# Les avancées et outils utilisés par les administrations européennes leaders en achat durable

Savoir faire en achat responsable (Congrès Mondial ICLEI) 19 June 2018

Aure Adell aure.adell@ecoinstitut.coop www.ecoinstitut.coop



#### **Ecoinstitut SCCL**

- Workers cooperative based in Barcelona
- We work for the protection of the environment and the introduction of sustainability in all sectors of society
- From policy analysis and development to implementation support and results evaluation











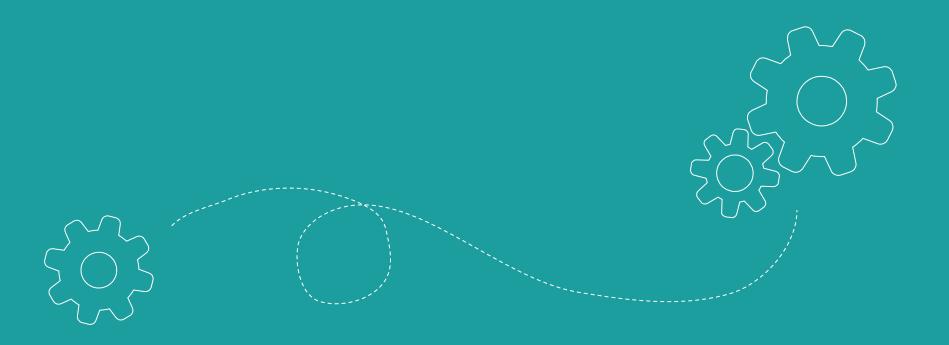






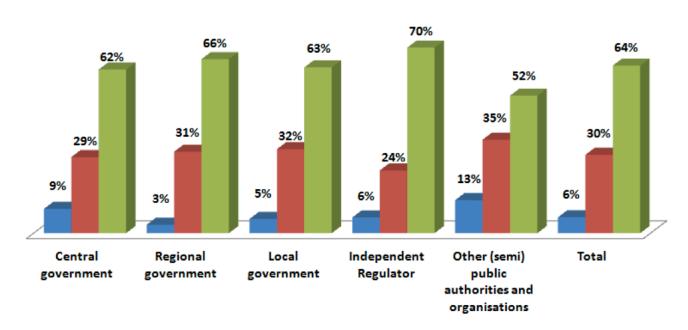
- 1. Is LCC/TCO being implemented?
- 2. Examples from EU authorities
- 3. The environmental dimension





The uptake of green public procurement in the EU27 (Centre for European Policy Studies and College of Europe, 2012)

- Mostly Evaluation on LCC/TCO
- Sometimes Evaluation on LCC/TCO, Sometimes on purchasing costs
- Mostly Evaluation on Purchasing Costs





Sustainable public procurement - a global review (UNEP, 2013).

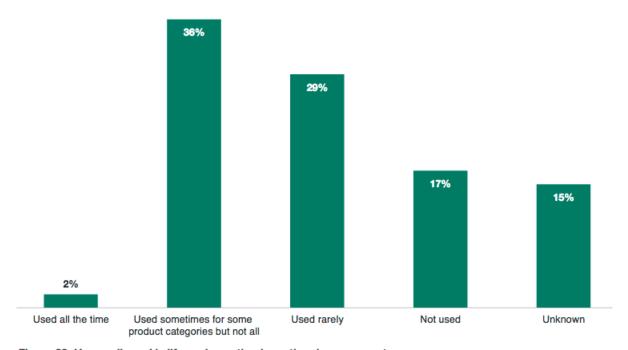
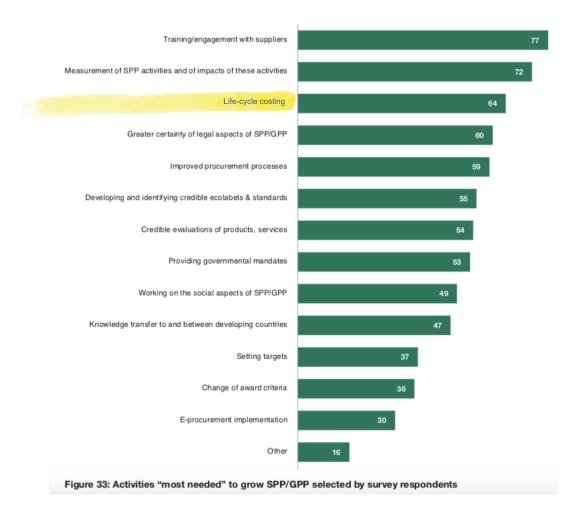


Figure 23: How well used is life cycle costing by national governments

Sustainable public procurement - a global review (UNEP, 2013).



Global Review of Sustainable Public Procurement (UNEP, 2017)

Figure 33: Emerging SP topics, strategies and activities according to survey respondents



# What products are targeted?

Life Cycle Costing in Sustainable Public Procurement: A Question of Value (Perera et al., 2003).

