



Global Compact
Cities Programme



City of Oslo
Procurement Strategy
City of Oslo Department of Finance
October 2017



City Government proposition 1104/17

OSLO MUNICIPALITY'S PROCUREMENT STRATEGY

Summary:

This proposition concerns a new strategy for Oslo Municipality's procurement of goods, services, buildings and construction.

Oslo Municipality is Norway's second largest purchaser, and has significant purchasing power. The municipality's procurement strategy is to provide a common overall basis for thinking and behaviour by municipal agencies, so that procurement becomes an effective instrument for providing residents, businesses and industry with quality solutions and services in line with the needs of today and tomorrow. The procurement strategy is also to provide a foundation upon which municipal procurement contributes to making Oslo a greener, warmer and more creative city that accommodates everyone.

The strategy's main objective is that Oslo Municipality is to conduct appropriate and cost-effective procurement processes - providing sound and socially responsible solutions in both the short and long term. Four sub-objectives support the main objective and are followed by strategic provisions that are to ensure a common course and commitment through agency procurement. The provisions largely concern building up expertise, strategic planning, risk management and inspiring a culture of common action.

The procurement strategy is to be followed by an overall implementation plan, which is to ensure anchoring and active implementation of the procurement strategy in municipal departments and other agencies.

Presentation of the proposition:

1. Introduction

Oslo Municipality procures goods, services, buildings and construction for around NOK 26 billion annually. The municipality is to use its purchasing power to ensure beneficial and effective solutions for the city's residents, businesses and industry - which instils confidence in Oslo Municipality as a service provider, urban developer and agent for public good.

Municipal agencies make the purchases they need within their allocated budgets. *Utviklings- og kompetanseetaten* (UKE) (Agency for Improvement and Development) enters into key framework agreements (cooperative purchasing agreements) where municipal agencies can order in areas where these agencies have repeated and concurrent needs. The procurement strategy is to provide a common direction and understanding of how procurements are to be used to realize the City Government's vision and objectives.

This new procurement strategy is to replace the earlier Strategy for Oslo Municipality's Procurement for the Period of 2013-2016. This new strategy starts with some of the same

challenges as previous strategies - such as the need for innovative procurement processes and cultivating a sense of social responsibility - yet with strategic provisions which are linked much closer to the City Government's vision of a greener, warmer and more creative city. The earlier strategy included both strategic provisions and measures to achieve various goals. Moreover, it had the added stipulation that all municipal agencies were to prepare local action plans for the procurement area. This requirement for preparing local action plans is also included in the Instructions for Organizational Management. In line with the principle of trust-based management, the requirement for local action plans has not been pursued in the new procurement strategy. The requirement will also be removed from the organizational management instructions following the adoption of the new procurement strategy. The new procurement strategy provides only overall strategic provisions for achieving the City Government's vision and goals. The new strategy proposes that the agencies themselves create agency-specific strategies and/or take actions as needed.

The law and regulations concerning public procurement contain detailed requirements for the implementation of procurement processes. The Instructions for Organizational Management clarify these requirements for agency managers regarding more concrete activities that are to ensure that procurement is used strategically to reach the goals of the municipality. The municipal procurement strategy together with the organizational management instructions constitute the municipality's own general framework in the procurement area.

Managerial anchoring, strategic planning, ordering skills and expertise as well as inspiring a culture of common action are central to the procurement strategy. Municipal agency managers must lead the pack as strategists and instil a culture of right action in procurement work. Managers are to make sure that they have sufficient strategic and professional skills to make a stand in this undertaking. They must also focus on the future and be the driving force for cultivating proficiency and building a culture that encourages right choices throughout the entire organization. They must ensure that their agency continuously works towards better ordering and procurement proficiency, expertise in assessing risks and making sound decisions in the procurement process, increased digital maturity, a greater degree of teamwork across sectors and disciplines as well as an increased willingness to rethink working methods and possibilities.

The procurement strategy is to ensure effective and innovation-friendly procurement processes that meet the needs of today, while taking future needs into account. In order for procurement to be successful, the municipality must become better at mapping what the real needs are today and how these needs can develop in the future.

