LCC in action

Capacity building session - Group 4
ABOUT ECOINSTITUT

Ecoinstitut is established in 1999 and since then we work for the protection of the environment and the introduction of sustainability principles in all sectors of society, for it to be a reality both at local and global scale.

With transformative will, we promote actions to confront socio-environmental challenges with independence, rigorousness, exchange and creativity.

If your organisation sees value in building a more sustainable future, at Ecoinstitut provides you consultancy, accompanies you and conducts applied research to propose you solutions with a positive social, economic and environmental impact.

The trust that our clients and project partners entitle us year after year is our best cover letter and allows us to progress side-by-side and to achieve real changes that benefit all stakeholders.

And we like challenges: if you have an idea that you don't know how to concretize, at Ecoinstitut we confront it, study it, dissect it until we can offer you a tangible proposal.

http://www.ecoinstitut.coop
ABOUT SPP REGIONS

SPP Regions promotes the creation and expansion of European regional networks of municipalities working together on sustainable public procurement (SPP) and public procurement of innovation (PPI).
ABOUT SPP REGIONS

The SPP Regions consortium will be producing reports, guidance and other tools for public authorities interested in sustainable procurement and procurement of innovation:

- Six reports on existing SPP and PPI networks
- An updated Procura+ Manual, as part of the European Sustainable Procurement Network
- Reports from regional networks on their experiences
- State-of-the-art reports on market engagement, life cycle costing, performance-based specifications and circular procurement
- Three tools for calculating CO2 and energy savings
- 42 eco-innovative case studies
- How-to videos
ESTRUCTURE OF THE SESSIONS

12:00 - 13:30 Session 1

13:30 Lunch

15:00 - 16:30 Session 2

16:30 Coffee break

17:00 Results and outlook (plenary)
SESSION 1:

- Presentation of the participants and expectations
- Brief introduction to the topic
- Experts presentations:
  - LCC in vehicles. Benoit Taris - Ville de Niort, France
  - LCC in lighting. Karin Sonne - Syddjurs Kommune, Denmark
  - LCC in water infrastructure - Ildikó Czeglédi, European Water Association
SESSION 2:

- Round tables with the experts (30 min. x 2)
- Common conclusions:
  - Problems and challenges
  - Solutions
  - Recommendations
  - Procura+ Network role
SESSION 1:

- Presentation of the participants and expectations
SESSION 1:

- Brief introduction to the topic

**Life Cycle Cost (LCC) definition:**

“All costs associated with the product, system or structure as applied over the defined life cycle”.

Fabrycky and Blanchard (1998)

**LCC costs in procurement (Adell et al. 2011):**

- Acquisition: purchase, investments, installation, initial costs
- Operation: consumptions, annual taxes or fees, etc.
- Maintenance: maintenance, spare parts, etc.
- Remnant value or end-of-life costs
SESSION 1:

- Brief introduction to the topic
SESSION 1:

Brief introduction to the topic

DIRECTIVE 2014/24/EU
Subsection 3. Award of the contract
Article 67. Contract award criteria

2. The most economically advantageous tender from the point of view of the contracting authority shall be identified on the basis of the price or cost, using a cost-effectiveness approach, such as life-cycle costing in accordance with Article 68, and may include the best price-quality ratio, which shall be assessed on the basis of criteria, including qualitative, environmental and/or social aspects, linked to the subject-matter of the public contract in question. [...].
SESSION 1:

Brief introduction to the topic

DIRECTIVE 2014/24/EU

Subsection 3. Award of the contract

Article 68. Life-cycle costing

1. Life-cycle costing shall to the extent relevant cover parts or all of the following costs over the life cycle of a product, service or works:

(a) costs, borne by the contracting authority or other users, such as:
   (i) costs relating to acquisition,
   (ii) costs of use, such as consumption of energy and other resources,
   (iii) maintenance costs,
   (iv) end of life costs, such as collection and recycling costs.

(b) costs imputed to environmental externalities linked to the product, service or works during its life cycle, provided their monetary value can be determined and verified; such costs may include the cost of emissions of greenhouse gases and of other pollutant emissions and other climate change mitigation costs.
SESSION 1:

- Brief introduction to the topic

MAIN EXISTING LCC TOOLS

<table>
<thead>
<tr>
<th>NAME</th>
<th>PRODUCT / SERVICE CATEGORIES</th>
<th>LINK</th>
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</table>
| European Commission LCC tool (in development) | - Office IT equipment  
- Office & street lighting  
- White goods  
- Vending machines  
- Electrical medical equipment | http://ec.europa.eu/environment/gpp |
| SMART-SPP FI project LCC and CO2 tool and users guide. | - General tool  
html-version: http://www.lcc-tool.eu | |
| Danish Environmental Protection Agency TCO calculators and guidance documents. | - Self-serving machines  
- Bulbs and lighting systems  
- Office IT equipment  
- Refrigerators and freezers  
- Bidet toilet seats | http://mst.dk/virksomhed-myndighed/groen-strategi/groenne-indkoeb/tolaomkostninger/ |
| Swedish Environmental Management Council (SEMCO), currently The National Agency for Public Procurement, excel tools. | - General tool  
- Professional kitchens (fridges and freezers)  
- Indoor and outdoor lighting  
SESSION 1:

Brief introduction to the topic

LCC RELATED LITERATURE


SESSION 1:

- Brief introduction to the topic

<table>
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<tr>
<th>LCC AVAILABLE CASE STUDIES</th>
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<td>SMART SPP EU Project</td>
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<td><a href="http://www.smart-spp.eu/">http://www.smart-spp.eu/</a></td>
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<td>Clean Fleets EU Project</td>
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<td><a href="http://www.clean-fleets.eu/case-studies/">http://www.clean-fleets.eu/case-studies/</a></td>
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<td>SCI Network EU Project</td>
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<td><a href="http://www.sci-network.eu/snapshots/">http://www.sci-network.eu/snapshots/</a></td>
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<td>Danish Forum on Sustainable Procurement</td>
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<td><a href="http://www.ansvarligeindkob.dk/cases/">http://www.ansvarligeindkob.dk/cases/</a></td>
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<tr>
<td>EU GPP in practice</td>
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<tr>
<td><a href="http://ec.europa.eu/environment/gpp/case_group_en.htm">http://ec.europa.eu/environment/gpp/case_group_en.htm</a></td>
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<tr>
<td>GPP 2020 EU Project</td>
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SESSION 1:

- **LCC in vehicles procurement**
  Benoit Taris, Purchasing Service Manager - Ville de Niort, France

- **LCC in lighting procurement**
  Karin Sonne, Procurement Consultant - Syddjurs Kommune, Denmark

- **LCC in water infrastructure procurement**
  Ildikó Czeglédi, Coordinator of Working Group on Water Economics - European Water Association
SESSION 2:

- Round tables with the experts (30 min. x 2)

- Common conclusions:
  - Problems and challenges
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- Common conclusions:
  - Problems and challenges
  - Solutions
  - Recommendations
  - Procura+ Network role
Inputs, examples, resources, etc will be welcome!!

helena.estevan@ecoinstitut.coop

Thank you very much!

Visit our website: www.sppregions.eu
Email us: info@sppregions.eu
Join the conversation in Twitter: #SPPRegions

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