



# ***Green public procurement and sustainable development: the case of social welfare centres from the Łódź Province in Poland***

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## **Abstract**

The aim of the article is to discuss the issue of green public procurement in the context of public contract award procedures applied by social welfare centres from the Łódź Province (voivodeship) in Poland. The topic is set against the backdrop of the existing theories of green public procurement, a circular economy and sustainable development. The author applies the case study method, analytical methods, inference-based methods, source document study and literature review.

The author explores the hypothesis that social welfare centres in the Łódź Province are reluctant to apply the green public procurement (GPP) approach or use environmental (GPP) criteria to evaluate tenders submitted by economic operators under the public procurement procedure. The study focuses on notices published by social welfare centres from the Łódź Province in the Public Procurement Bulletin from 1 January 2023 to 30 September 2023.

The examination of 20 contract award procedures revealed that environmental aspects were mentioned in 2 tenders. It is noteworthy that both tenders referred to passenger transport services procured by the same social welfare centre. The results of the analysis corroborate the hypothesis that GPP was used to a limited extent. Therefore, public authorities should undertake measures to promote green public procurement as compatible with the concept of sustainable development.

## **Keywords:**

[Green public procurement \(GPP\)](#), [sustainable development](#), [circular economy](#).

<https://doi.org/10.18778/2300-1690.25.04>

## Introduction

Climate change associated with global warming comes to the fore among numerous present-day challenges in social and economic spheres. Climate change triggered by the development of the economy based primarily on fossil fuels requires rapid and effective mitigation measures undertaken by individual states. Decarbonisation has to be promoted in many areas including the economy. It is also important to reduce the costs of negative changes borne by societies. This requires a number of legal and organisational solutions compatible with the concept of sustainable development. The implementation of environmentally-friendly solutions should be systemic and reflected in respective legislative acts. Legal provisions should define both restrictions and incentives for societies and businesses to take action to limit harmful human impact that aggravates climate change. State authorities and supra-national organisations such as the European Union have been responding to these needs by introducing a number of necessary legal solutions. Their aim is to boost environmentally-friendly changes in public and private sectors. The activities of public authorities limited solely to promoting changes that reduce the harmful impact of humans on the environment will not be effective without appropriate legislation in this area. Legislation should motivate establishments to conduct business and social activities in line with sustainable development goals. Sustainable development is not limited to environmentally-friendly solutions. It is also about societies and their needs. The pursuit of goals and missions by public and business entities should be compliant with the principles of a circular economy. A circular economy is based on a closed-loop system aimed at minimising the use of raw materials and generation of waste, e.g. in a given manufacturing

process. Following the principles of sustainable development therefore requires a new comprehensive approach to the procurement of goods and services.

Public entities should consider energy intensity in their procurement policies, and they should promote suppliers of goods and services that use green technologies in their production process, as part of the product life cycle. This shift towards green public procurement (GPP) can be observed in legislative acts regulating public procurement both at the EU level and in individual EU member states. Aspects of sustainable development were also included in public procurement provisions in Poland in the form of detailed selection criteria pertaining to the evaluation of suppliers of goods and services procured by the public finance sector. Pursuant to the applicable provisions of national and EU laws, public entities, including social welfare facilities, are obliged to apply public procurement procedures when purchasing the necessary goods and services. Environmental aspects are formally listed as one of the evaluation criteria. Therefore, GPP criteria are incorporated in the legal system, as environmental aspects have to be taken into account when the most advantageous tender is selected. In other words, sustainable development principles (including, i.a. a product life cycle) shall be taken into account by public entities under the procurement procedure. In practice, speaking of the sector of public finance in Poland, GPP contributes to the fulfilment of the requirement that suppliers of goods and services shall be evaluated taking into account their environmental impact, among other things. Apart from the procurement of goods and services, this requirement also applies to the selection of building contractors under the procurement procedure. In general, GPP is regulated by the relevant legislative acts that give preference to suppliers of goods and services that follow

the rules of sustainable development and a circular economy in the process of production or providing services. It is assumed that GPP will largely contribute to positive changes as regards the implementation of sustainable development principles in public procurement by public entities in Poland. As indicated by Kozar (2019, p. 93), GPP can be an important incentive that encourages sustainable development among enterprises.

The aim of this article is to explore the issue of GPP using the example of public contract award procedures applied by social welfare centres in the Łódź Province in Poland. Additionally, for the sake of this publication, the adopted hypothesis is that social welfare centres in the Łódź Province are reluctant to employ GPP principles, as indicated by the very few cases of the use of the environmental criterion to evaluate tenders while awarding a public contract.

