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GUIDELINE FOR SUSTAINABLE
PROCUREMENT OF COMPUTERS

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Guideline for sustainable procurement of computers

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Cover: A worker at Xinmao Science and Technology Company Limited is inspecting a motherboard in a factory in Shenzhen in Southeast China, 2003. Photo: dpa

Page 13: A female worker inspects chips in a factory run by Intel in Shanghai, 2001. Photo: Gao Feng+++© dpa – report+++

Page 27: Female Chinese workers inspect computer mainboards in a factory of the Taiwanese corporation ASUS in the Suzhou Industrial Park, Suzhou, Jiangsu Province, 2004. Photo: Wu Niu+++ © dpa – report+++

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BUY IT FAIR

**GUIDELINE FOR SUSTAINABLE
PROCUREMENT OF COMPUTERS**



procureITfair

The European campaign »ProcureITfair – Campaign for Sustainable Procurement of Computers« seeks to promote a practice of public IT procurement that takes into account social and ecological considerations. Special attention is paid to the working conditions in the supply chain of computer brand companies in developing countries.

»ProcureITfair« is coordinated by the German NGO »World Economy, Ecology, and Development – WEED« and involves organisations in Germany, Austria, the Netherlands, the Czech Republic, Hungary, Spain, Poland and China.

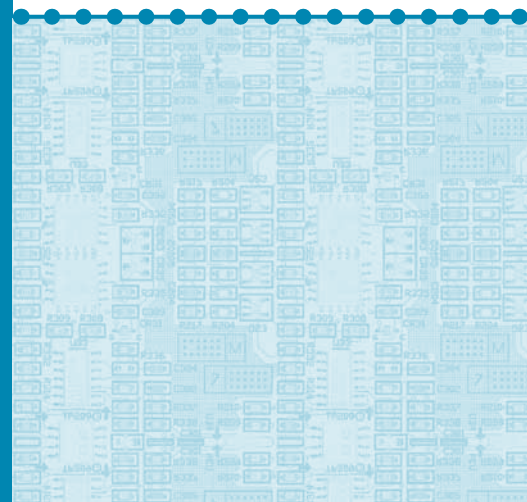
More information is available at:
www.procureITfair.org.



Procura+ is an initiative designed to help support public authorities in implementing Sustainable Procurement – and help promote their achievements.

The Campaign was established in 2004 by ICLEI – Local Governments for Sustainability to help drive the mainstreaming of sustainable public procurement. Through participating in the Campaign, public authorities can contribute to a growing international movement and help bring about real change on the market.

More information at:
www.procuraplus.org.



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INTRODUCTION

The increasing digitalisation of administration has made computers an indispensable and integral part of every such workplace. Thus, public institutions have become a major customer of computer brand companies with a critical market share that can influence the sector's development towards social and ecological goals.

This guideline helps to implement sustainable tenders of computers. It has a special focus on the working conditions in the supply chains of brand-name IT companies. Computer hardware is nowadays almost exclusively produced in developing countries, often under very bad working conditions. While there is a growing trend to consider ecological criteria in public procurement of computers, requirements for humane working conditions are often neglected. This guideline is pioneering in making criteria regarding the working conditions in the supply chain of computer brand companies applicable. It shows how procurement bodies can formulate specific minimum requirements and additional incentives to achieve this goal.

Although considerations about the working conditions in computer productions have not been prominent in public purchasing decisions in the

past there are good opportunities to move ahead in this respect. The EU directives of 2004 provide a common European legal reference that allows the application of sustainability criteria. "Fair" and "green" public procurement has become a growing trend all over Europe ever since. New product groups and advanced procurement techniques are being explored by progressive procurement bodies – a good environment for sustainable procurement of computers. We hope that this guideline will be a valuable device for a number of IT tenders in the future.

The guideline was published as part of the European campaign "ProcureITfair – Campaign for Sustainable Procurement of Computers". It was composed in collaboration with ICLEI – Local Governments for Sustainability. Terms that are explained in the glossary are marked blue in the text.

Please note: this guideline was developed on the basis of a legal expertise as well as thorough research in procurement law and the corresponding practice in Europe. The authors cannot, however, give any legal guarantee for the expressed recommendations, especially as the corresponding legal interpretation is still quite controversial.

1 • WHAT IS SUSTAINABLE PROCUREMENT?

Sustainable procurement means that public institutions obtain only those goods and services that have been produced under humane working conditions and do not have any damaging effects on the environment. For example, it could be taken into consideration whether the Core Conventions of the International Labour Organisation (ILO) are being met in the production process, or whether energy efficiency demands are met.

There are several good reasons for sustainable procurement:

- **The responsibility of public institutions in an increasingly linked-up world:** against the background of production in global value chains and the global challenge posed by the destruction of the environment, questions about the social and environmental “balance sheet” of certain products, that is about working conditions and environmental impacts, need to be asked by public buyers.
- **The buying power of major public customers:** as a result of their large contract volumes, public tenders have great economic weight and therefore a potential leverage for sustainability issues. Suppliers that sell environmentally and socially innovative products will be encouraged when public purchasing takes into account social and environmental issues.

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SWITZERLAND TAKES FIRST STEPS FOR THE PROCUREMENT OF “FAIR COMPUTERS”

Geneva, Biel, Lausanne, Zurich, and Zug have meanwhile developed a strategy for social and ecological procurement of IT devices, or have handed in or accepted the postulate “for a sustainable public procurement of computers” drafted by the organisations “Fastenopfer” (fast oblation) and “Brot für alle” (bread for all).

www.fair-computer.ch/cms/index.php?id=468&L=1

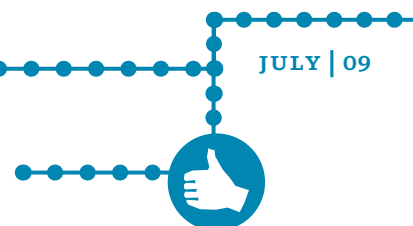
- **The pioneering role of public institutions:** Federal, state, and local municipal authorities can incite private actors to conduct their own purchasing in an equally social and ecological manner.
- **Gain of reputation:** sustainable procurement helps cities and communities achieving their political goals (e.g. climate protection goals, social standards).

Increasingly, public procurement bodies are assuming responsibility in a globalised world, and are incorporating social and ecological criteria into their tenders. Be it fair trade textiles for the staff of fire departments, child-labour-free paving stones and natural stones, fair-trade products in cafeterias, or social criteria for public works: the number of good examples for sustainable procurement in Europe is constantly increasing. The Dutch government was the first to announce that from 2010 on, it would only purchase products out of fair production. The Swiss Federal Department of Buildings and Logistics has legally anchored that henceforth only PCs and notebooks that are free of child labour or other exploitative working conditions may be obtained. Since 2004, EU Law explicitly allows for the consideration of social and ecological criteria in the awarding of contracts (EC-Directives 2004/17/EC and 2004/18/EC). The implementation nevertheless is marked by uncertainty over interpretations

and correct procedures. In the light of the common procurement practice over the past years, it is meanwhile undisputed that ecological criteria can in fact be part of certain sections of tenders. And what is more, with view to social criteria, some progressive municipalities also seem to be on the right track and are pointing out viable procurement techniques. As it turns out, the successful implementation of sustainable tenders is mainly a question of political assertiveness of political decision makers and public procurement bodies.

