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City of Oslo
Department of Finance

City Government Proposition 1091/19

**STANDARD CLIMATE AND ENVIRONMENTAL REQUIREMENTS FOR CITY OF OSLO
CONSTRUCTION SITES**

Summary

The City of Oslo has set ambitious climate goals and aims to reduce emissions by 95% by 2030. The City's procurement strategy stipulates that: *"The City shall, in all procurement planning, keep in mind its goal of becoming an emission-free city"* and that *"Vehicles and construction machinery used in contract fulfilment for the City of Oslo shall preferably use zero-emission technology [...]"* The City's climate budget includes the same ambitions.

This proposition is presented to ensure that the City's undertakings take an aggressive, well-founded and comprehensive approach to the execution of construction projects to help the City of Oslo attain its ambitious climate goals.

In a zero-emission city, true zero-emission technologies (electric and hydrogen) will be significant contributors in reducing GHG-emissions from vehicles and machinery. The City Government would like to point out, however, that biogas, as well as any other biofuels that have been sustainably produced with documented climate benefits equivalent to electric and hydrogen, are an important part of climate-friendly solutions for heavy vehicles, construction machinery and ships. Biogas production from on local waste is good resource utilization and does not have the same negative effects from production that some other biofuels have. The use of biofuels, however, entails some emissions, which contribute to local air pollution.

The construction industry is currently undergoing a technological shift, where emission-free solutions are entering the market. In step with market developments, the City of Oslo aims to impose stricter requirements and provide clear guidelines to promote a green transition in the construction industry. For suppliers, standard requirements with notice of stricter requirements to come will help create stability and security for major investments in machinery and vehicles only available in limited quantities.

The City of Oslo will continue to require that all of the City's construction sites be fossil-free. In addition, all vehicles used in mass hauling and waste removal must be fossil-free. Furthermore, heating and dehumidification of construction sites must be emission-free, using district heating, electricity or hydrogen.

The City will also use award criteria to reward suppliers that are able to provide emission-free and biogas-fuelled solutions. This will promote implementation of low-emission solutions for construction machinery. Award criteria for mass hauling reward emission-free vehicles, biogas vehicles and reductions in driving distances. In addition, suppliers are rewarded for other climate measures related to other transport, as well as smart solutions for reduced emissions in activities related to the construction site.

In addition to reduced emissions and a uniform and coordinated approach, another key purpose of this proposition is to promote innovation and the introduction of emission-free construction machinery and vehicles. Oslo has already distinguished itself in this area, and this proposition is a key step toward making the City Government's ambitions a reality. New requirements and award criteria could also play a key role in mobilizing similar efforts in other public and private principals in Norway and abroad.

The standard environmental and climate requirements for City of Oslo construction sites adopted in this proposition have been developed by the Agency for Improvement and Development (UKE) in consultation with the Agency for Climate and affected municipal undertakings. An open supplier conference was held in the spring of 2019, where the construction industry was given an opportunity to provide feedback on the requirements. Feedback from affected undertakings has been included as a basis for the requirements presented in this proposition.

Presentation of proposition

1. Background

All sectors must make major changes to combat climate challenges and curb global warming. The City of Oslo has set ambitious climate goals and aims to reduce emissions by 95% by 2030. In order to attain this climate goal, each individual emission source must be addressed.

The City of Oslo's procurement strategy, cf. City Government Proposition 1104/17, and the City's climate budget, cf. case 1/2019, Chapter 2, establishes strict guidelines for how the City of Oslo will be leveraging its purchasing power in the effort to make Oslo an emission-free city. The climate budget stipulates that *the City of Oslo shall leverage its purchasing power to define minimum requirements or custom award criteria that reward the best solutions from a climate perspective. These requirements will be applied in the City's construction activities. In order to streamline the use of procurements as a means to reducing emissions, common climate and environmental requirements shall be developed, as well as a reinforced, common guidance function for climate-friendly procurements.* Furthermore, the procurement strategy stipulates that *vehicles and construction machinery used in contract fulfilment for the City of Oslo shall, as a norm, use zero-emission technology.* The procurement strategy also highlights biogas as an option, and in a new climate strategy, the City Government points out that biogas, as well as any other biofuels that have been sustainably produced with documented climate benefits equivalent to electric and hydrogen, are an important part of climate-friendly solutions for heavy vehicles, construction machinery and ships.

