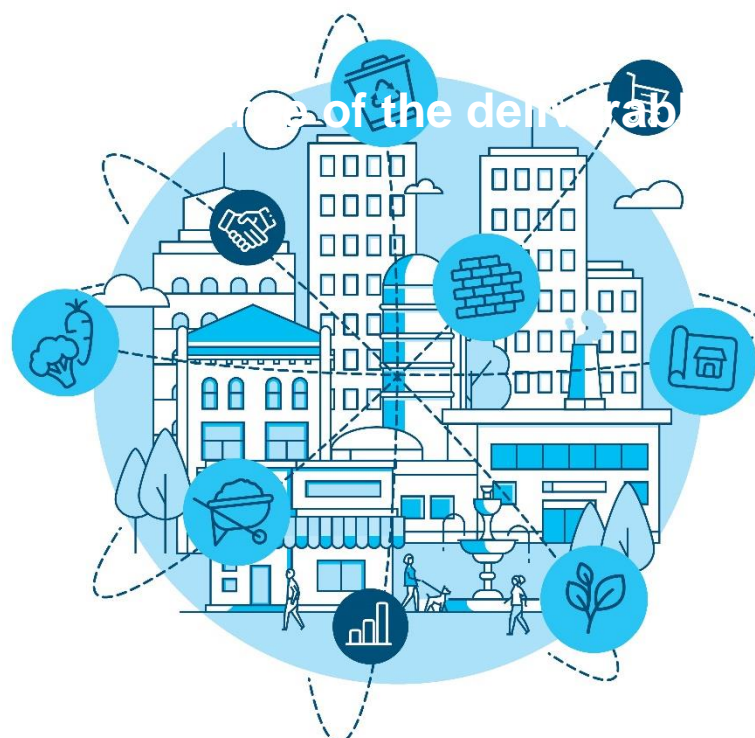





# Procurement guide - Sustainability and circular economy in demolition contract procurement in the City of Mikkeli

WP 2





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Abstract	This guide helps to acknowledge the demands of circularity and sustainability in public procurement process, tenders and documents of demolition contracts in the city of Mikkeli.
Keywords	Procurement; sustainability; circularity
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## 1. Background

Consideration of the circular economy and sustainable development is playing an increasingly important role in all construction contracts. Requirements related to the sorting, recycling (re-use) and remanufacturing of materials are increasing e.g. as EU and national legislation tightens and with the requirements of the government program.

This guide describes the procurement process for demolition contracts in the city of Mikkeli. The consideration of sustainable development and the circular economy in the various stages of the demolition process and in the call for tenders is described in more detail at the end of the guide and the overall demolition process in Annex xxx.doc.

## 2. Main phases of the demolition process

### MAIN PHASES OF THE DEMOLITION PROCESS

- Receiving demolition information from the destination
- The customer and the user take the furniture, fittings and equipment suitable for further use building components at the “open doors” of the activity center
- Scheduling, preparation and planning of the demolition contract will begin
- Produce the necessary documentation for the demolition permit
- Demolition permit is applied for
- Through the procurement process
- Execution of the demolition contract
- Receipt of demolition contract
- Removal of contaminated soil
- 

The dismantling process is described in more detail in Appendix xxx.doc.

## 3. Outlines of the stages of procurement process

## OUTLINES OF THE STAGES OF PROCUREMENT PROCESS

1. Add to city procurement calendar
2. Request for information to Hilma
3. Market dialogue
4. Preparation of the invitation to tender and its annexes
5. In the case of major projects II Request for information to Hilma (possibility to comment on the call for tenders)
6. Publication of the contract notice and the invitation to tender
7. Receipt, processing and comparison of tenders
8. Reporting conference
9. Procurement decision and its validity
10. Contract
11. Demolition contract and monitoring of its compliance with the contract
12. Receipt of the demolition contract

## 4. Consideration of circular economy in demolition contracts

The circular economy is an economic model in which the value committed to materials is maintained in society for as long as possible. Circular economy business models include waste and waste, among other things product and service design, distribution, leasing and rental, repair and refurbishment, reuse and recycling to minimize. In demolition and land management, the circular economy refers to, for example, the efficient reuse and recycling of materials. (Circular economy in construction in municipalities, RANTA - project, Final report 2018)

## 5. Phases of the procurement process

1. Request for information to Hilma

A model for a case-by-case market dialogue is defined and a request for information on the market is published in HILMA. The request for information is made through the Cloudia procurement system and includes information on how companies interested in the project can participate in the procurement market dialogue.

## 2. Market dialogue

Market dialogue is always procurement-specific. Based on the specific features of the procurement, it may include one or more stages and are used e.g. the following means:

- submitting questions or requests for comments to companies through a request for information on the subject, its details, the timetable or the tendering procedure;
- invitation to an information / discussion event on the subject of the procurement (as informative as possible to attract companies)
- an invitation to a planning event or workshop to plan the procurement or tender material (the subject may be any matter related to the procurement that has been announced in the HILMA notice)
- requesting comments from companies on the draft tender dossier

## 3. Preparation of the invitation to tender and its annexes

The person in charge of procurement will assemble the necessary preparation team to produce the procurement documents and will be responsible for carrying out the procurement. In the production of procurement documents, information collected from companies through market dialogue is taken into account at the discretion of the customer. The preparation of the call for tenders and its annexes can start at the same time as Phase 1 or 2.

