



Notice of meeting of

Executive

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| To: | Councillors Steve Galloway (Chair), Aspden, Sue Galloway, Jamieson-Ball, Reid, Runciman, Sunderland, Vassie and Waller |
| Date: | Tuesday, 20 May 2008 |
| Time: | 2.00 pm |
| Venue: | The Guildhall, York |

AGENDA

Notice to Members - Calling In:

Members are reminded that, should they wish to call in any item on this agenda, notice must be given to Democracy Support Group by:

10:00 am on Monday 19 May 2008, if an item is called in *before* a decision is taken, *or*

4:00 pm on Thursday 22 May 2008, if an item is called in *after* a decision has been taken.

Items called in will be considered by the Scrutiny Management Committee.

1. **Declarations of Interest**

At this point, Members are asked to declare any personal or prejudicial interest they may have in the business on this agenda.

2. Minutes (Pages 3 - 12)

To approve and sign the minutes of the meeting of the Executive held on 6 May 2008.

3. Public Participation

At this point in the meeting, members of the public who registered their wish to speak regarding an item on the agenda or an issue within the Executive's remit can do so. The deadline for registering is **5:00 pm on Monday 19 May 2008**.

4. Executive Forward Plan (Pages 13 - 14)

To receive details of those items that are listed on the Executive Forward Plan for the next two meetings.

5. Political Management Arrangements

To receive an oral report from the Chair concerning the proposed political management arrangements for the 2008/09 Municipal Year.

6. Sustainable Procurement Policy (Pages 15 - 116)

This report invites Members to discuss, comment upon and approve a corporate Sustainable Procurement Policy, which sets out the Council's commitment to sustainable procurement, supports the vision of York being an exemplary sustainable city and will help the Council in delivering the challenging targets set out in the Sustainable Procurement National Action Plan.

7. Special Responsibility Allowances - Independent Remuneration Panel (Pages 117 - 120)

To consider a report from the Group Leaders recommending no immediate change to the current Special Responsibility Allowances for Members.

8. Urgent Business

Any other business which the Chair considers urgent under the Local Government Act 1972

Democracy Officer:

Name: Fiona Young

Contact details:

- Telephone – (01904) 551027
- E-mail – fiona.young@york.gov.uk

For more information about any of the following please contact the Democracy Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details are set out above.

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If you would, you will need to:

- register by contacting the Democracy Officer (whose name and contact details can be found on the agenda for the meeting) **no later than 5.00 pm** on the last working day before the meeting;
- ensure that what you want to say speak relates to an item of business on the agenda or an issue which the committee has power to consider (speak to the Democracy Officer for advice on this);
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Further information about what's being discussed at this meeting

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Holding the Executive to Account

The majority of councillors are not appointed to the Executive (38 out of 47). Any 3 non-Executive councillors can 'call-in' an item of business from a published Executive (or Executive Member Advisory Panel (EMAP)) agenda. The Executive will still discuss the 'called in' business on the published date and will set out its views for consideration by a specially convened Scrutiny Management Committee (SMC). That SMC meeting will then make its recommendations to the next scheduled Executive meeting in the following week, where a final decision on the 'called-in' business will be made.

Scrutiny Committees

The purpose of all scrutiny and ad-hoc scrutiny committees appointed by the Council is to:

- Monitor the performance and effectiveness of services;
- Review existing policies and assist in the development of new ones, as necessary; and
- Monitor best value continuous service improvement plans

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City of York Council

Committee Minutes

| | |
|---------|---|
| MEETING | EXECUTIVE |
| DATE | 6 MAY 2008 |
| PRESENT | COUNCILLORS STEVE GALLOWAY (CHAIR), ASPDEN, SUE GALLOWAY, JAMIESON-BALL, REID, RUNCIMAN, SUNDERLAND, VASSIE AND WALLER |

209. DECLARATIONS OF INTEREST

Members were invited to declare at this point in the meeting any personal or prejudicial interests they might have in the business on the agenda.

Cllrs Aspden, Steve Galloway, Sue Galloway, Sunderland and Waller each declared a personal, non prejudicial interest in agenda item 11 (City Strategy Financial Support to Voluntary Organisations – Minute 219 refers), as members of the York Credit Union.

210. EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That the press and public be excluded from the meeting during consideration of Annex A to agenda item 14 (Gas Servicing Future Procurement – Minute 222 refers), on the grounds that it contained information relating to the financial or business affairs of particular persons. Such information is classed as exempt under paragraph 3 of Schedule 12A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

211. MINUTES

RESOLVED: That the minutes of the Executive meeting held on 22 April 2008 be approved and signed by the Chair as a correct record.

212. PUBLIC PARTICIPATION / WARD MEMBER COMMENTS

It was reported that there had been no registrations to speak at the meeting under the Council's Public Participation Scheme.

With the Chair's permission, Cllr Crisp addressed the meeting in respect of agenda item 6 (Back Park Petition – Executive Response), as Ward Member for Holgate Ward. She spoke in support of the petition, noting that 'Back Park' or 'Balfour Street Play Area' comprised the whole of the land marked as Areas A and B on the map attached to the report on this item. She expressed the view of local residents that no part of the land should

be sold and that to do so would compromise the right of children in the area to play in a safe place.

213. EXECUTIVE FORWARD PLAN

Members received and noted details of those items that were currently listed on the Forward Plan for the next two Executive meetings.

214. BACK PARK PETITION - EXECUTIVE RESPONSE

Members considered a report which asked them to respond to a petition submitted to the full Council meeting on 29 November 2007. The petition called upon the Council to *'permanently remove Back Park...from the list of leisure land under threat of sale'*.

The land comprising Back Park, illustrated on a plan attached to the report, had originally been gifted to the York Corporation by Arnold Stephenson Rowntree, to be held as public land for recreational purposes. At the time of the petition, it had not been earmarked for sale. However, part of the land (Area A on the attached plan) had been included on a list of capital disposals approved at Budget Council in February 2008. The Corporate Asset Management Group (CAMG) had suggested that part of the receipt from the sale be used to upgrade the remaining sections of land, thus helping to improve the generally poor condition of public land in this area of York. Legal advice was currently being sought as to the status of the land, since disposal for purposes other than those stipulated in the Deed of Gift might require consent from the successor organisation to Arnold Stephenson Rowntree.

In response to the advice of the Shadow Executive on this item, and the comments made by the Ward Member, Members noted that a decision on disposal of the land was not due before 2009, by which time the likely effects on the area of the York Central development would be better understood. In the meantime, it was important to take a holistic view of leisure provision in this area, with a view to determining a long term plan. This would include consultation with the local community on how any improvements should be funded.

RESOLVED: (i) That the receipt of the petition, and the status of the land at issue, be noted.

(ii) That Officers be asked to undertake an area asset management review in the Leeman Road area.¹

REASON: To ensure that the communities assets in this area are optimised and the highest quality of public provision achieved.

Action Required

1. Complete asset management review (expected within next 12 months)

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215. A REVIEW AND UPDATING OF THE PROTOCOL GOVERNING THE POLITICAL MANAGEMENT OF THE COUNCIL FOR THE 2008/09 YEAR

Members considered a report which asked them to endorse the principles of the protocol agreed between the Council's four political Groups after the elections last May, with a view to negotiating its continuation in the 2008/09 Municipal Year.

Attached to the report as Annex 1 was a list of proposed topics submitted by Group Leaders. Members were asked to approve the draft list as the basis for consultation between the Group Leaders, with a view to establishing a second Policy Prospectus for the coming year. It was noted that the Labour Group would not take part in these negotiations, having withdrawn from the process in February 2008. An update on the items included in the 2007/08 Policy Prospectus was attached as Annex 2 to the report.

Members commented that the list of outstanding constitutional amendments included in Annex 1 had all been sponsored by the Labour Group and did not have any broad-based political support. Therefore they should not be progressed at this stage.

Having noted the advice of the Shadow Executive on this item, it was

RESOLVED: (i) That the continuation of the principles for future political management arrangements agreed by the political Groups in May 2007 be endorsed, subject to any further negotiated amendments to be agreed subsequently by Group Leaders and notwithstanding any specific issues which no longer apply one year on.

(ii) That the draft list of review reports on policy issues be endorsed for inclusion in a new Policy Prospectus for the Municipal Year 2008/09 and that these reports have priority in the use of Officer time and other resources during the coming year.¹

(iii) That Officers be instructed to take no further action at this time on developing the constitutional amendments listed in Annex 1 to the report.

(iv) That the Executive continue to receive update reports on topics from the first Policy Prospectus which, whilst already reported to the Executive, are still progressing.²

(v) That the timescale for agreeing a final version of the new political protocol, due to come to the Executive on 20 May, for sign-off by participating Group Leaders, be approved.³

REASON: To ensure the continuation of the protocol, which is integral to the Council's political management.

Action Required

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|---|----|
| 1. Prepare new Policy Prospectus, to include the topics listed. | SC |
| 2. Report to Executive on progress with outstanding topics from first Prospectus. | SC |
| 3. Agree new Protocol formally with Group Leaders. | SC |

216. GOLDEN TRIANGLE PARTNERSHIP BOARD - MEMBER REPRESENTATION

Members considered a report which presented proposals to establish a Golden Triangle Partnership (GTB) Board, which would oversee the work of the Partnership and set its strategic vision, and asked them to nominate the Council's representatives on the Board.

The GTP was a three-way partnership between housing and planning officers in Leeds City Council, Harrogate Borough Council and City of York Council. The establishment of a Board (Option 1) was recommended on the grounds that it would ensure that the three partner local authorities were clearly setting a strategic direction for the Partnership. Option 2 was to maintain the existing structure, which had at times resulted in conflicting priorities and had recently led to questions being made regarding future funding for the GTP.

Membership of the Board would comprise Executive Members with responsibility for the housing portfolio in each authority, Chief Housing Officers from each authority and the Project Manager. Input from other stakeholder representatives or specialists might be drawn in as appropriate.

Having noted the advice of the Shadow Executive on this item, it was

RESOLVED: (i) That Option 1, to establish the Golden Triangle Partnership Board, be approved.¹

(ii) That the Executive Member for Housing Services and the Head of Housing Services be nominated to represent the City of York Council on the Board, and that their names be included on the list of appointments to be approved at the Annual Council meeting on 22 May 2008.²

REASON: To ensure the effective delivery of the priorities established within the Golden Triangle Partnership.

(iii) That the minutes of any meetings of the Board be added to the list of minutes of Partnerships and Outside Bodies to be made available on the intranet and reported to full Council.

REASON: To ensure that the Board's decisions are properly communicated to Council Members.

Action Required

1. Carry out any actions necessary to establish the Partnership Board. LE
2. Ensure that these nominations are included in the list for approval at Annual Council. GR

217. RESIDENTS' OPINION SURVEY RESULTS 2007/8

Members considered a report which presented the results of the Residents' Opinion Survey undertaken in 2007/08.

In total, 1,655 usable responses had been received to the Survey, representing a response rate of 33%. The responses indicated that, overall, 51% of residents were satisfied with the way that the City of York Council ran things, as compared to 44% in the 2005/06 Best Value Performance Indicator (BVPI) survey. The majority (65%) considered that things had remained the same over the past three years. In terms of the more specific 'corporate health' indicators, most residents agreed that the Council was working to make the area cleaner and greener, safer and a better place to live, whilst 54% agreed that the Council provided value for money.

Details of the results in relation to individual service areas were set out in paragraphs 10 to 62 of the report, together with a table showing key indicators and findings from the Survey. A table at paragraph 63 compared the BVPI indicators from 2007 with the 2006/07 unitary quartiles.

With reference to the advice of the Shadow Executive on this item, Members commented that the Council's performance with regard to overall customer satisfaction was in fact now above average. In respect of complaints handling, it was noted that the difference between the best and worst performing Councils was very narrow and that there might sometimes be difficulties in this area in distinguishing between a query and a complaint.

RESOLVED: (i) That the generally improved ResOp survey results be noted and that the Executive record its thanks to those Officers and Members who have worked so hard to provide good quality public services to the citizens of York.

(ii) That the Chief Executive be requested to identify how satisfaction with public service standards in the City can be improved further and, in particular, to address any indicators which suggest that performance may be below national average levels.¹

REASON: In order to monitor the Council's performance and ensure the continued delivery of quality services.

Action Required

1. Review results to identify potential for improvement and address any below average indicators. SC

218. USE OF LPSA2 REWARD GRANT / LAA FINANCIAL POLICY

Members considered a report which discussed proposals for the use of the Local Public Service Agreements 2 (LPSA2) reward grant and the proposed financial policy that would govern York's second Local Area Agreement (LAA). It also provided an update on progress towards completion of the LAA.

In July 2007, the Executive had agreed in principle to use the LPSA2 reward grant to support the outcomes of the LAA, stressing that subsequent decisions on its specific use would be considered in the context of the wider budget setting process. They had asked the Directors of City Strategy and Resources to develop a robust bid process to facilitate the allocation of any LPSA2 grant funding that might become available. In response to this request, the report outlined a proposed methodology, enabling the Executive to act as commissioning body and employ a selection process for considering business case applications.

The methodology, which was based upon that already used in the allocation of Council capital and revenue bids, was detailed in Annex A to the report. It was proposed that the Executive Delivery Board of the Local Strategic Partnership (Without Walls) consider any suggested projects in accordance with this methodology before reporting back to the Executive. A set of principles that would govern the bidding process was summarised in paragraph 16 of the report. The most recent version of the proposed performance indicators for the LAA, which were currently being agreed and negotiated with central government, was attached as Annex B.

Having noted the advice of the Shadow Executive on this item, it was

RESOLVED: (i) That the methodology that has been developed for allocating the LPSA2 reward grant be approved, subject to the inclusion on the application form of more specific targets and milestones and the establishment of a robust progress reporting mechanism.¹

REASON: To initiate the use of LPSA2 reward grant to support the outcomes of the Local Area Agreement (LAA), as previously agreed in principle.

(ii) That the draft list of LAA performance indicators (PIs) included in the report be noted, with some concerns.

(iii) That the Chief Executive be instructed to review the proposed LAA PI list, in consultation with responsible Members, to ensure that the PIs are focused on achieving

identifiable and verifiable improvements in street level public services.²

REASON: So that Members can be satisfied that these issues have been addressed when the draft PIs come before the Executive for approval next month.

Action Required

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| 1. Include more specific targets and milestones / more robust reporting mechanism. | JB |
| 2. Review the proposed LAA PI list, in consultation with responsible Members. | SC |

219. CITY STRATEGY FINANCIAL SUPPORT TO VOLUNTARY ORGANISATIONS 2008/2009

Members considered a report which sought their advice on the most appropriate way of allocating the residual £7,100 City Strategy voluntary sector grants budget for the 2008/09 financial year.

Four new funding applications had been submitted for the current year, of which one had since been withdrawn, leaving the following to be considered:

- York Older People's Assembly – requesting £10k for part time administrative support;
- Older Citizens Advocacy York (OCA Y) – requesting £10k to ensure continuation of their service at the current level;
- York Credit Union – requesting £25k to help eradicate its deficits from the previous and current years.

Members were asked to consider the following options:

Option A – share the sum proportionately between the three applicants;

Option B – support none of the applications but carry the sum forward into the 2009/10 financial year;

Option C – award the full sum to a single applicant.

Option A was recommended, on the basis that it would be a fair and equitable method of partially supporting all three groups within the limited resources available.

Having considered the advantages and disadvantages of each application and noted the advice of the Shadow Executive on this item, it was

RESOLVED: That Option C be approved and that the full sum of £7,100 be awarded to the York Credit Union.¹

REASON: In view of the need to support those most affected by the current economic situation and the 'credit crunch' at this particular time.

Action Required

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| 1. Implement the award to York Credit Union. | JB |
|--|----|

220. SCRUTINY MANAGEMENT COMMITTEE - REQUEST FOR ADDITIONAL SCRUTINY FUNDING

Members considered a report which presented a request from the Scrutiny Management Committee (SMC) for additional funding to finance a city-wide survey on the broad strategic options available to tackle traffic congestion.

The request had arisen from the SMC's consideration of an interim report from the Traffic Congestion Ad-hoc Scrutiny Committee, in which a request had been made for £17k additional funding for a survey on strategic options to tackle traffic congestion, and of a further report detailing alternative options for gathering York residents' responses. The Head of Marketing and Communications had advised that a survey of the kind proposed – to determine residents' attitudes to congestion – was defined as research rather than consultation and that the best way to determine residents' attitudes would be through a 'Talkabout' special, costing around £6k. Costings for the survey proposed by the Committee were set out in Annex A to the report, while details of the alternative 'Talkabout' option were provided in Annex B.

The Executive was asked to consider the following options:

Option 1 – grant the SMC's request for £17k additional funding;

Option 2 – allocate £6k additional funding, in line with the Head of Marketing and Communications' suggestion;

Option 3 – refuse the application for additional funding.

Members commented that there was a lack of clarity in terms of exactly what the £17k funding was expected to deliver.

Having noted the advice of the Shadow Executive on this item, it was

RESOLVED: That the Scrutiny Management Committee be invited to choose between the following two options:¹

- **Option 1** – to agree to release the £14k currently allocated in the contingency provision for Scrutiny activities, plus £3k from reserves, for use in fully funding the application from the Traffic Congestion Scrutiny Committee.
- **Option 2** – to make available appropriate funding from reserves, up to a value of £6k, to facilitate an assessment of public opinion on the options for addressing traffic congestion issues in the City using existing mechanisms such as 'Your City', 'Talkabout' and the Council's on-line consultation module.

REASON: To enable the SMC to make a decision on this issue and the use of Scrutiny funding without improper interference from the Executive.

Action Required

1. Include an item on the agenda for SMC meeting, seeking a decision on the two funding options. GR

221. INCLUSION AND EQUALITY PROGRESS - REQUEST FOR TEMPORARY RESOURCES

Members considered a report which provided an update on progress made on inclusion and equalities issues and sought funding for temporary resources from contingency to make improvements to the collection and use of customer and staff data in respect of the six Equality 'strands'.

Positive progress was reported in all the areas of the Council's agreed Equality Strategy for 2005-8, *Pride in our Communities*. However, continued improvement would depend upon the collection and use of relevant data. To meet level 2 of the revised Equality Standard for Local Government, the Council must have '*a particular working group or persons (to) ensure that all the needs around (equality) data collection are developed and implemented.*' There was currently no capacity within Directorates or the Equalities team to perform this function.

Approval was therefore sought for the provision of additional staff resources totalling £55k over an 18-month period (Option 1). To maintain the current status (Option 2) was not recommended, as it would expose the Council to legal and financial risks and would mean that it was unlikely to progress beyond level 1 of the revised Equality Standard.

Having noted the advice of the Shadow Executive on this item, it was

RESOLVED: That Option 1, the release of up to £55k from Council reserves to fund the additional staff resources over 2008/09 and 2009/10, be approved.¹

REASON: To facilitate effective performance management and minimise the legal and financial risk arising from legal challenges that may be brought under Employment and Equality legislation.

Action Required

1. Make the necessary budget adjustment / carry out recruitment of additional staff. GR

222. GAS SERVICING - FUTURE PROCUREMENT

Members received a report which presented the results of a recent procurement exercise undertaken in relation to gas servicing and suggested a future direction for the gas servicing and maintenance service to council dwellings. This item had originally been included on the agenda for the Executive meeting on 25 March 2008, when it was deferred for

further information. That information had now been obtained and incorporated in a revised report.

In November 2003 the Executive Member for Housing had agreed a two-fold approach to gas servicing, with an external contractor undertaking all works in the City area and the Council's Neighbourhood Services (NS) department all works in the Acomb area, under a partnering agreement. Following expiry of the external contract on 31 March 2008, a new approach was proposed.

The recommended approach (Option 1) was to amend the existing Housing Repairs Partnership, under which NS now carried out the majority of maintenance repairs, to include the whole of the gas servicing for the City. The alternative approach (Option 2) was to ask Officers to undertake a formal tendering process for the servicing and maintenance of gas heating appliances in council dwellings. Option 1 was recommended on the basis that it would enable the delivery of efficiencies that would significantly reduce cost and improve performance in this service area.

Having noted the advice of the Shadow Executive on this item, it was

RESOLVED: That Option 1, which involves in-sourcing the gas servicing work, be approved and that the Housing Repairs Partnership be amended to include the whole of the gas servicing for the City.¹

REASON: To secure service quality and value for money on behalf of the Council's tenants.

Action Required

1. Amend Housing Repairs Partnership.

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S F Galloway, Chair

[The meeting started at 2.00 pm and finished at 2.50 pm].

EXECUTIVE FORWARD PLAN

| Table 1: Items scheduled on the Forward Plan for the Executive Meeting on 3 June 2008 | | |
|--|---------------|---|
| Title & Description | Author | Portfolio Holder |
| <p>Appropriation of Property</p> <p><i>Purpose of report: To appropriate and transfer properties between the Housing Revenue and General Fund to ensure good governance and provide a corporate flexibility in the use of capital resources. The appropriations need to be approved for the financial year of 2008/09.</i></p> <p><i>Members are asked to: Approve the appropriations.</i></p> | John Urwin | Executive Member for Corporate Services |
| <p>Purchase of Land For Use as a Composting Area</p> <p><i>Purpose of report: Yorwaste have negotiated with a local landowner to purchase 30 acres of land, subject to planning approval, for use as a composting area in association with the waste disposal site at Harewood Whin. Planners have recommended approval and it will be decided at Planning Committee on 28 February. Should the planning permission be granted it would be economically advantageous for the Council to purchase the land and lease it to Yorwaste.</i></p> <p><i>Members are asked to: Approve the purchase of land.</i></p> | Paul Fox | Executive Member for Corporate Services |
| <p>Review of Information Policy Framework</p> <p><i>Purpose of report: As part of the Information Governance Strategy approved in December 2007 information sharing with other authorities and all policies have been reviewed, including the Data Protection Policy which was out of date, and an amended version is hereby presented for Members' approval.</i></p> <p><i>Members are asked to: Approve the amended Data Protection Policy and related information sharing policies.</i></p> | Robert Beane | Executive Member for Corporate Services |

| Table 2: Items scheduled on the Forward Plan for the Executive Meeting on 17 June 2008 | | |
|---|---------------|-------------------------|
| Title & Description | Author | Portfolio Holder |
| None | | |

| Table 3: Items slipped on the Forward Plan with the agreement of the Group Leaders | | | | | |
|---|---------------|-------------------------|----------------------|---------------------|----------------------------|
| Title & Description | Author | Portfolio Holder | Original Date | Revised Date | Reason for Slippage |
| None | | | | | |



Executive

20 May 2008

Report of the Assistant Director (Audit & Risk Management)

Sustainable Procurement Policy

Summary

- 1 The purpose of this paper is to present to Executive for discussion, comment and approval the Council's corporate sustainable procurement policy. The policy (Annex A) sets out the Council's commitment to sustainable procurement, supports the vision of York being an exemplary sustainable city and will help the Council in delivering the governments challenging targets set out in the Sustainable Procurement National Action Plan. It has been prepared further to the Corporate Procurement Strategy and accompanying medium term action plan adopted by the Council in 2007.

