



Gemeente  
Amsterdam

City of Amsterdam

Stakeholder Event The Directive on Concession Contracts –  
European Commission, 15th of November 2021

Sustainable urban development through  
innovative energy concessions

*Casus:*

Tender concession  
largescale district collective  
heating-cooling system

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# ✘ European Green Deal



fresh air, clean water,  
healthy soil and  
biodiversity



renovated, energy  
efficient buildings



healthy and affordable  
food



more public transport



cleaner energy and  
cutting-edge clean  
technological  
innovation



longer lasting  
products that can be  
repaired, recycled and  
re-used



future-proof jobs and  
skills training for the  
transition



globally competitive  
and resilient industry

# ✘ Housing & Sustainability: ✘ integrated approach ✘

## Sustainability goals

- Clean air
- Circular economy
- Phasing out natural gas
- Renewable energy
- Climate neutrality

## Housing goals

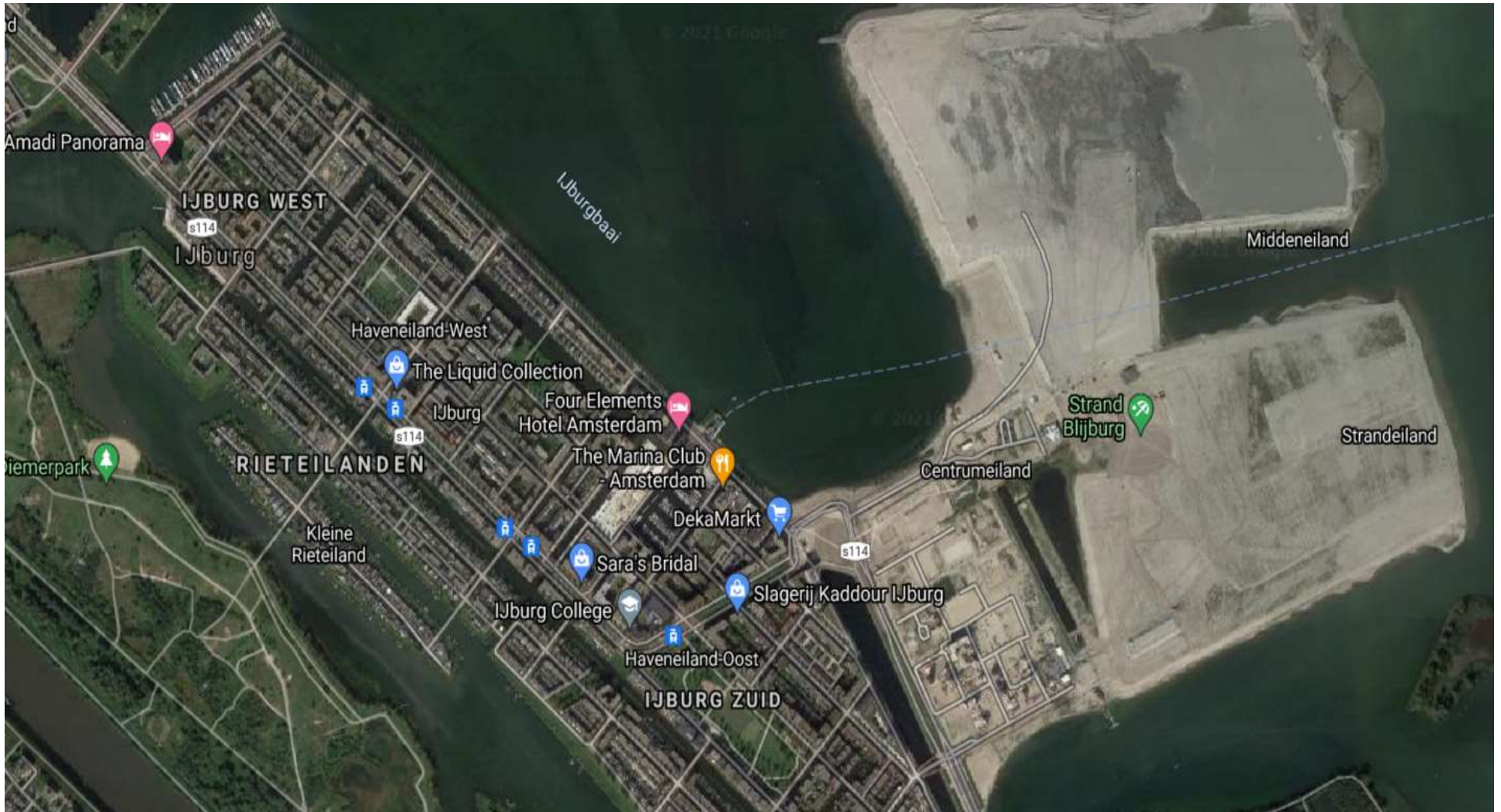
- 52.500 houses in 2025
- 17.500 social housing
- 11.690 mid-rent
- 10.500 students/youth

