

Small Steps, Big Impact: Sustainable Procurement in Municipalities



Imprint

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Introduction

Welcome to “*Small steps, big impact: Sustainable Procurement for Municipalities*” across the Alpine region. The handbook covers countries including Germany, Austria, Italy, Slovenia, Switzerland, Liechtenstein, and France. It has been developed as part of the proCURE project, funded by Erasmus+. Its main goal is to support municipalities in adopting more sustainable procurement practices by providing guidance on how to purchase sustainable products and services. The content is designed to be practical. It includes actionable steps that municipalities can implement. Additionally, reference is made to tools from the proCURE toolbox which are intended as assistance in the procurement process.



This toolbox symbol leads via link to the online toolbox.



Who is this handbook for

The handbook is specifically designed for local government officials – particularly mayors and employees responsible for procurement – in small and medium-sized municipalities. This comprises personnel of entities operating under the municipal structure, such as schools, kindergartens or fire brigades. The handbook addresses the unique challenges faced by municipal staff and employees of connected organisations, where procurement is often just one of several duties managed under tight budgetary conditions.

In addition to the primary target group mentioned above, associations or NGOs interested in exploring sustainable procurement can also benefit from the handbook.

Taking small steps

This handbook outlines the *ideal process* for municipalities looking to implement sustainable procurement practices. Rather than feeling overwhelmed by the wealth of information, readers should see it as a practical guide that supports them through each step of the way — from the first conversation to long-term implementation.

Designed as a *comprehensive guide*, it aims to provide structure, direction and where possible, inspiration. Whether you're a member of the municipal staff or a decision-maker, this handbook can be a resource to return to again and again.

The ideal process includes the following key steps:

- 1 Advocating for sustainable procurement and gaining political support
- 2 Building a team, conducting an inventory and setting goals
- 3 Implementing sustainable procurement
- 4 Monitoring the progress
- 5 Communicating about the efforts made

The meaning of “sustainable procurement”

In the context of this handbook, sustainable procurement refers to procurement practices that consider not only the economic costs but also the social and environmental impacts of goods and services. A key aspect of sustainability is regionality – the emphasis on sourcing products and services from local and regional suppliers whenever possible and not restricted by public procurement law. This approach fosters regional economic development, reduces transportation emissions, and strengthens the resilience of supply chains. By setting criteria aligned with regional supply, local authorities can ensure that procurement decisions meet the specific environmental and social needs of their area. Furthermore, procuring from local and regional suppliers and producers increases the ability to verify that sustainable criteria are being met, as proximity allows for better monitoring and enforcement of these standards.

How to lay the groundwork

Implementing sustainable procurement practice often begins with one committed individual – someone who is already aware of its importance, enthusiastic enough to convince others and therefore able to act as a catalyst for change. This person may be a mayor or a member of the municipal council, a municipal employee, a regional or climate manager or a citizen. These actors can play a crucial role in the essential first step toward embedding sustainable procurement practices in small municipalities: engaging political and administrative decision-makers.

For these committed individuals, it is generally helpful to understand the reasons behind sustainable procurement and be able to present them in a clear and structured way. Supporting arguments with relevant data are beneficial, and preparing for potential questions can contribute to a more effective discussion.

This chapter aims to examine the key framework conditions that enable an effective management of sustainable procurement practices.



Tool “List of reasons for sustainable procurement”.

alpenallianz.org/en/projects/procure/procure-toolbox

Advocating for sustainable procurement

Here are some key reasons why small municipalities should prioritise sustainable procurement:

Local economic support

Sustainable procurement often emphasises sourcing from local suppliers, which helps stimulate the local economy. By supporting small businesses and local producers, municipalities can help create jobs, promote local entrepreneurship, and keep financial resources within the municipality. This also reduces the carbon footprint associated with transporting goods over longer distances.

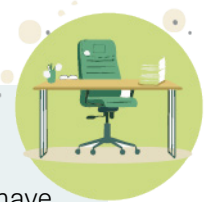
Although under the current EU procurement regulations it is not possible to specify a regional origin within a public tender, there are possibilities to give priority to regional products when purchasing below the national tendering thresholds (see „Purchasing below the national tendering threshold“, p. 23).

Health benefits and well-being of municipal employees

Sustainable procurement also contributes to the health and well-being of municipal employees. By prioritising products and services that are low in harmful emissions, municipalities can directly improve the working environment for their staff.

Example: Low emission furniture

Offices equipped with furniture made from low-emitting materials have better air quality with reduced levels of volatile organic compounds (VOCs). VOCs are chemicals that can be released from products such as paints, adhesives and finishes used in office furniture production. These chemicals can contribute to indoor air pollution and cause a range of health problems, including headaches, dizziness and respiratory problems. Long-term exposure can lead to more serious health effects.



In addition, municipal employees who feel that their health and well-being is a priority are likely to be more engaged in their work and stay with the organisation longer. A commitment to sustainable procurement can foster a sense of trust and loyalty.

Enhanced reputation and public trust

Municipalities that embrace sustainable procurement demonstrate a commitment to responsible governance, which can enhance their reputation. Citizens are becoming more environmentally and socially conscious, and supporting sustainable practices can increase the trust and pride in local leadership. This can lead to a stronger community engagement and more positive relationships with citizens.

Regulatory compliance and future proofing

The legal framework for public procurement in the EU is defined by one of several EU procurement directives, namely Directive 2014/24/EU. All national procurement laws include the provisions from this directive. It explicitly allows social and environmental criteria to be considered and gives local authorities extensive freedom in their sustainable procurement efforts. For specific sectors (e. g., buildings, vehicles), there exist mandatory obligations related to energy efficiency standards. These mainly concern central government agencies but can nonetheless be a model for local authorities.

Many governments, including local authorities, are increasingly setting regulations and policies that require sustainability in procurement practices. By adopting sustainable procurement now, municipalities can ensure that they are ahead of regulatory trends, possibly avoiding future compliance issues. Such proactive approach also positions the municipality as a leader in sustainability.

