



Task 5: 1st Joint Procurement Report



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Cross-border joint procurement – potential benefits

In a number of European public authorities there is a considerable degree of experience in harnessing the benefits of “joint procurement” (JP). JP essentially means combining the procurement actions of two or more public authorities.

There are several very clear benefits for public authorities carrying out JP: These can mainly be seen as being;

- Financial:
 - Increased buying power of the authorities involved through combining purchasing activities. This will likely lead to more attractive offers from suppliers in response to tenders. For many small public authorities these advantages can be quite significant
- Process:
 - Reduced total administrative costs for the group of authorities involved in preparing and carrying out one rather than several tenders.
 - The inclusion of contracting processes to provide for optimum management arrangements (e.g. back office administration and provision of supply).
- Skills and expertise – Joining the procurement actions of several authorities also enables the pooling of different skills and expertise between the authorities. Procurement (and other) skills are scarce and not every public authority can develop high quality skills across the full range of local authority functions¹. Smaller authorities in particular can benefit from the capacities of staff in larger authorities.

One of the key aims of the LEAP project was to explore how the power of JP could be used to promote the market for more environmentally sound goods and services. In particular, the project wanted to examine whether there is value in setting up cross-border JP actions (i.e. involving public authorities from several different countries).

It was felt that cross-border JP offered a number of potential benefits. Previous experience seems to demonstrate that the availability and price of more environmentally sound products varies significantly across the different European countries, a fact borne out by a market survey carried out within the LEAP project². Products may either only be available on certain national markets, or available at very different prices. The LEAP project intended to pilot cross-border JP activities in order to:

- allow participating authorities access to a greater range of products than those traditionally offered on their national market and at the lowest possible prices across Europe,
- use the increased buying power to promote a European market for more environmentally sound products and services, by encouraging the introduction of products only available on other national markets, and harmonising lowest prices across Europe.

The first step of the LEAP project was to identify whether, and how, cross-border JP could be set up.

¹ Taken from *Local Authority Procurement: A research report*, commissioned by the UK Office of the Deputy Prime Minister, available at: <http://www.odpm.gov.uk/index.asp?id=1136756>

² Available on the LEAP website at: http://www.iclei-europe.org/fileadmin/user_upload/Procurement/LEAP2/Local_market_research_final_report.pdf.pdf

Barriers identified to cross-border joint procurement

The initial concept for cross-border JP was for a group of public authorities from different European countries to pilot a single JP action – tendering jointly for a product or service, jointly evaluating tender offers and selecting a winning contractor.

Following a meeting with representatives of the European Commission Directorates General for Internal Market and the Environment on 1st October 2004, and in-depth internal discussions with the LEAP local authority partners a significant number of barriers were identified to carrying out such an action.

Legal barriers

Two key issues were encountered when exploring the legal framework for such a cross-border JP action:

The law applicable to the procurement procedure

One of the principle barriers is ensuring compliance with the different national, regional and local regulations covering procurement in the different countries involved. The interaction of the EC mandatory requirements with local legislation, can create problems, as a tendering process which meets EC requirements may not meet all local requirements. For example there can be confusion over the use and application of whole life costs and „most economically advantageous tender“ criteria as against „lowest price“ only, or problems with the language of tendering. Different financial thresholds are also set for different tendering procedures. Trying to comply with all European and local regulations in all countries provides a major challenge in organising cross-border JP.

Local authorities do not always have easy access to those who make „local“ laws/rules and regulations – and thus these can prove very difficult barriers for a project based around local authorities to overcome, as any amendments which may be wanted or required would take time and resources outside the scope and time requirements of the project.

Under the new procurement regulations, member states are given the option of including the use of Central Purchasing Bodies, who can purchase on behalf of other local authorities, however this is not compulsory and furthermore their operation within a pan-European environment does not appear to have been considered in their drafting. This might offer the potential for circumventing national differences in procurement procedures and contracting arrangements but would depend on how these regulations are being transcribed in each country and would require close legal scrutiny.

The law applicable to the contract

Another issue is the law and the court that will have jurisdiction for the performance of the contract. The favoured approach for the JP action was to have a framework contract to which all participating local authorities and the supplier are parties, and then individual supply contracts signed by one authority and the supplier using the conditions of the framework contract.

