



# GPP

## Green Public Procurement Guidance Booklet for Project Partners



**Interreg**  
Romania-Hungary  
European Regional Development Fund





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## CHAPTER 1

# INTRODUCTION TO GPP

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## What is Green Public Procurement?

Green Public Procurement (GPP) is defined in the Communication (COM -2008- 400) entitled "Public procurement for a better environment" as follows: "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." Procuring 'green' items (e.g. solar panels) is not the same as green public procurement. It's not the procurement itself but the applied criteria and methods that make a procurement 'green' in this sense.

For instance, Nature-based solutions (NBS), defined by the European Commission as nature-inspired and supported, cost-effective solutions providing environmental, social, and economic benefits to enhance urban resilience are not a procurement method but rather the subject of procurement. In practice, NBS are pieces of infrastructure introduced within cities to replicate natural ecosystems and deliver some of the ecosystem services they provide. In procurement discussions, confusion often arises between NBS, Green Public Procurement (GPP), and Sustainable Public Procurement (SPP). NBS public procurement refers to the procurement of solutions falling within the definition set out in the above. In contrast, GPP involves seeking goods, services, and works with reduced environmental impact, and SPP expands considerations to social impacts in public purchases. To simplify, NBS are products or services that can be procured, whilst GPP and SPP denote set of practices that aim to introduce environmental and/or social considerations into specific public purchases.



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### Why is Green Public Procurement important?

Public sector procurement in the EU is worth around €1.8 trillion annually, equivalent to around 14% of EU GDP. By using green procurement procedures contracting authorities can set an example to consumers and even more importantly, they can influence the market: by ordering green products and services contracting authorities provide incentives for businesses to develop and supply green technologies and solutions. As a result, the widespread use of green public procurement can make a significant contribution to achieving the objectives of the European Green Deal and addressing environmental and climate challenges especially in industries like construction, health services, and transportation where public clients hold a sizable portion of the market.

Green public procurement can also help purchasers to save costs, in particular by taking into account life-cycle costs rather than purchase price. Comparing the life-cycle costs of products and services is fully in line with the 'most economically advantageous tender' selection criterion encouraged under the EU Public Procurement Directive. However, in around 55% of public procurement in the EU, still the lowest price remains the sole evaluation criterion. Furthermore, authorities that adopt GPP will be more prepared to address changing environmental demands, such as curbing greenhouse gas emissions or transitioning towards a more circular economy.

### Why is GPP relevant for Project Partners of Cross-border Cooperation Programmes?

The **Interreg VI-A Romania-Hungary programme** also sets out the intention to use public procurement strategically to achieve policy objectives. In this context, the programme aims to encourage the use of evaluation criteria that put more emphasis on quality and life-cycle costs, as well as the integration of other environmental and social aspects in public procurement procedures. In line with these objectives, the National Authority presents the current Guidance Booklet for Project Partners to help applicants and beneficiaries to become better informed about the possibilities, methodologies and good practices of green public procurement.

GPP can be applied to contracts both above and below the public procurement. The 2014 Procurement Directives enable public authorities to take environmental considerations into account. This applies to all phases of contract award procedures: i.e., during pre-procurement, as part of the procurement process itself, and in the performance of the contract. Rules regarding exclusion and selection aim to ensure a minimum level of compliance with environmental law by contractors and sub-contractors. Techniques such as life-cycle costing, specification of sustainable production processes, and use of environmental award criteria are available to help contracting authorities identify environmentally preferable bids.

This guidance booklet is intended to help Project Partners, especially the ones who are not already experts in the field of Public Procurement to gain a broad understanding of Green Public Procurement, and how it can be used in projects funded by cross-border cooperation programmes. The guidance booklet strongly builds on the European Commission's Buying Green Handbook 3rd edition and the 2023 Interact "Public Procurement in Interreg" seminar presentations.

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## CHAPTER 2

# THE LEGAL FRAMEWORK FOR GPP IN THE EU

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Green public procurement belongs to the environmental policy of the EU. This policy is supported by various legislative tool and non-legislative instruments. For the time being, the concept of green public procurement is largely in the phase of voluntary application.

## EU level legislative framework

The European Union's legislative framework for green public procurement is primarily governed by two directives (Directive 2014/24/EU and Directive 2014/25/EU), which have replaced Directive 2004/18/EC. These directives seek to ensure greater inclusion of common societal goals, encompassing environmental protection, social responsibility, innovation, and the mitigation of climate change into the procurement process.

- **Directive 2014/24/EU** introduces mechanisms to achieve these goals. For instance, Article 42 permits establishing technical specification in public procurement with respect to life cycle of the requested works, supplies or services. Specific technical specifications are defined in Annex VII, including for example, environmental and climate performance or performance levels. Furthermore Article 67 permits entities to award contracts based on the most economically advantageous tender, considering factors like life-cycle costing, rather than solely the lowest price. It emphasizes that environmental characteristics are among the legally binding options, highlighting their significance.

- **Directive 2014/25/EU** also plays a crucial role in the legislative framework for green public procurement. It allows the use of technical specifications with environmental criteria, the use of labels, and the awarding of public contracts based on the most economically advantageous tender. However, its focus is specifically on procurement by specific selected entities operating in the water, energy, transport, and postal services sectors.

While differences may exist in the transposition process among Member States, the overarching goal of the legislative framework remains consistent. It aims to foster sustainable and environmentally conscious procurement practices throughout the EU. The European Court of Justice also plays an important role in green public procurement through its numerous rulings in cases tied to the topic.

Furthermore, the EU has implemented sector specific legislations that impose requirements on the procurement of certain goods and services. These legislations include, but are not limited to:

- **Clean Vehicles Directive**

The directive revised in 2019 promotes clean mobility solutions in public procurement tenders, providing a solid boost to the demand and further deployment of low- and zero-emission vehicles. The new Directive defines “clean vehicles” and sets national targets for their public procurement. It applies to different means of public procurement, including purchase, lease, rent and relevant service contracts.



## CHAPTER 2 THE LEGAL FRAMEWORK FOR GPP IN THE EU

- **Energy Efficiency Directive**

Originally introduced in 2012 and subsequently updated in 2018 and 2023, the Energy Efficiency Directive outlines guidelines and obligations for achieving the EU's energy efficiency targets. It emphasizes the importance of reducing energy consumption to support the EU's climate goals and enhance energy security and affordability.

The latest amendment prioritizes 'energy efficiency first' as a key principle in EU energy policy, making it legally binding for member countries to consider energy efficiency in all relevant policy and major investment decisions taken in the energy and non-energy sectors. This revision is crucial for meeting the EU's ambitious goal of reducing greenhouse gas emissions by at least 55% compared to 1990 levels by 2030.

- **Energy Performance of Buildings Directive**

The Energy Performance of Buildings Directive (EPBD) seeks to improve energy efficiency in the building sector, recognizing its vital role in achieving the EU's energy and environmental objectives. Moreover, enhancing building energy efficiency contributes to better citizen well-being, reduces energy poverty, and offers additional benefits, including improved health, indoor comfort, green jobs, and economic growth.

It works in conjunction with the Energy Efficiency Directive to promote policies that will achieve highly energy-efficient and decarbonized buildings by 2050, facilitate a stable investment environment and empowers consumers and businesses to make informed choices for energy and cost savings. The directive currently has a revision proposal which follows the 2018 amendment, which introduced new elements and underlined the EU's strong dedication to modernize the building sector and enhance renovation efforts.

### **CaSCo**

Unfortunately, the processing chains in the timber industry considerably contribute to climate change, due to high CO<sub>2</sub>-emissions. The CaSCo project exploited the potential for the reduction of CO<sub>2</sub>-emissions in the timber industry: it visualized the impact of low carbon material flows of timber products on the climate, developed and established policy guidelines and provided decision makers with steering instruments to actively trigger climate friendly timber products. By doing so, the project could highlight the so far disregarded sustainability aspect in public construction and procurement. Public bodies, in selected pilot areas, implemented the established tools for their procurement strategy and could thereby prove the feasibility and success of the approach.

## Non legislative instruments

Additionally, the EU promotes Green Public Procurement (GPP) through non-legislative means like publications, communications, and initiatives, such as the 2017 communication 'Making public procurement work in and for Europe'. This sets out the EU's public procurement strategy focusing on six strategic policy priorities, one cornerstone being to guarantee broader adoption of innovative, environmentally friendly, and socially responsible procurement.

