



City of Buenos Aires

(Argentina)

Sustainable Procurement Profile



Images credit: City of Buenos Aires

PROCURING SUSTAINABLY, LEADING GLOBALLY



Introduction

The Government of the Autonomous City of Buenos Aires has been working on the inclusion of sustainability criteria in public procurement processes since 2012. The city uses a flexible, staggered and progressive implementation strategy, which is materialized in actions such as:

- the awareness and training of purchasers and supply chain;
- the drafting of sustainability recommendations and guidelines, as well as the dissemination of such recommendations and guidelines internally, towards the community and the country, meaning that the information will be available online for buyers and general public to consult on the website.
- the inclusion of sustainability criteria in the specification sheets for procurements, with ongoing collaboration and sharing of criteria at local, national and international level with public and private bodies.

As a result of the work done in sustainability-related matters, since 2014 the Government of the City of Buenos Aires has participated in the *Cross-Ministerial Team for Climate Mitigation and Adaptation* and it is a founding member of the network named “*Red Buenos Aires Sustentable*”.

Procurement in the city

The General Administration of Purchases and Procurements (*Dirección General de Compras y Contrataciones*, DGCyC), of the Department of the Treasury for the Government of the Autonomous City of Buenos Aires (GCBA), is the governing body for the Goods and Services Purchasing and Procurement System of the city of Buenos Aires. It is in charge of promoting, leading, coordinating and monitoring public actions aimed at achieving an efficient, effective and transparent performance of the Procurement System, subject to the principles of free competition, equal treatment, transparency, reasonableness, electronic means and sustainability, among others.

It also has an electronic transaction system for government procurements called *Buenos Aires Compras* (“BAC”). Such system represents a paradigm shift in the management of purchases and procurements in the country and in most of the countries in the region, providing transparency and cooperating for the widest dissemination of good practices in purchasing and procurement processes. The System is used by all the jurisdictions of the Executive Branch of GCABA.

The budget for government procurement of goods and services of the City of Buenos Aires between July 2015 and July 2016 amounted to AR\$ 22 billion (1.3 billion euro).



Credit: City of Buenos Aires



*Buenos Aires Market
Credit: City of Buenos Aires*

OUR SPP ACHIEVEMENTS

- Leading the operative implementation of the sustainable public procurement (SPP) process in Argentina and many countries in the region.
- Produced three SPP Recommendation Guides for purchasers of the System (see Further information table on page 8).
- Operating in coordination with civil society organizations, universities, purchasing agencies of different jurisdictions within the country and abroad.
- Member of the Cross-Ministerial Team of Climate Change Mitigation and Adaptation that focuses on climate change strategy and planning.
- Trained and raised awareness of SPP in more than 400 purchasers within the Goods and Services Purchasing and Procurement System and provides support and information to critical areas (areas related to high consumption of sustainable items).
- Framework Agreements for the purchase of computers; electronic devices, office furniture, office supply delivery service, among others, contain sustainability criteria.

Sustainable Procurement strategy

The importance of the purchasing power exercised by the GCBA makes it an essential and influential player of the national market. The city aims to exploit its great potential for promoting and implementing policies that strengthen sustainable development, generating multiplier benefits both internally and towards the society. The highest decision-making level has expressed its commitment so that the Procurement System can focus on an effective and transparent procurement process for the Administration. In addition, the Procurement System is an instrument capable of enhancing other public responsibility policies, such as the optimization of energy efficiency standards, the reduction and improvement of waste management, or responsible paper consumption.

Internal engagement strategy

GCBA has changed the way of managing public expenditure, promoting more innovative methods that foster participation of different sectors and enable the use and feedback of skills and experiences. Within the GCBA structure, the policy of sustainable government procurement is cross-linked to other bodies within the Administration that have more experience or technical knowledge in environmental and/or social issues., At the same time, information is shared with the whole Administration and different tools put at the disposal of the different bodies so that they can make more sustainable government procurements.

Since 2012 the implementation strategy in GCBA has been gradual and flexible, and the objectives are progressive in accordance with the socioeconomic situation of each calendar year, but with the continuous aim of expanding the number of providers of sustainable goods and services and improving the procurement decisions of agents in the system.

Knowing the management tasks performed and the goals planned provide predictability and confidence, while allowing continuous feedback. But beyond knowledge, understanding is a key factor. Only this allows a genuine commitment. Thus, the governing body of the procurement system works continuously on the awareness and training of its personnel and leaders of different acquisition operative units as regards sustainable procurement, through onsite and online training courses, working meetings with invited experts, teleconferences with regional bodies, recommendation guides about specific issues, etc.

External engagement strategy

GCBA conducts regular information meetings with suppliers, establishing a two-way communication that makes it possible to agree on some thresholds of sustainability, and it has an instruction manual available about sustainable government procurement processes in the electronic trading platform.

It reveals different sustainable government procurement actions through its participation in academic conferences, meetings with social society organizations, government networks, reports to regulatory bodies, web page and other media.

