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# GP: Green public procurement and LCC in practice – Green vehicles

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# Introduction

Slovenia's National Action Plan on green public procurement (GPP) covered the period 2009-2012. It set a target for 50 % of all procurement by central government authorities in eight product groups to include GPP criteria by 2012. The strategy also included training on GPP, pilot projects and assisting public authorities in attaining third-party certified environmental management systems.

The Public Procurement Agency in Slovenia was established in 2010 and went into operation in January 2011. It was responsible for carrying out the strategy and joint procurements for Slovenian public authorities for a number of product and service groups. As part of its mandate, the Agency implemented GPP criteria in its procurement of electricity, paper, office IT equipment and vehicles. This build upon the work done by the Ministry of Public Administration to introduce GPP as part of central purchasing in Slovenia. In the period 2011-2012, the Agency purchased on behalf of about 130 authorities across the public sector.



# Introduction



## GPP In practice

### Green electricity and vehicles

NATIONAL PUBLIC PROCUREMENT AGENCY, SLOVENIA

#### Procurement objectives

The Public Procurement Agency in Slovenia was established in 2010 and went into operation in January 2011. It is responsible for carrying out joint procurements for Slovenian public authorities for a number of product and service groups. As part of its mandate, the Agency implements GPP criteria in its procurement of electricity, paper, office IT equipment and vehicles.

This builds upon the work done by the Ministry of Public Administration to introduce GPP as part of central purchasing in Slovenia. The Agency currently purchases on behalf of about 130 authorities across the public sector.

#### Criteria used

##### 1. Subject matter of the contract:

Supply of electricity to public authorities for a period of 24 months.

##### Technical specifications:

At least 30% of the electricity supplied must be produced from renewable sources or cogeneration of heat and electricity with high efficiency (defined as "green electricity").

##### Award criteria:

Most economically advantageous tender in terms of:

- Price: 96,1 points
- Percentage of green electricity offered above minimum: 3,9 points (Each additional percentage of green electricity above the minimum 30% means 0,15 points)

##### Verification/Contract performance clauses:

For the purpose of evaluating compliance with the specifications and award criteria regarding the supply of green electricity, a declaration from the supplier is required. Guarantees of Origin will be required 12 months after the entry into force of the contract, to establish that the percentage of green electricity has been delivered.

##### 2. Subject matter of the contract:

##### Technical specifications: (For all lots except cargo vans)

All vehicles must meet the EURO 5 emissions standard or equivalent. Maximum CO<sub>2</sub> emissions range from 115 g/km for small cars to 180 g/km for mini-buses.

##### Award criteria:

Most economically advantageous tender in terms of:

- Operational lifetime costs† - 81 points
- Service network - 5 points
- Safety and environmental equipment: 4 points
- Gear shift indicator: 1 point
- Warranty period: 4 points
- Delivery time: 3 points
- Tyre pressure monitor: 2 points

#### Background

Slovenia's National Action Plan on GPP covers the period 2009-2012. It sets a target for 50% of all procurement by central government authorities in eight product groups to include GPP criteria by 2012. For electricity, the target is 100% green procurement, reflecting the availability of hydroelectric and biomass (wood) energy sources. The strategy also includes training on GPP pilot projects and assisting public authorities in attaining third-party certified environmental management systems.



# Subject matter

In this particular practice, subject matter of the contract was road vehicles. All vehicles (all lots except cargo vans) must meet the EURO 5 emissions standard or equivalent. Maximum CO<sub>2</sub> emissions range from 115 g/km for small cars to 180 g/km for mini-buses. The received tenders were evaluated in terms of the following award criteria:

- operational lifetime costs,
- service network,
- safety and environmental equipment,
- gear shift indicator,
- warranty period,
- delivery time, and
- tyre pressure monitor.



# Subject matter

Operational lifetime costs were calculated applying the following formula:

[Expected lifetime mileage (=200 000 km) x [(Energy needed per km in MJ x price of Energy per MJ) + (emissions of CO<sub>2</sub> kg/km x 0.03 EUR/kg) + (emissions of NO<sub>2</sub> g/km x 0.0044 EUR/g) + (particulate matter g/km x 0.087 g/km)]]



# Resources needed

The energy content of fuels, in accordance with the Clean Vehicles Directive (2009/33/EC):

<https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32009L0033>

was taken as 36 MJ/litre for diesel and 32 MJ/litre for petrol.



