



**GLOBAL LEAD CITY NETWORK  
ON SUSTAINABLE PROCUREMENT**

# City of Helsinki

(Finland)

## Sustainable Procurement Profile



*Images credit: pixabay.com*

**PROCURING SUSTAINABLY, LEADING GLOBALLY**



## Introduction

The City of Helsinki is the capital and largest city of Finland, with a population of 630,000. Since 2003, Helsinki has been systematically working on sustainable procurement. In the beginning, the focus was mainly on green public procurement. After the launch of Procurement Strategy in 2011, Helsinki has increasingly included social responsibility alongside green public procurement. The City also strives to be a smart procurer and a good partner to businesses.

In 2013 Helsinki became the seventh Finnish city and the University of Helsinki the fourth Finnish university to earn Fair Trade designations. The Procurement Director of the City of Helsinki, Jorma Lamminmäki, wants to achieve the goal of 100% SPP by 2020.

Deputy Mayor Pekka Sauri has been re-elected twice as Chair of the Procura+ European Sustainable Procurement Network and will continue in this role until May 2017.

## Procurement in the city

The city has a decentralized procurement function, meaning that the 30 departments are responsible for their own procurement. However, some areas of tendering are centralized by the city council and the Procurement Centre acts as an advisory unit for procurement across the city.

Many administrative branches and departments only procure products or services tendered by the Procurement Centre, but some of the branches/ departments carry out the tendering process of products and, in particular, services by themselves.



Image credit: pixabay.com

### OUR SPP ACHIEVEMENTS

- 51.1 % SPP across all procurement departments in 2016
- The environmental network of procurement established in 2013 has reinforced the cooperation and information exchange between the parties in charge of the city's procurements
- In 2015, a Helsinki city guide for sustainable procurement was compiled, presenting concrete instruction and examples on how environmental criteria can be applied in various procurements
- A framework contract for purchase and renewal of IT equipment used market engagement to achieve energy savings of 27% and cost savings of €72,000 over the lifetime of the products. [Read the full story here.](#)
- The Katri Vala heat pump plant, the largest in the world, produces an overall energy saving of 80%
- Over 1,000 city employees have received training on SPP as part of their eco support training program
- From 2017 onwards only nearly zero energy buildings will be designed, with minimized heat losses, demand-based ventilation and lighting, efficient heat recovery systems, intelligent control systems, energy recycling when possible

## Sustainable Procurement strategy

The city's environmental policy was approved by Helsinki City Council in September 2012. Helsinki views public procurement as a means to upgrade the synergy between the environment and economy. The goal of environmental policy is that, by 2020, all purchases made by the City will contain environment criteria.

- 50% of the city's procurement processes will include environmental criteria by 2015.
- 100% of the city's procurement processes will include environmental criteria by 2020.
- Environmental criteria can be either absolute requirements or selection criteria.
- All city departments and subsidiaries will be trained to make sustainable procurements.

Additionally, Helsinki has an established environmental policy, which sets out the central environmental goals in both the medium (up until 2020) and long term (2050). These goals are outlined in the [2013 Environmental Report](#). In the medium term, these goals focus primarily on reaching the target of 100% SPP by 2020 and reducing waste. For example, the City aims to reduce the volume of communal waste produced in line with 2013 levels by 10%, and to increase by 10% the amount of materials arising from communal waste that will be reused.

## What we purchase sustainably

In Helsinki, environmental criteria are typically included in the mandatory requirements, as laid out in the technical specifications, or in the selection criteria of a tender. This demonstrates that for the City, environmental aspects are not just nice-to-haves but are rather essential aspects of a tender which must be met by bidders. Helsinki focuses its sustainable procurement on the following outcomes:

- Cutting down greenhouse gas emissions caused by inner city freight and transportation of goods
- Cutting down greenhouse gas emissions caused by city's building stock
- To bring new investments, research and development and to make the area a pioneer of smart and clean technology by innovative procurement.
- Reducing energy usage of the city

### Sustainable trams

Reduced environmental impact and low lifecycle costs played an important part in the design and procurement of the new Transtech Artic tram commissioned by HKL (the City's transport department). The tram is durable, light, and requires little maintenance. Additionally, as the tram features a regenerative braking system, thanks to which the energy released in braking is used for heating, the heating energy consumption of the tram is reduced by 75%. The tram also has a

flexible structure that reduces friction and results in lower energy consumption. Furthermore, the tram can output breaking energy back into the network. The first two trams came into operation in early 2014 and a further 38 trams are being delivered before the end of 2018.

