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Convener, Economy and Fair Work Committee
Scottish Parliament
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(sent by e-mail)

29 October 2025

Dear Convener,

On 21 November 2024 I wrote to you to update you on the Scottish Government's response to the recommendations made by the Economy and Fair Work Committee following its post-legislative scrutiny of the Procurement Reform (Scotland) Act 2014.

Since then the Scottish Government has been addressing the recommendations set out in the report and this letter provides an update on progress.

The Scottish Government has been committed to harnessing the full power of public procurement to achieve wider economic and social outcomes for nearly two decades. We are committed to maximising the impact of public procurement through progressive procurement policy and practice.

The Committee's recommendations help us to achieve that aim and ensure efficient, transparent and accessible public procurement processes that are responsive to the needs of suppliers.

Since the recommendations relate to procurement across the public sector in Scotland, we have been working with a number of stakeholder groups to implement actions that address the issues raised. We have engaged with groups which include the Heads of Procurement in public bodies, the Public Procurement Group and the Procurement Supply Group to obtain their buy-in and support as well as providing regular updates to them.

While some of the recommendations are relatively straightforward to address, others require collaboration with partners, public consultation or systems scoping and specification work and take longer to implement.

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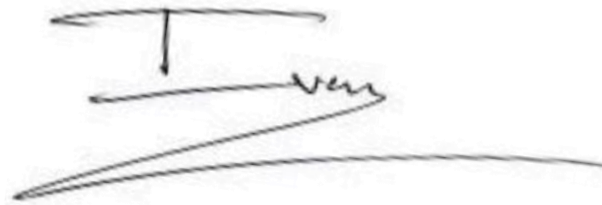


Annex A details our progress and status against each of the recommendations made in the Committee's report and provides updates on the work already set out in the Scottish Government's initial response.

On one of the recommendations, to review the Reform Act thresholds, I can update the Committee that the Scottish Government launched a [consultation](#) on the matter on 16 October 2025.

Alongside the actions we are taking in response to the Committees recommendations, we are addressing the results of the [Supplier Survey](#) which was published on 1 September 2025. Many of these survey findings broadly align with the recommendations of the Committee.

I trust that the Committee will note the progress made to date and our future plans as set out to address all open recommendations.

A handwritten signature in black ink, appearing to read 'Ivan McKee', with a long horizontal stroke extending to the right.

IVAN MCKEE

Annex A - The Scottish Government's update to the Economy and Fair Work Committee's recommendations – October 2025.

For ease of reference, the numeration from the Committee's report has been used. The Committee's recommendations are in bold blue and the corresponding Scottish Government updates are in a regular font.

75: The Scottish Government is asked to set out how it is learning from best practice in other areas to ensure the refreshed or replaced Public Contracts Scotland website is once again "best in class". As a valuable single point of access, the Committee calls for delivery of an improved and updated website to be prioritised. The Scottish Government is asked to set out a timetable for this.

In progress. Following a period of research, benchmarking and engagement, work is continuing on the statement of requirements for the new Source-to-Contract system which is looking to bring advertising, eTendering and Contract and Supplier Management as one fully integrated solution.

The Statement of Requirements is currently being revised to take onboard appropriate/relevant feedback received by the Technical Working Group, suppliers who responded to the Prior Information Notice (PIN) and Supplier Focus Sessions which were specifically targeted at SME's.

We anticipate that the specification will be advertised in Q3 FY 2025-2026, with final contract award by Q2 FY 2026-2027 earliest, subject to a successful procurement.

76: The Committee asks the Scottish Government to engage directly with businesses, not just centres for excellence, to inform the work to refresh or replace the Public Contracts Scotland website, to explore options with a view to seeking agreement on a single portal and minimising associated bureaucracy.

In progress. The new Source-to-Contract solution is a key commitment in our SME and Third Sector Action Plan and we are committed to ensuring it facilitates access for suppliers of all sizes. Two supplier sessions were held in August/September 2025 which focused on SME's that actually use the current systems to obtain feedback on the key areas that they would like to see improved. Approximately 30 suppliers attended, with one of the key themes being that usability of the new Source-to-Contract system is very important to them.

The Statement of Requirements, along with the pricing schedule and model Information and Communications Technology (ICT) Terms and Conditions, have also been shared via a PIN notice, with approximately 40 suppliers registering interest and submitting questions.

