Monitoring of SPP

Practical approach to SPP monitoring within the Flemish Environment, Nature and Energy Department (DENE)

Els Verwimp | November 12, 2015

Introduction

Who are you?

- Introduce yourself
- Does your organisation monitor SPP / GPP / … (short)
  - →Yes / No?
  - →Quantitative / qualitative?
  - →Mandatory?

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Why monitoring of SPP

- Flemish government programma: 100% SPP by 2020
- ISO 14001 within DENE
  - →3 goals for SPP:
    - ✕ 2015: ≥ 25%
    - ✕ 2018: ≥ 75%
    - ✕ 2020: 100%
  - →For product groups for which minimum criteria are available

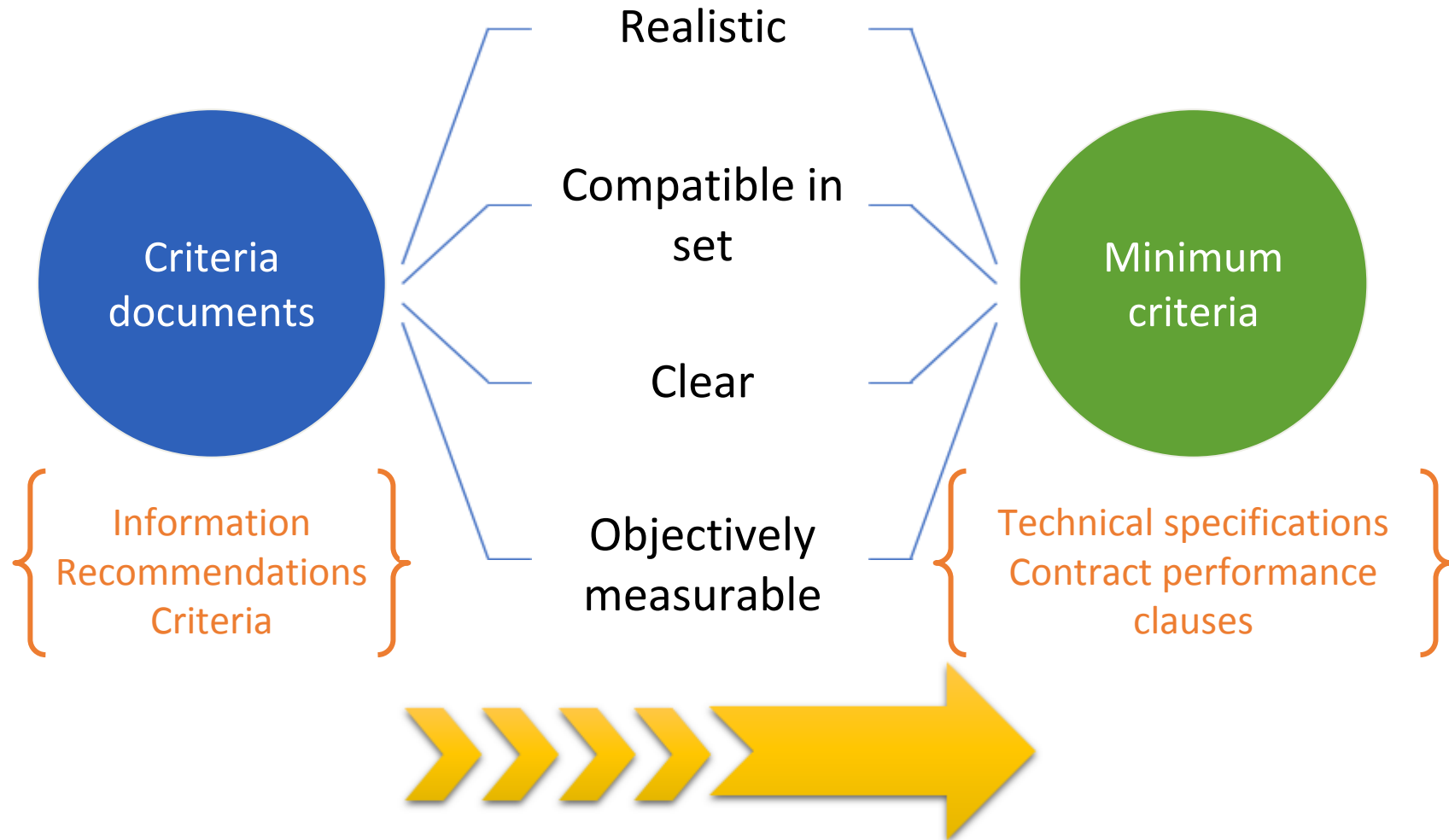|		
Vehicles	Cleaning products and services	Furniture
Paper products	PCs, laptops and monitors	Imaging equipment
Electricity	Textiles and clothing	Websites
Studies		Office supplies (markers, erasers, tape …)