As of 2015, the governing body of the Procurement System is a founding member of *Red BA Sustentable*, a network that brings together GCBA's bodies that work for areas such as innovation, tourism, science and technology, social inclusion, employment, environmental impact, etc. Holding meetings with other stakeholders, such as the Argentine federal network of government procurement *Red Federal Argentina de Compras Gubernamentales*, suppliers, chambers of commerce, non-governmental organizations, universities and citizens in general, makes it possible to inform about the role that the body has decided to assume and coordinate comprehensive actions that contribute to the sustainable development of the society as a whole.

Future plans

For the future, the City of Buenos Aires seeks to redefine groups of goods and services to work on the short and medium-term, with aims towards:

- strengthening the social impact of government procurements;
- mitigating environmental impact;
- having a system of incentives for purchasers that promotes achievement of those goals; training purchasers so that they can act as CPS leaders in each of the Departments that make up the Administration;
- making progresses in the development of awareness and training tools to make decisions, such as recommendation guides, check lists, supplier qualification, etc;
- implementing monitoring and assessment tools.

Discussions with different stakeholders will continue.

What we purchase sustainably

Area 1: Materials and Electronic Devices

- Aim is to reduce energy consumption so that it can be applied in other areas and reduce pollution; to promote innovation in the design and manufacturing of greater energy efficiency devices; to encourage the use of renewable energies.
- Provisions about these goals have been included in procurement specification sheets making it compulsory to purchase those goods that are more energy-efficient according to their labeling. The Administration is working in the drafting of a Recommendation Guide for the procurement of energy efficient devices.

Area 2: Paper

- GCBA adopted an electronic government management model. This entailed the inclusion of technology, training and a deep internal cultural change, for the purpose of ensuring greater transparency, efficiency and effectiveness in the processes carried out by the Administration. The resulting paper consumption reduction within the Administration is currently an opportunity to make a more responsible use of the amounts of paper we still consume.
- Provisions in specification sheets were included requiring that printing paper derive from sugar cane making process or have a FSC (Forest Stewardship Council) or PEFC (Programme for the Endorsement of Forest Certification) certificate or similar. A Recommendation Guide for sustainable procurement and responsible paper

consumption was drafted (see table on page 8).

- The practice of paperwork elimination is well established, however, the distribution of the Recommendation Guide for paper consumption and purchase will continue, and the Administration plans to incorporate new sustainability criteria for entering into agreements with the graphic industry and merchandising suppliers.

Area 3: Computer Equipment

- Electronic document management generates a strong demand for computer equipment that must fulfill requirements such as durability, waste management, energy consumption, etc.
- So far DGCyC has included provisions within procurement specification sheets that set forth sustainability criteria such as:
 - requesting a written warranty or affidavit issued by the manufacturer about the supply of basic spare parts and inputs in the local market during a minimum period of time (batteries, power supplies and supported keyboards),
 - energy star certification or equivalent for monitors;
 - expandable memory slots and/or interchangeable memory slots;
 - handbooks, warranty and other attached documents in digital media;
 - information about the sustainability of packing and packaging;
 - reverse logistics.
- The Administration plans to continue working in the area laying emphasis on reverse logistics and waste disposal provisions.

Summary

From international experience, the Administration has learned the importance of establishing a gradual implementation strategy as regards certain criteria in some priority areas taking into account different aspects such as: economic significance, risks of environmental damages, purchase volumes, management simplicity, market maturity, etc

Thus, in addition to what has been mentioned in areas 1, 2 and 3, it has included sustainability criteria in procurement processes related to: office furniture, street lights, scanners, cleaning supplies, chemicals, graphic arts, woods for underpinning activities, stationery and office supplies, among others.

How we purchase it

The development of a simple and modern electronic transaction system for government procurements, known as Buenos Aires Compras (BAC), represents a paradigm shift in the management of purchases and procurements in Argentina and other countries in the region, providing transparency and cooperating for the widest dissemination in purchasing and procurement processes. It simplifies and promotes competition; provides updated information that allows the implementation of better strategic planning; maximizes efficiency and effectiveness levels; reduces administrative and operative deadlines and costs; allows public and free access to information; and facilitates monitoring and auditing of processes.

In order to turn this development into a sustainable one, it was necessary to combine the incorporation of these technological tools with others that make it possible to continue improving the use of the financial resources available, while reducing the environmental impact of operations and contributing to greater social equality. DGcYc started to assess actions that could help to make public procurements carried out by the Government of the City more sustainable. Since then, sustainability has been incorporated into a number of procurement approaches and functions.

Sustainable criteria

Master agreements, which are the contracting means most used in the platform, have been an excellent tool to commence the task in an organized way and currently represent one of the key aspects in the implementation of sustainability recommendations and criteria within government procurements carried out by GCBA.

The management of procurement processes by means of this method provided an opportunity to start conversations with a large number of suppliers of essential items, learn more about the characteristics of their activities and the real possibilities for carrying out more sustainable transactions, while incorporating sustainability criteria progressively.

Small and micro business engagement

With regard to small business policy, the Goods and Services Purchase and Procurement Law of the City of Buenos Aires defines such businesses taking into account specific regulations and a comparative chart by activity and invoicing. Said Law provides for a favorable margin of five percent (5%) in the bid price, in respect to the remaining bidders. This favorable margin shall only be allowed to the successful bidder once per fiscal year.

