



# COLLABORATIONS AND TRANSPARENCY KEY SUCCESS FACTORS FOR CIRCULAR PROCUREMENT VONDELTOUIN

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The circular renewal of the Vondeluin in Amsterdam has been carried out in cooperation with the operator and local residents. They were given a role in the assessment of the tender that was awarded only on the basis of quality.



Source: <http://www.vondelpark.info/vondelpark-ondernemers/vondeluin/>

### Facts and figures

**Organisations:** Municipality of Amsterdam

**Product:** Vondeluin catering building in the Vondelpark, Amsterdam

**Size:** Disassembly of existing building and new construction of 160 m<sup>2</sup> lettable floor space and the renovation of the 21 m<sup>2</sup> 'Werkmanshuisje'. Total cost of investment € 700,000 (design and construction € 500,000)

**Period:** November 2018 – January 2019. Expected completion date March 2020

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### The project

The Municipality of Amsterdam has high ambitions with regard to the circular economy. For example, the municipality has signed the Sustainable Procurement Manifesto and participates in various Green Deals, which are part of the Dutch government's green growth policy. The renewal of the Vondeluin, a catering facility situated within the Vondelpark, is the municipality's first circular procurement of a building project. The tender has been awarded to a combination that takes care of the design, construction and long-term maintenance.

In the past 15 years, there have been several fires at this location, after which temporary buildings were used. In consultation with the operator and local residents the municipality decided to replace the temporary structures with permanent buildings. The municipality is responsible for compliance with building regulations and the renovation of the park.

### Involving stakeholders

The involvement of the stakeholders was an important factor in this procurement process. The local residents were involved in the decision-making process from a very early stage. In addition, frequent consultations ensured that the contracted operator and the residents stayed aligned. The opposing interests of a popular catering establishment and the local residents, afraid of disturbances, became very clear. The project looked for the best way to cooperate by openly sharing each other's problems and worries and by being frank and transparent about the procurement process. The residents were given a role in the assessment, which is unique for this type of procurement.

## The procurement process

### Preselection based on vision

Because the circular ambitions were high, it was decided to start the selection process with the architects. After all, their vision on circular building is a key factor in the development of a circular building. The input of various stakeholders was used to create a long list of fifteen architectural practices in Amsterdam. Phone interviews about their vision on, for instance, circularity resulted in a preselection of seven practices. These firms were invited for exploratory meetings, mainly to discover the best fit with the municipality. Based on these conversations, three architects were invited to participate in the restricted invitation to tender. They were asked to team up with a builder of their own choice and any other disciplines needed to carry out this project.

Due to the amount available for the design and construction stages there was no need for a European call for tenders. The ceiling amount for this project was set at € 500,000. This budget had to cover the following:

- Disassembly of the temporary Vondeluin buildings
- Design of the Vondeluin
- Construction of the Vondeluin
- Long-term maintenance (15 years)
- Renovation of the outdoor area

ASSESSMENT CRITERION	%	#	SUB-CRITERION	%
BC1 Municipality (max. 10 A4 / 5 A3)	55%	1.1	Design vision	15%
		1.2	Action Plan for circular development	10%
		1.3	Assessment framework & KPIs	10%
		1.4	Action Plan for construction team stage	10%
		1.5	Organisation of collaboration	10%
BC2 Operator (max. 6 A4 / 3 A3)	25%	2.1	Design vision	5%
		2.2	Commitment operator	5%
		2.3	Circular operational management	5%
		2.4	Smart operation	10%
BC3 Local residents (presentation + 1 A3)	20%	3.1	Design vision	5%
		3.2	Commitment residents	5%
		3.3	Limitation of disturbance	10%
Total	100%	-	-	100%

Figure 1: Award criteria and subcriteria

## Dialogue

Prior to the tender, the municipality and the competing parties held a brief dialogue. In two plenary sessions were devoted to the project and ambitions, and individual sessions allowed parties to test their ideas. This dialogue resulted in a better understanding of the context of the project and the municipality's real needs. This was much appreciated by all stakeholders.

## Assessment

In the tender, the participating combinations were challenged on three topics:

- Architectural icon, in line with the design history of the Vondelpark
- Cooperation with municipality, local residents and the operator
- Circularity, with a focus on materials, water and energy

These three topics formed the basis for the award criteria that are 100% based on quality. Figure 1 shows the breakdown of the quality elements.

The term 'circularity' appears twice in figure 1. This has been given concrete expression in the following elements:

- The way in which the ambitions regarding energy, materials and water are implemented;
- An assessment framework for material selection in relation to energy ambitions;
- The activities in the preparation, construction and maintenance stages aimed at achieving these ambitions.

In addition, participants were asked to define a number of KPIs to make the level of circularity transparent.

The circular ambitions in the draft design have been assessed based on the following criteria:

- The extent to which biological and/or recycled materials have been applied in the design of the building and grounds;
- The extent to which circular principles were applied in the design of the building and grounds;
- The extent to which the building-related energy consumption has been minimised;
- The extent to which the material-related energy consumption has been minimised;
- The extent to which the drinking water consumption has been minimised.