## IT equipment

A tender for IT equipment and services contract, the total value of which was approx. €50 million, covers the procurement period of 2015 – 2018 and accounts for 10,000 computers yearly. The GPP 2020 carbon savings calculator for office ICT equipment was used as part of the process. The procurement was completed at the end of 2014 and the framework agreement is now in place.

As part of the market research phase for this tender, it was recognized that the lifetime of a basic computer was estimated to be five years and that of a laptop four years. With a yearly volume of 7,000 PC's, 2,000 laptops and 2,000 screens Helsinki estimated that during the whole lifecycle the reduction of CO<sub>2</sub>-emissions (t CO<sub>2</sub>/lifetime) exceeds 170 tonnes when compared to the hardware based on previous procurement contract made in 2012.

## How we purchase it

The use of environmental criteria in tendering processes and procurements has increased steadily. Criteria can include, for example, energy efficiency, eco-label criteria, material efficiency, waste sorting and reduction of waste, life cycle costs, environmental system or similar, chemical safety, genetically unmodified ingredients, organic products, low-emissions, versatility, recyclability, noise level and special competence in energy and life cycle planning or accounting. Tendering processes are seen to consider environmental aspects if they are included in the mandatory requirements or in the comparison criteria for the tenders.

## Market dialogue

Helsinki uses comprehensive market dialogue to understand the market. In the contract period time the city used engagement and dialogue to ensure that suppliers comply with the contract clauses.

## Keeping track on procurement

Helsinki monitors against its targets for SPP. Helsinki achieved 53% SPP in 2015, exceeding the target of 50% as set out in the Environmental Policy 2020. Helsinki made reporting of GPP actions mandatory in its yearly Environmental reporting. Under that system the Environmental Policy of the city is followed as well as data collected on environmental criteria used in tendering.

In addition to procurement, the Helsinki measures and monitors its climate commitments.

- City's energy policy lines 2008
  - GHG emission reduction target 20% until 2020 (vs. 1990) achieved - updated to 30% in 2015 in the City Council Strategy
  - Share of renewable energy up to 20 % until 2020 (vs. 1990)
- Climate Strategy 2030 of Metropolitan Area
  - CO<sub>2</sub> emission reduction target 39 % until 2030 (vs. 1990) achieved
- Covenant of Mayors EU, January 2009
  - CO<sub>2</sub> emission reduction target at least 20 % by 2020 (vs. 1990) achieved
- City's Environmental Policy 2013
  - Carbon neutral Helsinki in 2050

## Challenges for the future

Helsinki identifies several sustainable procurement challenges:

- New CO<sub>2</sub> emission reduction targets needed for 2030 and 2040. These will be developed after the City Council elections in April 2017.
- Set up strategic procurement goals and sustainable criteria for these goals
- Coordination of procurement as the city (organization) significantly reforms and restructures its departments in 2017

## Further information

PROGRAMME	WEBSITE
<p><b>Nordic green growth city network:</b> <i>Creating a green market through public procurement</i></p> <ul style="list-style-type: none"> <li>• Cities of Oslo (N), Copenhagen (DE), Stockholm (SWE), Helsinki (FI), Espoo (FI) and Vantaa (FI)</li> <li>• Objective: To get a common view on the state of the art on market dialogue as a way to create a greener market.</li> <li>• Long term objective: To find common focus on areas for a common statement of ambition</li> <li>• To define core elements of a systematic and efficient approach to market dialogue in order to promote green growth through public procurement</li> <li>• Output: Best practices and recommendations for other cities. Capacity building of experts from relevant city administrations through workshop on selected themes.</li> </ul>	<p><a href="http://www.nordregio.se/en/Metameny/About-Nordregio/Nordic-working-groups/Nordic-working-group-for-green-growth--innovation-and-entrepreneurship-/">http://www.nordregio.se/en/Metameny/About-Nordregio/Nordic-working-groups/Nordic-working-group-for-green-growth--innovation-and-entrepreneurship-/</a></p>

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## About the GLCN on SP

The **Global Lead City Network on Sustainable Procurement** is a group of cities committed to drive a transition to sustainable consumption and production by implementing sustainable and innovation procurement. All participating cities are acting as ambassadors of sustainable procurement to lead to a resource efficient, low carbon and socially responsible society.