

**Action plan for Responsible and Sustainable Procurement by governments  
2015-2020**

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# Introduction

This action plan is about Responsible and Sustainable Procurement (RSP). Responsible and sustainable procurement means that when procuring products, services and works, the effects on people, planet (environment) and profit/prosperity are considered. Within these three elements we look at specific themes such as circular procurement, biobased procurement, the international social conditions and public procurement of innovation.

The impact of RSP is the greatest when the purchasing power of governments is used together. Every year, 'the government' spends about 60 billion euros, of which about 10 billion by the Government of the Netherlands and 50 billion by other governments. The Action Plan looks at all the levels of government and is intended to strengthen cooperation between governments on this dossier. Sharing the knowledge and best practices of the leaders is a crucial part of this. In this, the plan is based on the individual responsibilities of the various governments. For the proper use of the RSP instrument, it is important that governments, businesses and organisations establish and determine sustainability goals from their own political principles and local/regional/national, European and other international policy, including for example the OECD Guidelines.

This Action Plan is based on the effective and efficient use of RSP as an instrument to contribute to realising policy objectives with sustainability as a regular part of the procurement process. The plan is therefore not about determining what the actual policy objectives/effects should be. Examples of issues to which RSP can make a contribution are:

- Counteracting climate change
- Stimulating renewable energy generation and energy efficiency
- Reuse of raw materials
- Use of biobased resources and materials
- Living wages and improving labour conditions
- Reducing environmental impact
- Protection and sustainable use of natural capital
- Improving sustainability of government operational management
- Improving sustainability of product and market supply chains

Text box 1: Examples of policy objectives and frameworks in which RSP can make a contribution

## Counteracting climate change by reducing CO<sub>2</sub> emissions

- In 2020, 20% CO<sub>2</sub> reduction relative to 1990 within the EU; 16% relative to 2005 for Dutch emissions outside the EU Emissions Trading System. This is an intermediate step to achieving a virtually climate-neutral economy by 2050. Many organisations have set themselves the long-term goal (2030-2050) of becoming energy or climate neutral.

## Contributing to the Social and Economic Council of the Netherlands (SER) Agreement on Energy for Sustainable Growth

- A reduction of the final energy consumption by an average of 1.5 percent per year.
- An increase of the share of renewable energy generation (now over 4 percent) to 14 percent by 2020. A further increase of this share to 16 percent by 2023.

## Protection and sustainable use of natural capital

- The cabinet is working to protect natural capital and use it sustainably (in part in the framework of the EU Biodiversity Strategy). Together with companies and NGOs, it is working on practical actions to value natural capital and to take this into account in economic decisions made by companies, financial institutions and governments.

## Circular Economy/From waste to raw material

- Better use of raw materials by handling them more efficiently. The cabinet is striving for a circular economy, in which waste (almost) ceases to exist (zero waste).

Until 2013, sustainable public procurement policy was drawn up, a set of procurement tools was developed and broad awareness was created about the use and need for RSP from the Sustainable Procurement Programme Directorate. The policy evaluation performed by Ecorys/RIVM (Dutch National Institute for Public Health and Environmental Protection) in 2013 confirms this. Throughout all levels of government, minimum requirements are used extensively, awareness has grown widely and more than half of the respondents of this survey indicate that there is more attention for RSP. However, the evaluations<sup>1)</sup> performed in recent years also indicate that the implementation still needs to improve further:

- Supporting activities are not yet making enough headway in practice, especially at the local level. Criteria, tools and instruments are still inadequately known.
- Public procurers are under pressure to look at the purchase price of products and services rather than the lifecycle costs.
- Public procurers feel that the International Social Conditions are too complex, which makes their use scanty and informal.
- There is too much emphasis on the use of minimum requirements and too little knowledge about the use of award criteria (wants) that challenge the market to improve sustainability performance.
- There is decreasing uniformity in the use of instruments and criteria, resulting in an increase of the burden for the market.

In society, there is a strong wish to increase the administrative commitment and to continue the collective efforts by governments on the RSP dossier in a broad sense.

In this regard, the Action Plan focuses on making new and/or additional agreements between governments to increase uniformity and effectiveness as well as on improving implementation. Four steps have been worked out for this in section three.

1. Working out collective ambitions and objectives for the process and the application (or the form the application takes) of RSP for the 2016-2020 period, which the national government, local and regional governments (umbrella organisations and/or individual governments), the business world and social parties support.
2. The development of a system to monitor and promote the progress on these ambitions and objectives.
3. Improving knowledge, instruments and training of public sector procurers and clients.
4. Improving the structure for control and governance.

The Action Plan will be implemented through to the end of 2020.

SPP is related to Public Procurement of Innovation (PPI). Public procurement of innovation focuses on radical innovations for future procurement demands, usually in fields where the government is a dominant player. Examples include defense equipment and road construction. These are goods,

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<sup>1</sup> Ecorys: Ex post policy evaluation of sustainable procurement, November 2013

RIVM: Environmental gains from sustainable procurement, 2013

Ipsos Facto: Evaluation of Implementation of social return by Government of the Netherlands, July 2014

Berenschot: evaluation of social conditions of government procurement policy, October 2014

products or services that are not yet available on the market or still require many modifications in cooperation with the customer. The objective is not only better products and services for the government, but also better opportunities for business development to generate innovations from the market. Of course, this often involves innovations that contribute to RSP objectives. Public procurement of innovation starts well before the tender, with strategic exploration and an innovation policy. Having innovations developed and tested, for example through the SBIR (Small Business Innovation Research) grant or facilitating a pilot project, can also be part of public procurement of innovation. It is important to the cabinet that large public procurers play a more explicit role and present proposals to transform and to reinforce the current programme.

Responsible and sustainable procurement focuses more on existing products and services and more incremental innovations in current procurement needs that contribute to objectives with regard to 'people, planet and profit'. The cabinet is committed to continue to stimulate responsible and sustainable procurement through a collective approach and wishes to use the energy, knowledge and experience that many parties in the Netherlands have in this field.