Furthermore, in December 2019, the European Commission launched the European Green Deal, providing a comprehensive roadmap for enhancing resource efficiency and promoting a sustainable economy. This initiative suggests actions to foster a circular economy, restore biodiversity, and reduce pollution.



## CHAPTER 2 THE LEGAL FRAMEWORK FOR GPP IN THE EU

Subsequently, in March 2020, the Commission unveiled the new Circular Economy Action Plan, a central component of the European Green Deal, which introduces initiatives across the entire product lifecycle, including product design, promoting sustainable consumption, circular economy processes, and maximizing resource retention within the EU economy. The plan incorporates both legislative and non-legislative measures, targeting areas where EU-level action can provide significant value.

From an international perspective, the EU is bound by the conditions of the Government Procurement Agreement (GPA) of the World Trade Organisation (WTO), and by bilateral trade agreements. In practice, compliance with these instruments is generally achieved by extending the same rights to operators established in third countries as apply to EU economic operators. The above-mentioned framework establishes a number of rules and principles which must be observed in the award of public contracts.

### National and local actions

At the national level, the majority of EU Member States have now released National Action Plans (NAPs) for Green or Sustainable Public Procurement (GPP or SPP). These plans outline a range of measures and support initiatives. Many countries have established targets for GPP or SPP, either concerning overall procurement or specific product and service groups.

Several countries and regions have formulated sets of criteria for GPP or SPP. In many instances, these criteria resemble the EU GPP criteria, albeit with adjustments to accommodate the unique circumstances and priorities of the respective authorities. These criteria sets predominantly rely on life-cycle assessment (LCA) data, along with eco-labels and supporting evidence.

Furthermore, individual contracting authorities at the local, regional, and national levels have embraced green and sustainable procurement practices. In some instances, their initiatives have served as blueprints for the NAPs or have been adopted as models in other Member States.

#### Procure

Through its 3-year span, the European Funded URBACT III Programmes Procure Network has enabled 11 cities to explore how they can create good local economies through procurement.

The Procure Network sought to transfer knowledge and learning around the topic of procurement in 11 cities across Europe. In particular, it aimed to explore how those cities and the anchor institutions based within them can generate more benefit for the local economy and in social and environmental terms through their procurement processes and practices.

Members of the network accomplished the following:

- Developed action plans detailing how they would employ procurement to tackle local economic, social, and environmental challenges.
- Successfully shifted their perspective on procurement from a bureaucratic process to an innovative approach.
- Engaged in mutual learning and knowledge-sharing at both European and local levels.



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## CHAPTER 3

# GPP CRITERIA AND METHODOLOGIES

## What are GPP criteria?

Green Public Procurement (GPP) criteria are a set of standards and specifications integrated into the public procurement process to ensure the selection of products, services, and works with reduced environmental impact during their life cycle. These criteria extend beyond selection and award criteria and also encompass performance clauses and specifications outlined in procurement contracts. These criteria are designed to promote sustainable development and encourage the adoption of environmentally friendly practices in the public sector.

GPP criteria can cover various environmental aspects, including but not limited to:

- **Resource Efficiency:** Criteria may emphasize the efficient use of natural resources, such as raw materials, energy, and water, throughout the product's life cycle. This could involve selecting products that are durable, energy-efficient, or made from recycled materials.
- **Reduced Emissions and Pollution:** GPP criteria often focus on selecting products and services that have minimal or no harmful emissions during their production, use, and disposal. This can include prioritizing low-emission vehicles or choosing products manufactured using eco-friendly production processes.
- **Social Considerations:** Some GPP criteria also include social aspects, aiming to ensure that the products and services selected promote fair labour practices, workers' rights, and social equity, along with environmental sustainability.

- **Waste Management and Circular Economy:** GPP criteria may encourage the adoption of products that are easily recyclable, repairable, or reusable. They might also promote the use of products with minimal packaging or those made from biodegradable materials, promoting a circular economy approach.
- **Biodiversity Conservation:** GPP criteria might encourage the selection of products and services that have minimal negative impacts on biodiversity, ecosystems, and natural habitats. This could involve prioritizing sustainably sourced materials or services that contribute to biodiversity preservation.

GPP criteria are not standardized and vary greatly. They can be adopted from various sources such as EU, National action plans or numerous international organizations, most importantly the [United Nations](#), who publish criteria. For this booklet we will be looking at criteria sourced from the European Union.

## EU GPP criteria

The EU has developed GPP criteria for a number of product and service groups, which are regularly reviewed and updated. The criteria are designed to be inserted directly into tender documents and also include information on verification methods. While the GPP Criteria are voluntary, there are legal requirements in EU legislation that are mandatory for all public buyers, namely the 3 directives described beforehand (i.e., Clean Vehicles Directive, Energy Efficiency Directive, Energy Performance of Buildings Directive).



## CHAPTER 3 GPP CRITERIA AND METHODOLOGIES

The GPP criteria development for most products is led by the Commission's Joint Research Centre. These criteria are developed using a range of sources. For each product a technical background report is prepared identifying the considerations taken into account. The evidence base uses available scientific information and data, adopts a life-cycle approach and engages a variety of stakeholders.

GPP criteria documents give explanations on the goal of these criteria, the calculation methodologies, sources and suggestions. The criteria are formulated in such a way that they can, if deemed appropriate by the individual contracting authority, be (partially or fully) integrated into the authority's tender documents with minimal editing. Furthermore, due to the extensive explanations, it also gives authorities the ability to personalize or further develop these criteria for their own specific cases.

All of the EU GPP criteria, together with the technical background reports setting out the main considerations for the choice of the criteria, can be downloaded from the [GPP website](#). Assistance in interpreting and applying the criteria is available from the [GPP Helpdesk](#).

GPP and GPP criteria can be applied throughout the Procurement process, but for the most part it should be included in the minimum criteria set out in the contract and throughout the evaluation and award phase.

The criteria are split into:

- selection criteria
- technical specifications,
- award criteria and
- contract performance clauses.

The criteria are of two types:

**Core criteria** – which are designed to allow for easy application of GPP, focusing on a product's environmental performance and aimed at keeping administrative costs for companies to a minimum.

**Comprehensive criteria** – which take into account more aspects or higher levels of environmental performance, for use by authorities that want to go further in supporting environmental goals and innovation.

At time of writing, the product and service groups covered are:

- Cleaning products and services
- Computers, monitors, tablets and smartphones
- Data centres, server rooms and cloud services
- Electricity
- Food Catering services and vending machines
- Furniture
- Imaging Equipment, consumables, and print services
- Indoor cleaning services
- Office Building Design, Construction and Management
- Paints, varnishes and road markings
- Public Space maintenance
- Road lighting and traffic signals
- Road transport
- Textiles





## CHAPTER 3 GPP CRITERIA AND METHODOLOGIES

### Examples on GPP criteria

EU GPP criteria on Food and catering services target the main environmental impacts associated with food and catering services, e.g.,:

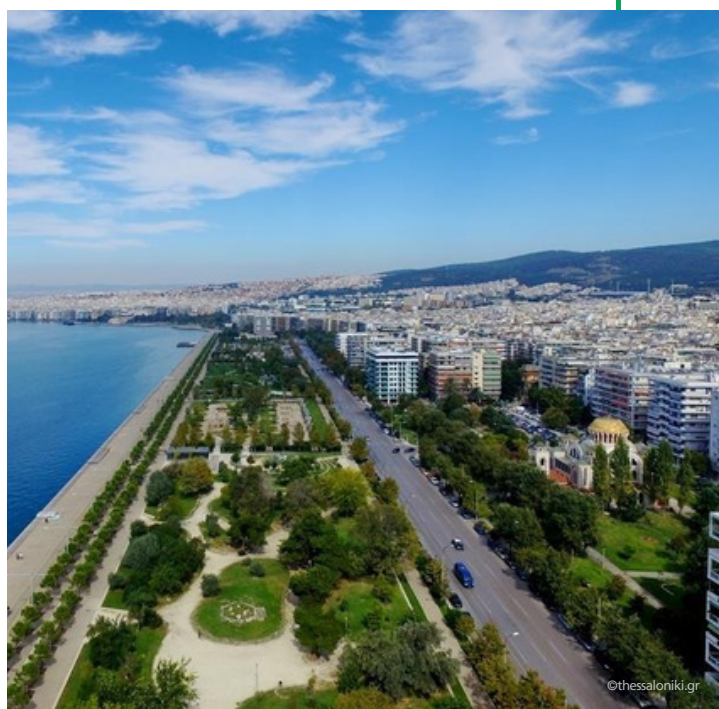
- Energy and water usage for production, transportation and preparation
- Waste generation and waste management for production, transportation and preparation
- Transportation of products.
- Organic, ethical and fair-trade products
- Animal welfare and fish stock depletion

