

Agenda Item

Report to: **Cabinet**

Date: **11 March 2008**

By: **Deputy Chief Executive and Director of Corporate Resources**

Title of report: **Sustainable Procurement**

Purpose of report: **To endorse a package of Sustainable procurement measures, including specific approval of a sustainable procurement policy for the council**

RECOMMENDATIONS

The Cabinet is recommended to:

- a) **approve the Sustainable Procurement Policy based on the South East Centre of Excellence template;**
 - b) **support the package of sustainable procurement measures set out in the report;**
 - c) **note that a further report will set out details of quick wins that can be achieved from the third stage of the South East Centre of Excellence project; and**
 - d) **agree that the Procurement Steering Group should work to identify longer term priorities for sustainable procurement focussing on the areas set out in Appendix 2**
-

1. Financial Appraisal

1.1 There are currently no direct costs of this policy other than the officer time required to develop and implement practical approaches to and guidance for sustainable procurement. The majority of this work is being taken forward by a SECE (South East Centre of Excellence) funded project.

1.2 The Council currently requires all procurement decisions to be taken on the basis of the "most economically advantageous tender" which allows a range of factors other than price to be considered. This policy and subsequent guidance will assist officers in determining how sustainability considerations can be included in each procurement exercise, particularly the extent to which they can influence the evaluation of tenders. Sustainable procurement can deliver savings or be achieved at no additional cost, however, it is recognised that in some cases there will need to be a trade off between cost and sustainability considerations and that this will be dependent on the merits of each business case. The Council also needs to consider how best to apply the principles of whole life costing in evaluating value for money for both capital and revenue projects and this forms part of the Finance Management Team (FMT) work-plan.

2. What is Sustainable Procurement?

2.1 Sustainable Procurement is the process of purchasing goods and services that takes in to account the social, economic and environmental impact that such purchasing has on people and communities whilst still achieving value for money.

2.2 Sustainable Procurement means improving the efficiency of public procurement while at the same time using public market power to bring about major environmental and social benefits locally and globally

3. What is happening nationally?

3.1 The public sector has a vital role in furthering sustainable development, through its procurement of buildings, goods, works and services. The UK Government Sustainable

Development Strategy 'Securing the Future' (published in March 2005) has committed the public sector to lead by example in delivering these objectives.

3.2 'Securing the Future' established the business led Sustainable Procurement Task Force (SPTF) to bring about change in public sector procurement practice. The aim is for the UK to be recognised as a leader in sustainable procurement across Europe and the World, by 2009. The Sustainable Procurement Task Force challenged the UK government to use its immense buying power to make rapid progress to its objectives. The Government accepted this challenge and at the beginning of March 2007 published the 'UK Government Sustainable Procurement Action Plan' detailing how it intends to take Sustainable Procurement forward in the public sector.

3.3 Local authorities were consulted during the summer of 2007, the outcomes of which are yet to be published. There is however, a general expectation that local authorities will be required to take forward the recommendations contained within the action plan, many believing that this will form the new National Procurement Strategy. The action plan is in the form of a flexible framework containing 5 different levels that Councils should aim to achieve, starting with the achievement of level 1 by April 2008.

4. What is happening regionally?

4.1 SECE have funded a Sustainable Procurement project to support all 74 councils in the SE Region achieving Level 1 by April 2008 and environmental impact reduction through moving to a number of more environmentally friendly product ranges across the Region. The project is being led by the County Council's Corporate Procurement Manager and has 3 clear stages:

- Stage 1: Sept-Oct 07 Raising awareness- outcome is production of Case Studies
- Stage 2: Nov-Dec 07 Embedding best practice-outcome is implementation of document package
- Stage 3: Jan-March 08 Delivering reduced environmental impact-informed review/ pilot/ switch to environmentally friendly product range

4.2 The project has engaged 7 Exemplar Sustainability councils in the Region, one per county area, to lead the way at each Stage, following which the outcomes are released to the other councils in their area. The East Sussex Exemplar council is Lewes District Council.

4.3 The standard Sustainability Policy has now been issued to all 74 authorities in the SE Region as part of a package of support to enable all councils to achieve Level 1 by April 2008. The Policy attached at Appendix 1 has been customised for East Sussex and approved by Procurement Steering Group (PSG). The full package has also been endorsed by PSG and includes:

- A Standard sustainability clause for use in all future contracts
- Guidance on embedding sustainable evaluation criteria at Pre-Qualification Questionnaire and Invitation to Tender stages
- Standard environmental questionnaire at Invitation to Tender stage
- Case studies from the 7 exemplar councils

5. What is East Sussex County Council currently doing?

5.1 The draft Council Plan 2008/09 includes a new policy steer "To make positive progress towards tackling climate change in East Sussex, both in the County Council's own activities and through work with partners, to influence the behaviour of others" and Transport and Environment are leading work to develop a Corporate Climate Change / Sustainability Strategy. Specific sustainable procurement priorities will need to be directed by this broader strategy as it is developed, but it has already been agreed that the Council should proceed with the necessary actions on Sustainable Procurement in support of the SECE Regional project.

