



What Businesses Need to Know About the Most Significant EU Procurement Reforms In Over a Decade 1

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What Businesses Need to Know About the Most Significant EU Procurement Reforms In Over a Decade

01/06

On **September 9, 2026**, the European Commission published **Proposal COM(2026) 590 final (2026/0265 (COD))** — the **Public Procurement Act (PPA)**. The proposal replaces all three 2014 procurement Directives (2014/23/EU on concessions, 2014/24/EU on public contracts, and 2014/25/EU on utilities) with a **single, directly applicable Regulation**. No national transposition. Limited scope for national variation, subject to specific exceptions, including Arts. 24(7), 58(1), 68(2), 80(5) and 100(7). One rulebook for 27 Member States. Based on **Article 114 TFEU**, the PPA enters into force 20 days after Official Journal publication and applies **two years later** — on the Commission’s stated timetable, application is unlikely before **2030**.

I. Why It Matters

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This is not an incremental update. The PPA represents a **structural overhaul** of EU procurement law:

- **Direct applicability:** A Regulation replaces three Directives — eliminating national transposition divergences and creating genuinely uniform rules across the single market.
- **Consolidation:** Public contracts, utilities procurement, and concessions unified into one instrument for the first time.
- **Deferred application:** Two-year gap between entry into force and application. Current national rules continue during transition.

- **Greek law impact:** In our assessment, Law 4412/2016 (public contracts and utilities, transposing Directives 2014/24/EU and 2014/25/EU) and Law 4413/2016 (concessions, transposing Directive 2014/23/EU) will need to be substantially repealed or adjusted. The scope for additional national requirements will be significantly reduced.
- **Significant Commission powers:** Approximately 13 delegated-act empowerments and 10 implementing-act bases give the Commission substantial secondary rule-making authority in areas including European preference, green procurement, BIM, and security.
- **Below-threshold gap:** Below-threshold procurement remains within national competence — limiting full harmonization.

II. Key Reforms at a Glance

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A. Streamlined Procedures

Three core procedures replace six. The Open Procedure gains optional negotiation and selection criteria. The Dynamic Procedure appears to replace in practice the Dynamic Purchasing System with a continuously open pool of operators. The new Innovation Procedure is designed for societal challenges — structured from market consultation through competitive testing to award. The special procedure in Art. 46 is also available in specified cases. The Restricted Procedure, Competitive Dialogue, and Competitive Procedure with Negotiation are eliminated as standalone procedures.

This consolidation will require contracting authorities to rethink procurement planning. Authorities that have relied on two-stage procedures to manage complex requirements will need to explore how the enhanced Open and Dynamic Procedures can achieve similar objectives, particularly for infrastructure, energy and ICT procurement.

B. Negotiation Now Standard

Negotiations become available in all procedures as a built-in option — without needing to justify specific preconditions. They cover non-essential characteristics only (not exclusion, selection, or award criteria). Successive rounds with candidate reduction are permitted. This is a **fundamental shift** from the sealed-bid culture that has dominated procurement in many Member States.

In practice, however, negotiating with a large pool of eligible operators will place significant logistical and resource demands on contracting authorities, particularly those without established negotiation protocols or trained procurement officers. The transition from the sealed-bid culture that dominates procurement practice in many Member States, including Greece, will require substantial institutional adaptation and capacity building.

C. Quality Over Price (BPQR)

The **Best Price-Quality Ratio (BPQR)** becomes the standard award method. Quality must carry a **minimum 30% weighting** (rising to **50% for labor-intensive contracts**). Life-cycle costing counts within the respective quality percentage, as do only environmental criteria specific to public procurement set in Union legislation (Arts. 50(4), 54). A **comply-or-explain derogation** (Art. 98(5)) may derogate from the BPQR method itself and the minimum quality weighting where quality can be ensured through (a) specifications, (b) conditions for the performance of contracts, or (c) a combination of quality-based award criteria, specifications and conditions; the public summary must state which route justifies the derogation.