Another example is the general areas covered in the criteria for Computers, monitors, tablets and smartphones which include:

- Product lifetime extension (long time service agreements, repairability etc)
- Energy consumption;
- Hazardous substances (production or entire supply chain);
- End-of-life management (recycling or refurbishing)
- Purchase of Refurbished or repaired equipment

### GRASPINNO

GRASPINNO, an Interreg Mediterranean aimed to tackle the vast number of old energy inefficient buildings plaguing Mediterranean cities. The project aimed to empower Public Authorities' with innovative green procurement solutions to enhance capability in managing and refurbishing buildings for energy efficiency, transitioning towards nearly zero-energy structures, and fostering the participation of SMEs in the green energy market. One of GRASPINNO's notable outputs was the development and deployment of a Unified Platform. This platform serves as a gateway, offering access to green criteria essential for procurement processes. Additionally, the project established the Transnational Mediterranean Network (TMN), an online exchange forum facilitating collaboration among public and private stakeholders invested in renewable energy sources and energy-efficient solutions.





### What are Labels?

Many environmental labels exist which aim to help purchasers identify sustainable products or services. The most valuable labels from a GPP perspective are those which are based on objective and transparent criteria, and which are awarded by an independent third party. These labels can play a particular role in developing technical specifications and award criteria, and in verifying compliance. The specific rules, which apply to use of labels in procurement are considered in the relevant sections of this handbook.

The different types of environmental labels are outlined below:

- **Multi-criteria labels** – These are the most common type of environmental labels and also the most commonly used in GPP. Multi-criteria labels are based on scientific information about the environmental impact of a product or service throughout its life cycle, from extraction of the raw materials, through production and distribution, the use phase, and final disposal. Different sets of criteria are established for each product or service group covered. Examples of this type of label include the EU Ecolabel (flower), the Nordic Swan and the Blue Angel.
- **Single issue labels** – These are based on one or more pass / fail criteria linked to a specific issue, e.g., energy efficiency. If a product meets those criteria, then it may display the label. Examples of this type of label are the EU Organic label or the Energy Star label for office equipment.
- **Sector specific labels** – Sector-specific labels include forestry certification schemes operated by organisations such as the FSC (Forest Stewardship Council) or PEFC (Programme for the Endorsement of Forest Certification).
- **Graded product labels** – These grade products or services according to their environmental performance on the issue in question, rather than using pass/fail criteria. Examples include the EU Energy Label, which grades energy-related products according to their energy efficiency.

#### Using Cradle 2 Cradle (C2C) certification for cleaning products in Ghent

In 2016, the City of Ghent established a four-year framework agreement for the supply of cleaning and polishing products. It was required that products in certain categories, including cleaning products and hygiene products (e.g. soap) met the criteria of the C2C 'Bronze' label or equivalent. As a result, the recycled content and recyclability of waste is greatly improved: packaging uses 85% recycled cardboard, plastic bottles made from polyethylene high-density (PEHD) are 100% recyclable and consist of 10% recycled PEHD, while those made from polyethylene terephthalate (PET) are 100% recyclable and made from 81% recycled materials. In addition, an innovative C2C certified dosage bottle with anti-spilling system was also introduced, reducing overuse and wastage



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### What other methodologies and procurement tools can be used in GPP?

GPP can involve a number of procurement tools, which are recognised as contributing to financial efficiency, helping to make the business case for applying higher environmental standards. Such approaches include:

- **Joint procurement** – Joint procurement means combining the procurement activities of a group of public authorities to achieve savings through bulk buying, reduced administrative costs, and pooling environmental, technical, and market knowledge. This type of procurement may be particularly valuable in relation to GPP, so that environmental skills and knowledge of the market for green products and services can be shared. Joint procurement can be put in place, for example, by central purchasing bodies at the regional or national level to carry out procurement on behalf of public authorities.
- **Life-cycle costing (LCC)** – Procurement decisions are often still made on the basis of the purchase price. However, for many products and works, costs incurred during use and disposal may also be highly significant – e.g., energy consumption, maintenance, disposal of hazardous materials. Taking life-cycle costs into account in procurement makes clear economic sense. As purchase price, energy and maintenance costs may be paid by different departments within a single authority, establishing LCC within procurement procedures will likely require internal cooperation.

- **Life-cycle assessment (LCA)** – Although sometimes confused with LCC, LCA is another, very different approach. While LCC calculates the costs of a product throughout its life cycle (which can include giving a monetary value to environmental externalities), LCA assesses the environmental impacts, such as greenhouse gas emissions, over the life cycle. Both aspects are of course important for the application of sustainable procurement. However, whereas LCC can easily be applied by procurers, LCA requires a lot more time and specialist expertise. It is therefore worth making use of already existing LCA comparisons, such as those used in the preparation of ecolabel criteria.





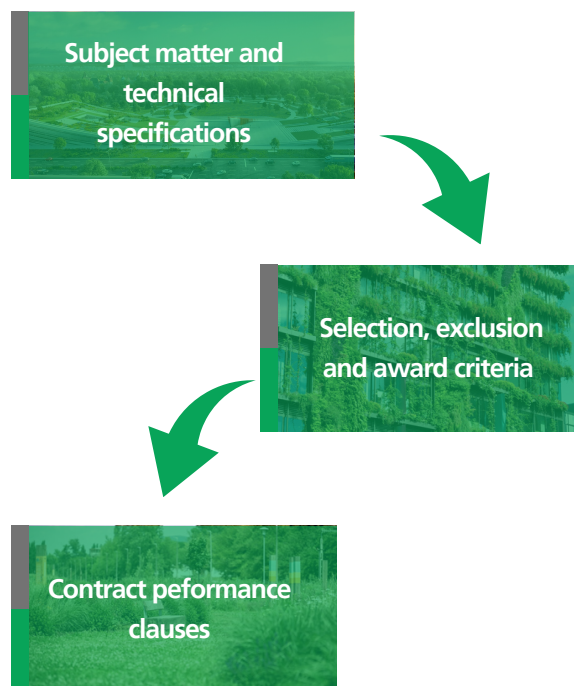
### Monitoring and reviewing of GPP

One of the hardest aspects in the systemic implementation of GPP on national or EU level is tracking and reviewing tenders and progress towards national or international targets. Thankfully, following 2014, the EU has transitioned to fully electronic tendering, making it much easier to fulfill these goals and lessen administrative burden. For the implementation of GPP, e-procurement systems can be of great help, as they can incorporate life cycle costing, labels and criteria into contracts for easier use and adoption for procurers. Furthermore, these systems can track these contracts to help with long term review or compliance.

In the next chapters we will look how green considerations can be applied at each stage of public procurement:

- **Subject matter and technical specifications**
- **Selection, exclusion and award criteria** criteria (e.g. compliance with environmental laws, technical and professional ability)
- **Contract performance clauses**

### Procurement Steps





# PART A SUBJECT MATTER AND TECHNICAL SPECIFICATIONS

## Prior to any procurement steps

Before starting the procurement process it might be worthwhile to assess your actual needs to avoid needless procurement and perhaps find a solution outside of procurement. Furthermore, consult the market beforehand to gain an understanding of the situation regarding what you are looking to procure to avoid pitfalls, and be able to better implement the procurement process.

### Prioritizing circular actions through Life-Cycle Mapping in Scotland

In 2016, Scottish Procurement established new framework agreements for the supply of ICT devices. Before releasing the tender, it conducted market engagement, and completed a Life-Cycle Impact Mapping exercise to identify areas to focus on with regards to environmental and socio-economic risks and opportunities. As a result, the final tender included technical specifications on energy efficiency, product life-cycle, management of delivery fleet, innovative packaging, and end-of-life management, with a particular emphasis on repair, refurbishment and re-use of devices.

