

PROCURE

PARTNERS' INTEGRATED ACTION PLAN SUMMARY

To creating a better economy



ALBACETE



PROCURE INTEGRATED ACTION PLAN ALBACETE

1. INTRODUCTION

Procure is a network of 11 partners, led by Preston City Council and funded through the URBACT III Programme which seeks to enable transnational exchange and learning between cities around a particular theme. The Procure network seeks to connect cities and build success around the theme of procurement.

The IAP for Albacete reflects on the knowledge and learning gleaned from transnational and local levels around the above themes and sets out our plan of actions for progressing procurement activities moving forward. It is shaped by: the challenges we identified in the baseline study, our existing processes and practices around procurement, what we have learnt through the network, and what we want to do and achieve moving forward.

2. LEARNING FROM URBACT MEETINGS

URBACT's mission is to enable cities to work together and develop integrated solutions to common urban problems, through networking, learning from mutual experiences and identifying best practices to improve urban policies. As a result of the participation in this network, Albacete city has experienced the benefits of working together with other partners in the realization of this Integrated Action Plan and also the creation of a Local Action Group of PROCURE Albacete.

In Albacete this local group is made up of: The Albacete City Council of Employment, the Urban department, the Confederation of Entrepreneurs of Albacete, The University of Castilla-La Mancha, different business associations of Albacete and a company dedicated to social entrepreneurship 'Dramblys'.

In the two years of the Procure network, Albacete city as the result of the different transnational meetings has been learning about the processes adopted by the partner's municipalities. At the end of each transnational meeting, each partner is encouraged to understand the key learning points and how can be integrated in the Integrated Action Plan.

3. CONTEXT

European cities are seen as the motors for regional growth, innovation and employment creation. Therefore towns and cities of all sizes across Europe have a crucial role to play in improving the quality of life for citizens whilst also reducing their environmental footprint.

Procurement within a city is not only the responsibility of local authorities but also of what are called "anchor" institutions. However, although the cumulative / combined spending power of these public / anchor institutions is very large, often much of this expenditure does not remain within the local economy.

For participating cities, it may be difficult to innovate in the procurement process. That is why the European Union has already taken a step to help in this by reviewing the standards to make them simpler and more flexible

Therefore, the political challenge is how to influence this economic power, exercised

through public procurement, so that, as far as practically possible, it is spent locally and in a way that can be reverted to local economic benefits, social and environmental impacts of its citizens. There are a lot of solutions available that could work in cities. But, cities by themselves cannot have the resources, capacity or knowledge to implement these new ideas. Cooperation and the exchange of experience throughout Europe are crucial. This is the ambition of the PROCURE project - Creating a good local economy through public procurement.

3.1. ALBACETE CONTEXT:

Albacete follows the procurement procedures and strategy established by European and Spanish law. At European level, the 'Europe 2020 strategy, is a strategy for smart, sustainable and inclusive growth which establishes among its basis objectives to develop and economy based on knowledge and business innovation, especially in SMEs.

The government procurement 2014 Directives, point out that one of the objectives in to facilitate the SMEs access to public contracting, introducing flexibility in procurement procedures, reducing the bureaucracy and avoiding disproportionate requirements about financial of the candidates. Directive 2014/23/UE of the European Parliament and Council of highlight that must be improved the access for SMEs in all the procurement markets of the Union and to facilitate the participation of small and medium-sized enterprise (SMEs) in public procurement.

At national level, Law 14/2013 of 27th of September on support of entrepreneurs and their internationalization provides "measures to eliminate barriers to entrepreneurs' access to public procurement, so that it can act as a real help for the expansion and consolidation of the SMEs".

The City Councils and regional government have adopted internal regulations to stimulate the participation of SMEs in the procurement procedures

The new draft law on public contracts of the Spanish public sector is currently into standby and will include some novelties such as the introduction of a generalized use of electronic, computer and telematics means in the contracting processes and the development of a new, more balanced regulation of the regulations regarding the equity responsibility applicable to concessions.

Whilst there is no procurement strategy or annual plan of upcoming opportunities in Albacete, there is a procurement group, which evaluates tenders. This group includes procurement officers, the departments promoting the tender, legal people, and councillors.

3.2. SPEND ANALYSIS

- Minor contracts: construction up to €50k, and goods and services up to €18k
- Above the threshold: More than €50k in construction and for goods and service more than €18k

Minor Contracts

| | 2013 | 2014 | 2015 |
|---|--------|--------|--------|
| Budget awarded Percentage to Local businesses | 68,19% | 75,12% | 76,31% |
| Budget awarded Percentage to Non Local businesses | 31,81% | 24,88% | 23,69% |
| Awarded Files to Local Business Percentage | 78,27% | 75,45% | 80,65% |
| Awarded Files to Local Business Percentage | 21,73% | 27,55% | 19,35% |

Above The Threshold

| | 2013 | 2014 | 2015 |
|---|--------|--------|--------|
| Budget awarded Percentage to Local businesses | 64,98% | 18,37% | 31,54% |
| Budget awarded Percentage to Non Local businesses | 35,02% | 81,63% | 68,46% |
| Awarded Files to Local Business Percentage | 57,14% | 64,36% | 60,71% |
| Awarded Files to Local Business Percentage | 42,86% | 35,64% | 39,29% |

The City of Albacete has started to consider factors beyond price within its decision-making, with objective criteria whereby quality must apply to the nature of the contract and has started to link procurement to job creation, so it is looking to include clauses in contracts for the creation of job and employment opportunities.

The City of Albacete is already undertaking a number of activities to both understand their procurement spend and maximize the benefit it brings

4. CHALLENGES

There are four areas in terms of challenges through the development of its Integrated Action Plan, which CEEI Albacete (together with the City of Albacete) is seeking to realize because of the involvement in the Procure network and the involvement with the Albacete UGL.

These are:

- Lack of awareness of business opportunities respecting public procurement from the local companies, and the lack of awareness of the City Council to improve the information about what local businesses can offer.
- Training on public procurement
- Lack of information on the capacity of tenderers
- Too much bureaucracy and rigid legislation at both national and local levels

5. OBJECTIVES AND ACTIONS

Objective 1: To increase the awareness of Local Public Procurement Processes to Local SMEs.

Action 1.1

- What: Informative sessions for SMEs
- How: Showing to the SMEs that there are opportunities to participate in Albacete local public procurement processes.
- Who: CEEI Albacete will organize the informative sessions. Public Procurement City Council Officer will be the speaker.
- When: Fourth quarter 2017 to the end of the year 2018.

Objective 2: To increase the number of local suppliers included in the Albacete municipality database where currently there are only non-local companies.

Action 2.1

- What: Informative campaign to the companies to cover the local companies supplier list gaps
- How: City Council will inform stakeholders about the contracts not covered by local suppliers, then the stakeholders will spread this information among their contacts (companies, entrepreneurs, partners, clusters, ...)
- Who: Stakeholders (CEEI Albacete, FEDA, ADECA, AJE, Albacete Scientific and Techno Park, others)
- When: Fourth quarter 2017 and subsequence

Objective 3: To increase the skills of Local SMEs and officials regarding public procurement processes.

Action 3.1

- What: Training session for SMEs
- How: A conference will be organized by CEEI Albacete but designed by the officers of Albacete City Hall
- Who: Public Procurement City Council Officer will be the speaker
- When: Fourth quarter 2017 and subsequence_

Action 3.2

- What: Training for officers
- How: An expert will design the content
- Who: CEEI Albacete
- When: Fourth quarter 2018 and subsequence

Objective 4: To reduce the number of paper work needed to access to a public procurement.

Action 4.1

- What: To adapt the Local Public Procure Procedures to the ESPD
- How: The City Council would include into their web information about the ESPD in the local public procurement city council web. The stakeholders will spread this information among their contacts (companies, entrepreneurs, partners, clusters, ...)
- Who: City Council, Stakeholders (CEEI Albacete, FEDA, ADECA, AJE, Albacete)

- Scientific and Techno Park, others)
- When: Second quarter 2018 and sub sequences

6. RISK ANALYSIS

Temporary planning risk: With the current planning, there is a low risk that the actions planned to achieve the different objectives are not completed in time.

Political risk: The next municipal elections will be hold in May 2019, and until then no change is expected in the government team, we can consider that there is a low political risk.

Financial risk: Although the amounts handled are small and the City could take charge of their own funds, there could be a change in the motivations of the City towards this plan that could affect the postponement of actions or non-compliance with these. We could consider that there is a medium risk that the proposed actions cannot be financed.

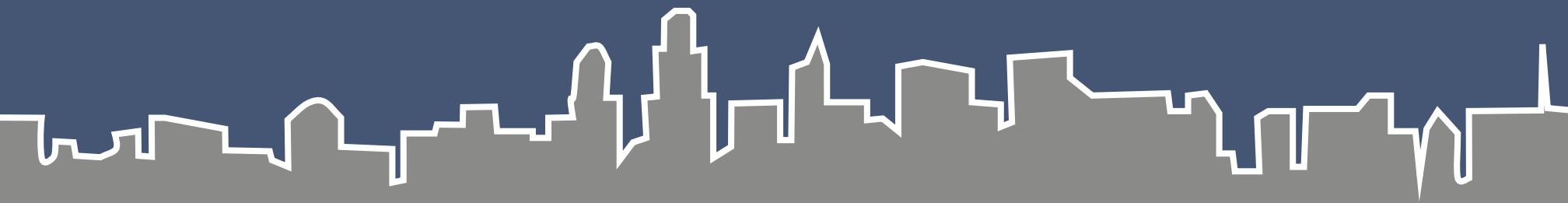
Human risk: A change in the people representing the different organizations that are involved in the UGL would entail a medium risk derived in the change in the way of working and in the cohesion of the group.

