

City of Rotterdam

ZERO EMISSION DELIVERY OF CRAFTSMEN SERVICE CONTRACTS THROUGH THE ECOSTARS SCHEME

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Introduction – Craftsman’s services

Description of procurement category

Rotterdam has identified the **transportation of workmen and supplies** in carrying out maintenance activities for buildings owned by the city (e.g. painting, cleaning, plumbing, etc.) as a priority area for promoting zero emission delivery in the city. This sector was identified as having the second largest transportation emissions footprint within the city, following a mapping exercise carried out in BuyZET¹.

During the BuyZET project, a series of maintenance service contracts for municipal facilities were up for renewal, so a procurement strategy was developed for this specific procurement category.

The procurement category is characterized by a high number of lots (>20), stemming from the policy to keep government contracts accessible to local Small and Medium-sized Enterprises (SME’s). A lot is defined by a group of buildings, used by the same division (and therefore spread out over the entire city), combined with a specific service, e.g. construction work, plumbing or electricity (see table I). The services comprise maintenance and repair, and to a limited extent, occasional projects such as renovation. This project component sometimes dominates the workload in a lot.

| Type of service |
|------------------------|
| Construction work |
| Electrotechnical work |
| Kitchen installation |
| Plumbing |
| Window decoration |
| Painting |
| Carpeting |
| Mechanical engineering |

Table I Types of services distinguished in the procurement of craftsman contracts

Internal preparation

Procurement is centralised in Rotterdam, and the preparation for a procurement starts with the formation of a working group, managed by the contract owner. In this case the team was composed of a senior procurement officer, the contract owner who chaired the meetings and a number of

¹ www.buyzet.eu/wp-content/uploads/2017/11/Rotterdam-BuyZET-Transportation-Mapping-Report.pdf

contract managers responsible for the buildings in specific lots. From the BuyZET project, a member was added to this group, to provide support in formulating the sustainable transport requirements.

About one year before the contract expiration date (in this case, the 1st of May, 2019), the procurement team group started regular meetings, and a market consultation process was carried out².

Although quite a few barriers were identified, the procurement team decided that it wanted to make a statement to the market (“otherwise we’ll be having the same conversation again in 4 years, without any progress towards ZE delivery”).

Market engagement and research activities indicated that it would be very challenging to set strict zero emission delivery criteria for this contract category, given a series of restrictions, particularly for SMEs. Moreover, some of the suppliers mainly work with subcontractors (very often self-employed individuals), creating an additional complication. A strategy was therefore developed involving the use of the fleet recognition scheme ECOstars. The basic idea of the scheme is that an organisation or company is awarded more stars when the vehicles in its fleet are cleaner and are used in a cleaner way. Each individual vehicle gets a star rating, and the fleet as a whole (see annex for more information). Similar schemes are applied across Europe, e.g. in Brussels and London.

The strategy developed is presented below.

Procurement approach

The strategy chosen for craftsman services involved two elements:

- Minimum requirement that all vehicles meet the requirements of Rotterdam’s low emission zone
- Using the ECOstars fleet rating scheme to encourage an improvement in environmental performance over the duration of the contract

²See this report for a detailed description of the process and outcomes of this market engagement process: www.buyzet.eu/wp-content/uploads/2018/12/D3.7-Market-engagement-report_Craftmanship_Rotterdam_Final.pdf

Minimum requirements

A contract clause was included that all vehicles used during the contract period should meet the specifications of the Rotterdam Low Emission Zone (LEZ). Access by some polluting vehicles is restricted with the aim of improving local air quality. More details of the vehicle specifications that meet the LEZ standards in Rotterdam can be found at www.gezonderelucht.nl. In addition to the LEZ, heavy duty vehicles are banned from certain areas of the city, such as the 's-Gravendijkwal. Exemptions are awarded only for special cases.