## Defining the subject-matter

Defining the 'subject-matter' of a contract refers to identifying the specific product, service, or work you intend to procure. This definition typically leads to a description of the item, service, or task, but it can also take the form of a functional or performance-based definition, as described later in point 3.2. The selection of the subject-matter holds significant weight as it determines the acceptable range of specifications and other criteria applicable to your procurement.

## Identifying the main environmental impacts

Each individual contract will have its own distinctive set of potential environmental impacts to be considered, i.e.:

### Works contracts:

- On top of all previously mentioned considerations, works contracts may have significant environmental impacts such as land use or traffic planning
- In some cases, specific projects may require a formal Environmental Impact Assessment – and the outcomes of this assessment should guide your procurement decisions



## CHAPTER 4 PART A SUBJECT MATTER AND TECHNICAL SPECIFICATIONS

### Supply contracts:

- The environmental impact of materials used to make the product (e.g., are the raw materials from renewable sources?)
- The environmental impact of the manufacturing processes
- The energy and water consumption of the product throughout its use
- Durability/lifespan of the product
- Potentials for recycling/reusing the product at the end of its lifespan
- The packaging and transportation of the product

### Service contracts:

- Competence and qualifications of staff to implement the contract in an environmentally friendly manner
- Established procedures to manage and minimize the environmental impact of the service
- The products/materials used in carrying out the service
- Energy and water consumption, along with waste generation during the implementation of the service

An effective method of understanding the environmental impacts of a particular contract in more detail is to consult the relevant EU GPP criteria and Technical Background Reports. These resources outline the main impacts and explain how they can be addressed during the procurement process.

## Technical Specifications

After defining the subject of the contract, the next step will be to detail and describe this in the technical specifications that are an essential part of the procurement documents. This process is like transforming a rough outline into a complete image.. Technical specifications have two functions:

- They describe the contract to the market enabling companies to assess its relevance to their interests. In this way they help determine the extent of competition.
- They establish quantifiable prerequisites by which tenders can be assessed, comprising essential benchmarks for compliance. Unclear or inaccurate specifications will inevitably result in unsuitable offers. Offers not complying with the technical specifications have to be rejected—unless you have specifically authorized variations.

The technical specifications need to highlight the specific attributes of the work, supply, or service, instead of focusing on the general capacities or qualities of the operator. It is vital that these specifications are clear and universally understood by all operators, enabling you to verify compliance during tender assessments. The requirement for transparency implies that technical specifications will be clearly indicated in the procurement documents themselves.

Technical specifications can be developed by referring to European, international, or national standards, or by framing them based on performance or functionality. Labels or environmental and climate performance criteria can also be included. The procurement directives permit the formulation of technical specifications in terms of the environmental and climate performance levels of a product, service, or work. For example, these specifications might prescribe limits to a computer's energy usage per hour or a vehicle's pollutant emissions. Additionally, particular production processes or methods for a product, service, or work can be specified.



## CHAPTER 4 PART A SUBJECT MATTER AND TECHNICAL SPECIFICATIONS

### Furniture design for disassembly in Denmark

In 2012, Denmark's central procurement agency (SKI) established a four-year framework for sustainable office furniture for more than 60 municipalities. Technical specifications were based on environmental requirements of the Nordic Swan eco-label and included requirements on the chemicals used in the manufacturing, treatment, coating or dyes used, and the possibility of separation and recovery of materials at end-of-life. Wood and wood-based materials were also required to come from legally harvested timber, and at least as sustainable timber. By using a framework approach, savings of up to 26% compared to market prices were achieved, and the market for sustainable furniture products was enlarged.

## Standards and other technical reference systems

Standards play a crucial role in shaping product and process design, encompassing environmental aspects like material usage, durability, or energy and water consumption. Directly including references to technical standards that cover these environmental aspects in your specifications aids in clarifying the subject matter. The procurement directives refer to European, international, or national standards along with various technical systems of reference as methods for defining specifications.

When reference to a standard is used, it must be accompanied by the term 'or equivalent.' This implies that proof of compliance to an equivalent standard should be accepted. Such proof might come in the form of a test report, or a certificate issued by a conformity assessment body. If, for reasons beyond their control, a tenderer can't obtain third-party evidence within the stipulated time, they might rely on a manufacturer's technical dossier. In such cases, the contracting authority must assess whether this demonstrates compliance.

## Performance-based or functional specifications

The procurement directives clearly allow contracting authorities to apply specifications that are based on performance or functional requirements. When using a performance-based or functional specification the intended outcome and the anticipated outputs (such as quality, quantity, and reliability) have to be outlined, including the methods for measurement. It doesn't prescribe the inputs or work method to be used for the tenderer. The tenderer has the freedom to propose the most suitable solution.

A performance-based approach typically allows greater room for innovation and, at times, encourages the market to develop new technical solutions. While establishing performance-based specifications, it's crucial to consider how you'll fairly and transparently evaluate and compare tenders. You might request the tenderer to demonstrate how they'll achieve the desired outcome and meet the specified quality level outlined in the procurement documents.

For instance, if you want to maintain a specific temperature in an office building, one approach is to create detailed specifications for a heating system. Alternatively, you can simply specify that the building should maintain a consistent indoor temperature between 18-20°C and allow bidders to propose various solutions. Bidders might then suggest inventive heating and ventilation systems that minimize reliance on fossil fuels. You can request technical information from them to validate the practicality of their proposed approaches. It is important to consider how you'll incorporate the exact terms of the proposal into your contract clauses.



## CHAPTER 4 PART A SUBJECT MATTER AND TECHNICAL SPECIFICATIONS

### Specifying materials and production methods

The materials and procedures used in producing goods or executing service contracts represent one of the main areas of environmental impact for most procurement contracts. Procurement directives allow the consideration of materials and manufacturing techniques when defining technical specifications, even if they aren't an intrinsic part of the purchased item, like renewable energy or organic food.

Nevertheless, since all technical specifications should be linked to the contract's subject matter, you can only include requirements regarding production or service provision processes and methodologies. However, it's not acceptable to demand a proprietary production process or one that is exclusively available to a single supplier, country, or region—unless justified by the contract's exceptional circumstances, accompanied by the term 'or equivalent'.

In the context of production processes and methods, the principle of proportionality is particularly important — how can you ensure that the requirements you establish regarding manufacturing methods are suitable for achieving the environmental goals you aim to promote? A thorough examination of the life cycle of the goods, services, or projects you are procuring will assist in formulating appropriate specifications for manufacturing processes and methodologies. Life-cycle assessment (LCA) facilitates a comprehensive analysis of the environmental impact of products, including everything from raw material extraction and refinement to various stages of production, use, and disposal.

Conducting an LCA for a specific contract entails substantial effort. The criteria that serve as the basis for Type I labels (like the EU Ecolabel or Nordic Swan) typically leverage an LCA for the covered product and service groups and can help in identifying applicable criteria for production processes and methods. The EU GPP criteria consider these outcomes and outline relevant manufacturing methods for certain product and service categories, including electricity, textiles, and food.

#### Saving on lifetime maintenance costs in Germany

The City of Detmold launched the procurement of a new bus station in 2012. As part of its initial research and market consultation, a sustainability analysis was carried out based on the expected lifetime of the development of at least fifty years. This determined which techniques were most suitable for the project. The open tender then resulted in the use of photocatalytic concrete, which converts air and surface run-off pollutants into harmless salts. This decreases the need for maintenance and reduces costs and environmental effects of cleaning.

### Material specifications

As a contracting authority, you have the right to prescribe that the product you're procuring is made from specific materials or incorporates a particular percentage of recycled or reused elements. You can also set requirements concerning the limitation of harmful substances within the product. It's advisable to commence by consulting legislation that regulates hazardous or unsafe substances, such as the RoHS Directive or REACH and CLP Regulations.

Typical GPP strategies might involve limiting hazardous components in cleaning products and textiles or necessitating evidence from suppliers that timber originates from sustainable sources. To uphold the Treaty principle of non-discrimination, these limitations should stem from an impartial risk assessment. Labels and GPP criteria serve as valuable benchmarks, based on scientific data and a life-cycle assessment of the materials and substances present in the covered products and services.



