

European experiences in the

SOCIALLY RESPONSIBLE PUBLIC PROCUREMENT OF WORK WEAR



A project coordinated by:

**net
work
wear**
for
well-dressed
cities

**Campaña
Ropa Limpia**
Clean Clothes
Campaign 

Setem

European public authorities are considerable purchasers of textiles and clothing, particularly work wear. The total turnover of companies in the EU-15 selling work wear was estimated to reach €4 billion in 2008, and it is estimated that approximately half of this is spent by public authorities.

As major customers of companies selling work wear, the opportunities for public authorities to make a significant impact on the global supply chain in terms of fostering more socially responsible behavior and practices of suppliers are therefore considerable.

As buyers, public administrations are expected to practice a sustainable behavior if governments' regulatory agenda includes sustainable development, environmental responsibility, fair labour practices, and fair trade they should develop corresponding procurement policies, ensuring that they buy products and services from companies that

comply with the highest standards, implement the best practices, and promote the most favourable conditions.

Yet, in a global economy there is often a great inconsistency between governments' concern for such matters as international human rights, labour rights, and economic development and a procurement system that typically rewards the lowest bidder and, therefore, may encourage contractors to economize on labour costs in order to provide cheap products. Lowest-price awards can create an advantage for contractors creating incentive for lower wages, longer working hours, and poorer working conditions.



LABOUR STANDARDS IN PUBLIC TENDERS

It has become common practice to include environmental standards in public tenders. Now it's the right time to draw attention to labour standards too. We believe public procurement should also be used to improve working conditions.

Relocation and subcontracting are characteristics of the garment industry. Short delivery times and low prices can have a negative impact on the working conditions and lead to low wages and excessive overtime. Monitoring and verification international supply chains is very complex. It is not up to a community to verify the labour standards of its suppliers. A community however should ask a supplier to be transparent about its efforts and to provide credible proof. And this can be done through codes of conduct and social audits, such as SA8000 and/or Multi Stakeholder Initiatives such as the Fair Wear Foundation or ETI, who have developed instruments to monitor and verify the implementation of labour standards.

WHAT CAN YOU DO?

As a purchaser for a public authority you are responsible for developing the rules of implementation and monitoring compliance... but how? There is no list of approved "clean" products to purchase, nor even a list of companies to avoid. Avoiding socially irresponsible products seems easier said than done. But European directives encourage you to put social issues in your public procurement agendas.

The good news is that you do not need to start from scratch in meeting this challenge. Many of your colleagues in municipalities and other public administrations in Europe are facing similar challenges to buy only products made in decent conditions, and some of them have come together in Ethical Public Procurement Networks to share experiences and pool resources and expertise.

Experiences from Barcelona, Bremen, Mons, Dortmund and Antwerp are all compiled in this publication and could make your job a little easier and more effective, and help you reach your goal of buying socially responsible products.

LABOUR STANDARDS INCLUDE

THE FUNDAMENTAL LABOUR STANDARDS:

- Freedom of association (ILO convention 87)
- Right to collective bargaining (ILO convention 98)
- No forced labor (ILO convention 29 and 105)
- No discrimination (ILO convention 100 and 111)
- No child labour (ILO conventions 138 and 182)

OTHER IMPORTANT INTERNATIONAL STANDARDS:

- Living wages (ILO conventions 26 and 131)
- No excessive working hours (ILO convention 1)
- Safe and healthy working environment (ILO convention 155)
- Employment relationship (ILO recommendation 198)

FAIRTRADE STANDARDS IN COTTON INCLUDE THE FOLLOWING:

- a.. established minimum prices which cover sustainable production (& never lower than market price)
- b.. buyers pay premium to support social/economic investments by producer organizations
- c.. producer organizations can request loans of up to 60% of purchase price



SOCIAL CRITERIA AS AWARD CRITERIA

ANTWERP, BELGIUM

Introduction/Context

The City of Antwerp is the largest city in Flanders and the second city in Belgium. Antwerp is the economic and trade centre of Flanders, due mainly to its Port. With over 500,000 inhabitants and more than 8,000 public servants, the city is a large consumer of work wear, although exact figures on the procurement of work wear are not given.

