THE GEORGE WASHINGTON UNIVERSITY

GOVERNMENT PROCUREMENT LAW PROGRAM

# WEBINAR – OPENING BORDERS: ACCESS2PROCUREMENT

TUESDAY, SEPTEMBER 12, 2023 9 AM ET | 15:00 CET





#### Welcome

*Professor Christopher Yukins GW Law School* 

- Recording and materials at <u>www.publicprocurementinternational.com</u> and recording at GW Law Government Procurement Law YouTube page
- Questions & Answers (Q&A)
- Speakers' statements are in their personal capacities
- Access2Procurement marks a first intersection between international trade in procurement and sharing contractor qualification information internationally





TRADE POLICY 2.0 AND ALGORITHMS: TOWARDS THE "EASIFICATION" OF FTA IMPLEMENTATION

LUCIAN CERNAT

Lucian Cernat, Head of Global Regulatory Cooperation and International Procurement Negotiation **Yvonne Bendinger-Rothschild**, Executive Director of the European American Chamber of Commerce's New York chapter

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## #Access2Procurement

#### From rocket science to a simple "click and go" online tool

Lucian Cernat Head of Global RegCo and Procurement Negotiations DG TRADE, European Commission

#### "Houston, we have a problem"



A typical trade agreement

The EU is the trading bloc with the most extensive network of trade agreements. These trade agreements offer tremendous market access opportunities for EU companies.

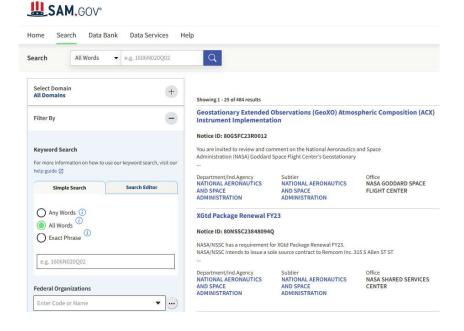
But trade deals are very complex and, if you do not speak "legalese", making sense of them may be as hard as rocket science!

Therefore, a critical question emerges: how to "easify" these provisions and ensure firms take advantage of trade agreements?

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#### "Houston, we also have a procurement problem"

#### Do you want to be a contractor for the US government?



Winning contracts abroad is hard and procurement provisions in trade agreements are not simple either.

The WTO GPA agreement is also complex. The US schedule has 7 annexes. There are different thresholds (minimum values) for federal, sub-federal, and other entities. Different notes and exceptions. Thousands of FSC codes, some excluded or included.

The combination of different types of procurement entities, thresholds, notes and exceptions, and specific FSC codes leads to over 2,000,000 possibilities of "yes, GPA covered" vs "not GPA covered"

Access2Procurement simplifies process both for bidders and procurement officials

Without an intuitive tool a simple question -- "Will my offer be considered on the same basis as the offer from a US company?" -- becomes rocket science! 9

#### Launching Access2Procurement : using algorithms to "easify" the GPA rules

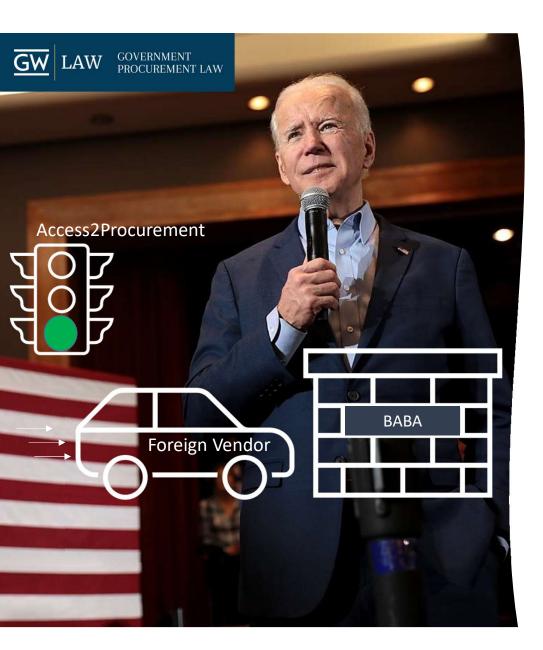
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- In Access2Procurement we codified in a detailed algorithm that captures <u>all possible procurement</u> <u>combinations</u> covered under the US GPA schedule
- Based on "if then, else" logic, Access2Procurement gives a straight answer (yes/no) needed by EU companies interested in bidding for public contracts in the US

# Online demonstration of the #Access2Procurement tool

https://webgate.ec.europa.eu/procurement/#/country

### Build America – Buy America Act (BABA): The BABA Barrier . . .



- Build America Buy America Act (BABA) says materials used in <u>federally funded infrastructure</u> shall be made in the United States
- But: BABA Section 70901 says that BABA "shall be applied in a manner consistent with United States obligations under international agreements"
- **OMB BABA Guidance** (2 CFR part 184) (which will frame federal agency regulations): **Silent**
- OMB Memorandum M-22-11:

Public Interest Waivers: A waiver in the public interest may be appropriate . . . Such waivers shall be used judiciously and construed to ensure the maximum utilization of goods, products, and materials produced in the United States. . . .

International Trade Obligations: If a recipient is a <u>State that has assumed procurement obligations</u> <u>pursuant to the Government Procurement</u> <u>Agreement or any other trade agreement, a</u> <u>waiver [by the head of the federal grant-making</u> <u>agency]</u> of a Made in America condition to ensure compliance with such obligations <u>may be in the</u> <u>public interest ....</u>

Access2Procurement		Intuitive online tool assessing (1) vendor's "national" qualification and (2) whether target government has opened procurement market per trade agreements	
Immediate Issues	Qualification Is tool more precise than existing regulatory structure? Should nations share other qualification information?	<u>Trade Agreements</u> Vendor "false positives": e.g., BABA adds trade barrier	<u>Assessing Trade Flows</u> Tool highlights importance of suppliers – not just prime contractors – in public procurement trade
Future Questions	How to exchange other qualification information? What forum to discuss? Where to start – debarment?	Will tool trigger intergovernmental trade disputes – or sanctions e.g., EU International Procurement Instrument (IPI)? Will tool prompt excluded vendors to bring state-level bid protests? Will tool drive push to add sub-central entities (more states and cities) to trade agreements?	Does this support the European Commission's insistence that trade analyses of procurement trade flows consider both <u>prime</u> <u>contractors</u> and <u>suppliers</u> ?
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# Discussion/Questions

Please use Q&A





#### ACQUISITION INNOVATION RESEARCH CENTER

#### Training Webinar: AIRC Report on U.S. Labor Law Violations and Mandatory Debarment 12 September 2023 – 11 am Eastern US

Information/registration: https://www.dau.edu/event/Assessing-Contractor-Labor-Law-Violations-Responsibility-and-Debarment-Part-1-12-Sep-2023

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