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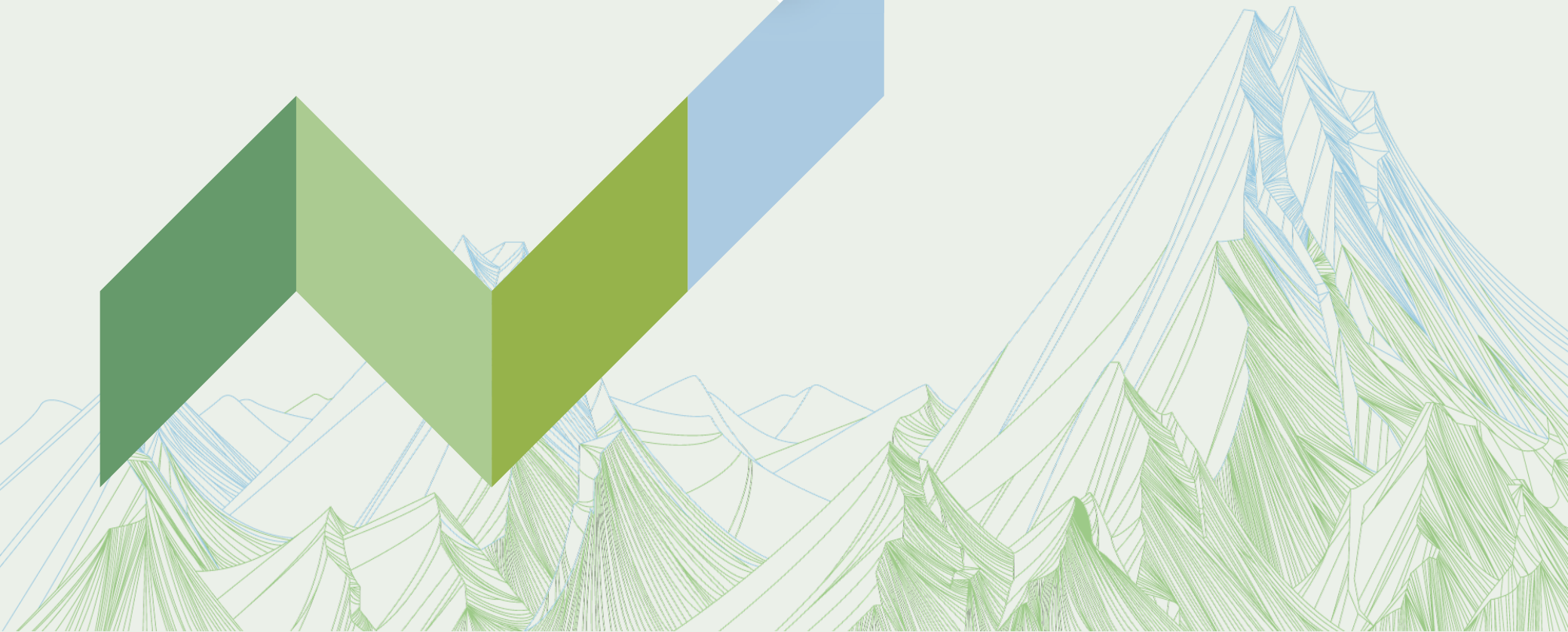
Alpine Space

Public procurement

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Who has to apply procurement law?

- state, regional or local authorities OR
- bodies governed by public law

A body governed by public law meets ALL THREE conditions

1. Established to meet needs of general interest, not industrial or commercial in character
2. Has legal personality
3. Meets at least ONE control test:
 - financed for the most part (>50%) by public authorities
 - OR subject to their management supervision
 - OR more than half its board appointed by them

EU thresholds

- ✔ EU law sets harmonised rules for tenders above a certain value, presumed to be of cross-border interest.
- ✔ These rules keep contract awards fair, transparent and non-discriminatory.
- ✔ Below the thresholds, national rules apply but must still respect the general principles of EU law.

The current EU-thresholds as of 01.01.2026 are:

Nature of procurement	Type of contractor	Estimated value, excluding VAT
Public contracts for <u>services and supply</u>	Central Government authorities (e.g. ministries)	EUR 140.000
	Sub-central contracting authorities (e.g. regions, municipalities)	EUR 216.000
Public contracts for <u>works</u>	Both central and sub-central authorities	EUR 5.404.000

Procurement rules of the programme

For private project partners not subject to procurement law – rules scale with the net value:

< EUR 10,000 net	Observe the principles of efficiency, effectiveness and economy – and prove it (e.g. empirical values, an internet price comparison, or comparison with previous purchases).
> EUR 10,000 net	Prove an adequate market search – e.g. collect offers from at least two different market operators.
Always	Document the procurement properly. Even where direct award is allowed, provide evidence of market research to show economic use of funds.

Public bodies subject to procurement law follow national procurement law.

Procurement and simplified costs

If costs for external expertise and services and equipment are co-financed on a **real cost basis**, controllers will carefully check the procurement procedure.

Any mistake detected might lead to

- ✔ a reduced amount that will be reimbursed and to
- ✔ a reduction of reimbursement of project costs that are calculated as a flat rate on costs for external expertise and services

Apply the 40% flat rate for eligible costs other than direct staff costs, and you do ***not*** have to document or prove your procurement procedures to programme bodies, controllers or auditors.

Most common procurement errors

Identification of thresholds and applicable law

- Unlawful splitting of contracts
- Unlawful application of exemption rules

Purchase analysis

- Imprecise definition of the subject-matter of the contract to be awarded
- Modification of a tender or criteria during evaluation
- Unlawful substantial contract modification or purchase of additional works, services or supplies

Management of the procedure

- Use of wrong procurement procedure
- Insufficient publication of procurement procedure (e.g. direct award without any prior obligatory notification, notification only on national or regional instead of EU-level)
- Excessively short deadlines for the submission of tenders
- Mix-up of selection and award criteria
- Use of discriminatory or dissuasive selection or award criteria
- Unlawful negotiation during award procedure

Question 1



A partner needs IT equipment for the project (6 laptops worth about 18.000 € in total). The procurement officer places three separate orders of 6.000 €, one week apart.

A - Correct - Each order is under 10.000€

B - False - the total value of the purchase must be taken into account and treated as one contract

C - Correct - As long as each order is documented already

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Question 2



A partner reports its costs other than direct staff costs using the 40% flat rate. The controller asks for the full procurement file for a 15.000 € external study.

A - Correct — procurement for external services must always be documented and checked by controllers.

B - Correct — procurement documentation is required only above EU thresholds.

C - False — under the 40% flat rate, procurement procedures for these costs do not have to be proven to controllers.

Question 2



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Question 3



A private project partner, not subject to public procurement law, commissions an external communication service worth 12.000 € net. They use a trusted provider and award it directly, with no other offers on file.

A - Correct – private partners can always award directly.

B - False – above 10.000 € net, proof of an adequate market search is required.

C - Correct – a single offer is enough if the price looks reasonable.

Question 3



A private project partner, not subject to public procurement law, commissions an external communication service worth 12.000 € net. They use a trusted provider and award it directly, with no other offers on file.

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Thank you for your attention!

**Further guidance: Programme Manual,
Chapter D.2 Public Procurement**

