

Thousands of companies have benefited from attending BiP's tendering events – Now you have direct access to that tendering expertise.

The PASS Mark Health Check considers your company's current organisational structures, strategies, processes, practices and related strengths and weaknesses in relation to public sector procurement. It delivers a detailed PASS Mark Health Check Outcome Highlight Report (OHR) that outlines your areas of strength as well as those requiring further attention, and provides an outline Project Initiation Document (PID) designed to deliver your company a more effective and efficient tendering process that will help you achieve even greater tendering success.

After the PASS Mark Health Check is completed and your OHR is delivered, you are free to choose whether to progress with the recommendations it contains and implement the next stage with the support of the PASS team, or to implement the proposals yourself without making further use of PASS. The choice is entirely yours.

The PASS Mark Health Check reviews your:

- resources for identifying tendering opportunities
- knowledge of public sector tendering legislation
- tendering process controls
- practices for responding to "Expressions of Interest"
- weaknesses in any of your current mandatory policies (health and safety/environment/equal opportunities, etc)
- presentation of tender response documentation
- knowledge of your clients' processes and practices, including their evaluation techniques
- understanding of when and how to address government initiatives



The PASS Mark Health Check is a process-based evaluation technique that helps identify how your company can develop more effective processes when tendering for public sector contracts.

For further information on the PASS service, contact our Customer Services Team on +44 (0)141 332 8247, email pass@bipsolutions.com or visit www.bipsolutions.com/pass/

GREEN PROCUREMENT: THE ESSENTIALS

WHAT IS THE CONNECTION BETWEEN PUBLIC PURCHASING AND THE ENVIRONMENT?

Public authorities are major consumers in Europe, spending some 16% of the EU's Gross Domestic Product (which is a sum equivalent to half the GDP of Germany). By using their purchasing power to opt for goods and services that also respect the environment they can make an important contribution towards sustainable development.

Green public procurement covers areas such as the purchase of energy efficient computers and buildings, office equipment made of environmentally sustainable timber, recyclable paper, electric cars, environmentally friendly public transport, organic food in canteens, electricity stemming from renewable energy sources and air conditioning systems complying with state-of-the-art environmental solutions.

Green purchasing is also about setting an example and influencing the marketplace. By promoting green procurement, public authorities can provide industry with real incentives for developing green technologies. In some product, works and service sectors the impact can be particularly significant, as public purchasers command a large share of the market (in computers, energy efficient buildings, public transport, and so on).

Finally, if you consider the life-cycle costs of a contract, green public procurement allows you to save money and protect the environment at the same time. By purchasing wisely, you can save materials and energy, reduce waste and pollution, and encourage sustainable patterns of behaviour.

This guidance is designed to help public authorities launch a green purchasing policy successfully. It explains the possibilities offered by European Community law in a practical way, and looks at simple and effective solutions that can be used in public procurement procedure. It also gives many practical examples of green purchasing by public authorities across the EU.

This guidance, abridged from the European Commission's handbook on environmental public procurement, 'Buying Green', is of use not only to public authorities, but also suppliers, service providers and contractors – particularly the smaller companies – to understand and meet the environmental purchasing requirements imposed on them.

The full handbook is available on the EUROPA website (<http://europa.eu.int/comm/environment/gpp/>).



GREEN PUBLIC PROCUREMENT IS A STEP-BY-STEP PROCESS

- 1 Consider which products, services or works are the most suitable on the basis both of their environmental impact and of other factors, like the information you have, what is on the market, the technologies available, costs and visibility.
- 2 Identify your needs and express them appropriately. Choose a green title to communicate your policy to the outside world, ensuring optimum transparency for potential suppliers or service providers, and for the citizens you are serving.
- 3 Draw up clear and precise technical specifications, using environmental factors where possible (pass/fail conditions):
 - look for examples of environmental characteristics in databases/eco-labels
 - build upon the 'best practices' of other contracting authorities; use networking as a way of obtaining and spreading information
 - take a scientifically sound 'life-cycle costing approach'; do not shift environmental impacts from one stage of the life cycle to another
 - use performance-based or functional specifications to encourage innovative green offers
 - consider environmental performances, such as the use of raw materials, sustainable production methods (where relevant for the end product or service), energy efficiency, renewable energies, emissions, waste, 'recyclability', dangerous chemicals, etc
 - if you are uncertain about the actual existence, price or quality of green products or services, ask for green variants.