78: The Scottish Government is asked to work with contracting authorities to look at what more can be done to drive consistency and streamline, as far as possible, the standard information sought from bidders and to reduce the administrative and cost burdens on bidders.

Complete. In November 2024, the Scottish Government issued communications to the Heads of Procurement to emphasise that requests made to bidders are relevant to the subject matter of the contract and proportionate to the contract value and risk.

These communications also reminded buyers to consider and actively address perceived barriers, called for pipeline forecasts, early market engagement and to reflect on the timings and turnaround expectations of tenders.

We also support this aim through guidance. For example, we have created standardised statements and templates to encourage consistency in supplier selection questions relating to climate change. This is backed up by clear guidance in the Supplier Journey, including completed sample templates to make it clearer and easier for suppliers to understand what is being asked of them.

As part of the Public Contracts Scotland/Public Contracts Scotland-Tender (PCS/PCS-T) re-let, further opportunities for enhancements and improvements on usability are being explored within the new system.

80(a): The Committee recommends that more one to one training opportunities are provided for small businesses and the third sector....

In progress. In April 2024 we published the Scottish Government's first SME and Third Sector Procurement Action Plan to collaborate, engage and reduce the barriers for SMEs and Third Sector Organisations when engaging with public procurement processes. In August 2025 we published an annual update on the progress that has been made to date. Key highlights of progress over the last year include:

- development of a dedicated [Supplier Engagement Guide](#) for suppliers of any size in response to stakeholder feedback, now available on the Supplier Journey website alongside the bespoke guidance for SMEs and third sector;
- completed a programme of work to review Scottish Government policy and guidance;
- strengthened understanding of the Supplier Development Programme through a review that improved data sharing, communication, and presence at events like Meet the Buyer; and
- Public Contracts Scotland had an update to the 'Supplier Profile Finder' functionality. The update allows bidders to self-identify as a Third Sector Organisation. As a result, contracting authorities can now specifically search for these organisations, significantly increasing their visibility and access to opportunities that were previously limited.

The Scottish Government continues to test and inform procurement policy and practice to identify continuous improvement opportunities, collaborating with industry through round tables, surveys, targeted research and engagement. This includes regular engagement with the Procurement Supply Group (PSG), business forums, SMEs and Third Sector Organisations to ensure our current and evolving approaches help to underpin Ministers' broader priorities in regards to inclusive and green economic growth, avoiding unnecessary barriers to supplier access. This is in addition to early market engagement on procurement projects to help test and inform the approach to specific sectors of the market.

80(b): when scoping improvements to the Public Contracts Scotland website, that consideration is given to including links to resources that could more immediately help an unsuccessful bidder with future bids.

In progress. These area's will be considered when pulling together the requirements for the Invitation to Tender (ITT) for the new Source-to-Contract system to ensure the system links appropriately to the Procurement Journey and Supplier Journey guidance.

Meantime, we have a programme of work underway to refresh the Supplier Journey tool to make it easier for suppliers of all sizes to access and find information to support new and/or unsuccessful bidders, including a targeted guide with sources of support for SMEs.

82: The Committee acknowledges the tendering efficiencies that larger contracts can create. The Committee asks the Scottish Government to undertake an exercise to share best practice, using specific examples of lotting carried out effectively that have increased local content.

In progress. Although this work was delayed, the Scottish Government have now identified example case studies related to lotting and are in the process of sharing these best practice case studies with Heads of Procurement across Scotland. They will also be embedded and promoted through the national tools underpinning consistency in procurement best practice.

83: The Scottish Government is asked to explore ways it can improve accessibility of framework contracts to ensure smaller bidders, that are closest to the communities they serve, are not marginalised.

Complete. The Scottish Government and the sectoral Centres of Expertise consider access to SME's at strategy development stage in framework agreements. This is not only well established good practice, it is a legal requirement under the Procurement Reform (Scotland) Act 2014, a key priority in the public procurement strategy for Scotland and is underpinned by a legal requirement to report performance.

84: The Committee recognises that there has been an increase in the proportion of locally produced food products available through national frameworks but asks the Scottish Government to ensure contracting authorities' understanding that "best value" means more than just price. Public procurement must align with the principles of the Good Food Nation (Scotland) Act 2022, the Agriculture and Rural Communities (Scotland) Act 2024, the Circular Economy (Scotland) Act 2024 and the proposed community wealth building legislation. The Committee would observe that food miles should also be considered when contracting, given the drive to reduce carbon output.