## CHAPTER 4 PART A SUBJECT MATTER AND TECHNICAL SPECIFICATIONS

### Hungarian city chooses less harmful chemicals

The Hungarian city of Miskolc has sought to purchase greener alternatives for a number of its requirements. For example, for winter defrosting of roads the city switched from sodium chloride to calcium magnesium acetate (CMA), a less corrosive substance which does not increase sodium levels in drinking water. These requirements are built into the technical specifications of the city's tender documents.

## Use of variants

Variants offer a way to allow for more flexibility in your specification, potentially prompting bidders to propose more environmentally friendly solutions. Opting for variants means permitting tenderers to propose an alternative solution that meets certain basic criteria but might not comply with your complete specifications. For example, including electric or hybrid vehicles as alternatives alongside conventionally fuelled options. All bids, whether variant or non-variant, undergo evaluation using the same criteria for the most economically advantageous tender (MEAT).

This approach proves beneficial when uncertain about the costs or impacts of alternative products or services. Additionally, allowing tenderers to submit multiple bids (both standard and variant), which must be clearly linked to the contract's subject matter, can reveal unknown options and yield better outcomes. However, to accept variants, it's necessary to clearly state it in advance, establish specific minimum requirements, and specify whether variants can be submitted alone or solely with a non-variant bid.

## Using GPP criteria and labels

As previously stated, labels and EU and national GPP criteria sets serve as valuable resources when formulating your tender requirements. The EU GPP criteria are structured to be directly incorporated into tender documents and provide details on verification techniques. Labels can be employed in two specific ways within technical specifications:

- To help you draft your technical specifications in order to define the characteristics of the goods or services you intend to procure.
- To check compliance with these requirements, by accepting the label as one means of proof of compliance with the technical specifications.

Through enabling third-party verification, labels streamline processes, ensuring that high environmental standards are upheld in public procurement.

However, you must also accept labels that meet the same requirements. Moreover, if a label encompasses both relevant and irrelevant requirements, like those unrelated to the subject matter (e.g. general management practices), only reference to the specific criteria relevant to the subject can be made. Nonetheless, it's recommended to consistently refer to the fundamental criteria to ensure relevance and clarity for all tenderers.



# Verifying compliance with technical specifications

Whether you utilize technical standards, labels, EU or national GPP criteria to shape your specification, it's crucial to focus on how you'll verify tenderers' claims to comply. In your tender documents, it's important to specify in advance the types of evidence bidders can present to demonstrate compliance. This often involves offering an indicative list and stating that other equivalent forms of evidence will also be accepted. Environmental criteria are frequently complex, and evaluating compliance might occasionally demand technical expertise. However, for many environmental specifications, there are methods to verify compliance that do not require the involvement of technical expertise.

For example:

- As a first step, refer to relevant environmental legislation that all EU operators are obligated to follow, such as the Waste from Electrical and Electronic Equipment (WEEE) Directive or Timber Regulation. The tenderer typically possesses evidence of compliance with these laws or corresponding national regulations, as it's a fundamental requirement for operating within the EU.
- Labels are also means to verify compliance with additional environmental requirements as outlined earlier.
- When appropriate, you can request a test report or certificate from an equivalent conformity assessment body, provided you accept certificates from equivalent conformity assessment bodies. This method validates a product's conformity to specific specifications or performance levels. Similar to labels, in cases where a tenderer lacks access to a test report or certificate within stipulated time frames due to reasons beyond their control, you must consider a technical dossier or alternative proof

In cases where confirming compliance faces obstacles due to different reasons, a statement of compliance from the tenderers might be considered. If this is allowed, you must ensure to uphold the principles of equal treatment, transparency, and proportionality, seeking clarification from tenderers when necessary, in order to prevent the unfair acceptance or rejection of a tender.

### GREENIN

GREENIN was a peer learning project financed by the European Union's Horizon 2020 research and innovation programme. Its objective was to develop and share an effective mechanism for reviewing and identifying the state of the art of policies, methodologies, experiences, and good practices on Green Public Procurement for Innovation (GPPI), aiming to implement effective GPPI initiatives in European territories.

The GREENIN project aimed to establish a desired scenario in green public procurement for innovation (GPPI), aligned with smart specialization strategies, to increase knowledge exchange among policymakers and interested stakeholders, thus fostering SMEs' participation. It sought to initiate a dialogue on reinforcing GPPI efforts and impact through a joint learning process among the three partners and to draft a suitable Design Options Paper (GREENIN DOP), creating a desirable scenario for all those involved and interested in the policy topic in the future.



# PART B EXCLUSION, SELECTION AND AWARD CRITERIA

## Exclusion criteria

Exclusion criteria outline situations where contracting authorities may refrain from doing business with certain operators. The specific scenarios allowing a contracting authority to exclude an operator are thoroughly detailed in the public procurement directives. Depending on Member States, mandatory exclusion based on non-compliance with specific laws might be required.

From a GPP perspective, the primary exclusion criteria include:

- Non/compliance with relevant national, EU, or international environmental legislation
- Grave professional misconduct that casts doubt on integrity
- Significant or persistent failures in meeting essential requirements in prior contracts resulting in termination or comparable penalties
- Misrepresentation of any of the above, or inability to furnish supporting documents

Operators found to be non-compliant may face an exclusion period, capped at three years, though this duration might vary based on individual decisions or national legislation. However, contracting authorities might still permit such operators to rectify their status — referred to as "self-cleaning" — allowing their participation, provided they have, among other measures, compensated for damages or implemented tangible actions to prevent future offenses or misconduct, among other requirements.

## Selection criteria

Selection criteria focus on an economic operator's ability to perform the contract they are tendering for. When assessing ability to perform a contract, contracting authorities may take into account specific experience and competence related to environmental aspects, which are relevant to the subject matter of the contract. They may ask for evidence of the ability of operators to apply environmental and supply chain management measures when carrying out the contract.

In two-stage procedures, selection criteria contribute to the initial expression of interest stage and can aid in shortlisting or trimming down the number of candidates invited to tender. In an open procedure, these criteria might be evaluated based on a pass/fail system, either before or after reviewing tenders. The procurement directives encompass a comprehensive compilation of criteria that can be utilized to choose operators, along with the evidence that may be requested from them.





## CHAPTER 4 PART B EXCLUSION, SELECTION AND AWARD CRITERIA

The selection criteria most relevant for GPP objectives involve technical and professional capacities:

- Experience and references (such as previous contracts carried out)
- Human and technical resources
- Educational and professional qualifications of staff (if not evaluated as an award criterion)
- Supply chain management/tracking systems
- Samples of products
- Environmental management systems and schemes (e.g., EMAS, ISO 14001)
- Conformity assessment certificates

Each of the above may help to establish whether an operator has adequate capacities to carry out the environmental aspects of a contract.

A fundamental requirement concerning all selection criteria is their connection and appropriateness to the contract's subject matter. This implies customizing your approach to suit the contract's specific demands, considering its value and the environmental risk level. For instance, the scope of environmental selection criteria employed for a works contract typically exceeds that of a straightforward supply contract, unless the supplies entail a specific environmental risk, such as chemicals or fuel that require safe storage.

Environmental Management Systems (EMS) are structured frameworks adopted by organizations to efficiently oversee and enhance their environmental performance. These systems aid businesses in identifying, monitoring, and managing their environmental aspects, ensuring compliance with relevant regulations and advocating sustainable practices.

EMS typically entails a cycle of planning, execution, assessment, and improvement to systematically address environmental impacts and continuously enhance environmental responsibility within an organization. An organization implementing an environmental management system might seek certification under either of the two primary environmental management systems prevalent in the EU: the 'Eco-management and audit scheme' (EMAS) or the European/international standard on environmental management systems (EN/ISO 14001). These certifications might, in certain instances, serve as evidence that organizations meet the criteria outlined in the procurement procedure.