7. CONCLUSIONS

This Local Action Plan is a document that will guide the road of actions that should be taken by the city of Albacete regarding the present and future of the procurement processes.

Albacete City Council has the intention to maintain the efforts that the UGL has built up during the processing of making this IAP. CEEI Albacete together with Albacete City Council will take the responsibility of accomplishing with the project timescale, reviewing and updating the IAP when necessary to ensure the IAP actions

ALMELO



Summary IAP Almelo

Almelo and Twente Region face the legacy of a vanished, once huge, textile industry. The region offers a sound potential for innovative industry and faces substantial growth in logistics, leisure and care. But anyhow, SME's still face difficulties. In particular retail and services are vulnerable markets. There is a regular appeal from SME's towards authorities to increase regional spend.

Question is how this appeal can be met. Local public actors employ 1500 persons, represent a procurement budget of around € 1 billion and carry out many projects in which our organizations mutually engage. The budgets spend originate to a high extent out of local taxes, due to which we have the obligation to retrench these budgets to the local and regional economy as much as possible.

Within the frame of URBACT-Procure the City of Almelo has gathered five large (semi) public parties around a common issue with a focus on procurement in a local action group. The local action group consist of:

1. The City of Almelo (local authority)
2. Waterschap Vechtstromen (regional water board)
3. Cogas (regional utility)
4. Regio Twente (regional authority)
5. Comsocial (social enterprise)

These five parties till now operate too much on the basis of risk reduction and neglect legal opportunities offered by for instance innovative partnerships. Using these potentials could lead to a substantial increase in the participation of regional SME.

The local action group operates on the basis of a shared interest in strengthening the position of procurement, better use of legal opportunities and improving the visibility of the outcome of innovative procurement. This shared interest is being worked on the basis of five objectives:

1. Know your market
2. Join forces
3. Visibility through mass
4. Early involvement of SME's
5. Strengthening of the local economy

On the basis of these five objectives, the following result indicators have been identified:

1. Increasing local spend from 15% to 20% by 2020
2. Realization of 8 substantial projects in which local and regional procurement is materialized
3. Establishment of a procurement cooperative to sustain the work of URBACT Procure

Regarding the 8 substantial projects to be realized, we focus on projects with a substantial procurement budget as well as innovation potential. It concerns project organized in three domains:

climate active city, city center revitalization and local economy. In each of these domains projects are realized in which we cooperate in particular regarding procurement:

Climate Active City:

1. Innovation in water management (Camino)
2. Climate neutral neighborhood (Windmolenbroek)

City Center revitalisation:

3. Creative solutions for brownfields (Indië locatie)

Local economy

4. Making public buildings most sustainable
5. Urban Farming
6. City & Craft Center
7. Almelose City Currency
8. Local procurement cooperative

BOLOGNA



Procure: Creating a good local economy through procurement **Metropolitan City of Bologna Integrated Action Plan**

This Integrated Action Plan (IAP) has been developed within the *Procure Network* (<http://urbact.eu/procure>).

ULG: role and composition

The Metropolitan City of Bologna (MCBo) has involved different actors in its ULG: from metropolitan Public Administrations to enterprises and association of businesses-SMEs, respectively representing the real needs and main difficulties of public buyers and local companies in accessing public procurement process (PPP). Research centers, business training schools and newly-established bodies with technical expertise were also involved, as relevant actors supporting the MCBo to better understand the environmental, social, economic and professional potential of PPP.

More specifically, the key stakeholders involved in the ULG are: *Nuovo Circondario Imolese* (Association of Municipalities), *ENEA* (Research center), *IB Innovation Consortium* (spin-off of the *Interporto Bologna Spa* company), *Impronta Etica* (non-profit association), *ERVET* (Regional Agency for the economic development), *CNA Bologna* (Association of SMEs), *ECIPAR* (CNA Bologna's training company), *Confindustria Emilia* (Association of enterprises), *A. Valeriani Foundation* (Confindustria Emilia's Industrial Management School) and the *Association of Accountants of Bologna* (professional order).

Learning from transnational meetings and Partners

All the project transnational meetings held to date have been very fruitful and productive for the MCBo, especially thanks to the professional, dynamic and interactive approach promoted.

It was very interesting and useful to share and compare Bologna's experiences and good practices in the fields of PP, GPP and SRPP with other partners' ones. Moreover, given the high technicality of the different issues discussed during the meetings, all the presentations, reports and interventions exposed have been particularly helpful, in their different methods and approaches. These have helped to better identify both the strengths and weaknesses of the MCBo in the sector of PP, also stimulating constructive debates, exchange of views and collaboration with the other partners.

Background and context

At EU level

The new Directives ([Directive 2014/24/EU](#) on PP, [Directive 2014/25/EU](#) on procurement by entities operating in the water, energy, transport and postal services sectors, and [Directive 2014/23/EU](#) on the award of concession contracts) adopted in 2014 by the Council of the EU and the European Parliament aim at simplifying PP procedures and making them more flexible, efficient, effective, transparent, citizen & business-friendly. EU countries have had until April 2016 to transpose the new rules into their national law (except with regard to e-procurement, where the deadline is October 2018).

The new European Commission's PP strategy is rethinking the entire approach to purchasing, professionalising public buyers, cutting red-tape, and capitalising on the benefits of the digital revolution. In the fight against fraud and corruption, the new EU legislation also aims at promoting a renewed "culture of integrity".

Through the PP reform of 2014, moreover, EU emphasizes the importance to create new business opportunities by facilitating the access of enterprises and SMEs to PP markets, aiming at maximizing their potential for job creation, growth and innovation. To that end, it has introduced legislative measures including:

a) an encouragement to divide contracts into lots; b) a limit to the turnover required to participate in a tender procedure; c) a reduction in documentation requirements.

Finally, the new EU rules aim at ensuring a greater inclusion of common societal goals in PPP, improving environmental protection and combating climate change (GPP); fostering innovation (PPI); promoting social responsibility, employment, public health and other social considerations (SRPP).

At national level

In the last few years, the Italian regulatory framework on PP and, more specifically, GPP has undergone a profound evolution too (still ongoing).

With the issuance of the *Interministerial Decree of April 11, 2008* (approving the [National Action Plan on GPP](#) and updated with the [Decree of April 10, 2013](#)), a legislative reference framework was set out, at national level, in order to facilitate the adoption and implementation of GPP practices, both technically and methodologically. It defines national targets, identifying the priority categories of goods, services and intervention works for environmental impacts and spending volumes, on which the so-called *Minimum Environmental Criteria* (MEC) have to be defined by the Ministry of the Environment and the Protection of Natural Resources – in line with the *European Action Plan for Circular Economy*. At the end of 2015, in fact, a new national legislation was introduced in order to promote environmental measures of green and circular economy: the [Law of 28th December 2015 n. 221](#).

On April 18, 2016, moreover, the Italian Government has definitively approved the [Legislative Decree n.50/2016](#) (implementing EU Directives 2014/23/EU, 2014/24/EU and 2014/25/EU), better known as the *New Public Procurement Code*. In summary, it: a) aims at making PP simpler and more transparent; b) puts an end to the practice of awarding contracts to the lowest bidder in favour of the most economically advantageous bidder; c) regulates public concessions for the first time; d) introduces a more incisive role of ANAC (*National Anti-Corruption Authority*); e) includes new regulation on subcontracting and new clauses ensuring compliance with collective bargaining agreements; f) outlines the requirements to participate in PPP and sets forth contracting authorities' reward criteria.

First through the *New PP Code* and even more with the subsequent amendments introduced by the related *Corrigendum* ([Legislative Decree 56/2017](#)), GPP is no longer a voluntary instrument but it has recognized as *compulsory*. Italy thus becomes the first European Country to enforce the obligation, for contracting authorities, to apply GPP, increasing the importance of “sustainable purchases” as a strategic tool to foster the “transition” from a linear towards a circular and more sustainable economic model.

Finally, as regards the national e-procurement system, it is quite fragmented in Italy, showing diverging levels of advancement. The contracting authorities, in fact, are required to buy via framework contracts managed by Consip, also responsible for the *Public Administration Electronic Market* (MePA), a digital marketplace in which registered authorities can make purchases for values below the European threshold of goods and services offered by suppliers that have been vetted and authorized to post their catalogues on the system (at regional level, *IntercentER* is the ‘corresponding’ digital market platform).

At metropolitan level

The MCBo – based in North-East Italy and covering 55 Municipalities, with a total population of about 1 million inhabitants and an area of 3,703 km² – is the largest province of Emilia-Romagna region, playing a leading role for the Municipalities and Public Administrations within its area, also in promoting innovative and sustainable PP strategies.

As found during the Project, often local PAs and businesses are not fully aware of the economic, environmental and social potential of PP, nor do they have sufficient mutual knowledge of each other, in terms of demand and supply of goods/services. In response to these problems, the MCBo – still lacking a well-defined and joint PP strategy – has identified the following challenges, objectives and actions, together with its ULG.

Challenges

As regards local businesses and (especially) SMEs, key barriers identified include:

- lack of adequate awareness and information on PP opportunities;
- lack of sufficient financial resources, technical expertise and available internal staff trained on PP;
- inability to adopt an innovative business behaviour, needing further specialist support;
- quite complex bureaucracy and rigid national law associated with PPP and relevant time required to engage in tendering.

