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# POLICY BRIEF

## *Sustainable Public Procurement in the Sao Paulo State Government*

*Martin Dietrich Brauch*

### *Introduction*

The Government of the State of Sao Paulo, Brazil, is in a privileged position to use public procurement to promote sustainable development; its more than 1,800 procuring units have an annual budget of about US\$12 billion for the purchase of goods, services, and construction works. Since the mid-1990s, the State has made significant strides in improving procurement efficiency and implementing sustainable public procurement (SPP) policies.

As such, the Sao Paulo experience with SPP holds important lessons for developing countries and subnational governments on the use of government procurement to advance sustainability. This policy brief, which synthesizes the main aspects of a larger case study (Brauch, 2012), assesses the institutional, legal, administrative, and procedural characteristics of Sao Paulo's SPP policies. The first section surveys the political, institutional, and legal framework of these policies. The second section analyzes how the SPP program promotes sustainability in each phase of the procurement process. The policy brief closes with conclusions and policy recommendation to improve the Sao Paulo SPP policies and to make their successes a model exportable to other Brazilian states and other developing countries.

### *1.0 Political, Institutional and Legal Framework*

#### *1.1 Launching the SPP Policy*

Since 1995, the Sao Paulo Government has adopted policies to improve efficiency and transparency in government management, mainly through the development of information technology systems for procurement. These systems included a registry of all service contracts (Cadterc), a database with guidance and technical specifications for contracting services (the Cadterc Studies), an electronic registry of goods and services (Cadmat), and an electronic procurement exchange system integrating the previous tools (BEC/SP). The Sao Paulo Government structured its SPP policies around these procurement systems (D'Amico, 2010, p. 5; D'Amico & Agune, 2007, p. 2; Ferragino & D'Amico, 2009, pp. 1-2).



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In 2004, the government's Public Management Quality Committee (CQGP) created a temporary Working Group (WG-2004) that provided initial technical and legal guidance on the adoption of sustainability criteria in procurement. The WG-2004 included representatives from the Office of the Chief of Staff, the Environment and Treasury Secretariats, and the Office of the State Attorney General, among others (Resolution CC-53). A permanent Working Group (WG-2011) was later created to coordinate the State's SPP policies, to stimulate their ongoing development, and to promote the long-term commitment of public officials to these policies (Joint Resolution SGP/SF/SMA/SSRH No. 1).

The diverse composition of the Working Groups encouraged the participation of government officials from different levels and areas, including procurers and specialists in sciences and law. The political and institutional arrangements and the combination of knowledge and experience accorded legitimacy to SPP policies since their design and development. For example, the involvement of the Office of the State Attorney General, particularly through the Chief Environmental Attorney, offered important legal support for the policies. In addition, the SPP policy was developed in alignment with other policy goals, such as regional development, non-discrimination, small and medium enterprises, entrepreneurship, innovation, public health, and management efficiency.

## 1.2 Developing the Legal Framework

A complex set of national and state norms, from the Federal Constitution to regulations issued by state secretariats, form the general public procurement regime in Sao Paulo State, formalizing procurement modalities and procedures (Federal Constitution; Law No. 8666; Law No. 6544, among others). Knowledge of this regime and its underlying principles is important for a full understanding of the norms establishing the SPP policy and of how they are constitutionally mandated, legal, and desirable as public policy (see, for example, Legal Opinion CJ/SMA No. 683/2006). Here are some general procurement norms particularly relevant to the SPP policy:

- The electronic procurement exchange system (Decree No. 45,085; Decree No. 45,695), combined with the procurement modality of reverse auction (Decree No. 47,297), allowed the creation of the electronic reverse auction (Decree No. 49,722), which was later made mandatory for the procurement of common goods and services in the State Government (Decree No. 51,469; Resolution SF-15). Under the electronic reverse auction modality, tenderers compete by progressively reducing prices in a public online session. The auctioneer presiding over the session negotiates with the winning tenderer to lower the price further or to obtain more favourable terms.
- In all procurement modalities in the State Government, the competitive phase of the tender occurs first; winning tenderers are qualified once the proposals are opened (Law No. 13,121; Decree No. 54010). This inversion of phases has been credited with reducing the length and the number of appeals in procurement processes, thus expediting them.