Antwerp City Council explicitly emphasizes the importance of sustainability, as can be seen in the following developments since 2006:

- In 2006 after a public action by de Schone Kleren Campagne (Clean Clothes Campaign), WSM (World Solidarity, NGO of the Christian Workers' movement in Belgium) and ACW Antwerpen (the umbrella body for Christian Workers' organizations), the City Council adopts a motion, stating in general terms that a community expects its suppliers to respect international labour standards and environmental criteria. This expectation is to be written in all tenders.

- In 2007 Antwerp becomes a Fair Trade Community and commits to one new fair trade product every year.

- In 2009 Antwerp (via the department of international development) commits to be an associate in the Network Wear project.

- In January 2010 in a meeting between de Schone Kleren Campagne (Clean Clothes Campaign), WSM and ACW Antwerpen and the Department of International Development the idea of T-shirts was proposed.

On August 27, 2010 the city council decides on closing a framework contract for sustainable T-shirts.

General Information regarding the tender

On 21st December 2010, the Central Procurement Department of Antwerp city council published a call for tenders for the procurement of 7000 sustainable T-shirts, 1000 sustainable polo-shirts and the printing of the shirts in compliance with the cities visual identity each year (2010, 2011, 2012 and 2013) for Antwerp cities services and closely linked departments (e.g. Public Centre for Social Welfare and Municipal Police). The contract period was 4 years, starting in 2010. Tenders were to be sent before Monday January 24th 2011. The value of the tender was estimated at €80,000 (VAT included).

The procedure was a negotiated tender procedure, in other words, after the call for tenders was published, negotiations were carried out with a selection of possible suppliers.

How are social criteria included in the public procurement process?

The subject matter of the call for tenders was 'Sustainable T-shirts', and using award criteria, the most economically advantageous offer is defined by:

Quality	40 pts
Price	25 pts
Sustainable criteria	30 pts
Delivery	5 pts

The social criteria referred to are:

the 8 fundamental ILO conventions (see introduction)

ILO conventions 26 and 131, 1 and 155 (see introduction)

Fair trade criteria (see introduction)

To prove compliance with these social criteria, the following is accepted:

Certification: SA 8000, Belgian Social Label or equivalent AND

List of locations of factories of the supplier and his subcontractors

To prove compliance with Fair Trade criteria, the following is accepted:

Max Havelaar or equal

Or proof/certificate respecting the definition of fair-trade as stated by FINE (network of FLO, IFTAT, NEWS and EFTA)

The Environment Department gives advice on incorporating environmental criteria in tenders. The Department of international development gives advice on Fair Trade and social criteria, and is the connection between WSM and the central procurement department. Although there was no supplier dialogue before writing the call, there were negotiations with suppliers after the call for tenders, carried out by the Department of International Development.

Outcome/Impacts

The company to win the tender was Pas Print. They won the tender by supplying T-shirts from B&C Biosfair. B&C is a member of the Fair Wear Foundation. Their Biosfair T-shirts are 100% Biological cotton (EKO-label) and 100% fair trade (FLO-certificate).

Some problems highlighted in the process include:

- it is not always clear who is responsible for following up on the actual fulfillment of the social criteria





autonomous services connected to the city have more liberty to decide if they want to buy T-shirts within the framework contract or not, however having a framework contract lowers the threshold for cities services (commercial services but working for the city) to participate.

In cities services there is direct political impact, in autonomous, there is much less. This is important because SPP is a political commitment. Autonomous services will follow a more economical logic

The price per T-shirt was up to double the price, depending on the size of each order within the framework contract

It is difficult to comply with all the demands concerning visual identity (more specifically, the colours requested)

However, overall it has been a positive experience: The existence of a framework contract makes it easy to procure within this contract, the work has already been done. A high percentage (30

of points is awarded for sustainable criteria, and the case proves that the procurement of clean clothes is a possibility for this administration.

The analysis of the main bodies involved in the process has been positive:

The Central Procurement Department has noted more awareness on sustainability.

The International Development Department has received more demands to advise on fair trade.

The Environment Department have not noted a specific rise in demands to advise, but for the renewal of framework contracts, fair-trade criteria are becoming a habit.

Overall, there's increasing awareness about socially responsible public procurement. The practice is changing and now there's a tendency to incorporate social criteria in the technical specifications and in the award criteria.

2.

SOCIAL CRITERIA IN THE SELECTION CRITERIA AND TECHNICAL CAPACITY OF SUPPLIER MONS, BELGIUM

Introduction/Context

Mons, capital city of Hainaut Province, is the fourth biggest city of Wallonia, Belgium South. The municipality has 93,000 inhabitants and will stand for the European Capital of Culture in 2015.

