

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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Committee on Government Procurement  
Working Party on Computer Procurement

## REPORT BY THE WORKING PARTY TO THE COMMITTEE ON 12 DECEMBER 1985

The Working Party on Computer Procurement met three times during the second half of 1985, as summarized in GPR/Spec/48, 49 and 50.<sup>1</sup> To gain a better understanding of current practices in this area, members of the Working Party exchanged information on practices followed by their entities in procuring computers. It was found that some Parties have established special rules and regulations for the procurement of computers.

Certain Parties questioned the applicability of existing provisions of the Agreement to computer procurement. One Party raised a number of problems it had experienced which appeared to be special to the procurement of computers. In particular, the following points were noted: the difficulty in establishing technical specifications without discriminating among suppliers; the high rate of single tendering, the tendency for contracts in the computer area to contain a large and increasing service component, and the increasing concern for safeguarding the security of information, and limitations imposed by the need to ensure interchangeability of components and compatibility of systems. All of these factors apparently decreased the possibility of competition in this sector. Another Party observed that in certain categories of procurement, particularly with respect to more sophisticated computers, it had not found it practical to use competitive procedures. Other Parties emphasized that after some experience in computer procurement had been gained, they had found it possible to use competitive procedures in this area despite the difficulties sometimes encountered.

The Working Party also considered problems raised by certain Parties as a result of their own experiences with computer procurement practices. In examining these experiences, Parties pointed out that the Code has not worked well in addressing the use of leasing versus purchase arrangements; providing guidance on the use of contracts with options clauses; distinguishing between the procurement of goods and services, with particular relevance to computer software; and establishing guidelines governing the circumstances which require readvertisement. Proposed changes in the Agreement have been introduced in the context of the Article IX:6(b) renegotiations to address these issues.

As a result of its deliberations on all of the above issues, the Working Party agreed that the major issues raised deserved further consideration by the Committee. It has identified two types of issue:

1. those where solutions can be envisaged within the framework of the improvements/broadening exercise;
2. problems where the search for a solution is of a longer term nature and should be examined within the framework of the implementation discussions in the Committee.

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<sup>1</sup> To be issued.