Even before the creation of the WG-2004, some public procurement-related laws accounted for socio-environmental concerns (Biderman et al., 2007, p. 38; D'Amico & Agune, 2007, p. 11):

- Prohibition of purchasing goods containing ozone-depleting substances (Decree No. 41,629);
- Mandatory purchase and preferential rental of ethanol-fueled vehicles, with respect to certain vehicle categories (Decree No. 42,836);

- Prohibition of contracting with companies that practice discrimination (Law No. 10,218);
- Prohibition of the use of genetically modified foods in student meals in state public schools (Law No. 10,761);
- Mandatory purchase of high-efficiency light bulbs, with the lowest mercury content, and cables and wires with high electrical efficiency and low lead and polyvinyl chloride (PVC) contents (Decree No. 45,643);
- Mandatory measures for water consumption reduction and rationalization (Decree No. 48,138);
- Control of the legal origin of timber products used in public construction works (Decree No. 49,674).

After the creation of the WG-2004, the state decree creating the Socio-Environmental Label laid the legal cornerstone of the Sao Paulo SPP policy. The decree lists eight socio-environmental criteria that the State Government must consider in its policies, programs, and measures (Decree No. 50,170). The decree regulating the State Policy on Climate Change (SPCC) later added a ninth criterion (Decree No. 55,947). The nine criteria are:

1. Incentive to social policies
2. Enhancement of transparency in management
3. Savings in water and energy consumption
4. Minimization of waste generation
5. Rationalization of the use of raw materials
6. Reduction of the emission of pollutants
7. Adoption of technologies with less environmental impact
8. Use of low-toxicity products
9. Adoption of technologies with lower greenhouse gas emissions than conventional ones

The label must be stamped in all official documents relating to activities adopting at least one of these criteria, in descriptions of goods and in technical specifications of official registries and catalogs of goods, and in the Cadterc Studies (Decree No. 50,170).

The State Registry of Legal Entities Dealing in Forest Products and Subproducts of Brazilian Native Flora in the State of Sao Paulo (Cadmadeira) controls the legal use of timber by publishing a list of legal persons trading in them within the State. Accreditation is public and voluntary, and may be suspended if a penalty for environmental violation is imposed. The Environment Secretariat may grant accredited legal persons the Legal Timber Label, to acknowledge suppliers that trade in timber responsibly. The label is valid for one year and can be indefinitely renewed. Cadmadeira accreditation is mandatory for legal persons supplying timber to the State Government or performing works that use timber to the Government services using timber (Decree No. 53,047).

In 2008 the State Government consolidated its SPP policies into a statewide SPP Program, and set up an institutional structure to coordinate its initiatives (Decree No. 53,336):

- The **Public Management Secretariat** coordinates the program, proposing guidelines, rules, and procedures to promote SPP, and articulates government entities to harmonize the adopted criteria.
- The **Environment Secretariat** conducts studies and provides technical advice for including socio-environmental criteria in tenders and contracts.
- Each government entity must have an **SPP Commission** of at least two members, with a mandate to implement the program in the entity, to increase awareness and participation of government officials, and to present an annual report on SPP.

The SPCC set the goal of reducing emissions of carbon dioxide by 20 per cent by 2020 relative to the level of emissions in 2005. The SPCC mentions the State's purchasing power as a tool to achieve its purposes, and considers SPP as a means to readjust the State Government's profile and purchasing power (Law No. 13,798). The decree regulating the SPCC determined the gradual adoption of environmental performance standards in public procurement, added the climate change-related criterion of the Socio-Environmental Label, and authorized changes in Cadmat, to include goods of priority purchase to reduce greenhouse gas emissions and exclude goods with high emission potential (Decree No. 55,947).

### 1.3 Training Public Servants on SPP

The State Government made an effort to change mindsets and management styles, training government officials on SPP by means of a distance learning course. Designed by the Administrative Development Foundation (Fundap) and sponsored by the Public Management Secretariat, the online course was offered free of charge to 2,600 public servants in 2009 (CQGP, n.d.; D'Amico, 2010, p. 7; D'Amico & Agune, 2007, p. 18; Ferragino & D'Amico, 2009, p. 7; SGP & Fundap, n.d.).