As a result of demands from citizens, and an initiative led by the organisation achACT (the NGO which coordinates the Clean Clothes Campaign in Belgium) including political lobbying and training, the municipality became interested in becoming a pioneer city in Belgium in the area of Socially Responsible Public Procurement. In 2010 a decision was taken by the Municipality council to carry out a project to include social criteria in the future contracts of clothing supplies for the municipality.

General Information regarding the tender

In 2012, when renewing the contract for the acquisition of basic workwear such as T-shirts

for technical services and emergency services, Mons has put its commitment into practice.

The value of the tender is estimated between €111, 000 and €137, 500 and is awarded by adjudication ie. best price.

The contract period is one year.

How are social criteria included in the public procurement process?

The City of Mons incorporates a social responsibility clause in the selection criteria of the tender, at the level of the technical capacity of the bidders.

The tender states that by "clean" industry [Clean Clothes Campaign reference], it means classical supply chains of the market economy in which the products are made in respect of the fundamental social rights of workers, as defined in the Conventions of the International Labour Organisation (ILO).





SOCIAL CRITERIA IN TECHNICAL SPECIFICATIONS AND CONTRACT PERFORMANCE CLAUSES BREMEN, GERMANY



Bidders must complete and submit an annex to the tender, specifying:

If they have adopted and implemented a code of conduct, a process of labeling or certification in order to ensure respect for fundamental social rights of their suppliers and subcontractors;

What are the initiatives taken/implemented;

if they perform checks and what type;

if they have contacted the Fair Wear Foundation.

OR provide a valid external certificate showing they are a member of the Fair Wear Foundation or equivalent initiative.

The contracting authority is entitled to reject the tender if it does not produce neither the annex nor a certificate.

Outcome/Impact

Seven companies responded to the call for tenders. All had completed the annex and were therefore eligible for the tender. The two companies selected have responded differently to the demands of the City of Mons. It is E&E Safety & Consulting and PROVITEC.

E&E Safety & Consulting attached two certifications from the provider Cotton Group manufacturer of products B&C. The first certifies that Cotton Group is a member of the Fair Wear Foundation. The second is that Cotton Group is holder of the license to use the fair trade label Max Havelaar.

PROVITEC in turn in the annex specifies that the selection of suppliers is notably based on ethical and environmental criteria. PROVITEC do not provide any attestation or certification regarding the rights of workers in their supply chain.

Some problems highlighted in the process include:

The sole award criterion applied is the price. The degree of commitment and implementation of bidders (for example future initiatives etc.) is not taken into account in the evaluation of tenders.

Responses are unequal in the degree of commitment. Some bidders respond unambiguously referring to a multi-stakeholder verifying body such as the Fair Wear Foundation while others merely declare that they take into account social criteria without this statement being verifiable. However, both these responses make offers eligible.

However despite these drawbacks, this case has proven to be an original way to test the market, and to send out the right message. The request to verify the ethical nature of the manufacturing process has been taken into account seriously. And – most important of all – it has proved that offers respecting the required social criteria can be competitive.

Introduction/Context

The City Municipality of Bremen is a Hanseatic city in north western Germany. A commercial and industrial city with a major port on the River Weser, Bremen is part of the Bremen-Oldenburg metropolitan area, and is the second most populous city in Northern Germany and the tenth in Germany with a population of almost 550,000 (April 2012).

In December 2008, the Bremen advisory board for socially and ecologically responsible administrative behaviour was founded.

In 2009 a central procurement management was established for the administration at Immobilien Bremen, which would improve the electronic procurement catalogue for all agencies and widen the range of products.

At the end of 2009 the Bremen city parliament implemented an amendment regarding laws on public procurement. According to this amendment, public purchasers must make efforts to ensure that no goods will be produced under breach of ILO (International Labour Organization) core labour standards (see introduction).

In 2011 the Free Hanseatic City of Bremen applied for and were awarded the title 'City of Fair Trade' for the first time.

General Information regarding the tender

In June 2010 Immobilien Bremen, the central purchasing body of the city of Bremen, published a pilot tender for the direct purchase of 1000 aprons for 500 cleaning personnel (2 each), produced under fair labour conditions.

The contract was worth approximately € 15,000.

How are social criteria included in the public procurement process?

Social criteria are included in the Performance Clauses of the contract. It was a direct purchase carried out in a similar way to a restricted tender procedure. Five companies were asked to submit bids. All were members of the Fair Wear Foundation.