5.2 The Council has already made good progress on some aspects of sustainability and sustainable procurement, e.g. its successful Carbon Management Plan, investment in sustainable

building initiatives (to be linked to the BREEAM standard), work with small businesses and initiatives on waste management and recycling. This forms part of a range of sustainable procurement activities that are already in progress across the Council.

5.3 Following approval of this Policy further action will be needed to begin to embed sustainability into the Council's procurement processes and this will include:

- Training and awareness raising for procurement teams;
- Assessment of sustainability (i.e. economic, environmental and social) impact as part of every procurement exercise;
- Identification of sustainable procurement targets / priorities, for inclusion in business plans, focussing on the key areas identified by the SPTF (Appendix 2).

5.4 The third and final stage of the SECE project will be focussed on continuing work with exemplar councils across the SECE region to implement an agreed range of environmentally friendly products which should offer the opportunity for the Council to make some quick wins. A final report on the project will be prepared to cover Stage 3 and seek endorsement to any changes needed to existing sources of supply.

6 Conclusion and Reason for Recommendation

6.1 The Cabinet is recommended to agree the package of sustainable procurement measures, including the sustainable procurement policy. The policy and measures will assist in determining how sustainability considerations can be included in each procurement exercise, particularly the extent to which they can influence the evaluation of tenders.

SEAN NOLAN

Deputy Chief Executive and Director of Corporate Resources

Contact Officers: Jonathan Campbell
Duncan Savage

Tel No. 01273 481847
01273 482330

Background Documents

Sustainable Procurement Policy

Key points

- The Council recognises it has a vital role in furthering sustainable development, through its procurement of buildings, goods, works and services
- Procurement decisions have a major socio-economic and environmental implication, both locally and globally, now and for future generations

The Council will therefore strive to:

1. People, Education and Awareness

- Educate, train and encourage internal purchasers to review their consumption of goods and services, reduce usage and adopt more environmentally friendly alternative products.
- Communicate the sustainable procurement policy to all staff, suppliers and stakeholders.

2. Policy, Strategy & Procurement Process

General:

- Promote and embed best practice for sustainable procurement.
- Work in partnership with other South East Region councils to maximise sustainable procurement gains.

Environmental products:

- Consider the costs and benefits of environmentally preferable goods, suppliers and services.
- Wherever possible and practicable, specify a requirement in line with nationally or regionally agreed minimum specifications.
- Where such exact specification is not possible, offer a facility for suppliers to submit offers for environmentally friendly alternatives.

Environmental construction, biodiversity and recycling:

- Set targets for Carbon Management, BREEAM and sustainable construction, refurbishment and maintenance.
- Fulfil obligations under the Biodiversity duty as part of Sustainable Development plans.
- Investigate opportunities for the recycling and re-use of materials where appropriate.

Socio-Economic:

- Fully support the Council's commitment to the Small Business Friendly Concordat and VCS (Voluntary and Community Sector) Compact.
- Ensure that where appropriate and allowable, Sustainability Criteria are part of the supplier evaluation process and are used in the award of contracts.

3. Engaging Suppliers

- Communicate the Council's sustainability objectives to our suppliers.
- Encourage and persuade suppliers to adopt environmentally friendly processes and supply environmentally friendly goods and services as part of their Corporate Social Responsibility.
- Address barriers to the Council doing business with Small Business & Voluntary sectors.

4. Measurements and Results

- Comply with all legislation relevant to sustainability.
- Collaborate with South East Region Councils to meet the targets of a Joint Action Plan.
- Support achievement of local Council targets for Sustainability improvement.

Lead Member

Chief Executive

This policy is an official statement of _____ Council as of _____

Date updated	Jan 2008
Documents owner	Jonathan Campbell – Corporate Procurement Manager

Sustainable Procurement Task Force

Priority areas for sustainable / environmental procurement impact

1. Construction – buildings, roads, maintenance.
2. Health and social work – care homes, social care provision.
3. Food – including school meals.
4. Uniforms, clothing and other textiles.
5. Waste.
6. Pulp, paper and printing.
7. Energy.
8. Consumables – office equipment, computers etc.
9. Furniture.
10. Transport – vehicles, business travel.