For supply contracts, since there is one contract per local authority, there is no conflict of laws arising from the joint activity here. The contracts will be ruled by the national law of the contracting authorities.

Any contracts signed jointly by public authorities from different countries (such as the framework contract mentioned above) may cause problems however. Generally in public procurement, it is the law of the contracting authority that will have jurisdiction for the performance of the contract. However, under most legal systems, contracts concluded by public authorities are civil law contracts, and therefore they could be ruled by the law chosen by the contracting parties. In a joint procurement context, the question is whether it is possible that the framework contract is governed by the law of the leading authority. More precisely, whether contracts concluded with the public administration are civil law contracts or public contracts that do not enjoy contractual liberty as regards the choice of applicable law.

There is a provision under Spanish law that gives jurisdiction to Spanish courts for settling all incidences that may directly or indirectly arise from the contract³. The Public Administrations Act⁴ that provides the generic legal framework for public procurement in Spain, highlights the unique nature of administrative contracts as opposed to civil law contracts since the administration is in a privileged position relating to the other party in the contract. There are however other legal systems where administrations are in a privileged positions, and where contracts concluded with public authorities are nevertheless considered as a civil law contract.

Under Portuguese law, once a contract subject to public tender is concluded, the contract is governed by the Civil Code and is therefore similar to a private contract, even if the public administration enjoys certain rights to unilateral modifications.⁵

If the framework contract that will be concluded between the participating authorities and the supplier are civil law contracts for the participating authorities, the parties can choose the law that is to govern the contract – likely to be that of the designated lead authority. If however in one of the participating authorities a contract that is concluded between the public authority and a supplier following a tender procedure is a public law contract that cannot be governed by a foreign jurisdiction, than this would not be possible.

Conclusion on legal barriers

Whilst not excluding the possibility of cross-border JP entirely, it was concluded that overcoming these legal hurdles would involve the detailed assistance of legal experts to prepare a legal and at the same time practical procedural and contractual approach.

A number of legal experts were approached to carry out some work to provide a possible model for getting round these problems, however this did not prove possible within the resources available to the project.

Practical barriers

Detailed consultation with the LEAP local authority partners through a JP working group also raised a number of significant concerns on the practicality of carrying out cross-border JP.

Language

³ International Public Procurement, Oceana Publications, Inc., Dobbs Ferry, New York, 2003 - 21

⁴ Ley de Contratos de las Administraciones Públicas, Royal Decree Number 2/2000 of 16 June 2000

⁵ International Public Procurement, Oceana Publications, Inc., Dobby Ferry, New York 2003, POR - 22

Few local authorities would likely commit themselves to participating in a procurement action unless they were able to fully understand the tender documentation used. Where there is no common language between participating authorities this creates a significant problem as the sheer volume of documents used in tendering is very large – including the Contract Notice, Invitation to Tender, technical specifications, evaluation model, model contract.

The costs involved in translating such documents, together with the amount of time needed to receive comments or approval from all participating authorities, mean that such an approach is unlikely to be effective.

Aligning procurement approaches

Public authorities differ in the approach they take to the procurement of goods and services. Such differences exist within countries, but are magnified even more at the international level. In some authorities services such as cleaning may be contracted out to private companies (decreasing the influence of the authority on the cleaning products used), whereas in others cleaning may be carried out by authority staff. In some authorities IT service providers may be responsible for supplying IT hardware, in others this may be purchased directly. In some authorities it may be traditional to set up 3-year framework contracts for the supply of paper, in others one-off supply contracts may be preferred. In some countries it may be usual to disinfect whilst cleaning, in others not. Attempting to align the different approaches and requirements of authorities in different countries presents a significant challenge.

This is further emphasised by the contractual obligations which interested authorities have. It is unlikely that all authorities will have a contract coming up for renewal at the same time.

Availability of pan-European suppliers

One of the expressed aims of the LEAP JP actions was to assist the introduction of more environmentally sound products and services onto new national markets. For pan-European JP, however, this presented a dilemma in that only large multinational companies, with branches or subsidiaries in most European countries would be able to supply to all, whereas smaller, more innovative suppliers of environmentally sound goods would tend to operate at the national level. As such, the requirement that the supplier be able to deliver to all European countries may well work to substantially limit, rather than broaden the number of potential suppliers.

