

GREEN PROCA
Green Public Procurement

Procurement and Climate Protection

Guideline for Green Public Procurement in Action for Beginners



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1. Introduction

This Guideline have the general scope to give simple advices to beginners learners from Contracting Authorities for the general understanding of Green Public Procurement in the first application.

EU Commission's GPP Training Toolkit can be found at the following address:

http://ec.europa.eu/environment/gpp/toolkit_en.htm

Please, find the Green ProcA Power Point presentations here:

Green Procurement General Introduction: http://gpp-proca.eu/wp-content/uploads/2014/12/Green-ProcA_General-introduction.pdf

Building components: http://gpp-proca.eu/wp-content/uploads/2014/12/ProcA_Presentation_buildings_1.pdf

Ligthing: http://gpp-proca.eu/wp-content/uploads/2014/12/Green-ProcA_lighting.pdf

IT: http://gpp-proca.eu/wp-content/uploads/2014/12/ProcA_IT_training.pdf

2. Green procurement

Green Public Procurement (GPP) is defined as "a process whereby public authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured."

The 20-20-20 EU Energy Policy set the targets to reach 20 % reduction of CO₂-emissions, 20 % reduction of energy consumption, and an increase of renewables in the energy mix with 20 % until 2020. The energy efficiency target is the only non-binding target at EU level and also the one which is unlikely to be achieved by 2020. The latest estimations show that at the current pace of implementation only half of the target will be reached. To support the energy efficiency target the energy service directive 2006/32/EC has been set into force which in Art. 5 requires public purchasers to procure energy efficient products and services.

Since then, the European Commission has started several initiatives on GPP. In the year 2008 the goal of 50 % green procurement for the year 2010 has been set in a communication on GPP, the GPP toolkit has been published and several legislative requirements have been set up:

- Regulation No 106/2008: Energy Star Regulation (2008)
- Directive 2009/33/EC: Clean Vehicles Directive (2009)
- Directive 2010/30/EU: Energy Labelling Directive (2010)
- Directive 2010/31/EU: Energy Performance of Buildings Directive (2010)
- Directive 2012/27/EU: Energy Efficiency Directive (2012)
- Directive 27/2012 on Energy Efficiency : The new Directive entered into force on 4 December 2012. Most of its provisions have been implemented by the Member States by 5 June 2014.

Also the Europe 2020 strategy has identified public procurement as one of the key means of attaining smart, sustainable and inclusive growth. In October 2011 the EU Commission published the Buying Green Handbook that provides an introduction to GPP.

Procurement has the ideal position in public organisations and private companies to fulfil a pivotal role between suppliers and buyers, when considering suppliers as sources of innovation. Public authorities spend approximately two trillion Euros annually, the equivalent of around 19 % of the EU's gross domestic product. Regular demand for eco-efficient products would motivate suppliers to offer more products and services that comply with modern quality and environmental requirements. For companies, innovation-driven procurement will become one of the key competences to keep the pace of innovation sufficiently high in the ever faster changing world.

Green procurement helps solve environmental issues by reducing toxic and greenhouse gas emissions. By choosing green products and services, less hazardous substances are released and natural resources are conserved. A reduction in the environmental impact generally leads to less damage to health. Procurement is also a powerful instrument that public authorities and companies can use to reduce their CO₂ emissions and advance their climate change objective.

Although they may be more expensive at the time of purchase, environmentally friendly products can also work out cheaper in the long term.

3. Relevant environmental labels

More and more international organisations are trying to transform the way they procure and to bring their contribution to a more sustainable economy. Green procurement is a powerful tool to support the cause of the environment but, like every other change, it takes time for it to sink in to organisational practices. Environmental labels can be useful tools in the hands of public procurers and requisitioners to overcome these difficulties. But more clarity is needed on the nature of different types of labels, on the way they function and on how they can be used in the procurement process.

The increasing number and differing quality of environmental labels is also per se a challenge: the growing popularity of environmentally friendly products has caused the multiplication of consumer facing logos, with very different levels of reliability, thoroughness and independence. The risk of misusing labels, or misinterpreting their quality and features is real, hence it is addressed in this Guide. Procurement practitioners will also find information on the progress of environmental labelling in developing countries, and on how to support sustainable production and consumption through the use of labels in procurement.

