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How to increase the impact of public resources in urban mobility by better procurement

PROCUREMENT OF INNOVATIVE SOLUTIONS FOR ZERO EMISSION URBAN DELIVERY OF GOODS AND SERVICES

Giacomo Lozzi, Ivo Cré, Polis Network

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Transport financing needs of cities – EC study

The “Study on the financing needs in the area of sustainable urban mobility” estimates that there will be a significant increase in funding gap requirements in UPT for the period 2010-2040. According to the study's estimates, the total yearly operating expenditure for this period will increase by 84% on average. Even though the operating expenditure will grow faster in EU-12 cities (at 2.8% per annum) than in EU-15 cities (at 1.5% per annum), the latter will still require a higher amount of funding per inhabitant. On the other hand, the expected capital expenditure requirements of UPT in EU cities are estimated to increase, on average, by 105% during this period. It can thus be expected that, in most EU cities, the overall financing gap of UPT will increase, although it must be stressed that the actual financing needs will highly depend on the city context in terms of size, economic development or existing assets, among others.

Transport financing needs of cities

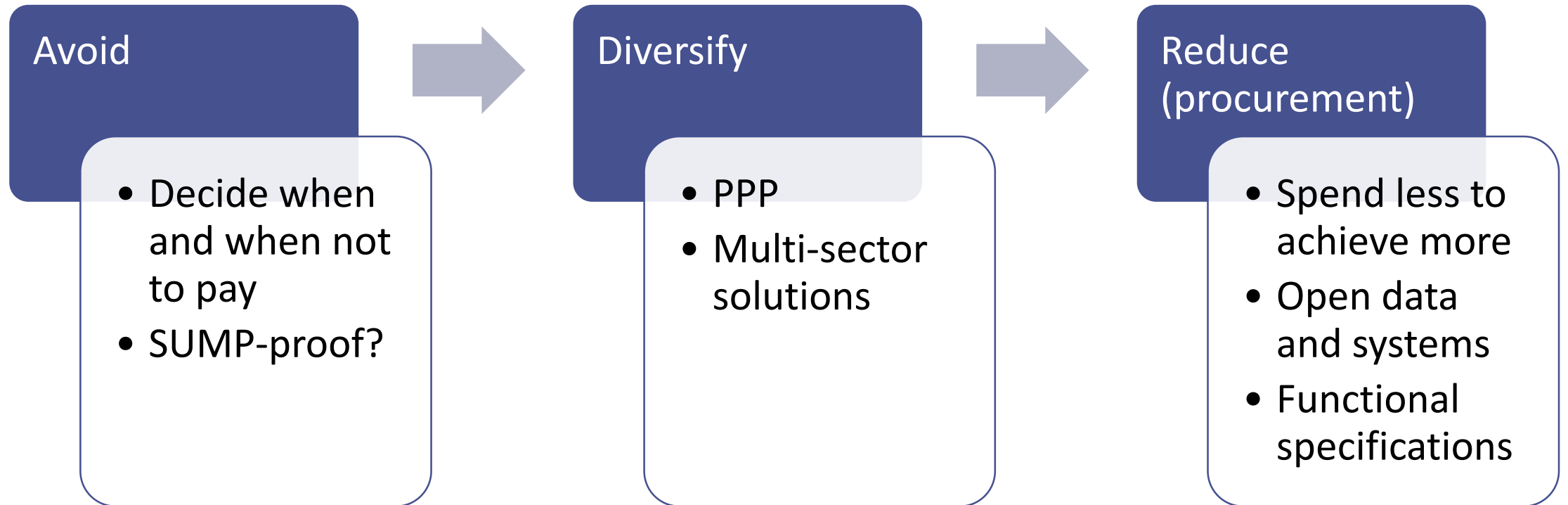
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MONEY NEEDED!

More determinants for financing

- Urban mobility financing > public transport financing
- Austerity - debt constraints (6 pack, financial stability etc.)
- PPP qualification – deconsolidation
- Financial risk / changing business models in view of innovation

Strategising spending for urban mobility solutions



- <https://youtu.be/CuAUE58MQt4>

Transport and procurement



Almost all procured contracts involve transportation



Transport and procurement



Almost all procured contracts involve transportation

All these transportation elements have been included in the proposed Clean Vehicle Directive, setting out principles and targets for increased clean vehicle deployment.