Fossil-free construction sites, where fossil fuels are replaced with biodiesel, are already common in City of Oslo undertakings, and these fossil-free construction sites contribute to Oslo's attainment of its climate goals. Use of emission-free technology – electricity, district heating and hydrogen – will further contribute to eliminating local emissions, such as NOx, suspended particulates and noise.

The main objective of this proposition is to contribute to the City Government's goals and ambitions, as outlined in the City Government's platform, the City's climate budget and the City's procurement strategy.

1. **Reduced emissions:** By using the City of Oslo's purchasing power to implement strict climate requirements, direct emissions from the City of Oslo's construction projects will be reduced. The proposition ensures that key points in the previously adopted procurement strategy are addressed in a well-reasoned, uniform and coordinated manner in affected undertakings.
2. **Predictability:** By demanding that construction sites in projects for the City of Oslo be fossil-free, and eventually emission-free, the City wants to create predictability for the suppliers, giving them time to transition. This predictability will also make it less risky for suppliers to invest in zero-emission technology, as the City of Oslo will continue to request this type of technology to an increasing degree in the years to come.
3. **Innovation and market development:** Emission-free machinery and heavy vehicles are currently not widely available. By imposing relevant requirements, the City is using its purchasing power actively, building demand for zero-emission technology and biogas, contributing to expansion in a developing market. Strict climate and environmental requirements could also promote innovation in the way construction projects are organized and executed.

From fossil-free to emission-free

Technically, a transition to fossil-free fuels, such as sustainable biofuel (HVO100), is possible within existing fleets of machinery and vehicles. The transition will entail a minor increase in operating costs, but GHG-emissions from construction activities would be reduced significantly. The aim is to incentivize the construction industry into converting its fleet of machinery and vehicles, creating a completely emission-free construction sector within the City of Oslo. Sustainable biofuel is a limited resource, and there is a significant risk that supplies will be dwindle and prices will go up in the years to come. The national policy is to increase the percentage of biofuels toward 2030. Focusing on transitioning to emission-free construction

machinery will help reduce the demand for biofuels toward 2030, thus ensuring that the limited supply of biofuel can be used for purposes where it is not technically possible to transition to fully emission-free technology. In addition to reducing GHG-emissions, the City's new requirements also aim to reduce other environmental concerns, such as local pollution, noise and suspended particulates.

Emission-free machinery and heavy vehicles are not yet widely available. With this strategic application of award criteria, the City of Oslo aims to increase the volume of innovative and zero-emission technology in the construction industry. If we are to attain our goal of becoming a zero-emission city, we must invest in zero-emission technology, and we must adopt more new technologies.

Oslo's efforts to make construction sites emission-free have garnered significant national and international attention. This reflects the pioneering role Oslo has assumed in this area. This proposition will strengthen and coordinate efforts from all municipal undertakings that have projects within the construction sector. We are expecting undertakings to actively apply award criteria in a new way to promote innovation and development of new emission-free technology and associated business models. This would lay the groundwork for the City of Oslo to continue to play a central role in the transition to a more competitive, future-oriented and climate-friendly construction sector in the years to come.

Access to infrastructure

Many fossil- and emission-free solutions require access to emission-free energy carriers from the start of construction. In contracts where the procurement is a building that, when finished, will use both electricity and district heating, the building would have to be connected to these energy networks anyway. In order to facilitate use of zero-emission technology wherever possible, the necessary infrastructure must be in place by start of construction. It is therefore important that the client assume more responsibility for the energy supply and bring the infrastructure owner in earlier in the planning stage of projects.