In our assessment, the practical effectiveness of this reform will depend heavily on how rigorously the comply-or-explain mechanism is enforced. In jurisdictions with a strong tradition of lowest-price awards — including Greece, where price-only criteria have historically been the norm for many contract categories — there is a real risk that the derogation becomes routine rather than exceptional. Stakeholders should monitor whether the legislative process introduces additional safeguards, such as structured reporting on derogation frequency.

D. Lowered SME Barriers

Maximum turnover requirements are **capped at 50% of estimated annual contract value**, except in duly justified cases such as special risks attached to the subject-matter (Art. 27(7)); this uses a different base from the current framework's cap of up to 2x **the estimated contract value** under Directive 2014/24/EU Art. 58(3). Prior **public contract experience generally cannot be required** (Art. 27(6)). Groups of economic operators cannot be forced to assume a specific legal form, even after award.

E. European Preference (Arts. 70-77)

For the first time, the EU establishes **a horizontal legal framework for European preference** in public procurement. "Covered" operators (from GPA, bilateral FTA, and customs union countries) have access only where the specific procurement falls within the EU's international commitments. Under Art. 72(1), the Commission may withdraw covered status by delegated act. For non-covered operators, contracting authorities may: **restrict participation, require EU/covered origin, apply evaluation preferences, or reject tenders with less than 50% EU/covered content**. The Commission may make these restrictions **mandatory via delegated acts**.

The delegated-act mechanism is particularly significant: it allows the Commission to make preference measures mandatory for specific non-covered countries without a full legislative process, meaning that the practical scope of European Preference will evolve dynamically as trade and geopolitical conditions change.

F. Green Procurement (Arts. 50-54)

A **dedicated chapter** consolidates previously dispersed environmental requirements. Circularity and resource efficiency **may be promoted** (Art. 51). **Energy efficiency is mandatory** unless technically unfeasible (Art. 52). Art. 54(1) itself mandates environmental characteristics for products, product families or technologies covered by Annex VII, and the Commission may adopt delegated acts making **specified environmental requirements mandatory** for designated product categories (Art. 54).

G. Social Procurement (Arts. 55-58)

A consolidated chapter covers social inclusion, working conditions, gender equality, accessibility, and human rights in supply chains. **Accessibility** requirements were already mandatory under Directive 2014/24/EU Art. 42(1) and continue under Art. 56, which consolidates Art. 24(1) of Directive 2019/882. **Accessibility remains mandatory** for goods, services and works intended for use by natural persons, including staff, except in duly justified cases (Art. 56). Reserved contracts for economic operators whose main aim is the social and professional integration of persons with disabilities or disadvantaged persons (provided that at least 30% of their employees are workers with disabilities or disadvantages), and for non-profit social welfare entities, are preserved (Art. 57).

H. Innovation & BIM (Arts. 41-45, 59-65)

The **Innovation Procedure** addresses societal challenges for which no satisfactory solution exists, moving from problem definition through market consultation, selection, and testing to award. **BIM is mandatory for works contracts of EUR 25 million or more** (Art. 65), subject to the derogations in Art. 65(3); the Commission may lower the threshold by delegated act

under Art. 65(4). Pre-existing IP remains with the operator by default (Art. 64(1)), though a derogation for transfer exists (Art. 64(2)).

I. Security & Resilience (Arts. 66-69)

A **new dedicated chapter** addresses cybersecurity, critical infrastructure, strategic dependencies, and supply chain integrity. Contracting authorities may terminate contracts **or exclude operators during contract performance** for security or public safety risks (Art. 67). Unless justified by the severity of the risks involved, the imminence of the threat, or where notification may aggravate the risk, prior written notice is required, with at least 10 calendar days to submit observations; the deadline may be shortened in an emergency. **High-risk ICT suppliers must be excluded** under Art. 66(5) only where they are identified as high-risk suppliers in relation to the provision of ICT components, or components that include ICT components, to be used in key ICT assets identified under the proposed Cyber Security Act 2.0 (CSA2), which remains a proposal. The Commission may adopt delegated acts prescribing mandatory security specifications.

