



City of Oslo

(Norway)

Sustainable Procurement Profile



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PROCURING SUSTAINABLY, LEADING GLOBALLY



Introduction

The City of Oslo's procurement activities are crucial for meeting our environmental goals. We are committed to using procurement as a strategic tool to drive a transition to more sustainable production and consumption. In our decentralized procurement function this commitment is integrated at the top management level in all fifty agencies of the City of Oslo, and it is reflected in their Local Action Plans for the procurement activities. We aim to use our market power to generate innovation and create markets for more sustainable products and services.

For the [City of Oslo](#) sustainable procurement has been a prioritized area for several years. Responsible public procurement is one of the six sub-goals of the Procurement Strategy of the City of Oslo. The City of Oslo is currently working on a revised Procurement Strategy that will be valid from 2017.

Procurement in the city

Oslo has approximately 652,000 inhabitants, and around 50,000 employees. We spend approximately 2 billion euro per year on procurement, which accounts to around 5 % of the national public procurement budget. This gives us considerable buyer power and the way we use this power can make a difference.

The City of Oslo operates with a decentralized procurement function. The Department of Finance of the City Government is responsible for the procurement function on the policy level. This includes revising and implementing the Procurement Strategy and developing appropriate and balanced standard contracts that are compulsory for the city's agencies to use, when carrying out procurements estimated higher than the national threshold for public tenders (around 50,000 EUR). The City of Oslo consists of around fifty agencies. Each of the agencies is responsible for making purchases which are necessary for their daily operations and for achieving their goals, within their respective budgets.

The City of Oslo has a central advisory unit for procurement, the Agency for Improvement and Development (AID). AID prepares, finalizes, and administrates the city's group-wide framework agreements. AID also acts as an advisory body, assisting the respective agencies with their procurement processes. AID has an important role in developing useful tools and good practices for procurement activities and aims at leading the way towards more sustainable procurement and consumption in the City of Oslo.

Networks on SPP

Oslo also has been actively working to implement the Ten Principles on human rights, labour rights, environment and anti-corruption in the framework of the United Nations Global Compact since 2012. Oslo has been an active member of the ICLEI Procura+ Network, and in 2015 Oslo also joined the Global Lead City Network on Sustainable Procurement. In addition we also cooperate with other Nordic cities in a Network on Green Growth through Public Procurement financed by the Nordic Council of Ministers.



Credit: Ossip van Duivenbode

OUR SPP ACHIEVEMENTS

- Our general environmental criteria are included in standard contracts for goods (used in all procurements exceeding the national threshold, approx. 50 000 EUR), e.g.:
 - Suppliers must have a sound environmental policy and be able to document their environmental management systems
 - Suppliers must be part of a valid scheme for collecting and recycling of used packaging, such as Green Dot Norway plc, or equivalent
 - When considered necessary suppliers may be asked to provide a return scheme for used goods such as furniture, office and IT-equipment, etc.
- Around 50% of the vehicles in the City of Oslo's around 1100 vehicles under 3,5 tones are replaced by EVs, including personal cars and medium sized service vans. All new vehicles used in the public sector must as a general rule be EVs
- Oslo has provided 1300 public charging points in Oslo by 2016

Sustainable procurement strategy

With a newly elected City Council shifting the political leadership from the right to the left, and with the current Procurement Strategy being in its final year, there is an active process going on to revise Oslo's Procurement Strategy for 2017. This is in order to support the transition to a more sustainable city and support other ambitious goals, such as the aim to become fossil-free by 2030.

City of Oslo Responsible Public Procurement (Sub-goal of Procurement Strategy)

The City of Oslo shall conduct its procurements with emphasis on corporate social responsibility.

The City of Oslo shall be a demanding and constructive buyer and shall take the lead in setting a good example and using its substantial market power to influence businesses to choose solutions with an emphasis on corporate social responsibility.

Strategic guidance

- *The City shall reduce the environmental burden as a result of procurement activity by setting relevant environmental requirements on suppliers and deliveries on procurements where this is possible.*
- *The City shall set and follow-up social/ethical requirements in the supply chain/production process where it can contribute to deliveries to the City being produced in accordance with the ILO's core conventions and national legislation in the producing countries.*

Measures

- *The agencies in their local action plans shall describe what they are doing to take account of and follow-up social/ethical requirements, environmental requirements and considerations regarding universal design in their purchases.*
- *The agencies shall carry out risk assessments of their contracts for services, with a separate focus on requirements relating to wages and working conditions and the use of apprentices.*
- *The agencies shall carry out risk assessments of their contracts for goods, with a separate focus on the risk of a breach of the ILO's core conventions. The City shall use procurements as one of its methods for setting targets to reduce and recycle waste, develop more environmentally friendly transport solutions and reduce consumption of energy and emissions of greenhouse gases.*

In our decentralized procurement function the City of Oslo acknowledges the importance of awareness and knowledge of sustainable procurement. Therefore we will further develop our courses and guiding materials in order to secure a proper level of competence and expertise in sustainable procurement.