ECOstars

All bidders were required to carry out an initial ECOstars rating of the suppliers' fleet at the start of the contract period, followed by an update after three years, i.e. at the end of the first year of contract extension. If the supplier achieves an overall 5 ECOstars rating, and the fleet contains at least one additional zero emission vehicle in this second audit, they will be entitled to an additional one year contract extension.

Bidders had to supply proof of an appointment for an audit as part of the submitted bid. This requires no more than going to the ECOstars page on the website (<https://www.logistiek010.nl/nl/programma-s/Ecostars-42>) and clicking a link.

When the contract is awarded, the winning bidder must submit an ECOstars 2018 audit report within the first 6 months of the contract period. The audit itself is free of charge³ and requires only a modest effort from the part of the auditee.

The re-audit has to be carried out (and the report submitted) within in the last 6 months of the 3rd contract year.

Applicability to subcontractors

After publication of the tender documents, two rounds of questions had to be answered. In both rounds, the question of the subcontractors was brought up. It pertains to the stipulation that not only the main contractor, but all subcontractors as well, have to meet the ECOstars 2018 requirement. This is particularly relevant because it turned out in the market consultation that many potential

³ The original Ecostars project was funded by the EU. When the EU decided not to extend the programme, several participating cities, including Rotterdam, continued independently. The costs are covered by the regional and municipal sustainable freight traffic policy programmes

contractors do not have a fleet themselves, they only manage the contract and hire subcontractors to supply the actual services.

In view of future use of the ECOstars 2018 requirement, it has been decided to seek legal advice on the legitimacy of demanding fleet audits for subcontractors. An affirmative answer was received from the Procurement Forum Helpdesk. At the time of this report, no definitive answer has been received yet from the Rotterdam legal advice department.

Application

The minimum requirements in combination with the ECOstars approach have been applied in some other tenders, since the application for the craftsman contracts. Rotterdam intends to apply this approach to more procurement where transportation of goods and services is not a key element.

Next steps

ECOstars scheme development

The original EU-version of the ECOstars scheme was primarily focused on fuel efficiency. Upon termination of the EU-project in 2015, Rotterdam decided to continue the initiative.

However, for the programme to remain effective, the appraisal criteria have to be updated to compensate for autonomous improvement of commercial fleets (as new bought vehicles have to meet ever higher emission criteria).

Moreover, in Rotterdam as elsewhere in the EU, there is a growing public awareness that the ultimate solution for clean city logistics involves vehicles without local emissions. This is also reflected in the national policy. The draft agreement on climate goals requires the nation's 30 largest cities to introduce a medium size zero emission zone by 2025, to be announced in the beginning of 2020.

This development has led to the decision to revise and update the ECOstars rating methodology in 2018. The criterion for each given number of stars has been raised. Moreover, the number of zero emission vehicles is explicitly reported. A detailed description of the new scheme ECOstars 2018 can be found in the Annex. The whole community of ECOstars members has received an announcement of the upgrade, and are scheduled to be re-audited in 2019. Further upgradings of criteria have been announced, in view of the expected policy developments (ZE Zone in the city centre by 2025).

As of 2018, the regional authority (Metropool Regio Rotterdam Den Haag, MRDH) has become a cofinancer of the ECOstars scheme, which allows companies and organisations in a wider area to apply



for membership. In addition, Rotterdam received a national subsidy to promote and upgrade the application of ECOstars in public procurement by municipalities throughout the nation.

Internal and external promotion

The procurement approaches that have been developed within BuyZET, including the one for construction materials will be disseminated through an internal capacity building programme about Sustainable Public Procurement in 2019.

In fact, procurement officers in the procurement department have actively approached the BuyZET team to support them in applying the ECOstars approach to other contracts before any capacity building effort could be set up and carried out.

As part of this effort Rotterdam is also developing a decision support diagram, which helps procurement officers and contract managers to decide which strategy is most suitable for a tender. We aim to disseminate this diagram even to a wider audience as a follow up on this training about procurement of ZE transportation.

During the first quarter of 2019, the city of Rotterdam participated in a national capacity building programme together with Connekt and PIANOo.