Environmental impact reduction

One of the primary reasons for adopting sustainable procurement is to minimise the environmental impact of the purchased products and services. By choosing eco-friendly products, municipalities can significantly reduce their energy consumption and waste generation and lower their carbon emissions. Sustainable procurement usually supports a circular economy by prioritising products that are durable and made of recycled or renewable resources.

Social responsibility and community well-being

Municipalities should strive to ensure the products and services they purchase meet ethical standards. The standards include fair labour practices, inclusion and human rights. While this may not always be possible, certified options should be preferred when available and businesses should be selected that prioritise ethical practices.

Potential cost savings in the long run

While sustainable products or services sometimes come with a higher upfront cost, they can also lead to long-term savings. For example, energy-efficient products can help reduce utility bills, and durable goods may need less frequent replacement. Sustainable procurement can also foster innovative solutions that lower the operational costs over time, such as with improved waste management or using energy-saving technologies.

Global impact

Even small municipalities have the power to contribute to global sustainability goals. By making conscious choices in procurement, local governments can play a part in achieving broader environmental and social goals, such as the United Nations Sustainable Development Goals (SDGs). This can inspire other municipalities to follow the example and create a ripple effect of positive change.



The *Toolbox* includes Powerpoint slides with reasons for sustainable procurement.

Gaining political support

Gaining political support for sustainable procurement is crucial for its successful implementation in any municipality. Political backing also helps procurers to convince and engage colleagues in the administration.

Below are some key strategies for building and maintaining political support for sustainable procurement.



Tool “Sustainable Procurement: Key Benefits and insights into implementation”

Tool “Template for municipal council resolution”

alpenallianz.org/en/projects/procure/procure-toolbox

Long-term economic benefits and clear data

Decision makers often require concrete evidence to make informed decisions. It is important to gather data that shows the environmental, social, and economic benefits of sustainable procurement and present them in an easily understandable format. Data on long-term cost savings, such as reduced energy bills, lower waste management costs, and lower expenses due to durable products, should be included. Simple charts, infographics, and real-world examples can effectively highlight the practical advantages of adopting sustainable practices.

Example: Concrete evidence of the effectiveness of sustainable procurement could be a case study of a nearby municipality that adopted energy-efficient lighting and reduced its electricity costs by, for example, 30% in the first year.



Alignment with broader policy goals and objectives

Sustainable procurement should be linked to the existing political priorities and long-term goals of the municipality. Whether it involves achieving sustainability targets, strengthening the local economy, preserving the nature for future generations, or reducing environmental impacts, sustainable procurement can be framed as a key tool in reaching these broader objectives.

Example: If the municipality has an ongoing commitment to reducing its carbon emissions or meeting the Sustainable Development Goals (SDGs), sustainable procurement can be positioned as a crucial strategy to meet these targets.

Early stakeholder engagement

Building a coalition of stakeholders who support sustainable procurement is crucial for securing political backing. Engaging with businesses, community leaders, citizens, local NGOs, and other relevant groups helps gather support and build momentum. The broader the involvement, the easier it becomes for decision makers to recognise the importance of the issue and to act.

Tip: Organising workshops with representatives from municipalities that have successfully implemented sustainable procurement and can share best practices to demonstrate its benefits can be convincing. Decision makers should be invited to participate in these events.



Success stories as evidence of impact

Examples from other municipalities – both large and small – that have successfully implemented sustainable procurement practices can serve as a valuable resource. These success stories demonstrate that sustainable procurement is not merely a theoretical concept, but a practical and achievable goal.

Example: A good practice example could be presented as follows: “Municipality X implemented a green purchasing policy that led to a 25% reduction in energy consumption and a 40% decrease in waste disposal costs over five years. This success illustrates that sustainable procurement can deliver concrete, measurable outcomes.”

Political champions as key supporters

Identifying and maintaining contact with local politicians who demonstrate a commitment to sustainability can be beneficial. These individuals may advocate for sustainable procurement within local government structures and influence their peers to offer support. Endorsement from key decision-makers can enhance the prospects for successful implementation.

Tip: Engagement with local politicians who have a track record of supporting environmental or social issues can be helpful. A strong relationship should be built, and the tools and data needed for effective advocacy should be provided to them.



Council decision

After building political support for sustainable procurement, the next step is to formalise it in a council decision. To ensure that the council decision is both actionable and effective, it should include the following components:

- Commitment to sustainability: Specifying principles and goals, e. g. supporting local businesses, reducing carbon emissions, or minimising waste.
- Allocation of resources: Sustainable procurement often requires investment in training, infrastructure, or new tools. The decision should outline the necessary resources, such as budget allocation for sustainable procurement initiatives, staff training, or procurement system upgrades.
- Timeline and milestones: To avoid ambiguity, the council decision should include a specific timeline for implementing sustainable procurement practices and define milestones of the process.
- Monitoring and reporting: To ensure that the decision is taken seriously and implemented effectively, it is essential to outline the accountability mechanisms. This can include regular reporting to the council on progress and the designation of a sustainability officer or team responsible for overseeing the implementation of the sustainable procurement in the municipality.
- Alignment with existing policies: The council decision should explicitly link sustainable procurement to other local policies, such as local economic development initiatives, environmental protection plans, and climate action strategies. This ensures that the decision is not isolated but part of a broader, coordinated approach to sustainability.



The **Toolbox** offers a template for a municipal council resolution as well as Powerpoint slides with key benefits of sustainable procurement and information on its implementation.

How to get started

Once political backing is secured, preparatory steps must be taken before the procurement of sustainable products and services can begin. This chapter outlines these preparatory steps in detail.

Building a team and exploring support options

Sustainable procurement is a team effort. Successful implementation requires involving key employees and fostering cooperation and shared understanding among them. Therefore, a working group should be formed and support options examined.

Step 1: Nominating a coordinator

A person should be appointed by the local council or the mayor to coordinate sustainable procurement activities. This could be the procurement officer, an employee in charge of sustainability programmes, or an employee with an interest and relevant skills. Key supporting skills include being:

- curious;
- communicative;
- flexible;
- pragmatic;
- perseverant; and
- having high frustration tolerance.

Step 2: Forming a small working group

Ideally, the coordinator is supported by a small working group made up of employees from various departments, including e.g. environment, human resources and finances. This helps to ensure a smooth flow of information and brings in different perspectives.

