

PUBLIC PROCUREMENT FOR FAIRTRADE TOWNS



A guide for Fairtrade campaigners to influence public spending in favour of disadvantaged farmers and workers in the developing world.

THE POWER OF PUBLIC PROCUREMENT TO FIGHT POVERTY

Public procurement is the process by which the public sector – local authorities and other public bodies – purchase goods and services, from food, drink and uniforms to I.T. equipment and waste disposal. In the UK, hundreds of billions of pounds is spent on public procurement each year. Of this, billions of pounds a year are being spent on a huge variety of products produced by farmers and workers who will be at the mercy of the injustices in conventional trade in commodities such as tea, coffee, chocolate, other food items and products containing cotton.

This is public money – so the public has a stake in how it is spent – and all public bodies are, directly or indirectly, accountable to the public.

Sustainable procurement has grown in significance over the past decade and some public bodies have started to develop good practice in Fair Trade procurement. Fairtrade Towns have been at the forefront of this development, with over 500 local authorities in the UK or in England passing resolutions and policies to support Fairtrade.

This guide introduces the principles and processes that underpin public procurement to show how, as citizens, we can influence the huge spending power of the public sector to fight injustice and poverty and bring a fairer deal to millions more farmers and workers in the developing world.

In this guide you'll find:

- 1 **Routes to influence**
- 2 **Local authority procurement checklist**
- 3 **Public bodies**
- 4 **Regional/ joint procurement frameworks**
- 5 **The procurement process explained**
- 6 **European Union guidelines on procurement**
- 7 **Frequently asked questions**
- 8 **Further links and resources**

For further information and links to resources for public procurement professionals, visit fairtrade.org.uk/publicprocurement



ROUTES TO INFLUENCE

1. Political will

A crucial starting point is to ensure top down support by having a publicly available Fairtrade policy signed by your council. Or better still, have Fairtrade written into the procurement policy of your local authority. However, in addition to the policy, ongoing engagement from mayors, chief executives, procurement officials and other decision makers will make a huge difference to an organisation's ability to prioritise Fairtrade and overcome challenges along the process.

Invite key individuals to your events to nurture a relationship that gradually builds their commitment to Fairtrade.

A good policy will:

- Contain commitments and aspirations for specific products and include timescales
- State in the policy how commitment to Fairtrade will be enforced and how relevant staff will be given appropriate training
- Be aspirational and seek to increase procurement over time
- Link to the organisational principles that the policy reflects, and the change that it wishes to bring about in the world.

Is your local authority's Fairtrade policy still in place and being enforced?

The UK government has recognised the importance of Fairtrade in procurement and numerous Whitehall departments serve Fairtrade products to staff. Fairtrade coffee and tea are also served throughout the Houses of Parliament.

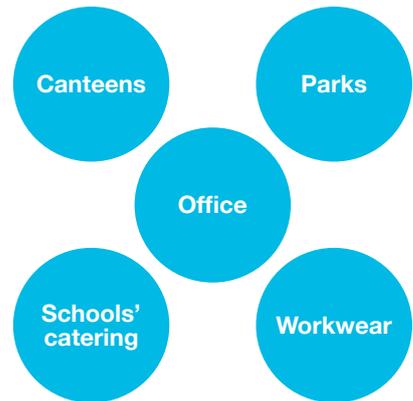
Over 500 local authorities in the UK have now passed policies to support the principles of Fairtrade and use Fairtrade products where possible.

2. Local authority procurement checklist

Start by mapping out where the opportunities are for Fairtrade procurement by asking local authorities what they procure and finding out when the contracts are next up for review.

If you're really having trouble tracking down the information then consider sending a Freedom of Information Act request. However, don't do this lightly and remember the person compiling the information for you is likely to be the person you would like to positively influence in the end!

Once you have identified that a contract containing Fairtrade products is up for renewal, it's time to encourage the authority to put its Fairtrade policy into practice:



3. Public bodies

There are many other public bodies that could use their procurement power to support Fairtrade, including NHS trusts and hospitals, the police, the fire brigade and more.

There may be a variety of routes to influence these contracts, including:

- Directly approaching procurement staff on behalf of your Fairtrade Group
- Leveraging political support from councillors when a public body is partly or wholly controlled by local or regional government
- Make the public body your flagship employer

Invite any organisation to register its support for Fairtrade at the newly-updated [fairtrade.org.uk/work](https://www.fairtrade.org.uk/work)

4. Regional/joint procurement frameworks

Increasingly, public bodies combine forces to set up large joint procurement contracts with neighbouring authorities. This pools resources and saves time, enabling multiple organisations (sometimes without procurement staff) to access goods while taking advantage of economies of scale. Due to the large size of contracts, there are great opportunities for Fairtrade products to be made available.

Ask your town/borough/county council if it is involved in any joint procurement frameworks involving catering or workwear and when it will be tendering.

Visit [fairtrade.org.uk/casestudies](https://www.fairtrade.org.uk/casestudies) to see examples of how other Fairtrade Community campaigns have taken these and other actions



THE PROCUREMENT PROCESS EXPLAINED

Public bodies usually procure goods in the following three ways:

Approach	Description	Influenced by
Direct purchase	Frequent one-off purchases typically at low levels. High degree of autonomy for purchasing staff	Council policy. Engaged procurement staff choose Fairtrade
Quotation	Less frequent one-off purchases of larger value. Possible to request quotation for fair trade products	Council policy. Engaged procurement staff choose Fairtrade
Calls to tender	For provision of ongoing services or large contracts, public bodies will invite suppliers to tender for a contract. This will be a long process in which the contracting authority clearly states the product(s) it wishes to source	Fair Trade included in relevant tender documentation reflecting an organisational policy, political backing and trained staff

For lower value and one-off purchases procurement staff will have a greater degree of flexibility to pursue Fairtrade options, although they will still be expected to follow the principles of procuring fairly and achieving better value for money.

