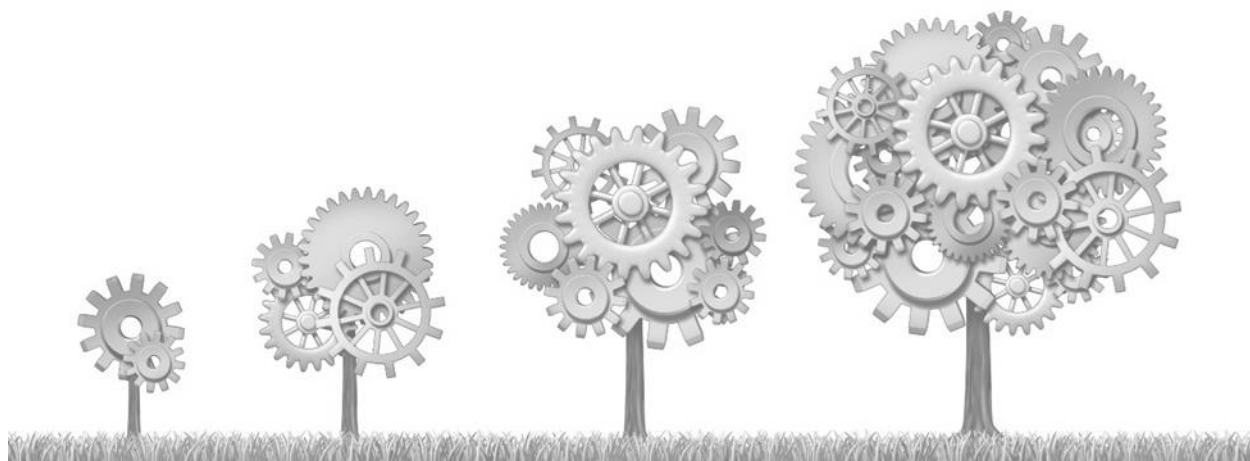


Green public procurement  
for resource efficient regional growth

**GPP4Growth**

**A3.1 Summary Report on conclusions: Workshop on Different  
GPP Approaches (Łódź, 14-15.11.2017)**



Lodzkie Region

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## Introduction

The new European Union (EU) public procurement system, effective since April 2016, creates new opportunities for public authorities to stimulate eco-innovation, resource efficiency and green growth, by using new award criteria in calls and tenders that pay particular attention to environmental considerations. Specifically, the new rules enable public authorities to setup, publish and manage calls and contracts that require businesses / bidders to:

- a) comply with environmental obligations,
- b) integrate environmental costs in their offers based on a lifecycle cost approach, and
- c) deliver goods fulfilling the requirements of environmental labels, while at the same time reducing administrative burden.

This is particularly important to assist the local /regional public authorities to achieve regional green growth and respond to current and future environmental and economic challenges, through the adoption of – what is called Green Public Procurement (GPP). Through its spending of €2 trillion Euros each year (19 % of the EU's Gross Domestic Product - GDP) on goods, supplies, services and works, Europe's public authorities can use their purchasing power to choose environmentally friendly goods and services, promoting sustainable consumption and production patterns in their territories.

Nine partners from nine countries (Fig. 1), are working on the GPP4Growth project, within INTERREG EUROPE Programme, to exchange experiences & practices and improve their capacities on implementing resource efficiency policies that promote eco-innovation and green growth through Green Public Procurement (GPP). The project will support the creation of new opportunities for public authorities to stimulate green growth, mostly by using new award criteria in calls and tenders that pay particular attention to environmental considerations. The updated framework that will emerge is anticipated to address the needs of the territories regarding compliance to the new EU public procurement system. To this end, GPP4Growth will foster:

- a) the exchange of experiences between regional authorities and stakeholders involved in green public procurement,
- b) the integration of lessons learnt into regional policies and actions plans, including benchmarking indicators, and
- c) the development of broader synergies to promote eco-innovation and green growth through GPP.

