

Thinking Green

Environmental objectives and PPP

Whilst this Guidance focuses on environmental issues in contracting primarily when considering Public Private Partnership and Private Finance Initiative projects, many of the issues are fundamental to all contracting with government, where thinking green by both buyer and supplier is a new way of doing business.

The essence of PPP and Private Finance Initiative contracts is that they place the risks with the party best placed to manage them, thus ensuring best value for money. Traditional public procurement can be characterised by separate contracts being let for construction, maintenance and facilities management. The long-term and integrated nature of PPP service contracts incentivises contractors to consider the synergies between the design of an asset and its ultimate operating costs. This can result in the delivery of public services in a more environmentally sensitive way and without an additional price tag.

Whole-life costing

Value for money is defined by Treasury as "the optimum combination of whole-life cost and quality (or fitness for purpose) to meet the user's requirement".

The emphasis on whole-life costs means that public sector contracting authorities are required to take account of all aspects of cost, including running and disposal costs, as well as the initial purchase price of an asset. The reference to "quality to meet the customer's requirement" enables contracting authorities to specify what they need to do to meet their own operational and policy objectives while contributing to the Government's objectives on environmental matters. Contracting authorities must, of course, satisfy themselves that specifications are justifiable in terms of need, cost-effectiveness and affordability.

The contractor, which may be a consortium, for a Public Private Partnership has a financial motivation for considering which design features and construction materials will generate optimum whole-life costs across the life of the contract. This might mean a contractor choosing to invest in higher cost design features if those features will be offset by lower maintenance and running costs during the operational life of a contract and beyond.

Green features reduce whole-life costs

Environmental considerations, set out in documents such as environmental policies, are intended to help achieve the Government's objective of a more sustainable environment. Many of these considerations can also have a positive impact on the operation of a project. Whilst requiring materials such as timber to come from legal and sustainably managed sources is a good aim in itself, an efficient heating system for an office building can both help to reduce carbon dioxide emissions and energy usage (two high-level environmental objectives) and result in lower whole-life costs for the contractor.

There is a problem of perception that environmental technologies and materials are an expensive luxury that government cannot afford. This is clearly wrong. PPP projects have demonstrated that investing to deliver environmental improvements can secure not only best value for money through lower running costs

but also health and social benefits such as better working conditions. The adoption of green outputs can also help to accelerate the development and take-up of green technologies – a sector of growing importance to the UK economy.

Good design can deliver whole-life and environmental benefits

Good design is crucial to the success of a project and should achieve savings in whole-life costs and improvements in environmental performance and productivity. In addition, well-designed public buildings can help deliver wider benefits to the communities where they are located (as set out in the Better Public Buildings document produced by C/DCMS). To enable good design there should be a clear and concise statement of output requirements that includes the values and evaluation criteria to be employed. Sufficient time must be allowed to enable full and proper consideration of these requirements. There also needs to be a commitment from both the service provider and contracting authority to achieve quality objectives such as reducing the use of energy, water and other resources, minimising waste and controlling pollution.

Bidders will need to consider the following issues in developing a proposal:

- a) minimising waste.
- b) reducing whole-life costs – by optimising the balance between initial costs and maintenance and operating costs without compromising user comfort.
- c) enhancing service delivery – a building which is well lit and airy, relying on natural light, can have positive effects on users with obvious benefits to productivity.
- d) promoting wider social and environmental benefits – by addressing health, safety and environmental concerns of those living and working in the area, a project can have a significant impact on improving the morale and well-being of the community.
- e) encouraging in-built flexibility – by enabling the facility to save time and cost in the delivery of new services and to respond efficiently to changing requirements and new technologies, particularly those which can conserve resources and reduce waste.

Project objectives

In establishing a project it is important to be clear about what environmental objectives are to be delivered. The addition of green requirements to the project specification at a later date will inevitably require the project to refocus around the new overall requirement which may have cost implications and lead to problems under the EC rules.

