



European
Commission

Making Socially Responsible Public Procurement Work: 71 Good Practice Cases

#WeBuySocialEU
May 2020



Simplifying the verification
of compliance with ILO
core labour standards
in the textile sector

City of Bonn, Germany

Simplifying the verification of compliance with ILO core labour standards in the textile sector

Name of procuring authority, Country: City of Bonn, Germany

Product or service sector: Textiles



Introduction/procurement objective

The City of Bonn is committed to ensuring that public contracts are only awarded to companies who ensure that the goods procured have been obtained or manufactured in compliance with the minimum standards laid down in the ILO's core labour standards.

In the textile sector, several ethical labels or multi-stakeholder initiatives exist (such as the Fair Wear Foundation or Ethical Trading Initiative), which can help to verify either total or partial compliance with the core labour standards. However, knowing which labels or what equivalent evidence is needed to verify each specific standard is not always straightforward.

To overcome this, the City of Bonn, in collaboration with the NGO FEMNET, has developed an easy to

use Social Criteria Questionnaire, which allows bidders to easily verify each criterion through labels, membership of an initiative, or alternative evidence such as social audits or management audits by independent third parties.

The Social Criteria Questionnaire was first piloted in 2016 in a tender for uniforms for green space maintenance employees that were manufactured in socially responsible working conditions. The Questionnaire development was informed by market analysis, which helped Bonn to define appropriate evidence for each required social standard, as well as to allocate lots according to the evidenced market availability of ethically manufactured clothing.

In 2018, a second call for tender was published, this time also including lots on leather goods. The aim was to procure robust workwear, while strengthening those providers who are already

committed to producing products in a socially acceptable way.

Subject matter

Service and protective clothing including leather goods

Stage of procurement phase and criteria

In the 2018 procurement of workwear, the award criteria were weighted as follows:

- Price (40%)
- Use value (30%) – equal points were available for quality, workmanship and equipment. Points were awarded by a review panel made up of users, health and safety officers, and the Staff Council (an elected body representing staff interests, commonly present in German organisations)
- Social criteria (30%) – scored according to the ‘Social Criteria Questionnaire’ (described under ‘Verification’).

Offers had to be accompanied by the Social Criteria Questionnaire, which included nine questions per product to be procured. The questions relate to the manufacturing conditions at the final production stage (that is, the production site where the procured product was finalised).

The Social Criteria Questionnaire clearly indicates acceptable forms of verification (i.e. relevant third-party textile seals, certificates or memberships). Some forms of verification can be used to provide a positive answer to all of the below questions (and thus score a maximum 29 points). Other forms of verification only positively answer some of the below questions, and score points accordingly. The number of points available per question was weighted according to their respective social impact (points available for each shown below in brackets):

1. Do you, as a dealer or brand, identify risks and their impact on compliance with the ILO standards at the final production stage for the specific product being procured? (2 points)

2. Do you, as a dealer or brand, have a written commitment to respect the above social standards at the final production stage for the specific product being procured, which also includes possible sub-contractors? (1 point)
3. Do you, as a dealer or brand, support the announcement in the local language of a Code of Conduct (i.e. a collection of policies and regulations that the company imposes upon itself) at the final production stage for the specific product being procured, which also includes possible sub-contractors? (3 points)
4. Do you, as a dealer or brand, have knowledge of the production site in which the product, which is being procured in the specific order, was produced as a final product? (3 points)
5. Do you, as a dealer or brand, audit compliance with the above social standards through independent social audits at the final production stage for the specific product being procured? (3 points)
6. Do you, as a dealer or brand, support compliance with the above social standards at the final production stage in the contract by conducting periodic and independent reviews of your management system or branded company (regarding their impact on compliance with the social standards)? (5 points)
7. Is the identification of possible risks by you or the brand with regard to compliance with the aforementioned social standards at the final production stage in the specific order facilitated by implementing an anonymous complaint hotline? (3 points)
8. If the determination of possible risks is made by you or the brand, is compliance with the abovementioned social standards at the final production stage determined by an independent, non-factory, on-the-spot contact person? (5 points)
9. Do you, as a dealer or brand, support the producers by providing training on socially responsible production conditions for the management and employees of the production plant at the final production stage? (4 points)

Social policy objective and/or reference standard

Through this procurement, Bonn aims to improve conditions in the textile supply chain, by ensuring that textiles manufactured for this contract are produced in conditions which meet the ILO Core Conventions:

- Freedom of Association and Protection of the Right to Organise Convention, 1948 (No.87)
- Right to Organise and Collective Bargaining Convention, 1949 (No.98)
- Forced Labour Convention, 1930 (No.29) (and its 2014 Protocol)
- Abolition of Forced Labour Convention, 1957 (No.105)
- Minimum Age Convention, 1973 (No.138)
- Worst Forms of Child Labour Convention, 1999 (No.182)
- Equal Remuneration Convention, 1951 (No.100)
- Discrimination (Employment and Occupation) Convention, 1958 (No.111)