One of its highlights is a platform that allowed interactions among participants: the virtual learning community (VLC), divided into technical forums to discuss course contents and informal forums to promote interactions among participants. Procurement specialists and pedagogical mediators supervised and facilitated both types of forums. The VLC allowed participants to answer questions drawn from the program of the course and from their own daily experiences, motivating the search for network-built solutions. (T. M. T. G. Silva, Administrative Development Foundation, Public Management Secretariat, São Paulo State Government, personal communication, June 1, 2011).

## 2.0 *The Sao Paulo State SPP Program at Work*

Procurement procedures generally include the following phases: identifying the need; evaluating risks; defining the object of contracting; developing technical specifications and contractual parameters; selecting the tenderer or the proposal; and managing the supplier and the contract (Comissão Europeia, 2005, p. 13; MTF, 2011, Session 5, slide 2). This part of the policy brief analyzes how the Sao Paulo State SPP Program promotes sustainability in different procurement phases, with an emphasis on adopting socio-environmental criteria in technical specifications and contracts (D'Amico & Agune, 2007, p. 11, 19).

### 2.1 Developing Technical Specifications and Contracts

#### 2.1.1 *Procurement of Goods*

Of the 150,000 goods in Cadmat, about 7,500 are "Class A": frequently purchased goods, amounting to 20 per cent of the government's total consumption. The Environment Secretariat specialists analyzed these strategic items and granted the Socio-Environmental Label to 652 descriptions of goods. Thus, the label indicates a differential of socio-environmental quality of certain specifications, highlighting their advantages in comparison with other catalog items, making it easier for procurers to choose greener goods (D'Amico, 2010).

The government labels a specific product based mainly on an evaluation of information supplied by the producer, not on a complete technical life cycle analysis, in contrast to a significant number of SPP programs worldwide (D. Cavalcanti, Environment Secretariat, Sao Paulo State Government, personal communication, May 30, 2011). Not adopting a life cycle analysis of the goods was a deliberate (though debatable) decision aimed at simplification. The Environment Secretariat grants the label to the greenest goods available once the Treasury Secretariat has confirmed the market's ability to supply the government's demand for those goods while ensuring competition (V. D'Amico, Sanitation and Water Resources Secretariat, Sao Paulo State Government, personal communications, May 31, 2011 & Aug. 3, 2011).

Ethanol-fueled vehicles are an example of labeled goods. A state decree mandates that certain types of vehicles purchased by the government be ethanol-fueled, and establishes a legal preference for state entities to rent ethanol-fueled vehicles (Decree No. 42,836). Accordingly, most vehicles fueled only by gasoline did not receive the label, as opposed to most bi-fuel (ethanol or gasoline) vehicles. In another example, the label was granted to 41 items of sulfite paper goods requiring certification by the Forest Stewardship Council (FSC), the Brazilian Forest Certification Program (Cerflor), or the Brazilian Metrology Institute (Inmetro) (SEFAZ, n.d.B). Both examples reflect a governmental preference for greener goods.

The Chief Environmental Attorney explains that public servants of Sao Paulo State may fear carrying out sustainable procurement because they believe that there are legal weaknesses that could lead the control organs to question their conduct. To date, however, there has not been a challenge to tenders requiring goods with the Label or specific certification (such as FSC or Cerflor). Nor has the Court of Audit or the public ever administratively or judicially challenged the SPP Program or its implementation. Tenderers have also not challenged a tender because of the inclusion of socio-environmental criteria (S. H. N. Nascimento, Office of the State Attorney-General and Environment Secretariat, Sao Paulo State Government, personal communication, May 30, 2011).

The first annual report of the SPP Program, covering procurement in various organs and entities within the State in the period 2008–09, shows a significant increase in the number of purchases of items with the label. The percentage of transactions involving labeled items over the total number of government purchases increased from 16.03 per cent in 2008 to 24.15 per cent in 2009, considering only the 14 groups of goods evaluated for purposes of awarding the label. Taking into account the total number of goods in Cadmat, the relative importance of the labeled items is much smaller: green procurement increased from 2.13 per cent in 2008 to 3.33 per cent in 2009 (SMA, 2010, pp. 5, 10, 40). The small number of labeled goods (fewer than 400 at the time of the report) explains why the latter figures are lower. However, the relative increases in one year indicate that the State Government is taking the SPP policy seriously.

