

MAKING SPEND MATTER

Anchor Institution Engagement Case Study

Bistrița

Bistrița



INTRODUCTION

About Making Spend Matter

The **Making Spend Matter Transfer Network**¹ is one of 23 transfer networks funded through the **URBACT Programme**². Generally, the transfer networks are seeking to transfer an **URBACT identified piece of Good Practice**³ associated with integrated urban development to other cities across Europe.

In the case of Making Spend Matter, the identified good practice is around the process of public procurement and particularly a methodology called spend analysis which enables cities to measure where their procurement spend goes and subsequently work in cooperation with other partners and the market to progress the way in which they undertake procurement policy and practice.

The spend analysis good practice has been developed by the City of Preston in the United Kingdom over the course of the last seven years. Over the course of the last two and a half years as part of the transfer network, Preston has sought to transfer the principles and practice of the methodology to six other cities: Pamplona (Spain), Vila Nova De Famalicão (Portugal), Schaerbeek (Belgium), Kavala (Greece), Bistrița (Romania), and Koszalin (Poland).

About the Making Spend Matter Toolkit

The Making Spend Matter Toolkit (www.preston.gov.uk/makingspendmattertoolkit) brings together guidance and learning from the network to enable other public organisations and cities to start / continue their own strategic procurement journey.

The Toolkit comprises four parts:

- The first part explains how public organisations can take a more strategic approach to public procurement to help them deliver positive impact on their communities, economy and environment.
- The second part provides a spend analysis tool (produced by CLES, the Centre for Local Economic Strategies in the UK) and guide (produced by Making Spend Matter partners) to help cities analyse their procurement spend in terms of geography, sector and with different types of suppliers, and interpret their findings to help inform where changes can be made to procurement processes.

¹ www.urbact.eu/making-spend-matter

² www.urbact.eu/

³ www.urbact.eu/good-practices/home

- The third part provides tips and guidance through a series of Frequently Asked Questions (FAQs) and infographics on a range of topics from how to develop a strategic approach to public procurement, increase your engagement with SMEs, embed social and environmental criteria and measure the wider impact of your procurement activities.
- The fourth part provides practical examples on the topics highlighted in parts two and three and other activities which partners engaged in during the lifetime of the Transfer Network.

About these Case Studies

Each partner city has had the opportunity to participate in optional transfer activities in relation to the topics of advanced spend analysis, developing strategic procurement plans, business database development and SME engagement, and social and environmental criteria. These activities were either delivered through bilateral meetings between smaller groups of partners with the support of a Lead or Ad Hoc Expert, or bespoke one-to-one individual partner meetings with the support of the Lead Partner, Preston, and the Lead Expert. After these meetings each of the partners undertook further activities to implement what they had learned.

Each case study which follows here, covers one of the elements of the optional transfer which partners participated in according to their own contexts and needs. Engaging with Anchor Institutions⁴, the topic of one of the case studies, was not a separate activity in its own right, rather it was a golden thread running through the Transfer Network around the importance of engaging more widely with other institutions in order to maximise the impact of public procurement on place.

The case studies are designed to be practical in nature for cities who are undertaking their own procurement journey, whether they are just starting out or have already embarked on it. The case studies follow the same format, outlining the context of each city, why the activity is important to them, the barriers they faced, the activities they undertook, what worked well, what did not work so well, and lessons learned.

⁴ These are large, often public sector institutions, that are important because they spend a great deal of money buying goods and services, they employ lots of people, they own lots of land and assets, they often have democratic mandate, and they are unlikely to go anywhere.

Bistrița Context:

The City of Bistrița is based in the North West region of Romania, alongside cities such as Satu Mare and Cluj Napoca. It is one of 3 cities that make up the County of Bistrița Nasaud and has a population of 75,076. In geographical terms the city has an area of 145 square kilometres, with a mix of urban and rural land use. The vast majority of residents are from Romanian and Hungarian backgrounds.



In economic terms, the City of Bistrița has a strong manufacturing sector including around metallurgy, machine building, electro-technics, plastics, wood, textiles, and glass. There is also some primary industry in the form of mining and a growing service sector. The largest employer and private sector anchor institution is a German cable and wiring system company, which employs some 5,000 people from Bistrița and its surrounding villages.

In social terms, the presence of a large private institution and a strong manufacturing sector means that unemployment in Bistrița is extremely low at around 1%. However, there are challenges around the quality of employment with much work low skilled and low paid. The Municipality of Bistrița is seeking to address such skills challenges through working in partnership with schools, colleges, and branches of universities, and with major employers based in Bistrița.