THE NETHERLANDS DEVELOP A GRADUATED SCHEME

The Dutch parliament decided in 1999, that until 2010, the sustainability of products should be introduced as the most important of all criteria for all procurement and investment by the central government, and for 50% of the subordinated government institutions' and authorities' procurement. So far, the government has drawn up a catalogue of social and ecological criteria for 80 products, which is to be updated and extended annually. The Sustainable Procurement Programme:



2 • THE DOWNSIDES OF THE DIGITAL WORLD

Only very few users are aware of the fact that the production, use, and scrapping of computers has grave social and ecological consequences. Behind the clean and modern image of the computer industry there is a hidden record of working right violations and ecological damages.

2.1 • WORKING CONDITIONS IN PRODUCTION

Over the past decades, the production process of PCs has been broken up into simple standardised steps and mainly relocated to low-income countries. In the Special Economic Zones of Asia and Mexico mostly female workers, who in many cases have migrated to the cities from the countryside, toil for very low wages. Several studies, among others the lately published brochure “The Dark Side of Cyberspace. Inside the Sweatshops of China’s Computer Hardware Production”, revealed alarming conditions at supplier factories of brand-name companies.¹ The monthly working hours at the China based supplier companies Compeq Technologies and Excelsior Electronics, both manufacturers of Printed Circuit Boards (PCBs), amounted to around 370 hrs./month during peak-periods – a clear violation of Chinese Labour Law. Furthermore, in both companies employees were forced to work overtime without being paid the legal minimum overtime premiums. So at Compeq, the

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EUROPEAN PARLIAMENT APPEALS TO PUBLIC INSTITUTIONS

The resolution of the European Parliament concerning “Corporate social responsibility: a new partnership” from 2007 (2006/2133(INI)) appeals to public authorities to promote corporate social responsibility on the basis of the Public Procurement Directives. Potential suppliers should be encouraged to consider social and environmental criteria.

employees earned only between 90 and 140 Euros per month during peak-periods.

Further violations of labour law include the withholding of labour contracts by the management, a number of authoritarian regulations regarding the appearance and behaviour of the employees, as well as insufficient workplace safety resulting in skin burns and eye injuries. Because the mainly female employees were forced to work overtime excessively, they were sometimes so exhausted that they fell asleep at work. A 19-year-old worker commented on the monotonous, endless daily factory routine: “I work like a machine and my brain is rusting.”²

What is more, contamination with the applied chemicals, obstruction of trade union organisation as well as a high degree of temporary labour is characteristic for the industry worldwide. It can be taken for granted that basic working rights are violated on a regular basis in the supply chain of brand-name computers.

2.2 • RESOURCE WASTAGE, TOXIC SUBSTANCES, AND E-WASTE

According to a UN study the production of a single computer uses up about 240 kilograms of fossil fuel, 1,500 litres of water, and 22 kilograms of chemical products.³ The extraction of metals such as copper, platinum or tin often results in severe

environmental damage as well as grave violations of labour laws.⁴ Contamination of water and soils with metals like copper, nickel, and lead also takes place during the further processing of these metals in computer component production. In addition to that, highly toxic substances are applied during production, such as e.g. brominated flame retardants as fireproofing agent in printed circuit boards, or solvents. They represent an ecological threat to the environment as well as a health hazard for the workers and local residents in the vicinity of the factories.⁵ What is more, there exists no solution to the problem of e-waste whatsoever. While the number of users is increasing, older equipment is ever more rapidly replaced by new acquisitions. The IT industry increasingly runs on a short-term frequency of quick acquisition and disposal of hardware. Although there are stricter requirements for the reduction of pollutants (EC RoHS Guideline), as well as a ban on exports of e-waste, currently about half of all used equipment, the so-called WEEE (Waste Electrical and Electronic Equipment), is being shipped to developing countries. There, devices are disassembled by hand and without any sanitary or environmental protections – with most severe consequences for people and the environment.

GERMAN MUNICIPALITIES MOVE AGAINST EXPLOITATIVE CHILD LABOUR

Many products that are procured by municipalities, such as paving stones, textiles, and agricultural products, may have been produced using exploitative child labour. The ILO Convention 182, which prohibits exploitative child labour, has meanwhile been adopted to tenders by more than 140 cities, municipalities, and districts in Germany, as well as by seven of the 16 German states.



2.3 • RISING ENERGY CONSUMPTION

Since computers are in daily use at every office workplace nowadays, a constant rise in energy consumption can be observed. Moreover, the equipment is often over-sized, when for most applications a more simple technical makeup would be sufficient. Here, enormous possible savings can be achieved through intelligent network solutions and a responsible procurement policy.

2.4 • ON THE PATH TO “FAIR” COMPUTERS?

The campaign “Clean up your Computer” conducted by the British organisation CAFOD led to the introduction of an industry-wide “Electronics Industry Code of Conduct” (EICC). However, this code, by which brand-name producers commit themselves and their suppliers to observing minimum standards, is incomplete. It does not comply with the Core Conventions of the ILO, since the Freedom of Association and the Right to Free Collective Bargaining are not included. Moreover, such a code is not binding and thus, as it is frequently shown by NGO studies on the industry, hardly leads to any real social improvement in the industry. So far, the brand-name companies are refusing to collaborate with trade unions and non-governmental organisations in the sense of an earnest Multi Stakeholder approach. Through

sustainable procurement, compulsory steps can be demanded from the manufacturers. Procuring bodies can demand verification and certain documented measures from brand-name companies that help push the industry towards a real commitment for working rights.

- 1 ProcureITfair/WEED/SACOM (2008): The Dark Side of Cyberspace. Inside the Sweatshops of China’s Computer Hardware Production, Brot für Alle/SACOM (2008): High-Tech – No Rights? – A One Year Follow Up Report on Working Conditions in China’s Electronic Hardware Sector; CEREAL (2007): Electronics Multinationals and Labour Rights in Mexico; SOMO (2007): Hard (Disc) Labour – Research Report on Labour Conditions in the Thai Electronics Sector.
- 2 ProcureITfair/WEED/SACOM (2008): The Dark Side of Cyberspace. Inside the Sweatshops of China’s Computer Hardware Production.
- 3 „Computer and the Environment: Understanding and Managing Their Impacts“ (2003), United Nations University.
- 4 See the studies on tin, cobalt, and palladium conducted by the campaign MakeITfair: www.makeitfair.org/the-facts/reports.
- 5 Greenpeace International (2007): Cutting Edge Contamination.



REUSE INSTEAD OF E-WASTE

Public institutions can contribute to avoiding e-waste both during procurement as well as in the process of disposal of WEEE. If they obtain their devices from ReUse dealers they can make a significant contribution to the further use and re-use of IT hardware. If the equipment can only be scrapped, it should either be returned directly to the manufacturer, if possible, or else taken to the local collection site for recoverable materials. The disposal of the devices is uncertain, and the probability of an export to developing countries increases, if the equipment is taken to private scrap dealers.



3 • CRITERIA FOR SUSTAINABLE IT-PROCUREMENT

Below we present an overview of some recommendable criteria concerning labour laws, resource efficiency and environmental sustainability that should be considered for a tender.

3.1 • COMPLIANCE WITH LABOUR LAWS

Requirements for labour laws should be defined as referring to the conventions of the International Labour Organisations (ILO). This way, the requirements can be linked to relevant international law.