### Award criteria

During the award stage, the contracting authority assesses the quality of tenders and compares costs. Evaluating tender quality involves using predetermined award criteria, disclosed beforehand, to determine the best tender. According to the 2014 procurement directives, all contracts must be granted based on the most economically advantageous tender (MEAT). Various methods fall under this general category, some of which may be considered particularly fitting for GPP. Cost or price assessment is an integral part of assessment in any procedure and might be calculated based on life-cycle costs, as discussed below. Apart from costs, numerous factors can impact the value of a tender from the contracting authority's perspective, encompassing environmental aspects as well.

It is not a requirement for each individual award criterion to give an economic advantage to the contracting authority. Nevertheless, it's necessary for award criteria (along with selection criteria, technical specifications, and contract performance clauses) to be connected to the subject matter of the contract. According to the 2014 directives, award criteria are considered linked to the subject matter of a contract if they pertain to the works, supplies, or services to be provided under that contract at any point in their life cycle.



This includes aspects related to:

1. the specific process of production, provision or trading of those works, supplies or services; or specific processes in another stage of their life cycle.
2. specific processes in another stage of their life cycle.

These factors don't necessarily need to constitute the 'material substance' of what is being procured, meaning they don't have to be visible or evident in the final product or service. Essentially, like technical specifications, award criteria can be linked to sustainability aspects, such as renewable or organic production, or the greenhouse gas emissions associated with a specific product or service.

The main distinction between technical specifications and award criteria lies in their evaluation methods: while technical specifications are assessed on a pass/fail basis, award criteria are graded and scored, allowing tenders with superior environmental performance to receive higher ratings. It's at the discretion of each contracting authority to determine which award criteria to apply and how much weight to assign to each criterion. This chapter highlights key considerations on choosing environmental award criteria and determining suitable weightings.

### **Sustainable procurement of office supplies in Belgium**

In 2013 the City of Ghent tendered for a new four-year framework contract for paper and office supplies. All products in the tender included green criteria and technical specifications. Contract performance clauses included a requirement for a reduction in deliveries by 85% (from daily to once or twice monthly). Extra points were also awarded for greener solutions, which resulted in sustainable packaging options offered in tenders. The tender achieved lower CO<sub>2</sub> emissions from the decrease in delivery frequency and new packaging options.

## **Specifications or award criteria?**

Several considerations need to be made when we determine whether an environmental characteristic should be a minimum requirement (technical specification) or a preference (award criterion). Applying environmental award criteria might be advantageous, especially if uncertainties persist regarding the cost and/or market availability of products, works, or services that meet specific environmental objectives. By integrating these factors into your award criteria, you are able to weigh them against other factors, such as cost. Additionally, setting a minimum performance level in the technical specifications and then granting additional points for superior performance during the award stage can be beneficial. This method, successfully employed by various contracting authorities, allows for flexibility while implementing GPP.

### **Using technical specifications and award criteria to require recycled textiles in the Netherlands**

In 2017, the Dutch Ministry of Defence procured towels and overalls, with the requirement that the goods contained at least 10% recycled post-consumer textile fibres. The award criteria also recognised and awarded those offers which significantly exceeded the technical specifications (that is, achieved over 30% or 50% recycled content). Contracts were awarded for 100,000 towels and 10,000 cloths with a 36% recycled content; and 53,000 overalls with a 14% recycled content. Taken together, the contracts resulted in savings of 15,252 kg of cotton, 68,880 kg of CO<sub>2</sub>, 23,520 MJ of energy, and over 233 million litres of water.



### Weighting approaches

The significance of each award criterion in the final assessment depends on the allocated weight. The weighting of environmental award criteria can mirror the degree to which environmental aspects are already covered in the specifications. When the specifications already entail strong environmental requirements, these factors might receive a lower weight in the award criteria, and vice versa.

There is no fixed maximum for assigning weight to environmental criteria. To establish appropriate weighting, certain aspects should be taken into account:

- how important environmental objectives are for the contract, relative to other considerations such as cost and general quality;
- to what extent these considerations are best addressed in award criteria, either in addition to or instead of in specifications, selection criteria and contract performance clauses;
- how many of your award-stage marks you can “afford” to allocate – this will vary depending on the product/service and the market conditions. For example, if there is a low degree of price variation for a product, but environmental performance varies greatly, it makes sense to allocate more marks to assess environmental characteristics.

### Using labels

You may also utilize labels dealing with the environmental aspects of the goods, services, or jobs you are buying to assist in creating and evaluating award criteria. Importantly the rules regarding the use of labels are the same for all stages of the procurement process i, e.:

- Labels can only be required if all its requirements have a direct link to the subject-matter of the contract. Furthermore, it also has to adhere to specific standards of market availability, transparency and fairness
- Equivalent labels fulfilling the same criteria must also be accepted. Additionally alternative forms of evidence may also be satisfactory if the bidder proves their failure to obtain the label in time was due to reasons beyond their control.
- For other label types, you can reference specific criteria associated with the contract's subject matter without mandating the label itself.

Environmental labels can be helpful in identifying goods and services that are produced more sustainably or that will save energy and water. You may compare the cost of these considerations against other aspects like product availability or delivery time, and you can include all or any of their requirements in your award criteria.

#### Using labels

The Dutch Coffee case in case C-368/10 a Dutch contracting authority made reference to certain social and environmental labels in its tender documents for the supply of tea and coffee vending machines. The Court held that the manner in which it referred to these labels did not meet the requirements under the 2004 directives. However, the Court also upheld the principle that labels may be used to define award criteria and to help assess performance. Under the 2014 directives, the rules regarding labels have been refined so that it is possible to ask for specific labels where these meet certain standards of transparency and objectivity and all criteria are linked to the subject-matter of the contract.



### Using environmental management systems

An environmental management system may also serve as evidence when assessing award criteria. At award stage, you are looking at how a contract will be performed, so an offer to carry out certain measures in accordance with an EMS may be relevant. It is important to ensure however that you do not duplicate any assessment which has taken place at selection stage.

#### Environmental performance in contract clauses, Tuscany

A contract for cleaning services awarded by the Environmental Protection Agency of Tuscany included a clause requiring the successful contractor to implement an informal environmental management system for the service provided. The contractor was required to put the following three steps into effect: 1) carry out an initial environmental review of the service; 2) initialise an environmental programme; 3) ensure steps are taken to monitor the programme. The contractor was required to provide data on product volumes used (on a half-yearly basis) in order to ensure that the quantity of products used decreases by a certain percentage each year, while ensuring that service quality isn't compromised by carrying out regular quality checks. Training for staff on sustainable cleaning techniques was also required.

### Using test reports and certificates

To show the degrees of environmental performance that products offer, you might want to get a test report or certificate from a conformity assessment authority in certain circumstances. For instance, in an Office IT equipment contract, you would want to provide higher marks—either as a stand-alone criterion or as part of life-cycle costing—to IT equipment with a longer time-to-replacement. In this situation, you may request that tenderers submit a test report or certificate attesting to this. Consider additional evidence, such as a technical dossier, and determine if it provides sufficient proof if bidders are denied access to such reports or certificates for non-bidder-related reasons.

### Life-cycle costing (LCC)

The cost of a tender is typically one of the most important considerations at the award stage of a procurement procedure. However, how do you define the cost?

When acquiring a product, service, or work, the upfront price paid represents only a fraction of the overall expenses involved in the procurement, ownership, and disposal. Life-cycle costing (LCC) entails examining all the expenses expected throughout the entire lifespan of the product, work, or service such as:

- Purchase price and all associated costs (delivery, installation, insurance, etc.)
- Operating costs, including energy, fuel and water use, spares, and maintenance
- End-of-life costs, such as decommissioning or disposal



## CHAPTER 4 PART B EXCLUSION, SELECTION AND AWARD CRITERIA

Under specific conditions, the cost of externalities (such as greenhouse gas emissions) may also be included in LCC. According to the 2014 instructions, the procurement documents must specify the calculation method and the data that tenderers must supply when using LCC. In order to guarantee the fairness and transparency of the techniques used to allocate costs to environmental externalities, there are additional regulations that must be followed.

Regardless of the environmental goals of a public body, LCC makes sense. You can apply LCC to account for resource consumption, disposal, and maintenance costs that aren't included in the purchase price. This frequently results in "win-win" scenarios when a greener good, service, or work is also more affordable all around. The primary opportunities for cost savings over the course of an item, project, or service are listed below.