Complete. Since 2015, Scottish procurement legislation has required regulated contracts to be awarded on the basis of a combination of both price and quality of a bid. In addition to appropriate price to quality ratios being adopted for individual procurements on a case-by-case basis, we continue to promote opportunities to embed economic, social and environmental considerations in requirements. This includes encouraging a focus on:

- specifying requirements based on menu plans that:
 - are based on freshness, high nutritional value and using food in-season;
 - are designed to include PGI Food. For example, by specifying PGI Scotch Beef and Scotch Lamb in their tender, more than 77% of produce purchased on the Scotland Excel meat framework during FY 2023-2024 was sourced from Scotland;

- require food produced according to recognised assurance schemes, e.g. Quality Meat Scotland, Marine Stewardship Council (MSC), Red Tractor, RSPCA, or equivalent bespoke company systems; and
- requiring flexibility on frequency of delivery times.

For example, Scotland Excel food frameworks include relevant quality requirements in the specification, such as Protected Geographical Indication (PGI) Scotch Beef and Lamb. These frameworks are worth £83 million per year of the £220 million public sector spend on food and catering (FY 2022-2023). Their food frameworks help to supply the products served up in schools, nurseries, care homes and community centres across the country. In March 2025, we added a case study to the sustainable procurement tools to demonstrate the flexibilities available in procurement of food to provide fresh and seasonal food in public sector menus and to grow local supply chains, such as Protected Geographical Indication (PGI) Scotch Beef and Lamb. These frameworks are worth £83 million per year of the £220 million public sector spend on food and catering (FY 2022-2023). Their food frameworks help to supply the products served up in schools, nurseries, care homes and community centres across the country.

In addition, the Scottish Government's Catering Services contract operates a menu cycle based on fresh seasonal produce and uses local supply chains for bakery, dairy and meat products. All milk supplied through the contract is organic and from a Scottish supplier. The supply chain includes over 50 Scottish-based suppliers, 75% of which are SMEs.

In March 2025, we added a case study to the sustainable procurement tools to demonstrate the flexibilities available in procurement of food to provide fresh and seasonal food in public sector menus and to grow local supply chains.

85: The Scottish Government is asked to review nutritional standards for public food procurement to ensure that the health and wellbeing of those using the services of public bodies, such as schools and hospitals, are the primary concern and, as far as possible, to support locally procured food.

In Progress. As set out in the proposed national Good Food Nation Plan, the Scottish Government recognises that public procurement plays a key role in ensuring everyone has access to healthy, fresh, seasonal food and the proposed plan sets out the flexibility that public bodies have to promote local and sustainable produce. The Nutritional Requirements for Food and Drink in Schools (Scotland) Regulations 2020 ("the Food Regulations") are designed to ensure that children and young people are provided with an appropriate amount of energy and key nutrients, as part of their school day, to support their healthy growth and development. Statutory guidance 'Healthy Eating in Schools' accompanied the Food Regulations and is designed to support anyone with a role to play in the provision of food, drink and meals in local authority and grant aided schools in Scotland.

In addition to existing nutritional legislation and standards, a range of work is taking place to ensure that public bodies prioritise health and wellbeing and consider climate change and food security in the public procurement of food and catering. For example, the Eating Out, Eating Well Framework which we referred to in the November 2024 response to the Committee is being launched during FY 2025-2026.

As part of the Scottish Government's work to share good practice relating to public procurement of nutritious, fresh and seasonal public food, the Scottish Government published a case study on the 'Multiple Benefits of Public Food Procurement' in March 2025.

86: The Scottish Government is asked to explore how best to better balance the increasing use of framework contracts with the desire to ensure fair work compliance throughout the supply chain.

In progress. Driving Fair Work First (FWF) through public procurement supply chains is a key focus in the Public Procurement Strategy for Scotland regardless of the approach to market and is underpinned by [Statutory Guidance](#), and detailed practical guidance on how to achieve this for buyers and suppliers.

The Scottish Government developed and launched targeted e-learning on Fair Work considerations in December 2024 to promote how 'including Fair Work First in contracts' can benefit businesses and employees. This e-learning is mandated for relevant staff in the Scottish Procurement and Property Directorate, and we are promoting the e-learning widely through our public sector fora and through business and third sector representatives on the Procurement Supply Group.

