

ACTION C.16:

Beneficiary responsible for implementation: City of Helsinki

Description (what, how, where and when):

What

The action C.16 will contribute to NECS objectives 3.1, 3.2, 3.7.1, 3.7.4, 3.9, 3.13 and RM2050 objectives 3.2, 3.4 and executes Finland's medium-term climate change policy plan (KAISU).

The city of Helsinki has set new ambitious climate targets in 2017: it aims to become carbon neutral by 2035. The City is preparing a comprehensive climate programme including a lot of measures to develop procurement processes in the city organisation.

This action will promote a low-carbon procurement in the City of Helsinki and examine how lifecycle carbon footprint can be better included into city's procurement and call of tender processes. The first step is to estimate which service and product groups on city procurement have the most significant impact on climate. The goal is to test existing and possibly to develop new CO₂-accounting / assessment tools and to develop new procurement criteria that cover full life cycle in these significant and different product and service groups. Another goal is to examine and evaluate the impact and possibilities of procurement in promoting low carbon city and society.

The action consists of 4 sub-actions:

- C.16.1. Assessing the procured service and product groups (including also works/investments) to determine the groups with the most significant climate impacts and other environmental impacts (4-5 major product groups), and clearing out the related carbon footprint calculators or indicators which could be required from the suppliers at the call of tender processes.
- C.16.2 Examining how the carbon footprint can be taken into account in the procurement process of the selected product and service groups. This work means examining the use of criteria, scoring and award protocols, and contract monitoring. This sub-action includes making guidelines for the low-carbon procurement of each product and service group.
- C.16.3. Piloting carbon footprint calculation of selected service and product groups in real procurement cases. Before the actual tender calls, comparing the suitability of the different calculators and indicators for each call, and making test scorings to see how the use of carbon footprint could result in the award of each case. The Procurement cases will be documented clearly, focusing especially on the use of carbon footprint in the process. Finalising the guidelines for the low-carbon procurement of each product and service group. Assessing possibilities to straight-forward application of the guidelines and calculators to other product and service groups.

- C.16.4 Distributing guidelines and tools within the city, taking into account also the possibilities to apply the guidelines to other product and service groups than those piloted. Dissemination to other public procurers.

How

Sub-action C.16.1 Selecting of service and product groups with significant climate and environmental impact (3-5 groups) and the related carbon footprint calculations or indicators which are required by the suppliers at the call of tender processes.

- 4-5 real procurement cases will be selected on different groups depending on the tendering calendar of city of Helsinki and the requirements from the other stages of the planning process. For example one of two procurement on following groups:
 - Foodstuff for catering procurement
 - Building, infrastructure or public areas maintenance procurement (1-2 contracts)
 - Transport service procurement
 - Product or material procurement (building materials, furniture, ICT etc.)
- the selection of the procurements will be made together with relevant procurement staff in different sectors of city organisation.

Sub-action C.16.2. Examining how the carbon footprint can be included in the procurement process and how the whole life cycle of the procurement can be taken into account (use of criteria, scoring, selection protocols and contract monitoring)

- *This sub-action will be done in close co-operation with the procurers. Experts from other organisations can also be involved*
- *the timetable of the product groups will be set according to the tendering calendar of each case*

Sub-action C.16.3. Piloting carbon footprint calculation of selected service and product groups in real procurement cases and comparing different calculation methods and their suitability.

- *selection and piloting different (2-3) calculation models/tools to different procurement groups*
- *comparison between different models*
- *considering how comparable results can be produced by different calculation models e.g. by using very strictly defined PCRs (Product Category Rules), or if comparability requires that each tender call should be performed with a certain model*
- *market engagement/ feedback from suppliers about the use of different calculations*
- *assessing the level of used criteria and their impact on the result of the procurement*
- *assessment of economic impacts and emission savings between the 'business as usual' case and the 'sustainability' case*
- *The project team will closely participate in the procurement process*

Sub-action C.16.4. Distributing tools and dissemination within the city to new services and product groups and to other public procurers through capacity building, training, communication, creating criteria and guidelines etc.

For example:

- Trainings to Helsinki metropolitan area procurers in different sectors - there is a well functioning network between the sustainability experts in the Helsinki metropolitan area
- Well documented call of tender processes, new criteria and guidelines from procurement pilots (best practices)
- Mini-seminar or capacity building session to national eco-procurement network about the project results
- presenting the cases at web-pages with all the produced procurement documents, so that other procurers easily see that these were real procurement cases and can look how the use of carbon footprint and other low-carbon requirements were formulated in the tender call documents
- project presentations in different procurement and climate forums, like:ICLEI's Ecoprocure Conference, Finnish Municipalities Climate Network etc.