Public procurement is an important instrument of commercial policy. The room for opportunity in procurement regulations must be given more attention - not least how procurement processes can be implemented to promote innovation and important social considerations. The municipality must involve residents, research communities as well as businesses and industry to a greater degree in its plans and daily operations. The municipality must unite and exploit the strengths within it, the supplier market as well as the creative, non-profit and volunteer sectors - to make the city, businesses and industry as well as municipal services smarter and more user-friendly, inclusive and sustainable. The municipality must listen to, challenge and invite dialogue, interaction and innovation. Good ideas must be presented, tested and put into practice.

2. New procurement strategy

Oslo Municipality is a large and complex organization, where different agencies have different responsibilities and tasks. The procurement strategy is to, as far as possible, safeguard what is common for these agencies in procurement. The strategy is to ensure that the whole of Oslo Municipality - in spite of its great complexity - pulls in the same direction and works towards common goals.

The procurement strategy has one main objective and four sub-objectives that support the main objective. Each sub-objective is followed by strategic provisions. The provisions function so as to ensure that agencies procure sound and socially responsible solutions in line with the City Government's vision and objectives.

The strategic provisions included in this strategy are not intended to be exhaustive instructions for municipal agencies for procurement. Nor is there any concrete recipe for how agencies are to implement the provisions in practice, how they are to be prioritized within the framework of their agency and within their own area of responsibility, or who is to perform the specific tasks. The provisions function so as to provide a general road map to ensure that all agencies within Oslo Municipality obtain procurements in line with a common vision and aims, and that all procurement activities in Oslo Municipality pull in a common direction.

In line with the principle of trust-based administration and management, it is up to each agency to assign the correct priorities for its procurement within its own area of responsibility.

The strategy's main objective

The strategy's main objective is that Oslo Municipality is to conduct appropriate and cost-effective procurement processes - providing sound and socially responsible solutions in both the short and long term. The strategy has the following sub-objectives:

- **Sub-objective 1** Oslo Municipality's procurements are to effectively contribute to providing residents, businesses and industry with solutions and services in line with the needs of today and tomorrow.
- **Sub-objective 2** Oslo Municipality's procurements are to make Oslo greener.
- **Sub-objective 3** Oslo Municipality's procurements are to make Oslo a warmer city that accommodates everyone.
- **Sub-objective 4** Oslo Municipality's procurements are to make Oslo a more creative city.

Oslo Municipality's procurement strategy appears in its entirety in resolution point 1 in this proposition.

2.1. Oslo Municipality's procurements are to effectively contribute to providing residents, businesses and industry with solutions and services in line with the needs of today and tomorrow.

2.1.1. Clarification of needs

A proper needs analysis is to be the basis for all procurement. It's the users who have first-hand knowledge of their needs. Successful needs fulfilment requires that agencies acquire this knowledge of the real needs of end users viewed from the users' points of view, whether they are residents, employees, businesses, industry or others. Agencies must ensure that there are reliable processes that ensure that the person ordering understands what the users themselves think they need - and what expectations users have of the municipality.

The users can also have valuable input for how their needs can develop in the long term and what can be improved upon. In this way, the users can stimulate better needs fulfilment, new thinking and innovation.

In order for users' knowledge to gain a real impact, users must be involved as early as possible in the procurement process. The earlier users are involved, the greater the possibility that users' input can effectively contribute to a better outcome. Dialogue with users can be implemented in various ways. If a procurement is to meet the needs of many, user involvement can happen through asking a sample of users or businesses/industry which represent common interests. In cases where procurement is intended to meet the needs of individual users, it is necessary to involve each user individually, or possibly relatives/caretakers, if the user is unable to attend to his or her own interests.

2.1.2. Strategic planning

To be able to conduct suitable and cost-effective procurement processes that provide sound and socially responsible solutions in the short and long term, municipal agencies must ensure that, in the planning, implementation and follow-up phases of a procurement process, sufficient strategic, professional and legal expertise is brought to bear and developed further. This requires the correct degree of strategic and professional procurement maturity, both by municipal department heads and procurement officers.

Oslo Municipality's procurements are to be planned, implemented and followed up in a way that ensures effective needs fulfilment as well as processes that engender trust. A contract strategy for the individual procurement is to be prepared early in the planning phase - and then adapted according to the importance, scope and complexity of the acquisition.