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Minimum criteria

Realistic

Compatible in set

Clear

Objectively measurable

Criteria documents

Minimum criteria

Information
Recommendations
Criteria

Technical specifications
Contract performance clauses

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Procurement within DENE

- DENE
  - →Personnel: ± 640
  - →12 divisions
  - →10 locations

- Procurement
  - →Dispersed (everyone = potential procurer)
  - →Framework contracts are often used
    (1 framework contract = 1 procurer)
  - →Lots of small orders (96% in number < €8.500)
  - →Procurement in 2014
    - ✕ ± 4.500 tenders / orders
    - ✕ ± €15.0000.000

The DENE monitoring system

History

- No system
    - →In place until 12/31/2012
    - →No data

- 'Old' system
    - →In place: 2013 - 2014
    - →No useful data

- 'New' system
    - →Developped and tested (in 1 division) in 2014
    - →In place since January 1st 2015

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The DENE monitoring system

- User friendly form
- Improvement of data through:
  → Limitation of the maximum length of description (limitation as in accounting system)
  → 35 project codes (for now) ⟷ 3 simple questions
    ✕ Product groups with SPP criteria available
    ✕ Product groups without SPP criteria available
  → Information on SPP criteria in the form

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Voorblad opslaan | ✕ Voorblad verwijderen | 🖨 Print voorblad | Kopieer voorblad | Print alle voorbladen

Division:

Unit:

INKOOPORDER VEREFFENAAR

☑ INITIEEL ☑ WIJZIGING van IOnr ☑ ANNULATIE van IOnr

Name employee: Phone.: Date:

Beneficiary

Name: Address:

No. VAT: IBAN: BIC:

Vraag VOP-nr. (buitenlands bedrijf/persoon)

Budget

Entity code:

Program: ESR-code: Credit type:

Description

Procurement / other: Project code:

Delivery address: Billing address:

Recommendation IF no.

Inspector: Recommendation: Date:

Payment calender

(= Uitsplitsing totaal vastleggingsbedrag ifv de verwachte uitbetalingen over de verschillende begrotingsjaren)

	VAT 0%	VAT 6%	VAT 12%	VAT 21%
Benodigd VEK in 2015 (excl. BTW):				
Benodigd VEK in 2016 (excl. BTW):				
Benodigd VEK in 2017 (excl. BTW):				
Enz. (excl. BTW):				

Total amount excl. VAT: € 0,00
VAT 6%: € 0,00
VAT 12%: € 0,00
VAT 21%: € 0,00
Total amount incl. VAT: € 0,00

🖨 Print voorblad vastlegging

Knip | Plak | Sorteer | Roze veld = Nog verplicht in te vullen veld
Kopieer | Zoek | Sorteer | Filter

Pink fields = mandatory
Impossible to file form without filling out pink fields
Consequense: empty pink fields → no money!

The DENE monitoring form

Description

Printing of 5000 leaflets on deforestation

Procurement / other:

Project code:

First question

Description: max. length = 240 characters

More accurate descriptions

Quicker and better verification / correction of project codes

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The DENE monitoring form

Description
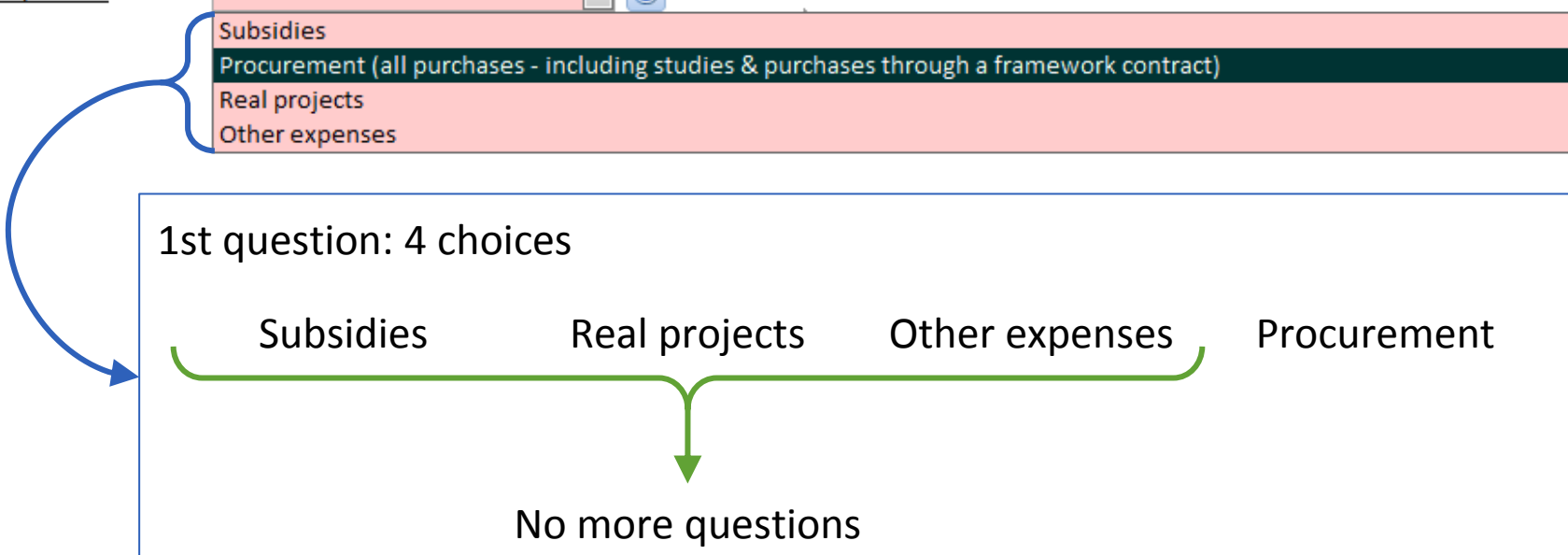
Printing of 5000 leaflets on deforestation

