



T1.5.1 - Summary  
report highlighting  
the opportunities for  
WMO's to procure  
joint savings when  
purchasing pumping  
equipment.

# Table of Contents

Table of Contents.....	1
1 Introduction.....	2
1.1 Definition .....	2
2 Green WIN experience .....	3
3 Procurement Mechanisms .....	3
3.1 Canal and River Trust .....	3
3.1.1 Ambition - Green Public Procurement and Sustainability .....	3
3.1.1.1 Carbon Trust certification .....	4
3.1.2 Green Public Procurement instruments .....	4
3.1.3 Procurement policy and mechanisms.....	4
3.2 Ministerie van Infrastructuur en Waterstaat- Rijkswaterstaat.....	4
3.2.1 Ambition Green Public Procurement.....	4
3.2.2 Procurement mechanisms .....	5
3.2.3 Green Public Procurement instruments .....	6
3.2.3.1 CO2 performance ladder.....	6
3.2.3.2 Dubocalc.....	6
3.3 Waterways Ireland .....	7
3.3.1 Green Public Procurement.....	7
3.3.2 Procurement policy.....	8
3.4 Voies Navigables de France .....	8
3.4.1 French energy and climate change goals.....	8
3.4.2 French public procurement legislation .....	8
3.4.3 Public procurement sustainability goals .....	8
3.5 Vlaamse Landmaatschappij .....	9
3.5.1 Ambition Green Public Procurement in Flanders .....	9
3.5.2 Essential sustainability criteria.....	10
3.5.3 Guidelines for sustainable public contracting.....	10
3.5.3.1 Website “sustainable and innovative public contracts” .....	10
3.5.3.2 Central point of contact regarding sustainable procurement .....	10
3.5.3.3 Procurement forum .....	10
3.5.4 Sustainable procurement at the Flemish Land Agency .....	10

# 1 Introduction

As part of the benchmark analysis to create Green WIN's **Study / Report - Regulations, Funding & Procurement (WPT2.1.1)** partners carried out a 'desktop' review. The section highlighting *Procurement mechanisms (employed by, or available to, organisations)* forms the main part of this document.

## 1.1 Definition

"Joint procurement" (JP) means combining the procurement actions of two or more contracting authorities. The key defining characteristic is that there should be only one tender published on behalf of all participating authorities. Such JP activities are not new – in countries such as the UK and Sweden public authorities have been buying together for a number of years - though in many European countries, especially in the South, there is often very little or no experience in this area.

There are several very clear benefits for contracting authorities engaging in JP arrangements:

- **Lower prices** – Combining purchasing activities leads to economies of scale. This is likely to lead to more attractive offers from suppliers. Particularly for small contracting authorities these advantages can be quite significant.
- **Administrative cost savings** – 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. The Eco-Procurement Service of Vorarlberg in Austria has achieved savings of up to 60% on administrative costs (see section 2.1).
- **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 contracting authority can develop high quality skills across the full range of its functions (1) 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. These arguments, of course, apply to any form of public procurement not just GPP. However, JP also represents a very effective way of encouraging the market for more environmentally sound products and services:"

(1) *European Commission Green Public Procurement - (GPP) Training Toolkit - Module 1: Managing GPP Implementation.*

## 2 Green WIN experience

Joint procurement opportunities were not a strong feature in this project. The commercial and operational conditions (particularly during the Covid period) did not foster this type of collaboration and organisations struggled to overcome delays brought about by the pandemic. These were compounded by worldwide supply chain issues and - in the UK's case - post Brexit delays.

Canal & River Trust (CRT) and Waterways Ireland (WI) did however, work extremely well together and pooled the project's external expertise budget to work with industry pumping experts Arcadis.

WI were able to utilise CRT's procurement process and the Green WIN funding to engage Arcadis to review, design and propose the onward procurement route they should take to purchase and subsequently install new pumps, smart pumps, and controllers at their Green WIN trial sites.

Whilst procurement related – this is probably more relevant as an excellent example of the value of joint working and collaboration Interreg funding brings about.

