



Business Council for Sustainable Development – United Kingdom and Scottish Enterprise ‘Green Procurement’ Workshop 30 March 2010

Key Messages from the Workshop

The Workshop, which was attended by businesses, buyers and procurement experts and policy makers, considered the Scottish Government’s Sustainable Procurement Action Plan, UK Government policy on sustainable procurement and supporting/encouraging SMEs to take a larger share of public procurement contracts, and current practice in Scotland.

The following is a summary of the outputs of the debate and proposals for essential improvements if the Scottish Government’s policies and targets for the creation of a Low Carbon economy are to be met

- Policy Intent and delivery currently do not match:
 - Policy promotes outcome-based specifications and innovative behaviour from suppliers by buyers are risk adverse and avoid new products
 - Delivering the Low Carbon agenda is a target for public bodies. Sustainability and Low Carbon Environmental Goods and Services should score highly in tender assessments (Local Authority target) but the balance remains in favour of familiarity and cost
 - New systems of scoring such as whole life costing may currently be too complex for the tendering process
 - There is no ownership of the Low Carbon agenda, either within or across public organisations
 - Buyers may not be sufficiently well-informed about sustainability principles and new technologies – here needs to be an independent market place to support the education process
 - There is no one mechanism for sharing knowledge or best practice, although this may be the remit of Scottish Excel.
 - Local sourcing policies need to be applied consistently, delivered within existing procurement rules, and used as a positive tool to support and grow the ‘green economy’
- Improved accessibility for SMEs, especially new businesses is essential:
 - Current system is too remote and too bureaucratic. Websites and portals do not work for small businesses and particularly for new products. More personal contact is needed between buyers and procurement specialists and suppliers
 - Buying (procurement) process must be transparent and simple – current PQQ system eliminates many new suppliers with innovative product
 - Public bodies (and their Departments) continue to work in silos, so there is no commonality of approach

- The current cost of marketing and selling new product is too high:
 - Exhibitions and some forms of 'Meet the Buyer' events are too expensive and too general
 - The cost of product demonstrations and 'testing' is prohibitive, especially for start-up businesses. Testing is not just done once but individually for each Local Authority/agency.
 - The decision-making process is too long (some decisions on purchase may take 9-12 months) to be effective for SMEs especially new businesses.
- Overall product marketing and supply chain performance needs to be managed and improved, including the relationship between Prime/Principal contractors and the supply chain.
- What should public organisations aim to do?
 - Create 'open market place' - open door policy for meeting, advising and guiding suppliers as a norm rather than the current hands-off approach
 - Target areas for improvement and share best practice across organisations
 - Actively support supply chain education and development opportunities for SMES, e.g. ISO 14001 accreditations
 - Common CPD and updating process for buyers
 - Ensure that Sustainability/Sustainable procurement has senior management support and Identify Sustainability champions with 'clout' to provide information and develop common policies across Departments
 - Consider a 'buyers network' across Scotland with individual Council's taking responsibility for a specific area of provision and for identifying and testing (as appropriate) new technologies. Could this be managed through an existing body?
 - .Adopt a common tender approach and assessment system (e.g. whole life costing), and including the approach to local sourcing. This should take account of the work being undertaken on measurement by the BSI
 - Put in place an independent Scottish monitoring process which is trusted by both buyers and suppliers
 - Create a forum to share information and best practice with the corporate sector without prejudicing future contractual arrangements.

P Laughlin/D. Middleton, Business Council for Sustainable Development UK