Dialogue with undertakings and suppliers

The City of Oslo intends to impose ambitious climate requirements in its construction projects, but it is important that the requirements do not become an obstacle to project execution.

Many of the City of Oslo's undertakings already have considerable experience with fossil- and emission-free construction sites. The requirements presented in this proposition have therefore been developed in close dialogue with representatives from City of Oslo undertakings that will be affected by these requirements. Representatives from the Agency for Urban Environment, Agency for Water and Wastewater Services, Agency for Climate, Fornebu Line and the Port of Oslo, as well as the municipal enterprises Undervisningsbygg, Omsorgsbygg, Boligbygg, and Kultur- og idrettsbygg have participated in a task force, helping to develop these requirements based on experiences from their construction activities.

In addition, the construction industry has also been consulted to ensure that all requirements are feasible. An open supplier conference was held in the spring of 2019, where the construction industry was given an opportunity to provide feedback on the requirements. This initiative was well-received, and suppliers provided important and constructive feedback on this effort. Suppliers are positive to the new requirements, and they want predictability. By having all of the City of Oslo's undertakings now imposing the same requirements and making it clear that the requirements will gradually become stricter, the suppliers will have time to transition. For the City of Oslo as a client, it is also important to uphold competition in the supplier market, so that the smallest firms are not pushed out of the market if they do not have the financial capacity to invest in emission-free construction machinery.

As the availability of emission-free machinery and vehicles is relatively limited as of yet, the City of Oslo will ramp up its requirements in step with market developments. By 2025, all construction machinery in use on the City's construction sites must be emission-free.

2. Definitions

Definitions

Fossil-free	Energy carriers that do not release new CO ₂ to the atmosphere when consumed. Fossil-free energy carriers are, in this context, biodiesel, bioethanol, biogas, pellets, electricity, hydrogen and district heating.
Emission-free/zero-emission	Energy carriers that do not release any new emissions when consumed, neither CO ₂ or other gases that may impact local air quality (such as particle emissions and suspended particulates). Emission-free energy carriers include electricity, hydrogen and district heating. Emission-free machinery/vehicles include battery electric and plug-in electric machinery/vehicles or machinery/vehicles that use hydrogen-based or other zero-emission technologies.
Machinery Register	The Machinery Register is a register for all types of machinery and equipment. A complete online overview of machinery, with relevant information about fuel types and consumption.
European standard (Euro)	Classification for all new vehicles and new engines for vehicles. European standards specify maximum emission levels permitted for heavy vehicle engines in EU member states. European standards only include emission requirements that primarily impact local air quality (e.g. particle emissions and suspended particulates). There are no GHG-emission requirements (CO ₂). Included into Chapter 25 of the Vehicle Regulations.
Stage	Classification for all new machinery. Stage specifies emission levels permitted for new machinery in EU member states. Included into Sections 25–26 of the Vehicle Regulations. Stage is equivalent to Euro for vehicles.
Minimum requirements	Description of characteristics required in the product/service procured.
Award criteria	The characteristics of each tenders to be taken into consideration to determine which is the winning tender.
Contract requirements	The general and specific requirements that apply to the [sic]
Best Value Procurement (BVP)	Best Value Procurement (BVP) is a method procurement and project management that helps clients find the right expertise and ensure high performance from suppliers. The method emphasizes taking advantage of the supplier's expertise and putting the supplier in charge of solutions and execution, whereas the client takes on more of a quality assurance role.
Collaborative contracting	A collaborative approach to construction projects, where all parties get involved at an early stage of the project. Among other things, the parties collaborate on the choice of solutions and/or project execution. The project is executed with shared objectives and shared economic interest.

3. New requirements

The requirements consist of contract requirements, the award criterion “Environment” and related sub-criteria, and minimum requirements.

The contract requirements apply to all procurements with an estimated value exceeding NOK 500,000 excl. VAT. This is the same threshold as mandatory use of the City of Oslo's standard contracts for construction projects.

