



ACTIONS TO SECURE SUSTAINABILITY IN PUBLIC PROCUREMENT

Case study of Municipality X's sustainability actions in procurement

Lappeenranta–Lahti University of Technology LUT

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Examiner(s): Postdoc Elina Karttunen

ABSTRACT

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Actions to secure sustainability in public procurement: Case study of Municipality X's sustainability actions in procurement

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This bachelor's thesis discusses the actions, which secure sustainability in public procurement. The focus of the thesis is to define the sustainability in public procurement and the actions that are taken in order to secure the sustainability in the entire process of the procurement, as well as offer few possible additions to this set of actions. The research questions are based on these aims. The thesis is based on a case municipality, Municipality X, which will remain anonymous throughout the thesis. Research is conducted as a qualitative research, primary carried out as interviews and qualitative content analysis. Secondary data is the municipality's websites and their released data.

The research showed that Municipality X has a broad selection of sustainability actions, and its employees are optimistic about achieving the goals set for sustainability in the future. Most important actions included usage of organic, local and Fairtrade products in the kitchens of the municipality and energy efficiency goals in the public buildings of the municipality. Possible additions to the actions included for example taking small producers into account in the tendering process. In the thesis, the conclusions were that Municipality X is on the right track with their sustainability work, and the sustainability is well presented in the procurement of the municipality. The need for sustainability is strong and public organisations need to do their part.

TIIVISTELMÄ

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Tämä kandidaatintutkielma tutkii toimia, joilla varmistetaan vastuullisuus julkisessa hankinnassa. Tutkimuksen tarkoituksena on määritellä vastuullisuus julkisessa hankinnassa ja toimet, joita tehdään tämän vastuullisuuden varmistamiseksi koko hankintaprosessin aikana, ja tarjota myös muutama mahdollinen lisätoimi vastuullisuuden lisäämiseksi. Tutkimuskysymykset on rakennettu tämän tavoitteen pohjalle. Tutkimus pohjautuu case-kuntaan, Kunta X:ään, joka pysyy anonyymina koko tutkimuksen ajan. Tutkimus on toteutettu laadullisena tutkimuksena, päätutkimusaineistona on haastattelut, jotka tutkitaan laatuanalyysillä. Toissijainen lähde on kunnan nettisivut ja kunnan julkaisema data.

Tutkimuksessa ilmeni, että Kunta X:llä on laaja valikoima erilaisia vastuullisuustoimia ja sen työntekijät ovat optimistisia kunnan asettamien vastuullisuustavoitteiden saavuttamisesta. Tärkeimpiin toimiin kuului esimerkiksi luomu-, lähi- ja Reilun kaupan tuotteiden käyttö kunnan keittiöissä ja energiatehokkuus kunnan julkisissa kiinteistöissä. Mahdollisiin lisätoimiin kuului esimerkiksi pienten tuottajien huomioiminen kilpailutuksessa paremmin. Tutkielman lopputulema oli, että Kunta X on oikealla suunnalla vastuullisuustyönsä kanssa ja vastuullisuus on hyvin mukana kunnan koko hankintaprosessissa. Tarve vastuullisuudelle on voimakas, ja julkisten organisaatioiden täytyy tehdä osansa.

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1. Introduction

Sustainability is a relatively new topic in the history of mankind. Before the end of 1970s it was not often mentioned or written about (Caradonna 2014, p. 2). However, the meaning of the term has grown significantly and nowadays, it is almost impossible to not know about sustainability and its significance. Most of us hear the term every day in some context, either in news, television or in marketing. There are more greenhouse gases in the atmosphere than there has been in the last two million years and the previous decade was the warmest decade to be recorded. In the time of rising temperatures, melting glaciers and forest fires, people are on the edge of a fall and desperate to fix the situation. (UN 2021)

The public procurement in Finland is worth 34 billion Euros yearly, about one fifth of the entire GDP (Eskola et al. 2017, p. 19). It is fair to say that public procurement holds quite a power and can affect many things, financially, employment-wise, and nature-wise. In this bachelor's thesis, I will be studying the public procurement of a certain Finnish municipality and its sustainability. In Finland, every municipality is obligated to tender every purchase, if its value surpasses given threshold. Finland has its own thresholds, but European Union has own thresholds as well, and if the value surpasses the EU directives, the purchase might need to be tendered European Union wide, not just nationwide. (Gelderman et al. 2006 & Kuusniemi-Laine & Takala 2008)

In this thesis, the goals are to explore the public procurement and define the actions that secure sustainability in the process of public procurement. In today's world, actions to secure healthy and wealthy life for the future generations are needed on every continent and in every organisation. Efficient and sustainable public procurement can make a significant difference and it has already made a difference; for example, in France, the Ministry of Education decided to purchase remanufactured ink cartridges instead of the brand-new cartridges and managed to decrease the quantity of waste that was created in at the manufacturing of the related products. When the city of Ferrara, Italy, switched to organic food in its school cafeterias, it had positive effect on the environment throughout the entire life cycle of the

products. (UNEP 2012) The effect of public procurement on sustainability has a solid foundation and has been proven in the history, as shown in the examples mentioned before.

There have been relatively little scientific studies on Finnish municipalities and their sustainability, which is why this study is needed. Even though there are quite little peer reviewed articles, Mickwitz et al. (2011) reviewed sustainability through Finnish ideas, and for example found that relationship between the municipality's size and its sustainability actions is not easy to explain. They discuss policy efforts related to sustainability of the municipalities as well. Sustainable choices need to be made everywhere around the globe and as said before, public procurement certainly has the chance to affect things. This thesis can provide ideas for the future development of more sustainable public procurement, especially in Finnish municipalities.

1.1 Research Problems and Objectives

The subject of this study is to define the sustainability in public procurement and the actions, that are taken in order to secure the sustainability in the entire process of the procurement. The sustainable public procurement process is often complex and requires a fair number of actions to be secured. In this thesis, these actions are examined, and ideas are given to further develop the actions. Additionally, the thesis looks at how sustainability is presented in procurement process. The object is to create a good general view of the sustainability, public procurement and these two subjects together in the case municipality. The selected research questions support this goal. The main research question is following:

Q₁: What actions are taken to secure the sustainability in the procurement?

The main question is created to get a good overview of the taken actions, as well as the effect of the said actions. To support the main question, there are sub-questions, that strive for getting broader picture and deepen the approach this thesis has for the subject. These sub-questions are following:

Q₂: How is sustainability presented in the procurement?

Q₃: What additional actions could be taken in the future to make the procurement more sustainable?

These questions are related to the case municipality, but the answers can help other municipalities to develop their process of sustainable public procurement. One of the objects of this study is to give future practical ideas that can help other municipalities and public procurement as well, in addition to the case municipality.

1.2 Research Limitations

This research has certain limitations and is altogether a limited view of the issue. This research will discuss the sustainability work of a chosen municipality, which naturally does not apply to every municipality in Finland. The chosen municipality is a relatively small city in Finland, with 5000-15000 inhabitants. It is in an urban area. The municipality employs 2000-3000 persons. (Tilastokeskus 2021)

The research describes the taken actions to secure sustainability in the present moment of time, so it cannot consider the possible changes made in future. This study is strictly limited to sustainability and actions of the case municipality in Autumn of 2021. Another limitation of this study is the limited length of bachelor's thesis.

As this study is a qualitative research, and built around interviews, it is important to become aware of the fact, that the interviewees represent their own opinions and can only tell the facts they are aware of and remember. There are 3 individuals interviewed altogether, and they can only speak about the procurement they are involved with, so there are limitations related to the interview answers as well.

