

Environmental Pillar Submission on the Draft Green Public  
Procurement National Action Plan



**Environmental Pillar**  
OF SOCIAL PARTNERSHIP



# Environmental Pillar Submission on the Draft Green Public Procurement National Action Plan

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*Whilst this document was developed through the processes of the Environmental Pillar it does not necessarily represent the policies of all its members.*

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# Environmental Pillar Submission on the Draft Green Public Procurement National Action Plan

## Introduction

There are two fundamental principles that need to be emphasised in developing this action plan in order for it to be both effective and transformative:

- 1. It should be Sustainable Public Procurement**
- 2. It must involve everyone working in public authorities<sup>1</sup> both in its development and its implementation**

Sustainable Public Procurement, unlike green procurement, incorporates the three pillars of sustainable development – Social, Economic & Environmental, incorporating all aspects of Agenda 21, and recognising the fact that these three pillars are in fact totally integrated in human society.

In order for the policy to be effective and transformative it needs to involve all the staff of the public authorities both in its development and enactment. Understanding and ownership of the principles of Sustainable Public Procurement by staff members will dramatically increase the likelihood that the desired outcomes will be achieved. Quick win standards are important to initiate the changes, but education and capacity building will ensure they go deeper and become institutionalised.

The desired objective of embedding sustainable practice into the supply chains will require a strong buy-in at all levels of governance, and the establishment of regular review processes to enable sharing of best practice and compliance.

The body of this submission is made up of a list of general recommendations based on the underlying principles above, followed by a series of specific recommendations on particular purchasing streams.

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<sup>1</sup> "Public authority" here means:

- (a) Government at national, regional and other level;
- (b) Natural or legal persons performing public administrative functions under national law, including specific duties, activities or services
- (c) Any other natural or legal persons having public responsibilities or functions, or providing public services, under the control of a body or person falling within subparagraphs (a) or (b) above;
- (d) The institutions of any regional economic integration organisation

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### General Recommendations for Sustainable Public Procurement

1. The thrust of the Action Plan and Government Policy should be broadened to that of 'Sustainable Public Procurement', where this incorporates Social, Economic and Environmental Sustainability.
2. The plan should set clear priorities - a single integrated sustainable procurement framework for all public authorities. The "twelve step" process could be a useful tool in this.
3. The first criteria should be – do we need this? The authorities should question the need for the purchase in the first place. Can existing products or equipment be used instead of buying new goods? Can the requirement be met by hiring or sharing instead of purchasing?
4. The Most Economically Advantageous Tender must include full life cycle costing and be calculated using an appropriate weighting for sustainable criteria. These should go further than just fair-trade and ethical criteria which are the minimum acceptable standards, but should develop and promote higher standards of social criteria over time. Tenders should not be judged simply on the lowest price but on full life-cycle costing. To do this there is a need to develop green specifications and contract weighting tools.
5. Guidelines for implementation of the Plan should include targets for each body at least based on the following criteria: the proportion of procurement staff given sustainability training within a certain time period; the proportion of contracts in place upon which a sustainability risk assessment has been carried out; the proportion of procurement spend covered by sustainability initiatives with existing suppliers; and the number of high risk supply chains for which sustainability audits have been carried out.
6. Sustainable procurement criteria should be incorporated into all key contracts focusing initially on those which are high spend, have a high environmental impact and are easily influenced.
7. Build capacity - a flexible framework must be developed to enable public sector organisations to benchmark their own capability.
8. Lead by example! A clear commitment is needed from the Cabinet through to general secretaries, local authority members and chief executives in all public bodies