**Figure 1: GPP4Growth Consortium**

GPP4Growth Consortium			
1	UPAT	University of Patras	GR
2	LOMBARDIA	Lombardy Region	IT
3	LODZKIE	Lodzkie Region	PL
4	ANTWERP	Province of Antwerp	BE
5	ANDALUSIA	Ministry of Environment, Spatial Planning, Regional Government of Andalucia	ES
6	ZPR	Zemgale planning region	LV
7	SZREDA	Stara Zagora Regional Economic Development Agency	BU
8	DCCA	Department of the Environment, Community and Local Government	IE
9	MRDDF	Malta Regional Development and Dialogue Foundation	MT

Taking into account the different pace and circumstances among the GPP4Growth regions in the setup and management of GPP, and the different approaches followed to foster green growth through GPP, interregional cooperation will allow exchange of experiences and information on environmental criteria to be used to improve the implementation of resource efficiency policies, thus saving time and effort. Interregional cooperation will allow integration of lessons learnt into policies, such as green criteria in tendering, monitoring green contracts' performance and market availability of green products, with the aim to support the least-favored regions to integrate GPP and reduce disparities.

In other words, GPP4Growth aims to improve policies on resource efficiency, incorporating green public procurement to support public administrations and businesses to adopt lifecycle cost approaches and improve the overall management of resources and waste. To achieve this, the project includes varied diverse activities, such as workshops, policy platform, stakeholder meetings and study visits.

## Workshop on Different GPP Approaches

As planned in the Application Form, the first workshop on Different GPP Approaches (A3.1) within GPP4Growth project was hosted by Lodzkie Region (Poland). The meeting was organized on the 15th and 16th of November 2017, at the Pilsudskiego 8 Avenue., 90-051 Lodz, room 104 with the participation of all project partners and invited stakeholders.

The workshop started with a multimedia presentation, provided by external experts (prof. Maria Królikowska-Olczak, Anna Górczyńska and Mateusz Izbicki from the Center for Public Procurement and Public-Private Partnership and Department of European Economic Law, Faculty of Law and Administration, University of Lodz). The experts presented definitions, as well as the legal background of the issue concerned. Several general policy instruments that might be used to facilitate GPP were also presented (Fig 2):

**Figure 2: Examples of instruments, that might be used to facilitate GPP**

Examples of the instruments, that might be used to facilitate GPP
Planning Public Procurement and estimation of content value
Common procurement
Life Cycle Costing (LCC) and award criteria
Description of the subject of the contract
Ecological labels
GPP criteria – Environmental criteria in public procurement procedure
Procedures

Particular project Partners presented issues related to GPP Approach in their regions, according to the following scheme (Fig 3):

**Figure 3: Methodology for presenting GPP Approach in particular regions**

GPP Approach in different regions
National and/or regional/institutional policy of green public procurement
Planning in public procurement and estimation of the contract value
Description of the subject of the contract
Standardisation bodies and standards
Procedures
Award criteria and LCC methodology

Thanks to this part of the workshop, the participants had the opportunity to become familiar with GPP approaches in each region. Particular participants had the occasion to exchange their knowledge, experiences, problems and successful good practices. The presentations are available on FREEDCAMP, in relevant file folder.

During the discussion, the participants presented the factors: problems and challenges in the reference to the implementation of green public procurement in their home regions and institutions, among others as seen in Fig 4.

**Figure 4: Some Factors highlighted by particular participants during the workshop on Different GPP Approaches**

Greece: University of Patras
The eco-friendlier products sometimes cost more than the conventional ones;
Lack of adequate knowledge when it comes to GPP;
Lack of political support for the development of green procurement;
Authorities in the public sector are not cooperating well enough with one another;
LCC methodology tools already exist but should be implemented on the wider scale;
Belgium: Province of Antwerp

Many GPP procurements successfully performed;

Broad selection of environmental specifications;

Broad selection of environmental awarding criteria;

Broad selection of bidders' selection criteria;

Need of new ideas – how to even broaden the current experience and increase percentage of GPP;

Lack of sufficient assessment tools enabling control over actual number of Green Contracts;

Too many labels, certificates and certification schemes make it difficult to assess and compare products through their labels;

#### **Bulgaria: Stara Zagora Regional Economic Development Agency**

Lack of sufficient information about GPP;

Insufficient administrative capacity in contracting entities;

