

Joint procurement through the EcoProcurement Service Vorarlberg - , Austria

Background

The Umweltverband Vorarlberg is an environmental association of all 96 municipalities in the most western province of Austria and has been working closely on the topic of green public procurement (GPP) since 1998.

Following a project to assess the economic and environmental benefits of joint purchasing, the **EcoProcurement Service Vorarlberg (ÖkoBeschaffungService - ÖBS)** was launched in 2001 to provide permanent and exhaustive green public procurement services to the municipalities in the province.

Services offered by the ÖBS

The ÖBS offers a number of services to the member municipalities in the region:

- Organising of joint procurement activities on behalf of members
- Offering legal and environmental advice on GPP
- Organising workshops on GPP
- Guidelines on GPP for specific product groups - Office Equipment and Building Construction
- ÖBS-Service Bundle „Sustainable Construction in the communities“ – Assisting municipalities in implementing sustainable construction

The ÖBS is partly funded through a small commission from the member authorities equivalent to 1.5% – 2.5% of the annual ÖBS-turnover¹.

Joint procurement activities of the ÖBS

One of the principle roles of the ÖBS is to co-ordinate joint procurement activities on behalf of the member municipalities. One of the main drivers to the setting up of joint procurement activities was the realisation that few municipalities were applying environmental criteria even when clear guidance was available. Joint procurement activities was seen as a way to combine both financial and environmental benefits, together with reducing administrative costs – a win-win approach.

The joint procurement process is organised as follows:

- Step 1: A municipality submits an order to make a call for tender for certain products.
- Step 2: The ÖBS drafts the technical specifications and defines the award criteria in co-operation with specific municipal and legal experts
- Step 3: The ÖBS finalises the call for tender.
- Step 4: Quality assurance and tender vetting.
- Step 5: The ÖBS places a contract with the best bidder.

¹ In 2005 this amounted to a total contribution of €33.315 with the annual ÖBS turnover €1.6 million

- Step 6: All municipalities can use these contracts.
- Step 7: The delivery and invoicing happens directly between the municipalities and the best bidders.

Initially, the focus lay on office-paper and IT-equipment. However, the ÖBS has now extended its joint procurement activities to cover a wide range of products, including lamps for street lighting, cleaning products, office equipment, copiers and multi-functional devices, office furniture, school furniture, equipment for fire brigades and road salt.

Initial barriers to the success of the ÖBS

Initially, one of the most important barriers was that the participating municipalities have to turn the responsibility for procurement over to the hands of the ÖBS. For this reason, one of the main principles of the ÖBS is that the procurement officers of municipalities are integrated into the whole procurement process.

The structure provided by the Umweltverband Vorarlberg is a substantial advantage for carrying out joint procurement. The setting up of a similar association of municipalities in other regions is important for the success of such activities.

Results

- Nearly all municipalities in the region now participate (in 2005 95 out of 96 municipalities ordered through the ÖBS at least once). The ÖBS turnover in 2005 reached €1.6 million – a 6.72% increase from 2004.
- Substantial savings have been realised both in administrative costs (20% - 60%) and prices paid for products (5% - 25%) – in 2005 savings of €286,507 were achieved, without considering the savings on telephone and process costs
- Many authorities have requested the Sustainable Construction service bundle
- In 2006 further public authorities, such as the provincial government have also begun to participate.
- Following the success of the ÖBS, since 2004, efforts have been made to implement similar procurement services in 3 other provinces in Austria (Tyrol, Upper Austria and Lower Austria)

Contact

Mr. Dietmar Lenz
Umweltverband Vorarlberg
0043 5572/55450-0
E: d.lenz@gemeindehaus.at