



Cities on the frontline: local practices for active inclusion in Bologna

Social clauses in procurement and the effective collaboration between social cooperatives and public administrations: the example of the Second Life Project



Cities for Active Inclusion

CITIES FOR ACTIVE INCLUSION

The EUROCITIES Network of Local Authority Observatories on Active Inclusion (EUROCITIES-NLAO) is a dynamic network of nine European cities - Barcelona, Birmingham, Bologna, Brno, Copenhagen, Lille Métropole - Roubaix, Rotterdam, Sofia and Stockholm - each with a Local Authority Observatory (LAO) within its administration. Their aim is to share information, promote mutual learning and carry out research on the implementation of the active inclusion strategies at the local level.

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INTRODUCTION

1.1 Bologna context

The city of Bologna has 385 329 inhabitants,¹ and is located in the Emilia-Romagna region, in the heart of Italy. Its university is the oldest in the world; it was founded in the year 1089, and is attended by over 87 000 students. Alongside its cultural tradition, Bologna is one of the most important business cities in Northern Italy: this is mainly because it represents a crossroads of goods and people, thanks to its position as a mobility hub. Bologna's economy is mainly dominated by the service sector, but industrial and agricultural sectors are also widely represented e.g. in packaging valley and several industrial districts. The presence of many associations testifies to the strong and effective active participation of citizens. There are 1 400 associations, and 400 of these are related to social and health issues. The associations are directly and/or indirectly supported by the municipality and represent a source of ideas for new social policies.

Social clauses in public procurement are an important tool for public administrations, and for other organisations that are partially controlled by the public sector: they can be used to support the employment of disadvantaged people. According to the national code of public procurement (Legislative decree 163/2006 Article 28:1b and Article 69), public tenders can include an obligation to employ disadvantaged people, to help achieve specific active inclusion job placement programmes. The public authorities must ensure that contractors comply with a specific work experience programme for each disadvantaged person that they employ during the contract, by clearly setting out specific conditions in the tender documents. Any public contracting authority may impose special conditions within the contract notice, relating to social or environmental requirements, provided they are compatible with community law: they must comply with, among other things, the principles of equal treatment, non-discrimination, transparency, and proportionality/fairness. In the case of smaller procurement procedures without notice, conditions can be stated in the invitation document.

Within this legal framework, Bologna started to introduce social clauses in public procurements some time ago. Then, at the end of 2012, Bologna province published draft guidelines specifically on social clauses that specify work placements for disadvantaged people (the *Linee d'indirizzo per la realizzazione di inserimenti lavorativi delle persone in condizione di svantaggio*)².

These guidelines have three main objectives:

- to ensure that disadvantaged people in Bologna, including people with disabilities, are helped to access the labour-market and achieve long-term employment;
- to promote corporate social responsibility in Bologna;
- to enhance social inclusion by supporting Type B social cooperatives: i.e. social cooperatives which directly provide job opportunities to disadvantaged people in sectors such as environmental services, catering, and agriculture.³

¹ Demographic trends in Bologna, 2012: City of Bologna. (Le tendenze demografiche a Bologna nel 2012).

² In line with the national law [L. n. 135/2012](#). For more details, see: [Bologna, città metropolitana, che cos'è e come funziona: Regione Emilia Romagna](#).

³ Type A social cooperatives provide social services (e.g. fostering services; recreation centres for older people; rehabilitation centres); health services (e.g. health care, health-related care and long term care); and education services (e.g. recreation centres for young people). Type B social cooperatives offer jobs, within the social cooperative, for disadvantaged people; and they operate in sectors such as agriculture; cleaning; maintenance; recycling; crafts; and catering. For all social cooperatives, at least 30% of employees must be disadvantaged e.g. people with disabilities, mental disabilities, or social problems such as substance addiction, or ex-offenders (National Law 381/1991). In certain circumstances, social cooperatives can offer both A and B services. Most social cooperatives provide services under an agreement with public administrations and/or other organisations.

In February 2013, Bologna municipality approved a regulation allowing social clauses in public tenders that oblige contractors to employ a certain percentage of disadvantaged people. A specially appointed technical group is now working to define the operational aspects related to the implementation of these social clauses. These aspects include: the quota of job placements to be reserved for disadvantaged people; the specific types of public tenders that can include social clauses; and the criteria for selecting contractors.