High-level questions to ask about the project might include:

- a) Are there any key environmental objectives for the project, and are these represented in the Project Initiation Document?
- b) Are there any environmental factors which will affect the intended project's output or outcome, and are these represented in the key performance indicators (KPIs) for the project?
- c) What real or potential environmental risks are there to the success of the project, and how might these be ameliorated in the project risk register?

d) Who is best placed to manage these risks?

On a more practical level, the following issues might be considered in drawing up the outline business case for a project:

a) Is there a better way of achieving the same ends? For example, localised satellite offices with hot-desking and

tele-working may be a more cost-effective, environmentally preferable and socially beneficial alternative to a large office in a prime inner city location.

b) Is there an opportunity to reduce unused space and maximise the use of 'brown' land across the estate?

c) Which design and construction processes might be influenced (eg designing in energy efficiency, minimising the primary materials used, ensuring end-life recycling of materials, use of 'greywater')? How should these be reflected in the output-based requirement?

d) How might the requirements of departmental travel plans be included? For example, by requiring any new buildings or relocation to be at sites already well served by public transport to reduce vehicle emissions.

The project team

The project team needs to reflect the full range of skills necessary to take the project through to contract signature.

It is advisable to appoint an environmental champion at the project's inception who will sit on the project board – this might be a project board member already representing a key group of stakeholders. Alternatively, it might be someone solely selected to oversee the environmental aspects of the project. It is important that there is ownership of the environmental issues associated with a project at a suitably high level.

The project team will inevitably require technical advice at various stages, such as the preparation of contract documentation and the assessment of tenders. It is important that any technical advisor appointed by the contracting authority is able to identify suitable requirements which can help 'green' the project and assess any environmental claims made by bidders.

Preparing a green PPP procurement

Some "dos" and "don'ts" for creating successful green PPPs:

- Do draft an output specification which focuses on ends rather than means. A suitably open specification should emphasise the need for good design that is efficient, functional, structurally sound, flexible, sustainable and responsive to the local environment.

- Don't go for lowest price. The requirement in the public sector to achieve value for money for the taxpayer means looking beyond initial price to take account of whole-life costs and quality. A low-cost design may result in high maintenance and operating costs as well as environmental impacts.

- Do explain in the output specification any legal requirements which may affect the design or govern how the services are to be provided, for example statutory performance standards, requirements for components or manufacturing techniques.
- Do use electronic media to avoid use of unnecessary paper in the procurement process itself.

Green policy

Public projects are increasingly being scrutinised by Green Ministers and stakeholders such as the Environmental Audit Committee, non-governmental organisations and the public. To ensure they take proper account of environmental and other sustainable development issues it is essential that they reflect Government commitments and departmental aims and objectives.

Key Guidance

Framework for Sustainable Development on the Government Estate

Government departments already have strategies for greening their operations based on the Model Framework for Greening Government Operations in place for conserving energy, water and other resources, minimising waste and controlling pollution. These will be developed further with the introduction in 2002 of the new Framework for Sustainable Development on the Government Estate.

Achieving Sustainability in Construction Procurement

This Guidance was published by the Government Construction Clients' Panel in June 2000 and places targets on Government departments to achieve: value for money on the basis of whole-life costs; high BREEAM assessments; less waste; energy and water efficiencies that meet at least current best practice for construction type; enhancement of biodiversity; less pollution; better environmental management and improved health and safety on building sites; better working environment and increased productivity; increased engagement with local communities as part of the decision making process; and improved industry performance against Egan targets.

Green Guide for Buyers

This Guidance provides a useful checklist of issues for writing contract specifications.