Many commonalities are apparent which do suggest there are opportunities to 'apply pressure' on manufacturers to consolidate their offers and/or accept common procurement standards set by organisations across Europe.

How much this is likely to happen will depend on awareness of the benefits of co-operation across borders. This is not commonplace in the 'inland waterways industry' but the lessons from Green WIN and commitment to continued co-operation through networks such as NIWE bode well – even if procurement co-operation is probably more aspirational than likely right now.

## 3 Procurement Mechanisms

This section describes the various procurement mechanisms employed by Green WIN partners.

### 3.1 Canal and River Trust

#### 3.1.1 Ambition - Green Public Procurement and Sustainability

Canal & River Trust (CRT) work closely with water companies, for example, feeding into their Water Resource Management Plans (WRMP) where they interact with their water supply network to ensure their interests are safeguarded and to identify possible commercial water development opportunities. During the year CRT reviewed the draft WRMPs of 22 water companies and 4 canal transfer schemes have been incorporated into the draft WRMPs for 2 water companies.

Sustainability is a key objective for CRT and is an integral part of their procurement activity. To this end, they developed a [Green Plan](#). CRT is also a participating member of [WWF's Global Forest and Trade Network-UK \(GFTN-UK\)](#) and, timber or timber products must be procured in accordance with the appropriate standards in order to ensure CRT meets its sustainability objectives.

#### *3.1.1.1 Carbon Trust certification*

As a recognition of its sustainability work in 2016, CRT was awarded re-certification to the Carbon Trust Standard. This re-certification acknowledges on-going efforts to reduce CO2 emissions, as demonstrated by the further 6.7% reduction achieved between 2014 and 2016. This progress was achieved through several initiatives - though the focus has been primarily on issues such as investment in energy efficient LED lighting, fuel management software and internal speed limits on commercial vehicles, increasing travel by train, increased energy awareness leading to positive change and an introduction of electric vehicles and charge points.

### **3.1.2 Green Public Procurement instruments**

CRT currently do not employ any instruments or tools like those being used and developed by RWS. This is certainly an area for improvement / development and an opportunity for the organisation to take advantage of the templates demonstrated in Green WIN.

### **3.1.3 Procurement policy and mechanisms**

CRT's procurement policy pays due regard to sustainability issues and this is seen as an integral part of securing best value for money. Details of any sustainability requirements that suppliers need to be aware of will always be included in the Invitation to Tender documents.

Procedures to help tackle carbon emission reduction (and 'heavier' engineering tasks such as water pumping) are addressed under the broad heading of *ENVIRONMENT, HERITAGE AND SUSTAINABILITY*.

## **3.2 Ministerie van Infrastructuur en Waterstaat- Rijkswaterstaat**

### **3.2.1 Ambition Green Public Procurement**

The Dutch Government wants to reduce the emission of CO2 by 20% in 2020 compared to 1990. Sustainable procurement is one of the methods by which this can be achieved.

In 2010, the Dutch House of Commons ruled that the Netherlands public authorities must implement 100% sustainable procurement as of 2015. In response to this, Rijkswaterstaat (the Dept. of Public Works of the Ministry of Infrastructure and the Environment)

developed a methodology for infrastructure projects whereby the functional specification of the tender together with the quality input from the client ensure an innovative and high-quality solution. This methodology will contribute to the reduction of CO2 emissions and other environmental impacts caused by materials used in infrastructure projects.

### **3.2.2 Procurement mechanisms**

Rijkswaterstaat (RWS) strives to commission procurement projects as far as possible based on functional, performance-based specifications of the required infrastructure so that the market has the optimum freedom to arrive at effective, alternative and innovative solutions. The tenderer is also asked to respond to specific quality criteria, which play an important role in tendering according to the Most Economically Advantageous Tender methodology.

The 'Most Economically Advantageous Tender (MEAT)' procedure means that RWS selects tenders based on a combination of price and quality.