In addition, the Scottish Government have now shared best practice case studies with Heads of Procurement across Scotland, embedding and promoting these to the wider buyer and supplier communities through the national tools underpinning consistency in procurement and supply chain best practice.

87: The Committee is aware that the 2014 Act allows flexibility and opportunities for different ways in which procurement exercises can be approached. Proof of this can be seen in the commissioning model for Granite Care Consortium. The Committee acknowledges this is currently being assessed to identify what was done differently and how different approaches can be shared. The Committee urges the Scottish Government to consider and report back on how it will accelerate the sharing of best practice.

In progress. Granite Care Consortium have completed their year one report which has been shared with Scottish Government. We are reviewing to understand lessons learned. The policy team has also engaged with Glasgow Health and Social Care Partnership to understand the challenges of the Alliancing process that took place for their homelessness services and to support lessons learning from this. We are also holding workshops with procurement professionals on a three weekly basis to discuss key topics which includes opportunities for procurement professionals to share their good practice examples and lessons learned.

The Scottish Government have completed a workshop on outcome focussed procurement processes sharing the 'Getting It Right For Everyone' pathfinder example. We are moving to our next phase of engagement with procurement professionals which will include co-designing guidance and tools to embed the ethical procurement principles and good practice, underpinned by the Care Reform (Scotland) Act 2025.

89: The Committee asks the Scottish Government to undertake a review of thresholds, prioritising the threshold for Quick Quotes, and report back its findings to the Committee.

In progress. The Scottish Government launched a consultation on a review of the Procurement Reform (Scotland) Act 2014 thresholds on 16 October 2025.

The consultation sets out a number of options to review the thresholds from which the 2014 Act applies to goods, works and services contracts. Broadly these options are to have no change; a change to the thresholds based on an index-linked increase; or a more significant increase. The community benefits threshold is also being reviewed, with respondents to the consultation being asked their views on a number of options to maintain or reduce the level at which it is set.

Following the close of the consultation, the results will be analysed, a consultation report drafted and next steps considered based upon the feedback of respondents.

91: The Scottish Government is asked to explore how the range and number of businesses on the frameworks could be increased and awareness of the reserved contracts mechanism improved.

In progress. Scottish procurement legislation gives public bodies the ability to restrict participation in a tender exercise to supported businesses. The new 'Guidance for public sector buyers on purchase of goods and services from supported businesses' document, with a ministerial foreword from Mr. McKee, was published in April 2025. This has been shared with Heads of Procurement across Scotland and it been embedded, and will continue to be promoted, through the Procurement Journey, underpinning consistency in procurement best practice.

The new document provides guidance for public sector buyers who procure goods and services, to enable them to better consider how procurement activity is conducted, and contracts are developed, in order to reduce barriers and enable participation of supported businesses. This includes a link to a case study. New procurement policy guidance ([SPPN 1/2025](#)) on 'Reserving Contracts for Supported Businesses' was published in May 2025 and communicated to all public bodies.

Work continues to ensure this new guidance document - and details of the DPS for supported businesses – are promoted and accessible, including posting them on the websites of the Scottish Council for Voluntary Organisations, the Scottish Charity Regulator and the British Association for Supported Employment Scotland.

We will work with Heads of Procurement across Scotland to ensure that we continue to track and report spend with Supported Businesses in organisations' annual procurement reports.

93: The Scottish Government is asked to consider what more should be done to ensure reducing inequalities is taken account of in procurement processes. This should include the strengthening of the sustainable procurement duty and the inclusion of specific references to the public sector equality duty and fair work obligations.

Complete. Tackling poverty is a key priority for public procurement as part of our commitment to deliver procurement outcomes that are good for employers and employees, and therefore families; good for place and community; good for society; and that remain open and connected. [Procurement policy](#) sets out our general and procurement-specific equality duties, general and procurement-specific with specific reference to The Equality Act 2010 including the Fairer Scotland duty and The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012.

Promoting equality and inclusive economic wellbeing sits at the heart of the Sustainable Procurement Duty - and remains a key priority in the Public Procurement Strategy for Scotland - requiring that, before a contracting authority buys anything, it must think about how it can improve the economic, social and environmental wellbeing of the area in which it operates, with a particular focus on [reducing inequality](#).

