

Social public procurement for environmental services: examples from the RREUSE network and beyond

Introduction

55 % of procurement procedures still use the lowest price as the only award criterion¹, without considering any potential added social or environmental value they could support through making purchase choices between competing products or services. With public authorities in the EU spending about 14 % of GDP on public purchases, they have significant potential in driving markets for ethical and sustainable purchases and supporting local job creation.

Re-use, repair and recycling are sectors within which thousands of social enterprises across Europe have been active in for many years, providing jobs and trainings for disadvantaged workers and giving them a fresh start on the labour market. Recognising such social value in purchasing decisions, local authorities can contribute double to the community through environmental improvement, social integration and cohesion, but much more needs to be done in order to make such considerations mainstream in public purchasing decisions.

After briefly addressing the EU framework for sustainable public procurement, this paper presents a number of cases of how social considerations have been successfully integrated into purchase decisions from around the EU. This should contribute to the sharing of good practices about how municipalities can support local job creation and the transition to a circular economy through recognising social value. The case studies all involve social enterprises federated by RREUSE and its wider network.

Where can sustainability be found in the EU Directive on public procurement?

The [EU Directive on public procurement](#) adopted in 2014 promotes sustainable procurement to a certain extent. Not only in its recitals ([37-40](#)), but also as part of the general rules, the directive obliges Member States to take appropriate measures to guarantee compliance with environmental, social and labour laws ([Article 18](#)).

Social considerations

Apart from the general rules, the directive foresees the possibility for Member States to include social considerations in tendering procedures through social clauses or reserved contracts.

¹ European Commission, Public procurement strategy (Available [here](#)).

Social clauses should be inserted in all public procurement procedures in order for public purchases to respect labour standards and laws applicable on the territory.

In order to include more specific social measures into a purchasing process, public authorities can include social criteria in the subject matter of a contract or/and in the technical specifications of it. This is a way for them to ensure e.g. the creation of employment thanks to the contract.

Moreover, Member States have the opportunity to reserve certain contracts for *'sheltered workshops and economic operators whose main aim is the social and professional integration of disabled or disadvantaged persons [...], provided that at least 30% of the employees of those workshops, economic operators or programmes are disabled or disadvantage workers'* ([Article 20](#)). Reserved contracts can give social enterprises the opportunity to position themselves, especially in regions where they do not have a longstanding tradition.

Environmental considerations

Although this paper concentrates on the social considerations in public procurement, we would like to briefly touch upon the importance of taking into account green criteria in order to guarantee sustainable public purchases.

In addition to the EU Directive on public procurement, the recently adopted Circular Economy Package encourages Member States to adopt measures, such as procurement criteria favouring activities linked to re-use and repair ([Article 11.1](#)). Moreover, as part of the recently revised EU Waste Framework Directive, *'sustainable public procurement to encourage better waste management and the use of recycled products and materials'* ([Annex Iva.7](#)) is including as part of measures to provide incentives for the application of the waste hierarchy.

As such, EU legislation already grants Member States the opportunity to include social and environmental considerations in tendering procedures; it is now up to them to implement them.

Finally, the European Union has also made significant efforts in supporting environmentally friendly products and services through green public procurement, which includes key initiatives such as the EU Ecolabel and more recently the idea of 'circular procurement'². A discussion on potential integration of these ideas into a holistic approach to procurement will be discussed in future positions.

Examples of public authorities implementing social clauses in repair, re-use and recycling

The following five examples outline how a number of public authorities are supporting social inclusion through tendering procedures which can serve as inspiration for others to follow. In particular, these regions have implemented the EU Directive and reserved certain public contracts to social enterprises.

² http://ec.europa.eu/environment/gpp/pdf/CP_European_Commission_Brochure_webversion_small.pdf

1. Vicenza in Italy

- A. **Contractor:** Municipality of Vicenza
- B. **Social enterprise:** Social cooperative [Insieme](#) was founded in 1979. It is currently offering professional training to more than 30 trainees, professional integration for around 20 people and consists of more than 30 volunteers wanting to give a second chance to people and goods.
- C. **Tenders:** Most contracts of the social cooperative Insieme were awarded through two different types of tenders:
 - 1. Contracts above the community threshold of EUR 221.000 are open to all economic operators whose main purpose is the social and professional integration of people with disabilities or disadvantaged, when at least 30 % of the workers of the above-mentioned economic operators is composed of workers with disabilities or disadvantaged workers.
 - 2. Contracts below the community threshold of EUR 221.000 are reserved for social cooperatives of type "B"(work integration cooperatives, employing at least 30 % of disadvantaged people, active in any field).

The province of Vicenza has contracted the social cooperative Insieme on several occasions for one to three years for services such as:

- a. Conduction of municipal collection centres: The activity started in 1997 and Insieme currently manages ten collection centres. In two of these collection centres it also manages some recyclable waste (wood, paper, metals, glass).
- b. Home collection of bulky urban solid waste: activity started in 1999. Currently the service is carried out by Insieme in 16 municipalities with 270,000 inhabitants in total.
- c. Management of waste for preparation for re-use from eleven collection centres - in some of which Insieme is manager - and from the bulky waste home collection.

