



Sustainable Public Procurement in Urban Administrations in China

An action under EuropeAid's SWITCH-Asia Programme

Paper No.3

Practical insights and illustrative examples on Sustainable Public Procurement

Case Studies from Europe

March 2009



Project Outline

The project Sustainable Public Procurement in Urban Administrations in China (SuPP-Urb China) aims at adapting and using sustainable public procurement standards in municipal Public Procurement Centres in Tianjin, Qinhuangdao and Lanzhou and to mainstream its application in China. The project contributes to reduced resource consumption and emissions. Thus, it supports achieving the environmental targets of China's 11th five-year plan and fosters sustainable consumption at the city level.

In September 2006, China's Ministry of Finance and the State Environmental Protection Administration (now the Ministry for Environmental Protection) issued a directive promoting green public procurement, which is accompanied by a frequently updated "green purchasing list" of eco-friendly products and producers. Supposedly the listed products should receive priority in public procurement, but in reality, implementation at the local level is still lacking. The project addresses this shortfall by providing assistance with the design and implementation of sustainable public procurement (SPP). The project activities are:

- Project preparation and good practice
- Screening and framework conditions for SPP
- Implementation of SPP in three target cities
- Dissemination in China and Asia
- National Policy Dialogue

The consortium is led by the Wuppertal Institute for Climate, Environment and Energy. Local partners from Qinhuangdao, Tianjin and Lanzhou implement public procurement. The Environmental Management College of China, Nankai University, Lanzhou Environmental Protection Bureau and the UNEP/Wuppertal Institute Collaborating Centre on Sustainable Consumption and Production support the cities in their activities.

For further information please visit: www.supp-urb.com

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Readers' note

Sustainable (green) public procurement (SPP/GPP) can be understood and replicated easily when supported by practical insights and examples. This document illustrates SPP/GPP with 20 case studies collected from Western Europe. The purpose of this case studies collection can be encapsulated in three points:

- Providing with practical information on the application of SPP in Western Europe
- Showing the practical implementation of SPP principles and procedures which lead to significant achievements
- Eventually creating inspiration for promoting the practice of SPP in China public institutions.

The cases studies consist mainly of five elements:

- Brief description of the main actors
- The basic approach of the case study
- Description of the process of its approach
- Challenges faced and its way outs for solution
- Lessons learned and achievements in a nutshell

The cases studies were classified in four categories. The purpose of these categories is mainly to present the collected case studies systematically so that the readers can get the overall idea of the document easily. The basis of the categorisation of the case studies is the core message of the illustrative example. Otherwise, the categorisation doesn't reflect the full story of the case studies, in addition, one case study may belong to two or three other categories. The four categories included in the document include:

- *Organisational set up* consists of organisational structure, such as municipal cooperation, joint procurement, internal organisation of the municipalities, etc.
- *Capacity development* refers to awareness programs, the preparation of training packages and delivery of trainings, developing clearing-houses, and information provision.
- *Environmental Specification* consists of elaboration of SPP/GPP criteria.
- *Policy Tools* includes a wide range of integrated strategies, action plans both at national or municipal levels and development of guidelines for selecting products/items.

The case studies mainly focus on office consumables, electronics, and furniture. However, very few examples of other focus areas of public procurement such as urban roads construction and lighting have been included to provide insights from the different functions of a municipality.

It is important to note that the case studies presented in this document are merely illustrative examples for the implementation of SPP from the experience of west Europe. coming. They have an exclusively informational character, here, therefore, they are presented not necessary as best practices.

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Geographical overview of the case studies

The application of Sustainable Public Procurement can be found all over Europe. However, the case studies in this document are identified from selected European countries. The following map indicates the geographical location of these case studies.



- | | |
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Interregional cooperation at Lake Constance

Cross-border cooperation towards green procurement

In the region of Lake Constance (situated in Germany, Switzerland and Austria) a program to promote green public procurement succeeded due to interregional cooperation initiatives. The region received support from the cross-border cooperation initiative named Interreg III of the European Regional Development Fund. Thus, cities from the three countries, together with the Environmental Association of Vorarlberg (in Austria) started a project to promote green procurement practices in the region. The project built on the achievements made by the Environmental Association of Vorarlberg on green public procurement since 1998.

A regional initiative for greening public purchases

Based on communication and coordination activities between the public administrations of local cities and towns, five core activities were carried out and defined the scope of the program towards green procurement in the region:

- definition of environmental criteria for the purchase of products and services for the region
- design of tendering frameworks
- benchmarking and market analyses for the identification of green products and services
- education for the administrative staff
- integration of the suppliers and producers to the program.

Barriers and solutions

In the beginning many of the officials had the opinion that eco-products were cost



Figure 1 - Austrian (South-East), German (North) and Swiss (South-West) regional authorities surrounding the Lake Constance

inefficient. This perception was counteracted through workshops and by presenting best practices in green procurement. Likewise, environmental criteria for purchasing office equipment and paper were defined and instructions on how to use the equipment, in order to prolong their lifespan, were given. In addition, since the integration of the suppliers of environmental friendly products and services was needed to assure offers to

tenders, an e-commerce catalogue was created for the promotion of the products. These strategies were complemented with communication activities where the achievements of the program were presented, which helped to attract the interest and encourage action in other municipalities in Germany and Austria.

Having introduced eco-procurement as a practice in the region, the project became more specific with the development of action plans towards the promotion of sustainable procurement for construction activities from 2005 to 2007. It was lead by ÖkoBeschaffungsService– ÖBS.

A deep look at Vorarlberg

Vorarlberg is one of the nine Austrian regions. Its environmental association covers 96 municipalities and has been working on the promotion of green public procurement in the region since 1998. In 2001 the EcoProcurement Service Vorarlberg (ÖkoBeschaffungsService - ÖBS) was launched, aiming at offering legal and environmental advice on green public procurement. The initiative managed to get almost all municipalities in the region to participate. The ÖBS's turnover in 2005 reached 1.6 million EUR, a 6.72% increase from 2004. Furthermore, significant savings of 286,507 EUR were achieved in 2005. The savings were made in administrative costs and in the prices paid for products.

Lesson learned & Achievements

- Programs on green public procurement can achieve more goals when regional cooperation is developed.
- Existing environmental initiatives for procurement in the region can be linked.
- Coordination and communication between the cities, towns and organisations of the region is a decisive driver to assure success and carry out more efficient processes.



Figure 2 - Coordination and Communication are the key for success

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Eco-consultant as core SPP organisational body in Finland

A green procurement policy covering all the departments and purchases

In 1992, the Procurement Operation Department of Pori, Finland, in collaboration with the Environmental Protection Department, initiated Pori's Municipal Project for Sustainable Development. The objectives of the project were to chart the City's procurement practices and their environmental impact in order to direct them towards sustainable development. Since then, the Municipal Departments of Education, Cleaning, Health Care, Offices, Maintenance and Repair Operations and Construction have developed concrete "Principles for Product Choice", resulting in up-to-date environmental information for 55 different product groups.

Pori's procurement activities yearly amount to 25 million EUR and include about 2,000 calls for tender. Decision making in the procurement process is based on price, quality, logistic and environmental criteria, the latter being given main emphasis. Tendering for municipal procurement is centralised, while the municipal departments and institutions do the purchases themselves. This case study shows the structure set up by Pori to systematically spread green purchasing activities in all municipal departments.

Municipality collaboration through an eco-procurement task team

The project established a sustainable development working team that has 9 members and creates a network between all the municipality departments. The working team has:

- 6 persons responsible for purchasing
- 2 meeting-leaders: the heads of the environmental protection and the procurement departments
- A liaison person for environmental co-ordination: the eco-consultant.

The everyday work of the task team focuses on monitoring the efficiency of environmentally friendly products and linking the activities developed in each municipal department.

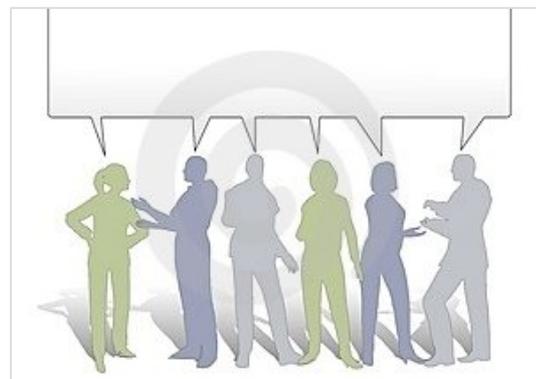


Figure 3 - The eco-procurement task team can generate a network between all municipality

The crucial role of the eco-consultant

The eco-consultant was given three tasks :

- Environmental assessment of procurement operations (i.e evaluating and comparing the environmental characteristics of the different offers). In Pori, the tenderers are essentially asked to clarify their environmental management systems and environmental policies to offer environmentally friendly and eco-labelled products.

