



South Hams
District Council



West Devon
Borough
Council

Sustainable Procurement Policy & Procedure



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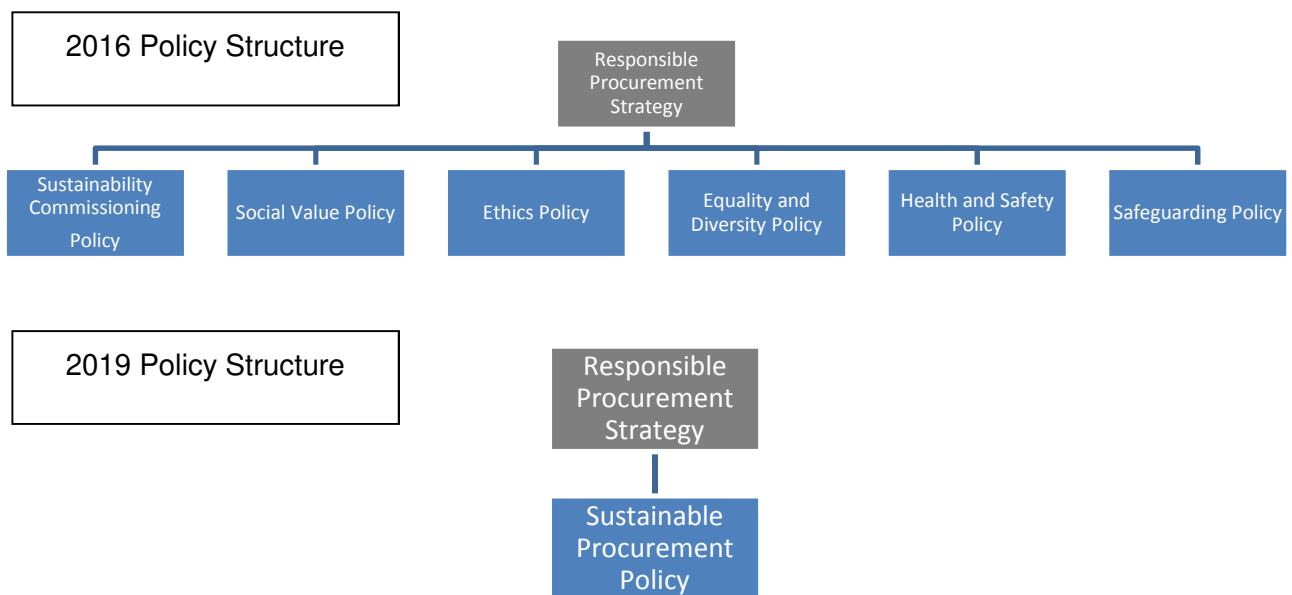
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2 Introduction

2.1 Introduction

South Hams District Council and West Devon Borough Council spend approximately £24 million per year on goods, works and services contracts. We recognise the impact that our contracts may have on the environment and that we can influence sustainable practices and policy in our area. This policy and procedure explains how we will aim to incorporate sustainable procurement into our tendering procedures and contracts.

2.1 What changes have been made?



2.2 How to follow this document

The Sustainable Procurement Policy is broken down into 4 elements:

- Environmental Sustainability
- Equality and Diversity
- Social Value
- Ethics

This policy takes you on a journey through the procurement cycle and separates each element at every stage. Moreover, there are ideas provided towards the end of this document as to how you can incorporate sustainable procurement practices in your day-to-day life, along with a checklist for your Tender/Request for Quotation (RfQ).

2.3 What is Sustainable Procurement?

Sustainable Procurement is a process whereby organisations meet their needs for goods, services and works in a way that achieves value for money on a Whole Life Cost (WLC) basis. Moreover, sustainable procurement not only focuses on benefits to the organisation; but also to society and the economy, whilst minimising damage to the environment. It encompasses environmental sustainability, social value, ethics and equality.

2.4 Who should be aware of this policy and procedure?

Employees

This policy and procedure can be read by officers within South Hams District Council and West Devon Borough Council seeking to understand how to include sustainable procurement considerations in their tender/RfQ.

Suppliers

This policy and procedure can be read by suppliers seeking to understand how we will demonstrate our commitment to delivering sustainability throughout the procurement journey.

Residents, Councillors and other interested parties

To be aware of the direction the council is taking and give feedback

2.5 Our priorities

Our priorities in relation to sustainable procurement are illustrated in fig. 1 on page 5.

Thinking about sustainability in these terms can help suppliers understand what we might be looking for in the delivery of our contracts and council officers to understand how to build in these considerations when tendering.