## Vision of responsible and sustainable procurement

### 1.1. The desired direction of development

It is important to the cabinet to formulate a new collective objective for RSP that goes further than just applying minimum requirements. Guiding principles in this include:

- a. Increasing effectiveness
- b. Professional responsible and sustainable procurement
- c. European and international cooperation
- d. The government's role to lead by example

#### a. Increasing effectiveness

RSP development is shifting from the use of minimum requirements to encouraging and/or inviting suppliers to provide products and services as sustainably as possible. Governments can do this by choosing other processes and the forms application of the RSP instrument take, for example by:

- **Tendering on the basis of ambitions.** Procurement organisations are asked to translate policy principles, the client's wants and the results of market consultation into practical objectives for procurement plans and tenders.
- **Using the dialogue with the market more.** This dialogue can occur well before the tender, or during the tender process, for example in the dialogue that looks at competition (determining the demands collectively) or the multiple limited bidding procedure. The implementation of the new European Public Procurement Directive has expanded the possibilities for market dialogue.
- **Making more use of award criteria,** giving companies that stand out for sustainable social performance an advantage for award of contract.
- **More often using the life-cycle costs** of a product or service and not only the purchase price. By first obtaining insight into the potential savings and then taking this into account, governments improve their sustainability and finances.
- **More often choosing a functional tender,** which describes the function and/or the objective instead of a detailed technical description of the product, service or work to be delivered.

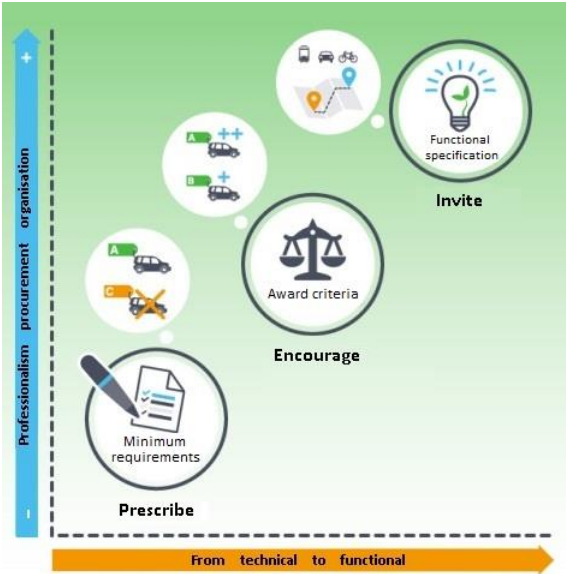
Governments use their own ambitions and sustainability policy to determine how heavily what elements of sustainability are weighted in a tender, and focus on product groups and sectors where there is the most impact or for which the government organisation has formulated policy priorities. Examples include ground, road and water works and buildings, in which the sustainability impact and purchasing power of the government are relatively high. In this, it is important to realise that RSP is not a miracle cure and is also not always the most effective way to achieve a certain policy goal. Aside from sustainability, aspects such as delivery time, quality, price, functionality, technical and safety requirements are also important in the purchase of products and services. For each individual case, it is necessary to strike a balance between these aspects and to fit within the frameworks of EU public procurement directives and the extended set of rules in public procurement law. This can be a reason not to choose the most sustainable variant in certain tenders.

#### b. Professional responsible and sustainable procurement

The central idea behind this Action Plan is to use RSP more to achieve the sustainability targets of your own organisation and therefore to emphasise the responsibility of the client. This is seen as a precondition to take the next step: from excluding unsustainable products and services to encouraging and inviting sustainable and innovative products and services. Exclusion can be done relatively easily by establishing a lower limit using the minimum requirements from the environmental criteria documents. Encouraging and inviting the delivery of sustainable and innovative products and services requires more complex procurement techniques. This could involve organising market consultations or a functional call for bids in which the desired function is described, instead of the product, and award criteria are used in which social performance gives an

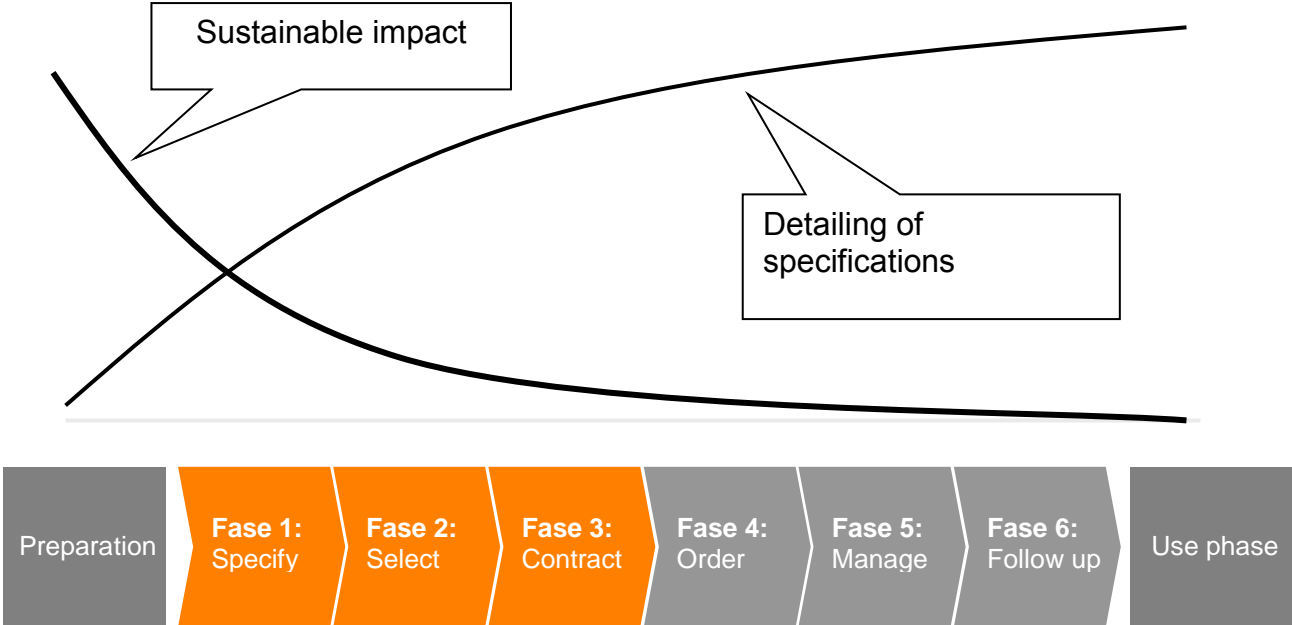
advantage in winning the contract. This requires a professional procurement organisation in which sustainability is a regular part of the procurement process, as well as more engagement on the part of the client. After all, the procurer is also an advisor and guides the process, but does not determine the demand itself. The client can also choose to cooperate on a local/regional basis in procurement, creating a synergy advantage through a quantity discount, better knowledge sharing and more efficient use of the available capacity.