A contract strategy includes assessments related to resources and proficiency requirements, choosing a procurement procedure, the tendering process and the desired number of suppliers, contract type, contractual terms and how the contract is to be followed up and concluded in a manner that ensures smooth and satisfactory transition to any new supplier. A contract strategy is also to include an assessment of how requirements set out in the tendering process contribute to affecting stable delivery and the overall risk picture of each procurement.

A contract strategy must also ensure that considerations for the climate, environment, universal design, information security, innovation and social conditions are given sufficient weight. In addition, contract strategies must provide risk assessments and critical success factors so that management is given a sound decision-making basis and the procurement process facilitates good outcomes in both the short and long term. A contract strategy must also make it clear how the agency intends to handle any possible risks.

2.1.3. Ordering expertise

Competent ordering skills are an important prerequisite for there not being any major discrepancies between what is needed and what is delivered. A lack of ordering proficiency can cause serious consequences for those affected by unsatisfactory deliveries and solutions, unnecessary costs and reduced confidence in the municipality as a purchaser and an agent for public good.

A procurement process is never successful unless the procurement meets the need. The specification for the procurement must be based on the needs assessment and take into account the risk assessments and success criteria that have been used as a basis.

The individual agency must have a solid understanding of how requirements set out in the tendering process affect the risk picture and needs fulfilment. One prerequisite for a good risk assessment is knowledge of the market situation. To know the best way of approaching the market to meet needs in the best possible way, the person ordering must have an adequate understanding of the conditions that may affect the delivery's quality, impact and price in both the short and long term. The person ordering must also have knowledge of how different decisions in a procurement process can affect these circumstances. If deliveries are to be

made over time, the fact that needs and risks may change must also be taken into account - and that deliveries must be adapted along the way during a contract period.

A description of the objectives for the procurement and the needs it is to meet must be formulated in such a manner that encourages the supplier market to employ its specialist expertise to come up with the smartest solutions to meet the needs. The person ordering must also have an awareness of how the choice of procurement procedure, contract, specification, qualification requirements and tendering criteria influences the risk and outcome of a procurement process.

2.1.4. Involvement of users and collaboration across sectors and disciplines and with research environments and businesses/industry

To gain knowledge and insight into various matters of decisive importance for the outcome of the procurement process, both in the short and long term, the municipality must initiate dialogue and interaction across municipal agencies - and with users, other public actors, research communities, non-profit organizations as well as commercial businesses and industry.

Where the municipality faces complex challenges, people with different areas of expertise and professional experience must work together towards common goals. Such an obligation should come forth in the relevant documents that govern major complex procurements, and must also be a topic of dialogue among management. Meeting venues must be arranged and facilitated for networks and arenas for sharing knowledge and experience between different actors that can help enhance the opportunities for more successful procurement processes.

2.1.5. Managerial anchoring and building up an expertise base and a culture of right action

To be able to use procurement mindfully and strategically to realize the City Government's ambitions and goals, the municipality must not only gain insight into what the real needs are, but also know how to exploit the opportunities available in order to meet them. It is necessary to raise awareness among managers and employees - both about political ambitions and how procurement can be used to realize ambitions and goals.

Having the right expertise and sufficient resources are essential for carrying out cost-effective and community-friendly procurement processes, resulting in a suitable and effective fulfilment of both short- and long-term needs. It is the responsibility of management to ensure that procurement is conducted with the help of the appropriate professional and strategic expertise, and that sufficient and relevant resources are incorporated in the different phases of the procurement process.

The vision of a greener, warmer and more creative city that accommodates everyone, which this strategy is based on, is to create a culture of visionary, innovative thinking and forward-looking attitudes throughout the organization. A culture that challenges familiar ideas about working methods, cooperative partners and solutions must be nurtured, which will ensure active exploitation of the opportunities in procurement regulations. Procurement of future-oriented, innovative solutions may involve a higher risk than purchases from off the shelf. Agency managers and procurement officers must have solid strategic and professional procurement skills in order to take mindful and thought-out risks in procurement areas that need innovation.

This type of journey of change requires coordination and teamwork among agencies, as well as sharing experience and networking in order to raise skill levels. The procurement environments must be linked at an early stage with the relevant professional expertise for the procurement area in question. This requires proper planning. It also requires constructive

communication and teamwork across departments and agencies, as well as a culture and attitudes that will facilitate a productive dialogue between them.