For the MCBo, instead, key challenges identified include:

- greater inclusion of green and social value criteria into procurement documentation and in monitoring impact mechanisms & tools;
- elimination (or at least mitigation) of barriers faced by local businesses and SMEs in bidding;
- more in-depth knowledge of local businesses-SMEs' offer of goods and services;
- pre-commercial procurement and innovative procurement as opportunity to investigate.

Objectives

The MCBo, together with its ULG, has identified two main objectives, in order to spread a new PP culture:

- promoting an innovative and sustainable PP strategy
- increasing the participation of local businesses and (especially) SMEs in PPP.

The strategy identified, therefore, will be based on two main action lines consisting in:

- increasing the adoption of sustainable (green and social value) criteria in tenders
- promoting raising-awareness, information and training activities for both PAs and SMEs within the metropolitan area of Bologna.

Developed, ongoing and future actions and activities

The MCBo has already started to carry out some important actions related to both a *greater inclusion of green and sustainable criteria in its tender documentation*, also in accordance with the new national legislation (action line 1); and the *promotion of thematic raising-awareness, information and training activities, addressed to both PAs and local businesses-SMEs* (action line 2).

ACTION LINE 1

The MCBo (Economic Development Dep.) is already including green and sustainable criteria in its tender documentation and it will try to improve and increase their adoption in tenders.

At political-institutional level, the MCBo is involved in some important networking actions developed: a) with other Italian Metropolitan Cities – coordinated by the MC of Turin – in order to correctly apply GPP at level of these new governance systems (a *Memorandum of Understanding* was signed by most Italian MCs within the Forum BuyGreen, held in October 2017 in Rome); b) within the GPP Working Group of the *General States of the Green Economy*, in order to produce and share new technical support documentation on GPP application; c) within the *MED Green Growth Community*, in order to inform and train MCBo staff on green and sustainable themes. The MCBo will try to continue these networkin actions also in the coming months/years.

Finally, in November-December 2017, the MCBo has also promoted a series of three training events on business procurement and Corporate Social Responsibility, highlighting the precious growth & development opportunities related to them, for both local SMEs and PAs.

ACTION LINE 2

In June 2017, a workshop for local businesses and SMEs has been organized by the MCBo, about the important opportunities related to the e-procurement tools (particularly, *MePA* and *InterCentER*), with the aim to increase and improve related knowledge, skills, capacity, know-how, methods and tools of this important target group.

In February-March 2018, moreover, a training course for PAs will be organized. The course, promoted together with the Bologna Business School, will be divided into four thematic modules concerning the themes of PP and current national legislation, e-procurement, GPP, procurement management.

Finally, a local dissemination event will be organized (in March 2018) on project results and MCBo's IAP, and a raising-awareness and information campaign on PP, GPP, SRPP and related opportunities will be promoted through the production of both digital and traditional thematic contents.

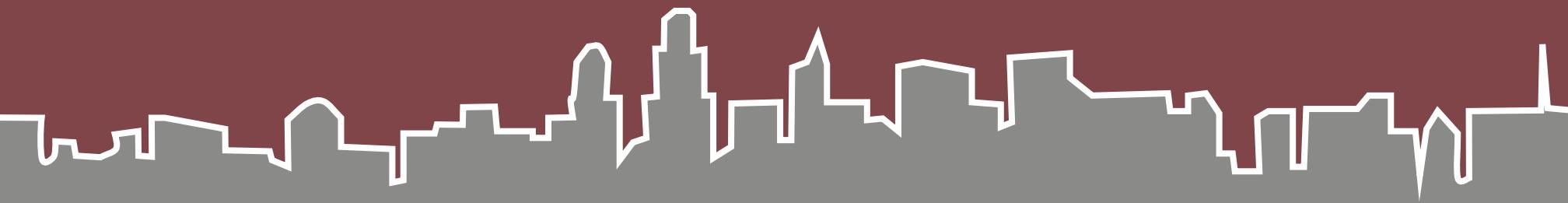
Risk analysis

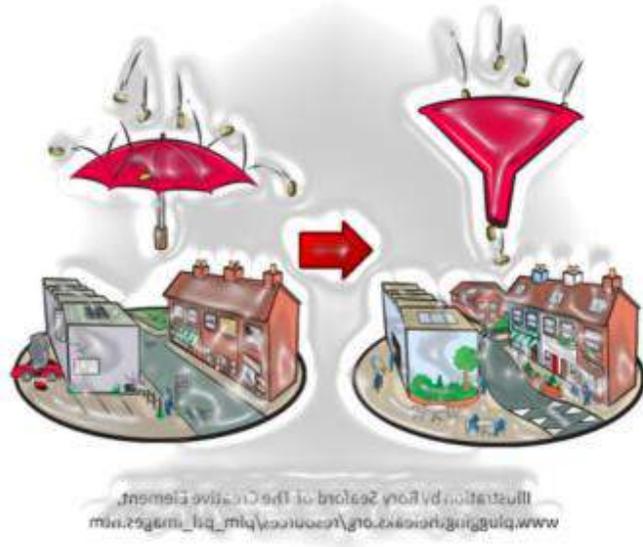
The possible risks identified by the MCBo in the future implementation of its IAP are: a) the growing number of big European facility management multinationals based in the metropolitan area, increasingly competitive with local SMEs – which risk being cut off from the procurement processes and related opportunities (high risk); b) possible difficulties in producing concrete effects in the short time, especially in relation to the 'large-scale' objective to promote a new PP culture in the metropolitan area of Bologna (medium-high risk); c) lack of sufficient financial resources and trained staff, both necessary to promote green and social value criteria in PPP (medium-high risk); d) lack of established procedures and mechanisms fully in line with the new national Procurement Code and related "corrective decree", with resulting possible disputes between the different actors involved (medium risk); e) possible difficulties in continuing the collaboration with all the ULG members, especially in case of changes in their internal staff (medium-low risk).

Resources

About the resources needed to implement its IAP, the MCBo will: a) develop new future project proposals; b) consider internal resources, particularly in terms of dedicated staff involved; c) take advantage of the financial resources allocated by the *PON* (National Operational Program) *Metropolitan Cities 2014-2020*, adopted by the EC and funded by the Structural Funds, with an allocation of over €892 million aimed at supporting the priorities defined by the *European Urban Agenda*, and the *Europe 2020 Strategy*.

CANDELARIA





INTEGRATED PROCUREMENT STRATEGY CANDELARIA
2018-2022

Executive Summary

The Integrated Strategy for Public Procurement of Candelaria is a reflexive response, planned and implemented to the challenges and problems we have identified, with the ultimate goal of improving the local economy and the quality of life of citizens in a context of global changes in public procurement and the response to the need to adapt to a new scenario for urban dynamism and the ability to attract new activities Born in the framework of the exchange of work at local and international level, joint reflection and analysis of the protection process of the Urbact III Program, The strategy from the local perspective, the framework of the European Union, the new Public Procurement Law, and the conditions established by our geographical position as an island municipality and a Mid-Atlantic European Archipelago.

The new paradigm that is approaching the school allows the social, environmental and economic factors that the city has previously identified. The need to respond to these global challenges of a social, economic, environmental, climatic and demographic nature is key to achieve an intelligent, sustainable and inclusive city, in line with the Operational Program for Sustainable Growth 2014-2020, which is why the public of Candelaria The Procurement Strategy has been included in the Integral Strategy of Sustainable Development of the Municipality approved on November 17, 2017.

In Candelaria, we start from a experience of citizen participation contrasted and extended over time, from the preparation of the Local Agenda 21 to the municipal strategic plans, through numerous sectoral plans that address the strategic problems, the promotion of employment and the company, mobility and accessibility, training and qualification, most recent elaboration of participatory budgets.

En el proceso de desarrollo de la Estrategia, hemos identificado los desafíos que se resumen a continuación:

- Development of criteria for purchasing decisions that explore and consider issues beyond the price.
- Development of a way to mediate where spending is going and the greatest impact it has in Candelaria and in the larger economies of Tenerife.
- Exercise of pressure on the modifications to the Spanish Law through the demonstration of good practices.
- Commitment to local companies to know the acquisition opportunities and develop their skills and ability to bid and win contracts.
- Reduction of suspicion of corruption / aversion to risk (administration / local companies) -Transparency
- Closer monitoring of benefits

With the **goal** of "improving our economy and achieving better social and environmental wellbeing at the local level", the communication commission established within the local group Procure defined the **vision of the Strategy**: *"A plan that allows us to carry out an analysis of expenses for the design of a strategy and investment planning for local development, so that we can obtain social, environmental and economic improvements, thanks to the empowerment of local businesses, through public procurement"*.

Three **general objectives** have been identified that respond to the challenges mentioned in the Strategy:

- Improve the process of public procurement for strategic purposes,
- Improve experience and ability to support local businesses,
- Increase the knowledge of local companies on the possibilities offered by public procurement.

We study each of the lines of action resulting from the analysis and diagnosis, while we estimate the budget and its corresponding funding sources, as well as the set of indicators that will help us in the correct monitoring and implementation.

The **specific objectives** of each one of them are specified in **11 actions** that will be developed within the framework of the monitoring and product indicators that establish the strategy. To improve the countable of software to realise an analysis of experience of expense, on a more precise form.