Figure 1 From prescribing to inviting



To encourage sustainable and innovative products, it is crucial that sustainability is included from the very beginning of a project or process (during preparation and initiation). For example, more sustainability benefits and financial advantages can be gained if the question is asked early on as to whether an organisation wishes to expand its fleet by 500 vehicles or to make better use of the existing fleet (consider car sharing). In the first case, it is only possible to look at the sustainability of the new vehicles to be purchased. In the second case, it is possible to think about the number of new vehicles that are needed and extra financial space can be created to purchase vehicles with higher sustainability performance (because fewer vehicles are needed than in the first scenario). There is already a lot of experience with such an approach within sustainable civil engineering (ground, road and water works).

Figure 2 Including sustainability in every phase of the process



**Another strong motivation for improving clients' engagement is to provide insight into the savings that can be achieved at the organisational level by basing this on the lifecycle costs of products and services. Clients should be responsible for realising these savings. It is also important to check whether the sustainability promises made in bids are actually realised. The client can also oversee this (spot checks).**

### **c. European and international networks**

International cooperation has a higher priority and is used to achieve sustainability goals. To meet our current challenges, we need to cooperate with our EU and global partners more actively than before. The Netherlands is one of the leaders in Europe and has been selected as a member of the RSP advisory group at the UN level. There are also close connections with the fields of "precommercial procurement" and "procurement of innovation" in Horizon 2020<sup>2</sup>). The Netherlands uses international knowledge and networks effectively. The most important objectives in this are:

- Sharing and learning from insight and experiences.
- Influencing international markets (sustainability does not stop at the border).
- Contributing to harmonisation and establishing European standards for a number of specific procurement categories, for example sustainable wood.

We are working on developments in Europe by sharing our best practices and contributing to the development of European Green Public Procurement criteria that can be used in the Netherlands. This is more effective (the more countries use a certain criterion, the greater the impact), more efficient (knowledge, skill, time and capacity are used more selectively) and contributes to a level playing field (fewer differences between criteria in the various member states).

### **d. Government's role to lead by example**

The Netherlands is one of the leaders in the field of RSP in Europe, and it intends to remain a leader in the future in terms of goals as well as in implementation and transparency of the process. To this end, the government of the Netherlands sets practical targets and sets up initiatives in its own activities and communicates about this actively. The government of the Netherlands is mobilising other leaders to share collective best practices and is stimulating other governments and companies to follow these examples and is actively positioning itself as a lead customer. Green Deals, such as the Green Deal on Circular Procurement and the Green Deal on Sustainable Civil Engineering and the pilot projects on biobased procurement are examples of this. Other examples can be found in the Public Procurement for Innovation Programme (*inkoop innovatie urgent*). For example, this programme has developed a portal with instruments to elicit (sustainable) innovations from the market and created an innovation market with supply and demand in various fields. Examples, criteria, best practices and instruments are shared through PIANOo, the Dutch knowledge and expertise centre for procurement and tendering.

As indicated in the Green Growth mid-term review (*Tussenbalans Groene Groei*) (18-6-2015), more ambitious RSP objectives are one of the smart market stimuli to promote Green Growth further. Green innovative production is often still uncompetitive with regular production in terms of price. The market will often not make the transition to green production on its own. The government can promote this with smart market stimuli. The government contributes to a market for sustainable innovative products and production processes by purchasing in a socially responsible way itself (sustainable, innovative, circular).

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<sup>2</sup> Horizon 2020 is the programme of the European Commission to stimulate European research and innovation. It began on 1 January 2014 and is the successor to the Seventh Framework Programme (FP7).

## 1.2. Realisation

In section one of this plan, it was found that the implementation of RSP needs further improvement. In this, we are not starting from zero. We are building on the steps that were taken in the past. The actions below were taken recently:

- From the needs of both the market and the government for clarity in terminology, basic principles, criteria, language and instruments a central service desk for responsible and sustainable procurement (see appendix 1) has been set up at PIANOo. All public sector procurers (national, local and regional governments) can go there with questions about responsible and sustainable procurement, either using the site or via a helpdesk.
- A new web dossier for RSP has been launched on the PIANOo website. This dossier provides public procurers with information about the sustainability themes (environment, social issues, economy and specific subjects such as circular and biobased), how to integrate sustainability into the procurement process, and product group-specific sustainability information for about 45 product groups (environment and social aspects).
- The environmental criteria documents have been updated. They have been checked for correctness, adapted to the needs of procurers and where possible, the RSP criteria developed at the EU level have been used.
- Different governments take initiatives in the field of RSP and share experiences with each other. Recently, the Province of South Holland in cooperation with Biobased Delta Zuid-Holland and Centre of Expertise Biobased Economy organised a conference on biobased economy and biobased procurement. IPO, VNG and RWS are working together on procurement of sustainable mobility. Governments in the Utrecht region have agreed on a target of 10% circular procurement and in May the sustainable procurement network for the Metropolitan Region of Rotterdam and The Hague was established. In this network, 23 municipalities exchange knowledge and experience on innovative and sustainable procurement and tendering.
- A community of practice (COP) was recently established for biobased procurement, among others the province of Zeeland is working on stimulating this.
- In the framework of the Green Deal on Sustainable Civil Engineering, a number of various activities have been done, including a session in cooperation with the European Green Public Procurement programme.
- Experience in the valuation of natural and social capital as potential criteria for RSP has been gained in different policy processes<sup>3</sup>) in cooperation with companies, financial institutions and governments.
- In the field of catering, initiatives have been taken to include sustainability requirements that reduce food waste, consumption of animal proteins, and the use of environmentally harmful materials. Consumption of seasonal products is promoted.
- PIANOo organises various meetings, workshops and lunch lectures every month about RSP and related subjects.
- Sustainability is part of the professionalisation of public procurement in accordance with the direction set for compact government departments and the government procurement system.
- Evaluations have been done on the social return policy for government procurement and the application of international social conditions in government procurement.
- A network has been built up out of public innovation procurement (the *inkoop innovatie urgent* programme<sup>4</sup>) with project managers, clients and public procurers in which about 25 innovation projects are underway, divided into 8 themes.

