

ACR+ POSITION ON PUBLIC PROCUREMENT DIRECTIVES

13 March 2025

As a leading association of local and regional authorities committed to sustainable resource management, the Association of Cities and Regions for sustainable Resource management (ACR+) actively promotes the circular economy and sustainable procurement practices. With extensive expertise in supporting public authorities in their transition towards circularity, ACR+ welcomes the European Commission's (EC) initiative to revise the public procurement directives.

This revision presents a crucial opportunity to unlock the full potential of public procurement as a strategic tool for achieving sustainable and resilient EU, in line with its climate and environmental objectives. To maximise impact, the revision must be accompanied by technical and financial support for contracting authorities, ensuring that public procurement drives the development of lead markets for decarbonised products and accelerates the transition to a circular economy.

PRIORITISE QUALITY AND SUSTAINABILITY OVER LOWEST PRICE

Currently, around 60% of procurement procedures use lowest price as the only award criterion for public contracts¹. Regulatory ambiguity often drives contracting authorities to prioritise short-term cost savings and faster procurement over quality, sustainability, and innovation.

To emphasise **qualitative criteria**, a mandatory approach to evaluate tenders using a price-quality ratio should be applied (except for specific contracts)² using the full scope of Life Cycle Assessments (LCA) or Life Cycle Costing (LCC) tools. The EC should continue developing standard LCC methodologies that account for the entire life cycle of a product, service or works (from production to end of life and beyond) including the impacts created along the supply chains. Guidelines should be established for all product categories, with priority given to **high-impact sectors**, such as construction and information and communication technologies where GHG emissions and environmental externalities are significant.

If contracting authorities select the lowest price, they should be required to **justify their decision** in the tender document (as done in the Netherlands and Spain)³. This should be supported by compliance mechanisms, enforcement measures, and sanctions where necessary to ensure accountability and transparency.

Additionally, to ensure that sustainability plays a central role, a **minimum mandatory weighting for quality criteria** should be introduced.

INTRODUCE MANDATORY GPP CRITERIA AND TARGETS

Legal uncertainty regarding the inclusion of social and environmental criteria in tenders often results in vague award criteria, leading to less ambition and innovation. This lack of clarity hinders the development of lead markets for decarbonised products. To address this, the revised directives should establish **clear rules for integrating social and environmental aspects** at all stages of procurement.

ACR+ supports the **EC efforts to define minimum mandatory Green Public Procurement (GPP) criteria through sectoral legislation**. However, to reduce fragmentation, the EC should consolidate this information into a user-friendly framework for contracting authorities.

In addition, **ACR+ also would welcome a target on GPP uptake** to ensure an effective integration of sustainability, fostering long-term environmental and social benefits. These could be a 100% of public contracts incorporating at least one environmental and social clause by 2030.

The EC should establish a **monitoring system** to track the **uptake of GPP** by Member States (MS) and assess public procurement contribution to the **circular material use rate**, ensuring progress toward the 24% target by 2030 set in the Clean Industrial Deal⁴.

¹https://single-market-economy.ec.europa.eu/single-market/public-procurement_en

²E.g. insurance or finance contracts

³Impact analysis of sustainability requirements in tender procedures in the Netherlands, France, Italy and Spain by Circular Flanders.

⁴https://commission.europa.eu/topics/eu-competitiveness/clean-industrial-deal_en

FOSTER CROSS-BORDER PROCUREMENT

Nowadays, less than 5% of contracts are awarded across borders due to differences in national legislation, language, and administrative complexities. This **limits contracting authorities access to circular and innovative solutions** and underutilises the full potential of the single market.

The revision of the public procurement directives should ensure **consistent application of EU rules across all MS** to foster cross-border competition. This is especially crucial for aligning contracting authority's needs with the EU innovation ecosystem and strengthen interregional cooperation.

Moreover, **Tenders Electronic Daily (TED)** could be updated to function as a **single-entry point**, connecting with national tendering platforms to enhance information exchange and improve accessibility.

SUPPORT LOCAL SUPPLY CHAINS

Public procurement rules, based on the **equal treatment principle**, prevent contracting authorities from prioritising local products, often resulting in the procurement of goods from distant sources. Exploring the **exceptions to this principle for local needs** at the sub-national level could be a viable solution, balancing fair competition with environmental benefits.

MODERNISE AND SIMPLIFY PUBLIC PROCUREMENT RULES

Contracting authorities often face administrative burden in ensuring legal certainty; simplification could help address this challenge. Extensive documentation and compliance requirements can prolong evaluation processes and reduce efficiency, discouraging SMEs and start-ups from participating in tenders.

A key area of improvement is the **simplification of the process for publishing tender notices** and approving orders on TED. This would enhance efficiency, reduce administrative burdens, and accelerate procurement procedures for public buyers. Streamlining these steps would reduce bureaucratic tasks for contracting authorities.

Procurement procedures, such as innovation partnership and negotiation procedures should be simplified to encourage their use. Contracting authorities tend to favour simpler procedures, which may limit their ability to identify more circular, competitive, and innovative solutions. Therefore, ACR+ advocates for **simplifying negotiation procedures and removing conditions to use negotiation**.

While simplification measures can help streamline public procurement processes and reduce administrative burden, ACR+ advocates for their careful design to ensure that **social and sustainability goals are not compromised**.

PROVIDE PUBLIC AUTHORITIES AND BUSINESS WITH EU-FUNDING TO BUILD CAPACITY AND KNOW-HOW

Contracting authorities require **training and capacity building** to scale up GPP. Areas that should be covered include needs assessment, conducting preliminary market consultations, negotiation procedures, using tools such as LCC or embedding social and environmental criteria in tenders. Strengthening the **professionalisation** of public procurement is therefore essential. Moreover, the EC could support MS in setting up regional hubs, such as 'Guichet vert'⁵ in France, to provide technical support to local and regional contracting authorities and implementing dedicated programmes such as France's GreenTech program⁶ to assist SMEs and start-ups to innovate and align with GPP requirements.

Financial support is essential for facilitating GPP implementation. EU funding mechanisms such as the Competitiveness Funds should be leveraged to help SMEs, start-ups and contracting authorities effectively integrate sustainable procurement practices and ensure lead markets for low-carbon products.

⁵ <https://laclauseverte.fr/le-guichet-vert/>

⁶ <https://greentechinnovation.fr/greentech-innovation/>