The award criterion “Environment” and related sub-criteria, must be applied in accordance with this proposition to all procurements with an estimated value exceeding NOK 5 million, excl. VAT. This threshold was chosen because there are many small municipal projects, especially in the construction sector, where there is potential to reduce GHG-emissions. The Vice Mayor for Finance, however, believes that setting the threshold to NOK 500,000, as this could make many smaller projects more complicated and time-consuming. Raising the threshold to the EEA threshold for construction activities (currently NOK 51 million), however, would mean many construction projects would be left out. The Vice Mayor for Finance therefore proposes a threshold value of NOK 5 million for mandatory application of the award criterion “Environment”. As award criteria are not absolute requirements, but rather characteristics suppliers compete on, these criteria are not considered an impediment to competition. If none of the tenders have environmental characteristics beyond the required contract and minimum requirements, the suppliers will compete on price and quality criteria.

The threshold for applying the minimum requirement for emission-free heating has been set to the EEA threshold value for construction procurements (currently NOK 51 million). This is primarily because heating and dehumidification are common concerns in larger construction projects with high contract values. More time is also needed for planning and the establishment of necessary infrastructure at an earlier stage than has previously been the norm.

Contract requirements be included in all contracts, whereas award criteria and minimum requirements are part of the request for tender.

Contract requirements – to be applied in all procurements with an estimated value exceeding NOK 500,000 excl. VAT.

- All construction machinery in use on the construction site must be fossil-free.
- All vehicles used in mass hauling and waste removal to and from the construction site must comply with Euro 6/VI standards and use fossil-free fuels.
- By 2025, all construction machinery in use on the City's construction sites must be emission-free. This also applies to contracts established before 2025.
- By 2025, all vehicles used in mass hauling to/from the construction site must be zero-emission or biogas vehicles.

Award criterion **Environment and related sub-criteria – to be applied in all procurements with an estimated value exceeding NOK 5 million excl. VAT.**

- Suppliers are rewarded for using emission-free and biogas machinery and vehicles, as well as for reducing mass hauling.

Minimum requirements – to be applied in all procurements with an estimated value exceeding the EEA threshold value for construction contracts (currently NK 51 million, excl. VAT)

- Heating/dehumidification must be emission-free.

3.1 Contract requirements: Environment

I. Fossil-free construction machinery and vehicles

All machinery in use on the construction site must be fossil-free. All machinery used must have CE certification and be registered in the Machinery Register. All vehicles used in mass hauling and waste removal to and from the construction site must comply with Euro 6/VI standards and use fossil-free fuels.

In order for machinery and vehicles to satisfy the requirement of being fossil-free, they must, at minimum, replace fossil diesel fuel with sustainable biodiesel. Other emission-free technologies will also satisfy the fossil-free contract requirement and earn points in the award criteria. The machinery must be registered in the Machinery Register. This will make monitoring compliance with requirements easier, as the register provides an overview of the machinery in use and the types of fuel they use.

Vehicles must comply with the Euro 6 standard, as these vehicles are compatible with advanced biofuels and have low local emission rates. As the City of Oslo does not want the requirements to stimulate investments in new machinery that are not zero-emission, the equivalent stage (certification) is not required for machinery.

II. Requirement of emission-free constructions sites by 2025

The supplier shall actively strive to use emission-free solutions whenever possible on the construction site from start of construction to completion. All machinery and equipment used on the construction site must be emission-free by 2025. The transition to emission-free machinery and equipment shall be included in the contract price.

III. Requirement for zero-emission and biogas vehicles for mass hauling by 2025

The supplier shall actively strive to reduce emissions from mass hauling. By 2025, all vehicles used for mass hauling to/from the construction site must be zero-emission vehicles (i.e. battery electric or

hydrogen) or biogas vehicles compliant with Euro 6/VI. The transition to vehicles using the above-specified fuel technologies shall be included in the contract price.