Background

- 2 The Council's approach to sustainability in the procurement process has evolved over a number of years and hence to date there has been no overall approach setting out how sustainability should be considered in delivering value for money procurement in the absence of an agreed policy on this matter.
- 3 The adoption of a corporately agreed sustainable procurement policy will help to ensure that key principles of best practice are embedded universally across the Council. The policy will apply to all business areas of the Council, including direct service provision to stakeholders, procurement of goods and services, works, joint ventures with third parties, partnering and collaboration, sales and disposals

The Policy

- 4 The purpose of the policy is to commit the Council to sustainable procurement within a practical and effective framework comprising of an overarching procurement strategy and the sustainable procurement policy. Future supporting guidance such as the European wide practitioner manual Procura+ (Annex B) should be developed by the Corporate Procurement Team (CPT).

- 5 The Procura+ manual provides detail guidance to help organisations embed and support sustainable procurement. The development of supporting guidance including consideration of the Procura+ manual will be worked up through training and workshop sessions during 2008 with the intention of presenting solutions by April 2009.
- 6 The policy reinforces the principles of 'Whole life costing' adopted as the standard approach to be taken at the Council further to the provisions of the Corporate Procurement Strategy. This approach allows officers and Members to make more informed and transparent decision when awarding contracts than decisions based solely on assumption of 'least cost'. The progress of embedding the policy effectively through the organisation will be measured through the revised sustainability continuum that forms part of the overall procurement strategy and is set out at Annex C of this report.
- 7 The implementation of Sustainable Procurement may increase the cost of procurement solutions at the outset although this may be eroded across the term of any contract through the benefits of lower Whole Life Costs. The benefits to the Council in introducing sustainable procurement may include:
 - a) **Financial Savings** – energy, water and resource efficient products, services and buildings can significantly reduce utility bills and operating costs. The procurement of environmentally preferable products can lower waste management fees and reduce spending on pollution prevention;
 - b) **Achieve local environmental and health goals** – sustainable procurement can be a very cost-effective approach to tackling local environmental problems and to achieving environmental objectives of the Council. Examples of this are the supply of fresh organic food in school meals to improve the health of school children, low emission buses and motor fleet to improve air quality and contracting green electricity to achieve carbon tax targets;
 - c) **Achieving local social goals** – key social issues such as employment, working conditions and the marginalisation of certain groups can be addressed through responsible sustainable procurement practices. Inclusion of conditions within contracts for companies carrying out services on the Council's behalf around the themes of the LAA can help make a difference;
 - d) **Driving local innovation** – working with local suppliers to encourage environmentally innovative approaches, and providing potential markets for such products, can help give these suppliers a competitive advantage nationally and internationally;

- e) **Improve public image and increase legitimacy**- implementing a policy of sustainable procurement is a very effective way to demonstrate the Council's commitment to sustainability as a whole;
- f) **Contributions to global sustainability** – the impacts of sustainable procurement can be felt globally, from helping to reduce greenhouse gas emissions and deforestation, to improving the livelihoods of small developing producers through supporting Fair Trade.

Options & analysis

- 8 Not relevant for the purpose of this report.

Consultation

- 9 Consultation has been undertaken with key officers and Members in drafting this policy .

Corporate priorities

- 10 The introduction of a sustainable procurement policy supports the following priorities and direction statements:
- We will seek to place environmental sustainability at the heart of everything we do
 - Reduce the environmental impact of Council activities and encourage, empower and promote others to do the same
 - Decrease the tonnage of biodegradable waste and recyclable products going into landfill
 - Increase the use of public and other environmentally friendly modes of transport
 - Improve the economic prosperity of the people of York with a focus on minimising income differentials
 - Increase people's skills and knowledge to improve future employment prospects

Implications

- 11 The approval and implementation of the sustainable procurement policy will not amend in any way the Council's Financial Regulations or Value for Money principles. However it will allow Members to consider

and approve sustainable alternatives which may be more expensive than the lowest cost tender providing they are within budget.

- 12 There are no specific legal, HR, property, crime & prevention, IT&T or other implications arising from this report.

Risk Management

- 13 In compliance with the Councils risk management strategy. There are no risks associated with the recommendations of this report

Recommendations

- 14 Executive are asked to:

- a) approve the implementation of the sustainable procurement policy attached at Annex A of this report from 1 April 2009;

Reason

To provide the Council with a sustainable procurement policy framework to deliver its sustainability aspirations and meet the Governments sustainable procurement targets.

- b) approve that the CPT look at industry schemes for embedding sustainable procurement for adoption from April 2009 including the Procura+ manual(Annex B);

Reason

To provide a clear guidance and support to officers involved in procurement.

- c) approve the revised sustainability continuum attached as Annex C of this report.

Reason

To make Executive aware and allow the organisation to measure its progress against the challenging targets set by the government in delivering sustainable procurement

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Report
Approved



Date 07/05/2008

Specialist Implications Officer(s)

Phillipa Beardmore

Wards Affected Not applicable

All

For further information please contact the author of the report

Background Papers

Corporate Procurement Strategy
Procuring the Future – Sustainable Procurement National Action Plan

Annexes

Annex A - Sustainable procurement policy
Annex B - Procura+ manual
Annex C - Revised Sustainability continuum

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Sustainability Policy

Discussion Draft

version control *draft 1.1*

DGW/08022008

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Sustainability Policy

Introduction

- 1 The UK Government's 2005 Sustainable Development Strategy sets out the ambitious goal to make the UK a leader in the EU in sustainable procurement by 2009. City of York Council recognises its commitment to sustainable development through its sustainable procurement policy is vital in helping to deliver this strategy and meet the Governments aim
- 2 The Council's vision is for York to be an exemplary sustainable city. Sustainable development for York is about creating a better quality of life for York's communities now and in the future.

Background

- 3 The Council's approach to sustainability in the procurement process has evolved on a piecemeal basis over a number of years and there has been no consistent approach setting out how the Council wishes to consider sustainability in delivering value for money procurement in the absence of an overall sustainability policy for the authority to date.
- 4 The development of a sustainable procurement policy at the Council will ensure that key principles of best practice are embedded universally across the Council. This policy applies to all business areas of the Council, including direct service provision to stakeholders, procurement of goods and services, works, joint ventures with third parties, partnering and collaboration, sales and disposals

Definition of Sustainable Procurement

- 5 To ensure clarity and consistency this policy adopts the definition of sustainable procurement as set out by the Sustainable Procurement Task Force in its publication 'Procuring the Future':

'Sustainable Procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment'.

Policy context & outcomes

- 6 The purpose and provisions of this policy are consistent with the ambitions set out in the Council's Corporate Strategy and should be viewed in that context. They provide a means of helping to support the delivery of the Council's corporate priorities for improvement generally with specific reference to the following Direction Statements and Priorities that underpin

the overall philosophy and intention of the Corporate Strategy in itself as set out below.

Direction Statements

- We will seek to place environmental sustainability at the heart of everything we do

Priorities

- Reduce the environmental impact of Council activities and encourage, empower and promote others to do the same
- Decrease the tonnage of biodegradable waste and recyclable products going into landfill
- Increase the use of public and other environmentally friendly modes of transport
- Improve the economic prosperity of the people of York with a focus on minimising income differentials
- Increase people's skills and knowledge to improve future employment prospects

Extract: CYC Corporate Strategy 2007-2011 (25 Sept 2007)

Policy Statement

- 7 This council is committing itself to sustainable procurement. Sustainable procurement is not only a question of improving efficiency, it is also about using market power to bring environmental and social benefits both locally and globally.
- 8 Climate Change affects all areas of the council's activities. We need to consider how we use natural resources, and how our procurement activities affect biodiversity and poverty. Every product or service has an environmental impact throughout its life-cycle – from the extraction of raw materials and manufacturing, through to a products use and disposal. Smart procurement decisions can make a huge difference, with the benefits being felt both locally and globally.
- 9 The public sector has a hugely significant role because its purchasing power can drive the market towards more sustainable goods and services. Our purchasing actions also have social implications – improving working

conditions, supporting Fair Trade, working against Child Labour, providing employment opportunities for marginalised groups.

- 10 It is recognised that certain key areas of local authority activity provide clear opportunities for improving efficiency, reducing environmental impacts and saving money. These include: Energy, Cleaning Services, Catering, IT, and Construction. We are committing ourselves to transforming our procurement procedures in these areas, among others.
- 11 Smart procurement also means efficient procurement. We can no longer simply consider initial purchase price when buying products and services, ignoring energy and water costs, maintenance expenditure and disposal costs. We will now move to a 'whole-life' approach to procurement.
- 12 We recognise and embrace the leadership role the Council has in moving our city towards a more sustainable way of life. Much work has already been done to put in place the mechanisms that will enable us to properly monitor our procurements and, thereby, manage the change to a more sustainable procurement process.

Policy Objectives

- 13 The objectives of this policy are to ensure that when a decision has been taken to procure consideration is given to:
 - a) exploring opportunities for working with voluntary and community sector organisations in supply and service delivery;
 - b) continuing to develop our procurement processes to ensure they are transparent and open to the whole of the supplier community;
 - c) promoting greater supplier diversity in the private sector;
 - d) promoting fair employment practices;
 - e) promoting workforce welfare;
 - f) improving the economic prosperity of the people of York with a focus on minimising income differentials;
 - g) increasing people's skills and knowledge to improve future employment prospects;
 - h) promoting ethical sourcing practices;
 - i) seeking to reduce waste through reviewing the amount and type of materials purchased and by exploring the opportunities to purchase refurbished, recycled and recyclable equipment, products and materials;

- j) sourcing green energy wherever possible and adopt appropriate energy management measures across all City of York Council sites;
- k) procuring organic food and drink where practicable;
- l) supporting the Fair-trade principles of alleviating poverty and sustainable development
- m) ensuring that vehicles procured have low emissions of local air pollutants and climate change gases, and take account of the need to minimise emissions and exposure to air pollution in purchasing goods and services;
- n) where appropriate, examine the environmental management practices of our current and potential suppliers.

Policy Framework

- 14 This policy adopts the Sustainable Procurement National Action Plan 'flexible framework' as the basis for measuring sustainable procurement practices. This will ensure City of York Council takes a consistent approach to embedding sustainability into its procurement practices, encouraging the organisation to capture opportunities and stimulate innovation in its supply chain.
- 15 The aims of the Flexible Framework have been integrated into the Corporate Procurement Strategy continuum in respect of sustainability and additional actions added to the supporting medium term action plan.
- 16 The policy also adopts the Procura+ Manual 'A guide to Cost-Effective Sustainable Public Procurement' as the practitioners guide to delivering sustainability in procurement. The manual provides clear, easy to understand guidance on how to implement sustainable procurement in practice.

Policy Exceptions

- 17 The complex and multi-functional nature of the Council means that there will be areas where exceptions to the principles of this policy may have to be made these may include:
 - Listed buildings
 - Civic regalia
- 18 It is not possible to provide an exhaustive list of where exceptions may apply and the principle should be to always consider a sustainable procurement solution. Advice should be sort from the Council's Corporate

Procurement Team and the S151 Officer if officers believe that an exemption is necessary for any reason.¹

¹ The request for an exemption would be in exceptional material cases only i.e. when listed building regulations may override the policy principles. It is not intended that non-material issues would be referred where local discretion can be used applying VFM principles as per Financial Regulations.

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Low-emission transport



Energy-efficient construction



Health-oriented cleaning

The Procura⁺

2nd edition

Manual

A Guide to Cost-Effective Sustainable Public Procurement



Organic / Fair Trade food



Energy-efficient IT products



Green electricity

Procura⁺

Sustainable
Procurement
Campaign



ICLEI
Local
Governments
for Sustainability

The Procura⁺
2nd edition

Manual

A Guide to Cost-Effective Sustainable Public Procurement

The Procura+ Manual

A Guide to Cost-Effective Sustainable Public Procurement, 2nd Edition

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Preface

Sustainable procurement is smart procurement – it means improving the efficiency of public procurement and at the same time using public market power to bring about major environmental and social benefits locally and globally.

Communities all over the world are facing the dramatic consequences of climate change, excessive use of natural resources, threats to biodiversity and increasing poverty. These problems cannot be tackled without making the shift to more sustainable production and consumption practices. If the billions of public Euro, Dollars, Yen or other were spent on products and services that foster sustainable development, a huge step forward could be made.

Typically responsible for 10-20% of spending, the public sector has significant purchasing power to drive the market towards the supply of sustainable products and services. However, this can only be achieved if the thousands of public sector actors work together to send a clear, unified signal to the market

Reducing environmental impacts: Every product or service bought has environmental impacts throughout its life-cycle – from the extraction of raw materials, the manufacturing of the product, through to its use and disposal. Taking smart procurement decisions can help to drastically reduce these, with benefits felt locally and globally. A great many more environmentally sound solutions are now available on the market at competitive prices - examples include more energy efficient school buildings, green electricity, catering services offering organic food and less polluting public transport.

Encouraging social improvement: Our purchasing actions also have social implications, and public procurement can be used to drive social improvements - whether this is guaranteeing good working conditions for publicly contracted construction workers, ensuring disabled access in public buildings, providing new employment opportunities for marginalised groups, working against child labour or supporting Fair Trade.

Achieving financial efficiency: Smart procurement of course also means efficient procurement. Too often only the initial purchase price is considered when buying products and services, ignoring usage costs such as electricity and water consumption, maintenance expenditures and disposal costs at the end of its life. Many products are also bought unnecessarily. Substantial savings are therefore possible.

Sustainable procurement can make a real difference – environmentally, socially and financially. At present, however, public authorities generally feel constrained in the application of environmental and social considerations to procurement due to a lack of support and secondly due to the lack of tried and tested tools.

This Manual has been developed by and for European public authorities providing clear and simple advice on how to implement sustainable procurement in a public authority – no matter what size or level of experience.

It presents the implementation model and purchasing criteria developed for Procura+, ICLEI's Sustainable procurement Campaign.

Join the movement!



Mark Hidson,
Director Sustainable Procurement &
Procura+ Campaign Manager,
ICLEI - Local Governments for Sustainability



Danielle Poliautre,
Deputy Mayor, City of Lille,
Chair of the Procura+ Campaign



Chapter I: Introduction

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1 Sustainable procurement, smart procurement

Sustainable procurement means making sure that the products and services your organisation buys are as sustainable as possible – with the lowest environmental and most positive social impact.

At its most basic this can mean simply making sure you always buy recycled paper or Fair Trade coffee. At its most comprehensive it means systematically integrating environmental and social considerations into all procurement activities, whether purchasing goods, services or works - from defining the true needs, to setting appropriate technical specifications and evaluation procedures, to monitoring performance and results.

It can mean considering a whole range of characteristics of the products and services you buy, for example:

- The use of non-toxic substances and renewable materials
- Energy and water consumption during use
- Disposal, reuse and recycling options at the end of life
- Working conditions in service delivery

It can be as simple as excluding certain chemicals in the tender technical specifications for cleaning products, or as comprehensive as reassessing the entire cleaning plan for your office.

Only by considering the full range of life-cycle costs and benefits of your procurement actions can you ensure the efficiency of your operations. Procurement and sustainable procurement should be one and the same.

2 Sustainable procurement: the benefits

A number of key benefits of sustainable procurement are emphasised by Procura+ participants:

- **Financial savings** – energy, water and resource efficient products, services and buildings can significantly reduce utility bills and operating costs. The procurement of environmentally preferable products can lower waste management fees, and reduce spending on pollution prevention. The City of Tübingen in Germany saved € 30,000 per year by centralising cleaning product and service procurement and by using innovative products. There is more on the cost of sustainable procurement in Chapter IV of this Manual.
- **Achieve local environmental and health goals** – sustainable procurement can be a very cost-effective approach to tackling local environmental problems and to achieving the environmental objectives of your organisation. For example, using non-toxic cleaning products, and supplying fresh, organic food provides healthier conditions for schoolchildren and office workers. Using low-emission buses and fleet cars can improve local air quality. Contracting green electricity can help you achieve your climate protection targets.
- **Achieve local social goals** – key social issues such as employment generation, working conditions, and the marginalisation of certain groups, can also be addressed through procurement, particularly through the procurement of services. Setting strict conditions for companies carrying out services on your behalf, such as the favouring of minority groups or ensuring high working standards, can make a difference.
- **Drive local innovation** – working with your regular local suppliers to encourage environmentally innovative approaches, and providing potential markets for such products, can help to give these suppliers a competitive advantage nationally and internationally.
- **Improve public image and increase legitimacy** – implementing a policy of sustainable procurement is a very effective way to demonstrate your authority's commitment to sustainability as a whole.
- **Contribution to global sustainability** – the impacts of sustainable procurement can be felt globally, from helping to reduce greenhouse gas emissions and deforestation, to improving the livelihoods of small developing world producers through supporting Fair Trade.

3 The potential of public procurement

Public and semi-public sector organisations, from local to national government offices, from universities and schools, to hospitals and utilities, control huge budgets and purchase vast amounts of products and services each year. The European Commission estimates that € 1.5 trillion is spent each year by public authorities in the European Union (EU), which represents approximately 16% of EU Gross Domestic Product^[1] – in some countries the figure is even higher. This includes, for example, 2.8 million computers and monitors purchased each year by EU public authorities.

Table 1:
Public procurement
as a percentage of GDP
– Selected countries
(2002)

| Country | % |
|--------------|-----------|
| Germany | 17 |
| Italy | 12 |
| Netherlands | 21 |
| Spain | 13 |
| Sweden | 20 |
| UK | 18 |
| EU 15 | 16 |

With such significant market power, public authorities are not only able to achieve substantial direct environmental, financial and social improvements, but are also able to exercise considerable influence in shifting the whole market towards the supply of more sustainable products and services.

Direct impact:

- The public sector in the EU is estimated to buy approximately 150,000 GWh of electricity per year, representing about 6-7 % of the market. Shifting to green electricity could save up to 60 million tonnes of CO2 emissions – 18% of the EU Kyoto commitments, and equivalent to the emissions of a city the size of London.^[2]
- The Autonomous University of Barcelona uses 6,500 Kg of Fair Trade coffee each year in vending machines. This provides a good living for 15 to 20 families from Tanzania.^[3]

Whole market impact:

- Following a Federal ruling in the US that public authorities must only buy Energy Star^[4] compliant computers, the demand for such models was so large that within a few years almost all products available on the market met these standards. Manufacturers realised it didn't make sense to run parallel production lines, and so phased out less efficient models.

Furthermore, public procurement can be a key driver of innovation on the marketplace, providing a vital launching market for new products.

^[1] A report on the functioning of public procurement markets in the EU: benefits from the application of EU directives and challenges for the future. (2004)
http://ec.europa.eu/internal_market/publicprocurement/studies_en.htm

^[2] Figures taken from the European RELIEF project, co-ordinated by ICLEI, which calculated the potential environmental benefits through sustainable procurement: www.iclei-europe.org/relief

^[3] Taken from the Buy Fair Guide, included in the CD-ROM: www.iclei-europe.org/buyfair

^[4] An international product label certifying the product has high energy efficiency standards – www.energystar.gov

Driving innovation:

- Following a political decision to pursue energy efficiency and resource saving measures, the city and state of Hamburg procured new energy-efficient lighting systems for all of its 1,500 public buildings. It was made compulsory for all investments in energy equipment to be cost-effective in the long-term – i.e. considering full life-cycle costs.

The sheer volume of demand ensured that procurers strict requirements on energy efficiency were met by the market through innovative approaches. As a result, the market for new energy efficient lighting systems and related services in Hamburg has been substantially expanded, and the results have spilled over into the private sector, with many local companies now making similar investments^[5].

Recognising this power, in 2002, the World Summit on Sustainable Development in Johannesburg committed public authorities to “promote public procurement policies that encourage development and diffusion of environmentally sound goods and services”^[6].

4 Why undertake sustainable procurement now?^[7]

It is becoming both increasingly important and increasingly easy to start purchasing sustainably for several reasons:

- **Increasing availability of labelled environmentally and socially sound products and services.** As the market for such products and services rapidly grows, so the quantity and quality of offers grows. In addition the wide coverage of environmental and social product labels at the national and international level (e.g. Nordic Swan, Blue Angel, EU Flower, FSC, FLO) has made it easier to start sustainable procurement initiatives. Such labels help procurers to set environmental and social demands and verify that these standards are met.
- **Opportunities for collaboration.** Many public authorities are now working to implement sustainable procurement. Interested authorities have much to gain by sharing experiences and information through international networks such as ICLEI.
- **Increasing public awareness.** Pressure to implement sustainable procurement from the general public through NGOs and advocacy groups is growing as more information becomes available and awareness of environmental and social issues increases.
- **Preparing for future regulations.** As environmental regulations become increasingly strict, a proactive approach, keeping ahead of legislation, is likely to be more efficient than having to quickly respond once it is in place.

^[5] ftp://ftp.cordis.europa.eu/pub/innovation-policy/studies/full_study.pdf

^[6] *Plan of Implementation of the World Summit on Sustainable Development*, paragraph 19

^[7] Adapted from *Green procurement: Good environmental stories for North Americans* (2003), Prepared for the Commission for Environmental Co-operation of North America

5 Challenges and solutions^[8]

Although the benefits of sustainable procurement are clear and widely recognised, a number of specific technical challenges remain in implementation:

- **Lack of clear definitions.** Many procurement professionals still struggle to define what an “environmentally and/or socially preferable” product or service is, and how to include demands in tendering.

Solution: This Manual presents simple criteria that can be used. Many public procurers also use ecolabels for definitions. A number of other sources for purchasing criteria exist nationally and internationally. Chapter III provides further advice on developing environmental specifications. Chapter VI presents a set of ready to use purchasing criteria for six high-priority product groups.

- **Changing the “purchase price only” mindset.** A key challenge identified by many public sector organisations is changing behaviour within purchasing departments – in particular using purchase price alone to decide between offers, rather than the full life-cycle cost of the product or service.

Solution: Providing simple information on the financial benefits of using the life-cycle costing (or whole life cost) approach, can help to overcome resistance, though the separation of internal budgets may still cause problems. More information on this is provided in Chapter IV of this Manual.

- **Integration into management systems.** Decentralised organisations require effective management systems to ensure the consistent application of environmental and social initiatives.

Solution: Integrating sustainable procurement activities within a quality or environmental management system can help ensure objectives, targets and measurement procedures are established throughout an organisation. This Manual presents the simple Procura⁺ Milestones process in Chapter V designed to help manage implementation effectively.



^[8] Adapted from *Green procurement: Good environmental stories for North Americans* (2003), Prepared for the Commission for Environmental Co-operation of North America

6 The Procura+ Manual

This Manual is designed to provide clear, easy-to-understand guidance on how to implement sustainable procurement in practice. It has been prepared by people with years of direct experience in working in public sector procurement, and in how to integrate sustainability considerations.