1. To realize an expense analysis on an annual form, which includes an analysis of the bidding companies.
2. To establish a standardized procedure in all the areas for the publication of the minor contracts in the web portal – contractor profile.
3. To publish an annual summary of the expense analysis realized.
4. To spread the annual strategy of public recruitments before the beginning of the countable year.
5. To incorporate the strategic aims of employment creation and environmental sustainability into the processes of public bidding (previous cases analysis)
6. To reinforce the technical municipal competition/capacity in relation to the use of criteria beyond the Price.
7. To articulate a general procedure to incorporate the innovation in public recruitments, in the municipality.
8. Update and improvement of the municipal database of local companies.
9. Accomplishment of events/meetings/surveys/interviews in depth with and to the local companies.
10. Implementation of communication tools with the local companies (web/events/tables) for the effective participation on the public contracting.

Within the timeframe defined by the 5-year strategy, these actions have a global budget of 328,000 euros of which 86,000.00 euros are municipal contribution and 242,000.00 euros will be financed by other public sources of funds (EDUSI –grant for the Integrated Urban Sustainable Strategy, Government of the State, Government of the Canary Islands, Island Government)

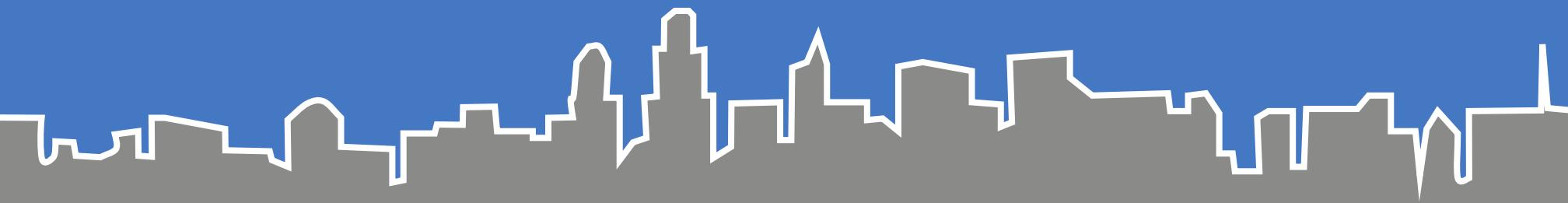
The Procurement Strategy that we propose has followed, among others, the indications of the document "Guidelines for produce an Integrated Action Plan" of Urbact Programme (2017) At the same time we have integrated the information from



the different plans, initiatives and projects that we developed in the municipality linked to the Operational Program of Sustainable Growth 2014-2020.

For the citizens of Candelaria, this is our strategy for public procurement within the Strategy for Sustainable Urban Development. Thanks to this instruments we are defining the path through which we will move towards a more liveable, cohesive and prepared city to face the future.

KOPRIVNICA



City of Koprivnica IAP summary

Public procurement in Croatia has always been a matter of discussion due to its importance in the national GDP and the size of the public sector. Croatia, still has a large public sector and a large number of public procurement users. On top of that, public administration did not go through a serious reform in the last 20 years, making it a very non-efficient and bureaucratic system. This fact also relates to the public procurement processes, which are often lengthy and complicated, with a large number of unsuccessful processes and a small number of innovative processes. The large change that the Croatian procurement system is the introduction of the new law on public procurement that was introduced on the 01.01.2017., with a grace period until the 01.07.2017. The new law on public procurement introduces a large scale of changes, while the most important change being the mandatory introduction of non-pricing criteria.

Due to these changes, many of the public institutions are not ready for the uptake of the new Law and, because of obstacles mentioned before, are going to have a difficult transition period. Also, this difficult transition period will mean that the public institutions will not have resources to reach new goals, like finding ways to engage more local economy into their procurements.

Therefore, the City of Koprivnica has decided to participate in the Procure network in order to increase the capacity of its administration and to develop a practical document, Integrated Action Plan of the City of Koprivnica on public procurement, that will analyse the current situation regarding public procurement, below and above the threshold, and set up the procurement process in a way that is beneficial for the local economy.

Even before the work on this document started, some basic facts were known that indicated that the procurement process in the City of Koprivnica was not up to date. The processes themselves were fulfilling all the legal requirements but no more than that. The main purpose of this document is to use public procurement as a tool for improving local economy while meeting all the legal requirements, keeping the competition level among businesses that are applying for tenders high, secure fair market conditions for all legal subjects that are potentially a part of the procurement process and most importantly, make the procurement process fast and cost effective for the public administration in order to decrease the spending of public funds.

The research done in the scope of this document showed that almost 90% of the procurement processes in Koprivnica are referring to procurement processes below the threshold and therefore, the focus of this document is mostly on this type of procurements. According to the Law on public procurement in Croatia, the threshold for procurement of goods and services is 200.000,00 HRK (cca.26.666,67 €) and 500.000,00 HRK (66.666,67 €) for works. Procurements below the mentioned thresholds are regulated by the City of Koprivnica Rulebook on simple procurement.

The rulebook offers the possibility for the City administration to do procurements till 9.333,33 € without any documentation i.e. a conducted procurement process. There is also a possibility that procurements in this range can be done with all the necessary procedures.

Procurements from 9.333,33 € till 26.666,67 € (goods and services) and 66.666,67 (works) have to have a procurement process which in the end has the following elements;

- min. 3 offers
- appointed committee (decision)
 - minutes

- conclusion of the mayor

The whole process last for 3 – 7 days excluding the deadline for the tender delivery, which is mostly around 7 days, which makes the process last for 14 days in general. Even though there were no clear data on the location of the legal subjects that won the tenders in the previous period, an approximation is that more than 90% of the simple procurement tenders were won by companies that have their headquarters in the administrative area of the City of Koprivnica. On the other hand, 100% of all public procurement processes above the threshold were won by companies outside the administrative area of the City of Koprivnica.

All of these facts have been leading to a number of questions and challenges on;

How to increase the public administration capacity for the implementation of new Law on public procurement?

How to increase the dissemination level of the public procurement plan?

How to get more data on the companies that are involved in the procurement process?

How to preserve the level of involvement of local business in simple procurement processes?

How to make the public procurement process more cost effective, efficient and less straining on the public administration?

In order to achieve the goals, the IAP proposed concrete measures that would address the challenges set in the previous section;

I. Development of a joint public procurement plan of budget users and City owned companies.

A joint public procurement plan would give a better insight into the procurement needs of the public sector in Koprivnica. It is expected that this measure would increase the number of companies answering on PP tenders and having an impact on lowering the prices.

II. Development and implementation of an e-procurement system for simple procurement

An e-procurement system for simple procurement process is going to increase the efficiency and the speed of the procurement process, by that lowering the costs due to less man hours spend on procurement process.

III. Improve communication between the city of Koprivnica and the local companies in terms of public procurement.

This measure would include the presentation of the procurement needs of the public sector at the begging of each year.

IV. Establishment of an administrative office for public procurement.

The goal of centralizing public procurement processes in Koprivnica is to increase the speed of the processes and lower the possibility of making mistakes in the public procurement process.

V. Increasing the span of data regarding the companies that are participating at public procurement processes.

This measure is going to propose that every company that is apply for tenders or that is expressing interest for participation at the tenders will have to answer a short questioner which will give us more data on the company.



The plan is to implement these measure in the next 12 – 18 months, while some of the measure are being implemented.

KOSZALIN





Integrated Action Plan for The City of Koszalin

PROCURE – Creating a good local economy through procurement

URBACT III 2014-2020

Abstract



The City of Koszalin's Integrated Action Plan for the PROCURE Project

In the years of 2015-2018, the City of Koszalin, Poland participated in the PROCURE Action Planning Network (URBACT III Programme for the years of 2014-2020) with 11 partners from 9 EU Member States under the leadership of the City of Preston from the United Kingdom. The topic of the network was to examine how benefits for the local economy and society may be increased from public procurement by large public institutions with their registered offices in the city using possible means.

The result of the project is the Integrated Action Plan developed by the City of Koszalin in cooperation with the local stakeholders integrated in the URBACT Local Group, i.e. other large public procurers: the Koszalin University of Technology, the Regional Hospital, the District of Koszalin and those organizations that associate and support entrepreneurs, including the Koszalin Chamber of Industry and Commerce, the Northern Chamber of Commerce and the Centre for Innovation and Enterprise Foundation.

The Integrated Action Plan is a document which reflects the knowledge and exchange of experience gained on the transnational level through 8 transnational meetings and on the local level, connected with the topics explored by the PROCURE network, which included the following:

- responding to the European and national public procurement law;
- spend analysis and public procurement strategy;
- innovation in public procurement: social and environmental criteria;
- involvement and raising the awareness of local SMEs;
- measurement of the impact of public procurement on the local economy and society.

The Integrated Action Plan diagnoses the situation by analysing the local context and the most important challenges and, in response to these, it establishes activities planned aimed at an increased impact of public procurement on the development of the city.

The City of Koszalin

The City of Koszalin, with over 107 thousand of residents, is the second largest urban centre in the Zachodniopomorskie Province. It is situated by the Baltic Sea coast in the north-west part of Poland. The city is of a sub-regional significance, and it possesses diversified economy with a special industrial economic zone, a well-developed sector of services and trade, and companies with export potential.

In spite of a low unemployment level and developing economy, the following include local social and economic challenges: aiming at matching the standards and quality of the residents' lives with the „old EU” Member States as well as overcoming unfavourable demographical changes connected with a low birth rate and a negative balance of the migration mainly of young people to larger centres and abroad.

Local context, analysis of public procurement and main challenges

Public procurement constitutes an essential part of the EU market, the Polish market and of the economy of Koszalin. According to the analyses carried out of the local public procurement, the value of average annual procurement by public institutions in Koszalin exceeds PLN 500 million (EUR 120 million). Hence, this could be used as one of impulses to stimulate the local development.

