

AUSTRIA¹ - Vienna ÖkoKauf programme

Context

Public procurement expenditure of the city of Vienna amounts to EUR 5 billion annually, of which approximately 50% is spent on supplies and 50% on works and services. The Vienna ÖkoKauf programme was set up in 1998 to use this large purchasing volume to support the procurement of ecologically sound products and services and contribute to climate protection.

ÖkoKauf is a leading programme within the framework of the first climate protection strategy of the city of Vienna (“*KliPWien*”). It aims at focusing Vienna city administration procurement towards climate protection aspects while respecting legal requirements and achieving value for money. In 2009, the programme was extended until 2020 to enforce the reduction of emissions of the administration of the city of Vienna.

Objectives

The main target of ÖkoKauf is to identify potential ecological performance aspects of products and services purchased by the city of Vienna and its services and develop eco-friendly procurement requirements, to feed into the technical specifications of such products and services. Apart from the ecological assessment, economic efficiency (value for money) as well as maintenance and improvement of the usability of the goods and services are taken into account.

High priority is given to immediate feasibility and legal compliance. ÖkoKauf focuses more on standards for defining the subject matter of the contract (“what is purchased”) and less on award criteria or contract performance clauses. The key tools of ÖkoKauf are tender documents, catalogues of criteria and other procurement-related requirements.

Apart from achieving technically measurable results, ÖkoKauf also aims at raising the awareness of the city’s employees, private households and businesses towards buying ecologically sound goods and services. It publishes its results on a publicly accessible website.

Implementation

Within the administration of the city of Vienna, ÖkoKauf is an organisation-wide programme encompassing all the services of the city. It is operated in the city construction directorate by a programme leader and two deputies with the support of a steering team, which takes all the relevant decisions. The work is organised in 26 thematically different working groups attended by 200 employees from all divisions of the city’s administration. Additionally, two committees were established for legal aspects and public relations and two assistant units for budgetary advice and international activities. Each working group and the leaders of the committees and units are members of the steering team. In addition to existing organisational resources (staff and facilities), ÖkoKauf receives an annual budget of EUR 300 000, which is mainly spent on external support, e.g. studies, research and experiments. ÖkoKauf regularly organises and participates in relevant conferences.

Work is carried out in the aforementioned working groups. They develop, evaluate and update ecological criteria that describe the goods and services to be purchased in the following categories: paper and printing, electric and electronic devices, construction and facility management, vehicles, food, events, disinfection and cleaning agents, textiles, furniture, lighting, etc. The results are cross-

1. Case study submitted by the Austrian Federal Chancellery.

checked with the legal compliance committee and then published. The publication is accompanied by public relation activities to promote the use of the criteria on a broad basis inside and outside of the city's administration.

Since 2003, all services of the city of Vienna are obliged, per ordinance of the director general of the administrative services, to take the results of ÖkoKauf into account. Thus, the responsible procurement officer integrates the relevant texts from ÖkoKauf into the tender documents and makes sure that the ecological requirements become part of the contract.

Impact and monitoring

Since its establishment in 1998, ÖkoKauf has developed around 130 successful results for the goods and services under it. Estimates show that the city of Vienna achieves annual savings of EUR 17 million and 30 000 tonnes of CO₂ emissions with the support of ÖkoKauf.

So far, only few of the results have been subject to individual evaluation, due to their technical complexity and lack of resources. The following examples show concrete results:

- Use of recycled office and hygienic paper preserves resources and reduces environmental impact in terms of waste water and energy consumption.
- The production of organic food emits less CO₂ in comparison to products from conventional agriculture. Through the procurement of organic food using ÖkoKauf criteria, the city of Vienna avoids up to 20 000 tons of CO₂ emissions annually.
- Switching to energy-efficient office and household devices, lighting, electronic equipment, etc. saves energy and reduces CO₂ emissions.
- Simple changes of processes can considerably influence environmental impact. For example, cleaning staff received a special training on the use of microfiber, which resulted in an essential decrease in the consumption of cleaning agents.
- In the construction area there is a variety of methods and materials that can reduce harmful emissions, energy consumption and increase the life of the buildings. "Wiener Wohnen", a city-owned undertaking for housing manages and maintains around 220 000 flats using such methods.

Another impact can be observed in the market: in some areas, products and services which did not comply with ÖkoKauf requirements have completely disappeared from the market.

So far, ÖkoKauf does not have a full-fledged monitoring system. It is a self-regulated process through the continuous work of the 26 different working groups, using feedback from practice for self-improvement.

Challenges and risks

When ÖkoKauf was set up in 1998, the main challenge was to raise awareness of the importance and feasibility of ecologically sound procurement at the level of policy and decision makers, who can influence the availability of resources for the project, in terms of staff and budget, and its continuity. The political support of the City Councillor for Environment helped to initiate the project and overcome the belief that ecologically sound, or organic, products and services are more expensive than

conventional offers. It was possible to refute this prejudice in many areas, with the exception of the procurement of organic food, which led to an increase in costs.

One of the challenges is the professionalisation of the current system in terms of monitoring, verifying and mainstreaming results. ÖkoKauf functions as a self-regulated system through feedback to the working groups and the continuity of their work. As the respective employees do not work full-time for the project, horizontal administration of the results (monitoring application, measuring impacts, etc.) is not strong. To maintain and enhance high standards, ÖkoKauf would benefit from establishing a permanent evaluation and administration system, which improves the monitoring of the results in terms of environmental impact and economic efficiency.

