

# REHAB SUBMISSION TO CONSULTATION ON NATIONAL PROCUREMENT STRATEGY

## Procuring for Ireland's Future: towards a national public procurement strategy

The following 16 questions will be completed by all participants in the survey.

<b>1. What is the most important thing that the strategy needs to deliver?</b>
<p>From Rehab's perspective, it is imperative that the National Procurement Strategy facilitates greater access for social enterprises to markets so that they can increase their trade income and become more self-sufficient.</p> <p>Voluntary and community organisations, social enterprises, and not-for-profit organisations perform a wide range of important services on behalf of or in partnership with the State.</p> <p><i>Trading for Impact, National Social Enterprise Policy 2024-2027</i> contains key measures to improve market access and opportunities for social enterprises, and how the strategic benefits of such partnerships can assist procurement officers and officials in delivering better outcomes. Training, guidance, awareness and capacity building will be key to matching the goals of Trading for Impact with the delivery of the new National Procurement Strategy.</p> <p>Rehab Group has long been advocating for policies which would focus on social considerations in public procurement. The new Procurement Strategy should see wider use and increased importance given to social clauses in awarding government contracts.</p>

<b>2. What are the biggest challenges that you see in delivering the strategy over the next 5 years?</b>
<ol style="list-style-type: none"><li>1. Competition against large commercial bodies who have data, systems, resources who can compete better on pricing, productivity and readiness to start new business.</li><li>2. Lack of skills in tendering Major time commitment for uncertain outcome Various requirements that can rule us out due to size requirements or previous experience.</li><li>3. Size of market to be serviced being too big for us.</li><li>4. Lack of market information on which to make bid.</li><li>5. No or minimal social procurement requirements in tender process.</li><li>6. Difficulty finding appropriate tenders to apply for.</li><li>7. Need to reduce the administrative burden for social enterprises on e-tenders</li><li>8. Buyers not comfortable with social procurement and go only for cheapest quote.</li><li>9. No guidelines for buyers around including social procurement element.</li><li>10. Need to build awareness around social enterprises will be key to gaining recognition for them as valuable and credible suppliers.</li></ol>

11. Lack of awareness of existing tools, such as Article 20 of the EU Procurement Directive which provides for reserved contracts for social enterprises employing people experiencing disability/disadvantage Inadequate weighting for social consideration in public contracts
12. Communication and co-operation between OGP and Department of Community, Rural and Gaeltacht Affairs to ensure complementarity between the new Procurement Strategy and *Trading for Impact - National Social Enterprise Policy 2024-2027*

### **3. Do you have any views on how these challenges can be met?**

1. OGP to promote article 20, provide guidance to buyers on it and social procurement,
2. Measure and report on social impact of procurement,
3. Require suppliers of contracts to have a social element in their supplies to government departments/agencies
4. One of the key findings of the European Commission 'Buying for Social Impact' project report, was that while transposition of the EU Directive was necessary to promote and implement socially responsible public procurement, it was not sufficient. They recommended the establishment of legal frameworks coupled with initiatives to increase knowledge and build capacity amongst public authorities. This proactive approach to embedding the use of Article 20 in the procurement processes in Ireland could significantly increase the number of jobs that Rehab, and other similar social enterprises across the EU could create and sustain for people with disabilities and those who are disadvantaged.
5. Campaigns on social enterprises should aim to promote awareness of the benefits that employing disabled or disadvantaged people has on both the organisation as a whole and the employee.
6. The OGP should take the lead in developing new robust systems and processes of reserving contracts to include:
  - a) Establishing panels of supported businesses across a range of business sectors to facilitate the use of Article 20 by procurement agencies.
  - b) Identifying and carving out contracts areas of operation that could be served by enterprises that employed large numbers of people with disabilities and marginalised groups.
  - c) Requiring public procurers to monitor, record, track and report on their use of reserved contracts
  - d) Setting progressive targets on the use of reserved contracts ensuring that every public body would have at least one contract with "a supported business"
  - e) Encouraging the use of reserved contracts within private companies by making it a criterion in the awarding of public contracts.