Meanwhile, the guidelines on specifying work placements for disadvantaged people are being discussed by all the other, smaller, municipalities within Bologna province (In 2014, Bologna province will become known as the metropolitan city of Bologna).

1.2 Social clauses and active inclusion

The use of social clauses in public tendering can be a strong tool for supporting the active inclusion of disadvantaged people who are furthest from the labour market. For Bologna, social clauses in procurement are important for several key reasons:

- increasing numbers of disadvantaged people: the number of disadvantaged people in Bologna has been increasing, especially during this period of economic crisis. New types of disadvantage are emerging, which increases the total number of people who may be at risk of exclusion, especially in relation to the labour market. As well as the more familiar categories of disadvantage (such as people with physical or mental disabilities, addictions, or a criminal record), other categories are emerging: people who are over 50 who have lost their job; people who have been unemployed for long periods of time; single mothers and single fathers with young children; and older people
- importance of social cooperatives: Type B social cooperatives, which have a 30% ratio of disadvantaged employees, have a strong role in Bologna, and they need to be enhanced and supported by public administrations
- low social corporate social responsibility: social corporate responsibility is limited in Bologna; there is therefore a need for interventions to enhance social corporate responsibility and create a social inclusion culture within the private sector
- potential cost-savings: social clauses in public procurement allow public administrations to actively include people who are furthest from the labour market without spending public money; in addition, by ensuring job placements for disadvantaged unemployed people, this reduces their need to rely on social services and the benefits system, and may even reduce public spending.

1.3 Additional regulations

In addition to national code of procurement, the other main national and regional laws that relate to social clauses in procurement are as follows:

- National law 381 / 8 November 1991: on the regulation of social cooperatives (article 4)
- National institute of social security regulation 109/1993: this stipulates that the following groups of people are considered to be disadvantaged: people who have a physical or mental disability that is certified to be over 45%; people receiving psychiatric treatment; people addicted to drugs or alcohol; minors who live in disadvantaged families; ex-offenders (the president of Italy's council of ministries can extend the classification of disadvantaged people).
- Regional Law 7 / 4 February 1994: Regulations for promoting and developing social cooperatives (Norme per la promozione e lo sviluppo della cooperazione sociale); this represents the regional implementation of the national law 381.

1.4 Social clauses for the Hera group

Although the process for introducing social clauses in public procurement has only just started, social clauses have already been implemented by the Hera group, a multi-utility company⁴. The Hera group's main shareholders are municipalities in the Emilia-Romagna region, including Bologna municipality.

In 2005, and subsequently in 2009, the Hera group signed a memorandum of understanding with Legacoop and the Confcooperative (which represents Italian social cooperatives) to formalising the relationship between Hera and social cooperatives.

In the memorandum, Hera is obliged to:

- promote contract agreements with social cooperatives by directly entrusting them to provide waste services for a value below the EU procurement threshold of € 200 000⁵
- introduce social clauses in tenders valued above the EU procurement threshold award additional points to tenders that incorporate job placements for disadvantaged people are inserted through Type B social cooperatives.

At the same time, the memorandum states that social cooperatives are obliged to:

- guarantee job placements for disadvantaged people and the implementation of individualized and personalized job training programmes
- guarantee to apply the national collective bargaining agreements on pay and conditions for all newly employed disadvantaged people
- promote quality certification for the services they provide.

The memorandum of understanding between Hera, Legacoop and the Confcooperative includes meetings twice a year, in order to monitor the job placements for disadvantaged people in the social cooperatives that are delivering services for Hera. In May 2012, Hera published two public tenders for the collection and transport of urban waste in the provinces of Bologna, Modena and Ferrara⁶. Both tenders included social clauses for job placements, allowing 218 disadvantaged people in total to be employed.



⁴ The Hera Group is a leading environmental, water and energy, services company.

⁵ European Commission Regulation 1251/2011/ 30 November 2011.

⁶ In addition, two similar public tenders have been published in the Romagna Provinces of Rimini, Forli and Cesena, and Ravenna.

