



## Joint Criteria for Energy-Efficient Public Procurement

Public procurement, often purely focusing on price competition in the acquisition of office equipment or cars for public fleets for example, is still an underestimated instrument in innovation and environmental policy. An overall strategy to include outcomes such as the fostering of regional economy or image enhancement is still lacking. At the same time, and in view of the global economic crisis, extra investments envisaged for the public sector can create new jobs. Thus the various processes to boost sustainability in public procurement can now successfully contribute to solving several problems.

The pro-EE project running as part of the EU's Intelligent Energy programme focuses on one of the programme's main working fields: the improvement of energy efficiency in public procurement in six European countries. The work plan includes the elaboration of "joint green criteria", which act as a common denominator and are ambitious yet realistic for all of the countries while leaving each the freedom to apply even more ambitious criteria. The common criteria shall not only consist of the selection of indicators, but also of concrete figures for the achievement of energy efficiency.

There are various models for establishing joint green criteria: installing ambitious criteria right from the start, setting up ambition levels (Basque Country) or including minimum criteria and giving bonus points for products that surpass these (Upper Austria).

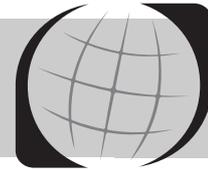
### Research Results for Energy relevant Products – Challenges to be met

The development of proposals for Green Public Procurement (GPP) criteria takes place on a local level (like in the city of Vienna) as well as on a national and EU level. Many of these proposals are comparable to thresholds for energy consumption or CO2 emissions (Energy Star criteria). Differences in the proposals exist for other environ-

mental criteria such as noise reduction, the contents of harmful substances or ease of repair. The criteria obviously depend on the product group. Since there are two different models to deal with cost savings from reduced energy consumption, the assignment of energy criteria is more complicated than for other environmental criteria: in a common approach, lower energy consumption is assigned to the environment criteria. Another approach involves including the cost-benefit from reduced energy consumption in the price criteria. In this case, prices are calculated according to a Total Cost of Ownership model (TCO model). Additionally, the EU will in future allow one further step: the inclusion of external costs for CO2 emissions avoided (vehicles).

The official status of the GPP proposals needs to be kept in mind as another aspect in the selection of criteria. It is obvious that those listed on the EU's GPP homepage will be boosted in the course of time, being that they are currently voluntary but will, in all likelihood, become obligatory in the future. It is reasonable to use the EU criteria in the "GPP Training Toolkit" programme as a guideline. Taking into account the goal of enhanced environmental criteria, the EU's "comprehensive" model is preferable to the "score" model. The website presents ten criteria sheets online (including IT and vehicles), but more are in the pipeline.





**Proposal for the joint GPP Criteria**

Green Public Procurement faces various challenges. Additional costs for GPP can arise in a TCO model. Whereas energy criteria often have a good payback effect, other environmental criteria like the use of eco-friendly materials or noise reduction may in fact increase costs. Purchasers often face the practical problem that they do not have additional funds at their disposal for environmental criteria. If products are more expensive due to their eco-friendly design, purchasers cannot acquire as many products, which means that there are environmental departments that would like to implement GPP but for which purchasers need to consider their limited financial resources.

And even if higher energy efficiency is not automatically linked to higher prices and there is a payback effect from energy saving products, different budget lines in the authority for investments and energy costs can be an obstacle in GPP. The introduction of a threshold for the maximum amount of additional costs could be a solution to the challenges mentioned above.

The following proposal contains a certain amount of flexibility and is designed to fulfil the public sector's various needs and premises for GPP. The proposal comprises the following minimum requirements:

- Partners will include a TCO approach – at least including energy consumption either in cost or environmental criteria.
- The basis for the pro-EE product group is the EU's "Comprehensive GPP criteria model". For further standard product groups, ICLEI will, in its role as an advisory body for the project, elaborate additional proposals linked to activities in the EU scheme if necessary.
- Partners are able to exclude criteria if the extra costs based on a TCO model are more than 10 per cent higher than for non-green products. All criteria creating less than 10 per cent more costs have to be fulfilled, whilst the core GPP criteria are obligatory, regardless of the cost.
- The green criteria have a significant impact (more than 20 per cent) on both the technical specifications and, if possible, on the award criteria. The pro-EE partners analysed the following contract awarding procedures in general use in the respective countries or regions (see table next page).



**Green Criteria in Technical Specifications**

Country	Award criteria
EU	The EU works with percentages for weighting criteria
Region of Upper Austria	The region works with percentages for weighting criteria
Mainz (Germany)	Adapted percentage model: criteria/ price
Cities in Greece	100 percent price  (However it is envisaged that the price should account for between 50 and 65 percent of the total points given for awarding the contract.)
Cascais, Torres Vedras (Portugal)	Percentage model (green criteria are seldomly used)
Ferrara (Italy)	Percentage model