Implementing sustainable performance-based procurement

1. Identify the need
   - Formulate the need in terms of performance rather than an already existing product
   - Keep the scope of the need formulation broad as this will stimulate suppliers to create innovative solutions

2. Internal communication and buy-in
   - Create an interdisciplinary team (lawyers, economists, sustainability experts and accountants) – break down the silos
   - Ensure an understanding of why performance-based procurement is important and why there is a business case – refer to strategic importance, the lever for innovation, job creation, and other co-benefits
   - Allocate resources for the procurement and for the process – tap into innovation fund potential

3. External communication and market engagement
   - Identify the appropriate communication channels to inform the market about the longer-term goals, the performance, the need for which you are seeking a solution
   - Ensure at all times a transparent, fair and open communication process with the market
   - Give the market sufficient leadtime to develop ideas
   - Collect feedback before designing the tenders to ensure they match what the market can deliver and at the same time incentivise sufficient innovation

4. Tender scope and specifications
   - Use a performance-based specification or a list of objectives that you want to achieve with the procurement
   - Look for best practices and for the right level of setting performance
   - Establish how performance will be measured and monitored

5. Evaluation of tenders and contract awarding
   - Value for money should be interpreted as the best value for the taxpayer across the lifecycle of the asset
   - Use lifecycle costing or total cost of ownership where appropriate
   - Use two-stage award criteria or a points-based system

6. Monitoring of performance
   - Hold suppliers accountable to the performance level
   - Introduce financial penalties into the contract clauses
   - Collect feedback from the end-users

The One Planet Network is the network of the 10 Year Framework of Programmes on Sustainable Consumption and Production