

Socially responsible public procurement of computer equipment

Supply, deployment and installation service for desktops and laptops



Image: ICLEI European Secretariat

Procura+ Participant:

The Municipal Institute of Computer Science of Barcelona City Council (IMI)

Contract:

Procurement of a supply, deployment and installation service for desktop workstations and laptops, awarded in November 2019. The contract has a value of € 1,220,504 (excl. VAT).

SUMMARY

- Barcelona City Council aims to strengthen social and ecological standards in the ICT industry via its procurement.
- Market dialogue was an important tool for understanding current practices, and communicating future intentions.
- Electronics Watch's contract clauses help Barcelona to engage suppliers on social responsibility during the performance of a contract.

Background

[Barcelona City Council](#) – which is a founding member of Electronics Watch and a Procura+ Participant – engages with the electronics industry to promote innovation with special attention to strengthening social and ecological standards. The City Council wants to encourage the electronics industry to establish a more transparent mining supply chain. To do so, they have developed award criteria in order to award points to bidders who present a long-term strategy to increase supply chain transparency.

The electronics industry has started improving the transparency of its mining supply chains at the level of smelters/refineries. However, in order to allow for monitoring, prevention, mitigation and remediation, and to work toward sustainable improvements for workers and communities affected by mining, the challenge in upcoming years will be to develop transparency beyond smelters/refineries. Only then, public procurement can establish the necessary link between the subject matter of the contract, its contractors' supply chains, and individual mines.

In 2019, the Municipal Institute of Information Technology of Barcelona City Council (IMI) began to work on a tender focusing on workplace IT equipment to meet the needs of the Procurement Plan 2019-2020 and modernise the existing equipment in the Barcelona City Council and its affiliated agencies. The procurement was conducted in accordance with the [Barcelona City Council ICT Public Procurement Guide](#) which sets the municipality's strategy for the procurement of ICT.

Services required by the contract include the provision, deployment and the storage of equipment, transporting the equipment to the facilities of the City Council, the labelling of the computers with the corporate image of IMI, installation of the new hardware, removal of packaging waste and removal of old ICT equipment, according to criteria of Barcelona City Council.

In addition, Barcelona City Council has an agreement with the two reuse organisations [Pangea](#) and [Ereuse](#), with the ultimate goal to contribute to a circular and social economy. In order to avoid premature recycling, the reuse potential of the computers from Barcelona City Council is evaluated. The electronic devices which can still be used are donated to Pangea. This association, acting as an umbrella, includes many other entities working in the circular economy in Barcelona. Therefore, they work together to give a second life to the computers with all the legal and security requisites, then they donate or sell the computers to social and solidarity entities. In addition, the Barcelona City Council wants to become more circular by buying second hand computers in the future.

Procurement Approach

Market engagement

Meet the Buyer Event, February 2019

Under the umbrella of the Make ICT Fair project, a general market engagement event took place back-to-back with the Mobile Social Congress, on 27th of February in Barcelona. The Congress provided a suitable framework, as it focuses on social and ecological impacts in the electronics supply chain. More than 30 representatives of ICT brands and resellers, NGOs and public procurers came

together to discuss how social responsibility can be strengthened in the supply chain of ICT equipment, and what role public procurement can play to drive improvements.

Setting the scene, Barcelona City Council presented its vision of leveraging public procurement to increase its engagement with the industry and to promote a new governance and management model for ICT.

Electronics Watch - presented on how it is supporting Barcelona City Council's strategy implementation by providing worker-driven monitoring and industry engagement. After showcasing successful examples of how public buyers have made a lasting impact on the welfare of workers, Electronics Watch presented its new [Contract Conditions](#). Barcelona City Council included these new Contract Conditions in the planned tender. This was a good opportunity for future contractors to understand in detail the contractual obligations they would be required to agree upon.

The focus of the event was exchange between suppliers/resellers and Barcelona City Council as well as other public authorities who attended. As a first response to how the market can meet the city's needs, HP provided an overview of its social responsibility policies and achievements. This was followed by a panel discussion with speakers from the buyers' side (including representatives from Barcelona City Council, a procurement officer from Haarlem Municipality and Head of the Contract Management Office of the Catalan Association of Municipalities), the suppliers' side (a representative from HP), as well as an independent perspective provided by an expert from Electronics Watch. In addition, a lively open floor Q&A session allowed all participants in the room to comment and discuss. After the Q&A session, participants were given ample opportunity for one-to-one talks. Suppliers used this as an opportunity to discuss more detailed questions with representatives of the Barcelona City Council.