Procurement / other:

- Subsidies
- Procurement (all purchases - including studies & purchases through a framework contract)
- Real projects
- Other expenses

1st question: 4 choices

Subsidies   Real projects   Other expenses   Procurement

No more questions

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The DENE monitoring form

Description
Printing of 5000 leaflets on deforestation

Procurement / other: Subsidies ▾ ⓘ

➡ Project code: LS0000

Automatically generated project code

LS = Subsidies
LU = Real projects
LO = Other expenses

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The DENE monitoring form

Description

Printing of 5000 leaflets on deforestation

Procurement / other:

Subsidies
Procurement (all purchases - including studies & purchases through a framework contract)
Real projects
Other expenses

1st question: 4 choices

Subsidies   Real projects   Other expenses   Procurement

No more questions   2 questions

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The DENE monitoring form

Description

Printing of 5000 leaflets on deforestation

Procurement / other: Procurement (all purchases - incl

Product groep:

Use of SPP criteria:

Project code: LZ0000

Automatically generated project code

2 questions - mandatory!!!

LS = Subsidies
LU = Real projects
LO = Other expenses
LZ = Procurement

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The DENE monitoring form

Catering
Cleaning products and services
Electricity
Furniture
Gardening services en products
Imaging equipment
Interior lighting
Office supplies
Painting jobs
Paper products and (paper) printing
PCs, laptops and monitors
Software
Studies
Tap water
Telecom
Textiles and clothing
Vehicles
Websites
Wooden products
Other products / services / works

Printing of 5000 leaflets on def

Procurement / other:

Product groep:

Project code: LZ00I1

Use of SPP criteria:

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The DENE monitoring form

Description

Printing of 5000 leaflets on deforestation

Procurement / other: Procurement (all purchases - incl

Product groep: Vehicles

Use of SPP criteria:

Project code: LZ00C1

Automatically generated project code

LZ = Procurement

5th digit = product groep

    0 = Other product / service / work

    A = Interior lighting

    B = Catering

    C = Vehicles

    ...

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The DENE monitoring form

3 possible situations ⇒ different answering possibilities (~ product groep)

Description
Printing of 5000 leaflets on deforestation

Procurement / other:	Procurement (all purchases - incl ▼)	
Product groep:	Paper products and (paper) print ▼	→ Project code: LZ00H1
Use of SPP criteria:	▼	

SPP criteria used
SPP criteria not used

Procurement / other:	Procurement (all purchases - incl ▼)	
Product groep:	Wooden products ▼	→ Project code: LZ00T0
Use of SPP criteria:	No SPP criteria available (criteria ▼)	

No SPP criteria available (criteria in development)

Description
Printing of 5000 leaflets on deforestation

Procurement / other:	Procurement (all purchases - incl ▼)	
Product groep:	Tap water ▼	→ Project code: LZ00R0
Use of SPP criteria:	No SPP criteria available ▼	

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The DENE monitoring form

Description

Printing of 5000 leaflets on deforestation

Procurement / other:	Procurement (all purchases - incl ▾) ❓	
Product groep:	Paper products and (paper) print ▾ ❓	➡ Project code: LZ00H1
Use of SPP criteria:	SPP criteria used ▾ ❓	

Automatically generated project code

???