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<sup>3</sup> The following processes are particularly important: Green Deal on Transparency of Natural and Social Capital and the Platform on Biodiversity, Ecosystems and Economy.

<sup>4</sup> The Parliamentary Document on Sustainable Procurement of 31 October 2011 draws on the initiative of the cabinet in the framework of the top sector policy for realising the sustainability goals described in “*Naar de top, Het bedrijvenbeleid in actie(s)*” [To the top, The business policy in action(s)] (*Bedrijfslevenbrief* [Economy



## 2. Step by step plan

This section describes the steps presented in the introduction to this plan. An indication is given for each step of its goal, what activities are performed and the schedule.

### Step 1. Working out collective ambitions and objectives

The objective of this step in the Action Plan is to develop further the collective ambitions and objectives with the local and regional governments for the 2016-2020 period. Objectives and ambitions can be related to the application or form of application of the RSP instrument. This instrument is not intended to be used to impose effect objectives on governments. These are determined from the individual organisation goals, policy frameworks, accords or legislation and regulations. The experience of recent years has shown that there is more involvement and commitment if procurement is used as an instrument to achieve a higher goal that administrators and clients are committed to. That is why this step explicitly contains attention for embedding RSP within existing agreement frameworks. Section one gives examples of goals to which RSP can contribute from a national perspective.

The following actions are undertaken:

- *Joining covenants, accords and other agreement frameworks.* The following actions are being taken in 2015:
  - Taking stock of existing agreement frameworks with which RSP has or could have a logical connection.
  - Taking stock of the extent to which RSP can be used to contribute to the objectives of these frameworks.
  - Additional agreements are made where possible.

For the local climate agenda, the State Secretary for Infrastructure and Environment will explore in 2015 whether a climate ambassador can be used for the theme of RSP, to have this instrument used more and more effectively to achieve the climate and energy goals of the national government, local governments and companies, including the 200 organisations from the climate coalition that are working toward climate neutrality. Following from a climate ambassador for RSP, there has also been exploration on whether the Special Envoy on Natural Resources and the chair of the Platform on Biodiversity, Ecosystems and Economy<sup>5</sup>) can be used as an ambassador for RSP.

Text box 2: Covenants/accords

**Various covenants and/or accords have been entered into with which RSP can have a logical connection. Examples of this include:**

- *Thematic agreement frameworks* such as the Energy Accord, the Local Climate agendas and the City Agenda. These are broad and well-organised associations, in which RSP can help to realise the ambitions.
- *Associations organised by sector* in the field of sustainability. An example is sustainable civil engineering: an association of market players, government principals and knowledge institutes focusing on making railway, ground road and water works more sustainable. Another example is the IMVO covenants, in which agreements are made for sectors with an elevated risk profile about international corporate social responsibility (for example the food industry, textiles and clothing and the wood sector), in which the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are

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Letter], Parliamentary Document 32637-no. 15). This is elaborated in the Public Innovation Procurement (*inkoop innovatie urgent*) Programme.

<sup>5</sup> The Platform on Biodiversity, Ecosystems and Economy is a partnership between VNO-NCW and IUCN NL.

taken into account by both the government and the business world.

- *Regionally organised associations.* All regions in the Netherlands have programmes and organisations to promote sustainable industry. Examples include: Energy Valley (North NL), Green Tech Alliances (East NL), Clean Tech Delta (South West NL), Green Metropolis (Amsterdam), and Biobased & New Energy (Brabant).

- *Collective agreements:* The national government will take the initiative to organise discussions in 2015 with local and regional governments to assess support for collective agreements about process and the form the application of the RSP instrument takes. A process will then be started to formulate and establish a new agreement framework. The Manifesto on Professional Sustainable Procurement that has been signed by about 80 governments since 2012 may offer a basis for this. Subjects that may be addressed in the agreement framework are:
  - The form the application of the RSP instrument takes. This takes into account starting points such as procurement based on ambitions, applying performance award criteria on top of minimum requirements, and procurement on the basis of lifecycle costs as a preference.
  - The contribution of RSP to the sustainability ambitions of governments on people, planet and profit/prosperity (3P) which seeks a connection with objectives that have already been formulated in other frameworks with regard to CO<sub>2</sub> reduction, energy saving, renewable energy, material recycling, water consumption, etc.
  - Agreements about the uniform application of the environmental criteria and frameworks such as the international social conditions.
- *The creation of as much social value as possible as a goal in public procurement law and more possibilities for achieving (sustainable) ambitions.* The new European public procurement directive emphasises that it is important that contracting authorities can use tenders to contribute to intelligent, sustainable and inclusive green growth. To this end, the possibilities are expanded to include wants and needs in the award criteria or contract conditions that are related to sustainability. The possibilities in the field of public innovation procurement are also being increased. That is why conducting a market consultation is explicitly included in the guideline and why the procedure of the innovation partnership is introduced. Finally, the possible applications of the reporting procedure with negotiation and the procedure for the competition oriented dialogue have been expanded, with the result that contracting authorities can negotiate with tenderers in more cases - under strict conditions - to reach a solution that fits the needs of the contracting authority. The provisions of the public contracts directive must be implemented in the Public Procurement Act 2012 no later than 18 April 2016.
- *International Social Conditions (ISC).* In 2014, the application of the ISC was evaluated within national procurement. The Dutch Parliament [*Tweede Kamer*] was informed about the outcomes of this investigation on 30 January 2015. One of the recommendations is to promote wider use and a more uniform application of the ISC framework - as used within government procurement - among local and regional governments. This Action Plan provides detailed substance to this. It is also recommended to bring the ISC more in line with the OECD guidelines for multinational enterprises. It is also advised to switch to a single regime with a due diligence requirement. This eliminates the current complicating factors of the regime choices and the additional conditions for high-risk products. To check the practicality of the recommendations, a number of pilot tenders will be started with which the CSR Risk Checker, among others, is used as an instrument. It is anticipated that the pilot tenders will be evaluated in November 2015, after which decisions will be made about whether to follow the recommendation and whether the further implementation will occur.