Conclusions on practical barriers

Whilst again not excluding the possibility of cross-border JP under certain specific circumstances, it was concluded that the potential gains to be had through cross-border JP were unlikely to outweigh the significant hurdles identified, and did not justify the resources required for additional legal input. Instead a more flexible approach needed to be identified which could somehow access some of the benefits of cross-border JP whilst avoiding these practical difficulties to the extent possible.

Revised approach – co-ordinated national joint procurement

Cross-border co-ordinated procurement

Given the barriers identified to cross-border JP, the LEAP JP working group developed an alternative model aimed at avoiding the legal and practical problems with tendering jointly, whilst maintaining some of the benefits of carrying out a joint cross-border activity.

A model for cross-border „Co-ordinated procurement (CP)“ was thus developed. This approach would entail each local authority (or national consortium⁶) tendering individually but simultaneously with the other participating authorities. The key elements of the CP approach are:

- A joint Prior Indication Notice (PIN) is issued by the LEAP partners some weeks before tendering to inform potential suppliers of the upcoming action
- All tenders are published individually but simultaneously in the Official Journal of the European Union (OJEU)
- Each tender directly references the other tenders being published
- Identical environmental specifications and award criteria are used

The intention of this was to encourage suppliers to consider responding to several tenders, including countries where they don't usually operate, and thereby encourage the introduction of green products onto different national markets, at competitive prices. It was also hoped that within each country several authorities would join their procurement actions (there seem to be no legal hurdles to this) to improve the attractiveness of the offer to potential suppliers.

Although the principle advantage of buying in bulk is removed, the maximum degree of uniformity and referencing between the individual procurement actions of the participating authorities would be ensured. Thus a supplier able to competitively meet the conditions set will be aware that there are several similar market opportunities.

Encouraging participation

Once the procedure to be followed had been determined by the LEAP JP working group, the next step was to try to recruit as many authorities (both within and outside the LEAP team) to the action.

To encourage participation, a series of documents was produced:

Call for Interest (Annex A)

To promote the activity outside the LEAP project partners team a Call for Interest was published outlining the aim of the action and the procedure to be followed. This was circulated through the contact networks of the project partners.

In response 20 authorities indicated that they would be interested in participating. Of these 20 however, only 4 came from outside the UK (2 from the Netherlands, 1 from Spain and 1 from Italy). The arrangements made for the cleaning products tender, ensured that all UK authorities would be covered by the agreement, with some also covered by the TFT monitors

⁶ The barriers identified for cross-border JP do not exist, or are substantially reduced for JP within one country. Given the inherent benefits of JP outlined earlier the LEAP partners were encouraged to form national consortia for this CP action.

tender. The non-UK authorities decided they would follow the existing activities and not participate at this stage.

It seems to be a clear indication that where there is little experience with JP there is a large amount of caution in implementing such an activity.

Co-ordinated procurement procedure document (Annex B)

A detailed document was produced for participating authorities outlining the CP procedure, conditions for participating and guidance on how to implement the different stages of the tender. For each stage of tendering (PIN, Contract Notice, Pre-qualification, Invitation to tender (ITT), Tender Evaluation) outlining elements compulsory to participation (such as the use of the prepared environmental criteria, tendering simultaneously etc.), and a set of recommendations (such as length of contract, use of electronic tendering, splitting the cleaning products tender into lots). Each section also referenced accompanying model tender documents for each stage:

Model tender documents⁷

To act as further encouragement, the project partners prepared a set of model tender documents (in English), which whilst not compulsory, could provide guidance in carrying out the tender. The following documents were prepared:

- Contract Notice (For initial publishing in OJEU)
- Pre-Qualification Questionnaire (PQQ)- if the authority/national consortium wished to use the restricted procedure
- Evaluation of PQQ (if required)
- Invitation to Tender (ITT) – sent to suppliers responding to the Contract Notice, including the following attachments:
 - Environmental specifications (compulsory)
 - Contract
 - Pricing Schedule
 - Form of Tender
- Possible evaluation model

Decision on products to purchase, and environmental criteria

Choice of products

Alongside the development of the CP procedure, the LEAP project team investigated which products offered the highest potential for international JP and developed a set of standard environmental demands for the selected products.

Two reports have already been produced on the process for determining which products to focus on:

- Identifying products with a high potential for European joint procurement⁸
- Report on local market research into comparative pricing of green and standard products on different European national markets⁹

⁷ Due to the size of the documents, these are too large to attach, but are available from ICLEI on request.