Fig. 1

Environmental Sustainability

- to protect and enhance the environment
- to improve the health and wellbeing of our residents and visitors
- to promote sustainable transport and development
- to minimise the environmental risks linked with work carried out by our contractors
- to minimise our carbon footprint
- to minimise our impact on climate change
- to make sure that employees and suppliers comply with the relevant legislation
- to improve our suppliers' environmental performance
- to pass sustainability obligations down the supply chain

Equality and Diversity

- to pass equality and diversity obligations down the supply chain
- to support our local suppliers in applying for contract opportunities
- to award contracts to a diverse mix of suppliers
- to design services that best meet the needs of service users
- to tackle inequality of access to our services
- to support SME's

Sustainable Procurement Priorities

Ethics

- to eliminate slavery and child labour from the supply chain
- to ensure that people working in the supply chain are treated humanely and have safe and hygienic working conditions
- to ensure suppliers pay the National Minimum Wage (16-24 years old) National Living Wage (25 years+)
- to ensure that people within the supply chain are not required to work excessive hours and have regular employment
- to ensure we have products that are ethically produced
- to pass safeguarding obligations down the supply chain
- to protect the health, safety and welfare of our employees and suppliers.
- to minimise health and safety risks linked to work carried out by our suppliers.
- to ensure that our employees and suppliers comply with the relevant legislation
- to improve suppliers' health and safety and performance
- to reduce instances of reportable illnesses or accidents and long term absences of employees and suppliers related to our contracts
- to pass health and safety obligations down the supply chain

Social Value

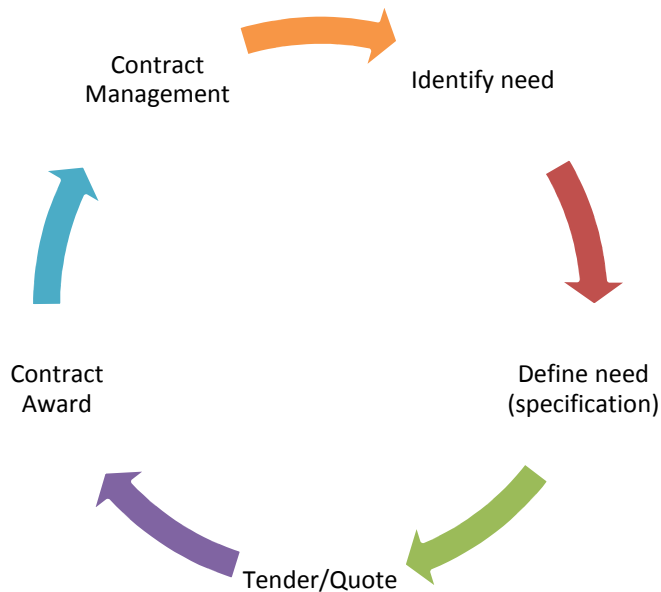
- to boost the local economy
- to encourage innovation
- to encourage training and apprenticeships
- to encourage equality and diversity
- to encourage fair trade
- to promote the procurement process to local suppliers
- to increase local spend
- to reduce carbon emissions through the supply chain
- to encourage biodiversity
- to support SME's

3 Sustainability in the tender process

3.1 The Procurement Cycle

We must consider sustainable procurement at all of the stages of the procurement cycle as shown in fig 2:

Fig. 2



3.2 Identify Need

What is identifying the need?

This could be goods, services or works. The main questions to ask are:

- “Do we really need this?”
- “What alternatives are available?” e.g. we need a new ferry to cross a river – do we buy a ferry or look at alternative modes to cross a river i.e. a bridge.

How we aim to meet our sustainable procurement expectations at this stage:

- **Environmental Sustainability**
 - Do we need this?
 - Agree sustainability outcomes that are linked with our ten year strategy.
 - Are there opportunities for collaboration with other councils for this need in order to gain greater economies of scale from bulk buying?

- **Equality and Diversity**
 - Work with suppliers to understand how we can improve the tender process making it easier for sole suppliers/SME's/local suppliers to bid.
- **Social Value**
 - What local suppliers are available?
 - What apprenticeships/training opportunities are available?
- **Ethics**
 - Consider if there are any safeguarding risks we need to mitigate.
 - Consider if there are any Health & Safety risks we need to mitigate.

3.3 Define Need (specification)

What is a specification?

We know what we need, however, now we need to explain how to get there – i.e. write a specification.