## Step 2. Developing a system for monitoring and benchmarking

The objective of this step is to set up and develop a system to follow the progress on these ambitions and to promote and follow the objectives. A method will be set up to monitor performance indicators and benchmarking. In this, the scope that was focused on the application percentage of minimum environmental requirements, will be expanded to incorporate organisational embedding and social aspects. The benchmark must enable governments to compare their own performance with other governments (for example on the basis of geographic or demographic characteristics), governments help with internal or external responsibility and provide insight into the organisational embedding of RSP and the tendering methods used. Furthermore, the benchmark can be used to focus supporting activities on different target groups (leaders, peloton and stragglers). An important precondition when drawing up the system is to limit the administrative burden. That is why we are striving for a benchmark that, where possible, uses information from general sources and existing monitoring systems. The following activities are performed within this step:

- Developing a system for monitoring and benchmarking RSP
  - As of the autumn of 2015, there will be coordination with local and regional governments and businesses about possible performance indicators and setting up a monitoring and benchmark system.
    - In October, a sounding board group was formed in which the stakeholders are represented
    - They will provide input for a statement of requirements/terms of reference
    - On the basis of the task formulation, a system will be developed at the end of this year or the beginning of 2016
    - After the system is approved, the first benchmark will be implemented
  - The RIVM will explore what environmental performance indicators there are for RSP and how these can be anchored in the following edition of the Netherlands Sustainable Monitor.
  - Telos, a knowledge centre for sustainable development from Tilburg University, will explore the sustainability ambition and the form the application of RSP takes of a representative sample of municipalities. This will be used as input for the monitoring and benchmarking system to be developed and for the Governance Monitor that Telos will implement in 2016.
  - The monitor/benchmark will be conducted every two years.

### Text box 3: Monitoring and benchmarking

#### Examples of possible indicators and/or questions are:

- Does your organisation have a sustainability policy, in which the social, environmental and economic aspects are integrated?
- Has a policy for RSP been drawn up for your organisation, which interprets sustainability ambitions and objectives?
- Have responsibilities, tasks and powers for achieving the objectives in the area of RSP been established?
- Is there insight into the sustainability criteria applied for collective procurement, in which procurement is done for you by another organisation or with clustered procurement (via category management) with other organisations?
- Do you regularly evaluate (at least once per year) whether and how the agreements made in the field of RSP have been followed within your own organisation?
- In what percentage of the total volume of the tenders is the method of the Most Economically Advantageous Tender used?
- In what percentage of the tenders is the lifecycle costs and/or Total Costs of Ownership (TCO) approach used?
- What is the average weighting factor for sustainability?

- Is there monitoring during the contract period on whether the supplier keeps to the minimum requirements (and/or other agreed sustainability requirements)?
- Is there regular communication (multiple times per year) within the organisation about the ambitions and the objectives drawn up for RSP?
- Is there external communication about the ambitions and objectives for RSP?

Source: KPMG sustainable purchasing monitor

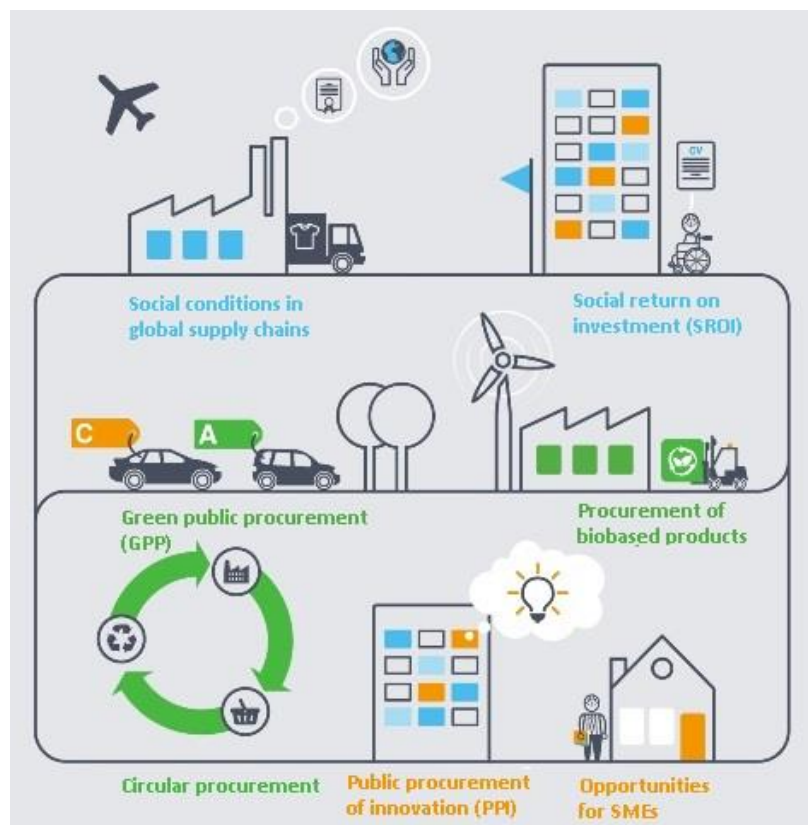
- Determine impact
  - Furthermore, the RIVM will start in 2016 on determining the environmental gains that can be achieved on the basis of practical tenders, in the use of award criteria for RSP, incl. with regard to circularity, climate and energy.
  - The national government will look at how RSP can contribute to the green growth domains. That is why the national government will have a qualitative analysis done for a number of product groups in 2016 of the degree to which RSP has contributed to making a product and/or market supply chain more sustainable. An order will still be drawn up for this in 2015, which will also closely look at input for setting up the monitoring system.