1.3 Research Structure & Key Concepts

This research is constructed from the introduction, which introduces the subject of this thesis, limitations, structure, and key concepts of the study, as well as the theoretical framework. The introduction is followed by the theoretical part, which introduces the chosen and used theories of this thesis, as well as reviews previous literature of the topics of both sustainability and public procurement. The fourth chapter explains the research methodology and used methods. The research material is introduced, and initial analysis of the results is included in this section. Fifth chapter discusses the results in-depth and presents the answers to the research questions, as well as the conclusions, where the entire thesis is concluded, and the final reflections of the thesis are made.

There are a few key concepts that will be presented shortly next. These concepts will be discussed in more detail in the later chapters, but the following part is an initial presentation.

Public Procurement: Public Procurement is defined as “the acquisition of goods and services by public entities” by Rainville (2017). This means that everything, that public organisations purchase, are included in Public Procurement.

Sustainable Public Procurement: Sustainable Public Procurement (SPP) is public procurement, which observes all the different dimensions of sustainability and strives to be sustainable in all these dimensions.

Green Public Procurement: Term closely related to SPP, however focusing more on environmental aspect of sustainability. Main idea is to use products, that have reduced environmental impact throughout their life cycle.

Triple Bottom Line-model: Sustainability framework, first presented by John Elkington in 1997. Consists of the three dimensions of sustainability; economic, environmental and social. Elkington argued that organisation can only be sustainable if it observes all of these dimensions and takes notice on all of them.

Tendering process: Process determined by law, that all public purchases that pass the set threshold values, must be tendered. Both Finland and European Union have set their own threshold values, meaning that if the purchase value passes the Finnish threshold, it must be tendered nationwide, whereas if the value passes EU threshold, it needs to be tendered EU-wide.

1.4 Theoretical framework

The theoretical framework of this thesis is based on the chosen theory that will be presented in the next chapters. The framework is built around Elkington's (1997) ideas on the Triple Bottom Line (TBL). Only when all the three aspects of the TBL are considered and included in the procurement process, can the procurement process be sustainable. If only part of the aspects is considered, it can create tensions that disrupt the entire procurement process. In the following figure, the theoretical framework is shown and opened a little bit.

The first level of theoretical framework is the public procurement. If the aspects of sustainability in the said public procurement are considered, the public organisation, in this case the municipality, is committed to practises that follow the sustainable public procurement requirements. This leads to the next level where sustainability actions and practises are part of the case municipality's procurement, and finally reaches the level of Sustainable Public Procurement in the case municipality.

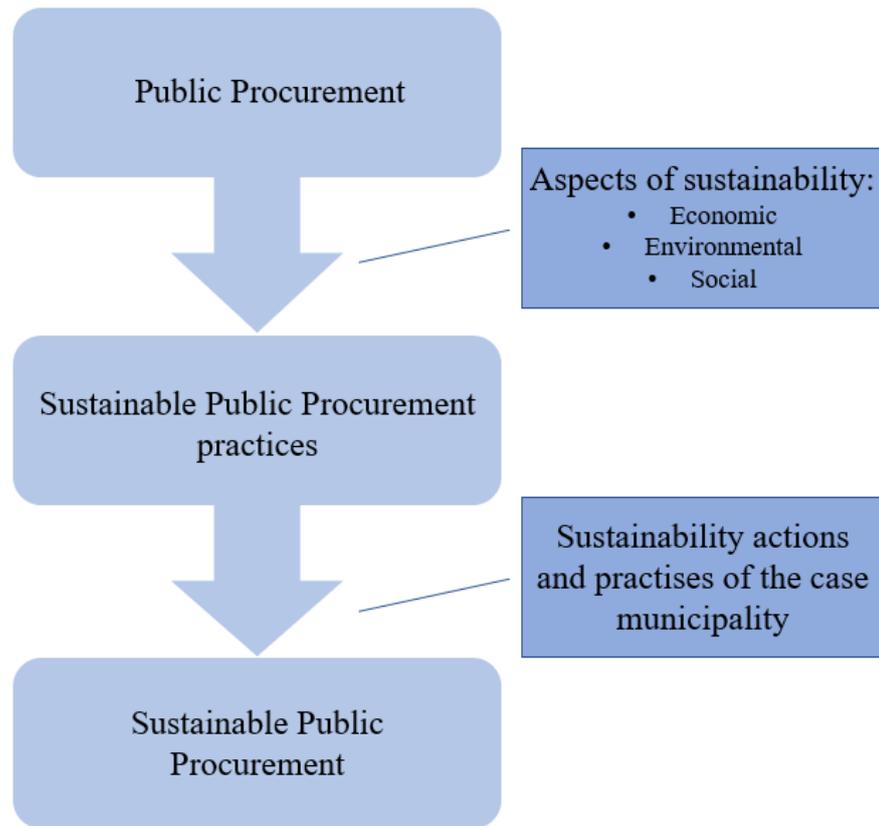


Figure 1: Theoretical Framework

2. Sustainability

In the second chapter sustainability will be addressed and there will be more specific discussion over the following subjects: triple bottom line and sustainable supply management. Sustainability itself will be shortly addressed in the next few paragraphs. Sustainability is the key theme in this bachelor's thesis, so it is important to cover this topic carefully, especially the most important parts relating to this thesis: triple bottom line and sustainable supply management.

As mentioned before, sustainability is relatively new topic. It has grown in mentions almost exponentially over the last 50 years (Caradonna 2014, p. 2). Sustainability as a term can be argued and there have been different definitions for it: Brundtland (1987) describes sustainability as “meeting the needs of the present generation without compromising the ability of the future generations to meet their needs”. In 1990, sustainability was defined “as the persistence over an apparently indefinite future of certain necessary and desired characteristics of the socio-political system and its natural environment” (Portnev 2015). Needless to say, these are not the only definitions sustainability has received over the years. Even 25 years ago, there were 300 recorded definitions for the term (Keiner 2006, p. 2) Most of the term have things in common, and preserving the current world with its nature, species and offerings is often shown in the definitions in some form.

Sustainability faces many challenges in the current days. One of the biggest challenges is the quickly growing population: by the year 2050, the population of world is estimated to be between 8 to 13 billion people. This growth will focus on the developing countries and mankind faces the problem on how to make limited and often overused resources to be enough for this immense amount of people, especially when the consumption of energy has risen significantly yearly. (Keiner 2006, p. 72 & Wong 2016, p. 49) Another severe problem that mankind faces is the climate change. Due to actions of man, the mean temperature of the Earth has risen and has been estimated to rise at least one Celsius in the next decade, and even more in the future, if actions are not made to secure moderate rise (Wong 2016, p. 67).

The rise of mean temperature cannot be completely stopped anymore, but mankind might be able to slow the rising, if important decisions are made and hold on to.

2.1 Triple bottom line

Triple bottom line was first introduced by John Elkington in 1997. Since then, the model has been widely cited by many different writers. Elkington suggested that it is not enough for companies to examine their actions by the traditional ways, such as profits or value for the shareholders, but examine a wider picture and include things like environment. (Savitz & Weber 2006) Triple bottom line builds around three different aspects: economic, environmental, and social. The sustainability problems that the world faces today, cannot be tied to just one of these aspects. All the aspects are bound to each other tightly and can affect each other greatly. (Elkington 1997, p. 70-72) The three aspects are sometimes referred also as the three Ps, being the planet, the people, and the profits (Slaper & Hall 2011). The idea of the triple bottom line is that when all the different aspects are considered, the company has an opportunity to be sustainable, but it is crucial to include all the aspects.

