

HUNGARY¹

Context

The Public Procurement Supply Directorate (PPSD) is an autonomous central purchasing body. The rules on the centralised public purchasing system operated by the PPSD are set out in Government Decree 168/2004 (V. 25.), hereinafter referred to as Gov. Decree. The PPSD may conduct procedures for the following specific products (or services):

- communication services and tools
- IT systems and services
- office technology and services
- office furniture
- stationary products and paper
- vehicles
- fuels
- travel arrangements
- electronic public procurement services – electronic auction service.

A centralised public procurement procedure is conducted by the PPSD particularly for organisations defined in the Gov. Decree: ministries, the Prime Minister's Office, organisations with a national competence and other bodies with their own chapter of the Central Budget Act (CBA), budgetary organs managing social security funds having a national jurisdiction, organisations and persons having authorisations as defined in chapters of the CBA and budgetary organs under the control of the aforementioned bodies (with the exception of some organisations set out in the related regulation like national security services and foreign representations). Other organisations may voluntarily join the central purchasing system.

The PPSD applies green criteria in centralised public procurement procedures and, where possible, increases the number of environmentally friendly products. The PPSD applies environmental requirements in its procedures and contracts in many ways: in defining the subject matter, in the technical specifications, in the award criteria or in the contract terms.

Objectives

- Increase the use of green criteria in public procurement procedures.
- Ensure appropriate variety and good prices in cases of environmentally friendly products.

1. Case study submitted by the Public Procurement Authority of Hungary.

- Increase the proportion of environmentally friendly products purchased by the PPSD (currently 10% for paper products).
- Promote environmental thinking and a change of attitude by means of communication.

Implementation

In 2013, the PPSD planned to publish six procedures including environmental criteria (one for paper and stationary, four for IT and one for fuel procurement), the aggregated value of which is HUF 129.5 billion (paper and stationary: HUF 5.5 billion; IT: HUF 118 billion; fuel: HUF 6 billion). The terms of the contracts will be for 24 and 48 months. Five out of the six procedures are open and one is a negotiated procedure with prior publication of the contract notice.

The green criteria to be applied in the procedures are:

- Paper and stationary products:
 - environmentally friendly products (envelopes, folders and other paper products for office purposes)
 - environmental management standard (ISO 14001)
 - technical specifications: environmental labels (FSC, NordicSwan, Blue Angel), eco-labels, recycling.
- IT:
 - EU standards
 - energy consumption (standby and switched off mode)
 - noise level
 - waste management (delivery, recycling, extermination)
 - remanufactured products.
- Fuel:
 - EU standards and environmental/sustainability criteria
 - alternative fuels (biodiesel, bioethanol).

The PPSD publishes information on its website (www.kozbeszerzes.gov.hu) regarding the types of available products and their environmentally friendly features. Contracts and all other documents related to centralised public procurement procedures are also available on this website in pdf format or in databases. The PPSD also conducts presentations and briefings on available green products.

Impact assessment

The PPSD has not yet conducted an impact assessment procedure.

Challenges and risks

- Establish an environmentally conscious work environment.
- Achieve an attitude change in the public administration.
- Comply with EU and national public procurement rules.

Key lessons learnt

- The public procurement market, including the centralised public procurement market, is a strategic tool for creating an environmentally friendly attitude and promoting environmentally friendly products.
- In order to achieve the targets, it is important that environmental requirements work together with economic interests (cost efficiency, favourable tender prices).
- It is vital to take into consideration the products' effects on each other (for instance, the compatibility of the printer and the paper or the fuel and the motor vehicle).
- It is important to define the methods aiming to promote groups of products.
- Raising awareness on available green products is an essential factor of success.