# Energy transition & urban development

## Product / goal:

long-term 100% renewable energy for comfortable heating/cooling for residential and non-residential real estate for best price & quality

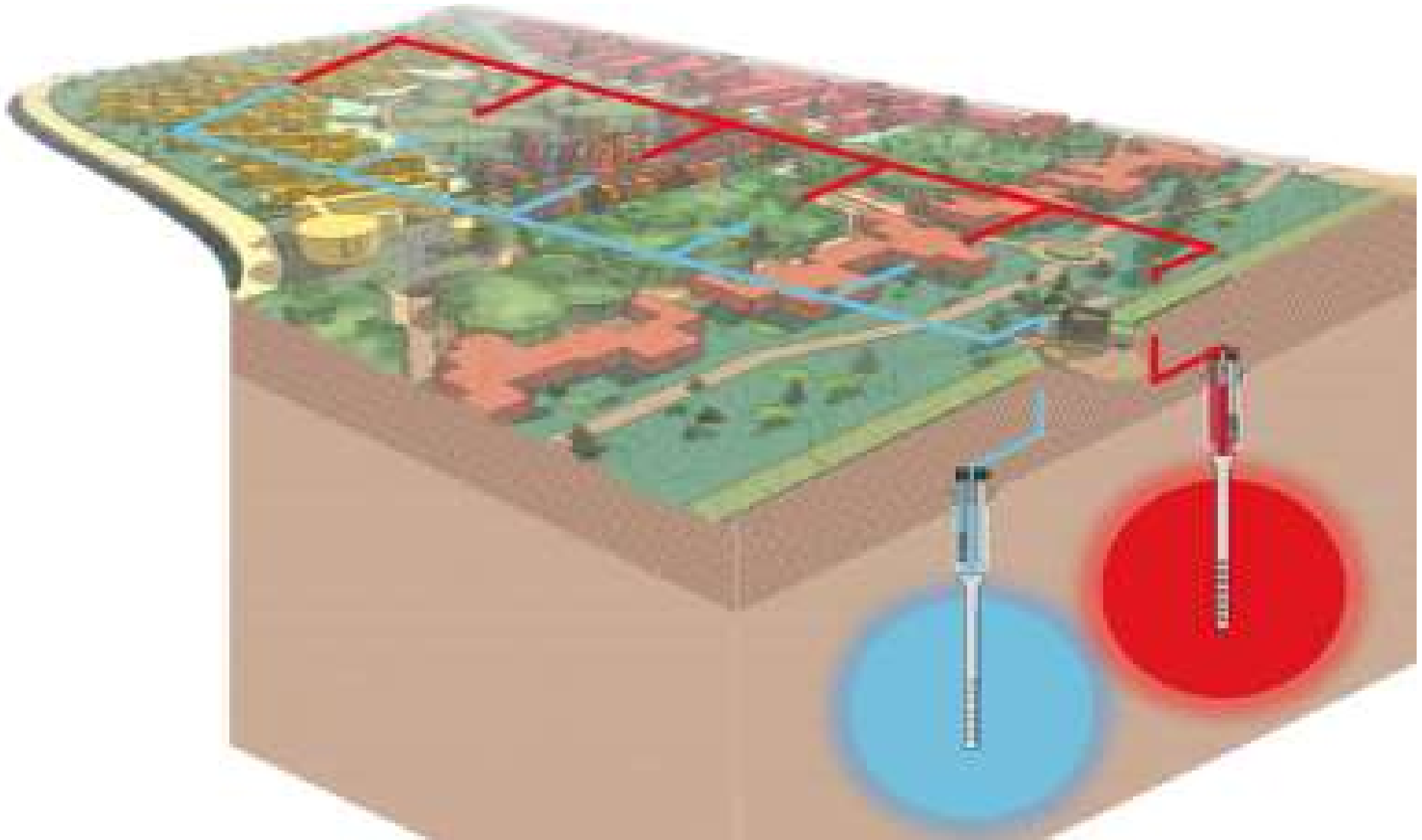
# City expansion: new islands of IJburg



# New urban developments with sustainable energy system - long term concession



✘  
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✘ **Aquifer thermal energy storage (ATES)**



# ✘ Legal framework procurement ✘ in The Netherlands ✘

- On 1 July 2016 the amended Dutch Public Procurement Act entered into force.
- The amended Public Procurement Act implements the latest EU procurement directives (2014/23/EU, 2014/24/EU and 2014/25/EU).



## Concession ATES islands of IJburg

- Content of the contract leads to concession contract according to the definition of a concession in 2A of procurement act.
- Exclusive right to give to a contractor to have its business and with users - inhabitants/real estate owners - paying for the services heating/cooling exchange to this contractor.
- Concession holder: design, build, manage, maintain and operate the heating and cooling network for own risk.
- Optimizing business case through:
  - Long term, 30 years contract
  - Possibility for subsidy on not profitable top op business case
  - Phases construction/realization infrastructure
  - Residual value arrangement



# ✘ Procedure tender concession ATES



- **Negotiated with competition**
  
- **Prescribe:**
  - Minimum requirements (experience, financial capacity etc.)
  
- **Encourage:**
  - Award criteria on **price 70%** (subsidy or contribution) and **quality 30%**(security of supply & client service)
  
