



Green public procurement for white goods

Latvian Environmental Investment Fund and Valka Municipality

- Achieving higher energy efficiency by purchasing better electrical appliances



Standard product /
conventional tender

Lower price with potentially
lower energy efficiency

GPP (PRIMES) tender

Higher energy efficiency
class products

Results

Estimated reduction of annual
CO₂ emissions by 28%

Introduction to case

1.1 PITCH-TALK – SUMMARY

The municipality of Valka decided to apply principles of green public procurement to buy white goods e.g. TV, refrigerator, oven for the renovated youth centre. As a small municipality with a limited budget, they are very careful with spending, to achieve the highest cost-efficiency possible. Such approach might be a barrier for green public procurement due to a belief that environmental products are very expensive, while their benefits for people can be hard to grasp. By consulting the PRIMES task force team the procurers of the municipality tried to develop a pragmatic procurement for energy efficient white goods.

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1.3 CASE CONTENT AND ISSUE

The electrical goods – fridge, microwave oven, hood, electrical stove and TV were foreseen for a newly established multifunctional youth centre. These products place a significant carbon footprint due to energy consumption during the use phase. They might as well have potential negative effect to human health due to emissions of noise and hazardous substances.

1.4 SOLUTIONS APPLIED

The procurers used EU energy labelling as a criterion to acquire more energy efficient goods, as well as requiring reduced noise levels and compliance with RoHS directive (regulating certain hazardous substances in electrical appliances).

Tender features

- Subject matter: Supply of furniture and electrical goods for a multifunctional youth centre in Valka
- Value of the GPP part: 721 € (only for electrical goods)
- Type of procedure: Open tender
- Type of contract: Supply contract
- Nature of contract: Direct contract

- Division in lots: 2 lots: furniture and electrical goods; the green criteria have been applied only for electrical goods

Procurement objectives

The objective of the tender was to purchase electrical goods with the lowest price while corresponding to the green criteria set in technical specifications.

Procurement approach

The technical specifications:

Requirements	Refrigerator	Microwave oven	Hood	Electrical stove	TV
Energy efficiency requirements	A+	-	D	-	A+, LED
Noise	< 40 dB		< 65 dB		
Warranty time	At least 2 years				
Restrictions on hazardous substances	The product shall comply with RoHS requirements				



Verification: written confirmation provided by bidder.

Award criteria: Not used

Criteria development

The experts from the PRIMES project developed the criteria, based on various sources:

- Nordic Swan criteria for ecolabels
- EU guidelines for green public procurement for comparable products (other type of electrical appliances),
- Examples of EU GPP 2020 (<http://www.gpp2020.eu/low-carbon-tenders/>).

Afterwards expert performed market research via online internet shops to investigate the availability of the products in Latvia aiming to develop a set of reliable criteria corresponding to the options within the market.

The chosen principle (lowest price) did not allow for trying to achieve higher requirements (for example, three years warranty and higher energy efficiency levels) since the municipality wanted to avoid failing tender due to missing bidders, the tender (< 1000 €) was too small for market consultations prior to the tender.

Estimated results

	Expected CO ₂ e emissions, kg CO ₂ /year	Expected Energy consumption, kWh/year
Refrigerator	30,6	204
Hood	7,6	51
TV	11,6	76
Total savings (if compared to less energy efficient equipment)	14	94

For the calculations GPP2020 emission factors for energy are applied (0,150 kgCO₂/kWh)

Lessons learned

- The EU energy label, if available in a tendered product group, is a clear criterion for acquisition of energy efficient electrical appliances. However, the product availability and affordable price level in higher energy classes might differ depending on the type of products (e.g. in Latvia TV sets were available from A+++ to B level, but electric hoods from Class A+ till D), therefore prior market research is valuable.
- As market research revealed, more energy efficient goods might be the same price or even less expensive compared to similar functionality products but with lower energy efficiency.



- Requiring producer to supply the technical product sheets in the tender application as a verification means would help to improve the evaluation of the tender results.
- Using principles of most economically advantageous procurements might bring better choice for authorities, but procurers are still reluctant to use it probably due to insufficient experience and insecurity to formulate good award criteria.
- The warranty period as specified by consumer legislation applies only for consumers. In case the buyer is a juridical person, the warranty period shall be agreed upon specifically in the tender and also in the supply contract.



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About PRIMES



Across six countries in Europe; Denmark, Sweden, Latvia, Croatia, France and Italy, PRIMES project seeks to help municipalities overcome barriers in GPP processes, many of which lack capacity and knowledge.

PRIMES aims to develop basic skills and provide hands-on support for public purchasing organisations in order to overcome barriers and implement Green Public Purchasing. This will consequently result in energy savings and CO₂ reductions– www.primes-eu.net

About GPP 2020



GPP 2020 aims to mainstream low-carbon procurement across Europe in support of the EU's goals to achieve a 20% reduction in greenhouse gas emissions, a 20% increase in the share of renewable energy and a 20% increase in energy efficiency by 2020.

To this end, GPP 2020 will implement more than 100 low-carbon tenders, which will directly result

in substantial CO₂ savings. Moreover, GPP 2020 is running a capacity building programme that includes trainings and exchange. – www.gpp2020.eu



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