⁸ Available at: http://www.iclei-europe.org/fileadmin/user_upload/Procurement/LEAP/PriorityProducts.pdf

In selecting which products to focus on the following criteria were applied:

- The green alternative product has limited availability in certain national markets
- The cost of the green alternative product varies significantly between different national markets
- There is a high degree of standardisation in the user requirements for the product - i.e. essentially the same product is required by users in the different countries
- There is a likelihood that bulk buying could achieve significant cost reductions
- Supply structures are in place to support Europe-wide delivery

A shortlist of 11 potentially interesting products was initially prepared based on the experiences of the project partners – particularly drawing on the work of the RELIEF project¹⁰, and the Swedish EKU catalogue¹¹. The existing procurement experiences of the LEAP local authority partners were examined for these products, focusing on issues such as quantities purchased, prices paid, special technical and environmental requirements, unit responsible for the procurement, and potential barriers for JP. On this basis the list of potential products was shortened to six (TFT monitors, cars, paper, electricity, cleaning products and PCs).

For these six products, an analysis was carried out of the national markets in countries with LEAP partners to determine:

- Whether green alternative products readily available on the different national market?
- How do the price differences (if any) between the standard and green products on different markets compare?
- How do the prices of the green products on the different national markets compare?

The two products selected were TFT monitors, and non-toxic cleaning products. Monitors were selected as a very straightforward product - uniform requirements among authorities, with high levels of spending, a well-developed international market, significant price differences, and high potential for environmental improvement in terms of energy efficiency.

Cleaning products were mainly selected because there is a big difference in the environmental quality of products offered on national markets, with those in the Scandinavian region leading the way. European joint procurement can assist in extending the market for such products to other countries. In addition spending levels are high, and there is an acceptable degree of standardisation.

A further set of four products (PCs, paper, electricity, and cars) were chosen for further research to determine their appropriateness for the second round of joint procurement. PCs and paper, as noted above, seem certain to offer a high potential, whilst the other two product groups - electricity and cars - represent very important market sectors in environmental terms.

Development of environmental criteria

Environmental criteria needed to be developed to ensure:

⁹ http://www.iclei-europe.org/fileadmin/user_upload/Procurement/LEAP2/Local_market_research_final_report.pdf.pdf

¹⁰ <http://www.iclei-europe.org/index.php?id=1780>

¹¹ <http://www.eku.nu/eng/>

- They were ambitious enough to lead to real environmental improvement
- They were achievable on the market
- They were legally compliant and practical to apply

Initial criteria were developed based on the ECU criteria produced for the Swedish market. These then underwent a period of consultation with a) the LEAP local authority procurement and environmental experts, and b) leading European suppliers and producers.

It was determined that, although not common on many other European markets, the environmental standards for cleaning chemicals set in Sweden were also achievable on other markets. TFT monitors presented a relatively straightforward challenge with an essentially international market for the products, and considerable information available from producer websites together with sources such as the European Energy Star product database¹².

The criteria used for the first round of JP are included in Annex C.

Pilot joint procurement activities and results

Despite efforts to recruit additional authorities, especially outside the UK, in the end tenders were published in only 2 countries – the UK and Greece:

- Tender for cleaning products – UK consortium led by Eastern Shires Purchasing Organisation (ESPO) – published on 1st July, 2005
- Tender for TFT monitors – UK consortium led by the London Borough of Lewisham – published on 1st July, 2005
- Tender for cleaning products – Greek tender jointly let by Amaroussion and Kalithea – published on 1st August, 2005¹³
- Tender for TFT monitors – Greek tender jointly let by Amaroussion and Kalithea – published on 1st August, 2005

The Contract Notices published in OJEU are attached in Annex D. Full tender documents are available on request, as they are too large to be attached here.

Furthermore, these tenders were substantially different in scope. Both UK tenders involved sizeable consortia. The cleaning products tender was let on behalf of ESPO, together with 4 other major regional purchasing organisations, who purchase and organise contracts on behalf of local authorities - Hertfordshire County Supplies, Kent County Supplies, North-eastern Purchasing Organisation, and Hampshire County Supplies. In total, these organisations cover the majority of English local authorities. The TFT monitors tender, led by Lewisham was also let on behalf of ESPO, LEAP partner Sandwell, and the London Contractors and Suppliers Group (LCSG), which covers all 33 London Boroughs.