- Freedom of Association and Collective Bargaining (Conventions 87 and 98);
- Abolition of Forced Labour (Conventions 29 and 105);
- Elimination of Child Labour (Conventions 138 and 182);
- Equality of opportunity and treatment (Conventions 100 and 111);
- Minimum Wage (Convention 131),
- Occupational safety and health (Conventions 115, 155, and 170);
- Maximum number of working hours (48+12 hours/week) (Conventions 1 and 30);
- Employment security (Convention 158);
- Right to receive a written employment contract.



ADVICE FOR REALISATION

So far, there does not exist any fair-trade certificate for computers as in the case of textiles or coffee. An increase in demand for computers that were produced under humane conditions could result in such an independent certificate in the medium-term. As long as there is no effective proof, tenders must demand the improvement of working conditions in certain steps and ask for verification by a bidder's declaration, as is elaborated in chapter 6, "Suggestions for a tender".

3.2 • RESOURCE EFFICIENCY

The following ecological criteria ensure an environmentally friendly use of resources:

- Long operational life of equipment
- Feasibility of easy upgrading and repair
- A technical setup fitting to the actual application requirements (no oversizing of equipment)

TENDERING MODEL 1: THIN CLIENT SYSTEM

Thin Client Systems can provide a viable alternative. They consist of a central server that executes all programmes and processes all data and clients that are connected to this server, the latter of which then only have a screen, a keyboard, and a small CPU. This has the advantage of not having to update the thin clients as often. They can usually be used for a longer time, which then benefits the environment since fewer computers have to be produced. What is more, these systems are more efficient because thin clients do not have to be as powerful and therefore consume less energy.



ADVICE FOR REALISATION

Intelligent planning of system capacities helps to avoid oversizing of the computers' capacity which benefits people and the environment.

3.3 • ENVIRONMENTAL SUSTAINABILITY

- Energy Efficiency (low power consumption, power saving functions)
- Recyclability (use of particularly recyclable materials and easy disassembling of components)
- Reduction of harmful substances (brominated flame retardants, beryllium, etc.)
- Low figures for emissions, noise, and radiation
- Reduction of the packaging volume
- Redemption guarantee and guaranteed environmentally friendly disposal



ADVICE FOR REALISATION

Throughout Europe, there already exist sophisticated criteria regarding resource efficiency and environmental sustainability, such as:

- GPP Training Toolkit of the European Union, www-ec.europa.eu/environment/gpp/toolkit_en.htm
- UNEP Guideline for the sustainable procurement of ICT devices, available via ICLEI at procurement@iclei.org

List of demands of the GoodElectronics Network

The GoodElectronics Network is an international association of over 150 non-governmental organisations and trade unions. The network's demands include the ILO's Core Conventions and the ILO based additional requirements for humane working conditions, as well as the demand for legal training within the workplaces, abolition of casual working conditions, transparency throughout the supply chain, the brand-name companies' assumption of responsibility for their suppliers, complete avoidance of toxic substances, etc. This extensive list of demands is a useful orientation guide for the development of social criteria.

www.goodelectronics.org/about/goodelectronics-common-demands

TENDERING MODEL 2: LEASING

Many public institutions put out tenders for leasing-computers. Leasing can provide an attractive alternative to the conventional purchase of computers. Often, leasing-computers are cheaper and the PCs can be applied in more flexible ways. The suggestions for a tender of this guideline are also applicable to leasing-computers.

4 • THE LEGAL ENVIRONMENT FOR SUSTAINABLE PROCUREMENT

Public institutions regularly complain about legal uncertainties concerning the application of social and ecologic procurement criteria. While the consideration of environmental criteria in tenders is largely unproblematic, there is some need for clarification with regard to the consideration of social criteria. Nevertheless, the number of European municipalities that already obtain products such as textiles, foodstuff, or construction materials under consideration of social and ecological criteria is growing.

4.1 • THE EU DIRECTIVES ON PUBLIC PROCUREMENT

In 2004 the European Parliament and Council agreed on directives on public procurement in order to create a common framework for public tenders all over Europe (Directive 2004/17/EC and Directive 2004/18/EC). The directives also stated that the contracting authorities may lay down special conditions relating to the performance of a contract such as social and environmental considerations.⁶ This clarified – against more restrictive views that deemed social and environmental criteria as “alien” to the procurement process – that sustainability criteria can be implemented in a legally safe way.

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NON-ECONOMIC BENEFIT AS AWARD CRITERION: THE CASE OF CONCORDIA BUS

The ECJ ruled in 2005 (C-513/99) in favour of the city of Helsinki that a non-economic benefit such as the environmental quality of the city’s bus fleet or quality management and environmental management, can be drawn upon in order to determine the most cost-efficient bid. The most cost-efficient bid may be identified not only by its benefit for the procuring authority, but also for the entire population of the affected municipality, district, or state.

4.2 • SOME INTERPRETATIONAL LEEWAY REMAINS

The legal uncertainty with regard to the general admissibility of criteria which refer to the production conditions throughout the supply chain has been reduced by the EU directives. However, there are still differing interpretations as to how exactly to go about it. In particular, there is a dissent over the question as to whether social criteria may be stated within the definition of the subject matter of the contract, the technical specifications, the selection of bidders, or the evaluation of bids, in part because the compliance with humane working conditions can currently only be verified to a very limited extent. There is an ongoing debate on these issues and there exist as many different interpretations as there are different tendering practices in different towns and cities in Europe. In spite of these remaining uncertainties, there are good legal reasons to follow progressive inter-

pretations that argue on basis of an analogy to the implementation of ecological criteria and allow for an effective implementation of social objectives in several stages of the procurement process. As the future legal consensus will develop in interplay with procurement practice it is recommendable to explore the possibilities in this field as long as they conform to the general principles of the European legal context. Only a few years ago, the adoption of ecological criteria to tenders was by no means “legally certain”, but meanwhile green procurement has been established throughout Europe. It was ambitious tenders that created cases of precedence.

⁶ Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004, Article 26

THE „WIENSTROM” PRECEDENT

In its ruling in 2003 (C-448/01) concerning a contract for the supply of green electricity, the ECJ for the first time admitted an ecological criterion regarding the production process, even though the (clean) production process cannot be seen in the final product. Accordingly, it can be argued that requirements for humane working conditions and thus a more equitable production process result in a different (more social, more fair) product. Generally, it should be clear that all criteria must always be formulated according to the principles of transparency, objectivity and equal opportunities, and that they must be effectively verifiable by the contracting agent.



5 • PREPARATION OF A TENDER

A public tender for computers taking into account social and ecological criteria requires careful preparation, so that the requirements can be formulated as transparent and concretely as possible and legal uncertainties can be reduced.

5.1 • FORMULATION OF A GOAL AND A STEP-BY-STEP APPROACH

A clear strategy of sustainable procurement should be drawn up for a municipality or a specific institution – in coordination with those who hold political responsibility. This way, an agreement can be reached over the motivation, objectives, and appropriate means necessary for the sustainable procurement of computers.

Special attention should be paid to the fact that the compliance with labour laws in the supply chains of brand-name companies is currently not being ensured sufficiently. Thus, sustainability criteria should be introduced by a step-by-step approach, starting with basic requirements that can be extended, stated more precisely, and made compulsive in the course of future tenders.

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FAIR PROCUREMENT BY THE CITIES OF NEUSS AND DÜSSELDORF

Across Europe many municipalities already show a strong commitment to social criteria in their procurement practice among them the German cities of Neuss and Düsseldorf. The city councils' commitments aim at the implementation of public tenders along the ILO core conventions. The city of Neuss' resolution adds: "The administration will regularly assess any indications for the need to adopt further products or product groups and will inform the main committee correspondingly."

