



City of Rotterdam

(The Netherlands)

Sustainable Procurement Profile



Credit: Watt

PROCURING SUSTAINABLY, LEADING GLOBALLY



Introduction

Located in the heart of the Dutch delta, the city of Rotterdam surrounds Europe's largest harbor. The Rotterdam City Council is committed to making Rotterdam a leader in sustainable urban living. Deputy Mayor Pex Langenberg for sustainability, mobility, art and culture has stated: "The Paris Climate Change Conference showed that the entire world is committed to fulfilling their responsibility. In the coming years, Rotterdam will continue to invest in healthier air, cleaner energy at lower costs, and a strong and innovative economy. Over the course of our [program on sustainability and climate change](#), we are committed to ensuring sustainability becomes a way of life for Rotterdam." The action plan encourages sustainable procurement practices to assist the transition to a more resource-efficient city and to shift markets onto a sustainable path by demanding goods and services that conserve natural resources and preserve social capital in the city.

Procurement in the city

The City of Rotterdam has an annual procurement budget of around €1.3 billion. It uses a centralized procurement system in most of its operating areas. There are 2 specialized procurement teams that assist budget holders to find the best goods and services in the fields of facility management (office supplies, social services etc.) and construction (materials, vehicles, etc). The procurement of works is done by our own engineering department.



Credit: Ossip van Duivenbode

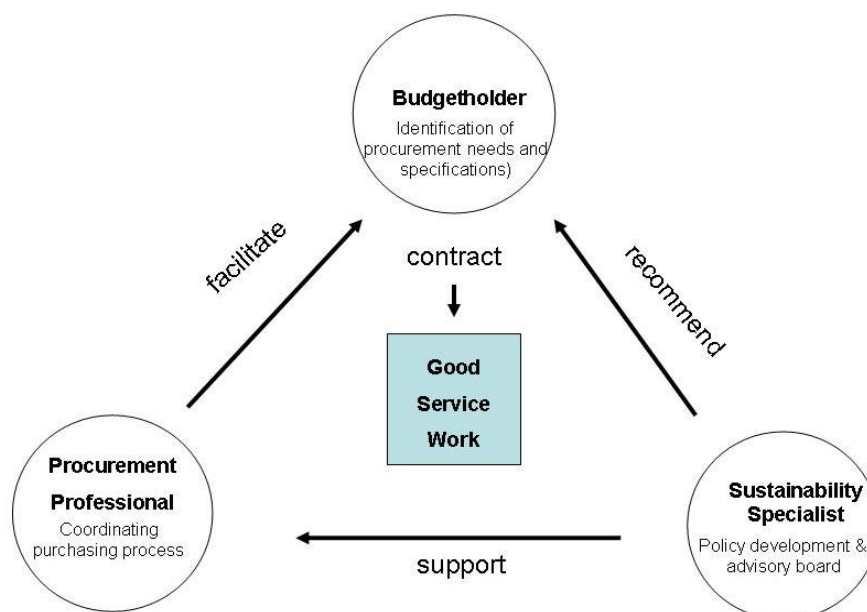
OUR SPP ACHIEVEMENTS

- Low-emission standards for vehicles and machinery used in construction tenders
- Energy performance contracting leading to 30% energy savings in public swimming pools
- In 2015 the city purchased another 10 electric vehicles and 66 plug-in-hybrids
- Since 2012 the city promotes fair-trade and buys 100% fairtrade coffee
- All of our wood products originate from responsibly managed forests
- We achieved 50% reduction of environmental impact through life cycle performance criteria for concrete paving materials
- 100% of PVC sewage pipes are being recycled at the end of life
- CSR activities of our workwear supplier are continuously monitored and evaluated according to ISO26000 standards

Sustainable procurement strategy

The City of Rotterdam is strongly committed to focus on sustainable solutions in its solicitations to reduce the environmental impact, as well as to achieve other societal and economic benefits. According to the [Dutch central government's policy and action plan on SPP](#), municipalities should comply with a 100% sustainable procurement by 2015. This implies a dedicated implementation of minimum sustainability requirements in certain procurement categories. These criteria are accessible through the [PIANOo](#) portal on SSP, the national association for public procurers. In addition, Rotterdam adopts a strategy to identify other categories of procurement that have high potential of environmental savings.

Rotterdam's principal is that leading by example starts with the budget holder, procurement official and sustainability specialist. All parties should take a deliberate approach to implementing green criteria by insisting on transparency and using acquisition methods that transcend the parochial lowest bid method. The Rotterdam approach for modeling SPP processes highlights responsibilities assigned to actors and organizational structures, shown in the next figure.