The Greek tenders, by contrast involved only two relatively small local authorities – LEAP partners Amaroussion and Kallithea.

As such the concept of cross-border CP was not effectively tested as it is unlikely that suppliers potentially responding to either national consortium would be interested in the other given the large discrepancy in consortium size and geographical separation.

¹² http://www.eu-energystar.org/en/en_database.htm

¹³ Originally due to be published on 1st July together with the UK tenders, the Greek partners experienced some complications with using the electronic tendering service of OJEU – Tenders Electronic Daily (TED), and publication was thus delayed

The section below provides detailed information about the different actions carried out. To contribute to this report, each lead authority was asked to complete an evaluation form. These are attached in Annex E

UK tender for TFT monitors

Authorities participating

- London Borough of Lewisham (Lead authority)
- Metropolitan Borough of Sandwell
- Eastern Shires Purchasing Organisation
- London Contractors and Suppliers Group (LCSG)

The London Borough of Lewisham is a member of the LCSG which includes all 33 London Boroughs. To enable the LCSG members to piggyback onto the contract if they wish, it is standard practice for Lewisham to mention the LCSG in tender documents they are preparing. This is not a direct joint contract with the LCSG, and therefore any members wishing to take advantage of the tender will still need to organise their own contract directly with the winning tenderer. Lewisham representatives of the LEAP project attend LCSG meetings and have kept members informed of the progress of the tender.

Some interest has been shown by London Boroughs through the LCSG to potentially take up the contract once all evaluation is complete.

Procurement procedure followed

The tender was run as a framework call-off contract, whereby the tenderers provide a fixed discount from the list price for the given products meeting the specification for the contract period. The models covered include any additional models that become available during the contract period that meet the specification.

Each participating authority and any additional authorities that wish to have a contract with the winning tenderer, will need to set up their own contract with the winning tenderer as part of the call-off. As such, at the initial tendering stage no specific obligation to purchase on behalf of the participating authorities was set.

In the evaluation model used financial criteria were weighted at 70%, and non-financial a 30%. The low weighting for non-financial criteria was the result of the strong emphasis on environmental issues in the product specification, effectively minimising the need for heavy weighting in the evaluation.

In the role of lead authority, Lewisham took on a number of specific roles:

- Discuss contract approach with other Authorities
- Research approach and identify possible contracting strategies
- Prepare OJEU notice, contract documents
- Circulation of tender documents
- Deal with requests for clarification from interested suppliers
- Evaluation of tenders and selection of winning supplier

ESPO took on responsibility for testing of products from interim winner of evaluation

Results achieved

Following the publishing of the Contract Notice 56 expressions of interest were received. Of these 16 were considered to be compliant. Further information will be provided on the uptake of the contract in a later version of this report to be completed before the end of the project.

Evaluation and conclusions

The market for TFT monitors in the UK is already well-established with the product purchased in significant numbers by other commercial organisations, government departments and Local Authorities as well as individuals. The criteria developed, whilst ensuring that product met a high environmental standard, did not present difficulties for suppliers. This had a number of consequences for the action:

- The impact of the size of the consortium had limited impact on price which was similar to other tenders for such products. The price was also not affected by the lack of obligation to buy on behalf of the consortium members, as indicated by the number of responses received.
- The very large number of responses received created a substantial amount of administrative work in processing the offers. For similar activities in future a restricted procedure may be more appropriate.

Although the price benefits were limited, other benefits were certainly achieved through the action:

- Reduced administrative costs for the non-lead participating authorities who were essentially able to “piggy-back” on the tender procedure carried out by Lewisham
- The process acted as a useful communication activity, raising awareness of environmental issues and future market demands among participating public authorities and suppliers of monitors

One problematic area was the difficulties between the partners in agreeing on technical evaluation of submitting proposals and testing of equipment, which caused delays. There is a need for clear a definition of roles and timeframes. There was also some confusion and concern regarding liabilities and obligations to purchase, although the contract structure proposed prevented this. Some authorities may have had existing arrangements that did not fit in with the timeframe or needing to clear the process with others i.e. IT within their authorities and may not have been able to clear this within the timeframes.