Quality includes for instance:

- public oriented approach ('less hindrance')
- sustainability
- project management
- design
- risk management

To assess tender submissions, RWS ensures that quality aspects can be monetised. To this end, RWS assigns a price to specific quality aspects. The way in which these quality aspects are assessed and monetised is communicated to the tenderers at the invitation to tender stage. Tenderers can calculate precisely how much the quality value they have submitted is worth. This value is subtracted from the actual offer price to yield a corrected 'total price'. The more effort the bidder makes to improve the quality of the bid, the higher the monetised value that will be deducted from his actual offer price. The tenderer with the lowest 'total price' wins the tender. The financial cost to the contracting authority is still the same of course, but by monetising efforts made to improve quality in this way and deducting them from the quoted prices as part of the assessment, tenderers with the best quality offers have a higher chance of winning the tender.

By using the performance-based specifications methodology and MEAT, the market can work in a targeted way towards better quality, innovative solutions of greater value. This tendering methodology stimulates and utilise the market's innovative and creative capacities more efficiently.

The MEAT criteria with which RWS assesses the quality of submissions, and that are drawn up for each tender, must meet several requirements. The criteria must:

- provide added value to the client

- create competition between tenderers
- be easy to understand for tenderers
- show differences in quality
- make clear whether and how added value is assessed

During procurement based on the MEAT, RWS draws up the criteria for the assessment of the quality aspects for the specific project and explains them in a 'tendering and assessment' document or a background document. This includes RWS's objectives, the criteria on which the quality aspects are assessed and the maximum value (expressed as a maximum price) it assigns to these criteria.

### **3.2.3 Green Public Procurement instruments**

#### *3.2.3.1 CO2 performance ladder*

This is a certification system with which a tenderer can show the measures (to be) taken to limit CO2 emissions within the company and in projects, as well as elsewhere in the supply chain.

Contractors can apply for a 'CO2 performance ladder' certificate. To comply, contractors need to take steps towards reducing their Carbon Footprint. The first step (or 'rung' on the ladder) is to measure the company's CO2 emissions. In further steps CO2 emissions of their supply chain is also measured, and more importantly: goals are set towards reducing emissions. The higher levels on the CO2 ladder include steps towards CO2 reduction in the supply chain.

In the tendering procedure: the bidder indicates at which of the five rungs (ambition levels) of the CO2 performance ladder they intend to carry out the work; the higher the effort to reduce CO2 emissions, the higher the rung. A commitment to higher rung results in a greater deduction from the submission price, which increases the chance of winning the contract. Each CO2 ambition level corresponds to a different percentage reduction of the submission price.

The final amount assessed by RWS resulting from using the CO2 performance ladder is a deduction of 1% per rung of the submission price. The highest level is rung 5, so the maximum deduction is 5%.

#### *3.2.3.2 Dubocalc*

This is a life cycle analysis (LCA) based software tool RWS developed which calculates the sustainability value of a specific design based on the materials to be used. The software is called the Sustainable Building Calculator, or *DuboCalc*. Bidders use this to compare different design options for their submissions. The *DuboCalc* score of the preferred design is submitted with the tender price.

With *DuboCalc* all embedded environmental impacts of material use can be calculated, from raw material extraction and production up to and including demolition and recycling (so the entire life cycle). It also calculates the energy consumed by infrastructure works during the use phase.

For a *DuboCalc* infrastructure works calculation, the program must know the amounts of materials used for a design. Using LCA data from an in-built database it then calculates 11 environmental impact parameters. The software is based on an independent (national) dataset containing certified LCA information for each material. *DuboCalc* then calculates the value of these effects via the so-called 'shadow price method' to arrive at a single figure, the *Environmental Cost Indicator* (ECI) value.

The shadow price method is based on the costs of preventing emissions from arising. The ECI value indicates the environmental impact of a design for civil engineering works. A lower value indicates a lower environmental impact. Designs that differ significantly from each other in terms of material use also differ in terms of environmental quality. *DuboCalc* enables designers to calculate ECI values of alternative designs to arrive at an optimally sustainable design.

## 3.3 Waterways Ireland

### 3.3.1 Green Public Procurement

Waterways Ireland (WI) currently do not employ any instruments or tools like those being used and developed by RWS. This is certainly an area for improvement / development and an opportunity for the organisation to take advantage of the templates demonstrated in Green WIN.