### Step 3. Improving knowledge, instruments and training of public procurers and clients.

An objective of this step is to further reinforce the exchange of knowledge and experience in the field of RSP. PIANOo plays an important role in this. Since 2014, the central Responsible and Sustainable Procurement service desk supports public procuring organisations in the implementation of RSP. The service desk provides two services:

- Complete activities that contribute to the overall professionalisation and application of RSP in the purchasing process (e.g. looking at functional specifications).
- Thematic activities supporting specific policy objectives (for example the biobased economy or circular procurement).

Figure 3 Sustainability themes



Various activities are already underway to reinforce the knowledge and skills of public procurers in the area of RSP. These activities are broadened and made deeper:

- Activities not only look at public procurers, but also on the other actors in the procurement process, such as clients/requisitioner, project leaders and contract managers.
- Activities specifically directed at leaders (e.g. a community or practice), main group (e.g. support processes with RSP tenders) and/or stragglers (e.g. an online helpdesk and templates).

The following activities will be carried out:

- *Determining needs for PIANOo annual programme.* The Government of the Netherlands is creating an overview in 2015 among relevant parties in contracting authorities what their objectives are and what additional support or training programmes are desired/necessary for this. On this basis, the content of PIANOo's year programme is adjusted and it is also determined whether and what (training) activities are outsourced to third parties.
- *Drawing up PIANOo year programme.* PIANOo draws up a programme of activities and meetings every year:
  - About general procurement professionalisation, for example: meetings or resources for functional specification, lifecycle costs, award methodologies, advisory skills and market dialogues.
  - About themes such as public innovation procurement, sustainable mobility and food, biobased and circular procurement and the application of international social conditions, including taking into account the OECD guidelines for multinational enterprises for procurement.
  - In the framework of public innovation procurement, with market sessions and best practices.

In 2015, capacity will be organised to support procurement organisations in sustainable procurement projects. This requires that this support benefits multiple cooperating procurement organisations and that the information and knowledge and experience gained is shared on the PIANOo website. Possibilities for this include:

- Support for organising market consultations.
- Organising expert sessions.
- Providing support in formulating a functional call for bids and award criteria. This also includes support in the area of procurement based on lifecycle costs (for example collecting primary indicators for this).
- *Open stakeholder dialogues and market meetings.* "Open stakeholder dialogues" are organised to give procurement organisations more insight into promising developments and possibilities for innovation and sustainability. This means that stakeholders involved in a product group are invited to work together to explore what desirable and promising solution approaches there are for making the cooperation between the government and the market more sustainable in procurement and tenders. This approach will be tested this autumn for two product groups. From (collective) innovation ambitions within the government two thematic market meetings are organised annually. In this, the market is challenged to think about the demand and possible solution approaches. There is the intention to have these market meetings followed by tenders that give room to innovative concepts and solutions.
- *Prize for the most sustainable procurement performance.* A prize will be established for the procurement organisation with the most sustainable procurement performance. This prize is linked to the benchmark or for example the annual PIANOo congress.
- *Preparing and applying the ambition web approach for other product groups and categories.* In the framework of the partnership of sustainable ground, road and water works, an approach has

been developed that helps procuring organisations to determine the ambitions for a procurement project, the 'ambition web'. This ambition web will be modified in the first half of 2016 so that other sectors can also use it.

- *Sharing experiences and lessons from leaders, Green Deals and pilots in innovation procurement.* There have been about 26 Green Deals where RSP played a role and from the “*inkoop innovatie urgent*” programme 25 projects were supervised. Periodic meetings will be organised in which for example the lessons from award winning Green Deals and the Green Deal Duurzaam GWW and Circular Procurement will be shared. There is also explicit attention within this action for sharing the lessons from leaders, such as the way in which the water boards work on improving sustainability, and there is more attention for the social aspects of RSP than in the past.
- *Sharing lessons on responsible and sustainable procurement financing constructions.* The benefits and expenditures of sustainable purchasing are not always distributed equally within organisations. Investment for an energy efficient solution can for instance be made by another department than where the benefits come from. We now have some experience with this. PIANOo will share examples of successful solutions for this within the national government and other governments (via the website).
- *Developing a system for tendering on lifecycle costs.* Aside from the purchase price of a product, tenders on lifecycle costs look at the costs of management, use and disposal (direct costs). The national government will have an investigation conducted on the potential savings within the national procurement of the lifecycle costs. Furthermore, the new European procurement directive offers the possibility to consider indirect costs (such as damage to the environment) in tenders. The Government of the Netherlands will participate actively in a project at European level in which a number of product groups methods for lifecycle cost calculation are developed and then apply this. In 2016, two pilots were provided. Following from the motion by Veldhoven (34000XII-37) the cabinet, analogously to the CO<sub>2</sub> performance ladder, is looking at companies being able to gain an advantage in winning contracts depending on the degree of transparency about the social impact (including indirect costs). The national government is in discussion about this, including with relevant parties such as the manager of the CO<sub>2</sub> performance ladder, the Foundation for Climate Friendly Procurement and Business (SKAO). There will also be an inventory and pilot-testing of possibilities for reinforcing criteria for RSP on the basis of methods for valuing natural and social capital (in connection with the current Green Deal on Transparency in Natural and Social Capital).
- In the subsequent investigation on ‘*Materialen in de Nederlandse economie*’ [Materials in the Dutch economy], an advanced database with corresponding self-assessment tool will be developed for procurers at companies. The database also maps out at product level what ‘critical’ materials they contain, what CSR risks are associated with them and the possibilities for (circular) trade that are available. The database and tool will also be adapted for public sector procurers.

#### **Step 4. Management and governance**

An objective of this step is the development of a structure for management and governance.

In the Parliamentary Document of 7 February 2014 (Parliamentary paper 30 196, no. 232), the division of responsibility between ministries and the national government and the local and regional governments are included. The policy departments are and remain responsible for the policy of the themes that fall within their portfolio. The Ministry of Infrastructure and the Environment is responsible for the environmental aspects of RSP and the Ministers of Social Affairs and Employment, Foreign Affairs and Economic Affairs will remain responsible with regard to the international social conditions, social return, innovation, biobased economy and other policy objectives via procurement.

