

Civil society priorities for the Procurement Reform Bill

Enough Food for Everyone IF, Scottish Council for Voluntary Organisations, Scottish Fair Trade Forum, Scottish Trade Unions Congress and Stop Climate Chaos Scotland have joined together to call for sustainable procurement to be the core purpose of the Procurement Reform Bill, which is currently making its way through the Scottish Parliament.

The Bill presents a significant opportunity for Scotland to deliver on its commitments on sustainability, climate justice and as a Fair Trade nation, while providing opportunities and benefits to local businesses and people across the country.

We have identified 10 priorities that the Scottish Procurement Reform Bill, and/or its subsequent strategy and guidance, must deliver. Our combined top priorities are:

1) Statement of Intent

The Bill must, in its Introductory Text, include a statement of intent to embed sustainable and ethical considerations at the heart of the procurement process. This must also be included as a requirement for any subsequent strategy and guidance, which should address environmental and social impacts, issues of blacklisting and tax dodging, embedding ethical and fair trade, and securing minimum employment standards and payment of the living wage as a minimum.

2) Enshrining sustainability

To provide clarity and focus for use of the term 'sustainable procurement', the Bill must include reference to the established definition of sustainable development. The five guiding principles of sustainable development are already agreed, by the Scottish Government, as well as the UK Government, as: living within environmental limits; ensuring a strong, healthy and just society; achieving a sustainable economy; promoting good governance; and using sound science responsibly.

3) Reducing greenhouse gas emissions

The Scottish Climate Change Act requires that our country's greenhouse gas emissions must reduce by 42% by 2020 and 80% by 2050 compared to 1990 levels and includes a duty upon all public bodies to contribute to meeting these emissions targets. To enable practical enactment of this duty within procurement practices, the Procurement Reform Bill should: require suppliers to publish an annual assessment of carbon emissions attributable to their business; to provide information on the carbon emissions attributable to the whole life of goods and services supplied; and should require procurement of certain quantities of goods and services meeting specified emissions standards.

4) Person-centred procurement

We believe that the Bill would be strengthened if we were to create a differentiated approach to procurement practices between the buying of 'things' and the buying of 'services'. The Christie Commission has created a blueprint for our public services in Scotland that advocates "services with people" and not 'services to people'. Procuring pens, pencils and paper should be an entirely different process to buying people services such as social care. The race to the cheapest is rarely the best approach and especially when we are procuring services for the most vulnerable in our communities.

5) Scottish Living Wage

The Scottish Living Wage should be promoted outwith the public sector through procurement. This includes a requirement that all contracting authorities stipulate payment of the Scottish Living Wage as a condition for performance of the contract. In addition, there should be a Code of Practice for the promotion of the Living Wage in procurement, giving guidance on the legal position, good practice, uprating, accreditation, s52 statutory guidance and the PPP protocol on the two tier workforce.

6) Blacklisting

Blacklisting includes the use of prohibited lists or treating a person less favourably on grounds of trade union membership or trade union activities. Companies that engage in the practice of blacklisting employees should be excluded from public contracts. This requires disclosure of any involvement in blacklisting at pre-qualification together with remedial steps taken. In addition, a new contract clause, the breach of which will be regarded as grave misconduct leading to the termination of the contract.

7) Tax dodging

Procurement should be used as part of stronger efforts to tackle tax dodging and tax avoidance, both at home and in developing countries. This could bring in much-needed billions of pounds for the public purse. It is entirely wrong that companies seeking to avoid paying their fair share of tax should be awarded public contracts. There should be pre-qualification disclosure of company taxation policies, not just illegal tax evasion. Public bodies should be able to demonstrate that a company would benefit the community through funding for education, roads etc through the payment of tax. This would allow them to evaluate a tender on the basis of which company pays tax or not. There should be penalty clauses for tax evasion and aggressive tax avoidance, post contract.

8) Ethical and fair trade

Ethical and responsible trading policies have the potential to transform lives around the world. The opportunity to sell products for a fair price and to work in safe and decent conditions could help millions work their way out of poverty. The Procurement Bill should help Scotland cement its status as a Fair Trade Nation and to lead the way in ethical procurement. To this end, the Procurement Bill should empower procurers to prioritise fairly-traded products wherever these are available, especially when no locally-sourced alternatives exist. In addition, public contracts must request that suppliers and their suppliers/sub-contractors all adhere to high labour standards, such as those set out in the Ethical Trading Initiative Base Code.

9) Employment standards

Procurement should be used to drive up employment standards with consequential benefits to the Scottish economy. This includes; full compliance with the public sector equality duty, adherence to the two-tier workforce provisions, proper training and ending other poor employment practice such as zero-hours contracts. Greater earnings equality should be linked to government support - encouraging companies to lower pay multiples with consequential improvement in employee motivation and wider socioeconomic equality.

10) Promoting positive social outcomes

Social Impact is a measure of a contract that is wider than price, quality etc. It includes areas such as community benefit, environmental impact, local jobs and businesses. It is important to look at the relationship between public spending and social outcomes. In Scotland, public procurement is seen as the primary lever of economic growth. However, if we were to look at procurement's primary role as promoting positive social outcomes we would begin to change the way public money is used in Scotland.

Together, we are calling for these priorities to be at the heart of the Procurement Reform Bill.