

Sian

I wanted to just feed in briefly to the work of the Business and Enterprise Committee's procurement task force in my role as Sustainable Futures Commissioner and Chair of the Climate Change Commission. I realise your deadline for submissions is November 1<sup>st</sup> so apologies for this last minute submission

As you will appreciate public procurement has featured as a consistent issue in both of these roles, indeed it is an area where confusion reigns! It is encouraging that there is a review of the EU procurement framework to clarify and increase levels of understanding, although experience suggests we can also do more within the existing frameworks

Our experience suggests that the way to include sustainability criteria in public procurement is to make them the subject of that contract. So instead of contracting or commissioning a service or product, you ask for a sustainable service or product and clearly set out what this means in the specification, making it very clear to bidding organisations what you are expecting – so not just an outsourced IT system but an environmentally beneficial system, not simply a set of uniforms but ones that comply to Ethical Trading standards, not just a school but a focal point for regenerating a community etc

Indeed the Labour Manifesto also set out the importance of companies who supply Government having high standards of corporate social responsibility which can be demonstrated through independently assured standards.

I have also been advised that it may also be possible to work out the financial cost of the environmental damage that the contract will result in and include that in the 'cost' part of the evaluation. This has to be very transparent as to how this will be calculated and the suppliers will need to be asked for the information to do the calculations of emissions that will result from purchase through to and including disposal, and costs them based on how much the organisation will have to pay under the Carbon Reduction Commitment for those emissions

It is also important that the public procurement cycle makes it clear that the public body will expect suppliers to cooperate and work in partnership on sustainability whilst the contract is in place. At the first supplier management meeting areas of high risk and opportunity can be agreed that would be mutually beneficial to work on (e.g. energy efficiency, getting an apprenticeship scheme up and running, labour conditions monitoring, etc) and set out how the partners are going to work together and track progress.

The nature of the commissioning and the governance process are the critical issues. I am taking forward further development work on the subject with WLGA in respect of local authority practice. It is a critical issue for the long term well being of communities in Wales and is even more important now as economic conditions can lead to centralising of contracts and focus on lowest costs, without factoring in wider economic, social and environmental benefits.

We need to have a better understanding of what is possible within the existing framework and challenge a risk averse culture within procurement

The £4 billion public procurement spend has a key role in developing “local living economies” yet too often large centralised contracts lead to organisations parachuting in to deliver, without leaving lasting legacy in terms of long term resilience of that community in the form of a stronger SME base, improved skills, etc

I believe that this is a key issue that can be looked at in the context of the proposed Sustainable Development Bill which will extend Welsh Government’s current sustainable development duty across the public sector

I would be pleased to provide further input into your considerations

Best wishes

Peter

Peter Davies

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