It is based upon the first Procura+ Manual, written and printed in 2004, and has been revised within the DEEP project^[9]. The Manual is designed to provide practical implementation advice, presenting guidance on how sustainability concerns can be integrated into the procurement process, providing both a model for developing and managing the process, and actual purchasing criteria for six high-priority product groups (construction, IT equipment, cleaning products, food, buses and electricity) which are legally compliant and can be inserted directly into tendering documents.

These product groups were selected following a detailed discussion process within the RELIEF project^[10] for a number of reasons:

- The most significant environmental impacts through the product life-cycle
- The availability of cost-effective environmentally preferable solutions
- The importance of the product within the typical public authority budget

The Manual also serves as the implementation guide for authorities participating in the Procura+ Campaign. Any European public authority can join Procura+, both to demonstrate your commitment to sustainable procurement and to make use of the substantial practical resources the Campaign provides. For more information on the Procura+ Campaign please see Chapter II.

6.1 Contents of the Manual

The Manual contains the following information:

- **How to integrate sustainability into procurement** – clear guidance on how to integrate sustainability criteria into tendering – from the subject matter, to technical specifications, selection and award criteria, and contract clauses – see Chapter III.
- **Information on the cost of sustainable procurement** – an introduction to the concept of Life-Cycle Costing, and advice on how to keep costs down – see Chapter IV.
- **How to manage sustainable procurement: The Milestone process** – a simple implementation model, based on a typical management cycle for ensuring the systematic inclusion of sustainability concerns in procurement – see Chapter V.
- **Key purchasing criteria** – a small set of clear purchasing criteria, focusing on the most important environmental and social impacts, which any public authority can use directly in the procurement of six key product groups - construction, IT equipment, cleaning products, food, buses and electricity – see Chapter VI.
- **Guide to monitoring performance** – a straightforward approach to monitoring your sustainable procurement actions, based around the Procurement Scorecard concept – see Chapter V, Section 2.1.3.

^[9] DEEP (Dissemination of Energy Efficiency Measures in the Public Buildings Sector), funded by the European Commission, Intelligent Energy for Europe programme: www.iclei-europe.org/deep

^[10] www.iclei-europe.org/relief

6.2 The CD-ROM

The Manual also comes with a CD-ROM (attached to the back cover^[11]) which contains a great deal of further useful information:

1. The printed Manual in pdf

- Allowing you to share the Manual with as many colleagues as you wish, and have immediate electronic access to the guidance provided

2. Case studies

- Best practice examples – a series of successful examples of sustainable procurement from around Europe to act as inspiration.

3. Detailed product information

- Detailed information on six key product groups – more detailed information on implementing sustainable procurement for the six key product groups covered in the printed Manual

4. A series of implementation tools

- Developing a sustainable procurement policy – a tool providing guidance on how to prepare a sustainable procurement policy to support your day-to-day activities. Developed within the LEAP project.^[12]
- Identifying internal barriers to sustainable procurement – a tool to help you systematically identify and address internal barriers to the implementation of sustainable procurement. Developed within the LEAP project.
- Energy efficient procurement – a series of tools to improve the energy efficiency of your procurement actions, including preparing an energy efficiency policy, a tool for life-cycle costing, and a self-audit tool for public offices. Developed within the DEEP project.
- Fair Trade in procurement – The Buy Fair Guide, offering advice on how to purchase Fair Trade products^[13]
- The Procurement Scorecard – A Blank Procurement Scorecard in Excel (as introduced in Chapter V, Section 2.1.3) for monitoring sustainable procurement implementation
- Frequently asked questions (FAQ) – A set of answers to some of the most frequently asked questions about sustainable procurement

5. A set of important reference documents

- A collection of important EU Directives and other documents

6. Contact information

- Further information on ICLEI and the contributors to the Manual
- Information on how to join Procura+, including an application form and the conditions of participation

^[11] The information on the CD-ROM is also available for download on the Procura+ website:
www.procuraplus.org

^[12] www.leap-gpp-toolkit.org

^[13] www.buyfair.org

7 ICLEI – Local Governments for Sustainability

ICLEI – Local Governments for Sustainability is an international association of local governments and national and regional local government organisations that have made a commitment to sustainable development, with nearly 500 members worldwide. ICLEI provides technical consulting, training, and information services to build capacity, share knowledge, and support local governments in the implementation of sustainable development at the local level.

ICLEI has been a pioneer in the field of sustainable procurement in Europe for over 10 years, co-ordinating numerous projects aimed at demonstrating its potential and providing practical implementation tools for public authorities. This work has culminated in the development of the Procura+ Campaign (see the following section), and this Manual.

ICLEI's Sustainable Procurement team works to support public authorities with their sustainable procurement efforts and offers a number of resources and services:

- **Campaign and Network** – in addition to the Procura+ Campaign, further advice and networking opportunities are offered by signing up to the “Buy it Green” –Network of Sustainable Procurement Professionals in Europe (BIG-Net)
- **Co-ordination of international research and pilot projects**
- **Information clearinghouse** on sustainable procurement, producing bi-monthly newsletters on activities, case studies, and guidance tools and training guides.
- **Consulting** – assistance in designing sustainable procurement policies and action plans, carrying out procurement audits, preparing environmental specifications
- **Training** – ICLEI has its own International Training Centre and can offer a number of tailor-made training services in the field of sustainable procurement
- **Conference and seminar organisation** – ICLEI has dedicated staff to set up and deliver regional, national and international conferences and seminars. ICLEI organises the EcoProcura® series of conferences – lively forums for bringing together different stakeholders and multipliers aimed at promoting sustainable procurement at a local, national and European level, and to co-ordinate future activities across Europe.

To find out more about ICLEI's sustainable procurement activities, visit our website at:

www.iclei-europe.org/procurement



Chapter II: The Procura+ Campaign

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1 What is the Procura+ Campaign?

In 2004 ICLEI established a European Campaign for sustainable public procurement. The Campaign is called Procura+ and is managed by ICLEI's European Secretariat in Freiburg, Germany. The Campaign has been developed by and for purchasers and staff dealing with sustainability issues in public authorities.

2 Purpose and aims of the Campaign

The Procura+ Campaign provides an opportunity for any European public authority to commit to the implementation of sustainable procurement, and provides a series of support tools to assist them in doing so.

The aim of the Campaign is to bring together a critical mass of public authorities committed to applying environmental and social criteria in their purchasing policies and practices to bring about a real change on the market in the supply of cost effective environmentally and socially sound products and services.

A number of specific support tools have been developed and are under constant review including the key purchasing criteria for 6 high-priority product groups, as presented in this Manual, and a clear implementation model – the Procura+ Milestones.

The Campaign is also aimed at raising political awareness at all levels. Public authorities need to make a political commitment to join, and the results generated by the Campaign are used to lobby for further support for the concept of sustainable procurement at the national and international level.

The Campaign concept and criteria were the culmination of the European research project RELIEF^[1], co-ordinated by ICLEI, which brought together a group of experts and local authority pioneers with extensive experience in the field of sustainable procurement to assess the potential benefit of sustainable procurement in quantitative terms and to develop model strategies for its implementation.

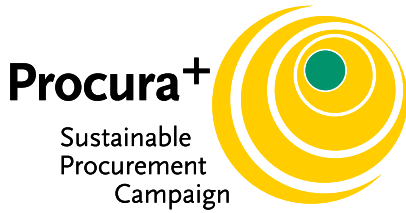
3 What are the benefits of joining the Campaign?

Any European public or semi-public organisation can join the Procura+ Campaign. Participation offers a number of benefits for authorities of any size, with any level of experience in sustainable procurement:

Easy to use guidance and advice

- **The Procura+ Key Criteria** - A set of ready-to-use purchasing criteria for 6 high priority product groups to insert directly into tendering, as set out in this Manual in Chapter VI.
These criteria have been developed in a broad consultation process involving all stakeholder groups. To keep them simple, they focus on only the most significant sustainability aspects. They are designed to be practical to apply by any procurer and achievable by the market in a cost-effective manner. The following product groups are covered:
 - Buses
 - Cleaning products
 - Electricity
 - Food and catering
 - IT products
 - Building construction/renovationCriteria for further product/service groups will be developed regularly, and will be available on the Campaign website (www.procuraplus.org) when finalised.
- **The Procura+ Milestones** - A straightforward and flexible implementation model for any authority. The typical management cycle of “Plan, Do, Check, Act” is the underlying basis of the Procura+ Milestone process, which assures continuous improvement. More detail on the process is presented in Chapter V of this Manual.
- **Advice and support** - Staff working in ICLEI’s Sustainable Procurement team are available to provide advice on issues relating to the Campaign, for example, support in finding product information and developing tenders.

[1] www.iclei-europe.org/relief



Promote your commitment and present your achievements internationally

- Use of the Procura+ logo in public relations material.
- Promotion of your organisation's decision to join to a wide European audience through ICLEI's website. Opportunities to further promote your actions through ICLEI events and other Campaign dissemination activities.
- Demonstration of your political commitment to the public, gaining legitimacy.

Networking and learning from other participants

- Keep up-to-date with the latest developments from the European Commission, the approaches of pioneering public authorities, and available tools and guidance.
- Exchange experiences with other participants and learn how to overcome similar challenges when implementing sustainable procurement.
- Become part of the BIG-Net ("Buy it Green" – Network), with over 200 participants, to learn much more on the topic and discover new tools and resources to help you.

Access to training seminars and conferences

- Attend free of charge (or at a reduced rate) seminars, workshops and conferences where new trends and experiences on sustainable public procurement are presented.



4 How to join the Campaign

The Campaign is open to any European public authority of any size, with any level of experience in sustainable procurement to join. In order to join the Campaign, the organisation will need to:

1. Submit an application signed by the executive officer responsible for procurement or appropriate high-level decision maker. The application form is available on the attached CD-ROM, or on the Campaign website at: www.procuraplus.org
2. Commit to self-set sustainable procurement targets for at least one of the product groups covered by the Campaign (electricity, construction, food, IT products, cleaning products, buses)
3. Report progress on sustainable procurement achievements to ICLEI on an annual basis using the simple Procurement Scorecard (included in Chapter V, Section 2.1.3);
4. Send tender documents to ICLEI for all 6 Procura+ product groups, which incorporate environmental and/or social requirements, and for one tender highlight the environmental and social criteria elements
5. Contribute an annual participation fee. Typically this will amount to a few hundred Euro. For more details visit the Campaign website at: www.procuraplus.org
6. Nominate a representative to act as a contact person for the Campaign.

The full conditions of participation are included in the CD-ROM

5 Further information

For more information on the Campaign please visit the website at www.procuraplus.org, or contact ICLEI's Sustainable Procurement team via e-mail: procurement@iclei-europe.org.



Chapter III: Including Environmental Criteria in Tendering

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Green public procurement is certainly possible under the current global trade and EU procurement regimes, as long as the purchasing authorities follow the fundamental rules of free trade. This chapter concentrates on the inclusion of ENVIRONMENTAL criteria. The EU legal framework for including SOCIAL criteria is slightly less clear, although hopefully guidance will soon be provided by the European Commission on this matter.

The aim of this chapter is to illustrate the possibility of inserting environmental criteria into public tendering without contravening existing regulations. The first section looks at the basic principles to be followed when tendering. This is followed by a detailed look at how to incorporate environmental demands in the different tendering stages. The final section of this chapter looks at different information sources to help you in actually developing environmental standards/requirements to include in tenders.

Please note, ready-made purchasing criteria for six products/services, clearly outlining in which of these stages they should be used, are included in Chapter VI.



1 Basic principles when tendering

The awarding of public procurement contracts is strictly regulated by laws that aim to protect both the procurer and the contractor.

In the European Union, the legal framework for procurement in Member States (MS) is defined by the EU Public Procurement Directives from 2004^[1], for purchases above a certain amount (threshold), and National procurement law, below these amounts.

However, all MS public entities are obliged to respect the principles of the European Commission Treaty during their procurement no matter what size of contract is to be awarded or which laws govern it (National or European).

The most relevant principles of the EC Treaty for procurement are the following:

- The principle of freedom of movement of goods;
- The principle of freedom to provide services;
- The principle of non-discrimination;
- The principle of equal treatment;
- The principle of proportionality;
- The principle of transparency.

Environmental criteria can be included in tender documents without contravening national legislation, as long as these principles are followed.

2 Sections of a tender document where green criteria can be introduced

The Procurement Directives define very clearly where and how environmental criteria can be introduced in tender documents. Those sections are also defined in most MS national laws and are as follows:

1. The subject matter of the contract;
2. The technical specifications for the product/work/service;
3. The selection criteria for candidates;
4. The contract award criteria;
5. The contract performance clauses.

These stages will be described in more detail in the following sections of this chapter.

2.1. Definition of the subject matter of the contract

The subject matter of a contract is WHAT is going to be purchased by the public authority. Procurement laws define HOW to carry out public procurement but they do not define WHAT to buy (the subject matter), thus allowing freedom to authorities to choose what they wish to procure.

If environmental considerations are to be taken into account in a procurement process, the most direct way of doing so is by stating it in the subject matter. Indeed if you wish to include environmental requirements in your tendering then you need to include this in the subject matter so that the process is completely transparent.

^[1] These directives are:

Directive 2004/18/EC of the European Parliament and of the Council on the Coordination of Procedures for the Award of Public Works Contracts, Public Supply Contracts and Public Service Contracts.

The text is provided in the attached CD-ROM

Directive 2004/17/EC of the European Parliament and of the Council coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors .

The text is provided in the attached CD-ROM



The exact environmental requirements will have to be defined in the technical specifications or award criteria but introducing it in the subject-matter of the contract clearly states to potential bidders the intention of the contracting authority to buy green.

The only safeguard that needs to be taken is that the definition of the subject-matter cannot be discriminatory, i.e. goes against the EC Treaty principles.

For example:

You can state that you want to contract “*Catering services which supply organic food*”, but you cannot state “*Catering services which supply local food*” as the definition of local is discriminatory – it does not allow the free movement of goods.

You can state that you want to buy “*energy-efficient computers*”, but you cannot state that you want to buy “*Energy Star certified computers*” as you are discriminating, not giving equal treatment to all proposals because you demand a specific certification.

Examples of correct green contracts:

- *Contract for the supply of recycled paper for writing, printing and copying purposes;*
- *Contract for the design and construction of an energy-efficient building;*
- *Contract for environmental cleaning services including selective waste collection.*

Note:

If you really want to buy more sustainable products, services or works, you should include the environmental demands here, as these criteria are compulsory. If you leave it for the award phase, you cannot guarantee that the more environmentally friendly product/service will be selected (see section 2.4).

2.2 Drawing up technical specifications

Once the subject matter of the contract is defined, the contracting authorities must translate this into measurable technical specifications that the product/service must fulfil. These requirements are compulsory, therefore if an offer does not comply with them it will be automatically rejected.

Technical specifications can be defined in terms of:

a) Environmental technical standards and ecolabel criteria

This is the most common approach. You can use several European or national technical standards or specifications such as the ones developed by the CEN (European Committee for Standardisation). It must be noted that in this case each reference shall be accompanied by the words ‘or equivalent’, as the procurer cannot reject a tenderer who can prove that their product or service meets the standards mentioned in an equivalent manner.

However you can also use other criteria that are more ambitious than the ones defined in the standards, provided that they are not discriminatory.



As technical specifications you can use the environmental criteria used by ecolabels. However you cannot demand that the product possesses a certain ecolabel (this is considered discriminatory) – only that it complies with the criteria. Ecolabels can also be used to prove compliance but you must always allow other means of demonstration. More information on ecolabels can be found in Section 3.1 below.

For example:

You cannot demand “*certified Blue Angel paper*” – this is discriminatory.

However you can include in your tender documents the criteria used by that ecolabel, e.g.:

The paper must:

- *Contain at least 80% of post-consumer waste recycled paper;*
- *Be totally chlorine free (TCF);*
- *Durability > 100 years, according to ISO 9706, DIN 6738 or equivalent;*
- *Compatibility with machinery: meeting DIN 19309, AFNOR Q11-013 or equivalent.*

Products carrying the Blue Angel label will be deemed to comply, as will other acceptable means of proof.

b) Performance or functional requirements

In this approach, technical specifications do not need to be expressed in too much detail, as you will be giving more scope for market creativity. However, you have to be more careful as the options available can vary considerably and you should make sure that the specifications are clear enough to allow you a proper and justifiable evaluation. An example of such a specification could be the following:

“Indoor air conditions in a building: inside temperature between 18-22°C during winter and 26-28°C during summer and a relative humidity of 50%”.

In this case, the bidder may choose any method for achieving the requirement without having to follow very specific technical specification for the heating/cooling systems that will be used.

c) Production and process methods

When purchasing products contracting authorities can also set criteria based on specific materials that should or should not be included in them, as well as the process and production method of the products.

For example, you can demand that:

- Paper is produced without the use of chlorine (TCF);
- Food is organically produced (without the use of chemical pesticides and fertilisers) in compliance with EEC Regulation 2092/91 of 24 June 1991 and 1804/99/EC.;
- Electricity is generated from renewable sources.



d) Use of variants

When the award criterion used is the most economically advantageous offer (see Section 2.4 below), contracting authorities can ask tenderers to submit “variants”. These allow the comparison of products meeting different sets of technical specifications, using the same evaluation criteria.

This is a very useful tool, especially if the contracting authorities are not sure whether the services/works/products they want to purchase are available on the market or if they are not sure about their quality or price. The use of variants must be indicated in the published tender.

The contracting authorities can use variants by:

1. Setting the minimum (non-environmental) requirements of the product/service to be bought. This represents Variant 1 - the “neutral” offer;
2. Setting additional environmental specifications (as well as the minimum requirements from Variant 1) for the product/service to be bought in. This represents Variant 2 - the “green” offer.

Only offers that fulfil at least the minimum requirement are taken into consideration. When the bids are opened, the contracting authorities can compare between conventional solutions and environmentally friendly options based on the same set of award criteria.

2.3 Selection criteria for the candidates

When evaluating the different bids submitted following a call for tender, the first stage is to analyse whether the bidders have the capacity and ability to perform the contract they are tendering for. If this is not the case, the offer will be rejected and no further analysis will be carried out.

The selection criteria that a public authority can specify in tenders are threefold: exclusion criteria, technical capacity criteria and financial capacity criteria. However, only in the first two is there room for the inclusion of environmental aspects:

a) Exclusion criteria

In the Directives as well as in most MS procurement laws you can find a list of the exclusion criteria that you can use in your tenders. These can be, for example, if the company is bankrupt or has been wound up, has been found guilty of corruption or of fraud or has not paid taxes or social security contributions.

Companies can also be excluded for environmental reasons. For example, if the company has been condemned for environmental crimes, as long as this is considered by the national law as a reason for incapacity or prohibition to contract with public entities due to grave professional misconduct.

b) Technical capacity criteria

The technical selection criteria focus on the ability of the tenderer to perform the contract. These usually include proof of the experience of the tenderer, a list of relevant projects implemented, a description of technical facilities, etc. An exhaustive list of such criteria is available in the EU Directives, as well as in national laws, and they must always be linked to the subject matter or the execution of the contract at stake.



As far as environmental selection criteria are concerned, these can only be used if specific environmental experience is needed to fulfil the contract. This can only apply to certain service and works contracts, which are felt to have a relatively high potential environmental impact during their delivery – which contracts this applies to must be judged by the tendering authority itself.

For all these criteria, tenderers must submit the relevant proof. This could be a list of similar environmental services carried out by the company.

For example:

If you want to contract the “*design and construction of a bio-climatic building*”, you can evaluate the technical capacity of the bidders by requiring them to provide a list of previous buildings they have constructed using bio-climatic principles.

It is also possible to demand that certain environmental management systems (EMS) are in place – but only if this is relevant for carrying out the contract. As long as the specific management measures required are also covered by a bidder’s own EMS (such as EMAS or ISO 14001) this can be used as a simple form of proof. Other forms of proof that these management measures are in place must also be accepted.

For example:

The “*construction of a bridge in a protected area*” will require the establishment of a series of specific management measures aimed at ensuring the effective protection of fauna and flora in the area whilst building the bridge, e.g. control of noise levels, waste collection, etc. In this case, the possession of an EMS for construction sites (but not for other sites such as a factory) can be used as a means of proof that the bidder has the technical capacity to perform the contract accordingly.





2.4. Awarding the contract

The last stage of the procurement procedure is the contract award. In this stage, the contracting authorities evaluate the quality of the offers that complied with the technical specifications in order to choose the most appropriate one.

There are 2 ways of awarding a contract, based on:

- a) Lowest price;
- b) Most economically advantageous offer.

In the first case, the final decision is based solely upon the price of the bids. Therefore, if no environmental criteria have been defined in previous stages, you will not have the opportunity to include them in this stage. If you choose this option, you should make sure environmental criteria are introduced in the technical specifications.

If the principle of the “most economically advantageous offer” is applied, other award criteria can be taken into account, along with the price. These criteria may concern quality, delivery date, technical merit or environmental characteristics for example. In this case, it is very important that environmental award criteria are:

- related to the subject-matter,
- objectively quantifiable,
- weighted in relation to the other award criteria (arranging them in decreasing order) and,
- clearly defined in the tender documents in order to guarantee transparency.

Using the award phase to introduce environmental criteria can be a good idea if you are unsure about the availability or cost of the more environmentally friendly product/service. Introducing environmental award criteria basically says that you prefer “greener” products; however if they are much more expensive they will not be selected. The “weight” you give to the environmental criteria in the evaluation will determine how much extra you are willing to pay.

It is possible to include environmental award criteria even if you have also included environmental minimum standards in the specifications – this provides an opportunity to reward even better performance.

For example, if you are contracting a computer leasing service, you could specify in the technical specifications a certain energy consumption level. In the award criteria you might want to give preference to equipment that consumes even less energy. Therefore you could set up the award criteria as follows:

- for the economic offer: up to 80 points;
- for energy consumption even lower than that defined in the technical specifications: up to 20 points^[2].

When considering the economic offer itself, this does not need to be restricted to just the price – it is better to consider the “life-cycle costs” of the product/service you are contracting. This includes not just the purchase price but also the usage costs (such as electricity or water consumption), maintenance costs, and final disposal costs. More information on this approach is included in Chapter IV of this Manual.

Note:

The difference between technical specifications and award criteria lies on the fact that the former set the minimum requirements that the product/service MUST fulfil. The award criteria allow the tendering authority to indicate what they would PREFER, but not at any price.

^[2] You should also present a clear model for how points are allocated, e.g. on a sliding scale with 20 points awarded to the best offer and 0 to the worst offer.