4 Establish selection criteria on the basis of the exhaustive list of criteria mentioned in the public procurement directives. Where appropriate include environmental criteria to prove technical capacity to perform the contract. Tell potential suppliers, service providers or contractors that they can use environmental management schemes and declarations to prove compliance with the criteria.

5 Establish award criteria: where the criterion of the 'economically most advantageous tender' is chosen, insert relevant environmental criteria either as a benchmark to compare green offers with each other (in case the technical specifications define the contract as being green), or as a way of introducing an environmental element (in case the technical specifications define the contract in a 'neutral' way) and giving it a certain weighting. Consider the life-cycle costing!

6 Use contract performance clauses as a way of setting relevant extra environmental conditions in addition to the green contract. Where possible, insist on environmentally friendly transport methods.

Always make sure that everything you ask of potential bidders and their offers relates to the subject matter of the contract.

GREEN PURCHASING STRATEGIES

In principle, it should be fairly easy for all public authorities to take the political decision to buy green. Indeed, they should be encouraged to do this as it will not only benefit the environment but also the contracting authority by improving its public image. In fact, a green purchasing policy does not normally require any structural changes by the contracting authority.

However, putting the policy into practice will first require some strategic planning: organising appropriate training for purchasing staff, ensuring access to environmental information, and setting priorities when choosing the contracts most suitable for 'greening'. Once this is in place, contracting authorities will then be able to proceed with the proper organisation of a green public procurement procedure.

Assessing training needs and ensuring access to environmental information

The staff making the purchases should be given the legal, financial and environmental knowledge they need to decide to what extent and where environmental factors can best be introduced into the procurement procedure, whether they are set at the right level to get best value for money and whether they match the environmental priorities of the contracting authority.

It is important to communicate a green purchasing policy to a wide range of stakeholders, including present and future suppliers,



service providers or contractors, so that they can take account of the new requirements. Cooperation between purchasing authorities is another way of increasing access to environmental expertise and know-how and of communicating the policy to the outside world.

SETTING GENERAL PRIORITIES FOR GREENING YOUR PROCUREMENT

Adopt a step-by-step approach. Start with a small range of products and services where the environmental impact is clear or where greener alternatives are easily available and not more expensive (eg recycled paper, energy-efficient office equipment). Alternatively, start by ensuring that contract specifications do not have a negative impact on the environment (eg by excluding the use of recycled components).

Consider environmental impact. Select those products (ie vehicle fleet) or services (ie cleaning services) which have a high impact on the environment.

Focus on one or more environmental problems, such as climate change or waste. Introduce general requirements on energy efficiency or recyclability.

Consider availability and cost of environmentally superior alternatives. Are there green(er) products on the market, will they meet your requirements and can you afford them?

Consider availability of data. Can you find the scientific and environmental data you need to set criteria for this product? How complicated will it be to decide what you want technically, and to express it in a call for tender?

Look for visibility. How visible will the green policy be to public and staff? Will they realise that an effort is being made to improve environmental performance? High-profile changes like the type of vehicles used by an authority, or introducing organic food in a school canteen, can help build awareness of the policy and link it to other environmental projects.

Consider the potential for technological development. If green purchasing can target products and services at an early stage in their development and marketing, this may be more successful than trying to change the environmental characteristics of mature sectors.

Adopt a scientifically sound life-cycle approach. Avoid shifting environmental impact from one phase of the life-cycle of a product to another. Look for relevant information in underlying specifications of eco-labels or in websites and databases aimed at informing consumers.

ORGANISING PUBLIC PROCUREMENT

Public purchasers have a stricter obligation than private purchasers to get the best value for money and to be fair in procurement procedures. Best value for money can include environmental considerations. Being fair means providing equal opportunities and guaranteeing transparency.