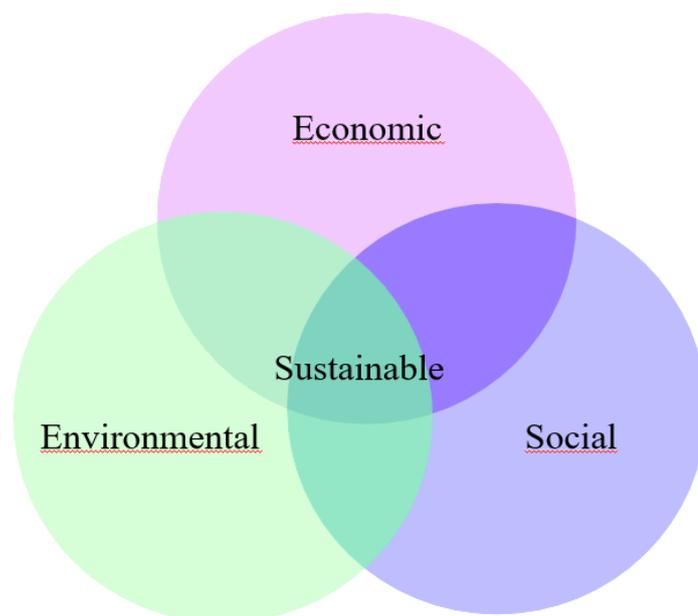


Figure 2: The three dimensions of sustainability, modified from Elkington (1997)

The economic aspect of the triple bottom line is usual to traditional frameworks, which is understandable: without functioning economy, the company or organisation cannot exist on the long-term. It is measured by money, as profits are measured. Economic aspect is naturally the easiest to measure, as it is very unambiguous. (Slaper & Hall 2011) Economic aspect can include all the different figures that tell something about the company's state of business. This can include things such as income and expenses, taxes and the made profit. The organisation has the responsibility to pay its employees in time and the accurate amount, as well as for example pay the required taxes to the government (Hanikka, Korpela, Mähönen & Nyman 2007). In addition to this, it has been suggested, that when profit is examined, GDP of the nation and the ROI of the associated people of the company should be considered as well as the own figures of the company (Bals & Tate 2016, p. 36).

Environment plays a significant role in the life of every living being, including humans and if it changes, the change affects everyone and everything (Hawkins 2006, p. 29). This side of sustainability is the most studied field of sustainability (Seuring & Müller 2008). The last two aspects of the TBL (environmental and social) are much harder to measure than the economic aspect. These three aspects cannot be measured by the same variable. (Slaper & Hall 2011) Environmental aspect does require several different variables, whereas economic aspect is mostly covered with just money. Nowadays most nations of the world have some form of environment legislation that binds companies that have actions inside the borders of the said nation. This often requires organisations for example to take responsibility for possible environment problems that the actions of the organisation might cause and evaluate possible environmental risks in advance. (Ilomäki, Tuomainen & Kautto 2007). In the triple bottom line, environmental aspect mostly covers the natural resources, the usage of them and other possible influences that the organisation's actions have on them. Some examples of the possible variables for this aspect are fossil fuel consumption and waste management (Slaper & Hall 2011).

Whereas environmental aspect is the most researched in sustainability, social aspect is the least researched (Seuring & Müller 2008), and it has been argued that social sustainability is not researched enough compared to environmental sustainability (Anisul Huq, Steveson &

Zorzini 2014). The globalisation has had great impact on almost all the cultures on the planet, as international trade and international communications has made the interactions between the cultures a daily occurrence (Hawkins 2006, p. 51). Slaper and Hall (2011) define social aspects of the triple bottom line as “social dimensions of a community or region”. Variables such as equality in the workplace and health of the employees could be used to measure this aspect in the triple bottom line.

2.2 Sustainable supply management

Supply management is part of almost every company and business nowadays and it is nearly impossible to a business to be entirely self-sufficient, and even if it were possible, it is most likely to be unprofitable. If the company strives to be sustainable, business needs to commit to sustainable supply management, and often in today’s world, it is impossible for companies just completely ignore sustainable practices (Wu & Pagell 2011). Krause et al. (2009) argued that company cannot be any more sustainable than its suppliers, which leads to the fact that sustainable companies strive for deep understanding of their suppliers. There can be many different motives and reasons for the company to pursue sustainability in supply management, from pressure from the outside to own interest and motivation to make a change, but it cannot be argued, that sustainability can lead to significant competitive advantage (Paulraj 2011). Pagell and Wu (2009) define sustainable supply management as supply management that performs well in both traditional measuring (for example profits) and includes measuring its performance in social and environmental aspect as well.

There are different practices the business can commit to reach the status, where its supply management can be described as sustainable. Different approaches are many in numbers and there are different styles of practices for the business to utilize. Different practises can be divided for example to internal and external or green and social. Internal category could include practices such as certificates or life-cycle analysis. External practices on the other hand are often defined from outside of the organisation or have something to do with outsiders, with examples like environmental requirements. Green supply management

practices are about reducing waste and preserving the natural world. Social practices are about inducing social welfare. (Kähkönen et al. 2018)

Supply chains are getting progressively complex in today's global world, and for example the geographical length of supply chains has increased (Grant et al. 2013), which complicates the sustainability work of the organisations. To limit this section of the thesis, discussion of the difficulties in public procurement will be discussed in detail in the future chapters.

3. Public Procurement

Public procurement is a relevant topic all around the world, but due to the limitations of a bachelor's thesis, the focus will be on Finnish municipalities' public procurement. Public procurement as a concept can be simply defined as "the acquisition of goods and services by public entities" (Rainville 2017). In European Union, each country's public procurement is 6-25 percent from the country's Gross Domestic Product (GDP). In Finland, public procurement is approximately one fifth of the GDP, standing at about 34 billion Euros. (Eskola et al. 2017) Public procurement has many regulations, both in the standards of Finland and the European Union. The Act of Public Procurement is a set of Finnish laws, which defines the Finnish regulative framework for public procurement. The aims of the act are enhancing efficiency in public funds, promoting high quality, and guarding equal opportunities. The procurement should be arranged in a way that is economic, organized and with high quality, acknowledging competitive conditions, as well as social and environmental aspects of procurement. Procurements should be expedient entities. (Act on Public Procurement and Concession Contracts 1397/2016)

3.1 Green Public Procurement

Green Public Procurement (from now on referred as GPP) is defined as procurement, in which "public authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured" (Cheng et al. 2018). There are many reasons for public organisations to pursue so called eco-procurements. Eco-procurements refer to procurements, where environmental considerations are integrated to all stages of the procurement process (ICLEI 2002). For many reasons public organisations should promote eco-procurements; they can set an example for both private companies as well as consumers. As public procurement has a big volume, it can affect product development to a more environmentally friendly direction. In addition to this, on the long-term, public organisations can achieve financial benefits, as for

example energy efficient devices may have lower operating costs and money can be saved in costs of recycling. (Nissinen 2004, p. 10)

There have been high expectations for GPP, which has not been reached as fast as hoped. European Union had declared to turn 50 percent of all public procurements to be GPP within the year 2010, but this goal was not reached yet in 2016 (Testa et al. 2016). Brammer and Walker (2011) created a framework, which identifies four factors that in practice influence GPP. The first factor describes how cost and benefits of GPP are perceived, the second how familiar are the participating factors with GPP policies, the third is the availability of “green” products and the fourth, the final factor, is the organisational pressure for GPP. One of the most common problems that organisations face when pursuing GPP has to do with the second factor: participants in the procurement process might lack complete information and even know-how on how to make green procurement, which makes it hard to make GPP appropriate purchases, even if there was organisational pressure and the benefits of GPP are recognized. (Testa et al. 2016)

3.2 Tendering

Tendering is part of every municipality in Finland and affects greatly their procurement. Iloranta and Pajunen-Muhonen (2008, p. 272) describe tendering as a traditional process, where procurement is optimised by tendering suppliers regularly and choosing the cheapest option. If something about the supplier has not worked properly the previous year, for example there have been problems in quality of the product or service, or the price is higher, the supplier will be switched.