Lack of external expert support for the preparation of the tenders;

Lack of stimulation for applying green criteria in public procurement;

Lack of information on green goods/services;

#### **Spain: Ministry of Environment and Spatial Planning, Regional Government of Andalusia**

Lack of various recommendations on technical prescriptions;

Lack of various recommendations on technical solvency criteria;

Lack of various recommendations on award criteria;

The price remains a main factor in awarding criteria;

#### **Malta: Foundation for Development and Regional Dialogue**

Few "green" tenders, but only sporadic compliance with GPP common criteria;

Ad hoc mechanisms used, such as screening of tenders for carbon footprint;

No systematic approach, proper policy framework for GPP;

Lack of ownership and understanding of GPP amongst procurers & suppliers;



Lack of sufficient and certain methodology on life cycle costing;

**Latvia: Zemgale Planning Region**

Lack of sufficient knowledge about green public procurement;

Lack of technical expertise – it is hard to prepare the technical specification from the scratch for more complicated tenders – i.e. construction or renovation works. Therefore the more complicated procurement the harder it is to implement GPP criteria in various aspects;

Official survey shows that public authorities are aware about the importance of GPP;

**Italy, Lombardy Region**

The experience of regional and local authorities showed that the application of GPP was feasible, yet needed further stimulus and support to widen its application;

Require the establishment of a wide system of support for public purchasers that do not yet have the necessary competences and skills to define and manage green procurement;

Regional governments as key actor in the process of building up the knowledge and operational framework that shall allow the implementation of new law provisions;

Promoting the stakeholder dialogue in order to facilitate and incentivate the adoption of a Regional Action Plan for green purchases;

Integration of GPP in the management of European resources (European Regional Development Fund and European Social Fund) assigned directly to Regione Lombardia (2 billion of euros) – as Managing Authority;

**Ireland, Department of Communication, Climate Action and Environment**

Green public procurement is implemented in many procurement procedures;

GPP guidelines are helpful for contracting authorities;

Problems with the description of the subject of the contract;

LCC methodologies have been developed;

**Poland, Lodzkie Region**

Lack of sufficient knowledge among public authorities about green public procurement;

Problems with description of the subject of the contract, qualification criteria and award criteria which consider green aspects;

Problems with understanding of green public procurement by control institutions and National Appeal Chamber (pol. Krajowa Izba Odwoławcza);

Importance of green public procurement policy in particular institution (eg. City of Lodz), need for regional policy supporting green public procurement.

The ways of implementing green aspects into procurement procedure also were presented and discussed during the workshop. The following graph shows the procedural course of discussion (Fig 5):