Key points include:

- a) Build in criteria used to identify environmentally preferable products and services.
- b) Take account of measurable environmental performance indicators.
- c) Take account of any new or evolving legislation on environmental standards.
- d) Take account of stakeholders, including any departmental energy and environmental managers, potential suppliers and consultants – who can advise on objectives, constraints and new thinking applicable to the project.
- e) Require bidders, as part of their method statement, to explain how they will comply with the environmental requirements in the specification. This might involve preparation of an environmental impact assessment by bidders of their proposed work.

The Green Guide for Buyers can be found at:

<http://www.defra.gov.uk/environment/greening/greenpro/greenbuy/index.htm>

EC and Procurement Policy

Authoritative guidance is given in the Treasury-DETR note 'Environmental Issues in Purchasing' and in the Commission Interpretative Communication on environmental considerations in public procurement (COM(2001) 274 Final).

European Commission Interpretative Communication on green procurement (2001)

This Communication clarifies how, under the existing public procurement Directives, environmental issues may be taken into account. The interpretative document can be found on <http://simap.eu.int/EN/pub/src/welcome.htm>

EC procurement issues

The EC public procurement Directives provide plenty of scope for reflecting environmental considerations in procurement. Project teams should ensure that they conform to the rules, which are designed to ensure that public procurement is carried out on the basis of transparency, non-discrimination and competitive procurement. Project teams considering the inclusion of environmental issues should pay particular attention to the EC procurement rules at the following key stages:

Selecting bidders

In considering green requirements there are some "dos" and "don'ts" to ensure that a project is compliant with the EC procurement rules:

- Do ensure that contract specifications are non-discriminatory, allow for equivalent means to meet the underlying requirement and adhere to the rules on technical specifications set out in the Directives;
- Do, in the absence of European, international, or other relevant standards covering the required environmental aspects, or where a higher level of environmental protection is required, consider defining specifications in line with Eco-label criteria and indicate that products having Eco-label certificates are deemed to comply with the requirement. Allowance must be made for means, other than the Eco-label certificate itself, to demonstrate the required performance;
- Do consider the inclusion of environmental management schemes

(ISO 14001 and EMAS) as a relevant measure of proof of technical capability. However, in order to be relevant, the management scheme should provide evidence relevant to the subject or performance of the contract.

Some pitfalls to avoid when employing green considerations in a project procurement are:

- a) Confusing the criteria used for the selection of bidders and the award of a contract. Selection criteria relate to the company while award criteria relate to the product or service being procured. If a potential contractor has been selected to tender for a contract because they have satisfied a particular technical requirement, that requirement cannot normally be used again within the contract award criteria.
- b) Including requirements which go beyond the subject or performance of the project. A requirement for a contractor to conform to a procuring authority's environmental policy might constitute such an

example if the environmental policy includes requirements not relevant to the subject or performance of the project.

The best way of ensuring that the inclusion of green considerations conforms to the requirements of the EC procurement rules is by giving thorough consideration to the requirements at the project's inception and the subsequent procurement strategy. An environmental impact assessment might be carried out at the time the business requirement is being identified.

It should then be possible to identify the various costs associated with the green issues and implement a strategy for taking appropriate consideration of these issues in:

- the contract specification and contract conditions;
- the drafting of the OJEC notice;
- the criteria for selecting bidders; and
- the evaluation of tenders and award of the contract.

Writing the output specification

The contract specification for a Public Private Partnership affords the opportunity and freedom to potential contractors to propose innovative solutions which integrate the design, construction, operation and maintenance of a new or existing public facility. It should be expressed in terms of the service outputs and outcomes required rather than a tightly specified list of inputs. In some cases, the main outputs of projects may be green objectives, for example targets for recycling and composting in PFI projects for waste management. The specification should be sufficiently tight to ensure compliance with what is required but not so explicit that it discourages innovative solutions that offer good value for money.