Replicability

All criteria and minimum requirements correspond with European standards and can therefore be applied in all contracts across Europe. As reported, several schemes comparable to ECOstars are operational in cities across the EU and could be applied in a similar fashion. The existence of such a scheme is, however, a precondition for this approach.



About BuyZET

BuyZET stands for BuyZET ‘Procurement of innovative solutions for zero emission urban delivery of goods and services’.

The BuyZET project will develop innovative procurement plans to help the participating cities achieve their goals of zero emission urban delivery of goods and services.

Partners Logos



Contact details

Reach us:

Visit the project website: <http://www.buyzet.eu>

Join the discussion at the BuyZET Procurement Forum Group:
<https://procurement-forum.eu/>

Follow BuyZET on Twitter: [@BuyZETproject](https://twitter.com/BuyZETproject)

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INFORMATION FOR APPLICANTS

ECOSTARS Fleet Recognition Scheme

The ECOSTARS "Fleet Recognition Scheme" has been developed to provide recognition, guidance and advice to freight vehicle managers, buses and coaches, to help them take the best implementation measures to increase efficiency, reduce fuel consumption and reduce emissions. All this to improve the local air quality, reduce CO2 emissions and tackle climate change.

The purpose of this program is to make business vehicle fleet managers aware of the important role they can play in improving local air quality and the environmental performance of their fleet. It also offers the opportunity to show best practice examples to a wider audience, including other fleet managers, customers and the general public.

Origin of ECOSTARS

The following factors have led to the development of ECOSTARS:

- The impact of heavy industry on European air quality has decreased in recent decades.
- The influence of road transport on European air quality has increased in recent decades. Commercial vehicles provide a significant share of local emissions, both in term of pollutants and of greenhouse gases.
- The ECOSTARS "Fleet Recognition Scheme" (or recognition of clean fleets) is seen as a suitable way to give visible appreciation to clean and sustainable fleet management. Especially for fleet managers who actively improve their efficiency, reduce their fuel consumption and reduce their influence on local air quality.





Key message

The main points of the program are:

- Operational efficiency measures, mainly in relation to the use of cleaner vehicles and effectively dealing with fuel consumption with financial savings and a better environment
- The program ensures acceptance and support for managers applying efficiency measures. This leads to recognition at vehicle level and also at company fleet level.
- Subscription to the program and getting recognition for measures that have already been taken can improve a company's image, especially in the eyes of customers, competitors and the general public.
- Programs for effectively dealing with fuel comprising individual measures such as supervision of fuel consumption, training for managers in use of support equipment and systems
- Reduced fuel consumption means lower cost and less environmental impact, due to reduced emissions, yielding both financial and environmental benefits

Who can apply?

ECOSTARS has something to offer to all managers of:

- all types of business vehicles (for light and heavy goods, collective passenger transport), except passenger cars
- operational fleets in all sectors (transport for own account, for account of third parties, private and public sectors, retail, transportation, industrial, general cargo, public transportation, bus services, long distance for touring bus services)
- fleets of all sizes
- companies operating fleets located both within Rotterdam and outside Rotterdam (but with vehicles that mainly drive in Rotterdam).