The working group should meet regularly to discuss goals, processes, next steps, and share insights and experiences.

Step 3: Incorporating additional expertise if necessary

Incorporating the perspectives of those who will use the sustainably procured products, considering each situation individually, can be highly beneficial. This approach helps to reduce resistance to change and ensures that the actual needs are effectively addressed.

Collaboration with external organisations is also an option. These may include environmental groups, Fair Trade shops, and others. Such organisations can offer valuable expertise to help in setting priorities.

Step 4: Using available tools and information

To support implementation of sustainable procurement within an administration, the coordinator and working group members should invest time in familiarising themselves with information in this handbook and the proCURE toolbox. There exist several knowledge platforms which can be consulted in case that further assistance is needed. The following knowledge platforms on sustainable procurement can be helpful for smaller municipalities:

- EU Eco-label Green Procurement website
https://environment.ec.europa.eu/topics/circular-economy/eu-ecolabel/green-procurement_en
- Sustainable Procurement Resource Centre
<https://sustainable-procurement.org/resource-centre/>

Conducting an inventory

Implementation of sustainable procurement within a municipality necessitates an overview of existing procurement activities. Below are three steps to help create this overview.



Tool “Template for conducting an inventory”

alpenallianz.org/en/projects/procure/procure-toolbox

Step 1: Identifying colleagues involved in procurement

The first step is to determine who in the municipality is operationally responsible for procurement. This can be done by consulting with the mayor and/or engaging with colleagues involved in the procurement process. It is also important to clarify who reports procurement needs to whom and who holds the authority to approve them (typically the mayor).

Step 2: Collecting data by consulting with colleagues

Data on what is procured, how often, and in what quantities should be gathered by consulting with colleagues responsible for procurement:

- What products and services are being procured?
- What quantities are being procured?
- How frequently is the procurement carried out?
- What procurement method is typically used (direct purchasing, request for offers, or tendering)?
- Which companies are typically the contractors?
- What are the current contracts and what is their duration?
- Are sustainability criteria considered in the procurement processes, and if so, which ones?
- How much money is spent annually on the procurement of different products and services? (This may need to be cross-checked with the municipality’s accounting records).
- What do the procurement processes for the various products and services entail? (Who is defining the quantities and qualities of the products and services to be procured, who is doing the procurement, who is the contact person during the contract duration?)



The **Toolbox** provides an Excel file with a template for conducting an inventory.

Step 3: Processing information and creating an overview

The information collected from colleagues regarding the products and services procured by various municipal departments – including associated expenditures and procurement processes – should be systematically processed. An overview must be developed to present this data clearly. Where appropriate, similar products and services should be grouped to facilitate analysis and comparison.

Setting goals and defining scope



Tool “Decision Tree to support the development of goals and measures”

Tool “Overview of key requirements of labels”

alpenallianz.org/en/projects/procure/procure-toolbox

Based on the inventory, municipalities should develop clear goals and use well-defined criteria and thus achieve tangible benefits for the local economy, society and environment.

Step 1: Developing goals aligned with broader municipal priorities

An important step in sustainable procurement is to set goals. Initially they can be simple and become more ambitious over time as the municipality gains experience and confidence in implementing sustainable practices. Goals serve as a foundation for sustainable procurement strategies, and provide a shared vision for all stakeholders. As far as possible, the goals should be **S**pecific, **M**easurable, **A**chievable, **R**elevant and **T**ime-bound (= SMART):

- **S**pecific: Goals should articulate what the municipality aims to achieve.
- **M**easurable: Incorporate quantifiable metrics to track progress.
- **A**chievable: Goals should be realistic given the municipality’s resources and constraints.
- **R**elevant: Ensure goals align with broader municipal priorities, such as promoting local economies, ensuring ethical labour practices and healthy workspaces or promoting resource efficiency.
- **T**ime-bound: Set deadlines for accomplishing the goals.

Below are examples of possible goals:

- In one year, the municipality changes the purchasing of one product group to sustainable or locally sourced options.
- In three years, 20% of the budget allocated for products and services will be dedicated to sustainable or locally sourced options.
- In three years, 20% of the municipality's contracts will be for sustainable products and services.
- Reduction of waste in the municipal administration through the procurement of less products, reusable products, etc.: 30% in five years from now.
- Support of gender equity by prioritising women-owned businesses: at least 25% of contracts with women-owned businesses in 3 years from now.
- Reduction of energy use in the municipal administration through the procurement of energy efficient products: 20% less electricity consumption in 4 years from now.



The *Toolbox* offers a PDF file containing a decision tree designed to assist in the development of goals and measures.

Step 2: Selecting products and services

Based on the goals defined in step 1), the products and services procured by the municipality should be selected which will initially be included in sustainable procurement efforts. When deciding, the following factors may be considered:

- highest annual expenditure;
- most frequent procurement activities;
- procurement solutions with the most public visibility;
- product groups with a considerable room for improvement (environment, labour conditions, etc.); and
- product groups that are easy to source sustainably, that is for which sustainability criteria exist and sustainable alternatives are available on the market.

Step 3: Selecting sustainability criteria

For each of the product groups selected in step 2, sustainability criteria should be developed:

- Investigating sustainability criteria relevant to the selected products and services.
- Engaging with suppliers to assess their ability to meet sustainability criteria and gathering of information regarding price differences.
- Collecting approximate price differences for sustainable versus conventional options.
- Selecting a set of criteria per product and service that align best with the goals defined (step 1).



The **Toolbox** offers an Excel file containing an overview of key requirements of labels.

Step 4: Including sustainability criteria in procurement processes

Based on the overview of procurement processes for various products and services, a decision on who is best positioned to ensure the inclusion of sustainability criteria should be taken. The person(s) to whom the responsibility is assigned must be aware of the criteria and of the task to incorporate them in the procurement process. Ideally, they should also be involved in defining the criteria from the outset.