2. CASE STUDY: SECOND LIFE PROJECT

2.1 Social clauses in procuring a re-use facility

Even though the process of formalising the introduction of social clauses in Bologna is still ongoing, it is based on several successful examples of effective collaboration between social cooperatives and public administrations. One of these successful examples is the Second Life project. This project started in 2011, within the 2008/2009 regional action plan for sustainable development (Piano d'azione ambientale per lo sviluppo sostenibile), and is coordinated by Bologna province.

The three main objectives of the Second Life project are as follows:

- to support the development of the green economy through the fight against wastefulness
- to increase job placements for disadvantaged people by entrusting the project management to social cooperatives
- to promote the re-use of different objects that can still be used even if they have been thrown away: this could be of particular help to citizens living in poverty conditions of poverty.

The Second Life project is being financed under the Regional Environmental Plan and seeks to change citizen's attitudes towards the idea of waste recycling. At the same time, by implementing a system to re-use a wide variety of old items and objects, it also has a social importance: this is especially of benefit to those citizens who live in conditions that are socially and economically fragile. The re-use system is specifically aimed at identifying, among the things that people throw away, those objects that can still be re-used. The three Second Life employees (who are all disadvantaged people) are entrusted to this task. After identifying items that can be re-used, the items are cleaned and prepared for use by other people, for free.



By offering the items to other people for nothing, this gives the opportunity to specific groups of citizens to have specific items that they may not be able to afford to buy at market prices. Any citizen can visit the Second Life re-use facility: there are no criteria set for citizens to gain access. This means that in theory all the Bologna citizens may go and get objects for free. But in practice, from interviews with visitors looking for free items, it emerged that many homeless and/or people living in poor conditions are accessing this service. The facility is based in the densely populated Borgo Panigale district of Bologna municipality, where there is a high proportion of people who are at risk of social exclusion and are living in conditions of poverty.

Moreover, the Second Life re-use facility is managed by a consortium of social cooperatives, and to deliver their services, they employ disadvantaged people who are furthest from the labour market, and will have significant difficulty in gaining employment without the help of a supported pathway.

2.1.1 Beneficiaries

The Second Life project is aimed at all Bologna citizens, but in particular it is designed to help those people who are living in fragile social and economic conditions. Second Life also involves municipal organisations, schools, and NGOs who donate re-usable objects that they no longer want. The municipality raises awareness of the fact that the Second Life facility will accept old but potentially re-usable items from them, and also offers them the opportunity to take away other items they may need that have already been cleaned up ready for re-use.

The current contract for managing the Second Life re-use facility has been awarded to the Consortium SIC social cooperative. SIC stands for 'Social Initiatives Consortium'. The contract is for two years, and to carry out the various tasks at the facility, Consortium SIC has employed three disadvantaged people: one person who is an ex drug-addict, one who had a mental disability, and one who was homeless.

Bologna's Second Life re-use facility has been running since 2011. The facility collects objects that people have thrown away but are potentially re-usable by other people. The types of objects accepted include the following: clothes, shoes, bags, small electro-domestics, bicycles, pots, plates, other kitchen objects, and bed linen such as sheets. The Second Life re-use facility is open 30 hours per week.

Before starting work, the three disadvantaged people who are employed at the facility participated in a vocational training course, run by technical experts from Bologna municipality and Hera.

The tasks undertaken by the three employees are related to three main activities:

- running the re-use facility: cleaning, opening and closing
- customer service and record-keeping: relating to citizens/clients, welcoming citizens to the facility; collecting potentially re-usable objects; withdrawing objects for re-use; compiling contact details for people or organisations asking for re-usable objects; cataloging objects and placing them in the facility; delivery of objects to users; updating the register of goods
- inventory management: organisation of the space by type of object; location of the objects in the catalogue; regular assessment of the stock of objects in storage; transmission of regular reports to the municipal administration.

2.1.2 An integrated and coordinated approach

The Second Life project involves three main institutional levels: the Emilia-Romagna region, which financed the project; Bologna province, which coordinated the project; and Bologna municipality, which, together with Hera, implemented the project. The project was therefore achieved thanks to the coordination and joint working among these different public administrations and with Hera, which is the public utility for environmental services in the local area.