5.2 • PUBLIC COMMITMENT

A public declaration by the political decision-makers and the management of a relevant public institution legitimises the activities of the procuring entity and makes the cause more transparent for the public and the bidders (see Annex 3). Pilot projects should be accompanied by corresponding public relations efforts in order to draw the maximum possible attention to the project.

5.3 • NEEDS ASSESSMENT

A systematic needs assessment should always rest on the given current situation and set the desired intermediate steps. Problems, deficits, strengths, opportunities, and innovative methods must be evaluated before establishing priorities and strategies. This particularly requires the know how of the IT experts, since it must be clarified as to whether a tender only pertains to single PCs or entire network solutions and how certain sustainability criteria materialise in the technical equipment of the hardware.

5.4 • MARKET ANALYSIS

A market analysis provides an overview as to which sustainability requirements can be realistically incorporated into tenders. Tenders should then include the most progressive standards that could be delivered by pioneering companies. If this is repeatedly done with every new tender the sustainability requirements will continuously become more elaborate and thus exert a certain influence on product development and labour relations. The portal www.procureitfair.org provides an overview concerning new developments in this direction.

5.5 • DIALOGUE WITH MANUFACTURERS

It is important to inform the relevant bidders about an upcoming tender and its social and ecological agenda. This may lead to further suggestions for the formulation of criteria, and helps assessing the availability of a certain product on the market. For legal reasons, it is recommended to address relevant organisations and federations, rather than individual companies, in order to avoid the suspicion of discrimination.

A dialogue with manufacturers also helps to establish the political objectives of the buyers as a norm for the bidders' performance. In the long run this can decisively shape product development and companies' policies toward their suppliers. One way of institutionalising this dialogue is regular supplier surveys (see annex 2).

5.6 • MINIMISATION OF LEGAL UNCERTAINTIES

Though the relevant passages in EU Law meanwhile explicitly admit social and ecological criteria in public procurement, it remains disputed as to how far the procurement body's competence extends. Therefore, a tender should have sufficient political backing. The procuring bodies should take time to examine the legal situation and existing examples of sustainable procurement. As long as legal principles of public procurement with regard to cost effectiveness and non-discrimination are abided, a skilful arrangement of tenders does allow for the inclusion of the desired criteria as well as a minimisation of legal uncertainties.

6 • SUGGESTIONS FOR THE REALISATION OF A TENDER

Although the EC Directives stipulate a standardisation of different law (-systems) within the EU, the current practice of sustainable procurement in Europe shows quite some variation due to differing legal interpretations and practical experiences. And even within single European countries, there often exist different procedures.

In the following, some general advice will be given that should be considered for any possible tender. The different possible tendering options then will be explained according to the structure of a tender:

- Subject Matter of the Contract
- Technical Specifications
- Selection of Bidders
- Evaluation of Bids
- Contract Performance Clauses

When preparing a tender, the decision must be made as to which procedure is to be applied. The traffic light system used here provides orientation: red means that the incorporation of ecological or social criteria in a specific stage of a tender is currently not recommended or not yet workable. Yellow signifies that the adoption of the criteria is generally possible, but disputed. Green represents the most viable solution, which is recommended by the authors.



SAVING ENERGY SAVES MONEY

Through the introduction of energy-saving flat-screen TVs, 30 to 40 kilowatt hours per screen can be saved annually. As a consequence, the city of Münster's annual electricity costs have been reduced by 14,000 Euros.

6.1 • GENERAL ADVICE FOR REALISATION

The following aspects should be considered for the realisation of a tender regardless of which procedure has been opted for.

◉ USE OF THE TERM „HUMANE WORKING CONDITIONS“

Within the tender the term should be defined as referring to the ILO's specific Conventions. This way, the requirements can be linked to relevant international law. The ILO Conventions can also be attached directly to a tender. It is in any case advisable to indicate the ILO's website (www.ilo.org). The term "humane working conditions" should moreover be associated explicitly with the ILO Core Conventions plus the provisions regulating working hours, security of employment, wages, and health and safety protection at the workplace. As a first step, however, there may simply be a reference to the ILO's Core Conventions

◉ INCLUSION OF THE ENTIRE SUPPLY CHAIN

In order to implement social standards throughout the entire supply chain, the requirements may explicitly be extended to apply not only to the bidder as such, but also to the primary products used throughout the production process.

◉ REFERENCE TO THE SPECIFIC OBJECT OF THE TENDER

For legal reasons it is important that the social and ecological requirements are tailored specifically to the pending purchase, say, the ordered computers. It is not allowed to formulate general requirements for companies that are not in direct connection with the subject matter of the contract.

◉ ALLOW FOR SUFFICIENT TIME FOR DELIVERY

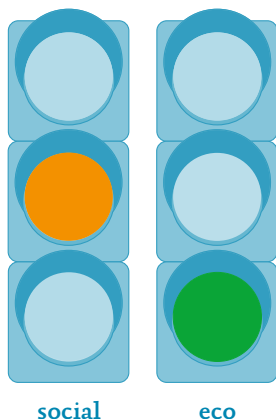
Due to the flexible production structure and the unsteady production rhythm, peak periods in computer production lead to extreme working hours of over 80 hours per week. Especially with regard to large orders it should be ensured that there are no unnecessary short-term delivery periods that put additional pressure on the sub-tier suppliers.



A TENDER FOR GREEN ELECTRICITY BY THE GERMAN ENVIRONMENT MINISTRY

In 2003, the German Environment Ministry successfully carried out a pilot tender for green electricity and thereby established new standards for the inclusion of ecological and social criteria in public procurement. In the subject matter of the contract the formulation "electricity from renewable energy sources" was used. The legal viability of such a tender had been controversial, but since the contract was successfully awarded there is now a legally secured tendering procedure available. It was the political will for environmental protection that ultimately created facts.

See: www.bmu.de/files/pdfs/allgemein/application/pdf/oekostrombroschuere.pdf



6.2 • DEFINITION OF THE SUBJECT MATTER OF THE CONTRACT

The subject matter of the contract defines what is to be purchased. It may state social and ecological goals of procurement if these are in clear connection with the purchase. As a consequence, the bidders must meet the stated social and ecological conditions in their submitted bids. These conditions are specified in more detail in the technical specifications.



SUGGESTION FOR A FORMULATION

As a result of the tendering procedure, a contract is to be concluded regarding the purchase of XXX desktop PCs that have been produced under humane conditions throughout the entire supply chain, i.e. in compliance with the ILO Conventions 87 and 98; 29 and 105; 138 and 182; 100 and 111; 131; 115; 155 and 170; 1 and 30; as well as 158 (www.ilo.org).

The XXX desktop PCs must verifiably meet the requirements stated in the technical specifications regarding energy efficiency, recyclability, upgradeability, and emissions, as well as the requirements with concerning harmful and toxic contents.

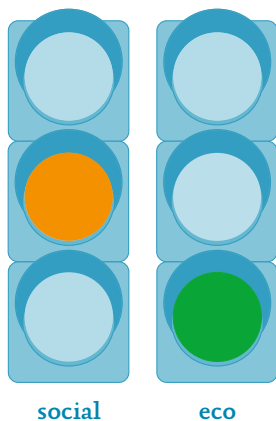
STILL DIFFICULT TO REALISE

If the requirements are stated in the subject matter of the contract, their implementation is compulsory for the bidders. Non-compliance leads to the rejection of a bid. Ecological criteria have been successfully incorporated into this section of the tender. Concerning social criteria, however, it must be assumed that for the time being, no bidder is able to effectively verify humane working conditions throughout the entire supply chain. So at present, demanding compliance with such criteria would result either in false statements, or simply the non-submission of adequate bids. Against this background, the formulation stated above only represents a future option.