In pursuit of the goal of achieving emission-free or biogas-fuelled construction activities by 2025, the City of Oslo would prefer that construction projects initiated before this date also strive to implement emission-free and biogas-based solutions in step with market developments. Compliance with these contract requirements should be an area of focus in contract monitoring.

IV. General requirements for machinery and vehicles

The supplier must use the machinery and vehicle technologies and/or fuel types specified in the tender (cf. Tender annex xx). New vehicles or fuel types introduced during the contract period shall be at least as climate- and environmentally friendly as those originally agreed. In case of unforeseen circumstances outside the supplier's control, deviation from the agreed requirements can be accepted if it can be documented that equivalent replacements cannot be sourced. All deviations from requirements require client approval.

For vehicles used in multiple projects during the same time frame, and where the City of Oslo is one of the clients, the City of Oslo cannot demand that the supplier switch fuels between projects. It is therefore sufficient that the supplier be able to document that the quantity of fossil-free/emission-free fuel necessary to carry out activities related to the contract with the City has been obtained and used during the contract period.

V. Fuel

The supplier shall at all times be able to present documentation of the type of fuel purchased and used in connection with fulfilment of the contract. This documentation shall, as an example, include the following information:

fuel manufacturer, fuel supplier, quantity, origin and certification.

The fuel the supplier has committed to using in fulfilment of this contract, the fuels must comply with European sustainability criteria for biofuels.*

The supplier must, at all times, be able to present documentation that the biofuel meets sustainability criteria.

** Sections 3-6 to 3-9 of the Norwegian Regulations relating to the Limitation in Use of Chemicals and other Products that are Harmful to Health (Product Regulations)*

If the supplier works on multiple projects concurrently, the supplier must be able to document having obtained the necessary quantity of fossil-free fuels necessary for fulfilment of the contract with the City of Oslo for the entire contract period.

If the supplier has committed to using biogas vehicles and/or biogas machinery, mixtures including natural gas is only acceptable if 100% pure biogas is not available in the market. The client shall be notified if natural gas mixtures are used.

VI. Idling

Idling shall not occur on properties owned by the client. This applies to all machinery and vehicles.

VII. Exemptions

The client may grant exemptions from all or part of the environmental requirements if the Supplier can document that it is not practically possible to comply with the requirements. Exemptions shall be granted in writing and must include details of the time frame and scope of the exemption.

It is important that these requirements do not bring construction activities to a stop. As the requirements demand technologies that currently do not exist in the market, it is important that it be possible to apply for exemptions from the requirements.

In contracts where the client imposes strict minimum requirements in consideration of environmental concerns, e.g. emission-free construction sites or strict minimum requirements concerning lifetime environmental performance, the award criterion Environment can be weighted lower or be removed.

In order to give smaller contractors sufficient time to transition, procurements valued at less than NOK 5 million excl. VAT can only impose minimum requirements and contract requirement for fossil-free machinery and vehicles. Application of award criteria is optional in these procurements. A simplified set of award criteria has been developed and can be used if relevant.

Other requirements

In innovative procurement processes like Best Value Procurement (BVP) and collaborative contracting, suppliers typically get involved at an earlier stage of the execution and solution development phases than what is common in ordinary procurement processes. In these types of processes, the requirements must be tailored to the procurement process. Minimum and contract requirements do still apply, but award criteria do not. The use of emission-free solutions must be a premise for the contract.

VIII. Non-compliance with environmental requirements

Appropriate daily penalty rates must be determined based on specific assessments in each individual procurement.

If the supplier fails to comply with one or more of the environmental requirements, or fails to deliver in accordance with the tender (agreed performance), the client may impose a daily penalty for the duration of the non-compliance.

The daily penalty rate per business day per non-compliance of environmental requirements shall be up to [XX]% of the contract price, however not be less than NOK [XX] excl. VAT.

In case of repeated or major non-compliance with environmental requirements, the client shall have the right to cancel the contract immediately.

