

Case study

Innovative, client centred and green social transport in Rotterdam



TRANSFORM

The project

The City of Rotterdam makes special provisions for citizens with special transportation needs. It includes transport for disabled and elderly people, school transport for children with special needs and taxi services to day activity centres. The municipality considers mobility for them to be very important as a way of participating in society. At this moment, the City of Rotterdam offers the following social transport services, covering 35.000 inhabitants, while total expenses are about €34 million a year.

- **Collective transport based on eligibility criteria (Dutch: “Vervoer op Maat”)**

This client group makes up the largest proportion in the social transportation contract in Rotterdam. It serves about 30.000 clients, 7 days a week, 70.000 journeys a month (97% door-to-door service of which 37% with wheelchair)

- **School transport for children with special needs (Dutch: “Leerlingenvervoer”)**

School transport is used by 1700 children using taxi's and 700 children having public transport subscriptions.

- **Collective transport to social enterprises (Dutch: Wet Sociale Werkvoorzieningen)**

This is the smallest contract, offering transportation services to 150 employees of social enterprises.

- **Collective transport to day-activity centres (Dutch: Dagbesteding extramuraal)**

Up to this moment, these transport operations are organised by health care providers but its competence will be transferred to the city authority. Its current expenditures are about €6.6 million, serving 2500 clients.

Background

In the Netherlands, the management of care tasks will be extensively decentralised. There are new tasks ahead and, of course enlargement, in particular, represents a new challenge in the field of social transportation management. Citizens can be expected to display self-sufficiency and responsibility.

Transportation of our people with special needs is not an end in itself, it is for the benefit of their ability to cope independently. It allows them to take part in the community and labour process building up functioning social networks which in turn create security and freedom. In the municipality's view this is essential to the support programme for care tasks, including social transportation. The policy context for this tender is further briefly characterized by the following features:

- People centred mobility that meets personal client needs
- Improvement of traffic and environmental conditions in the city, including the reduction of traffic volumes and congestion in the centre
- Limited financial resources, achieve more and spend less

However, the number of vehicles to which the technologies (using Total Cost of Ownership Models) above can be applied was found currently to be very limited due to the low annual mileage of the fleet which does not allow for the premium cost of low carbon technology to be paid off through reduced running costs during the vehicles lifetime.

However, in progressing towards zero NOX emissions and reducing carbon emissions by at least 60%, the technology review has provided future proofed options, as the market continues to develop and new vehicle prices reduce over time.

Method

Ultimate responsibility for this type of social transportation belongs to the municipality. The City consulted with the market to find a way to deliver their requirement in a cost effective way and issued a Prior Indicative Notice on the official procurement platform of Tendered in July 2014 as 'a call for the best transport coordination centre and transportation services for Rotterdam', It contained a short survey to confirm supply chain interest.



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Progress and learning

Feedback suggests that the main barrier is that the procurement steering committee has strong perceptions that zero-emission solutions are more expensive leading to major obstacles for current suppliers. The initial response from internal stakeholders is that they are open to the adoption of innovation procurement approaches but have a number of concerns primarily around pricing and reducing competition:

- 1. The market is traditional as well as conservative. We are noticing little "integration" with other markets and branches that can help find solutions that can be helpful in our challenges. Cross supply chain collaborations are scarce. Furthermore, it is competitive which means that a lot of the core transportation company's struggle for survival.*
- 2. The project stands high on the political agenda. This is good on itself, but, for transportation of citizens of Rotterdam who rely on this service it is, however, difficult to be innovative. Politicians in charge are scared that innovation leads to "no shows", an option that is not even discussable.*
- 3. Time is an issue. The new contracts "must" be in place per 01-01-2016, if we are lucky 01-06-2016.*
- 4. We see a lot of possibilities with the combination of ICT. We know from similar projects that we will be confronted with new ICT startups. Not bad on itself, but is contributing to more risk on the "No Show" file.*
- 5. Internally as well as externally we are confronted with a very complex stakeholder group, regarded with great suspicion by the suppliers.*

Some reservation about the effectiveness of a fundamental shift in the procurement approach is therefore called for.

Next steps

In line with the principles of innovation procurement, the project team continues to identify their unmet need. It consulted all internal stakeholders of the social transport system. To make the City's unmet needs visible to the market, the city of Rotterdam and the Ministry of Economic Affairs (Public Procurement of Innovation programma) will organise a one day workshop with the supply chain, innovative SME's (like ICT developers), social enterprises, and academics to discuss the issue and explore solutions. The purpose of the day is to provide the market with insight into the needs, demonstrate the commitment to innovation procurement and the potentially broader demand for a solution, facilitate partnerships and consortia-building and discuss the process. The market meeting day should give the project team confidence that there is both interest and capacity in the supply chain to deliver the specified outcomes. A call for market sounding will be widely publiced among the stakeholders.

Call for collaboration?

Almost all cities and city regions among Europe share the responsibility to provide social transport services to their citizens, recognizing that all these different unmet needs are interconnected and impinge on each other. It is therefore essential to share best practices and get the supply chain (both in the field of logistic coordination systems and clean vehicles) involved to meet the outcomes required.

