

Smart Procurement for Better Transport – The SPICE project

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SPICE
smart procurement for better transport

Support Procurements for Innovative transport and mobility solutions in City Environment (SPICE)

The **SPICE** project will analyse the current practices of innovative procurement procedures, e.g. competitive dialogue, competitive procedure with negotiation, innovation partnership and aim to assist public procurers to use public procurers as instruments to implement innovative and sustainable transport and mobility solutions.

- **Programme:** HORIZON 2020
- **Coordination and Support Actions project (CSA)**
- **Start date:** 01/09/2016
End date: 31/08/2018
- **EU funding:** 827,500 €



CITY OF COPENHAGEN
The Technical and Environmental Administration



Rijkswaterstaat
Ministry of Infrastructure and the Environment



**FORUM
VIRIUM
HELSINKI**



REGION NORDJYLLAND
- i gode hænder



CITY OF TAMPERE



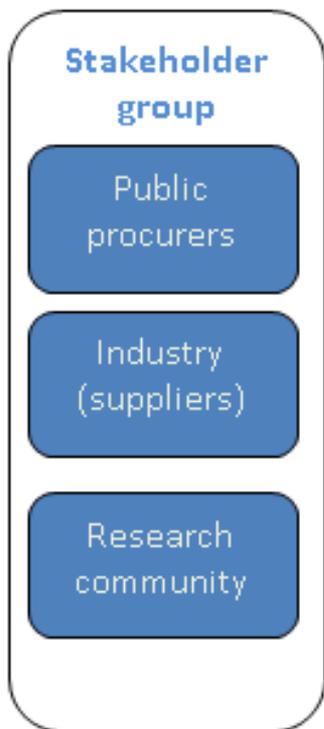
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Northamptonshire
County Council

Support Procurements for Innovative transport and mobility solutions in City Environment (SPICE)



SPICE will:

- Build a stakeholder network of public procurers and industry
- Collect and disseminate best practices
- Facilitate dialogues between public procurers and industry
- Develop recommendations to assist public procurers in ongoing procurers
- Organise training and capacity building
- Form common buyer groups

Challenges public procurers face

- Uncertainty of commercialisation and costs
- Dealing with confidential information
- Unknown consequential cost for adaption or updating of existing infrastructure
- Contract extension and renew
- ...

The course of public procurement has been forced to adopt the fast pace of innovation together with increasing concerns on environment and sustainability.

EU level public procurement directive, 2014/24/EU

To give public procurers various procurement procedures for innovative and sustainable products and services such as:

- Competitive Procedure with Negotiation;
- Competitive Dialogue;
- Design Contest;
- Preliminary Market Consultation

Case study from tenders in City of Copenhagen



- Smart street lighting project
- Purchase of intelligent transport solutions
- Copenhagen Street Lab

Case A in Copenhagen: Smart Street Lighting

- Competitive dialogue
 - There was no off-the shelf product;
 - Market for LED technology is fast developing;
 - To keep the system advance and compatible with the future demands
 - To reduce the risk of buying a product which is already out-dated.



Benefits:

The suppliers and the city get to know each other from very early stage and get the chance to know each other's needs through the meetings/workshops to narrow down the scope and ensure a good dialogues through the entire project phase.

Lessons learnt:

Lack of knowledge and experience resulted in n a long and costly process to negotiate.

Case B in Copenhagen: Purchase of Intelligent Transport Solutions

- **Public Procurement Innovation (PPI)**

- to evaluate the market capabilities, narrow down the scope and reduce the risk on the innovation
- to investigate the market capabilities and ensure the solutions are feasible for implementation



Benefits:

- Meeting the technical requirements and Co2-neutrality
- Both city and the winner were able to clarify all the visions

Lessons learnt:

- Lack of experience in PPI, resulting in more time and resources from technical and legal expertise

Case C in Copenhagen: Street Lab

- **Public Private Partnership (PPP) & Public Procurement Innovation (PPI)**

Benefits:

- Having an equal share with private partners using PPP helps all the parties to have equality and reduce the chance of the failure
- Maintaining a close dialogue with suppliers
- Determining the best contract method
- Ensure scalability

Lessons learnt:

- There is urgent need in legal and technical expertise in PPP and new instruments such as PPI



Procurement of electric vehicles to test the economic efficiency

Provincial government offices of Upper Austria and Carinthia

Direct Award Contract (DAC)

- An investigation to determine if a change of the allocation of vehicles in the fleet management system software can lead to at least a usage 15 000 km/year of the e-cars to guarantee its economic efficiency
- Tests of three electric vehicles in practice



Benefits:

The results of this small purchase will help Upper Austria to know which and how many vehicles of their fleet can be replaced by electric vehicles in the future and how other fleet management perspectives have to adopt to the different requirements that such vehicles have.

Procurement of E-Buses and Charging Systems

City of Tampere

- Open procedure, market dialogue and consultation in advance

Lessons learnt:

1. Public procurement of charging infrastructure takes time
2. If you ask for innovation you get innovation!
3. Markets are not changed by one single project, the market need a signal of continuity in order to keep developing.
4. The Market dialogue also supported some the decisions on how the final tender should look like

Benefits:

A careful market consultation can reduce the needs for dialogue under the actual procurement phase and lead to the fact that a less complex procurement procedure is sufficient.

COMmon PROcurement of collective and public service transport clean vehicles

- Joint procurement of Bremen, BSAG, Emilia Romagna Region, Gatubolaget, Isis, Nantes Metropole, Semitan
- Not “best practise” but good case to learn from



Lesson learnt:

- the joint procurement was not feasible due to too many specific requirements from individual city authorities: it was even more complex when combining cities / regions with varied weather and road conditions
- clean energy buses is still a niche market
- public authorities should shift their budget from financing infrastructure and buying vehicles to procuring services.

“The common procurement requires a high level of compromise.”

“Cities customise buses according to customers, we are trying to customise the customers to a European standard!”

Other SPICE Case Studies

- **Amsterdam:** [In-car traffic management services](#)
- **Denmark:** [Procurement of real-time traffic data](#)
- **Northamptonshire:** [Procurement of a highways services contract 2008 – 2020](#)
- **Northamptonshire:** [Procurement of special-purpose road passenger transport services](#)
- **Tampere:** [Construction of the Tampere Tunnel \(Rantatunneli\)](#)

SPICE Best practises: <http://spice-project.eu/best-practices/>

What do we know:

- Traditional public procurement may not be suitable for purchasing ITS technologies
- EU Directive 2014/24/EU is available but challenges remain
- Good practices from Copenhagen and others cities to be shared with other public procurers
- Lack of knowledge and experiences in innovation procurement to be addressed

Key barriers

- Consolidation: How to stimulate others to also use innovations?
- Level-playing field versus building partnerships
- Lack of knowledge and experiences of possible procurement procedures
- Lacking experiences with new kind of contracts:
 - Data and services instead of products
 - Combined development and realization
 - Financial or in-kind contributions by suppliers
- Increasing complexities of solutions

How to encourage and assist public authorities in innovative procurement?

- Learn from each other (e.g. via best practices)
- Provide much more information in English
- Evaluate afterwards the procurement process and publish it
- Increase cooperation between authorities (work together)
- Start real cooperation with private partners, built on trust



Thank you!

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