Certain laws define, when purchases must be tendered, both on national level as well as on EU-level. This means that the Government of Finland has certain threshold value for tendering purchases on national level and European Union has another threshold value for tendering process on the Union level. These threshold values were last updated in the beginning of 2020. For example, the threshold value for products and services is 60 000

Euros on national level and 139 000 Euros on EU-level. For construction projects, the values are 150 000 Euros and 5 350 000 Euros. (JHNY 2019)

Tendering criteria is defined by the purchasing party. From all the offers, the purchasing party should choose the cheapest or the most economically advantageous offer. If the choice is made by the most economically advantageous criteria, the potential criteria for the purchase can be for example price, quality, ethical and environmental aspects, or maintenance services after purchase. (Kuusniemi-Laine & Takala 2008, p. 275) The number of purchases made with the most economically advantageous criteria is increasing, as public organisations strive for more sustainable procurement, instead of focusing just on the price aspect.

3.3 Difficulties in sustainable public procurement

Sustainable Public Procurement, from now on referred as SPP, is not easy and faces many challenges. Many of these challenges can be the same as the challenges with GPP, and the two terms have a lot in common with one another. One of the challenges is the earlier mentioned lack of information of the employees in the public organisation (Testa et al. 2016). If the employees do not know how to properly pursue sustainable purchases, it is highly unlikely that they would manage in SPP. Mensaf and Ameyaw (2012) outline five other possible challenges. First one is the lack of support from the management. It has been noticed that if the upper management does not drive the organisation towards SPP, it is more difficult to reach sustainability. This is because pursuing SPP always requires additional investments in the procurement process, and without support from above, these investments are hard to reach. Another possible challenge for SPP, mentioned by Mensaf and Ameyaw, is the absence of social drive. If the individuals do not expect the organisation to pursue sustainable values, the organisation is less likely to pursue these values. The lack of social drive is not that common in Finland however, as for example Hyry (2019) found in his study, that 65% of Finns have seen interest towards climate change in other people. This implies, that most Finns are interested in sustainability values. The third challenge outlined by Mensaf and Ameyaw is low capacity of management and technicality. This problem is more

common in developing countries, as they do not have as developed procurement and supply chain. Fourth of the challenges is lack of multiple stakeholders. Mensaf and Ameyaw argue that organisation should include other stakeholders, such as researchers, in their sustainability process to achieve SPP. Last of the challenges is the higher cost of green products, which can be a threshold question in many situations. In Finland, the financial situation of the municipalities varies much, and the issues on the economical state of them is always a valid topic. For example, as the working aged people move out of a municipality, the economical state of the municipality is likely to change to worse. (Ylisalo 2020) If there is a lack in the finances, it is unlikely for the municipality to reach for more expensive options of sustainability, in case cheaper, less sustainable options are available. (Mensaf & Ameyaw 2012) In addition to this, tendering process can often be easily won by companies that offer cheaper, often less sustainable options. The sustainable options are more expensive than their mainstream counterparts, and currently their demand can be low as well. The reason for more expenses on sustainable products is often simply that they are more difficult and expensive to produce and create. (Krososky 2021)

Shadow economy is one of the possible risks, that SPP might face. Hassan and Schneider (2016) define shadow economy as all the economic activities that are deliberately chosen to be hidden from the official authorities. This can mean for example tax fraud, evading to pay social security related contributions or avoiding bureaucracy. Shadow economy is a risk for all aspects of sustainability, even if it is most often included in the economic aspect; the evading of paying taxes is related to economic dimension, whereas socials dimension is for example the evasion of social security payments and disregarding occupational safety, and environmental dimension is in relation to evasion of environmental law requirements. Even though the organisation itself would avoid participation in shadow economy, possible subcontractors can be harder to monitor, and the public organisation must actively work against the shadow economy. Hirvonen and Määttä (2018, p. 54-58) mention for example construction industry (which is often very important industry for municipalities, as most of them do not have their own construction workers, but have many public buildings of their own) to be prone for shadow economy for various reasons; one being the common usage of sub and side contractors. To fight shadow economy in the public sector, Finnish Competition and Consumer Authority (FCCA) published a report in 2019 as part of shadow economy

control program. In this report, two main ideas were presented to help avoid shadow economy, the first being increasing and strengthening of procurement expertise and the second is improvement of contract management. (FCCA 2019)

4. Research methodology

This chapter will explain the used research methods for this thesis. This chapter contains the description of the research material. The more detailed discussion of the results of the analysis will be conducted in the fifth chapter.

4.1 Methods

This thesis is built around a qualitative, single case study. Heikkilä (2014, p. 15) describes qualitative study as a means to understand the subject of the study more profoundly and explain the reasons behind actions and decisions. It is mentioned as well that in qualitative research sampling is often quite small, but it is very deeply analysed. Case study on the other hand is defined as a study that researches a current event or a person working in a certain environment. It has also been defined simply as a study of an event that is currently taking place. (Metsämuuronen 2001, p. 16)

The main research method in this thesis is interviews. Tuomi and Sarajärvi (2018, p. 84-85) describe the advances of an interview as following; interviews are flexible, as the interviewer can for example correct misunderstandings and ask additional questions to deepen the dimensions of the interview. This applies naturally only to interviews that are conducted with live interaction between the interviewer and interviewee or interviewees. The interviews are analysed with qualitative content analysis. Qualitative content analysis can be divided to different levels of content; the primary content of the analysis is the themes and main ideas of the research material, whereas the secondary content is context information. This study will focus on the analysis of themes and main ideas, due to limitations on the length of the study. (Mayring, 2000)

The interview questions are presented in the Appendix 1 in English and in Appendix 2 in Finnish. The interview questions that were planned beforehand are numbered, and additional

questions that rose in the context of the interview are italicized underneath the main question, which answer inspired the additional question. These additional questions are marked with either 1 or 2, depending on if they were asked in the first interview or in the second interview. The interview answers are not presented in the thesis from word to word. The first interview with one interviewee lasted approximately 30 minutes, and the group interview lasted a little under an hour. The interviews were recorded, so it would be easy to look back at them and no information would be lost in the process of writing information down and discussing at the same time. Altogether two interviews were conducted, one with one person and the other as a group interview, with two different persons. The first interviewee, the one that was interviewed alone, is the head of food and cleaning services of the case municipality. The second interviews were the project engineer and the building manager of the municipality. They both represent the public building division of the Municipality X, and work both with the management and improvement of the current buildings, as well as construction projects of new buildings.

The interviews were conducted in Finnish, as it is the native language of both the interviewer and the interviewees. There might be a slight difference in the word choices and some parts of the information can be lost due to the translation process, but the translations are done with this in mind, and the interviewees were informed about the language change, so they are aware of the possible, slight changes.