Additionally, and with the aim of promoting the participation of micro and small businesses, the Law sets forth the distribution of the total bid price in different sections of the specific bidding terms and conditions document.

Simultaneously, other areas are conducting government actions aimed at promoting the development and incorporation in the market of micro and small businesses, providing training courses and workshops in financing and investment areas, generating investment rounds, an entrepreneurship observatory, credit facilities via local banks, etc.

Keeping track on procurement

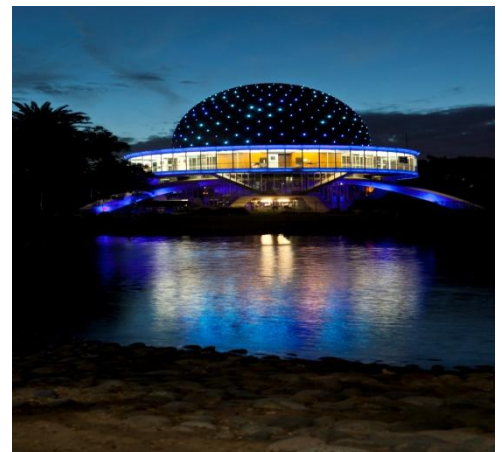
DGCyC collects information from different sources such as help desks, annual procurement plans, records of procurement units, suppliers registration, etc, but there is no doubt that the main source is the electronic trading platform.

To date, it is possible to evaluate the impact of different supplier selection processes, contracting methods, what is purchased, who makes the purchase, pending awarded bidding processes declared void, the period of time during which the bidding will be awarded, etc.

Even though the system has a business intelligence software, analysts are working to stabilize data and generate automatic reports that could be of assistance to optimize the operation of the system, detect deviations and improve planning and the impact of some actions, such as SPP.

Challenges for the future

- To rely on highly qualified purchasers who can improve their assessment of the supply chain and behave as responsible spokespeople of sustainable concepts and practices in the community.
- To stimulate the demand for more sustainable goods, services and businesses by performing a role in the validation of suppliers that are increasingly efficient, competitive and innovative; that provide acceptable and inclusive employment conditions; and do not generate negative impacts on the environment.
- To make an analysis related to the cost of the life cycle of goods and services that have a greater impact on the purchasing system, making government procurement more efficient and allowing a better use of public budgets.
- To monitor and evaluate with greater accuracy the effectiveness of different SPP actions.



Further information

RESOURCE	WEBSITE
General Administration of Purchases and Procurements of GCBA, Sustainable Government Procurement	http://www.buenosaires.gob.ar/hacienda/compras/compras-sustentables
Trading Platform Portal, <i>Buenos Aires Compra</i>	https://www.buenosairescompras.gob.ar/
Recommendation Guide for the sustainable management of containers, packaging and packing resulting from government procurement.	http://www.buenosaires.gob.ar/hacienda/compras/compras-sustentables/guia
Recommendation Guide for sustainable paper consumption and responsible procurement of paper.	http://www.buenosaires.gob.ar/hacienda/compras/guia-para-el-consumo-y-compra-responsable-de-papel
Member of the Cross-Ministerial Team for Climate Change Mitigation and Adaptation of the Government of the Autonomous City of Buenos Aires It participates in the national network named <i>Red Federal Argentina de Compras Gubernamentales</i> Member of the Argentine Subcommittee for ISO 20400 Standard on Sustainable Procurement.	http://www.buenosaires.gob.ar/areas/med_ambiente/apra/des_sust/pacc.php?menu_id=32408
“What benefits sustainable government procurements provide to citizens” (<i>Qué aportan al ciudadano las compras públicas sustentables</i>) Revista Ecosistema - 2014	http://issuu.com/www.revistaecosistema.com/docs/ecosistema_12/33?e=1
Meeting about Innovation in Government Procurement, Sustainability and Electronic Trading Platform, within the Framework of the Technical and Professional Collaboration and Cooperation Agreement between the Administration of Government Procurement of the Republic of Chile and the Government of the Autonomous City of Buenos Aires.	http://www.chilecompra.cl/index.php?option=com_content&view=article&id=2079:delegacion-de-gobierno-de-la-ciudad-autonoma-de-buenos-aires-conocio-trabajo-de-chilecompra&catid=456&Itemid=1131
“It is necessary to address sustainable government procurement as a gradual process” (<i>Es necesario encarar las compras públicas sustentables como un proceso gradual...</i>) Comunicación de Responsabilidad & Sustentabilidad Empresaria Web Site.	http://www.comunicarseweb.com.ar/biblioteca/es-necesario-encarar-las-compras-publicas-sustentables-como-un-proceso-gradual-y

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About the GLCN on SP

The **Global Lead City Network on Sustainable Procurement** is a group of cities committed to drive a transition to sustainable consumption and production by implementing sustainable and innovation procurement. All participating cities are acting as ambassadors of sustainable procurement to lead to a resource efficient, low carbon and socially responsible society.