While fulfilling the contract, contractor and sub-contractors are obliged to comply with the core labour standards of the International Labour Organisation (see introduction) even if in this particular country one or more core labour standards are not ratified or transferred into national law.

In this case, what is known as a 'Bidder declaration' is used. The bidder declaration of Bremen has already been applied in practice for different product groups but has not yet been evaluated. The Bremen bidder declaration has three kinds of options out of which the bidder can select one or more to provide the necessary verification.

First option:

Certification (Fairtrade Labelling Association or SA8000) or membership in a Multi Stakeholder Initiative (Fair Wear Foundation, Ethical Trading Initiative).

Second option:

Other certification or membership (must be independent) or equivalent Means of verification/supporting documents must be presented at request

Third option:

A self-declaration. The bidder declares that he fulfils the ILO core labour standards but without undertaking targeted measures or providing independent evidence. He has to declare that he



will inform himself about working conditions and will communicate his suppliers to the contracting authority in case of request.

The contractor is required to present the proof that has been assured in the self-declaration of the additional contract terms "ILO core labour standards" by no later than the delivery of the goods. In case of a partial delivery the proof has to be presented with every single delivery. The contractor guarantees the compliance with the obligation to provide proof also in the case where the delivery or the partial delivery is effected by a sub-contractor.

In case the contractor:

delivers goods that have been extracted or produced in violation of the labour standards,

does not provide evidence according to his self-declaration to the additional contract terms "ILO core labour standards" or

does not present the adequate documentation

...the contracting parties agree on a contractual penalty of one percent of the contract value. The contractual penalty increases by an additional percent with every infringement. Every partial delivery with a breach is counted as an individual infringement. If the contractual penalty is disproportionately high, the contracting authorities will reduce it to an appropriate amount. The sum of all contractual penalties is not allowed to exceed ten percent of the contract value in total.

In case of the above events, the contracting parties agree that the public purchaser has the right to withdraw from the contract. In this case, the contractor has to compensate the contracting authorities for the damage caused.

Outcome/Impact

In practice, it was initially difficult to find adequate manufacturers. Not many manufacturers pay attention to the conditions of manufacture of its products. However five companies that are members of the Fair Wear-Foundation were

eventually found. The tender documents were sent to these companies and, despite fears that they might find it difficult to cope with the rather long tender specifications (due to the social and ecological requirements), finally the Hamburg-based workwear company, Kronen Jobwear Hamburg, which obtains the aprons from a Dutch manufacturer, won the tender. The aprons were no more expensive than conventionally produced aprons.

This was accomplished with the help of the Christian Initiative Romero and supporters of the Clean Clothes Campaign as well as the support of the Fair Wear Foundation. At the time of the tender no German company had suppliers in Asia and North Africa producing under ILO core conventions.

Another indicator of success was that according to our market research one other company (outside of the five targeted) was encouraged to join the Fair Wear Foundation. Unfortunately, it was too late to participate in the tender.

According to the interim assessment made by the Bremen 'advisory board for socially and ecologically responsible administrative behaviour':

"We have initiated and achieved a lot. The cooperation between administrative experts and experts from initiatives, organizations

and associations has proven successful and should be continued. The implementation of social and ecological criteria in all areas cannot be achieved overnight. Successful practical examples are encouraging. We have taken initial steps. Responsible procurement is a long-term issue, which Bremen will also dedicate itself to in the future... It is also clear that: Growing demand has an impact on the range of products. This is about sending out a signal to the market. The more purchasers demand ecologically and fairly manufactured products, the faster the market will respond with corresponding products. Therefore, I also hope that our approach will widely be taken up by other municipalities, the economy and the society."

(Senatspressestelle Bremen, February 2011)

The project 'Active involvement in public procurement - ecologically, socially and economically', with which the procurement department in Bremen shall be redesigned, will continue. They are currently creating a matrix which shall illustrate as many products purchased in Bremen as possible, whether social and ecological alternatives exist, and if so, which ones. At procurement conventions they try to convince employees of other departments of social and ecological alternatives. Additionally, they offer further training in Bremen with regard to this topic. The cooperation with non-government organizations (NGOs) is very important.



4.

