



Ghent, a leading consumer

Cogita

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Lead the change !



Summary

- I. SPP: Buying our future
- II. Ghent, a leading consumer
- III. SPP & SME



SSP: BUYING OUR FUTURE

What is SPP?

Strategic Procurement

- Procurement goals are linked to the strategic goals of the organization. Thus, procurement becomes a means to realise strategic goals.



Sustainable Procurement?

- Integration of requirements, specifications and criteria that are compatible and in favour of the protection of the environment, of social progress and in support of economic development

The potential of SPP



**Public Purchasing Power
in EU**

=

**2 euro billion a year
or
19% of EU's GDP**

(Source: Buying Green!)

Trends in procurement



**Public authorities choose
cost-effective
&
sustainable solutions**

The benefits of SPP



- Set an **example** for business and public sector
- **Financial savings** & more efficient use of public resources
- Achieve **local environmental goals** & avoid adverse environmental impacts
- Achieving **local social goals**
- Stimulate local **sustainable innovation**
- Stimulate **local economy** = local growth & jobs!
- Contributing to **global sustainability**
- Sustainable **Company Profile**

Is SPP more expensive?



- **Misconception:** price & efforts are too high...
- **SPP leads to cost-savings in procurement budgets!**
 - SPP starts with the definition of the 'need' to purchase & tries to minimize it.

Ex. Internal client wants a car

Business as usual = need = car

Smart SPP= need = a mobility solution to get from A to B

- Looking beyond the price: Life Cycle Costs
 - Choose energy efficient products
 - Take into account hidden LCC

GHENT A LEADING CONSUMER

Principles



- **Leading by example**
- **Purchasing power as a leverage for sustainability**
- Making procurement a **strategic partner**
- **Cost-efficient use of public money**
- Raise the **maturity standard** of the procurement organisation

Masterproject S²P² 2020



- **Key Objective:** in 2020 Ghent is a strategic driven procurement organization based on the principles of total life cycle cost-efficiency and sustainable supply chain management
- **3 Major Milestones**
 - I. Develop a Sustainable Procurement Strategy
 - II. Organizational SPP Blueprint
 - II. Organizational SPP Roll Out

S²P²: Strategic Sustainable Public Procurement

I. Procurement Strategy Ghent 2020

The procurement strategy Ghent 2020 applies to

- ALL public partners of the City of Ghent
- ALL public works, products and services
- ALL suppliers and their subcontractors



II. Organizational SPP blueprint

- **GOAL** – To develop a blueprint for a strategic driven procurement organization

Key Challenges :

- 1. PROCESS:** entirely rethink the procurement process as part of a sustainable supply chain.
- 2. TOOLS:** develop tools in order to support the different steps in the procurement process
- 3. PEOPLE:** invest in the core competences of all actors involved in the procurement function
- 4. MEASURE:** develop KPI's and measure the achieved results
- 5. ORGANISATION:** rethink the organization in function of SPP and shared services



SPP & SME

Stimulating the local economy

- 80% of all contracts up to 67.000 €
- **Benefits for the City of Ghent**
 - Local jobs also for the most disadvantaged groups
 - Stimulating local social economy
 - Stimulating local CSR initiatives and sustainable innovation
 - Cost & energy efficient transport
 - Close proximity = flexible and quick response & strategic supplier partnerships

SO, SME'S ARE OUR KEY SUPPLIERS

Challenges for SME

- 2 major **events** for SME's
 - GENT ZOEKT DUURZAME LEVERANCIERS
 - More than 250 SME's attended these meet-your-buyer initiatives
- **Issues**
 - Sustainable Suppliers: difficult to find !
 - Be creative & proactive
 - Make a difference => Offer sustainable solutions



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