

# BARCELONA CITY COUNCIL SOCIAL PUBLIC PROCUREMENT

SPAIN

LEGISLATION

In Spain, the Barcelona City Council is leading the way in promoting socially responsible public procurement. The city's efforts to address social challenges such as high unemployment, social exclusion and adequate work conditions culminated in the elaboration of a Social Public Procurement Guide in 2016. The Guide was formally approved by the **Mayoral Decree of 24 April 2017 on Sustainable Public Procurement**, which also contains an Environmental Public Procurement Guide.

Overall, the Decree integrates social, environmental, ethical and innovative considerations into all municipal-public contracts. Within the new framework, tendering companies are required to comply with specific criteria over the duration of the contract. In doing so, the city intends to promote sustainable eco-social businesses seeking both social and economic return, thus promoting in particular the role of social enterprises and social innovation. Ultimately, this new approach aims to contribute to the recovery of a sound social security model, which had severely suffered from the financial-economic crisis in Spain.

The initiative is the result of an intense dialogue and concertation process within a Sustainable Public Procurement Committee composed of representatives of the business sectors, social economy entities, trade unions, local associations and citizen organisations. Also, it is in line with the terms of the Directive 2014/24/EU on public procurement,<sup>1</sup> as well as with the City wider policy objectives.

## SPECIFIC MEASURES OF SOCIAL PUBLIC PROCUREMENT

Voluntary Award Criteria	Obligatory Contract Performance Conditions	Reserved Contracts
<p>Appropriate weight given to price to ensure quality of service and social rights (price is limited to 30% of the total score).</p> <p>Consideration of the highest tender in terms of the salaries offered to the workers assigned to perform the contract, taking into account among others, the sector's wages and the standard professional categories.</p> <p>Consideration of companies with a higher number of workers who have worked on stable employment in recent years (up to 10% of total score)</p>	<p>Subcontracting a specific part or parts of the contract subject matter to social economy enterprises (up to 35% of the price).</p> <p>Hiring unemployed people with particular job-placement and social-exclusion problems (if the characteristics of the contract allow it).</p> <p>Submission of a gender equality plan in compliance with legislation on gender equality.</p> <p>At least 2% of staff must be people with disability in companies with more than 50 employees.</p> <p>Contracting body can pay the subcontractor directly if there is an unjustified delay on the side of the main contractor.</p> <p>Contractor should adopt measures to reconcile work time with family and personal time.</p>	<p>Reservation of public contracts for special work centres and social integration enterprises to favour inclusion of socially marginalised groups.</p> <p>In the case of contracting with no competition, the reservation can be expanded to other non-profit organisations and businesses aiming at reintegrating socially excluded people in society.</p>

<sup>1</sup> The [Directive 2014/24/EU](#) allows member states to opt for an enabling approach towards social criteria and contains mandatory social provision referred to the need to ensure that operators comply with applicable social, environmental and labour law.

## IMPLICATIONS

### BARCELONA PUBLIC PROCUREMENT ANNUAL FIGURES:

- €1.1b spent on public contracts (out of a City Council total budget of €2.55b)
- Between 30,000 and 40,000 public contracts
- Around 500 tenders with social measures launched since the adoption of the Decree.
- Between €8-9m reserved for special work centres, social integration enterprises and other non-profit organisations.

The Decree innovates on a number of elements in public procurement practices: First and foremost, contracting companies have to commit to complying with socially responsible criteria. Secondly, it breaks with the traditional scope of public procurement, as it aims not only to invest to procure goods, but also to implement public social policies. Thirdly, it favours small and medium enterprises and, especially, social enterprises in the tendering process.

The initiative's design and implementation has encountered some obstacles along the way. Most significantly, the cultural change in the public procurement practice is proving to be

difficult, as parties are still accustomed to using the same template, contracts and clauses. Administrative bodies have to change internally in order to incorporate new tendering principals and selection processes. At the same time, contractors have to adapt to new measures and implementation guidelines for public contracts. Nevertheless, thanks to participatory strategy involving numerous stakeholder meetings and discussions, the Council is confident that it will overcome these obstacles and trigger a lasting paradigm shift.

The initiative is still at an early stage and therefore results are yet to come forward. In order to measure the impact, a plan for 2018 lists detailed indicators to monitor the results. The City Council will track the contractors' performance and compliance using a specialized software tool. Based on this, a report presenting first results, learnings and best practices will be elaborated towards the end of 2018.

The model has generated great interest in local administrations across Catalonia and other parts of Spain. Following the example of the Barcelona City Council, many cities are considering to replicate the model. For this purpose, the City Council is in contact with other municipalities and holds regularly conferences and information sessions to transfer their experience. In order to accelerate a national rollout, the Council is also preparing an online platform to promote the exchange of best practices and lessons learned among municipalities with regards to social public procurement.

In the next few years, the Council will aim to consolidate the model and to verify outcomes. Given the broad consensus among the different actors as well as the current momentum in the area of social public procurement, the initiative has the potential to become a strong tool of social and economic transformation.

## MORE INFORMATION

To download the Sustainable Public Procurement Decree, including the Social Public Procurement Guide, please click [here](#). For more information about the initiative, please visit the website [here](#).

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