

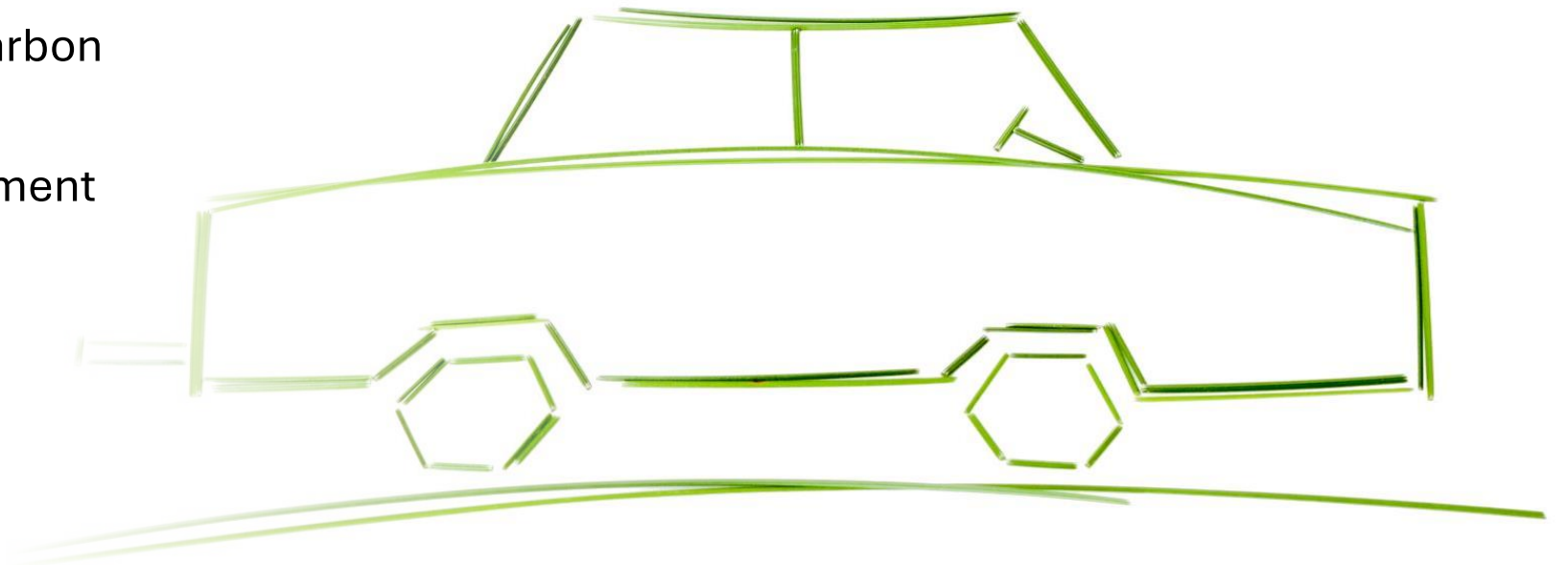
Low Carbon and Socially
Responsible Delivery
Solutions via Sustainable
Public Procurement at
Municipality of Stavanger

By Sonja Frankal

Lawyer, Public procurement

Presentation Overview

- Introduction to Sustainable Public Procurement at Municipality of Stavanger
- Tools for Facilitating Low Carbon and Socially Responsible Delivery Solutions via Sustainable Public Procurement
 - Award Criteria
 - Selection Criteria
 - Technical Specifications
 - Contractual Conditions
 - Social Responsibility
- Challenges



Introduction

Definition and Importance

Sustainable Public Procurement

Sustainable public procurement involves considering the entire lifecycle of a product or service, from production to disposal. This can help reduce environmental impact, promote social responsibility, and support economic development.

Environmental Impact

Sustainable public procurement can help reduce the environmental impact of goods and services by promoting the use of sustainable materials, reducing waste and emissions, and supporting the circular economy.

Social Responsibility

Sustainable public procurement can promote social responsibility by promoting fair labor practices, supporting diversity and inclusion, and ensuring that goods and services are produced in ethical and socially responsible ways.



