

Green Public Procurement in Singapore

Government Procurement Function Office

Ministry of Finance, Singapore



Brief Overview of Singapore Government Procurement

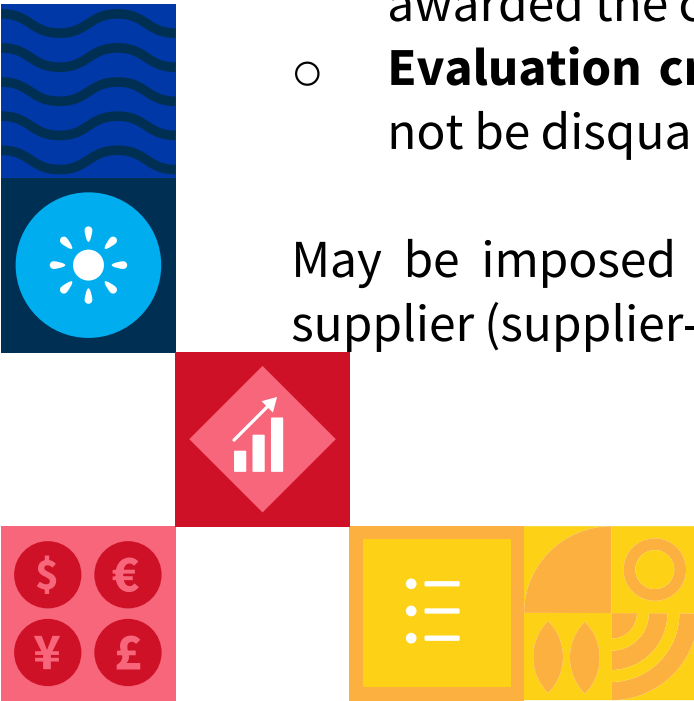
- MOF set up the Government Procurement Function Office (GPFO) in 2020 to strengthen the procurement function and build capabilities across whole-of-government procurement, to ensure Singapore Government is able to procure effectively and in a value-for-money manner
- Each Government agency conducts their own procurement based on policies set by MOF and using GeBIZ[^] (i.e. procurement decision is decentralised to agency)
- Auditor-General conducts independent audits on government agencies

[^] One-stop portal for local and foreign suppliers to view business opportunities and transact with government agencies

What is Green Public Procurement ("GPP")?

- Green Public Procurement is a process where the Government includes environmental sustainability considerations when selecting solutions or suppliers
- Can be achieved by including environmental sustainability in:
 - **Specifications** – requirements that must be met in order to have a chance of being awarded the contract
 - **Evaluation criteria** – suppliers will be awarded points for meeting the criteria, but not be disqualified if they do not meet them

May be imposed on the product/service being procured (solution-focused), or on the supplier (supplier-focused)



Objectives of Green Public Procurement

Outcomes
proposed by
GreenGov.SG

Reduce Public Sector's
Environmental Impact

Encourage and recognise
development of green
capabilities by enterprises

Demonstrate the Public
Sector's commitment to the
Green Plan

How can public
procurement
support the
outcomes?

Solution-focused considerations: Procure greener solutions (i.e. goods/service), including greener processes

- Contributes directly towards GreenGov.SG targets
- Demand serves as a market signal, which incentivises enterprises to develop greener solution

Can reduce public sector
environmental impact when
suppliers-focused
considerations are good proxy
of solutions-focused
considerations

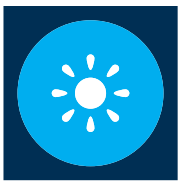
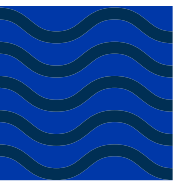
Supplier-focused considerations: Procure from suppliers that
have demonstrated commitment/effort to going green
(commitments beyond the solutions)

- Incentivises suppliers to adopt sustainable practices and
acquire necessary credentials beyond the goods/services that
we are procuring

Government can influence our suppliers and other buyers. However, **effects might be limited** as sphere of influence only accrue to winning bidder or those that are willing to participate despite the additional costs (e.g. govt form a significant revenue).

