

POSITION PAPER

TENDERING FOR SUSTAINABLE INFRASTRUCTURE IN THE CIRCULAR ECONOMY

Public authorities in the EU spend up to 14% of GDP on public procurement. Following a recent Communication from the European Commission, the majority of the public contracts awarded in the EU were just based on the lowest price criterion¹.

Despite the efforts made by the Commission and the European Parliament to add new criteria like sustainability and innovation², many Member States disregard this mandate and show a risk aversion to incorporate tools like Life Cycle Cost Analysis (LCCA) when assessing the awarding of public works. Nevertheless, the use of LCCA, in combination with other criteria, helps in making the right choice of solutions for sustainable, safer and lasting infrastructures needing few maintenance and respectful of the principles laid down by the circular economy³.

EUPAVE is convinced that new public procurement and green procurement rules can become a 'game changer' in awarding public contracts and making circular economy a reality.

EUPAVE has been actively involved in the development of green public procurement (GPP) criteria for road construction⁴. It has advocated circular economy as a necessary change to switch towards an economic model that is more respectful to the environment and its limited resources⁵. Finally, it has also welcomed the Public Procurement Directives of 2014 and has highlighted its benefits. EUPAVE is committed to both encourage its application and to provide guidance and expertise to its members, to the Member States and all contracting authorities across the European Union as the best way to achieve the previously mentioned goals⁶.

EUPAVE firmly believes that concrete roads can in many circumstances provide the most appropriate answer to achieve the goal of a more sustainable infrastructure.

In *EU Green Public Procurement Criteria for Road Design*⁷, the European Commission establishes that the awarding

criteria to procurers of public tenders should be made, foremost, by means of a *Life Cycle Assessment* (LCA), which evaluates the impact of the main road elements over the entire life-cycle of the infrastructure including the impact from using the infrastructure.

Indeed, tenders awarded under LCA prioritise environmental performances over solely price-based criteria, thus entailing that more durable materials such as concrete are used in road construction⁸. Moreover, recycled aggregates from concrete demolition are used in road base applications or even in the production of new concrete for pavements. For example, the use of recycled concrete in the bottom layer of a two-layered concrete road has been a regular practice in Austria since the 1990s, with recycling rates of 60 up to 100% of the coarse aggregates. Hence, the construction of concrete roads is made with respect to both the goals of GPP and circular economy.



With regard to the economic assessment of bids, both the *EU Green Public Procurement Criteria for Road Design* and the *Public Procurement Directives* plead for the use of LCCA (Life Cycle Cost Analysis). LCCA enables to take into consideration not only the initial investment cost but all the costs during the life cycle including periodical maintenance, rehabilitation, etc., leading to the most economically efficient decision. For this reason, EUPAVE's latest publication *A guide on the basic principles of Life-Cycle Cost Analysis (LCCA) of pavements*, has been entirely dedicated to this important topic.

In addition it is possible to combine the LCCA with other criteria that relate to quality, social, environmental and innovative aspects. When concrete pavements are evaluated over the entire life cycle of the pavement,

they can provide great performance in all those aspects, making them perfectly compatible with the sustainable construction philosophy.

EUPAVE acknowledges that the change towards more sustainable infrastructures may not be immediate but it is absolutely necessary.

Consequently, EUPAVE is committed to continue to provide guidance in using LCCA and GPP approaches to its members, to Member States and contracting authorities. This will result in better and long-lasting value for money and more sustainable infrastructures with increased respect towards circular economy.



Image. Concrete demolished to be used in road base applications or in the production of new concrete for pavements.

¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Making Public Procurement work in and for Europe, COM(2017) 572 final (October 2017).

² See Directive 2014/23/EU of the European Parliament and of the Council, of 26 February 2014, on the award of concession contracts; Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC; and Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC; L 94/243, 28.03.2014.

³ This has been the object of complaint in the recent European Parliament resolution of 4 October 2018 on the public procurement strategy package (2017/2278(INI)).

⁴ See EUPAVE's Position paper Green public procurement for road construction (October 2014).

⁵ See EUPAVE's Position paper Concrete Roads – An integral part of the circular economy (November 2015).

⁶ See EUPAVE's Position paper EUPAVE calls on Member States to take full advantage of new EU rules on public procurement (October 2016).

⁷ Commission Staff Working Document, EU Green Public Procurement Criteria for Road Design, Construction and Maintenance, SWD(2016) 203 final (June 2016).

⁸ See ut supra, Section B14. LCA performance of the main road elements.