

SMART SPP Dissemination Workshop: 13th July 2011

Attendees

The following delegates attended the workshop, which was held at the headquarters of the Eastern Shires Purchasing Organisation (ESPO), a SMART SPP partner:

NAME	POSITION	ORGANISATION
Tracy Fearn	Consultant	Energy Saving Lighting
Paul Daly	Consultant	Energy Saving Lighting
KOUCKÝ Lukáš	Vice-chairman	Ekocentrum Koniklec
Michaela Pomališová	Project coordinator	Team Initiative for Local Sustainable Development (TIMUR)
Jana Szomolányiová	Consultant	SEVEN
Robert Burch	Managing Director	Beronworth Energy Systems Ltd
Orsolya Diófási	Director	SURVIVE ENVIRO
Mónika Mátyás	Eco-counsellor	Hungarian Network of Ecocounselling Offices (KÖTHÁLÓ)
Tamás Babai-Belánszky	Head of Legal Department	Office of the Parliamentary Commissioner for Future Generation
Zoltán Pápai	Head of Environment Department	Municipality of Miskolc
Peter Joyce	Director	Global to Local Ltd
Anne Finnane	Director	Global to Local Ltd



Dave Starling	Head of Procurement	London Borough of Bromley
Kevan Twohey	Procurement Manager	London Borough of Bromley
Kevin Willsher	Assistant Director Commodities	ESPO
Katy Bryan	Sustainability Manager	Philips
Frank Prior	Bid Manager	Philips
Ed Walsh	Commercial Manager	ESPO
Glenn Clarke	Buyer	ESPO
Martin Lawson	Buyer	ESPO
Kate Shaw	Buyer	ESPO
David Kwiatek	Buyer	ESPO
Nigel Goshawk	Engineer/Project Manager	Leicester City Council
Robert Bateman	Team Leader	Leicester City Council

Aim of Workshop

The aim of the workshop was to inform participants about SMART SPP and the exciting developments taking place in LED lighting technologies, and to explore ways in which procurers and suppliers can work together to introduce these technologies. The workshop included three plenary sessions in which mixed groups of participants discussed ways in which the market could be driven by closer engagement at the pre-procurement phase. UK Partners in the project were filmed for inclusion in an instructive SMART SPP video.



Programme

The programme for the day was as follows:

11:00	Welcome and Introduction to SMART SPP
11:05	SMART 7 Stage Engagement Process
11:15	LCC/CO2 Toolkit
11:25	ESPO: lessons learnt
11:35	London Borough of Bromley: SMART lessons
11.45	Philips UK: Latest LED lighting technology solutions
12:30	The Energy Saving Lighting Co: case studies using life cycle costing

13:15 Lunch / Networking

14:00	Break-out groups: driving demand for energy saving technologies
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14:45 Tea break/informal discussion

15:00	Feedback from facilitated sessions
15:25	Resume of day
15:30	Disperse

Presentations

A number of presentations were delivered. These are attached to this report. Participants received presentations from the UK Co-Ordinator for SMART SPP. This helped to inform them about the 7-Step process which the project has devised to increase the level of engagement between procurers and suppliers. In addition the Life Cycle Costing tool was introduced. Partners ESPO and the London Borough of Bromley then delivered a background to the lessons which they had learned from practical participation in the SMART SPP project.

Presentations were also given by Philips Lighting to highlight the latest LED technologies available on the market, and from the Energy Saving Lighting Company which has used life cycle costing and CO2 reduction principles to assist purchasers of LED lighting units. These presentations helped to give a perspective from the viewpoint of market suppliers.



Workshops

Following a useful informal interchange during the lunch break, all delegates were formed into three workshop groups to consider the following topics:



Group 1

“How can the use of life cycle costing techniques be used to encourage buyers to buy sustainable energy saving technologies, and in particular LED’s?”

Consider:

- **Cost savings**
- **Maintenance**
- **Green strategies (e.g. Carbon Reduction Commitment in UK)**

The following responses were received:

- Behavioural change was absolutely essential if life cycle costing is to have a measurable benefit. The mind set of customers, and in particular public procurers, needs to change to appreciate the value of energy saving technologies in financial terms
- Evaluation criteria need to be refined in order to provide the background data necessary to ensure that life cycle costing becomes accepted
- The financial value of exposure to risk needs to be quantified as part of the process. This must include a number of risk elements, including financial and environmental risk, as well as the risk of doing nothing
- Successful projects can be promoted to customers by using life cycle costing
- The social side of sustainability must also be considered, and must include the value of a clean environment
- Disposal costs must be factored in to the equation
- Maintenance costs are also a vital element, and are frequently lower with energy saving technologies
- The cost of delay can be evaluated by considering the net present value of different technologies rather than solely the payback period
- A comment was made that in terms of the use of specifications, the best type for these technologies were output rather than input based. It is the outcomes which are important to the customer, allowing the provider to define the inputs
- Finally, it was considered that traditional procurement methods were responsible for hindering cutting-edge solutions.



Group 2

"Technical knowledge in the field of new and green technologies is very often known to the supplier as much as the buyer. How do we use this knowledge?"

Consider:

- **Asking advice from suppliers**

Getting help from trade associations to write specifications

Group two made the following observations:

- Training and education were perceived as a vital element in allowing for knowledge transfer from the supplier to the buyer
- Qualified and independent testing of results was seen as crucial to giving the procurer the opportunity to make informed buying decisions
- Trade associations are a good source of information about different energy saving products. However, some caution must be exercised given that they exist to represent the views of traders
- Legislation can be a useful means of obtaining information. However, another cautionary note was voiced by the group, who had observed that legislation can favour the vested interests which are sometimes responsible for its formulation.

Group 3

"Which key factors need to be specified so that the buyer gets the products that they need, and the supplier achieves a reasonable profit for the LED products which they supply?"

Consider:

- **Aesthetics (how the bulbs look)**
- **How they perform**
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Group three concentrated on the following areas:

- Involve the users. Their views are necessary to ensure that the right products for the right situation
- Consider various types of purchasing option



Conclusions

A number of overall conclusions were drawn from the workshop:

1. If we are to drive the market for energy saving technologies, procurer and supplier need to move away from traditional, adversarial procurement models and work in partnership
2. Life cycle costing is essential in order to make the business case for the purchase of modern energy saving solutions
3. The cost of risk must be quantified in its various forms, including the risk of doing nothing
4. A case must be made for soft benefits, even to the point of valuing patient recovery time in hospital as a result of the use of health and mood lighting
5. Disposal costs are very important, and are often cheaper with modern sustainable technologies. Bulbs can be disposed of by the supplier as part of the WEEE Regulations
6. Purchasers need to clearly define what they want from various technologies by using output-based specifications
7. Greater openness and co-operation at the pre-tender stage between supplier and provider are a pre-requisite for success
8. Independent testing and trial is essential to make the case for new technologies.

Workshop Visit

Following the workshop, guests were taken on a guided tour of the Eco-House and Eco-Garden in Leicester, and were shown examples of sustainable heating and lighting technologies.



Email links

www.globaltolocal.com

www.espo.org

www.bromley.gov.uk

www.smart-spp.eu

www.lighting.philips.co.uk

www.energysavinglighting.org

<http://www.eastmidlands.groundwork.org.uk/leicester--leicestershire/our-services/communities/eco-house.aspx>

