Sustainable Public Procurement (SPP)

- Evaluation stage
- Sustainable purchase of vehicles

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Bid evaluation is usually done on the basis of:

- The technically compliant lowest price (cost)
- The best technical/financial scored bid (most economically advantageous offer)
The price on its own does not allow us to achieve a sustainable purchase or contract

The price on its own, without considering other costs and if no sustainability criteria have been included elsewhere (selection, obligatory specifications, contract performance clauses), does not allow us to achieve a sustainable purchase or contract. Nor does it allow us to get the most efficient purchase from the point of view of resource use.

The most economically advantageous bid allows the use of sustainability criteria and actually make a purchase that uses the administration's economic resources efficiently.

Lowest Priced Bid  →  Efficiency in the use of economic resources

- Quality
- Social and Environmental criteria
- Life Cycle Costs
- ...

The most economically advantageous bid allows the use of sustainability criteria and actually make a purchase that uses the administration's economic resources efficiently.
Social / Environmental considerations can be embedded into evaluation criteria provided they fulfil certain preconditions

### Sustainability evaluation criteria:

- Must help identify the bid that represents value for money
- Must be clear, product-related, objective and measurable
- Must be consistent with fundamental principles of transparency, equal treatment and non discrimination
- Should include life cycle costs considerations aligned with sustainable benefits
- Should be consistent with good procurement practices

### Categories of evaluation criteria:

- **Formal**
- **Technical**
- **Financial**

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**Remember:**

Evaluation criteria are no substitute for effective specifications. If specifications haven’t covered sustainability requirements, there’s the risk that suppliers may not have provided information to allow effective evaluation of sustainability performance.
Sustainable technical evaluation criteria should be adopted using a progressive approach.

A progressive approach ensures that:

i. best performing sustainable suppliers get recognized for their efforts

ii. innovative sustainable solutions are duly captured and encouraged.
Sustainability can be embedded in all procurement methods

**Lowest priced compliant offer** – Include mandatory and well-defined sustainable requirements

**Weighted scoring method technical/financial (Most Economically Advantageous Tender)** – requirements related to social, environmental and economic sustainability
Efficient bid evaluation requires a transparent, fair and account method for comparing the different suppliers’ proposals/bids.

The bid evaluation method should be constructed on the principle of balancing sustainability and other non-financial factors with cost.

Bid evaluation criteria and methods needs to be:

- Consistent with public procurement processes
- Proportionate and relevant
- Pre-established
- Linked to specifications
Example: Sustainability in ARV procurement evaluation

<table>
<thead>
<tr>
<th>Sustainability evaluation criteria for ARV</th>
<th>Bonus points (max 20)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Recycled materials (packaging)</td>
<td>Maximum 10 points</td>
</tr>
<tr>
<td>Percentage by weight of recycled content of wood-based materials and/or plastics in the packaging</td>
<td>Over 80%: 10 points</td>
</tr>
<tr>
<td></td>
<td>60-80%: 8 points</td>
</tr>
<tr>
<td></td>
<td>40-59%: 6 points</td>
</tr>
<tr>
<td></td>
<td>20-39%: 4 points</td>
</tr>
<tr>
<td></td>
<td>1-19%: 2 points</td>
</tr>
<tr>
<td></td>
<td>0% recycled materials: no points</td>
</tr>
<tr>
<td>2. Renewable energy</td>
<td>Maximum 10 points</td>
</tr>
<tr>
<td>Bidders shall indicate the proportion of energy consumed at their facilities from renewable energy sources (solar, wind, etc.)</td>
<td>Over 80%: 10 points</td>
</tr>
<tr>
<td></td>
<td>60-80%: 8 points</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>0% renewable energy: no points</td>
</tr>
</tbody>
</table>
Example: Procuring recycled paper

Evaluation scoring:

<table>
<thead>
<tr>
<th>Tender</th>
<th>Price</th>
<th>Financial points</th>
<th>Technical points</th>
<th>Sustainability points</th>
<th>Total Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tender 1</td>
<td>$100</td>
<td>50</td>
<td>40</td>
<td>0</td>
<td>90</td>
</tr>
<tr>
<td>Tender 2</td>
<td>$120</td>
<td>42</td>
<td>40</td>
<td>10</td>
<td>92</td>
</tr>
<tr>
<td>Tender 3</td>
<td>$105</td>
<td>47</td>
<td>40</td>
<td>8</td>
<td>95</td>
</tr>
</tbody>
</table>

- With all tenders being technically compliant, **Tender 3** would come out successful despite its somewhat higher price than Tender 1.
- The potential price increase is contained as Tender 2 does not come out on top despite its additional sustainability point.
- In this way, a maximum price increase of 25% over the lowest priced, technically compliant offer can happen. If the sustainability points are set at a maximum of 3 points, the equivalent price ceiling will be 6%.