The necessity of SPP committed stakeholders

The idea of integrating green purchasing in all municipal departments from the beginning implies that politicians and municipal staff already were convinced of its power, necessity and feasibility.

- Information dissemination within municipal departments specially on the extension of the product’s life cycle. Therefore, the purchaser has to particularly pay attention to the product’s durability, reparability, recyclability, its disposal characteristics and the package returnability and recyclability.
- Communication and coordination between all the departments including a municipal electronic network “Team-Forum”, which is particularly efficient for the internal reuse service - enabling departments to make use of devices not needed by other departments.

The achievements of a multi-involvement green purchasing policy

One of the most important achievements of this strategy has been changing the employees’ attitudes towards the use of eco-

products and providing them with appropriate information on environmentally sound procurement. Nowadays, the municipal employees in Pori have a very positive attitude towards green products.

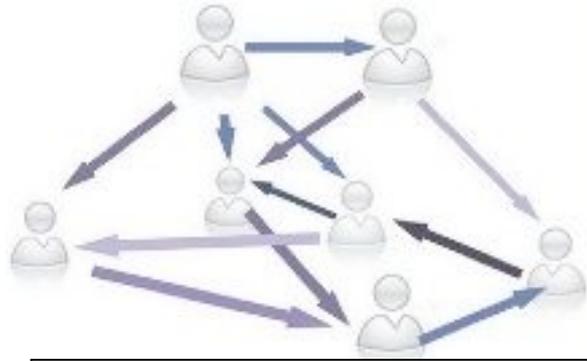


Figure 4 - The importance of involving and coordinating many municipal departments in the SPP project

Lessons learned & Achievements

Establishing a permanent structure overlying many municipal departments makes green public procurement systematic.

- The use of an eco-consultant and the departments’ “environmental contact persons” provides municipal staff with free access to environmental information whenever they need it.
- It creates a framework for training activities in order to adapt them better to local needs.
- Involving all municipal departments in the greening of their purchases at an early stage.

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Cheap and high-quality recycled paper thanks to municipal joint procurement in Greece

Combining public procurement actions

Within the framework of the Local Authority Environmental Management and Procurement project (LEAP), the Greek partners organised a joint procurement (JP) of recycled paper in 2004-2006. The overall purpose was to benefit from the number of participants in the procurement action and hence from the quantities demanded, in order to reduce the barrier of higher prices when purchasing sustainable products.

Creating a large consortium by recruiting additional authorities

The level participation was of great importance to achieve the intended benefits of bulk buying. For this purpose, the three LEAP local authorities organised a small campaign in order to recruit additional non-LEAP authorities. The method used was the easiest, quickest and most effective one:



Figure 5 - Recycled paper can be cheap but at the sametime high-quality.

dissemination to authorities with a history of previous cooperation. The outcome of the effort was quite rewarding. In total, 7 local

authorities committed themselves to take part in the JP of recycled paper, which represents, given the lack of awareness and experience with either green procurement or JP in Greece, together with severe time restraints, a major achievement, and an excellent basis for building future activities.

Legislative obstacles

The element of the JP activity requiring most attention was the procedure followed. In Greece, public procurement activities and the public sector in general are surrounded by strict legislation. Due to legislative issue, one of the 7 bodies participating was forced to withdraw. During the planning stage it was decided to use the standard procedures of the Municipal Companies of the participating municipalities, as these are less strictly regulated. In the end, the differences in the procedures used with those typically applied by the municipalities themselves were extremely minor.

The procedure, step-by-step

The 7 local authorities acted as a team under the co-ordination of Amaroussion as Lead

Authority. One tender was published, for one product, recycled paper with international best practice environmental and technical specifications, one price was offered taking in account the total quantity asked and finally 7 identical contacts were signed – one separately for each Authority.

- Drafting the tender documents (tender publication document, evaluation report, contract), conducting a market survey on prices and availability according to the specifications provided
- Final approval of the documentation
- Publication of the tender in local, national press and the Official Journal of the European Union
- Evaluation committee – consisting of one representative from each participating Authority – announces the winner
- Signing the contracts (April-May 2006)

Joint procurement enabled 20% of savings

In essence, JP activities are a very good way to defeat the price barrier for green products. The beneficial effect of Amaroussion, which reached almost 20% of saving is significant.

Saving on product and administration costs

Given that non-competitive prices are one of the main barriers when dealing with green products, the reduced cost achieved with the JP activity is the most significant benefit. In total 430 boxes containing five packages of 500 sheets each, were demanded. The price offered per package was 2.34 EUR. The cost for the same paper for the Municipality of Amaroussion without the JP was 2.90 EUR

per package, i.e. a 19% price reduction was achieved. In Rhodes the amount paid for conventional paper is 2.40 EUR per package. This means that in this case the recycled paper is cheaper even from the conventional one. A clear additional economic benefit was that administrative costs were much lower. From the Greek perspective it seems clear that such JP activities are a very good way to defeat the price barrier for green products.

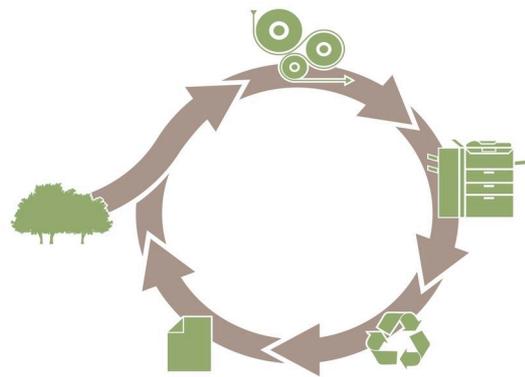


Figure 6 –The importance of taking the whole paper life cycle in to account when purchasing .

Future perspectives

One can expect the above mentioned benefits to be multiplied in similar actions in the future. The effort dedicated on JP was truly rewarding. This is the reason why similar future actions are expected. Hopefully the number of the participating authorities will be gradually increasing and the product will vary, giving signals to the market for a possible turn towards environmental friendly products.

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Substantial financial and environmental gains in public lighting in France

How to find the best eco-solution

The City of Lille is part of France's fourth largest metropolitan area called "Lille Métropole Communauté Urbaine" - consisting of Lille and 85 suburban municipalities and comprising more than 1,1 million inhabitants (2005). It is one of the first French cities to implement Local Agenda 21. The most important call for tender in recent years has been the city's street, façade and passage way lighting which involved the Public Lighting Service of the city of Lille, five bidders, several subcontractors and external technical experts. Lille's call for tender was setting environmental performance as a priority and included strategic aims such as the use of renewable energies, a cut in energy consumption, and avoiding light pollution. Lille's tender took place in the context of progressive liberalisation of the energy market and handed over control of its lighting system between 2004-2012 to a private company which offered the best eco-solution: ETDE, an affiliated company of the Bouygues Construction group.

Integration of green criteria throughout the implementation of the tender

Given the level of technical knowledge required to develop the environmental criteria, the two municipal departments, the Department for Public Tenders and the Department for Public Lighting Services, involved in the tendering procedures sought external expert assistance (HEXA INGENIERIE). The consultant firm participated in the examination of the offers provided by the bidding parties. The developed criteria were indications rather than specific quantitative specifications. With a value of 32,5 million EUR and a contract period of over 8 years, the tender presented a very attractive service package, including many components (maintenance, reconstruction, and operation of the systems,



Figure 7 - The Virtuous Circle scheme shows the considerable advantages of a long term strategy.

energy management) and involving several suppliers and subcontractors. ETDE committed to achieving 40% of energy saving by the end of the contract period and to reinvest all the savings into the reconstruction of the assets.

Virtuous circle scheme

The financial gains through energy saving are continuously reinvested, primarily in the development of new environmental technologies, products and services. Over a period of only three years, the investment in the reconstruction of energy-efficient assets already allowed the City to save 32 to 35% of its energy.

New technology applied and tested

ETDE particularly invested in electronic power reducers and carried out an experiment on solar energy. So far, luminaires from photovoltaic solar energy have been implemented in some schoolyards and parks and could expand to other sites. The public lighting system is also being monitored through innovative IT technology.

Continuous auditing and monitoring system

In order to ensure the interaction between the 3 main aspects of the contract (reconstruction, energy management, and maintenance) and integrate environmental considerations throughout all aspects, a big part of auditing is included in the service package. ETDE thus carries out many surveys to analyse and follow-up the results, plan the next steps of the strategy, or test new products and services and integrate them into the service package.

Achievements

The assessment 3 years after implementation showed that the increase in costs was compensated by the energy savings :

- a reduction of 1,3 EUR million in Lille's

running costs from 2005 on (-47% of 2004's budget)

- The energy consumption was reduced by more than 30% on average.

Great financial gains and energy savings

In three years, the City of Lille reduced its running costs of 47% and its energy consumption of 30%.

Lesson learned

- Green public tenders are incentives for suppliers to try and achieve the best environmental solution as possible in their bid.
- Long term and high valued contracts reduce the enterprise risk and gives economic advantage.
- Dialogue between the contractor and supplier pushed the market to its full potential and encouraged the creativity of the bidders.
- It is possible and profitable for such service provider to focus their strategy on energy efficiency and environmental performance.

