

Break-out session “From municipal to private enterprise - the development of a digital procurement model”

The sessions began with a review of some of the important features of procurement and the link to sustainability. Speakers included: Dan Andersson (Chalmers), Jon Williamsson and Olof Moen (both University of Gothenburg). They made a number of important points including the following.

Need for environmental sustainability is widely acknowledged but environmental criteria have had limited impact on transport purchasing decisions so far. Comparative national surveys 2003 and 2012/14 of the largest manufacturing and wholesale companies in Sweden, show continuous low priority (8%) in attitude towards environmental aspects when transport services are purchased. The underlying problem is that gains are mostly public while costs are private.

Procurement and business model innovation for sustainable urban freight services has received some attention but there needs to be more research on this topic. Innovations and business models were highlighted with an example of introduction of electrical vehicles in the freight sector. There are some major challenges in the field. (i) Legal: The actors have to move within the the confines of existing trade related frameworks such as WTO, EU etc.(ii) Political/Strategic: It can be difficult to set and prioritize goals, where goals need to be routinely assessed and made tangible enough so that they can be fulfilled. (iii) Business related: Have to find an attractive business case, i.e. business model for the involved stakeholders of each organization (investors, suppliers, employees, users, citizens etc.).

There are also some clear challenges in the scope to change the procurement process for stakeholders. Based on public procurement of freight transport subordinate to the Swedish Public Procurement Act, a new procurement model has been developed for private enterprise based on digitalization and automated processes. The Five-step model relies on a transparent specifications based on route optimization and open book accounting, which will change the power of the supply chain, as well change costs and earnings potential among stakeholders.

The session generated a lively discussion and it was agreed that there were many reasons to believe that change was possible and improved procurement processes could lead to greater sustainability.