The key conclusions from the activity are that:

- One of the major benefits for JP activities is the reduction in administrative costs through piggy-backing on the tendering activities of other authorities. This is applicable for any kind of procurement activity.
- The advantages in terms of driving the market and achieving better prices would be more applicable for more innovative products.
- Such JP activities can serve as a useful communication tool, to encourage other public authorities to purchase more environmentally sound goods.

UK tender for cleaning products

Authorities participating¹⁴

The tender for cleaning products was led by the Eastern Shires Purchasing Organisation, which was set up to act as a purchasing agent on behalf of its member public authorities. ESPO provides a catalogue of products from which the member public authorities can be supplied rather than tendering individually. There are a number of such organisations in the UK, and one of the principle achievements of this JP action was to bring a group of four such organisations into the activity, which together cover the majority of English public authorities. The following organisations participated:

- Eastern Shires Purchasing Organisation (ESPO) – Lead authority
- North Eastern Purchasing Organisation (NEPO)
- Hertfordshire County Supplies
- Kent County Supplies

Procurement procedure followed

ESPO effectively carried out this procurement activity on behalf of the other participating organisations. As such it was responsible for:

- Procurement Strategy & Planning, including consultation between the participating organisations
- Advertising - OJEU / Specialist Publications
- Public Accountability - EU Directives etc.
- Tender Preparation
- Tender Evaluation and requests for clarification
- Supplier Assessment
- Negotiation and contract award

Given the level of uncertainty regarding the availability and cost of cleaning products meeting the strict criteria based on those used in Sweden, the environmental criteria were included in the evaluation phase of the tendering rather than the specification itself. The contract was awarded to the most economically advantageous tender in terms of:

- Compliance with the environmentally friendly cleaning products specification sheet. Weighting: 40.
- Pricing, including the 'cost in use (where relevant) formulae for products offered. Weighting: 40.
- Delivery to any of the four detailed sites within a period of 10 working days from receipt of order. Weighting: 10.
- Recyclable/recycled packaging as per packaging clause. Weighting: 10.

¹⁴ Together these organisations cover the following UK public authorities: Birmingham, Cambridgeshire, Coventry, Leicester City, Leicestershire, Lincolnshire, Milton Keynes, Norfolk, Northamptonshire, Staffordshire, Warwickshire, Durham, Easington, Gateshead, Hartlepool, Middlesbrough, Newcastle upon Tyne, North Tyneside, Northumberland, Redcar & Cleveland, South Tyneside, Stockton on Tees, Sunderland, East Sussex, Kent, London Boroughs, West Sussex, Bedfordshire, Buckinghamshire, Cumbria, Hertfordshire, London Boroughs, Suffolk. Other UK public authorities are also able to use the services of these purchasing consortia

As the contract covered 8 different product types (ranging from multi-purpose cleaner, to glass cleaner and washing-up detergent) the tender was divided into lots allowing the tendering authority to select the best product in each lot from different suppliers.

In contractual terms, only ESPO signed a contract with the winning suppliers. As a designated Central Purchasing Organisation, ESPO is allowed to offer other public authorities the right to place orders against their contract. Thus the other participating authorities were not obliged to sign their own contracts, and are able to include the products in their own catalogues.

Once the contracts were signed an important follow up task was to market the products effectively within the supply catalogues of the participating organisations. Each organisation clearly highlighted the environmental characteristics of the products together with information on the LEAP project. It is too early to give figures on the quantities of cleaning products actually bought through these catalogues so far, and this will be included in a later version of this report.

Results achieved

A total of 17 compliant bids were received, and contracts have now been signed with three companies (Premiere Products, Ackwa, Rozone Ltd), to supply the requested products. In terms of the environmental criteria used it was found that a number of suppliers were able to provide products which met the majority of the demands, and some all.

In analysing the variation in the cost of the offered products depending on the environmental score given in evaluation, it is clear that although the very best product tends to be amongst the most expensive (though certainly not in all cases), there is no observable difference between the products which met the majority of the criteria and those which met very few.

Evaluation and conclusions

Whilst unfortunate it was not possible to organise a cross-border JP activity, the cleaning tender had two very significant results. Firstly it has demonstrated that products with a high environmental standard, not typically demanded by public authorities, are readily available on the UK market without major cost increases.

Secondly, this is the first activity where UK local authority purchasing consortia have combined forces to provide a very attractive offer to the market. Through such an arrangement, environmentally friendly cleaning products have been made readily available to a very large number of UK public authorities.