Clean Vehicle Directive

- Concept of what is a clean vehicle for specific vehicle categories
- National targets for progress in vehicle fleets with public oversight
- In order to create economy of scale, create stability of supply, and hence reduce price of vehicles

- But there is more... what are other factors for clean vehicle deployment ... *and operations?*

BuyZET project

- Procurement of innovative solutions for zero emission urban delivery of goods and services
- 10 cities involved
 - › Core cities: Rotterdam, Oslo, Copenhagen
 - › Observer (partner) cities: Southampton, Brussels, Bologna, Jerusalem, Bielefeld, Manchester and Munich
- Timeline: Nov 2016 – Apr 2019
- Website: www.buyzet.eu



Why procurement?

- Rules to procure external services and goods according to 'green' standards:
 - › Signals to UFT stakeholders to improve their sustainability standards in order to participate in public tenders
 - › Example of good practice, triggering a virtuous circle for behaviour change ('practice what you preach principle').
- Advantages:
 - › Soft measure (incentives, demand management)
 - › Relatively low-cost
 - › Powerful leverage, public-driven



Procurement categories

1. Own fleet

- Garbage trucks
- Office car fleet
- Maintenance staff
- ...

2. Purchased transport services

- Bus services
- Social transportation
- School transport
- ...

3. Other goods and services

- Construction
- Road maintenance
- Office supplies
- Cleaning services
- School catering
- ...

Step 1: taking stock: Footprint mapping - results

% CO2 emissions per category

Category	CPH	OSLO	RDAM
1. Own fleet	6%	10%	23%
2. Purchased transport services	79%	84%	68%
3. Other goods and services	15%	6%	9%

Similar application for other
pollutants



Step 2: strategy - Criteria for procurement areas selection

- **Meaningful:** the emission reduction realised has to be significant.
- **Doable:** it has to be possible to realise the changes.
- **Visible:** the achieved results have to be clear and demonstrable to people within and outside the organisation.
- Potential for **snowball impact** on the wider impact
- **Replicability** within the organisation



Step 3 – measures selection - Which solutions has Copenhagen discussed for each priority area?

- Exploring potential pathways to zero emission delivery:

Consolidation of deliveries from several suppliers

- Set up and use of a consolidation platform

Consolidation of orders placed

- Exploring how to pool orders within one of the big procurement areas (e.g. ICT equipment)

Repair and maintenance service

- Use of cargo bikes
- Use of environmental criteria
- Use of electric bikes

Which solutions has Oslo discussed for each priority area?

- Exploring potential pathways to zero emission delivery:

Repair and Maintenance Service

- Use of strict environmental criteria in tenders
- Innovation partnership
- Storage areas for suppliers
- Promoting suppliers with short travel distance
- Designated EVs chargers in delivery locations
- Assistance to suppliers in applying for financial funding

Industrial Waste collection

- Use of strict environmental criteria in tenders
- Innovation partnership
- Decrease waste and enable circular procurement
- New citywide framework agreement

Which solutions has Rotterdam discussed for each priority area?

- Exploring potential pathways to zero emission delivery:

Construction material

- Use of low emission vehicles
- Set up of a consolidation hub
- Transport by ship

Repair and maintenance service

- Using a green fleet certification system (EcoStars) for their current maintenance contracts
- Extension of the contracts dependent on the contractor showing sufficient progress

Step 4 – implementation - From theory to practice: stakeholder engagement

- Cooperation inside the municipality
- Get a complete overview over current service contracts for all agencies in the municipality
- Dialogue with cities that already have implemented these measures
- Market dialogue and engagement with logistics operators and suppliers:
 - › on the existing and potential contracts
 - › on a shift to delivery at a hub instead of directly to working locations

Contact us

Reach us:

Visit the project website: www.buyzet.eu

Join the discussion at the BuyZET Procurement Forum Group:
<https://procurement-forum.eu/>

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For more information:

Giacomo Lozzi

Urban Freight Coordinator, Polis Network

Phone: + 32 2 5005686

Email: glozzi@polisnetwork.eu

Simon Clement

BuyZET Co-ordinator, ICLEI – Local Governments for Sustainability

Phone: +49-761 / 3 68 92-0

Email: simon.clement@iclei.org

Partners:

