

## Socially responsible public procurement of Chromebooks



Image: Pixabay.com

<b>Procura+ Participant:</b>	The municipality of Stavanger (Norway)
<b>Contract:</b>	Supply of Chromebooks with a value of € 3 million, awarded in May 2020.

### SUMMARY

- In 2020, Stavanger procured Chromebooks for all elementary and junior high school pupils.
- The contract was awarded according to a price: quality ration of 40%: 60%. Quality criteria included: supplier ethics and responsible trading; the manufacturer's code of conduct; capacity building; and, external cooperation.
- By allocating more points to quality criteria than price, Stavanger sent a strong signal to the market about its commitment to ethical trading.

## Background

The [municipality of Stavanger](#) is a Procura+ Participant and has been active in the Make ICT Fair [Interest Group on Socially Responsible Public Procurement \(SRPP\) of ICT hardware](#). The municipality is aware of its social responsibility as a procuring authority, and is a long-time member of [Ethical Trade Norway](#).

Since 2009, Stavanger has an [action plan](#) for ethical trade which is part of the municipality's procurement strategy. The action plan is regularly revised and contributes to an increased quality of procurements, ensuring that they are performed in a sustainable, resource efficient and non-discriminatory way. The requirements for ethical trade are applied primarily to the procurement of goods, as well as construction contracts that include high-risk products. The procurement department conducts an annual ethical risk assessment of procurements to be completed in the coming year. Conditions that are considered to increase risk are high contract value, procurement with labour-intensive production in low-cost countries or in industries where little is known about the supply chain. The action plan lists several commodity / product groups that are associated with a greater risk of violating basic labour rights requirements and where the municipality should consider imposing ethical requirements. In 2020, the procurement of Chromebooks, user hardware, and printers all used social award criteria, and included ethical requirements in the contract.

During the last few years, the municipality has worked on the implementation of digital tools in education. All school students in Stavanger must have access to digital learning tools, which has increased the demand for ICT-devices. Stavanger is now procuring ICT-equipment to enable the transition to digitalised teaching.

As part of this, Stavanger is procuring Chromebooks for all elementary school and junior high school pupils in the municipality. The municipality chose to emphasise social responsibility in accordance with the Norwegian Procurement Act (§5 LOA), which requires by law that contracting authorities implement appropriate measures to promote respect for human rights in public procurement where there is a risk of violation of such rights. ICT-equipment is one of the product categories on the so-called [High Risk List](#). This assessment looks at the whole supply chain, from raw material extraction to component production until final assembly. Due to the use of conflict minerals in the production of ICT-equipment, production site risks and more, ICT hardware is considered to be a vulnerable market in terms of violation of labour and human rights, according to [OECD Due Diligence Guidance for Responsible Business Conduct](#).

## Procurement Approach

The procurement was carried out as an open procedure for a two-year contract with the possibility for optional supplies (1+1 year).

At the start of the process, Stavanger organised market dialogue meetings and published a Prior Information Notice (PIN) on Doffin (Norwegian tender database). The feedback from the market was first and foremost on the technical solution and the environmental requirements in the tender, and requests for more environmental requirements. No input on the social criteria was received.

# Social criteria used in the procurement process

## Subject matter of the contract:

Supply of Chromebooks with accessories and licenses.

## Technical specifications

### *Conflict minerals*

The manufacturer of the device must follow the guidelines in [OECDs Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#).

### *RMI*

The manufacturer of the hardware must be certified in accordance with the [Responsible Minerals Initiative](#) (RMI) or equivalent.

## Award criteria

The contract was awarded on a best quality/price ratio, where price was weighted 40% and quality 60%. The quality was solely based on four social criteria, each weighted 25%: Supplier ethics and responsible trading; the manufacturer's code of conduct; capacity building; and, external cooperation. Each criterion could score between 1 and 10 points, with more points being available to answers which provided more and higher quality information.