However, in Ireland, the publication of the *Climate Action Plan 2019*<sup>1</sup>, *Green Tenders, An Action Plan on Green Public Procurement*<sup>2</sup> (hereinafter referred to as Green Tenders) and the *National Framework for Sustainable Development in Ireland – Our Sustainable Future*<sup>3</sup> establish the clear vision and place of Green Public Procurement (GPP) in future national governance arrangements. GPP is a core strand of driving sustainability, promoting resource efficiency, and progressing circular economy ambitions. It is a process whereby public and semi-public authorities meet their needs for goods, services, works and utilities by choosing solutions that have a reduced impact on the environment throughout their life cycle, as compared to alternative products/solutions.

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<sup>1</sup> <https://www.dccae.gov.ie/documents/Climate%20Action%20Plan%202019.pdf>

<sup>2</sup> <http://www.environ.ie/en/Environment/SustainableDevelopment/GreenPublicProcurement/PublicationsDocuments/FileDownload,29208,en.pdf>

<sup>3</sup> <http://www.environ.ie/en/Environment/SustainableDevelopment/PublicationsDocuments/FileDownload,30452,en.pdf>



### **3.3.2 Procurement policy**

As per their Purchasing Policy, all procurement within WI must be carried out in line with the principles of Transparency, Equal Treatment, Mutual Recognition and Proportionality.

Procurement must also be conducted honestly, fairly, and in a manner that secures best value for public money through cost effective and efficient use of resources while upholding the highest standards of probity and integrity. All those involved in the procurement of works, goods and services have a duty to ensure that there is an appropriate focus on good practice in purchasing and that procedures are adhered to ensure compliance with all relevant statutory legislation and WI guidelines.

WI's procurement policy takes into consideration sustainability issues and this is an integral part of securing best value for money. Details of any sustainability requirements that suppliers need to be aware of are always included in the Invitation to Tender documents. For instance, for the procurement of timber and wood, WI requires timber which is from legal and sustainable, FLEGT licensed, source.

## **3.4 Voies Navigables de France**

### **3.4.1 French energy and climate change goals**

In accordance with Paris agreement on climate change, the French government aims carbon neutrality in 2050 and wants to reduce fossils energy consumption by 40% in 2030 (as stated in French law on energy and climate published on November 8, 2019).

### **3.4.2 French public procurement legislation**

As a public authority, VNF procurement is driven by the French public procurement regulation<sup>4</sup>. Whatsoever the amount or the nature of the procurement, the public procurement regulation aims to tackling 3 main objectives: free access to public procurement, equality in the tenderer's treatment and procedures transparency.

### **3.4.3 Public procurement sustainability goals**

French public procurement legislation encourages building sustainability onto the tendering process.

The national action plan for sustainable public procurement<sup>5</sup> defines 2 main targets for 2020 considering environment and social responsibility:

- 30% of public tenders must include an environmental specification or criteria

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<sup>4</sup> Code de la Commande Publique (french public procurement regulation) <https://www.legifrance.gouv.fr/affichCode.do?cidTexte=LEGITEXT000037701019&dateTexte=20190409>

<sup>5</sup> Plan national d'action pour des achats publics durables (PNAAPD) <https://www.ecologique-solidaire.gouv.fr/achats-publics-durables#e1>

- 25% of public tenders must include a social specification or criteria

Moreover, French public procurement action plan gives 5 main goals for the national public authorities:

- Financial optimisation
- Environmentally friendly procurement
- Social responsibility
- Innovation
- And easing public procurement access to small companies and SMEs

For some specific product or services procurement, some compulsory specifications are established. For instance, national public authorities must buy or rent products and services only with high energy performance levels<sup>6</sup>. This applies to a list of products, among them: electrical motors, water pumps, ... These products need to respect the requirements defined in the European Ecodesign standards.

The public procurement regulation also enhances the Life Cycle Analysis in the procurement procedure.

