European Commission

GPP In practice

Issue no. 51
May 2015

Intermunicipal Waste Management of Greater Porto (LIPOR), Portugal

Background

Image: Radu Razvan Gheorghe / Dreamstime.com

LIPOR is the entity responsible for the management and treatment of municipal solid waste produced by eight municipalities in the Porto Metropolitan Area. Every year, LIPOR treats around 480,000 tonnes of urban solid waste produced by approximately one million inhabitants.

The initial motivation for LIPOR to embed sustainability in its public procurement activities was the publication of a resolution of the Council of Ministers in 2007 (No. 65/2007), which set priority products in the National Strategy for Green Public Procurement (GPP). Having already achieved certification to Corporate Social Responsibility standard (CSR) SA8000 in 2009, the organisation's procurement division decided independently to include sustainability criteria in its public procurement procedures.

Procurement objectives

LIPOR employed a restricted procedure by pre-qualification to contract for cleaning services, which was carried out in 2014 as part of the European Building SPP project. The aims of the pilot procedure were to optimise costs by finding the best solutions on the market, and to increase the efficiency of the previous service.

During the preparatory stage (prior to launching the procurement), several actions were carried out with potential suppliers to inform them of LIPOR's objectives and to assess their response capacity, namely via:

- Meetings to assess suppliers' ability to fulfil sustainability criteria;
- Communicating the benefits and implications of LIPOR's sustainable public procurement (SPP) policy;
- Developing a monitoring plan to assess contract execution; and
- Deciding on how LIPOR would work with suppliers who did not initially respond to requirements.

Criteria used

Sustainability criteria were included in all stages of the process. The contract performance clauses focused on socially responsible clauses.

The following environmental requirements were applied during the **selection** phase:

- List of relevant contracts and declaration by the respective contracting authorities of good execution or, a copy of the executed contracts, highlighting the candidate's experience;
- Evidence of employee training on correct use of cleaning products in terms of dosage and handling;
- Evidence of ISO 14001, ISO 9001, OHSAS 18001, or equivalent certification.

For selected candidates, the following were some of the green **technical specifications** used by the procurer:

a) Detergents for routine cleaning of floors, walls, ceilings and other surfaces must not contain substances that have been identified as being of high concern and are included in the list referred in Article 59 of the EC Regulation 1907/2006 (the REACH Regulation);
b) Maximum limits on phosphorus for all-purpose cleaners, cleaning products used for sanitary facilities and glass surfaces;
c) All cleaning products: Exclusion of products tested on animals; no sprays containing propellant gases; preference given to concentrated products (in order to reduce packaging); and correct use of product in terms of dosage for diluted products.
d) Use of reusable microfiber cloths by cleaning staff, wherever possible.

The most economically advantageous tender was awarded the contract based on price (60% of total points) and the technical merit (40% of points) of the bid.

The green requirements included in this particular procurement were chosen through the work done in the EU LIFE+ funded Building SPP project. Information was gathered through several sources and organisations, such as the EU GPP criteria, Portuguese Entity for Public Authorities Shared Procurement (ESPAP), the Procura+ Manual, ecolabels and good practice experiences from other countries.

Results

LIPOR consider that they were able to find the best solution on the market at the best price as a result of the process employed.

12 suppliers took part in the pre-qualification phase. The majority did not qualify because they failed to supply information required about their previous work experience and/or supply the necessary curriculums of those who would be responsible for carrying out the service. LIPOR included these CSR requirements to reduce the occurrence of illegal work and unfair treatment of workers in this area. The contract was awarded to the supplier with the lowest price for the service.

"Involving and establishing a dialogue with suppliers right from the start was considered extremely important, not only to know to what extent suppliers are prepared to respond and compete for increasingly demanding and complex procedures, but also to find out about the availability of alternative solutions on the market."

As the approach was a first for LIPOR, the contract was awarded for a shorter than average duration of two years. It has a financial value of €150,000, below the EU public procurement threshold.

Environmental impacts

Surfactants (surface active agents) are the most important ingredients in cleaning products because of their surface active properties, making them also relatively toxic to aquatic organisms. They can then impact on ecosystems if they are released to the environment in large amounts and do not biodegrade readily. Builders are used in cleaning products to bind dissolved metal ions and support emulsification. Phosphorus compounds are sometimes used as builders in cleaning products. Phosphorus is a major cause of eutrophication in water systems, though the impact depends on the wastewater treatment process and temperatures of the receiving waters in individual countries.

Overall, the key impacts from the life-cycle of cleaning products relate to climate change, impacts on human health, ecotoxicity, euthrophication, water consumption and waste generation.

These impacts can best be reduced by minimising the energy consumed in heating the water used during the cleaning, excluding or limiting certain substances in the products, applying correct product doses, optimising the way a cleaning service is performed, minimising the packaging.

Lessons learned

- Involving and establishing a dialogue with suppliers right from the start was considered extremely important, not only to know to what extent suppliers are prepared to respond and compete for increasingly demanding and complex procedures, but also to find out about the availability of alternative solutions on the market.
- Setting up a team which is focused on goals to be reached through a particular supply or service contract, and in defining sustainability criteria, is critical to success.
- LIPOR consider the approach used as an improvement to previous approaches adopted for procurement, particularly the contract's monitoring phase. The practice will therefore be extended to other services.
- Monitoring contract implementation is done every six months to ensure that the service has been carried out to plan; meetings are organised with the contractor to discuss problems and solutions.
- Researching and identifying sustainability criteria and the legal framework were the main obstacles encountered.

For more information, please see European GPP criteria and technical background report for Cleaning Products and Services.
Contact: Patricia Leão, LIPOR.