Procurements subject to these requirements vary in nature, size and scope. The size of the daily penalty must therefore be decided by the client in each individual case.

3.2 Award criterion Environment

In accordance with Section 7-9 of the Public Procurement Regulations, environmental considerations should be weighted at no less than 30% in contracts where Environment is applied as an award criterion. This criterion covers more than just direct emissions from construction activities. As an example, materials, geographic location, charging infrastructure, waste, local air quality, noise, and energy consumption from use are other relevant parameters to consider. In a life cycle perspective, building materials are often the part of the project with the biggest climate footprint. There are clear climate gains to be had by demanding that climate-friendly materials be used and that emissions be reduced across the entire value chain.

Construction projects in the City of Oslo vary in size, scope and character. In smaller construction projects, emissions from the construction site often make up the majority of the procurements total environmental impact. In larger construction projects, the construction site makes up a smaller percentage of the total environmental impact. If Environment is used as an award criterion, the weighting of this criterion should be assessed and determined on an individual basis from project to project. The minimum weighting for Environment is 20%, but it is recommended that environmental considerations are weighted at no less than 30% overall in the procurement (where the remaining award criteria are often price and quality). Sub-criteria that concern direct emissions from construction site activities, and that are covered in this document, should be weighted at no less than 50% under the Environment award criterion. In contracts that include stricter minimum requirements for environmental performance, environmental considerations in award criteria can have a proportionately lower weighting.

In sub-criteria concerning emissions from construction site activities, suppliers are rewarded for using emission-free and/or biogas-fuelled machinery, and for reducing emissions from and the scope of mass hauling and other transport. The figure illustrates recommended weighting for the different sub-criteria. For smaller procurements, with contract values below NOK 5 million excl. VAT, application of the Environment award criterion is optional. The client can, if relevant, choose to apply a simplified set of award criteria, with simpler evaluation methods and less exacting documentation requirements.

[figure:]

	Price 30%
	Quality 40%
	Environment
	Other environment
	Construction machinery
	Mass hauling
	Other transport

Figure illustrating a potential distribution of sub-criteria under the main award criterion Environment

I. Emission-free machinery

The supplier is rewarded for higher percentages of emission-free and/or biogas-fuelled machinery used in contract fulfilment.

II. Mass hauling

The supplier is rewarded for higher percentages of of emission-free and/or biogas vehicles used in mass hauling to/from the construction site.

The supplier is also rewarded for reduced mass hauling, based on distance and tonnage.

Mass hauling has been identified as a significant source of GHG-emissions in construction projects. In 2019, the Agency for Climate was asked to initiate a project to develop and test methods for more climate-friendly mass management in collaboration with relevant undertakings. Municipal property developers and managers and other undertakings with projects in the construction sector were invited to identify pilot projects for climate-friendly mass hauling and management. The challenge is that masses are transported to and from depot sites far outside the city. With a smarter local management of masses, e.g. including temporary storage, there is considerable potential for efficiency gains and cuts in emissions. It is proposed that award criteria in this area be tailored to promote more efficient systems and methods for mass hauling and management.

III. Other transport and other measures

The supplier is rewarded for its ability to reduce the use of fossil-fuelled vehicles in the transport of materials, waste, equipment, personnel, etc. to/from the construction site.

There are many different ways to reduce emissions from construction site activities. This award criterion should encourage suppliers to think outside the box in other areas, where no minimum requirements apply.

The award criterion Other environment is not affected by these requirements. Other environment includes other environmental considerations and will vary depending on the project's scope and other characteristics. Other environment could, for example, include materials, biodiversity, waste management, geographic location, energy consumption from operations, and other relevant factors.

3.3 Minimum requirements

I. Heating and dehumidification

Heating and drying shall be emission-free, e.g. by using electricity, district heating or other zero-emission technology.

