

Analysis report of procurement standards and procurement practice in Upper Austria

Introduction

The awareness for energy efficiency in general is rather high in Upper Austria. Therefore, in general many stakeholders (purchasers in public institutions and private businesses) are willing to consider energy efficiency criteria in their procurement processes.

In addition, the discussions about legal requirements on European level and its implementation on national & regional levels draw the attention of purchasers to the subject.

A number of initiatives for green procurement already exist, mostly focusing on the public sector, but so far not many activities for energy efficient procurement of companies have been carried out. Sustainability criteria included in procurement at the moment concern largely other fields than energy (e.g. purchase of paper).

Current national/regional procurement legislation

National level

The legal framework for procurement in Austria is based on the national law on tendering, the "Bundesgesetz über die Vergabe von Aufträgen" (Bundesvergabegesetz 2006 – BVergG 2006), a complex document with more than 330 pages where mainly public procurement and related fields are treated.

A central organisation that supports primarily national procurement procedures was established by the Federal Ministry of Finance in 2002. This organisation, the "BBG – Bundesbeschaffung GmbH", offers a central procurement platform for the national service departments. Regional authorities and municipalities can also use the BBG for ordering products. More than 30 product lines covering a broad range of products and services are offered. Most of the products can be ordered electronically at the e-shop.

An important input for a more energy efficient procurement is given with the Second National Energy Efficiency Action Plan of Austria (NEEAP2) in June 2011. According to the "EU Directive 2006/32/EG on Energy End-use Efficiency and Energy Services", the Member States are required to develop NEEAPs. The Austrian NEEAP2 describes a range of measures to implement the Directive on Energy End-use Efficiency and Energy Services.

To comply with the exemplary role of the public sector, the following measures are taken:

- in-depth renovation of public buildings in the frame of the national real estate contracting as well as partly in the frame of regional programmes
- energy efficiency criteria in the frame of the "Bundesvergabegesetz", the federal law on public tenders, and through procurement procedures on national and regional level
- a central organisation on national level for procurement that is oriented on energy efficiency criteria and
- concrete requirements for public procurement in the frame of the sustainable procurement action plan

Information and advice are ensured through information campaigns on national level as well as by the regions, the „Bundesländer“. Targeted energy advice and energy audits are implemented by trained energy advisers.

The NEEAP also provides concrete measures and their evaluation. The measure “procurement of energy efficient products” mentions the Buy Smart website and the Buy Smart criteria as literature for further reading.

In April 2012, an amendment of the "Bundesvergabegesetz 2006" for public tenders came into force. Public tenders have to be published if the estimated value of the subject is over 50 000 Euro (over 100 000 Euro till 31.12.2012).

Regional level

The Directive 2006/32/EG on Energy End-use Efficiency and Energy Services is implemented by the "Vereinbarung zwischen Bund und Ländern gemäß Art.15a B-VG zur Umsetzung der Richtlinie 2006/32/EG über Endenergieeffizienz", an agreement between national and regional governments. The agreement came into force in February 2011.

Article 7 of the agreement foresees, among others points, that the federal government, the regional governments and the municipalities have a exemplary role to achieve the energy saving target.

It also foresees, that the agreement partners implement at least two of the measures below:

1. setting of requirements to make sure that the equipment and vehicles that have to be procured are selected out of lists of energy efficient products that include specifications for different categories of equipment and vehicles, whereby eventually an analysis of minimised life cycle costs or other comparable methods to guarantee cost efficiency must be taken as a basis;
2. setting of requirements to regulate the exchange or the upgrading of existing equipment and vehicles by equipment included in the Z 1 and 2 listed equipment;
3. setting of requirements regarding the use of financial instruments for energy savings including energy service contracts (contracting) that regulate the production of measureable and in advance determined energy savings (also in the case that public authorities outsourced responsibilities);
4. setting of requirements that regulate the implementation of energy audits and the implementation of resulting recommendations regarding cost efficiency;
5. setting of requirements that regulate the purchase or the renting of energy efficient buildings or building components or the exchange or the retrofitting of purchased or rented buildings or building components respectively to improve their energy efficiency.