Also fundamental to the project is the collaboration with the social cooperatives that are in charge of the re-use facility and are responsible for delivering its services. In addition, collaboration with local associations that may benefit from the project itself is vital. These local associations include the Ornius association which is made up of social cooperatives, NGOs and training organisations that finance projects in environmental and social associations and non-profit organisations. In agreement with Bologna municipality, members of the Ornius association can take those objects that have been at the facility for six months and have not been taken by anyone else.

2.1.3 Innovation

The Second Life project is innovative in that it was the first initiative in Italy in which social cooperatives are directly managing a re-use facility. Although other similar facilities exist in Turin and in Florence, no social cooperatives are involved in these.

Moreover, another unique characteristic of the Bologna Second Life re-use project is that the environmental aims of the project (i.e. waste re-use and recycling) have been combined with the social aim of supporting disadvantaged citizens living in precarious social and economic conditions by distributing objects to them free of charge.

The project has been developed by Bologna municipality in collaboration with the Hera group. The municipality owns the land on which the re-use facility is situated. The municipality also issued the public procurement document asking social cooperatives to tender for the management of the facility. Bologna's SIC consortium (Social Initiatives Consortium), which consists of 23 social cooperatives, won the tender and one of its members, the Fare Mondi social cooperative, is now the managing the re-use facility on a two year contract.

2.2 Key successes

The project is having a significant impact. The facility is managed by the Fare Mondi (Making Worlds) social cooperative, which is a member of the Consortium SIC and employs three disadvantaged people: they have been directly employed to run the re-use facility.

In addition, the project is having a beneficial effect on the poorest groups of citizens. As a result of increasing



awareness of the re-use facility and the free availability of useful items, objects are continuously exchanged at the facility, and it is now becoming a point of reference for people who are most disadvantaged in Bologna: they know that the facility offers free items that they need for daily life. Clothes and kitchen objects are the most requested and exchanged items. The re-use facility therefore represents an additional service for disadvantaged people in the Bologna area, on top of the more traditional charity services.

The Second Life facility does not yet monitor the people using the re-use service, so it is not possible to provide exact quantitative data on how many people are accessing the service, or their main characteristics in terms of gender, age, etc. However, the SIC consortium is discussing the possibility of at least recording the number of people visiting the facility.

One of the most striking aspects of Second Life is that it integrates different needs and solutions:

- Firstly, there is the need to actively include people who are furthest from the labour market: disadvantaged people who are unemployed and need support to access jobs and

training.

- Secondly, there is the need to fight against waste and to encourage people to realise that an item that is no longer used is not inherently waste: it can still be put back into circulation and re-used for free.
- Thirdly, many disadvantaged people need the items offered for re-use, but they cannot afford to buy them. Their needs can be met by giving them these items, which are often still of good quality, using the concept of exchange, where people can leave some objects and take other objects, and outside the traditional charity services.

The initial idea of duplicating the experience elsewhere in the near future has had to be put on hold, due to the difficulty of finding the resources to fund a further re-use facility. The current goal is for Bologna municipality to fund the existing facility, by covering the management costs incurred by SIC consortium as well as paying the three Second Life project employees. Bologna municipality is also checking the availability of ad hoc funding for the future, with the aim of introducing the Second Life concept in other areas of the city.

Second Life produced a report of its activities⁷ covering the 15 months from when it opened on 20 September 2011 through to 31 December 2012. In total, 1,160 inbound users donated items, and 1,090 outbound users took items for re-use. This demonstrates the success of the project in attracting a high number of users in the Bologna area.

In addition, since the facility opened, the data shows that the flow of objects being donated (input) and taken away to be re-used (output) was constantly increasing. A total of 58,524 input items were accepted by the Second Life facility during the first 15 months, while a total of 51,994 output items were distributed to citizens, leaving a stock of 6,530 items.

An increase in the outflow of items has helped the employees to keep the the facility in good order and achieve a reasonable balance of stock, despite difficulties with distribution for some of the goods. The stock level, although significant, is sustainable for Second Life. The agreements with Bologna's associations to take items that have been in the facility for over six months, has ensured more clothing has been output, compared with the actual needs of citizens. It should be stressed that the total stock of clothing (32% of total stock) opens up a wide range of opportunities for evaluating other output channels for clothing. This will help further consolidate the relationship between the government and the third sector organisations that play a fundamental role in supporting the most disadvantaged people in Bologna.