The Minister for Housing and National Service coordinates and facilitates the use of responsible and sustainable procurement by national procurers. This is done through the procurement system for national procurement. With the introduction of this system departments not only procure certain

products or services for themselves, but are coordinated per product group or category for each other. This concerns goods and services that are used regularly, such as printed matter, energy, office supplies, telephony and communication. Aside from these generic products and services, the national government also procures specific products and services such as ground, road and water works and forensic care. Both the European tenders for generic and the specific purchasing are performed by one of the procurement implementation centres. This model ensures that within the national government there is a tuned and structured procurement policy that contributes to professional procurement and tendering.

Communication about responsible and sustainable procurement to all the public procurers occurs through the RSP service desk at PIANOo. PIANOo directs RSP through collective consultation with the aforementioned ministries. The following actions are proposed for management and governance:

- The establishment of a national discussion on responsible and sustainable procurement for the national and local and regional governments, in which cooperation and knowledge sharing can be addressed and discussed.
- Inviting local and regional governments to take part in the PIANOo procurement consultation for the responsible and sustainable procurement dossier, without immediately asking for a financial contribution for this, so that they can gain experience in this new role. Local and regional governments have already been asked for this in the past, but at that time the financial contribution requested was an obstacle.
- Forming a steering group that periodically discusses the progress of the Action Plan. This steering group consists of representatives of the ministries involved, local and regional governments and the business world.
- In combination with the outcome of the biannual benchmark to be conducted a progress report with regard to the programme will be offered to the House of Representatives.



## Appendix 1: RSP service desk

Since 2014, PIANOo has been the central service desk for responsible and sustainable procurement. The purpose of the service desk is to accelerate and actively support the implementation of RSP and its professional application in public sector procurement services. *We have chosen to use the term Responsible and Sustainable Procurement to make the connection with the common term in business 'social corporate responsibility'.* This emphasises that RSP is broader than only the theme of the environment, and for example there is also attention for the importance of innovation, social return, and access to government contracts for small and medium-sized businesses and sole proprietorships.

### Maatschappelijk Verantwoord Inkopen

Maatschappelijk verantwoord Inkopen, ook wel duurzaam inkopen genoemd, betekent dat u bij de inkoop van producten, diensten of werken ook kijkt naar de effecten op milieu en sociale aspecten. En dat u nadenkt over hoe u via inkoop kan bijdragen aan de realisatie van beleidsdoelen van uw organisatie.

Op [pianoo.nl](http://pianoo.nl) vindt u alle informatie om maatschappelijk verantwoord in te kopen:

- ✓ **Themadossiers**  
Uitgebreide informatie over Internationale sociale voorwaarden, social return, milieu, biobased inkopen, circulair inkopen, innovatie en MKB.
- ✓ **Productgroepen**  
Gedetailleerde informatie per productgroep over Maatschappelijk Verantwoord Inkopen.
- ✓ **Bijeenkomsten**  
Bijeenkomsten op het gebied van MVI: o.a. lunchbijeenkomsten, marktontmoetingen, kennisbijeenkomsten en expertsessies.
- ✓ **Milieucriteria**  
Per productgroep suggesties, selectiecriteria, minimumeisen, gunningscriteria en contractbepalingen.
- ✓ **Vragenloket**  
Heeft u vragen over MVI, mail dan naar [info@pianoo.nl](mailto:info@pianoo.nl).
- ✓ **MVI in het inkoopproces**  
Stapsgewijs langs de belangrijkste aandachtspunten en tips voor het betrekken van de interne klant.
- ✓ **Praktijkvoorbeelden**  
Regelmatig worden nieuwe MVI praktijkvoorbeelden gepubliceerd op [www.pianoo.nl](http://www.pianoo.nl).
- ✓ **Ontwikkelingen**  
Op het gebied van MVI zowel in Nederland als in Europees en internationaal verband.

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## Appendix 2: Milestones and planning

### 1. Actions for collective ambitions and objectives

No.	Action	Ready
1	Harmonising with covenants, accords and other agreement frameworks <ul style="list-style-type: none"> <li>- Inventory</li> <li>- Performing discussion round</li> </ul>	Q3-2015 Q1-2016
2	New administrative agreements <ul style="list-style-type: none"> <li>- Exploring support</li> <li>- Drawing up new agreement framework</li> </ul>	Autumn 2015
3	Exploring the use of ambassadors for RSP: <ul style="list-style-type: none"> <li>- Climate ambassador</li> <li>- Envoy on Natural Resources</li> <li>- Chair of the Platform on Biodiversity, Ecosystem services and Economy</li> </ul>	Autumn 2015 Autumn 2015 Autumn 2015
4	Implementation of amendments to public procurement law	Apr 2016
5	International social conditions <ul style="list-style-type: none"> <li>- Pilot tenders</li> <li>- Evaluation of pilot tenders</li> <li>- Decision making on the application of OECD guidelines</li> <li>- Implementation</li> </ul>	Q4-2015 Q4-2015 Q1-2016 Apr 2016

### 2. Actions monitoring and benchmarking

No.	Action	Ready
	Developing a system for monitoring and benchmarking	
1	Developing a systematic benchmark at organisational development level <ul style="list-style-type: none"> <li>- Coordinating with local and regional governments</li> <li>- Task formulation</li> <li>- Performing first benchmark based on system</li> </ul>	Autumn 2015 Q1-2016 Q3-2016
2	RIVM exploration of technical performance indicators (is input for 1) <ul style="list-style-type: none"> <li>- Task formulation</li> <li>- Performance of investigation</li> </ul>	Q2-2015 from 2016
3	Telos governance monitor investigation (part of input for 1) <ul style="list-style-type: none"> <li>- Task formulation</li> <li>- Performance of exploration (input for 1)</li> <li>- Performance of governance monitor</li> </ul>	Q2-2015 Q3-2015 2016
	Determine impact	
4	Investigation of environmental gain of award criteria and RSP contribution to increased sustainability of product and market supply chain/green growth <ul style="list-style-type: none"> <li>- Task formulation</li> <li>- Performance of investigation</li> </ul>	2016 from 2016








