

ESTONIA¹***Context and background***

The Estonian Road Administration (ERM) is a government agency operating in the administrative area of the Ministry of Economic Affairs and Communications. It is responsible for the implementation of transport policy, that is, infrastructure, traffic and public transport.

The ERM carried out a procurement process in October 2010 under the Green Investment Scheme (“Promoting the Use of Public Transport”), which is funded from the agreement of the sale and purchase of the CO₂ emissions quota between Estonia and Spain. The agreement was awarded in accordance with Kyoto protocol Article 17 and provided that the Estonian government invest the proceeds arising from the sale of the CO₂ quota into areas where CO₂ emission reductions can be achieved. The aim was to introduce new environmentally friendly buses which will help to popularise the use of public transport and reduce CO₂ emissions caused by the transport sector.

Criteria used

In terms of “green” criteria, the tender specifications included the following:

Subject of the contract

The purpose of the public procurement is to buy new cost-effective and environmentally friendly buses, suitable for running county and regular urban services (category M3 vehicles).

Award criteria

The award criteria were weighted as follows: 55% value of tender (i.e. lowest price); 24% for a combination of warranty, bus engine smoke opacity and repair and maintenance work; and 21% for other technical properties of the buses, including:

- Points were awarded if the engines of the offered buses complied with the emission limits applicable to EURO V enhanced environmentally friendly vehicles (EEV) as specified in Directive 2005/55/EC. The tenderer had to prove compliance with this requirement by submitting an engine type-approval certificate according to Directive 2005/55/EC.
- Points were awarded if the tender was accompanied by a confirmation from the manufacturer of the engines of the offered buses specifying that the engine may be used without modification with diesel fuel, complying with the standard EVS-EN 590:2009+NA:2009 (the Estonian equivalent of the corresponding European standard). Diesel fuel may contain up to 7% of fatty acid methyl esters (FAME) described in standard EN 14214.
- Points were awarded if urban buses were equipped with dual-zone (driver’s cab and passenger compartment) air conditioning equipment which enables automated regulation of the interior temperature.

1. Case study submitted by the Ministry of Finance of the Republic of Estonia and researched together with ICLEI (International Council for Local Environmental Initiatives) – Local Governments for Sustainability.

In order to avoid unequal treatment of tenderers and minimise the risk of disputes, the contracting authority decided not to include criteria on fuel consumption and CO₂ emissions of the offered buses. This was because for category M3 vehicles no compulsory testing procedure had been established to measure fuel consumption and CO₂ emissions that the contracting authority could rely on. Evaluating such criteria based on testing results provided by the tenderers or the manufacturers of buses would not have provided an adequate overview of the differences in fuel consumption and CO₂ emissions between the different buses offered. This deficiency was likely to have resulted in unequal treatment of tenderers and lead to disputes.

Results

All the bids received offered vehicles with engines that met the EEV emissions standard – which is more stringent than the legally required EURO V, despite this being the award criterion. This meant that the tendering criteria motivated tenderers to offer greener vehicles than required. Most tenders also offered technical enhancements, for which additional evaluation points were awarded.

In the tendering procedure, 28 persons registered as interested parties and 6 tenders were submitted. The tender was awarded to a Czech company and had a value of EUR 15.7 million (excluding VAT) for the delivery of 110 new buses with long warranty periods (5 years).

Environmental impacts

It was important to popularise public transport as a more environmentally friendly choice of transport. The main purpose of this action was to limit the growth in the number of car owners and to attract more passengers by offering them more comfortable and modern public transport services.

According to the contract between Estonia and Spain, the ERM is obliged to monitor the efficiency factor of the project until 2018. The efficiency factor is measured in tonnes of CO₂ emissions prevented due to the project. The methodology used to calculate the efficiency factor takes into consideration the amount of fuel that has been consumed by the new buses compared to the amount consumed by the old buses. Consideration is also given to the change in the number of public transport users and is based on the assumption that a certain proportion of new passengers have shifted to public transport, thus stopped using their personal vehicles. The estimated total amount of CO₂ emissions saved has been calculated at 912 tonnes.

Lessons learnt

The most significant problem which emerged during the course of the procurement process arose from the fact that evaluating the tenders based on the fuel consumption and CO₂ emissions of the buses proved to be impossible. The Clean Vehicles Directive (2009/33/EC) states that contracting authorities should take into account the lifetime energy and environmental values of the vehicles and also defines a corresponding accounting methodology. The directive also stipulates that evaluation of fuel consumption and CO₂ emissions shall be based on a standardised test defined in Community type approval legislation (CTAL). For vehicles not covered by standardised Community test procedures, comparability between different offers is ensured by using widely recognised test procedures, the results of tests by the authority or information supplied by the manufacturer.

At the time of the procurement process there had not been any established standardised test procedures under the CTAL to evaluate the fuel consumption and CO₂ emissions of category M3 whole vehicles (buses). Also, there were no widely recognised test procedures which could be used for the evaluation of tenders. Conducting appropriate tests by the contracting authority was not feasible

and relying on data provided by the tenders of bus manufacturers would have been associated with the risk of unequal treatment of tenderers and lack of transparency in evaluating tenders. Therefore, the contracting authority was unable to evaluate these environmental criteria which were highly relevant to the project's objective.

In the interest of effective and transparent green public procurement processes involving the purchase of vehicles, it is essential to complement the CTAL and establish mandatory test procedures for fuel consumption and CO₂ emissions measurements for all vehicle categories.