- **Savings on replacement and maintenance:** In certain circumstances, the greenest option is the one that is intended to extend the time between replacement and/or reduce the quantity of maintenance that must be done. For instance, a building or bridge's external material selection can significantly impact how frequently upkeep and cleaning tasks are required. One that contributes to avoiding such expenditures might be the most sustainable choice, and LCC can evaluate this.
- **Savings on disposal:** When buying a product or putting in a bid for a building project, disposal expenses are sometimes overlooked. Eventually, disposal costs must be covered, albeit occasionally there will be a lengthier wait. Purchasing without considering these expenses can result in a deal becoming pricey. The price of actual removal as well as the cost of secure disposal are examples of disposal costs. Disposal is often subject to stringent laws, including the ones imposed by the WEEE Directive. At the end of their useful life, vehicles or equipment may occasionally provide a profit to their owners if they can be effectively recycled or sold.

- **Saving on Energy, water, and fuel:** The expenses incurred during product ownership and its life-cycle environmental effect are frequently largely attributed to energy, water, and fuel usage. Thus, cutting back on this consumption will benefit the environment and the economy

You can include environmental externalities in addition to the direct financial expenses borne by the contracting authority. These are the costs associated with certain environmental consequences on society, like climate change. The 2014 guidelines mandate that the method used if you want to include environmental externalities in your award criteria and want to allocate a cost:

- is based on objectively verifiable and non-discriminatory criteria;
- is accessible to all interested parties; and
- the data required can be provided with reasonable effort by normally diligent economic operators.

A customized method to calculating LCC that works for a certain contract can be created, but it can't unfairly benefit or hurt any operator. If EU law has mandated the use of a common method for calculating LCC, you are required to use it.



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### Greener buses in Romania: an LCC approach

In 2012, the City Council of Baia Mare tendered for the leasing of 30 new EEV (enhanced environmentally friendly) standard buses and 8 trolleybuses. A life cycle costing model was used, which accounted for acquisition price, fuel consumption, maintenance and operational costs. The total cost of procurement is higher than previous purchases, but this is partly compensated by lower lifetime costs of the new vehicles. The buses are the first EEV buses ordered in Romania, with greenhouse gas emissions considerably lower than previous diesel buses. Furthermore in 2020 the Romanian City Oradea also followed Bai Mare steps and, in their case, the 15 Hybrid Buses they procured provided not only environmental benefits but save the City 62 000 Euros annually due to their high energy/fuel efficiency

## Applying LCC

LCC is being used by more and more public authorities in Europe to assess tenders, and numerous tools with varying degrees of complexity and scope have been created. The following website provides an overview and links to some relevant [LCC tools](#)

A few things need to be taken into account when correctly evaluating LCC:

**Lifespan:** Over an extended length of time, a product's cost will be significantly influenced by how frequently it needs to be replaced. In the long run, the cost of a cheap product that breaks easily could be higher than that of a more expensive product that lasts for many years. When choosing the number of years to compare life-cycle costs over, this should be considered.

**Discount rate:** Because society gives greater weight to immediate versus long-term effects, costs incurred now are “worth” less than those incurred later. A one-year investment of EUR 100 at 5% interest today would yield EUR 105. As a result, 105 euros invested 1 year later only have a current net present value of 100 euros (NPV). By adding a social discount rate to future costs, NPV can be considered when comparing life-cycle costs. While the rate varies per nation, it typically ranges from 3% to 8% (adjusted for inflation).

**Data accessibility and reliability:** Evaluating life-cycle costs inherently involves some degree of uncertainty about future expenses (e.g., maintenance costs, energy usage, etc). It is therefore important to request comprehensive supporting documentation for the cost estimates that tenderers offer. In certain scenarios, when the contractor has control over future expenses (e.g., maintenance or disposal), you might include a maximum future price in your contract terms to increase the accuracy of your LCC calculations.

### Assessing infrastructure according to lifetime environmental impacts and cost

In 2015, the Department of Public Works within the Dutch Ministry of Infrastructure and Environment published a Design, Build, Maintain and Finance contract for widening a 13km stretch of road. This used a MEAT procedure, which assigned costs to environmental impacts, and then awarded the contract to the lowest corrected total price. Environmental impacts were calculated using two tools: the CO2e Performance Ladder (which adjusted total price according to estimated emissions) and DuboCalc (a life-cycle analysis tool calculating the sustainability of proposed materials). The winning bid proposed smart construction solutions which reduced material transportation, smart use of asphalt to reduce overall requirement and the use of recycled materials. It was both competitively priced compared to the baseline. Total savings of 52,800 tonnes of CO2e or 15,048 tonnes of oil equivalent have been estimated over the lifetime of the infrastructure.



# PART C CONTRACT PERFORMANCE CLAUSES

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## Contract conditions

Contract performance clauses are used to specify how a contract must be carried out. Environmental considerations can be included in contract performance clauses, provided they are published in the call for competition or procurement documents and are linked to the subject-matter of the contract.

Changes can be important for GPP, for instance, if you want to transition midway through an awarded contract to a more sustainable product or service model, or if there is a clause requiring additional payments when waste is decreased, or energy efficiency is increased. Remember that the 2014 directives set out certain guidelines about contract modifications after they are awarded; thus, contracting authorities must, whenever feasible, allow for modifications beforehand and prepare documentation appropriately. Contract provisions may also contain particular promises made during the procurement process (such as requiring adherence to the environmental performance levels put forward in the tender and assessed as a component of the award criteria).

Providing a draft set of contract conditions that include headings covering the many environmental concerns that are anticipated to occur during contract performance is one method to accomplish this, and it also gives tenderers the opportunity to offer particular performance levels under each topic.

For instance, you would want to discuss in a Office equipment contract how to provide energy efficient tools, cut down on waste and packaging, and provide adequate options for recycling or repairs. Under each of these sections, you can ask bidders to commit to particular goals, which will be evaluated in accordance with your award criteria and included in the contract with the winning bidder.

### Contract performance clauses for furniture maintenance in a Dutch city

In 2012, Venlo published a tender to purchase office furniture for its new city hall premises, in which it asked bidders to offer products made from environmentally-friendly materials which could be disassembled and refurbished easily. Contract performance clauses were included that obliged the supplier to perform annual preventative maintenance, as well as repair furniture on demand, and provide temporary replacements for defective furniture. Ten years down the track the supplier will still be required to take back furniture, and offer possibilities for refurbishment. As such, a residual value for the furniture of 18% (from an original budget of €1.6 million) has been guaranteed through this contract.



# Contract performance clauses for the supply of goods

For supply contracts, environmental clauses may be included in the terms of delivery. Simple ways to improve the environmental impact of a contract include:

- Having the product delivered in the appropriate quantity. This often means a bulk delivery, as this will be more environmentally efficient in terms of transport impact per item than having smaller quantities delivered more often. Specifying a maximum number of deliveries per week or month can be another way of achieving the same result;
- Requiring that goods be delivered outside of peak traffic times to minimize the contribution of deliveries to traffic congestion;
- Requiring that the supplier takes back (and recycles or reuses) any packaging that comes with the product – this has the double advantage of centralizing packaging prior to reuse or recycling and encouraging the supplier to cut down on any unnecessary packaging;
- Requiring the supplier to report regularly on the greenhouse gas emissions caused in delivering the product, and an indication of measures taken to reduce these emissions over the course of the contract (the latter would not apply to one-off supply contracts.)

Where you have included specific materials or production processes or methods as part of your technical specification, these may also form part of your contract clauses for supply contracts. For example, in a contract for paper products the contract could specify that these will be 'elemental or totally chlorine free.'

### Sustainable procurement of office supplies in Belgium

In 2013 the City of Ghent tendered for a new four-year framework contract for paper and office supplies. All products in the tender included green criteria and technical specifications. Contract performance clauses included a requirement for a reduction in deliveries by 85% (from daily to once or twice monthly). Extra points were also awarded for greener solutions, which resulted in sustainable packaging options offered in tenders. The tender achieved lower CO2 emissions from the decrease in delivery frequency and new packaging options

# Contract performance clauses for the provision of works or services

Examples of possible contract performance clauses for works or service contracts include:

- Application of specific environmental management measures, where appropriate in accordance with a third-party certified scheme such as EMAS or ISO 14001;
- Reporting on any environmental issues arising in the performance of the contract and taking steps to remedy these, e.g., spillages or use of hazardous substances;
- Efficient use of resources such as electricity and water on construction sites;
- Use of dosage indicators to ensure appropriate quantities of cleaning products etc.