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9. Barriers should be removed including budgetary constraints, the failure to implement whole life costing, the split between management of operation and capital budgets, and uncertainty on how to take account of non-monetary benefits.
10. Appoint a sustainability champion at a high level in each public body to spearhead the plan.
11. Reviews must be undertaken of the accuracy of population and other forecasts in underlying proposed procurement used to justify the procurement.
12. There are many existing life cycle cost analysis tools that have been developed at an international level and could be used in Ireland.
13. Training and capacity building should be made available in 'Sustainable Procurement' throughout the public authorities
14. Capture opportunities - better engagement with suppliers to encourage innovative solutions
15. To create a market for recycled products there is a need to specify a minimum percentage by value or volume of recycled products, consumables etc. to be purchased.
16. The criteria developed for ecolabels (European and national) should be synchronised with the public procurement process. Where there is a product generated under an accredited certification scheme rather than an ecolabel, these should also be considered.
17. The DoECLG should make available to public authorities expert advice on the obligations placed upon procurers by EU legislation and should share the lessons learned and emerging precedent, in case some procurers mistakenly believe that they are legally prevented from pursuing more sustainable practices, as has happened in other European countries.
18. Strong consideration must be given to potential over-usage of scarce resources.
19. There is existing research and methodologies from Europe, which include the incorporation of environmental criteria, Ireland should be contributing to and learning from this research.

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### Critique of the Draft National Action Plan

#### Targets

The objectives of the Draft Plan as laid out on page 20 are excellent. However the road map to achieving them is very weak, and likely to be successful only where local champions emerge.

Page 8 of the Draft Plan quotes the EU targets to be achieved by 2010 viz:

The EU's renewed Sustainable Development Strategy commits the EU governments to "*aiming to achieve **by 2010** an EU average level of green public procurement equal to that currently achieved by the best-performing Member States*", leaving each Member State the flexibility "*to define its own targets in every sector to contribute to the overall 50% target*" and "*to apply more ambitious modalities*".

However on page 28 of the Draft Plan the GPP Targets for Ireland give a myopic response to this challenge, adopting the 50% target whilst ignoring the fact that the EU deadline has already passed, giving no deadline for the Irish Target, and going for the soft option of counting the number of concluded contracts rather than the combined number and value, viz:

*This National Action Plan adopts the EU's indicative political target of 50% of GPP, where GPP means incorporating green criteria into the procurement contract. This target will apply in respect of both the **number** and the **value** of public procurement contracts concluded. The focus initially will be on the number, ensuring that as soon as possible, at least half of such contracts will include core GPP criteria – i.e., criteria that are suitable for use by any contracting authority, and address the key environmental impacts.*

The decision to nominate the seven product groups enables the development of specific targets and is a good tactic. However it falls down on two counts in as much as there is a lack of prioritisation given to the different categories and no indication as to the possible make-up of the 50% target. This leaves open the possibility of particular GPP product groups hardly improving at all, whilst for example the creation of many small contracts for group 5, *cleaning products and services*, could give the impression of rapid movement to the target number but with little overall impact.

Whilst the actions for Construction have a number of timelines, the actions for: energy; for food and catering services; transport; cleaning products and services; uniforms and other textiles; include a lot of "*shoulds*" but no timelines. Actions for GPP of paper also include one weak timeline and several "*shoulds*".

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Any plan that hopes to achieve its objectives needs timelines and measurable targets and this plan needs an injection of both if it is to succeed.

### Integration

While the GPP cites a number of excellent green specification tools and standards it is less comprehensive on its advice re weighting or prioritising the different criteria within each particular tender. Specifically the level of 'integration' of the different kinds of green and social criteria should be afforded extra brownie points. Closing nutrient and energy cycles within the product / service adds to resilience and should be recognised fully. In short, products/services that deliver very high standards in only one area of sustainability say energy, should lose out compared to one whose energy standards is significantly lower but it t also delivers water saving, biodiversity protection and social gains.

### Risk assessment

The following very worrying statement on page 22 of the Draft plan states that the two most important risks relating to procurement risk assessment do not include the actual harm that might be caused to the environment.