A good specification will:

- a) focus on the outputs required rather than the means of delivery and encourage bidders to use their skills and experience to develop innovative technical solutions and provide the capital investment required to maximise cost savings and improve service quality – including environmental performance.
- b) be sufficiently broad to allow value to be added by the contractor (but not so broad as to allow bidders to feel exposed to risks that are difficult to quantify and, consequently, inflate their price).
- c) build in flexibility. It is important that there is flexibility in the design of a PPP facility as usage may change over the 25-30-year life of the contract. Flexible designs save time, money and resources in the long term.
- d) take account of the aims, objectives and relevant targets for improving environmental performance set out in the new Framework for Sustainable Development on the Government Estate (see above), departmental policies and advice on best practice.
- e) take account of legal requirements specific to Ministers and Departments to safeguard the environment. For example, the Countryside and Rights of Way Act 2000 introduced a statutory duty on all Ministers, Government departments and the National Assembly for Wales to have regard to the conservation of biological diversity in the exercise of their duties.
- f) take account of market soundings about what industry can supply.

Some key "dos" and "don'ts" to ensure that a specification accords with departmental environmental objectives include:

- Do read Chapter 22 of Government Accounting (on the Government's procurement policy), the Joint Treasury/DETR note, the Commission's interpretative document on Environmental issues under the procurement rules and CUP 51 on the EC procurement rules.
- Do take account of the departmental environment strategy and any targets therein.
- Do make full use of the flexibility afforded under the procurement policy and legal framework.
- Do consider the whole-life costs and quality of a project.
- Do take account of the specific advice in section 3 of the Green Guide for Buyers.
- Do ensure that government commitments to sustainable development are taken account of in the PPP/PFI scheme. Useful information can be found on the Greening Government website.
- Don't just look for lowest cost in commissioning the project.
- Do express the requirement genuinely in terms of outputs and indicate the expected links between design and construction and the finished asset's running costs and environmental outputs.

Refining the business case

Throughout the PPP project the project team will be expected to develop and maintain a business case. The final business case will present all the relevant information which will enable a decision to be made about a contract award. The business case will therefore need to take account of the environmental requirements of the project and, in its final form, to provide an assessment of the preferred option with appropriate commentary.

The business case should demonstrate that any specified environmental standards are reasonable, achievable and cost-effective. It will also need to present any cost assumptions relating to a public sector comparator for the project. The inclusion of green technologies in what might appear to be higher up-front capital costs will need to be explained in terms of their cost-effectiveness over the lifetime of the contract and the environmental benefits they deliver.

During the development of the business case it is important to identify key stakeholders with environmental interests and those who need to be consulted on such matters. The project team might wish to involve outside advisory bodies, such as BRECSU, and technical advisors.

The business case should reflect the departmental strategy for sustainable development and environmental policies. It should also take account of any environmental cost compliance exercise carried out in accordance with your department's policy.

Selection of bidders and evaluating the bids

The selection of bidders and evaluation of their bids allows an opportunity to examine the abilities of the firms and how they have responded to the environmental requirements within the specification.

In selecting bidders, contracting authorities might choose to look for:

- a) environment management schemes (ISO 14001 and EMAS) as a relevant proof of technical capacity where they provide evidence relevant to the subject or performance of the contract;
- b) a proven record in environmentally conscious design, construction or service provision (as the case may be) with experience of similar projects;
- c) a grasp of the contribution that a good, integrated team (comprising environmental champion, architects, engineers, designers) can make to meeting the project's aspirations.

The evaluation methodology for the contract will need both to test the compliance of bids to the specification and to give proportionate weight to the importance of the various criteria being evaluated. The evaluation process may therefore include a specific consideration of how the bidder is proposing to handle various environmental issues set out in the specification.

Project teams should be looking for bidders to demonstrate that they have understood the needs of the site and that they have the ability to develop appropriate solutions which meet any requirements to conserve resources, minimise waste and reduce pollution both during construction and during the lifetime of the project.

The final evaluation of tenders should not be based on initial price alone. It should also take into consideration whole-life costs, quality, deliverability, flexibility, management and apportionment of risk, innovation, increases in productivity and other relevant factors.

