

Sustainable Procurement Policy

2009 - 2012



Corporate Sustainable Procurement Policy

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Introduction

Sustainable procurement is defined as *“the process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole-life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment.”*

Our Commitment

Southend-on-Sea Borough Council is committed to leading on and promoting sustainable procurement in Southend to deliver tangible benefits to the local community, both economic and environmental. The Council introduced the Sustainable Procurement Policy in June 2007 and this revision of the policy builds on that commitment.

We will strive to ensure that decisions taken by officers and members of Southend-on-Sea Borough Council on the procurement of resources and/or in relation to the provision of grant funding or financial assistance to any organisation or individual are undertaken in line with our sustainability commitments, and wherever possible commercial relationships are formed and nurtured with partnering and contracting organisations who share our values on sustainability.

In our determination to become leaders in the field of sustainable procurement we will seek to identify and learn from examples of best practice. We will support, and evaluate opportunities for working in partnership with organisations such as the Regional Centre of Excellence and the Sustainable Procurement Taskforce in delivering and promoting sustainable procurement both in Southend and the rest of the United Kingdom.

We will communicate this policy across our organisations, our partners and through our supply chains.

Through this commitment the Council has had many successes;

Key success over the past 2 years;

- Southend-on-Sea has made significant progress towards fair trade borough status
- Local business have had opportunities to meet procurement officers to understand Council how to win business from the Council

- Designate Procurement Officers have undertaken sustainable procurement training delivered by corporate procurement unit
- A Member has been appointed as Sustainable Procurement Champion
- There is an increased awareness of sustainable procurement in the Council and the benefits it can bring
- Corporate procurement has introduced an electronic tendering system to help reduce the volume of paper being used during the tender process
- The Council has committed to only using recycled paper for all internal communication
- Established sustainability in procurement strategies for all large projects
- The Council was commended by Federation of small businesses the level of spend with local business.
- 32% of the Councils spend is will Southend based suppliers
- The Councils IT hardware disposal contract was awarded to a charity which trains people with learning disabilities in IT skills
- Aquaid donated a well in Africa for every four mains fed water coolers installed. 14 were installed which meant 4 wells were donated to Africa on behalf of the council.

Three key pillars of sustainable procurement

The UK Sustainable Development Strategy defines sustainable development as being about “ensuring a better quality of life for everyone, now and for generations to come.” To do this requires meeting three key objectives at the same time.

1. Economic

Maintenance of high and stable levels of economic growth and employment

National Sustainability Framework Key Drivers;

- * Maintenance of high and stable levels of economic growth and employment
- * To do more with less: making better use of resources;
- * A stable and competitive economy;
- * To develop skills and reward work;
- * Procure goods and services which meet consumers' needs and are produced, and can be used, ever more efficiently;
- * Government, producers and consumers working together to achieve long term change.

Other Drivers

- Global economic downturn
- Sustainable communities strategy – to create a stable economic environment

- Comprehensive Spending Review 07 period - Value for money Local Councils are expected to make 3% cashable efficiency savings

How this policy will contribute to the economic growth and employment;

1. We will publish the Councils contract register on the Councils website in order that smaller supplier can prepare resource to bid for contracts
2. We will increase the volume of Council spend being reinvested in the borough with local suppliers and their supply chains
3. We will continue to meet regularly with local suppliers to inform them of how to win business with the Council
4. We will strive to ensure that local and smaller suppliers are not discriminated against in the procurement process and specifications.
5. We will continue to ensure sustainability is a key element of whole life costing when evaluating tenders.

2. Social

Social progress which recognises the needs of everyone

National Sustainability Framework Key Drivers;

- * Social progress which recognises the needs of everyone
- * Strengthening regional and local economies;
- * Meeting people's social needs: promoting better health, housing and access to services and recreation;
- * Improving local surroundings: revitalising town centres, tackling degraded urban environments, and ensuring that development respects the character of our countryside;
- * Reducing crime and the fear of crime;
- * Addressing problems of poverty and social exclusion in the most deprived communities;
- * Making it easier for people to get involved in their communities;

Other Drivers

- Equality agenda
- Sustainable communities
- Council Corporate Priority - Improving outcomes for children
- Unemployment in June 2009 in Southend was 5.1% (4897 people) - National Average 4.1%
- Providing opportunities for Adults with Learning Disabilities

How this policy will contribute to social progress;

1. We will research and establish apprenticeships and work placement schemes with relevant suppliers
2. We will establish clauses in large contracts to encourage employment of longer term unemployed where suitable

3. We will assess the Councils current use of third sector companies and benchmark against similar organisations
4. We will continue to support voluntary sectors to bid and win Council business
5. We will continue to train staff on sustainable procurement across the Council as appropriate; and sharing good practice
6. Purchase Fair-trade food and drink where practicable, seeking to achieve the status of becoming a Fair Trade town
7. Identify opportunities for supported businesses (those with more than 50% disabled employees)

3. Environmental

Effective protection of the environment & prudent use of natural resources

National Sustainability Framework Key Drivers;

- * Prudent use of natural resources
- * Effective protection of the environment
- * Achieving long-term cuts in greenhouse gas emissions and promoting sustainable energy;
- * Improving air quality;
- * Safeguarding freshwater resources and water quality;
- * Safeguarding the health and productivity of the sea;
- * Maintaining and improving the quality of our soil and contaminated land;
- * Protecting and enhancing biodiversity;
- * Reducing the spread of pollutants and improving management of waste

Other Drivers

- Comprehensive area assessment from 2009 will be a scored judgement about how well organisations are "...managing and using their resources to deliver value for money and better and sustainable outcomes for local people..."
- Climate Change Act 2008 - The scheme covers large public and private sector organisations, who are responsible for about 10 percent of the UK's emissions
- Waste and water - significant financial penalties will be levied for missed EU targets on biodegradable municipal waste and landfill targets
- To deliver the Council's commitment to the Nottingham Declaration, signed on 26th June 2008.