How to implement sustainable procurement

This chapter outlines how sustainability requirements for products and services can be integrated into the procurement process of smaller municipalities. The way in which this integration can take place depends on how the municipality procures goods or services. There are four main approaches a municipality can adopt for the procurement:

1. purchasing below the national tendering threshold: simplified procedures
2. conducting a tender
3. procuring via a central purchasing body
4. procuring jointly with other municipalities

The following subchapters provide a more detailed description of these four approaches.



The Toolbox offers Powerpoint slides with information on “What not to procure”.



Tool “What not to procure”

alpenallianz.org/en/projects/procure/procure-toolbox



Purchasing below the national tendering threshold

The EU Directive 2014/24/EU and the national regulations that reflect the directive's requirements govern procurement above certain thresholds. Below these thresholds, municipalities can apply "simplified procedures" that are regulated on the national level and therefore vary across EU countries. The main requirement in the EU Directive 2014/24/EU for procurement below the thresholds is that the principles of transparency, non-discrimination, and equal treatment must be applied.

In many municipalities, internal regulations mandate the collection of multiple offers once a certain contract value is reached to ensure transparency and non-discrimination. Below this threshold, direct purchase is possible. In such cases, public procurers can simply visit a store and purchase the products or services they need. Purchasing below the national tendering threshold can therefore be divided into two main possibilities:

- direct purchase
- simplified procedures, e. g. inviting multiple suppliers to submit offers

The subsequent text will examine how sustainability criteria can be integrated into these two options.

Direct purchase

The most effective approach to integrate sustainability when purchasing directly is through product labels (see the tool "Checklist with labels"). Another option is to extract relevant environmental information from the technical product specifications that are often to be found on the internet (e.g., sound power levels of household appliances or CO₂ emissions of vehicles).

One obstacle to this approach is that, even if product labels exist for the items to be procured, regional suppliers may not offer products with a specific label or may not offer products with any label at all. In such case, municipal procurers should engage with their local/regional suppliers, inform them about the sustainable procurement policy of the municipality, and encourage them to expand their offerings with certified products.

Simplified procedures

Simplified procedures generally involve directly inviting a selected group of suppliers (typically three) to submit an offer for a specific supply or service. Simplified procedures differ from the direct purchase in two ways:

- Specific criteria for the product or service must be described in the request for offers.
- Together with the description of the criteria, there should be means of verification to ensure that the products or services truly meet them.

Both the requirements/criteria and the means of verification should be defined as specifically as possible. Public procurers should be mindful that some companies may not be familiar with these requirements. As a result, procurers should not be surprised if the verification documents submitted by a company with its offer do not fully align with the specified criteria or the requested documentation.

Example: If a limit for the sound power level is specified in the request for offers for a “ride-on mower,” one may receive with the offer technical product information that either lacks sound-related data or includes a different physical quantity, such as the sound pressure level.

Conducting a tender



Tool “How to evaluate an offer”

alpenallianz.org/en/projects/procure/procure-toolbox

Smaller municipalities typically do not engage in tendering frequently. Given the complex and highly regulated nature of public procurement, when they do initiate a tender, they often rely on the expertise of a lawyer or procurement specialist to guide them through the process. There are four main possibilities to include sustainability criteria in a tender:

- technical specifications
- award criteria
- contract clauses
- selection criteria

Technical specifications

Technical specifications outline the characteristics of the product or service that the municipality intends to procure. Sustainability criteria can be incorporated by specifying the environmental standards that the product or service must meet.

Example: In a tender for cleaning services, the specifications could require that all cleaning agents used in maintenance cleaning comply with the criteria of the EU-Ecolabel.



Award criteria

Price is always one of the award criteria in public procurement, and in some cases it may be the only one. However, other award criteria can be considered, such as those related to the sustainability of the tendered product or service.

Example: In a tender for school lunch provision, the percentage of food items sourced from certified organic farming may be used as a sustainable award criterion. The award criterion 'Price' could be evaluated with 80%, and the award criterion 'Sustainability' with 20%. A percentage of 0% organic food would receive 0 points, while a percentage of 30% or more would earn 100 points. Points for any percentage in between would be determined based on linear interpolation.



The *Toolbox* provides an excel file containing possibilities on how to evaluate an offer.

Contract clauses

While technical specifications define the requirements for products or services to be delivered under a tender, contract terms outline the conditions for contract execution, such as delivery requirements (including transportation methods), packaging standards or education for the persons delivering the service.

Example: In a tender for cleaning services, contract clauses can require that there will be regular training for staff regarding ecological and health risks, environmentally friendly use of cleaning agents, dosing of cleaning agents, etc..



Selection criteria

Selection criteria are requirements that pertain to the supplier. They are included in every tender to ensure that the contracting authority can verify the supplier's ability to fulfil the contract. Sustainable selection criteria may include a requirement for the supplier to have a management system.

Example: In a tender for data centre services, an energy management system (ISO 50001) could be used as selection criterion (i. e., mandatory). In a tender for construction services in a landscape protection area, an environmental management system (ISO 14001) could be required.



Procuring via a central purchasing body

There are several central purchasing bodies (CPB) in the EU, some operating at the national level, while others work in specific regions. Some focus exclusively on sustainability, while others offer sustainable options alongside a broader range of choices.

They typically offer framework contracts or agreements that municipalities can use to place orders directly with suppliers. The main advantage of CPBs is that procurement experts handle the tendering process, ensuring that the framework agreements and contracts are legally compliant. This saves municipalities the effort of conducting their own procurement procedures. Additionally, the products and services available through CPBs tend to be competitively priced.

However, a significant drawback is that CPBs generally contract with large companies. Municipalities looking to support local businesses will often find that these smaller suppliers are not included among CPB's listed providers.

Some municipalities rely on CPBs for products and services that have no local or regional suppliers.

When seeking sustainable solutions, municipalities should explore the filtering options available in CPB e-shops. Do these platforms offer filters for products with ecolabels or those compliant with a national sustainable procurement programme? If such filters are unavailable, municipalities can still review the product offerings, compare technical data sheets, and select the option that ranks highest in the sustainability criteria most relevant to their needs.