LZ = Procurement

H = Paper / (paper) printing

6th digit = use of criteria

    1 = criteria were used

    0 = criteria weren't used /

       no criteria available (yet)

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The DENE monitoring form

More information on SPP criteria

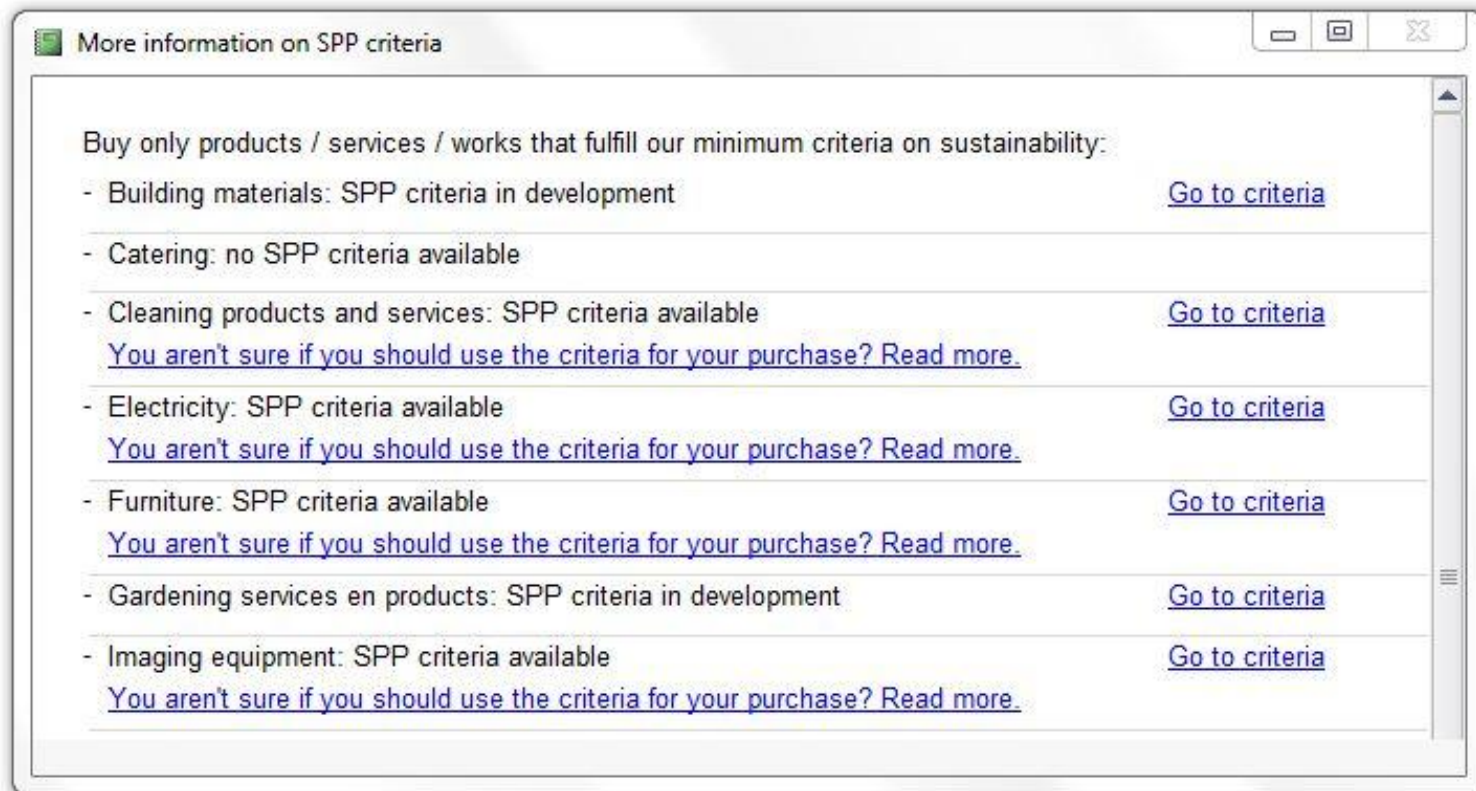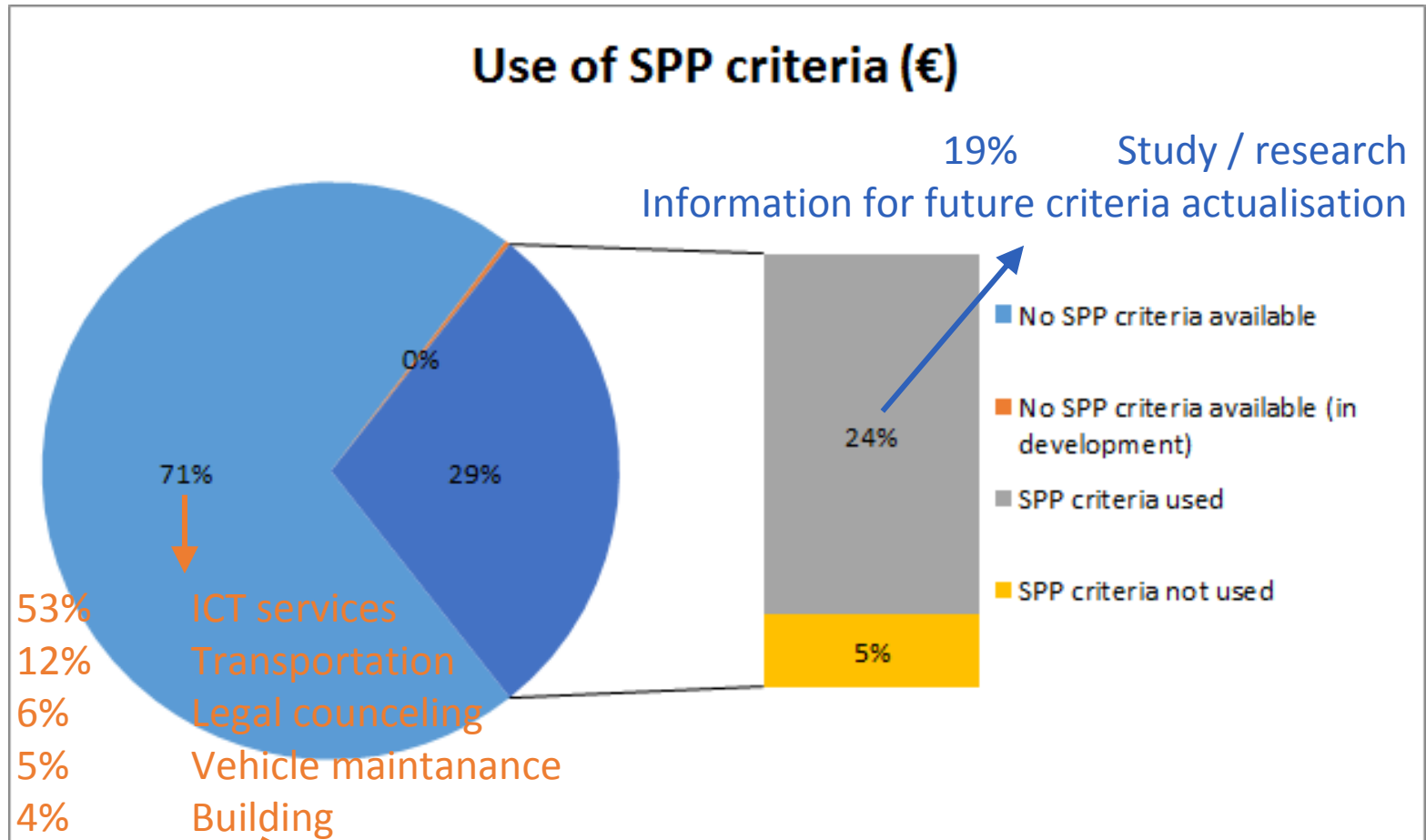Buy only products / services / works that fulfill our minimum criteria on sustainability:

