

## Training materials

# Module C – Procurement procedures and timber products

### *Sub-module C.1 – Public Procurement in the construction sector*

## Contents of the presentation:

- European Public Procurement Directive and Rules
- Construction or renovation including Low Carbon Timber
- Use of the CaSCo toolkit in the different stages of a construction project
- Sources

# Public Procurement Directive

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On 26 February 2014 the European Union adopted the **Public Procurement Directive (2014/24/EU)**. Deadline for the transposition by Member States: 17 April 2016 (September 2018 for e-procurement).

## Key objectives of the Directive:

- To facilitate SME access to the procurement market
- To simplify the procurement procedures and reducing the costs
- To improve the strategic use of public procurement in response to new challenges
- To encourage transparency

# European Public Procurement Rules

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The public procurement rules apply to public contracts above certain **thresholds** (updated January 2018):

- EUR 5,548,000 for works contracts, works concessions contracts, subsidised works contracts
- EUR 144,000 for supplies contracts awarded by contracting authorities not operating in the field of defence

[https://ec.europa.eu/growth/single-market/public-procurement/rules-implementation/thresholds\\_en](https://ec.europa.eu/growth/single-market/public-procurement/rules-implementation/thresholds_en)

# European Public Procurement Rules

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For all tenders, public authorities:

- may not discriminate against businesses registered in another EU country  
***(Be careful not to explicitly request just “local” wood in your contract)***
- Can refer to environmental labels, but may not refer to specific brands, trademarks or patents when describing the characteristics of products & services they wish to purchase
- may not refuse to accept supporting documents (certificates, diplomas, etc.) issued by another EU country, as long as they provide the same level of guarantee
- must make all information regarding tenders available to all interested companies, regardless of the EU country they are registered in

## Publication

Specific notices of procurement must be published for any public tender exceeding the thresholds that trigger the EU-wide rules:

- contract or design contest notice
- notice of the contract awarded

Public authorities may choose to publish also prior information notice (PIN) for a possible upcoming tender

A list of notices can be found in the buyers' corner on the European portal for public procurement (SIMAP)

# Construction or renovation including LCT

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## Implementing works contracts incorporating wood from Low Carbon Timber (LCT)

LCT approach: includes **sustainable management of the forest**, reduction of **energy, water and chemical consumption** at different stages of production and processing, limitation of the **environmental impacts linked to transport processes**.

In accordance with principle of equality of treatment, non-discrimination and transparency, an awarding authority cannot explicitly mention in the contract geographical or local criteria, but may require **less environmental impact due to a shorter transport distance (i.e. less carbon emissions..)**.



# Stages of a construction project

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- Need analysis and preliminary identification of market solutions
- Design contest
- Draft, preliminary design, final design
- Invitation to tender for construction



# Need analysis and Options

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## Assessing the need for procurement

It's always Important to verify that there is a need for the project. This involves preparing a statement of need, developing a business case through discussions with stakeholders, establish and prioritize the project objectives, define an initial budget.

## Assessing options

This may involve the development of a strategic brief, feasibility studies and options appraisals.

A project execution plan may also be developed setting out the strategy for managing the project (who does, what and how), and defining the policies, procedures and priorities that will be adopted as well as the contracting and procurement strategy.

# Market consultation

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Market consultation phase is aimed at providing the buyer, upstream of the contract, with sufficient knowledge of the potential offering in such a way that he can be sure of the maturity of the existing offering and its compatibility with his requirements.

Potential discrepancy between buyer's ambitions, which may be high, and the ability of suppliers to meet them.

After market consultation the buyer can adjust (often downwards) his operational requirements in order to not be faced with an unsuccessful tender.

# Market consultation

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## Advantages for suppliers:

- The suppliers are unaware of the very existence of the public contract
- They are unable to respond to it owing to lack of knowledge about the administrative procedures of public contracts
- They are too small and not capable of producing a bid of suitable quantity or quality

Market consultation phase can be carried out via an Internet search, targeted meetings at trade shows, supplier information and directories, two-way discussions,... Large meetings in person seem to be the best solution to allow effective multiple, open, free and direct exchanges between suppliers and the awarding authority.

# Market consultation with CaSCo tool

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CaSCo tool provides **digital product register**, where planners and public buyers may find products made from low carbon regional wood and information about their environmental impact.

The **Low Carbon Timber label** makes wood products which meet sustainability criteria regarding climate protection (carbon footprint) visible and recognizable.

The **on line platform** also provides an overview over suppliers offering certified low carbon timber products.

# Design contest

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The target is to select a team which understands the requirements of the public authority.