CURRENT LEGAL SITUATION

In the selection and definition of the subject matter of the contract the contracting entity is largely free to dispose at will. The only limitations are set by the principles of competition, transparency, and equal treatment in European Law.

Demanding the consideration of ecological criteria in this section of the tender is usually uncomplicated. But some legal interpretations regard the stating of social requirements inadmissible at this stage of the tendering procedure because a conclusive verification of this criterion is not yet feasible. Furthermore, the proportionality, that is the sufficient importance of the sustainability criteria at this stage, is a matter of controversy.



6.3 • TECHNICAL SPECIFICATIONS

Technical specifications define specific properties of a product in detail. These specifications are necessary in order to explain the social and ecological requirements demanded by the public contracting body in such detail as to be unmistakably clear to the bidders, and to ensure the incoming bids are comparable to one another. The compliance with these requirements is compulsory at the time of bid submission, and consequently, all minimum requirements must be stated in the technical specifications.



SUGGESTION FOR A FORMULATION

Invitation to tender for a total of XXX desktop computers with the following minimum outfit:

A) Technical specifications:

- Type of processor:...
- RAM: ...
- Hard drives: ...
- Network connectivity: ...
- Screen, etc.

B) Social and ecological Criteria:

Ecological Criteria

Documentation must be provided on the upgradeability, recyclability, energy efficiency, and contents and emissions of the desktop computers

In detail:

- Possible upgrades: ...
- Recyclability: use of particularly recyclable materials, recycling-compatible construction, ...
- Energy efficiency: power inputs, power adaptor efficiency, power saving functions, ...
- Contents: reduction of harmful substances, ...
- Low figures for emissions, noise, and radiation
- Packaging material, etc.

Social Criteria

The bidder must provide documentation that verifies that the computers were produced under humane working conditions, i.e. in compliance with the ILO Conventions 87 and 98; 29 and 105; 138 and 182; 100 and 111; 131; 115; 155 and 170; 1 and 30; as well as 158 (www.ilo.org), both in their own production facilities as well as in the production facilities of the supplier companies

TECHNICAL KNOW-HOW IS NEEDED

For the formulation of the technical specifications, IT experts are needed. The task is to express the specific requirements for the use of the Computers in a way that ensures that the capacities are not oversized, that the devices can be used for the longest possible period of time, and that the highest possible energy and resource efficiency is realised.

REFERENCE TO CERTIFICATES

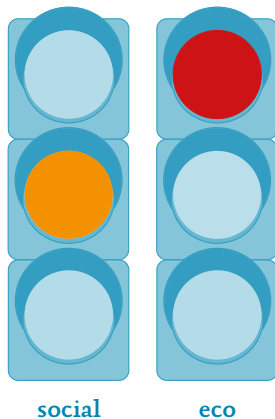
Certificates such as TCO '09 or the EU eco label can be demanded as verification of compliance with ecological criteria in this section. In order to do justice to the principle of non-discrimination, however, the bidders must be given the chance to prove compliance with the requirements of these certificates through an alternative submission of comparable evidence.

THIN CLIENT SYSTEM AS A RESOURCE-SAVING ALTERNATIVE

Alternatively, depending on the needs assessment, a resource-saving Thin Client System can be put out to tender.

CURRENT LEGAL SITUATION

From the legal perspective, it is disputed whether the stating of social criteria is admissible in this section, since, for the time being, effective verification of humane working conditions throughout the supply chain of a company is not possible.



6.4 • SELECTION OF BIDDERS

Selection criteria serve the assessment of the technical and professional qualification of a bidder, in order to determine whether the bidder is capable of supplying the demanded products. Here, the decisive criteria are technical qualification, service capability, and reliability of the bidder. It is essential to assess the qualification of the bidder before his bid is actually considered for evaluation.



SUGGESTION FOR A FORMULATION

The bidder obligates him or herself to conduct all production under humane working conditions. Moreover, the bidder obligates him or herself to ensure humane working conditions throughout his or her supply chain, i.e. in compliance with the ILO Conventions 87 and 98; 29 and 105; 138 and 182; 100 and 111; 131; 115; 155 and 170; 1 and 30; as well as 158 (www.ilo.org)

The attached form (see annex 1) is to be used for verification

FORMS ARE HELPFUL

Standardised forms for bidders' declarations should be provided in order to ensure equal treatment of the bidders and avoid the submission of meaningless declarations by companies. Another advantage of such forms is that as standard documents they are available to potential contracting agents at any time.

CURRENT LEGAL SITUATION

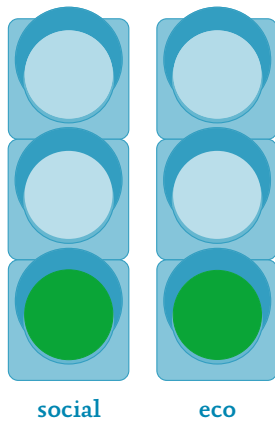
In some instances, such as in tenders by the German state of Bavaria, social criteria have been included on the level of the bidder's selection. The exclusion of a bidder from an ongoing tendering procedure can be founded on the confirmation of severe violations of human rights. The proportionality is then a question of legal interpretation.



TENDERS FREE OF CHILD LABOUR IN BAVARIA

In Germany, the Bavarian state government since 2008 has declared all those bidders inadmissible that violate the ILO's Convention 182, that is, the Ban on the Worst Forms of Child Labour Convention. These bidders are excluded from the remaining tendering procedure, and are deemed untrustworthy. The legal stance of the Bavarian state government is that child labour is a violation of Human Dignity, as protected by article 1 of German Constitutional Law. According to Bavarian administrative regulations, the bidder must also prove that his sub-contractors and their suppliers do not employ child labour. Bavaria is thus aiming at the entire supply chain, and the Bavarian state government is encouraging others to follow suit.





6.5 • EVALUATION OF BIDS

Award criteria are criteria that do not necessarily have to be fulfilled by bidders, and thus do not lead to exclusion from the tendering procedure in case of non-compliance. Rather, their fulfilment is positively remarked in the evaluation of the bid. The higher a bid's evaluation marks regarding the award criteria, the better its chances of being awarded the contract in question. Thus, in order to serve sustainable procurement, award criteria can be formulated in a way that ensures that better social and ecological performance is rewarded with higher evaluation marks.

NOTE ON THE AWARDING MATRIX

It must be noted that the weighting and the distribution of credits suggested above are only examples and must be carefully adapted to each tender, taking into consideration the available budget, the market situation, the weighting of social criteria, etc. The weighting once defined in the tendering documents cannot be altered at a later date.

THE TERM "MOST ECONOMICALLY ADVANTAGEOUS TENDER"

It must be explicitly stated that the contract will be awarded to the "most economically advantageous tender", because only then does an evaluation not only consider the cheapest bid, but also the compliance with the stated criteria.