2.3 Challenges

The biggest challenge in designing the Second Life project was the uncertainty about whether the initiative would be approved and whether it would turn out to be a success. In the opinion of the municipal administration, there was a very high risk that a new and unprecedented proposal such as Second Life would not be understood or embraced by Bologna's citizens, because the municipality had no budget for an information campaign. To establish an entirely new public service, that had no precedent, additional work was necessary. This included the formal drafting of a specification for managing the facility, and making assumptions that would be confirmed only during construction and implementation. Also, the decision by the administration to entrust the management of the facility to a consortium of social cooperatives, also presented a challenge: it was not an obvious choice, but today, a year and a half since the start of the project, it can be said that this challenge was overcome successfully through close cooperation between all the stakeholders.

⁷ See: [Report dell'attività al 31 dicembre 2012](#).



Once the municipality had accepted the uncertainty about whether the Second Life project would be approved, the project team tried to achieve the lowest possible cost structure. The lack of precedent also meant that they proceeded without a predetermined plan; therefore, throughout the development process, they continually evaluated the options to decide which approaches would have the best chance of success.

To overcome the difficulties during the implementation phase of the project, the team worked hard on training the staff, through strong collaboration with the SIC consortium, which allowed SIC to be fully involved in the project as a whole and not just in the management of the facility.

2.4 Future plans and dissemination

Due to limited current resources, combined with the absence of funding from external bodies, it is not possible to make short-term forecasts on future plans for the development or roll-out of the Second Life project in the Bologna area.

However, on a regional level, the Second Life concept has been reproduced, using a similar format, in Forlimpopoli.⁸ This has been implemented with the support of the Emilia-Romagna region, under its Environmental Action Plan for a Sustainable Future 2011 / 2013.

To disseminate information about Bologna's Second Life project, the municipality has dedicated a webpage to the Second Life project. This includes the material used to advertise the initiative, such as the Second Life brochure, and the 3R brochure 3R (3R: reduce, reuse, recycle), as well as the report on activities, with the main results achieved. As previously mentioned, there were no specific resources available in the budget to devote to an information campaign throughout the city. Instead, the municipality chose to promote the project on open web channels, creating small local initiatives and including the experience in different events, such as waste week. The municipality also made contact with schools, to develop teaching activities, and the project was also presented in the Bologna's Energy Environment show room⁹.

Bologna's Second Life re-use project is helping to actively include disadvantaged people furthest from the labour market by providing them with employment and training. The project is also assisting those furthest from the labour market by offering free essential household items for re-use by citizens: most of the items are distributed to disadvantaged citizens.

⁸ Forlimpopoli's Re-use 4U facility was opened recently: it is managed in collaboration with the Gulliver of Forlì social cooperative; for more information, see the page of the Forlimpopoli city website: [Comune di Forlimpopoli http://bit.ly/19zvXpB](http://bit.ly/19zvXpB).

⁹ Opened in 2003, and refurbished with ministerial and regional funds, Bologna's Energy Environment show room informs and advises citizens, and disseminates information to deepen the energy-environment discussions in schools; the activities are supported by municipal funds and European projects.

2.5 Additional information

Basic information	Web link & Contact person
<p>Bologna's Second Life project has public funding under the regional Environmental Action Plan for Sustainable Development 2008/2009.</p> <p>Regional funding €240,000</p> <p>The project takes place at city level, in the Borgo Panigale district of Bologna municipality.</p> <p>Start date: 20 September 2011. (No planned end date.)</p>	<p>Second Life website: www.comune.bologna.it/ambiente/servizi/6:3242/7851/</p> <p>Second Life facebook page: www.facebook.com/secondlife#!/secondlifebologna?fref=ts</p> <p>Contact person: Zeno Gobetti, Fare Mondi del Consorzio SIC, Bologna</p> <p>Phone: 0039 320.8461975</p> <p>E. mail: secondlife@comune.bologna.it</p>



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