

BACKGROUND INFORMATION

PROCURER City of Helsinki – Service Centre Helsinki

OBJECT OF PROCUREMENT

The objects of the procurement are the self-owned and rental work clothes used by Service Centre Helsinki, as well as laundry services for clothes. The competitive tendering consisted of four areas: 1) work clothes of school, daycare and nursing employees and supervisors (self-owned), 2) work clothes of the staff of lobby services, phone services and well-being services (self-owned), 3) work clothes for Pakkala food production as a service (full service: renting including maintenance) and 4) laundry services for the clothes of employees and supervisors in the nursing sector.

PROCUREMENT VALUE
~ 605,000 €

PROCUREMENT
PROCEDURE
Open procurement
procedure



Seeking durable and safe work clothes without compromising on sustainability

The various operations of Service Centre Helsinki involve several types of work clothes – the tendering for work clothes for about 1,260 employees included 50 rows of product itemisations in total. Work clothes made primarily of a mix of cotton and polyester are procured for food and cleaning services and supervisory, customer service and healthcare work. Most of the clothes are procured for the staff of schools, daycare centres and the nursing sector in about 500 premises. Many of the premises are small, and the work clothes owned by the Service Centre are maintained either on-site or at the employee's home. The laundry services included in the procurement concern the work clothes of the nursing sector and supervisory work. Only the work clothes to be used at the Pakkala production centre were tendered for as a full service, within which the operator selected will be exclusively entitled to rent out, wash, transport and maintain the textiles.

The objective of the procurement was to acquire durable, functional and safe work clothes. At the same time, aim was to increase awareness of the sustainability and climate goals being realised in the industry. Furthermore, cooperation during the contract period was sought to reduce the carbon footprint of work clothes and service production. In the procurement preparation phase, the lifecycle impacts of the usage stage of the work clothes were reviewed, such as how a centralised maintenance service differs from maintaining the clothes at home or at the workplace. The review was carried out in collaboration with Service Centre Helsinki, Helsinki City Construction Services and the Environmental Services of City of Helsinki. The results of the review will support the implementation of the City's roadmap for circular and sharing economy.

Experts and a separate review to support the procurement preparations

The procurement was implemented by Service Centre Helsinki. In terms of sustainability, the experts of the Canemure project participated in the preparation of the procurement and the comparison of the tenders in cooperation with the sustainability experts of Service Centre Helsinki. On topics related to sustainability, Pro Ethical Trade Finland and Finnish Textile & Fashion were also consulted.

A review of the lifecycle impact of the procurement of work clothes was carried out by the Canemure sub-project in Helsinki. In the review, the emissions, water consumption and costs incurred during the usage stage, among other things, were studied for three entities of work clothes of Helsinki City Construction Services and Service Centre Helsinki. The calculation tool for assessing the review and impact in the future was developed by UseLess Company Oy.

The City's climate actions as a basis

The City of Helsinki aims to be carbon-neutral by 2035, and to achieve this goal, climate-related matters are essential in the City's procurements. According to the City's roadmap for circular and sharing economy, procurements will be assessed in terms of durability, reuse potential and lifecycle impact. In addition to climate-positive and resource-wise actions, the City of Helsinki wants its procurements to be effective and responsible.

The tendering for the work clothes and related maintenance services of the Service Centre Helsinki is one of the case procurements in the Towards Carbon Neutral Municipalities and Regions project (Canemure), which aims at low-carbon procurements. The objective is to achieve successful cases as examples and to produce applicable tools to support the City's carbon-neutrality measures.

Dialoguing with the market about sustainability themes

The procurement was an extensive one since it involved the entire organisation and employees working in different parts of the metropolitan area. The preparations began well in advance and overall the procurement took about 16 months from the start of the preparations to signing the contract.

The market was involved in the preparations early on through a public discussion event, prior to which industry representatives had filled in a survey highlighting the sustainability themes essential to them, such as reducing chemicals, factory inspections, transportation and waste management. The dialogue continued through company-specific discussions, during which the market operators assessed the feasibility and cost effects of the potential sustainability criteria. The review on lifecycle impact was implemented after the market discussions, before the call for tenders was published.

Environmental and sustainability-related criteria as a key part of tendering

To take the environmental impact of work clothes into consideration and to promote sustainability, specific requirements were prepared in terms of area-specific service descriptions, sustainability plans and procurement object criteria. In the sustainability plans, tenderers were required to be committed to development work during the contract period. The progress of the plans will be monitored annually.

Sustainability plan

The suppliers of work clothes (including the full service) were required to take action to promote:

- 1) use of renewable energy, energy-efficiency, and smart water consumption
- 2) sustainability of the fibres and fabrics used in the textiles included in the contract, as well as the transparency of the production chains of the supplier's purchases
- 3) using alternative fibres, such as recycled ones (exclusively from the patches or consumer waste of textile or clothes manufacturers) in the textiles included in the contract. Tenderers were also asked to state the percentage of recycled fibres used in the textiles included in the contract.