Current regional practice

Public & private sector

In general, the region of Upper Austria comprises mostly small and very small sized companies and municipalities. Therefore, the volume of the purchases is smaller and less frequent.

In the frame of the energy contracting programme (ECP), investments in energy efficiency or energy supply are subsidised. The support programme ECP of the regional government supports the following investments of:

- the implementation of energy plants that use mainly renewable energy sources and (plant contracting)
- the thermal renovations of buildings (energy saving contracting)
- in municipalities and companies (not in the residential sector)

Public sector

Procurement for regional administration departments and authorities, is mainly done by the Department for Procurement of regional administration. This organisation was established in summer 2006 with the objective to ensure efficient procurement (including energy efficiency criteria). 5 different procurement groups were established – IT, office supplies (paper etc.), office equipment and electrical devices, fuel and maintenance.

For municipalities, the allocation of public funds by the regional government is also linked to energy efficiency criteria for purchasing. The financing of new construction and renovation projects in municipalities is carried out through the so called "demand allocation mechanism" ("BZ-Mittel") of the regional government. This mechanism is linked to the compliance with energy efficiency criteria.

Private sector

There are efficiency requirements for the construction and the renovation of buildings, e.g. minimum requirements for the thermal standard (building components, heat & cooling demand).

For companies, the federal environmental support programme (Bundesumweltförderung) defines efficiency criteria for the allocation of subsidies. The subsidy for new buildings in low energy standard is one example. The subsidy depends on the achieved difference of the heating and cooling demand of the low energy building compared to a conventional building according to the requirements of the OIB directive (requirement since 01.01.2010).

Recognised barriers

Main barriers to include energy efficiency in procurement procedures are lack of information and know-how on possible savings. Green procurement is seen as a field of interest but not really to generate economic savings and a short or adequate pay-back time. Higher initial costs and not considering life cycle costs seem to hinder the implementation of green criteria. Furthermore, due to the impact of economic crisis and strict saving plans in public and private budgets, purchasing activities are generally lower at the moment.

The consultation on green criteria and its implementation can be very time consuming, especially in companies and institutions where several decision-making levels have to be taken into account.

Additionally, very often it is difficult to find the right person who is responsible for procurement. Another barrier, within the organisational structure of companies is that green procurement is very often not part of the company strategy. Measures to make green procurement part of the company business plan would be helpful.

Opportunities

The time for green procurement including energy efficiency criteria in purchasing decisions is ideal. European, national and regional policies draw the focus on energy efficiency which is key to achieve CO₂ reduction targets in the future.

The individual consultations and trainings are very helpful to reach the target group and to deepen the participant's knowledge of green procurement and to get in direct contact with purchasers. A positive result of the consultation activities is that after receiving consultation and information, purchasers are most of the willing to pay attention to efficiency criteria.

Furthermore, life cycle costs are slowly coming more and more to the attention of purchasers. Especially, with increasing energy prices, the importance of decision guidance grows which takes also operational costs into account apart from the investment costs. This can help to increase the awareness for green procurement and its advantages.

Relevant sources of information

NEEAP Austria June 2011

<http://www.monitoringstelle.at/NEEAP.340.0.html> (in German)

<http://www.buildup.eu/publications/20801> (in English)

BBG

www.bbg.gv.at

Art. 15a B-VG Umsetzung der Richtlinie 2006/32/EG über Endenergieeffizienz

http://www.ris.bka.gv.at/Dokumente/BgblAuth/BGBLA_2011_I_5/BGBLA_2011_I_5.pdf (in German only)

Ökoleitfaden

<http://doku.cac.at/oekoleitfaden.pdf> (in German only)