PRIMES
Green Public Procurement

Co-funded by the Intelligent Energy Europe Programme of the European Union

Procurement of coordinated transport solution

Municipalities of Alvesta, Ljungby and Tingsryd.

- Reduced emissions of CO_2
- Higher traffic safety
- Efficient transport solution

Old tender

- Transportation a part of procurements of goods.
- High emissions of CO_2
- Inefficient transportation

GPP tender

- Transportation of goods a separate procurement.
- Low emissions of CO_2
- Efficient transportation

- Energy savings 28 828 €/year
- CO2 reduction 183,1 tCO2e/year
- RES Triggered46,6 toe/year

This template is developed by GPP 2020 and modified by PRIMES.
For more information about GPP 2020 check out www.gpp2020.eu

GPP 2020 procurement for a low-carbon economy

Introduction to case

1.1 PITCH-TALK – SUMMARY

Coordinated transportation of goods is the solution to several problems when transporting goods to municipal units. The result is lower emissions of CO_2, better air quality, better traffic safety and better working conditions for the employee who receive the goods.

1.3 CASE CONTENT AND CASE ISSUE

Municipalities have a great numbers of units (offices, schools, kindergartens etc) to where goods are delivered every day, in some cases several deliveries to each unit, creating a lot of traffic in and around the units. Especially schools and kindergartens are sensitive areas with a lot of children moving around making the transports a safety issue. Receiving the deliveries several times a day take a lot of valuable time from the staff. The deliveries are not scheduled, making it impossible for the staff to plan their work properly. The transports also cause bad air quality in the cities and create unwonted emissions of CO_2. The municipalities wanted to find a solution to all of these problems. All of the municipalities have Sustainable Energy Action Plan with measures that focus on lower emissions of CO_2.

1.4 SOLUTIONS APPLIED

The solution to all of the problems mentioned above was to procure a consolidation center, to where all the goods are delivered from the suppliers, and coordinated transportations from the center to the municipal units.

Contract tendered

a) Subject matter: Procurement of coordinated transport solution

b) Value of the contract (VAT excl.): 431 860 Euro

c) Type of procedure: Open procurement.

d) Type of contract: Service contract

e) Nature of contract: Framework contract, with one supplier, for three years.

f) Division in lots: No division, one lot.

g) Other features: In the pre-procurement stage a pilot study was made about the pros and cons for a joint procurement on coordinated transports giving the municipalities enough information to go ahead. An analysis of the most effective location of the consolidation center was also made before the procurement as a part of the pilot study. Information about the analysis was given to the suppliers in the tender.

Procurement objectives

- Any particular procurement objectives?
  The first objective is to achieve a coordinated transportation solution for the participating municipalities, in cooperation between the procurers and the supplier. The second objective of this procurement is to achieve environmental, economic and traffic safety improvements. The third objective is to minimise the need for transportation, through coordination of different flows of goods.
- What is innovative about your GPP example?
  The innovative feature is that the procurement is on transport services, focusing on transports that earlier was included in the procurement of goods. Thus making it possible to having procurement criteria on lower CO_2-emissions.
- Were any previous market consultations done?
  No, but a pilot study on pros and cons with coordinated transport solution and an analysis on the best location for a consolidation center.
- Any other objective than energy efficiency/reducing CO2?
  Yes, also better traffic safety and better working conditions.
- Was LCC (Life Cycle Costing) addressed?
  No.

Procurement approach

- Subject matter: Coordinated transportation solution is a more effective logistic way of solving the need for transporting goods to municipal units. One of the main purposes was to lower the emissions of CO_2-emissions from these transportations.

- Essential technical specifications: economical capacity, technical capacity, environmental specifications, criteria of experience.

The environmental specifications were:

The supplier should have a systematic management system for environment that could be used for lowering the environmental impact of the tender. The management system should include the following aspects:

- An implemented environmental policy/program or similar solution.

- Routines for safeguarding that all laws and regulation that concerns the supplier's operations are followed.

- Routines for reporting the supplier's vehicle fleets environmental impact.

Award criteria:

The award criteria were:
Price 60 %
Quality – environmental criteria 40 %

Within the 40 % environment criteria, location of the consolidation center stood for 20 % and the amount of biofuel/electricity used in the vehicle stood for 20 %.

The 20 % for location of the consolidation center were calculated in the fallowing manner. Information about the ideal place for the center was given in the tender, based on the most optimal place from a logistic point of view. Based on how close to this point the suppliers were able to place the consolidation center, the suppliers were given points as shown below:

20 km - 100 points
21-45 km - 80 points
46-55 km - 60 points
56-70 km - 40 points
71-80 km - 20 points
≥ 81 km - 0 points

Contract performance clauses

No specific clauses connected to environmental performance.

- Pre-market engagement:

  Yes, a pilot study on pros and cons with coordinated transport solution and an analysis on the best location for a consolidation centre was made before the procurement.

- Accompanying measures:

  Yes, you could see the pilot study as an awareness raising measure, the meetings were the study were presented to local politicians were to a high degree awareness raising.

Criteria development

Since this procurement was based on an earlier procurement on coordinated transport solution from the municipality of Växjö a lot of insights and own experiences were used from that procurement. Procurers from Växjö coordinated this procurement, so the experience was easy to transfer to this procurement.

Results

	Investment volume (€)	Energy savings (€/year)	CO_2 reduction (tCO_{2e}/year)	RES triggered (toe/year)	Payback time (€)
Lot 1	N/A	28 828	183,1	46,6	N/A

Another result is that the staff in the municipal units has got a better possibility to plan their work, when they know when the goods are arriving and they spend less time since the goods arrive less often. Traffic safety has improved with less traffic around schools and kindergartens.

Lessons learned

The traditional approach is to procure goods and the supplier delivers without any environmental criteria on the transportation. This approach gives an opportunity to have environmental criteria on the transportation and many other benefits as well.

- List lessons learned

There was a “tug of war” concerning the wish from the local politicians to place the consolidation centre in “their” municipality. The wish for job opportunities somehow weighed heavier than the reasons to put the centre where it is most effective from a logistic view. If possible, it is wise to avoid that situation, since it can cause friction between the procurement partners.

- Do’s and don’ts

Avoid competition between participating municipalities in a joint procurement, by supplying well founded and explained reasons for the location of a joint transportation centre.

- Assess the replicability of the approach – success factors for replication is this case relevant for others? Who is it relevant for?

This procurement is very relevant for all municipalities since they all have a lot of units that demand transportation. There should be a great potential for replicability since most municipalities has the same challenges in this area.

Contact

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About PRIMES

Across six countries in Europe; Denmark, Sweden, Latvia, Croatia, France and Italy, PRIMES project seeks to help municipalities overcome barriers in GPP processes, many of which lack capacity and knowledge.

PRIMES aims to develop basic skills and provide hands-on support for public purchasing organisations in order to overcome barriers and implement Green Public Purchasing. This will consequently result in energy savings and CO_2 reductions.– www.primes-eu.net

About GPP 2020

GPP 2020 aims to mainstream low-carbon procurement across Europe in support of the EU's goals to achieve a 20% reduction in greenhouse gas emissions, a 20% increase in the share of renewable energy and a 20% increase in energy efficiency by 2020.

To this end, GPP 2020 will implement more than 100 low-carbon tenders, which will directly result in substantial CO_2 savings. Moreover, GPP 2020 is running a capacity building programme that includes trainings and exchange. – www.gpp2020.eu

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