According to our research, currently ca. 40% of this spend goes to local entrepreneurs, yet this index is strongly diversified between various entities: for the Municipality of Koszalin, it is almost 74%, while for the Koszalin University of Technology it amounts to 47%, and as little as 9% for the Regional Hospital. There is a general tendency here: the greater the scale of procurement is (e.g. large construction works) and the greater their specialization is (e.g. specialist equipment or services), to a larger extent external entities are the suppliers.

Owing to the research, we have also gained extensive knowledge on those problems that both public procurers and entrepreneurs have to cope with. This allowed us to diagnose the most important local challenges:

1. Little awareness among entrepreneurs concerning the possibilities of their participation in public procurement.

A small percentage of entrepreneurs, and SMEs in particular, participate in public procurement. The companies have no awareness of how big and important this market is and they have no knowledge as to where information

on the possibility of participation in public procurement can be sought. Furthermore, they have no competences to successfully participate in this process.

2. Little awareness among public procurers on the local business potential

By analogy, public institutions in Koszalin possess insufficient knowledge as to what goods and services the local companies can supply, in particular as regards public procurement below the national threshold that is not subject to the constrictions of the Public Procurement Law Act and that is based on internal procedures.

3. Adequate use of non-pricing criteria

For many years, the lowest price criterion dominated in Poland for various reasons in the national practice of public procurement. Public procurers do not have any knowledge, experience or good examples as to how to use other criteria, especially social and environmental criteria, to benefit the city.

4. Bureaucracy and complicated stiff national public procurement legal framework

The legal culture of the country connected with a low level of public trust results in a legislative and administrative system focused on the process of administration and verification of compliance with procedures rather than on its purpose, while meticulous and frequently amended legal regulations lead to unclear and contradictory interpretations.

Main objective

The main objective of the Integrated Action Plan for the City of Koszalin for the PROCURE Project that responds to the challenges diagnosed is to increase the retention of public funds of the Koszalin City on the local level and to benefit the local economy. We would like this increase to achieve 5% more in the perspective of 5 years.

Activities planned

The main objective will be achieved through the implementation of a number of complementary activities that respond to the challenges diagnosed. The stakeholders that cooperate with the city will be involved in their implementation:

1. Analysis of the actual public spend.
2. Creation of a website for entrepreneurs to encourage participation in public procurement that includes resources such as procurers' profiles and useful information.
3. Revival of the Catalogue of Local Companies within the framework of the Koszalin Economic Portal and its promotion among public procurers in Koszalin.
4. Strengthening the competences of public procurers as regards the use of adequate non-price criteria (social and environmental criteria in particular) in public procurement.
5. Strengthening the competences of entrepreneurs to participate in public procurement through the organization of trainings and consultancy.
6. Facilitating for SME access to public procurement, such as dividing procurement into smaller parts, demand of smaller economic requirements, procedural simplifications and ultimate electronization of the process.

The activities planned in the Integrated Action Plan in response to the challenges diagnosed will contribute in a longer perspective to an increase of an effective participation of local entrepreneurs in public procurement by the City of Koszalin and other large public institutions; thereby, this will ensure a new impulse for growth to small and medium entrepreneurs, owing to which their development will be possible that will result in a greater number of jobs and improved salary conditions. In the long term, this will have an impact on improved living standards of the residents of Koszalin and on a reduction of economic emigration to larger centres and abroad.

Implementation of the activities

The implementation of the activities planned will not involve any high costs for the budget of the City. Within the framework of national and regional operative programmes, it will be possible to additionally apply for grants from EU funds for those activities which consist in the development of the competences of employees from public sectors and from companies.

The risk assessment carried out also demonstrates that the activities included in the Integrated Plan of Action can be fully implemented and no serious financial, legal or institutional risk factors endanger their implementation.

LUBLIN



SUMMARY

CREATING A GOOD LOCAL ECONOMY THROUGH PROCUREMENT

Summary of the Integrated Action Plan

Lublin

The project Procure - "Creating a good local economy through Procurement" which is co-financed by the European Regional Development Fund under the URBACT III program and which leader is the city of Preston (Great Britain) is implemented together with the partners from following countries: the Netherlands, Spain, Hungary, Romania, Croatia, Czech Republic, Italy, as well as another Polish partner - the city of Koszalin.

The project involves the creation of an international network of partner cities cooperation under the URBACT III program.

Introduction of new legal solutions in the field of public procurement in the European Union in February 2014 enabled the use of more innovative solutions. The new regulations are designed to facilitate the access of small and medium-sized enterprises to participation in public procurement procedures, and thus they create the possibility of indirect use of public funds to develop the local economy and support local communities.

The general objective of the project is to help project partners with the use of public procurement and develop integrated strategies and practices that will contribute to the development of the local economy of partner cities of the project.

Indirect goals of measures taken within the project include:

- increase in spending of funds by public institutions in the local economy
- development of procedures facilitating creating of jobs/improving staff competences in the local economy
- - raising the standard of living (including wage levels)

Local Action Plan responses to the need to determine the direction of changes in the area of public procurement.

The assumption is to indicate solutions that will allow increased spending of public funds in the local economy, as part of the applicable law.

Fulfilling new challenges that arose as a result of changes in the area of public procurement, the city of Lublin put the main emphasis on the following aspects at

the local level:

Development of a strategy of public procurement for the City of Lublin;

- Development of the use of criteria not based on price as well as criteria regarding social values when making decisions related to public procurement;
- Preparation of a template for all non-governmental organizations based in Lublin, intended for public procurement and taking into account the strategy and a broader set of criteria;
- Development of practices within the use of social clauses in public procurement.

Four areas were outlined, within which the City of Lublin is willing to introduce changes as a result of the city's involvement in the organization of public procurement and in creating of the Integrated Action Plan:

- A more flexible approach to public procurement;
- A new way of thinking about public procurement in departments of the City of Lublin as well as in other non-governmental institutions located in this city, with particular emphasis on social values;
- Change in culture in the supply chain within the delivery of social values through public procurement;
- Changes in the policy and practices, based on learning from other partner cities of the public procurement network;

An important element of the Local Action Plan is to define the objective, which is to increase the involvement of local enterprises in public procurement, however, specification of assumptions as well as tasks and identification of the main problems in the City of Lublin in the context of public procurement is no less important.

The above diagnosis determined the next stage which is identifying the challenges that the city of Lublin has set itself.

The following were recognized as important specific objectives:

- Increased spending in the local economy
- Increased involvement of employees employed under a full-time employment contract within public procurement
- Increased involvement of unemployed people within public procurement
- Increased involvement of local entrepreneurs applying for a public contract

The following activities were recognized as important to achieve the objective:

- Creating a subpage on www.lublin.eu with information on current changes in legislation, good practices, etc.
- Division of contracts into smaller lots in order to increase availability
- The use of a payment plan on a larger scale (where possible) with the possibility of paying for completed work stages
- Constant expenditure analysis and monitoring of results
- Implementation of environmental criteria on a larger scale
- Assisting local entrepreneurs in acquiring skills allowing them to participate in tender proceedings
- Engaging local stakeholders and consulting the needs of the local community - seeking opportunities for broader application of social criteria in public procurement
- Combination of public procurement procedures with the Development Strategy of the City of Lublin (Areas: Openness and Entrepreneurship)

The City of Lublin took measures aimed at identifying the percentage of local entities in the public procurement process by conducting analysis divided into construction works, services, and deliveries as well as concerning the number and value of contracts concluded with local entrepreneurs.

The conducted analyzes proved that local entrepreneurs more often award contracts for procurements of lower, the so-called subliminal value, i.e. up to EUR 30.000. This confirms that the market of local contractors is the market for small and medium-sized enterprises. At the same time, the conducted analyzes show the profile of companies operating on the local market - these are companies that focus on providing services.

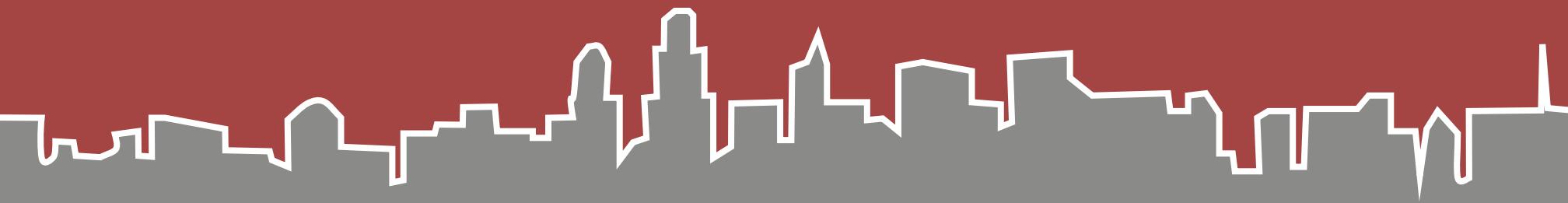
However, there is a small involvement of contracts for construction works and deliveries.

Referring to the goals and tools of the Plan for responsible development as well as the tasks of economic policy, shaping the development of an innovative economy, the conditions, barriers and effects was indicated.

An important element is to diagnose potential risks that may occur in the process of implementing key measures that have been determined to achieve the goal. The planned measures are subject to risks which, due to objective reasons, may result in failure to achieve the intended goals and to obtain other than planned indicators. Each of the measures taken to achieve specific goals requires cooperation of the responsible institution, key partners and resources that will allow achieving the intended effects.

