

The CNMC publishes new guidelines to support public officials on how to improve public procurement.

- The Guide focuses on the use of in-house procurement and horizontal co-operation agreements, aimed at public procurers.
- Public administration may use both formulas without having to conduct a tendering procedure to procure specific goods or services needed.
- If used incorrectly, they may adversely affect competition in the markets.

Madrid, 16 March 2023.- The National Markets and Competition Commission (CNMC) has provided guidance to public officials involved in public procurement, which is an area of great relevance to the Spanish economy.

The [Guide on in-house procurement and horizontal cooperation \(G-2020-01\)](#) is part of a collection of materials with which the CNMC aims to improve public procurement in Spain and benefit consumers and users, including [the Guide on Public Procurement and Competition](#) and [the Guide on Public Procurement Planning](#).

In addition, the CNMC has dedicated a [section of its website to competition advocacy and public procurement](#).

Horizontal cooperation and in-house providing

Both are provided for by law to enable public sector entities to acquire certain goods, services or works.

- In public cooperation agreements (known as "horizontal cooperation") several entities, public or private, decide to collaborate on equal terms for purposes of common interest.
- As to In-house procurement (known as "vertical cooperation") a public entity orders a subordinate entity to carry out a supply, service, or work.

Advantages and disadvantages

In some cases, these mechanisms may have some advantages over public procurement.

However, since it is not required a competitive tendering for the procurement of supplies, services, and works, they might distort competition if they are not used correctly. That is why these public cooperation mechanisms are subject to legal requirements.

The CNMC recalls that all public authorities must guarantee the principles of good regulation and good administration (necessity, proportionality, efficiency, etc.) in their performance.

Guidance and case studies

The Guide reviews the regulation of in-house procurement and horizontal cooperation agreements and offers many recommendations and practical examples on numerous aspects of these figures, in four blocks:

- Creation of in-house entities.
- In-house transactions.
- Review of the in-house entity's status.
- horizontal cooperation agreements.

The document has attached a dissenting vote from a Commissioner of the CNMC's Council.

To prepare the document, the CNMC organized a [public consultation](#) and a [conference](#).

The CNMC is the independent market regulatory body that guarantees and promotes effective competition. Pursuant to the provisions of first paragraph of Article 5 of Law 3/2013 of 4 June, creating the CNMC, its functions include promoting effective competition in the markets by, among others, conducting studies and research on competition matters, as well as general reports on economic sectors.

Related content

- CNMC Blog: [Guide to public procurement and competition: recommendations on in-house and public cooperation agreements.](#) (Spanish)
- [Guide to Public Procurement and Competition](#)
- [Guide to Public Procurement Planning](#)
- CNMC website: [public procurement](#)