# Evidence of success

As of 2011, road transport vehicles were responsible for 26 % of EU final energy consumption and 24 % of CO<sub>2</sub> emissions. Urban areas in particular suffer from the resulting local air and noise pollution. It is imperative to further the development and deployment of new and better environmental technologies for public vehicles as part of the solution to these issues. The Clean Vehicles Directive provides a common methodology for taking greenhouse gas emissions and energy consumption into account in the procurement of road transport vehicles.

Applying operational life-cycle costing (LCC; <https://ec.europa.eu/environment/gpp/lcc.htm>) as a part of award criteria on one hand, and setting requirements for maximum levels of CO<sub>2</sub> released on the other, has led contractors to submit offers for vehicles with lower CO<sub>2</sub> emissions. The outcome of taking CO<sub>2</sub> emissions and other pollutants into consideration can be seen by comparing the emissions of the vehicles tendered the previous year. The decrease in emissions varied from 3 g/km to 45 g/km per vehicle, depending on the lot.



# Evidence of success

In this particular case, the most economically advantageous tender achieved the following score in terms of award criteria:

- operational lifetime costs: 81 points,
- service network: 5 points,
- safety and environmental equipment: 4 points,
- gear shift indicator: 1 point,
- warranty period: 4 points,
- delivery time: 3 points, and
- tyre pressure monitor: 2 points.



# Potential for learning or transfer

When administering contracts, it's necessary to foster competitiveness among contractors to deliver good economic and environmental performance. High priority should be given to surveying the market and ensuring that the procurer has up-to-date information in order to set and achieve appropriate standards.

On 8 December 2011 the Government of the Republic of Slovenia adopted a Decree on Green Public Procurement, which will aid all contracting entities when launching a contract award procedure. The Decree stipulated that for 11 products (as of 2011) and service groups, public buyers will have to consider minimum and extra environmental requirements, as well as award criteria. It identifies a number of statements or declarations, which can serve as proof of these requirements.

The relevant area of green public procurement in Slovenia has undergone further development. Today's regulation on green public procurement covers 20 public procurement subjects, for which environmental considerations are mandatory.



# Potential for learning or transfer

It is also possible in practice to trace public procurement that includes life-cycle methodology (i.e. life-cycle costing; [https://www.enarocanje.si/Obrazci/?id\\_obrazec=385676](https://www.enarocanje.si/Obrazci/?id_obrazec=385676)):

The screenshot displays the 'eNAROČANJE' portal interface. At the top, there is a navigation bar with the logo 'eNAROČANJE' and the text 'REPUBLIKA SLOVENIJA MINISTRSTVO ZA JAVNO UPRAVO' and 'URADNI LIST'. Below this, a menu contains links: 'Pregled objav', 'Pregled odločitev', 'Pregled pogodb', 'Oddana evidenčna naročila', 'ESPD', 'O portalu', 'Aktualno', 'Kontakt', and 'eRevizija'. A secondary navigation bar includes 'Nazaj na spisek', 'Pripravi za tiskanje', and 'POGOSTA VPRAŠANJA'. The main content area shows 'Dosje javnega naročila 001432/2021' with details: 'Naročnik: MINISTRSTVO ZA JAVNO UPRAVO, Tržaška cesta 21, 1000 Ljubljana', 'Blago: Nakup motornih vozil, razen specialnih vozil in vozil po posebnem naročilu', and 'ZJN-3: Odprti postopek'. A list of items includes 'JN001432/2021-B01 - Obvestilo o naročilu (EU 2 - SL), objavljeno dne 11.03.2021' and 'JN001432/2021-K01 - Popravek (EU 14 - SL), objavljeno dne 01.04.2021'. A 'Zahtevek za revizijo' button is present. A detailed view of 'JN001432/2021-B01 Obvestilo o naročilu (EU 2 - SL) 2021/S 050-123253' is shown, including 'Oddelek I: Javni naročnik', 'Direktiva 2014/24/EU', and 'I.1 Ime in naslovi'. Contact information for the Ministry of Public Administration is provided, including address, phone, and website. A sidebar on the right contains promotional banners for 'Izdajamo garancije za javna naročila.', 'triglav', 'PRVA SLOVENSKA STROKOVNA REVIZIJA', and 'Javna naročila in koncesije v praksi'.





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# Thank you!

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