### 2.1.2 Procurement of Services

The system of service contacts contains two modules: a registry to control all contracts, and the Cadterc Studies, which contains standard technical specifications and contractual obligations of independent contractors for the procurement of the most relevant and frequently contracted services. There are 17 volumes of Cadterc Studies, each on a different type of service, from building conservation to nutrition of prisoners to fuel supply management. Since 2005, after the work of WG-2004, the Cadterc Studies provide explicitly for sustainability parameters. More than 700 standards include criteria associated with the Socio-Environmental Label (H. J. Ferragino, Coordination of Decentralized Entities and Electronic Contracting, Public Management Secretariat, Sao Paulo State Government, personal communication, June 1, 2011; SEFAZ, n.d.A; D'Amico & Agune, 2007, pp. 11-14).

Independent contractors are required to reduce water consumption, to provide energy- efficiency certification, to employ vehicles that use less polluting fuels, to present appropriate waste management plans, to reduce the use of chemicals, and to identify greenhouse gas mitigation opportunities, among other environmental sustainability criteria (D'Amico & Agune, 2007). From the perspective of social sustainability, independent contractors are required to provide goods, meal vouchers, and uniforms to their employees; to present proof of compliance with legal and Ministry of Labour requirements; and to insure their employees against work accidents (SEFAZ, n.d.A; D'Amico & Agune, 2007, note 15, at 16).

### 2.1.3 Procurement of Construction Works

It would be difficult to apply the Socio-Environmental Label to aspects of construction works and engineering services because there are many types of such works and services, each one of them with particular technical specifications. Thus, the Sao Paulo Government decided to focus on adopting sustainability criteria for the consumption of timber in public construction works. Here are some results (D'Amico & Agune, 2007, pp. 15–16; CQGP, n.d.):

- The WG-2004 identified the instances of the item “timber” in the database of the Sao Paulo Company for Construction Works and Engineering Services (CPOS) and identified alternatives for its permanent or temporary use. It revised the technical specifications that include timber as an input and adapted them to include sustainable alternatives, homogenized terminology, and procedures for the purchase and receipt of legal timber. This gave origin to the Legal Timber database.
- The Institute of Technological Research (IPT) developed the Legal Timber application, which indicates the appropriate type of timber for each work, the price per cubic metre, among other relevant information.<sup>1</sup>

<sup>1</sup> The Legal Timber application is available at [http://www.governoemrede.sp.gov.br/ead/lictsustentavel/midiатеca/MadeiraLegal\\_LicitSusten.mdb](http://www.governoemrede.sp.gov.br/ead/lictsustentavel/midiатеca/MadeiraLegal_LicitSusten.mdb).

- The WG-2004 also developed specific clauses for tenders and contracts, providing for environmental monitoring and for the issuance of Environmental Compliance Certificates for construction works and engineering services, containing the requirements fulfilled, in process of fulfillment, and not fulfilled in their performance.

## 2.2 Evaluating Proposals and Selecting the Supplier

### 2.2.1 *Economic Sustainability in Electronic Reverse Auctions*

The Sao Paulo SPP Program does not explicitly include socio-environmental sustainability criteria during the reverse auction. There are at least three reasons for its focus on the previous phase. First, the best proposal is selected based on the best price criterion, to dispel concerns about corruption. Second, socio-environmental considerations in the selection would give the procurer subjectivity and discretion. Third, considering the decentralized character of procurement in the State, it is easier and more efficient to consider sustainability in standardized technical specifications.

As such, the electronic reverse auction phase places the emphasis on economic sustainability. Since it was first implemented, the State Government has saved about 20 per cent in procurement costs (Governo do Estado de São Paulo, n.d.). The reverse auction expedites procurement processes, because only the winning tenderer is subject to the qualification phase (inversion of the qualification and evaluation phases), and because the tender publication period is shorter. Reverse auctions are simpler and more transparent than traditional procurement modalities, allowing greater objectivity and competition while reducing the opportunities for corruption (V. D'Amico, Sanitation and Water Resources Secretariat, Sao Paulo State Government, personal communication, Aug. 3, 2011).