Procuring jointly with other municipalities

Joint procurement with other municipalities refers to the collaborative process where multiple local governments pool their purchasing power to buy goods or services together. This is typically done through a central purchasing organisation, which is an entity that manages and facilitates the procurement process for several municipalities. However, it can also take the form of a contracting authority that carries out procurement tasks for other contracting authorities. This may be a municipality procuring for other municipalities, or a district procuring for municipalities within the district.

By consolidating their purchasing needs, municipalities can:

- negotiate better prices by buying sustainable products in larger quantities;
- enforce sustainability criteria more effectively, as suppliers are

more likely to comply with requirements (e. g., recycled content, certifications) when contracts are financially attractive; and

- enhance efficiency by reducing administrative costs and streamlining procurement processes.

In joint procurement, it is best to choose or start with standardised product groups that do not give much room to individual features. This makes it easier to agree on common quality criteria and ensures that all participating municipalities can use the purchased products. Typical product groups for joint purchasing are graphic paper or electricity.

Joining forces does not necessarily mean that a formal tender procedure must be carried out. If the estimated total value of the procurement is below the threshold or value limit, a simplified procedure requiring three offers may still be used.

To ensure that users in the municipalities know how to order the jointly purchased products, it is best to have a common platform where all information is available, and orders can be placed. In addition, when preparing the tender documents, the delivery points in all participating municipalities should be named and a request for free delivery to each of them included. To avoid many small deliveries and related transport emissions, a minimum order quantity can be defined.

Joint sustainable procurement in the Zukunftsregion Rupertiwinkel

An example of joint sustainable procurement through a central purchasing organisation is Zukunftsregion Rupertiwinkel e.V., an association of municipalities in the Rupertiwinkel region of southern Bavaria, Germany. The association promotes ecological regional development, strengthens social cohesion, embeds the economy locally, and enhances value creation in the **Rupertiwinkel** region.

One of its key initiatives was establishing a central procurement platform, allowing member municipalities to jointly procure selected products. The process begins with a needs assessment and the collaborative development of sustainability and quality criteria. Zukunftsregion Rupertiwinkel then issues a public tender, evaluates bids, and signs a framework agreement. Member municipalities can subsequently order products via the platform and receive deliveries directly to their premises. To date, the platform has successfully facilitated the joint procurement of copying paper and hygienic paper.

<https://www.zukunftsregion-rupertiwinkel.bayern/>

Recognising product labels as essential tools

Labels play a crucial role in effective sustainable procurement, particularly for small municipalities. They help ensure that products and services comply with the defined sustainability standards. Article 43 of the European Directive 2014/24/EU permits the use of labels in the procurement process, provided they meet specific criteria, including:

- The label requirements are based on objectively verifiable and non-discriminatory criteria
- Labels are established through an open and transparent procedure, allowing participation of all relevant stakeholders (including manufacturers, etc.).
- Labels are accessible to all interested parties.
- The label requirements are set by an independent third party, ensuring that the company applying for the label cannot exercise a decisive influence over the criteria.

While products carry a variety of labels, only a limited number meet the above requirements. The challenge lies in familiarising oneself with the relevant labels and identifying them on products. From the categories of labels described in the subsequent text, the first two typically meet the requirements.

Labels from certification initiatives for products and services

Independent third parties not directly affiliated with companies grant labels through initiatives covering a wide range of products and services. Behind these initiatives are often governmental bodies or entities closely connected to them, such as standardisation organisations. The labels awarded by these initiatives are typically among the most meaningful indicators for a sustainable product or service. The labels are awarded to products and sometimes also services that meet specific minimum standards, developed in collaboration with stakeholders. They primarily focus on reducing environmental impacts and protecting human health by minimising hazardous substances. In some cases, labels also address working conditions.

These initiatives offer detailed guidelines outlining sustainability and quality criteria for products. Manufacturers can apply for certification by submitting their products for evaluation. To receive certification, manufacturers must provide documentation and evidence that their products meet the required standards. This documentation is reviewed by the certifying organisations. If the product meets the criteria, the company is authorised to use the label for a specified period.

Examples of labels from these initiatives include the [EU ecolabel](#), the [Austrian Eco-Label](#), the [Blue Angel](#), [NF Environnement](#) and [C2C](#).



Platforms for Evaluating Sustainability Product Labels

More information on product labels is offered on the platform [Eco-Label Index](#).

Labels awarded for individual or specific end products

These labels are also issued by independent third parties. The difference to the first group is that only specific product categories are certified, and the organisations behind the labels are sometimes private entities. Such labels are particularly available for textiles, food, and IT devices. Below is a brief selection of labels that belong to this category.

Examples: [TCO-certified](#), [Ökotex 100](#), [GOTS](#), [Fair Wear](#) and [ASC](#).



Legally required labels

Some labels are legally required, such as the EU organic logo, which must appear on all packaged food products produced within the EU that are marketed as organic. The labels can serve to signify a specific quality, as is the case with the EU organic logo for food products or the energy consumption labelling of electric appliances.



Corporate labels

Companies are free to label their ecologically optimised products with their own labels. For example, if a company uses 50% recycled plastic in the production of a product, it can label the product as “Made from 50% recycled plastic.” However, caution is advised with this type of label, as it does not clarify the methodology used by the company to calculate the 50% recycled plastic or the accuracy of the claims.

The corporate labels do not meet the requirements of Art. 43 of the Directive 2014/24/EU.

Exploring the market and creating a catalogue

A well-organised procurement catalogue can streamline purchasing in small municipalities, ensuring consistency, efficiency, and sustainability. It can be maintained in either physical or digital form and should include:

- a comprehensive list of products and services regularly procured by the municipality;
- sustainability criteria for each of the products and services regularly procured, e. g. environmental labels and certifications, and methods of verification;
- information on how these products and services are typically acquired, e.g. direct purchase, simplified procedures, tendering, centralised purchasing bodies, or joint procurement with other organisations;
- details on local and external suppliers that offer sustainable products and services, including insights from supplier evaluations and links to procurement sources (names and addresses, website of shops and e-shops); and
- If possible, the price and cost difference between the conventional and the sustainable solution.

The catalogue serves primarily as an aid for future purchases for operational buyers. It also supports new employees, reducing the need for repeated market research while requiring only periodic updates.