**Figure 5: Procurement process in 4 phases**

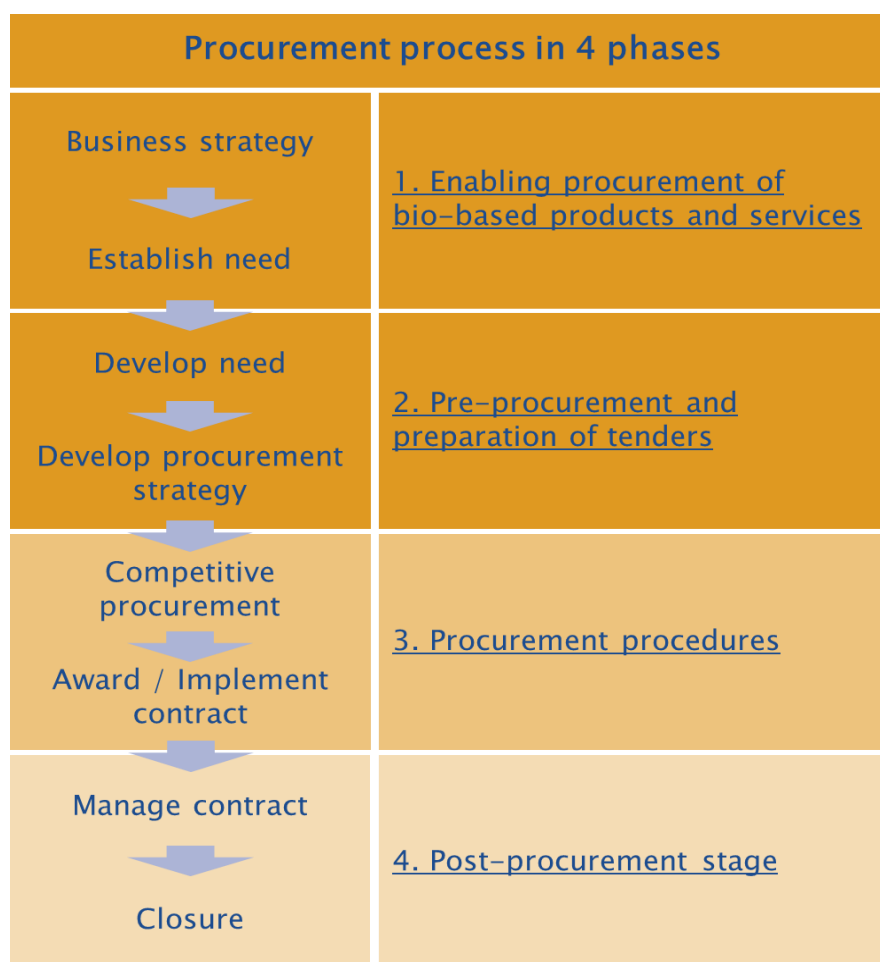


Figure 5 shows a procedural roadmap of the procurement process. There are specific instruments that are relevant at each phase to foster the green public procurement, which was discussed during the workshop. Discussing the needs, challenges and opportunities of solving GPP problems, the participants agreed, that it is important to start implementing the principles of sustainable development public procurement procedures in an organized manner. This process is linked to the policy and objectives to the institutions. Among the identified problems that affect the small scale of the use of environmental clauses are outlined in Figure 6.

**Figure 6: Problems in approach to the GPP, identified during the Workshop on Different GPP Approaches**

Problems in approach to the GPP, identified during the Workshop on Different GPP Approaches
The lack of policies and procedures supporting GPP;
No specific experiences encouraging the use of GPP in the type of procurement;
The lack of knowledge and experience of persons responsible for carrying out public procurement procedures;
The lack of people coordinating the implementation of green procurement;
The lack of knowledge and interest of the contracting authorities about the application of the Green Public Procurement Criteria (GPP Criteria) adopted by European Commission;
The fear of mistakes in the implementation of green aspects in public procurement procedure and increasement of appeals and remedies;
The apprehension of the ordering parties about the increase in the costs of executed orders only in individual cases supported by reliable calculations;
Fear of preparation and implementation of LCC and LCA methodology.

The participants of the workshop agreed with the mian determinants of the GPP approach, striving for GPP growth, provided in “Input paper on workshop on Gifferent GPP Approaches” (A3.1), stating that the

increasing of the number of tenders in which environmental criteria have been applied should be mainly based on the key points illustrated in Figure 7.

**Figure 7: The main determinants in GPP approach**

The main determinants in GPP approach	
Encouraging the contracting authorities to formulate correct criteria other than price to achieve the intended result, e.g. social, environmental, innovative;	
Monitoring changes in regulations on the course of procurement procedures, expectations and problems signaled by the participants. This will allow for in-depth analysis of current needs, barriers and limitations, will provide information to design the development of the public procurement system, among others in legal, organizational and educational aspects;	
Monitoring the value of the public procurement market, including taking measures aimed at limiting expenditures outside the rigors of the Public Procurement Law, including the control of the correct use of ordering entities by excluding the obligation to apply the provisions of the Public Procurement Law;	
Developing and disseminating a catalog of good practices and design specific specifications, evaluation criteria, or GPP notices. It would be used in the tender documentation as well as other recommended tools;	
Recognizing strategies such as national, regional GPP as specific indicators for balancing the development of cities and regions, and incorporating GPPs as a tool for sustainable development;	
Institutionalizing green procurement rules by defining a clear policy that will also cover public procurement;	
Improving internal communication between the people who prepare the order and supervise their implementation. This would allow to evaluate the value the solutions, improve them and possibly avoid duplication;	
Including the use of environmental clauses in budget preparation for the coming years;	
Promoting environmental solutions in individual institutions at national, regional and local level;	
Increasing the competitiveness of the public procurement market by raising knowledge and awareness of potential entrepreneurs, including in particular SMEs;	