### 2.2.2 *Pre-Qualification of Suppliers*

The Basic Sanitation Company of Sao Paulo State (Sabesp), a private company controlled by the State Government, has a notable approach to supplier selection. Sabesp is Brazil's largest basic sanitation company. Its contracts amounted to BRL3 billion in 2010, mainly in construction works and engineering services. To ensure quality, Sabesp only purchases from pre-qualified suppliers. In the pre-qualification procedure, Sabesp technically assesses whether, throughout the production process, a potential supplier complies with international, domestic, and company standards, including socio-environmental criteria (A. M. S. Mendes, Superintendent for Supplies and Strategic Contracting, Basic Sanitation Company of Sao Paulo State, and V. D'Amico, Sanitation and Water Resources Secretariat, Sao Paulo State Government, personal communications, June 2, 2011).

At any time, a supplier may request pre-qualification by completing and filing a questionnaire on socio-environmental criteria, which include compliance with environmental permitting requirements, proper disposal of waste resulting from the production process, waste reuse or recycling programs, and the organization of social activities in the community. An on-site factory inspection follows. Specialized employees of Sabesp carry out a technical evaluation of the entire production process, from raw materials to output, including the treatment and appropriate disposal of waste. The evaluation criteria encompass several items, such as the supplier's quality control system and socio-environmental sustainability initiatives. Sabesp issues pre-qualified suppliers a certificate of technical compliance (A. M. S. Mendes, Superintendent for Supplies and Strategic Contracting, Basic Sanitation Company of Sao Paulo State, and V. D'Amico, Sanitation and Water Resources Secretariat, Sao Paulo State Government, personal communications, June 2, 2011).

Since Sabesp only selects pre-qualified suppliers, it reduces the risk of receiving low-quality goods and allows it to accept the lowest price more confidently. Pre-qualification promotes competition and induces the market to raise quality standards. As other basic sanitation companies in Brazil often require Sabesp-issued certificates of technical compliance in their tenders, pre-qualification by Sabesp benefits pre-qualified suppliers, whose market access may be enhanced (A. M. S. Mendes, Superintendent for Supplies and Strategic Contracting, Basic Sanitation Company of Sao Paulo State, and V. D'Amico, Sanitation and Water Resources Secretariat, Sao Paulo State Government, personal communications, June 2, 2011).

### 2.3 Managing the Supplier and the Contract

In the performance of public contracts, the public party must monitor the private party's compliance with legal duties and contractual obligations. These include the supplier's socio-environmental obligations under the tender and the contract (D'Amico & Agune, 2007, p. 17). The Cadterc Studies provide for the submission and evaluation of periodical reports on the quality of services and on compliance with socio-environmental obligations (SEFAZ, n.d.A).

A public entity that verifies non-compliance must apply penalties on the private party. Administrative penalties are established under several federal laws, including the Public Procurement Law (Law No. 8666, art. 87, items III-IV; art. 88, items I-III), the Administrative Impropriety Law (Law No. 8429, art. 12, items I-III), the Law on Environmental Crimes (Law No. 9605, art. 72, item XI, and art. 72, para. 8, item V), and the Reverse Auction Law (Law No. 10,520, art. 7). Once regulated at State level (Decree No. 48,999; Resolution CC-52; Decree No. 54,704; among others), these penalties allow the State Government to exclude from public procurement the suppliers and service providers that do not comply with socio-environmental norms or specifications. The Government publishes on its Administrative Sanctions website ([www.sancoes.sp.gov.br](http://www.sancoes.sp.gov.br)) a "blacklist" of suppliers and service providers prohibited from participating in procurement in the State (SGP, n.d.). These measures ensure compliance with the SPP Program.

## Conclusions and Policy Recommendations

While the State Government has advanced relatively quickly, and with limited resources, in its efforts to make its purchasing power a catalyst of sustainable development, it has also faced a number of challenges. This final section provides an overview of the lessons learned in the design and implementation of the Sao Paulo SPP policy and concludes with a few suggestions for improvements.