The evaluation methodology should be clear about how the costs and benefits of proposals are to be measured and also about who is to carry out the assessment of the bid proposal, including any environmental claims. This might be suitable work for technical advisors, or for departmental energy and environmental managers.

The evaluation team will need to ask "do the green claims made by bidders make sense, satisfy the specification, and do they offer anything more?" The advice given in this Guidance and on the Greening Government website, such as the Government's Green Claims Code, should help to answer these questions.

The Green Claims Code can be found at:

<http://www.defra.gov.uk/greening/greenpro/greenpro.htm>

Finally, the EC procurement rules require contracting authorities to provide feedback if requested by unsuccessful bidders. There will therefore be an opportunity to

comment on the environmental aspects of their proposals and how these were evaluated. Such feedback should help to transform the market into taking greater account of environmental considerations.

Contract management

Effective contract management is crucial to the success of a Public Private Partnership. Unlike conventional procurements for assets and services where individual contracts may be for short periods and public assets are solely acquired or renovated, the PPP relationship (covering investment, maintenance and operation) is intended to last 25-30 years. It is essential that a real partnering relationship is established between contracting authority and contractor and contract management will require a different approach than shorter contracts.

This does not mean that contract management for PPPs provides a less effective regime; on the contrary, it has to ensure the long-term effectiveness of the contract and the incentives on the contractor to deliver the service to the specified requirement.

An effective payment mechanism which takes account of an Environmental Management System (EMS) will provide the basis for ensuring that the contractor delivers the service to the required standard and will ensure the contractor is penalised financially should the service fall below an acceptable standard. An EMS will provide a useful framework for the day-to-day management of the systems provided under the contract.

The payment mechanism will need to take account of the environmental outputs required in the contract and ensure that appropriate incentives are applied to ensure delivery. Where an environmental output is to form part of the payment mechanism it should be measurable and the method should be indicated.

The contract manager

As with all the other elements of the PPP, it is essential that the individual or team managing the contract has a clear understanding of the requirements of the contract and the thought processes behind them. There is a danger that once the PPP deal is signed the project team will break up and a full understanding of the requirement and the underlying justifications will not be retained by the contracting authority.

Environmental requirements should not be allowed to be considered a politically correct add-on to a contract which can be discarded at a later date through lack of understanding. Given the long time-frame of such contracts it is important that new contract management staff are appropriately briefed about the contract structure and its objectives.

Monitoring and improving performance

As well as the payment mechanism, there are further opportunities for exploring how the environmental aspects of a PPP contract are being handled. Gateway 5 of the OGC Gateway Review process, applicable to all central civil government procurement projects, focuses on ensuring that a project is delivering the benefits and value for money identified in the business case and benefits plans. This Gateway Review should ideally be held 6 – 12 months after the asset is available for service when evidence of the in-service benefits is available. Gateway 5 takes place after the organisation has carried out a post-implementation review or similar major review. For long-term contracts such as PFI and strategic partnering arrangements, a Gateway 5 review should be repeated to continue to check for benefits delivery and improving value for money.

The significance of the contract in the wider political sphere will need to be acknowledged and arrangements should be made for monitoring environmental performance and reporting on progress to stakeholders such as Green Ministers, MPs, non-governmental organisations and the public.

Continuous improvement is an underlying assumption within PPP contracts in the interests of maximising efficiency and value for money for the taxpayer. Benchmarking performance is an important way of driving up performance within the life of a long contract. It is realistic to expect environmental standards agreed by government to become more rigorous over time. It is therefore likely that Ministers will expect any new standards agreed by government to either be incorporated within operational contracts or for some account to be taken of them in intended outputs.

Issues for contractors to consider when drawing up their tender

The new Framework, Towards More Sustainable Construction and Green Guide for Buyers together provide a wealth of information about whole-life costs and environmental considerations. Set out below are a number of issues that contractors may wish to consider when drafting their tender to demonstrate compliance with any environmental objectives in the contract specification.