Goals and Objectives

Greenhouse Gas Emissions

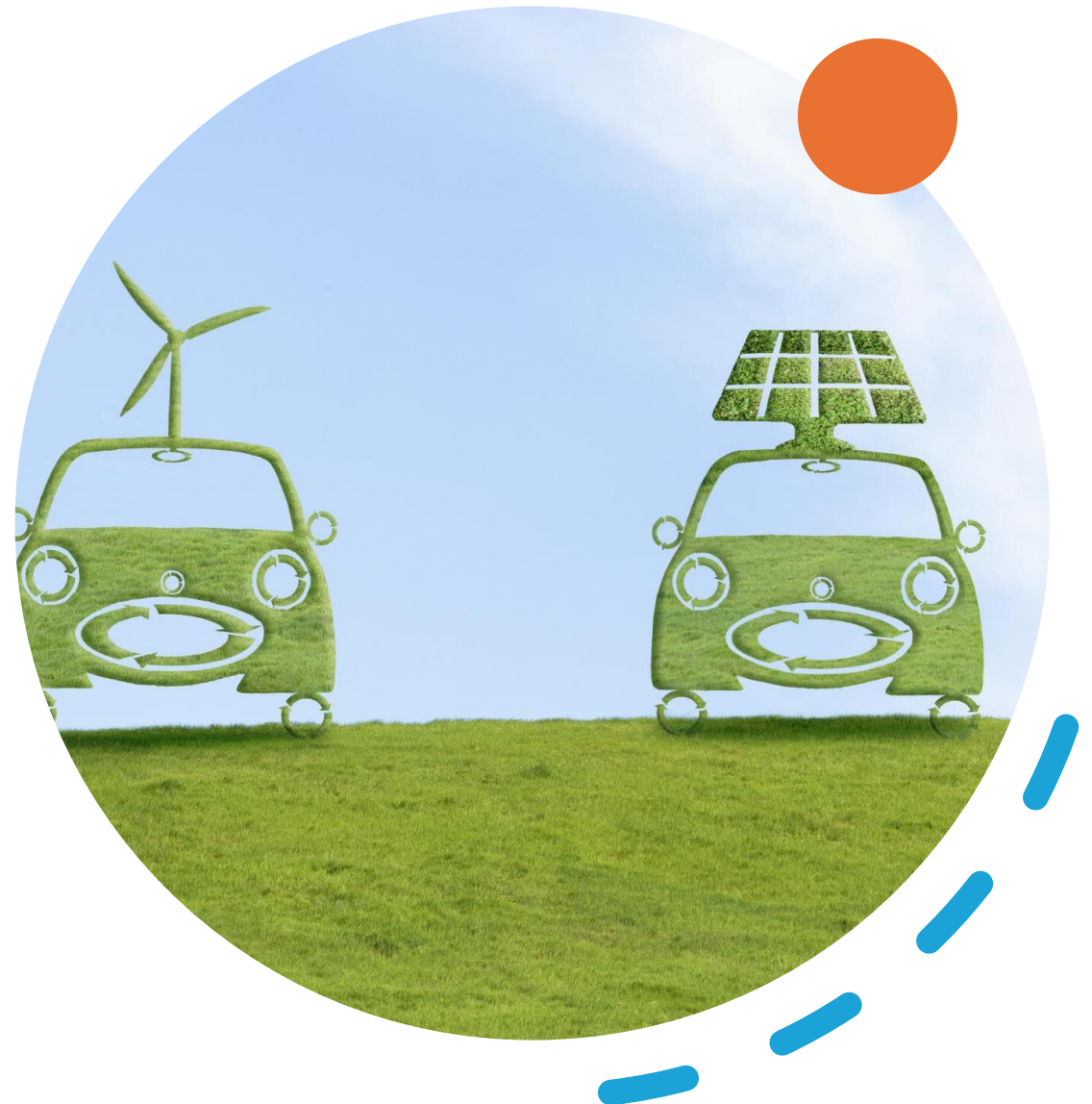
Stavanger's goal is to reduce greenhouse gas emissions through sustainable procurement practices that promote the use of renewable energy sources, green vehicles, and other low-carbon delivery solutions.

Low Carbon Delivery Solutions

Stavanger aims to promote the use of low-carbon delivery solutions, such as electric vehicles and bicycles, to reduce emissions and improve air quality.

Social Responsibility

Stavanger aims to support socially responsible practices through sustainable procurement practices, such as buying products from suppliers that promote fair labor practices and ethical standards.