This is underpinned by a progressive policy framework, guidance, tools and support to ensure that socioeconomic outcomes – which help to lift families out of poverty - are embedded in procurements.

For example:

- enabling and [measuring social impact through procurement](#);
- driving [Fair Work First considerations](#) through domestic procurement supply chains, with FWF - including at least the real Living Wage - embedded in all relevant SG contracts and being embedded in more contracts across the public sector;
- requiring and delivering [community benefits](#) through our supply chains - including the creation of jobs, training and apprenticeships, with a particular focus on protected characteristics - underpinned by legislation, statutory guidance, policy and support;
- [reducing the risk of human trafficking and exploitation](#) in the performance of public contracts;
- enabling diverse and resilient supply chains to create and support more jobs, tracking and reporting procurement spend retained within Scotland, retained within local communities, and with suppliers based in the 60% most deprived areas in Scotland (where Scottish Index of Multiple Deprivation known);
- driving improvements in the procurement of adult and child health and social care services, where we are supporting the implementation – and intent behind – the Care Reform (Scotland) Act 2025 through statutory guidance, policy and a number of targeted workstreams to embed improvements in the commissioning and procurement of health and social care provision; and
- We publish impact in the [ministers annual report on procurement activity](#).

As part of our commitment to maximising the impact of procurement on ministerial priorities, we are committed to measuring, benchmarking and reporting the impact of our policies to identify and target opportunities for continuous improvement, engaging with public, private and third sectors to test and inform our evolving approaches.

We also part-fund the Supplier Development Programme whose aim is help Scottish SMEs to find and bid for public contracts through free training and networking events. This includes communicating Scottish Government policy priorities on equality – including ethical supply chains and FWF - to potential suppliers.

94: The Committee asks the Scottish Government to consider the calls from the Scottish Fair Trade Forum for a clear definition of Fair Trade within legislation and, in the interim, for dissemination in future guidance and resources for contracting authorities.

In progress. In response to the Committee's recommendation we met with Scottish Fair Trade. This has led to further improved engagement and guidance. In May 2025, with the input and approval of Scottish Fair Trade, we updated our guidance on Fair and Ethical trade. In June this year, Scottish Fair Trade attended the Procurement Policy Forum to give an update on their work to procurement staff from all sectors. Subsequent to this, Scottish Fair Trade have offered to create new, tangible guidance on specific commodities to encourage easy switches from non Fair Trade to Fair Trade options. We will actively promote this guidance across our networks when it is ready.

96: The Committee recommends that a uniform process for the provision of feedback should be developed. This would aid and improve transparency and should be focused on encouraging engagement by unsuccessful bidders with future procurement opportunities.

In progress. Since the previous response to the Committee, the Scottish Government have:

- continued to engage with Heads of Procurement and the wider procurement community to stress the importance of feedback, reminding purchasing organisation and the buyers within those organisations, of their obligations to notify all suppliers of the outcome of a competition and provide feedback to bidders;
- engaged with various fora to actively support and champion these obligations within their sphere of influence to clearly set expectations and encourage appropriate action and/or escalation. This included the Public Procurement Group, the Procurement Supply Group, the Construction Forum and the Collaborative Leads Group.
- Published the results of a Supplier Survey on 1 September 2025, within which the Scottish Government sought to gather further insight in regards bidder feedback.

Work is underway to review existing guidance in the Supplier Journey and Procurement Journey with a short life working group formed to consider and act on opportunities for improvement. This work was temporarily paused until essential system updates were concluded in August 2025 but will be completed by the end of FY 2025-2026. This work will include consideration of the Supplier Survey findings which are currently being analysed.

When the Scottish Government update the Care and Support guidance in support of the Care Reform (Scotland) Act 2025, we will include information on bidder feedback.

98: The Committee asks the Scottish Government to undertake an evaluation of the procurement annual reports with a view to making changes that are impactful for users and that minimise the burden on contracting authorities.

In progress. A short life working group, with cross-sector representation, was formed to review the Annual Procurement Report data template. The group will report its findings to the Procurement Policy Forum to determine and act on any changes proposed. A Scottish Procurement Policy Note ([SPPN 2/2025](#)) setting out public bodies Procurement Strategy and Annual Procurement Report reporting requirements was published in June 2025.