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Integrated SPP strategy for office materials in Spain

Green procurement, a commitment in Pamplona

The Spanish city of Pamplona, worldwide known by its traditional San Fermín festival, has managed to design strategies to integrate sustainability issues in the municipality's procurement process as part of the local Agenda 21. The strategy for sustainable public procurement is part of the commitment to accomplish the goals set by the Charter of European Cities and Towns Towards Sustainability, known as the Aalborg Charter (2004). The initiative in Pamplona, which started in 2005, has been lead by the Department of Environment and Community Health.

Technical studies and guidelines to integrate environmental criteria

Since March 2005, sustainability criteria have been incorporated into procurement processes at the municipality level in



Figure 8 - Sustainable procurement guidelines helps the integration of criteria in tenders.

Pamplona. The overall target of sustainable green procurement has been to reduce the consumption of natural resources and hazardous substances. To achieve this goal, a technical study was carried out by the Ecoinstitut in Barcelona. The study served as basis for defining procurement guidelines for the acquisition of 25 different products and services. Thus, sustainability criteria were

included in the procurement process beyond just the mere purchase activity. Items like the supply, technical-service assistance and the construction phase (in the case of contracts in this category) were also integrated. Quantitative environmental criteria enable a proper identification and purchase of green products and services. The criteria were formulated for the acquisition of printers, computers, office material, paper, cleaning services, maintenance of green areas and facilities, copy machines and publicity material for San Fermín's festival.

Three tasks of the municipality : SPP manager, example and promoter

There are three main reasons for green procurement in Pamplona. The municipality sees that it has three roles, through which it should promote green procurement:

- The municipality as manager. The municipality should spend efficiently. The contracts and contracting process have to generate a positive economic impact.
- The municipality as an example for industries and consumers. The community welcomed the initiative and it increased

the community's understanding about sustainable consumption.

- The municipality as promoter. The municipality should promote the supply of green products and services through its own market power.

Lesson learned & Achievements

The green procurement processes at municipality level in Pamplona were a product of the commitment showed by the city towards sustainability. Some lessons can be derived from the Pamplona case:

- Quantitative criteria were defined for each product category. Quantitative criteria made the purchasing process easier to implement.
- The design and elaboration of the criteria was a result of research and political findings, leading to consistent criteria.
- The purchase criteria integrated also activities beyond the purchase such as service and supply.

A closer look to office material and paper acquisition

The environmental criteria for the acquisition of office supplies include the following:

- All paper- or carton-based products (e.g maps, folders, notebooks) have to be 100% recycled.
- PVC (polyvinyl chloride) must not be used in the office supplies.
- Products such as markers and glue have to be water-based.
- Products with solar recharging system are preferable. Batteries purchased have to be rechargeable.
- Lacquered products are not purchased.
- Recycled paper has to have at least 90% of recycled fibres. When paper from virgin fibres is used, the timber has to stem from sustainably harvested forests.
- The use of chlorine is avoided.



Figure 9 - Quantitative environmental criteria support acquisition of recycled office materials.

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Whole Life Costing systems for a better SPP implementation in UK

Extend the “influence” of the Procurement Office throughout the Institution

The University of Edinburgh is a major UK university that employs 7,200 staff and has almost 23,000 students. On average it has a turnover of 460 million euro, of which almost 40% is spent on procurement of goods and services. The University Council adopted a pro-active Environmental Policy (1993) and an implementation strategy for SPP (2003-2006). The university procurement office led the implementation of the SPP strategy and sought amongst other objectives to develop procurement procedures with all elements of the supply chain to ensure sustainable values. To achieve this, the university used Whole Life Costing (WLC) systems for the integration of environmental and social costs into the entire life cycle of the purchased goods. One of the idea of the procurement strategy was to promote the concept of WLC systems through out the university purchasing activities.

Disseminating and implementing Whole Life Costing systems

The implementation strategy for sustainable procurement of the Edinburgh University was based on the training and implementation of a Whole Life Costing (WLC) system. This instrument enables



Figure 10 - The Whole Life Costing system evaluates the total cost of goods over their life span.

procurement offices to evaluate the total cost of goods over their life span – from determining the need through to the eventual disposal and replacement and also integrating the costs of maintenance and operation.

Taking into account this approach, the Edinburgh University implementation strategy focused on six particular areas:

- Training for budget holders on disseminating the approach of integrating environmental and social costs into the entire life cycle of the purchased goods.
- Examination of different product groups by professional purchasing staff in the procurement office to identify opportunities for influencing suppliers or promoting the take up of sustainable options.
- Creation of task groups to identify

common purchasing interests and achieve efficient collaborative procurement locally.

- Introduction of a WLC tender evaluation model to help including sustainable requirements in tenders.
- Giving recognition to budget holders who have achieved benefits through making purchasing decisions which have given weight to sustainability
- Extending the use of e-Procurement system that provides a list of preferred purchasers to save process costs and

To promote SPP, the Edinburgh University Procurement Office:

The environmental criteria for the acquisition of office supplies include the following:

- made suppliers aware of the University policy and seek compatible policies.
- encouraged the use of Whole Life Costing in procurement decisions.
- worked with suppliers and users to reduce environmental impact by suggesting products alternatives.
- provided a progress report annually and looks to continuously improve.
- supported the development of strategies with other departments on waste management and energy efficient consumption in the campus.

stock.

- Fair Trade: The strategy on fair trade-based procurement is supported by the Sustainability Issues and Fair Trade Steering Group – managed by the student

community. The group oversees the proper implementation of the strategy by giving advice on the kind of purchases that promote fair trade among producers or suppliers within Scotland or overseas, if required.

Lesson learned

- Training the staff involved in the procurement process strengthened the application of Whole Life Costing systems.
- Identification of common purchasing interests among the different budget holders made centralised procurement decisions effective.
- The involvement of the research community into the procurement activities assured the minimization of environmental impacts by identifying the most efficient range of products and services.
- Whole Life Costing systems has been particularly effective in supporting budget holders : the principle of WLC was applied to all purchases over £25,000.
- The introduction of internal e-Procurement processes was a means for bringing beneficial influence to bear on the procurement process.

Contact

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Training for municipal stakeholders in Sweden

Training of municipal staff, purchasers, politicians and suppliers

The city of Göteborg in Sweden is a forerunner in green public procurement. The city formulated its green public procurement strategy already in 1989. One year later, due to the request of municipal staff, Göteborg initiated a training scheme for municipal staff (including people responsible for purchasing as well as end-users), politicians and suppliers. The training scheme has offered the participants a platform where they can learn about green procurement, share experiences and cooperate with each other. The objective of the training has been to motivate the participants to adopt the idea of green procurement and implement it in their own actions.

Flexible training types

The training scheme has two different types of training. The first training unit has been arranged in the form of seminars, providing basic information about environmental issues. The duration of the training has been adapted to fit the respective target group. The second type of training has convened periodically so that participants have met several times a year. This procedure has made it possible to build upon lessons learned from previous trainings and create a consistent learning process. This second type of regular trainings



Figure 11 - Training packages on SPP target the different stakeholders.

has been adapted to the special needs and expectations of the target groups and has been held in different forms such as seminars, lectures, workshops, hearings, conferences or multi-stakeholder working groups. Trainings for suppliers have aimed to foster their co-operation with the city of Göteborg in order to develop greener products and services.

Getting people to participate

Motivating people to participate is a crucial challenge for a successful training. Göteborg's procurement Authority has used different tracks to keep people informed and to motivate people to take part in the trainings. Announcements, invitations to meetings etc. have been communicated via the municipal mailing system and supplier lists, which includes every supplier that has reacted on a tender at a certain stage. Moreover, the journal "Fördelen" ("Advantages"), discussing green procurement issues, has been published every quarter of the year. In addition, the Website of Göteborg's Procurement Authorities has

provided information in order to keep participants and the general public up to date about recent developments in the field of green public procurement.

The challenge of insufficient capacity

The high demand for the training on green procurement has been a big challenge for Göteborg's Procurement Authority. Due to the limited number of trainers, the organisers sometimes had to refuse people from participating in the trainings because they were fully booked.

Achievements

The training activities have made political representatives, suppliers, municipal staff and specific purchasers familiar with green procurement. So far, 80-90% of Göteborg's municipal staff has been trained on green purchasing. The training has raised the interest of politicians for the green procurement and thereby fostered their



Figure 12 – Continuous training on SPP is vital for effective implementation.

commitment to it. Also the suppliers, especially small and medium sized companies,

have quickly identified green products and services as an opportunity and a future market after participating in the trainings.