2.5. Defining contract performance clauses

Finally, public authorities can also introduce environmental criteria in the contract performance clauses – i.e. the rules for how a contract must be carried out. These clauses do not have any influence on the awarding of the contract, however they need to be set out explicitly in the call for tender and clearly related to the performance of the contract.

The contract performance clauses can only relate to the manner in which the contract is carried out. This means that they cannot be “disguised” technical specifications, award criteria or selection criteria and all potential bidders should in principle be capable of complying with them. No means of proof can be requested during the tendering phase.

The contractor is obliged to follow these conditions when carrying out the work or supplying the contracts. If they fail to do so, the contracting authority can either set a financial penalty or even seek the cancellation of the contract.

Some examples of contract performance clauses are:

- Products shall be delivered in bulk instead as individual units;
- The contractor must use reusable containers when delivering products;
- The contractor must collect the packaging materials and used products that they supply for recycling or reuse;
- All products must indicate the dosage that should be used in order to avoid overuse;
- The services will have to be carried out in compliance with the procedures and criteria fixed in the organisation’s EMS.

2.6. Conclusions

In summary, it is possible to introduce environmental criteria in tender documents provided the following basic principles are taken into consideration:

- All environmental criteria are explicitly mentioned in the tender document;
- The wording of the criteria respect the general principles of transparency, non-discrimination and equal treatment;
- The criteria relate to the subject-matter of the contract;
- Criteria have to be objectively quantifiable;
- Any form of appropriate proof of compliance is accepted.



3 Developing environmental specifications

The sections above indicate where you can include environmental demands in public tendering, but one of the most challenging aspects of sustainable procurement is knowing what these demands should be. Most procurers are not environmental experts, and many environmental officers have generally little direct experience with sustainable procurement.

A “green” product/service is one which has a better environmental performance throughout its life-cycle^[3] that delivers the same or better function, quality and end-user satisfaction compared to a standard product. To help set appropriate environmental standards the most useful resources are ecolabels and the increasing number of national guidelines available on the topic.

3.1. Eco-labels:

An ever increasing number of eco-labels now exist on the market to help indicate products which achieve a certain environmental quality standard. Products must meet a set of requirements before they are allowed to display the label.

There are dozens of voluntary eco-labelling schemes worldwide, run by governments, private entities and non-governmental organisations. The majority of eco-labels use multi-dimensional criteria based upon LCAs, however some eco-labels are based on one environmental impact (e.g. Energy Star, an eco-labelling scheme for energy efficiency).

As noted above, eco-labels can be very useful for public procurers. A procurer can use the same environmental requirements as those used by the eco-label. Products carrying the eco-label can then also be assumed to comply with the criteria, saving a potentially long verification process, though other forms of proof must always be allowed (see Section 2.2 above).

„For many products, eco-labels, such as the German Blue Angel have provided us with the necessary criteria to identify greener products. This is easy to apply and relieves you of the burden to think about all aspects of a product yourself. I wish more labelled products were available on the market“

Roland Schütze, Chief Purchaser,
City of Stuttgart, Germany

^[3] *Life-cycle Assessment (LCA)* is a tool developed to implement this approach. According to the definition of the European Commission, LCA is “a method for assessing the environmental aspects and potential impacts associated with a product, by compiling an inventory of relevant inputs and outputs of the defined system, evaluating the potential environmental impacts associated with these inputs and outputs, and interpreting the results” (European Commission (2001). Green Paper on Integrated Product Policy COM(2001)68).

This method allows the identification of the most important environmental impacts of a product, quantifies the environmental benefits that can be achieved by improved product design, and compares the environmental acceptability of competing products or processes.



However, if you wish to use eco-label criteria in tendering it is vital to ensure that the labelling body is credible and independent. In some cases, producers may themselves claim their products are green in order to achieve a, perhaps unjustified, competitive advantage. To distinguish an acceptable eco-labelling scheme from the misleading claims, the International Standards Organisation has provided a set of criteria for determining an acceptable eco-labelling scheme – ISO 14024^[4]. These key criteria include:

- the reliability of information (i.e. are there adequate procedures in place for validation and compliance monitoring?);
- the transparency of the administrative procedures of the scheme;
- the existence of a formal process of consultation with stakeholders.

According to ISO classification, there are three types of eco-labelling schemes, outlined below. A number of third party schemes found in Europe are listed in Box 1.

Type I labels

This group is perhaps the most useful for public procurers. These label products based on life-cycle environmental impact, the criteria are set by an independent body and monitored through a certification or auditing process. Transparency and credibility is ensured by the third-party certification. Most of the existing official national and multi-national eco-label schemes in Europe belong to this category.

Type II labels

Informative environmental self-declaration claims. These are environmental claims made about goods by their manufacturers, importers or distributors. They are not independently verified, do not use pre-determined and accepted criteria for reference, and are arguably the least informative of the three types of environmental labels.

Type III labels

These labels don't make any judgement on the environmental quality of the product, but simply inform the consumer of its environmental impacts. A "score" is given for the product for certain environmental impacts, based on LCA methods. This environmental score is compiled by a third party certification agency based on a number of performance indicators (EPI), e.g., energy use, air emissions, water emissions, etc. This provides a purchaser with an opportunity to compare the scores of different products and purchase those with the best score, but doesn't provide any guidance on what good performance is.^[5]

^[4] International Standard Organization, ISO 14024: Environmental Labels & Declarations - Type 1 environmental labelling - Guiding principles and procedures that cover ecological trademarks and ecologos.

^[5] Information on EPDs, together with a searchable database of EPDs and product-specific requirements, is available at the website of the Global Type III Environmental Product Declarations Network (GEDNet): www.environdec.com/gednet.



Type I Eco-Labels

- The EU “Flower” – the EU Eco-Label Scheme: www.eco-label.com
- The Nordic Swan, Scandinavia – www.svanen.nu
- The Blue Angel (Blauer Engel), Germany – www.blauer-engel.de
- Umweltzeichen, Austria – www.umweltzeichen.at
- NF Environment, France – www.marque-nf.com
- Milieukeur, the Netherlands – www.milieukeur.nl
- AENOR, Spain – www.aenor.es
- Energy Star:
labelling energy efficient office equipment – www.eu-energystar.org
- A list of further eco-labelling schemes can also be obtained at the web site of the Global Eco-labelling Network (GEN) www.gen.gr.jp/product.html

Box 1:
Eco-label schemes
in Europe

3.2. Guidelines

A number of national governments and NGOs assist purchasers in implementing sustainable procurement by providing guidance on setting environmental requirements in tendering together with other practical advice on green or sustainable procurement.

In addition, some governments and non-governmental organisations maintain databases of green products that contain environmental criteria and links to possible suppliers. Most of this information is freely available and accessible online (see Box 2).

European Commission: The EC has extensive guidance on the implementation of green public procurement (GPP): ec.europa.eu/environment/gpp

Austria: Procurement Service Austria has developed extensive guidelines for several product groups at www.oekoeinkauf.at

Denmark: Green procurement guidelines and more relevant information are available on Greenet (www.ski.dk/greenprocurement), sponsored by the Danish Environmental Protection Agency

Finland: Hymonet (www.hymonet.com) is an internet-based decision support system for environmentally friendly procurement

France: Website on responsible purchasing for public administration. www.ecoresponsabilite.environnement.gouv.fr
Platform for public procurement and sustainable development. www.achatsresponsables.com

Germany: German website containing product specifications: www.beschaffung-info.de



Japan: The Green Purchasing Network (GPN) maintains guidelines on sustainable procurement, including product criteria and a database of suppliers:
www.gpn.jp

Netherlands: Dutch website on GPP:
www.senternovem.nl/duurzaaminkopen/English/Index.asp

Norway: The GRIP Foundation for Sustainable Production and Consumption's guidelines on eco-efficient purchasing:
www.grip.no/Innkjop/English/Hoved.htm

Sweden: The Swedish instrument for Ecologically Sustainable Procurement:
www.eku.nu/eng

The United Kingdom: UK Task Force on sustainable procurement, and sustainable procurement strategy: www.sustainable-development.gov.uk/government/task-forces/procurement/index.htm.
 UK Office for Government Commerce, sustainability policy and buying support:
www.ogc.gov.uk/index.asp?id=1004338

The USA: The US Environmental Protection Agency (EPA) Database of Environmentally Preferable Products:
www.epa.gov/oppt/epp/pubs/about/about.htm

IGPN: The International Green Purchasing Network is an organisation which promotes Green Purchasing around the globe: www.igpn.org

EUROCITIES: Guidelines and best practice on Cities as Responsible Purchasers:
www.eurocities.org/carpe-net

UNEP: Website containing background information and a products database
www.uneptie.org/pc/sustain/design/green-proc.htm

Box 2:
 Online guidance and tools on sustainable procurement



Chapter IV: The Cost of Sustainable Procurement

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1 Introduction

Is sustainable procurement expensive? The most common misconception about sustainable (or green) procurement is that the price of more sustainable products and services is too high and the benefits do not justify the time and effort it requires.

Whilst in many cases the price may currently be a little higher, this is certainly not true in all cases, especially if all costs related to the product or service throughout its lifetime (purchase price, usage, maintenance and disposal costs) are considered, not just the purchase price – **Life-cycle costing**. In many cases substantial savings are actually possible. This is before even considering the wider costs to society related to environmental degradation and social problems.

Furthermore, a number of other approaches/strategies can be employed to achieve further savings:

- **Minimising the need to purchase** – avoiding the need to purchase is the most direct way to cut procurement costs and achieve environmental savings
- **Joint procurement** – Combining the procurement actions of several public authorities can help to achieve significant savings through increasing your

buying power, and at the same time is a useful way to introduce sustainable procurement into a cautious organisation

- **Price ceilings** – If you are concerned about possible cost increases use environmental or social aspects as an award/evaluation criteria rather than a specification (minimum standard). If weighted appropriately this will ensure that prices cannot rise significantly

Each of these is explored in more detail below.

Finally it is important not to consider each product in isolation. If the costs of some goods increase this will often be balanced by savings made with other products. The City of Kolding in Denmark, which has “greened” virtually 100% of its tenders has found that overall this strategy has been cost-neutral.

2 Looking beyond the price: Life-cycle costs of products

The most commonly used argument against sustainable procurement is that green products cost more. However, upon closer inspection, this generalisation does not hold true. In many cases the greener alternative is even available at the same purchase price as standard products, or at a marginally higher price. Energy efficient IT products, for example are generally no more expensive to buy than the less efficient alternatives, even ignoring the reduced costs during use. The same generally applies to greener cleaning products.

It is often the case, though, that the green product costs slightly more than the standard alternative, as the price will often include a premium for new technologies and design, and for many products economies of scale have so far not been achieved. Yet the real cost of a product for the buyer is much more than simply the purchase price paid by a procurer. In order to decide which alternative is the cheapest, the costs throughout the product’s *life-cycle* must be considered i.e. the costs of purchasing, operating and maintaining, and disposing of the product.

When examining the case for sustainable procurement, as soon as the “hidden” life-cycle costs are taken into account, the economic advantages of purchasing green products become obvious. As Figure 1 demonstrates, despite the higher up-front costs (*price* in the diagram), for many green products the reduced operating and disposal costs (*use* and *waste*) mean that they offer a significant return on investment. For example, a more energy-efficient building may cost more to construct, however, due to the lower operating costs (e.g. heating bills) it would have a shorter pay-back period and a higher return on investment. In the case of energy efficient products, a “high” purchasing price is often more than compensated by even higher long-term savings. For example, the price of compact fluorescent lamps (CFLs) is about € 10 each. These lamps are more expensive than conventional incandescent bulbs, but they last 10 times longer and use only a quarter of the electricity incandescent bulbs use. Therefore they offer savings of more than € 40 in utility bills during their useful life^[1].

Note:
An Excel tool (LCCA Tool) for public authorities to use to calculate life-cycle costs is included in the attached CD-ROM (also available at www.procuraplus.org) together with an accompanying explanation guide. This tool was developed within the EU-funded DEEP project

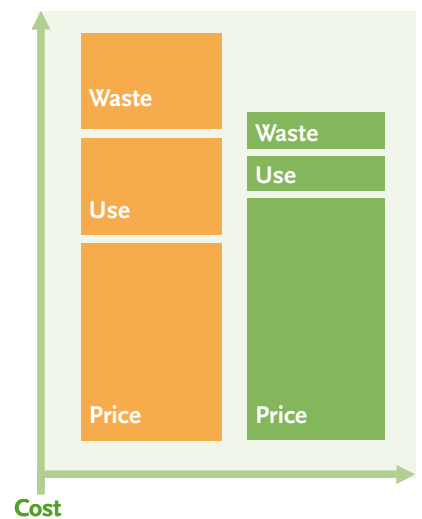


Figure 1: Influence of use and disposal costs on overall cost

[1] Worldwatch Institute (2002). *Vital Signs 2002 Highlights*.

Many public and private organisations worldwide recognise the economic advantages of considering the life-cycle costs of products. Two good examples are given in Box 1 below.

Box 1:
Savings through
Life-cycle costing
approaches

Hamburg, Germany

When the environmental authorities in Hamburg, Germany, substituted two old inefficient lamps with one energy-efficient lamp in 300 public buildings, they reduced the annual electricity consumption by approx. 4.5 million kWh (an equivalent of approx. 2,700 t of CO₂ emissions). Assuming a price of 5 cents per kWh, this equates to a saving of € 225,000 on Hamburg's electricity bill^[2].

Kolding, Denmark

In the City of Kolding, a new school building was designed to help the community save more than 50% in electricity and maintenance costs simply by installing a passive ventilation system

3 Keeping track of the “real” costs: The Procurement Scorecard

However, in the majority of public administrations in Europe, the accounting systems used make it difficult to track the real costs of procurement, and can often even work against the more widespread implementation of this approach.

The accounting systems of public administrations are complex, determined by national budget law. Sometimes this is complemented by economic analysis tools adapted from business economics. At the end of the day, they all have one characteristic in common: they do not report procurement costs accurately.

- Firstly, procurement costs are split all across the budget, because public financial officers are naturally more interested in knowing which department spends the money than what exactly the money is spent on.
- Secondly, public budgets do not go into sufficient detail and therefore it is difficult to distinguish between spending on different product groups (sometimes with the exception of products like “fuel” or “electricity”).
- Thirdly, public budgets do not provide data on the amount of products purchased – of course it makes a big difference, whether a budget of € 50,000 is needed for 50 or 100 computers.

This lack of properly structured data makes it difficult to track the real costs of procurement, and leads to a situation in which procurers are encouraged to buy the cheapest product without considering the life-cycle costs, as purchase price is what is most closely monitored.

Although this Manual (and the Procura+ Campaign) cannot remove these deficiencies in accounting systems, the Procurement Scorecard (introduced in Chapter V, Section 2.1.3 of this Manual) has been developed as a simple but effective tool for allowing the costs of specific products to be monitored.

^[2] City of Hamburg Status Report, the RELIEF project: www.iclei-europe.org/index.php?id=1854

4 Minimising the need to purchase

Avoiding the need to purchase is the most direct and certain way to cut procurement costs. In concrete terms, this means that both the end-users of the product and the procurers have to review their product requirements and identify potential opportunities for increasing the efficiency of use. For example the City of Zürich, Switzerland, reports that “High Capacity Rebuild” toner cartridges saved 30% in purchasing costs, because they contain 30% more toner than the original cartridges and therefore last longer.^[3] Some examples of this approach are outlined in Box 2.

- **Avoiding the need for the product in the first place:**

Using e-mail instead of traditional paper memos, for example, can eliminate the use of large amounts of paper while saving on purchasing, filing, storage, and disposal costs.

- **Cutting down on the materials required for a task:**

Packaging for product transportation for example, reduces the need to recycle or dispose of these materials when they are no longer needed.

- **Buying products and equipment that are durable, repairable, and upgradeable:**

Because these products need to be replaced less frequently, they reduce both waste and the amount of energy and materials needed to manufacture new products, while lowering purchasing costs.

- **Improving storage, inventories and stock management:**

Can help to reduce the costs of spoilage through obsolescence, and minimise administrative, transportation and distribution costs.

- **Buying products in bulk and in concentrated form (whenever possible):**

Minimises the shipping and packaging waste associated with delivery, and defers the need to buy new products.

- **Utilising Product Service Systems:**

This means using a service, rather than a physical object to meet the end users’ needs. For example, cleaning contracts, leasing office furniture, a piece of equipment or vehicles. This can eliminate the need to buy, maintain, and ultimately dispose of material while minimising environmental impacts.

- **Postponing the replacement of products (for as long as possible):**

Organisations that use products as long as they function obtain maximum value from their purchases.

- **Training employees on more efficient use of the equipment:**

For example, training on energy-efficient features of the office equipment helps reduce electricity costs.

- **Ensuring that maximum value is extracted from products at the end of their useful life. :**

More and more alternatives to landfill are becoming available, from textile manufacturers that offer recycling programs for used carpet to re-manufacturers that clean and resell unneeded computers, reuse the parts in other machines, or recycle the components as scrap.

Box 2:
Minimising the need
for procurement ^[4]

[3] FIP (2001). RELIEF Status Report: Environmentally Favourable Procurement in the City of Zürich, Switzerland (www.iclei-europe.org/index.php?id=1854)

[4] Adapted from: INFORM Inc (1999). Waste at Work: Prevention Strategies for the Bottom Line: www.informinc.org/wasteatworkfront.pdf

Practice has proven that such actions go hand in hand with significant cost savings, as can be shown by the activities of numerous municipalities worldwide. For example, the paper waste prevention programme in the City of Zürich resulted in annual savings of approximately € 65,000 in storage and disposal costs in the first year of operation, and approximately € 125,000 in the subsequent years.^[5] Another successful example is that of Wiener Neustadt in Austria, which achieved a reduction of more than 30% in cleaning costs (see Box 3).

Box 3:
Minimising the need
for procurement:
The case study of Wiener
Neustadt, Austria ^[6]

In 1996, the City of Wiener Neustadt, Austria, launched an initiative aimed at reducing the ecological risks associated with conventional cleaning. This approach involved changes in both the procurement of cleaning products – by centralising procurement and incorporating environmental criteria in the calls for tenders – and in their use. A number of specific measures were taken, including:

- **Analysing the cleaning situation:** A local cleaning company was asked to assess the current cleaning situation, which included examining the size of the area to be cleaned, the load and degree of dirt, existing cleaning equipment and cleaning chemicals, the type of cleaning, etc. This evaluation was then used as the basis for new tenders.
- **Identifying and implementing specific actions:** The approaches taken included reducing the size of the area to be cleaned, using alternative (e.g. mechanical) cleaning methods, and introducing an accurate dosage system.
- **Training employees:** Employees were schooled in the environmentally responsible use of cleaning products. Training topics included environmental criteria in purchasing; alternative cleaning methods; targeted dosage instructions; and information on the ecological and health risks of the products. Prior to the course detergents, for example, were used in a wasteful way, based on the false premise that “more detergent cleans more”.
- **Monitoring the results of the program:** Results include checking the consumption and choice of cleaning products and equipment by the central procurement office, and the monitoring of the area to be cleaned and of material requirements by a local cleaning company (at no cost).

Results and effects: The environmental impacts of cleaning were significantly reduced by curtailing the use of cleaning products by 20-30%. Motivated and informed personnel continue to contribute to environmental protection.

On the financial side, *the measures taken resulted in a saving of more than 30% in annual costs* for cleaning services.

^[5] ICLEI (2002). Local Sustainability: European Good Practice Information Service, online: www3.iclei.org/egpis/egpc-156.html

^[6] ICLEI (2002). Local Sustainability: European Good Practice Information Service, online: www3.iclei.org/egpis/egpc-159.html

5 Joint procurement

Within the public sector, many authorities purchase similar goods and services. There are many benefits to be had by combining your procurement actions with other public authorities - “**Joint procurement**” (JP):

- **Financial** – Combining purchasing activities obviously increases the quantities being purchased, and thus the buying power of the authorities involved. This will likely lead to more attractive offers from suppliers in response to tenders. For many small public authorities these advantages can be quite significant.
- **Administrative costs** – The total administrative work for the group of authorities involved in preparing and carrying out one rather than several tenders can be substantially reduced. How much it is reduced will depend on the type of JP arrangement used.
- **Skills and expertise** – Joining the procurement actions of several authorities also enables the pooling of different skills and expertise between the authorities. Procurement (and other) skills are scarce and not every public authority can develop high quality skills across the full range of local authority functions^[7]. Smaller authorities in particular can benefit from the capacities of staff in larger authorities. This is particularly useful when procuring innovative products and services. Investigating new products/services can be time-consuming. However, if skills from different authorities are combined, the workload can be shared.

Kallithea, Greece

In 2005 the municipality of Kallithea Rhodes participated in a joint procurement action and as a result is buying recycled paper at a cheaper price than they were previously paying for non-recycled paper (€ 2.34 instead of € 2.4), achieving both economic and environmental savings.

Vorarlberg, Austria

In 2001 the “ÖkoBeshaffungsService Vorarlberg” (Eco-procurement Service) was established with the primary aim of accessing the economic and environmental benefits of joint purchasing for municipalities in the Vorarlberg region. Reports from 2005 show that substantial savings were achieved both on the prices paid for products (5%-10% lower) and administrative costs (20%-60% lower) – total savings reached € 286,507, without considering the savings on telephone and process costs.

These arguments, of course, apply to any form of public procurement not just **sustainable procurement**. However, JP also represents a very effective way of encouraging the market for more environmentally sound products and services and helping to reduce the costs of introducing sustainable procurement in a specific authority in a number of specific ways:

- **Entry-door for introducing sustainable procurement** – In authorities where there is little knowledge of, or support for sustainable procurement, persuading other internal departments to participate in an environmentally focussed JP action on the basis of cost may be an effective approach for getting sustainable procurement more generally on the agenda.

Note:

A tool giving advice on how local authorities can set up and organise joint procurement actions is included in the attached CD-ROM (also available at www.procuraplus.org). This was developed within the EU-funded LEAP project.

Box 4: Benefits of joint procurement

[7] Taken from Local Authority Procurement: A research report, commissioned by the UK Office of the Deputy Prime Minister, available at: <http://www.odpm.gov.uk/index.asp?id=1136756>

- **Launching customers for environmentally innovative solutions** – Through bulk purchasing, local authorities can provide the necessary demand to launch new, more environmentally sound products and services on to the market.
- **Reducing the price of environmentally sound products and services** – The greater the demand for products and services, the more prices will come down. This is especially the case for those not yet well-established on the market.
- **Introducing new products into national markets** – Both the availability and price of environmentally sound products varies considerably in different European countries. Tendering for large quantities can encourage suppliers to introduce new brands available in other countries and alter pricing strategies. The use of environmental specifications which have been successfully applied in other countries is a very effective way of trying to develop the market for such products.
- **Standardising environmental demands** – The more standardised environmental demands are, the easier suppliers find it to respond. JP can help to promote greater standardisation.
- **Pooling environmental expertise** – As with procurement in general, environmental skills and knowledge vary considerably between public authorities. JP can help to pool this expertise.
- **Encourage suppliers to develop new products** or invest in new technologies, which are less environmentally harmful, stimulating the market. This is particularly the case when a large demand volume with a long-term contract is guaranteed, something that an individual authority is less likely to do.