Following this experience, the participating organisations are closely discussing future follow up activities.

Greek tenders for cleaning products and TFT monitors

Authorities participating

- Municipality of Amaroussion
- Municipality of Kallithea Rhodes
(No designated lead authority – both contributed equally)

Within the timeframe it was not possible to recruit further authorities to the process

Procurement procedure followed

Both the Municipality of Amaroussion and the Municipality of Kallithea Rhodes acted in parallel with neither being the lead authority.

1. The tender documents (two joint Contract Notices) were published on the OJEU on the 1st of July for the first time. Following a communication with the OJEU a correction was sent, according to which four separate (one per product and organisation) were published. After communication with ICLEI and exchange of series of e-mails, the last correct joint Contract Notices were sent to the OJEU on the 1st August 2005. During the whole process there was continuous communication and co-operation between Amaroussion and Kallithea.

Results achieved

There were no compliant bids received and so no contract resulted from the tenders.

Evaluation and conclusions

Despite the failure to find a winning supplier a number of key benefits were identified by the participating authorities in carrying out the activity:

- As this was the first time any form of JP had been attempted in Greece, this action provided a vital opportunity to define and overcome certain previously unidentified barriers and to familiarise itself with the procedure, so as to more easily and hopefully more successfully carry out the second joint procedure. The participating authorities are now familiar with the procedures for tendering jointly (also using the TED portal), and have a set of tender documents to act as templates. As such it can be seen in retrospect as a useful „dry run“ for future JP activities. This activity has substantially increased the likelihood of future JP actions at the national level.
- The process of committing to participation also enabled the profile of green procurement within the participating authorities to be raised through internal meetings and discussions concerning the project as a whole and the procedure specifically.
- The specifications for the two products have been taken into account in the normal procurement process of Amaroussion, within EMAS implementation.
- With documents now prepared, there would appear to be little additional administrative work in carrying out a JP action in future, beyond what would be needed for an individual action.

As such there were no specific problems relating to the procedure itself, but a number of conclusions can be drawn for the next round of JP activities:

- In countries with little or no previous experience with JP, it is more important to begin by demonstrating the value of JP at the national level rather than attempting cross-border co-operation
- However, the transferring of good environmental criteria from other European countries is seen as a very positive benefit of such international co-operation
- Focus needs to be given to recruiting a significant consortium of partners to ensure the interest of the market. This will likely be easiest by focussing on relatively straightforward products to begin with in order to encourage maximum participation.

Several further authorities in Greece have now expressed an interest in participating in a second round of JP.

Non-participating LEAP partners^[U1]

Unfortunately not all LEAP local authorities were able to participate in the 1st round of JP, however it is important to note that the experiences of non-participating authorities in attempting to set this activity up has accomplished much of the groundwork needed to ensure that the second round of JP is a success. For the second round (currently being carried out) all countries except Sweden are implementing a JP action.

Each non-participating authority was asked to complete a questionnaire outlining the reasons for not participating. These are attached in Annex F.

There were essentially two reasons for non-participation:

- Contractual and product selection difficulties
- Lack of experience in JP and green purchasing

Contractual and product selection difficulties

For several authorities, contracts already existed for the supply of the selected products. In other cases cleaning products were not purchased directly by the authority, but by the private cleaning company contracted to them. With monitors, in several authorities they were not purchased separately from PCs. In the case of Holargos, there were no purchases of monitors expected that year.

Lack of experience in joint procurement and green purchasing

The Diputaco de Barcelona indicated that the principle barriers to participation were internal. Within the Diputacio there is little corporate commitment to and support for green procurement. Additionally different departments are responsible for purchasing activities. Without high-level support it requires a considerable amount of time and effort to convince others to participate. This situation was not helped by the language barrier: having all project documents in English meant a great deal of translation work, and problems in disseminating information internally.

In terms of recruiting additional authorities, a workgroup on green procurement has been created inside the Network of Cities and Towns towards Sustainability (XCPS) with the aim to support and further implement GPP in the local governments. Nevertheless when the first joint procurement was undertaken this workgroup had only just been set up. As this was only the first stage in discussing and establishing the objectives and the work plan of the group it was very difficult to get the regional government and the municipalities involved in a JP action.

