

Designing Competitive Tendering

Besides policy tools like spatial planning, price incentives and transport infrastructure investments, there are a number of factors that are important to the success of competitive tendering and improving environmental and social standards in urban public transport:

- It is important to create an independent transport authority that sets up the requirements for the urban public transport system, carries out the call for tender and closely monitors the fulfilment of the contracts. Often this authority can be set up with employees from the planning unit of the former local public transport company.
- The transport authority should be driven by an ethic that places delivery of the maximum amount of service with available funding, whilst incorporating social and environmental criteria.
- Public transport plans should be based on a long-term vision for integrated sustainable urban transport, which should be consistent with other policies and approved by citizens.
- Emphasis should also be put on public transport access to all large land-use developments.
- Work with key providers and develop a dialogue between procurers, suppliers, manufacturers, regulators, transport development organisations, businesses and citizens' groups.
- Apart from high quality and environmental criteria social standards have to be considered. It does not help urban public transport if the skilled local workforce is made redundant and replaced by low-paid drivers. Good experience has been achieved through ensuring that local labour tariffs are paid to employees, whilst phasing out differences between public and private transport companies. Unions and employers should work out common wage agreements.

Competition has shown to bring major cost savings in traffic operation whilst improving social and environmental standards. These savings can be used to increase the service level and to reduce ticket prices. Competitive tendering can also enable rapid modernisation of bus fleets therefore improving environmental standards whilst service quality remains high.

Procura+ Criteria for High Environmental Performance

In order to maintain the environmental advantage of urban public transport, high standards need to be applied to vehicles, i.e. the bus fleet. This has to be ensured in the tendering process. Procura+, ICLEI's Sustainable Procurement Campaign, starting in 2004, aims at encouraging public authorities across Europe to adopt these key criteria, and thereby send a clear signal to suppliers that a substantial market exists for vehicles and transport services with high environmental standards. Specifically the manual sets qualitative criteria and emission levels and does not demand a specific technology.

The key criteria for direct bus purchases taken from the Procura+ manual are as follows:



Buses

Engine EURO Standard

Specifications:

Vehicle engines must be certified as meeting the EEV standard for emissions, according to EC Directive 1999/96/EC.

Monitoring Fuel Use

Specifications:

All vehicles are to be fitted with driving-style meters to monitor fuel usage

Noise Emissions

Specifications:

Vehicle noise emissions must be below 75 dB (A) for vehicles with an engine power between 75-150 kW and below 77 dB (A) for vehicles with an engine power above 150 kW.

Tenders of Public Bus Services

Engine EURO Standard

Specifications:

All buses used in carrying out the service must have engines meeting EURO II standards, according to EC Directive 1999/96/EC. Where buses are not certified as EURO II, but technical after-treatment has achieved the same standard, this should be documented in the tender application, and approved by a credible independent third party.

Award Phase:

The contract will be awarded to the tender applicant with the highest score of points, to be allocated along the following criteria:

- Price: 95 points* – 95 points awarded to the cheapest tender and 1 point less for every 1% increase above this price
- Engine EURO standard: 5 points – 1 point awarded for every 20% of buses used in carrying out the service meeting the EEV standard (i.e. 0 points awarded for tenders offering no buses meeting EEV standards).

Contract Provisions

The share of EEV driven km per year must increase by ...% per year**. Proof of compliance must be documented and provided to the contracting authority. If compliance is not achieved a penalty of ...** will be applied.

* Whether all 95 points are allocated according to price, or whether additional criteria are taken into account must be decided by the tendering authority.

** To be determined during contract negotiations

Environmentally-conscious Driving

Specifications:

- All buses used in carrying out the service must be fitted with driving-style meters to monitor fuel usage
- It must be proven that all bus drivers involved in carrying out the service are being trained in a locally recognised institution on environmentally-conscious driving on a regular basis to increase fuel efficiency

Contract provisions:

If the standards claimed in the tendering competition have not been met satisfactorily over the first 2 years of the contracting period then a penalty of ...* will be applied.

* To be determined in negotiation with the selected service provider

Good Quality Service

Contract provisions:

- X%* of the operating revenue awarded if the operator achieves a „good quality service“⁴, as evaluated by an independent market research company** at the supplier's expense every two years

* To be determined by the public authority in negotiation with the selected service provider

** The supplier must provide details of an appropriate company in the tender application

For more information on Procura+ contact Christoph Erdmenger, ICLEI European Secretariat, Leopoldring 3, D-79098 Freiburg, Germany, tel: +49-761 368 920, e-mail: christoph.erdmenger@iclei-europe.org or visit www.procuraplus.org.

Better Urban Public Transport: Making a Commitment

A declaration of commitment has been developed as part of the Sustainability in the Urban Public Transport Market project (details on page 29). It is aimed at mayors, councillors, senior managers and other leaders of local and regional authorities across Europe. It commits the signatory to bringing the opportunities from competitive tendering to the attention of your local authority. Your authority can then consider improving environmental and social standards in urban public transport. For more information or to obtain a copy of the declaration of commitment contact: Mark Hidson, ICLEI European Secretariat, Leopoldring 3, D-79098 Freiburg, Germany, tel: +49-761 368 920, e-mail: mark.hidson@iclei-europe.org or visit www.iclei.org/europe/sip-tram/.



⁴ Assessment to be done 2 years after commencement of service. Specific targets and goals must be set and agreed upon. The main indicators should be: passenger numbers, fuel efficiency levels, measurement of passenger satisfaction levels, price levels (cost of service and fare prices).