



Sustainable procurement – making it happen



SOLACE
Society of Local Authority
Chief Executives and Senior Managers

society of local authority chief executives and senior managers





WRAP

WRAP (the Waste and Resources Action Programme) was established by Government to help the UK improve its record on recycling. In its first two years, WRAP's primary focus has been the creation of markets for recycled materials and products. This role has recently been expanded to include a wider range of initiatives. For more information about WRAP's programmes, go to www.wrap.org.uk

IDeA

Created by Local Government for local government, the Improvement and Development Agency (IDeA) is transforming local government, through its vast range of improvement and development programmes.



SOLACE

SOLACE (Society of local authority Chief Executives and Senior Managers) is the representative body for senior strategic managers working in the public sector. The Society promotes public sector management and provides professional development for its Members who come from all areas of the public sector. Whilst the vast majority of its members work in local government it also has members operating in senior positions in health authorities, police and fire authorities and central government. SOLACE spans all of the UK, having membership in Northern Ireland, Wales, Scotland and England.



Sustainable procurement – making it happen





Introduction

- The Society of Local Authority Chief Executives and Senior Managers (SOLACE), the Improvement and Development Agency for local government (IDeA) and the Waste and Resources Action Programme (WRAP) offer this guide to implementing sustainable procurement in local authorities. The document sets out basic steps for converting policy objectives into results, and signposts more detailed advice.

Who is this for?

- In particular, the Chief Executive (or Head of Paid Service), the Leader of the Council, and the senior manager responsible for procurement should take note.
- Executive Members responsible for environmental issues, procurement strategy and major areas of spend (especially construction) will also have an interest.

Why act?

- Is your Overview and Scrutiny Committee taking an interest in procurement good practice?
- Do you want to meet the standards for procurement being promulgated in the wake of the recent reviews of local authority procurement (such as Better Value Wales and the Byatt report Delivering Better Services for Citizens)?

- Do you have Agenda 21 and other objectives to meet on sustainability and climate change?
- Do you appreciate that buying recycled will make your waste recycling targets more achievable and affordable – by helping to create robust markets for the materials streams?
- Do you want to make a difference to your local community well-being, for both this and future generations?
- Do you want to encourage your local SMEs and the third sector?

How significant is this issue?

- Sustainable procurement is a national and international agenda item. This can be seen in the recommendation from the Johannesburg Earth Summit that "relevant authorities at all levels should promote procurement policies that encourage the development and diffusion of environmentally sound goods and services".
- Moreover, sustainability is being integrated within the mainstream of procurement policy and practice. It is clear that the public sector could achieve much more, even within the existing European rules and the requirement to secure best value for money.

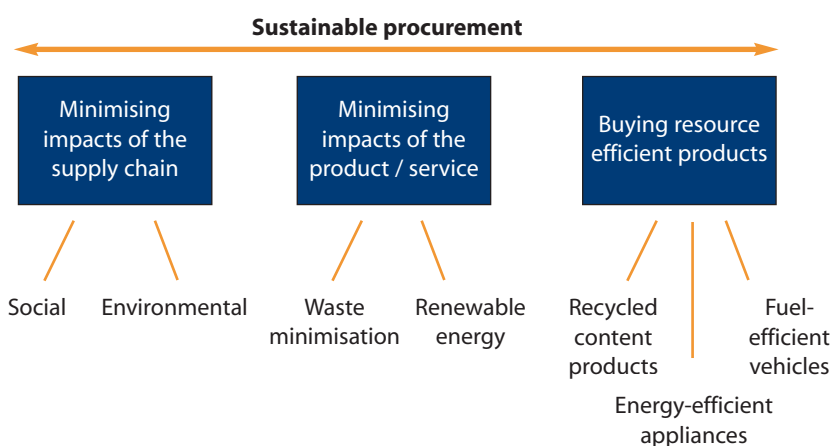
How should I respond?

- Agree to act, and instruct procurement staff to take the practical steps outlined here.
- Use this guidance as a framework, drawing on more detailed support that is available elsewhere.
- Set targets and responsibilities, and regularly monitor their implementation.

What is sustainable procurement?

- Sustainability can be incorporated into the whole procurement process: defining the need, evaluating options, design and specifying, supplier selection, tender evaluation, post-contract management and supplier development.

- *Within the public procurement rules, the key opportunity to consider environmental issues is at the earliest stage of the process, in defining the user requirements. Criteria such as "100% recycled fibre content" for tissue paper should be built into the specification. Then, at the award stage, the best value for money option that meets the specification would be awarded the contract. (In this example, tissue paper below 100% recycled would simply be rejected as non-compliant.)*
- Environmental criteria can be used at the award stage, provided they are relevant to the subject of the contract and provide a value for money benefit for the awarding authority. However, it is preferable to introduce these criteria upfront, as part of the specification, to avoid any potential conflict later in the procurement process between buying green and securing value for money.





How does this work?