Design of buildings

Smaller is better: Can the use of interior space be optimised through careful design so that the overall building size, and resource use in constructing and operating it, are kept to a minimum?

Design for easy maintenance: Whilst new buildings will usually have a design life of

30 or 60 years or greater, mechanical and electrical systems will not generally last beyond 15 years. Can these systems be designed from the outset for disassembly and recycling?

Design an energy-efficient building: This can be delivered through the high use of insulation, high-performance windows, and tight construction. Efficiency can also be obtained by using natural, or less preferably, mechanical ventilation, in preference to air conditioning.

Design buildings to use renewable energy: Passive solar heating, daylighting and natural cooling can be incorporated cost-effectively into most buildings.

Optimise material use: Waste can be minimised by designing for standard ceiling heights and building dimensions. Avoid waste from structural over-design (use optimum-value engineering/advanced framing).

Design water-efficient, low-maintenance landscaping: Conventional lawns have a high impact because of water use, pesticide use, and pollution generated from mowing. Consider landscaping with drought-resistant native plants and perennial groundcovers.

Make it easy for occupants to recycle waste: Make provisions for storage and processing of recyclables and kitchen waste.

Recycle greywater if feasible: Water from sinks, showers, or clothes washers can be recycled for WC flushing or irrigation. If current bylaws prevent greywater recycling, consider designing the plumbing for easy future adaptation.

Design for durability: To spread the environmental impacts of building over as long a period as possible, the structure must be durable. A building with a durable style ("timeless architecture") will be more likely to realise a long life.

Design for future reuse and adaptability: This can be done by making the structure adaptable to other uses, and choosing materials and components that can be reused or recycled.

Design for recovery: This can be done by ensuring that buildings are designed to facilitate the maximum recovery of materials when the time comes to demolish them.

Location & planning site

In-fill and mixed-use development: Identifying an in-fill site which increases density is inherently more sustainable than building on undeveloped (greenfield) sites. Mixed-use development, in which residential and commercial uses are intermingled, can reduce vehicle use and help to create healthy communities.

Minimise car dependence: This can be done through locating buildings to provide access to public transportation, bicycle paths, and walking access to basic services.

Value site resources: Early in the siting process carry out a careful site evaluation covering issues such as: solar access, soils, vegetation, water resources and important natural areas, and let this information guide the design.

Promote biodiversity: By clustering buildings or building-attached units to preserve open space and wildlife habitats. Avoid especially sensitive areas including wetlands, and keep roads and service lines short.

Provide responsible on-site water management: By designing landscapes to absorb rainwater runoff (stormwater) rather than having to carry it off-site in storm sewers. Consider collecting rainwater for irrigation.

Situate buildings to benefit from existing vegetation: Hedgerows and shrubbery can block cold winter winds or help channel cool summer breezes into buildings. Trees on the east and west sides of a building can dramatically reduce cooling loads.

Materials

Avoid ozone-depleting chemicals and those with a high global warming potential: The new Framework rules out the use of CFCs and HCFCs and promotes the use of alternatives to HFCs (which add to global warming). Reclaim CFCs, HCFCs and HFCs when servicing or disposing of equipment.

Use durable products and materials: Because manufacturing is very energy-intensive, a product that lasts longer or requires less maintenance usually saves energy. Durable products also produce less waste in the long run and are a more efficient use of resources.

Choose low-maintenance building materials: Where possible, select building materials that will require little maintenance (painting, re-treatment, waterproofing, etc), or whose maintenance will have minimal environmental impact.

Choose building materials with low embodied energy: Heavily processed or manufactured products and materials are usually more energy-intensive. As long as durability and performance will not be sacrificed, choose low-energy embodied materials.

Use building products made from recycled materials: Building products made from recycled materials reduce solid waste problems, cut energy consumption in manufacturing, and save on natural resource use.

