

sectors that are valued in excess of 5 million ECU (about \$8 million Cdn.); (2) water, energy and transportation supplies contracts worth more than 400,000 ECU (about \$640,000 Cdn.); and (3) telecommunications supplies purchases valued in excess of 600,000 ECU (about \$960,000 Cdn.).⁹¹

The treatment of non-EC bids has been a controversial issue during the negotiations on the Utilities Directive. As adopted, the Directive, requires that bids having more than 50% EC content, in general, be given a minimum preference over third country bids equal to 3% of the value of the contract. The Utilities Directive, however, places no obligation on the Member States to accept third country bids in cases where they are low enough to overcome the 3% Community preference. Rather, the Member States can give EC bids a higher cost advantage, or even refuse to consider non-EC bids, unless the relevant third country has signed a reciprocal procurement agreement with the EC on the relevant sector.⁹²

Another major step toward the completion of the White Paper program on public procurement was taken in September, 1990, with the release of a long-awaited EC Commission proposal for a procurement directive on services.⁹³ The proposed directive would cover public procurement of most services, including insurance, transportation, market research, advertising and others.⁹⁴ It would require the use of competitive procurement practices by public entities for most services contracts valued in excess of 200,000 ECU or, in the case of architecture, for contracts relating to buildings valued in excess of 5 million ECU. However, as in the case of the Utilities Directive, these procedures may have a limited effect on non-EC bids. Rather, the services directive provides for treatment of these bids that is based on the treatment of EC company bids for services contracts in the relevant non-EC country.

EC authorities have also adopted a number of measures since 1985 that are intended to promote stricter adherence to the Community's rules on public purchasing. To ensure effective application of the amended supplies and public works procurement directives, the EC Council, in December 1989, adopted a further directive on procedures for reviewing the awarding of related contracts.⁹⁵ This directive requires that the Member States establish effective procedures for private