Overall, the representatives from the suppliers/resellers were very interested in the approach of the Barcelona City Council and discussed the presentation of a long-term plan positively. It allowed them to understand how the market will develop in upcoming years and what requirements they will be asked to fulfil. The feedback received during the engagement event helped the city choose which criteria to integrate in the upcoming tender. The engagement event also resulted in several bilateral meetings taking place afterwards.

Preliminary Market Consultation, May 2019

Based on the experience from the market engagement, Barcelona City Council together with IMI organised a similar event in May 2019 for an upcoming tender for the provision of ICT infrastructure and associated professional services for the new CPD (Centre de Processament de Dades) data processing centre of the Municipal Computer Institute of Barcelona City Council. The budget for the procurement was over €5 million for a 36-month contract for services and hardware.

The City Council took advantage of the preliminary consultation to ask questions about social responsibility and transparency in the supply chain in order to survey the current practices of the companies in this regard. The goal was to understand the market and its ability and willingness to implement the targeted contract.

This preliminary market consultation resulted in the insights that only a limited number of suppliers are able to sufficiently respond to the social criteria that Barcelona suggested including in contracts. Only 7 out of 14 companies provided to some degree relevant answers related to their level of social responsibility in the supply chain. The answers obtained were quite unequal depending on whether the company was a manufacturer of electronic equipment, a supplier or a service provider. Most of the manufacturers referred to their membership with the industry organisation Responsible Business Alliance (RBA) (formerly known as the Electronic Industry Citizenship Coalition, EICC). This industry organisation has developed a code of conduct and is monitoring members against it.

Social criteria used

Barcelona has included social criteria in several ICT purchases. The criteria below are taken from a 2019 tender for the acquisition, deployment and installation of computer equipment for the city council's workplaces. The contract was awarded on the basis of best quality/price ratio. The price valuation criterion was worth 96% while responsible practices were worth 4% of points available.

Subject matter of the contract:

Acquisition, deployment and installation of computer equipment for Barcelona City Council workplaces

Award criteria

The award criteria evaluated the responsible supply practices in relation to the goods supplied. Maximum 4 points:

1. Supplier code of conduct

The supplier has a publicly-available supply policy or code of conduct that takes into account the actions of its suppliers to ensure compliance with social and labour standards and respect for human rights in the production of the goods covered by the contract and how they are verified (*up to 2 points*).

Verification: Web address, URL or electronic address where the policy can be viewed. In the case of resellers, proof of both the manufacturer's own policy and the adherence to the manufacturer's supply policy of the proposed equipment is required.

2. Life Cycle Transparency

The supplier has a publicly-available supply policy or code of conduct that covers the entire production cycle (manufacturing, transport, mining and refining) that guarantees the transparency of the supply chain and the compliance with social standards. The company is committed to respect human rights, both in the manufacture of the products and in the extraction of the raw materials used in the production of the goods covered by the contract and how they are checked (*up to 2 points*).

Verification: Web address, URL or email address where the policy can be viewed. In the case of resellers, proof of both the manufacturer's own policy and the adherence to the manufacturer's supply policy of the proposed equipment is required.

Contract performance clauses

Electronics Watch [Contract Conditions](#) are compulsory in all of Barcelona City Council's tenders for ICT equipment.

The Contract Conditions require the contractor to perform due diligence to achieve supply chain transparency, collaborate with independent monitors, and remedy breaches of labour rights and safety standards. They are consistent with Directive 2014/24/EU on public procurement and reflect international guidance for public procurement, business and human rights, including the [United Nations Guiding Principles on Business and Human Rights](#) and the [OECD Guidelines on Multinational Enterprises](#).

Results

Five suppliers bid for this contract, and all of them successfully met the technical requirements and criteria in the tender.

As soon as the contracts were awarded, Barcelona began the process of engaging contractors and suppliers on the basis of the Electronics Watch Contract Conditions. This will lead to increased transparency in the manufacturing supply chain, and further engagement is planned.