7. We hope that the current review of the EU Procurement Directive will seek to strengthen Article 20, ensure effective monitoring and reporting on its use and provide a framework to for National Procurement Offices to promote its use.

The European Commission should be proactive in encouraging National Procurement Offices to promote socially responsible procurement.

8. Requirement to partner or subcontract with organisations listed under article 20 so that successful bidders award part of a public contract to a supported business under Article 20.

#### **4. Do you have any specific feedback on Theme 1 – Strategic Public Procurement?**

Strategic Public Procurement is an umbrella terms for groups of policies and processes, bringing together and helping to align public procurement to national and departmental objectives. Strategic public procurement recognises the role that public procurement can play in achieving outcomes that provide social, economic and environmental benefits.

These include – delivering public services; improving economic efficiencies; spurring innovation; promoting green and social policies in support of the Government’s priorities; and using public procurement as a tool to deliver better societal outcomes. Strategic public procurement uses a whole-of-government perspective, working in partnership with other government bodies to identify and achieve common objectives for the public good. There should be wider use and increased importance given to social clauses in awarding government contracts.

From our operations in Scotland, we can see a highly successful model of public procurement that has been an enormous success for people with disabilities. Under this model, the Scottish Government worked with the social enterprise sector to carve out areas of operation that could be served by enterprises that employed large numbers of people with disabilities.

In Scotland, **activity under Article 20 is legally required to be reported by public procurers** so that it can be tracked, and targets set. Also, there is an explicit policy that **every public body should have at least one contract with “a supported business”** (a business where the workforce is made up of at least 30% people with disabilities/ disadvantages) and private sector companies are encouraged to buy goods and services from them too.

To reserve a contract, the only administrative requirement is that the call for competition must refer to Article 20 of the Public Authorities Contracts Directive.

#### **Establishment of a Social Enterprise Register for public procurement buyers.**

A Social Enterprise Register would also be useful for procurement from Government Departments, local authorities, and other businesses who may wish to partner with the social enterprises. This could also be developed as a ‘Buyers’ Guide’, which is currently used for Social Enterprises in Scotland as outlined above.

**Development of a national social impact measure.**

There should be an emphasis on personal stories that demonstrate the social impact of the social enterprises. Campaigns on social enterprises should aim to promote awareness of the benefits that employing disabled or disadvantaged people has on both the organisation as a whole and the employee. Demonstrating the value and benefits of employing people with disabilities, for the organisation, the individual and for society.

**5. Do you have any specific feedback on Theme 2 – Transparency?**

1. Require public procurers to monitor, record, track and report on their use of reserved contracts
2. Set progressive targets on the use of reserved contracts ensuring that every public body would have at least one contract with “a supported business”
3. Encourage the use of reserved contracts within private companies by making it a criterion in the awarding of public contracts

**6. Do you have any specific feedback on Theme 3 – Digitalisation?**

Develop a more user-friendly interface and search function on e-tenders.

**7. Do you have any specific feedback on Theme 4 – Informed Delivery?**

1. Establishing panels of supported businesses across a range of business sectors to facilitate the use of Article 20 by procurement agencies.
2. Identifying and carving out contracts areas of operation that could be served by enterprises that employed large numbers of people with disabilities and marginalised groups.
3. All information webinars/forums for Public Procurers should include session on the value of social procurement.

**8. Do you have any specific feedback on Theme 5 – Public Trust?**

Reporting on social clauses and highlighting social impact of contracts will help increase public trust and confidence. Implementation of social clauses and awarding contracts to social enterprises will facilitate companies reporting on CSRD in compliance with the EU Directive.

**9. Do you have any specific feedback on Theme 6 – Capability building for public buyers?**

All information webinars/forums for Public Procurers should include a session on the value of social procurement.

**10. Do you have any specific feedback on Theme 7 – Supports for SMEs?**

There should be training for SME/Social Enterprises to build and develop capacity within the sector.

**11. Do you have any specific feedback on Theme 8 – Central purchasing?**

Social enterprises employing people with disabilities can find themselves excluded from large public contracts, although they would be able to deliver part of the contract. As highlighted above, the Scottish system which makes provision to carve out areas of operation that could be served by enterprises that employed large numbers of people with disabilities.