The preparatory stage is crucial. Thorough analysis and planning is essential before launching a tender if environmental goals are to be achieved.

It is particularly important to analyse exactly what it is you need, before deciding on a solution.

DEFINING THE REQUIREMENTS OF THE CONTRACT

When defining the subject matter of a contract, contracting authorities have great freedom to choose what they wish to procure. This allows ample scope for including environmental considerations, provided that this is done without distorting the market, ie by limiting or hindering access to it.

Market analysis can provide essential information about the environmental options available and about general commercial rates and conditions.

The underlying technical specifications of eco-labels may prove very useful for the drafting of technical specifications; however tenderers are not required to have registered under any eco-label scheme.

Certain materials and environmental production methods may be specified, if relevant.

SELECTING SUPPLIERS, SERVICE PROVIDERS OR CONTRACTORS

It is possible to exclude companies that have acted against environmental legislation or regulations if this is affecting their professional conduct.

In the technical capacity criteria, the past experience of a company and the professional qualifications of its personnel offer good opportunities for including green considerations.

In order to check whether tenderers can perform the environmental management measures prescribed by the contract, contracting authorities may ask them to demonstrate their technical capacity to do so.

Environmental management systems can serve as a (non-exclusive) means of proof for that technical capacity.

Setting requirements to comply with any particular environmental management system is not allowed.

AWARDING THE CONTRACT

It is possible to apply environmental award criteria, provided those criteria:

- (a) are linked to the subject-matter of the contract
- (b) do not confer unrestricted freedom of choice on the contracting authority
- (c) are expressly mentioned in the contract notice and tender documents
- (d) comply with the fundamental principles of EU law.

Adopting a 'life-cycle costing' approach reveals the true costs of a contract. The use of this approach in preparation of the award criteria will improve both the environmental performance and the financial position.

Total cost of ownership and minimised life-cycle cost (LCC) criteria are widely used in many private and public procurement bodies. As a consequence of this, LCC analysis and guidelines are available that can facilitate the task of developing specifications for defining requirements in the tendering and contracting process.

CONTRACT PERFORMANCE CLAUSES

Contract clauses can be used to include environmental considerations at the performance stage.

The contracting authority can specify the way the goods are to be supplied and even the method of transport.

The contractor is obliged to respect all the performance clauses in the contract. Contract performance clauses are used to specify how a contract must be carried out. It is recognised that environmental considerations can be included in contract performance clauses, provided they are published in the contract notice or the specifications and comply with Community law.

Guidance based on European Commission handbook on environmental public procurement, *Buying Green!*
While care has been taken to ensure the information is accurate it is advisable that legal advice is sought before action based on information herein is undertaken.

All information in this Guidance is checked and believed to be correct, but cannot be so guaranteed, and the publishers shall not be liable for any loss suffered directly or indirectly as a result of its use.



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A PASS Supplier Roadshow 2004

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November – December 2004

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IS YOUR COMPANY SELLING TO OR DOES IT WISH TO SELL TO THE PUBLIC SECTOR?

If so then it's time to get your business ready for planned new laws that will affect how you tender for public sector contracts; whether you are dealing with Local Government, Central Government, Health, Education, Defence or any other public sector organisation.

2005 – A YEAR OF CHANGE AND CHALLENGE: FOREWARNED IS FOREARMED

No company with public sector customers can afford to disregard the forthcoming legal changes to public sector contract tendering.

LOST OPPORTUNITIES = LOST PROFIT

Failure to understand the changes could cost your business £thousands in lost opportunities.

GET READY FOR CHANGE

A supplier-focused seminar to help businesses interested in supplying to the public sector that contains details of some of the major changes that are taking place due to the impending EU public procurement regulations, the Freedom of Information Act and other ongoing government initiatives.

TO BOOK YOUR PLACE OR IF YOU WOULD LIKE FURTHER INFORMATION PLEASE CALL 0141 332 8247 OR EMAIL customerservices@bipsolutions.com