An ecolabel is basically a label which identifies overall environmental preference of a product or service based on life-cycle considerations¹. This environmental preference is guaranteed by the fact that the ecolabel is granted by an independent third party, not influenced by the company who seeks certification. Therefore, an ecolabel is a tool that helps buyers juggle among a number of products and services, often accompanied by unverified claims about their supposed ecological advantages, and recognize those that actually offer a better environmental performance.

The International Standards Organisation (ISO) has classified the existing environmental labels into three typologies – Type I, II and III - and has specified the preferential principles and procedures for each one of them.

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The ISO standards classify environmental labels in three categories; a fourth group, that we call “Type I-like”, has a verification and certification process similar to that of ecolabels but focuses on single issues (e.g. energy consumption, sustainable forestry, etc.)

Type I – Ecolabels (ISO 14024:1999)

Only ***independent and reliable labels that consider the life-cycle impact of products and services are called “ecolabels”***, even if this term is commonly used in a broad and not always correct way.

This group is the most useful from the point of view of a procurement practitioner. Ecolabels are based on ambitious criteria of environmental quality, and they guarantee that the awarded products respect the highest environmental standard in that market segment. The criteria are usually developed through the involvement of a large number of stakeholders and awarded after an independent process of verification.

Ecolabels labels take into account all adverse environmental impacts of a product throughout its life cycle, for example energy and water consumption, emissions, disposal, etc.

4. Practical instructions for green procurement and use phase

In 2004, the Council and the European Parliament adopted two directives aimed at clarifying, simplifying and modernising existing European legislation on public procurement.

- Directive 2004/18/EC covers public works contracts, public supply contracts and public service contracts.
- Directive 2004/17/EC covers the procurement procedures of entities operating in the water, energy, transport and postal services sectors.

The Directives thus offer a number of opportunities for GPP to be implemented, throughout the contract award process:

- the inclusion of environmental requirements in technical specifications (Article 23(3)b);
- the use of eco-labels (Article 23(6));
- setting social and environmental conditions for the performance of contracts (Article 26);
- requiring economic operators to demonstrate they have met their environmental obligations (Article 27);
- requiring economic operators to demonstrate they can perform a contract in accordance with environmental management measures (Articles 48(2)f and 50); and
- applying award criteria based on environmental characteristics (Article 53).

The basic principles of free movement of goods, services, capital and people are set out in the Treaties¹, along with a prohibition on discrimination based on nationality. From these basic principles a number of more specific principles applicable in the field of procurement have been developed, primarily through the case law of the European Court of Justice. These are the principles of transparency, equal treatment, proportionality and mutual recognition.

It is important to note that these principles are of broader application than the Directives - procedures which are excluded from or fall below the thresholds for application of the Directives must still be awarded in accordance with the principles. Public authorities need to observe these principles when implementing GPP, as in all areas of procurement.

It is important to underline that in December 2011 the Commission proposed the revision of Directives 2004/17/EC (procurement in the water, energy, transport and postal services sectors) and 2004/18/EC (public works, supply and service contracts), as well as the adoption of a directive on concession contracts. The directives were voted by the European Parliament on 15 January 2014 and adopted by the Council on 11 February 2014. The Member States have until April 2016 to transpose the new rules into their national law (except with regard to e-procurement, where the deadline is September 2018).

¹ The Treaty on the Functioning of the European Union, the Treaty on the European Union and, formerly, the Treaty establishing the European Community.

A number of resources for GPP implementation can be accessed from the EU GPP website:
http://ec.europa.eu/environment/gpp/index_en.htm

The Buying Green Handbook from October 2011 can be downloaded here:
http://ec.europa.eu/environment/gpp/buying_handbook_en.htm

4.1. Practical procurement instructions

Step 1: Get support

It is advisable to implement a green procurement policy for your institution or company before the actual procurement procedure begins. The procurement directives should also comprise the evaluation basis of the most economic offer with the calculation of life cycle costs. Choose a green title to communicate the policy to your staff and the outside world.

Step 2: Assess your actual needs

Here the necessity of the procurement and its complexity are examined. Thereby, possible alternatives to the purchase of the product e. g. the repair of old devices or leasing of a new product as well as measures to improve efficiency and synergy of environmental friendly aspects, are examined. A critical and exact demand analysis is one of the most important steps for an environmental friendly procurement.