SOCIAL CRITERIA IN THE SUBJECT MATTER OF THE CONTRACT AND TECHNICAL SPECIFICATIONS BARCELONA, CATALONIA

Introduction/Context

Barcelona is the capital of Catalonia and has a population of just over 1.5 million people. Its city council is a large consumer of textile products, basically work clothes for specific collectives such as gardeners, the local police and the fire brigade.

Setem Catalunya, a development NGO and part of the Clean Clothes network in Spain, has had a strong relationship with Barcelona city council for several years. They participate in some of the international initiatives that promote public procurement with environmental and social criteria.

Within the framework of the Clean Clothes Campaign and the Catalan Network for Ethical Public Procurement, an initial pilot project was carried out in 2006 to procure textile products that respect basic labour rights according to the ILO core conventions. This pilot scheme, started by the Parks and Gardens department, and a compulsory criteria for the annual call for tender ever since, constituted the first example of a Spanish public administration introducing social criteria into its procurement practices for clothing.

The market dialogue has taken a step-by-step approach that has led the City Council to a stage where it can require an external audit of its supplier as a means of verification in the Parks and Gardens clothing contract.

General Information regarding the tender

This is a two-yearly call for tender for summer and winter work clothes for 800 gardeners, conservationists, security staff and mechanics,

published and managed by the Parks and Gardens department of the city council.

The value of the tender is approximately €250,000 and since 2010 the contract period is two years (before it was one year).

How are social criteria included in the public procurement process?

Since 2006, Parks and Gardens, as well as including it in the wording of the subject matter of the call, demand from the tendering companies as a requirement for technical solvency that the fabrics and other materials used in production, as well as the production process itself, must respect the basic labour rights as drawn up in the ILO declarations on workers' rights.

From 2006-2008, any of the following were accepted as proof of compliance:

Certificate Code of Conduct (SA 8000, Fair Wear Foundation, Made in Green or equivalent)

Proof of compliance with European Parliament Resolution on Fair Trade and Development (2005/2245 (INI))

bidder's self-declaration or social audit certification by external company

From 2009-2010: the self-declaration was established as exceptional. It was announced that in future contracts only certifications from external audits would be accepted, and the bidder had to commit to obtaining external certification within the contract period.

From 2012-2013: only certifications from external audits accepted.

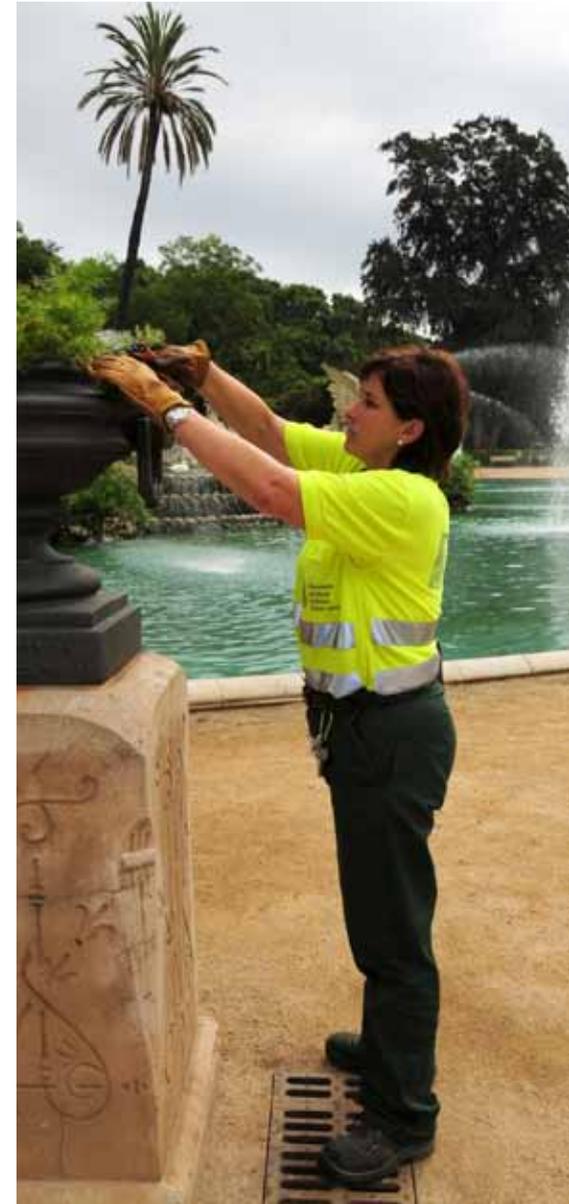
The whole experience has been a gradual and participatory process, beginning with briefings and meetings with key suppliers to inform on motivations and the decision to include these clauses. It was important to listen to views and/or suggestions regarding the process and to exchange experiences on obtaining external certification. In parallel, the city council worked with the Ethical Procurement Network running training sessions with other municipalities and gaining technical advice from municipal and external experts to produce the tender.