Top tips when working with procurement staff

- Show that you understand the challenges that they face and emphasise that you would like to help them
- Be clear on your definition of Fair Trade – explain the difference between other ethical marks and what differentiates Fair Trade from ethical trade
- Use practical case studies of Fairtrade producer organisations to demonstrate the impact their public procurement decisions could have
- Be specific on products that can be purchased: tea, coffee, sugar, wine, fruit and cotton workwear are the most commonly used and available
- Establish how much is spent either by product, or by department, on products that can be Fairtrade and when the next purchase, or invitation to tender, is due
- Ensure they know how to find suppliers who can offer Fairtrade options (although most if not all can these days). Share the National Fairtrade Purchasing Guide (see page 8)
- Politely follow up on discussions at a later date and help them to celebrate their achievements in procuring Fairtrade!



EUROPEAN UNION (EU) GUIDELINES ON PUBLIC PROCUREMENT



All public bodies in the EU are bound by procurement principles articulated in EU Procurement Directives. These are intended to ensure procurement is done fairly and achieves value for money – in other words they refer to how you buy rather than what you buy.

This prevents public bodies from specifically requesting products that carry the FAIRTRADE Mark, which is a trademark and can therefore be seen to be excluding some suppliers from applying for a tender.

Instead, when tendering for Fairtrade products purchasers need to take care to make clear that all Fair Trade options are welcomed. While 'the FAIRTRADE Mark or equivalent' can be accepted as proof of meeting these criteria (in award criteria or at the contract performance stages), suppliers must be able to show they can verify the products in another way.

The FAIRTRADE Mark or equivalent

Key to successfully procuring Fairtrade is the issue of equivalence. Therefore when advertising tenders, purchasing authorities must request Fair Trade products as outlined above.

Fair Trade

Fair Trade is a trading partnership, based on dialogue, transparency and respect that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalised producers and workers – especially in the global south.

Fairtrade

Fair Trade has been supported in Britain by organisations such as Oxfam and Traidcraft for over 60 years. The Fairtrade Foundation was founded in 1994 as the UK national labelling organisation responsible for licensing use of the FAIRTRADE Mark and promoting Fairtrade and the FAIRTRADE Mark in this country. The FAIRTRADE Mark is an international certification label awarded to products that meet specific independent standards set by Fairtrade International.

An equivalent to Fairtrade certification would be another means of showing this and referring to the underlying conditions of Fairtrade, such as the payment to producers of a guaranteed minimum price that covers the cost of sustainable production, the payment of a social premium and no child labour to be involved.



FREQUENTLY ASKED QUESTIONS

Q What's in it for local authorities and public bodies?

A Contribution to sustainable development: Every Fairtrade purchase contributes to giving producers in developing countries the trade terms they need to create a more sustainable future by providing for their communities and protecting the environment.

Positive image and community relations: By procuring Fairtrade authorities can boost civic pride by being seen as caring councils, in tune with local demand for Fairtrade. It also provides the opportunity to deepen community relations through extensive Fairtrade community networks.

All public bodies have targets around these two areas and Fairtrade is an easy way of contributing to them.

Q Our council is facing cuts, won't Fairtrade be more expensive?

A As campaigners, we know how important it is to pay a little extra to ensure that producers receive a fair deal, but public sector buyers are also under obligation to obtain best value when procuring. Government guidance for achieving best-value allows for local authorities to take a life-cycle approach to assessing cost, i.e. assessing the total cost over the length of a contract rather than the up-front price.

It isn't always the case that a Fairtrade option is more expensive. In many cases, Fairtrade options can be provided at minimal or no extra cost. You don't know until you've asked and if the contracting body makes it clear it wants to procure Fair Trade, it is up to the supplier to meet the demand.

Q Is it illegal to ask for Fairtrade products?

A Many case studies of public bodies, from local authorities to government departments, have shown it is perfectly legal to procure Fairtrade products as long as it is done in the right way. Case law suggests that as long as you respect procurement directives and only refer to 'Fairtrade or equivalent' as a means of verifying fair trade products, then it is legal. Recent updates to procurement directives by the EU clarify this position, which is anticipated to be transposed to UK national law in 2015.

Q What about devolved powers?

A The devolution of political power to Scotland, Wales and Northern Ireland has accelerated moves to incorporate sustainable development into public sector procurement in these countries. The Welsh and Scottish Governments are, at the time of writing, drafting new sustainable development bills that it is hoped will place fair trade as a key requirement – in line with their positions as the first and second Fair Trade Nations in the world!



FURTHER LINKS AND RESOURCES

Visit www.fairtrade.org.uk/publicprocurement to find:

Cotton on to Fairtrade: Guide for public sector professionals

Model council motion on Fairtrade

List of suppliers: The National Purchasing Guide

Latest news and resources for public procurement

Local Authorities and Fairtrade Guide

Buying into Fairtrade report 2007

Other links:

Buy Fair: www.buyfair.org

European Observatory on public procurement: www.fairprocurement.info



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