How this policy will contribute to protecting the environment;

1. We will adopt the Office and government commerce guidance on constructing excellence for all new building, and major refurbishment projects
2. We will roll out the e-tendering system to other areas in the Council

3. We will monitor and research key suppliers carbon emissions in a bid to reduce them
4. we will strive to incorporate environmental and social considerations into our product and service selection process
5. We recognise that it is our responsibility to encourage our suppliers and contractors to minimise negative environmental and social effects associated with the products and services they provide
6. Seek to reduce waste through reviewing the amount and type of materials purchased, and by exploring the opportunities to purchase refurbished, recycled and recyclable equipment, products and materials
7. Source green energy wherever possible and adopt appropriate energy management measures across all Southend-on-Sea Borough Council sites, utilising expertise from the Carbon Trust
8. Adopt the minimum environmental standards - 'Quick Win' Specifications recommended by OGC buying solutions when procuring a range of products.
9. We will continue to support and implement actions from the Climate Change Group.

Measuring Success

The Sustainable Procurement Task Force has developed a flexible framework covering key areas of sustainability. Please see **appendix A**.

We aim to meet all Level 3 targets by 2012.

Appendix A - Sustainable Procurement Task Force Flexible Framework

	Foundation	Embed	Practice	Enhance	Lead
	Level 1	Level 2	Level 3	Level 4	Level 5
People	Sustainable procurement champion identified. Key procurement staff have received basic training in sustainable procurement principles. Sustainable procurement is included as part of a key employee induction programme.	All procurement staff have received basic training in sustainable procurement principles. Key staff have received advanced training on sustainable procurement principles.	Targeted refresher training on latest sustainable procurement principles. Performance objectives and appraisal include sustainable procurement factors. Simple incentive programme in place.	Sustainable procurement included in competencies and selection criteria. Sustainable procurement is included as part of employee induction programme.	Achievements are publicised and used to attract procurement professionals. Internal and external awards are received for achievements. Focus is on benefits achieved. Good practice shared with other organisations.
Policy, Strategy & Communications	Agree overarching sustainability objectives. Simple sustainable procurement policy in place endorsed by CEO. Communicate to staff and key suppliers	Review and enhance sustainable procurement policy, in particular consider supplier engagement. Ensure it is part of a wider Sustainable Development strategy. Communicate to staff, suppliers and key stakeholders	Augment the sustainable procurement policy into a strategy covering risk, process integration, marketing, supplier engagement, measurement and a review process. Strategy endorsed by CEO.	Review and enhance the sustainable procurement strategy, in particular recognising the potential of new technologies. Try to link strategy to EMS and include in overall corporate strategy.	Strategy is: reviewed regularly, externally scrutinised and directly linked to organisations' EMS. The Sustainable Procurement strategy recognised by political leaders is communicated widely. A detailed review is undertaken to determine future priorities and a new strategy is produced beyond this framework.
Procurement Process	Expenditure analysis undertaken and key sustainability impacts identified. Key contracts start to include general sustainability criteria. Contracts awarded on the basis of value-for-money, not lowest price. Procurers adopt Quick Wins.	Detailed expenditure analysis undertaken, key sustainability risks assessed and used for prioritisation. Sustainability is considered at an early stage in the procurement process of most contracts. Whole-life-cost analysis adopted.	All contracts are assessed for general sustainability risks and management actions identified. Risks managed throughout all stages of the procurement process. Targets to improve sustainability are agreed with key suppliers.	Detailed sustainability risks assessed for high impact contracts. Project/contract sustainability governance is in place. A life-cycle approach to cost/impact assessment is applied.	Life-cycle analysis has been undertaken for key commodity areas. Sustainability Key Performance Indicators agreed with key suppliers. Progress is rewarded or penalised based on performance. Barriers to sustainable procurement have been removed. Best practice shared with other organisations
Engaging Suppliers	Key supplier spend analysis undertaken and high sustainability impact suppliers identified. Key suppliers targeted for engagement and views on procurement policy sought.	Detailed supplier spend analysis undertaken. General programme of supplier engagement initiated, with senior manager involvement.	Targeted supplier engagement programme in place, promoting continual sustainability improvement. Two way communications between procurer and supplier exists with incentives. Supply chains for key spend areas have been mapped.	Key suppliers targeted for intensive development. Sustainability audits and supply chain improvement programmes in place. Achievements are formally recorded. CEO involved in the supplier engagement programme.	Suppliers recognised as essential to delivery of organisations' sustainable procurement strategy. CEO engages with suppliers. Best practice shared with other/peer organisations. Suppliers recognise they must continually improve their sustainability profile to keep the clients business.
Measurements & Results	Key sustainability impacts of procurement activity have been identified.	Detailed appraisal of the sustainability impacts of the procurement activity has been undertaken. Measures implemented to manage the identified high risk impact areas.	Sustainability measures refined from general departmental measures to include individual procurers and are linked to development objectives.	Measures are integrated into a balanced score card approach reflecting both input and output. Comparison is made with peer organisations. Benefit statements have been produced.	Measures used to drive organisational sustainable development strategy direction. Progress formally benchmarked with peer organisations. Benefits from sustainable procurement are clearly evidenced. Independent audit reports available in the public domain.