How we aim to meet our sustainable procurement expectations at this stage:

- **Environmental Sustainability**
 - Minimum environmental standards.
 - Ways to reduce our carbon footprint through the supply chain e.g. spend locally?
 - Carbon off-setting.
 - Energy efficient alternatives.
 - Adherence to The Timber Pledge (Page 12).
- **Equality and Diversity**
 - Ensure the specification is easy to understand for all suppliers.
- **Social Value**
 - Is there an opportunity to collaborate with other councils?
 - If we are getting an external company to draw up your specification, is there an opportunity to hire a local company, an SME, an apprentice?
 - Take a look at the National Themes Outcomes and Measures (TOMs) framework saved here [G:\GLOBAL\Procurement\Social Value Themes Outcomes and Measures \(TOMs\)](G:\GLOBAL\Procurement\Social Value Themes Outcomes and Measures (TOMs)) for ideas about what you can measure in terms of social value.
- **Ethics**
 - Our standard selection questionnaire contains certain mandatory questions that need to be passed e.g. adherence to National Living Wage and National Minimum Wage.
 - How can health and safety risks be mitigated when writing up the specification?
 - Can there be measureable health and safety requirements?
 - Include safeguarding requirements where appropriate.

3.4 Tender/Quote Stage

What is a tender document/request for quotation (RfQ) document?

Once you have your specification drawn up it's time to add this to your tender/RfQ documents. This is where you can award certain criteria according to the specification. Aspects of the project that are more important to you will be given higher weightings.

The tender documents will include:

- A pre-qualification of suppliers – this is via a selection questionnaire that contains mandatory (PASS/FAIL) questions that suppliers will need to answer. Questions include but are not limited to:
 - Financial stability
 - Health and safety
 - Modern Slavery
 - Insurance
- The specification
- Award questions
- A pricing schedule
- Certificates

The award criteria

Fig. 3

Evaluation Criteria Breakdown	Means of Evaluation	
	Sub Criteria	Main Criteria
Criteria: Quality		%
Sub-Criteria	%	
Sub-Criteria	%	
Criteria: Price		%
Sub-Criteria	%	
Sub-Criteria	%	

Fig 3 above is taken from our standard tender template. There are 2 options as to how to award a contract with sustainable procurement built into the tender.

- Option 1: include a sub-criteria under the umbrella of “quality” with a weighting that contributes to the total criteria of quality.

Option 1 Example	Means of Evaluation	
	Sub Criteria	Main Criteria
Criteria: Quality		30%
Please provide a method statement of your approach to the project including how you will meet the timescales.	20%	
Please give an overview of your apprenticeship scheme and how you will use this scheme to approach the project.	10%	
Criteria: Price		70%

- Option 2: have sustainable procurement as its own umbrella criteria. This way you can use more elements as subcategories.

Option 2 Example	Means of Evaluation	
	Sub Criteria	Main Criteria
Criteria: Quality		20%
Please provide a method statement of your approach to the project including how you will meet the timescales.	20%	
Criteria: Price		60%
Criteria: Sustainable Procurement		20%
Please provide an innovative solution for providing energy efficient homes.	10%	
Please give an overview of your apprenticeship scheme and how you will use this scheme to approach the project.	10%	

Here you can see that under option 1 we are able to measure social value. In option 2 we are able to measure social value and environmental sustainability.

How we aim to meet our sustainable procurement expectations at this stage:

- **Environmental Sustainability**
 - Consider a weighting of at least 10% for environmental sustainability.
 - Seek innovative method statements from suppliers surrounding their approach to tackle sustainability issues.
 - Include environmental sustainability sub-criteria falling under the umbrella quality criteria.
- **Equality and Diversity**
 - Ensure that tenders/RfQs are advertised on Contracts Finder <https://www.gov.uk/contracts-finder> (over £10k) and The Official Journal of the European Union (OJEU) (over £181k – goods/services £4.5m – works) <https://ted.europa.eu/TED/browse/browseByMap.do>
 - Adherence to the EU Treaty Principles:
 - equal treatment
 - transparency
 - mutual recognition
 - proportionality
- **Social Value**
 - Include evaluation criteria that do not only favour larger suppliers.
 - Ensure all suppliers are supported throughout the tender/RfQ stage by answering clarifications promptly and supporting them with any technical issues where you can.
 - Consider a weighting of at least 10% for Social Value.
 - Ensure that the language and format we use is accessible for suppliers.
 - Ensure that the tender/RfQ stage is not overly onerous for the suppliers.
 - Include social value sub-criteria falling under the umbrella quality criteria.
- **Ethics**
 - Seeking method statements from suppliers about their approach to health & safety and safeguarding.
 - Asking about their ethical sourcing practices.
 - Checking that suppliers meet the health & safety, modern slavery, national minimum wage and national living wage requirements within the mandatory selection questionnaire.

3.5 Contract Award

What is the contract award stage?

Once you have released your advertised tender/RfQ to the market, received the applications and have evaluated all applicants; it is time to award the contract. The contract should be awarded to the Most Economically Advantageous Tender (MEAT), looking at the Whole Life Cost (WLC) e.g. energy used for a product, whether there will be an increase in services throughout the life of the contract, disposal costs, repair and maintenance costs etc. As well as analysing the 4 sustainable procurement elements

- **Environmental Sustainability**
- **Equality and Diversity**
- **Social Value**
- **Ethics**

It is important to ensure you contact all suppliers to state whether they have been successful or unsuccessful and give a 10 calendar day (15 calendar days for OJEU) standstill period to allow time for those unsuccessful suppliers to request feedback before any contracts are signed.