Verification

The Social Criteria Questionnaire indicates which evidence is necessary for each question. But to save time and resources, Bonn also made it possible to answer multiple questions at once, by making it clear which labels or initiatives answer which questions (thus verifying compliance with the core ILO standards). This is done in four steps, or sections:

- **Section 1:** Country of manufacture. If the goods are not manufactured in the DAC List of Developing Countries and Territories – listed as an annex – (as determined by the “Made in” product designation), all questions are deemed to be fulfilled, and 29 points are awarded.
- **Section 2:** If section 1 does not apply, sufficient verification of all the ILO standards can be assured through:
 - Proof of membership of the Fair Wear Foundation (FWF)
 - Proof of membership of the Fair Labour Association (FLA)
 - Proof of seal, certificate or membership which is equivalent to FWF or FLA
- If any of the above apply, all questions are deemed to be fulfilled, and 29 points are awarded.
- **Section 3:** If section 2 does not apply, groups of questions can be fulfilled with the following:
 - Proof of the International Association of Natural Textiles IVN certified seal > Questions 2, 3 and 7 are deemed to be fulfilled by the criteria of the standard. Seven points awarded.
 - Proof of the Social Accountability International Standard 8000 (SA 8000) > Questions 2, 3, 4, 5 and 7 are deemed to be fulfilled by the criteria of the standard. 13 points are awarded.
 - Proof of the Fairtrade Textile Standard seal (FTT) > Questions 1, 2, 3, 4, 5, 7, 8 and 9 are deemed to be met by the criteria of the standard. 24 points are awarded.
 - Proof of membership in the Business Social Compliance Initiative (BSCI) > Questions 2, 3, 5, 7 and 9 are deemed to be fulfilled by the criteria of the standard. 14 points are awarded.
 - Proof of the Sustainable Textile Production Certificate (STeP) > Questions 1, 2, 4, 5, 6 and 7 are deemed to be fulfilled by the criteria of the standard. 14 points are awarded.
 - Proof of membership in the Ethical Trading Initiative (ETI) > Questions 1, 2, 3, 6, 7, 8 and 9 are deemed to be fulfilled by the criteria of the standard. 23 points are awarded.
 - Proof of an equivalent seal, certificate or membership fulfilling individual questions in the questionnaire. Points are awarded depending on the number of questions which can be verified.
- **Section 4:** If section 3 does not apply, filling out each question in the questionnaire is also possible, provided these can be verified according to the respective ‘alternative references’ listed in the questionnaire.

If no evidence in the form of seals, certificates or memberships (or equivalent) is available, or if the questionnaire is filled out without appropriate verification (as listed within the questionnaire), zero points are awarded.

Contract value

€121,116.03 (two year contract)

Instrument

- Art. 18.2 (on compliance with applicable obligations in the fields of environmental, social and labour law) and art. 67 (on contract award criteria) of Directive 2014/24/EU
- Collective Agreements and Public Procurement Law of Germany

Actors

- Contracting authority: City of Bonn
- Contracted supplier
- Verification support: FEMNET

Social impacts

By verifying compliance with the ILO core standards, it is possible to ensure that goods being procured are produced in settings where the following basic workers' rights are upheld:¹

- Freedom of association and the effective recognition of the right to collective bargaining;
- The elimination of all forms of forced or compulsory labour;
- The effective abolition of child labour;
- The elimination of discrimination in respect of employment and occupation.

Other benefits

- Bonn received 11 offers, which is an improvement on their previous tender, and is a good result for a specialised market.
- Bonn has simplified the process of verifying ILO compliance by increasing the transparency for bidders and procurers of labels and initiatives.
- This approach is highly replicable by other procurers of textiles. A similar approach could also be developed for other sectors.

Lessons learned and future challenges

- The weighting of the social criteria was increased between the pilot and the re-tendering of the contract, from 15% to 30% of the total assessment criteria. This means that bidders are still able to win the contract, even if they are not the cheapest offer.
- Dialogue with bidders was an important step for making sure that the questionnaire was understood, as well as allowing bidders to ask questions about the general procurement procedure.

Contact

Ms. Sabrina Ahrend, Procurement Services Unit, City of Bonn, referatvergabedienste@bonn.de and Ms. Rosa Grabe, Project Officer for Fair Public Procurement, FEMNET, beschaffung@femnet-ev.de

¹This approach may be justified under the equal treatment principle, which requires that comparable situations are not treated differently, and different situations are not treated in the same way, unless such treatment is objectively justified. In this case, the different risk profile regarding violation of core labour rights which applies in developed and developing countries is considered to justify their different treatment in the questionnaire.