4.2 Research material

This subchapter will describe the research material and Municipality X's sustainability goals. Municipality X strives to be carbon neutral by the year 2035, which is the same objective that Finland has as a country (Finnish Ministry of Environment, 2021). To meet this objective, the municipality has created a strategy, which is divided into eleven themes, and all these themes are given clear targets for certain time periods. There are three separate time periods before the year 2035, all a bit different length. This strategy will not be researched in this thesis, as it relies on interviews, but the interviewees were asked about the strategy and how do they feel about reaching the set goals of the strategy.

The interviewees all had a fairly long history working with public procurement. The head of food and cleaning services had worked in Municipality X a little over 6 years and had altogether 30 years of experience in the public sector. In public procurement, the head had the entire 6 years of experience in Municipality X and before that, previous experience in another municipal community. In the second interview, the project engineer had worked in the municipality for over three years and the building manager over 13 years. Both had previous experience as well from public procurement, and the project engineer estimated his working experience in this field to be about 20 years, and the building manager estimated 22 years.

The interviewees were asked to describe their work roles and tasks in order to obtain a better picture of their day-to-day tasks and their impact on municipal procurement. The head of food and cleaning facilities explained that their work is evenly distributed between the food services and cleaning services. Food services included food production for all municipal kitchens, including schools, kindergartens, elderly services, domiciliary care, and staff catering services. In cleaning services, they mentioned that there is over 46 000 square meters of public places to be cleaned. When it comes to public procurement, they mentioned that most of the procurement they make is focused on the procurement of food supplies, but for the side of cleaning supplies, they do buy cleaning products, for example cleaning agents and tools, as well as machinery related to cleaning. The monetary value of procurement per year is about 1 100 000 Euros on food supplies and about 100 000 Euros on cleaning supplies.

In the second interview, the project engineer explained that their job is focused on investment projects and annual repair projects. The projects are often fairly long, as all investment projects go through several stages before the construction is even started, including for example several approvals in different stages in the municipal council and other decision-making bodies, such as committees, and the entire tendering process. The building manager mentioned that they do less of the procurement at the moment, as there is no active tendering process in progress for them. The yearly amount of spent money on the different projects

varies quite a lot, depending on for example if there are bigger investment projects starting or in the progress. For example, in the year 2021, just one project related to one of the schools is budgeted to be 1,5 million Euros, so the monetary amounts are quite big, at least when compared for example to the yearly budgets of food and cleaning services.

5. Findings

This chapter will analyse the answers given in the interviews. To help the reader understand the discussed topics better, the most important topics discussed have been picked and will be presented in subchapters.

5.1 Sustainability as a concept

The interviewees were all asked about their view of sustainability (Question 7: *How do you understand the concept of sustainability*), and answers on the question were similar on one part, but all the interviewees did mention one or two things that were closely related on their own working field. The three dimensions of sustainability were mentioned by everyone, but they did all mention more things that were included in these dimensions. The head of food and cleaning services described all the different dimensions and how they are considered in the municipality. These actions will be more carefully described in the following chapter. The project engineer and the building manager mentioned three aspects as well, and some more specific actions done by the municipality, related for example to the contractor's obligations and liability.

The sustainability is driven forward by the inhabitants of the municipality as well. The head of food and cleaning services explained that for example the pupils of the schools are very interested in the list of ingredients on the school lunch menus and ask questions related to the sustainability aspects of the served food. The politicians have sent them questions related to organic and local food as well as to the eco-labels on cleaning products. This shows that

the employees of the municipality are not alone on the entire sustainability business, but their management is in on it as well. In municipalities politicians hold power, and their interest in sustainability is important for making sustainable decisions for the future. Currently the head of food and cleaning services does not investigate the sustainability actions and values of the possible suppliers for food and cleaning products. The project engineer and building manager mentioned that environmental values are important in the municipality and supported by the management and politicians.

COVID-19 pandemic has in a way affected the sustainability work of Municipality X. In the first interview it was discussed, how COVID-19 has affected the hand washing routines and increased the number of times that people wash their hands daily. However, many persons do not want to use the cotton towels in the racks, but disposable paper towels instead. This creates more waste and creates difficulties for sustainability.

All the interviewees were aware of the different dimensions of sustainability and could name different actions taken in each dimension to secure the sustainability of that dimension. The following subchapter will discuss these actions in more detail.

5.2 Current actions

The current actions of the municipality were researched with quite many of the interview questions, and many of the interview questions brought up new actions, but especially the questions 10 to 15 raised discussion of the different actions. Currently (autumn of 2021), the municipality is taking several different actions to secure the sustainability in the procurement process. In addition to the already taken actions, during the following year of 2022 they will take further steps to reach better sustainability in the procurement process.

In the food and cleaning services, sustainability has been part of procurement for a while, but especially the following year 2022 they will take further steps. The municipality is part of *Portaat luomuun*-program (Stairs to organic food), which is nationwide program, aiming

to increase the amount of organic food in professional kitchens, focusing especially on public kitchens. The aim for 2020 was that 20 percent of served food in public kitchens would be organic, and the program is divided into 6 separated steps. (Portaat luomuun, 2015) In the interview it was revealed the municipality is currently on the fourth step of the program, but the following year of 2022 will lift the municipality up to the fifth step, as the amount of organic food products is going to be increased in the next tendering process taking place in beginning of 2022. The participation in the program was initiated and decided by the council and board of the municipality.

As the new tendering process is started, there are even further sustainability aspects included in it. For example, the number of Fairtrade-products is further increased. Fairtrade is a certificate, ensuring that in the production of the goods, the sustainability aspects of both economic and social side are taken into account. This includes topics such as human rights of the workers, possibility for union activities and fair compensation for the farmers. (Fairtrade, 2021) For example, bananas, coffee, honey, and some spices are all going to be included in the Fairtrade-products of the new tendering process of the municipality, and the municipality altogether does strive for maximising the number of Fairtrade-products and described as “Fairtrade Municipality” by the interviewee. The problem, however, is that the number of Fairtrade-products is not limitless, and the interviewee did mention that there is at the moment only few Fairtrade-products to be purchased. This number will rise in the future and allow for an increase in the number of Fairtrade-products.

Meat products of the Municipality X were in the last tendering process divided between Finnish meat and meat imported from other countries. In the tendering, often the winners are the companies that import meat from abroad. The interviewee did mention that during the time the last tendered contract has been ongoing, they have managed to make changes to it, increasing the amount of domestic meat to replace the meat imported from abroad. There is an ongoing discussion on how to further increase the amount the domestic meat, which would be more sustainable, both in the case of for example amount of antibiotics given to the production livestock, and the emissions caused by transport. In the strategic goals of the municipality, there is a mention of vegetarian days in different kitchens, starting with one

day a week and over time, adding more vegetarian days to the weekly menus. Overall, Finnish products are often a more sustainable choice, or at least one can be more certain of their sustainability, because for example the number of used pesticides is often lower than in many other countries. The regulations related to the environment in Finland are advanced and there is decent monitoring for each environment related field in agriculture.

In the cleaning services, the sustainability actions include for example usage of products that have the Nordic Swan Ecolabel. This ecolabel is awarded for products that are proven to be a good environmental and ecological choice (Joutsenmerkki, 2021). According to the interviewee, all the used cleaning products are certified with the Nordic Swan Ecolabel. They mentioned that even though the sustainability thinking has been more focused on the food products in the history, the future will bring more sustainability to the cleaning services as well. The 2022 will bring a new tendering process, in which for example sustainability will be more discussed since the offer request and the sustainability of subcontractors will have more focus. The risk of shadow economy is reduced by this procedure. The interviewee mentioned that shadow economy can be a problem, when subcontractors use immigrant workers, and this is something that the municipality wants to address, and thus it will be carefully observed in the next tendering.

