

# Library of strategic procurement criteria

## Summary

To implement strategic public procurement, in particular green public procurement (GPP) and socially responsible public procurement (SRPP), requires contracting authorities to include clear and ambitious criteria in their tender documents. These can include technical specifications, selection criteria, award criteria and contract performance clauses. To facilitate this, some MS have developed online repositories of verified strategic criteria that contracting authorities can simply copy and paste into their tender documents. Criteria libraries can also contain suggestions on how to verify economic operators' compliance with the criteria.

Strategic criteria are typically developed in cooperation with relevant ministries for specific product groups, taking into account their environmental or social impact. The Commission has also developed a set of GPP criteria, which can be adopted by MS in their national libraries. Such common criteria have the advantage of reducing the compliance burden for economic operators that supply multiple European markets. In contrast, national criteria and standards can be adapted to local conditions.

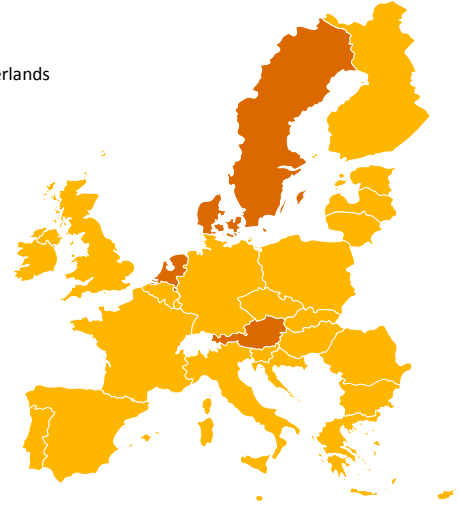
Proposed criteria should be validated by representatives of the supplier side to ensure that they are both relevant and feasible. Criteria can also be designed to reflect different degrees of ambition, from 'basic' or 'core' to 'advanced' and 'comprehensive.' The key is that they set requirements beyond the statutory minimum.

Environmental criteria are usually the most developed component of a library, covering a wide range of goods and services. They include technical specifications, e.g. limits on the amount of pollutants contained in a given product, or as a list of recognized ecolabels.

Social criteria often come in the form of contractual performance clauses related to the respect of human rights and labour standards in the global supply chain, e.g. combating forced labour, child labour, and discrimination. To go beyond mandatory social and labour law standards,<sup>2</sup> social criteria need to address for instance decent working hours, health and safety at work and living wage. Contracting authorities may also include contractual social clauses that commit the winner to a particular social goal, e.g. offering a given number of apprenticeships.

## Good Practice Examples

- ✓ Austria
- ✓ Denmark
- ✓ The Netherlands
- ✓ Sweden



## Impact

### Incorporate strategic procurement



The main goal of the library of strategic criteria is to make GPP and SRPP easier for contracting authorities to implement, and thereby promote its uptake.

### Promote professionalisation



By applying strategic criteria, practitioners gain experience with introducing secondary objectives in procurement. Furthermore, they become increasingly aware of the environmental and social performance of products and services used within their organisations.

### Increase competition



While overly stringent environmental or social criteria may reduce competition, strategic criteria also help environmentally sustainable and socially responsible firms, especially SMEs, to be more competitive for public contracts. In addition, standardised criteria facilitate access to procurement markets as environmental/social requirements are uniform and foreseeable, allowing economic operators to anticipate requests from contracting authorities.

## Input

**Cost** – €€

**Time** – 6 to 12 months

**Complexity** – High

- Set-up of quality assured process for the development of criteria, which includes relevant stakeholders
- Need to regularly exchange with the business community and update criteria
- Set up and maintenance of IT infrastructure



## Key success factors and potential pitfalls

### **Involve the business community in the development of criteria**

Business has valuable insights regarding the feasibility of strategic procurement criteria and therefore is a key interlocutor for defining the criteria in a broad and participatory process. This ensures the industry can also deliver on what procurers expect in terms of environmental and social requirements.