Lessons learned

- The authorities informed stakeholders about the trainings actively. This was one of the reasons for the popularity of the trainings.
- Adapting the type of the training for each target group takes into account the diverse needs of different groups and makes the training more applicable.
- GPP was found out to be a highly interesting topic for politicians, suppliers and officials.
- Municipal staff can have a key role in promoting green procurement. In Göteborg the training scheme was initiated due to their request.
- Inviting suppliers to participate enhanced their readiness to supply green products and services. For green public procurement to be successful, also the suppliers have to be involved.
- Offering different types of training allowed initiating a step-by-step learning process.
- In order to optimise the results, the provision of adequate resources is needed to meet the challenge of high participation rate.

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Learning how to handle with green public procurement in the United Kingdom

Promoting green public Procurement

Action Sustainability is a British non-profit organisation working to promote sustainable procurement within the public and private sector. They organize trainings, whose objective is to promote green public procurement. The trainings increase awareness on environmental impacts of products, give advice on how to develop sustainable procurement strategies and policy and offer support on specific activities such as purchasing or contracting, evaluation and reporting. The training packages were developed within the frame of the UK Government Sustainable Procurement Action Plan and were accredited by The Institute of Environment Management Assessment (IMEA)

The contents of the training packages

Action Sustainability has designed training methods taking into account criteria such as

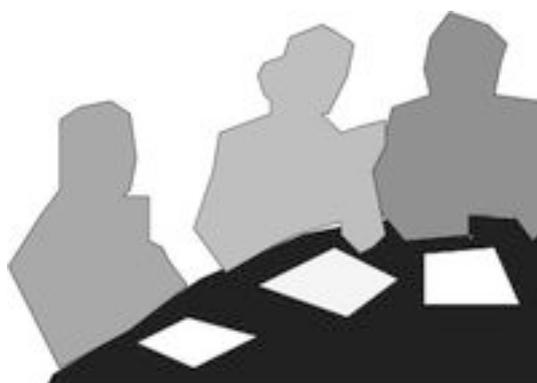


Figure 13 - Participantion increased knowledge about the benefits and strategies of implementing SPP.

organisational needs and institutional context of the participants. The training lasts from

half a day to one day and is divided into two main sections.

The first section focuses on sustainable procurement principles and includes issues such as general concepts definition, what is the business case of green procurement, supply chain risks and opportunities, supplier engagement and measuring success.

The second section entails practical exercises and focuses on how sustainable criteria could be integrated into the procurement activities in practise. The themes covered include the definition of objectives, tendering process, procurement criteria definition, contracting and the purchasing process. After participating in the trainings, it is expected that the participants have increased their knowledge about the benefits and strategies of implementing sustainable procurement in their organisations. It is also hoped that their confidence to start developing their own

sustainable procurement strategies has been enhanced.

A closer look on one of the courses focusing on Risk analysis

The course provides hints and strategies on how to design a specific high profile purchase and how to construct an environmental risk analysis of each product category. The course indicates also tools to develop mitigation measures and indicators to assure the evaluation and monitoring of the procurement activities.

Achievements

- More than 750 procurement professionals have been trained in the UK based on the methodologies and tools provided by Action Sustainability.
- Around 95% of the attendees assess the training as excellent. The training corresponded to their expectations and was applicable in their organisations.



Figure 14 - Action Sustainability teach how to construct Environmental Risk Analysis.

Lesson learned

- Non-profit organisations can develop programs and projects to support green procurement if policy environments encourage them to do.
- The training courses by Action Sustainability gained reliability when they were supported and accredited by the public environmental authority.
- Developing training programs based on a methodological framework, which is flexible and adaptable helps to make the training successful and meet the participant's expectations.

Contact

Action Sustainability

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Websites for transparency and setting up SPP criteria

Online meeting place for public organisations and enterprises

To cope with SPP criteria setup difficulties and to achieve more transparency, two websites were implemented in The Netherlands : one for suppliers to publish their products and services, the other for public procurers to publish their call of tenders.

- The *Sustainable Database* website, launched in 2007, enables Dutch firms to publish their products and services online with their level of sustainability, thanks to a scoring system.
- The *Procurement Schedule* website, set up in Mai 2004, is an awareness-service, which publishes a part of Dutch public procurement documents for public inspection. Public authorities, suppliers and regulators can therefore consult them and even request the tenderer to comply with sustainable criteria.

Both are part of the Dutch plan of action, which set one specific SPP goal : Dutch municipalities are to include sustainability as a major requirement for 75% of all procurements by 2010 at the latest.

Database benefiting all: suppliers, tenderers and regulators

The *Sustainable Database* website makes possible for Dutch firms to publish their offers in form of an electronic database. Its access is free for users (procurers) whereas the publication of offers (suppliers) is submitted to a modest annual subscription, which is decreasing the more products and services get published.

The *Sustainable Database* shows the sustainability of products through a transparent set of criteria, leading to a scoring system. The criteria used for the product evaluation are derived from existing standards which are used by reputable institutions. A representative selection was made in cooperation with these institutions. Moreover, industries received explanations about the most recent issues of sustainability.



Figure 15 - Bringing suppliers and tenders together through websites is an easy mechanisms

The evaluation of a company or product/service is expressed as a percentage of the maximum achievable score. It is further subdivided into part scores on environmental or social criteria, and product to various aspects (such as production, energy consumption, recycling and waste, logistics and packaging, etc). The scores of products or companies may be equal in total, but the

Sustainable Database shows which particular points have been achieved. The user retains then the choice of preference.

Dutch public procurements documents went on line

Via the *Procurement Schedule* website, each procurement organisation has the opportunity to publish electronically their call of tenders, contract notices and awards of European and national level. Procurement organisations consist of contracting services of central, regional, local governments, public institutions and utility sector companies. Their announcements are then digitally accessible for businesses, public authorities, regulators and researchers. Moreover, the website has a direct link to the online version of the Supplement of the Official Journal of the European Union, which lists invitations to tender from all EU members, published according European legislation. The *Procurement Schedule* website also offers free downloads of all required tender documents.

Objectivity, clarity and transparency

The *Sustainable Database* and the *Procurement Schedule* websites bring supply and demand together, while giving them tools to assess their sustainability commitment, tightening the competition and lightening the procurers work.

External parties can influence criteria

External parties are able to discuss the requirements with the municipalities and the *Procurement Schedule* allowed these discussions to be transparent. For example, the joint Municipalities of Bergeijk, Cranendonck, Heeze-Leende and Valkenswaard in The

Netherlands published a tender for the supply of four emergency services vehicles with diesel engines on 5 December 2007. A first stringent criteria was replaced by a more lenient one during the tendering process, after one of the interested suppliers had asked for a reduction of the criteria. The public character of the tenders and the criteria was very useful, as the aforementioned hurdle was made available to every future tenderers. The authorities are hence able to learn from others experiences.

Lesson learned & Achievements

Transparency offered by both websites gave users a full understanding of how sustainability is composed.

The Sustainable Database website

- enabled the creation of criteria by gathering competing products on one single website.
- tightened the competition and stimulated the market toward more sustainability, because the action didn't interfere the market but only provided with information.
- is a very easy and cheap way for the Dutch Government to check if tender documents are including sustainability as major requirement, as it is the main goal of the Dutch action plan.

The Procurement Schedule website

- gave a direct connection to European legislation, legal and procedurally sound practice.
- ensured savings by avoiding advertising costs of public tenders.
- enabled external parties to exercise influence on the sustainability criteria.

Contact

The Dutch Sustainable Database :
www.duurzamedatabase.nl

The Procurement Schedule:
www.aanbestedingskalender.nl

The internal purchase code of Manlleu in Spain

Promoting consumer behaviour, practices and actions

Since 2002 Manlleu City Council, Spain has been working for greening public authority procurement through developing an internal code for purchase and contracts based on resources saving and environmental budget. Between April 2003 and May 2004 a pilot campaign (with the support of the Waste Agency from the Catalan government) was launched to promote consumer behaviour, practices and actions that could help to reduce municipality waste production.

This case study shows how green procurement has been integrated and how the organisation overcame barriers that were preventing the effective implementation of green procurement measures.

Involvement of all stakeholders to promote the local action plan

The involvement of all the municipality stakeholders was needed, i.e. citizens and civil societies, shops, City Public authority and municipal managers, schools, festivals and markets. Actions were undertaken in different fields: seminars and workshops for citizens and shops aiming to encourage



Figure 16 - Involvement of all the stakeholders is decisive to implement SPP.

waste reduction, decreasing plastic bag use by promoting cotton bags in shops and schools (for children's breakfast), controlling free advertisements in the post, promoting the use of washable crockery (mainly glasses) at public events and, the minimization of waste, using loose cleaning products distributed in reusable containers which allows to save money in purchasing and decrease waste.

From the implementation process to the outcomes

The reduction of packaging waste derived from the use of cleaning products was achieved through buying bigger packs and centralising purchasing and use. The action has been very useful to reduce the money spent on cleaning products which tended to be very high due to decentralized buying and the purchase of many different brands. Wholesale centralised purchases were made possible thanks to the use of a warehouse. To carry out all these changes the workers

were trained on how to use the new cleaning products correctly.

