

Frequently Asked Questions on

Socially Responsible Public Procurement

#WeBuySocialEUJanuary 2021

Europe Direct is a service to help you find answers to your questions about the European Union.

Freephone number (*):

00 800 6 7 8 9 10 11

(*) The information given is free, as are most calls (though some operators, phone boxes or hotels may charge you).

LEGAL NOTICE

The information and views set out in this publication are those of the author(s) and do not necessarily reflect the official opinion of EASME or of the Commission. Neither EASME, nor the Commission can guarantee the accuracy of the data included in this study. Neither EASME, nor the Commission or any person acting on their behalf may be held responsible for the use which may be made of the information contained therein.

More information on the European Union is available on the Internet (www.europa.eu).

Luxembourg: Publications Office of the European Union, 2021

© European Union, 2021

Cover image: freepik.com

Author: ICLEI - Local Governments for Sustainability.

Design & Layout: Stephan Koehler, Rebekka Dold | Freiburg, Germany | www.rebekkadold.de

EUROPEAN COMMISSION

Executive Agency for Small and Medium-sized Enterprises (EASME)
Department A - COSME, H2020 SME and EMFF
Unit A.1 — COSME

E-mail: <u>EASME-COSME-ENQUIRIES@ec.europa.eu</u> European Commission B-1049 Brussels



Socially responsible public procurement (SRPP) implements social considerations in public contracts to achieve positive social outcomes. SRPP aims to address the impact on society of the goods, works and services and works purchased by the public sector. It can be a driver towards:

- Promoting employment opportunities and social inclusion
- Providing opportunities for social economy enterprises
- Encouraging decent work
- Ensuring compliance with social and labour laws
- Accessibility and design for all
- Respecting human rights and addressing ethical trade issues
- Delivering high quality social, health, education and cultural services
- Reaching sustainability targets

Who benefits from SRPP?

In a nutshell, citizens, workers, our communities and society at large. Implementing social responsibility in public contracts can deliver real social outcomes that improve the quality of people's lives. Procurement affects a large number of people, whether they are users of public services, workers involved in production and delivery, or staff of the buying organisation. Beyond these directly affected groups, SRPP has the potential to influence the broader market. By promoting employment opportunities, decent work, social inclusion, accessibility, design for all, ethical trade, and compliance with social and environmental standards, public buyers can increase demand for "socially responsible" goods, works and services.

How does SRPP differ from 'traditional' procurement?

Traditionally, public buyers have chosen a product or service by comparing price and quality. SRPP asks procurers to consider the social impact of how a product/service is produced, sourced and delivered. They can do this by demanding that potential suppliers have a sustainable, ethical and transparent supply chain, treat their workers fairly, or employ persons who find it difficult to enter the labour market.

What is the legal framework for SRPP?

SRPP is grounded in European rules on public procurement. Public procurement is an important pillar of the European single market. The 2014 EU harmonised public procurement rules regulate the European public procurement market based on the Treaty principles of transparency, equality and non-discrimination among bidders. At the same time, the Public Procurement Directives make it clear that public buyers can take social aspects into account throughout the procurement cycle. Member states have transposed this European framework to fit their own national contexts.



In what sectors can SRPP create the most impact?

Public buyers spend 14% of the EU's gross domestic product (GDP). By using this purchasing power on goods, works and services that deliver positive social outcomes, they can make a major contribution to sustainable development. SRPP can be particularly impactful in sectors where public buyers command a large share of the market, such as construction, healthcare and transport. The recently published report <u>Making Socially Responsible Public Procurement Work. 71 Good Practice Cases</u> also includes cases relating to cleaning and facility management, food/catering services, furniture, gardening services, social services, ICT and textiles, highlighting that SRPP has potential in a wide variety of sectors.

6

What are the main challenges related to SRPP for procurers?

When introducing new SRPP considerations to procurement, it is important to understand where the specific social and ethical risks or opportunities lie, and how best to target these through procurement. Understanding the market, including suppliers' business models and supply chains, usually means knowing what can realistically be achieved and how. Market engagement can help make sure that a procurement achieves real benefit, while still being attractive to the market and receiving a fair amount of bids. Another common challenge for procurers is a lack of clear political support for SRPP and concerns about the resources required for SRPP or the risk of legal challenges. The *Making Socially Responsible Public Procurement Work. 71 Good Practice Cases* provides plenty of examples of cost-effective, compliant socially responsible procurement implemented in many places across Europe.



What are the main challenges related to SRPP for suppliers?

SMEs and social enterprises are still sometimes reluctant to participate in a tender, fearing they might be at a disadvantage to large for-profit companies. SRPP practices make it easier for social enterprises to bid for contracts, by rewarding good social practices, or even allowing for the 'reservation' of contracts to organisations with a social mission. In addition, suppliers sometimes find it hard to incorporate a social dimension in their bids. But as shown in <u>Making Socially Responsible Public Procurement Work. 71 Good Practice Cases</u>, there are many examples of procurers working with suppliers, to make sure they are able to perform contracts in a way which also achieves wider societal impact.



How can public buyers include social responsibility in tenders?

