

Sustainable Public Procurement

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What is Sustainable Public Procurement?

Seek value-for-money across the asset life cycle: source, use, maintain and dispose.

Not opting for the lowest price at the time of purchase but the lowest price across the life cycle of the product/service/asset

Focusing on the total-cost-of ownership





Sustainable public procurement takes the **lowest evaluated tender** a step further

- product or contractor reliability
 - performance history;
 - maintenance and operating requirements and cost
 - delivery schedules
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- Domestic industrial expansion
 - Eco efficiency and green economy
 - Employment – green jobs



Sustainable procurement is timely

In sync with reforms on the modernisation of public procurement and public financial management

Curb climate change and implement

- Intended National Determined Contributions**
- National Climate Change Adaptation Plans**

Realise sustainable development

- Implement UN Sustainable Development Goals**

Where to start action ?



Understand baselines characteristics of “sustainable”



- Better for the environment
- Better for society
- Better business
- Return on investment over the longer term

<http://biblioteca.ricg.org/home/en/>



Understand baselines characteristics of “sustainable”



Procuring entities
Central procurement system
Auditor general office
Budget officers
Tender committees
Suppliers





Focusing on tender award criteria

1. Make environmental and social performance in an optional requirement.

✓ *Unsure if suppliers can deliver without unacceptable price hikes*

2. Make environmental and social performance a mandatory requirement.

✓ *More certainty that suppliers can deliver at acceptable prices*

3. Award significant scores to environmental and social performance



Focusing on technical specifications

Make aspects of environmental and social performance a component of technical specifications

Confidence that:

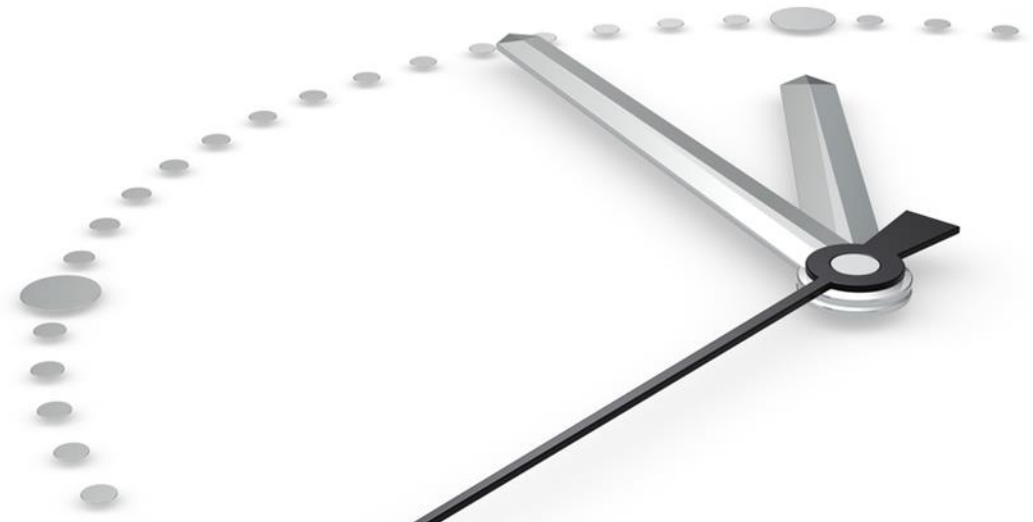
- ✓ **suppliers can deliver at acceptable prices**
- ✓ **procurement is used to realise other development goals.**

Examples: increase supply of renewable energy, increase sourcing from the domestic economy, improve how waste is managed, increase “green” jobs.

Focusing on contracts and frameworks agreements



- **Include provisions on sustainable performance**
- **Penalties on non performance**





Interlink with “smart” urban infrastructure

Caribbean infrastructure deficit requires US\$ 21 billion over the next 11 years.

Dire need to increase efficiency in the delivery of public infrastructure and public services

Just under 50% can possibly be publicly financed or funded.



Growing expectations on Public Private Partnerships (PPP)

US\$1.2 million Caribbean Regional PPP Support Facility

International experience shows that not all infrastructure can be deployed as PPP that bring value-for-money across the asset life cycle

The biggest challenge in the PPP cycle is the procurement phase





Not acting on SPP now will be a missed opportunity

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Thank you

