

Procurement of effective transportation vehicles

Municipality of Älmhult

- Lower emissions of CO₂
- Energy efficient vehicles



Standard product / old
tender

- Procurement without
LCC-analysis.

GPP tender

- Procurement with LCC-
analysis.

Results

- Savings energy:
0,23 toe/year.
- Savings 10,1 ton
CO₂e/year.

Introduction to case

1.1 PITCH-TALK – SUMMARY

Procurement of effective transportation vehicles, with a successful Life cycle cost (LCC)-approach, that led to purchase of effective vehicles and lower CO2-emissions.

1.3 CASE CONTENT AND CASE ISSUE

The municipality of Älmhult was in need of purchasing a number of vehicles to be able to transport material for the staff within the technical department and the public housing company. Earlier procurement has not included an LCC-analysis and the procurers had limited knowledge about LCC-methods. The local Sustainable Energy Action Plan/SEAP clearly states that vehicles owned or rented by the municipality should be energy efficient.

1.4 SOLUTIONS APPLIED

The solution was to contact the Task Force for the project PRIMES, that had prior contacts with the municipalities and to ask for help with LCC-analysis. The Task Force could then supply the municipality with information about how to work with LCC and also supply them with examples of different kinds of LCC-calculations.

2

Contract tendered

A. Subject matter

The procurement included 2 smaller vans e.g. Caddy and 2 larger vans e.g. Transit and a service contract for 5 years, with an option on 1-2 additional vans.

B. Value of the contract (VAT excl.)

180 000 Euro

C. Type of procedure

Open procedure

D. Type of contract (service, supply, work contract?)

Both supply of vehicles and a service contract.

E. Nature of contract

Direct contract

F. Division in lots

One lot.

G. Other features

The tender was both for the technical department and for the public housing company.

Procurement objectives

Please address (short/concise, can be explained in more detail in the subsequent "procurement approach" section):

- Any particular procurement objectives?

To obtain vehicles that are environment friendly with a low fuel consumption and be well suited for the intended purposes. The vehicles should also have with good ergonomics, with a good driver environment, the ability to adjust heat/cold and provide good vision for the driver.

- What is innovative about your GPP example?

Not innovative, but a good example of the use of LCC.

- Was any previous market consultations done?

No previous market consultations.

- Any other objective than energy efficiency/reducing CO2?

Yes, ergonomics for the driver.

- Was LCC (Life Cycle Costing) addressed?

Yes.



Procurement approach

Subject matter:

- Procurement of effective transportation vehicles

The technical specifications were that the vehicle should have:

- CE-marking
- Full documentation
- Warranty – with 1-year general warranty, 2-year new car warranty without mileage limitation and a 6-year warranty of corrosion.

The technical specifications for the service contract was:

- A service contract lasting 5 years.
- Fixed total price and a warranty on spare parts and work.

- Preventive service to give lower cost on repair and maintenances.
- Award criteria (can criteria)

The most advantageous offer was chosen based on the following criteria:

- Driver environment, working ergonomics.
- Level of equipment.
- Vehicle and service manuals.
- Vehicle driving performance.
- LCC-analysis
- TCO
- Level of vehicle service included.

The criteria above were given points and based on the points the price from the suppliers were subtracted. The supplier with the lowest price was given the tender.

Selection criteria:

The suppliers must meet certain levels of: Economical capacity, technical capacity, environmental documentation on the suppliers systematically work to reduce its environmental impact, verified experience, systematic work with quality and sign an affidavit concerning social, ethical and equality criteria.

- Contract performance clauses (how the contract should be carried out; how things are delivered etc.)

Terms of delivery for vehicles:

- Delivered to a designated place.
- Within 4 weeks from ordered.

All these criteria were included during the preparation phase of the tender.

Criteria development

Both examples of LCC-analysis from the national Authority of procurement as well as from GPP-sources on EU-level were transferred from the projects Task Force to the municipality. Other criteria came from the experience from earlier procurements both within the project and earlier procurement.

Results

| | Investment volume (€) | Energy savings (€/year) | CO ₂ reduction (tCO _{2e} /year) | RES triggered (toe/year) | Payback time (€) |
|-------|-----------------------|-------------------------|---|--------------------------|------------------|
| Lot 1 | 180 000 | 2668 | 10,1 | N/A | N/A |



5

Other results from this procurement are a successful capacity building of LCC-analysis and better ergonomics for the drivers both when driving and loading on/off the vehicles.

Lessons learned

- The traditional approach for procurement, without LCC-analysis doesn't give enough emphasis on the benefits and costs during the hole life cycle of vehicles.
- Timing is everything when trying to influence the environmental criteria in tenders.
- The municipality sent the LCC-template to the suppliers within the tender, thus streamlining the process and avoiding unnecessary work for the municipality.
- This procurement is replicable in a lot of municipalities, because many have the need for procuring vehicles and don't have the necessary knowledge in LCC-analysis.

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 CO₂ reductions.– www.primes-eu.net

6



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 CO₂ savings. Moreover, GPP 2020 is running a capacity building programme that includes trainings and exchange. – www.gpp2020.eu

PRIMES case study on procurement of effective transportation vehicles



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

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