Why Engage with Anchor Institutions:

Public anchor institutions are important to a place and play a significant role in the local economy of that place. This is because they:

- spend money buying goods, services and works through procurement;
- employ people, often from the locality in which they are based;
- own land and assets;
- are unlikely to leave a place and re-locate elsewhere.

Most cities will have a number of anchor institutions based within their city boundaries, depending on their size.

The core anchor institutions based in Bistrița include the Municipality of Bistrița, the County Council of Bistrița Nasaud, two branches of national universities, and several colleges. There is also the County Police Department and several other County level departments including the County Department for Culture and the County Payment and Inspection Agency.

Each of these institutions spends money buying goods and services. Engaging with them to understand what they spend their budgets on, and how this can potentially be used to bring additional economic, social, and environmental benefits is important both for progressing procurement in a more strategic way and also for maximising the opportunities these benefits present for the economy and communities of Bistrița.

Barriers / Challenges:

There are a number of barriers / challenges which the Municipality of Bistrița faces in relation to engaging with anchor institutions in their locality:

- Procurement, because of the technical and legal constraints, is not an area where institutions have historically collaborated with each other;
- The business of the anchor institutions can be quite specialised, which impacts their scope in terms of to undertake procurement more strategically;
- Some of the anchor institutions based in Bistrița are branches of larger institutions rather than entities in their own right. Therefore their procurement spend is largely determined elsewhere, thereby limiting the scope to maximise the impact of their procurement spend;
- Building relationships – there are about twenty anchor institutions in Bistrița – takes time;
- Covid-19 has impacted on momentum, as the stakeholder group of anchor institutions has been focused elsewhere, and there have not been any meetings for a number of months;
- Lack of interest from private companies as they are not obliged to use public procurement platforms;

Actions taken / changes made:

The Municipality has undertaken a number of actions. It has:

- Set up a local stakeholder group comprising Municipality departments, e.g. Local Police, Social Department, Municipal Culture Department and the branches of Cluj Napoca University and the Technical University of Cluj Napoca, along with the Chamber of Commerce to explore the extent to which collaboration around procurement was possible;
- Started to share the spend analysis tool with anchor institutions – this has been partially done with some institutions and has yet to be done with others.
- Explored how the Municipality can engage with wide range of other anchor institutions based in Bistrița.



What worked:

As a result of these actions, there is:

- A greater awareness of the role that anchor institutions play in the local economy, leading greater joined up thinking;
- A willingness of anchor institutions to engage in something very new;
- A greater understanding amongst the anchor institutions of the importance of procurement and how this can be used more strategically;
- Recognition of the importance of personal connections: Building relationships takes time and those institutions who engaged initially did so more because of collaborations with the Municipality which existed as a result of participation in previous projects, than because they understood the potential of undertaking spend analysis and using procurement more strategically. As the project progressed, the initial members, using their own personal contacts, invited other institutions and thus the original local stakeholder group was enlarged to encompass a greater number of institutions thereby enabling greater impact potentially;
- Understanding of the benefit of one-to-one contact: With the onset of Covid-19, face-to-face group meetings were no longer possible. Instead there have been a number of one-to-one discussions which have enabled the spend analysis tool to be discussed directly with those likely to be using the tool and undertaking the analysis. These discussions have been very useful in persuading those institutions of the potential of understanding their procurement spend in more depth and how they can use that knowledge further.

What worked less well:

- At the beginning of the Transfer Network, the Municipality envisaged that the anchor institutions would be the big public institutions, which had originally agreed to take part in the local stakeholder group. But then, as the project was getting a stronger shape, other interests were at stake, so they shifted to smaller institutions, the majority being subordinate to the Municipality;
- The pandemic situation changed the original schedule the Municipality had planned for the transfer of the spend analysis tool, so everything was delayed for some months. However, positively, the Municipality is confident that by the end of the project most of the anchor institutions will have finished the analysis;
- The constraints of the national legal framework have meant that it is difficult for the Municipality to implement at local level all the lessons learned within the Network, and therefore limited the transfer of knowledge.

Lessons learned:

- Baby steps are important – making changes as to how public procurement is undertaken one step at a time through showing how it is done, and then helping others to put it into practice too;
- Change has to start somewhere – despite the challenges of the public procurement framework, the Municipality is leading the way in being an example to others, particularly anchor institutions, with regards to how public procurement can be done differently
- Need to create a snowball effect, start with smaller anchor institutions and then larger anchor institutions will become more interested in being involved;
- Things do not always turn out the way they are originally foreseen. Sometimes it is those who seem the least likely to get deeply involved are the ones in the end who engage the most and become the real champions of progressing public procurement.



Making Spend Matter is a network of 7 European cities, funded through the URBACT III Programme and the European Regional Development Fund, exploring how spend analysis can be used as an evidence base to improve public procurement and deliver wider benefits to communities and places.