2.1.6. Standardization

Oslo Municipality must provide standardized common solutions where municipal agencies have similar and repeated needs, which are best and most efficiently met through such solutions. This can contribute to the simplification of work processes for both the municipality and suppliers, to better overall solutions for the municipality, as well as the municipality being able to make use of economies of scale to a greater degree. Oslo Municipality has a large volume of orders with little strategic significance, but which due to their size, require significant resources from individual agencies. Standardized common solutions can help individual agencies to concentrate more on what is strategically important for the agency.

Important focus areas for this are the further development of specifications for purpose-built buildings, municipal-wide framework agreements for purchases (cooperative purchases) where the municipal agencies have similar and repeated needs, standard contracts for the purchase of goods, services and construction work, standard contracts for the municipal leasing of premises, the preparation of common overall routines and templates for contract follow-up as well as other useful common templates and tools.

The municipality enters into a large number of rental leases annually, and leases out premises for several hundred million NOK a year. There is no central body in the municipality responsible for formulating rental contracts. Individual municipal agencies are therefore left to themselves to negotiate with professional leasing agents, who very often insist on using their own lessor-friendly contracts. This leads to, among other things, the risk of contracts having a lack of balance of financial risk between lessor and lessee, as well as a lack of emphasis on environmental and climate considerations. Homogeneous and thoroughly-prepared demands that are in line with policy provisions will make it easier for the municipality to act uniformly and will strengthen the municipality's position in the rental market. Therefore, standard templates, checklists and other e-tools for municipal leasing of premises are to be formulated and improved upon.

New areas for standardization must be continuously assessed, to contribute to the goals of the municipality being achieved more efficiently with less resources, to strengthen the municipality's position in the market and to achieve better outcomes for the municipality as a whole.

2.2. Procurement as a powerful instrument for a greener city

Oslo Municipality is to use procurement as a powerful instrument in accelerating the green shift, climate goals and circular economic thinking. This requires procurement processes that strengthen the competitiveness of climate and environmentally-friendly solutions that leave a minimal environmental footprint, have quality based on high expectations, a long lifespan and ample opportunities for re-purposing.

Oslo Municipality is to be a demanding customer, which through dialogue, teamwork and collaboration challenges the supplier market for innovation and realignment to create a greener, more sustainable and future-oriented community for city life, businesses and industry.

2.3. Procurement as a powerful instrument for a warmer city - that accommodates everyone

Oslo Municipality's procurements are to contribute to a warmer city with room for everyone. The municipality is to create a safe environment and contribute to a meaningful and worthwhile life for all Oslo residents, regardless of their challenges and needs.

Procurement is to be used mindfully to help develop and offer accessible, differentiated and user-friendly services to the city's population. Everyone - regardless of background, status or physical and mental attributes - is to be given the opportunity to live a life with as much independence and meaning as possible. In order to succeed in the goal of municipal services meeting the actual needs of users, the municipality must provide for true user involvement. In order for users' needs to be met in the best possible way, the users' own perceptions of what is needed must be taken seriously. For procurement for individual users, these users must be involved both in the clarification of needs, in the design of specifications and in evaluating the bids.

The municipality's procurement processes are to be implemented such that anyone who contributes to the fulfilment of contracts for the municipality has an acceptable wage and working conditions. In exposed areas, municipal departments and agencies should consider developing agency-specific measures tailored to the characteristics of the agency, for example to reduce unnecessary use of part-time workers or sub-suppliers in exposed industries (including those not covered by the Oslo Model). It is important that prices be considered based on the fact that the bid is realistic in terms of sound operation, the seriousness of the requirements met and other minimum requirements as stated in the tender documents.

The municipality is not to deal with suppliers who can be associated with violations of fundamental human rights, ILO's core conventions or international law that Norway is subject to through UN resolutions.

2.4. Procurement as a powerful instrument for a more creative city

Oslo Municipality's procurements are to be used as an instrument for a more creative city. Oslo residents are among the world's most digitally proficient users and expect smart digital solutions when interacting with the municipality. Oslo is to be the leading municipality in terms of digital solutions and the use of welfare technology. Oslo Municipality is to be a motor for technological development, innovation and value creation. New technologies and smart solutions are to be put to use to accelerate the green shift, streamline work processes, improve the services we offer and create new markets for the city's businesses and industry.