6 Keeping purchase prices competitive: Price ceilings

When an estimation of life-cycle costs is not possible for a specific product and/or the green alternatives are more expensive, award criteria can be used to limit the *price increase* to a maximum value – a price ceiling. This tool, which is sometimes also referred to as *price preference*, indicates the percentage (e.g. 5%) that a public authority is willing to pay extra for an environmentally superior product, based on clearly defined and transparent criteria

If a public authority includes sustainable procurement criteria in the award phase of a tender, it can define how much importance should be attached to these criteria. For example, a call for tender could be designed to allow a maximum of 100 points for a bid in the award phase. Of these 100 points, a maximum of 5 points could be allocated for fulfilling environmental criteria, the other 95 for price. Assuming that an increase in price of 5% above the cheapest offer leads to a 5 point deduction in the price category, all those products which have been allocated 5 points for environmental performance but have more than 5% extra cost compared to an equivalent alternative will not be awarded the contract^[8]. The public authority will not spend more than 5% extra. Figure 2 demonstrates this calculation.

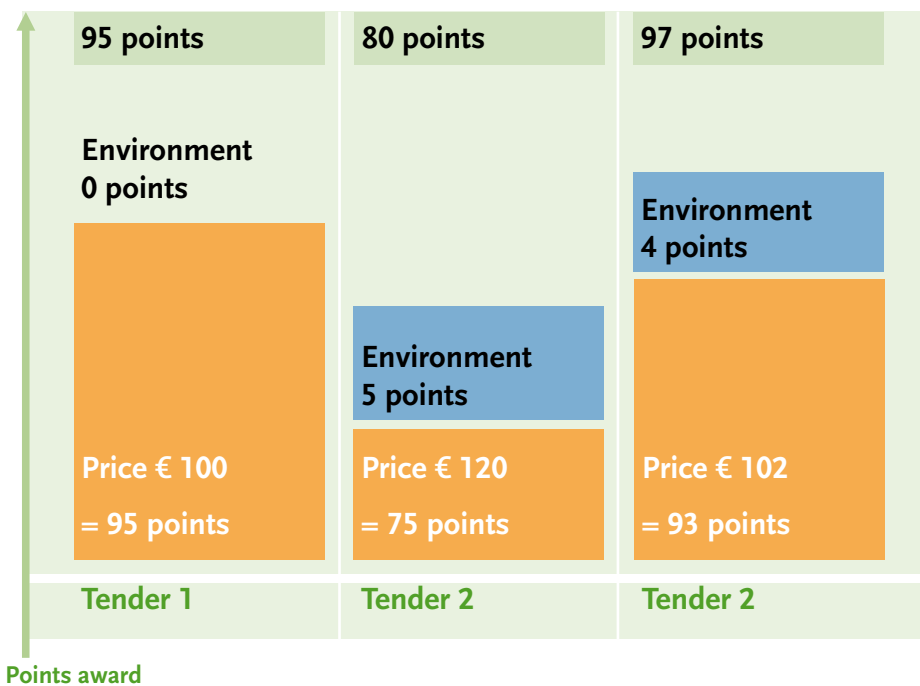


Figure 2: Using a price ceiling in the award phase of a tender

^[8] Of course, a public authority may award points for other aspects such as quality, design, delivery time etc, however, as long as a 5% increase in price above the cheapest offer leads to a reduction of 5 points in the price category, the price ceiling will still work.



Chapter V: The Procura⁺ Milestones

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This chapter presents two management approaches for implementing sustainable procurement in your organisation:

- **Procura⁺ Milestones process** – offering a simple, flexible, yet comprehensive management system for implementing sustainable procurement in a public authority – Sections 1 - 3
- **Procura⁺ Quick Start** – a simplified approach allowing authorities to begin with sustainable procurement right away, without the need to set up a full management system – Section 4

Many authorities will already have an appropriate management system in place for implementation. The Milestones process presented below may still provide some ideas for adaptation.

1 The Procura+ Milestone process - introduction

The Milestones process has been designed together with a group of leading public authorities to ensure its practicality and effectiveness^[1], and is based upon the typical management cycle of “Plan, Do, Check, Act”. Following the simple steps presented here will ensure a continuous improvement in environmental, social and economic performance based upon formulating and implementing an Action Plan for sustainable procurement, monitoring its implementation, reviewing progress and the making of necessary changes. The following figure provides an overview of the steps to be taken:



Figure 1:
Overview of the
Procura+ Milestone
Process

1.1. A flexible framework

The Procura+ Milestone process outlined above is designed with flexibility in mind - applicable for any public authority no matter its size or structure. Each step can be applied as concisely or comprehensively as required. For example:

- You may consider whether to apply the system for the whole authority or for just one department. Starting with just one or two departments may be more appropriate if the authority is big, is new to sustainable procurement, and wishes to pilot the activities first.

[1] www.iclei-europe.org/relief

- Consider how many product and service groups you wish to cover. Again, authorities just starting out will likely want to start with just one or two. Pilot activities are of course very helpful in demonstrating the practicality and benefits of sustainable procurement. For authorities further advanced, the Milestones process may be applied to all the procurement activities of the whole organisation.

The Milestone process also allows for different political approaches to implementation – see section below. A ‘Quick Start’ approach is also presented at the end of this chapter (Section 4) for those who wish to start right away without a full management frame work. There is of course no barrier to starting implementation immediately; however sustained and systematic implementation will eventually require a management system such as the Procura+ Milestones.

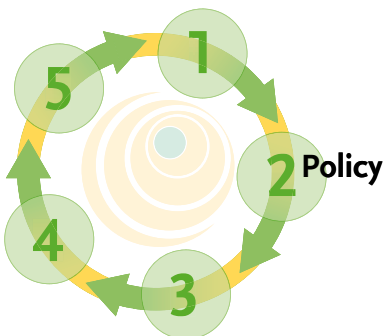
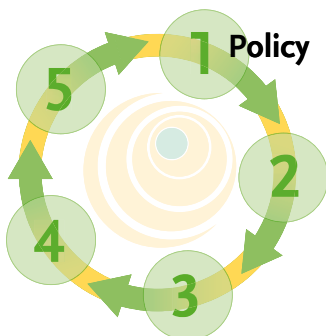
1.2. Political support

Having the necessary political support for the implementation of sustainable procurement is critical to success. Experiences across Europe demonstrate very clearly that without political backing it can be difficult for those committed to implementation to get effective co-operation from other colleagues.

The existence of a written sustainable purchasing policy, provides a useful basis on which to build a coherent, well co-ordinated approach. Elected officials should be responsible for maintaining political commitment to sustainable procurement. Without such a policy, efforts tend to be rather piecemeal and based on the personal efforts of certain staff members. Furthermore, encouraging those with purchasing responsibilities to include environmental and social considerations in their procedures without clear policy statements can be harder.

Political backing through policies can take different forms. How you use the Milestone process will depend on your own situation:

- **General commitment to implementing sustainable procurement**
 - for example a statement within a Procurement Policy committing the authority to consider environmental and social issues in procurement. In this case, the Milestone Process can be seen as the full implementation cycle for this policy. The policy comes before Milestone 1 – as indicated in the diagram on the left
- **Comprehensive sustainable procurement policy**
 - we would advise the preparation of a more comprehensive approach containing clear targets (further information on developing such a policy can be found on the attached CD ROM, or at www.procuraplus.org). If this is the approach selected, Milestone 1 should act as the preparatory step for the development of the policy, with the concrete target setting and policy itself carried out in Milestone 2 – as indicated on the left



Procura+ participants are required to make a political commitment to sustainable procurement within 2 years of joining the Campaign.

1.3. Allocating responsibility

A management system does not run itself. Before the Milestone process can be implemented it is of course necessary to allocate responsibility.

Again, the number of people involved will depend on the scope of activities to be covered and the resources available within the authority. At the most basic level, one “champion” will take full responsibility for co-ordinating the five steps – of course they will need to feel confident of receiving the support of their colleagues in doing so.

If the number of activities is large and a more comprehensive system is to be put in place, it will be more effective to set up a Working Group under a co-ordinator, involving representatives from different departments relevant to implementation, e.g. purchasing, environmental, financial, communications officers. This will contribute to developing and implementing a SP Action Plan. The size and composition of the group will depend on the size and structure of the public authority.

Procura+ participants need to designate a liaison, responsible for communicating with ICLEI.

2 The Procura+ Milestones

2.1. Milestone One: Preparation

| | |
|-------------|--|
| Purpose | <ul style="list-style-type: none"> • Survey current procurement practices through carrying out a Baseline Inventory • Define the scope of the activities: <ul style="list-style-type: none"> • Should it cover the whole authority? Or just certain departments? • Which product/service groups to focus on |
| Deliverable | <ul style="list-style-type: none"> • Baseline Inventory, including Procurement Scorecard. • Defined scope for the activity |



Before implementation a few preparatory steps need to be taken.

One is to survey the current situation (Baseline Inventory) – this will provide a baseline against which to measure progress, and help to identify actions which need to be taken.

Another is to clearly define which parts of the organisation the activities will cover (the whole organisation, or just certain departments), and which product/service groups will be addressed.

2.1.1. Implementation approaches

There are different models for which activity should come first in Milestone One, as represented in the graphic below:

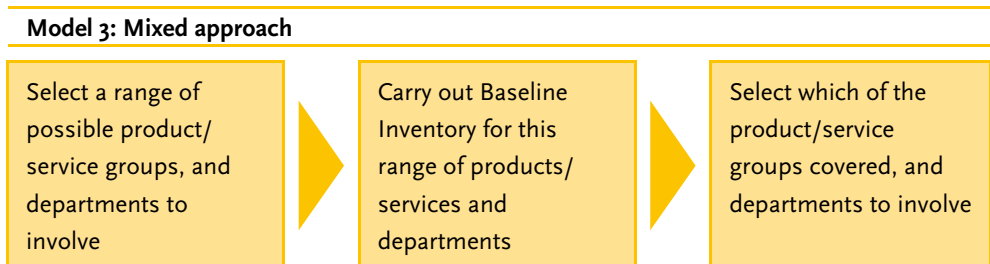


The most comprehensive (and time-consuming) approach is to carry out a Baseline Inventory (see Section 2.1.3 below) for all the procurement activities (all products/ services and all departments) of your authority. The results from the survey will help you select the most useful groups and departments to start with. For bigger authorities this will likely be a very challenging activity, and it is recommended to use either Model 2 or 3.



The second approach is the most straightforward. This involves making the decision on products/services and departments at the start, and then limiting the survey in the Baseline Inventory to just these areas.

In some authorities the decision on which product/service groups to focus on may be taken to start with – this may be because there are specific local priorities coming from other policies (e.g. reductions in CO2 emissions, waste generation, or the use of non-sustainable timber), or it maybe because time resources are limited.



The final approach is a combination of both. An initial decision is taken on which products/services and departments may be appropriate for sustainable procurement. The survey in the Baseline Inventory is then carried out for this range. Finally you decide on which of the products/services and departments surveyed to focus on.

2.1.2 Selecting product/service groups

The decision on which and how many product/service groups to focus on, will depend on a number of factors. For example:

- Level of skills and resources available for implementation
- Local environmental/social priorities
- The budgetary importance of certain product/service groups
- The commitment levels of different departments within the authority
- National market availability of appropriate alternative products/services at a competitive price

The six Procura⁺ product groups have been selected due to their high budgetary importance, the large potential environmental/social benefit, and the availability of competitive alternatives on the market. These can be used for guidance when selecting which groups to cover.

Procura⁺ participants are required to implement sustainable procurement for at least one of these six product groups.

2.1.3 The Baseline Inventory

The Baseline Inventory is an important preparatory stage to implementation and may be divided into two components:

1. **A survey of the organisational arrangements** for the procurement activities covered – whether centralised/decentralised, which people and departments are involved, and in what way
2. **The Procurement Scorecard** – Collecting data on the quantities of a particular service/product currently purchased, the price paid, together with any environmental/social criteria already used.
This Scorecard forms the basis of the continuous monitoring activities of the Milestones approach

The Inventory will help the authority to make more well-informed decisions, set realistic targets, establish a baseline for measuring the progress in sustainable procurement, and reveal opportunities for improving the overall efficiency of management practices. It can also prove an effective internal communication tool.

Survey of organisational arrangements

To effectively plan sustainable procurement activities it is helpful to have a good overview of the organisational arrangements for the procurement activities you wish to cover – i.e. who is involved in procurement activities and in which way. This will also help you find the information to complete the Procurement Scorecard. The level of detail for this survey will depend on your resources but the following questions could be addressed:

| | |
|------------------------|---|
| <p>Purpose</p> | <p>These questions help to identify who is involved in the decision-making process for procurement, and therefore who should be involved in sustainable procurement activities.</p> <p>The influence of individual departments on the products/services procured can vary considerably – even to the extent of demanding specific brands or suppliers</p> <p>This will also help to identify whether long-term existing contractual arrangements with suppliers are in place. If they are, other product/service groups should be tackled first.</p> |
| <p>Question</p> | <ol style="list-style-type: none"> 1. Who is responsible for the purchasing of the products/services covered? Is their purchasing centralised? 2. Which departments use the products/services? (Only relevant if covering more than one department) 3. What influence does the department using the product/service have on the procurement process, including the characteristics of the product/service bought? 4. If environmental and/or social aspects are considered in procurement, who provides the criteria? 5. Who writes the tender documents? 6. Are there existing contracts in place with suppliers? Until when do the contracts run? |

Box 1:
 Baseline inventory
 – Survey of
 organisational
 arrangements

If you have completed one complete cycle of the Milestones process and have reached this Milestone for the second time it is important to once again carry out this survey to reassess status. This is particularly important if you are focusing on further product/service groups and/or departments.

The Procurement Scorecard

The Procurement Scorecard is a simple tool for recording your sustainable procurement activities and monitoring progress year by year. An electronic version of the Scorecard shown in Table 1 below is included in Excel form on the attached CD ROM (and at www.procurplus.org) for ease of use.

It shows the increase in the number of sustainable products and services purchased over time, and how spending has changed. It also incorporates spending on utilities (electricity, water, waste etc.) to give a more accurate reflection of changing costs as a whole.

It should be completed within Milestone One, and then revised in Milestone Five.

| Product/ service | Unit | Total Units purchased in 2006 | Sustainable units purchased in 2006 | Procura+ criteria used? (Y/N) | Amount spent in total (€) | | Total Units purchased in 2007 | Sustainable units purchased in 2007 | Procura+ criteria used? (Y/N) | Amount spent in total (€) | | Comments: please: - Indicate if Procura+ criteria were used partially or completely - Indicate if figures are for one department or the authority as a whole - Indicate if any social criteria were used - Provide feedback on the Procura+ criteria |
|-------------------------|------------------------------|-------------------------------------|--|--|------------------------------|---------------------------------|---|--|--|------------------------------|-------|---|
| | | | | | Sustainable units | Total | | | | Sustainable units | Total | |
| | | 2006 | | | | | 2007 | | | | | Add following years |
| 1. Food | (kg or €) | | | | | | | | | | | |
| 2. New Buildings | m² built | | | | | | | | | | | |
| 3. Computers | | | | | | | | | | | | |
| 4. Buses | Buses purchased | | | | | | | | | | | |
| 5. Cleaning Services | Surface area cleaned (m²) | | | | | | | | | | | |
| Utilities | Unit | 2006 Units purchased | 2006 Green units purchased | Procura+ criteria used? (Y/N) | Amount spent (€) | 2007 Units purchased | 2007 Green units purchased | Procura+ criteria used? (Y/N) | Amount spent in total (€) | | | |
| Electricity | KWh | | | | | | | | | | | |
| Water | M³ | | | | | | | | | | | |
| Waste disposal | Tonnes | | | | | | | | | | | |
| Other (gas, oil...) | | | | | | | | | | | | |

Table 1:
Procurement Scorecard,
available in Excel format
on the
attached CD-ROM,
and Procura+ website
www.procuraplus.org

The Scorecard is formatted in a simple Excel table for ease of use and understanding. Procura⁺ participants can keep a record of the sustainable purchases they have made each year using both the Procura⁺ and/or other purchasing criteria for as many product/service groups as required.

It can take some time to collect this data, especially where purchasing is decentralised or if you are covering all the procurement actions of your authority, but it provides crucial information to report your achievements and assess your progress.

Of course some contracts may cover a number of years, or in other cases there may be no purchases of a certain product/service in a single year. Data should still be entered for the actual purchases made that year. This will allow a clear picture to develop over time.

The comments column is there to help you keep track of important details. This could include, for example, if Procura⁺ criteria were used partially or completely, if the purchases were for a department or the authority as a whole, whether any social criteria were used and for providing feedback on the Procura⁺ criteria.

Procura⁺ Campaign participants are requested to send their scorecard to ICLEI at the end of every year. This enables ICLEI to compile a report documenting the cumulative achievements of the participants. The positive results of the Campaign will help promote further sustainable procurement at the EU level and world-wide.

2.2. Milestone Two: Setting targets



| | |
|--------------------|--|
| Purpose | <ul style="list-style-type: none"> To set targets tailored to the specific interests and capacities of the public authority |
| Scope | <ul style="list-style-type: none"> Any number of product/service groups can be included Can cover a single department or the whole authority |
| Deliverable | <ul style="list-style-type: none"> Clear and quantifiable targets |

Clearly communicated targets are important in providing strong political support to those responsible for implementation. They also clearly help to demonstrate your commitment to the general public and provide a framework for measuring progress.

If your authority is developing a comprehensive sustainable procurement strategy, the targets set should be included directly in the policy document (for more advice on this see the tool on the attached CD ROM, also available at www.procuraplus.org).

If you already have a policy which does not contain specific targets, these can be set as internal operational targets, but should be committed to at as high a decision-making level as possible within your authority.

If you have completed one complete cycle of the Milestones process and have reached this Milestone for the second time, many of your targets will likely still be valid. If you are targeting new products/services you will of course need to set new targets for those.

To be most effective targets should be:

- Product specific
- Measurable
- Time-bound
- Challenging, yet realistic

Examples of possible product targets are provided in Box 2 below.

The <Name of the authority> commits to the following targets:

By 2008.....ensure that 30% of agricultural products and food come from organic sources

By 2008.....ensure that no purchased cleaning products contain dangerous substances

By 2009.....ensure that 80% of new buildings meet high energy performance standards

By 2010ensure that all newly purchased public buses meet ultra-low emission standards

By 2011ensure that 90% of new electronic office equipment is energy efficient

By 2012.....ensure that 20% of electricity purchased comes from renewable resources

Box 2:

Examples of sustainable procurement targets set by a public authority

2.2.1 How to set targets

- Use the Baseline Inventory information. This will indicate current status. This should help to indicate what realistic targets should be.
- Market research – It is important to have a good idea of what is available on the market and at what cost. Where you are unsure it can be a good idea to carry out an open technical dialogue with the market, investigating with potential suppliers and other experts.
- Get advice from others with experience – A great deal of time can also be saved by speaking to other public authorities who already have sustainable procurement experience in that area. Through joining Procura⁺, you will have easy access to experienced professionals right across Europe who can assist.
- Consider organisational factors – The level of centralisation in procurement can influence the targets set. With highly centralised procurement it is easier to ensure that all procurement actions meet the new sustainability standards set. Where procurement responsibilities are decentralised it is more difficult to both ensure all procurers have the necessary skills to integrate sustainability demands, and to monitor whether this is being done.



2.3. Milestone Three: Developing the Action Plan

| | |
|--------------------|--|
| Purpose | <ul style="list-style-type: none"> To plan activities and assign responsibilities for achieving the targets |
| Deliverable | <ul style="list-style-type: none"> Action Plan |

2.3.1 The Action Plan

The Action Plan is a concise, clear document tailored to the specific needs and purchasing practices of your public authority. It should be communicated and made accessible to all employees involved in all stages of the procurement process.

For those with a comprehensive sustainable procurement policy, the Action Plan will provide clear, practical details on how the targets in the policy will be achieved.

The scope and detail of the Action Plan will depend on the comprehensiveness of the implementation approach being taken

The Plan should ideally contain:

- the political commitment made by your authority, including the targets set,
- a description of the assigned responsibilities,
- a description of the implementation measures and procedures,
- relevant progress indicators,
- a timeframe.

2.3.2 What actions should be covered?

This of course very much depends on the scope of the targets set by the authority. For each target it must be carefully considered how this will be met. It will likely cover specific tendering actions, together with accompanying training and communication activities, for example:

Tendering:

- Identifying appropriate environmental/social purchasing demands, including perhaps market research
- Incorporating these demands into actual tender documents
- Identifying opportunities for joint procurement (i.e. combining your procurement actions with other authorities) to access cost and administrative savings (for more information on this see Chapter IV, Section 5 and the joint procurement tool on the attached CD-ROM, also available at www.procuraplus.org)
- Publishing tenders, evaluating offers and signing and maintaining contracts
- Monitoring and reporting actions and results

Training:

It is critical to ensure that the staff responsible for carrying out specific tasks have the appropriate skills, or that appropriate training is given:

- For procurers on the technical aspects of sustainable procurement implementation
- For financial staff on the concept of life-cycle costing
- For end-users on the sustainable use of products

Communication:

Sustainable procurement is most effective if there is a clear understanding of what it is, and the reasons for its introduction among all staff within the organisation, and amongst suppliers. The following activities could be included:

- Awareness raising activities for general staff – possibly through seminars, in-house newsletters, the organisation's intranet
- Communicating intentions to suppliers providing the time and information to adjust to new requirements, including perhaps hosting seminars
- Presenting activities to the general public

2.3.3 Assigning responsibilities

The public authority should decide:

- *Who will be responsible for the overall co-ordination of sustainable procurement efforts?* Responsibility for co-ordinating all activities and ensuring declared targets are met, should be allocated to one person.
- *Who will be responsible for actual implementation?* The Action Plan should outline specific tasks, and allocate clear responsibility for carrying these out. The process of preparing environmental/social purchasing specifications will likely require the expert input of a number of people (especially the environmental department and procurement officers). Final responsibility for ensuring actual implementation will likely need to rest with the actual procurers however.



2.4. Milestone Four: Implementing the Action Plan

| | |
|--------------------|---|
| Purpose | <ul style="list-style-type: none"> To implement the Action Plan |
| Deliverable | <ul style="list-style-type: none"> Procurement of more sustainable products/services Training of staff and internal communication External communication and marketing Communication with suppliers |

For further advice on the actual incorporation of environmental and social demands into specific tendering activities please see Chapter III of this Manual.

