Consultation
Did you take part in the Scottish Government consultation exercise which preceded the Bill and, if so, did you comment on the financial assumptions made?
1. Yes

Do you believe your comments on the financial assumptions have been accurately reflected in the FM?
2. Not really. Comments on costs in the consultation were fairly limited, whereas those in the memorandum try to be all-inclusive, so they go beyond what was seemingly sought as part of the consultation.

Did you have sufficient time to contribute to the consultation exercise?
3. Yes

Costs
If the Bill has any financial implications for your organisation, do you believe that these have been accurately reflected in the FM? If not, please provide details.
4. No. The costs following the inclusion of externalities as parts of specifications and the financial burden they place on economic operators responding to ITTs, which will be reflected in their prices, do not appear to have been adequately researched. In some cases they will be minimal, in others they could be significant. An example would be use of recyclate in situations in which it is not generated near the point of use: the Bill allows for the possible introduction of specific requirements in this area.

5. It is also difficult to predict the cost of community engagement both in project formation and as a contractual requirement, but at the very least it is likely to impose a burden in terms of resource both on formulating requirements, selection and award strategies, and contract terms and conditions on contracting authorities, and to mirror this burden on businesses.

6. Further additional and unaccounted for costs can be characterised as follows.
   - Strategic and operational administration costs, particularly with the new requirement for an annual strategy and annual reporting.
   - Administration costs to embed new requirements to be considered and tracking of benefits resulting benefits.
   - 3rd party suppliers costs may increase as suppliers add in community benefits and sustainability requirements.
• Unknown costs associated with any new "guidance" that Scottish Government may issue.

Do you consider that the estimated costs and savings set out in the FM and over the timescales for which they are projected are reasonable and accurate?

7. In light of the answer above, they appear to be an underestimate.

If relevant, are you content that your organisation can meet any financial costs it is expected to incur as a result of the Bill? If not, how do you think these costs should be met?

8. It seems likely that any Contracting Authority will be facing significant financial challenges over the next several years and as such, all organisations would find it difficult to deal with any additional costs. It seems difficult to foresee a way of dealing with these which does not involve additional funding. Some Councils believe that some costs can be met from within existing budgets, but not all, and there is a feeling that additional costs resulting from implementation should be met by the Scottish Government.

Does the FM accurately reflect the margins of uncertainty associated with the estimates and the timescales over which such costs would be expected to arise?

9. It seems unlikely as they are so small in terms of the level of overall costs for staff, systems, and the requirements actually being procured.

Wider Issues
Do you believe that the FM reasonably captures the costs associated with the Bill? If not, which other costs might be incurred and by whom?

10. No. It seems highly likely that increased resources will be needed to implement the Bill on the part of Authorities and that the potential changes to the ways in which requirements are specified and contracts awarded will increase costs both to the business community and to Authorities.

11. As above, further additional and unaccounted for costs can be characterised as follows.

• Strategic and operational administration costs, particularly with the new requirement for an annual strategy and annual reporting.
• Administration costs to embed new requirements to be considered and tracking of benefits resulting benefits.
• 3rd party suppliers costs may increase as suppliers add in community benefits and sustainability requirements.
• Unknown costs associated with any new "guidance" that Scottish Government may issue.

Do you believe that there might be future costs associated with the Bill, for example through subordinate legislation? If so, is it possible to quantify these costs?

12. It is entirely possible that the Regulations which will implement the new EU Procurement directive will introduce additional costs, but in advance of the
publication of a first draft of these regulations, it is impossible to speculate as to what they may be.

13. Some Councils feel that there will be significant costs and difficulties in implementing the sustainability aspects of the Bill.

14. Overall comment: whilst there appears to have been a detailed consideration of the costs of implementation for the Scottish Government itself, specifically on staff and systems, significant general assumptions are made about costs arising elsewhere. The concept that the Bill only legislates for good practice already in place across public sector organisations seems optimistic at best, and it seems certain that significant changes in working practices in a range of organisations will be required. It seems highly likely that the cost of bringing all public bodies up to an appropriate standard of modern public sector procurement best practice has been significantly underestimated. Further no real consideration as to the costs of altered specifications, selection and award criteria, contractual obligations and liabilities, or the management of contracts and suppliers, has been made.