### 3. Actions to improve knowledge, instruments and training public procurers and clients

No.	Action	Ready
1	Determining needs at procurement organisations <ul style="list-style-type: none"> <li>- Performing needs assessment</li> <li>- Performance of outcomes in annual programme</li> </ul>	Q4-2015 Q4-2015
2	Drawing up annual programme <ul style="list-style-type: none"> <li>- Organising support capacity</li> <li>- Setting up organisation according to these forms of support</li> </ul>	Q4-2015 Autumn 2015 Spring 2016
3	Open stakeholder dialogues and market meetings <ul style="list-style-type: none"> <li>- Task formulation</li> <li>- Performing two pilots</li> <li>- Repetition for various product groups/supply chains</li> </ul>	Q3-2015 Q4-2015 As of 2016
4	Making the ambition web method suitable for other product groups and categories <ul style="list-style-type: none"> <li>- Drawing up task formulation</li> <li>- Adapted instrument ready</li> </ul>	Q4-2015 2016
5	Sharing Green Deals lessons <ul style="list-style-type: none"> <li>- Conducting analysis</li> <li>- Meeting</li> </ul>	Periodic Q3-2015 Q4-2015
6	Sharing public innovation procurement lessons <ul style="list-style-type: none"> <li>- Conducting analysis</li> <li>- Launching innovation market</li> </ul>	To be determined
7	Sharing financing construction lessons	Q1-2016
8	Developing system for tendering on lifecycle costs: <ul style="list-style-type: none"> <li>- Start participation in EU process</li> <li>- Task formulation</li> <li>- Elaboration of social impact ladder</li> </ul>	Q4-2015 2016 2016
9	Database with corresponding self-assessment tool on resources and making Circular Economy suitable for public procurers	Spring 2016

### 4. Management and governance actions

No.	Action	Ready
1	Drawing up national RSP discussion <ul style="list-style-type: none"> <li>- Approaching participants</li> <li>- Organising first discussion</li> <li>- Repeating discussion on periodic basis</li> </ul>	Autumn 2015 Autumn 2015 As of 2016
2	Organising participation of local and regional governments in PIANOo procurement consultation	Administrative agreements depending on discussion
3	Forming steering group	idem
4	Biannual progress report to Parliament	Q4-2016/Q1-2017

## Appendix 3: Sustainability within government procurement

<b>Ambition</b>	<ul style="list-style-type: none"> <li>- Improving quality and sustainability of government operational management</li> <li>- Using the purchasing power of the national government to contribute to policy objectives in the field of environment, economy and the social domain</li> </ul>
<b>Goals</b>	<ul style="list-style-type: none"> <li>- Minimum environmental damage</li> <li>- Stimulating honest pay and good working conditions and preventing human rights violations in the supply chain</li> <li>- Encouraging labour participation</li> <li>- Stimulating biobased economy and circular economy</li> <li>- CO<sub>2</sub> reduction, Energy efficiency and use of sustainable energy</li> <li>- Stimulating innovation</li> <li>- Access of small and medium-sized business and freelancers to orders</li> </ul>
<b>Procurement strategy</b>	<ul style="list-style-type: none"> <li>- From exclusion of undesired developments to encouraging and enticing sustainability gains and innovation</li> </ul>
<b>Cooperation</b>	<ul style="list-style-type: none"> <li>- Cooperation via 20 procurement points within the government procurement and state-wide procurement for about 35 categories</li> <li>- Dialogue with industry representatives and suppliers via the category management, supplier days and market consultations</li> <li>- Sharing knowledge and experiences with other governments through PIANOo</li> </ul>
<b>Integration in the procurement process</b>	<ul style="list-style-type: none"> <li>- Embedding sustainability into the state-wide category management and via category plans</li> <li>- Integration into procurement and tendering training</li> <li>- Integration into accounting and annual reporting</li> <li>- Application of environmental criteria for all government procurement of product groups for which environmental criteria are drawn up</li> <li>- Application of international social conditions in orders with an estimated value higher than the European threshold value</li> <li>- Application of social return in all tenders for 'works' and 'services' with a wage amount of at least €250,000 (excl. VAT) and a term of at least 6 months</li> <li>- Implementation of European energy efficiency directive and stimulation of renewable energy via a regional approach such as in EnergieRijk Den Haag or using the local area</li> <li>- Application of concepts such as biobased and circular procurement in pilots</li> <li>- Innovation network of government procurement</li> <li>- Part of the sustainability agenda of the government operational management to be drawn up</li> </ul>
<b>Practical approach</b>	<div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;">  <p><b>Huisvesting</b> Green Deal Circulaire Gebouwenonderzoekend door rijksaankoop en 60 partners uit de samenleving.</p> </div> <div style="text-align: center;">  <p><b>Inkopen</b> In de Green Deal Circulaire Inkopen werkt een groot aantal publieke en private inkopers aan hoogwaardige hergebruik van materialen en goederstoffen. In zand heeft het Rijk samen een loket voor maatschappelijk en duurzaam inkopen ingericht bij PIANOo</p> </div> <div style="text-align: center;">  <p><b>Papier</b> De aanbesteding van papier en de verwijdering van verbruikte documenten sturen aan op het verlagen van de levenscyclus van de papiervezel en andere stoffen hergebruikend.</p> </div> <div style="text-align: center;">  <p><b>ICT</b> Onderzoek afgerond naar de mogelijkheden om pc's en laptops van het Rijk aan te bieden voor een tweede en derde levenscyclus.</p> </div> <div style="text-align: center;">  <p><b>Energie</b> Het Rijk werkt samen met de gemeente Den Haag aan het realiseren van een duurzame energievoorziening voor de panden van het Rijk en de gemeenteraad in Conventus Den Haag.</p> </div> <div style="text-align: center;">  <p><b>Dienstkleding</b> Samenwerking met marktpartijen in de aanklacht naar honoratiebestemming voor textielvezels van algemene uitformers.</p> </div> <div style="text-align: center;">  <p><b>Meubilair</b> Het Rijk werkt aan een pilot om meubilair circulair in te kopen, specifiek gericht op toekenning van afspraken en garanties.</p> </div> </div>