The case study method, analytical methods, inference-based methods, source document study and literature review were used as research tools. The analysis focused on contract award notices published by social welfare centres from the Łódź Province in the Public Procurement Bulletin from 1 January to 30 September 2023. Public procurement data were obtained from the Electronic Public Procurement Bulletin (e-zamówienia). Social welfare centres were selected to present the issue of public procurement in one of the most important areas of the public sector.

## The fundamentals of the public procurement system in Poland

The public sector in Poland plays a significant role in fulfilling important tasks for the benefit of citizens including the provision of public services. Public services provided by organisational units of central government and self-government authorities, including

social welfare centres, are financed from public funds, i.e. from the state budget or the budget of local self-government units. The scope of tasks of public entities is regulated by the law, including provisions on social welfare services (Social Assistance Act, 2004, Article 15). Public authorities responsible for the implementation of entrusted tasks are assisted by relevant units (such as, e.g., public administration offices, social welfare facilities, etc.). The proper performance of public tasks requires appropriate resources and tools. Each organisation, including public entities providing social assistance to citizens, has to procure goods needed for the efficient operation within the available financial means. This implies the need to make a choice of the most advantageous tender from among the goods or services available on the market. The choice of the most advantageous tender selected by the managerial staff of a public finance unit in a democratic state should be made transparently and in line with principles set out in the law, above all the principle of fair competition (Nowicki, 2017, pp. 116-118). Poland's EU membership implies the obligation to apply relevant public procurement rules which allow businesses to offer supplies, services and works to contracting authorities from the public sector. This requires the development of a uniform system of publishing contract notices by public entities containing information on their procurement needs.

For instance, employees of social welfare facilities, in addition to procuring goods needed to perform their day-to-day duties, make a number of purchases of necessary equipment or supplies to satisfy both the needs of the institution and beneficiaries. It is noteworthy that social welfare centres perform a variety of tasks that may require specialised equipment (e.g. rehabilitation equipment) indispensable to provide clients with the public services they need (Mlynski,

2021, pp. 94-100). Public entities also need to renovate their facilities and make new investments that enhance performance of a given facility or improve its accessibility (e.g. due to the removal of architectural barriers). Thus, public entities follow free market rules and select the best possible suppliers of goods and services within their budget. Given the wide range of economic operators available in a given sector and the need for the rational use of public funds, appropriate legal tools have to be applied by the public sector to select suppliers of goods, services and works. It should also be taken into account that public entities, unlike businesses, have to observe a number of guidelines and legal regulations that restrict their freedom of choice. They result from EU public procurement rules. According to these rules, all potential contractors who can offer supplies or services to a public organisation shall be ensured equal access to public funds. The rationale behind this is that entrepreneurs should have equal access to contracts for the provision of goods or services. Equal access is ensured, among other things, by the publication of contract notices by public entities seeking suppliers of goods, services or works in publicly available bulletins. In other words, public procurement is a regulated process by which public authorities purchase goods, services or works from companies. The public procurement system should allow entrepreneurs to compete freely for contracts awarded by public entities and financed from the state or local budgets (Szydłowski, 2022, pp. 129-131).

Poland's obligation to establish the public procurement system stems directly from EU legislative acts. The key legal provision in this respect is 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. Additionally, public procurement rules are laid down in 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 and Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts.

Pursuant to Directive 2014/24/EU of the European Parliament and of the Council, public authorities in EU member states are obliged to purchase goods, services and works under formalised public procurement rules. The award of public contracts by EU member states' authorities has to comply with the principles of the Treaty on the Functioning of the European Union (TFEU, 2012). The principles that have to be observed in the public procurement system include the free movement of goods, freedom of establishment, freedom to provide services, principle of equal treatment and non-discrimination, the principle of mutual recognition, principle of proportionality and principle of transparency. The adoption of harmonised principles of public procurement throughout the entire European Union is intended to create a level playing field for all businesses across Europe. The directive also specifies that public procurement covers works, supplies and services (Directive 2014/24/EU, p. 65). National public procurement provisions in Poland are based on EU legislative acts.