DISTINCTION BETWEEN AWARD CRITERIA AND TECHNICAL SPECIFICATIONS

Award criteria are optional criteria, in contrast to those criteria stated in other sections of the tender which are compulsory (technical specification, evaluation of bids, contract performance conditions). Award criteria therefore are usually either stated as award criteria or in other sections of the tender. It is possible, however, to e.g. formulate stricter requirements regarding the power consumption of a computer in the award criteria than have been stated as minimum parameters in the technical specifications.

CURRENT LEGAL SITUATION

The feasibility of this approach is a matter of dispute as the awarded criteria may be seen as not being directly related to the subject matter of the contract. In line with a more progressive interpretation, however, this approach represents the most practical one in ensuring true compliance with labour standards by providing additional incentive to the companies.

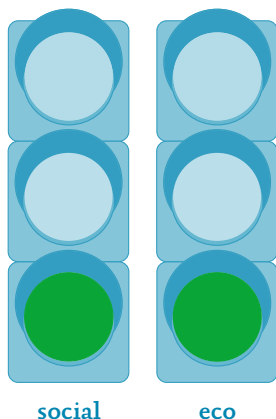


SUGGESTION FOR A FORMULATION

The most economically advantageous tender will be awarded for the contract. In the process of evaluation the submitted bids points will be awarded for the following product-related properties. Verification must be provided that the required criteria have been complied with regard to the respective delivery of ordered computers.

The products will be evaluated on the basis of the following matrix:

Total		100
Price		60
Technical criteria		10
	[optional technical criteria]	
Ecological criteria		10
	[optional environmental criteria, e.g. upgradeability, substitution for toxic substances, etc.]	
Social criteria		20
a) transparency regarding the supply chain	including each step in the value chain, and including all raw materials, production sites and production volume	5
	only direct suppliers, including their production sites and production volume	3
	only direct suppliers, without any further specifications	1
b) labour standards	Existence of an International Framework Agreements (IFA) that contains at least the ILO's Core Labour Standards	5
	Multi Stakeholder Code that contains at least the ILO's Core Labour Standards	3
	Unilateral code of conduct that contains at least the ILO's Core Labour Standards	2
c) verification	Inspection of the working conditions in the company and at supplier companies involving trade unions or labour right organisations	5
	Inspection of the working conditions in the company and at supplier companies involving independent external experts	2
d) duty to inform	Information of employees of supplier companies about national and international labour laws, existing International Framework Agreements, and codes of conduct by independent trade unions or labour right organisations	5
	Information of employees of supplier companies about national and international labour laws, existing International Framework Agreements and codes of conduct by the company itself	2



6.6 • CONTRACT PERFORMANCE CLAUSES

Contract performance clauses are part of the terms of contract and as such they are binding for any company awarded a contract. They are only in effect from the moment a contract has been awarded. Thus they do not affect the tendering procedure as such. It therefore only makes sense to include social and ecological criteria in the contract performance clauses if they haven't been included in one of the previous sections of the tendering procedure.



SUGGESTION FOR A FORMULATION

The bidder obligates him or herself to conduct all production under humane working conditions, i.e. in compliance with the ILO Conventions 87 and 98; 29 and 105; 138 and 182; 100 and 111; 131; 115; 155 and 170; 1 and 30; as well as 158. Moreover, the bidder obligates him or herself to ensure humane working conditions throughout his or her supply chain, i.e. in compliance with the ILO Conventions 87 and 98; 29 and 105; 138 and 182; 100 and 111; 131; 115; 155 and 170; 1 and 30; as well as 158 (www.ilo.org)

The attached form (see annex 1) is to be used for verification

VERIFICATION THROUGH A BIDDER'S DECLARATION

Compliance with the contract performance clauses is confirmed by signing a bidder's declaration (see annex 1). If the contracting party is not able to ensure humane working conditions throughout the entire supply chain, evidence must be provided for the implementation of certain effective measures for the improvement of working conditions in the supply chain. The nature of these measures can be defined by the procurement bodies.

FORMS ARE HELPFUL

For reasons of equal treatment the tendering documents must include a form for contract performance clauses. This must be signed by the bidder at the time of the signing of the contract. The measures contained in the declaration of obligation, for the implementation of which the bidder must provide evidence (see annex 1), should be specified as precisely as possible.

SANCTIONS

The contracting body may reserve the right to impose a penalty payment of 5% of the contract value and to withdraw from the contract without notice in the case of intentional false statements made by the bidder.

ECOLOGICAL CRITERIA

Certain ecological criteria that cannot be regarded as product properties, such as e.g. specifications for the procedure of redemption of equipment, or the inclusion of a service contract concerning the equipment's maintenance, may be formulated as contract performance clauses.

CURRENT LEGAL SITUATION

The EU Directives on Public Procurement explicitly point to the contract performance clauses as the very section in which social criteria are to be adopted to tenders. So this approach provides the highest legal certainty with respect to social criteria.

7 • APPENDIX

The documents listed here can also be downloaded from our website:
www.procureitfair.org

ANNEX 1: FORM FOR A BIDDER'S DECLARATION

Bidders declaration concerning the compliance with fundamental labour laws

Concerning the supply of goods according to the tender:

Verification:

An independent certificate verifying that the products were manufactured under humane working conditions throughout the entire supply chain⁷ is attached.

Yes No

If such proof cannot be provided, the following statement is to be made:

I/We guarantee that the products are being manufactured and/or processed under humane working conditions throughout the entire supply chain. Documentation of the measures for the implementation of humane working conditions as well as their verification is attached to this declaration.

Yes No

If this statement cannot be made either, the following guarantee is required:

I/We bindingly declare that my/our company, my/our suppliers, and their sub-contractors have introduced effective measures for the realisation of humane working conditions both within the company and the supplier companies. This includes the following requirements

1 The disclosure of a current⁸ chart of the supply chain.

Yes No

2 Existence of a unilateral code of conduct, an International Framework Agreement, or a multi-stakeholder code, which obligate the supplier companies to comply with fundamental labour laws and which contain as a minimum the Core Conventions of the ILO.

Yes No

3 Regular examination of the working conditions at the production sites of the company and its suppliers regarding their compliance with legal regulations and, if applicable, an International Framework Agreement or the company’s code of conduct.

Yes No

4 Pre-defined and transparent procedures for the correction of detected violations of labour laws.

Yes No

5 Information of the employees of the company and the supplier companies on the respective national labour law, international labour law, and, if applicable, an International Framework Agreement and codes of conduct.

Yes No

The contracting body reserves the right to verify the statements made here by consulting independent experts. In the case of intentional false statements made by the bidder the contracting body reserves the right to impose a penalty payment of 5% of the contract value and to withdraw from the contract without notice

Name, Date

Company Stamp, Signature

7 The term „entire supply chain“ is to be understood as follows: all direct supplier companies, all sub-tier suppliers, as well as the suppliers of the raw materials copper, tin, silicon, cobalt, palladium, and gold.

8 For information to be regarded as “current”, it must date back no more than 12 months. Due to the rapidly fluctuating supplier relationships in this industry, any older information is of little use for current supply contracts.

