Environmental Procurement

Torben Soll
Procurement Advisor
Quality Assurance & Professionalisation
Procurement Support Office/BOM/UNDP
E-mail: torben.soll@undp.org
Why Environmental Procurement?

The Green Agenda:

- Reduce emissions of greenhouse gases
- Reduce emissions of hazardous chemicals
- Avoid over-consumption of resources
- Limit the volume of waste
- Stopping depletion of the ozone layer
- Safeguarding biodiversity
What is Environmental Procurement?

"the purchase of products and services which have less impact on the environment and human health compared with competing products or services that serve the same purpose"

(UNDP Environmental Procurement Practise Guide)
Total Cost of Ownership

- Purchase Price (shipping, insurance)
- Internal staff costs
- Installation costs
- Maintenance/running costs
- Residual value/disposal/waste

Total Cost of Ownership
TCO factors to consider

- The source of raw material
- Production/manufacturing process
- Packaging
- Distribution
- Potential for reuse and recycling
- Operation
- Maintenance, and
- Disposal of the product
How to get started?

Working along "The green continuum"

- No recycled content
- 10% recycled content
- 30% recycled content
- 80% recycled content
- 100% recycled content

Higher environmental impact
Lower environmental impact

Timeframe
Stages of Environmental Procurement

Procurement planning

- Defining subject matter
- Green title for contract
- Market research

Requirement definition

- Env. specifications
  - Technical standards & eco-label criteria
  - Performance & functional requirements
  - Production/process methods
- Assessing suppliers technical capacity

Sourcing

Selection of procurement strategy

- Env. evaluation criteria
- Life-cycle costing approach

Prep. of solicitation docs.

Contract management

- Contract finalisation & issuance
- Contract review & award

Evaluation

- Using env. contract performance clauses
- Receipt & opening of offers
Requirement: Environmental title

Example of contract title;

• Request for Proposal for cleaning services would be ‘Environmental Cleaning Services including selective waste collection’.

• Request for Quotation for the supply of ‘Recycled paper for writing, printing and copying purposes’.

• Request for Proposal for the ‘Design and construction of an energy efficient building’.

You can state that you want to procure ‘energy efficient computers’, but you can not state that you want to buy ‘Energy Star Certified computers’ as this would discriminating and would not giving equal treatment to all bidders as you are demanding a specific product certification.
The use of Eco-labels

The procurer can not use ‘certified Nordic Swan paper’ as a specification. As this is would considered discriminatory and contravene the principles of fairness and effective international bidding.

However the procurer can use the criteria of this eco-label as the technical specification. E.g.

The paper must..
1. Contain at least 80% post consumer waste
2. Be totally chlorine free (TCF)
3. Durability >100 years, according to ISO 9706, DIN 6738 or equivalent
4. Compatibility with machinery: meeting DIN 19309, AFNOR Q11-013 or equivalent.

Products carrying the Nordic Swan label will be deemed to comply, as will other acceptable means of proof.
# Ecolabel for computers and monitors

<table>
<thead>
<tr>
<th>Eco Label / country of origin</th>
<th>Description</th>
<th>Website</th>
<th>UNDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic Product Environmental Assessment Tool</td>
<td>EPEAT is a multi-criteria label that provides a clear and consistent set of performance criteria for desktop computers, notebooks and monitors. Products are evaluated over 51 criteria covering the environmental impacts across the product lifecycle. Products are ranked according to three tiers of environmental performance. Energy efficiency criteria are based on Energy Star Rating 4. (Please refer to Annex XX for the full list of criteria.)</td>
<td><a href="http://www.epaat.net/">Home page</a></td>
<td>Recommended as UNDP preferred standard.</td>
</tr>
<tr>
<td>Energy Star</td>
<td>Energy Star is a single-issue label that focuses on energy efficiency with a wide range of products including desktop computers and monitors.</td>
<td><a href="http://www.energystar.gov/index.cfm?c=bulk_purchasing.business_purchasing">Procurement page</a></td>
<td>Recommended as UNDP minimum standard.</td>
</tr>
<tr>
<td>European Flower</td>
<td>The EU label is a multi-criteria label. The criteria for computers and monitors include: energy efficiency, harmful substances, natural resource use, durability, packaging, electromagnetic emissions, and take back and disposal.</td>
<td><a href="http://ec.europa.eu/environment/ecolabel/product/pg_personal_computers_en.htm">Homepage</a></td>
<td></td>
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<tr>
<td>Nordic Swan</td>
<td>The Nordic Swan label is a multi-criteria label. The criteria for computers and monitors include: energy efficiency, design, upgradeability, disassembly, material input, and heavy metals.</td>
<td><a href="http://www.svanen.nu/Default.aspx?tabName=StartPage&amp;menuItemID=7055">Homepage</a></td>
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| **Blue Angel** | The Blue Angel label is a multi-criteria label. The criteria for computers, monitors and keyboards include:  
- energy efficiency  
- design (upgradeability/disassembly)  
- harmful substances  
- durability  
- material input  
- noise/electromagnetic emissions  
- take back and disposal | Homepage: [http://www.blauer-engel.de/englisch/navigation/body_blauer_engel.htm](http://www.blauer-engel.de/englisch/navigation/body_blauer_engel.htm) |
| **Germany** | | |
| **TCO'05** | The TCO'05 label is a multi-criteria label. The criteria for computers, monitors, keyboards include:  
- energy efficiency  
- noise/electromagnetic emissions  
- natural resource use  
- harmful substances  
- ergonomics  
- Recycling | Homepage: [http://www.tco-development.se/](http://www.tco-development.se/) |
| **Group for Energy Efficient Appliances (GEEA)** | The GEEA label is a single issue label. The criteria for energy efficiency for computers, monitors, and workstations use the energy star criteria as a basis. | Homepage: [http://www.efficient-appliances.org/Home.htm](http://www.efficient-appliances.org/Home.htm) |
| **European (Denmark, the Netherlands, Sweden and Switzerland)** | | |
Example: Performance & Functional Requirements

