

ICA CCR EUROPEAN RESEARCH CONFERENCE 2022

“Rethinking co-operatives: From local to global and from the past to the future”

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Parallel Session: “Law and policies for *socially responsible public procurement*”

(Thursday, 14 July 2022)

“The use of socially responsible public procurement - Good practices from Europe”

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The outline of the presentation

- Criteria selection of best practices in SRPP
- UK - The legal framework SRPP
- France – 2024 Olympic Games
- Bulgaria - The National Public Procurement Act for labour inclusion of people with disabilities
- Hungary – Employing Roma people in cleaning services
- Conclusions

Criteria selection of best practices in SRPP

- Dissemination or possibility of dissemination of good practices about socially responsible public procurement (SRPP)
- Social (sustainable) impact – social integration of vulnerable groups and sustainable development
- Beyond price – selection criteria beyond the price in SRPP
- Specific categories of products which social enterprises (SE) can participate in SRPP
- Mechanisms for securing the participation of genuine SE which support the integration of vulnerable social groups

UK - The legal framework of SRPP

- **Equality Act (2010)** - Legally protection of people from discrimination in the workplace and in wider society
- **Public Services (Social Value) Act (2012)** - Requirement from people who commission public services to think about how they can also secure wider social, economic and environmental benefits
- **The Public Contracts Regulations (2015)** - The integration of Directive 2014/24/EU in UK Law
- **Modern Slavery Act (2015)** - An Act to make provision about slavery, servitude and forced or compulsory labour, human trafficking etc
- **Procurement Policy Note (2020)** - Taking Account of Social Value in the Award of Central Government Contracts

Procurement Policy Note 2020

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/921437/PPN-06_20-Taking-Account-of-Social-Value-in-the-Award-of-Central-Government-Contracts.pdf

- Covid-19 recovery by helping local communities to manage and recover from the impact of the virus (e.g. creating employment, retraining, improving workplace conditions)
- Tackling economic inequality - through the creation of new businesses, new jobs and new skills etc
- Equal opportunity - through the reduction of the disability employment gap and tackling workforce inequality
- Wellbeing - through the improvement of health and wellbeing (i.e. the delivery of contract) and community integration (i.e. collaboration with users and community, affect the market through the delivery of contract)

The Case of Transport of London 2020

[https://www.london.gov.uk/what-we-do/transport/our-vision-transport/mayors-transport-strategy-2018?intcmp=46686;](https://www.london.gov.uk/what-we-do/transport/our-vision-transport/mayors-transport-strategy-2018?intcmp=46686)

[https://tfl.gov.uk/corporate/publications-and-reports/procurement-information\)](https://tfl.gov.uk/corporate/publications-and-reports/procurement-information)

- Public transportation and Social Procurement in London
- **Strategic Labour Needs and Training (SLNT)**
- For every GBP 2 million or 3 million of spending, depending on the contract, should have the below outputs:
 - one apprenticeship start
 - one workless job start
 - etc
- **Within a period of 10 years:** the creation more than 5500 apprenticeships and 5300 jobs for unemployed Londoners, including more than 100 ex-offenders

France – 2024 Olympic Games

- The commitment of the Paris 2024 Organising Committee for the Olympics and Paralympics Games for “the most inclusive and sustainable games in the history
- Art.70 - on conditions for performance of contracts of 2014/24/EU
- Art.71 – on subcontracting of Directive 2014 /24/EU
- Budget 3 Billions Euros for the infracture facilities
- MEAT criterion: 30% was given to price and 70% to quality and other criteria
- 10% of hours worked in construction, equipment and maintenance operations are carried out by disadvantaged workers
- 25% of the total budget is channeled into purchases from social enterprises and SMEs
- **Innovation:** ESS 2024 Solidarity Platform (www.ESS2024.ORG) and weekly newsletter ESS 2024 Solidarity Platform. Basic actors such as Organisers of the Games, Social Enterprises, Municipalities, Local Entepreurship etc can be informed about SRPP, whereas specific tools can be provided to help the participation of social enterprises

Social impact: work integration of disadvantaged people and development of social enterprises