The providers of laundry services (including the full service) were required to take action to promote:

- 1) use of renewable energy, energy-efficiency, and smart water consumption
- 2) monitoring of the wash frequencies and preventing harmful chemicals and synthetic microplastics from ending up in nature, for example, with the help of sewage filters.

Sustainability requirements for work clothes (including the full service):

Social sustainability and the production chain:

- ▼ The CMT (cut-make-trim) process of the products shall adhere to the following agreements and regulations: key ILO conventions 29/1930, 87/1948, 98/1949, 100/1951, 105/1957, 111/1958, 138/1973 and 182/1999 and article 32 of the Convention on the Rights of the Child, labour protection legislation of the country of origin, and current labour legislation of the country of origin, including legislation on minimum wages and social security.
- ▼ For the raw cotton used in the products included in the contract, employees shall earn living wages. Farmers shall receive, at the minimum, a guaranteed price for the products, which shall cover the costs of environmentally and socially sustainable production. The price shall cover the costs of environmentally sustainable production and allow for sufficient wage levels in the producer organisation, and it shall be based on consultation involving various stakeholders.
- ▼ During the contract period, at the client's justified request, the supplier shall submit without delay a description of the entire delivery chain starting from the raw materials, at least at country level. The description may also include certificates of origin or traceability awarded by a third party.
- ▼ During the first year of the contract, the supplier shall submit a publication in accordance with Transparency Pledge, which shall include 1) the official names of all authorised production and processing plants, 2) the addresses of the production and processing plants and the names of their parent companies, 3) the product categories manufactured at the plants, and 4) the number of employees working at the plants.
- ▼ The supplier shall employ one person in a weak labour market position during the contract period. (Only applicable to area 1)

Environmental impact and reduction of harmful chemicals:

- ▼ The supplier shall have data management and monitoring policies in place for substances used in the products procured that are harmful to the environment or health. The policies shall ensure that data is available for substances the content of which exceeds 0.1% by weight. The following substances are included in the assessment: 1) The REACH Candidate List for Substances of Very High Concern (Article 59, EC 1907/2006, Registration, Evaluation, Authorisation and Restriction of Chemicals) and 2) Annex XVII of REACH (EC 1907/2006), Restrictions on the manufacture, placing on the market and use of certain dangerous substances, mixtures and articles.
- ▼ The supplier shall commit to submitting a report at the start of the contract period regarding the substances that are included in the Candidate List for Substances of Very High Concern as specified in REACH (1907/2006) and that are used in the products procured. The report shall cover substances the content of which in the product exceeds 0.1% by weight per substance in each individual component of the product. If substances used in the products are added to the Candidate List during the contract period, the supplier must inform the client of this.
- ▼ The following dyes and pigments shall not be used in the textile production: Acid Red 26, Direct Black 38, Disperse Blue 1, Basic Red 9, Direct Blue 6, Disperse Orange 11, Basic Violet 14, Direct Red 28, Disperse Yellow 3, Pigment Red 104, Pigment Yellow 34.
- ▼ Azo dyes that may form carcinogenic acrylic amines shall not be used to dye the textiles, nor may any other dyes that are classified as carcinogenic be used. The maximum permitted content of acrylic amines is 30 mg/kg.
- ▼ The textile products shall not include finishing substances or compounds that contain more than 0.1% by weight of substances which have been marked with one or more of the following hazard statements in accordance with Council Directive 67/548/EEC or its later amendments: R40, R45, R46, R49, R50, R51, R52, R53, R60, R61, R62, R63, R68.

Case: Self-owned and rental work clothes with laundry services

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Recycling and upcycling:

- ▼ Description of the recycling strategy. The supplier shall be obligated to take care of the appropriate and responsible disposal, recycling or upcycling of the materials and fibres of the work clothes included in the contract during the contract period. When recycling or upcycling, the logos of Service Centre Helsinki must be removed before handing the products out. Objectives shall be set for the recycling or upcycling of materials and fibres, as well as measures to achieve the objectives and monitoring of the progress.
- ▼ As an option: a service price (€/kg) for the recycling of the current product selection included in the contract, including the product logistics and the related supplies.

Sustainability requirements for laundry services (including the full service):

- ▼ The operations shall adhere to the hygiene standard SFS-ENI 4065:2016. The tender shall include a report of compliance with the hygiene standard SFS-ENI 4065:2016 for the laundry services, or a report of compliance with the hygiene requirements and in-house control.
- ▼ The full service includes the monitoring of washing frequencies, quality assurance and mending services, including:
 - ▼ mending or replacing buttons, press studs, Velcro straps and zips,
 - ▼ mending torn seams and pockets, and
 - ▼ mending frayed trouser legs.
- ▼ Clothes worn or torn in normal use shall be replaced with new clothes free of charge. Mending of larger tears is also allowed if the quality/safety requirements for the products are met and the alterations are not visible.
- ▼ Regarding the laundry services, the mending services can be purchased if the provider has the opportunity to do so. The price level of the mending services shall not exceed the price level that is commonly accepted and used.