To succeed in this work, the municipality must use procurement as an instrument to provide innovative solutions that meet the needs of today and tomorrow for those who are going to use what is procured. This is dependent on the municipality collaborating with the city's research and knowledge intensive communities, social entrepreneurs, creative sectors as well as innovative environments within the volunteer sector and businesses and industry. This also requires the early involvement of users to reveal needs and discuss opportunities. In addition, close dialogue with the supplier market is necessary to conduct procurement processes that convey needs and stimulate new thinking and innovation.

3. Implementation plan

The procurement strategy will be followed by an overall implementation plan, which will ensure the anchorage and implementation of the procurement strategy in the municipal departments and the municipality's other agencies. The plan is to be prepared by the Department of Finance, in collaboration with the Office of the Governing Mayor and the Department of Business and Ownership. Appropriate measurement indicators for the procurement strategy will also be prepared.

The Department of Finance has a coordinating responsibility for following up implementation and compliance with the strategy. In line with the principle of trust-based administration and management, it is appropriate that the agencies themselves define any agency-specific strategic provisions and relevant measures in the procurement area in line with aims,

provisions and what is otherwise stated in the procurement strategy. These are to be based on a risk assessment. They are to be adapted to the agency's areas of responsibility while contributing to the achievement of the objectives of the municipality as a whole. The responsibility for carrying out regular risk assessments and preparing appropriate measures is delegated to agency managers.

In addition, the individual municipal departments are to monitor the implementation of the strategy in subordinate agencies through ordinary agency management.

4. Operationalization of the procurement strategy - guide for the strategy

UKE is to prepare a guide that gives concrete examples of how the new procurement strategy can be operationalized in municipal agencies. Both the procurement strategy and the guide are to be available digitally and easily navigated. The guide is to be user-friendly and provide relevant practical information.

5. Involvement

The municipality's procurement strategy has been created through the involvement of both internal and external actors.

Through dialogue and work meetings (workshops), the City Government has involved municipal departments and agencies in preparing the new procurement strategy. The input that was conveyed during work meetings focused primarily on topics such as ordering skills, stronger managerial anchorage, innovation and social responsibility. Considerable input was also linked to the structure, degree of detail and the composition of the procurement strategy. The input has helped to form a foundation for further work on the strategy.

A draft of the procurement strategy has also been sent out for review and comment to a number of external actors, which include volunteer organizations, small, medium and large businesses, workforce organizations and others. Several of the organizations that gave input emphasized the importance of focusing on booking skills, social responsibility, including wages and working conditions, and universal design in municipal procurement. Much of the input was suggestions for clarification of the wording in the strategy. Relevant input has been incorporated to the degree that it did not already appear in the wording.

6. City Government's assessment

It is important that Oslo Municipality uses its significant purchasing power as a means for realizing the municipality's ambitions and goals. The municipality's procurement strategy will ensure common overall thinking and behaviour so that municipal procurement of goods, services, buildings and construction can be an effective instrument in providing residents, businesses and industry with quality solutions and services in line with the needs of today and tomorrow. The procurement strategy provisions will also provide the basis for municipal procurement being a powerful tool in realizing the City Government's vision of a greener, warmer and more creative city that accommodates everyone. The overall implementation plan will be important to ensure the establishment of arenas and the implementation of activities that can facilitate necessary managerial anchoring, cultivating proficiency and building a culture that encourages right choices throughout.

Laws and regulations, earlier resolutions

The new procurement strategy for Oslo Municipality replaces *Consolidated Procurement Strategy for Oslo Municipality for the Period 2013-2016*, adopted by the City Government on 04/04/2013.

In City Government proposition 1070/15, Instructions for Agency Management in Oslo Municipality that was adopted by the City Government on 02/07/2015, item 5.5 gives various

instructions to municipal agency managers that are to ensure that agencies use procurement strategically to reach the goals of the municipality.

Economic and administrative consequences

As a starting point, municipal agencies must follow the procurement strategy's provisions within adopted budgets.

