... Lots...strategy...)

Cross-border NETWORK among Collaborative procurement org. of different Member States.....can mean....

- defining common contractual documents (Peppol?)
- coordinate award procedures;
- contractual arrangements to encourage innovation
- common award-execution rules
- provision of the possibility to adhere to framework agreements of different Member States
- creation of a transborder body
- .........
Thank you!