The Procura⁺ criteria in Chapter VI provide actual text that can be included in tendering documents, together with clear advice on implementation. If you are focusing on one of these product groups this helps to reduce the workload in developing your own criteria. Ecolabels, and national guidance can also provide clear advice.



2.5. Milestone Five: Monitoring progress and reporting results

| | |
|--------------------|--|
| Purpose | <ul style="list-style-type: none"> To assess and report on achievements Review targets set |
| Deliverable | <ul style="list-style-type: none"> Procurement Scorecard Internal review |

This Milestone serves to assess whether the targets previously set by the public authority have actually been achieved, identify any problems encountered and develop solutions. It should also be used as an opportunity for communicating progress to the outside world, and through this helping to raise general awareness.

The Milestone involves two actions:

- Updating the Procurement Scorecard to show progress towards meeting targets set.
- An internal review, looking specifically at whether the planned measures and procedures have been implemented, what has been achieved, any barriers encountered and proposed solutions. This could be informal as well as official, and the scope of the review will of course depend on the scope of the activities undertaken.

Once a full cycle of the Milestones process has been completed you should return to Milestone One and repeat the procedure. At the end of the first cycle, it is also a useful time to carry out a more detailed assessment of any remaining barriers to further sustainable procurement implementation within your authority. The attached CD ROM contains a useful tool for assessing, and trying to overcome internal barriers (also available at www.procuraplus.org).

Procura+ participants should send completed Procurement Scorecards to ICLEI. This will allow ICLEI to communicate combined achievements to a broad European public, and assist in raising the profile of sustainable procurement with key stakeholders (national governments, European Commission, UNEP etc.).

3 Duration of the Milestones process

The amount of time needed to implement one complete cycle of the Milestones process is largely dependent on the size of the public authority, the number of products covered and the authority's previous experience with sustainable or green procurement. Although each single step is designed to require as little work time as possible, realistically, the process is run by existing staff in the local authority who still have to carry out their other day-to-day tasks. The following figure gives an estimate of the duration of the different stages based on this assumption:

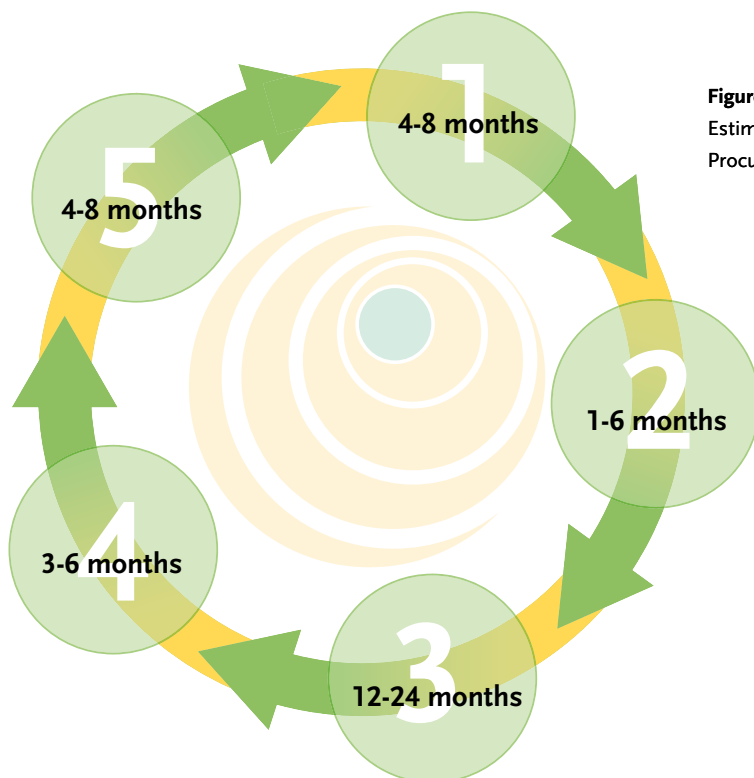


Figure 2:
Estimated duration of
Procura+ Milestones

The review of current procurement practices and the creation of an Inventory should take between three and six months. Targets can be set within one month, but if a substantial discussion takes place, it can take 6 months (or more). The process of developing an Action Plan should not take more than 3-6 months, while implementing the Local Action Plan can be expected to take at least a year. This is because a number of products are not purchased more than once a year (actually many contracts run even longer). A maximum of 24 months should be foreseen. The monitoring and reviewing of progress should be achieved within 4-8 months.

Summing up these timeframes, all Milestones could be implemented within two years, but this process could also be scheduled to take up to four years.



4 Procura+ Quick Start

Some authorities may wish to begin with sustainable procurement right away, without the need to set up a full management system. In some authorities this may, for example, allow some quick pilot activities to take place which can then help raise support for more comprehensive implementation.

It should be noted, however, that to genuinely ensure systematic implementation (not dependent on particular “champions” within an authority staying interested) it is advisable to set up a proper management system, or integrate sustainable procurement implementation into an existing one.

The Quick Start approach is a scaled down version of the Milestone process and consists of 3 steps:

1. Select product/service groups
2. Incorporate environmental/social criteria into calls for tender
3. Monitor and review results

4.1. Step 1: Select product/service groups

The considerations presented in Milestone One (Section 2.1.2) are still relevant here, and should also be read.

Some other points should be considered for making a quick start:

- Products will likely be easier to start with than services, as environmental/social demands are more easily integrated into tendering
- Start with a product where environmental/social criteria will be most straightforward – e.g. IT equipment, paper, cleaning products, food
- Think about products demonstrating the highest financial savings over the life-cycle (typically energy-consuming products), or with relatively small levels of spending (such as paper or cleaning products)
- Consider products where purchasing criteria are readily available – the Procura+ product groups, for example, or products covered by eco-labels and/or national guidelines

4.2. Step 2: Incorporating environment and social criteria in calls for tender

To minimise work it is advisable to use purchasing criteria that have already been developed. The Procura⁺ criteria are one example. As noted above ecolabels and national guidelines can also provide assistance.

Another approach is to contact other public authorities who have experience in this field, or are themselves working on the topic currently. ICLEI can assist with identifying such authorities where required.

Further guidance on how to include environmental demands into tendering is included in Chapter III.

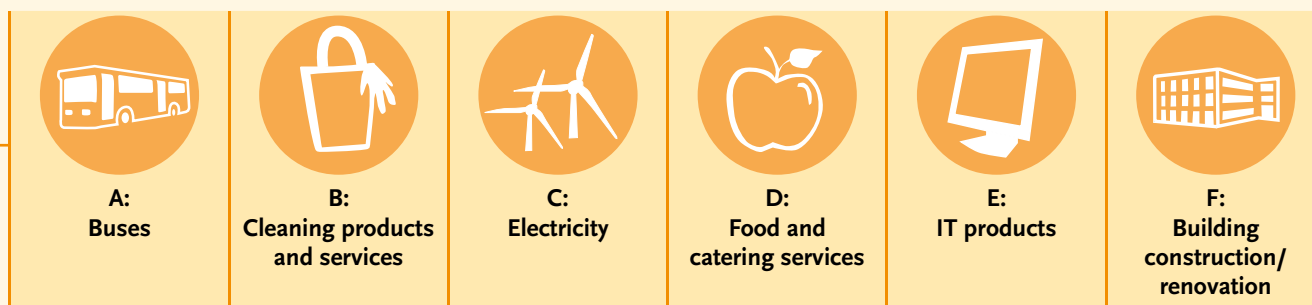
4.3. Step 3: Monitor and review progress

No matter how comprehensive your approach to sustainable procurement implementation, it is vital to make sure you keep a record of your results, and review performance. The Procurement Scorecard and internal review outlined in Milestone Five above (Section 2.5) provide a very simple approach to collecting data on achievements and identifying problems.

**Procura+
Key Criteria**



This chapter presents simple purchasing criteria for six high-priority product groups:



These product groups were selected by a range of experts within the European Commission funded RELIEF project^[1] as having the biggest potential for environmental improvement through green public procurement. This was determined by assessing the environmental impacts through the product life-cycle, the availability of cost-effective environmentally preferable solutions, and the importance of the product within the typical public authority budget.

The Procura+ key purchasing criteria have been designed to:

- Address the most significant life-cycle environmental impacts related to the product group
- Be legally compliant and straightforward for any procurer to apply and verify, requiring minimum time and effort
- Not lead to a significant increase in costs

The criteria are regularly updated in close consultation with a range of European experts from relevant stakeholder groups (including industry representatives, procurers, scientific and market experts).

For updates on the latest criteria (and any new product groups) please visit the Campaign website at www.procuraplus.org

The Product Sheets have been designed to provide a public procurer with all the information required to directly start tendering for a more sustainable product – including actual criteria which can be inserted directly in tender documents.

Each sheet contains 4 sections:

- 1 Key environmental impacts:** A quick summary of the most significant environmental impacts and how the criteria address them
- 2 Procura+ Key Criteria:** The criteria themselves, which can be directly inserted in tenders. These include a set of “Implementation Notes” providing any necessary further information on how to use them
- 3 Further ideas:** Suggestions for authorities wishing to go beyond the Key Criteria, and address other aspects or take more innovative approaches.
- 4 Relevant product labels:** Labels which may be used as the basis for developing further criteria

The attached CD-ROM provides more detailed information on each of these product groups, expanding on the information presented here in the Product Sheets, which many authorities may find useful.

The building construction/renovation section is rather different from the other five Product Sheets. A number of factors make it impossible to set uniform criteria right across Europe, therefore a number of different options are presented, which cover a range of aspects related to sustainable construction. For a further explanation of the reasons behind this please see the detailed building construction/renovation chapter on the attached CD-ROM.

[1] www.iclei-europe.org/relief



A: Buses

1 Key environmental impacts

| Impact | Approach |
|---|---|
| Local health problems caused by particulate matter and ground level ozone | Purchase buses with low emissions |
| Environmental damage caused by acidification, eutrophication and ground level ozone | Purchase buses with low emissions |
| Generation of greenhouse gases through consumption of fossil fuels | Improve efficiency of driving style |
| Considerable noise pollution | Purchase buses with low noise emissions |

Other approaches to reducing environmental impacts include considering the use of alternative fuels such as biofuels, and considering the disposal of the vehicles at the end of their useful life.

2 Procura+ Key Criteria – Buses

Direct bus purchases

The Procura+ Key Criteria for direct bus purchases focus on three aspects:

- **Emission standards:** The easiest approach to ensuring good emission standards for the buses purchased is to use the EURO standards. All new buses must currently meet the EURO IV standards. Given the market availability and competitive costing, the approach taken in the criteria is to demand EEV standard buses. Through this, it can be hoped that a real market shift is produced.
- **Driving style:** Installing driving-style meters costs little and, if combined with appropriate training, is an effective way to reduce fuel consumption.

- **Noise emissions:** A large variety of buses are now available with very low noise emissions, without hindering performance or raising costs substantially. The standards targeted here are based on suggestions by the German Environment Agency, and go beyond the definition of low noise heavy vehicles specified in European Directives


Direct bus purchases


Subject matter: *Purchase of low emission buses*

Specifications:

- *Vehicle engines must be certified as meeting the EEV standard for emissions, according to EC Directive 1999/96/EC*
- *All vehicles are to be fitted with driving-style meters to monitor fuel usage*
- *Vehicle noise emissions must not be higher than 75 dB (A) for vehicles with an engine power between 75–150 kW and 77 dB (A) for vehicles with an engine power above 150 kW^[1]*

Implementation notes:

 **Verification (emissions):** All buses meeting the EEV standards when produced will be certified as such. The related information is included in the technical documents of the vehicle.

 **Verification (noise):** Noise emissions are documented in the technical papers of the vehicles and can therefore easily be checked by procurers.

Tendered public bus services

The Procura+ Key Criteria for tendered public bus services are similar to those for direct purchases, but with a slightly adapted and expanded approach:

- **Emission standards:** It is unrealistic to think that operators will currently have a high number of EEV vehicles, neither can it be expected that the entire fleet will be renewed. A partial renewal of the fleet should however be aimed at, and therefore a certain percentage of vehicles complying with EEV standard should be encouraged. An increase in the amount of EEV buses used over the duration of the contract should also be targeted. Finally it is important that the whole fleet meets a certain minimum environmental standard. As such several criteria are suggested:
 - Minimum environmental standard for buses used in carrying out the service (EURO III)
 - Extra points for the number of EEV vehicles in the award phase of tendering
 - Contract provisions allowing the contracting authority to keep track of how much the EEV buses are being used, and encourage an ever increasing use.
- **Driving style:** Although the retrofitting of old buses with driving style metres is rather expensive, it must be made sure in the tender documents that at least the newly purchased vehicles are equipped with them. Appropriate training is also necessary to ensure the full potential efficiency gains are realised, and can easily be included in tendering.
- **Good quality service:** Encouraging people to use public transport instead of cars entails clear environmental benefits. Of course in order to increase public transport use, the service provided needs to be attractive. Contract provisions can be used to take advantage of the opportunities offered by the private contracting of services to ensure a good quality service is provided.

^[1] Umweltbundesamt: Handbuch für umweltfreundliche Beschaffung, München 1999
(see also: VCD Fakten, Umweltstandards im ÖPNV e.V., Bonn 2001)

Tendered public bus services

Subject matter: *Contract for the provision of bus services in an environmentally friendly manner*

Specifications:

a) Emission standards:

- *All buses used in carrying out the service must have engines meeting EURO III standards, according to EC Directive 1999/96/EC. Where buses are not certified as EURO III, but technical after-treatment has achieved the same standard, this should be documented in the tender application, and approved by a credible third party. To be accepted as such, documentation must be provided that this third party has the appropriate technical expertise in vehicle technology and is fully independent of the bidder.*

b) Driving style:

- *All buses newly purchased after the award of the contract and used in carrying out the service must be fitted with driving-style meters to monitor fuel usage.*

Award criteria:

a) Emission standards:

The contract will be awarded to the tender applicant with the highest score of points, to be allocated according to the following scheme:

- *Engine EURO standard: 10 points (out of 100) – 1 point awarded for every 10% of buses to be used in carrying out the service meeting the EEV standard.*
- *Other: 90 points (out of 100)*

Contract provisions:

a) Emission standards:

- *The number of kilometres driven per year by EEV buses must be reported annually. This number must increase by 10% per year.*






b) Driving style:

- *All bus drivers involved in carrying out the service must be trained in a locally recognised institution on environmentally-conscious driving on a regular basis to increase fuel efficiency.*

c) Good quality service:

- *The operator must achieve a “good quality service”, as evaluated by an independent market research company at the supplier’s expense every year. The supplier must provide details of an appropriate market research company in the tender application*

Implementation notes:

-  **Verification (emissions):** All buses meeting the EURO III, IV, V or EEV standards when produced will be certified as such. The related information is included in the technical documents of the vehicle. As stated in the criteria, for those buses where technical after-treatment has achieved EURO III standard the measures must be documented and included in the tender application, and this must be approved by a credible third party.
-  **Award scheme:** The exact point scheme used and the aspects considered will depend on the authority.
-  **Contract clauses (tender documents):** These special contract clauses must be made clear to potential bidders in the tender documents.
-  **Contract clause (good quality service):** Assessment should be carried out one year after the commencement of the contract. Specific targets and goals must be set and agreed upon during contract negotiations. Three indicators should be used in judging the quality of service: passenger numbers, ticket prices and passenger satisfaction (assessed through a survey), with passenger numbers being of most importance. However, it has to be considered that operators are limited in their ability to influence passenger numbers, whereas local policies and other framework conditions have a big influence. The exact method for carrying out the assessment and analysing the results will be the task of the independent market research company contracted by the service provider.
-  **Contract clauses (penalties for non-compliance):** To ensure effectiveness, appropriate penalties must be included in the contract for non-compliance, for example withholding payment until compliance is achieved.

3 Further ideas

- Take a **different approach to reducing emissions** – for tendered services consider setting limit values for emissions for the fleet as a whole, which get progressively stricter throughout the contract period. This allows flexibility in how the contractor meets the standards, and encourages continuous improvement
- Think about using **alternative fuels**, such as fuel cells or biofuels
- **Joint procurement** can be very suited to bus purchases - as a high-technology sector with single standardised units of a generally high value
- Ask suppliers to provide an environmentally and socially acceptable approach to the **disposal of buses** at the end of their useful life – recycling where possible, and not simply selling on to countries with laxer environmental laws

4 Relevant product labels

**German Eco-label (Blauer Engel)**

RAL-UZ 59

Low-noise and low-pollutant municipal vehicles and buses

www.blauer-engel.de



B: Cleaning and Maintenance Products and Services

1 Key environmental impacts

| Impact | Approach |
|--|--|
| Air pollution, ozone formation (smog), bioaccumulation or food chain exposure and maybe hazardous effects on aquatic organisms due to the use of certain chemicals within cleaning agents. | Avoidance of unnecessary products Avoidance of certain substances or ingredients in cleaning products |
| Negative impact on the occupational health of employees due to the use of certain cleaning agents that contain solvents classified as harmful to health | Procurement / use of products without harmful substances |

Other approaches to reducing environmental impacts include reviewing cleaning methods, frequencies and dosage, optimising and reducing the product range, participation and training of cleaning staff in addition to reducing dirt. The amount of packaging also represents a waste problem after use, therefore the procurement of bigger containers, refilling of clearly-marked bottles, purchase of concentrated cleaning agents, etc. should also be considered.

2 Procura+ Key Criteria – Cleaning products

Direct cleaning product purchases

The Procura+ Key Criteria for direct cleaning products purchases focus on two main aspects:

- **Exclusion of certain substances or ingredients:** For the cleaning agents, the products and ingredients suggested for exclusion are those most hazardous to the local environment and human health, and effective alternatives are available for all. The classifications referred to, are those laid out in EC Directive 1999/45/EC and Council Directive 67/548/EEC. Further information on the substances excluded is included in the detailed chapter on cleaning products in the CD-ROM.
- **Dosage devices and instructions:** In many cases excessive amounts of cleaning products are used because users are not aware of the appropriate dosage or do not have usable measuring devices. A great deal can be saved through the inclusion of dosage devices and instructions

- The criteria are valid for institutional cleaning products used for general cleaning and maintenance of buildings: all-purpose and neutral cleaners; cleaners for cleaning plastic or metal surfaces; sanitary and toilet cleaners; restroom and bathroom cleaners; dishwashing detergents (hand and machine dishwashing detergents); laundry detergents; softener; glass and alcohol cleaners; carpet cleaning agents; floor strippers and floor care products.

Direct cleaning product purchases (in-house cleaning)


Subject matter: *Purchase of environmentally friendly cleaning products*


Specifications: *All procured products must be delivered with clear dosage instructions and devices and must be in compliance with the following criteria:*

- **Are not** classified as sensitising (with R42 and/or R43), or as dangerous for the environment (N) according to the Dangerous Preparations Directive (1999/45/EC)
- **Do not** contain volatile organic compounds in concentrations that exceed 10% of the weight of the product (or 20% in the case of floor care products). The following solvents are allowed up to 30%: ethanol, isopropanol, n-propanol and acetone
- **Do not** contain preservatives with a bio-accumulative potential: $\log P(ow) > 3$ or $\text{exp. BCF} > 100$.
- **Do not** contain surfactants not readily biodegradable (OECD 301A-F).
Surfactants have to comply with Detergent Regulation 648/2004/EC without application of Article 5 and 6 (exception)
- **Do not** contain the following ingredients:
 - Those classified as carcinogenic, mutagenic, or toxic to reproduction (R45, 46, 49, 60, 61), or very toxic or toxic to aquatic organisms and may cause long-term adverse effects in the aquatic environment (R50/53, 51/53) according to the Dangerous Substances Directive (67/548/EEC) in quantities that exceed 0,01 % by weight of the final product. This includes also each ingredient of any preparation used in the formulation that exceeds 0,01 % by weight of the final product
 - Ethylenediamine tetraacetate (EDTA)
 - Alkylphenoethoxylates (APEO)
 - Chlorine based bleach (active chlorine compounds).
 - Nitro-musk and polycyclic musk compounds
- Added perfume blends are produced in accordance with IFRA norms
- Dyes: Colouring agents must be included in Cosmetic Directive 2003/15/EEC or permitted for use as colours in foodstuff

Verification: *Suppliers must provide clear evidence that the criteria are met. Products carrying the EU Ecolabel or Nordic Swan will be deemed to comply*

Implementation notes:

 **Surfactants:** The criteria relating to the biodegradability of surfactants are the same as those of the proposed EC Regulation on detergents. They remain part of the Key Criteria as, even if the regulation passes into law it will still be possible for manufacturers to apply for derogation (exemption). Such derogation will only be granted on the basis of a complementary risk assessment and may allow or restrict the use of surfactants not being readily biodegradable, probably mainly for special applications

 **Lots:** As contracts for cleaning products tend to cover a wide range of product types - as outlined above - it is a good idea to divide the tender into "lots". This means that a supplier can choose to offer products in some categories but not in others. The tenderer then chooses the best product in each category (or "lot"), even if they come from different suppliers.

Contracted cleaning services

The Procura+ Key Criteria for contracting cleaning services focus on the following aspects:

- **Exclusion of certain substances or ingredients:** For the cleaning agents, the products and ingredients suggested for exclusion are those most hazardous to the local environment and human health, and effective alternatives are available for all. The classifications referred to are those laid out in EC Directive 1999/45/EC and Council Directive 67/548/EEC. Further information on the substances excluded is included in the detailed chapter on cleaning products in the CD-ROM.
- **Responsible cleaning practices:** Cleaning staff are constantly in touch with substances that contain chemical components than can be irritating, corrosive, etc. Therefore in order to guarantee safety conditions, staff have to be trained and clear procedures must be in place.

Contracted cleaning services

Subject matter: *Contract for environmentally friendly cleaning services*

Specifications: *Products employed by the cleaning company must meet the following criteria: (insert the criteria from the "Direct cleaning product purchases" section)*

Verification: *The contractor must supply a list of the products intended to be used, together with information proving that they meet these specifications. At the end of each year a balance must be submitted indicating the name and quantity of the cleaning products used. For any products not mentioned in the initial bid information must again be submitted proving they meet the specifications*

Selection criteria:

The contractor must either:

- *Have an environmental management system (EMS) for cleaning services (such as EMAS, or ISO 14001) or,*
- *Commit to developing precise work instructions on environmental protection and on health and safety standards in carrying out the service. These instructions shall be presented to the contracting authority during the first weeks after the start of the contract and shall be displayed in the buildings in a way that they can be consulted by each cleaning person at any time. Examples of work instructions include the identification and proper handling of hazardous products, proper procedures for the storage of hazardous materials, precise dosage instructions, waste separation and disposal and skin protection*

Contract provisions:




a) Staff and Organisation

- *The cleaning staff must be trained for their various tasks. A record of these training measures (introductory/vocational training) should be kept and presented to the contracting authority*
- *A facility manager, foreman/forewoman or co-ordinator should be nominated to organise and supervise the cleaning. The appointed person should stay in contact with the contracting authority and be reachable during working hours. The facility manager, foreman/forewoman or co-ordinator has to be sufficiently trained in the fields of occupational health and safety standards, application techniques and environmental issues*

b) Supplies, Materials and Equipment to be provided by the contractor

- *By request of the contracting authority all cleaning supplies used in the facility have to be balanced according to their quantity. The first balance shall be drawn up six months after the start of the contract. Subsequently, an annual balance shall be settled each year and shall be submitted to the contracting authority according to prior agreement*

Implementation notes:

-  **Selection criteria (EMS):** the presentation of a certified environmental management system (EMS) will be a means of proof of the technical capacity to provide an environmentally sound cleaning service, as long as the EMS is related to the performance of the service and not to another area not related to the subject matter of the contract.
-  **Contract clauses (tender documents):**
These special contract clauses must be made clear to potential bidders in the tender documents.
-  **Contract clauses (penalties for non-compliance):** To ensure effectiveness, appropriate penalties must be included in the contract for non-compliance, for example withholding payment until compliance is achieved.