Shaping the purchasing policy of the ordering party, aiming to obtain a good quality of product, among others: by promoting non-price criteria relevant to the subject matter of the order and the needs of the contracting authority and indicating the benefits of using them;

Initiating and organizing diversified information and education activities aimed at those involved in the procurement process and their control;

Continuing promotional and educational activities aimed at popularizing GPP;

Open dialogue with representatives of different backgrounds (including researchers, legal advisers, contracting authorities, contractors) on the design of new products.

Experts, who conducted the workshop, presented also a good practice cases in the field of effective usage of GPP in Poland and different countries which are provided in Figure 8.

**Figure 8: Some examples of good practices of GPP presented at the workshop**

#### Some of Good Practices cases in the field of GPP, presented within the workshop

The City of Lodz adopted new rules of planning and awarding public contracts in the City of Lodz on 9th of December, 2015. It makes the use of environmental criteria more clear and direct. These regulations refer to the quality, functionality and application of best available environmental technologies, including the inclusion of operating costs based on the LCA and LCC methodologies. Ultimately, regulations related to environmental and social clauses were included in a single document - Presidential of the city Decree No. 3715/VII/16 from 7th of June, 2016. On the award of public contracts in the City of Lodz. This regulation concerns the possibility of applying in proceedings of less than 30,000 euros and over 30,000 euros of social and environmental elements. The scope of the order is wide enough and precise enough so that the City Council's competent bodies can easily implement guidelines at each stage of the proceedings.

The City of Cracow, in co-operation with the Municipal Transportation Undertaking and the National Research and Development Center, signed an agreement on the implementation of the zero emission transport program. There will be 150 new electric buses purchased, including 100 articulated buses. The signed document assumes that at least 60% of the cost will be awarded on request. It is very important to be able to test an additional 11 vehicles that will be directed to a dedicated line with the battery charging infrastructure installed. By realizing the project Krakow will become the first large

agglomeration in Poland, where passengers will have at their disposal only eco vehicles that meet at least Euro 5 standard, including hybrid and electric.

PKP SA - announced the tender for design services, design documentation, pre-design and periproject design for investment project titled: Reconstruction of 122 railway stations. The choice of the offer will be decided by the price (40%), the experience of the representative of the contractor - the specialist financial and economic (30%) and the so-called quality criterion (30%). Contractors will be required to submit descriptions of the methodologies used for climate analysis and the rational use of energy and natural resources, with the possibility of using alternative energy sources. Energy analyzes should include, inter alia:

- most advantageous solutions, with an indication of the reduction of the cost of the subsequent operation of the building,
- guidelines for planned general construction work to improve its energy economy,
- analysis of the use of gray water or rainwater recovery,
- analysis of optimum heating system selection,
- analysis of possibility and purpose of obtaining solar energy for DHW heating,
- analysis of the possibility and purpose of obtaining photovoltaic energy,
- guidelines for ventilation heat recovery.

The Regional Police Headquarter - announced the tender for the purchase of hybrid-branded passenger labelled cars. Criteria for choosing the most favourable offer were: price of the offer (60%), weight ratio of the base vehicle to the maximum net engine power (20%), power consumption for the internal combustion engine (10%), emission of diesel fuel (10%). The cost of purchasing police cars was about 3.1 million PLN. The funds come from self-governments, among others: from the voivodeship, from the Voivodship Fund for Environmental Protection and Water Management (WFOŚ) and from the main Police Headquarter. The WFOŚ donated 900 thousand PLN for cars. In 2018, another 40 cars will be cofunded. The project will achieve an ecological effect by withdrawing diesel cars and introducing hybrid vehicles, which means reducing CO2 emissions by around 35,000. kg/year.

Wroclaw University of Science and Technology - in the open tender for successive delivery of office supplies to the university apart from the price criterion (60%) applied the ecological criterion (20%) and

other (20%). In the ecological criterion, contractors are awarded with the following indications: suitability for recycling, safety or energy label, European Ecolabel, Ecolabel/EKO or Green Point.