The Local Action Plan is a response to the need to set out changes in the area of Public Procurement. Its scope includes the developed diagnoses of the current status of public procurement, identified opportunities for changes in current practices, as well as barriers and challenges to streamline the entire procurement process.

NAGYKÁLLÓ



5 Summary of the Integrated Action Plan for Nagykálló

Context

The aim of URBACT's project called Procure is to explore how to harness the spending power through the procurement processes of public/anchor institutions in each of the partner cities to bring about economic, social and environmental benefits for businesses and people which in turn will have a positive impact on the city and its local economy.

The Municipality of Nagykálló was instigated by several factors to join this network, factors such as unflattering demographic changes; Nagykálló is strongly affected by unfavorable demographic changes. The population, particularly in its outskirts, is shrinking and aging since especially young people are migrating away from the area and start their family in bigger cities or abroad. Furthermore, the Administrations were lack of knowledge and experience related to new national and EU procurement related regulations most notably around qualitative evaluation, monitoring, effective use of environmental- and social criteria. Last but not least the Municipality were also lack of available data and database in connection with procurement spends - where are these going geographically and what is their distribution between local and non-local businesses – and local suppliers.

Actions

In the framework of the project, Nagykálló undertook the elaboration of a comprehensive Integrated Action Plan (IAP) related to the development of local economy with the help of procurement processes. The main focus and proposed actions of this plan correspond with the objectives of Procure and were outlined through an array of URBACT Local Group (ULG) meetings. Said actions are all considering the local characteristics and challenges perceived by stakeholders and the Municipality, like for example spending too much time on administration, lack of capacity or lack of SME involvement.

Both the IAP and the town of Nagykálló have benefited a lot from the transnational meetings during the lifetime of the project and all the themes and inputs from other partners were useful and most of them were used in relation to the elaboration of the action plan and the implementation of proposed actions. Which are, for instance creating an online capacity database and organizing a series of entrepreneurial forums which serve the purpose of informing relevant stakeholders about imminent procurement processes provide them a better understanding of what the Municipality is trying to achieve out of its procurement processes and can pave the way for future cooperation between local businesses. Further actions of the town are creating a procurement strategy and annual spend analysis when former seeks to encourage procurers of the town to consider other issues beyond price and quality when it comes to the design of procurement processes and contribute to the strategic direction of the Municipality and latter helps to track procurement spends geographically and to analyse the distribution between locals and non-locals.

Objectives

The overarching objective of the Municipality which it seeks to achieve with the help of implementing these actions is to improve local economy by enhancing the role of local SMEs in public procurement processes. Moreover, with the help of progressive procurement processes the administration pursues to achieve specific objectives as well, such as reducing unemployment rate, increasing local tax incomes, improving transparency and keeping the money in town while key performance indicators are increasing the number of local employees and interns hired by local businesses, increasing local tax incomes, organising entrepreneurial forums and increasing spends with local suppliers over the course of the next 5-10 years.

It is clearly visible from the above that, as a result of Procure, something has started in this small Hungarian town. The eagerness and the desire are there to change the approach, which is perfect for a first step. However, there is still a long way to go and this is where our Integrated Action Plan will support us in doing that.

PRAGUE 9



Summary of Integrated Action Plan

Integrated Action Plan (IAP) for Prague 9 has been developed as a part of the activities, which are creating a good local economy through the Procure network, formed by eleven partners. The Lead partner is the Preston City Council. The network has been co-funded by URBACT III Programme that seeks enabling transnational exchange and learning among the cities on particular topics.

The Procure network seeks connecting cities and building success stories on the topic of procurement, which is a process used by public authorities and commercial business to purchase goods and services.

The network begun in September 2015 (see the baseline study) and it lasts until May 2018. Procure partners have had regular meetings (both at a transnational - European level and at a local level - through local stakeholder groups) where they discuss and explore a number of topics with a core purpose, developing IAP. The partners agreed that the aim of the project at transnational and local levels should be upon the following topics:

- Responding to the European as well as national law
- Developing of a Spend analysis and a procurement strategy;
- Innovation in procurement: social and environmental criteria;
- Engaging and raising awareness with local businesses and SMEs;
- Monitoring impact;

The IAP Prague 9 reflects the knowledge and learning gathered from transnational to local levels on the above-mentioned topics and has set up plan of actions for progressing procurement activities. It is shaped by (a) the challenges we identified in the baseline study, (b) our existing processes and practices around procurement, (c) what we have learnt through the network, and (d) what we want to do and to achieve.

At the beginning team identified all problems in this area. A first task of the project begun with a description of the current situation, both in the legislative area and in the municipality processes itself. Laws regarding the selection of procedure were analysed in the context of the contracting authority as well as from the point of view of the Municipal District Prague 9. At that time, it was necessary to make a proper Spend Analysis that would indicate consequences

and context in Prague 9 spending. As the next step there were analysed processes that are implemented in the municipality in terms of public procurement. In these processes there were identified weaknesses, which should be clarified, as the situation that new processes will be institutionalized and implemented ambiguously can be avoid. Errors has been identified and corrected. There are problems associated with procedure selection itself. They are caused by the law and ambiguities itself and by problems arising in the municipality house. Mentioned problems include the vague strategy of the contracting authority, lack of social and environmental indicators and the fundamental lack of information.

The project is led by town councillor Ing. Zdeněk Davídek. Pavel Pospíšek and Helena Kvačková are responsible for financial and organisational project realisation. Andrea Davídková has helped with preparation of IAP. Other people were responsible for difficult project financial reporting towards the control authorities of the Czech Republic.

- 1) At the beginning of the project, ULG (Urbact Local Group) was established. The ULG consists of representatives who are decision makers of the tendering organisations and other members directly responsible for bidding tenders in small and middle entrepreneurs. This group set the time schedule for the project in Prague 9, clarified the objectives of the project and further steps, which should be taken to achieve the goals during the project period. The project has started in considerable uncertainty, since Prague 9 did not have any preliminary analyses or strategies regarding this field. Moreover, there was a change of legislation in Czech Republic in this field. The ULG was working very closely with officials from the Municipality of Prague 9 and used their experience in public procurement. ULG during the regular meetings has been discussing various project activities also in the cooperation with the colleagues from Municipality. Practical case studies were discussed - workshops with direct impact on strengthening of knowledge of public procurement. These workshops helped to connect ULG members with other participants. Weaknesses of tenders organised by Municipality and other organizations have

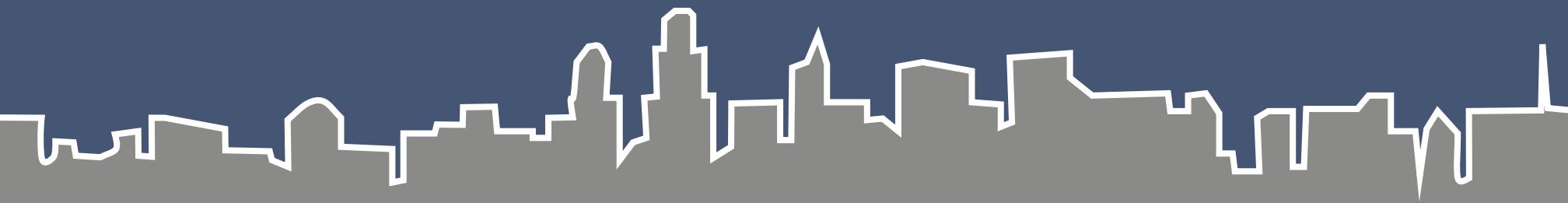
been identified and ULG created basic statistical information for Prague 9. Representatives of small and middle entrepreneurs were also members of ULG, whose coordination was led by our informal partner - the Chamber of Commerce, which was also represented in the project management.

- 2) On the basis of the decision from the Lublin partner meeting, a study of national legislation was carried out. The partners were acquainted with European legislation during the joint meetings.
- 3) A co-operating law firm was approached to assist with the revision of documents and their legal verification. As the first task to be processed was preparation of Spend Analyses according to the requirements of the ULG. The ULG was regularly informed about results of international workshops and internal analyses.
- 4) The international meetings with the project partners were always very effective and provided a number of examples that were directly applicable in practice. In addition to the introduction of environmental and social indicators in the tenders of the Municipal District of Prague 9, there was a rather long discussion with leadership of the City Hall. Its leadership required a confirmation of indicators in practice by a law firm. They wanted to ensure that city officials and school managements would be protected from inappropriate usage of these indicators. Therefore, detailed instructions, respectively a manual for the selection process and the usage of indicators in practice were prepared. Two tenders were implemented using mentioned indicators and experiences are incorporated into the manual.
- 5) Once the Spend Analysis was developed, the project management was asked to prepare other similar material for 2017, so that comparisons can be made and, where appropriate, refine or adjust the queries according to the current situation.
- 6) Activities of the Municipal District Prague 9 in the project were, in addition to the Spend Analysis, planned in several steps, including a workshop that was organised for the use of environmental indicators in practice. All these activities have been successfully fulfilled. In addition, the number of tenders using social and environmental indicators will be monitored in practice. A law firm will handle any questions or shortcomings. The project included standard steps, such as risk analysis, publicity according to URBACT rules and a billing

program. The project was enlarged by new activities such as Spend Analysis II, Manual for Officials, Legal Analysis of the Use of Environmental and Social Indicators to Transfer Funds to External Services

- 7) The above and the following activities were defined by the ULG in terms of project, namely the creation of Spend Analysis II and determination of its assignment, the content of the workshop which took place simultaneously with the ULG meetings, the determination of environmental and social criteria and their confirmation by legal experts and implementation into the work system of Prague 9. In two cases there were those criteria used in specific tenders.
- 8) The final step of the project will be an elaboration of the basic statement for the Prague 9 Municipal Council as the responsible authority. The statement will be in fact a strategy that will use social and environmental indicators in tenders. This strategy is going to monitor an effect of using these indicators. The Municipal District Prague 9 will require this also from subordinate organizations. This information will also be communicated to the Prague Municipality.
- 9) The project is going to be evaluated both financially and organizationally, especially in its long-term benefits. All activities and actions were continuously presented to the project partners at annual meetings and partner's comments and amendments were incorporated. All project activities have been documented and are available to partners.
- 10) After finishing all mentioned steps of evaluation of contribution to the project, its activities, which supposed to lead to improvement of quality in selection procedures in Prague 9, will be accomplished. Other subordinate organisations contributed to the successful end of the project. From current perspective it is possible to confirm that the project activities led to an increase of quality of the procurement, the ability of contracting authority to decide strategically and according to the long-term evaluation of the information. Processes have been set up at the City Hall itself and will lead to an increased number of tenders using social and environmental criteria.