The assessment was carried out by the municipality, the operator and a group of local residents. The residents were invited to a presentation meeting. In this way, all the stakeholders were able to give their opinion on the submitted plans.

No technical specifications were used. Earlier in the process, some technical solutions, such as a heat pump, were on the demarcation list for the project. However, during the dialogue stage various market players indicated that these specific technical solutions might not fit in the optimal comprehensive solution.

## *Building team*

Once the contract had been awarded, the winning combination and the municipality formed a building team that proceeded to finalise the design. The other stakeholders, such as the operator and the manager of the Vondelpark, were also actively involved in this process. This approach ensures the continuing cooperation between the municipality and the contractors.

## Results

The main circular agreements for the project are:

- Existing materials are reused in the new building.
- In addition, local materials are used as much as possible, preferably natural materials such as loam and rammed earth.
- The maintenance of the building has been included in the tender for a fixed amount, with two five-year extension options.
- A materials passport will be provided.
- The building will be designed for disassembly as much as possible.
- Various cultural initiatives for the neighbourhood were agreed upon.

Some of the above items have been included in the contract in the form of KPIs. The contract also specifies that a percentage of the building costs will be placed in a so-called Vondeluin Fund. If the agreed KPIs are not achieved (while the contracting authority believes they could have been), this fund is used for additional circular initiatives related to the Vondeluin during the use phase. This makes the revenue model of the contractors dependent on their circular performance.

**“The success of this project is mainly due to open and frank communication on all sides.”**

Arno de Wijn, Municipality of Amsterdam

## Success factors

The main success factors for both the run-up to the tender and its execution are:

- Emphasizing cooperation and discussing things in a frank, open and transparent manner.
- Awarding the contract for 100% on the basis of quality was greatly appreciated by the market, and allowed them to make a difference regarding circularity.
- Sitting down with all internal stakeholders early in the process to jointly determine the right approach to this tender has been crucial.
- The passion and ambition of the project manager who can motivate people and who remains on board in the contract stage.
- A local council that was not afraid to show vulnerability, knowing that the objectives were ambitious and bold.
- Everyone was able to see each other’s presentations and plans. This was highly appreciated by the participating parties.
- Presenting the plans to the local residents, and providing transparency on measures and design.
- Announcing the winner in all transparency at a meeting with local residents, which was well received by the residents.

## Lessons learned

- The architects had to take the lead in forming combinations with builders and other parties. This is not a task they are accustomed to and it took them a lot of time. This role should have been communicated more clearly in the procurement process.
- A more thorough exploration of the possible forms of contracting in the preparation stage would have prevented questions during the procurement process. Because of the innovative combination of an integrated tender and a building team, it took comparatively long to determine the right type of contract and

the corresponding (legal) responsibilities of both the client and the various contracting disciplines.

- Explore in more depth how to optimise the building team stage, not only during the procurement process, but also during the follow-up. If, for instance, the architect is asked to lead a building team, he has to perform additional tasks. Think about this carefully beforehand and consider offering a compensation in return.
- Determining the right type of contract took considerable effort. Making the combination of architect and builder the formal contracting party would have been easiest. However, this is not possible under current Amsterdam regulations and contracting practices. It was not feasible to make the architect severally liable for the construction stage, as the amounts involved are comparatively high for an architect. To solve this, the project was divided into two stages: the design stage where the architect was responsible, and a construction stage where the builder was responsible.
- Experience shows that stakeholders' resistance during an innovative process often arises from lack of familiarity. Openness, transparency and frequent communication are very important in such circumstances. The fact that the project was presented as a 'pilot' from the beginning, helped to raise understanding for this unfamiliarity.

### Tips

- Transparency on the part of both client and bidders creates mutual confidence. In a fair process, the losers will not begrudge the winner the contract.
- In an innovative process it is often effective to give the manager of the procurement project a role in the contract management.
- The selected approach for the Vondeltuyn – a combined tender with the architect in the lead – is legally feasible only for smaller tenders. In this case, the procedure was a restricted invitation to tender. In addition to the building team agreement, a separate agreement was concluded with the architect. The value for this contract with the architect cannot exceed € 200,000, as otherwise the contract must be the subject of a Europe-wide invitation to tender.
- Bringing together the right stakeholders, in this case the local residents and the operator, may take considerable time. You should regard this time as an investment that will repay itself later on in the process in terms of speed and support. In the end, the Vondeltuyn tender was completed faster than an average traditional tender of this scope and size. Transparency and a democratic approach proved to be key success factors.
- In case of a complex tender with high ambitions, a relatively limited scope and many stakeholders, a dialogue is a very effective tool.
- Use the dialogue stage in a procurement process to discuss the assessment and award process. This often shows there is considerable lack of clarity and room for interpretation with regard to the tender. Communicating in this way also helps to stimulate transparency and build trust.