J. Expanded Exclusion Grounds (Arts. 25-26)

Four new mandatory grounds ((h)–(k)) are added to the existing catalogue in Art. 25(1)(a)–(g), which builds on the six grounds in Directive 2014/24/EU Art. 57(1). In the proposal, Art. 25(1)(g) covers criminal offences concerning the employment of illegally staying third-country nationals; the four new grounds concern environmental crimes, violation of EU restrictive measures (sanctions), fraudulent use of non-cash payment instruments, and sexual abuse and sexual exploitation of children (Directive 2011/93/EU). **Two new optional grounds:** insufficient security reliability and receipt of foreign subsidies where established by a Commission implementing act under FSR Art. 31(2) within the preceding three years, plus sufficiently plausible indications that the subsidies are likely to have an impact on the tender. Self-cleaning is available only for optional exclusion grounds under Art. 26(2); it is not permitted for mandatory exclusions (recital 13), unlike under Directive 2014/24/EU Art. 57(6), which covers situations under paragraphs 1 and 4. For mandatory grounds, the public-interest derogation from mandatory exclusion is a Member State option under Directive 2014/24/EU Art. 57(3), whereas under the proposal the contracting authority applies it under Art. 25(4); the disproportionality derogation for minor tax or social security arrears under Art. 25(3) also remains available. An operator excluded by final judgment cannot use self-cleaning during the exclusion period.

K. Contract Modifications (Arts. 105-106)

Under the current framework, the de minimis test is cumulative and applies only where the modification remains below the applicable Directive thresholds and 10% of the initial contract value for services and supplies or 15% for works (Directive 2014/24/EU Art. 72(2)). Directive 2014/24/EU Art. 72(1)(b)–(c) also caps each modification at 50% of the original contract value; Directive 2014/25/EU Art. 89 contains no such cap. The proposal introduces a uniform 15% cumulative threshold (Art. 106(2)) and removes the per-modification 50% cap. Modifications exceeding 50% instead require ex ante publication under Art. 106(6) only, subject to the Art. 48 exception. Art. 106(7) requires ex post publication within 20 days for substantial modifications up to 50%; Art. 106(4) lists the permissible substantial modifications. The 15% safe harbor applies only if the economic balance is not changed. Price adjustment clauses (Art. 105(3)) are expressly distinguished from modifications — a welcome clarification for long-term contracts.

L. Digital Ecosystem (Arts. 127-136)

The PPA envisions **EU-wide interoperable eProcurement platforms**, an **electronic eligibility service** (Art. 133) using digital business credentials, and national and **EU-level Public Procurement Data Spaces**. The once-only principle applies. Implementation depends on the proposed **European Business Wallets Regulation**, which is still a proposal. Article 133(4) lists

the tools that the Commission may select by delegated act: the **European Business Wallets**, the **Once-Only Technical System (OOTS)**, the **European Digital Identity Wallet (EUDI Wallet)**, and compliant Member State services. The fallback under Article 133(1) is “alternative electronic means” that must be interoperable with the European Business Wallets. Union-level tools must be technically implemented and generally available by **June 30, 2028** (Art. 133(5)(a)); Member States must provide free access to relevant national databases by **June 15, 2029** (Art. 29(1)).

Implementation readiness varies significantly across Member States. Countries with less mature digital procurement infrastructure will face particular challenges in meeting the interoperability and data-space requirements within the envisaged timeline.

