

AUSTRIA¹ - ÖBB Infrastruktur AG

Context

In 2008, the management board of ÖBB Infrastruktur AG (ÖBB Infra), the Austrian state-owned railways infrastructure company, decided to implement an environmental management system (certified according to ISO 14001) as a major pillar for the sustainable development of the company. A co-ordinator was nominated in July 2009 to deal with sustainability on a corporate scale, notably to develop guidance on sustainable procurement, as procurement was identified as one of the key areas related to the sustainability performance of the company. Given that ÖBB Infra's annual investment expenditure amounts up to EUR 2 billion (approximately 1% of Austrian gross domestic product), procurement is deemed as an important lever for the development of sustainable economic operations throughout the enterprise, so as to reduce the consumption of energy and resources. A guidance note on sustainable procurement was published in 2011.

Objectives

The sustainable procurement strategy aims at raising procurement officers' awareness for the integration of socio-economic criteria into the procurement process with a step by step approach in order to contribute to the following tasks:

- reducing the consumption of resources, utilities and energy
- avoiding waste and pollutant emissions
- increasing quality
- protecting biodiversity
- reducing internal and external environmental costs (e.g. costs for disposal or transport)
- increasing the transparency and plausibility of costs
- fostering innovation
- fair working conditions and income
- creating “green jobs”
- winning suppliers as strategic partners.

The strategy builds on the availability of information about sustainability criteria and internal guidance on specific opportunities as well as marketing the idea among stakeholders.

Implementation process

In early 2009 a working group was established to analyse the potential of sustainable procurement for the company, which led to setting sustainable procurement as a permanent target within the environmental management system.

1. Case study submitted by the Austrian Federal Chancellery.

With the support of external partners (*Institut für Bauökologie* and *Beschaffungsservice Austria*, the Austrian Institute for Building Biology and Procurement Service), the work focused on the integration of socio-economic aspects into the procurement of consumable goods and infrastructure projects and resulted in a guidance note, which was published in 2011.

The guidance note contains a short description of the general background of sustainable procurement concepts and the reasons for them, sums up initiatives and strategies in the field, points at the legal requirements and most importantly lists existing national and international eco-labels and their specific relevance for ÖBB Infra (and other infrastructure businesses) with an evaluation scheme. Criteria underlying the labels are explained and made transparent. The guidance note concludes with two practical examples concerning rail infrastructure construction, to provide a more concrete picture of how sustainable procurement could be realised.

In 2011 the management board adopted a decision with the following content:

- ÖBB-Infra AG commits itself to the principles of sustainable procurement
- procurement staff is instructed to integrate these principles into the procurement procedures
- check and if needed adapt the internal regulations concerning contracting and procurement
- approve the guidance note on sustainable procurement as a supporting document for procurement staff (integration into the management system).

A workshop was organised with external experts for procurement officers. Sustainable procurement is now an integral part of internal training programmes (for example “rail – ecology” seminars) and practical exercises serve to gain practical experience, especially in the field of construction materials and tension weights.

Impact and monitoring

Awareness for sustainability aspects has increased, together with the specific knowledge of participants, notably the procurement officers. Practical information is easily available. Sustainability is also set as a procurement principle for purchasing and materials management in the guidelines of the Austrian state-owned Railways Holding company.

Specific monitoring measures were planned for 2012 with a focus on the use of materials (concrete) and weights, for which no fixed performance parameters or standards exist.

Challenges and risks

A common phenomenon is the lack of resources in terms of staff to thoroughly monitor and evaluate the measures taken. In the field of construction materials, the establishment of technical standards is particularly complex and requires the adaptation of contract specifications. This increases the workload for procurement officers. It is therefore necessary to make positive effects visible through continuous dialogue and share best practices.

It is also important to develop standardised methods to calculate the total costs of ownership, as they are often neglected in practice.

Key lessons learnt

The success of a project requires the involvement and constant information of all essential persons at all stages. For this particular project, co-operation with recognised organisations (the Austrian Institute for Building Biology and Procurement Service) and suppliers was especially helpful.

One of the key findings is that as long as external costs and the costs-by-cause principle are not integrated into economic assessments on an obligatory basis, procurement by the lowest costs principle will dominate in practice. In this regard, precise legal requirements could be effective to promote “green” objectives and ensure that sustainable procurement is a standard rather than an exceptional procurement method.

Practice also shows that it is easier and more effective to integrate socio-economic criteria early in the procurement procedure, in the description of the subject of the contract and technical specifications.

The National Action Plan for Sustainable Public Procurement (which is not binding for ÖBB Infra) is a substantial step forward. Similar guidelines for sectors not included in this action plan are needed. Incentives like tax schemes for sustainable procurement would also promote green solutions.

For further information see:

www.oebb.at/infrastruktur/de/5_0_fuer_Generationen/5_2_Verantwortung_Umwelt/index.jsp.