Several guidelines on social or environmentally friendly public procurement are available to help public authorities. French government is also working at updating guidelines on sustainable procurement.

As to facilitate the consideration of social responsibility in the public tenders, local or regional points of contact and experts on social specifications (« *facilitateurs de clauses sociales* ») have been set up to facilitate and give advices on sustainable procurement, according to the tender purpose.

## 3.5 Vlaamse Landmaatschappij

### 3.5.1 Ambition Green Public Procurement in Flanders

The Flemish government wants to reduce greenhouse gas emissions by 15,7% by 2020, to increase renewable energy production by 90.3 PJ by 2020 and become 15.3% more energy-efficient. All compared to 2005.

The Flemish government strives towards 100% sustainable procurement and tendering in 2020 although no specific goals are set.

Tendering and procurement procedures and methods within the Flemish government are based on the legislation concerning public contracts of 17 June 2016. There are no mandatory rules for sustainable procurement or tendering within this legislation - but the legislator has provided some legal basis for "*sustainable procedures*".

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<sup>6</sup> See list of products on the french Ministry for the environnement <https://www.ecologique-solidaire.gouv.fr/orientations-strategiques-des-marches-publics-verts>

### **3.5.2 Essential sustainability criteria**

For the procurement of several product classes the Flemish Government defined a set of minimal criteria which must be met for the procurement to be considered sustainable. Amongst these product classes are paper products, electricity, furniture, PC, laptops and screens, reproduction equipment, cleaning products & services, textile & clothing and vehicles. This list is based on the GPP criteria sets of the EC and will continue to grow in the future.

### **3.5.3 Guidelines for sustainable public contracting**

Because there are no binding commitments for sustainable public contracts, tendering and procurement, it is up to the contracting administration or purchaser to decide whether and to what extent sustainability is a topic in tendering and procurement.

The Flemish government developed various tools to support administrations that do include sustainability in their procurement - and continues to develop more. One of these is the *"Sustainability considerations for public contracts"* manual. This manual sets out different aspects of sustainable tendering and procurement in each phase of the procedures, including pros and cons.

In addition, a range of tools exist to support sustainable procurement:

#### *3.5.3.1 Website "sustainable and innovative public contracts"*

This site was designed to be a starting point for purchasers who want to include sustainability in their procurement. It offers useful manuals (Flemish and European), product sheets, links to other about sustainable procurement sites, examples and information about the local sustainability policies<sup>7</sup>.

#### *3.5.3.2 Central point of contact regarding sustainable procurement*

The central point of contact for employees from the Flemish government was established to give detailed advice, answer specific questions on all possible topics from legal and technical to economical, strategic and practical aspect of procurement.

Local authorities have their own point of contact for similar questions and problems: *"Steunpunt duurzame overheidsopdrachten"*

#### *3.5.3.3 Procurement forum*

This is an online forum for knowledge sharing, information, criteria, news, events, all related to sustainable procurement. The forum can be found at <https://procurement-forum.eu/>

### **3.5.4 Sustainable procurement at the Flemish Land Agency**

The Flemish Land Agency (VLM) is in the process of developing a *"framework for sustainable procurement and tendering"*. Incorporation of sustainability in procurement is

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<sup>7</sup> The website can be found at: <https://overheid.vlaanderen.be/duurzame-innovatieve-overheidsopdrachten>

currently evaluated on a case by case basis. Because of the field the VLM is working in, land and nature development, sustainability is a topic that is always present in the design and implementation of our projects.

Whenever possible during tendering and procurement, environmentally friendly and sustainable materials and resources are preferred. Contractors are asked to minimize the possible negative impact of their activities when they are working in the field.

As a part of the Flemish government, VLM wants and must do the same for its internal logistics. The use of recycled paper, the choice for environmentally friendly copiers, purchase of electrical vehicles, are all examples of the growing awareness and attention to sustainability in their day to day activities.

However, to be able to manage this growing multitude of sustainable activities and choices, with respect to all the legal and economical requirements for procurement and tendering, a framework for sustainable procurement is needed. The development of such a framework is ongoing in cooperation with the VLM climate workgroup.