In the first place, the budget holder or user decides what is needed. Then it is over to procurement to find the best source and supplier. The sustainability expert is a centre of excellence that analyses and gives advice on where to make environmental savings. When the budget holder approves, the sustainability specialist supports procurement professionals to formulate criteria that are effective and appropriate. The Rotterdam procurement procedure for European tenders requires early involvement of sustainability expertise which is crucial to the successful implementation of effective award criteria and selection criteria.

What we purchase sustainably

Making decisions in SPP requires priority setting into the broader strategic context including value for money, performance management, corporate and political objectives. Sectors of special interest to SPP are procurement categories that have a high saving potential in terms of energy use, air quality and resource use. Typically these are found in real estate, transportation and materials. Our targets include:

- 100% implementation of national minimum environmental standards
- 40% energy reduction in community buildings by 2030
- Installation of rooftop solar panels on 7 public buildings and 70 schools
- Fleet expansion/ replacement with 25% cleaner vehicles in 2018, all-electric when possible
- 50% reduction of embedded environmental impact within construction materials
- 2 tenders that take a circular approach examining the potential for reduction, a form of reuse, buy-back or recycling program
- Zero emission delivery of goods and services by 2020

Furthermore, we have set up an action plan after [COP21](#) which involves the development of an [innovative procurement strategy for electricity and gas](#) that leads to an increase in renewable power generation and the introduction of public fast charging infrastructure for social transport services. We require many suppliers to secure [ISO 14001](#) certification. In the coming year we will develop a guideline for supplier selection based on their environmental management performances. These will include instruments like the [CO2 Ladder](#) and the [Envirometer](#). In some tenders we take a more targeted approach. In our tender for concrete tiles, for example, we have determined the overall environmental impact is primarily caused by its raw material providers and production facilities. We are now requiring these suppliers to quantify the environmental impacts from cradle to gate and to monetize the externalities. Bids that have low environmental costs are rewarded accordingly. Although SPP is used as an instrument to achieve wider sustainability goals, the City of Rotterdam will pay special attention to guidelines that ensure environmentally, economically, and socially sustainable practices for products such as coffee, flowers and natural stones.



How we purchase it

Among the instruments that are used to source sustainable products and services are:

- Environmental Life Cycle Assessment
- Total Cost of Ownership
- Performance Contracting (Maintenance and Energy performance)
- Supply chain monitoring and audits
- Early market engagements

Keeping track on procurement

For some types of products, the lowest cost option up front may be the best way to go. Procurement categories that have a high potential for environmental savings or that are socially sensitive require criteria that stimulate market transformation towards more sustainable energy products, buildings and services. We keep track of performances through a green spend analysis, that monitors the implementation of SPP criteria. Contracted suppliers are monitored by contract managers on how they perform in reality during the contract period. In some cases we do supplier audits, such as the mining of natural stone (child labor practices), wood (certification) and concrete pavement production (LCA validation). We work with NGO's like SOMO (ICT procurement) and Max Havelaar (coffee).



Challenges for the future

Like other public authorities Rotterdam faces several barriers to sustainable procurement, including potentially higher costs, perceived excessive time investment, technological issues and a lack of a sustainable perspective among suppliers. Budget holders and lead buyers need to embody and promote sustainable procurement principles and practices within their own operations. We are still developing responses and strategies to help overcome these barriers including capacity building through training of procurement staff, the development of sustainability criteria and improving sustainability-based relationships with budget holders and suppliers.

Further information

RESOURCE	WEBSITE
Rotterdam Sustainable Procurement	http://www.rotterdam.nl/duurzameinkoop
Rotterdam Programme on Sustainability and Climate Change 2015-2018	http://www.rotterdamclimateinitiative.nl/documents/Documenten/Rotterdam%20Programme%20on%20Sustainability%20and%20Climate%20Change%202015-2018.pdf
COP21 C40 award	http://www.rotterdamclimateinitiative.nl/uk/home/rotterdam-wins-c40-cities-award?news_id=2234
PIANOo Sustainable Public Procurement (SPP)	https://www.pianoo.nl/public-procurement-in-the-netherlands/sustainable-public-procurement-spp
Best Practices SPP Rotterdam (LCA approach)	https://www.pianoo.nl/rotterdam-laait-betonindustrie-innoveren-met-lca
Best Practices SPP Rotterdam (certified wood)	https://www.pianoo.nl/rotterdam-kiest-voor-nederlands-hout
TELOS Monitoring SPP among Dutch Municipalities	http://www.telos.nl/426162.aspx?t=Rapport+Duurzaam+Inkopen+bij+gemeenten

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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.