The City of Oslo's construction projects take place within city limits, where communal energy carriers, like electricity and district heating, are generally available. In order for suppliers to meet minimum requirements for emission-free heating and dehumidification, the client must make the necessary infrastructure available. This would, in some cases, require the client to take a different approach to planning the construction project and contact the infrastructure owner in good time before the project start date. As documentation of compliance with the minimum requirement, the supplier shall include a brief written account of how heating and dehumidification will be made emission-free. As heating and dehumidification are mostly concerns in larger construction projects, the minimum requirement is only applied in projects exceeding the EEA threshold value for construction procurements (currently NOK 51 million, excl. VAT).

4. Guidance and evaluation

The Agency for Improvement and Development (UKE) is in the process of preparing a guide for clients, describing the necessary assessments to be made in how to apply these requirements. This includes guidelines on weighting environmental criteria, escalations, infrastructure accessibility, daily penalties, etc. UKE is also preparing spreadsheets for evaluating tenders based on environmental award criteria.

Minor changes to requirements and these guidelines will be made in step with the City of Oslo learning from projects where they are applied. After two years, the requirements will undergo a full review and be updated based on market developments and experiences.

UKE will offer guidance and professional assistance in connection with the implementation of new standard requirements. Efforts will also be made to coordinate dialogue with the market, to communicate what the requirements entail and identify potential challenges associated with their implementation.

5. Documentation and follow-up

The supplier must be able to document compliance with the requirements as outlined in the request for tender, as well as throughout the contract period.

The following documentation requirements apply in connection with minimum requirements:

- To ensure that heating/dehumidification is emission-free, the supplier must include with the tender a brief description of how these activities can be made emission-free.

The following documentation requirements apply to compete based on award criteria:

- The supplier must fill out a list of machinery and vehicles in connection with the tender. The list must provide an overview of the specific types of machinery and vehicles the supplier intends to use for contract fulfilment. The template for this list also includes a method for evaluation of tenders.
- The supplier's description of other relevant measures.

The following documentation requirements apply for contract requirements during the contract period:

- All machinery must be registered in Machinery Register. This will provide the client with a complete overview of which types of machinery that are used on construction sites and the types of fuel they use.
- The supplier must confirm that fossil-free fuels are used for machinery and vehicles.
- The supplier must be able to present documentation of having purchased fossil-free fuel equivalent to the quantity required for activities on behalf of the City of Oslo throughout the contract period.

6. Laws and regulations, past decisions

Section 7-9 of the Public Procurement Regulations on minimizing environmental impact: It is recommended that in contracts where Environment is used as an award criterion, this criterion should have a minimum weighting of 30 percent.

The City of Oslo climate budget, cf. proposition 1/2019, Chapter 2:

The City of Oslo shall leverage its purchasing power to define minimum requirements or custom award criteria that reward the best solutions from a climate perspective. These requirements will be applied in the City's construction activities.

The City of Oslo's procurement strategy, cf. City Government Proposition 1104/17:

Partial goal 2: The City of Oslo's procurements shall help make Oslo a greener city.

The City shall, in all procurement planning, keep in mind its goal of becoming an emission-free city.

Vehicles and construction machinery used in contract fulfilment for the City of Oslo shall, as a norm, use zero-emission technology.

Climate strategy for Oslo toward 2030, City Government Proposition 214/19 (will be presented to the City Council in the autumn of 2019):

The strategy's focus areas include efforts to make construction activities in Oslo fossil-free, and then emission-free by 2030. Another focus area is for all vans in Oslo to be emission-free, and for all heavy transport in Oslo to be either emission-free or using sustainable, renewable fuel sources by 2030. In a zero-emission city, true zero-emission technologies (electric and hydrogen) will be significant contributors in reducing GHG-emissions from vehicles and machinery. Biogas, as well as any other biofuels that have been sustainably produced with documented climate benefits equivalent to electric and hydrogen, are an important part of climate-friendly solutions for heavy vehicles, construction machinery and ships.

