

Centralised procurement of greener office supplies

PUBLIC PROCUREMENT AND SUPPLY DIRECTORATE GENERAL, HUNGARY

Procurement objectives

The Public Procurement and Supply Directorate General conducts centralised public procurement procedures at national level for specific products and contracting authorities (e.g. national ministries). The Directorate has been able to generate savings by establishing framework agreements which are relatively large in volume and value, covering periods ranging from one to four years.

Around 1,000 public authorities in Hungary purchase through the Directorate, which in some cases is mandatory. The introduction of green criteria into the frameworks was seen as a major opportunity to reduce the environmental impact of public procurement in Hungary.

Background

The Directorate has now been applying GPP criteria in public tenders for several years. Green criteria are used to define the subject matter and technical specifications, the selection and award criteria and the contract clauses. The Directorate informs public authorities about the products and their advantages through its [website](#), emphasising their environmental aspects.

Between 2010 and 2011, 12 centralised public procurement procedures were conducted where GPP criteria were applied. The total value of these contracts, which relate to information technology, office supplies, paper products, vehicles and fuel is HUF 87.6 billion (€286.9 million).



Criteria used

One of the frameworks in which GPP criteria were applied relates to office paper and supplies. For the supply of office paper, it was mandatory to submit at least one green product. For other products, suppliers had the option to submit a green product, which would then be evaluated for inclusion in the framework.

Subject matter of the contract:

Supply of office paper, paper products, stationery and office supplies

Technical specifications:

Paper

- Tenderers must include an offer for the supply of office paper, envelopes and paper arch files made from 100% recycled fibres.
- The ecological criteria of the EU Ecolabel or other type I eco-labels directly related to paper production (and not the management practices of the factory) must be met. This includes the requirement that paper be elemental chlorine free (ECF) or totally chlorine free (TCF)¹.

Verification:

All products carrying the EU Ecolabel will be deemed to comply. Other Type I eco-labels will also be accepted, as will any other appropriate means of proof such as a technical dossier of the manufacturer or a test report from a recognised body.

Results

The estimated value of the framework agreement for office supplies is 4.4 billion HUF (€14.5 million) over 18 months. The framework entered into force on 31 January 2011, and public authorities have bought 980 million HUF (€3.2 million) worth of products since then. Nearly 16% of this total expenditure was on green products. Including green products has not affected the procedures directly or increased administrative burdens. It also did not narrow the competition, because there are many green products available on the market already.

¹This requirement has been replaced, under the most recent version of the EU Ecolabel criteria (June 2011) with the requirement for a declaration from the pulp producers that chlorine gas has not been used as a bleaching agent.

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When setting the requirements, the Directorate considered the market availability of the products, to ensure that suppliers would be able to include these in their tenders. In addition to paper, suppliers submitted offers of green alternatives for a range of products such as pens, post-its and glues. These are now included in the framework and can be ordered by public authorities.

Environmental impacts

The production of virgin paper fibres can contribute to the global shrinking of forested areas and the associated loss of biodiversity, as not all forests are managed in a legal and sustainable manner. The purchase of 100% recycled paper addresses these impacts by reducing the volume of virgin pulp required. In addition, where post-consumer recycled fibre is used, the amount of water and energy required during the production process is significantly reduced.

Chlorine compounds used in the bleaching process for paper can react with existing organic substances in water, creating compounds which may be toxic and are poorly degradable in the aquatic environment. In order to avoid the production of such compounds, the bleaching process should be totally chlorine free (TCF) or elemental chlorine free (ECF).

Lessons learned

The aim of centralised purchasing is to set an example for the whole public administration and other stakeholders active in the market as well. If other contracting authorities also procured green products, the proportion of environmentally friendly products and the demand for them would increase. This would allow production capacity and supply chains to be oriented towards renewable and recycled materials.

The Directorate is continuously monitoring the performance of the framework, and developing its criteria based on the experiences noted. This includes monitoring the proportion of green products in the total purchases, in order to set higher targets for the next procedure. The number and value of green products and services purchased within the centralised public procurement system have been increasing steadily. The Directorate also follows the activities of other EU contracting authorities in order to note effective methods for GPP and apply best practice.