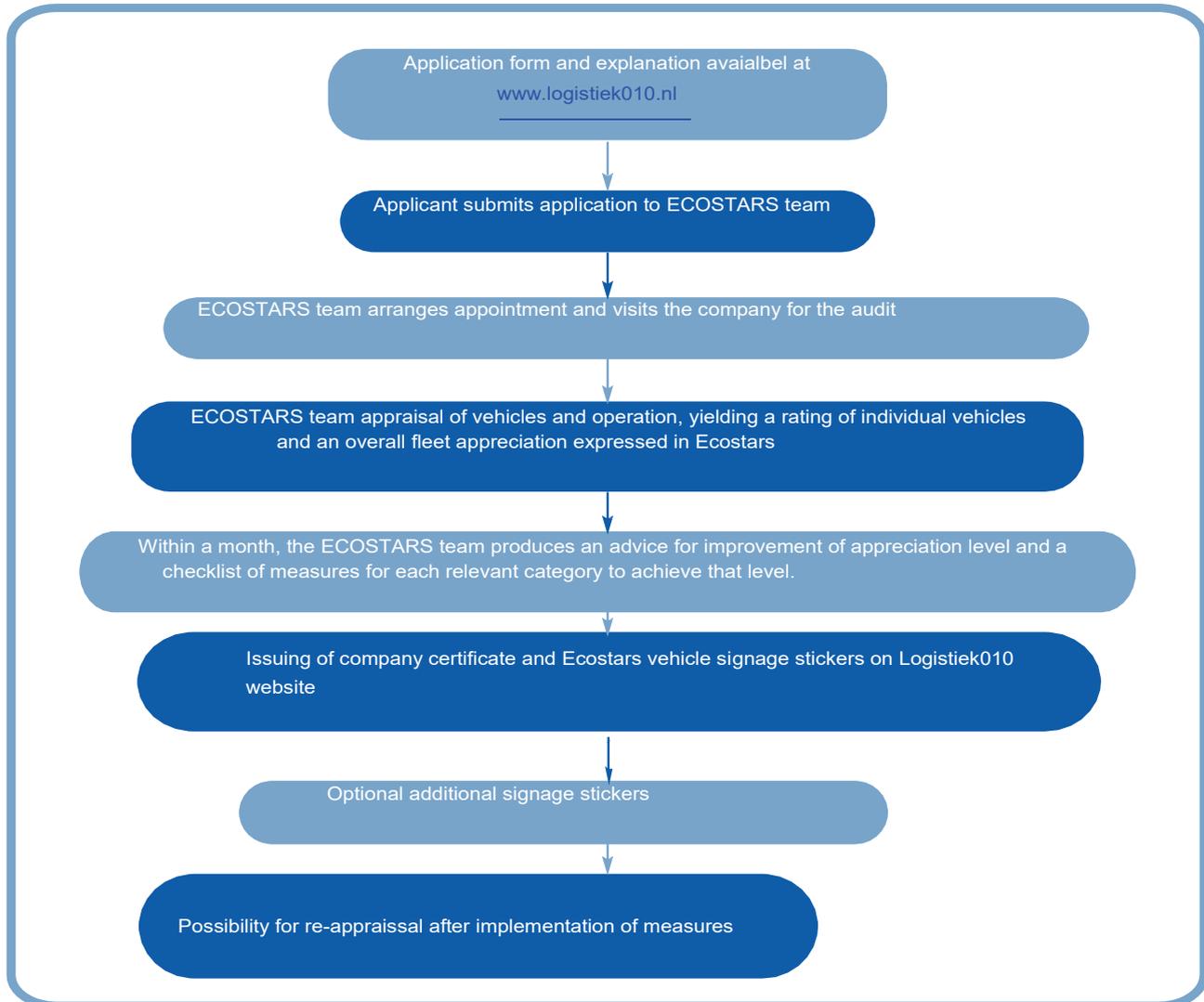
Advantages of membership

The advantages of the programme for fleet managers in all sectors are:

- Recognition of your current effort and investment (both at vehicle and fleet level)
- Free advice on measures which help to improve the fleet performance and Ecostars recognition
- Opportunities to improve company image

Membership fee

Programme membership is free of charge, regardless of the vehicle fleet size.





Star rating and bonus stars

In the application form, applicants are asked for specific details about the individual vehicles, which are based in or drive a considerable time within the Rotterdam region. Information is also required about business processes. Star rating will be based on the information provided by the applicant.

A system of bonus stars has been devised to allow extra recognition, on top of the Euro standard, for its use of cleaner fuels and technologies, but also for fuel control equipment and telematics in the cabin.

The idea behind these "bonus stars" is to encourage applicants to think further than just the Euro standards of their fleets and to consider the purchase of additional equipment that could improve the efficiency and environmental performance of both vehicles and drivers.