M. Other Notable Changes

- **Subcontracting:** Full subcontracting (entire contract or sub-contract) is prohibited. Subcontractor disclosure is mandatory. Critical tasks may be reserved to the main contractor, as already permitted under Directive 2014/24/EU Art. 63(2).
- **Payments:** Timely payment obligations are integrated into procurement law. Direct payment to subcontractors is now mandatory at the subcontractor’s request (where the nature of the contract so allows), whereas under Directive 2014/24/EU Art. 71(3) it was a Member State option. Advance payments are encouraged for SMEs and are mandatory for innovation-relevant contracts unless justified by an overriding interest of the public buyer.
- **Framework agreements:** Maximum 3 years (single operator) / 5 years (multiple operators), regardless of sector, replacing the current general limits of 4 years for public procurement (Directive 2014/24/EU) and 8 years for utilities (Directive 2014/25/EU). Under Art. 103(2), longer durations remain possible in exceptional, duly justified cases where strictly necessary in view of the procurement. Call-off duration may exceed the framework term by up to 50% of the framework’s duration (Art. 103). The shorter default periods may mean more frequent tender cycles and the need to allocate additional resources to competition management.
- **Open procedure tender deadline:** Reduced to 20 days minimum (Art. 34(2)), running from publication of the public summary of competition (from 35 days under current rules, which run from dispatch of the contract notice, reducible by 5 days for e-submission and to 15 days where a PIN is used). For complex procurements — particularly in energy, infrastructure, and ICT — this compression may prove insufficient for preparing competitive, high-quality tenders requiring multi-disciplinary teams, site inspections, and detailed technical proposals.

III. Comparative Table: Current Framework vs Proposed PPA

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Area	Current Framework (2014 Directives)	Proposed PPA Regulation
Legal instrument	Three Directives requiring national transposition	Single directly applicable Regulation
Procedures	Six procedures (open, restricted, competitive dialogue, etc.)	Three core: Open, Dynamic, Innovation; special procedure (Art. 46)

Negotiation	Limited to specific procedures and conditions	Built-in option in all procedures
Award criteria	MEAT (incl. price-only); no quality minimum	BPQR standard; min 30% quality (50% labor-intensive); life-cycle costs and only environmental criteria specific to public procurement set in Union legislation (Arts. 50(4), 54) count within quality share
Turnover cap	Up to 2x estimated contract value (Dir. 2014/24/EU Art. 58(3))	Max 50% estimated annual value, except duly justified cases (Art. 27(7)); different base from current 2x cap
Prior public experience	May be required	Generally prohibited
European preference	No horizontal framework	Dedicated chapter: restrictions, origin requirements, evaluation preferences, delegated acts
Green procurement	Dispersed; no consolidated framework	Dedicated chapter; energy efficiency mandatory; delegated acts for product categories
Social procurement	Accessibility mandatory in technical specifications (Art. 42(1) Dir. 2014/24); other social considerations optional	Dedicated chapter; accessibility mandatory for goods, services and works intended for use by natural persons, including staff, except in duly justified cases
Innovation / BIM	Innovation Partnership; BIM tools may already be required by Member States (Dir. 2014/24/EU Art. 22(4))	Innovation Procedure; BIM mandatory for works ≥ EUR 25 million, subject to Art. 65(3) derogations; threshold may be lowered by delegated act (Art. 65(4))
Security & resilience	No dedicated framework	Dedicated chapter: cybersecurity, supply chain, termination for security risk
Contract modifications	10% (services/supplies) / 15% (works), and below the applicable Directive thresholds; cumulative test under Directive 2014/24/EU Art. 72(2).	Uniform 15% cumulative threshold (Art. 106(2)); the proposal removes the per-modification 50% cap. Modifications exceeding 50% require prior (ex ante) publication under Art. 106(6) only,

	Directive 2014/24/EU Art. 72(1)(b)–(c) caps each modification at 50% of the original contract value; Directive 2014/25/EU Art. 89 has no such cap.	subject to the Art. 48 exception. Art. 106(7) requires ex post publication within 20 days for substantial modifications up to 50%; Art. 106(4) lists the permissible substantial modifications. The 15% safe harbor applies only if the economic balance is not changed.
Framework agreements	4 years (public) / 8 years (utilities)	3 years (single operator) / 5 years (multiple), with longer durations possible in exceptional, duly justified cases (Art. 103(2))
Digital infrastructure	Fragmented national systems	EU-wide interoperable platforms; electronic eligibility; data spaces
Exclusion grounds	Existing catalogue	+4 mandatory ((h)–(k)) added to the existing catalogue in Art. 25(1)(a)–(g), which builds on the six grounds in Directive 2014/24/EU Art. 57(1); +2 optional new grounds