### Reporting and Accountability

- The State Government already tracks the performance of the SPP policy through annual reports, prepared by the various state organs and entities (Decree No. 53,336). The report is a management tool useful for organizing information, facilitating accountability, and improving the transparency and comparability of performance indicators (SMA, 2010). However, evaluating the percentage of sustainable purchases over the total value of purchases, rather than over the number of goods or transactions, would help the Government to better measure the benefits of the SPP policy and communicate them to the public.
- At times, public managers responsible for procurement, although motivated to choose the most sustainable alternative, do not have the technical knowledge to identify it among several options that meet the same need. Publishing an official technical study that justifies SPP could help public servants identify the best option and fight criticisms aimed at their sustainable choices, enhancing accountability within the government and to society (S. H. N. Nascimento, Office of the State Attorney-General and Environment Secretariat, Sao Paulo State Government, personal communication, May 30, 2011).
- The Program would benefit from cost-benefit accountability methods. For example, the presentation, side by side, of economic and socio-environmental costs of the products acquired by the State Government, or at least of frequently purchased goods, would help in communicating to the public the socio-environmental benefits of the SPP policy and justifying the often-higher immediate costs of SPP (M. F. A. Ferreira, Coordination of Decentralized Entities and Electronic Contracting, Treasury Secretariat, Sao Paulo State Government, personal communication, May 31, 2011).

### Specifications of Goods

- The Environment Secretariat and the Water Resources Secretariat took the initiative to enact a rule determining the preferential purchase of goods with the Socio-Environmental Label over non-labeled goods that meet the same need. Adopting the same rule at state level, so that all state government organs and entities would be required by law to include in the tender the labeled option containing the label, if available, would further strengthen the SPP Program (V. D'Amico, Sanitation and Water Resources Secretariat, Sao Paulo State Government, personal communication, May 30–31, 2011).
- The State Government already cooperates with Sabesp in expanding the number of labeled items, by integrating Sabesp's own catalogs of goods into Cadmat (F. L. Mota, Coordination of Decentralized Entities and Electronic Contracting, Treasury Secretariat, Sao Paulo State Government, personal communication, May 31, 2011). In addition, the SPP Commissions could be trained to develop technical specifications of goods, so that each state government organ and entity would be able to analyze the list of goods and to suggest those that should be awarded the label (D. Cavalcanti, Environmental Planning Coordination, Environment Secretariat, Sao Paulo State Government, personal communication, May 30, 2011).

- Employing life cycle analysis in the awarding procedure could increase the quality and the effectiveness of the label. To this end, the Environment Secretariat would need increased technical, budget, and human resource capabilities to increase its team of experts or to outsource the life cycle analysis of Cadmat items (D. Cavalcanti, Environmental Planning Coordination, Environment Secretariat, Sao Paulo State Government, personal communication, May 30, 2011). The potential socio-environmental benefits of these measures could outweigh its economic costs.

#### Specifications of Services

- One of the SPP Program's strengths is the inclusion of socio-environmental requirements in the Cadterc Studies, which encompass all class A services, the most commonly contracted by the State Government. The secretariats involved in the implementation of the SPP Program should continue their quality work under this approach in order to gradually expand the coverage of the Cadterc Studies, even to less common services.

#### Specifications of Construction Works

- Bringing construction and engineering into the SPP Program is one of the biggest challenges to be dealt with in the realm of the SPP Policy (M. F. A. Ferreira, Coordination of Decentralized Entities and Electronic Contracting, Treasury Secretariat, Sao Paulo State Government, personal communication, May 31, 2011). The State Government should continue its efforts in developing the State Program of Sustainable Construction (PECCS), following the pattern of the SPP Program with respect to reporting and the creation of templates for tenders and contracts (D. Cavalcanti, Environmental Planning Coordination, Environment Secretariat, Sao Paulo State Government, personal communication, May 30, 2011).