Our focus areas in the work with sustainable procurement in the coming years will be:

- Developing more sustainable mobility solutions
- Reducing greenhouse gas emissions caused by deliveries of goods and services
- Reducing greenhouse gas emissions from public buildings
- Reducing greenhouse gas emissions from construction sites
- Reducing energy consumption
- Reducing and recycling of waste
- Encouraging more sustainable consumption and re-use
- Increasing the share of organic food and beverages to 50%
- Increasing the share of innovative procurement and encouraging development of climate neutral technology and solutions



The City of Oslo is already putting sustainable procurement into action through setting ambitious targets for its implementation and evaluating our performance. As a member of the UN Global Compact we are also committed to communicate publicly about our work with sustainable procurement and our achievement in this field. We are currently working on our first report expected to be published in 2017.

What we purchase sustainably

Sector 1. Electric vehicles (EVs)

- **Why of interest:** Oslo's extensive use of EVs has received a considerable attention worldwide. The City of Oslo aims at becoming Europe's environmental capital. In the recently adopted Climate and Energy Strategy of the City of Oslo the goal is to reduce greenhouse gasses with 50 % by 2020 and with 95 % by 2030, compared to 1990.

The City has since 2013 had a framework agreement on EVs in own fleet. The use of framework agreements on EVs and on charging points for EVs are considered to be an important contribution to the climate goals of the city.

- **Achievements/Current activities:** The City of Oslo fleet counts around 1100 vehicles under 3,5 tones, almost 50% of these are EVs, both personal cars and medium sized service vans.
- **Future plans:** Currently working on a new EV strategy and planning a new framework agreement based on market engagement. Prior to the preparation of the tender documents, we enter into dialogue with all major suppliers. The City's zero-emission policy is communicated and what requirements are to be expected in the upcoming tender. The suppliers are invited to give feedback and suggest adjustments to the strategy. Finally, we use the dialog to "sell in" the upcoming tender and thus increase the suppliers' motivation to compete for the contract.

Sector 2. Organic food

- **Why of interest:** The City Council made a decision to increase the share of organic food in the city's procurements to 50%.
- **Achievements/Current activities:** The AID is currently working to gather data from the agencies and map out the current situation in procurement of organic food. We are also engaged in a dialog both with other relevant agencies, national expert organizations and other Nordic cities in order to cooperate and learn from experiences.
- **Future plans:** Establish better or new joint framework agreements in the central areas, including fruit and vegetables and dairy products. Oslo would also like to cooperate with other public buyers in the region in order to increase the demand of organic food and beverages and to influence the market to deliver more organic alternatives at a better price.



How we purchase it

A few key changes made to the procurement process in recent years include:

- **Supplier engagement:** We conduct market dialogue for large contracts before we publish a tender. This helps us to understand the market better, adjust the tendering documents and to prepare potential suppliers to the coming tenders. After the completion, in the contract period, we conduct follow-up meetings with the suppliers (at least on an annual basis) in order to verify compliance with the contract clauses.
- **Supply chain monitoring:** In contracts with high risk of breaching ethical and environmental clauses in the contract we conduct specialized follow-up meetings and in some cases full audits either at the head office of the supplier or at the production site. We have several joint framework agreements on auditing of sustainability and social responsibility clauses in contracts.
- **Joint procurement:** With other municipal and state authorities makes our procurement more efficient and gives us more leverage to influence suppliers to deliver more sustainable solutions. Stricter environmental or social requirements are justified, as the impacts are proportionally larger the bigger the contract is.

Keeping track on procurement

The AID recently introduced an eProcurement system to be used in all joint framework agreements. In addition we have both a general monitoring and reporting system (e.g. monitoring of prices and quality) and we are currently testing a specific SPP monitoring and reporting system. These can potentially be integrated. We are also aiming at maximizing the integration of tracking and reporting systems for the city as a whole in order to make the reporting processes to the GLCN on SP, UN Global Compact, and WCCD (ISO) as streamlined and efficient as possible.

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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.