- Building materials: SPP criteria in development   Go to criteria

- Catering: no SPP criteria available

- Cleaning products and services: SPP criteria available   Go to criteria
  You aren't sure if you should use the criteria for your purchase? Read more.

- Electricity: SPP criteria available   Go to criteria
  You aren't sure if you should use the criteria for your purchase? Read more.

- Furniture: SPP criteria available   Go to criteria
  You aren't sure if you should use the criteria for your purchase? Read more.

- Gardening services en products: SPP criteria in development   Go to criteria

- Imaging equipment: SPP criteria available   Go to criteria
  You aren't sure if you should use the criteria for your purchase? Read more.

Information on product group and direct link to criteria in form
→ procurers know were to find criteria

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Preliminary results

Results (1/1/2015 - 8/31/2015)

Use of SPP criteria (€)

19%   Study / research
Information for future criteria actualisation

0%

71%

29%

24%

- No SPP criteria available
- No SPP criteria available (in development)
- SPP criteria used
- SPP criteria not used

5%

53%   ICT services
12%   Transportation
6%   Legal counceling
5%   Vehicle maintanance
4%   Building
maintanance

Information for future criteria development

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Results (1/1/2015 - 8/31/2015)

% use of SPP criteria (€)

Talk to procurers

New name

Category	%
Vehicles	6,72%
Electricity	100,00%
Furniture	9,08%
Paper products / (paper) printing	80,75%
PCs, laptops and monitors	72,01%
Imaging equipment	0,00%
Cleaning products and services	0,00%
Study / research	85,75%
Textiles / clothing	0,00%
Office products	81,06%
Websites	0,00%
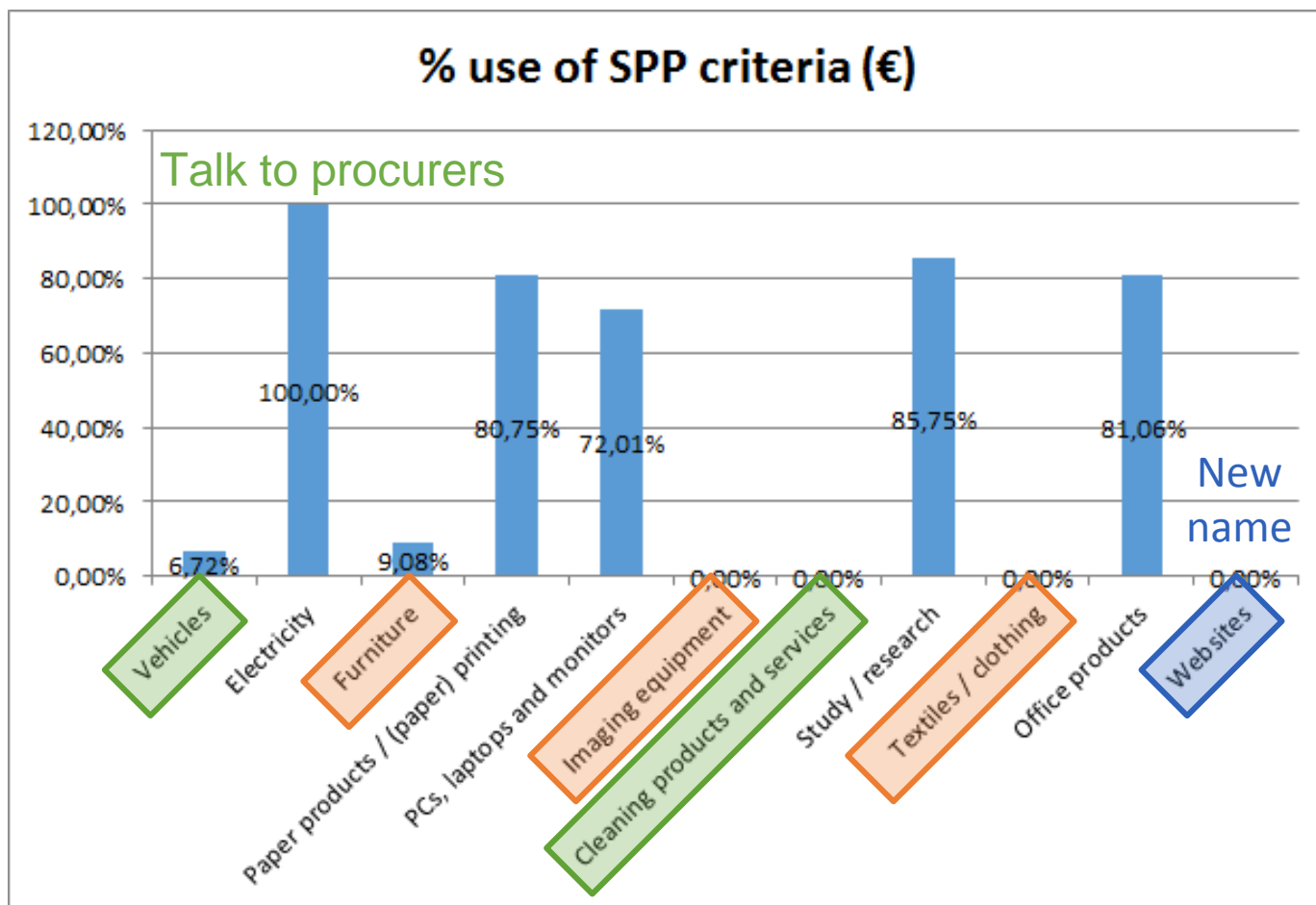
Framework contracts without minimum criteria
→ Special attention when contracts are renewed

