

How To Get Your Local Government to Stop Purchasing Shell Products

The strength of the boycott of Royal Dutch/Shell lies not only with individual consumers cutting up Shell credit cards, picketing Shell gas stations, and refusing to buy Shell products but also with institutions and municipalities severing contracts with and banning purchases from Shell. The banning of large bulk purchases will have a measurable economic impact on Shell and will inform the company that not only individuals but institutions and local governments will not tolerate Shell's investments in South Africa.

Many cities have already passed some form of legislation regarding South Africa. The first step is to find out what laws, if any, are in effect in your city regarding your city's economic ties to South Africa. These laws will either pertain to (1) divesting, or selling off, stocks held by city funds, including public employee pension funds, of companies that do business in and/or with South Africa; or (2) banning purchasing from and contracting with companies that do business in and/or with South Africa. By calling the city clerk's office, you can find out if the city council has already passed an ordinance or a resolution regarding divestment and/or selective purchasing. Ask the office to send you a copy of the legislation.

Whether or not your city has a selective purchasing ordinance in effect, you will need to find out if your city purchases any Shell products. This is a relatively simple process because all the information is public and should be readily available. Start by contacting the city's purchasing office and inquire about oil and gas purchases for the city's fleet of cars and heating oil for city buildings. You may find that city purchases are not centralized through the purchasing office. If this is the case, contact the different city departments, especially public works and transportation, to find out about their purchases. In addition to Shell oil, be sure to find out about Scallop heating oil, a Shell subsidiary. You should be able to get a complete listing of vendors with dollar amounts of purchases.

If your city purchases through distributors who carry several brands, it is important to find out which brands these distributors carry and which the city purchases. If you have found a sympathetic staff person at the purchasing office, ask them to inquire for you. If not, you will need to find a staff person in a city council member's office or the mayor's office or another office to do this for you. If the public employees are organized, it may be helpful to contact the relevant local union.

If your city has a selective purchasing ordinance, find out who is responsible for monitoring it. This staff person may be located in one of several city offices: purchasing, city manager, treasurer, etc. When you contact that person, ask him or her to more fully explain the existing legislation. You may want to find out the answers to the following questions.

1. Does the legislation cover the vendor or the product?
For example, if it covers Shell Oil, does it just include direct purchases from Shell Oil and Shell franchises or does it also include purchases from "Joe's Distributors", which sells Shell Oil among other brands? If it does not include purchases from vendors like "Joe's Distributors", what can be done to tighten the legislation to include all Shell products no matter who sells them?

2. Does the legislation include subsidiaries and parent companies or just the company with which the contract is made?
For example, Shell Oil does not do business in South Africa directly, but Royal Dutch/Shell, which wholly owns both Shell Oil and Shell South Africa, does do business with South Africa. Is it possible to expand the legislative definition of a company which does business in and/or with South Africa by including its parent and subsidiaries?

3. Does the legislation affect both American-based and foreign-based corporations? If the legislation only includes American-based corporations, there is a gap which foreign-based corporations will be willing to fill. Since Shell is based in Europe, it may have been left off the prescribed list of companies.

4. Is there a minimum value of goods purchased below which the city considers the purchase too small to monitor? If the minimum is too high, it can have the effect of circumventing the intent of the ordinance by allowing prohibited products to be purchased. These purchases can easily accumulate into the millions, providing a company like Shell with important revenue.

5. Does your city have a competitive bidding process for purchases? What percent advantage, if any, is given to companies that do not do business in and/or with South Africa? What happens if both the lowest bidder and the second lowest bidder have investments in South Africa? At what point does the city consider it economically infeasible to grant contracts to higher bidders who are not in South Africa versus lower bidders who do have South African connections?

If your city has not passed a selective purchasing ordinance, you should work with supportive members of the city council to introduce one. Any piece of legislation introduced should properly address the questions raised in the preceding section for it to have the intended effect.