Poland started working on its public procurement system in the 1990s in order to regulate economic relations between the public and private sector, among other things. Poland's EU accession required full harmonisation in the field of public procurement laws. The obligation to reform the public procurement system in Poland led to the enactment of a new procurement law. The provisions of the 2019 Public Procurement Law are still binding in Poland. The law lists public entities obliged to apply the provisions of this act as well as

stages of contract award procedures. The aforementioned law also defines the types of award procedures, rules and requirements pertaining to the conclusion of contracts by public entities after a given contract award procedure, legal remedies, the system of supervision and checks, authorised public bodies involved in the process and many other detailed regulations in this area (Nowak & Winiarz, 2021, pp. 30-33). As laid down in Article 2, the 2019 Public Procurement Law (PPL) must be applied, inter alia, in the case of

- ▶ regular contracts awarded by public contracting authorities whose value is equal to or exceeds PLN 130,000 net,
- ▶ utilities contracts awarded by contracting authorities in the utilities sector whose value is equal to or exceeds the EU thresholds (as defined in Article 3(1) of the PPL),
- ▶ defence and security contracts awarded by contracting authorities representing public and utilities sectors whose value is equal to or exceeds the EU thresholds (as defined in Article 3(1) of the PPL),
- ▶ regular contracts awarded by contracting authorities subsidised under the conditions specified by the detailed provisions of the PPL whose value is equal to or exceeds the EU thresholds (as defined in Article 3(1) of the PPL).

According to the legal provisions on public procurement, the purpose of public spending has to be defined together with state's economic development strategies. The development assumptions adopted in Poland in line with public procurement rules are set out in the strategic document, namely the State Purchasing Policy (Resolution of the Council of Ministers No. 6, 2022). The development and implementation of the state purchasing policy is directly stipulated in Article 21(4) of the 2019 PPL. It is specified that the state purchasing policy shall define priorities in the

area of public procurement and will promote procurement of innovative and sustainable goods and services by contracting authorities (PPL, Article 21(4)). Thus, public entities shall take into account the criteria of innovation and sustainability of potential suppliers of services, goods or works when selecting the most advantageous tender under the public procurement procedure. Public procurement is an extremely important sector of the Polish economy, as exemplified by the value of awarded contracts. The data are published in annual reports on the performance of public contracts. According to the 2022 Report of the President of the Public Procurement Office on the performance of the public procurement system in Poland (Report of the President of the Public Procurement Office, 2022, p. 6):

- ▶ The total value of public contracts awarded by contracting authorities (in accordance with the provisions of the PPL) amounted to PLN 274.8 bn in 2022, as compared to the total of PLN 184.6 bn in 2021. This value accounted for 8.93% of gross domestic product (GDP), with GDP estimated by the Central Statistical Office at PLN 3,078.3 bn.
- ▶ The total number of public contracts awarded in 2022 amounted to 143,891, as compared to 129,662 contracts awarded in 2021.
- ▶ The estimated total value of the public procurement market in Poland in 2022 was circa PLN 698.3 bn, while in 2021 it was circa PLN 297.8 bn.
- ▶ More than 90% of public contracts whose value did not exceed the EU thresholds (euro equivalents) were awarded under the basic procurement procedure. Single-source procurement was applied in about 10% of cases. Speaking of contracts whose values were equal to or greater than the EU thresholds, open tender was used in a total of 88% of cases whereas a single-source

procurement procedure was applied in 10% of cases.

- ▶ Of the total number of public contracts awarded in 2022, works accounted for a total of 34% (compared to 39% in 2021), supplies accounted for 37% (31% in 2021) and services accounted for a total of 29% (30% in 2021) of the value of contracts awarded.
- ▶ Contracting authorities published a total of 152,786 contract and contest notices in the Public Procurement Bulletin in 2022 (versus 150,587 in 2021) and a total of 143,568 award notices, notifications about the outcome of a procedure or the result of design contests in 2022 (versus 130,526 in 2021).
- ▶ Polish contracting authorities published a total of 31,511 contract and contest notices in the Official Journal of the European Union (versus 23,713 in 2021), which accounted for approximately 12% of all contract notices at the EU level. In addition, 37,664 contract award and contest result notices were published, compared to 30,578 such notices published in 2021.
- ▶ According to the data published in the Official Journal of the European Union, in 2022, approximately 98% of public procurement contracts in Poland were awarded to Polish companies (as compared to 97% in 2021) whereas 114 public contracts (versus 123 contracts in 2021) meant to be executed abroad were awarded to Polish economic operators.
- ▶ The average duration of an award procedure with a contract value below the EU thresholds was 40 days (as compared to 39 days in 2021). An average procedure with a contract value equal to or greater than the EU thresholds took an average of 92 days, as compared to 99 days in 2021.
- ▶ In the case of contracts with a value below the European Union thresholds, the average number of tenders submitted in 2022 was 2.43 (as compared to 2.59 in 2021). In

the case of contracts with a value equal to or greater than the European Union thresholds, the average number of tenders submitted in a given procurement procedure in 2022 was 2.18, as compared to an average of 2.25 tenders in 2021.