7. Economic and administrative consequences

It is expected that the City's new climate and environmental requirements will lead to some increased costs in the City's construction projects, at least for a transition period. However, operating costs could go down in time, as new energy sources may prove to be less costly and more efficient than the ones that have traditionally been used.

8. Decision-making authority

In proposition 186/19 concerning regulations for the City Government, Section 3-9, the City Council delegated to the City Government the authority to adopt administrative regulations that pertain to administrative support functions. Section 3-2 of the regulations for the City Government establishes that the City Council can delegate to members of the City Government the authority to make decisions in matters that are not matters of principle.

The Vice Mayor for Finance recommends that the City Government make the following decision:

1. All City of Oslo undertakings shall use standard climate and environmental requirements in City construction projects, as outlined in the annexes to this proposition, including:
 - a. Standard contract requirements:
 - i. Fossil-free construction machinery and vehicles for mass hauling and waste management
 - ii. Emission-free construction sites by 2025
 - iii. Requirement for zero-emission and biogas vehicles for mass hauling by 2025
 - iv. General requirements about machinery and vehicles
 - v. Fuels
 - vi. Idling
 - vii. Exemptions
 - viii. Non-compliance with environmental requirements
 - b. Award criteria for emission-free machinery and biogas machinery
 - c. Award criteria for emission-free and biogas vehicles for mass hauling and reduced mass hauling
 - d. Award criteria for other transport and other measures that reduce emissions from construction activities
 - e. Minimum requirements for emission-free heating and dehumidification on construction sites
2. The standard contract requirements shall be included in all construction contracts (ref. Annex 1) with a value exceeding NOK 500,000.

3. A requirement for all construction sites to be emission-free by 2025 shall be included in all construction procurements that will continue into 2025 and beyond (ref. Annex 1).
4. A requirement for emission-free machinery and equipment to be used on construction sites shall be included in all construction procurements that will continue into 2025 and beyond (ref. Annex 1).
5. A requirement for emission-free and biogas vehicles to be used for mass hauling shall be included in all construction procurements that will continue into 2025 and beyond (ref. Annex 1).
6. The award criterion Environment and related sub-criteria shall be applied in all contracts exceeding NOK 5 million. It is recommended that environmental considerations be weighted at 30 percent in the procurement process. The criterion Environment shall have a weighting of at least 20 percent. At least half of the environmental criterion shall focus on direct emissions from construction activities. The award criterion Environment is optional for contracts with an estimated value not exceeding NOK 5 million.
7. If the undertaking imposes stricter minimum environmental requirements than required by the standard requirements, the criterion Environment can be assigned a proportionately lower weighting.
8. Minimum requirements for emission-free heating and dehumidification of construction sites shall be applied in construction projects whose value exceeds the EEA threshold value for construction contracts (currently NOK 51 million).
9. Innovative procurement processes, such as Best Value Procurement (BVP) and collaborative contracting, must apply minimum requirements, but in these processes, requirements related to application of the award criterion "Environment" does not apply. The premise for the contract must be that emission-free and/or biogas solutions shall be used, equivalent to the requirements that apply to other construction contracts.
10. The current evaluation template for the award criterion "Environment" and related sub-criteria, as amended, shall be applied to all construction contracts valued at more than NOK 5 million.
11. The Vice Mayor for Finance is authorized to make amendments to the standard contract requirements as is considered necessary to ensure compliance with relevant laws and regulations, as amended.
12. The Vice Mayor for Finance is authorized to make minor amendments to standard contract requirements in matters of a non-fundamental nature. This also applies to amendments where requirements are made stricter in response to market developments.

Department of Finance, on 27 SEPT. 2019

[signature: Robert Steen]
Robert Steen

The City Government adopted the recommendations made by the Vice Mayor for Finance.

City Government, on 09 OCT. 2019

[signature: Raymond Johansen]
Raymond Johansen

Annexes available online:

1. Standard climate and environmental requirements for City of Oslo construction sites

Annexes not available online:

None