The Management Board of the Slaskie Region - recommended to the units of the Voivodeship Self-government and the Marshal's Office the application of clauses and environmental criteria in the conducted procedures for the award of public contracts. This means that, in justified situations, environmental and social considerations may apply. Helpful in the application of environmental criteria are certificates confirming compliance with strictly defined conditions, e.g. EU Ecolabel, ISO 14001. The list of additional conditions of order fulfillment that the contracting authority can place the contractor is specified in art. 91 sec. 2 of Public Procurement Law (e.g. environmental aspects) and Directive 2014/24 / EU of the European Parliament and of the Council of 26 February 2014.

## Recommendations for effective GPP Approach

The observations, opinions and good GPP practices presented by the participants of the workshop, made up the recommendations that can be used in shaping the effective approach to GPP. These are provided in Figure 9.

**Figure 9: Recommendations for effective GPP Approach**

Recommendations for effective GPP Approach
Assess regional needs in the light of potential environmental impacts and define green procurement policies for the institution:
Green public procurement can be used for any type of contract. It is important, however to develop a policy which clearly defines the use of these contracts. In policy development, the institution should consider its mission and tasks. Thanks to this the institution will be able to show that it is involved in implementation and the same time it will gain additional results. Over time, the area of application of GPP should be successively expanded. Properly prepared green procurement policies will help those who are responsible for this process to properly prepare themselves and concentrate on preparing the appropriate selection criteria.
Definition of the green procurement procedures:

Clearly defining environmental clauses in tender procedures will facilitate their application. As a result, the coordination between the various departments responsible for the procurement process will be improved. It will be possible to repeat use of these clauses. This is important as sustainability is a key factor in achieving the goals of using GPP. Developing and implementing specific procedures will also make the institution less dependent upon the knowledge of specific employees. Thanks to this solution, new employees will be able to successfully implement the GPP.

#### Implementation of good practices:

In order to avoid any doubts regarding the use of GPP, it is worth starting with the implementation of tested and legal solutions. The best option in this regard is to refer to clauses that exist directly in the Public Procurement Law and GPP criteria developed by the European Commission and promoted by the Public Procurement Office. The implementation of good practice should be based on learning from other national and international institutions that have implemented green public procurement within each product category. This will make it possible to test the application of green procurement and to allow for more complex solutions in the future.

#### To nominate a person responsible for coordinating green procurement:

A common problem in the application of GPP is the lack of specific responsibility between individuals and organisations. This includes tasks such as: carrying out a formal public procurement process, product or service description in terms of substance, finances, legal advisers, etc. The idea of applying environmental clauses by one of these parties may be challenged by others who do not have the appropriate knowledge. It will be helpful to appoint a person who will review the contract in terms of the possible use of environmental clauses and ensure that they are implemented in preparation for the contract.

#### Increase knowledge of green procurement among employees at various levels responsible for the process of implementing the public procurement procedures:

Increasing employee knowledge about the potential for green procurement is a key element of its proper and effective implementation. It is important to update staff and organisational knowledge on a regular basis to include new opportunities and solutions. It is crucial to train the persons responsible for the development of institutional procurement policy and to prepare the substantive requirements of the terms of reference.



Increase the knowledge of the contracting authorities regarding the use of environmental clauses in public procurement:

Increasing contractor knowledge is an important factor that will stimulate innovation, will contribute to the growth of green jobs and reduce negative environmental impacts.

Collaboration with outside entities with knowledge of green procurement:

Another possible solution is to contact an external unit specialized in consulting on the use of GPP. International cooperation with partner cities, which may have developed their own policies for the application of environmentally responsible public procurement, is also beneficial. The application of the above will enable the efficient implementation of green public procurement in the current activity of the institution and will allow for gradual extension of their scope to other types of products and services. It will also stimulate the development of innovative technologies, which in turn will contribute to economic growth. The initiative is also beneficial for the environment, improving the health and wellbeing of the society, especially if it takes into account the entire life cycle of a product or service.

Changes in legal status of GPP:

Introduction of GPP as a mandatory element of procurement in legislation system.