- ▶ Approximately 38% (versus 35% in 2021) of initiated procedures with contract values equal to or greater than the EU thresholds and 20% (versus 17% in 2021) of procedures with contract values below the EU thresholds indicated price as the only selection criterion (Report of the President of the Public Procurement Office, 2022, p. 6).

The above data from the Report of the President of the Public Procurement Office confirm the significant contribution of public procurement to the economic growth and rational management of public funds. The growing number of contract award procedures, both in terms of their value and number, testifies to their importance for the activities of public and private entities. The public procurement system in Poland enables businesses to access public funds and meet purchasing needs of public administration and other public entities. It also contributes to better management of public funds, as the criteria adopted for the evaluation of a given tender require the public entity to apply a procedural approach in accordance with the applicable legal provisions. In a nutshell, the public procurement system is a process of deal-making between public and commercial entities that regulates the provision of supplies and services (Kowalczyk, 2021, pp.11-14).

Under the 2019 PPL, the award of a public contract is a highly formalised process that involves a predefined sequence of many steps, starting with the preparation of a procurement procedure and followed by a contract notice published by a public entity, the evaluation of tenders submitted by potential contractors,

the selection of the most advantageous tender and the award of a contract to the selected economic operator. The procedure also envisages the right of a potential contractor to appeal against the choice of the most advantageous tender, which in practice may significantly prolong the procedure. The conclusion of a contract by the management of a public entity does not in practice end the process, as contract performance is a key element of the process. The proper implementation of the awarded contract by the economic operator is supervised by public managers who ensure that public funds are spent in a right and proper way (Szydłowski, 2022, pp. 132-134).

A successful public contract award procedure requires proper preparation by a contracting authority (e.g. a social welfare facility). It is crucial to define the subject-matter of the contract and its key characteristics, prepare documentation (specification of contract terms and conditions, notices, description of the subject-matter of the contract) and conduct market research. Market research is indispensable to determine the value of the subject-matter of the contract. Moreover, social, environmental and other aspects listed in the legislation have to be considered. In addition, it is crucial to determine the criteria for the evaluation of tenders which should include other parameters apart from price, such as the availability of warranty and non-warranty service. Faults at the preparation stage make it difficult to select the most advantageous tender and may result in cancellation of the entire procurement procedure. This gains special importance in the case of investments financed from EU funds when a given project has to be completed within the agreed timeline. Otherwise the granted funds have to be reimbursed (Chwiłkowska, 2020, pp. 51-53).

A public procurement system is an important leverage used by the state to boost the economy, as purchases by public entities from

businesses allow both contracting parties to multiply their potential. Well-organised public procurement procedures reduce public spending while ensuring high quality of provided goods, services and works. The growing value of awarded contracts indicates that their role in the economy will become more important in the years to come. Public procurement is going to contribute to better management of public funds while ensuring timely contract execution and top quality of goods, services or works. In addition, the growing importance of environmental, social and innovation factors in the evaluation of individual tenders should contribute to better use of available resources by businesses.

## Green public procurement and sustainable development

Rapid global economic development in the second half of the 20th century generated numerous negative environmental impacts. Depletion of natural resources and environmental degradation as a result of uncontrolled industrial development based on fossil fuels caused significant problems, including global warming. Sustainable development is a concept that takes into account interactions between economic, social and environmental systems (Augustyn, pp. 21-23). Sustainable development is primarily about the need to mitigate human-induced adverse consequences for the surrounding environment through rational management of available resources. We must spare no effort to curb our negative impact on the environment and human beings when using natural resources (Sachs, 2015, p. 8). The concept of sustainable development is best expressed in these three words: the planet, people and gain (Latoszek, 2016, p. 25). The definition of sustainable development was provided in the 1987 Report of the World Commission on Environment

and Development (widely known as the Brundtland Report) produced by the United Nations. The concept of sustainable development defined therein explicitly underlined the need to assess the impact of economic development on the environment and people. Thus, economic development must not be detrimental to the environment and people (Report, 1987). Reports by a number of international organisations clearly indicate that human activity is causing harm to the climate and life on earth. Furthermore, it is of key importance to continue decarbonisation in every area of human activity (Climate Change, 2015). Individual countries must make their citizens and businesses aware of the need for large-scale implementation of measures to reduce the negative environmental impact. This applies in practice to every area of the economic and human activity (Hess, 2013). The 2030 Agenda calls on all countries to take urgent action to combat climate change.