Outcome/Impact

The company awarded, Albatros, presented the SA8000 certificate. Another work wear supplier of the city, Iturri, has since achieved the SA8000 certificate.

The plan now is to continue to add in new and better requirements in terms of social criteria, year after year. Key points now for the way forward are to work with the providers, to have more dialogue with the market to prepare them for the upcoming demands, via meetings and training sessions.

On the other hand, the idea of this pilot was that it would be applicable to other departments and sectors that purchase work clothes, as well as promoting the purchase of fair trade textile products for one-off events (t-shirts for fiestas, sports activities etc). So other calls for tenders are currently being studied in which these criteria could be applied, such as the public owned company in charge of management of public parking, the zoo, and municipal facilities in some areas of Barcelona, the municipal policemen and the urban cleaning and waste collection services. Barcelona also participate in conferences and sessions with other public administrations, to share good practice, learning experiences, materials and techniques.



SOCIAL CRITERIA IN DIRECT PURCHASES (BELOW €12,000) DORTMUND, GERMANY

Introduction/Context

As the largest city in the Ruhr district, Dortmund is the economic and trade capital of the region – today the former industrial headquarters is a centre for services and future technology. Almost 600,000 people live in this lively metropolis which boasts over 1100 years of history.

Dortmund won the title of German capital of Fairtrade in 2003 and 2005 and was the first Fairtrade Town in the Ruhr district. On 12th June, 2010, the 53 towns and communities in the Ruhr region signed the so-called Magna Carta against exploitative child labour. Dortmund was the initial member of the “Netzwerk Faire Metropole Ruhr” comprised of local authorities and NGOs, which aimed to turn all 53 towns and communities of the Ruhr district into Fairtrade Towns. Together with the Christian Initiative Romero and local authorities and NGOs in the Czech Republic and Austria, Dortmund will start a project to promote Fairtrade, and sustainable public procurement. Together with the German Clean Clothes Campaign, Dortmund is a participant in the nationwide “Netzwerk Faire Beschaffung der Servicestelle Kommunen in der Einen Welt“



(network for fair procurement) and have done many events on public procurement together.

On the 20th September 2007, the mayor of Dortmund made it obligatory for all city departments to take into account the ILO core labor standards in all their purchases.

Now, there is an ever expanding emergent movement of national organisations which are based on the principles of sustainable procurement, and on 1st May, 2012, the pay wage and procurement act of the state of North Rhine-Westphalia (TVgG-NRW) came into effect. Important aspects of public procurement firmly rooted in the country are:

The target of a procurement-specific minimum wage

The establishment of representative wage agreements in the ÖPNV (short-distance public transport)

The observance of social aspects

The observance of the advancement of women



General Information regarding the tender

It is concerned with a community price inquiry for uniform and protective clothing (T-shirts, polo shirts and skirts) for Dortmund's city operations restaurant in 2010.

The tendering model is a direct awarding of contract (price inquiry into a restricted bidding circuit minimum 3) for a singular delivery of the products purchased.

The total cost of goods amounts to approximately €450.

How are social criteria included in the public procurement process?

Respect for the core ILO conventions is mentioned both in the subject matter and the technical specifications of the call for tenders.

The requests for tender must include a declaration stating the bidder's compliance with the minimum standards as laid out by the ILO core labour standards, enclosed as part of the contract terms as a standard feature.

Outcome/Impact

The contract was awarded to the German company Hess Natur, which was the first company in Germany to become a member of the Fair Wear Foundation, in 2003.

Some of the noted difficulties include:

The market reacts to the demands and tries to achieve different certifications, whose integrity cannot be validated on an individual basis, especially not when concerning new or foreign certifications.

There is a risk of confusing the user or procurer in the mass of labels and certifications that exist.

A service point for the tenderer would be of great help in order to clarify legal issues or validate labels. An EU minimum standard would also be very helpful – similar to the EU-Bio-Seal.

The city of Dortmund is a good example of a socially oriented procurement. The process has been unproblematic, and can be especially useful for smaller municipalities making similar types of purchases.



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