In the interview, it was discussed that the municipality cannot put straight requirements for certain things in its procurement strategy and some things need to be circumvented with rephrasing. For example, the interviewee said that it is impossible to say for example that all products must be Fairtrade-products. They explained, that instead of that, they can demand “socially and economic sustainability, and fair treatment and compensation” for the farmers of the products. The same technique is used when encouraging the purchase of local and organic food. Instead of mentioning these things straight, the statement is worded to support for example the purchase of Finnish groceries. Some products, that are used, are not profitable or reasonable to be farmed in Finland, for example bananas. These products are often then Fairtrade, if possible.

In the public building division, there are also many sustainability procedures that are currently in action. One of the most important aspects that occurred in the interview was the importance of maximising occupancy rate of the buildings. The interviewees both discussed the current movement towards new buildings, where the occupancy rate is carefully planned and monitored as well. If the monitoring reveals that the buildings' occupancy is not at desired level, their usage can be re-evaluated. It was mentioned that in one of the municipality's current construction projects (reconstruction of over 100-year-old building), the efficient use of the building has been carefully recognized. For example, the air conditioning and lights can be easily adapted to the number of users. In other buildings, for example schools, it has been evaluated, how the spaces could be used also in the evenings and weekends. Currently the exercise rooms have been in quite active use outside the school hours, but it has been a mission for the municipality to discover new ways to activate the use of these spaces. Different buildings and public spaces take the biggest piece of Municipality X's assets. The goal in all construction projects is long-lasting solutions and usage of durable materials to ensure the long life cycle of the constructions.

In the interview, discussion related to contractor's obligations and liability took place. The building manager stated that many of these obligations are determined by laws, but they do affect the procurement of the municipality quite a lot. It was mentioned that an important step in the planning and building process is to learn and understand the references of potential contractors from previous construction sites. Before choosing the contractor, the municipality wants to investigate previous sites, and find out for example, how well the co-operation worked between the contractor and the client and was everything handled as agreed between the parties.

Another important thing on municipality's sustainability actions on the building division is energy efficiency. This is considered ever since the planning of the projects, and the need of energy efficient buildings is defined in the strategy of the municipality as well. The interviewees mentioned that often, when the projects are presented in the municipal council, there are different options for the energy systems. It was mentioned as well that solar panels have been rather popular amongst the politicians; there is an interest towards them, even if

they would have a separate price. The building manager stated that in many ways the municipality is on the right track. Whereas earlier, the main focus when choosing the energy system was on the price at the purchase moment, nowadays the review of the different systems has been extended to cover the life cycle costs of each possible option. One recent change that took place in the beginning of 2021 in energy efficiency front was to create a separate budget allowance for energy efficiency. Project plans for energy efficiency were commissioned for all large properties and they had altogether 5 million Euros worth of energy efficiency proposals, proposed to be implemented within 10 years.

As mentioned in the theory section, shadow economy is unfortunately common problem in the construction business. To address this problem, the municipality has certain operating models to minimize the possibility of shadow economy. The project engineer said that for example the financial information and other possible documents required in the legal act on the contractor's liability of all companies offering their services in tendering are inspected. This procedure often reveals possible signs of shadow economy. While construction is in progress, all the construction workers must always carry an identity pass card. The municipality must have complete list of the workers. It was mentioned that on some construction sites, not necessary in Municipality X, but in neighbouring areas there have been situations, where there are workers working without these pass cards during weekends. The Municipality X has addressed this problem by denying working on weekends unless the construction work management is present on site. In addition to this, supervisors must do random checks on the construction sites on weekends. Supervisors are either within the municipality and its employees, or hired from the outside, but they are never in relation to the construction company to ensure the reliability of the surveillance.

The building manager and project engineer mentioned that it has been stated in the strategy of the Municipality X to increase the amount of wood constructions, both in structures partly made from wood to entire wooden constructions. Compared to concrete, wood has many sustainability advantages. Currently the construction industry consumes more raw materials in Europe than any other industry. In addition to this, the materials are often based on non-renewable resources. Wood as a raw material on the other hand is renewable, and the usage

of wood causes less environmental emissions and the energy consumption is low, compared to many other building materials, such as concrete, brick or steel. According to Matti Mikkola, the CEO of Puuteollisuus ry, if all the European apartments would be built from wood instead of concrete, the consumption of natural resources could decrease up to 70 percent. (Metsä Group, 2021) The municipality's strategy states that there ought to be more of wooden construction, however, the building manager and project engineer mentioned a few problems related to wood construction. The municipality needs to find previous references for contractors before choosing them, and it can be hard to find out contractors, who are willing to work with the wood construction and have previous references. Wood is a more expensive option as well. There is a possibility for higher heating expenses as well with wooden buildings.

When discussing different possibilities for example for building materials and heating systems, the building manager mentioned that nowadays there are plenty of more possible options for each choice and this leads to more possible variations of each. The final decisions rest with the politicians, but neither of the interviewees even wants to display a "bad possibility", but on the contrary they want to display good and possible options, and just have some variation on for example the price.

Recycling has been regular procedure in the municipality for a while. In the first interview, with the head of food and cleaning services, it was discussed, that Municipality X does have all the legally required recycling bins, such as mixed waste, bio waste, plastic waste, white paper and newsprint. Steps are taken forward in this area: the interviewee told that for example schools are about to get their own metal and glass recycling bins. These materials have been recycled in the history, but before they were just collected in for example a separate cardboard box, which the property manager then took away and emptied it in construction offices' bins. This meant that the property manager was required to travel to the construction office, which will not be needed in the future when the schools receive their own recycling bins for these materials. Recycling can be seen in the construction projects as well. Recycled materials can be used in these projects, and if something is not used in the original construction site, it can be stored for other projects and used later in the future. In

repair projects, it is required as well that all detached material will either be sold or recycled is just possible.

5.3 Tendering

The tendering process affects greatly the procurement work of all interviewees. Tendering related questions in the interview were mostly the interview questions 6 (*Are all the purchases you make tendered*) and 12 (*When you are tendering, does the tendering have criteria, which supports sustainable procurement*). As mentioned several times earlier in the thesis, the following year of 2022 will bring more sustainability due to new tendering criteria. In food and cleaning services, the purchases with less than 2000 Euros of value, can be purchased without tendering process. If the value of purchase is over 2000 Euros, but less than 60 000 Euros, a simple tendering process is followed through. This means at its simplest that possible service providers are evaluated and asked for offers, often either via phone calls or email. The interviewee explained that usually the goal is to have all contracts to be less than the national threshold of 60 000 Euros in order to avoid the entire tendering process and save time with the simpler tendering. It is possible to outsource the tendering process, and Municipality X has done that before: one cleaning services related tendering process was outsourced. The interviewee described the tendering criteria for cleaning products and agents extremely laborious, because of all the legal requirements.

As mentioned in the earlier chapter, the next tendering process will define more criteria for sustainability, including for example Fairtrade, organic and local food. The strategic goals of the municipality shape the new tendering, as for example the goal for the period from 2022 to 2025 is to reach the fifth step on *Portaat Luomuun*-program, which requires more organic products. Due to the new tendering criteria, this goal should be reached already in 2022.

