

# Policy brief: Promoting sustainable urban mobility through procurement

## EU policy context

For many European cities, addressing traffic congestion and reducing transport-related emissions of CO<sub>2</sub>, noise, and harmful local pollutants is a key priority. The public sector has a clear role to play in terms of regulations and legislation in support of this goal. However, its role as a customer has received little focus. Public procurement is an effective tool in the hands of public authorities to influence and increase the demand for clean vehicles and transportation and delivery services, as well as to enhance single market development, competitiveness and digitalisation.



Figure 1 - Waste collection e-truck in Rotterdam  
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Municipalities and other public authorities across Europe spend huge amounts of money on the purchase of goods, services and works each year. According to European Commission (EC) estimates, public procurement accounts for 14% of EU GDP<sup>1</sup>. An extensive variety of items are procured, including vehicles, infrastructure for Intelligent Transport Systems, office supplies, canteen catering services, street furniture, and building construction. In most cases, some form of transportation of people or products is required to deliver the contract. Some cities are now exploring how such deliveries can happen with zero transportation emissions.

The general principles and legal framework of public procurement within the EU are primarily defined under three directives<sup>2</sup>. They demand that procurement procedures comply with environmental, social, and working standards along the whole supply chain. Competition on urban and regional public transport markets are regulated through Regulation (EC) No 1370/2007 and Regulation (EC) No. 2338/2016.

The EC **Clean Vehicles Directive**<sup>3</sup> (2019/1161), which was adopted in June 2019, aims to promote clean mobility solutions in public procurement tenders, and thereby raise the demand for, and the further deployment of, clean vehicles.

The EC recently published the final **EU Green Public Procurement (GPP) criteria for road transport**<sup>4</sup>. The GPP criteria aim to support contracting authorities in their purchase

<sup>1</sup> [https://ec.europa.eu/growth/single-market/public-procurement\\_en](https://ec.europa.eu/growth/single-market/public-procurement_en)

<sup>2</sup> Directive 2014/23/EU on the award of concession contracts; Directive 2014/24/EU on public procurement, and Directive 2014/25/EU on procurement by entities operating in the water, energy, transport and postal services

<sup>3</sup> [https://ec.europa.eu/transport/themes/urban/clean-vehicles-directive\\_en](https://ec.europa.eu/transport/themes/urban/clean-vehicles-directive_en)

<sup>4</sup> <https://ec.europa.eu/environment/gpp/pdf/criteria/transport.pdf>

of green vehicles and road transport services. Through this, they also establish a standard for vehicles used in product and service delivery.

## Policy recommendations

Public procurement should be used to create a critical mass on the demand side and to improve efficiency in the allocation of resources, whilst respecting competition and internal market rules. The [BuyZET](#) and [SPICE](#) projects were funded by through Horizon 2020.

BuyZET aimed to understand the impact of public spending on transportation flows in EU urban areas, so as to determine how to best use procurement to support the shift to sustainable mobility. SPICE aimed to support public procurers in their use of smart procurement, so as to facilitate fast adoption of innovative sustainable transport and mobility solutions.

### Understand your impact

Typically, local governments will be aware of the impact that city-owned vehicles have on emissions, noise and congestion, as well as that of public transportation services procured (or directly delivered) by the city. However, what is less understood is the impact on transport patterns deriving from the procurement of other goods and services. For instance, when a public authority buys computers, these must be delivered; when a city procures cleaning services, the cleaning staff needs to travel around the city and the cleaning products need to be delivered. Understanding the extent of the transportation impact of our procurement actions allows us to identify areas for action.

### Know your market

Having public contracts delivered in a sustainable way that involves zero transport emissions, such as through using electric vehicles or collaborative zero-emission last-mile delivery schemes, will ultimately require companies adjusting their way of doing business to meet this demand. Engaging with suppliers before tendering contracts is critical to this process, in order to both understand potential zero-emission options and to communicate the authority's ambition to use these. Such dialogue will ensure that the procurement strategy developed for a particular tender is aligned with what the market is able to offer.