Individual states and international organisations have taken a number of measures to tackle human-induced environmental changes. Solutions include responsible consumption, environmental aspects used as criteria in the purchasing policies of public authorities or assessment of human impact on the surrounding environment as a result of manufacturing process. The concept of a circular or closed-loop economy tackles challenges such as climate change and its negative consequences. This approach implies that goods or the resulting waste can be reused in order to reduce the consumption of raw materials and energy required to produce new goods (Montag, 2023, pp. 1-3). In practice, the concept of a circular economy is used in green public procurement (GPP) to encourage awarding contracts to sustainable suppliers (Kania, 2021, pp. 275-278). GPP represents an approach whereby public entities procure goods, services and works from suppliers that incorporate principles

of sustainable development and a circular economy in their operations. As part of GPP, public entities apply selection criteria that favour suppliers of goods and services from among economic operators that undertake measures to reduce the environmental impact of their operations at each stage of the product life cycle (Mélou, 2020, pp. 2-16). In line with the principles of a circular economy, GPP abandons the linear use of natural resources due to their shortage. According to the new approach, raw materials should be reused multiple times in order to reduce waste whose storage is costly and harmful to the environment. The concept of a closed-loop system encourages the choice of the raw materials and production methods that enable the reuse of second-hand products to reduce waste (Rozwadowska, 2020, pp. 66-67). Waste, and especially waste produced as a result of complex manufacturing processes may pollute soil around the landfill sites (e.g. pose a risk of groundwater contamination). An effective and efficient circular economy that reduces waste and maximises the reuse of items considered to be useless waste tackles the above problems (Michalak et al, 2020, pp. 59-63). Such an approach requires a number of legal and systemic solutions, procedures and advanced technologies to reprocess waste. Relevant initiatives are undertaken by many countries, international organisations and supra-national organisations such as the European Union. The relevant provisions implementing principles of a circular economy and green public procurement in the European Union are laid down in 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 (Caranta, 2023, pp. 43-51).

Directive 2014/24/EU refers to GPP i.e. environmental aspects in the following areas:

- ▶ The technical specifications as defined in Article 42(1) of Directive 2014/24/EU shall lay down the characteristics required of a works, service or supply. Those characteristics may also refer to the specific process or method of production or provision of the requested works, supplies or services or to a specific process for another stage of its life cycle. These characteristics should be in line with the concept of sustainable development and environmental protection goals (Directive 2014/24/EU, Article 42(1)). The detailed guidelines as to the formulation of the technical specifications with reference to technical rules as well as functional and other requirements are listed in Article 42(3) of Directive 2014/24/EU (Directive 2014/24/EU, Article 42(3)).
- ▶ The contract award criteria are set out in Article 67(1) of Directive 2014/24/EU which stipulates that contracting authorities shall base the award of public contracts on the most economically advantageous tender. However, environmental aspects shall also be taken into account, including the cost of energy that, for example, does not come from renewable sources. The most economically advantageous tender shall be identified on the basis of price or cost, using a cost-effectiveness approach such as life-cycle costing of the product concerned (Directive 2014/24/EU, 2014, Article 67(1)).

The environmental criteria for the evaluation of tenders listed in Article 67(2) of Directive 2014/24/EU include quality, functional characteristics, environmental and innovative characteristics, qualification and experience of the staff performing the contract as well as delivery conditions (Directive 2014/24/EU, 2014, Article 67(2)).

Life-cycle costing is detailed in Article 68 of Directive 2014/24/EU. It covers all or parts of

the following costs borne over the life cycle of a product, service or works:

- ▶ costs relating to acquisition,
- ▶ costs of use, such as consumption of energy and other resources required for the performance of the public contract in question,
- ▶ maintenance costs,
- ▶ end of life costs, such as collection and recycling costs (Directive 2014/24/EU, 2014, Article 68).

As part of life-cycle costing, public entities should also take into account costs imputed to environmental externalities linked to the product, service or works during its life cycle. Such an analysis is performed whenever their monetary value can be determined. Such costs should also include the cost of emissions of greenhouse gases and of other pollutant emissions and other climate change mitigation costs (Directive 2014/24/EU, 2014, Article 68).