3.6 Contract Management

What is the contract management stage?

After the contract is awarded – the work doesn't stop. We need to ensure the deliverables are met and under budget. This could be via an official Service Level Agreement (SLA) and via regular Supplier Relationship Meetings (SRM's) e.g. quarterly or bi-annually.

How we aim to meet our sustainable procurement expectations at this stage:

When chairing Supplier Relationship Meetings (SRMs) it's important to keep in mind the 4 main areas of sustainable procurement for your agenda. You could have an agenda item dedicated to sustainable procurement with the 4 below elements as subheadings.

- **Environmental Sustainability**
- **Equality and Diversity**
- **Social Value**
- **Ethics**

Throughout the lifetime of a contract there could be new environmental innovative technologies, new apprenticeship schemes, new legislation introduced etc. so it's important to keep up to date.

If you used sustainable procurement measures in your SLA, it's also worth reviewing how the supplier is performing against these measures.

4 The Timber Pledge

4.1 Timber and Wood Derived Products

As a consumer of timber and wood derived products, South Hams District Council and West Devon Borough Council have a responsibility to ensure that the procurement of these products is not at the expense of the future of the world's forests, but positively supports responsible forest management. To achieve this aim South Hams District Council and West Devon Borough Council will only purchase timber and wood derived products that are either:

- from independently verifiable legal and sustainable or FLEGT (Forest Law Enforcement, Governance and Trade) licensed or equivalent sources, or
- recycled timber or wood derived products

We will not knowingly source forest products from:

- Forests or forest product suppliers that do not comply with all relevant national and international legislation relating to the trade in forest products.
- High Conservation Value Forests where these are recognised nationally or regionally, unless these forests are progressing towards credible forest certification in a time bound, stepwise and transparent manner.
- Protected areas, parks or similar areas where harvesting operations are not complimentary to responsible forest management
- Forests which are currently being converted to other land uses, or forests that have been converted since 1994.
- Forests which are in areas of armed conflict or civil unrest where there is a direct relationship between the forest products trade and the funding of such conflicts.



5 Outside the Procurement Cycle

5.1 Sustainable Procurement Day to Day

Sustainable procurement practices don't have to stop after you have tendered/quoted, awarded a contract and managed the contract. It can be used around the offices and outside of work.

Below are some ideas of how sustainable procurement can be boosted day to day:

Environmental Sustainability

- Are computer monitors and printers left on or on stand-by?
- Is the heating on when windows are open?
- In summer – are buildings being over-cooled?
- Is water being wasted?
- Can you reduce your single use plastic use?
- Can you cycle to work instead of drive?
- Can you hold a skype call instead of travelling to an external meeting?
- Recycle whenever possible
- Have you ordered the right quantity? (reduce waste)
- Can you participate in carbon offsetting? e.g. plant a tree

Social Value

- Can your department participate in career talks to schools?
- Can you accommodate a work experience pupil from a secondary school?
- Can your department participate in voluntary work? E.g. community challenge days.

Equality and Diversity

- Can you help participate in "meet the buyer" events?
- Report unlawful discrimination, harassment and victimisation

Ethics

- Can you use more Fairtrade products?

6 Checklist

<i>Identify Need</i>	
Have you ensured you have the correct quantity specified whether it's the number of products for goods or number of heads for services?	
Have you analysed what sustainable procurement elements are important to you for your specification?	
Have you consulted any other local authorities to see if there are opportunities for a collaborative procurement	
<i>Define Need (specification)</i>	
Have you included the measurable sustainable procurement elements in your specification?	
If social value is one of the elements being used – ensure you have referred to the TOMS framework	
Ensure the specification is in an understandable manner to all suppliers	
<i>Tender/Quote</i>	
Ensure you have distributed your weightings in order to award the contract that will best meet the project requirements.	
Ensure that whatever is in your award criteria is specified in the specification.	
Ensure that all mandatory questions in the selection questionnaire are included	
Ensure that the tender documents are easily accessible by suppliers and help suppliers with any technical issues	
Ensure that clarifications are answered in a timely manner and answered to all suppliers	
<i>Contract Award</i>	
Ensure you have contacted all suppliers to state whether they are successful or unsuccessful	
Ensure you have included a 10 day standstill period (15 for OJEU) after all suppliers have been notified of the decision	

Contract Management

Ensure there are sufficient resources to manage the contract	
Ensure there are ways to measure the suppliers' commitment to sustainable procurement along with their overall performance of the contract	
Conduct supplier relationship meetings. Think about whether you want these quarterly, annually or bi-annually and book the first meeting in the diary soon after the contract award.	