

# **European Parliament**

20 March 2012

## ***Strategic Use of Public Procurement***

*Social and Green Procurement*

*– a business perspective*

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## ➤ **Job growth depends on SMEs**

- 9 out of 10 companies are SMEs
- 2 out of 3 jobs are created by SMEs

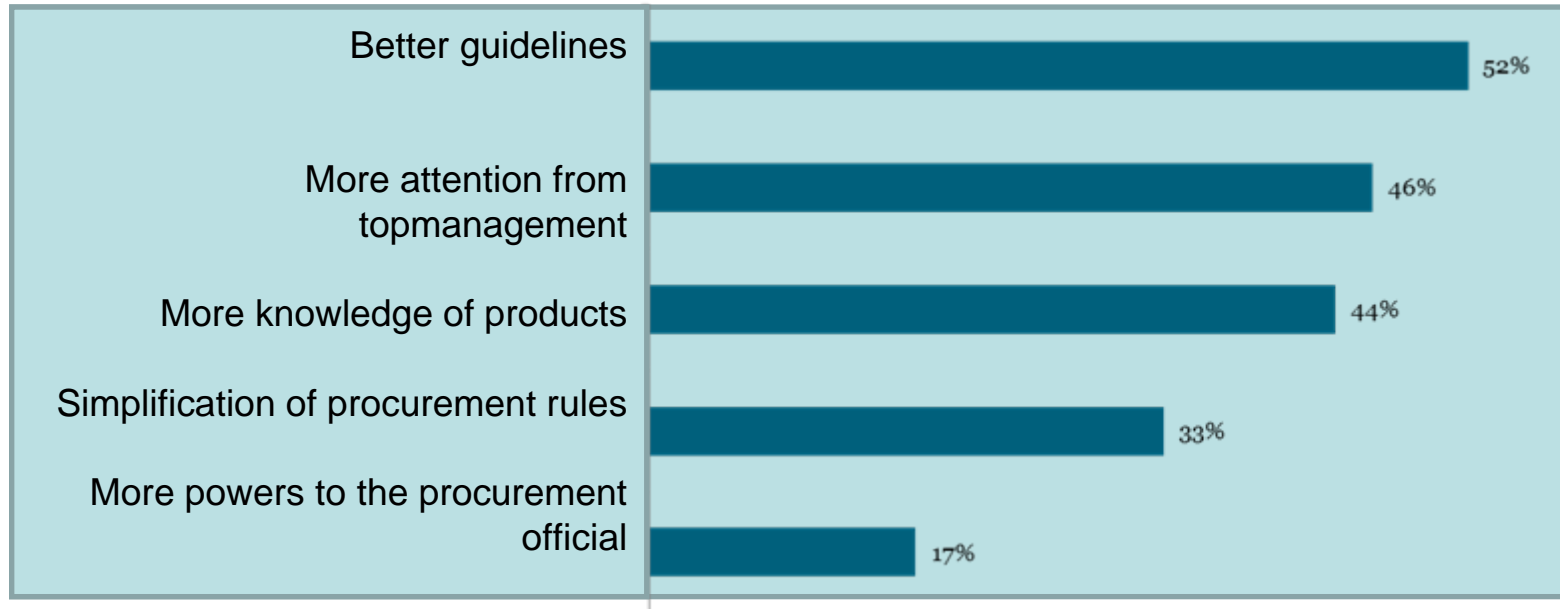
## ➤ **SMEs are vulnerable to complex rules and high transaction costs**

- Bidding costs are very high: Danish companies estimate some 31.000 EUR per bid

## ➤ **Current legal framework allows for**

- Green procurement
- Public procurement with social demand
- ...but makes it very difficult to innovate!

## Danish survey: What would make you buy more green?



### What works?

- ✓ Partnership projects – key stakeholders taking responsibility
- ✓ Practical guidelines and tools
- ✓ Promotion of TCO-models – integration of economy, sustainability and innovation
- ✓ The legal framework is in place

## What is the experience?

- ✓ Social partnerships between authorities and businesses - on a voluntary basis!
- ✓ Practical tools and guidelines
- ✓ Social clauses on larger projects (employment and education)

## New ideas?

- ✓ "Wild card" in selection phase (one candidate selected on basis of SME, green or social profile)

## What would not work?

- ✓ EU procurement regulation or quota-approach to social procurement
- ✓ "European Social Label"





## **The businesses experience**

- ✓ Too many conventional tenders with a focus on the lowest price
- ✓ The innovative potential constrained in rigid procedures
- ✓ Gigantic misuse of public money - slow and expensive tenders