Pursuant to Article 70 of Directive 2014/24/EU, contracting authorities may lay down special environmental conditions relating to the performance of a contract, provided that they are linked to the subject-matter of the contract in question (Directive 2014/24/EU, Article 70). In addition, according to Article 43(1) of Directive 2014/24/EU, contracting authorities which intend to purchase works, supplies or services with specific environmental characteristics may, in the technical specifications, the award criteria or the contract performance conditions, require a specific label as means of proof that the works, services or supplies correspond to the required characteristics (Directive 2014/24/EU, 2014, Article 43(1)). Special labels may contain relevant information pursuant to European Union and national legal provisions. This information indicates that the good or service in question comply with specific environmental requirements or special standards. Polish public procurement

law has regulated this issue in Article 104 of the PPL (Etykiety ekologiczne [Eco-labels], 2022, p. 3).

Environmental issues play a decisive role in GPP in the European Union, as, according to Article 57(4) of Directive 2014/24/EU, the contracting authorities may exclude an economic operator from participation in a procurement procedure on grounds of non-compliance with the relevant criteria or provisions pertaining to environmental protection. These exclusion grounds emphasise the role and importance of environmental aspects in EU legislation (Directive 2014/24/EU, Article 57(4)).

Poland, as an EU member state, cites environmental aspects in its legislation in line with the concept of green public procurement. As stipulated in Article 17(1) para. 2 of the PPL, contracting authorities shall award contracts in a manner ensuring the best results of the contract including environmental effects (Public Procurement Law, 2019, Art. 17(1)(2)). Environmental aspects of a contract shall be taken into account by the contracting authority while analysing the needs and requirements prior to the launching of the procurement procedure (Public Procurement Law, 2019, Article 83). Environmental aspects shall also be included in the description of the subject-matter of the contract, i.e. at the stage of determining the characteristics of the required good, service or works (Procurement Law, 2019, Article 101(1)). Thus, for instance, when describing the subject-matter of the contract under the public procurement procedure the managerial staff of a social welfare centre that is purchasing equipment shall specify the necessary environmental aspects of this equipment, e.g. the possibility of reusing the good in question in line with the concept of a circular economy. According to the relevant provisions, the economic operator that has breached environmental obligations may be excluded from the procurement procedure.

This underlines the importance of environmental aspects in public procurement in Poland (Public Procurement Law, 2019, Article 109(1)). Under the Polish public procurement law, detailed requirements concerning the environmental impact of a given product or company can be used to define contract award criteria. This may, of course, take different forms, including life-cycle costing (Public Procurement Law, 2019, Articles 239 and 245). The non-compliance with environmental obligations may result in an abnormally low tender which will constitute the ground for its rejection whenever the price of the good or service is much lower than contract performance costs. Such a situation may occur when a potential supplier of equipment has quoted an abnormally low price compared to production costs which may be much higher due to rising energy costs or environmental damage (e.g. in the case of a company using manufacturing technologies harmful to the environment). In such a case, the economic operator participating in a procurement procedure is obliged to provide detailed explanations and calculations of the costs taking into account the company's environmental impact (Public Procurement Law, 2019, Article 224).

Pursuant to Article 96 of the PPL, the contracting authority may specify in the contract notice or procurement documents requirements as to the specific form or mode of contract award procedure. These requirements may include certain environmental management measures. Thus, contracting authorities are free to use environmental aspects when defining selection criteria (Public Procurement Law, 2019, Article 96).

In line with Polish public procurement requirements, contracting authorities may include in their technical specifications the requirement to apply eco-labels by economic operators, in accordance with the EU laws. Such labels facilitate identification of

environmentally-friendly goods or services. The eco-label requirements should be in line with the relevant legislative acts and technical specifications set out in the procurement documents (Public Procurement Law, 2019, Article 104).

Life-cycle costing (LCC) is applied in GPP in Poland. The LCC approach is very complicated due to the need to analyse large amounts of data. The calculation of life-cycle costs covers all costs starting with the acquisition of raw materials to the recycling or disposal phase (Bogusz, 2022, pp. 3-5). Economic changes and the obligation to adapt to sustainable development principles will make the circular economy system and green public procurement a standard approach in the public sector in Poland.

GPP is so far not mandatory in Poland under the existing legislation which specifies that contracting authorities should or may apply environmental selection criteria, depending on the needs and circumstances. Therefore, the use of environmental clauses in public procurement in Poland is not yet widespread. This is confirmed by the data presented in the 2022 Report of the President of the Public Procurement Office. It is reported that in 2022, 609 contracting authorities awarded a total of 3,322 contracts taking into account environmental aspects. According to the report, this is an increase of the number of GPP contracts by 1,384. The share of GPP contracts constituted only 2% in 2022, while their value accounted for 6% of the total value of public contracts awarded in 2022 (Report of the President of the Public Procurement Office, 2022, p. 51).