PRESTON



URBACT Local Group for Preston and Lancashire Integrated Action Plan Summary



The Integrated Action Plan (IAP) for Preston and Lancashire has been developed as part of the activities of the **Procure network** towards ‘creating a good local economy through procurement’.

Procure¹ is a network of 11 partners², led by Preston City Council and funded through the URBACT III Programme³ for two years (Sept 2015 – May 2018).

Learning from the Procure network

The IAP for Preston and Lancashire reflects on the knowledge and learning gleaned from transnational and local levels around the above themes and sets out our plan of actions for progressing procurement activities moving forward.

Being part of the Procure network enabled Preston to learn from other cities and countries’ practices and point of view on progressive public procurement, especially on changing mindset across an organisation, examples of the use of social and environmental criteria, engaging with the local business base and good practices for coproducing the Integrated Action Plan with local stakeholders.

The URBACT Local Group for Preston and Lancashire (ULG)

The ULG builds upon the activities of a Preston Procurement Practitioners group which had been operating for two years prior to the ULG for the purposes of a ‘Community Wealth Building Initiative’. The membership was extended with the Procure project to include organisations operating across the Lancashire County and business representatives to give the suppliers’ side perspective.

| | | | |
|---|--|--------------------------|--|
| Preston Functional Area | Public Sector | Lancashire County | Public Sector |
| | <ul style="list-style-type: none"> • PCC Procurement • PCC Policy and Social Justice • PCC Planning • PCC Political representatives • South Ribble Borough Council | | <ul style="list-style-type: none"> • Police and Crime Commission • Lancashire Constabulary • Blackburn with Darwen Council • Blackpool City Council • Big Lottery Fund for Lancashire |
| | Education Institutions | | Business representative organisations |
| <ul style="list-style-type: none"> • University of Central Lancashire (UCLan Procurement and Academia) • Cardinal Newman College • Preston’s College | <ul style="list-style-type: none"> • Lancashire Enterprise Partnership (City Deal) • North&Western Lancashire Chamber of Commerce • Federation of Small Businesses (Lancashire and Cumbria) | | |
| Private not-for-profit | Education Institutions | | |
| <ul style="list-style-type: none"> • Community Gateway (Housing association) • Preston Cultural Partnership | <ul style="list-style-type: none"> • Blackburn College | | |

¹ <http://urbact.eu/procure>

² <http://urbact.eu/interactive-map?network=7450>

³ <http://urbact.eu/>

The local economy

- **The City of Preston**

The City of Preston is based in North West England, and has a population of 140,000, with its Functional Urban Area (FUA) having a population of 365,000 people. Like many cities in the UK, Preston has undergone a degree of economic restructuring and shifted from a focus upon manufacturing to one of services.

Despite the perceived values of a service driven economy, there are challenges and Preston continues to perform below the North West England and Great Britain averages when it comes to employment rate, low pay and life expectancy.

- **Lancashire region**

Lancashire has one of the largest local economies in the North of England, and has a population of 1.4m.

Although Lancashire's economy is predicted to grow, there is still a significant productivity and income gap in comparison with the national average.

If Lancashire is to maximise its economic potential it will need to fully exploit its key innovation, skills, sector base and transport assets⁴.

The legal framework

Public procurement in the United Kingdom (UK) is based on national procurement legislation enacted from the EU 2014 Directives. The transition into national law was accelerated as it echoed the approach from the UK Social Value Act 2012, which requires public bodies to consider how the services that they commission and procure might improve the economic, social and environmental well-being of the area.

Additionally, Preston City Council uses thresholds which trigger a different procurement route. In this way, relatively low value procurements can be dealt with using informal quotes, thereby increasing efficiency, with a strong focus on value for money. Conversely, larger opportunities (over £75k) will be subject to open advertisements, and therefore introduce complete transparency and unlimited competition.

There is a possibility that the procurement regime in the UK as we know it today will change with Brexit, which will have to be factored in future strategies.

Local policy

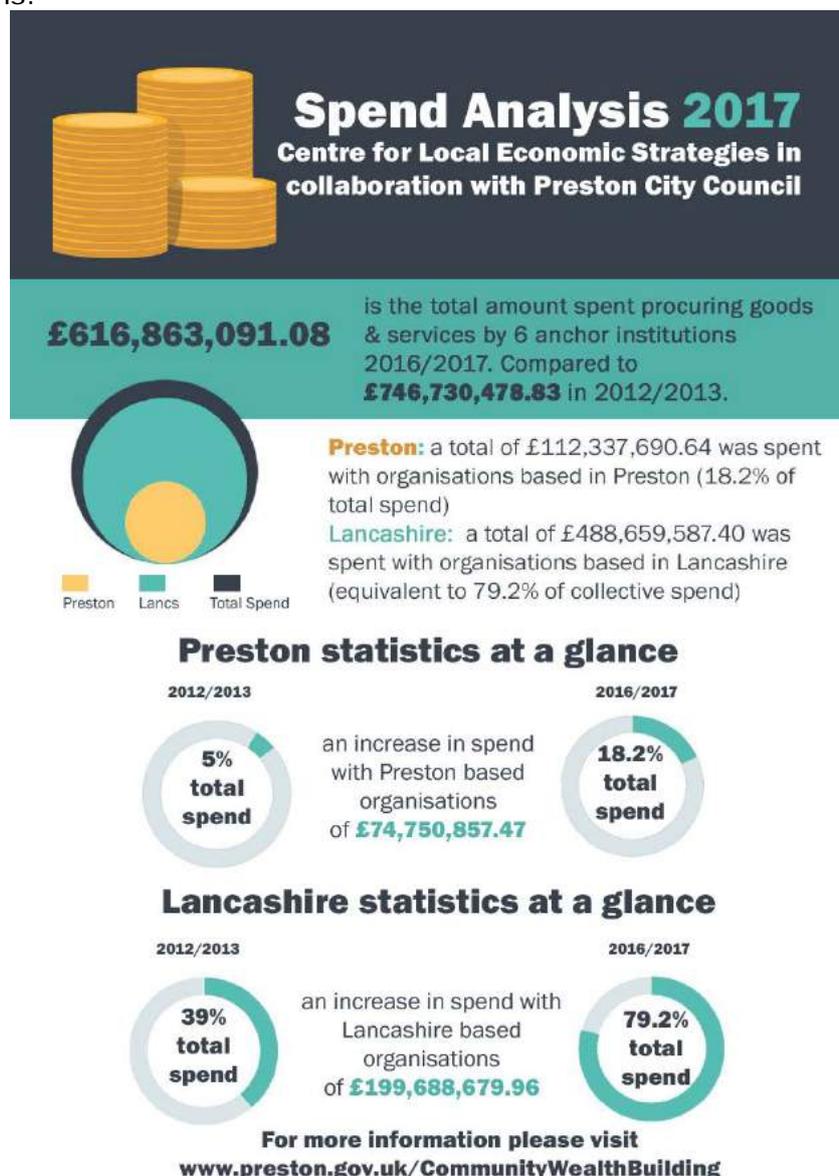
- **Spend analysis and Community Wealth Building initiative**

There has already been a collective effort in Preston to understand where spend goes with an initiative called 'Community Wealth Building' started in 2011⁵.

⁴ Lancashire Strategic Economic Plan – A Growth Deal for the Arc of Prosperity, March 2014

⁵ <https://cles.org.uk/press-releases/community-wealth-benefits-locals-in-lancashire/>

Six anchor institutions undertook analysis of their procurement spend to understand the extent to which it is with Preston and wider Lancashire based organisations:



However, £128m is still leaking out of Lancashire economy.

Further research has indicated that out of the spend across the institutions with the top 30 suppliers based outside of Lancashire (£98m), it is estimated that £58m (60.0%) is **potentially influenceable**. Furthermore, the sectors of **Works – Construction, Repair and Maintenance, Human Resources, and Consultancy** are the ones with the greatest amounts of potentially influenceable spend.

Highlighting the gaps within the local market thus creates opportunities for the institutions to look for new market providers or alternative models of supply, such as cooperatives. A support group for setting up **cooperatives**, the Preston Co-operative Development Network (PCN), has been recently created⁶.