- **Invite:**
  - Functional specifications



# Procedure tender concession ATES

Procedure steps	Time	Tenderers
Announcement & Pre Selection	June 2016	Four
Invitation 1st tender application		Three
Information exchange, Q&A meetings		
1st tender application		Two
3 rounds of negotiations		
Definitive tender application		Two
Award + standstill period		
Signature public concession	July 2017	One: Eteck (Dutch)



## Key takeaways 1/2

- City of Amsterdam has **successfully** realized innovative 100% **sustainable energy systems** in largescale urban developments by the means of **tendering concessions** according to **European procurement directive**.
- The procurement directive offers a **useful range of procedures** with flexibility, transparency, certainty and a level playing field. In this case **the optimum** was found **for price and quality** of the product, which was tuned and negotiated between procurer and market during the tender procedure.
- It's crucial to facilitate **longterm** concessions, in order to ensure a **profitable business case**.

## ✘ Key takeaways 2/2



- In this case, however, **more innovation and efficiency** could have been reached through a more open dialogue procedure instead of only negotiating. For future tendering of energy concessions we choose a more **open dialogue procedure**.
- For relatively **new innovative products** – i.g. energy systems – in future tenders the award criterium **price will be less important than quality**.
- The market for sustainable innovative energy systems is relatively **small, young** and attracts mostly **national** companies.

# ✘ 2018-2025...ATES-island of IJburg

## ✘