2. Rzgów in Poland

- A. **Contractor:** Municipality of Rzgów
- B. **Social enterprise:** The Polish social cooperative [Komunalka Rzgów](#) was established in 2016. The cooperative currently employs eleven people, amongst them long-term unemployed and people with disabilities. The main activity of the cooperative is the collection of mixed and segregated waste from residents of the Rzgów municipality. In addition, the company operates in the maintenance of green areas and cleaning services, provides courier services, care for the elderly and children. The social cooperative participated in tendering procedures that included social clauses.
- C. **Tender:** In November 2017, the municipality of Rzgów announced a tender, the subject of which was the collection and management (recovery or disposal) of municipal waste from property owners located in Rzgów, as well as the provision of property owners with bags. The municipality required the contractor to reach certain levels of recycling, preparation for re-use and recovery by other methods and reducing the weight of biodegradable municipal waste transferred to storage in line with the waste management plan for the region. The tender was limited in scope and reserved to contractors who jointly fulfilled the following conditions:
 - a. They had the status of a sheltered workplace or their activity included the social and professional integration of persons who are members of socially marginalised groups;
 - b. At least 50 % of the employees were members of socially marginalised groups.

3. Warsaw in Poland

- A. **Contractor:** Wawer district of the City of Warsaw
- B. **Social enterprise:** [EKON](#) association was founded in 2003 and soon became one of the first and leading social enterprises in Poland. It operates in 16 places and has created over 900 stable workplaces mainly for disadvantaged people. It started the recruitment of disabled workers in Warsaw in January 2004. At the beginning they were sent to training courses and professional workshops after accomplishment of which they could start working in the sector of packaging waste management according to the agreement signed with EKON.
- C. **Tender:** EKON was awarded the tender for services related to the sorting of raw materials for the needs of the Municipal Clearing House in the capital city of Warsaw. The contract requires for the selected operator to employ at least 21 people with disabilities who are involved in vocational and social rehabilitation and employed on a full-time basis. These 21 employees have to be employed during the whole period of the contract.

4. Zagreb in Croatia

- A. **Contractor:** Municipality of Zagreb
- B. **Social enterprise:** Social cooperative [Humana Nova Čakovec](#), is a workers' cooperative in Croatia established in 2011. The social cooperative mainly collects, sorts, re-uses and recycles textiles. They have their own sewing centre in which they design and produce 20 different types of products, such as t-shirts, bags and hoodies. More than 65 % of its 26 employees have a type of disability and the surpluses are reinvested in services that benefit the community.
- C. **Tender:** According to Croatian national law, at least 2 % of public procurement contracts need to be reserved contracts. In 2017, Humana Nova Čakovec was granted one of the first reserved public tenders in Croatia. Within this four-years contract with the municipality of Zagreb, which amounts to EUR 570.000, Humana Nova is in charge of sewing flags – 14.000 Town Zagreb flags, 14.000 Croatian flags and 2.000 EU flags.

5. Commonwealth of Pamplona in Spain

- A. **Contractor:** The Commonwealth of Pamplona
- B. **Social enterprise:** The non-profit foundation, [Fundación Traperos de Emaús Navarra](#) offers a space for the training and employment of disadvantaged people. Created in 1972, the collective, mainly active in waste collection, currently employs about 210 persons.
- C. **Tender:** In 2017, the commonwealth of Pamplona published a tender for the collection, transport and valorisation of waste, such as WEEE, textile and glass. Alongside environmental criteria, which include giving the waste another useful life, the tender contained certain social standards. The contract was reserved for entities with protected employment programmes, where majority of the employees have a type of disability or are in situation of social exclusion and who cannot exercise professional activities under normal conditions.

6. Doetinchem in the Netherlands

- A. **Contractor:** Municipality of Doetinchem
- B. **Social enterprise:** [Aktief Groep](#) is a social enterprise with four re-use shops in the East of the Netherlands. Amongst others, Aktief Groep has established a cooperation with the social service of a municipality for the recruitment and mobility of people distant from the labour market. Furthermore, the social enterprise cooperates with schools and repair cafes.
- C. **Tender:** In 2015, the municipality of Doetinchem published a tender with the objective of collecting bulky household waste. Like many recent Dutch tender procedures, the tender included a social clause which was one of the reasons Aktief Groep was granted the contract. It is a ten-years contract with a mid-term evaluation. Through their chapter on social return in their activity report, Aktief Groep managed to demonstrate their social impact. The municipality and the social enterprise have a good working relationship, also due to the fact that Aktief Groep employs 40 new people each year and half of them find a job after one year.

Conclusion

The EU directive gives Member States the opportunity to implement public procurement that could make territories more circular and inclusive. Some regions have already taken the initiative to implement social and environmental considerations into procurement procedures. The cases described above show that these social enterprises were contracted by public authorities mainly through reserved contracts or clauses favourably acknowledging the creation of local jobs for persons distanced from the labour market. These examples should serve as an inspiration for public procurers to take similar initiatives in the future. Nevertheless, social procurement should not be looked at in an isolated manner. Instead of tackling the different new approaches to procurement in silos, combining social with green or circular clauses can make tenders more sustainable. Finally, while efforts are being made to calculate the social impact of social enterprises in the sector, we strongly encourage procurers to get to know social enterprises in order to understand the impact they could have when contracting them for environmental services.

For more information please contact Nina Monjean, Policy Officer – nina.monjean@rreuse.org, www.rreuse.org

Further reading

[Social clauses: Why so important and how to implement them](#)



RREUSE is an independent non-profit organisation representing social enterprises active in the field of re-use, repair and recycling, with 26 members across 24 countries in Europe and the USA.

Our main vision is for Europe to support the role of social enterprise in a circular economy, providing meaningful work opportunities to thousands of vulnerable members of our community through innovative economic, social and environmentally beneficial activities.

RREUSE's primary mission is to help tackle poverty, social exclusion and a throwaway culture by promoting policies, best practices and partnerships that support the professionalism and development of social enterprises working in environmental services with high potential for local and inclusive job creation, notably re-use and repair.