Role in the Municipality of Stavanger

Norway has for quite some time now had generous financial incentives for Electric vehicle (EV) adoption. This has led to rapid deployment of EVs in Norway, which has led public procurers in Norway to have great terms for procuring services and deliveries with zero emissions vehicles.

Stavanger municipality as a large public procurer in Norway, has a substantial opportunity to speed up EV adoption for businesses that are supplying goods and services to the municipality.





Tools for Facilitating Sustainable Procurement

Award Criteria



Award Criteria

Award criteria are a set of standards used to evaluate bids and determine the most suitable supplier for a given contract. They help to ensure that contracts are awarded fairly and that suppliers meet the required standards.

Sustainable Delivery Solutions

In Stavanger, award criteria are used to promote sustainable delivery solutions, such as zero-emission vehicles and socially responsible practices. In relation to zero emissions last mile transportation, these can be the amount of zero emission vehicles used on the contract, or the number of deliveries as a percentage off all deliveries on the contract with zero emission vehicles.

Zero Emission Vehicle Criteria

Promoting Low Carbon Delivery Solutions

The use of zero emission vehicle criteria is aimed at promoting low-carbon delivery solutions, such as electric vehicles, and reducing the carbon footprint of cities.

Preference in Contract Awarding

Suppliers who use zero-emission vehicles are given preference in the awarding of contracts in Stavanger, Norway.



Specific Example of Recently Used Award Criteria

- Suppliers are evaluated on a percentage number of deliveries made on the contract or framework agreement, where zero emission vehicles are used. This is an award criteria from the Norwegian Agency for Public and Financial Management (DFØ). Our experience with this and similar award criteria is that suppliers offer as many zero emission vehicles as they have available and make a plan to buy new ones to score well on the criteria. In one of our most recent procurements, which involved four different partial contracts, there were several tenderers with very high percentage amounts of deliveries with zero emission vehicles.


Selection Criteria

Selection Criteria

Selection criterias are used to assess whether a supplier meets the required standards and qualifications for a given contract, with a focus on fulfilling the organization's goals and objectives.

Sustainability

In Stavanger these are minimum qualifications that the tenderer must meet. This has rarely been used in Stavanger municipality to impact zero emission last mile deliveries.



Impact on Last Mile Transportation

Last Mile Transportation

Last mile transportation is an important aspect of delivery logistics and is often the most expensive and polluting leg of the delivery process.

Low-Carbon Delivery Solutions

Promoting the use of low-carbon delivery solutions, such as electric vehicles, can significantly reduce greenhouse gas emissions and promote sustainable transportation practices.



Technical Specification

Defining Technical Specifications

Technical specifications define the requirements for products or services that are being procured, ensuring that the products or services meet the desired quality and performance standards.

Low-Carbon Delivery Solutions

In Stavanger, technical specifications are used to promote the use of low-carbon delivery solutions, such as electric vehicles and sustainable transportation practices, contributing to the reduction of greenhouse gas emissions and air pollution.

These are mandatory performance-related requirements for the procured good, service or works, which the supplier must comply with. Deviations from mandatory requirements will result in the rejection of the supplier from the competitive bidding process. Due to the market becoming more mature with regard to electric vehicles, a mandatory requirement will be set that all or a large proportion of deliveries must be made using zero-emission vehicles.

Market Maturity in Electric Vehicles

Increasing Market Maturity

The market maturity in electric vehicles has increased in recent years, making it easier for suppliers to adopt low-carbon delivery solutions.

Technical Specifications

Technical specifications are updated to reflect changes in the market and promote the use of electric vehicles.



Mandatory Requirements in Contracts

Sustainable Procurement Practices

Mandatory requirements in contracts ensure that suppliers comply with sustainable procurement practices, contributing to the municipality's sustainability goals and objectives.

Low-Carbon Delivery Solutions

In Stavanger, one of the mandatory requirements in contracts is the use of low-carbon delivery solutions, reducing the carbon footprint of supplier deliveries.

Socially Responsible Practices

Mandatory requirements in contracts also include socially responsible practices, ensuring that suppliers adhere to fair labor practices and other social responsibility standards.



Balancing Competition with Environmental Goals

Sustainable Public Procurement

Sustainable public procurement involves balancing competition and environmental goals to ensure fair competition, value for money, and environmentally responsible practices.