- The key is to motivate your suppliers to offer more sustainable products. This means that your buyers and users have to move to defining functional performance specifications (including sustainability), rather than the technical specifications of known products. And your suppliers need advance warning of a definite shift in your requirements.
- As a result, your policy will not place a major burden on your buyers in terms of new product knowledge, and it will give suppliers the flexibility to seek out the most cost-effective solutions. This should reduce your costs and improve quality.

Is there a business case for sustainable procurement?

- Whole-life costing is a key tool in obtaining best value. For example, energy efficient products often have an increased capital cost that is more than offset by reduced operating costs, while recycled wood chips provide a longer-lasting alternative to bark for planted areas.

- However, to secure value you have to be willing to look to new suppliers with the motivation to offer price-competitive alternative products.
- Quality can be assured by specifying standards. For example, there is now a BSI Publicly Available Specification for compost produced from recycled organic material.



so what do I need to do?

Step 1

Adopt a sustainable procurement policy

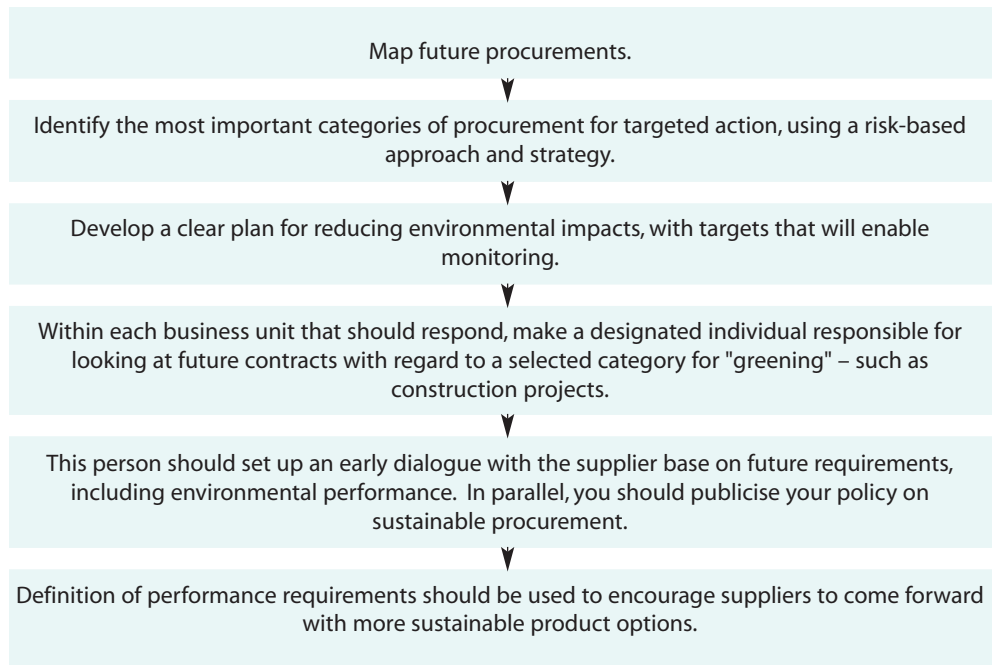
- Both the Leader of the Council and the Chief Executive should champion the policy to provide a mandate for action. Your policy should set out objectives and define practical steps. These include:
 - The role of procurement professionals and buyers
 - The standards or targets to be adopted, showing what you will and will not buy
 - The techniques to be used (such as whole life costing and risk assessment).
- Publish your policy as a commitment to action.



Step 2

Develop a dialogue with suppliers

- There may be scope to ask your existing suppliers for more sustainable versions of current purchases – such as furniture with a higher recycled content. However, there is much greater potential to secure improvements when embarking on a new procurement exercise – so that you can include sustainability in the basic specification. The following practical steps are proposed:



- An important enabling measure is to indicate that "variants" will be considered. This allows the supplier to offer improvements to the specification as an option – thereby compensating for a lack of buyer knowledge. In addition, constructive debriefing of suppliers, both winners and losers, will be influential in changing supplier perceptions of the new importance of sustainability criteria. And if you seek to introduce at least one new bidder for each Invitation to Tender, you will facilitate competitive offers.
- If the buyer finds it difficult to define a performance specification, or lacks the time for an effective dialogue with suppliers, they should ask WRAP, the Energy Saving Trust and others to suggest a greener technical specification.

Example of a performance specification for sustainable purchases

- "Copier paper, 80gsm, suitable for printing on fax, laser printers and photocopiers, with minimum 75% content of recycled post-consumer waste."