Diminishing costs through centralised and wholesale purchase

Centralized and wholesale purchase of cleaning products has diminished the impact derived from the transport of goods. Orders have been cut from 300 per year to just 2 orders per year. Outcome : 5.000 EUR per year reduction in the budget to acquire cleaning products.

Since political approval of Public environmental responsible purchase policy by Manlleu City Council, some environmental requirements have been introduced in public tenders such as:

- To have implemented an Environmental Management System (EMAS or ISO 14.001)
- Some level of environmental knowledge is required for company workers

An environmental program that states environmental measures that will be used when carrying out work is needed.

Lesson learned : an Action Plan is needed to overcome obstacles

To plan in advance GPP taking into account which resources will be needed to monitor this kind of action is highly recommended. Some items can make the process difficult such as the lack of suppliers. To solve this it is important to make the project broader. Awareness and training of stakeholders involved in the municipality is necessary.

Achievements

- Reduction of waste and emissions production in the municipal buildings was possible by rationalising and greening the Procurement and Purchasing Service
- Considerable savings in the cleaning products budget
- Transferability of the actions taken by Manlleu City Council to larger cities.



Figure 17 - Green cleaning products are cheap when purchased in bulk.

Next step : citizen training program

A new action plan focuses on different actions: workshop on ecological cleaning for citizens, workshop on waste reduction for senior citizens, waste prevention campaign in the City Council services, promoting the use of lunch boxes in the fishmonger’s and the use of cotton bags for buying bread, introducing reusable

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packaging in the catering sector.

Establishing environmental requirements for bidder in Finland

Developing criteria to improve road construction

Big infrastructure projects bring about great negative impacts, if environmental issues are disregarded during their development. To avoid or minimize these impacts, it is important to integrate life cycle assessment methods into procurement criteria in the tendering process. The Finnish Road Administration (Finnra) included life cycle assessment criteria in the tender for the project 'Improvement of the Highway 9' carried out in 2005. The highway is linking two of the three biggest urban settlements of Finland: Tampere to Turku.

A software to determine environmental impacts

The aim was to repair 14.2 kilometers of highway, including new asphalt concrete, and the repair of three bridges. The starting point of the procurement process was the development of a life cycle assessment tool



Figure 18 - Using a software-based life cycle assessment tool eased the tender process.

called "Meli" provided by the Technical Research Centre of Finland (VTT) to determine environmental impacts of road construction and maintenance based on the bidders' calculations. Furthermore, one of the advantages of using Meli lies in the fact that

the software analyzes the cost of alternative solutions during the whole construction period. The bidders competed on quality, minimum delay to the users due to the construction, and environmental impacts. The analysis of the environmental impacts took into account aspects such as the use of natural resources, energy consumption, waste minimization, noise-, dust- and emissions to air (e.g. CO₂, NO_x, SO₂) and emissions to soil and water (e.g., heavy metals, chlorides, sulphates).

The terms of reference of the contract were provided with other specifications given by Finnra:

- The environmental principles adapted were required to be integrated in the quality system and had to be sent to the purchaser for checking.
- The contractor had to provide environmental reports about the construction work.
- Paints used in the road markings had to be solvent-free. It was recommended that hydraulic oil was biodegradable and that the suppliers joined to the energy saving

contracts in the transport sector.

- Water and soil had to be treated in regard to conservation and precaution principles (e.g. for the treatment of oils, fuels, bitumen, solvents and detrimental additives).

An eco-friendly Ro-ad Administration

For the years 2008-2011 the investments of ongoing road construction projects are estimated to 1,110 Million EUR. For that reason, Finnra acts responsibly while administrating this huge amount and establishing the specifications for green procurement during the development of physical projects and implementing construction strategies.

Integrating environmental and economic criteria in the tendering process

Finnra defined a scoring matrix where the specifications for the tendering process were given. Quality aspects related to the material consistency had a great importance for being a component that enables environmental conservation. Thus, the environmental impacts were given a share of 10 % in the award, quality of pavement 40%, quality of the evenness 25%, other quality aspects 20%, extra user delay costs 5%. This score specification differs from the traditional procurement criteria, where cost issues were ranked with almost 70%, construction plan 12%, plan of actions 10,5% and constructor 7,5%. This tendering criteria were designed on the bases of eco-efficiency in the road construction purchase process, in order to

provide cost savings, and gaining competitive



Figure 19 - Quality compliance is also a main requirement in SPP tenders

advantage while also reducing the total environmental impacts of construction work.

Lessons learned & Achievements

- The use of software-based instruments in regard to a life cycle thinking approach to define environmental criteria in the call for tender of 'Highway9' was decisive for the selection of the best contractor.
- Bidders and contractors are induced to adapt technologically and procedurally to respect and meet eco-efficient requirements.
- Economic and environmental criteria can complement themselves in the design process of tendering criteria in macro-projects.

Contact

The Finnish Road Administration

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Leasing copy-machines based on environmental criteria in Germany

Leasing of copy machines for the schools in the City of Freiburg (Germany)

In 2006/2007 the Department for School and Education of the City of Freiburg decided to set up a joint procurement for all copying machines of its 75 schools, with the particularity of adopting a leasing system, while including specific environmental criteria in the tendering process.

Leasing: a solution for both price and energy-efficiency

Copying machines are not purchased, but rented for a period of 4 years within an “all in contract” or “pool contract”. This contract contains the leasing of new equipment that the contracting firm not only supplies, but also maintains during the whole period. The firm also provides the toner, whose containers are reusable and refilled each time. This contract gives access to modern and reliable devices without having to deal with



Figure 20 – Leasing copy machines is a means for a better sustainability

maintenance costs. Due to the high number of leased devices (137 in the year 2007) the

acquisition costs remained at a reasonable level and savings reached 50% of the former spending. The schools and offices buy the paper themselves (either recycled or using virgin fibres from sustainably managed forests) and make monthly payments to the contracting company depending on the number of copies made (the devices are equipped with counters).

More Environment for less Money

Improving the financial efficiency of public procurement is one of the sustainable public procurement's target. Too often only the initial purchase price is considered when buying products and services, ignoring usage costs such as electricity and water consumption, maintenance expenditures and disposal costs at the end of its life. Many products are also bought unnecessarily. Substantial savings are therefore possible.

The awarded criteria of the tender in detail

The tender contained strong environmental criteria, not only covering electricity consumption, but also the issues of dust formation and ozone burden, as well as staff health aspects.

For the evaluation of offers a 100 points system was established:

- 25 points were awarded for environmental criteria
- 70 points for the price
- 5 points the service.

For energy consumption, the minimum



Figure 21 - Printing double-sided copies is a means to save paper.

criteria demanded were the requirements of Energy Star, an international product label certifying energy efficiency standards of office equipment (www.eu-energystar.org).

The following specifications were included in the tender published by the Department for School and Education of the City of Freiburg:

- Machines must have a short warm-up time
- Machines must enable the undisturbed processing of 80 g/sm recycling paper

according to DIN 19309 and/or DIN V ENV 12281 or equivalent (standards for the compatibility of paper with machinery).

- Machines must be able to make double-sided copies of one or many original(s) – also on recycling paper - in large quantities, without affecting the copy quality.

Machines must comply with EU Directive 2002/95/EC (RoHS Directive – Restriction of hazardous substances in electrical equipment).

- For each type of tendered machine, statements on electricity consumption in copy or standby mode must be provided. The energy consumption standards set by Energy Star must be met
- Machines must be labelled and/or verified according to CE and GS standards for health and safety.

Lessons learned & Achievements

- It was possible to find copy machines that meet the environmental criteria and are cost-efficient at the same time.
- Expanding the leasing procedure to other departments as well brings about more environmental benefits and cost savings.
- Spending on copy machines has been reduced by half per year.

Contact

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Working with suppliers through product design in Spain

IHOBE – Eco-design criteria for furniture purchasing

The Ingurumen Jarduketarako Sozietate Publikoa – Sociedad Publica Gestion Ambiental (IHOBE) is a consolidated, publicly-owned company that works in the field of environmental protection and management in the Basque region of Spain. IHOBE has been implementing a policy on green purchasing since 2002, with a particular focus on including environmental considerations in contracts for paper, office material, information technology (IT) equipment, printing services and office furniture. The experience gained during this period, together with the increased awareness of the issues and approach of green procurement by public administrations in the region, have led the local government (Basque, Spain) to initiate a strategy to promote GPP.

GPP benefits all actors: focusing on innovation as a competitiveness axis

Four companies submitted bids, fulfilling all the compulsory requirements (technical specifications) of the tender documents.

In the awarding phase more points were given to those offers that addressed the following two aspects:

- Life-cycle analysis for some or all the offered products, and
- Environmental product declarations.