Qualification to make decisions

The City Government is delegated authority to adopt regulations that deal with supportive functions for the administration, in accordance with the "Regulations for the City Government" section 3-1 last paragraph, adopted in City Government proposition 65/16 on 02/03/2016. The new procurement strategy is regarded as classified under this.

Reporting scheme

Reporting on the most important initiatives and their outcomes will be included in the City Government's annual report. No additional, ongoing reporting to the City Government is planned.

The Department of Finance recommends to the City Government that the following resolutions be adopted:

1. The City Government adopts the following procurement strategy for Oslo Municipality:

Main objective

Oslo Municipality is to conduct appropriate and cost-effective procurement processes - which deliver sound and socially responsible solutions in both the short and long term.

Sub-objective 1

Oslo Municipality's procurements are to effectively contribute to providing residents, businesses and industry with solutions and services in line with the needs of today and tomorrow.

Strategic provisions

- The municipality is to acquire knowledge of the real needs of end users from the users' points of view, whether they are residents, employees, businesses, industry or others for whom the procurements are made. A clarification of needs must form the basis of what is being sought after in a tender.
- The municipality is to ensure that there are reliable processes that ensure that the person ordering understands what the users themselves think they need - and what expectations users have of the municipality.
- The municipality is to conduct innovation-friendly procurement processes, based on needs, using dialogue and the most open and functional requirements as active instruments, and challenge the supplier market to come up with new and better solutions.
- In all major procurements, a verifiable risk assessment must be made for the type of expertise the procurement process must be provided in order to achieve a good outcome in both the short and long term.
- Various types of expertise-building measures are to be offered, aimed at various roles and areas of expertise in municipal procurement.
- Arenas for networking, dialogue and interaction between employees who have a role in municipal procurement are to be established.

- The municipality is to implement measures to build expertise in ordering in strategically important procurement areas, such as ICT, buildings and construction, transportation, health and care services and waste collection.
- The municipality is to further develop the use of various digital tools to streamline and improve all phases of municipal procurement processes.
- The municipality is to continue to enter into cooperative purchasing agreements, where municipal agencies have repeated and concurrent needs, and where this provides opportunities for favourable economic and social benefits.
- Where this can provide quality solutions to more complex challenges, the planning and execution of procurement activities is to provide for collaboration and the sharing of expertise across sectors and disciplines.
- The municipality is to ensure a continuous development of standard contractual terms for the municipal purchase of goods, services, buildings and construction - to meet new societal challenges with thought-out, accurate and municipal-wide requirements.
- The municipality should, as far as possible, avoid reliance on one single supplier in areas that are of crucial importance to the community.
- The municipality is not to get involved with long-term contractual relationships that reduce the municipality's flexibility, unless this is of crucial importance for ensuring security and stability in services offered to people from vulnerable groups.
- The municipality's need to retain or develop the necessary expertise in ordering, as well as the ability to influence suppliers to drive innovation and service development of use to the community, should be included in the assessment of whether the municipality is to run operations itself or purchase services.
- In order to gain expertise, experience and strengthen the work of providing residents and businesses with solutions and services in line with needs of today and tomorrow, the municipality is to retrieve and share experiences from other countries and participate in international cooperation.
- The municipality will also participate in projects in Europe that can help develop good methods for innovative procurement processes that reduce the risks associated with such procurement.

Sub-objective 2

Oslo Municipality's procurements are to make Oslo a greener city.

Strategic provisions

- In the planning of all procurements, the municipality is to aim at becoming an emissions-free city as a starting point.
- The municipality is to make a stand for continually increased recycling, re-purposing and sharing. Arrangements are to be made for the greatest possible re-purposing and recycling of materials.
- The municipality is to make use of category management to increase the portion of sustainable materials as well as organic food and beverages.
- The municipality is to calculate the cost of delivery from a life-cycle perspective. Climate and environmental impact as well as the use of resources throughout the entire lifespan - from production, consumption and to the disposal phase - is to be included as far as possible in the calculation, and provisions are to be set out for which solutions are chosen.
- The municipality is to develop green rental leases for municipal leasing of premises. As a main rule, the premises must satisfy low energy levels by 2020 and passive house levels or the equivalent from 2020.