#### Socio-Environmental Responsibility of Suppliers

- Ensuring that suppliers and service providers are socio-environmentally responsible throughout their production processes is a shortcoming of the SPP Program. The State Government has included in tenders (and in the draft contract that is an integral part of the tender) a requirement of declarations that the supplier or service provider does not employ slave labour, complies with labour laws, supplies meal vouchers to its employees, properly disposes of waste, etc. (M. F. A. Ferreira, Coordination of Decentralized Entities and Electronic Contracting, Treasury Secretariat, Sao Paulo State Government, personal communication, May 31, 2011). The State Government should continue to develop these requirements based on its ongoing experience and on similar clauses adopted in contracts developed by other governments and by private companies.
- Pre-qualification of suppliers also contributes to increase their socio-environmental responsibility and quality standards. The State Government should advance its plans to carry out state-wide pre-qualification based on Sabesp's experience and contribution (V. D'Amico, Sanitation and Water Resources Secretariat, Sao Paulo State Government, personal communication, May 30, 2011).

#### Contract Monitoring and Management

- The performance of procurement processes and service contracts covered by the Cadterc Studies counts on the managerial monitoring by the Gati and the on-site supervision by Internal Affairs, which make it easier to monitor compliance with socio-environmental requirements and to enforce them. The monitoring and management tools used for the services covered by Cadterc should be gradually to non-Cadterc services (F. L. Mota, Coordination of Decentralized Entities and Electronic Contracting, Treasury Secretariat, Sao Paulo State Government, personal communication, May 31, 2011).

- Designing manuals with contract management guidelines and training programs on sustainable contract management for public servants could also improve contract monitoring and management.

#### Information Exchange and Dissemination

- The State Government has already been sharing its experiences in various forums, including the Marrakech Task Force on SPP (MTF) and the Latin American Center of Administration for Development (CLAD). It should continue to share and publicize its experience on SPP in national and international forums.
- The Gati should continue to organize training events in other Brazilian states (such as the ones organized in Acre, Amazonas, Bahia, Minas Gerais, Pernambuco, and Rio Grande do Norte) to transfer know-how, present its good practices, disseminate concepts and strategies, and convince public managers and public procurers of the importance of the computerized management system that formed the basis of the SPP policy in the State of Sao Paulo (H. J. Ferragino, Coordination of Decentralized Entities and Electronic Contracting, Treasury Secretariat, Sao Paulo State Government, personal communication, June 1, 2011).
- The Program could benefit from intensified information exchange with the Federal Union, other States, and Municipalities, for example, by combining SPP databases and establishing cooperation agreements with other government entities (S. H. N. Nascimento, Office of the State Attorney-General and Environment Secretariat, Sao Paulo State Government, personal communication, May 30, 2011).
- The Course on SPP should be updated, expanded, and adapted it so that it can be taught throughout Brazil and in other countries. To do so, relatively low-cost measures such as translating the course into Spanish and including experiences of other Latin American countries in it could be highly beneficial (V. D'Amico, Sanitation and Water Resources Secretariat, Sao Paulo State Government, personal communication, June 1, 2011; T. M. T. G. Silva, Administrative Development Foundation, Public Management Secretariat, São Paulo State Government, personal communication, June 1, 2011).

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## *About the Author*

Martin Dietrich Brauch is a project-based consultant with the International Institute for Sustainable Development (IISD), and in this capacity has prepared an in-depth case study (soon to be published as an IISD report) on Sustainable Public Procurement in the Government of the State of Sao Paulo, Brazil. He is an LL.M. in International Legal Studies (New York University), as well as a Specialist in Environmental Law, a Bachelor of Laws, and a Bachelor of Arts in Economics (Federal University of Pelotas, Brazil). He is a member of the New York State Bar and of the Brazilian Bar, and currently works in private law practice at a law firm in Porto Alegre, Brazil. The author would like to thank Oshani Perera, Programme Officer, for her guidance throughout the preparation of the study, and Damon Vis-Dunbar, Network and Communications Officer, for attentively reviewing its final version.

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International Institute for Sustainable Development  
Head Office  
161 Portage Avenue East, 6th Floor, Winnipeg, Manitoba, Canada R3B 0Y4  
Tel: +1 (204) 958-7700 | Fax: +1 (204) 958-7710 | Web site: [www.iisd.org](http://www.iisd.org)

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**For further information contact Damon Vis-Dunbar at: [dvis-dunbar@iisd.org](mailto:dvis-dunbar@iisd.org) or +41 22 917 8630.**