Regarding environmental criteria, three companies out of four presented some of the requested documentation. Overall only one company provided adequate documents that addressed most aspects. As such the number of points scored was low, and only the latter company scored more than half the possible points. This situation clearly shows that there is a lack of knowledge from the side of companies bidding for the contract. In order to address this situation, IHOBE offered to organize a meeting with experts to clarify the

requirements to bidding companies, however, the offer was not taken up.

The least expensive offer, in terms of financial cost, was awarded the contract. It is interesting to notice that this was also the offer that obtained the highest environmental point score. However, the second cheapest offer had received the lowest points for environmental impact.

The company that was awarded the tender



Figure 22 - Sustainable office furniture can also be the cheaper .

considered more environmental criteria than the other bidding companies and also had most of the required documentation available. The reasons being that the company worked with furniture companies on eco-design, and just after this tender obtained the certification



Figure 23 - Appealing to eco-design experts eased the tender preparation process.

for the standard UNE 150301 (Spanish Standard - Environmental management of the process of design and development, eco-design).

Lesson learned & Achievements

When developing the tender, IHOBE had technical experts in its team working on eco-design activities, which greatly facilitated the tender preparation process and the assessment of the offers / bids presented, especially the supporting documents.

Regarding the offers presented, bidders provided information on the possession of an Environmental Management System (EMS) for the companies and product manufacturers. However, it became apparent that there had a lack of specific documents provided for each of the products, leading to general statements being made by bidders in some of the documents. Among all

environmental aspects, few documentation was presented for recycled products (steel, aluminum and plastics) and timber certification.

The strength of this particular case is the interaction between IHOBE and Basque furniture companies on eco-design, ensuring that the market in the region was ready to present environmentally responsible offers in response to the call for tenders.

An innovative awarded supplier approach

IHOBE was awarded for its work on GPP because of the well-developed innovative approach to work with suppliers through product eco-design. Also, because this project can easily be transferred to other local authorities in the Basque Country.

In a nutshell

- Importance of counting on internal experts
- Knowledge of the market situation and companies from the field
- Evidence that environmental products are not more expensive (as the green offer was also the cheapest one)
- Possibility to demand certain environmental criteria as obligatory instead of as voluntary

Contact

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Sustainable criteria for sustainable bus shelters in Spain

The sustainable tender of Barcelona

In September 2005 the public administration of the tourist city of Barcelona published a public tender for the purchase of 200 bus shelters. The city established green procurement criteria and on this basis assessed the bidders and selected the best offer. Beyond the requirements of physical consistence of the structure (roof, support structure, glass and bench) and point of optical information (advertisement and bus timetable), each shelter was required to present sustainable and innovative advances in the material composing and design that enable environmental benefits during their life span. In the end, Barcelona managed to acquire cost-effective and environmentally beneficial shelters.

Including sustainable criteria in the tender document

Different public organisations of Barcelona (e.g. The Department of Urban Planning and Infrastructure, Metropolitan Transports in Barcelona, Vía Pública, the Communication Department, the Urban Environmental Department and the



Figure 24 - Innovative bus shelters can be produced with ecoefficiency parameters.

Computer Services-Informatics Municipal Institute) participated in the elaboration of

the green procurement criteria that were included in the tender document and the technical specifications. Some of the tender criteria were:

- The use of polyvinyl chloride substances and non-sustainable timber was excluded,
- It was also required that the illumination system of the shelters presented energy saving advantages,
- Improvements regarding the old bus shelters were to be evident,
- The design of the shelters had to be in concordance with the urban landscape of Barcelona,
- Material quality and productivity.

All these general criteria were summarized in a scoring matrix. Furthermore, the bidders had to present Life Cycle Assessments to justify the selection of materials. In addition, the proposal asked the bidders to include elements to improve the cleaning system of the shelters.

The winner and its product

In May 2005, Barcelona did a call for tender for the purchase of bus shelters. The company JCDecaux was awarded with the contract in February 2006 due to its innovative proposal consisting in bus shelters produced under ecoefficiency parameters that minimize environmental impacts during their use phase. In this sense, the JCDecaux developed a cleaning system for cleaning the shelters based on osmosed water avoiding the use of soap/detergents and conventional water. The roofs resist 500kg/m² and are made up of recycled materials. The advertising panels are provided with only 3 low consumption lamps that provide as much illumination than the older 4 lamps of high consumption.

Barriers and future challenges

The greatest challenge was to find the raw materials for the production of the shelters locally. Since some of the local suppliers offered products based on polyvinyl chloride substances, some of the materials were imported. In this sense, to analyse the state of the supply chain represents an issue to be considered for future tendering processes in Barcelona.

Lessons learned & Achievements

- The city of Barcelona not only designed well-defined green procurement criteria, but also assured the selection of a good provider through a transparent bid process.
- The expertise of the public administration was proven since the program presented

successful results.

- Cost saving and environmental performance are compatible in public procurement activities.
- The analysis of the supply chain and the identification of strategies for including it in green public procurement activities is needed.



Figure 25 - Bus shelter cleaning system based on osmosed water avoids the use of soap/detergents and saves water.

Contact

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Giving green light to Zurich public offices

2000 eco-efficient floorlamps

The Building Construction Department of Zurich, in collaboration with the Electricity Power Company (“EWZ”) aimed at renovating Zurich administration lighting system in 2002. The organisations developed the tendering criteria and procedures for the procurement of 2000 eco-efficient floorlamps in regard to the sustainable brand and labeling system MINERGIE®, system which is supported by The Swiss Confederation and the Swiss Cantons in cooperation with the department of Trade and Industry. The tendering process was enriched through the collaboration and participation of public institutions and private producers and suppliers.

Designing the tendering criteria

The Building Construction Department of the city designed the call for tender and established as precondition for being admitted as a bidder the submitting of a lamp prototype. The process was enriched with the experiences and comments of internal and



Figure 26 - Bidders can comply with specification of SPP if participated during criteria setting

external sources such as producers and sub-suppliers (e.g. producers of electronic components, of aluminium parts, light directing and of the lighting tubes). For the

elaboration and definition of the tendering criteria for the acquisition of the lamps, the MINERGIE® lighting standard served as bases. Hence, the lamps had to meet technical specifications in regard to three aspects, energy efficiency, ergonomics and electronics:

- “The Stand-by performance must not exceed 2 watt: the use of a regulator or control system depending on daylight is mandatory.
- With sufficient daylight the floorlamp must automatically switch off or turn on the stand-by mode. Continued operation at minimum light power (e.g. 10%) is not permitted.
- The electrical output must not exceed the standard output of the floorlamp”.

The tendering process

The tendering process was developed within two years and was composed by two phases. First of all, workshops on floorlamps were conducted with almost 30 Swiss manufacturers. This enabled the Building

Construction Department gain a better understanding about the context of the producers before designing the tendering criteria. Following, the call for tender was published on April 2004 and the bidders were given two months to submit their proposals.

Sustainability as specific target

In Switzerland green public procurement practices go beyond the acquisition of lighting system for public offices. Hence, with a public procurement budget of over one billion EUR yearly and a population of almost 350 000 inhabitants, Zurich has put in foreground sustainability as a specific target on its political agenda since 1998 in fields like construction, food, transport. For example, in 2005 2,166 energy efficient computers were procured meaning 127,114 kg CO₂ reductions during the use phase. Likewise, organic food in worth of 390.000 EUR (5,6% of its budget) was purchased. Sustainability is part of the award criteria and is inserted in public tenders to specify the nature of the product concerned.

The city did not find problems in finding producers that could fulfill the tendering criteria. For the call of tender, 13 bidders presented 18 floorlamps that could meet the tender specifications. However, the proposal embodied in the floorlamp called Level/MDT® was selected in August 2004 and awarded with the contract. The floorlamp showed to generate savings throughout its entire life cycle by reducing energy consumption by half compared to a standard floorlamp. Furthermore, it reduces

electromagnetic radiation and accomplishes with characteristics such as safety, easy use, aesthetic and performance.



Figure 27 - The awarded floor-lamp reduces energy consumption by half compared to a standard floorlamp.

Lesson learned & achievements

- The discussions with producers and suppliers before publishing the tender enabled to develop realistic tendering criteria.
- Two aspects contribute to strengthen the tendering criteria development. On the one hand, to highlight the importance of ergonomic, eco-efficiency and cost saving contributes to find the best options in the market. On the other hand, to specify the need of product improvement in comparison to the offers currently found in the market promotes technological advances as well.

Contact

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Creation of two large-scale SPP guidelines in Austria

Tools of Implementation : Guideline

Guidelines are instruments which enable the dissemination of important information about GPP to the persons in charge of procurement. Austria, has developed 2 large-scale guidelines : *The updated General Government Guidelines on GPP* (2004) and The criteria catalogue *Check it* (2001). This case study describes the development, the administrative issues, the application and the success factors of the guidelines.