3 Further ideas

- Reconsider your needs and optimise the range of the cleaning products used, especially the necessity of: Toilet bowl freshener, cistern additives, deodorising blocks for urinals, air freshener, chemical drain cleaners, fabric softener, floor finish based on water insoluble polymers, disinfectants in cleaners, aerosol cans and propellants, floor finish strippers, strongly acidic cleaners, disinfectants
- Use “green cleaning techniques” such as speed rotary floor machines, mopping systems, cleaning by cup method and cleaning trolleys
- If the cleaning service is done by in-house workers, consider extensive introductory training for new staff and regular training for permanent staff. Particularly cover important topics such as dosage and dosage devices, new techniques and cleaning products, awareness of health risks and usage guidance.
- Stricter standards (1): Your authority may want to implement higher environmental standards than the ones given. You may then ask for products that are not classified as harmful (Xn), corrosive (C): R34, R35; irritating (Xi, with R41).

You may also wish to exclude products containing ingredients classified as R39 (danger of very serious irreversible effects), or R48 (danger of serious damage to health by prolonged exposure), though it unlikely these would anyway be included in the products offered.

Please be aware however that for the time being only products labelled with the Nordic Swan fully comply with these criteria. The EU Eco-label would not be sufficient evidence of compliance, and additional proof would need to be requested from the supplier.
- Stricter standards (2): In countries where there is significant waste processing under anaerobic conditions, it could be helpful to include a further criteria: “Products do not contain surfactants that are non-anaerobically biodegradable in accordance with OECD 11734”. This is a requirement of both the EU Ecolabel and the Nordic Swan, which can therefore be used to demonstrate compliance.
- Overall environmental burden: The EU Ecolabel criteria also require the product to meet a certain standard in terms of the overall toxicity to the aquatic environment, indicated by the “Critical Dilution Volume” (CDV_{TOX}). This is a very effective way of ensuring the best possible product is purchased but would require a substantial degree of calculation on behalf of the contracting authority, or alternative means of measuring the offered products, as this will not be included in the standard information on the product. For more information see the EU Ecolabel criteria document: http://ec.europa.eu/environment/ecolabel/pdf/all-purpose_cleaners/all_purpose_cleaners_en.pdf
- Discuss the appropriate cleaning frequency.



4 Relevant product labels

| | |
|---|---|
|  | <p>European Eco-label</p> <p>All-purpose cleaners and sanitary cleaning products (Decision 2005/344/EC) Detergents for dishwashers (Decision 2003/31/EC) Hand dishwashing detergent (Decision 2005/342/EC) Laundry detergents (Decision 2003/200/EC)</p> <p>http://europa.eu.int/comm/environment/ecolabel/</p> |
|  | <p>Scandinavian Eco-label (Nordic Swan)</p> <p>All Purpose cleaners • Sanitary cleaning products Dishwasher detergents • Hand dishwashing detergents Floor care products • Shampoo & Soap</p> <p>www.svanen.nu</p> |
|  | <p>German Eco-label (Blauer Engel)</p> <p>RAL-UZ 70 laundry detergent</p> <p>www.blauer-engel.de</p> |
|  | <p>Austrian Eco-label</p> <p>UZ 19 Hand dishwashing detergent UZ 20 Detergent for dishwashers UZ 21 Textiles laundry detergent UZ 30 All-purpose cleaners and sanitary cleaning products (identical with EU-Eco-label guideline)</p> <p>www.umweltzeichen.at</p> |
|  | <p>Eco-label by Environmental Choice Program Canada</p> <p>General Purpose Cleaners Industrial and Commercial Cleaners</p> <p>www.terrachoice.ca</p> |
|  | <p>Eco-label (Green Seal)</p> <p>Hand Cleaners (GS-41)</p> <p>Industrial and Institutional Cleaners: All Purpose Cleaners (GS-37) • Powdered Laundry Bleach (GC-11) Glass Cleaners (GS-37) • Floor Care Products (GS-40)</p> <p>www.greenseal.org</p> |



C: Green Electricity

1 Key environmental impacts

| Impact | Approach |
|---|--|
| The generation of energy from fossil fuels is responsible for the vast majority of greenhouse gas emissions world-wide. | Increase the share of electricity from renewable sources |
| The electricity generating industry accounts for a significant proportion of such emissions as the large majority of electricity is still produced by the burning of coal or gas. | Seek a genuine increase in green electricity going beyond national support schemes (= ' additionality ') |

Other approaches to reducing environmental impacts include purchasing energy efficiency services together with electricity, carrying out awareness raising activities, and excluding nuclear power. To allow smaller green electricity suppliers to participate in the bidding process, the call for tenders might be divided into partial lots.

2 Procura+ Key Criteria - Electricity

Green electricity

The Procura+ Criteria for green electricity cover a number of aspects:

- **Compliance with the EU definition of renewable energy sources (RES)**
– as defined in *Directive 2001/77/EC*.
- **Preference for non-hydro RES** – given the local environmental concerns relating to hydro schemes, and the quantity of existing large hydro plants, the Procura+ Criteria encourage alternative RES.
- **Additionality** – to further encourage the construction of new RES capacity the Procura+ Criteria require a certain portion of the delivered electricity to come from “new” plants.

Green electricity purchases

Subject matter: Purchase of electricity with a certain percentage from renewable sources and new RES generating capacity, and with a preference for non-hydro RES

Specifications:

a) At least 50% of the supplied electricity must come from renewable energy sources (RES-E) as defined by EU Directive 2001/77/EC.

Verification: Guarantees of Origin must be provided by a credible independent third party that certifies the origin of the electricity, and that it has not already been sold elsewhere. Such Guarantees of Origin should be issued by competent bodies designated by the Member States according to EU Directive 2001/77/EC (art. 5).

b) 30% of the electricity from renewable sources must be from “new” renewable plants. Plants will be so-defined if they came into operation less than 7 years before the publication of this tender. Alternatively, this condition is met, if the tenderer commits to bringing into operation a new RES-E plant within two years from the start of the contract period, leading to an overall capacity of 30% (RES-E from ‘new’ plants) of the supplied electricity

Verification: The supplier must provide credible proof that this criterion is met

Award phase:

The contract will be awarded to the tender applicant with the highest score of points, to be allocated according to the following scheme:






1. Additional RES: 10 points (out of 100) – points awarded for electricity offered generated by eligible RES above the minimum requirement
2. “New” RES plants: 5 points (out of 100) – points awarded for electricity generated by “new” RES plants above the minimum requirement
3. Preference for non-hydro RES: 5 points (out of 100) – points awarded for the proportion of the RES supply coming from non-hydro sources
4. Other: 80 points (out of 100)

Verification: The supplier must provide credible proof that these criteria are met. For award criterion 1 Guarantees of Origin must be demonstrated through the means indicated in the specifications.

Contract conditions:

The contracting authority reserves the right to carry out a random check to verify that the contract is being performed in accordance with the original offer.

Implementation notes:

-  **Specification a:** The authority may of course choose to request more than 50% as a minimum. Where supply is not deemed sufficient to achieve 50% a lower target should be specified.
-  **Specification a, verification:** All EU countries are legally obliged to set up Guarantee of Origin schemes. In countries where this is not yet the case a temporary alternative would be for the supplier to provide independent verification that a corresponding quantity of electricity has been generated from so-defined renewable sources, e.g. a tradable certificate from an independent issuing body such as RECS
-  **Specification b:** If the supplier commits to bringing new plants into operation, this must be clearly included in the contract, and a suitable penalty must be incurred for non-compliance.
-  **Award scheme:** The exact point scheme used and the aspects considered will depend on the authority.
-  **Contract conditions:** If the contracting authority is suspicious that the criteria are not being met during the running of the contract, it may wish to employ an independent auditor to verify their claims.

3 Further ideas

- Requesting energy efficiency services from the electricity supplier is increasingly common and is an effective way to further reduce environmental impacts. If you wish to include this in either the specifications or award phase it must also be clearly mentioned in the subject matter.
- To allow small green electricity suppliers to also participate in the bidding process, the call for tenders could be divided into partial lots.
- To help push through implementation, having a policy commitment to combating climate change for example, can greatly assist.
- The most effective way to ensure nuclear energy is not included in the energy mix offered is to indicate this in the subject matter, e.g. *“Purchase of electricity with 50% from renewable sources and excluding nuclear power”*
- Awareness raising events/campaigns on environmental issues, such as energy efficiency, can also be requested of the supplier. If you wish to include this in either the specifications or award phase it must also be clearly mentioned in the subject matter.





D: Food and Catering Services

1 Key environmental and social impacts

| Impact | Approach |
|--|--|
| The use of chemical fertilisers and pesticides, resulting in local water and soil pollution and negative impacts on human health | Increase the share of organic food |
| Small-scale producers of products imported from developing countries (e.g. coffee, tea, fresh fruit and juices, chocolate) receiving a low wage and working under poor conditions. | Increase the share of Fair Trade products |

Other approaches to reducing environmental impacts include reviewing catering practices, reducing transportation needs, reducing meat consumption and supporting sustainable fisheries.

2 Procura+ Key Criteria – Food and catering services

Organic products

The Procura+ Key Criteria for food and catering purchases presented here focus on increasing the share of organic produce purchased. Two versions of the criteria have been developed, depending on whether you directly purchase food products or if this is done by a contracted catering company. Both versions recommend the setting of minimum percentages of certain foodstuffs to be from organic sources with award criteria designed to reward even better offers. No exact minimum percentages for organic produce are offered here, as market conditions vary significantly between European countries. Some market research about possible price differences for different foodstuff groups is recommended.

Direct food purchases – organic products

Subject matter: Purchase of food with a certain percentage from organic sources

Specifications: X% of [insert name of foodstuff(s), e.g. X% of vegetable, X% of dairy] by weight [insert weight] must be organic and thereby in compliance with EEC Regulation 2092/91 of 24 June 1991 on organic production of agricultural products and EC Regulation 1804/1999 of 19 July 1999, which specifically refers to organic products of animal (livestock) origin

Award criteria: The contract will be awarded to the tender applicant with the highest score of points, to be allocated according to the following scheme:

- Share of organic produce: 10 points (out of 100). Points awarded for an increase, by weight, in the share of organic produce for the foodstuff(s) (e.g. vegetable, dairy) included in the specification above the minimum level demanded
- Other: 90 points (out of 100)

Catering services – organic products


Subject matter: Contract for catering services including the provision of organic produce


Specifications: X% of [insert name of foodstuff(s), e.g. X% of vegetable, X% of dairy] by weight [insert weight] must be organic and thereby in compliance with EEC Regulation 2092/91 of 24 June 1991 on organic production of agricultural products and EC Regulation 1804/1999 of 19 July 1999, which specifically refers to organic products of animal (livestock) origin


Award criteria: The contract will be awarded to the tender applicant with the highest score of points, to be allocated according to the following scheme:

- Share of organic produce: 10 points (out of 100). Points awarded for an increase, by weight, in the share of organic produce for the foodstuff(s) (e.g. vegetable, dairy) included in the specification above the minimum level demanded
- Other: 90 points (out of 100)

Implementation notes:

 **Specifications:** Due to greatly varying market conditions in different EU countries it is not possible to recommend specific minimum percentages for the different food types. It is advisable to carry out some market research to determine what percentage of organic foodstuffs (e.g. vegetables, dairy, cereals) to demand, without substantially increasing costs. This percentage can be gradually increased in future tenders. Where there is no possibility to carry out market research this can be used as an award criterion instead of a specification.

 **Contract clauses:** The organic produce requirements must be clearly included within the contract signed with the winning supplier, together with appropriate monitoring mechanisms and strict penalties for non-compliance. This is particularly relevant for catering service contracts.

 **Award criteria:** The exact point scheme used and the aspects considered will depend on the tendering authority.



Fair Trade products

Two sets of criteria have been developed for demanding Fair Trade products in tenders, again depending on whether you directly purchase food products or if this is done by a contracted catering company.

Fair Trade versions of a number of different foodstuffs are now available: Beverages (tea, coffee, fruit juice, cocoa, wine, beer), chocolate, fresh and dried fruit, nuts and cereals (e.g. rice, quinoa). The criteria sets below can be adapted to focus on any of these foodstuffs.

No exact minimum percentages for Fair Trade products are offered here, as market conditions vary significantly between European countries. Some market research about possible price differences for different foodstuff groups is recommended.

Direct food purchases – Fair Trade products

Subject matter: *Purchase of coffee with a certain percentage from Fair Trade sources*

Specifications: *X% of coffee products must be produced in compliance with the parameters of the European Parliament Resolution on Fair Trade and Development (A6-0207/2006)*

Verification: *Suppliers must provide credible proof that these criteria are met. Products carrying a Fair Trade label, or imported and distributed by Fair Trade Organisations, will be deemed to comply.*






Catering services – Fair Trade products

Subject matter: *Contract for catering services including the provision of Fair Trade products*

Specifications: *X% of coffee, tea, chocolate, tropical fruit, and tropical fruit juice products offered in carrying out the catering services must be produced in compliance with the parameters of the European Parliament Resolution on Fair Trade and Development (A6-0207/2006)*

Verification: *Suppliers must provide credible proof that these criteria are met. Products carrying a Fair Trade label, or imported and distributed by Fair Trade Organisations, will be deemed to comply.*






Implementation notes:

-  **Specifications:** Some potential legal issues to purchasing Fair Trade products have been raised within EU public procurement regulations. Although no definitive advice can be given, legal concerns can be minimised to make Fair Trade procurement work successfully. For more information on Fair Trade products see *Buy Fair – A Guide to the public purchasing of Fair Trade products* in the attached CD-ROM, also available at www.buyfair.org
-  **Specifications (percentages):** Due to greatly varying market conditions in different EU countries it is not possible to recommend specific minimum percentages for Fair Trade produce. It is advisable to carry out some market research to determine what minimum percentage to demand, without substantially increasing costs. This percentage can be gradually increased in future tenders. Where there is no possibility to carry out market research this can be used as an award criterion instead of a specification.
-  **Specifications (choice of products):** If any of the products indicated in the introduction are grown locally (e.g. tropical fruit or fruit juices) the public authority may wish to leave this product out of the list.
-  **Verification:** The criteria behind product labels (such as FLO) can be used by procurers, however it cannot be specified that a product must have a certain label. The labels themselves can also be used to prove compliance with criteria, but other forms of proof must also be accepted. For more information on using product labels see Chapter III.
-  **Contract clauses:** The Fair Trade produce requirements must be clearly included within the contract signed with the winning supplier, together with appropriate monitoring mechanisms and strict penalties for non-compliance. This is particularly relevant for catering service contracts.

3 Further ideas

- ➔ Provide an incentive in the award phase of a contract for suppliers who offer **fish and seafood** products that are sustainably harvested according to the criteria laid out by the Marine Stewardship Council (MSC) label.
- ➔ Demand products that are **GMO-free** (genetically modified organisms) in their preparation or composition.
- ➔ Develop a more **seasonal** approach to menus, only offering the food that is produced locally during the appropriate season. In this way, food **transportation** will be minimised and the local agricultural community will benefit.
- ➔ Consider limiting the **meat** content of menus given the associated high environmental impacts with the production of meat. It is therefore a good option to consider an increase in vegetarian dishes offered.

4 Relevant product labels

| | |
|---|--|
|  | <p>The International Fair Trade Association (IFAT)</p> <p>www.ifat.org</p> |
|  | <p>Fairtrade Labelling Organizations International (FLO)</p> <p>www.fairtrade.net</p> |
|  | <p>Marine Stewardship Council (MSC)</p> <p>www.msc.org</p> |
|  | <p>EU-Organic Product Label</p> <p>(production compliant with EEC Regulation 2092/91)</p> |
|  | <p>Demeter</p> <p>(branding products produced in compliance with Biodynamic principles)</p> <p>www.demeter.net</p> |





E: IT Equipment

IT equipment, as dealt with here, encompasses a range of different product groups including: desktop PCs and laptops (notebooks), monitors, printers, photocopying machines, multifunctional devices (MFDs^[1]), scanners and fax machines.

1 Key environmental impacts

| Impact | Approach |
|--|----------------------------------|
| The consumption of electricity and resulting CO ₂ emissions | Purchase energy efficient models |

Other impacts include damage to human health and the environment caused by certain hazardous substances included, generation of large quantities of waste, emissions of electromagnetic radiation and noise.

Approaches to reducing such impacts include setting limits for substances, and emissions, encouraging a prolonged lifetime, ensuring take-back and recycling at the end of the useful life, limiting packaging, and ensuring effective training. More innovative approaches include considering lean- (or thin-) client systems

2 Procura+ Key Criteria – IT equipment

IT equipment

The Procura+ Key Criteria for IT product purchases focus on:

- **Energy performance:** The newly updated Energy Star standards for computers and imaging equipment (covering printers, photocopiers, MFDs, scanners), (both included in the CD-ROM) can currently be met by 25-35% of products on the market. Most product-labelling bodies already (or will soon) unify energy performance requirements around these standards. As such they provide a highly straightforward, ambitious, and also market friendly set of requirements, which can be used as minimum standards.



Direct purchase of IT products

Subject matter: *Purchase of environmentally friendly PCs (or printers, MFDs etc. as appropriate)*

Specifications: *All products offered must meet the latest Energy Star standards for energy performance, available at www.energystar.gov, or equivalent.*

The Energy Star label will be accepted as proof of compliance, as will reliable technical documentation provided by the supplier that the criteria are met.

Implementation notes:








-  **Specifying standards:** There is no requirement to specify exact limits in the tender documents – referring to product label standards is fine as long as the ecolabel meets certain conditions (see Chapter III). The standards themselves are relatively complex and technical (especially for imaging equipment), but have been attached in the CD-ROM for information.
-  **Verification:** Both the specifications and the award criteria have been developed in line with product labelling standards. Most products offered will carry the label however other forms of proof must be accepted.

3 Further ideas

- Limit the use of mercury in monitor backlights
- Ensure the long life of your product by requiring long guarantees, the availability of spare parts, and the easy upgradability of machinery
- Make sure the product is easy to disassemble and recycle at the end of its useful life
- Set limits for electromagnetic emissions
- Limit noise emissions
- Cut down on the amount of paper and ink your IT products use. Specify that devices are suitable for recycled paper and are equipped with the duplex function. Limit the use of substances such as cadmium, lead, chromium or mercury in ink. Cartridges should also be refillable
- Provide simple training to users on how to save energy using their IT devices
- Consider switching to a “lean client system”, where processing and programmes are concentrated in one central server
- Think about buying a multi-functional device (MFD) which combines several functions (printing, copying, faxing, scanning) in a more efficient way

For many of these issues, the easiest way to set specific demands is to use the criteria behind the product labels displayed below. Some possible purchasing criteria are included in the detailed chapter on IT products included in the attached CD-ROM.

4 Relevant product labels

| | | | |
|---|--|---|--|
|  | <p>European Flower</p> <p>PCs, laptops</p> <p>www.eco-label.com</p> |  | <p>Nordic Swan</p> <p>PCs, copying machines, printers, fax machines and MFDs</p> <p>www.svanen.nu/Eng/default.asp</p> |
|  | <p>German Blue Angel</p> <p>PCs, notebooks, monitors, printers, copiers, MFDs</p> <p>www.blauer-engel.de/englisch/navigation/body_blauer_engel.htm</p> |  | <p>Energy Star</p> <p>PCs, monitors, printers, copiers, MFDs, fax machines, and mail machines, scanners</p> <p>www.energystar.gov</p> |
|  | <p>Group for Energy Efficiency Appliances (GEEA)</p> <p>PCs, monitors, printers, copiers, mailing machines, MFDs, scanners</p> <p>www.efficient-appliances.org</p> |  | <p>TCO</p> <p>PCs, notebooks, printers, monitors</p> <p>TCO: www.tcodevelopment.com</p> |
|  | <p>EPEAT (Electronic Product Environmental Assessment Tool)</p> <p>www.epeat.net</p> | | |



F: Building Construction/ Renovation



1 Key environmental impacts

| Impact | Approach |
|---|---|
| The consumption of energy for heating, cooling, ventilation, hot water, and electricity, and resulting CO2 emissions | Ensure high energy efficiency standards Encourage the use of localised renewable energy sources (RES) ^[1] |
| The consumption of natural resources | Encourage the use of sustainably harvested resources |
| Emission of toxic substances during the production or disposal of building materials leading to air and water pollution | Encourage the use of non-toxic building materials |
| Negative health impacts on building users due to building materials containing toxic substances | Encourage the use of non-toxic building materials |

[1] "Localised RES" means RES generating capacity within the building site itself (e.g. solar panels, biomass boilers, wind turbines etc.)

2 Procura+ Guidelines

Given the very different national regulatory frameworks and other conditions across the EU, it is not possible to set universal standards to be used in the procurement of building construction works in all circumstances. Instead a series of concrete guidelines have been developed providing alternative approaches which may be used. The public authority wishing to use these guidelines will need to determine which alternative is most appropriate for their situation. The guidelines principally apply to the energy performance of buildings and the use of sustainable building materials.

A great deal of further information on this topic and the guidelines developed can be found in the detailed chapter on building construction/renovation in the attached CD-ROM (also available for download at www.procuraplus.org). It is advisable to study this more detailed chapter before beginning activities.

2.1. Thematic sections

These guidelines are split into 5 thematic sections:

1. Energy consumption
2. Use of renewable energy sources (RES)^[2]
3. Use of sustainable building materials
4. Monitoring and user aspects
5. Experience of the architect

In each section a number of **alternative (sometimes complementary) approaches** are presented for addressing the main issue.

2.2. Construction process

Furthermore the guidance indicates where in the construction process the tendering criteria can be applied. Either:

- A) Preliminary design/architects' competition
- B) Tendering of the building construction
- C) Tendering of the building services – “Building services” are: heating, ventilation, air conditioning and refrigeration (HVACR). A specialist building services company may be contracted to design and install (and sometimes maintain) these services for the building.