Grounds for comparison

For work clothes to be self-owned (areas 1 and 2), it was possible to receive points for the functional features of the sample entities (20%) and a delivery time of less than a week (10%), in addition to the price (70%). For the work clothes for the Pakkala production centre procured as a full service (area 3), points could be received for a delivery time of less than a week (10%), in addition to the price (90%). Laundry services (area 4) were assessed based on the lowest price.

Contract terms and conditions

During the contract period, Service Centre Helsinki shall have the opportunity to use a calculation tool developed during the review of lifecycle impacts and to assess the carbon dioxide emissions, water consumption and costs of the procurement's lifecycle. For the contract period, the opportunity to carry out one or two light inspections of the environmental impact shall be reserved. The inspections help identify the distribution of the environmental impacts in the work clothing procurement.

For the inspection, the providers selected for the full service and the laundry services shall submit information on their average electricity consumption (kWh), gas consumption (m³) and water consumption (l) per kilogram of laundry in terms of washing and drying, including the proportions of fossil and renewable fuels. They shall also assist the client in the assessment of the service life and washing frequencies.

Various perspectives on taking environmental impact into consideration

Due to the extent of the procurement, many aspects needed to be considered during its preparation, including those related to sustainability. For example, requiring the use of recycled fibres and environmentally-friendly fibres of equal quality was not possible due to issues with low availability and higher prices. In addition to this, delving into the sustainability and environmental impact was challenging due to the complexity of the outsourcing network. To promote the impact of this procurement and similar ones, help will be required for developing criteria that better take the entire delivery chain into account.

A lifecycle review comparing the procurement methods required that the current situation be first charted in terms of service life, washing cycles, volumes and cost information, among other elements, which required resources and partial reliance on assumptions. The comparison of procurement methods did not yield unambiguous results that could have directed the procurement preparations. However, based on the review, it was possible to include procurement criteria that were significant in terms of the impact on climate and the environment.

Sustainability criteria affected the choice of contract partners

As a result, 2–4 tenders were received for each area, excluding the laundry services, for which no tenders were received. Based on the tenders, there were clear differences among the operators regarding how sustainability was taken into consideration. This was particularly evident in the content of the sustainability plans. It must be admitted that if specific descriptions are required during the tendering phase, the instructions for these must be unambiguous and sufficient resources must be reserved for evaluating them.

The sustainability criteria used in the tendering influenced the choice of the final contract partners. However, the use of the criteria was not considered to have an impact on cost. A key achievement was increasing the dialogue about sustainability and climate action of the market during the contract period. Successful use of the criteria also helped us communicate the level of sustainability requirements of the City and Service Centre Helsinki to the market.

The development of work clothing procurements will continue

As such, both the tendering and the review yielded plenty of information and templates that can be used when steering the planning of work clothing procurements in the future. By the next tendering round, the industry is sure to have taken major steps in climate action and sustainability, and the tendering and its requirements will be developed with regard to these. The plan is to establish the use of the calculation tool developed as part of the review, so that emissions and cost data can be acquired for decision-making.

Prolonging the service life of work clothing is a key way of influencing the emissions of the procurement, which is why Service Centre Helsinki aims to efficiently communicate to its employees about sustainability, maintenance opportunities and the appropriate recycling of old work clothes. The aim is also to increase cooperation and exchange of information within the City to develop the procurements of work clothes.

A separate review increased the understanding of environmental impact

Implementing the review of the lifecycle impact of the work clothing procurements in connection with the procurement preparations was an important learning experience. The review helped to understand the distribution of environmental impact during the usage phase of the clothes and proved some preconceptions wrong. According to the review, the proportion of natural gas used for drying clothes in the centralised maintenance scheme was a significant source of emissions, while the proportion of transport, which is done fairly ecologically in the industry, was very low.

Sharing knowledge

The preparation of procurements becomes more reliable through sufficient resources and market dialogue. It is important that the procurement unit clarifies what the promotion of sustainability means for procurements, and what kinds of prioritisation can be made or are even necessary to make. Furthermore, the fulfilment of the sustainability criteria should be verified with the sustainability experts of the company. If a separate review is attached to the procurements, it is optimal if the results are available for the goal-setting before market dialogue is initiated.

The results of the review of the lifecycle impact of the work clothing procurement are available to all, as is the calculation tool developed during the review. The review focused on the comparison of the lifecycle impact of the procurement methods' usage stage, but it also explains the significance of the work clothes' initial and final parts of the cycle in terms of climate impact. Thanks to the review, awareness of resource-wise procurement methods with reasonable lifecycle impact was increased. This information will support the preparation of recommendations, illustration of future guidelines and the preparation of tendering processes.



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