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Results (1/1/2015 - 8/31/2015)
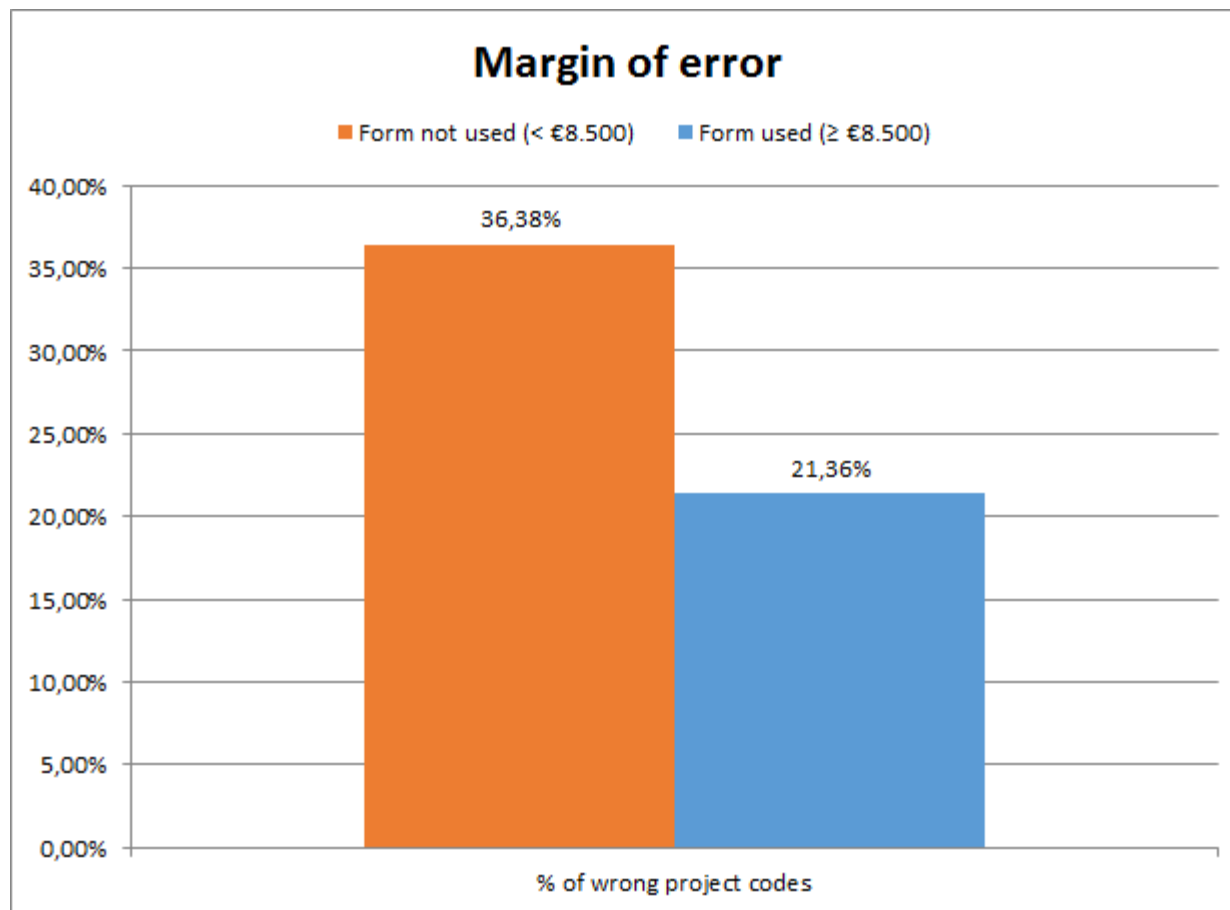
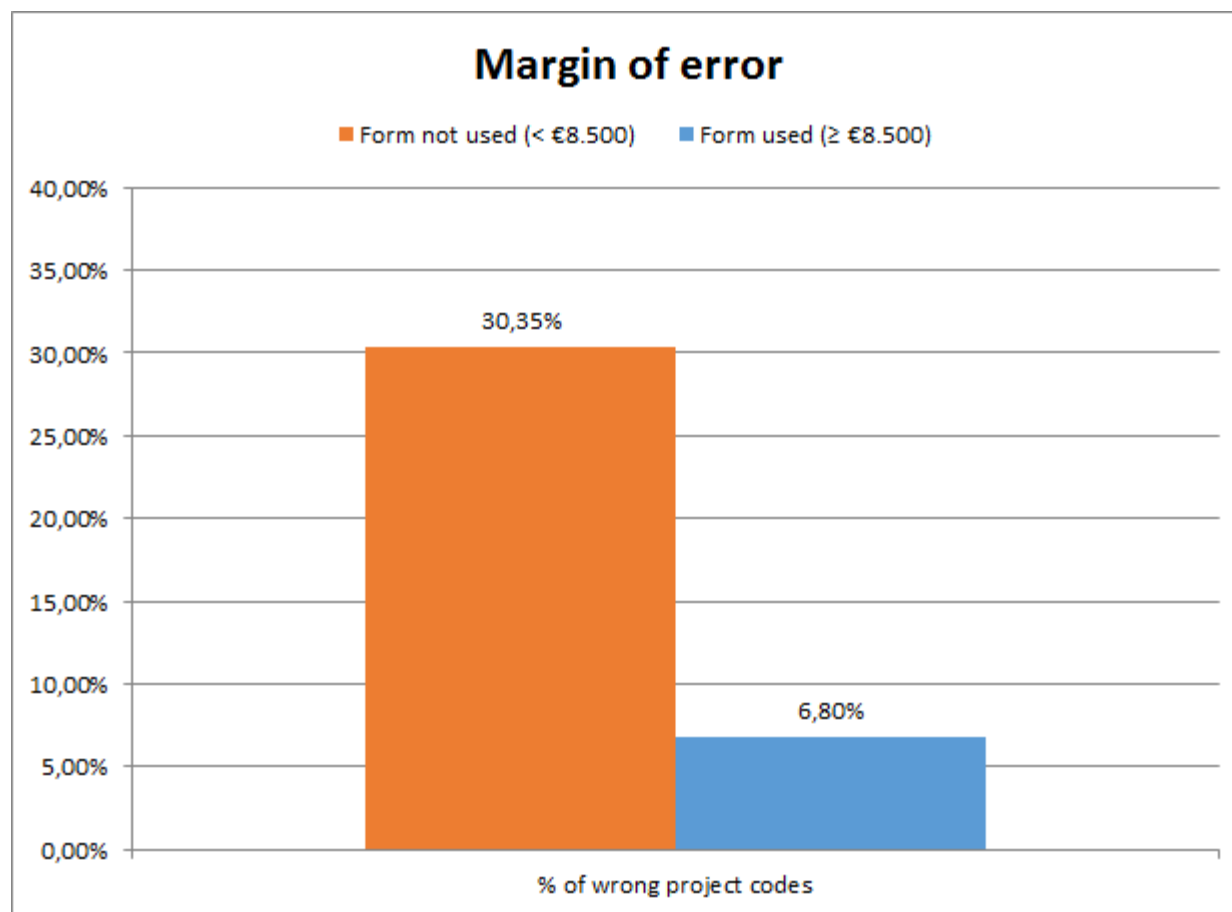Margin of error: all product groups