Where

The action is carried out in the city of Helsinki. Helsinki is capital of Finland and is located in Southern cost of Finland. Special focus is on municipality's procurements. Helsinki is one of the biggest public procurers in Finland, where the annual value of the procurements is about 2,2 billion euros.

When

The C.16 Helsinki's action is carried out mainly during the Phase 1 of the LIFE IP project, between January 2019 and October 2021. Dissemination of results and impact assessments continue till 10/2024 and final report will be done 12/2024 with the follow-up numbers of the tendering processes carried out in City of Helsinki.

Reasons why this action is necessary:

The importance of public procurement and investments in creating demand for green products and services and fostering innovation has been emphasized at many levels of the international cooperation for sustainable future, e.g. by United Nations, OECD and Nordic Council of Ministers.

European Union sees GPP in a key role for EU's efforts to become a more resource-efficient economy (6). But at the same it has been confessed that the challenge of mainstreaming GPP, so that it becomes common practice, still remains (6). It means both using the already developed criteria in real procurement cases and informing other procurers about their applicability, as well as developing new criteria e.g. for greenhouse gas emissions and carbon footprint for still lacking but at the same time important product groups.

New public procurement directives (2014/24/EU) were adopted in EU in 2014 (7), seeking to ensure greater inclusion of common societal goals in the procurement process, such as combating climate change, eco-labels, and innovation partnership.

In Finland, the large scale of public procurement (annually around € 35 billion) and consciousness of the importance of public procurement offer good opportunities to find and disseminate better solutions. As a complementary action in this Life IP project, a new networked Competence Centre (KEINO) has been founded to increase sustainable and innovative public procurement. Examples of objective low-carbon public procurement cases are needed and the national goals need to be

implemented, first by the most competent bodies like City of Helsinki that can act as examples for the others. Helsinki is one of the largest public procurers in Finland, annual value of the procurements is 2,2 billion euros. Action C.16 of the Life IP project is well in line with the strategies, policies and action plans set internally and nationally for public procurement. This action identifies relevant product groups and investments, manages the preparation of procurement processes which have ambitious low-carbon goals, makes sure that the tender competitions and procurement decisions follow the low-carbon requirements and criteria and record the experiences, and finally synthesizes the experiences to guidelines and disseminates the experiences and recommendations to the whole city and other cities and municipalities.

Constraints and assumptions:

The Risks of the Action are estimated as follows:

Different methods of calculation may lead to quite different results (carbon footprint). The risk will be minimised through an open process of data management, where all the assumptions of calculation are transparently expressed.

Using carbon footprint as a procurement criteria may in some cases lead to more expensive products, which will then not be chosen because of other criteria (f. ex economical advantage). This risk may be minimised by increasing the value of carbon footprint in tendering and focusing on the long term savings which the 'lower-carbon-footprinted' product may have.

Expected results:

- *At least four procurement processes has been carried out, which included carbon footprint –calculations*
- *4-6 number of new environmental criteria will be developed to procurement*
- *Testing and comparison results from different calculation models of processes*
- *Increased knowledge of the best practices of low –carbon procurements in different service or product categories*
- *Well documented call of tender processes including CO2 –calculations and low –carbon criteria*
- *Climate and economical impact assessment of selected carbon footprint criteria*
- *at least two trainings to procurers in Helsinki metropolitan area in different sectors*

Cost estimation:

PHASE 1: 1st Nov 2018 - 30th Oct 2021

Personnel: 319002 euros

Travel costs: 4632 euros

External assistance: 63 000 euros

Durable goods, equipment costs: 5000 e

Durable goods, prototypes:

Consumables:

Other costs:

PHASE 2: 1st Nov 2021 - 30th Oct 2024

Personnel: 147651 e

Travel costs: 1000 e

External assistance: 20000 e

Durable goods: 1000 e

Consumables:

TOTAL 600 000 e

Deliverables:

- *At least four case reports from procurement processes:*
 - *CO2 -calculation results*
 - *Call of tender models including CO2 –calculations and low –carbon criteria*
- *Report from testing and comparison results from different calculation models of processes*
- *Report from the impact assessments of cases (economic + CO2)*
- *Training and capacity building material*
- *English presentation materials*
- *Final report 12/2024*

Milestones:

- *Recruiting the Project coordinator and project expert the Action Coordination Group finalized 1/2019*
- *Real procurement cases and calculation methods have been chosen and designed by 1/8/2019*
- *First case procurement and CO2 calculation process started by 1/5/2019*
- *cases 2-4 procurement and CO2 calculation process started by 1/5/2020*
- *impact assesments ready by 5/2021*
- *Final report ready by 12/2024*