Collaboration with Suppliers

To promote sustainable practices, Stavanger municipality works closely with suppliers to develop environmentally responsible procurement processes while ensuring fair competition and value for money.



Contractual Conditions



Contractual conditions

Contractual conditions are used to ensure that suppliers comply with sustainable procurement practices, reducing environmental impact and promoting socially responsible practices while the contract is being carried out.

Sustainability Goals and Objectives

Contractual conditions are used to ensure that suppliers meet the municipality's sustainability goals and objectives, promoting environmental sustainability and social responsibility.

Social responsibility

- With the significant purchasing power of Stavanger municipality comes a great responsibility and an opportunity to ensure human rights, labor rights, and environmental sustainability in the global supply chains from which we purchase goods. Our work on ethical trade in procurements is focused on safeguarding people, communities, and the environment. This is achieved through contract terms, award criteria, qualification requirements, and contract follow-up in our procurements. Based on an overarching risk assessment of the goods in the framework agreements and contracts, it is decided which criteria and requirements will be applied in the various procurements. This ensures that goods and services are produced according to high ethical and social standards for working and environmental conditions both within our own operations and in the supply chain. Through the management of communal resources, Stavanger aims to lead by example with circular and sustainable consumption.
- Stavanger municipality's ethical contract terms are based on the UN Guiding Principles on Business and Human Rights, with due diligence assessments as a method. Due diligence assessments are an internationally recognized method to identify, prevent, mitigate, and account for how businesses address potential negative impacts on labor and human rights within their own operations and supply chain.



Regulations

THE NORWEGIAN TRANSPARENCY ACT

The Norwegian Transparency Act ("the Act") came into effect on 1 July 2022. Its purpose is to promote enterprises' respect for fundamental human rights and ensure decent working conditions during the production of goods and the provision of services. The Act is applicable to large enterprises based in Norway that offer goods or services both domestically and internationally. Additionally, it covers certain large foreign enterprises that offer goods or services within Norway.

Consumers now expect goods and services to be produced under fair working conditions, and many enterprises aim to contribute positively through their operations and supply chains. The Norwegian Transparency Act supports this trend by mandating larger enterprises to conduct due diligence on human rights and working conditions, publish their findings, and provide information on demand. Previously deemed "best practice," these due diligence assessments are now a legal requirement under the Act.



Challenges



Balancing Competition and Sustainability

Sustainable Public Procurement

Sustainable public procurement is a key challenge that requires balancing competition and sustainability. Stavanger municipality promotes sustainable practices while ensuring fair competition and value for money.