Step 3: Define the subject matter

The subject matter of a contract relates to the product, service or work you want to procure. Purchasers are free to define an environmentally friendly product or performance-based product definition. Describe your needs in a functional manner so as not to exclude alternatives.

Step 4: Define technical specifications

Technical specifications describe the contract to the market and constitute minimum compliance criteria. Apply environmental criteria to save resources and energy as well as to reduce waste and pollution.

The GPP Toolkit is one of the key tools used to implement GPP
(http://ec.europa.eu/environment/gpp/first_set_en.htm)

The GPP toolkit proposes two categories of criteria for each sector covered:

- The core criteria are those suitable for use by any contracting authority across the Member States and address the key environmental impacts. They are designed to be used with minimum additional verification effort or cost increases.
- The comprehensive criteria are for those who wish to purchase the best environmental products available on the market. These may require additional verification effort or a slight increase in cost compared to other products with the same functionality.

In each category there are minimum compliance criteria and award criteria offered:

a) Minimum compliance criteria: These criteria will be included in the performance specifications and

must be fulfilled by the service or product supplier (e. g. the maximum capacity of the electrical equipment). A non-fulfilment of a mandatory criterion excludes the offer from the call for tenders. This procedure demands strict compliance with central environmental criteria.

b) Optional award criteria: These criteria are evaluated with the help of points and considered in relation to other awarding criteria during the awarding process. The total score of the optional criteria (altogether 100 % is possible) represents the degree of compliance with environmental characteristics such as recycling ability or energy efficiency. They enter the offer evaluation depending on the assigned importance of these criteria. Thus, economic and environmental interests can be weighted accordingly. These criteria are described in step 5.

In principle environmental interests can have a strong impact even without the compliance with mandatory criteria, if they are evaluated with a high score as optional criteria. Thus devices, which do not fulfil a certain criterion, have a chance to be considered, as long as the sum of the environmental characteristics convinces.

Following product groups are covered by the GPP toolkit:

1. Copying and graphic paper
2. Cleaning products and services
3. Office IT equipment
4. Construction
5. Transport
6. Furniture
7. Electricity
8. Food and Catering services
9. Textiles
10. Gardening products and services
11. Thermal insulation
12. Hard floor-coverings
13. Wall Panels
14. Combine Heat and Power (CHP)
15. Road construction and traffic signs
16. Street lighting and traffic signals
17. Waste Water Infrastructure 18. Indoor lighting
19. Toilets and Urinals
20. Sanitary Tapware

21. Imaging Equipment

22. Electrical and Electronic Equipment used in the Health Care Sector

23. Water-based Heaters

Another helpful tool are Eco-labels– both to develop specifications or criteria and to verify the compliance of products and services with these standards. There are many different kinds of eco-labels, for example those which address a single issue such as the Energy Star label or those which cover multiple criteria. It is important to note that it is not allowed to use the labels in the procurement process but the criteria in the label can be used (European Court of Justice on 10 May 2012, Case C 368/10).

Step 5: Define award criteria

Determine award criteria, e.g. better eco-efficiency, and their weighting when evaluating the tenders. The award criteria must relate to the subject matter of the contract. Describe how you will calculate the life cycle cost and how it will be weighted.

Life Cycle Costing

The cost efficiency of an offer does not only depend on the purchasing price, but also on the operating costs. For the comparison of the offers the purchasing, operating and disposal costs are evaluated over the expected useful lifetime (life cycle costs).

Calculation tools are provided for each product to compare the cost-efficiency of the offers. The following factors have to be considered if energy-related environmental interests are included in the calculations:

- Providers must guarantee the maximum level of power and energy consumption for the calculation.
- Factors such as yearly utilisation periods in different operating modes should be realistically measured and empirically secured if possible.
- Technical measures to reduce the energy consumption should be considered if possible e.g. energy management in PCs and auto power off function.

Step 6: Set contract performance clauses

Use contract performance clauses as a way of setting further relevant energy efficiency/environmental conditions for the green contract.