### **Raise awareness among practitioners and suppliers**

In many MS, awareness regarding strategic public procurement is still low. Therefore, raising awareness both among suppliers and contracting authorities is essential in communicating the benefits GPP/SRPP, and fostering the use of the criteria library.

### **Make sure criteria are user-friendly**

Given that some of the fundamental barriers to strategic public procurement are complexity and increased workload for contracting authorities, it is essential that a strategic criteria library is user-friendly by design and does not make the procurement process more burdensome for practitioners.

### **Ensure legal soundness of criteria**

Fear of non-compliance with procurement regulations is a main deterrent to practitioners on the application of strategic procurement criteria. Therefore, testing the legal soundness of criteria by a group of experts is pivotal for having buy-in from procurers.

### **Regularly update environmental criteria to avoid obsolescence**

Environmental criteria need to be updated regularly, lest they become obsolete and no longer fulfil the requirement of 'going beyond the minimum.' To ensure that criteria continuously reflect the latest development, there needs to be a process for amending criteria on a regular basis.

### **Lack of follow-up in verifying compliance with criteria**

Verifying compliance with criteria is challenging, as it needs to strike the right balance between not burdening on economic operators excessively and the safeguarding the credibility of the processes. Nevertheless, requirements must be followed up on during the contract period to ensure compliance.

### **Avoid negative impact on competition**

In some cases, introducing stringent environmental or social criteria may reduce competition, as there may be only a limited number of suppliers that can deliver on such strategic procurement requirements. To limit negative repercussions on competition, requirements can be set as award criteria or as contract terms, as these reward the most environmentally friendly supplier but do not exclude suppliers from the bid, as for selection criteria.

## Related Good Practices

Life-cycle costing tools

### Sweden – Sustainability criteria library

Sweden has a longstanding tradition of including environmental considerations in public procurement, which is pursued on a voluntary basis by contracting authorities. To encourage the uptake of strategic procurement, the government instructed the National Agency for Public Procurement to provide public procurers with sustainability criteria. Sustainable public procurement is one of the goals in the National Strategy for Public procurement in Sweden.

The sustainability criteria library was launched by Swedish Environmental Management Council (SEMCo) in 2013. SEMCo managed the Swedish criteria for SPP since 2003. Since 2015, the tool and database are managed by the National Agency for Public Procurement. The objective of the criteria library is threefold. First, to provide contracting authorities with an easy-to-use tool for implementing GPP and SRPP. Second, to generate savings for municipalities from the use of environmentally efficient resources. And third, to provide predictability to the market including SMEs on environmental and social requirements.

In their initial version, the sustainability criteria were published as editable documents in an online library. Now, the library evolved to an online tool hosted on the National Agency for Public Procurement's website, which automatically generates GPP and SRPP criteria for specific product groups, making the use of criteria as easy as possible for practitioners through a user-friendly interface.

The criteria database covers environmental and social conditions within eight product areas: IT and telecom, building and property, cleaning and chemicals, vehicles and transport, office and textiles, food, nursing and care, and supplies for a toxic-free preschool. The environmental criteria have three different levels of ambition (basic, advanced and spearhead) and include a combination of qualification requirements, technical specifications, award criteria, and contract clauses, as most suited to the product or service. Social criteria are primarily based on the ILO conventions and the UN Universal Declaration of Human Rights criteria.

The tool is user-friendly, allowing the user to select the product group, the level of ambition, type of criterion. At the end of the process, users can download their customised set of criteria, which are ready for copy and paste into the tender documents. The tool also provides a guidance document on the criteria, which includes explanations and instructions.

The criteria are quality-assured by a development process that includes broad participation with experts, industry, government representatives, procurers, eco-labelling organisations and NGOs.



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<sup>1</sup> See: Article 67 and 68 of Directive 2014/24/EU

<sup>2</sup> Contracts above EU thresholds must comply with the eight basic International Labour Organisation's (ILO) conventions referred to in the 2014 Public Procurement Directives