ANNEX 2 EXEMPLARY SUPPLIER SURVEY

1 Social and ecological sustainability management in your company

	yes	no
1.1 Have you introduced social and ecological sustainability management? Please name the main activities in this field and a contact person on a separate sheet of paper.		
1.2 Have you set sustainability goals and are these goals available through public documents?		
1.3 Do these goals explicitly apply to supplier companies and sub-tier suppliers?		
1.4 In what way do you work toward ensuring that sustainability goals are met throughout the supply chain? Please elaborate on a separate sheet of paper.		
1.5 Do these goals include obligations for the company or its supplier companies to comply with the following labour laws?	yes	no
• Freedom of association and collective bargaining (Conventions 87 and 98);		
• Abolition of forced labour (Conventions 29 and 105);		
• Elimination of child labour (Conventions 138 and 182);		
• Equality of opportunity and treatment (Conventions 100 and 111);		
• Minimum wage (Convention 131),		
• Occupational safety and health (Conventions 115, 155, and 170);		
• Maximum numbers of working hours (48+12 hours/week) (Conventions 1 and 30);		
• Employment security (Convention 158);		
• Right to receive a written employment contract.		
1.6 Have there been any successes, or improvements, in the sense of the requirements listed under 1.3? Please elaborate on a separate sheet of paper.		
1.7 Are your employees regularly informed and trained on issues concerning social and ecological sustainability?		
1.7.1 If so, are such trainings conducted by external agents?		
1.7.2 If so, are such trainings conducted in cooperation with independent organisations, e.g. labour right organisations? Please list on a separate sheet of paper.		

1.8 Are there any inspections of compliance with labour and environmental standards at the company-owned production sites or at supplier companies?		
1.8.1 If so, are these inspections carried out by external agents?		
1.8.2 If so, are these inspections carried out in cooperation with independent organisations, e.g. labour right organisations? Please list on a separate sheet of paper.		
2 Product: desktop computers	yes	no
2.1 Does your sustainability policy take into account the mining of the metals?		
2.1.1 Is the origin of the metals known that are used in the desktop computers?		
2.1.2 If not, have you made any effort to trace the mining of the metals along the supply chain?		
2.2 Do your products meet the requirements for Reductions of Hazardous Substances (RoHS)?		
2.3 Do your desktop computers have any approved environmental seals? Please list on a separate sheet of paper.		
2.4 Do the product documents contain any details on energy use under full load as well as in stand-by mode?		
2.5 Can your desktop PCs be upgraded by replacing the CPU or RAM devices?		
2.6 Does your company have a redemption programme for WEEE?		
2.7 Are the materials used for your desktop PCs easily recyclable?		
3 Packaging	yes	no
3.1 Have any measures been taken to reduce the packaging material?		
3.2 Is the packaging material made of renewable raw materials?		

ANNEX 3: DECLARATION CRITERIA FOR SUSTAINABLE PROCUREMENT OF IT PRODUCTS PROCURE IT FAIR

In the past few years, much has been done in the field of green public procurement. Documents such as the Green Public Procurement Training Toolkit of the European Commission, UNEP's Sustainable Procurement Guidelines for Office IT Equipment, and Greenpeace's Guide to Greener Electronics can and should be used by public institutions to include environmental criteria in tenders.

With regard to social considerations in tenders for IT hardware, however, there are not many guiding documents. This declaration represents a commitment to include social criteria in public procurement.

[Name of the public organization or authority] will:

1 Take into consideration the working conditions in the entire supply chain of IT hardware

Public institutions can contribute to improved working conditions in the production chain of IT products by using their buying power to demand products from fair production. To do so, labour conditions should be made a factor when purchasing IT hardware. As an absolute minimum, working conditions in the production chain should conform to the following norms established by the International Labour Organization: the right to organize and collective bargaining; the ban on forced labour; the ban on child labour; the ban on discrimination; security of employment; the right to occupational health and safety; observance of the maximum number of working hours; and the right to a living wage.

2 Ask all bidders to provide full transparency regarding their supply chain

A vital precondition for true sustainability is that companies and procuring agencies have insight into a product's supply chain. Public institutions can ask bidders to provide all the available information about its suppliers, and their suppliers' suppliers. If a tendering company does not have this information available, all possible measures should be taken to provide an insight into those links of the chain that are currently unknown.

3 Avoid purchasing IT hardware from companies that violate human rights or labour standards

The utmost care should be taken to avoid purchasing products that have been produced under violation of human rights or labour standards. In the case that information is available showing that the offered product is produced under violation of labour or human rights, this should be sufficient to exclude a company from the tendering

process. This should also apply when these violations are known to occur within the supply chain. Such information can include court cases and rulings, reports by international organisations, NGO reports, and other sources

4 Ensure sustainable recycling of IT hardware after end of use

Many IT products end up as e-waste that is exported to developing countries. There, working conditions in the dismantling of used electronic products are often harsh and unhealthy. When buying new computers, public institutions should buy products with a low proportion of toxic components, choose IT solutions that ensure a maximum lifespan of their equipment and consider ReUse solutions (see preamble about ecological criteria).

When public institutions dispose of old computers, they should give still functional computers to ReUse-associations for further use. When they dispose of non-functional computers they should ensure that they are under no circumstances illegally exported to developing countries. To achieve this, computers should be given back directly to the producer, if possible. Alternatively, they should give them to a public recycling yard. It is not preferable to give them to private junk dealers as this implies a higher risk of illegal export to developing countries.

5 Inquire about the sources of the metals used in IT products, and the bidder's approach to sustainable sourcing

There is increased awareness of the role electronics companies can play in addressing issues with the mining of their metals. Sustainable sourcing of metals includes limiting the negative effects on the environment, communities and workers at mines where these metals originate from. Public institutions can stimulate electronics companies to take proactive measures to increase the sustainable use of metals. They can inquire about the concrete steps taken on the basis of recommendations made by the makeITfair campaign (www.makeitfair.org).

6 Take possible precautions that IT hardware purchases do not lead to unreasonable pressure on wages, working hours and supply lead times

One of the factors that contribute to many of the labour and human rights violations in the IT supply chain is the pressure applied by brand companies on the lead times and prices for their suppliers. This creates pressure on supplying companies to speed up production outputs, cut down on labour costs, and demand longer working hours, often at the costs of the workers. Public institutions should take into consideration that demanding a delivery that is too time-pressed or has a value that is too low might have negative effects for the workers producing the IT hardware.

8 • FURTHER READING

WORKING CONDITIONS AND ENVIRONMENTAL ASPECTS IN THE IT INDUSTRY

- **The dark side of cyberspace. Inside the sweatshops of China's computer hardware production**

Brochure reporting on the violations of labour laws at Chinese supplier companies of Dell, Lenovo and Fujitsu Siemens Computers, WEED 2008.

- **Digital craftwork. China's global factory for computers**

Documentary film, 28 minutes, languages: German, English, French, Spanish, Czech, WEED 2008.

PUBLIC PROCUREMENT OF IT

- **Sustainable procurement in a European context: practises of IT procurement in five EU countries.**

Comparison of the legal situation in five European countries regarding sustainable procurement, especially of IT devices. ProcureITfair 2008.

Available at www.procureITfair.org.

- **Sustainable procurement guidelines for office IT equipment – Background report und product sheet**

Detailed guideline for IT tenders that was composed for the procurement in UN facilities. Ecological criteria are discussed in great detail, but working conditions in the supply chain are also introduced as an issue for procurement. ICLEI and UNEP 2008.

Available at www.procureITfair.org.

- **The Procura⁺ manual. A guide to cost effective sustainable public procurement**

Product criteria for different goods, including electrical and electronic office devices (IT). The focus is on ecological criteria. ICLEI 2007.

Available at www.procuraplus.org.