Results (1/1/2015 - 8/31/2015)

Margin of error: product group for which no name change is necessary (= 75% of total)

Results (1/1/2015 - 8/31/2015)

Product groups for which a name change is necessary:
- Vehicles → Purchase <u>and lease</u> of …
- Imaging equipment → Purchase <u>and lease</u> of …
- Catering → … <u>and food products</u>
- Paper products / printing → … <u>DENE (paper)</u> printing
- Study / research → … <u>(incl. sampling and inspections)</u>
- Development of Websites → Development (incl. lay out) and maintenance of websites

25% of total procurement

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Costs of the system

Costs

- (Extra) costs for external providers for goods / services: €0
- Personnel cost (30/4/2014 - 30/09/2015)
    - →Initial development: 40h[1] + 56h[2]
    - →Testing / improvement before launch: 10h[1] + 116h[2]
    - →Improvement after launch: 0,5h[1] + 3,5h[2]
    - →Analyses: 21h
        - ✕Setting up charts, graphs & report templates: 10h
        - ✕Analyses and sampling of tender documents: 11h

[1] Hours spend on development / improvement of monitoring system
[2] Hours spend on general improvement of accounting form (not related to monitoring system)

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Monitoring PPI

A future challenge for DENE

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Monitoring PPI

- 3% of procurement to be spent on PPI (decided on July 3, 2015) → New challenge for monitoring system

- PPI? Being a 'first buyer' or enabling innovation
    - →Product innovation
    - →Process innovation
    - →(Procurement aimed at) organisational innovation
    - →Use of innovative techniques (e.g. LCC) in procurement
    - →Use of innovative contract clauses & contract types
- Monitoring of PPI through project code: several possibilities (under discussion within DENE)

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Potential for other transferability

Expansion within the Flemish Government

- Two steps
  - →Expansion to interested parties (2016 - 2017)
  - →Expansion to Flemish government

- Step 2: Interested parties (call for interest: 9/23/2015)
  - →Goal: at least 3 departments / agencies are implementing SPP monitoring by the end of 2016
  - →November 2015: 3 interested parties but timing 2017
  - →Role of DENE:
    - ✗Explanation about the DENE monitoring system
    - ✗Thinking along with departments / agencies on how to integrate the principle in the procurement process

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Transferability towards other governments

- Concept as a whole: no!
- Main principle (short questions linked to existing data collection tool): yes
  - →Knowledge of procurement process necessary
  - →Knowledge of financial data gathering necessary
    - ✕Which tools are used to collect financial data?
    - ✕How are data gathered to input in the tool?
    - ✕Which changes are possible and to what cost?

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Discussion

Questions

- Which approach?
  - →Quantitative / Qualitative
  - →Predefined criteria / 'gut feeling'

- Making monitoring mandatory?

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