*Staff with public procurement responsibilities should be mindful of "unknowns" in their risk management practices. Environmental risk has two main dimensions – reputational; and impacts on cost, time, and quality. Reputational risks arise from any risk to the environment from the organisation and its supply chain, such as pollution potential, resource depletion, emissions to air, soil and water, waste arisings, biodiversity impacts, and the quality of the working environment.*

### Resilience and Efficiency

In the Draft Plan 'efficiency' is elevated over 'resilience'. Sustainability requires a balance between these two objectives. Climate Change is only one of a list of threats to our future security;- also in prospect is fossil fuel scarcity and new diseases unleashed by climate change and population pressures, crop failure, supply chain disruption through war, not to mention financial disruptions.

### Environmental Management Systems

Whilst the Draft Plan repeatedly stresses the value of EMS and in particular EMAS as an enabler in achieving sustainable development objectives including SPP, it makes no recommendation in this regard. A process to get all public bodies to

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adopt and implement EMAS by 2016 should be a strong recommendation of this plan.

As is said on page 26, *The public sector body which has an environmental management system clearly signals to its suppliers, its other stakeholders and the general public a dynamic process of change and an openness to more innovative solutions.*

### The Cost of Carbon

Carbon costs for cost benefit analysis should be linked to the carbon tax, and with any increases in the same. The government is committed to doubling the rate by 2014 to €30 per tonne.

### The GPP Action Plan Contact Group

Whilst it is essential to have a cross departmental contact group, monitoring of the progress of the Plan should involve the various stakeholders including the Environmental Pillar, as well as academic expertise.



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### Supply Specific Recommendations

#### **1. No tender should require hard copy documents, more use should be made of E-Tenders Submission Post Box.**

One area that isn't covered by this discussion document is the question of the carbon footprint/environmental impact of actually tendering for the contracts in the first place. The delivery of multiple hard-copies (usually by couriers or personally delivered – we have even heard of people getting on planes to hand-deliver tenders) around the country is blatantly unsustainable. Picture a tender with six copies required multiplied by 40 applicants by many kms of delivery mileage. The footprint is enormous and cut be cut at one stroke a pen in setting electronic procurement policy.

All State agencies should be mandated to provide an electronic means of tender submission. This simple measure would cut tons of emissions at a stroke. A mechanism to do this already exists in the [e-tenders.gov.ie](http://e-tenders.gov.ie) tender submission post-box, yet a vast majority of State Agencies refuse to use it for some reason. The only reason that we have been given is that "it would be unfair to those businesses that don't have email/broadband". Also the fallacy in this argument is that the e-delivery of tenders should be an option and not exclusive (although The UK Olympics have gone this route and tender application is electronic only)

For example, how can the EPA justify hard-copy delivery only. They have improved recently (the last two months) however currently they have 6 tenders open of which on 3 offer electronic submission. Of 51 tenders in the past couple of years, just 11 have provided an electronic post-box.

#### **2. The government should bring green buildings operation into all its buildings and favours reuse over new build. One way of doing this would be to incentivise all Departments to upgrade their existing stock to reduce energy consumption.**

Currently there are no grants or any other forms of aid to assist in the upgrade of existing institutional buildings for carbon reduction or energy conservation. As historic buildings especially protected structures make up a huge percentage of government sector buildings and other state funded offices, schools, hospitals and so on, the lack of such incentives means that the research required for this work is not even being done. Because of the necessity of planning applications to install for example many kinds of renewable energy in protected structures, funding needs to be available to allow this to happen. Both the production of sustainable building studies and their implementation ought to be prioritised as this is relatively low cost way of reducing carbon consumption and would bring

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immediate and dramatic reduction in both running costs and provide publicly accessible examples of how this can be done.

Some of the most carbon wasteful office buildings and other types of premises are in fact state funded and this is because of a total lack of incentives to plan for carbon reduction in their operation.

48% of carbon consumption is caused by the operation and construction of buildings [we should reference this?] with only 27% from transport. Against this 70% of a buildings energy use over its lifetime is caused by its operation. However because of the huge amounts of energy consumed in the tearing down and construction of buildings the greenest building is a reused, energy efficient upgraded one and not a new one.