Fair Competition

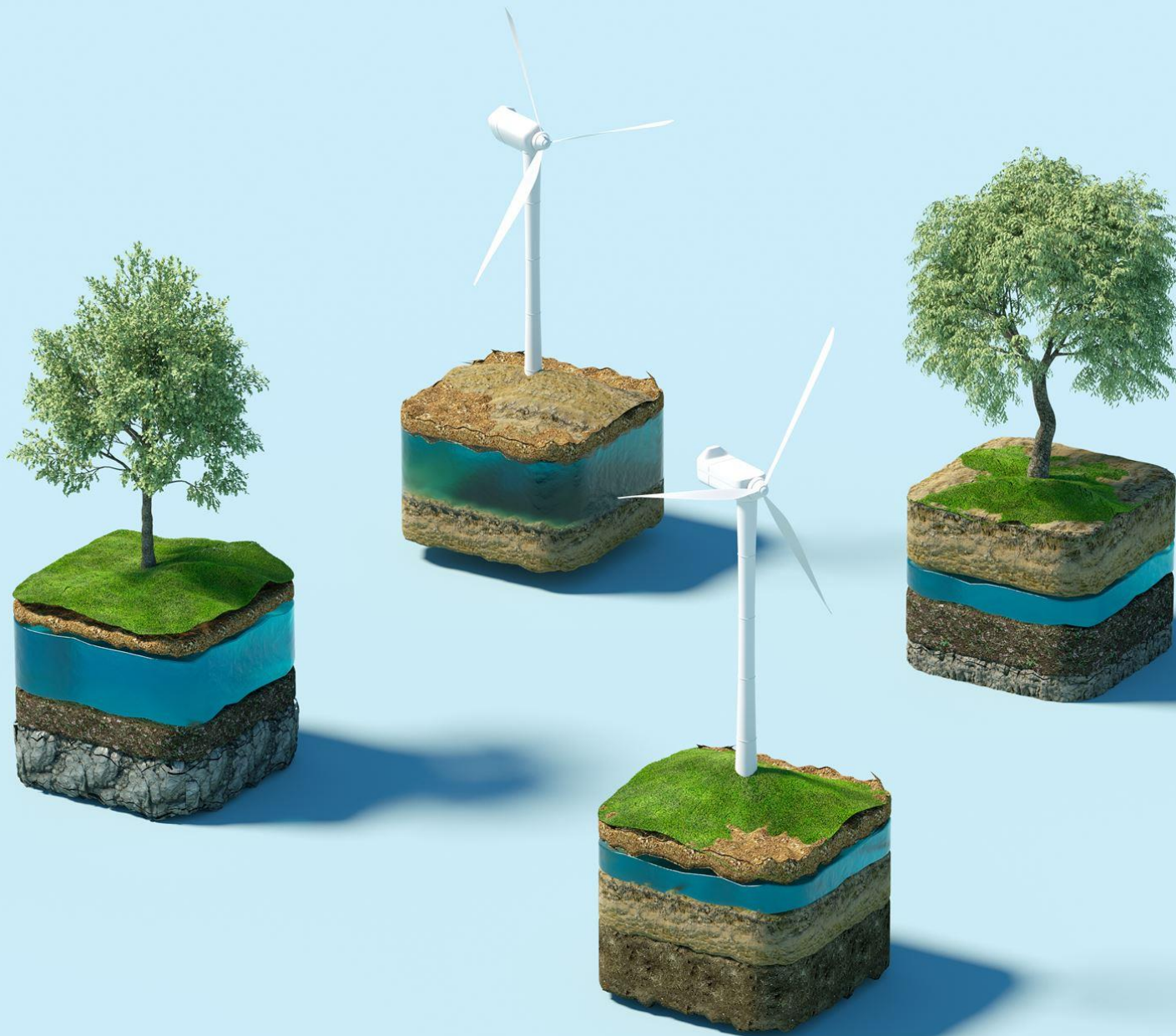
Fair competition is important in sustainable public procurement as it ensures that suppliers compete on a level playing field while promoting sustainability and value for money. Stavanger municipality works closely with suppliers to ensure fair competition.

Value for Money

Value for money is a key consideration in sustainable public procurement as it ensures that taxpayers' money is spent wisely. Stavanger municipality works to ensure value for money while promoting sustainable practices through its procurement processes.

Stavanger municipality has for the most part used award criterias regarding delivery of goods and services. A significant reason for this was due to the need to balance the need for a necessary amount of competition between suppliers with climate and environmental goals. As the market has become significantly more mature in regard to zero emissions vehicles, including larger vehicles, mandatory requirements in the technical specifications will be used more often, often combined with contract clauses.





Future Outlook

Due to the goal of Stavanger municipality of 100% of last mile deliveries being made with zero emissions, minimum requirements of 100% of last mile deliveries in the technical specifications are going to be the standard moving forward. With some exceptions for bus transportation and other heavy-duty vehicle transportation, where award criteria will still have to be considered, due to less market maturity. The increased market maturity for electric vehicles in Norway is also a major driver for moving over to minimum requirements. An example of a recently published procurement with minimum requirements is: "Carpenter services, with associated material."



Adapting to Market Changes

Sustainable Public Procurement

Sustainable public procurement is an important consideration in adapting to market changes. It ensures that the procurement process is environmentally friendly, socially responsible, and economically viable.

Technical Specifications

Technical specifications in public procurement are updated periodically to reflect changes in the market and promote the use of low-carbon delivery solutions. This ensures that procurement activities are aligned with the city's sustainability goals.

Ensuring Compliance and Enforcement

Importance of Compliance and Enforcement

Compliance and enforcement are critical components of sustainable public procurement. They ensure that sustainability criteria are met and that sustainable procurement practices are adopted throughout the supply chain.

Collaboration with Suppliers and Stakeholders

In Stavanger, the municipality collaborates closely with suppliers and stakeholders to ensure compliance and enforcement of sustainability criteria in public procurement. This ensures that sustainable procurement practices are adopted throughout the supply chain.



A film about leading the green transition in Stavanger

Stavanger Business Region:
Leading the green transition

 - YouTube