Here are the main steps that should be taken to develop the catalogue:

Step 1: Creating a catalogue

Entries are categorised by product and service groups, including descriptions, sustainability criteria, verification methods, acquisition strategies, supplier details, and current procurement costs.

Step 2: Identifying and evaluating suppliers

Potential suppliers are consulted to determine if they offer products and services that match the quality defined in the sustainability criteria. If they confirm this, they are asked to provide verification, which is then reviewed. Current prices for sustainable products and services are gathered, along with prices for comparable products and services that do not meet the sustainability criteria. This information is then included in the catalogue.

Step 3: Using the catalogue

Accessibility to the catalogue is ensured for all procurement officers, facilitating smooth integration into procurement processes.

Step 4: Reviewing and updating regularly

As markets evolve and new products and services become available, regular updates are conducted to maintain the catalogue's relevance and alignment with sustainability objectives.



From catalogue to E-Shop

Municipalities can modernise their procurement process by switching from a static catalogue to an interactive E-Shop. Such digital platform enables employees with purchasing authority to directly order pre-selected products and services that align with council decisions while keeping price variations reasonable. Additionally, it facilitates flexible supplier connections, prioritising local sourcing where possible and integrating central procurement bodies for specialised sustainable solutions.

Purchasing products locally and regionally

Municipalities have several ways to prioritise local and regional products in their procurement processes while staying within the legal frameworks. Although public procurement principles emphasise non-discrimination, free movement of goods, and fair competition, there are still strategies that allow municipalities to support local suppliers.

- Simplified procedures: When using simplified procurement procedures, there is often flexibility to consider local suppliers.
- Checking supplier locations in procurement at a central purchasing body: When purchasing through central purchasing bodies, municipalities can inquire about supplier locations to understand where products are supplied from.
- Smart tendering strategies: The most crucial aspect is designing tenders in a way that allows local and regional providers to compete fairly. Some strategies include:
 - Applying lifecycle costing (LCC): Due to shorter distances, local supply reduces transport emissions. By including transport lifecycle costs in the award criteria, municipalities can favour local suppliers (see box below). Suppliers must provide information about the distance from their warehouse to the municipality and list the main vehicles used for the contract. The municipality can then calculate CO₂ emissions per trip by multiplying the fleet's average emission factor (in g CO₂/km) by the distance (in km) and the mass of the transported goods (in t). Lower emissions result in a higher score for this criterion.
 - Dividing contracts into smaller lots: Large suppliers can bid on small lots, but breaking contracts into smaller portions allows participation of small and medium-sized enterprises, which might not be able to handle large contracts.
 - Requiring short response times: Setting shorter delivery or response times can be an advantage for local and regional suppliers, as they are closer and can react more quickly.
 - Specifying product quality standards: Defining quality criteria that local suppliers are more likely to meet can be effective. For example, in the procurement of animal products, municipalities can include higher animal welfare standards that are established in the region.

By implementing these strategies, municipalities can promote local and regional economies while ensuring procurement remains competitive and legally compliant.

Lifecycle costs of transportation as award criteria

Additional points may be awarded for the lowest possible greenhouse gas emissions from transportation. The greenhouse gas emissions from transportation (GHG_{TR}) in kg can be calculated using the following formula:

$$GHG_{TR} = EF_V * L * m$$

Where:

- EF_V = Greenhouse gas emissions of the transport vehicle used in kg CO₂e/tkm
- L = Distance from the supplier's warehouse location to the public client's delivery site, in kilometres (km). The distance refers to the shortest route taken.
- m = mass of the transported goods, in tons (t)

Possible values for the EF_V (incl. the vehicle load factor) are as follows

- Light duty vehicles (< 3,5 t): 0,906 kg/tkm
- Heavy duty vehicles (< 18 t): 0,382 kg/tkm
- Heavy duty vehicles (> 18 t): 0,144 kg/tkm
- Semi-trailer truck (40 t): 0,068 kg/tkm

How to monitor progress

Monitoring entails regular collection of data and analysis of key indicators to determine whether the municipality's procurement activities are progressing toward achieving the defined goals.

Monitoring provides insights into developments. If it reveals that the municipality is not on the right track, this conclusion can lead to discussions about adjusting activities to improve the probability of achieving the goals. Likewise, if the progress is too slow to meet the goals within the set timeframe, the goals should be reassessed (see „Setting goals and defining scope“, p. 19). Overly ambitious targets can undermine commitment, causing stakeholders to disengage rather than strive for achievement.



Tool “Template for reporting”

[alpenallianz.org/en/
projects/procure/
procure-toolbox](https://alpenallianz.org/en/projects/procure/procure-toolbox)

Step 1: Review of data types collected by the municipality

Each municipality collects data and information. For example, electricity bills collected by the administration provide details about the energy consumption. The methods of data collection (such as electronic tools used or how paper records are gathered) and the type and scope of data typically vary between municipalities, and often between departments within the same municipality. Developing a monitoring system should begin with gaining an overview of what data is currently being collected within the municipality and its departments, and how it is being stored or processed (e.g., in an Enterprise Resource Planning software).

There are at least three types of data that can be used to develop key indicators:

- procurement and contract data, e.g., does the procured product have an eco-label?
- supplier data, e.g., supplier location – is it a regional supplier?
- impact data, e.g., the municipality's electricity consumption

Step 2: Developing key indicators based on existing data

It is essential to assess which of the data already collected by the municipality can help determine whether procurement is progressing in the right direction. For example, if the municipality aims to incorporate green criteria in its purchases of electric and electronic devices, data on electricity consumption can serve as a key indicator for evaluating the effectiveness of the performed activities.

Step 3: Developing additional key indicators

In the case that key indicators can be developed based on the existing data, it must be determined whether these indicators are sufficient for the monitoring. If yes, this is great. A key principle should be to keep monitoring as simple as possible: as few key indicators as necessary, but enough to be effective.

If further key indicators are needed and the available data is insufficient, then data collection of the municipality has to be upgraded. There is a wide

range of possibilities to develop key indicators and they may be linked to:

- data collected during the procurement process and the contract, e.g., information on whether the product carries a specific label or if the supplier has a particular social management system in place;
- data from suppliers/service providers, e.g., information on whether the products they supply to the municipality meet the established criteria; and
- control data, such as checks on the cleaning products used - is it actually a cleaning product with an ecolabel?