### *Supplier ethics and responsible trading*

#### Verification:

- Training of employees in accordance with the firm's code of conduct and policies related to ethical and responsible trading.
- Description of how the tenderer assesses or measures labour and human rights in relation to costs, delivery time, quality and environmental parameters.
- Procedures for suspension or termination of contracts with suppliers that do not safeguard labour and human rights.

Documentation of the abovementioned information will be positively weighted; points will be given with respect to the depth of the information presented.

### *The manufacturer's code of conduct*

#### Verification:

The tenderer should enclose the manufacturer's publicly available code of conduct which amongst others, can include or address child labour, forced labour, working hours, wages, discrimination, occupational health and safety and environment, freedom of association, collective bargaining and other human treatment of employees.

Code of conduct for the mining and extraction processes must also be presented. Relevant content:

- composition of product
- components for product
- minerals and metal extraction (smelting/refining)
- mining stage

The tenderer must also provide a list of extraction facilities, mining sites and other relevant locations for the products they offer. If a list of extraction facilities does not exist or is complete by the deadline for submitting bids, the bidder is requested to describe how it will work to develop such a list, indicate when the list will be available to the customer, and which resources will be used to compile such information.

It will be positively weighted if the provider can provide documentation about the above information. Points will be assigned based on the in-depth information presented.

### *Capacity building*

Providers should strive to offer ICT-equipment from brand owners who work actively to secure fundamental labour and human rights in the supply chain in high-risk countries.

In addition, the municipality of Stavanger believes there is a need for initiatives that extend beyond the basic needs of the workers. Therefore, bidders which can point to cooperation with industry-led programs or initiatives that extend beyond basic labour and human rights, such as training of workers in economy and basic health needs, will receive more points. This means topics that are not directly related to conditions in the factory.

#### **Verification:**

The tenderer should provide its supply chain programme, with descriptions of capacity-building measures such as training and workshops. Information on the achieved effect of existing capacity building, e.g. number of programs/workshops, associated effects or outcomes of the activities have helped to improve workers' life.

If the tenderer can provide documentation on such information, it will be positively weighted. Points will be awarded based on the in-depth information provided.

### *External cooperation*

International recommendations, such as from the EU, suggest that providers of ICT-equipment should work with external organisations, such as non-governmental organisations (NGOs), non-profit organisations and other authorities which aim to put labour and human rights on the agenda to improve the situation for supply chain workers. It will be positively weighted if the provider can document such cooperation. Points will be awarded for in-depth information provided.

#### **Verification:**

The tenderer is requested to provide documents or attach a link to the company's accountability / sustainability report or other public communications describing the organisations it is cooperating with.

Evidence of collaboration such as reports, communications, audit results or other documentation that confirms how the tenderer addresses labour and human rights in its own supply chain or the ICT supply chain as a whole, is to be enclosed.

## Results

Two bids were received for the contract on supply of Chromebooks. The evaluation showed that both providers are actively engaged in ethical trade and have implemented social responsibility in their business. The winner provided more in-depth information that indicates more work on social responsibility in the supply chain. When awarding the contract, the supplier was asked to complete a risk assessment, which, together with the terms of the agreement, will form the basis for a follow-up.

### Supplier's experience

The tender was awarded to Atea in May 2020. In recent years, the company has been working to improve working conditions in their supply chain. Elisabeth Nissen Eide, Head of Sustainability & Compliance, on Atea's experience bidding for the Chromebook tender:

"One of the most important sustainability and compliance issues the IT industry are working on is following up the supply chain. Atea has worked with following up the supply chain for years, and are working closely with the partners that manufactures the products we sell."

Atea's Supplier Code of Conduct is based on the industry's common code of conduct from the Responsible Business Alliance (RBA). They provide risk assessments, visit factories and conduct related field studies on a regular basis and in various countries, such as China, Vietnam and DR Congo. So far Atea assessed 93.3% of our suppliers (expressed in terms of spend) for social and environmental impacts in the supply chain, and 100% of new manufacturing suppliers are screened using social and environmental criteria.