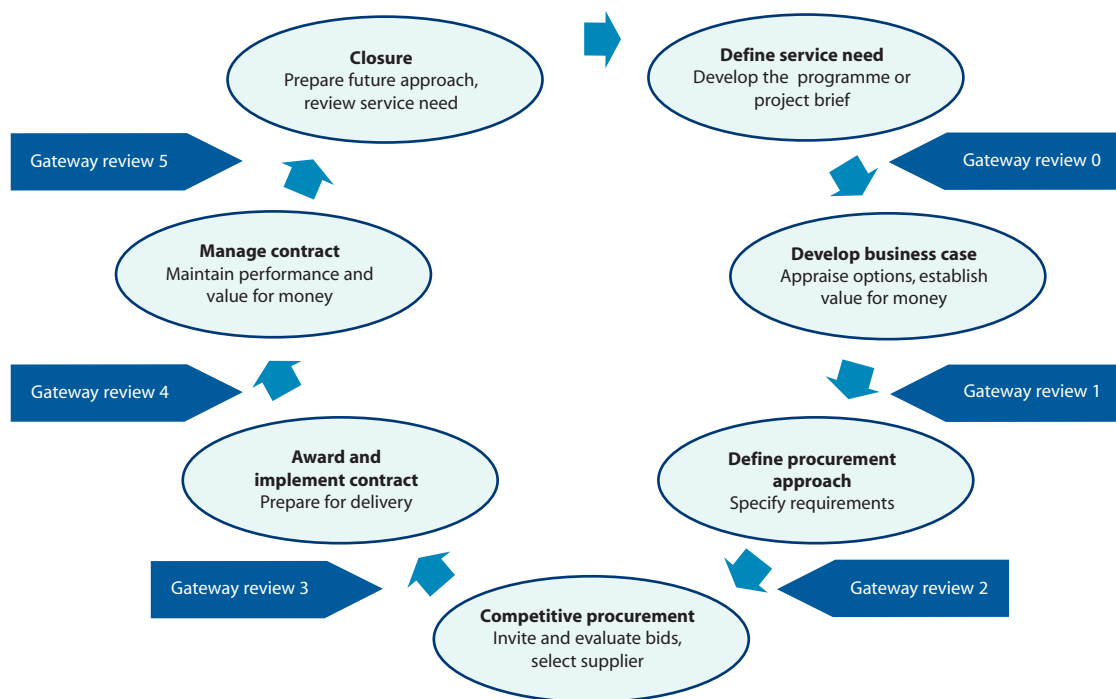
bpi recycled products

Step 3

Check for sustainability through the procurement cycle



- Once you get into a procurement exercise, you should check that sustainability has been taken into account at each review stage or Gateway:



Gateway Review Process

- Project owners are recommended to adopt the Gateway Process for reviewing procurement projects.
- This involves reviews at key decision points in the procurement cycle by a team that is independent of the project team. The outcome of using this approach is projects that are more likely to be completed on time and budget and to meet the client's requirements.
- More information is available from the Public Private Partnerships Programme (4ps).



Where can my team find further advice?

- The Improvement and Development Agency for local government offers guidance on implementing sustainable procurement – visit <http://www.idea.gov.uk/procurement>
- WRAP offers information on recycled content products and materials at <http://www.wrap.org.uk>
- The Energy Saving Trust provides information on energy saving for local authorities at <http://www.practicalhelp.org.uk>
- The Carbon Trust also provides support on energy saving, accessible through <http://www.actionenergy.org.uk>
- The Office of Government Commerce offers advice on public procurement rules, green Public Private Partnerships, sustainability in construction procurement and related topics – visit <http://www.ogc.gov.uk>
- The Public Private Partnerships Programme (4ps) advises local authorities on project procurement - see <http://www.4ps.co.uk>
- The Framework for Sustainable Development on the Government Estate provides guidance on managing impacts and achieving targets, including authoritative advice on environmental procurement – visit <http://www.sustainable-development.gov.uk>
- The Chartered Institute of Purchasing and Supply (CIPS), the Institute of Environmental Management and Assessment (IEMA) and the NHS Purchasing & Supply Agency (NHS PASA) have published "Environmental purchasing in practice: guidance for organisations" – available from IEMA at <http://www.iema.net>



Other reference web addresses

- Society of Local Authority Chief Executives and Senior Managers:
<http://www.solace.org.uk>
- Local Government Association:
<http://www.lga.gov.uk>
- Convention of Scottish Local Authorities:
<http://www.cosla.gov.uk>
- Welsh Local Government Association Procurement Support Unit:
<http://www.wlga.gov.uk/procurement>
- Chartered Institute of Purchasing and Supply: <http://www.cips.org>
- Society of Purchasing Officers in local government: <http://www.sopo.org>
- Chartered Institute of Public Finance and Accountancy: <http://www.cipfa.org.uk>
- Information portal for local authorities:
<http://www.info4local.gov.uk>
- Government services online:
<http://www.ukonline.gov.uk>
- Making the most of e-government:
<http://www.localgov.gov.uk>
- PFI Information Network:
<http://www.pfi.ogc.gov.uk>
- Local Government Information Unit:
<http://www.lgiu.gov.uk>
- Office of the Deputy Prime Minister Best Value site: <http://www.bvpi.gov.uk>
- Department for the Environment, Food and Rural Affairs:
<http://www.defra.gov.uk>
- The Audit Commission:
<http://www.audit-commission.gov.uk>
- Environmental Supply Chain Forum:
<http://www.greensupply.org.uk/escf.htm>





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