In the public building division, the municipality's guideline for tendering is that all projects over 50 000 Euros, would be good to tender, even though the national threshold is 150 000 Euros. Overall, it was discussed, that the procurement guidelines in the Municipality X are

notably stricter than the national guidelines, even more strict than the procurement law of Finland. The interviewees mentioned that it has been under discussion to loosen the municipality's guidelines to be more matching with the national guidelines. In the surrounding municipalities, the guidelines are constructed more in accordance with the national laws for procurement.

In conclusion, all the big investments are tendered. As the municipality does repair investments aiming to continue the life cycle of the buildings, some of the investments are not tendered, but ordered straight from an annual contractor, which however is naturally tendered earlier. In these projects, it is good however to ask a maximum price offer, if the cost estimate is over 50 000 Euros. Tendering is an essential part of almost every project related to public buildings division, already due to the high costs of investments and constructions.

5.4 Development actions

In the interviews, question 16 (*Do you have any ideas, which you would like to use in procurement or something to develop the sustainability aspect of procurement?*) was intended to outline the interviewees' thoughts on future developments of the procurement process. One thought that rose in both interviews from all interviewees was the possibility of reducing the amount of bureaucracy. The need of said bureaucracy was understood, however the interviewees agreed that in some situations the set requirements of it could cause troubles in sustainability aspects.

In the first interview, the biggest hope for the head of food and cleaning services was that in the future, small producers could be better established in the procurement process. He mentioned that in his previous workplace, they had for example worked a lot with local fishermen and had their own supplier for potatoes. Currently in the Municipality X, for example the fresh vegetables come from the same big producer. As discussed in the earlier chapter, usage of Finnish and local suppliers for farm products does have many advances, starting with good regulations related to the fields in Finland and less transport emissions

when moving the products from the farm to the municipality's kitchens. The head of food and cleaning services hopes that they could look up small producers and customise the tendering criteria, so that these smaller producers could be acknowledged and included in the procurement process of the municipality. Currently the smaller producers have a hard time trying to compete with the bigger ones and are easily left out of the contracts. The interviewee did mention fava beans as an example. Fava beans were not part of the previous tendering but are included now. Most of the fava bean producers in Finland are rather small and scattered, which makes it hard for them to alone produce enough to meet the needs of an entire municipality.

The head of food and cleaning services did mention in the interview that even though the municipality is on the right track with many things, the customization of tendering criteria to meet the smaller producers better would be something they wished would happen more in the future, as this could be more sustainable.

In the public buildings division, the building manager mentioned in the interview that some of their hopes for future have already happened: the separate budget allowance for energy efficiency projects did become true in 2021, as discussed in the previous chapter. The building manager did say that in an ideal world, the amount of bureaucracy could be reduced, as mentioned earlier. In the interviews it was discussed that sometimes some of the steps in the procurement process could be merged in order to save time. Often the amount of time it takes on the different construction projects surprises people, as so many different steps are required, and they can take significant amount of time. Two of the early-stage planning steps can be merged, which then will be mentioned in the process when presenting the plans for the municipal council.

As mentioned before, in some cases the strict guidelines for procurement can cause more damage than good and more work for everyone. The building manager described a situation, where the designers are tendered, and one of them knows the particular building very well and would do the work with decent market price, whereas the other does not know the building at all. The guidelines for procurement do not allow choosing the first contractor

straight, but the entire project must be tendered. In this situation the second contractor can be chosen, because they offer to do the work with smaller pay per hour. However, they take longer time in the process, as they must become acquainted with the target. This is something that would preferably be avoided. The building manager said that they would preferably give more decision-making power for the building division instead of the politicians if the investment is related to the condition of the building and preserving it.

When discussing the future and the sustainability strategy that the municipality has, all the interviewees were optimistic on reaching the set goals and felt that it is possible to meet them. The building manager and project engineer did mention that they have worked with setting the goals themselves and pointed out that the goals were shaped to be reached as planned.

6. Conclusions

This chapter is dedicated to answering the research questions, discussing the findings of the study and finally the conclusions of the entire thesis. In the material, many aspects related to the sustainability of the municipality came up, which will be discussed in the following part.

The findings of the study were classified into primary classes and subclasses, all presented in Figure 3. This classification is based on the themes of the interview. The primary classes are based on the same ideas as the subchapters of the earlier chapter. These classes are Sustainability as a concept, Actions, The effects of tendering and Future goals.

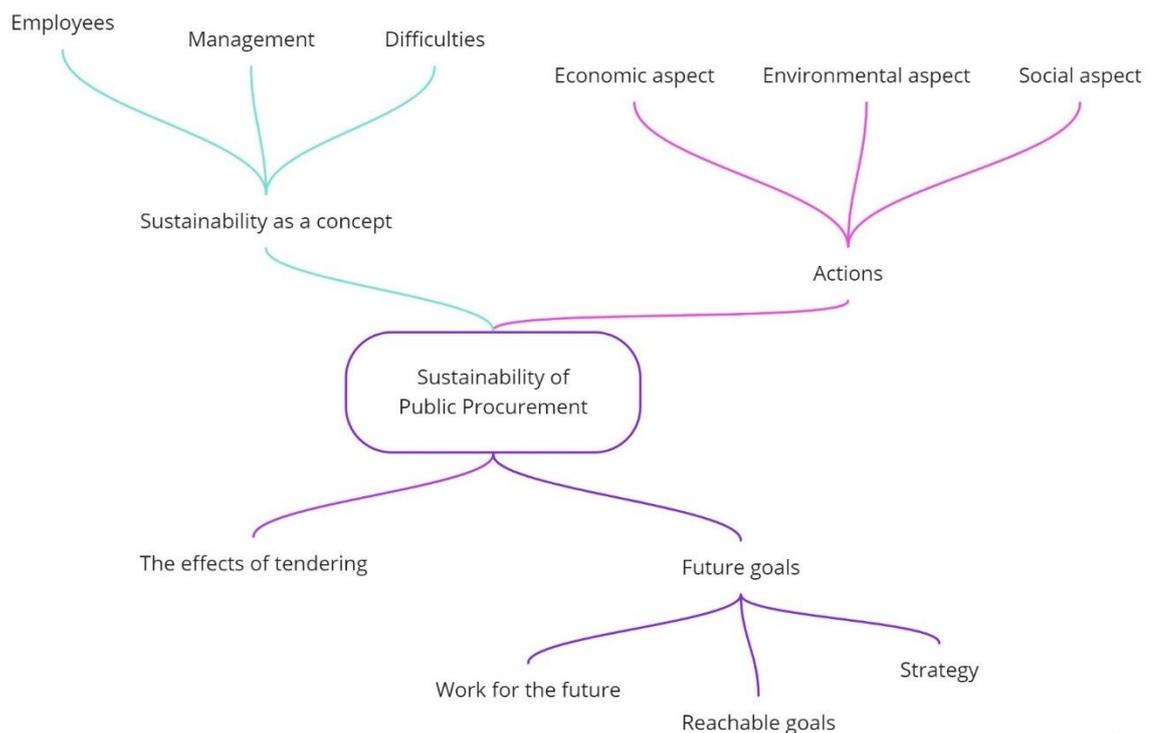


Figure 3: The classifications of the analysis

Sustainability as a concept is much related to the sustainability work of the public organisation. How the sustainability is viewed in the organisation affects the measures that the organisation is prepared to take to ensure their idea of sustainability becoming true. This class is divided into three subclasses, first one being employees. To ensure sustainable

procurement, the employees must be trained properly to understand sustainability and its many different aspects. The second subclass is management. Without the support of management, employees are unable to create sustainability in the procurement process. Final subclass is difficulties. The possible difficulties must be identified and mitigated early in the sustainability work. The difficulties do come across the other categories as well, but in this classification, they were decided to put on this class. The second primary class is the effects of tendering. Tendering does affect greatly the procurement of most public organisations, which is why it has its own class in this classification. Actions class is divided into the actions based on each aspect of sustainability. Final class is Future goals. This class is divided to three subclasses, first one being strategy. Sustainability strategy is the essential part of reaching goals and without decent strategy, it can be hard to shape the sustainability actions, if there is nothing on what they can be based on. This was discussed in the theory section as well, as the importance of sustainable decisions in all levels was implied by Mensah and Ameyaw (2012).