⁶ <http://clock.uclan.ac.uk/14526/1/Co-operative%20activity%20PrestonREPORT%20copy.pdf>

Challenges

The main challenge for Preston's ULG is the **leakage of spend out of the region**. Other challenges relate to

- Legal clarifications
- Defining geography
- Internal capacity & budget constraints
- Link procurement to local priorities
- Improve understanding of 'social value'
- Local Supplier Awareness
- Standardising documentation
- Monitoring benefits

Setting focus and objectives

The focus and objectives for Preston draw upon a Statement of Intent drafted as part of the activities of the Community Wealth Building initiative (described in the IAP)

- **Overarching aim for the Integrated Action Plan for Preston and the wider Lancashire**

To build a common local economy strategy across anchor institutions from the region and develop knowledge and capacity of local suppliers.

In terms of change which the members of the ULG are seeking to realise as a result of involvement in the Procure network and through the co-production of the Integrated Action Plan, there are mainly three areas:

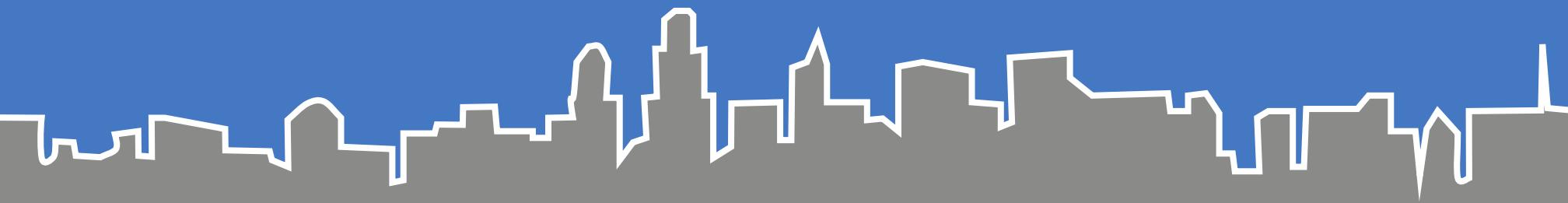
- More collaborative working with anchor institutions and supply chain organisations around procurement;
- Enhanced impact in economic, social and environmental terms for the Preston and wider Lancashire economies which would need to be measured;
- A local business base with greater awareness of procurement opportunities

- **Objectives**

Over the duration of the Procure project, the ULG has defined objectives and actions to adopt progressive procurement practices:

| | Specific objective | Result indicator | | | Actions | Output indicator | Risk | Resources | |
|--------------------|---|--|-------------------|------------|---------------------------|--|--|--|---|
| | | Type | Baseline | Target | | | | | Source |
| Buyer awareness | Increase the amount of influenceable spend in the local economy | Annual spend within Preston by anchor institutions | 18% (2016) | 22% (2020) | Combined spend analysis* | Common procurement strategy - "Buyers Guide" | Nr of partners adopting strategy | Medium-availability of members to meet and create strategy and needs strategic endorsement; ongoing management of the strategy | Staff time (group, communications teams), Marketing costs (publication, branding) |
| | | Annual spend within Lancashire by anchor institutions | 79% (2016) | 85% (2020) | Combined spend analysis* | | | | |
| | Increase the use of social value in procurement | Annual nr of opportunities including social value evaluation issued by anchor institutions | 10 (2016) | 30 (2020) | Anchor institution report | Create a common procurement strategy- to incorporate into "Buyers Guide" | Nr of partners adopting Preston anchors procurement strategy | Idem | Staff time (group, communications teams), marketing costs (publication, branding) |
| | | | | | | Create supplier info/guidance/ toolkit for social value | Nr of suppliers receiving social value guidance | Low – Manchester and Lancashire SV toolkit as models | |
| Supplier awareness | Increase nr of SMEs and local businesses bidding for public contracts | Annual number of SMEs bidding for anchor institutions opportunities | 100 (2017) | 500 (2020) | Anchor institution report | Organise meet the buyer/ supplier day events | Nr of suppliers attending supplier days | High – need financial resources and lead to organise events | Event organisation and budget |
| | Increase the amount of direct spend re-invested back in the local economy | Annual spend within Preston by suppliers | 30,4% (2016 PCC) | 35% (2020) | Anchor institution report | Organise meet the buyer/supplier day events | Nr of suppliers attending supplier days | Idem | |
| | | Within Lancashire | 44,2 % (2016 PCC) | 60% (2020) | Anchor institution report | | | | |

SATU MARE



INTEGRATED ACTION PLAN

SATU MARE COUNTY INTERCOMMUNITY DEVELOPMENT ASSOCIATION

EXECUTIVE SUMMARY

This Integrated Action Plan (IAP) for Satu Mare has been developed as part of the activities of ‘creating a good local economy through procurement’ (Procure) network.

Procure is a network of 11 partners, funded through the URBACT III Programme which seeks to enable transnational exchange and learning between cities around the theme of procurement, which is the process used by public authorities and commercial business to purchase goods and services.

The IAP for Satu Mare reflects on the knowledge and learning gleaned from transnational and local levels around the above themes and sets out our plan of actions for progressing procurement activities moving forward. It is shaped by: the challenges we identified in the baseline study, our existing processes and practices around procurement, what we have learnt through the network, and what we want to do and achieve moving forward.

CONTEXT

The member institutions of the Local Support Group of the project are the following: Satu Mare County Intercommunity Development Association, County Council Satu Mare, Satu Mare Airport, Satu Mare County Museum, County Hospital, Chamber of Commerce, Industry and Agriculture Satu Mare, Negresti-Oas Town Hall, Tășnad Town Hall, Carei Municipality, City Hall of Livada.

The County of Satu Mare is located in the North West of Romania. The County includes six cities (Satu Mare – the largest and main administrative centre, Carei, Negresti-Oas, Tășnad, Livada and Ardud) and 59 communes. The County of Satu Mare is well-placed with borders to Hungary and Ukraine.

The European legislation on public procurement has been transposed into the Romanian legislation through: Law 98/2016 on public procurement, Law 99/2016 on sectoral procurements, Law 100/2016 on concessions of works and services and Law 101/2016 on remedies and appeals. The award procedures available in Romania are: the open tender, limited tender, competitive dialogue, partnership for innovation, competitive negotiation, negotiation without notice, request for offers, and contest of solutions. The most used ones are the open tender and the limited tender.

The direct procurement is used for products, services if the estimated value does not exceed the value of 132.519 lei (around € 29.400); for works if the estimated value does not exceed the value of 441.730 lei (around €98.150).

The Integrated Local Action Plan develops an innovative approach to the possibility of bringing a plus for local community by using award criteria in the public procurement process other than "price" such as social and environmental criteria.

The County of Satu Mare is hugely restrained by national level legislation in changing the procurement system and innovate in this field. The County of Satu Mare has therefore done little in terms of seeking to maximize the impact of procurement on the local economy. Practice is restricted to goods and services below the thresholds of Euro 29,400 for goods and services and Euro 98,150 for works, with some use of local businesses to deliver and some lotting of contracts to encourage smaller firms to bid.

The county and the cities all have dedicated procurement offices, which cooperate with the contracting department in the design of procured goods and services, and use their website to advertise procurement opportunities. According to the national legislation, all public authorities are to elaborate annual procurement plans.

CHALLENGES

The local support group established within the project has defined the main problems in public procurement using the problems tree. From this exercise the following problems, causes and effects were identified. These problems in terms of procurement identified at the level of the Satu Mare County, are namely: Lack of awareness amongst local business base of opportunities/lack of municipality knowledge of local business base; Bureaucratic and rigid national level law; Suspicion of unfair behavior in procurement/risk aversion; Inflexible criteria beyond price in procurement decisions; Procurement is a long process; Internal procurement expertise and capacity; Using the new criteria which have been introduced – quality / price, quality / cost, lowest cost. (not only lowest price).

FOCUS AND OBJECTIVES

Objectives of Integrated Action Plan: Raising the value of direct spent in the local economy; Raising the number of local businesses and SMEs aware of the procurement potential; Changing mentality and culture in public procurement.

ACTIONS

The local support group established within the project has defined the main actions for this integrated action plan: Develop good practice guide; Divide contracts into lots (Lotting of contracts for SME's); Develop database of local businesses. Intended Results are: Increase of awareness in public procurement; Reaching of local business to contracts; Spread of information about bidding.

FUNDING SCHEME

The actions described will be delivered from internal resources of Lead Agencies: Satu Mare County Intercommunity Development Association, Satu Mare County Council Purchase Department and Satu Mare Chamber of Commerce and Industry.

FRAMEWORK OF DELIVERY

The framework of delivery for actions is stated as follows: for the development of good practice guide for Public Procurement examples in EU level, are required for ADI Județul Satu Mare to presentations from transnational meetings in URBACT Procure network, in order to give a wide picture about to European level opportunities for stakeholders; for lotting of contracts - a European Union must-Satu Mare County Council Purchase Department will gather the inputs from ULG member institutions and local municipalities about the results at their level of dividing contract in lots; Satu Mare Chamber of Commerce and Industry will develop the database of local businesses requiring feed-back from ULG members.

DESCRIPTION OF PROCESS

The role of URBACT Local Support Group is to co-produce the Integrated Action Plan. There is the political will to implement these changes in procurement and the President of Satu Mare County Council and of the

Satu Mare County Intercommunity Development Association (the partner in Procure) fully supports the network activities.

RISK ANALYSIS

We identified the following risks for the actions, at high and medium level: lack of staff capacity, inapplicability due to different local policy approaches, lack of interest from beneficiaries (target group), the lack of interest of economic operators in the bid, hinders the evaluation of tenders, appeals, the difficulty of monitoring the impact of lotting, legislation that leaves room for interpretation, realizing differently the works, services provided by different economic operators, limited access to full company data, lack of affordable funding sources, lack of interest of local firms to provide / update their data.



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