The above mentioned tendering stages have been identified as the most common stages of procurement in the European building sector. However, this scheme may vary, both in terms of the exact stages gone through and the number of competitive tendering rounds. **If there is only one tendering round including all stages, all approaches and criteria should be addressed in this tendering stage.**

^[2] RES: Renewable Energy Sources. The following energy sources are considered as RES:

- Solar energy:
 - Passive
 - Active (thermal, electrical)
- Biomass (wood, energy plants, biogas)
- Environmental and process heat (heat pumps, heat recovery)
- Geothermal power
- Small water power stations

2.3. Tendering stages

Each proposed option also indicates where in a specific tendering procedure the criteria should be inserted.

In many cases the criteria are designed for inclusion in the **Technical Specifications** for the work to be carried out – i.e. they set minimum standards which the bidding companies must meet.

Some criteria are designed for use in the **Award/evaluation stage**, where different offers which meet the minimum standards are compared. At this stage environmental performance can be used as one of the evaluation criteria, together with other aspects such as price. The weighting given to the environmental performance criteria suggested below must be determined by the contracting authority, but it is recommended that this is at least 10-20%. In some cases several environmental performance criteria could be introduced at the award/evaluation stage (e.g. for net energy consumption (option 1.A.2) and use of solar panels (2.A.1) during the architects' competition). The award points given in the options below are simply examples to be used for guidance.

2.4. Renovation work

The criteria presented below are designed to be used for both the construction of new buildings and also major renovation work. The procedure and tendering stages followed for renovation work will again vary across Europe, and also depending on the type of renovation work. This must be taken into account in defining where to include the criteria. Criteria, which are not applicable for renovation work, are clearly mentioned below.

2.5. Numbering of the Options

The options presented below are numbered to indicate which thematic issue is being addressed (the first digit), and which stage of the construction process they should be applied at (the second digit). The last number is to differentiate between different options covering the same thematic area and to be used at the same stage.

i.e. Option 1.A.1 relates to Energy consumption (number 1), and should be used during the preliminary design/architects' competition (letter A).

Option 3.B.2 relates to the use of sustainable building materials (3), and should be used during the tendering for the building construction (letter B).

For further notes on the implementation of each Option please see the detailed chapter in the attached CD-ROM.



A – Preliminary design/architects' competition

1. Energy consumption

1.A.1 – Minimum standards for net energy demand

Specifications/ minimum standards:

- Net energy demand must not exceed X

(Optional) evaluation/award criteria:

- Additional points awarded for net energy demand better than the minimum standard

Example:

- 10 (out of 100) points will be awarded to the offer with the lowest net energy demand, for other offers every 1% increase in consumption reduces the number of points by 1%.
- 90 (out of 100 points) will be awarded for other aspects including price

1.A.2 – Competition around net energy demand

Evaluation/award criteria:

- Additional points awarded for net energy demand

Example:

- 10 (out of 100) points will be awarded to the offer with the lowest net energy demand, for other offers every 1% increase in consumption reduces the number of points by 1%.
- 90 (out of 100 points) will be awarded for other aspects including price

1.A.3 – Minimum standards for U-Values and/or shape/volume ratio

Specifications/ minimum standards

- The shape to heated gross volume ratio must not exceed X.

Contract conditions

- The U-Values must not exceed X.

(Optional) evaluation/award criteria:

- Additional points awarded for shape/volume ratio (Not applicable for renovation projects)

Example:

- 10 (out of 100) points will be awarded to the offer with the best shape/volume ratio, for other offers every 1% increase in ratio reduces the number of points by 1%.
- 90 (out of 100 points) will be awarded for other aspects including price

1.A.4 – Competition around Shape/volume ratio

Evaluation/award criteria:

- Additional points awarded for shape/volume ratio (Not applicable for renovation projects)

Example:

- 10 (out of 100) points will be awarded to the offer with the best shape/volume ratio, for other offers every 1% increase in ratio reduces the number of points by 1%.
- 90 (out of 100 points) will be awarded for other aspects including price

2. Use of RES

2.A.1 – Minimum use of solar power

Specifications/minimum standards:

- A minimum of X% of net energy/hot water/space heating/cooling/electricity demand must be provided by X solar panels

5. Experience of the architect

5.A.1 – Selection based on experience with sustainable building design

Selection criteria: The architect must have sufficient past experience with sustainable building design. Each applicant is required to submit a 2-page document outlining past experience in the following areas (indicative list):

- Energy efficient construction design. Including if available specific energy demand per m² space including heating, cooling, lighting for a previous construction
- Airtightness and air exchange systems with heat recovery
- The use of RES and co-generation
- Bioclimatic architecture, to achieve energy efficiency, thermal and optical comfort, avoiding mechanical systems, e.g. light supply with daylight systems
- Use of LCA tools in design
- Use of sustainable building materials
- Achievement of good indoor air quality standard

5.A.2 – Compulsory use of LCA tool during design

Contract condition:

- In carrying out the design work ...<Insert name of selected LCA tool> ... must be used.



B – Tendering for the building construction

1. Energy consumption

1.B.1 – Competition around U-Values – evaluation on price and U-Values

Evaluation/award criteria:

- Additional points awarded for U-Values

Example:

- 10 (out of 100) points will be awarded to the offer with the best U-Values, for other offers every 1% increase in U-Values reduces the number of points by 1%.
- 90 (out of 100 points) will be awarded for other aspects including price

3. Use of sustainable building materials

3.B.1 – Exclusion of certain materials

Specification/minimum standard:

The tenderer must declare that the following materials/substances will not be used in the construction:

- Recycled timber not accompanied by test documents from an independent third party that they contain no hazardous substances (as defined by national regulations).
- Products which contain hydrofluorocarbons (HFCs)
- Products which contain sulphurhexafluoride (SF₆)
- Indoor paints and varnishes with a content of solvents^[3] higher than
 - for wall paints (according to EN 13300): 30 g/l (minus water)
 - for other paints with a spreading rate of at least 15 m²/l at a hiding power of 98% opacity: 250 g/l (minus water)
 - for all other products (including paints that are not wall paints and that have a spreading rate of less than 15 m²/l, varnishes, woodstains, floor coatings and floor paints, and related products): 180g/l (minus water).
- All virgin wood from forests and plantations shall originate from forests and plantations that are managed so as to implement the principles and measures aimed at ensuring sustainable forest management.

In Europe, the principles and measures referred to above shall at least correspond to those of the Pan-European Operational Level Guidelines for Sustainable Forest Management, as endorsed by the Lisbon Ministerial Conference on the Protection of Forests in Europe (2-4 June 1998).

Outside Europe they shall at least correspond to the UNCED Forest Principles (Rio de Janeiro, June 1992) and, where applicable, to the criteria or guidelines for sustainable forest management as adopted under the respective international and regional initiatives (ITTO, Montreal Process, Tarapoto Process, UNEP/FAO Dry-Zone Africa Initiative).

Verification for timber:

Where virgin wood from certified forests or plantations is used, the applicant shall provide an appropriate certificate(s), for example the FSC (Forest Stewardship Council) Label, together with supporting documentation showing that the certification scheme correctly assesses the above-mentioned principles and measures of sustainable forest management.

For virgin wood from forests that are not certified as being from sustainably managed forests or plantations, the applicant shall provide the appropriate declarations, charter, code of conduct or statement, verifying that the above requirements are met.

3.B.2 – Minimum quantity of sustainable building materials

Specifications/ minimum standards:

- The tenderer must declare that a minimum of X% of materials to be used in construction (by value) must be produced in compliance with the standards underlying a Type 1 ecolabel according to ISO standard 14024.

Verification:

- Products carrying a type 1 ecolabel will be deemed in compliance of these criteria. Alternatively credible documentation that the standards of a given type 1 ecolabel are met will also be accepted.

(Optional) evaluation/award criteria:

- Additional points awarded for the percentage of materials used in construction (by value) produced in compliance with the standards underlying a Type 1 ecolabel according to ISO standard 14024, above the minimum standard set in the specifications.

Example:

- 5 (out of 100) points will be awarded to the offer with highest percentage, for other offers every 1% decrease in percentage decreases the number of points by 1%.
- 95 (out of 100 points) will be awarded for other aspects including price

3.B.3 – Competition around the use of sustainable building materials

Evaluation/award criteria:

- Additional points awarded for the percentage of materials used in construction (by value) produced in compliance with the standards underlying a Type 1 ecolabel according to ISO standard 14024.

Example:

- 5 (out of 100) points will be awarded to the offer with highest percentage, for other offers every 1% decrease in percentage decreases the number of points by 1%.
- 95 (out of 100 points) will be awarded for other aspects including price

4. Monitoring and end user aspects

4.B.1 – Compulsory blower door test

Specifications/ minimum standards:

- Where mechanical ventilation is included in the building, the winning bidder must ensure that a Blower Door Test is carried out at ...<Insert appropriate building stage>.... This must be repeated until the appropriate standard is achieved



C – Tendering for the building services

1. Energy consumption

1.C.1 – Minimum standards for primary/final energy consumption

Specifications/ minimum standards:

- Final/primary energy consumption must not exceed X

(Optional) evaluation/award criteria:

- Additional points awarded for final/primary energy consumption better than the minimum standard

Example:

- 10 (out of 100) points will be awarded to the offer with the lowest energy consumption, for other offers every 1% increase in consumption reduces the number of points by 1%.
- 90 (out of 100 points) will be awarded for other aspects including price

1.C.2 – Competition around primary/final energy consumption

Evaluation/award criteria:

- Additional points awarded for final/primary energy consumption

Example:

- 10 (out of 100) points will be awarded to the offer with the lowest energy consumption, for other offers every 1% increase in consumption reduces the number of points by 1%.
- 90 (out of 100 points) will be awarded for other aspects including price

2. Use of RES

2.C.1 – Minimum percentage of localised RES

Specifications/ minimum standards:

- A minimum of X% of (primary, final or net) energy consumption must be provided by localised renewable energy sources.

(Optional) evaluation/award criteria:

- Additional points awarded for the percentage of (primary, final or net) energy consumption provided by localised renewable energy sources, above the minimum standard set in the specifications.

Example:

- 10 (out of 100) points will be awarded to the bid with the highest percentage, for other bids every 1% decrease in the offer reduces the number of points by 0.5.
- 90 (out of 100 points) will be awarded for other aspects including price

2.C.2 – Competition around percentage of localised RES

Evaluation/award criteria:

- Additional points awarded for the percentage of (primary, final or net) energy consumption provided by localised renewable energy sources.

Example:

- 10 (out of 100) points will be awarded to the bid with the highest percentage, for other bids every 1% decrease in the offer reduces the number of points by 0.5.
- 90 (out of 100 points) will be awarded for other aspects including price

4. Monitoring and end user aspects

4.C.1 – Regular book keeping

Specifications/ minimum standards:

- An independent company must be contracted to provide a regular bookkeeping service for the first three years, who will provide the building manager with monthly figures on energy consumption for heating, cooling, ventilation, hot water, and electricity

4.C.2 – Energy consumption display panel

Specifications/ minimum standards:

- A display panel must be installed prominently in the building indicating daily energy consumption for the whole building.

4.C.3 – Training session for building manager

Specifications/ minimum standards:

- A training session must be given to the building manager on the energy efficient use of the building following completion of construction/renovation.

3 Further ideas

- ➔ **Infrastructure** – Provide adequate (preferably) existing technical and social infrastructure as basis for urban development.
- ➔ **Life cycle costs** – In almost all cases, running and maintenance costs by far exceed construction costs. Considering construction costs only therefore means higher financial efforts during the life span. Ask for life cycle costs.

Alternative cost models (e.g. third party financing, energy performance contracting) offer ways to overcome the gap between construction costs and life cycle costs.
- ➔ **User involvement** – User behaviour plays a crucial role in the energy and ecological performance of buildings. Facilitate user involvement starting in the first project stages, especially for the renovation of residential projects.
- ➔ **Renovation work** – Force renewal of the existing building stock, hereby achieving highest savings of energy, material, land, technical and social infrastructure.
- ➔ **Reuse of wasteland** – Encourage the recycling of wasteland (e.g. brownfield sites) for new construction.
- ➔ **Site density** – Minimise land use by encouraging high site density, but also considering architectural and social aspects.
- ➔ **Microclimate and site design** – Look at climatic and topographic aspects in all project stages, especially in the project development and the design stage.
- ➔ **Indoor quality** – Thermal comfort, daylight or good lighting systems, humidity and noise control are fundamental requirements for occupant comfort.
- ➔ **Sewage and rainwater management** – Ecological sewage systems (reuse of wastewater, water saving armatures, etc) and the use of rainwater may also affect financial savings as well as ecological aspects.
- ➔ **Integral planning** – Sustainable construction relies on a continuous dialogue and co-operation between all actors involved in the design and construction process as well as in the use and maintenance of the building.



The Procura+ Manual provides clear, easy-to-understand guidance for any European public authority on how to implement sustainable procurement in practice – no matter what size, or level of experience.

The manual includes:

- Practical advice on **how to integrate sustainability into procurement**
- Information on the **cost of sustainable procurement**
- **A management model** for systematically implementing sustainable procurement – **the Procura+ Milestones**
- **Key purchasing criteria** for 6 high-priority product groups, which can be inserted directly into tendering: buses, cleaning products, electricity, food, IT products and building construction/renovation
- A simple approach to **monitoring performance** – **the Procurement Scorecard**
- A CD-ROM providing a set of good practice examples from around Europe, more detailed information on the product groups covered, some relevant European legislation, and a variety of further implementation tools

The manual also acts as the implementation guide for authorities participating in the Procura+ Campaign. Any European public authority can join Procura+, both to demonstrate your commitment to sustainable procurement and to make use of the substantial practical resources the Campaign provides.

“Only through public authorities working together across Europe on green public procurement can we make a significant difference on the market in terms of improving the environmental performance of companies and products. The Procura+ Campaign is an important step in making this happen”

*Stavros Dimas,
EU Commissioner for Environment*

“Sustainable Procurement needs strong political will. This must also be combined with clear and simple guidance on how to implement sustainable procurement. This Manual provides such advice”

*Danielle Poliautre,
Deputy Mayor, City of Lille*

“Public authorities can lead by example through joining this Campaign – this is a good opportunity for Southern European cities”

*Imma Mayol,
Deputy Mayor, City of Barcelona, Spain*

“Huge amounts of work can be saved by public authorities across Europe sharing their experiences and finding common solutions on sustainable procurement. We welcome the Procura+ approach”

*Mara Pesaro,
Managing Director of the Environmental
Department, Province of Cremona, Italy*

“Tackling unsustainable consumption practices is one of the key challenges facing our world today. Initiatives such as Procura+ are vital in achieving this.”

*Bas de Leeuw,
Head, Integrated Resource Management, Sustainable
Consumption and Production Branch, United Nations
Environment Programme (UNEP)/ Division of Technology*

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Sustainability

| | 1 Failing | 2 Poor | 3 Inadequate | 4 Satisfactory | 5 Above average | 6 Good | 7 Excellent |
|---|---|---|---|--|--|---|---|
| Strategy & policy | The organisation gives little or no consideration to sustainability issues in its procurement strategy and policy framework | The organisation gives some consideration to sustainability in its procurement strategy and policy framework | The organisation has agreed overarching sustainability objectives. Simple sustainable procurement policy in place endorsed by CEO. Communicate to staff and key suppliers | The organisation has reviewed and enhanced its sustainable procurement policy, including the consideration of supplier engagement ensuring it is part of a wider Sustainable Development strategy communicated to staff and key stakeholders | The organisation has augmented the sustainable procurement policy into a strategy covering risk, process integration, marketing, supplier engagement measurement and a review process. Strategy endorsed by CEO | The organisation has reviewed and enhanced the sustainable procurement strategy, in particular recognising the potential of new technologies and tried to link it to the EMS and include in overall corporate strategy. | Strategy is: reviewed regularly, externally scrutinised and directly linked to the organisations EMS. The sustainable procurement strategy recognised by political leaders, is communicated widely. A detailed review is undertaken to determine future priorities and a new strategy is produced beyond this framework |
| Organisational skills knowledge & competencies | General skills & knowledge base across the Council with some local adhoc expertise | Good basic general skills and knowledge of sustainability issues in procurement across the organisation | Sustainable procurement champion identified. Key procurement staff have received basic training in sustainable procurement principles. Sustainable procurement is included as part of a key employee induction programme | All procurement staff have received basic training in sustainable procurement principles. Key staff have received advanced training on sustainable procurement principles | Target refresher training on latest sustainable procurement principles. Performance objectives and appraisal include sustainable procurement factors. Simple incentive programme in place | Sustainable procurement included in competencies and selection criteria. Sustainable procurement is included as part of employee induction programme | Achievements are publicised and used to attract procurement professionals. Internal and external awards are received for achievements. Focus is on benefits achieved. Good practice shared with other organisations |
| Best practice compliance Measurements and results | No coherent approach to promoting measurement & compliance with sustainable procurement best practice requirements | Coherent approach to promoting universal compliance with sustainable procurement best practice requirements and evidence of some local good practice for specific schemes | Key sustainability impacts of procurement activity have been identified | Detailed appraisal of the sustainability impacts of the procurement activity has been undertaken. Measures implemented to manage the identified high risk impact areas. | Sustainability measures refined from general departmental measures to include individual procurers are linked to development objectives | Measures are integrated into a balanced score card approach reflecting both input and output. Comparison is made with peer organisations. Benefit statements have been produced | Measures are used to drive organisational sustainable development strategy direction. Progress formally benchmarked with peer organisations. Benefits from sustainable procurement are clearly evidenced. Independent audit reports available in the public domain |
| Process & Innovation | Evidence that the organisation takes some account of sustainability within its standard procurement processes and documentation including T&C's | Evidence that the organisation clearly takes account of sustainability within its standard procurement processes and documentation including T&C's | Expenditure analysis undertaken and key sustainable impacts identified. Key contracts start to include general sustainability criteria. Contracts awarded on the basis of value-for-money, not lowest price. Procurers adopt quick wins | Detailed expenditure analysis undertaken, key sustainability risks assessed and used for prioritisation. Sustainability is considered at an early stage in the procurement process of most contracts. Whole-life-costing analysis adopted. | All contracts are assessed for general sustainability risks and management actions identified. Risks managed throughout all stages of the procurement process. Targets to improve sustainability are agreed with key suppliers | Detailed sustainability risks assessed for high impact contracts. Project/contract sustainability governance is in place. A life-cycle approach to cost/impact assessment is applied | Life-cycle analysis has been undertaken for key commodity areas. Sustainability key performance indicators agreed with key suppliers. Progress is rewarded or penalised based on performance. Barriers to sustainable procurement have been removed. Best practice shared with other organisations |
| Stimulating the market place | Awareness of requirements but no capacity to support unified approach in practice | Awareness of requirements but little capacity to support unified and planned approach in practice | Key supplier spend analysis undertaken and high sustainability impact suppliers identified. Key suppliers targeted for engagement and views on procurement policy sought | Detailed supplier spend analysis undertaken. General programme of supplier engagement initiated with senior manager involvement | Targeted supplier engagement programme in place, promoting continual sustainability improvement. Two way communication between procurer and supplier exists with incentives. Supply chains for key spend areas have been mapped. | Key suppliers targeted for intensive development. Sustainability audits and supply chain improvement programmes in place. Achievements are formally recorded. CEO involved in the supplier engagement programme | Suppliers recognised as essential to delivery of organisations' sustainable procurement strategy. CEO engages with suppliers. Best practice shared with other peer organisations. Suppliers recognise they must continually improve their sustainable profile to keep clients business |
| Whole life costing/value | No use of whole life costing/value | Little use of whole life costing/value | Some use & awareness of WLC whole life costing but no coherent policy or approach | Acceptance & use of whole life costing/value as norm | Use of whole life costing/value as norm | Use of whole life costing/value as norm | Use of whole life costing/value as norm |

From Flexible Framework
Original Continuum but moved

Original continuum no change
Governments 2009 Target

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Executive

20 May 2008

Report of the Head of Civic, Democratic and Legal Services**Independent Remuneration Panel Report – Special Responsibility Allowances****Summary**

1. At its meeting in 24 January 2008, full Council considered the report of the Independent Remuneration Panel on the statutory review of Members Allowances. Council made a number of decisions regarding the basic allowance and pensions and agreed to review special responsibility allowances prior to the Annual Meeting in May 2008.

Background

2. Places to the Executive, Scrutiny & other Committees are determined at the Annual Council Meeting, together with individual Member roles, eg chairs of committees, Executive Member status etc.
3. As a result of the decisions made at the Annual Council Meeting, Members are paid special responsibility allowances (SRA) commensurate with the role to which they are appointed.

Consultation

4. In accordance with the decision made at Council on 24 January 2008, Group Leaders have been consulted upon their position in relation to reviewing SRAs at this point in time. As a result, Group Leaders are recommending that no change be instigated to the existing SRAs for the time being. It is suggested that they be reviewed when the final outcome of the anticipated report following this year's CPA inspection is known. Group Leaders are proposing this on the basis that the CPA report might lead to a review affecting scrutiny/decision making structures, which in turn could create different Member roles.

Options

5. Options open to the Executive are either
 - (i) to recommend full Council not to make any changes to existing SRAs and bring forward a review post the CPA report being received; or
 - (ii) to recommend full Council to instigate a review of SRAs at some other time.

Corporate Priorities

6. Reviewing special responsibility allowances for Members and considering the recommendations of an Independent Panel is a periodic statutory requirement. Properly reflecting the duties and roles of Members in their remuneration could be said to contribute to the Council's Corporate Values relating to strong leadership and supporting and developing people.

Implications

7. There are no known implications in relation to the following in terms of dealing with the specific matter before Members, namely to consider the minutes and determine their response to the advice offered by the Board:
 - **Financial**
 - **Human Resources (HR)**
 - **Equalities**
 - **Crime and Disorder**
 - **Property**
 - **Other**

Legal Implications

8. As referred to in paragraph 7 above, the Council is statutory obliged to commission an Independent Panel to review the allowances it pays to its Members on a periodic basis. Historically, the Council has opted to effect this review every 4 years to coincide with the local election cycle in York.

Risk Management

9. In compliance with the Councils risk management strategy, there are no known risks associated with the recommendations of this report.

Recommendations

10. Members are asked to consider the recommendations of Group Leaders and decide whether they wish to recommend to full Council that no change to special responsibility allowances for Members take place until such time as they can be properly reviewed when the final outcome of the CPA inspection is known.

Reason:

To fulfil the requirements of the decision made by Full Council in January.

Contact details:

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Chief Officer Responsible for the report:

Quentin Baker
Head of Civic, Democratic and Legal Services

Report Approved **Date** 09.05.08

Specialist Implications Officer(s) None

Wards Affected:

All

For further information please contact the author of the report

Annexes

None

Background Papers

Full Council minute – 24 January 2008

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