Lessons learned

Barcelona City Council already had some experience in social and sustainable procurement. In the last few years, some of the initiatives (such as becoming a founding member of Electronics Watch in February 2016) have come from the highest political level (the mayor and the economy managers). Political support is important to signal a city's commitment to an issue in the longer term, in order to incentivise change in the market.

With the new Spanish procurement law, and the new regulations and procurement guidance of the City Council already approved, Barcelona is working to ensure the continuation and development of fair ICT procurement on three different levels:

- 1) After every political change (new coalition in 2019), the managers and politicians get a briefing on the importance of the policy on socially responsible public procurement;
- 2) Every staff member responsible for an ICT contract is supported to raise awareness of the possibilities of social responsibility in their work;
- 3) Legal services on all levels are included in planning and implementation of tenders to ensure that no legal problems will arise on the way.



Until now, the City Council has managed to ensure a renewed commitment from the political as well as executive level. The Council is also working towards connecting its socially responsible procurement with other policy initiatives such as the Sustainable Development Goals and [Barcelona's Climate Plan 2018 – 2030](#). Due to the current Covid-19 crisis and its impact on the economy, the work on social criteria for an upcoming framework contract on computers is pending. The Policy Advisor for Development, Carla Canal Rosich, wants to make the best out of the situation: *“We are working on how to use the crisis as an opportunity and not as an excuse not to keep on going forward.”*

Canal Rosich offers two pieces of advice for procurers who want to include social criteria and requirements: *“First of all, talk both with politicians, legal services and providers. A successful implementation of social criteria depends on support and cooperation with different stakeholders. Another tip is to participate in international networks to see how things are going forward in other countries. Cross-country knowledge sharing gives valuable insight into methods, tools and procedures for taking our SRPP work forward.”*

At the moment, Barcelona City Council is in the process of learning and advancing their socially responsible public procurement. The [‘How to procure fair ICT’](#) criteria guide, published under Make ICT Fair, was translated into [Spanish](#) and will contribute to more training of staff in socially responsible public procurement and will help to increase the awareness within the organisation. The follow up and evaluation of the tender on computer equipment for IMI will give helpful insights for future procurement with social criteria.

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About Procura+

Initiated and co-ordinated by ICLEI, Procura+ is a network of European public authorities and regions that connect, exchange and act on sustainable and innovation procurement.

Connect.



We are a network of European public authorities that connect, exchange and act on sustainable and innovation procurement.

Exchange.



Our combined knowledge and experience allows us to provide advice, support and publicity to any public authority that wants to implement sustainable and innovation procurement.

Act.



The Procura+ Network joins forces to champion sustainable and innovation procurement at the European level.

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About Electronics Watch

[Electronics Watch](#) is a not-for-profit non-governmental organization that brings together public sector buyers and civil society organisations in electronics production regions with experts in human rights and global supply chains. Electronics Watch guides public procurement demand for decent working conditions in electronics supply chains, and provides capacity for public buyers to follow up on contractual demands through worker-driven monitoring which helps workers to voice complaints and contribute to solutions. Through its industry engagement activities Electronics Watch facilitates improvements on the ground. Electronics Watch is focusing on:

- Informing and organising public procurement demand for decent working conditions in electronics supply chains.
- Investigating and working to improve working conditions in public procurement electronics supply chains.

Electronics Watch has an affiliate network that allows public buyers to exchange ideas and learn from each other.



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fair**

About the Make ICT Fair project

The Make ICT Fair - Reforming Manufacture & Minerals Supply Chains through Policy, Finance & Public Procurement is a three year project, which received three million euros funding from the European Commission. The partners are: The University of Edinburgh, Sudwind, People and Planet, SETEM Catalunya, ICLEI, CEE Bankwatch, Electronics Watch, Le Monde Diplomatique, Swedwatch and Towards Sustainability Action.

The overall objective of the project is to increase EU citizen knowledge of EU development cooperation within the context of the Sustainable Development Goals (SDGs); Raise awareness & understanding of EU citizens/decision makers about the interdependencies between the Global South and Europe, Mobilise EU citizens/decision makers & ICT purchasers/procurers working in the EU Public Sector to improve workers'/communities' rights and conditions in the ICT industry.



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