Furniture & white goods for public housing projects (VISESA, Basque Country, Spain)

Background

VISESA is a public authority in the Basque Country which is part of the Department of Employment and Social Policy of the Basque Government. The main objective of VISESA is to promote quality social housing in the Basque region, thus contributing to the determined efforts of the regional government to provide all sectors of society with their right to quality housing. Since its establishment in 1990, VISESA has completed more than 12,500 dwellings.

Procurement objectives

VISESA decided to launch an open tender in order to set up a framework agreement with up to four companies for the provision of kitchen furniture and white goods for its social housing developments. The total value of the framework agreement was estimated at €3,835,000 (VAT excluded).

Criteria used

Subject matter of the contract: Provision of kitchen furniture and white goods for the housing projects of VISESA.

White goods:
The supplier must provide a warranty of at least 5 years for all white goods installed, this guarantee became valid from the initial point of usage onwards.

- **Oven** – Built in appliance, must have minimum energy efficiency A.
- **Washing Machine** – Must be bi-thermal with a minimum energy efficiency of A++.
- **Fridge** – Fridge /freezer unit 185cms tall, must have a minimum energy efficiency A++ with a frost free system, power failure safe-storage time of at least 10 hours, an acoustic alarm when doors are left open on the fridge / freezer, and reversible doors.
- **Tap** – Single lever ceramic or stainless steel tap with a high swivel spout and aerator.

Subject matter of the contract: Provision of kitchen furniture and white goods for the housing projects of VISESA

**Kitchen furniture:**

- The supplier was required to provide a warranty of at least 10 years for the kitchen furnishings. This guarantee became valid from the initial point of usage onwards.

**Waste:**

- A bin for kitchen waste was to be installed (with a volume of 45 litres) divided into 3 sections for recyclable and general waste. This waste bin was to be installed outdoors.

A total of 7 companies bid for this two year contract, which can be extended for a further one year. All bidders complied with the compulsory criteria for white goods and taps.
Award criteria:

- Increasing the warranty for furniture (5 points) – The maximum points were awarded to the bidder who offered the longest guarantee. The guarantee was to be expressed in years. All other offers were awarded points, based on the number of years offered in comparison to the longest guarantee.

- Improving the sustainability of the products offered (10 points) – Improving the sustainability of the products offered was calculated as follows:
  a. 2 points were awarded if the design of the product was in accordance with the eco-design norm UNE-EN ISO 14006:2011 or equivalent.
  b. 1 point was awarded for using recycled fibreboard and wood from sustainable sources (certified FSC, PEFC or equivalent).
  c. Up to 1 point was awarded for using boards with low emissions of formaldehyde according to UNE-EN ISO 13.986/2002 or equivalent:
     - 1 point = class E1 boards (up to 8mg/100g of a dry board)
     - 0.5 points = class E2 boards (up to 30mg/100g of a dry board).
  d. Up to 1 point was awarded for taking measures to promote the use of recycled metals:
     - 1 point = commit to using more than 75% recycled metals
     - 0.5 points = commit to using more than or equal to 50% recycled metals
  e. Up to 1 point was awarded for using kitchen furniture fittings and hidden white goods parts (i.e. of the section of the white goods which face a wall or cannot be seen) which do not have artificial surface treatments, that make recycling easier (i.e. the part of the kitchen units which faces the wall, or between units):
     - 1 point = commit to more than 75%
     - 0.5 points = commit to more than or equal to 50%
  f. Up to 1 point was awarded for committing to the use of recycled or biodegradable plastic elements:
     - 1 point = commit to using more than 75% recycled/biodegradable plastic
     - 0.5 points = commit to using more than or equal to 50% recycled/biodegradable plastic
  g. Up to 1 point was awarded for committing to reduce the use of disposable packaging and using recycled and/or reusable packaging (plastic, cardboard, polystyrene, pallets, etc.):
     - 1 point = when more than 75% of the packaging complies with the criteria
     - 0.5 points = when more than or equal to 50% complies
  h. Up to 2 points were awarded for committing to other improvements in the product or the process offered in relation to their sustainability. Up to three improvements could be proposed. The maximum points were awarded to the supplier who proposed the improvements which had the greatest environmental impact based on VISESA's technical expertise. All bidders were then marked proportionately in relation to the best offer.

Results

A total of 7 companies bid for this two year contract, which can be extended for a further one year. All bidders complied with the compulsory criteria for white goods and taps.

As regards the environmental award criteria, only 1 of the 7 bidders did not provide information on any of the environmental award criteria. The remaining 6 bidders complied with the criteria, receiving between 6 and 9.5 points (out of 10) for the sustainability of their products. Based on the evaluation of the environmental and economic award criteria, no relationship was found between the cost offers and the environmental characteristics, as demonstrated in the table below. In fact, the company that performed the worst environmentally (company 7) was the second most expensive.

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>POSITION REGARDING THE SUSTAINABILITY AWARD CRITERIA</th>
<th>POSITION REGARDING THE ECONOMIC OFFER</th>
</tr>
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<tbody>
<tr>
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<td>7</td>
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Several bidders were able to offer an Environmental Management System and/or proof of other environmental improvements which were made at factory level.
Environmental impacts

The establishment of this framework contract targeted a series of environmental impacts:

- Reduced loss of biodiversity, soil erosion and degradation as a result of unsustainable forest management and illegal logging
- Reduced use of non-renewable resources such as metals and oil/natural gas for plastics
- Reduced water and energy consumption in the production of furniture
- Reduced use of hazardous substances that can be released during production, use or disposal
- Reduced generation of VOC (volatile organic compounds) emissions
- Reduction of amount of packaging used
- Reduced need to replace furniture due to a lack of reparability options, low durability or furniture not fit for purpose

The detailed technical specifications for the following appliances also resulted in the following positive environmental impacts:

**Taps with aerators** - The study “EU Water saving potential” coordinated by the Institute for International and European Environmental Policy – Ecologic for the European Commission indicates that the use of taps with aerators can account for a reduction of approximately 50 % of water and energy consumption compared to non-aerated taps.

**White Goods**

**Washing Machine** – Bi-thermal washing machines are more energy efficient as they have one water inlet for cold wash cycles and another for cycles that use hot water.

Lessons learned

As a result of the experience gained from evaluating these tenders, in particular evaluating the responses as regards the proposed environmental improvements, VISESA recognised that certain improvements can be easily implemented while others still have a way to go.

<table>
<thead>
<tr>
<th>Company</th>
<th>Application Criteria</th>
<th>Fibre boards</th>
<th>Formaldehydes</th>
<th>Composition of recycled metals</th>
<th>Composition of metals without treatment</th>
<th>Recycled/biodegradable plastics</th>
<th>Disposable packaging</th>
<th>Other</th>
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VISESA observed that the aspects which it appeared were easiest for bidders to commit to, were those referring to the whole product (such as eco-design), that are more regulated (such as the origin and composition of wood components) or widely implemented (regarding packaging). On the other hand, for improvements which related to the metal components, there was not a minimum common response from bidders suggesting that compliance with these aspects was more difficult and should be monitored more closely. An analysis of the degree of compliance during the construction of the first buildings will determine if the criteria will be used in future tenders or not.

Another valuable lesson learned was the fact that, in the section on “further sustainability improvements” bidders proposed actions which in general did not greatly contribute to the sustainability of the products. Assessment of these proposed actions was also considered to be somewhat subjective. In the future, VISESA will focus on consolidating some of the most valid proposals received in this tender and incorporate these aspects into the tender documentation at the beginning.

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