Energy and carbon use reduction must be matched by reductions in water use and recycling of nutrients and other waste. These aspects are not covered by BER type ratings to guide greener procurement so tend to be neglected. A new comprehensive sustainability standard is required immediately. The criteria listed in the GPP report are a good start but a champion to develop this standard is not given or a timetable for implementation.

The BRAB remit should be expanded to champion the higher standards ( Best Sustainable Practice) than the minimum required under the current Building Regulations. It should be given funding to identify and test new fully integrated construction systems under Agreement as well as under both current BRegs and the higher 'Best Sustainable Practice'. These systems could then comprise a new 'conventional construction' and the industry trained to design and construct them efficiently on site. The incentive to reach these higher standards should be higher points in tenders which achieve them.

### **3. Use heating sourced from renewable sources**

Currently, many public bodies and government departments use electricity suppliers who can claim to produce electricity from renewable sources. Is there an opportunity here to promote the use of heating from renewable sources e.g. ground-source heat pumps and biomass boilers to replace oil? Naturally this would mean spending on new equipment with a payback in the medium term i.e. 5 years. A scoring system, akin to that for road vehicles, needs to be considered for energy systems. Marks would be awarded for the fuel used, the efficiency the of the system, the source of the fuel and so on.

### **4. Stop purchasing Illegal Timber**

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In June, representatives of the European Commission, Council and Parliament reached agreement on the text of legislation designed to remove illegal wood from European trade. On July 7, the European Parliament voted overwhelmingly in favour of the agreed text, thereby removing the last major hurdle to passage of the legislation. It is now expected the European Council will rubber-stamp the text and formally accept it into European law in September 2010.

Ireland has a particular responsibility for deforestation and illegal logging. Economic development and consumption in this country is very much dependent upon natural resources from other parts of the world, in particular some of the poorest countries of Africa, Latin America and S.E. Asia. This is particularly true for timber. Most of the logging in tropical and boreal regions focuses on high-value trees that are exported for consumption in Europe and Asia. While China's import of tropical timber is skyrocketing, only half of it is actually consumed in China, the other half is re-exported to EU countries, like Ireland, in the form of wood products (plywood for hoarding, flooring, furniture, etc).

### **5. Procurement of SEAI approved products**

Procurement of SEAI approved products is a minimum requirement and should be the norm. The SEAI scheme should be adapted for Public sector use, where the full costs of the products are refunded to the capital budget of the department involved. The refunds can therefore be re-used for other procurement or applied to other energy savings schemes where there may have been no existing budget (since the costs cannot be offset against taxable profits in this case).

### **6. Eliminate wherever possible all disposable crockery and cutlery (paper, plastic cups etc.).**

When it is necessary to use one-way crockery and cutlery only recycled paper and PET plastic products should be purchased.

### **7. A large amount of food goes to waste in canteens. Eliminate food waste by better planning of menus and portion controls.**

### **8. Install separate food waste collection services or install on-site Anaerobic Digesters linked with a waste service company.**

### **9. A very simple and rapid way to reduce demand is by initiating a nationwide lighting retrofit scheme (replace all old fluorescent tubes on all offices etc with energy efficient versions).**

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This will reuse the existing metal or plastic fittings, reduce power drawn by approx. 40%, provide the same light levels, and recycle the old inefficient lamps. The compound effect would be immediate with payback within 2 years in most cases of 9-5 and 5 days/week operation.

### **10. A domestic light bulb programme of incandescent replacements should be launched.**

Possibly financed or subsidised by the Lottery Funds . This could make available to all interested householders a set of domestic bulbs that replace standard 60W incandescent bayonet lamps with LED 6W bulbs saving 90% power per bulb. These could be provided via the electricity suppliers, costs recovered from monthly bills over 12 months (which will be less than the savings made). This would have a galvanising impact on domestic users and could be kick started by offering to public sector workers and then to the general population. It would require all Electricity suppliers to be mandated to offer the replacement service.