- The municipality is to prioritize transportation based on zero emissions or biofuels for all travel under municipal auspices or service-related – and be an active driving force finding renewable solutions where they don't exist today.
- All renewable fuels used are to meet the EU's sustainability criteria for biofuels as a minimum. No biofuels based on palm oil or by-products of palm oil production are to be used.
- Vehicles and construction machinery used in connection with performing work for Oslo Municipality are to have zero emission technology as a main rule. Procurement that opens for the use of other technology is to be specifically justified in the contract strategy. For vehicles and machines where zero emissions is not an option, biofuels (preferably biogas) is to be used.
- The municipality's own new buildings are to have the Passive House Plus standard as a main rule.
- The municipality is to assess whether bio-plastics are to be required, as this can provide positive and more environmentally friendly solutions/products.
- Municipal agencies are not to procure tropical timber, wood or products based on tropical wood unless there are reliable approval schemes that can ensure that the timber or wood originates from sustainable and legal harvests.

Sub-objective 3

Oslo Municipality's procurements are to make Oslo a warmer city that accommodates everyone.

Strategic provisions

- Municipal services are to be adapted to the resources and needs of those who need services and assistance in their daily lives in order to have a worthwhile and meaningful life situation.
- The distinctive features of health and social services are to be maintained through procurement in those areas - in accordance with users' needs for stability, integrity, an experience of mastery, accessibility and a comprehensive offer of service and development of service content.
- In procurement of health and social services for persons in need of security and continuity of service, the municipality is to initiate long-term cooperation with suppliers, including long-term contracts that provide stability for both users and suppliers.
- The municipality is to develop specifications with an emphasis on universal design in several areas, so that the city's arenas can be used by everyone and that anyone who needs municipal services, buildings and city spaces can easily use them.
- The municipality is to continuously assess, develop and follow up measures to ensure safe and orderly wage and working conditions, counteract social dumping and combat labour crime in municipal building, construction and risk-related service contracts. The municipality is also to use international networks to contribute to an increased focus in this area.
- Oslo Municipality must work actively to ensure that the municipality's global supply chains safeguard fundamental human rights, ILO core conventions and international rules that Norway is subject to through UN resolutions.
- In areas where the municipality is not to run its own operations, procurement processes are to be conducted so that non-profit suppliers - or where there are relevant social entrepreneurs - can come to the fore with their expertise.
- The municipality is to use category management to increase the portion of fair-trade products.

Sub-objective 4**Oslo Municipality's procurements are to make Oslo a more creative city.***Strategic provisions*

- Oslo Municipality is to be a place where potential suppliers have the opportunity to come to test and create ground-breaking solutions for the public sector.
 - The municipality is to make use of innovative partnerships, as these can contribute to new and better solutions in strategically important areas.
 - The municipality, together with representatives from the supplier market and industries, is to regularly review information, templates and guides for procurement processes with a view to making relevant documents easily applicable and suitable for promoting innovation and social responsibility.
 - In an early phase of procurement, the municipality is to facilitate the reception of innovative ideas and the development of sound solutions that can meet the needs of today and tomorrow and ensure dialogue with innovative actors and knowledge-intensive communities. These can be residents, supplier markets, relevant research and academic communities, innovative businesses, social entrepreneurs, creative sectors, volunteers, or others.
 - The municipality is to demand and follow up that apprentices are used in jobs done on behalf of Oslo Municipality in industries requiring apprenticeships.
 - The municipality is not to set qualification requirements that exclude small and medium-sized businesses from supplying Oslo Municipality, unless the requirements are considered absolutely necessary for ensuring safe and adequate deliveries.
 - The municipality is to plan and conduct procurement processes so that non-profit actors, social entrepreneurs, volunteers, cultural industries and creative sectors have the opportunity to demonstrate their expertise and provide good solutions.
2. Mandatory local action plans are omitted as instruments. Item 5.5.7 under resolution point 1 in City Government proposition 1070/15 «Instructions for Agency Management in Oslo Municipality» is hereby rescinded.
 3. City Government proposition 1036/13 Strategy for Oslo Municipality's Procurements for period 2013-2016 is hereby rescinded.

Department of Finance, date: 19.10.2017

Robert Steen

The City Government accepted the recommendation from the Department of Finance.

City Government, date: 24.10.2017

Raymond Johansen

Addenda available on the Internet: None
 Addenda not available on the Internet: None