Use salvaged building materials when possible: The pressure on landfill can be reduced and natural resources saved by using salvaged materials: lumber, millwork, certain plumbing fixtures and hardware, for example. Make sure these materials are safe (for example, by testing for lead paint and asbestos), and don't sacrifice energy efficiency or water efficiency by reusing old windows or plumbing fittings.

Use good wood: There is a Government commitment that all central government departments and agencies actively seek to procure timber and timber products from legal and sustainably managed sources.

Avoid materials that will give off gas pollutants: Solvent-based finishes, adhesives, carpeting, particleboard, and many other building products release formaldehyde and volatile organic compounds (VOCs) into the air. These chemicals can affect workers' and occupants' health as well as contribute to smog and ground-level ozone pollution outside.

Minimise packaging waste: Avoid excessive packaging, such as plastic-wrapped plumbing fixtures or fasteners that aren't available in bulk. Inform suppliers why over-packaged products are being avoided. Keep in mind, however, that some products must be carefully packaged to prevent damage, and resulting waste.

Equipment

Install high-efficiency heating and avoid air conditioning: Well-designed

high-efficiency boilers not only save the building occupants money, but also produce less pollution during operation. Designs incorporating natural ventilation or, less preferably, mechanical ventilation, can make air conditioning unnecessary for most applications.

Install energy-efficient lights and appliances: Fluorescent lighting has improved dramatically in recent years and is now suitable for homes. High-efficiency appliances offer both economic and environmental advantages over their conventional counterparts.

Install water-efficient equipment: Low-flush WCs, waterless urinals and low-flow showers not only reduce water use but save money through lower water and sewerage charges. Reducing hot water use also saves energy and reduces emissions of carbon dioxide – the main greenhouse gas.

Site development

Protect trees and topsoil during site work: Trees can be protected from damage during construction by fencing off the "drip line" around them and avoiding major changes to surface grade.

Avoid use of pesticides and other chemicals that may leach into the groundwater: Look at alternatives or less toxic treatments.

Minimise site waste: This can be done by setting up clearly marked bins for different types of usable waste (wood scraps for kindling, sawdust for compost). Find out where different materials can be taken for recycling, and raise awareness about recycling procedures. Salvaged materials can be donated to community groups.

Educate clients, employees, subcontractors, and the general public about environmental impacts of buildings and how these impacts can be minimised.

Sustainable demolition practices: Specify safe demolition for site users with all works complying with health and safety requirements; avoidance of damage and operational problems to the plant in other buildings; reuse of materials and a statement showing where reclaimed materials will go. Waste must be disposed of legally.

10 Key Messages

1. Take the long-term view – Remember the whole-life cost of the project and specify the outcome you wish to achieve.
2. Failure to consider green issues when developing a PPP/PFI Project means you can miss a once-in-a-lifetime opportunity to reduce the whole-life costs, since the contract may run for 25-30 years but potentially even longer given the asset life.
3. Greening and private finance are not mutually exclusive. On the contrary they both look at the service to be provided and the whole-life costs of doing so – being green is about eliminating wastefulness.
4. Be clear about your organisation's strategy for sustainable development and its environmental policies and how far they can be delivered through the project.
5. Buying green only costs less if you get it right – get it wrong and it may cost more. But you can also decide to spend more to get better quality.
6. Be careful what you specify and be careful about what you are being offered – is it as green as it claims to be and does it deliver value for money?
7. Remember the EC procurement rules – be clear about what is acceptable and what is not when specifying outputs, selecting bidders and awarding contracts.
8. Always focus on value for money and not the lowest cost.
9. Greening doesn't just stop with the award of the contract – your organisation will need to work with suppliers to ensure improved environmental performance throughout the life of the project.
10. The policy and regulatory framework for the environment is likely to be toughened over time. In some cases this might involve change of law provisions within the signed PPP contract.

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