The above data indicate that GPP in Poland constitutes an insignificant share of the total number of procurement procedures conducted by contracting authorities. Still, the need to use GPP in Poland has been recognised by central government authorities, as demonstrated by the State Purchasing Policy. This

document emphasises the need for a wider use of sustainable public procurement which takes into account environmental aspects (State Purchasing Policy, 2022, pp. 27-28). Hopefully, GPP will be a standard approach in public procurement in Poland. This should apply to all areas of the activities of public administration, social welfare centres and other entities obliged to procure goods through public procurement.

### **Green public procurement in social welfare facilities in the Łódź Province**

The study of the practical implementation of GPP by a given category of public entities required examination of the requirements and criteria set by a given contracting authority. In order to explore the hypothesis that social welfare centres in the Łódź Province apply the GPP system to a small extent, an assessment of the use of environmental criteria in the process of awarding public contracts was conducted. For this purpose, contract award notices published by social welfare centres from the Łódź Province in the Public Procurement Bulletin were analysed. Social welfare centres were selected due to the significant role they play as part of the social welfare system in Poland. In addition, they perform multiple tasks, which is reflected in the purchases made and public contracts awarded. For the purpose of this analysis, the time frame covers the period from 1 January to 30 September 2023. The selected time frame covers the period when environmental criteria set out in the binding 2019 Public Procurement Law were already harmonised. A total of 20 award procedures were studied. The compilation of the results of the analysis of the environmental criteria applied in public procurement procedures is presented in Table 1.

**Table 1.** Results of the analysis of the environmental aspects mentioned in contract award notices published by social welfare centres from the Łódź Province from 1 January 2023 to 30 September 2023.

Source: Own compilation based on contract award notices published in the Public Procurement Bulletin - <https://ezamowienia.gov.pl/mo-client-board/bzp/list>.

No.	Name of public contract to be awarded	Name of the contracting authority	Did the social welfare centre in question include environmental aspects or eco-labels in the description of the subject-matter of the public contract (Yes - 1, No - 0)	Did the social welfare centre in question list environmental aspects, eco-labels or life-cycle costing as a contract award criterion (Yes - 1, No - 0)	Did the social welfare centre in question mention environmental aspects or eco-labels with reference to contract performance in the draft contract (Yes - 1, No - 0)
1	Procurement of a brand new passenger vehicle (minibus), 9 seats, to transport persons with disabilities representing the Community Self-help Centre for People with Special Needs in Radomsko.	City Social Welfare Centre in Radomsko	0	0	0
2	Passenger transport services for the members of the seniors' club	Social Welfare Centre of the Town and Municipality of Zelów	0	0	0
3	Catering services including delivery of sandwiches, sweet rolls, beverages and fruit for a group of up to 15 people at the community centre.	Municipal Social Welfare Centre in Dłutów	0	0	0
4	Passenger transport services for members of the Club of People with Special Needs and the community centre.	Municipal Social Welfare Centre in Dłutów	1	1	1
5	Catering services including delivery of sandwiches, sweet rolls, beverages and fruit for a group of up to 15 people at the community centre.	Municipal Social Welfare Centre in Dłutów	0	0	0
6	Food service i.e. cooking and serving food at Daytime Care Centres and Assisted Living Facilities from 10.07.2023 to 29.12.2023.	City Social Welfare Centre in Tomaszów Mazowiecki	0	0	0
7	Hot meals, serving or delivering hot meals to the clients of the City Social Welfare Centre in Tomaszów Mazowiecki from 03.07.2023 to 29.12.2023.	City Social Welfare Centre in Tomaszów Mazowiecki	0	0	0
8	24-hour shelter for homeless people, both women and men, from the city and municipality of Opoczno.	Social Welfare Centre of the Town and Municipality of Opoczno	0	0	0
9	Social services including custodial care and skilled care for people with mental disorders provided to the beneficiaries of the City Social Welfare Centre in Brzeziny.	City Social Welfare Centre in Brzeziny	0	0	0
10	Catering services including delivery of sandwiches, sweet rolls, beverages and fruit for a group of up to 15 people at the community centre.	Municipal Social Welfare Centre in Dłutów	0	0	0
11	Passenger transport services for members of the Club of People with Special Needs and the community centre.	Municipal Social Welfare Centre in Dłutów	1	1	1
12	Cooking and delivery of lunch boxes for the clients of the City Social Welfare Centre from July to December 2023.	City Social Welfare Centre in Bełchatów	0	0	0
13	Meal vouchers and gift certificates for the clients of the City Social Welfare Centre between July and December 2023.	City Social Welfare Centre in Bełchatów	0	0	0
14	Cooking and serving hot meals to the beneficiaries of the Social Welfare Centre of the Town and Municipality of Opoczno.	Social Welfare Centre of the Town and Municipality of Opoczno	0	0	0
15	24-hour shelter for homeless people, both women and men, from the city and municipality of Opoczno.	Social Welfare Centre of the Town and Municipality of Opoczno	0	0	0
16	Custodial care provided to the clients of the Municipal Social Welfare Centre from the municipality of Rawa Mazowiecka.	Municipal Social Welfare Centre in Rawa Mazowiecka	0	0	0
17	Respite care services provided in 2023.	City Social Welfare Centre in Bełchatów	0	0	0
18	Provision of domestic and international postal services for the City Social Welfare Centre in Zgierz.	Blessed Rafał Chyliński City Social Welfare Centre in Zgierz	0	0	0
19	Supply and redemption of vouchers or gift certificates covering food, household chemicals and goods for the clients of the City Social Welfare Centre in Zgierz, 56 Długa St.	Blessed Rafał Chyliński City Social Welfare Centre in Zgierz	0	0	0
20	Supply and redemption of vouchers or gift certificates covering food, household chemicals and goods for the clients of the City Social Welfare Centre in Zgierz, 56 Długa St.	Blessed Rafał Chyliński City Social Welfare Centre in Zgierz	0	0	0