Step 7: Award the contract

From all offers fulfilling the technical specifications, the contract will be awarded to the “the economically most advantageous tender” based on the results from the Buy Smart+ life cycle cost calculation tool and degree of compliance with award criteria.

4.2. Practical tips for use phase

The public Authorities need to verify the correspondence between the required technical specifications and the characteristics owned by the product.

If they verify during the tender process, nevertheless they cannot verify during the execution of the contract.

In this case, it is useful to connect a contract performance clause with a positive/negative consequence in case the verification process is successful or not.

5. Exercises

5.1. Methods

Should classroom start with stretching exercises?

It's not so unusual starting exercise phase with a good and fruitful exercise that concentrate the attention on the content of Green procurement after stretching the legs or harm.

- First of all, It would be useful that the trainer present himself with description of competences and his role in organization and which object She/He want to achieve with the training.
- After the trainer description, each participant is invited to present himself and the role in organization and his working area, adding his expectations, writing down these expectations on a flip-chart.
- It is important to have access to Wi-Fi and possibly have more than one laptops for the training so that the participants can do some researches on it.
- If there is only one computer, the trainer could provide a copy for each group of the labels or other documents (gpp toolkit or national criteria) useful to perform the group exercises.
- In addition to surprising physical education exercises, as great way to energize learners, it would be useful to have 5 – 10 minutes break outside, talking informally about: the expectations and the objectives related to the training.
- after performing the training, a short feedback from participant's experience in the course it's a good way to introduce the evaluation questionnaire presented on the next Figure:

5.2. Exercises

- One practical exercise would be to ask learners to try to find European source of information and criteria on GPP in the green proCA product groups (IT, Lighting, Buildings and their systems).

First of all, it would be useful that the trainer go to the EU web site and find all criteria defined in the GPP toolkit, in the Ecolabel website, in the other related national website.

After doing that, ask some volunteers to do the same, to familiarize with the major sources of criteria.

- A second exercise could be to ask a volunteer to summarize the following concepts:

The importance of European Ecolabel

the national labels

other multinational labels

Life Cycle costing

- After that, it could be useful to divide the classroom in three groups and give to each group an exercise.

The exercise consist in writing a simplified tender that must contain the following requirements:

- 1) requirements for participation of suppliers
- 2) Technical specifications
- 3) Awarding criteria
- 4) The verification stage
- 5) Contract performance clauses.

The results must be related to the market analysis consequences in terms of participation, selective criteria for products and services, the ratio to assign point in the awarding phase, the verification using test report or labels, the definition and verification of contract performance clauses.

The subject could be a product like IT products as the simplest example of key sectors.

The team must be not from the same organization, trying to collect people from different organizations, if possible.

The time to perform exercises would go from 30 to 40 minutes.

One person from each group must present results in an interactive way.

The teacher has to create a dialogue between other learners in terms of participation at the discussion.

The exchange of knowledge must be encouraged suggesting the e-mail addresses and phone numbers exchange.

Sending some pictures which have been taken on the training to the participants and some additional information, answering to questions which stayed open on the training can be good way to understand if the training went in a way to reach his objectives.

After exercises, the summary of the day and the info about the project website must be shown to fix the concept of the project.

6. References

GPP toolkit (http://ec.europa.eu/environment/gpp/eu_gpp_criteria_en.htm)

New Directives on public Procurement

(http://ec.europa.eu/internal_market/publicprocurement/modernising_rules/reform_proposals/index_en.htm)

EU Ecolabels (<http://ec.europa.eu/environment/ecolabel/products-groups-and-criteria.html>)

Eco-labelling (<http://www.unep.org/resourceefficiency/Consumption/StandardsandLabels/Eco-labelling/tabid/101342/Default.aspx>)

Annex: **ProcA Participants Questionnaire**

Your opinion is important for us!

Date, Institution:

1. Did the training fulfil your expectations?

Very satisfied 1 2 3 4 5 6 Not satisfied

2. What did you like about the ProcA training?

3. What would you recommend to improve in future trainings?

4. Do you plan any green purchases? If yes, what product or service do you plan to procure?

5. How did you hear about ProcA?

Internet Colleagues Media

Other: _____

6. Would you like to receive the ProcA newsletter?

No

Yes, E-Mail: _____

Thank you very much.