

CASE STUDY

Sustainable tendering of e-buses at Berliner Verkehrsbetriebe

The Berliner Verkehrsbetriebe's (BVG) procurement of articulated e-buses strengthens human rights due diligence (HRDD) standards in the bus market in Europe. Bus suppliers are open to a dialogue-oriented process and to deliver bids on demanding sustainability requirements

Procurement: up to 700 articulated e-buses

HRDD: pre-tender, tender and contract management

Supplier dialogue: regular



BVG headquarters Credit: BVG, Andreas Süß

The BVG, the Berlin public transport agency, is Germany's biggest public transport company. The BVG was founded in 1928 and is owned by the Federal State of Berlin.

Its 15,830 employees operate 154 bus lines with almost 1,600 buses, nine subway lines with 1,258 trains, 22 tram lines with 381 streetcars and 6 ferries. ¹

The BVG's sustainability strategy

The BVG has been aligned with the Global Reporting Initiative since 2005, has a sustainability management function and has been part of the UN Global Compact since 2016.

The German Supply Chain Act (Lieferkettensorgfaltspflichtengesetz – LkSG) came into force on 1 January 2023. The BVG falls under the LkSG as it employs more than 5,000 people. The LkSG mandates that the BVG set up a Human Rights Due Diligence (HRDD) management system. This requirement supports the inclusion of sustainability considerations in its procurements.

Several regulatory frameworks are relevant for the BVG's sustainable procurement: Berlin Tendering and Public Procurement Act ² as well as product-related laws, e.g., the Clean Vehicles Procurement Act, the Circular Economy Act, and, in the future, the Battery Pass.

The BVG has set up cross-departmental cooperation to manage responsibilities for the implementation of its HRDD obligations. The Human Rights Officer, located in the BVG's Corporate Development Office, coordinates the human rights team, with each participating department focusing on their special area of expertise:

- Purchasing and Materials Management focuses on risk analysis and management, preventive and remedial measures for suppliers,
- Health and Safety, Fire and Environmental Protection looks at prevention and remedial measures in the BVG's own business unit,
- Compliance examines complaints procedure, and
- Legal considers legal support.

¹ BVG Zahlenspiegel 2023, <https://unternehmen.bvg.de/wp-content/uploads/2023/05/BVG-Zahlenspiegel-2023.pdf>

² Berliner Ausschreibungs- und Vergabegesetz, Berlin Senate Administrative Regulation on Procurement and the Environment (Verwaltungsvorschrift Beschaffung und Umwelt des Berliner Senats)

CASE STUDY

Sustainable tendering of e-buses at Berliner Verkehrsbetriebe

Tendering e-buses in 2023

The strategic goal of the BVG is to electrify its entire bus fleet by 2030. In a 2023 tender for up to 700 articulated e-buses, the BVG went beyond environmental sustainability and included standards regarding human rights and fair working conditions in its supply chains. The tendered contract is a framework agreement for both bus delivery and spare parts supply with no obligation to purchase. It has a duration of eight years and the term of the spare parts supply can be extended up to 15 years. There is an exit option with the right to terminate the contract under regular conditions. The tender was managed as a negotiated procedure following a published qualification system.

The procurement is a project partly funded by the Federal Ministry of Digital and Transport (BMDV) as part of the Directive on the promotion of alternative drive systems for buses in passenger transport. Funding was also provided as part of the German Recovery and Resilience Plan (DARP) via the European Recovery and Resilience Facilities (ARF) in the NextGeneration EU programme. This funding is coordinated by NOW GmbH and implemented by Project Management Jülich (PtJ).

The BVG will cover costs equivalent to those which it would have incurred for comparable diesel buses. The remaining additional costs for electromobility will be borne by the state of Berlin as part of the transport contract.

HRDD aspects were included in the award criteria with a comprehensive catalogue of questions. The BVG exchanged closely with other transport companies. The tender was based on the [Hamburg criteria](#) and their experience from previous procurement processes. The requirements and evaluation criteria were developed based on a risk assessment. For parts of the risk assessment, BVG worked together with Electronics Watch.

The evaluation criteria were weighted in an evaluation matrix including the following categories:

- Environmental and resource protection
- Battery and battery cells
- Inverter and battery management system, integrated circuits
- Sustainability requirements for suppliers of components and parts of the offered electric bus

In addition, the BVG developed contract performance conditions on sustainability aspects for the awarded contractor.

The BVG managed a comprehensive communication with bidders prior to and during the tender. The bidder colloquium, at which the BVG presented its vision and expectations regarding the new HRDD requirements, was considered particularly important. The BVG used the colloquium to ensure that all bidders understood the requirements and could ask questions in advance. This minimised the need for clarification. Furthermore, HRDD was included in bidder discussions during the bidding phase.



Electric articulated bus, Line 200. Credit: BVG, Christian Retzlaff

CASE STUDY

Sustainable tendering of e-buses at Berliner Verkehrsbetriebe

Bidders did not push back on the HRDD obligations in the tender, the contract conditions, or the BVG's Code of Conduct. The conversations between the bidders and the BVG were open, with topical experts on HRDD present to contribute when needed.

The BVG received many self-declarations and certification documents during the tender, with more than 120 documents regarding HRDD alone. For the BVG, it was particularly important that data submitted during the tender were easily comparable and analysable. The number of offers that the BVG received for this innovative tender was similar to those received in previous tenders that did not include challenging HRDD requirements.

Contract implementation and supplier dialogue

Solaris, a leading electric bus manufacturer from Poland, submitted the winning bid, which was announced in December 2023. The company will deliver their 'Solaris Urbino 18' electric buses that are 18 meters long and offer 41 seats with space for 100 passengers.

Performance of the contract started in early 2024. The dialogue between the BVG and Solaris has developed positively, beginning with a kick-off meeting and continuing with detailed discussions. Meetings on HRDD take place regularly, at least 6 times per year. The BVG technical team has already visited the factory several times.

Lessons learned



The BVG was positively surprised by the open reaction of the market towards its new HRDD criteria.



The risk of receiving no or fewer bids is low. The industry has shown that it is willing and able to meet the HRDD-related criteria.



To gain a better understanding of the market and the product, it is advisable to carry out market research beforehand. This ensures that the resulting criteria are both ambitious and realistic.



In the preparation of the tender documents, bear in mind that not all information may be available at the time of the tender submission. Be prepared to follow up on missing information during contract performance and include contract requirements that will support supplier engagement.



When lengthy documentation is provided in tenders, the bidder should be required to point to where the specific information requested is located in the document(s) to avoid time wasted searching for it when evaluating bids.