SUSTAINABLE PROCUREMENT OF OTHER PRODUCTS

- **RESPIRO guide on socially responsible procurement of textiles and clothing**

Detailed guideline for the procurement of textiles in compliance with humane working conditions throughout the entire supply chain, including many analogies to IT procurement. Eurocities and ICLEI 2007.

Available at www.iclei-europe.org/procurement.

- **The CARPE guide to responsible procurement**

Intersectoral presentation of techniques of sustainable procurement with an emphasis placed on ethical criteria, Eurocities 2004.

Available at www.carpe-net.org

9 • LINKS

▶ www.procureITfair.org

ProcureITfair – Campaign for Sustainable Procurement of Computers

PARTICIPATING ORGANISATIONS

▶ www.weed-online.org

WEED – World Economy, Ecology, and Development, Germany

▶ www.suedwind-agentur.at

Südwind Agentur, Austria

▶ www.somo.nl

SOMO – Centre for Research on Multinational Corporations, the Netherlands

▶ www.ekumakad.cz

Ekumenical Academy Prague, Czech Republic

▶ www.ktk-ces.hu

Centre for Environmental Studies, Hungary

▶ www.karat.org

KARAT Coalition, Poland

▶ www.madrid.setem.org/

SETEM Madrid, Spain.

▶ www.sacom.hk

Students and Scholars against Corporate Misbehaviour, China

▶ www.iclei.org

ICLEI – Local Governments for Sustainability: International network of over 1,000 national, regional, and local government organisations that have committed themselves to sustainable development

▶ www.procuraplus.org

Procura+ Campaign for sustainable procurement

10 • GLOSSARY

Award Criteria

Award criteria are criteria that do not necessarily have to be fulfilled by bidders, and thus do not lead to exclusion from the tendering procedure in case of non-compliance. Rather, their fulfilment is positively remarked in the evaluation of the bid. The higher a bid's evaluation marks regarding the award criteria, the better its chances of being awarded the contract in question.

Certificate

A seal of approval on a product that is supposed to guarantee to the consumer certain social and/or ecological standards.

Contract performance clauses

Contract performance clauses state certain requirements which have to be met by the contracting agent throughout the duration of a contract. Thus, they are signed after the actual tendering procedure, that is to say, they are demanded from the successful bidder as part of the actual contract and are made transparent to all bidders right from the start.

Fair Trade

Regulated trade in which prices are often above world market prices. The compliance with social standards in production is guaranteed.

ILO Core Conventions

Minimum standards for the improvement of people's working conditions worldwide, established by the International Labour Organisation – a special organisation of the United Nations. These standards are valid without ratification and compliance with them is obligatory for all ILO member-states (www.ilo.org).

International Framework Agreement (IFA)

Contracts regarding labour standards that have

been signed by global trade unions (GUF – Global Union Federation) and transnational corporations. So far, they are mainly effective for European companies and in those industries in which the trade unions have traditionally been strong. International Framework Agreements can also apply to the companies' suppliers in developing countries. They are based on the ILO's Core Conventions, but also contain obligations that go beyond. The commission responsible for monitoring compliance is composed of representatives of both employers and employees.

Multi Stakeholder Code

Codes of conduct and multi stakeholder approaches involve so-called stakeholders (protagonists, interest groups) such as non-governmental organisations, government authorities, and trade unions alongside representatives from the company itself. Multi stakeholder codes usually establish standards that go beyond unilateral, in-house codes and involve an independent inspection of labour standards.

RoHS Directive

The EU Directive RoHS (Reduction of Harmful Substances) dating back to 2003 tackles the problem of toxic substances in an ever-increasing mountain of e-waste and focuses on prevention, defining upper limiting values for harmful substances in electrical and electronic products.

Selection of bidders

The selection of bidders serves to determine whether a bidder has the technical and professional qualification to supply the demanded products. Here, the decisive criteria are technical qualification, service capability, and reliability of the bidder. It is essential to assess the qualification of the bidder before his tender is actually considered for evaluation.

Special Economic Zone

A geographically marked-off area for which there are usually other economic laws, tax laws and labour laws than for the rest of the country. The aim is to attract foreign investors, production is oriented toward export.

Subject matter of the contract

The subject matter of the contract defines what is to be purchased. It may state social and ecological goals of procurement if these are relevant and in clear connection with the purchase. As a consequence, the bidders must fulfil the stated social and ecological conditions in their submitted bids.

Subtier supplier

Company that supplies a supplier company of a manufacturer with components.

Supplier Company

A company that supplies the final manufacturer

TCO Certificate

A certificate awarded by the Federation of the Swedish Trade Union of Public Sector workers and Civil Servants, the Tjänstemännens Centralorganisation (TCO), for products that are used in offices. TCO'99 certifies desktop and notebook PCs, monitors, keyboards, and printers. The seal includes ergonomic requirements, but also documents details concerning emissions, the use of chlorinated solvents, CFC, chlorinated fireproofing materials.

Technical Specifications

The technical specifications define the quality and specific characteristics of a product in detail. These specifications are necessary in order to explain the social and ecological requirements by

the public contracting body in such detail as to be unmistakably clear to the bidders and to ensure the incoming bids are comparable to one another. The compliance with these requirements is compulsory at the time of bid submission, and consequently, all minimum requirements must be clearly stated in the technical specifications.

Unilateral Code of Conduct

In a code of conduct, a company commits itself to observing certain social and/or ecological standards. Apart from in-house codes of conduct, there are also those codes that apply to several companies of an industry. These codes are usually founded on the ILO's Core Conventions, but sometimes also fall short of these standards. Nowadays, many companies and even many supplier companies have a code of conduct.

Value Chain

The entire path of a product from its basic state to the final consumer, including its different steps of processing and the resulting increase in value.

Waste Electrical and Electronic Equipment (WEEE)

WEEE defines all surplus, obsolete, broken, or discarded electrical or electronic devices. The European Union implemented the WEEE Directive in February 2003 (Directive 2002/96/EC) in order to make equipment manufacturers financially or physically responsible for their equipment at the end of its life, under a policy known as extended producer responsibility (EPR). The companies should establish an infrastructure for collecting WEEE and dispose of it in an ecologically friendly manner. The WEEE Directive has been transposed in European national laws in all European member countries by now.

RECENT PUBLICATIONS

STUDY

The Dark Side of Cyberspace
Inside the sweatshops
of Chinas computer
hardware Pproduction

Authors: Jenny Chan,
Charles Ho (SACOM),
in collaboration with WEED
December 2008 (engl.)

Price EUR 2 (WEED members EUR 1,50),
plus shipping

Empirical study on the working conditions at two supplier
companies of Fujitsu-Siemens-Computers, Dell and Lenovo.

From the content:

- violations of labour laws in the factories
- excerpts from interviews with Chinese workers
- demands raised by “ProcureITfair” and directed at brand-name companies and public institutions



DOCUMENTARY FILM

Digital craftwork
China's global factory
for computers

DVD, 28 minutes, € 10,-
(WEED members € 7,-),
plus shipping, languages: German,
English, French, Spanish, Czech

From the content:

Departure into a digital age, virtual worlds, immaterial
production? As if! This film sheds light on the downsides of a
globalised computer production that contrast heavily with the
“clean” image of the industry. Millions of migrant workers toil
for the computer corporations in the factories of the special
economic zones. 12 to 14 hours of work per day for 6 to 7 days
per week are frequent – without being paid the minimum
wage. This film offers a lot of background information and
shows new perspectives. The film also lets workers rights
activists and workers speak out.



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