**Indicative Price Ceilings**

<table>
<thead>
<tr>
<th>Technical sustainability points (out of 100)</th>
<th>Price increase ceiling</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 points</td>
<td>Approx. 6%</td>
</tr>
<tr>
<td>5 points</td>
<td>Approx. 11%</td>
</tr>
<tr>
<td>10 points</td>
<td>Approx. 25%</td>
</tr>
</tbody>
</table>
Criteria for procurement of VEHICLES

- What does it include?
- Aspects to be taken into consideration
- How to proceed
- Summary
- Specific criteria in our administration
What does it include?

Prior reflections
Aspects to be taken into consideration
How to proceed
Specific criteria
What does it include?

- Vehicles for ordinary use:
  - Passenger cars and SUVs
  - Small vans

Most recommendations are useful for the rest of vehicle groups (small loading vehicles, special vehicles and people carriers).
Prior reflections

What are my requirements?
How can I reduce them?
How can I meet them with a lower negative impact?
Prior reflection, requirements and alternatives

- Variety of vehicles to purchase
- Environmental impacts
- Favorable context for environmental improvement

Analyze requirements:

- What type of vehicle users do we have and what do they need to perform their job?
- How is the maintenance carried out?
- How are they managed at the end of their useful life?

Indicators

- Is the power suitable for their needs?
- Could they have different engine specifications?
Aspects to be taken into consideration

Associated with the **product**:  
- CO$_2$ emissions  
- Biofuels  
- Polluting combustion gas emissions  
- Noise emissions  
- Air-conditioning  
- Guarantee and durability  
- Other environmental improvements
Aspects to be taken into consideration

Associated with the *production and supply company*:
- Environmental management system
- Labor rights
- Reduce CO₂ emissions of transport

Associated with *vehicle maintenance*:
- Spare tires
- Spare motor oil
CO2 consumption and emissions

- Transport CO₂ emissions are one of the main factors causing global warming.
- CO₂ of vehicles especially depends on their typical consumption and type of engine and fuel.
- Priority will be given to:
  - Vehicles with low CO₂ emissions/km
  - Vehicles that run on alternative fuels or hybrids
Other combustion gases

- Vehicles also generate other combustion gases that, in high concentrations, are harmful to our health (like fine particles or tropospheric precursors).

- It is advisable to choose vehicles with low emissions of particles, NOx, CO and HC.
Noise emissions

- Vehicles generate noise through:
  - their propulsion system (mainly at low speeds)
  - wheel/pavement contact (at more than 30 km/h)
  - And aerodynamics

- We recommend these vehicles having low noise emissions from the propulsion system
Air-conditioning

- 2 main problems:
  - They increase consumption → CO₂ emissions
  - They have a high global warming potential.

- Efforts should be made to purchase vehicles that are not equipped with this system, or

- With non-fluorinated refrigerant gases with a lower global warming potential.
Guarantee and durability

- Minimum 2 year or 50,000 Km warranty (whichever is first) and

- Availability of spare parts for the vehicle several years after it is no longer manufactured.
Manufacturer: Management system

- Choose manufacturers who:
  - Have a corporate environmental policy in line with standard ISO 14.001, EMAS or equivalent (EPA):
  - Have a social responsibility policy and guarantee that the entire production chain complies with international labor regulations (ILO).
  - Ensure that workers have a fair salary and working conditions.
Bidders: Management system

Choose distributors that:

- Comply with labor legislation and ILO conventions
- Ensure that workers have a fair salary and working conditions.
- Show efforts to reduce CO$_2$ emissions of transport and distribution.
If maintenance is included...

- Use tires:
  - with low noise emissions
  - with a lower rolling resistance
  - and preferably retreaded

- Use motor oils:
  - with a low viscosity
  - with regenerated base
  - with a long useful life

- Guarantee correct management of waste
How to proceed

Prior stages
During the tender
Post-tender
Aspects to be taken into consideration

Prior stages:

- Estimate purchasing requirements correctly and compatibilize them with other departments.

- Apply measures that promote recovery in auxiliary automotive sectors, such as regeneration of lubricants or retreading of tires.
Aspects to be taken into consideration
(adapt list to national reality)

During the tender:

- Diversify the fleet
- Choose vehicles with lowest consumption, CO2 emissions, emissions of other phases and low noise.
- That work well with biofuels in high concentrations or electricity
- Equipped with systems for lower consumption without air-conditioning or with air-conditioning but with low GWP refrigerant gases.
- With environmentally preferable products and good maintenance management.
Aspects to be taken into consideration

Post-tender:

- Increase the consumption of biofuels in the vehicle fleet or electricity
- Offer eco-driving courses to all staff that may use the vehicles.
- Ensure good maintenance of vehicles and guarantee optimum tire pressure.
Thank you!

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