The above compilation of public contract award procedures in Table 1 shows that only 2 out of 20 contract award notices mentioned GPP criteria, which accounts for 10% of the sample. Of the 20 notices studied, environmental aspects were mentioned in 2 award notices published by the Municipal Social Welfare Centre in Dłutów. The subject-matter of these contracts was described as passenger transport services for members of the Club of People with Special Needs and the community centre. The detailed analysis of the notice published by the Municipal Social Welfare Centre in Dłutów on 9 June 2023 revealed that the contracting authority listed obligatory environmental aspects. Moreover, it indicated the requirement to apply a specific environmental label, in accordance with Article 104 of the 2019 Public Procurement Law (Public Procurement Law, 2019, Article 104). The subsequent notice concerning the same services was published by the Municipal Social Welfare Centre in Dłutów on 29 June 2023. It no longer included the requirement for potential contractors of the transport services to apply the eco-label in accordance with the PPL. However, the environmental criterion was mentioned in the notice.

The remaining notices under study did not contain environmental criteria. Perhaps contracting authorities could not apply them in every case due to the specificity or complexity of services. A number of tasks carried out by welfare centres, due to their nature, make it difficult to apply GPP clauses. Still, the use of GPP might be limited due to the insufficient awareness of its importance as well as complexity of the relevant principles and rules. In order to promote GPP, the managerial staff of social welfare centres should train welfare centre employees in charge of public procurement and raise awareness of the importance of GPP. This would result in more effective implementation of GPP.

## Conclusions

Green public procurement is a relatively new topic. It is gaining importance as individual countries are pursuing sustainable development goals. Public entities should use environmental impact as a contract award criterion more often when selecting the most advantageous tender. The study of the contract notices published by social welfare centres revealed that in practice GPP criteria were rarely used by them. Only one social welfare centre took into account environmental aspects in its evaluation of tenders under the procurement procedure. In total, out of 20 contract award procedures examined, the environmental criterion was used in as few as 2 cases. The results of the analysis corroborate the hypothesis that GPP is applied to a limited extent. In addition, the data contained in the 2022 reports of the President of the Public Procurement Office show that GPP accounts in total for only 2% all public contracts awarded in Poland. This demonstrates the need to raise awareness among public managers in this respect and the need to promote GPP in the Polish public sector. In addition, awareness-raising initiatives must also be targeted at entrepreneurs who are key participants in the public procurement process. It is noteworthy that, formally speaking, environmental criteria in public procurement are not mandatory in Poland. The regulations in force only recommend and suggest the use of GPP criteria as contract award criteria in public procurement procedures. Ideally, the public procurement system should incorporate concepts of a circular economy and sustainable development. Such an approach is essential in order to more effectively combat climate change. GPP can play a decisive role when environmental criteria are properly applied and popularised in the public sector and among businesses.

To conclude, the issue under discussion is relatively new and requires further in-depth research. It can also include the analysis of public contract award procedures in other EU member states. The results presented in this article can be of practical use for the public sector. They can also encourage other researchers to continue studies in this area. 📖

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