Austria's informational GPP tools

- *The General Government Guidelines on GPP* were first developed in 1998 and updated in 2004. Their main objective is to offer “a practical tool for the purchasing



Figure 28 - It is crucial to involve suppliers in the development and application process of guidelines

departments in line with the OECD recommendations”. It includes a section on general requirements that apply to all products and services and provides specific requirements for 9 product groups and services (office equipment and material, the building industry, energy, cleaning material, interior design, food and catering, transport and vehicles, landscape conservation, and waste management).

- The criteria catalogue *Check it* was published in 2001 and covers a broad range of product groups, services and systems.

The main target group of both guidelines are public procurers at the national, regional and local levels but also outsourced legal entities, like the Federal Public Procurement Agency and the Federal Real Estate Company that have responsibilities previously held by ministries.

A bunch of stakeholders and practitioners striving for consensus

The main driver for developing the *Updated General Guidelines* was the Ministry of Environment. However, it worked in close cooperation with the Federal Chancellery, other ministries, regions, experts and the business sector. The Federal Chancellery was mainly involved regarding the legal aspects of GPP, taking into account regulations set out in the Austrian Public Procurement Law as well as the technical standard norms (ÖNORM). The Ministry of Economic Affairs, for example, was involved in the specifications for the building sector. Various experts were involved in developing the guidelines, including researchers and

environmental consultants. The business sector, because they are the suppliers and need to fulfil predefined criteria also contributed. Finally, the most important cooperation partner of the Ministry was the Federal Public Procurement Agency. Amid this wide network, the general issue encountered in the *Updated General Guidelines's* project was to define the criteria in a way that there is consent among all the stakeholders. Consensual requirements were included at the end.

A means of pressure

The guidelines must not be underestimated: “I think that the guidelines are an important element of the overall strategy towards GPP. Without the guidelines, we would not have achieved positive results in GPP, because they have put pressure on all actors to take up environmental issues in their procurement activities”, the representative of the Ministry of Environment pointed out.

The complexity hurdle

Some ministries regarded the guideline as too detailed and not practical enough, sometimes ignoring or even thwarting their needs. For instance, the need of the Home and Defence Ministries for specific vehicles stood against certain environmental criteria outlined in the guidelines. Technical, dense and complex formulations may render it impossible for SMEs to bid for a public contract because they may have difficulties understanding the bidding documents and, if required in the tender specifications, they may not be able to conduct an environmental product assessment (e.g. on chemical substances in products). Therefore, concentrating on

detailed environmental criteria may exclude smaller, regionally based SMEs which would have great economic and social impacts.

Achievements

- The guidelines are used as support document by public procurers because the Austrian council of ministers did not adopt them formally. The political rejection had to do with unclear follow-up costs of GPP and the complexity of the guidelines.
- Developing GPP guidelines is one way to demonstrate that environmental issues are taken up at the political level.
- The high participatory level of all stakeholders lead to the creation of a consensual guideline.

Lesson learned

- It is crucial to involve practitioners in the development and application process of guidelines, namely central procurement institutions, all ministries, which are the main purchasers, and the business sector, which are the suppliers.
- Guidelines should be oriented towards practical use and designed as flexible and simple as possible and as detailed as necessary.
- Combining environmental criteria and value for money as public procurement decision factors is the main issue of GPP guidelines.

Contact

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A thought-out municipal action plan in Denmark

Municipality of Copenhagen: Plan of Action for SPP

The Municipality of Copenhagen in Denmark employs approximately 40,000 people, about 1,200 of them having purchasing authority and spending 400 million EUR annually on goods and services. Purchasing is characterized by a central purchasing department contracting purchase agreements on the one hand, but on the other, decentralized structures can also be found. Series of purchases may be undertaken outside the purchase agreements in individual departments.

In September 1998, the green purchasing policy of Copenhagen was put into effect via a plan of action, which in a first step only covered the Copenhagen Energy, Water and Environmental Protection Agency. The aim of the plan was to launch a process, which ensured taking into account environmental requirements systematically when purchasing goods and services, on equal terms with conventional requirements like quality, reliability of delivery and price.

Picking the low-hanging fruits for success

The plan of action set about identifying easily accessible areas of effort, where less environmentally harmful products should particularly be procured. The criteria for choosing those areas were the following:

- Knowledge of the environmental impact of the



Figure 29: Picking the low-hanging fruit is the cheaper strategy for success

product is available.

- Less environmentally harmful products are available.
- Environmental effects can be achieved.
- The large quantities ordered have a potential to influence the market.
- The effort is visible to citizens, enterprises and/or staff.
- The effort is quantifiable.
- As areas of effort to serve as a model for the incorporation of green purchasing in all other areas should be identified, Copenhagen selected the following fields: electronic products, office supplies, cables and pipes, transport and maintenance of buildings.

The thoughtful strategies

- A task team supervised by a

coordinator: In order to support the implementation of the project, a task group consisting of a co-ordinator with professional environmental knowledge and a representative (purchaser) from each institution was appointed. Its role was to point out areas of effort, establish targets, gather experiences, arrange thematic meetings, communicate information about environmental considerations when purchasing and undertake documentation concerning the enterprise. Its strength lies in the management of a forum for handling tasks shared by institutions.

- **Providing training:** Training was provided in order for staff to learn how to think and act environmentally consciously in the field of purchasing. All staff engaged in purchasing attended a two-day course in order to learn how to formulate environmental and energy demands and which tools to apply in everyday environmental work. Thematic meetings (duration 2-4 hours) were held for purchasers who are in charge of more technically related activities.
- **Monitoring results:** Purchases within the effort areas were evaluated in relation to the targets established, which had to be fulfilled in January 2001.
- **Documenting approaches:** To make their daily work easier, central purchasers can find information in 50 purchase guides prepared by the Danish Environmental Protection Agency. The guides contain a series of product-specific environmental demands based on life-cycle-assessment. Also available are environmental check forms for transport and building maintenance prepared by the task group

and a general environmental questionnaire for the evaluation of products and manufacturers.

Reducing the purchaser workload

The wide and varied range of potential suppliers for a special product increases the workload of the purchaser, who has to gather environmental information and can only get a quite superficial idea of the general environmental trend of suppliers. In order to reduce this workload, the municipality of Copenhagen has agreed with the suppliers that they deliver environmental information about all products bought during the previous year. This should also help to solve the documentation problem raised by the range of purchasers being so wide.

Lessons learned & Achievements

- Centralised purchasing can be an easily structure for implementing green purchasing because this eases staff training and continuous communication.
- An action plan is highly needed to implement sustainable public procurement. Documentation is vital for the success of sustainable procurement initiatives.

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A national action plan for GPP in Portugal

Portugal responds to the call of the European Union

Public procurement plays a relevant role in achieving sustainable development. Since public organisations in Europe are big consumers of goods and services (year 2002: 1.5 trillion EUR equivalent to 16% of the EU GDP), the European Commission published the Communication on the Integrated Product Policy (2003) inviting the country members to develop national action plans for green public procurement by the end of 2006. Responding to this call, the Council of Ministries of Portugal initiated the National Strategy for Green Public Procurement.

The National Strategy for Green Public Procurement (NSGPP)

In June 2006 the Environmental State Secretary of Portugal constituted a working group composed by representatives of national ministries, whose task was to develop The National Strategy for Green Public Procurement (NSGPP) for the time period from 2008 to 2010. Under the coordination of the National Agency for Public Procurement of Portugal (ANPC), the working group aimed at establishing technical and procedural guidelines for purchases of products and services, as well as developing strategies to encourage public organisations to implement green procurement. However, since green procurement depends on the supply of products and services in the market, the NSGPP also introduced measures to encourage the private sector to offer sustainable products and services. The NSGPP was constructed on the bases of institutional commitment by the public administration and for the achievement of the implementation strategies there is no legal obligation.

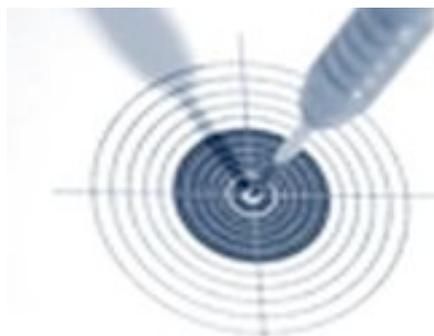


Figure 30 - A national strategy is a necessary roadmap for effective implementation of SPP

Priority products and services

Based on policy and scientific reports at National and European level, the NSGPP identified a group of products and services, which are relevant for green public procurement because of their environmental impact as well as purchase frequency and quantity. These are public infrastructure (including illumination and equipment), transportation (including equipment and complementary services), energy consumption, office equipment, office supplies, cleaning products (including the

provided service) and maintenance of equipments and infrastructure.

Strategies of implementation and continuity

Three strategies based on the criteria and product categories have been developed:

- Each ministry through its Ministerial Procurement Unit commits itself to a certain quota and is responsible for its accomplishment.