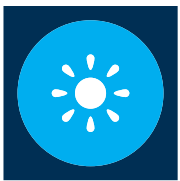
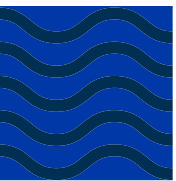
Singapore's Green Public Procurement Journey (2006 – 2020)

- Singapore's green procurement journey started under the Public Sector Taking the Lead in Environmental Sustainability (PSTLES) initiative back in 2006
 - First started by requiring public sector to be more energy efficient, requiring public sector buildings to attain the Green Mark certification
 - Subsequently extended to mandatory requirements to promote water efficiency and waste minimisation; and expanding the list of green products for public procurement e.g.
 - All new and existing public sector premises are to achieve water efficient flowrates / flush volume and attain Water Efficient Building (WEB) (Basic) certification respectively
 - All Agencies are to implement recycling programmes (e.g. for paper products, plastic containers and packaging, aluminum cans, toner cartridges) at their premises. The collection and sorting of recyclables can be undertaken as part of the building's cleaning contract.



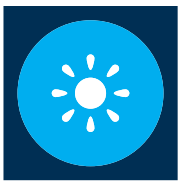
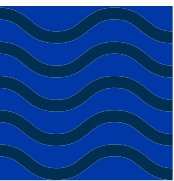
GreenGov.SG (2021 and beyond)

- On 12 Jul 2021, Singapore announced GreenGov.SG, the public sector's new environmental sustainability movement to move Singapore towards a sustainable development and net zero emissions
 - **Excel** with new and more ambitious targets
 - **Enable** a sustainable economy and green citizenry, by embedding sustainability into our core businesses
 - **Excite** public officers to contribute actively to sustainability in Spore
- As a major buyer of goods and services, the public sector will influence our service providers and suppliers to be more sustainable by procuring according to these new requirements; also seek to reduce public sector's environmental impact and level up capabilities of businesses
 1. [Solution-focused e.g.](#) all new and existing public sector buildings are to achieve Green Mark Platinum Super Low Energy standards or equivalent, where feasible
 2. [Supplier-focused e.g.](#) consider sustainability policies and practices of potential suppliers in the evaluation of government tenders



Guiding principles to decide on environmentally-sustainable requirements and/or evaluation criteria to be included

- **Benefits commensurate with costs:** Value for Money on life cycle basis; Avoid using requirements or evaluation criteria that (i) require a lot of effort but have limited impact or (ii) might lock us to certain group of suppliers
 - ❖ Benefits can include longer-term benefits – e.g. developing suppliers so that our supplier pool can be competitive and future ready
 - ❖ Benefits-costs are easier to analyse for solution-focused measures. Harder to determine for supplier-focused
- **Industry readiness:** Set requirements or evaluation criteria that can meaningfully differentiate suppliers who are greener, and still can drive behaviours.
- **International competitiveness:** Adopt standards or practices aligned to international standards or practices whenever possible so that suppliers can familiarize with the standards and practices that can help them compete overseas



Encouraging Greener Suppliers & Supply Chains



Sector	Construction		ICT
Procurement Type	Construction Tenders	Consultancy Tenders	ICT Tenders
Target Group	EPV exceeding \$50m		EPV exceeding \$10m
Measure	To set aside up to 5% for sustainability in the evaluation criteria		

- **Starting from FY24 with construction and IT projects** to strengthen the signalling of our intent, as they make up a significant proportion of government expenditures
- We are also studying ways to incorporate sustainability considerations in **revenue contracts**

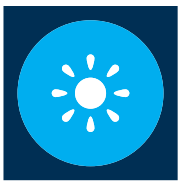
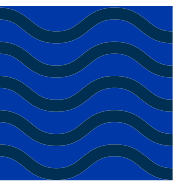
Examples of Evaluation Criteria Trialled

Construction

- Climate-related disclosure in accordance with international standards
- Decarbonisation of construction processes
- Green certifications and qualifications
- Innovation (i.e. use of low-carbon materials beyond specifications; use of RE to support site operations; use of low-carbon transportation options)

ICT

- Climate-related disclosure in accordance with international standards
- Provide multi-unit packaging option
- Use of recycled content in the packaging and provide information on the recycled content of the packaging
- Products should have Eco-labels (e.g. TCO, ENERGY STAR and EPEAT etc) that conform to a recognised environmental standard



Thank you