

# SETTING SUSTAINABILITY CRITERIA IN HEALTHCARE TENDERS

The Public Procurement Directive (PPD) 2014/24/EU aims to modernise public procurement rules and enable governments to manage the operational requirements of efficient procurement. The deadline to transpose the directive into national legislation was April 2016.



The PPD also gives public authorities the power to include environmental and social criteria when procuring products and services through simplified procedures, whilst respecting principles of transparency and competition between providers.

## IMPACT

With over 15,000 hospitals accounting for 7% of EU GDP, the European healthcare sector holds significant influence to lead the transition to safer and more sustainable products and services.<sup>1,2</sup>

## OBJECTIVES OF THE PUBLIC PROCUREMENT DIRECTIVE

- Promote fair competition for businesses across Europe
- Encourage public authorities to strategically use procurement to:
  - Obtain better value for taxpayers money
  - Contribute to a more innovative, sustainable, inclusive and competitive economy
- Move towards value-based (as opposed to price-based) procurement
- Reduce administrative burden with simpler and flexible procedures (e.g. e-procurement)
- Facilitate access to the public procurement market for small and medium-sized enterprises (SMEs)

## SUSTAINABILITY CONCEPTS THAT COULD BE ADOPTED INTO YOUR PROCUREMENT POLICIES



**Most Economically Advantageous Tender (MEAT)** is a cost-effectiveness approach that also considers sustainability elements from any stage of the product/service lifecycle (e.g. production and delivery) and not just the sustainability of materials. Aspects listed in the MEAT approach include accessibility, social and innovative characteristics, and the level of qualification/experience of the provider.



**Lifecycle costing** includes the lifecycle costs of works, supplies, or services (e.g. acquisition, use, maintenance, end of life, or environmental externalities) when considering the price.



Require **specific environmental and social labels** (and equivalents) as **award criteria** and technical performance requirements. Through testing, reports, certifications, and labelling, public authorities are now better placed to verify compliance with sustainability criteria outlined in their tenders.

Read more here: [Sustainable Public Procurement in European Healthcare \(2014\)](#)

1. HOPE, DEXIA (2009). Hospitals in the 27 Member States of the European Union (p 47). Available at: [http://www.hope.be/wp-content/uploads/2015/11/79\\_2009\\_OTH-ER\\_Hospitals-in-27-Member-States-of-the-European-Union-eng.pdf](http://www.hope.be/wp-content/uploads/2015/11/79_2009_OTH-ER_Hospitals-in-27-Member-States-of-the-European-Union-eng.pdf)

2. Eurostat (2015). Available at: [https://ec.europa.eu/eurostat/statistics-explained/index.php/Healthcare\\_expenditure\\_statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php/Healthcare_expenditure_statistics)

## GREEN PUBLIC PROCUREMENT CRITERIA (GPP)

The concept of GPP relies on clear, evidence-based environmental criteria for products and services. The development and revision of EU GPP involves stakeholders from industry, civil society, and Member States. [The GPP criteria](#) consider the most important verifiable environmental benefits and impacts of the product (including health and safety elements), life cycle data, existing EU legislations, and policy work related to the product group.

Voluntary and harmonised criteria considerably reduce the administrative burden for economic operators and public administrations implementing GPP. Common criteria benefit SMEs as well as companies operating in more than one Member State.

### THE EU ECOLABEL

[The EU Ecolabel](#) is awarded to products and services meeting high environmental standards. The label focuses on lifecycle stages with the highest environmental impact (e.g. raw material extraction, production, distribution, and disposal); which differs from product to product. This initiative also promotes a circular economy by encouraging producers to generate less waste and CO<sub>2</sub> during manufacturing and provides guidelines for companies looking to lower their environmental impact and guarantee the efficiency of their environmental actions through third party controls. The label also aims to prevent misleading “environmentally friendly” marketing claims.



### TESTIMONIAL: LANDSPÍTALI HOSPITAL



Landspítali, National Hospital of Iceland includes green procurement criteria in

#### 🔑 Services:

- ☛ Waste management is ISO14001 certified ([Environmental management](#))
- ☛ Cleaning services (covering 1,672,401m<sup>2</sup>/month) are [Nordic Swan](#) labelled (comparable to Ecolabel)

#### 🚚 Products:

- ☛ PVC and DEHP excluded in many product categories
- ☛ GPP criteria used for vehicles, energy efficiency in equipment, and textiles (Ecolabel)
- ☛ All paper, toilet paper, diapers, and napkins procured by Landspítali are eco-labelled as well as over 90% of cleaning agents, soaps and dishwasher agents used

Between 2013-2018 environmental criteria have been set in over 30 tenders and over 60 “mini-tenders” and price inquiries.

## EUROPEAN COMMISSION'S PUBLIC PROCUREMENT STRATEGY

Adopted in October 2017, the EC's [Public procurement strategy](#) has six strategic policy priorities that aim to improve EU public procurement practices in a collaborative manner by working with public authorities and other stakeholders. The six policy priorities for public procurement are:

- Ensuring wider uptake of innovative, green, and social procurement
- Professionalising public buyers
- Increasing access to procurement markets
- Improving transparency, integrity and data
- Boosting the digital transformation of procurement
- Cooperating to procure together