The LEAP team in Almada experienced initial difficulties in communicating with their legal department about the possibilities for JP. This was not helped by the need to translate many documents into Portuguese. However, the major reason for not participating in the TFT monitors tendering process was the lack of volume. Unless a sufficient volume could be reached it would not make economic sense to tender at the European level, as this would also involve tendering nationally which would alone cost €2,000. Despite Almada committing to purchase 15 monitors outside the regular contract, it was difficult to convince other authorities to join, partly due to the contractual reasons mentioned above, and partly due to the timeframe. It was felt that it would be much more appropriate to set up such an activity at the national level with a simpler product, and without trying to tender at the European level.

Future perspectives

As with the Greek participants, the experiences of the Diputacio de Barcelona, Almada and Holargos in attempting to implement the first round of JP have proved very effective in

preparing the ground for participation in future activities. All have now committed to participate in the second round. In Barcelona the relationships between the Environmental Department and departments responsible for purchasing have been greatly reinforced through this process, through a series of meetings and the development of common actions. This includes researching environmental criteria to be incorporated in the specifications used by local administrations for purchasing, comparing them with the criteria and specifications proposed at LEAP and attempting to incorporate and / or adapt them. Work with the XCPS has also provided a useful network of contacts through which a consortium will be built for the second round of JP actions.

Review and conclusions

An important initial observation on the first round of LEAP JP is that the cross-border coordinated procurement model has not been effectively tested. The extreme discrepancy in the product numbers between the consortia in the UK and Greece, together with the geographical distance between the two countries make it highly unlikely that the same supplier would respond to both tenders. If consortia demanding a similarly large number of similar products in different (but geographically closer) countries would tender simultaneously with the same specifications good results may have been achieved.

Despite this a number of important lessons have been learned in carrying out the JP activity:

- The excellent results achieved in the UK has clearly demonstrated the potential power of JP in moving the market, achieving good prices and minimising administrative costs, provided a sizeable consortium can be put together.
- The most important barrier to participation in JP activities is the lack of experience in such an approach in many European countries (particularly those in the South), together with a low level of support for green procurement. Simply committing an authority to participate in such an action requires a good deal of internal effort. A major benefit in achieving this would be the existence of well-documented good practice JP actions within that country.
- Building sufficiently large consortia is also a key challenge in setting up effective JP actions, especially where such practices are not commonplace. This would need to be one of the main focusses for future JP activities
- Whilst the opportunity to apply environmental criteria used by leading countries is one of the key benefits of involvement in international procurement activities, close coordination and the harmonising of tender documents used in different countries is extremely challenging given the different languages used.
- In countries already familiar with the concept of JP, the most beneficial results for the market can be achieved through targetting more innovative products not already well-established on the market (such as non-toxic cleaning products), rather than rather straightforward products (such as TFT monitors), however given the substantial administrative savings inherent in JP, it has the potential to be beneficial for many types of green procurement action.
- In countries less familiar with JP, there is a clear need to initiate activities in as simple a manner as possible, including focussing on simple products.

Given these lessons a number of key recommendations can be drawn for the second round of JP within LEAP to take place in early to mid-2006:

- For countries less experienced in JP (within the LEAP project: Greece, Portugal and Spain), the focus needs to be on setting up effective national JP actions. This will involve a strong drive to recruit additional authorities to provide the necessary demand volumes to interest suppliers.
- For these countries the product selected must be relatively straightforward and „risk free“, as the object will essentially be to demonstrate that JP can work effectively.
- To ensure maximum efficiency, the quantity of documents needing translation should be kept to an absolute minimum – essentially the environmental criteria, together with guidance on the setting up of JP procedures.
- For the UK, which has considerable experience with JP the focus of the second round should be on using JP to assist in the introduction of more environmentally innovative products or services.

In essence, the first round of JP, whilst not producing the results originally envisaged, has provided a number of key conclusions to build into the second round of JP, and the JP tool to be produced by the LEAP project. It has also fostered a highly productive internal consultation process in a number of partners which has greatly helped to lay the groundwork for successful future green procurement and JP activities.

Annexes

The following annexes are attached:

Annex A – Call for Interest

Annex B – Co-ordinated procurement procedure document

Annex C – Environmental specifications developed

Annex D – Contract Notices published in OJEU

Annex E – Participating authority evaluation forms

Annex F – Non-participating authority evaluation forms

[U1]Almada to add