## 4. II. Request for information to Hilma (possibility to comment on the call for tenders)

If, in the first stage of the market dialogue, the companies have not been given the opportunity to see / comment on the draft invitation to tender or the details of the procurement in any other way, the draft invitation to tender must be submitted to the companies for comment via HILMA. At the same time, the request for information acts as information about the procurement, so that companies can already prepare for the publication of the actual procurement notice and to prepare for responding to the invitation to tender.

## 5. Publication of the contract notice and the invitation to tender

After the interactive preparation process, the call for tenders will be published through HILMA via Cloudia. The invitation to tender shall state the possibility of inspecting the demolition site and shall also specify the time limit for submitting questions to the tendering system.

## 6. Receiving, processing and comparison of tenders

Based on the minimum requirements and criteria of the call for tenders, a comparison will be made and the best tenderer will be selected.

## 7. Briefing negotiations

A briefing meeting will be held with the best bidder for comparison to ensure that the parties have understood the invitation to tender and the offer in a consistent manner.

#### 8. The procurement decision and its validity

The procurement decision is made in accordance with the city's procurement instructions.

#### 9. Contract

The procurement contract is concluded in accordance with the city's procurement guidelines and the YSE 1998.

#### 10. Demolition contract and monitoring of its compliance with the procurement contract

The person in charge of the customer is responsible for supervising the site during the contract. It is recommended to transfer the quality control and reporting to the contractor, if applicable. The specifications are recorded in the contract program.

#### 11. Receiving of the demolition contract

Receiving of the demolition contract will take place after the approval of the subscriber. The transfer documents and other necessary reports will be produced and submitted in accordance with the contract program.

## **6. Consideration of the circular economy and sustainable development in the procurement process**

### **6.1. Background**

In accordance with waste legislation, the person who undertakes a construction project and whose activities generate waste must take into account the priority given to waste in construction and demolition projects. In order of priority:

- Priority must be given to reducing the amount and harmfulness of waste generated.
- However, if waste is generated, the waste holder must first prepare the waste for re-use.
- If reuse is not possible, the waste must be recycled.
- If recycling is not possible, the waste holder must recover the waste in other ways, including energy recovery.
- If recovery is not possible, the waste must be disposed of.

Deviations from the order of priority can only be made if another option is more environmentally sound. These exceptions could be, for example, situations where the quantities of unloading waste are very small and the emissions from transport journeys or preparation for re-use are very high. When selecting a priority waste management option,



the life cycle impacts of the waste, environmental protection and the technical and economic conditions of the person responsible for waste management are taken into account.

## 6.2. Applicable laws

### APPLICABLE LAWS

- Land Use and Construction Act, Section 154 of the MRL, Section 55 of the MRA
- Environmental Protection Act (527/2014) and Decree (713/2014)
- Waste Act (646/2011) and Government Decree on Waste (179/2012)
- Public Order Act
- City waste management and environmental protection regulations
- Occupational Safety Act (738/2002) and regulations

## 6.3. Preparation phase of the demolition contract

- Are there any contaminated soils in the area that require clearance?
  - Inventory of contaminated soils, if necessary
- Commission demolition mapping of demolition materials with recommendations for use and sorting
  - ordering demolition mapping from a framework supplier
- Set procurement circular requirements based on demolition survey data
- Consider using a construction consultant in the contract (monitors compliance with contaminant handling and / or circular economy requirements)
- Contact the activity center to recycle the item's furniture
  - Open doors of the activity center / date of sale
  - recoverable furniture and building materials for sale according to the Centre's own assessment (online sales and store)
- Other reports incl. plans, subscriptions, authorities
- Building control demolition permit

## 6.4. Market engagement

- Ask for opinions on the requirements of the circular economy and the criteria for assessing their fulfillment
- Ask for ideas to take into account or promote the circular economy and sustainable development in the site / procurement

## 6.5. Preparation of the procurement and preparation of the call for tenders

- Define the minimum requirements for the subject of the procurement in relation to the circular economy
- Define minimum requirements for sorting in the draft invitation to tender Include requirements in the demolition plans

## 6.6. Reference requirements

- establish reference requirements, taking into account the inclusion of the circular economy and sustainable development
- require the tenderer to have references, in terms of quantity, scope and quality, to demolition work corresponding to the subject of the contract;
- require the tenderer to have a sufficient number of personal and company-specific references to demolition projects;
- require the tenderer to have sufficient personal or company-specific references to the promotion of the circular economy in demolition projects.