"One essential part of developing sustainability in ICT supply chain is getting costumers to include sustainability in their procurements. The public sector in Norway is increasingly interested in how products are manufactured and asking good questions. In weighting sustainability in Stavanger's procurement of Chromebooks 60%, the municipality is making a real impact by ensuring fair working conditions and human rights in the supply chain. While procurements of ICT equipment for schools are historically based on price, Stavanger municipality challenged the market.

Vendors see the Stavanger procurement and are starting to improve their work in the supply chain, because they know that focus on sustainability will only increase. In the future, it is the vendors who are continuously working to improve their work on social responsibility and environment that will survive in a more demanding market. "

- Elisabeth Nissen Eide, Head of Sustainability & Compliance in Atea

## Lessons learned

Only two bids were received for this tender, which might reflect that the market is not yet mature when it comes to social responsibility in the supply chain. However, the tenders received were both of good quality.

In addition, more information was provided on social criteria than expected. Stavanger was pleased with the information provided on internal routines and on how the suppliers measure human rights in regards to other parameters. Suppliers could demonstrate that they had selected suppliers with good routines, and have systems for controlling their supply chain in place, at least as far as the smelting stage (though not to the level of mining). In addition, both bidders were able to demonstrate different approaches to capacity building in the supply chain, and cooperating with other initiatives. As this was Stavanger's first procurement with such strong focus on social criteria, the experience from this tender and dialogue with the market will be important for informing future procurements and driving sustainability.

In the first meeting with the selected supplier, the procurement team at the municipality of Stavanger discussed the social aspects of the supply of the Chromebooks, and the procurers will follow-up the results during the contract management.

The municipality also finds it very useful to cooperate with other public buyers working on social responsibility, to learn and exchange on experience. By getting insights into other methods, tenders and initiatives for sustainable procurement, Stavanger can find new inspiration on how to use socially responsible public procurement as a measure for contributing to fair trade. It has been working with ethical trade for many years and considers which type of social criteria and how ambitious they should be in all tenders, based on the readiness of the market. The municipality is now looking into opportunities for implementing more methods for including social responsibility in procurement. This year, a tender for laptops and ICT equipment will be published, with the aim to use the same social criteria as in the tender for the Chromebooks. Based on their experience, the procurement team in Stavanger has strong motivation to continue their work on SRPP in the future.

"The municipality of Stavanger is very pleased to see the depth of information delivered in the tenders for the procurement of Chromebook. We have been working with ethical trading for several years and are happy to see the recent development in the ICT sector. Our aim is to help push the sector towards a more sustainable and transparent future and will therefore continue using social responsibility as qualification- and award criteria." – *Elin Seveholt, Sustainability Advisor*

### CONTACT

**Elin Seveholt**

Sustainability Advisor

The municipality of Stavanger

<https://www.stavanger.kommune.no/en/>

## About Procura+

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

### Connect.



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

### Exchange.



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

### Act.



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

[www.procuraplus.org](http://www.procuraplus.org)

[procurement@iclei.org](mailto:procurement@iclei.org)

## About Electronics Watch

[Electronics Watch](http://www.electronicswatch.org) (EW) is a not-for-profit non-governmental organization that brings together public sector buyers and civil society organisations in electronics production regions with experts in human rights and global supply chains. They guide public procurement demand for decent working conditions in electronics supply chains, and provide capacity for public buyers to follow up on contractual demands through worker-driven monitoring which helps workers to voice complaints and contribute to solutions. EW's work is focusing on:

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

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

## About the Make ICT Fair project

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

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



Disclaimer: This publication has been produced with the assistance of the European Union. The contents of this publication are the sole responsibility of the Make ICT Fair Project and can in no way be taken to reflect the views of the European Union. The European Commission is also not responsible for any use that may be made of the information contained herein. The project has received funding from the European Union's EuropeAid programme under grant agreement CSO-LA12017/388-226.