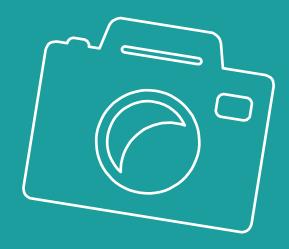
Frequently purchased items	Level of applicability of life cycle costing			
	Very applicable	Moderately applicable	Not applicable	
Products				
Office and server ICT equipment				
Vehicles				
Indoor lighting				
Outdoor lighting				
Paper				
Office supplies				
Fuel				
Furniture				
Apparel made with modern fibres and polymers				
Services				
Software				
Electricity				
Transport				
Couriers and postal services				
Waste handling				
Catering: food				
Catering: beverages				
Works				
New buildings				
Refurbishment of existing buildings				
Landscaping				
Railways				
Roads				



#### What products are targeted?

- Clean Vehicles Directive (2009) + work in the building sector
- EU Procurement Directives (2014)
- ECTools Development:
  - First study (2016) → Externalities. Products covered: computers, printing equipment, household appliances, indoor lighting, outdoor lighting and medical equipment
  - Second contract (2018) → computers, printing equipment, indoor lighting, outdoor lighting and vending machines

Energy consuming products, long-life products...



# **Examples from EU authorities**

From the report "Life Cycle Costing State of the Art Report" within the SPP Regions EU-funded project(Ecoinstitut 2017)

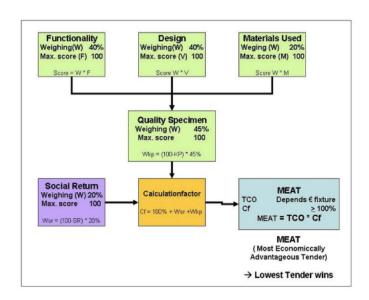
# Rotterdam TCO for street lighting

- Lighting Plan since 2012
- Tender to change the fixtures included minimum requirements:
  - LED lamps only
  - Armature durability of at least 20 years
  - Individual components should be removable and replaceable, etc.
- Bidders were evaluated based on a fictional street section complying with Dutch street lighting guidelines

# Rotterdam ICO for street lighting

- Evaluated based MEAT approach
- Financial cost based on TCO:
  - Number of fixtures to illuminate the street.
  - Price of the fixture, LED light source and driver
  - Energy consumption and maintenance costs
    over a period of 20 years

1,262 T CO<sub>2</sub>eq not emitted 2012-2015

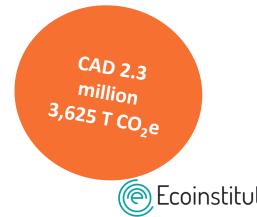


# SKI TCO for computers

- Framework agreement for computers for 40 municipalities
- Minimum environmental requirements as defined by the Danish EPA procurement guidelines (ensure minimum environmental quality)
- Awarding considering TCO Purchase + Energy use over 3 year time

Model for beregning af TCO, stationær						
			Totalpris pr. stk	Heraf strømforbrug		
Tilstand	Procentvis andel af tiden	Effekt (Watt)				
Tændt (for computere: i tomgang/idle)	40%					
Standby/slumre/sleep	5%					
Slukket	55%					
TCO = B14 + 8760/1000 * (B6 * C6 + B7	* C7 + B8 * C8) * B12 * B13		0,00	0,00		

Antal El-pris:	
Levetid:	
Anskaffelsespris:	
Total	0,00





- Car procurement strategy
- Evaluation criteria:
  - Guarantee and after sales service (25%)
  - Car's technical value (15%)
  - Car's safety (5%)
  - Delivery time (5%)
  - Financial and ecologic cost (50%)



#### Financial and ecologic cost – LCC approach

- Acquisition cost (including subsides and taxes)
- Fuel cost (assumption of 7.000 to 10.000 km/year, 10 years lifetime, 95% urban use)
- Maintenance costs (detailed information obtained from the Ville owned garage)
- Environmental cost (monetised according to the Clean Vehicles Directive 2009/33/EC)

Table 2: Cost for emissions in road transport (in 2007 prices)

CO <sub>2</sub>	NO <sub>x</sub>	NMHC	Particulate matter
0,03-0,04 EUR/kg	0,0044 EUR/g	0,001 EUR/g	0,087 EUR/g



# From TCO to LCC, the inclusion of environmental externalities

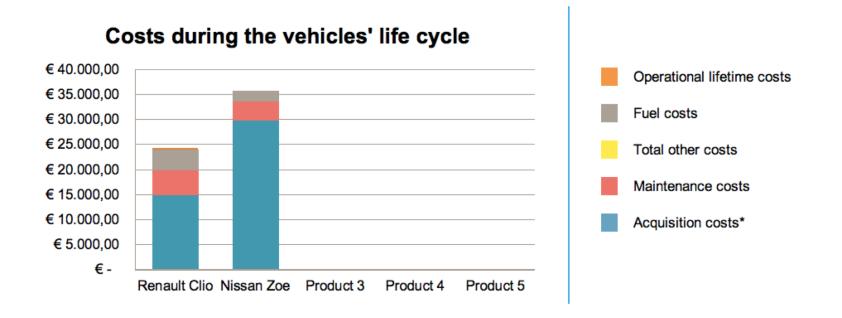


... a "traditional" LCC does not become an environmental tool just because it contains the words life cycle.

Gluch P. and Baumann H. The life cycle costing (LCC) approach: a conceptual discussion of its usefulness for environmental decision-making. Building and Environment, 39: 571–580 (2004).

#### Quick example

Clean Fleets EU –funded Project (2015)





Life cycle costing is primarily an economic tool and, while it may have positive implications for sustainable procurement, it is not a panacea. As such the application of whole-life costing methodology is necessary but not sufficient to guarantee sustainable procurement

Westminster Sustainable Business Forum. Costing the future: Securing value for money through sustainable procurement (2008).

# Aure Adell **Ecoinstitut SCCL**

aure.adell@ecoinstitut.coop

+1 418 631 1424



