



**SMART SPP**



innovation through sustainable procurement

# Driving sustainable innovation through public procurement in your region

Lower your costs

Reduce your CO<sub>2</sub> footprint

Improve your operations and services

## Procuring innovation – why?

Public authorities across Europe today face the dual challenge of shrinking budgets and ever stricter CO<sub>2</sub> reduction targets.

Many authorities are now recognising that to meet these challenges we need to change how and what we purchase – we need the market to provide us with new, innovative solutions which can help to cut life-time costs whilst also lowering CO<sub>2</sub> emissions and offering high performance.



*“All cities today are facing huge financial and environmental pressures. We can only face these by finding new, innovative and highly efficient ways to meet our needs.*

*Opening our procurement activities to innovative solutions will help to stimulate developments on the market, and help us achieve best value for money.”*

Imma Mayol Beltran,  
Deputy Mayor, City of  
Barcelona (Spain)

## Innovative solutions

Many promising new technologies which offer these benefits are available on the market today. For example

- Lighting systems such as LED office and street lighting, organic-LED lighting and lighting tubes,
- Highly energy efficient electric vehicles (passenger cars and light duty vehicles),
- Intelligent, energy efficient vending machines,
- Heating/cooling systems using renewable energy sources.

The SMART SPP project provides real examples of public authorities purchasing cutting-edge products, and has developed tools to help others do the same.

## Engaging the market

Moving away from traditional solutions, requires a new approach to procurement – one open to engagement with the market. An approach designed to:

- help procurers identify what innovative solutions may be available,
- help the market to understand the needs of the authority.

Early market engagement – undertaking a dialogue with the market before tendering – has been embraced by many European public authorities, using a variety of different approaches.

### SMART solutions

To help public authorities who wish to procure the best the market has to offer SMART SPP has developed a:

- Guide to procuring innovation, including different ways to engage with the market, and a
- Tool to calculate the life-cycle costs and CO<sub>2</sub> emissions of products (LCC-CO<sub>2</sub> tool) so that procurers can assess the true costs of a product throughout its lifetime and its related CO<sub>2</sub> emissions

A number of cities have successfully put SMART sustainable procurement into practice in their purchases of innovative solutions in the fields of electric mobility, indoor and outdoor lighting systems and vending machines.

## SMART SPP Guide

### Driving energy efficient innovation through procurement – A practical guide for public authorities

The Guide provides practical advice for public authorities on how to procure in an “innovation friendly” way. It will help you to achieve the most innovative, energy efficient and cost-effective solutions for your needs.

Recommendations are provided on:

- **Engaging the market before you tender** – Consulting with suppliers can help you determine what solutions the market may be able to offer. Informing suppliers of intentions in advance will ensure the market can respond effectively to your demands.
- **Defining your needs** – Don't tell the market how to achieve your needs, ask it to tell you. Describing your needs in terms of the performance you want, and not prescribing the technical solution itself, allows the market to offer creative, innovative solutions.
- **Building the right team** – Make sure you have the appropriate technical, legal and management skills within the procurement team. If not available in-house, consider bringing in external assistance.
- **Evaluate offers intelligently** – Use award criteria to encourage suppliers to offer highly energy efficient performance. Use life-cycle costing (LCC) to assess not just the purchase price but the total cost of ownership.
- **Manage the risks** – Ensure the technical, organisational and financial risks connected with innovative procurement are properly assessed and minimised.

## Life-cycle costing (LCC) & CO<sub>2</sub> assessment tool

An Excel tool has been developed which allows procurers to assess the full life-cycle costs of different products – considering:

- Purchase and installation costs
- Operating costs (for example, electricity, fuel and/or water consumption)
- Maintenance costs
- Disposal costs
- Taxes, subsidies and other costs

The tool also allows for an assessment of the CO<sub>2</sub> emissions related to the different products.

The tool may be used as part of a tendering process, as a contribution to developing a business case, or to analyse the current situation.

*“I think that the most important aspect for having joined the SMART SPP project is that Barcelona has increased cooperation and dialogue with the market.”*

Mar Campanero i Sala,  
Sustainable City Council  
Programme,  
Barcelona City Council



*“There has been a lot of focus on price previously at the municipality. Looking at the life span of the product, looking at the CO<sub>2</sub>-emissions gives us other factors to evaluate.”*

Henrik J. Kiel, Engineer,  
Municipality of  
Kolding, Denmark

## Partners

SMART SPP involved eleven partners with extensive experience in the areas of sustainability, public procurement and sustainable innovation.

### ICLEI – Local Governments for Sustainability (project co-ordinator)

[www.iclei-europe.org](http://www.iclei-europe.org)  
[www.procuraplus.org](http://www.procuraplus.org)



### Ecoinstitut Barcelona

[www.ecoinstitut.es](http://www.ecoinstitut.es)



### Global to Local

[www.globaltolocal.com](http://www.globaltolocal.com)



### LNEG – National Laboratory for Energy and Geology

[www.lneg.pt](http://www.lneg.pt)



### Öko-Institut – Institute for Applied Ecology

[www.oeko.de](http://www.oeko.de)



### German Federal Association of Eco-Counselling

[www.umweltberatung.org](http://www.umweltberatung.org)



### Barcelona City Council

[www.bcn.cat](http://www.bcn.cat)



### Cascais Energy Agency

[www.cascaisenergia.org](http://www.cascaisenergia.org)



### Eastern Shires Purchasing Organisation

[www.espo.org](http://www.espo.org)



### London Borough of Bromley

[www.bromley.gov.uk](http://www.bromley.gov.uk)



### Municipality of Kolding

[www.kolding.dk](http://www.kolding.dk)



### Associate partners:



### GREATER LONDON AUTHORITY



IT-Cluster Vienna



## SMART procurement in action

**The City of Barcelona (Spain)** purchased ten electric vehicles charging stations, and launched a pilot test for energy efficient, healthy and fair trade vending machines. In both cases specifications were drawn up after extensive market engagement, including supplier seminars where plans and solutions were openly discussed. Both pilots will now be rolled out more extensively.

**The Municipality of Cascais (Portugal)** is tendering for LED street lighting on its main streets. The tender was developed after a two-stage dialogue process with potential suppliers including an open seminar and individual meetings with supplier indicating interest.

**The Municipality of Kolding (Denmark)** has completed a contract for the replacement of traditional bulbs with LED lighting in office buildings schools, kindergartens and other institutions. The tender was carried out jointly on behalf of the Danish 12-City Purchasing Group in 2011. Extensive market consultation and expert input went into the development of the tender specification.

**The London Borough of Bromley (UK)** carried out a pilot to install LED lighting in two office buildings in close collaboration with several suppliers. Given the success of the pilot LED will now be specified in all future refurbishments.

**The Eastern Shires Purchasing Organisation (ESPO) (UK)** is awarding a contract for LED lighting for a car park in Cambridge. ESPO and Bromley have also been co-operating with the Greater London Authority on the procurement of electric vehicles. A framework contract for charging points has already been awarded through a competitive dialogue process.

### Further information

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An initiative of:



Supported by:



*“By engaging actively with the market, we have discovered that there are suppliers who understand the need to demonstrate solutions which clearly indicate how quickly capital costs can be recovered and how real carbon footprint reductions can be achieved.”*

Dave Starling, Head of Procurement, London Borough of Bromley

### A SMART SPP project publication ([www.smart-spp.eu](http://www.smart-spp.eu))

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