This thesis was based on three separate research questions. The main research question was *What actions are taken to secure sustainability in the procurement?* Municipality X has broad set of different actions, which were presented in more detail in the previous chapter. In this chapter, they will be divided shortly in the three dimensions of sustainability. All the different dimensions were presented in the procurement process. The economic aspect had actions related for example to the shadow economy, and the risk of it was recognized by all the interviewees. Another action related to the economic aspect is the contractor's obligations and liability.

Many of the municipality's actions can be linked to the environmental dimension of sustainability. For example, the usage of organic food products and trying to get more of the meat served in municipality to be Finnish instead of being imported from another countries. The ecolabels on different cleaning agents and products can be linked to this dimension as well, as well as the recycling program and the energy efficiency aims of the municipality. Final action linked straight to this dimension, is the aim to increase wooden construction.

Use of Fairtrade products can be linked with the social dimension of sustainability. Many of the actions done by the municipality can be linked to several different dimensions of sustainability, for example shadow economy is related to all the dimensions, as well as the action of writing sustainability related phrases in the strategy and tendering criteria. High occupancy rates can be linked with all the dimensions as well: economic side is shown on “not building without valid reason”, environmental on adjusting the use of lights and air conditioning according to the number of users and social on providing multifunctional spaces for the residents of the municipality. The actions can be seen in the Table 1, presented underneath.

Summary of actions

Organic and local food requirements
Fairtrade-products
Ecolabels in cleaning agents and products
Maximising occupancy rate
Contractor’s liability and obligations
Energy efficiency
Shadow economy countermeasures
Increase in wood construction
Recycling
Tendering criteria to ensure sustainability

Table 1: Summary of actions

The first of two sub questions in this study was *How is sustainability presented in the procurement?* In Municipality X, there are clear objectives for reaching sustainability goals, for example being carbon-neutral by the year 2035. The pressure for making more sustainability goals comes from all directions: from the employees, management, municipal council, and the residents of the municipality. Sustainability related phrases can be seen in different tendering documents and for example the municipality has its own website dedicated to carbon neutrality, where one can easily investigate the objectives and ideas related to this, as well as its own tab in the main website, where the same information is found in a more concise form. This leads to the fact that sustainability has a strong base in the procurement of the municipality too, and while discussing with the employees of the municipality, it was clear to see, that they for example have their own ideas to increase the sustainability performance. Sustainability has a solid and strong foundation in the

municipality, and its presence can be seen from all directions, starting from the management of the municipality to the residents.

The second sub question was *What additional actions could be taken in the future to make the procurement more sustainable?* Municipality X has a good framework for their sustainability, but in the interviews, there were some additional themes that the interviewees would wish to implement in procurement. With the public buildings' division, there was hope that the procurement guidelines would be altered a bit in the future, which has been in discussion for a longer period of time. The interviewees felt that in some situations the strict guidelines can cause more damage than good and would want to make them follow more the procurement laws of Finland. In the first interview, the main idea for future was to modify the tendering process so that smaller producers can be taken into account. There are many benefits to considering these smaller producers; for example, by supporting them, one can create and maintain Finnish jobs and enhance Finnish welfare. Overall, the interviewees did feel that the direction is right. One possible future action could be to investigate the companies that offer their services for the municipality, and especially their sustainability actions and values. As mentioned in the theory section, it has been argued that organisation can only be as sustainable as its suppliers.

Related to the previous studies of the subject matter, it was observed that for example the difficulties that Mensah and Ameyaw (2012) recognized for SPP, are well avoided in the case municipality. There is clear support for sustainability by the management of the municipality, as well as social drive driven by the employees, management as well as the residents of the municipality. This supports the claim that Municipality X is doing good work with sustainability and the inputs towards it are not in vain.

Sustainability work of the world is in many ways just starting, and even though it has taken big steps in the last decade, the work is not nearly done. Public organisations hold great power with their sustainability choices and it is crucial to these organisations to show the good example for others and take their steps towards the right direction, so that our planet can be preserved for the future generations as well. The procurement is an essential part of

the everyday life of each public organisation, as it is practically impossible or at least extremely impractical for these organisations to be self-sufficient. Making sustainable choices can be difficult, as the supply chains are often complex, and it takes decent amount of time and effort to ensure the sustainability in these situations.

This thesis was devoted on inspecting the sustainability actions of public procurement, especially in Municipality X, which was the case municipality of this study. There were three research questions, and the aim was to answer these questions and produce useful information for public organisations, especially municipalities, on sustainability and show a possible approach towards sustainability. In the beginning of the thesis, the theoretical framework, based on the Triple Bottom line, was introduced, as well as the overall themes and purpose of the thesis. Theory section introduced different theories related to the topic and the fourth chapter introduced the research material and analysis of the material.

The answers to the research questions, both the main question and sub questions, could be found in the collected data, and the interviews of the employees of Municipality X. All the research questions were properly answered. The research managed to uncover many different actions to secure sustainability in public procurement, as well as offer a few possible additional actions for the future. Case municipality has high motivation for reaching its sustainability goals, and this could be seen when analysing the actions taken. The research implied that the municipality is ready to work towards being more sustainable, to offer sustainable choices in the future and to take additional steps while time passes.

For future research, the development actions and possible difficulties and downsides of the current actions could be investigated. The research can be expanded to research actions of other municipalities, other public organisations, and even entire countries, and different research targets could be compared with each other. Another interesting point of view could be the impact of how sustainability is viewed by the organisation and how motivated the organisation is to reach the sustainability targets with the decided actions.

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Appendix 1: Questions of the interview

What is your job in the municipality?

How long have you worked in the municipality? How long have you worked with public procurement?

What type of procurement you do? For example food products, etc.

How much monetary value would you estimate the procurement you make per year has?

How much would you estimate the average value of individual purchases?

Are all your purchases tendered?

How do you understand sustainability? For example, what kind of aspects do you read into it?

When you make purchases, are you considering sustainability perspective?

Is sustainability part of all procurement or only part of it?

Are you encouraged to make sustainable purchases on behalf of the municipal management? In what way?

Has there been changes in the procurement in the last years, has sustainability been taken more into account?

When tendering, is there tendering criteria, that would support sustainable procurement?

When making purchases, do you make yourself familiar with the sustainability practices of the said organisation?

Do you get support for increasing sustainability by the municipality? Is there support from the above for this?

Do you feel that you can help the municipality for example to reach its goals set in strategy for the sustainability?

Do you have any personal wishes, which you would like to fulfil in procurement? Would you develop the procurement's sustainability somehow?

Do you have other thoughts, etc. you would like to bring up in this interview?

2: How is shadow economy paid attention to in the procurement?