Verification

- The bidders (application phase) must verify:
 - The employment of fragile or disadvantaged people
 - The promotion of professional equality between men and women
 - The development of staff skills /employability of vulnerable or disadvantage people etc.
- The contracting authority verifies the execution of the above with reports by annual, quarterly, monthly meetings with contractors and subcontractors

Performance

- Monthly check:
- Compliance with safety rules
- The number of complaints
- Respect of quality levels
- etc

Bulgaria - The National Public Procurement Act for labour inclusion of people with disabilities

- Reserved contracts
- Art.12 of this Act transposed Art.20 of the EU Directive 2014/24/EU
- Actors: Bulgarian National Government, Bulgarian Agency of Persons with Disabilities, Central Purchasing Bodies and related Regional Agencies, Bulgarian Ministry of Labour and Social Policies and Bulgarian Municipalities
- Procurement legislation defines a list of more than 100 goods and services to be awarded to specialized enterprises, cooperatives (coops) or other economic entities whose main objective is the integration of persons with disabilities or disadvantaged people (see next slide)
- Compliance is verified through regular checks of the Public Register of specialised enterprises and coops of and for persons with disabilities
- Social impact – the policy of social inclusion for people with disabilities has provided consistent results:
 - Related procurements have contracted to more 233 enterprises or coops with persons with disabilities, accounting for more than 2.500 employees and workers
 - By improving conditions for social enterprises, more disabled people are able to find a job

List of specific categories of products and services

The list was developed under the National Law for people with disabilities, which requires the State and Local Authorities to support the employment of people with disabilities. As a result, those measures will foster productivity and competitiveness, increase employability of people with disabilities in specialised work environment, overcoming financial and economic constraints etc

Product Categories

- Apparel and workwear
- Polyethene products
- Garbage bags
- Shutters
- Brochures and paper products
- Reflective vests
- Kitchen utensils
- Cleaners
- Air and gas filters
- Containers

Service Categories

- Printing and digital services
- Laundry services

Hungary – Employing Roma people in cleaning services

- Art. 76 of the Public Procurement of Hungary transposed the Art. 67 of the EU Directive 2014/24/EU
- Hungarian National Social Inclusion Strategy
- Contracting authority: Budapest's public chimney sweeping company FŐKÉTÜSZ Capital Chimney Sweeper Ltd. – which is fully owned by the municipality of Budapest
- The purpose of the tender was to provide a cleaning service for its headquarters and other areas
- WITH...social impact – the employment of Roma People to undertake the specific contract
- Best Price – Quality Ratio (BPQR) – Social considerations (see next slide) were weighted at 20% and Price was weighted at 80%
- The contract value was below the EU threshold, approximately 135.000 Euros
- 4 bidders participated and winner was the Fort Facility Ltd, a verified company (see next slide)
- The contract was signed in December 2017 and lasted for 2 years

The consequences of social considerations

Social considerations

- The tenderer had to show evidence of having a cooperation agreement with any Roma public interest foundation, which has been registered for at least 3 years.
- The tenderer had to undertake to employ Roma employees that are registered as disadvantaged persons during the contract period
- The tenderer had to ensure that the number of Roma employees constituted at least 8% of the whole staff
- **Note:** It is important the development mechanism for verification of the bidders

Social impacts and pioneering

- This procedure was the first of its kind in Hungary – navigation for applying similar social consideration in the award criteria not only in the city of Budapest but Hungary overall
- Social integration of Roma people and employment opportunities
- The successful tenderer agrees to employ Roma People at least 8-10% of average headcount (according to agreement with Roma Civic Association)
- Collaboration with Roma Associations for expanding equal opportunities

Conclusions

- The EU Directive 2014/24/EU gives the opportunity to public services to achieve wider social, economic and environmental benefits through procurement
- Art.20 of the Directive refers to reserved contracts for specific social enterprises which main mission are the integration of vulnerable people
- Article 67 refers to MEAT criterion (awarding criteria beyond the price). The contracts are not awarded to operators according to the lowest price but through a combination of criteria in order to support social and environmental policies as well
- Art. 70 and 71 concern respectively to performance criteria and subcontracting in a way to facilitate the participation of SMEs in Public Procurement Market while protecting vulnerable groups and working place conditions

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Thank you for your attention!

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