**12. Do you have any specific feedback on Theme 9 – Efficient and effective public procurement?**

Efficient and effective public procurement needs to take cognisance of the social impact and not just the lowest price. Moreover, social procurement allows public bodies to reach and exceed their ESG/CSR targets in a way that is both sustainable and cost effective.

**15. The objective of the strategy is to improve the lives of the people of Ireland through the delivery of strategic, innovative, sustainable and transparent public procurement practices What do you think of this objective? Is there anything that we should add?**

The report should include a reference to making a strong social impact:  
Through the delivery of strategic, innovative, sustainable, transparent, and *socially impactful* public procurement processes.

**16. Do you have any other feedback that you would like us to take into account when forming this strategy?**

In 2023 the Irish Government commissioned the OECD to report on the effectiveness of the public purchasing of goods and services in Ireland, which is worth €22 billion per year.

The OECD Report, *Procurement for Better Value – A Case Study of Ireland*, concluded that that Irish Government was not availing of instruments such as Article 20 to help increase the number of people with disabilities in employment, despite the fact that Ireland has the highest disability employment gap in the EU and the lowest number of people with disabilities in employment.

The Report noted that one in four disabled people in Ireland is at risk of poverty – significantly higher than the OECD average. Greater implementation of Article 20 could offer life-changing opportunities to people with disabilities to help bring them out of poverty. The OECD report specifically decried the lack of data on the number of people with disabilities employed through framework agreements. The report states that public procurement could be a valuable tool to address societal challenges but underscores that this will require a profound change in measurement frameworks, going beyond immediate outputs to look at outcomes and impacts

As one of the largest disability service providers in Ireland and one of the largest non-governmental employers of people with disabilities, Rehab welcomes the opportunity to contribute to the consultation on the next National Procurement Strategy.

Our submission is primarily focussed on how implementation of Article 20 of the EU Procurement Directive could address the issues raised in the OECD report.

There are significant benefits for public authorities using reserved contracts including:

- Allows public bodies to reach and exceed their ESG/CSR targets in a way that is both sustainable and cost effective.
- Aligns with broader EU policy goals related to social inclusion, employment, and sustainable development.
- Enables countries meet its legal obligations established in the United Nations Convention for the Rights of Persons with Disabilities (UNCRPD)
- Complements the achievement of the public sector quota for the employment of people with disabilities (which in Ireland will increase to 6% in 2025).
- Supports the viability and development of locally based community led based SMEs • Prepares public sector organisations for the introduction of the Corporate Sustainability Reporting Directive (CSRD)
- Promotes the business case for employing people with disabilities as they are also customers and consumers of public services.

**Inclusion of Social Criteria:** Article 20 allows contracting authorities to consider social criteria, such as the employment of disadvantaged or disabled persons, when awarding public contracts. This creates opportunities for social enterprises that prioritise the integration of persons with disabilities into the workforce.

**Competitive Advantage:** Social enterprises that actively engage in social inclusion initiatives may gain a competitive advantage in public procurement processes. By demonstrating their commitment to social responsibility and employing individuals from marginalised groups, they can differentiate themselves from other suppliers and appeal to contracting authorities seeking to promote social objectives.

**Access to Contracts:** Contracting authorities are encouraged to consider social and environmental criteria alongside economic factors when awarding contracts. This broader approach to procurement opens doors for social enterprises to participate in public tenders and secure contracts that align with their mission of promoting the inclusion and well-being of persons with disabilities.

**Support for Social Enterprises:** Article 20 recognises the importance of supporting businesses that contribute to social objectives. Social enterprises focused on rehabilitation and inclusion, can benefit from this recognition and receive support from contracting authorities looking to engage with socially responsible suppliers.

**Promotion of Inclusive Practices:** By incentivising the inclusion of social criteria in procurement decisions, Article 20 promotes inclusive practices within the business community. Social enterprises can lead by example, demonstrating the positive impact of integrating persons with disabilities into the workforce and fostering an inclusive society.

**Alignment with EU Policy Goals:** Social enterprises that align their operations with these policy goals not only benefit from procurement opportunities but also contribute to the achievement of EU priorities.