## CHAPTER 4 PART C CONTRACT PERFORMANCE CLAUSES

- Staff trained on the environmental impact of their work and the environmental policy of the authority in whose buildings they will be working;
- Drivers trained in eco-driving techniques to save emissions and fuel.
- Delivery of products to the site in concentrated form and then dilution on site;
- Use of reusable containers or packaging to transport products;
- Reduction of CO2 or other greenhouse gas emissions associated with transport.
- Products or packaging taken away for reuse, recycling or appropriate disposal;
- Targets for the reduction of waste-to-landfill.

Having environmental contract clauses is only effective if compliance with these clauses is properly monitored. Different forms of contract compliance monitoring can be applied:

- The supplier may be requested to supply evidence of compliance
- The contracting authority may carry out spot checks
- A third party may be contracted to monitor compliance

Appropriate penalties for non-compliance or bonuses for good performance should be included within the contract. For example, many contracting authorities include key performance indicators (KPIs) in contracts, which can be linked to the contractor's entitlement to claim payment. As good performance on environmental issues also helps to establish a contractor's reputation, incentives may take the form of positive publicity which highlights this to the public and other contracting authorities.

KPIs and other methods of tracking adherence to environmental obligations should consider the time and resources required to put them into practice. If keeping an eye on a big list of obligations is impractical, it can be preferable to add a smaller number of such indicators that can be effectively enforced. KPIs should always go beyond mere adherence to environmental regulations or other duties that a contractor would be required to fulfil anyhow.

## Monitoring subcontractors

If a contract includes elements of subcontracting, you will want to ensure that GPP commitments are enforced along the supply chain and that responsibility is clearly assigned. The 2014 directives provide new opportunities for oversight of subcontracting arrangements, including the ability to:

- require joint liability of the main contractor and any subcontractors for compliance with environmental obligations if provided for in national law; and
- require the replacement of a subcontractor where its compliance with environmental obligations cannot be verified.

For works contracts and services carried out at a facility under the direct oversight of a contracting authority, the main contractor must provide details of all subcontractors and keep this information up to date in the event of any changes.



## CHAPTER 4 PART C CONTRACT PERFORMANCE CLAUSES

### Environmental performance in contract clauses, Tuscany

The city of Eindhoven due to its rapid growth has started to experience numerous challenges such as urban heat stress and air pollution. Therefore, the city started implementing Nature-based Solutions (NBS) to help address these urban challenges in an environmentally friendly and long-term way. One of these projects was the redevelopment of Clausplein Square in pursuit of a more pleasant, greener and climate-robust square

The procurement aimed to revamp Clausplein, including underground storm-water storage and green elements like trees and plants. The city used a closed tender, inviting four companies, seeking their vision for cooperation, risk assessment, and innovation in the project.

They engaged the market early, gathering ideas from companies experienced in similar developments. The local community also contributed ideas, ensuring the project aligned with their needs.

For this project, Eindhoven utilized a Best Value approach, urging suppliers to maximize value within the budget, considering social, economic, and environmental factors. The city set guidelines, optimizing green space, water storage, and tree growth while aligning with sustainability standards.

The procurement process had two phases, focusing on risk assessment, cooperation, and technical and environmental requirements. The successful tender led to the square hosting new trees and recycled water storage crates, addressing issues like biodiversity loss and urban heat.

### Creating circular loops through biogas buses

In 2014, the City of Vaasa (in Finland) set out to procure a fleet of 12 buses, which could run fully on biogas recovered from organic waste and wastewater sludge at local treatment plants. Contract performance clauses, which specified a rebate for the supplier if annual consumption was more efficient than estimates, or a refund if less, were also included to incentivise lasting and reliable performance. As well as replacing 280,000 litres of diesel every year, this procurement has created a 'circular loop' for the by-products of local waste and supports infrastructure development in making biogas available for a further 1,000 cars.

### Bringing circular concepts into school catering in Turin, Italy

In 2013, the City of Turin introduced a number of measures to their school catering contract to enhance its sustainability, which included requiring the use of energy efficient appliances and low environmental impact transport, as well as significantly reducing packaging and waste, for example by using tap water instead of bottled water, and favouring reusable and refillable products where packaging is unavoidable. In addition, contractors were required to shift from using plastic to reusable dishes. This one requirement alone resulted in a reduction of 157 tonnes/year of plastic waste.



## CHAPTER 5

# STRATEGIC USE OF GPP IN CROSS-BORDER INTERREG PROGRAMMES

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## GPP and Interreg

Organisations being beneficiaries of Interreg Cross-border Cooperation Programmes will often plan activities in their project requiring the purchase of external expertise, services, equipments or infrastructure & works contracts. As outlined in the current Guidance Booklet, in all such purchases – irrespective of the fact if it is above or below public procurement thresholds – green public procurement approaches may be followed. By applying GPP, Project Partners, acting as Contracting Authorities will significantly contribute to reducing the environmental impact of their project activities, being aligned with horizontal sustainability principles.

The current Guidance Booklet has provided a comprehensive overview of applicable techniques and methodologies to implement GPP in a variety of cases. Whilst in some cases such methodologies may seem to be complicated and require specialised expertise, it has been also shown, that there is already a vast amount of examples and off-the-shelf resources that may help Project Partners, acting as Contracting Authorities in entering their journey towards GPP. At the same time, relevant legislation and regulations give ample room and flexibility for applying innovative procurement procedures, favouring the choice of most economically advantageous tenders, giving substantial consideration to environmental impacts.

In this section we would like to summarise the 5 most important takeaways that Interreg Project Partners, acting as Contracting Authorities may follow in their procurements, in order to reduce the environmental impact of goods, services and works they procure, and thus the environmental impact of their project.

**1. Consider the environmental impacts of your project and plan activities in a way that they are minimised. Think about reducing waste, saving energy, limiting resource & material consumption, which at the same time will save you costs and improve the overall recognition of your project and organisation!**

**2. When you need to procure an external contractor to implement any of the foreseen project activities, take a thorough consideration what possible environmental impact the services, works, equipment to be purchased may have, and how they could be minimised.**

**3. Look around the EU GPP Criteria, standards, labels and the numerous resources referred to in the current Guidance Booklet to get an idea how you can draft a technical specification that can guarantee that you can implement your procurement according to high environmental standards.**

**4. Make thorough consideration of exclusion, selection and award criteria to be applied, allowing for fair and equal treatment of tenderers whilst ensuring the choice of supplier presenting the most economically advantageous tender in terms of environmental performance and cost-efficiency.**

**5. Include performance clauses in the contract to be concluded with selected tendered that provide assurance for meeting the technical specifications and green commitments made by the tenderer in their offer.**



## CHAPTER 6

# USEFUL LINKS AND RESOURCES

## Websites

[EU Green Public Procurement Helpdesk](#)

[EU Green Public Procurement Good Practice Library](#)

[EU Green Public Procurement Toolkit](#)

[ICLEI – Local Governments for Sustainability Website](#)

[OECD Green Public Procurement Website](#)

[United Nations Sustainable Procurement website](#)

## Ongoing Projects

[Big Buyers Working Together](#)

[nZEB-Ready](#)

[SchoolFood4Change](#)

[Clever Cities](#)

## Networks, Associations

[PROCURA+ European Sustainable Procurement Network](#)

[EURO CITIES association](#)

## Studies and Publications

[UN Sustainable Public Procurement 2022 Global Review](#)

[EU Guidance for bio-based products in procurement](#)

[EU Public Procurement for a Circular Economy](#)

[EU Public procurement of nature-based solutions](#)

[EU Buying Green Handbook 3rd Edition](#)

[Circular Procurement in 8 steps](#)

[EU Circular Economy Action Plan](#)

[OECD Compendium of Policy Good Practices for Quality Infrastructure Investment](#)

[OECD Going Green: Best Practices for Sustainable Procurement](#)

[Nordic Guidelines - Green Public Procurement](#)

[United Nations Sustainable Transport studies](#)



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