## 6.7. Suitability / eligibility requirements

- require the tenderer to have a quality and environmental management system
- draw up competence and training requirements, taking into account the specific characteristics of the site and the objectives of the circular economy
- ensure knowledge of waste and construction legislation through requirements

## 6.8. Requirements for demolition work

- demolition work is carried out in accordance with the law and the demolition work guide of the Ministry of the Environment (2019: 29)
- a person in charge and, if necessary, a deputy must be appointed for demolition work
- demolition work must be carried out in accordance with the demolition plan and the recommendations of the contaminant survey
- if it is necessary to deviate from the plans, the changes will be approved by the customer before implementation

- consider whether demolition work will be carried out as sorting demolition, with the different types of waste being separated primarily at the demolition site;
- the contractor must have equipment suitable for sorting
- Consider whether emission standards or other qualitative requirements should be used for equipment
- the equipment must be fit for its intended use and cause the least possible negative impact on the environment
- where possible, harmful substances and materials containing them are removed from the structures before any other demolition work. This is done so that harmful substances do not mix with other demolition materials
- asbestos demolition workers must be registered in the asbestos demolition work register
- Exceptions and changes (eg suspicions of contaminants) are always notified to the client and measures are agreed before the work is resumed.
- pre-dismantling is carried out, if necessary, to increase the recycling rate (manual dismantling where applicable)
- concrete crushing is carried out on site, if necessary (recovery on site or at another concurrent contract)
- a requirement for the unloading plan to describe the sorting debris (may be partly mechanical and partly manual unloading)

## 6.9. Comparison of offers

Points can be awarded based on the following criteria:

- The contractor has a certified quality and environmental system
- what proportion of the equipment, machinery and vehicles used in the demolition work will be renewable or low-emission on the proposed demolition site;
- The contractor may report the carbon footprint of the demolition site or the carbon footprint of virgin raw materials avoided through the recycling of demolition waste.
- the contractor has an online store that allows construction products, materials and furniture to be delivered for reuse or recycling
- the contractor has a verified partner in the tendered project who re-uses demolished construction products from the site
- a plan or procedure for achieving the recycling and recovery targets set by the customer for the re-use of building components, materials and furniture and for the type of demolition waste
- material-specific criteria, eg related to the previous two sections
- the total number of benchmarks is not recommended to exceed three (the more criteria, the more likely they are not to differentiate between bidders as a whole)

- select the benchmarks in such a way that they differentiate between tenderers specifically in terms of the specific characteristics or objectives of the site

## 6.10. Contract and its monitoring

Contractual incentives may include:

- Finding reuse sites for demolition construction products, finding recovery sites for demolition waste and verifying them as required by the contracting entity.
- Achieving the re-use and waste type-specific targets set by the customer for the building components, materials and furniture (the quantities declared by the contractor will be verified by the builder or the builder's consultant).

## 7. Preparation of this guide

During the preparation of this guide, experts in charge of demolition processes in the City of Mikkeli were interviewed:

- contractor Seija Himanen
- construction engineer Miia Havukainen

The guide was developed with the help of iterators, in collaboration with the above-mentioned experts. Other sources of information for the development of the guide were the results of the development of the procurement processes for the demolition of CityLoops demo sites and the comments received from companies during the demo site market dialogue to develop the procurement process and take the circular economy into account in procurement processes. The guide has also been checked by Jarmo Autere, the city's procurement manager. The guide has also been approved for use by the City of Mikkeli's procurement team.

## 8. Additional information

Circular economy of construction in municipalities (RANTA) - final project report:

[https://gnf.fi/wp-content/uploads/2016/04/GNF\\_RANTA-Loppuraportti\\_WEB.pdf](https://gnf.fi/wp-content/uploads/2016/04/GNF_RANTA-Loppuraportti_WEB.pdf)

Quick demolition guide for the tenderer:

<https://www.doria.fi/bitstream/handle/10024/177601/Purkuty%c3%b6n%20pikaopas%20ty%c3%b6n%20tilaajalle.pdf?sequence=1&isAllowed=y>

Circular economy in public demolition projects, Procurement guide:

[https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/161882/YM\\_2019\\_31.pdf?sequence=1&isAllowed=y](https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/161882/YM_2019_31.pdf?sequence=1&isAllowed=y)



CityLoops is an EU-funded project focusing on construction and demolition waste (CDW), including soil, and organic waste (OW), where seven European cities are piloting solutions to be more circular.

Høje-Taastrup and Roskilde (Denmark), Mikkeli (Finland), Apeldoorn (the Netherlands), Bodø (Norway), Porto (Portugal) and Seville (Spain) are the seven cities implementing a series of demonstration actions on CDW and OW, and developing and testing over 30 new tools and processes.

Alongside these, a sector-wide circularity assessment and an urban circularity assessment are to be carried out in each of the cities. The former, to optimise the demonstration activities, whereas the latter to enable cities to effectively integrate circularity into planning and decision making. Another two key aspect of CityLoops are stakeholder engagement and circular procurement.

CityLoops runs from October 2019 until September 2023.



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