Specifying the end result, but not how to achieve it.

The objective is to maintain the indoor climate of an office building within a certain range. The business unit could do this by setting very detailed specifications for a central heating system. Alternatively a performance-based specification could be applied by stating for example; ‘The indoor climate must be maintained between 20–22 Celsius and a relative humidity of 50%’

In this case the bidders would be required to choose the best possible method for achieving the requirement. The bidders can opt for more environmentally benign heating and ventilation system instead of offering one that is based on burning fossil fuels.
Requirement: Production and process method

For example, business units can require that:

- Paper is produced without the use of chlorine (TCF)
- Food is organically produced (without the use of chemicals pesticides and fertilisers) in compliance with for example; the EEC regulation 2092/91 of 24 June 1991 and 1804/99/EC or other relevant national standards/regulation)
- Electricity is generated from renewable sources
Some examples of contract performance clauses...

For the supply of goods

♦ Having the product delivered in the **appropriate quantity**. In general terms this means a bulk delivery, as this will be more environmentally efficient in terms of transport impact per item than having smaller quantities delivered more often. Specifying a maximum number of deliveries per week or month can also be another way of achieving the same result.

♦ Requiring that goods be **delivered outside peak traffic times** to minimise the contribution of deliveries to traffic congestion.

♦ Requiring that the supplier **takes back (and recycles or re-uses) any packaging** that comes with the product. This has the double advantage of centralising packaging prior to re-use or recycling and encouraging the supplier to cut down on any unnecessary packaging.

For services or works contracts

♦ **Transport of products and tools to the site.** – Delivery of products to the site in concentrated form and then dilution on site. – Use of re-usable containers to transport products to the site.

♦ **How the service is performed.** – Use of dosage indicators to ensure that appropriate quantities of cleaning product are used.

♦ **Disposal of used products or packaging from products.** – Products or packaging taken away for re-use, recycling or appropriate disposal by the contractor.

♦ **Training of contractor staff.** – Staff trained in the environmental impact of their industry.
In Summary...

Procurement planning

Requirement definition

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Green title for contract
Market research

Env. specifications
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- Performance & functional requirements
- Production/process methods

Assessing suppliers technical capacity

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Where to learn more?

www.undp.org/procurement

Volume 1: Environmental Procurement
Volume 2: Environmental Specifications

E-mail: Procurement.training@undp.org
UNDP Procurement
Training & Certification
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<td>February</td>
<td>2-5 February</td>
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<td>Risk Management in Contracting for Construction Services</td>
<td>21-23 April</td>
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Tailor-made Training Course?

- UNDP/Procurement Training Unit can deliver all training courses in your country
- Minimum requirement: 15-25 participants
- Training on cost recovery basis

Please contact Training Unit for practical arrangement: procurement.training@undp.org

Information on current training curriculum
http://www.undp.org/procurement/training.shtml
UNDP Procurement Certification Programme

Level 1
Purchasing Awareness

Level 2
Basic Purchasing Capabilities

Level 3A
Intermediate Purchasing Planning

Level 3B
Communication and Negotiation in Purchasing

Level 3C
Intermediate Procurement Contract Management

Level 4A
Strategic Procurement Planning

Level 4B
Strategic procurement negotiations

Level 4C
Strategic procurement management

Certificate in Purchasing & Supply, Level 3
Diploma in Purchasing & Supply, Level 4
Where to learn more about procurement training?

http://www.undp.org/procurement/training.shtml
Thank You!

Torben Soll
Procurement Advisor
Quality Assurance & Professionalisation
E-mail: torben.soll@undp.org