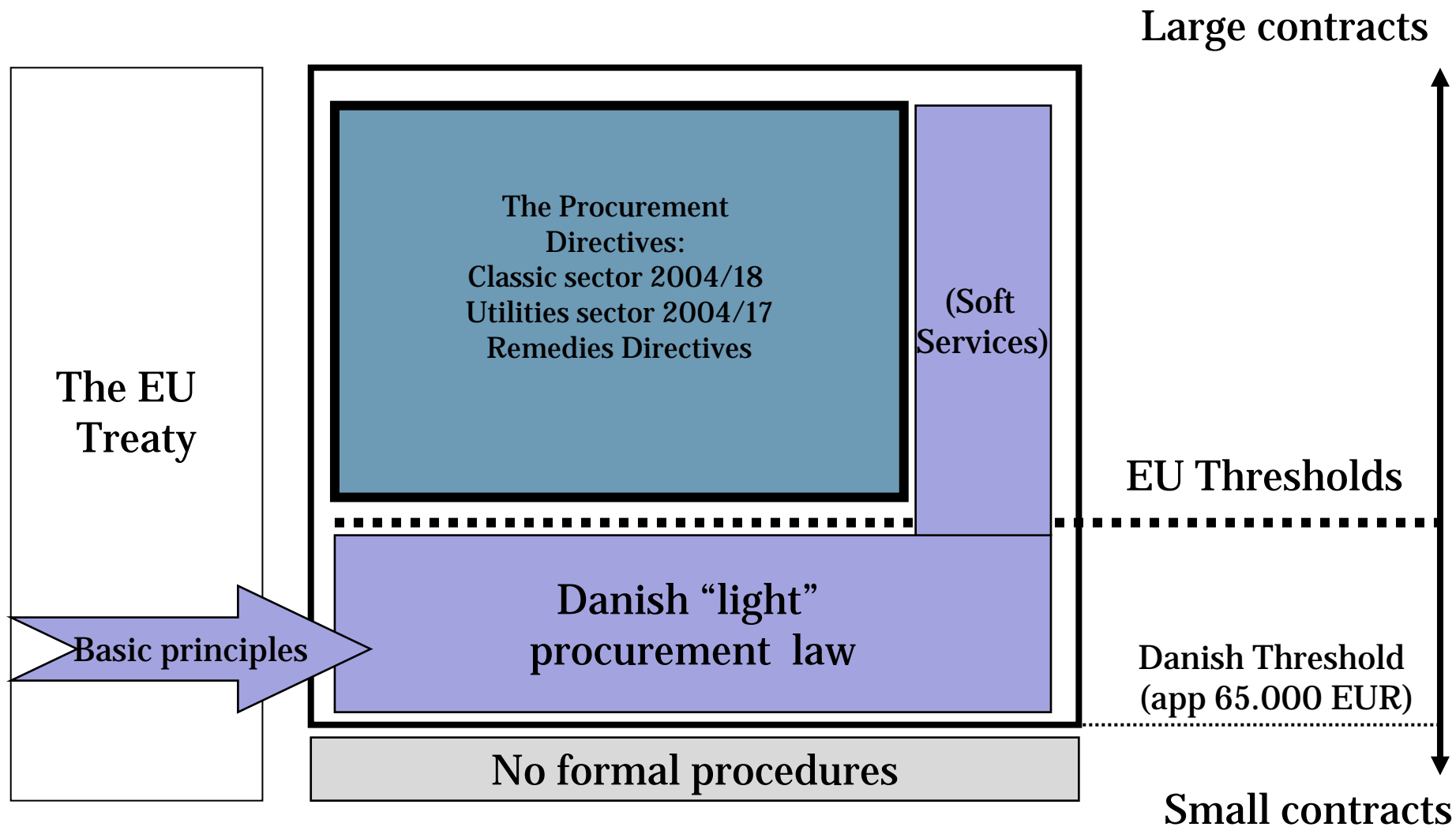


## **We ask for a lighter procurement regime**

- ✓ Open access to competitive dialogue and negotiated procedure
- ✓ Open access to innovative partnerships
- ✓ Promotion of TCO-models
- ✓ Higher threshold values

# Legal framework

## – light procurement regime



# Case: Partnership contract on nursing home (Syddjurs Municipality)

- ✓ Tender procedure based on dialogue and negotiations
  - ✓ Tender dossier describing strategic goals and basic requirements
  - ✓ Two rounds of dialogue meetings
- ✓ Advanced competition - bidders challenged to give proposals on
  - ❖ Quality development
  - ❖ Economic optimization
  - ❖ Shared learning
  - ❖ Development of new performance indicators
- ✓ Continuous obligation to innovate





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