When planning a procurement, public buyers should select the most appropriate way to include social considerations in a tender. For example, if a contract has a specific social dimension (such as social services), selection criteria can be used to assess a contractor's previous experience and ability to deliver a contract for social services in line with the needs of the users. Technical specifications can be used to make detailed requirements on accessibility for people with disabilities. Award criteria allow further quantitative, qualitative or cost-related criteria to be included in the assessment of bids, and are used by procurers to express preferences for socially responsible goods and services beyond just basic requirements. Finally, contract performance clauses can be used to require specific actions during the delivery of a contract, for example, social clauses which require suppliers to provide training to their staff or jobs to people who otherwise experience difficulty accessing the labour market.



Are there any social considerations which are mandatory in public procurement?

Legal obligations on social and labour law established by EU and national law and collective agreements must be complied in public tenders, as well as some international agreements, such as the International Labour Organization (ILO) fundamental conventions. These rules may relate, for instance, to health and safety on the workplace, employment conditions, equality issues, etc.¹

In addition, Article 42 of the Public Procurement Directive requires public buyers to take into account specifications to secure access for persons with disabilities to, for example, public services, public buildings, public transport, public information and ICT goods and services, including web-based applications.

Can the ability of the market to provide socially responsible products and services be checked in advance?

Yes. Market consultation is an effective way for public buyers to identify effective and realistic solutions, and to build capacity in the market to meet social needs and requirements. During the tendering procedure, public buyers can use selection criteria to ensure that a supplier has the necessary capacity to fulfil the contract as stipulated. Selection criteria can also include a social dimension, and if adequate and proportionate, can facilitate the participation of SMEs and social enterprises.

Can SRPP be used to support better access to procurement opportunities for social enterprises?

Yes. Proportionate selection criteria, adapted where possible to the capacities of small businesses and dividing contracts into lots can make it easier for social enterprises to participate to public tenders. Reserved contracts are also specific instrument to target social enterprises. Finally, the use of social considerations in award criteria or contract clauses can make it more attractive for social enterprises to compete for tenders or to participate as subcontractors. Indirectly, SRPP can contribute to increased demand for socially responsible goods, works and services, thereby providing social enterprises with growth opportunities.

12 Shouldn't green public procurement and SRPP be used jointly?

Yes. Green public procurement (GPP) is a process whereby public authorities seek to procure goods, services and works with reduced environmental impact throughout their lifecycle. It is closely related to SRPP, and in most cases green and social goals cannot and should not be separated. Many of the examples in <u>Making Socially Responsible Public Procurement Work. 71 Good Practice Cases</u> demonstrate both environmental and social outcomes are possible and complimentary within the same procurement.

 $^{^{}f 1}$ The place where the contract is performed determines which obligations should apply to its execution.

13 What has the European Commission done to promote SRPP?

It has launched projects and campaigns to raise awareness on SRPP. The most recent of these publications has been the report *Making Socially Responsible Public Procurement Work. 71 Good Practice Cases* which aims to improve awareness and understanding of the potential of SRPP, by showcasing 71 examples of how public procurers have achieved social benefits in practice. The case studies demonstrate correct bidding procedures and effective policies and act as inspiration for both procurers and suppliers to stimulate replication across Europe (and beyond). The report, as well as other publications on SRPP, can be found here.

Adding to this, it has produced three videos illustrating cases of the report: #WeBuySocialEU – Socially responsible public procurement #1 (EN and FR) #WeBuySocialEU – Socially responsible public procurement #2 (EN and FR) #WeBuySocialEU – Socially responsible public procurement #3 (EN and FR)

14 How can SRPP support post-COVID economic recovery?

The COVID-19 crisis has caused a wide range of negative social impacts. To maximise the impact of the unprecedented level of public stimulus dedicated to the recovery, public authorities will need to resort to all the available tools and resources to counter these problems. SRPP can be a powerful instrument to generate positive social impact, deliver quality for money in services, incentivise sustainable and ethical production and mitigate the adverse effects of the crisis on the job market.

15 Where can I find more information about SRPP?

For more good practices on SRPP, with a particular focus on access to public markets by social economy enterprises, see the <u>Buying for Social Impact</u> report. In addition, the European Commission is currently updating the <u>Buying Social</u> guidance, which will provide practical advice on implementing SRPP.

GETTING IN TOUCH WITH THE EU

In person

All over the European Union there are hundreds of Europe Direct information centres. You can find the address of the centre nearest you at: https://europa.eu/european-union/contact_en

On the phone or by email

Europe Direct is a service that answers your questions about the European Union. You can contact this service:

- by freephone: 00 800 6 7 8 9 10 11 (certain operators may charge for these calls),
- at the following standard number: +32 22999696, or
- by email via: https://europa.eu/european-union/contact_en

FINDING INFORMATION ABOUT THE EU

Online

Information about the European Union in all the official languages of the EU is available on the Europa website at: https://europa.eu/european-union/index_en

EU publications

You can download or order free and priced EU publications from: https://op.europa.eu/en/publications. Multiple copies of free publications may be obtained by contacting Europe Direct or your local information centre (see https://europa.eu/european-union/contact_en).

EU law and related documents

For access to legal information from the EU, including all EU law since 1952 in all the official language versions, go to EUR-Lex at: http://eur-lex.europa.eu

Open data from the EU

The EU Open Data Portal (http://data.europa.eu/euodp/en) provides access to datasets from the EU. Data can be downloaded and reused for free, for both commercial and non-commercial purposes.