### **11. Transport**

Where adequate cycle parking has already been provided, and where publicly accessible buildings (libraries, city halls, admin buildings) have ancillary car parking electric charging points should be installed at such premises. Additionally, consideration should be given to low-cost or free charging by EV owners, subject to time limits.

Since December 2010 the Clean Vehicles Directive obliges all contracting authorities to take account of CO<sub>2</sub>, NO<sub>x</sub>, NMHC, particulates and other pollutants when procuring road vehicles. The government must ensure mandatory publication by contracting authorities, showing how they are discharging their obligations in this regard. A deadline date should be set by which the information must be published and we suggest 1 Dec. It would be sufficient to web-publish the material, and only issue a hard copy at the cost of issuance cost on request.

A vehicle-scoring methodology, which can be used as a default standard, particularly by smaller public bodies, should be published by Government, perhaps via SEAI. Only by issuing such a publication will we see real penetration of EVs for as cleaning vehicles, delivery vehicles etc, particularly in smaller organisations.

EU competition law does not bar the inclusion of sustainability criteria. The key issue is that any measures are not disguised as restrictions intended to favour domestic producers, or given operators. This can and should be achieved.

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A great of vehicle purchasing will be done not by the CIE group of companies but by the National Transport Authority, and this should be acknowledged or otherwise reflected in the strategy.

Procurement is not just about purchasing, and green procurement also applies to tendering for the medium term supply of given services - bus services for example. Here, it should be clear the NTA will include sustainability with respect to vehicles in issuing licences and tenders for transport services.

Recompense of employees by public bodies for motor travel encapsulates a perverse logic by effectively rewarding those who purchase vehicles with engine sizes of greater than 1501cc with a c.50% higher rate of payment per mile compared with that given in relation to less polluting engines of less than 1201cc. This practice should end with a flat rate based on the lower rate extending to all private cars used for official travel.

### **12. The ultimate energy reduction is the self-generation of power consumed.**

There is an opportunity to use a large national roof space as a solar generation network. All school roofs that could be adapted could be used to house a set of PV cells. These will generate a portion of the schools energy year round, reducing their demands from the grid and have a healthy surplus over the summer months to be fed back into the grid. Public sector buildings could likewise be adapted to house an amount of solar cells on rooftops. The network of these micro energy generators could be co-ordinated by an energy supplier and this supplier could be the preferred supplier to the public sector. In essence they are supplied with electricity that they in part generate from their own rooftops. This will reduce their electricity bills and cut Co2 - real savings in action.

### **13. The Dept of Education influences the behaviour of Schools and colleges.**

There is an opportunity to mandate that all school text books be printed in recycled paper – the quality is acceptable now- , toilet paper and all paper towels, napkins etc be supplies exclusively from recycled paper. All copy books and writing pads supplied should be from recycled paper. This will stimulate a market for recycled products and bring prices down based on increased volumes.

### **14 Purchase of all hedge and woodland planting by the NRA.**

NRA should be required only to plant Native Provenance trees in its roadside planting programmes. This would involve the planting of trees grown from seed gathered and propagated at the very least in Ireland and ideally at a more local

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level. This will create jobs both in seed gathering and local tree nurseries as well as having very positive effects for protecting, maintaining and enriching local biodiversity and encouraging the protection of existing trees and hedgerows.

### **Some Useful Resources**

Analysis of the UK experience

[http://www.nao.org.uk/publications/0809/addressing\\_sustainable\\_procure.aspx](http://www.nao.org.uk/publications/0809/addressing_sustainable_procure.aspx)

Guidance on Ethical Fairtrade Purchasing

[http://www.traidcraft.co.uk/Resources/Traidcraft/Documents/PDF/tx/policy\\_report\\_win-win\\_Buyers\\_Guide.pdf](http://www.traidcraft.co.uk/Resources/Traidcraft/Documents/PDF/tx/policy_report_win-win_Buyers_Guide.pdf)

A useful resource for educating potential suppliers

<http://www.greenprocurementcode.co.uk/files/Cynics%20Guide%20-%20final%20for%20marketing.pdf>