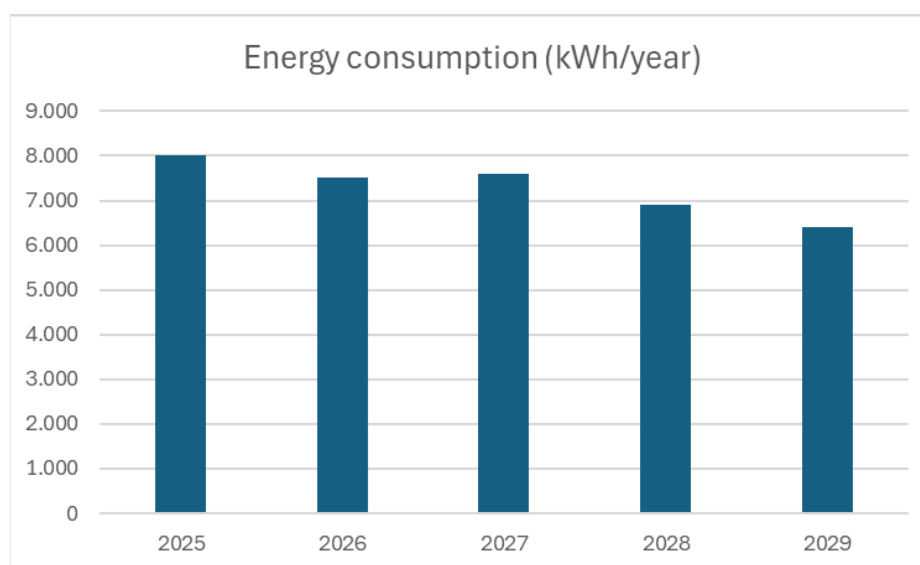
Step 4: Developing a system to ensure regular data delivery

If the person responsible for monitoring does not have direct access to the data, there should be ways to ensure that this person is provided with the data, e.g. receiving them in an email from a person with access.

For any data that needs to be collected separately, such as supplier or control data, a system must be set up to ensure regular and consistent data collection.

Step 5: Regular analysis of data

Data for each key indicator should be plotted on a **timescale**. This chart displays data over a specific period, with time (e.g., years) on the x-axis and the event or measurement (e.g., annual energy consumption) on the y-axis. An example is shown below.



Step 6: Discussion and reporting of results

Generally, it is valuable to review the monitoring results within the sustainable procurement working group. For instance, if energy consumption is rising, there may be logical explanations, e.g., the purchase of electric vehicles. The results should then be presented to decision-makers, such as the mayor or the local council, who have the authority to adjust the municipality's sustainable procurement strategy.



The *Toolbox* provides a template for reporting.



How to communicate

Change in organisations is a social process, and communication is a key success factor. Only when everyone involved understands why sustainable procurement is important and what it will bring to the municipality and to them individually, will they be willing to participate. This chapter provides practical solutions for internal and external communication that fit the needs of smaller municipalities.



Tool “Template for an internal newsletter”

alpenallianz.org/en/projects/procure/procure-toolbox



Engaging municipal employees

People are generally reluctant to change the way they work. The more they are informed and involved, the more likely they are to support change. The objectives of sustainable procurement should be communicated widely. Communication should involve the whole organisation, including decision makers, budget holders, procurers and users. It should be ensured that the roles and responsibilities of staff throughout the organisation are clear. Effective internal communication helps create a sense of ownership, accountability, and enthusiasm for the initiative.



Training and workshops for procuring staff

Training sessions or workshops should be organised to empower municipal employees for sustainable procurement. These workshops can focus on specific aspects such as choosing environmentally friendly products, reducing waste, and how sustainability can be integrated into daily procurement practices.

Principles and criteria display

General principles and criteria that are being implemented in the municipality should be displayed to inform and involve all staff. Users will be more likely to accept new products if they know what is behind the change.

Internal newsletters and emails

Use newsletters or email bulletins to keep employees informed about the progress, new sustainable initiatives, and upcoming procurement opportunities. This helps to maintain engagement and ensure that everyone stays on the same page.



The *Toolbox* provides a template for an internal newsletter.

Internal good practices

Sustainability champions within the administration should be identified and supported. These individuals can act as ambassadors, encouraging their colleagues to adopt sustainable practices and serving as a resource for questions or advice.

International environmental days for activities

Activities can be aligned with international environmental days, such as Earth Day (22 April), World Environment Day (5 June), or International Recycling Day (18 March). These days provide an opportunity to spotlight sustainability efforts and engage both employees and the municipality in meaningful activities. For example, a small fair could be organised, where providers can expose their sustainable products. Or a fair fashion show together with local businesses.

User workshops

When introducing new sustainable products, there may be some resistance, particularly from those who are sceptical or “grumble” about change. A practical and inclusive approach is to organise internal user workshops focused on testing these new products or services. By involving employees in the testing process, especially those who are more critical, a space is created for hands-on experience and feedback.

Engaging stakeholders

Effective external communication is key to ensuring that sustainable procurement initiatives are supported by the broader municipality and local businesses.

Local businesses

It is advisable to work closely with local suppliers to communicate the municipality’s commitment to sustainable procurement. They should be encouraged to offer sustainable alternatives to the standard products they normally supply. Incentives can be offered or information provided on green certifications or sustainable product standards to help businesses make the shift.

Supplier workshop/dialogue

Direct contact with potential suppliers gives municipal administrations the opportunity to inform them of the requirements of upcoming procurement processes. In addition, municipal administrations can find out what options bidders have to meet the requirements. User and supplier workshops can be held in the run-up to a tender or procurement to inform the market and to gather information on the market situation.

Easy-to-understand guidelines for suppliers

A simple, one-page document or webpage can be developed that outlines the basic sustainable procurement criteria for local suppliers. This could be a list of preferred sustainable practices (e.g., reducing packaging, offering environmentally friendly alternatives) or a set of guidelines on how they can meet the municipality's sustainable procurement goals.