IV. Points to Watch

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As the legislative process unfolds, several aspects of the proposal merit close attention:

- **BPQR comply-or-explain:** Art. 98(5) permits derogation from the BPQR method itself and the minimum quality weighting where quality can be ensured through (a) specifications, (b) conditions for the performance of contracts, or (c) a combination of quality-based award criteria, specifications and conditions; the public summary must state which route justifies the derogation.
- **Digital sequencing risk:** The PPA's digital ecosystem depends on the **proposed** European Business Wallets Regulation, which is still a proposal. Article 133(4) lists the tools the Commission may select by delegated act: the **European Business Wallets**, the **Once-Only Technical System (OOTS)**, the **European Digital Identity Wallet (EUDI Wallet)**, and compliant Member State services. The fallback under Article 133(1) is “alternative electronic means” that must be interoperable with the European Business Wallets; the relevant Union-level tools are to be technically implemented and generally available by **June 30, 2028**, while Member State database access is due by **June 15, 2029**.
- **20-day open procedure deadline:** The open procedure's reduction from 35 to 20 days may prove challenging for complex, high-value procurements requiring multi-disciplinary teams, site inspections, and detailed technical proposals. The Directive's 35-day period runs from dispatch of the contract notice, while the proposal's 20-day period runs from publication of the public summary of competition. The dynamic procedure has a separate minimum: the first invitation to express interest

in a specific contract may not take place earlier than 25 days after publication of the public summary of competition on the launch of the procedure (Art. 37(3)).

- **IP transfer derogation (Art. 64(2)):** The possibility for contracting authorities to require transfer of pre-existing IP could deter technology companies from participating in public procurement.
- **Delegated-act powers:** Approximately 13 delegated-act empowerments give the Commission significant secondary rule-making authority. Stakeholders should track these closely — several cover highly substantive areas (European preference, environmental requirements, BIM, security).
- **Transitional provisions:** Although Title II is headed “Amendments, repeals, transitional provisions, entry into force and application”, Arts. 146–149 contain no rule for ongoing procedures.
- **Greek law transition:** In our assessment, the repeal or substantial amendment of Laws 4412/2016 and 4413/2016 will affect every aspect of domestic procurement practice. Contracting authorities and operators should begin reviewing their internal procedures, standard documents, and compliance frameworks well ahead of the application date.
- **Price adjustment mechanisms:** Art. 105(3) treats price adjustment clauses as distinct from modifications — a welcome clarification. However, such clauses remain discretionary rather than mandatory, which may leave long-term contracts exposed to input-cost volatility.
- **Delegation cross-reference inconsistency:** Art. 133(3) refers to the urgency procedure of Art. 142, but Art. 141(2) lists Art. 133(3) among the ordinary delegations.

V. What Happens Next

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- **Now (estimated):** The proposal is before the European Parliament, where it will be examined by the competent committee, and the Council of the EU.
- **2027 (estimated):** Parliamentary committee examination and first reading; Council working group negotiations.
- **Political agreement (market expectation, not an official date): end 2027 / early 2028.** Trilogue negotiations between Parliament, Council, and Commission.
- **Entry into force:** 20 days after Official Journal publication.
- **Application (estimated):** Two years after entry into force under Art. 149; on the Commission’s stated timetable, application is unlikely before 2030. Certain fixed dates in the proposal — including June 30, 2028 (Art. 133(5)(a)) and June 15, 2029 (Art. 29(1)) — would then precede the general application date and may be adjusted during negotiations.

Current national rules transposing the 2014 Directives will continue to apply until the PPA’s application date.

For Greek stakeholders, the two-year transitional period will be critical: it is the window in which to adapt procurement manuals, train staff, upgrade digital platforms, and align internal processes with the new single-rulebook framework.

Lambadarios Law Firm

Public Procurement & Concessions Practice

Our team is closely monitoring these developments and is available to advise on the implications of the reform for your organization.

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A detailed analysis of the proposed Public Procurement Act is available upon request.

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