Key lessons learnt

In addition to the high-level political support, two of the initial decisions were key factors for successfully implementing the ÖkoKauf project:

- focusing the work on the development of standards to define and describe ecologically sound products and services instead of defining qualification and award criteria and contract clauses helped to achieve buy-in by procurement staff and the uptake of solutions
- the establishment of the legal committee boosted the acceptance of the results of the project, as legal compliance plays an important role in procurement practice.

Tangible results, in particular economically measurable advantages, sell by themselves. It is also important to constantly consolidate results and professionalise the project in terms of expertise and organisational adaptation to avoid outdated standards and blockages.

For further information see: www.oekokauf.wien.at.

AUSTRIA¹ - Vienna thinks future

Context

In 2006, the city of Vienna started a comprehensive strategic process titled “Vienna thinks future” to support developing a knowledge-based society, as attracting knowledge and intellectual resources were seen as key factors to position Vienna as a competitive business location. The Viennese strategy for research, technology and innovation (RTI Strategy) was published in 2007 and identifies five relevant fields of action, one of which is to make Vienna a “greenhouse” for research and innovation. Given the volume of public purchases in Vienna, procurement was chosen as a strategic tool to stimulate innovation.

The public procurement-related objectives in the context of the RTI Strategy were assigned to “ZIT Zentrum für Innovation und Technologie GmbH” (the Centre for Innovation and Technology, an agency owned by the Business Agency “Wirtschaftsagentur Wien” of the city of Vienna), accompanied by funding guidelines. The ZIT established an expert working group on public procurement and innovation which developed the “WienWin” initiative in 2009.

Objectives

WienWin aims to position Vienna as a business location by using its purchasing power, through promoting the development of innovative products and services and supporting innovative businesses. Procuring authorities are meant to function as pioneer users and create a lead market for innovation.

WienWin sets up a framework for systematic exchange of information between public purchasers in Vienna, innovative companies and the ZIT.

The project provides public purchasers in Vienna with an overview of innovations available in the market. To encourage a public procurement culture which promotes innovation, know-how is built up through continuous dialogue and quality input.

Implementation process

The WienWin initiative consists of four main tools:

1. Internet platform

A website (www.wienwin.at) was set up to collect examples of innovation in Vienna. WienWin.at presents only products and services that were either developed with funds from a regional, national or European funding institution or where the level of innovation has been subject to evaluation by an expert jury. Innovations are presented in a uniform way.

2. City talk and individual dialogue

In individual discussions with members of the administration of the city of Vienna (including enterprises that are owned or managed by the city), the ZIT experts survey innovation in the city and provide information on solutions from Viennese companies. If there is an interest, businesses are invited to present their innovations personally in city talks, where opportunities are offered for both potential users to check the innovative solutions as well as for innovative companies to convince users

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of the benefits of their solutions. Procurement procedures after city talks should comply with public procurement legal requirements.

3. Making WienWin situations visible

If an innovation developed by a Viennese undertaking is taken up by the city of Vienna, the ZIT proceeds to science and media communication to show where and how the innovation is used. It issues reports to present the respective businesses so as to motivate others to invest in innovation.

4. Concepts for innovation-oriented procurement

WienWin primarily aims at offering procurement managers a market overview of available innovations, but also focuses on life-cycle costs and their calculation, incentive systems for procurement of innovation, pre-commercial procurement and development of innovative city technologies.

WienWin is handled by the ZIT, which employs 26 people. Since March 2011, WienWin is co-financed by EU regional funds and has an annual budget of approximately EUR 440 000 and 5 employees (3.5 full-time equivalents). They analyse fields of application of innovations, develop standardised presentation models for innovations and organise workshops. WienWin services around 450 purchasers of the Vienna city administration.

Impact and monitoring

WienWin aims to achieve impact in the following areas:

- Public services are tailored to local requirements.
- The public sector helps local SMEs. SMEs are motivated to invest in research, development and innovation, aiming to enter the public sector market.
- The use of technology-based innovations for public services has an impact on the image of a city and attracts innovation.
- Co-operation between the city and local business increases local “ownership”.

So far WienWin has organised 121 dialogues with decision makers of the city administration and businesses to identify areas that require innovative solutions and planned joint follow-up actions. Undertakings presented innovative products and solutions to potential users in 18 city talks.

WienWin.at currently covers more than 200 innovative solutions in 12 different areas (e.g. construction, education, tourism, health, environment, etc.).

In 24 cases, WienWin achieved co-operation between the Vienna city administration and innovative undertakings.

Challenges and risks

There is a gap in innovation policy between research push and market pull and thus it is difficult to market innovative solutions. To bridge this gap, various funding schemes are provided at

international, national and regional level to strengthen research. An increasing number of expert groups recommend complementing public funding for research and innovation by new measures to strengthen the market pull for innovation.

To evaluate the impact of the WienWin measures taken so far, a continuous monitoring process has been set up. Studies are foreseen to check obstacles and good practices for the public procurement of innovation.

Key lessons learnt

WienWin is one of the pioneer activities fostering innovation through public procurement in practice. WienWin helps to bridge the gap between public promotion and the funding of innovative projects on the one side and public procurement on the other. Awareness for cultural differences in these fields of public administration is a key condition for success.

For further information see: www.wienwin.at.