Public information campaigns

Communicating objectives and actions to the public also increases accountability and sets an example that can inspire wider action. Contact should be established with environmental or social organisations that might be interested in sustainable procurement related activities of the municipality. These could be NGOs, fair trade shops, church groups, trade unions, repair cafes, workshops for people with disabilities, organic farmers or other actors. Local media, social media, and community events can be used to share information and engage with the public. Posters and flyers with QR-codes leading to further information are a good way to reach the local community. The more informed the public is about the initiative, the more likely they are to support it.

Other local authorities and networks

Connecting with other municipalities, governmental bodies, and sustainability networks to share best practices, lessons learned, and resources is often beneficial. In general, organisations are open to exchange and happy to share their experiences. Participation in such networks can provide valuable insights and help the municipality stay updated on the latest trends and regulations in sustainable procurement.

How to address stumbling stones

There are numerous obstacles to implementing sustainable procurement. The following chapter presents possible ways to address two particularly significant challenges: budgetary constraints and the lack of sustainable product and service offerings.



Tool “Overview of LCC-calculators”

alpenallianz.org/en/projects/procure/procure-toolbox

Life-cycle Costing (LCC)

There are tools that calculate most of the costs directly incurred by the municipality, such as the purchase price and use-related costs. These costs are also known as **Total Cost of Ownership**.

Additionally, some tools take **external environmental costs** into account, meaning the expenses required to repair or mitigate damage caused by pollution. For example, a homeowner who renovates a facade damaged by sulfur-containing air pollution is covering external environmental costs.

In theory, calculating the external environmental costs of a product or service would require a life cycle assessment (LCA). The results of the LCA - such as emissions contributing to Eutrophication (= nutrient overload) would then need to be assigned a monetary value. However, this is usually not done due to its complexity. Currently, in some cases, the costs of CO₂ emissions resulting from the electricity consumption of an electronic device are taken into account.

Addressing budgetary constraints

Most small municipalities face budgetary constraints. However, there are several ways to address this challenge.

Transparency in prices and costs

It is often claimed that sustainable products and services are more expensive. However, this statement is usually made without prior thorough analysis. The first step should therefore be to gain an overview of the market: What are the procurement costs of products and services that meet sustainability criteria compared to conventional alternatives? And what savings can be achieved through lower energy consumption or a longer lifespan?



The *Toolbox* provides an overview of LCC calculators

Procurement needs

If the products and services previously procured are expensive, it may be worth considering ways to reduce the quantity purchased. Possible strategies include using lower doses of cleaning agents, minimising food waste by adjusting catering practices, and reducing the use of pesticides or fertilizers. Additionally, optimising processes can lead to cost savings - for example, purchasing more environmentally friendly waste collection vehicles while simultaneously improving route planning to reduce mileage.

Sustainable procurement at competitive prices

If the budget is very tight, it is important to focus on the 'low-hanging fruit' - products and services where the cost difference between sustainable and conventional options is minimal or where the sustainable alternative is actually more cost-effective.

Better prices with central purchasing bodies

For products and services not available from local suppliers, the services of a central purchasing body can be a valuable option. These organisations generally offer sustainable choices, including eco-labelled products, and often provide attractive prices.

Better prices through joint procurement

Purchasing in collaboration with other municipalities through central procurement organisations offers significant advantages. Joint procurement, or collaborative purchasing, involves multiple municipalities working together to acquire goods or services (see „Procuring jointly with other municipalities“, p. 26). The EU public procurement directive supports joint procurement, recognising it as a key tool for enhancing efficiency in public spending.

Navigating limited market availability

Limited market availability of sustainable products poses a significant challenge for small municipalities, particularly when striving to meet sustainability goals. Several approaches, however, can help overcome this challenge.

Collaboration with other municipalities or organisations

Small municipalities can collaborate with neighbouring municipalities, larger cities, or regional governments to increase demand for sustainable products. By pooling purchasing power, they can incentivise suppliers to offer more sustainable options at competitive prices.

Supplier innovation

Small municipalities can work closely with suppliers to encourage the development or modification of sustainable products to meet local needs. This could involve funding pilot projects, offering incentives for sustainable product development, or fostering partnerships that promote innovation.

Additionally, municipalities can incentivise and recognise businesses committed to adopting more sustainable practices and support local green start-ups, thereby encouraging other businesses to follow.

Innovation in existing product categories

When sustainable alternatives are not available for certain products and services, municipalities can consider replacing traditional products with other sustainable options. For instance, replacing disposable plastic with reusable or biodegradable items in municipal operations.

Instead of buying new products, municipalities can prioritise reusing

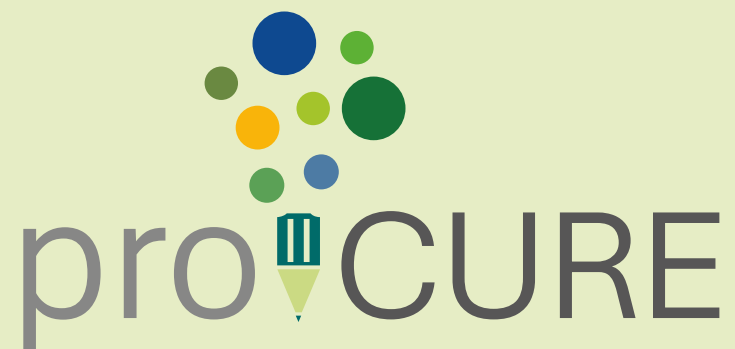
existing resources or repurposing items. For instance, buying second-hand equipment, refurbishing old infrastructure, or using salvaged materials for construction projects can help reduce demand for newly manufactured products.

Gradual transition and phased implementation

If sustainable products are limited, municipalities can implement a gradual transition, starting with the most easily obtainable and cost-effective sustainable alternatives. Over time, as the market develops, the municipality can continue to integrate more sustainable products into their procurement.

By employing these strategies, small municipalities can overcome the challenge of limited market availability for sustainable products. The key is to foster collaboration, innovate within existing systems, and create demand that encourages the market to adapt. Over time, these actions will not only help municipalities meet their sustainability goals but also contribute to broader shifts in the market.





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