### Consider different objectives and timings

One barrier to unlocking the full potential of innovative public procurement is fragmentation of (policy) objectives between the administrative levels, silos, and organisations. Here, streamlined internally and externally communicated policies are key to successful results. Tendering cycles and contracts already in place can also restrict the possibility of implementing "green procurement schemes". A transition period should therefore be considered when planning to renew the city fleet, or when shifting to more sustainable service providers.

## Foster digitalisation and standardisation

It is equally important to foster the digitalisation of procurement and to remove obstacles hampering SME involvement. Open data policies from national or local governments, and respective procurement requirements for data sharing and interoperability of interfaces (APIs), can also be a useful tool for accelerating the adoption of innovations and new mobility services.

## Consider joint procurement strategies

Joint procurement can be an effective way to increase the level of services and amount of vehicles procured and to reduce their price; for example by ordering large quantities and even sharing them among different buyers. In the case of vehicles and infrastructure, however, different buyers have different needs.

When the specifications are not the same, and therefore an order envisages different types of products, it is more difficult to obtain an advantageous offer from the supplier. The BuyZET and SPICE projects have investigated innovative approaches to set up procurement buyers' groups.

## A five-step approach for zero-emission procurement

The knowledge generated by BuyZET, based on the experiences of Rotterdam (the Netherlands), Oslo (Norway) and Copenhagen (Denmark), was consolidated into a [document](#) – “Procuring zero-emission delivery of goods and service” – which helps city authorities achieve zero-emission mobility with public procurement. The five steps presented in the Handbook can be applied in any city.

### Step 1: Understanding the transport footprint of procurement

The first challenge is to map the transportation emissions linked with the procurement of goods and services. This exercise allows cities to quantify their CO<sub>2</sub> emissions, understand the costs and benefits, and identify procurement areas based on a number of prioritisation criteria.

### Step 2: Prioritisation of procurement categories

When taking the decision on where to start with procurement “decarbonisation” and on which clusters to focus their efforts, cities need to assess which procurement categories to focus on by using prioritisation criteria. Following this exercise, a city identifies a series of procurement areas to explore further.

### Step 3: Market dialogue with suppliers

The city now has enough information to develop tender requirements that satisfy their policymaking needs. For those requirements to also be realistic for suppliers, a process of market engagement is essential. Engaging in a dialogue with private actors allows city authorities to gain a deeper understanding of the market and the potential pathways to zero-emission transportation. This is also a useful process for suppliers, as it will provide deeper

insight into policy and tender requirement plans for specific cities, as well as enhance their own understanding of zero-emission delivery opportunities.

#### Step 4: Formation of buyers' groups

Cities should also investigate the potential and feasibility of forming buyers' groups within some priority sectors in order to foster the demand for innovative transport solutions. Through a buyers' group, cities aim to attract other public authorities interested in enhancing their public procurement skills for sustainable transport solutions, whilst partnerships are also possible with private buyers and other large entities such as universities, hospitals, etc.

In some cases, buyers' groups also have the potential to generate enough purchasing power for the uptake of innovative solutions by the private market.

#### Step 5: Innovative procurement plans

The final challenge is to turn the findings from each of these steps into a concrete plan of action. In this plan, cities need to outline their procurement approach in each procurement category addressed. Within the project, these action plans were called "Innovative Procurement Plans".

#### **Seven general tips on different procurement approaches**

1. Speak to potential suppliers before you tender – understand what is possible.
2. Use award criteria and fleet certification schemes to give preference to zero-emission vehicle transportation.
3. Establish minimum requirements that are realistic and that are not immediately achievable, but first by the end of the contract.
4. Require deliveries to be made through a consolidation centre!
5. Require transport monitoring data to be collected and shared by suppliers.
6. Increase contract length in order to allow for vehicle investments.
7. Separate contracts into geographical lots in order to minimise trips across the city.

## Tools and resources

### In the document

- The BuyZET Handbook "Procuring zero emission delivery of goods and services", [link](#)
- SPICE Recommendations, [link](#)
- SUMP Topic Guide – Public Procurement of Sustainable Urban Mobility Measures, [link](#)
- ASSURED – Specification of city & PT stakeholders strategies and needs, [link](#)
- EU GPP Criteria for Road Transport, [link](#)

### Further resources

- Smart Freight Procurement (SFP) Guidelines, [link](#)
- ZeEUS Tender Structure Document, [link](#)