



Using the right tools for better procurement outcomes



Public Procurement Principle: **Efficiency, Transparency**



Procurement Stage: **All phases**



Audience: **Procuring entity, private sector**

Description

The choice of the award criteria together with the technical specifications developed will have a clear impact on competition and procurement outcomes. Public contracts can be awarded using different methodologies. Given the complexity of the procurement of street lighting components, in particular for the luminaires, it is recommended to use the most economically advantageous tender (MEAT) criteria, the LCC approach (or total cost of ownership) or a combination of both. Many cities have used the LCC approach to motivate their decision to move to LED lamps instead of HPS lamps. While the unit price of LED lamps is higher than the price of HPS, the energy cost associated with each type of technology makes LED technology the more affordable option. That is why the city of Bratislava decided to replace HPS with LED luminaires. According to estimates by Bratislava, the replacement of LED lights will result in energy savings of more than 40% (8 000 MWh per year). In financial terms, at current electricity prices, this would represent savings of approximately EUR 1.2 million per year for Bratislava. Another benefit of using LED technology is the possibility of ensuring power supply at all times. Currently, the power supply infrastructure works primarily at night. It is critical to have a power supply also during the day if Bratislava wishes to integrate smart city sensors.

OECD (2021), Unlocking the Strategic Use of Public Procurement in Bratislava, Slovak Republic, OECD Publishing, Paris, <https://doi.org/10.1787/d616e4d9-en>.