It's important to assess the ability of bidders for project management to take into account the expectations of the contracting authority, the planning recommendations and market consultation phase conclusions.

The jury that will evaluate the projects will be composed exclusively of individuals who are independent of the participants in the competition. When a particular professional qualification is required from participants in a competition, at least one third of the members of the jury must have this qualification or an equivalent qualification.



# Design contest with CaSCo tool

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At this stage there are two possible uses of CaSCo tool:

- the authority may look for potential contractors among the members of the Low Carbon Timber planner network (national networks will be available). They are supposed to be skilled not only in wood construction but also in the regard of applying low carbon timber.
- the CaSCo toolkit provides the online Carbon calculation tool, which may be used by planners to compare the performance of different materials on the base of origin and of transport needs.

# Draft, preliminary design, final design

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This stage of project design allows the project's budget to be stated. It is advisable to check that technical specifications are compatible with initial market consultation phase and that local companies are able to meet the specifications.



## In CaSCo tool:

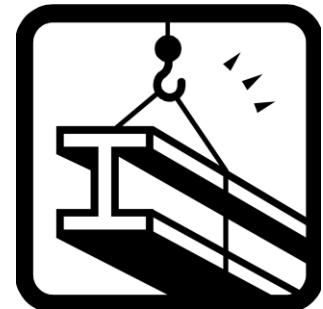
The digital product register of low carbon timber products could be useful as well as the overview and catalogue of possible deliverers of certain low carbon timber products.

# Invitation to tender

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Procedures for awarding public works contracts depend on their amount. Above the European thresholds (5.548.000 €), tender enquiries include at least four types of document:

- Public call for invitation to tender
- Rules for bidding
- Special administrative terms and conditions
- Special technical specifications (the main document for observing environmental impact).



It's important that the contracting authority remains very present, particularly during the execution of the work, in order to ensure that its low-carbon impact requirements are observed.

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# Invitation to tender

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Rules for bidding, clearly and transparently define the bid evaluation criteria, their rating method and the weighting coefficients allocated to each one. These criteria must be objective, operational and non-discriminatory, in order to comply with public contracts.

Special administrative terms and conditions could be formulated, after discussions with companies, in a way of simplifying access to announcement of bidding, for example, by shortened settlement periods or simplified ways of responding to announcement of bidding.

# Invitation to tender

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The special technical specifications required by the contracting authority concretely transcribe requirements in terms of wood, environment and carbon impact.

The requirement for the performance of timber, in terms of carbon impact, opens up opportunities for wood from short processing chains, as reduced carbon impact of wood mainly comes from a reduction of the transportation distance.

To facilitate access to public contracts to LCT companies, try to adapt technical requirements to the wood offering actually available locally, and allow the suppliers to improve their environmental performance via labels or their equivalents.

# Specifications

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Recommend tree species available locally: to do so, describe the requirement from technical specifications (strength, appearance of the finish...) and by referring to standards and/or functional performance.

The recommendation of a specie must also be justified by the subject-matter of the contract. In all cases, it is compulsory to add to the name of species.

Further suggestions:

- Mention to respect local landscape and traditional architectural heritage system
  - Add carbon balance criteria and suitable indicators
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# Invitation to tender with CaSCo tool

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## Using the CaSCo tool

The certificate of origin and the environmental footprint of LCT tool offer scientifically based indicators for outstanding low carbon timber which might be integrated in the technical specifications.

Products labelled with LCT may form a proof of compliance besides other individual carbon balances.

## Special case: the awarding authority as a forest owner

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When the project is carried out in-house, the awarding authority has the ability to exploit and use directly its own forest resources (according with its needs), with the clearly demonstrated objective of reducing the carbon impact of its construction project.

The municipality commits in a (separate) procedure (usually in the framework of authorised direct award of contracts) the logging, sawing and drying of timber, based on a timber list provided by the architect. When procuring the single crafts (in particular carpenters) only the craft service is procured. In the procurement documents it is defined that the timber is provided by the purchaser (the municipality).

# Web resources

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If you want to know more, the following resources are available:

- Portal of the European Commission on public procurement ([https://ec.europa.eu/growth/single-market/public-procurement\\_en](https://ec.europa.eu/growth/single-market/public-procurement_en))

# Links to CaSCo documents

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- D2.2-Contracts incorporating low Carbon timber (<http://www.alpine-space.eu/projects/casco/project-results/casco-d2.2-contracts-incorporating-low-carbon-timber.pdf>)
- Environmental product label - a comparison (CasCo report)
- Sustainable building certification schemes - a comparison (CaSCo report)