Environmental criteria to improve 50%

Regarding criteria such as energy efficiency, reducing green house gas emissions, prevention of waste generation and biodiversity conservation, the NSGPP established two main goals to be achieved by the end of 2010. The first one is that the environmental criteria have to be applied in 50% of all public purchases. The second goal is that the purchases where environmental criteria are used have to account for 50% of the total value of all purchases.

- One strategy to make the NSGPP successful is communication. The objective of communication is to inform the public about the achievements made in GPP and raise awareness on sustainable consumption. Communication measures include conferences, seminars and a webpage.
- By the end of the NSGPP in 2010, the ANPC will elaborate a report summarizing the lesson learned, the goals achieved, the performance of each ministry for the contribution to the strategy and new

proposals for the NSGPP for the next three years.

Achievements

- Enacting of the NSGPP 2008-2010. The strategy will be updated for the period 2011-2013.
- Commitment and involvement of all the ministries to the guidelines of the NSGPP.
- Including quantitative targets in the NSGPP 2008-2010.

Lesson learned

- Political commitment for the strategy was established by involving all ministries in the preparation process.
- The NSGPP was constructed based on policy and scientific reports that considered not only international criteria, but also the local context. National researchers and policy makers worked hand in hand to establish the criteria and mechanisms, in order to assure integrity during the process.

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Acting internal policy towards green purchasing in the United Kingdom

Guidance for green procurement

Leicester is a city in the UK with almost 350.000 inhabitants. The city has a big influence on the market, and the amount of purchases for public purposes grows every year. Even though there is no central procurement office in Leicester, the Environment Team, Regeneration & Culture Department of the City Council assumed a leading role for greening the procurement in the city and published a guide called “Environment friendly purchasing”, which is mainly directed to the public administration, but is also applicable for private companies. The guide is aligned to the parameters of the Eco-Management and Audit Scheme (EMAS).

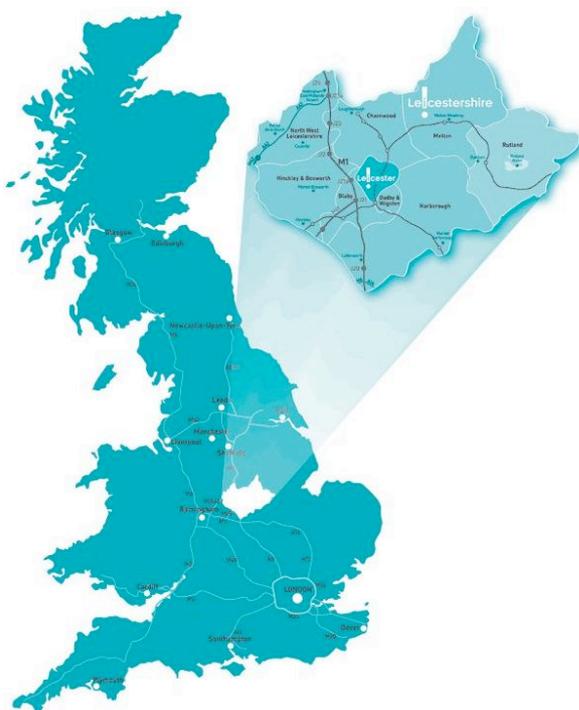


Figure 31 - The County of Leicester (United Kingdom)

Fundamentals of the guide

The guide is a proactive strategy developed by the Leicester City Council aiming at providing tips and advice on how to acquire products, which are environmentally friendly and contribute to cost-savings throughout their entire life cycle. The guide highlights the importance of analyzing the process of procurement carried out by the administration itself or by commissioned contractors.

Content of the guide

The guide is constructed on the base of resource efficiency and consumption sufficiency. Thus, its first pages open with some questions that help to conceptualize the purchase process in a more sustainable way. For instance, before carrying out any purchase, the organisations is invited to answer the following questions: “Do you need it?”, “Could you borrow, hire or

share?”, “Are you going to use the product or service long enough to justify the purchase?”.

Taking into account the purchasing record of the City Council, as well as the requirements for future programs, the guide specifies a range of categories that contain the products and complementary services required for the implementation of those activities. Recommendations on how to purchase and use the following product categories are provided: paper, office equipment, timber,

Seven principles of the guide:

- To ban the use of environmentally damaging products where an alternative product is available;
- Instead of buying more, to repair and maintain the existing products.
- To promote the purchase of recycled products;
- Involving external contractors and suppliers enhances the probabilities of success;
- Capacity building to all employees of the City Council is provided in order to maintain environmental purchasing patterns as a trend in the future;
- To ensure that all City Council operations and activities carried out on behalf of the council, comply with or exceed all statutory environmental requirements;
- The internal policies provided by the guide will be updated and adapted according to technical and technological advances.

cleaning materials, pesticides, vehicles and fuels, PVC, packaging and food. Each

category contains a general policy (e.g the paper category highlights that the purchase of chlorine bleached paper is not permitted) and guidelines on purchase quantities and recommendations for alternative products.

Buying through third parties

In many cases, the public purchases are done by third agents on behalf of the Council. Therefore it is relevant to involve them in green procurement procedures, to help them to improve their environmental performance. In Leicester, ESPO (The Eastern Shires Purchasing Organisation) is in charge of providing a professional purchasing service for the City Council. ESPO aims at minimizing costs by buying in bulk and uses its expertise to obtain discounts. In its catalogue, EPSO highlights products that are less environmentally damaging than other alternatives.

Lessons learned & Achievements

- Contractors were integrated to the guideline setting.
- The guide shows not only parameters for green procurement but also presents product alternatives.

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A code promoting and supporting GPP in UK

The Mayor of London's Green Procurement Code

The Mayor of London's Green Procurement Code is a voluntary instrument for encouraging and promoting public and private organisations to purchase recycled products. The signatories of the Code receive free advice on how to carry out procurement of recycled products and can use a networking platform to interact with producers. The code was created in 2001 with funds of around US \$4.3 million provided by the London Development Agency and delivered by London Remade, a non-profit organisation working in the field of waste management and green procurement.

Auditing and awarding the local authorities green commitment

By signing The Mayor of London's Green Procurement Code, the local authorities commit to achieving progressive environmental targets. Regarding their performance, they can be awarded with four



Figure 32 - This policy measure was necessary to foster SPP

categories (entry level, bronze, silver or gold). The categories reflect the green procurement procedures that the local authority has in place and the results of these procedures. In order to guarantee that the procedures and achievements result in real environmental benefits, the participating local authorities are reviewed

by external auditors like IEMA (the Institute of Environmental Management and Assessment). For this, the local authorities have to collect and keep evidence of all green procurement initiatives throughout the year (policy and strategy documents, contracts, purchase records or invoices, records of supplier meetings when green issues were discussed, etc.). The entry level doesn't cost anything, but in order to achieve the three other categories the signatories of the code have to pay the auditing costs.

The Code members receive support and guidance

The Mayor of London's Green Procurement Code is targeted to private and public organisations in London, in order to reduce their negative environmental impacts resulting from their purchases, such as waste generation and carbon gas emissions. Among the members of the Code there is a significant amount of public organisations. They have seen in the Code an opportunity to improve their environmental performance, reduce administrative costs linked to purchasing

activities and act as an example for the community on green purchase. The list of signatories includes all 33 London Boroughs, The Westminster City Council, The Metropolitan Police Service, The London Development Agency and Transport for London. The Code provides

Fair Trade Food in schools

The London Borough of Camden spends yearly around US \$ 528 million to acquire products and services in order to enable its activities (e.g. it provides social housing for around 43% of its population, schools for approximately 23,000 children and young people). The Borough implements sustainable procurement by buying fair trade food products for the school meals, vending machines and cafeterias of leisure facilities.

advice on how to carry out responsible and green purchases. Furthermore, in order to make the strategy more integral and to assure a market where offer and demand of recycled products meet each other, the signatories of the Code and the suppliers of recycled products interact under the supervision of London Remade. The organisations that commit with the Code receive free support and guidance to improve and green their purchasing process with practical implementation strategies. In 2006, members of the Green Procurement Code purchased 19,150 square metres of recycled carpet, 15,582 items of recycled furniture and 35,550 recycled printer cartridges.

Achievements

- Since the launch of the Code in 2001, the signatories have spent over US \$541 million on recycled products.
- In 2007 the members of the Green Procurement Code managed to prevent 175,000 tonnes of CO2 emissions through the purchase of recycled products, which is equivalent to the yearly emissions produced by 29,000 households of the capital.
- In 2006, 394,453 tonnes of waste were prevented by the members of the Code because they choose to buy recycled products.

Lessons learned

The case of The Mayor of London’s Green Procurement Code is an example that can be replicated in other places as well. Its success depended on the support of The London Development Agency and the commitment of the private and public institutions that have joined the initiative. The benefits of the Code are measurable quantitatively, a fact that encourages other organisations to get involved. The achievements would not have been possible without the development of powerful communication strategies (e.g the webpage of the code shows best practices and explains the procedures on how to get involved clearly). Also the cooperation with recycled products suppliers was crucial for the success.

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