PART 5: PROCUREMENT

4(a) How have procurement policies contributed to compliance with climate change duties?

Example 1

The Sustainable Procurement Policy

Public Body X has had a comprehensive Sustainable Procurement Policy in place since 2012. The sustainable procurement policy and objectives are addressed within every procurement plan, which is at the start of each procurement process. This, the policies build awareness and are discussed with stakeholders. There is also a mandatory sustainability risk assessment of procurement projects as part of the individual procurement plan. This is a practical tool to ensure compliance with climate change duties.

The Sustainable Procurement Policy also informs the organisation's terms and conditions of contract. For example, in schedule 8 section 1.1, a duty is placed on service providers to assist the organisation on climate change. The Commercial and Procurement team also use sustainability as selection and award criteria and seek to constantly evaluate processes that minimise the impact of the procurement, for example, in construction off-site fabrication, use of electric vehicles and use of local suppliers to reduce transport emissions are encouraged and scored accordingly.

The Policy has 4 main Outcomes

Outcome 1: the social and economic benefits from our procurements are maximised
Outcome 2: the environmental impacts are minimised and the environmental benefits maximised from our procurements
Outcome 3: the city has a more sustainable supply chain
Outcome 4: sustainable procurement is embedded within the organisation

The following are some of the specific examples that sit under these outputs - (please note this is just a selection):

- Minimise carbon based energy use
- Minimise waste and consumption
- Specify goods and materials made with a high content of recycled material and/or goods
- Achieve a minimum sustainability performance of BRETEAM ‘Very Good’ rating, and aspire to BRETEAM ‘Excellent’ rating when procuring new buildings and refurbishing old buildings,
- Specify the most energy efficient goods, services and works
- Ensure that vehicles we purchase, lease or hire have low emission of greenhouse gases and air pollutants
- Procure a carbon reduction of 30%
- Procure timber and timber-based products from sustainable sources
- Ensure clear chains of custody in line with X’s Purchasing Policy for Sustainable Timber and Timber Products
- The use of Government Buying Standards
- The use of Community Benefits – this is reinforced on the requirement in Contract Standing Orders to consider the inclusion of community benefits in all procurements over £50,000

To give an example as to how these translate into procurement actions the Construction team operate WRAP targets for all construction works. The targets and objectives set out in our contract identify:

- A minimum of 10% use of recycled materials
- Implementation of Site Waste Management Plans that not only meet any minimum regulatory requirements, but exceed these requirements by setting project-specific targets for waste reduction and recovery and measuring performance
- Measurement and reporting progress against the corporate KPIs for waste and waste to benefit, report performance for construction, demolition and excavation waste streams
- Requirement to only purchase FSC approved timber and complete return the Timber Monitoring Sheet on a monthly basis
- Requirement of PC to provide evidence regarding their purchase of timber

Example 2

Public Body X believes it is important for suppliers to demonstrate their commitment to reducing their carbon footprint and, whenever possible, support us with our climate change duties. We have a standardised prequalification assessment which all suppliers must complete. This includes an assessment of each supplier’s capability to maintain and improve environmental performance, and includes a review of their policies on environmental impact. At the tender stage, suppliers are informed that we intend to reduce the level of embedded carbon associated with our capital investment programme and that to achieve this, they must demonstrate they are committed to reducing their carbon footprint. All suppliers must have a plan in place to reduce their carbon footprint. Suppliers are then assessed against:

1. Measurement of carbon footprint at organisational level
2. Measurement of carbon emissions from activities directly related to X
3. Actions taken and planned to reduce carbon emissions
4. Measurement of the embodied carbon within the goods/materials they supply

What is relevant to the nature of the good/services procured, X will include other aspects of climate change related capability and delivery in its procurements. For example, when procuring equipment that consumes energy, the evaluation takes into account the whole life cost of running the equipment to ensure that the benefit of more energy efficient equipment is properly considered.

Whole life cost assessment of climate change impacts

Specification of contract terms and how they support emissions reductions

Whole life cost assessment of climate change impacts

Whole life cost assessment of climate change impacts

Whole life cost assessment of climate change impacts

Whole life cost assessment of climate change impacts

Whole life cost assessment of climate change impacts
Opportunities and initiatives proposed and realised to support delivery of X climate change duties, which may include:

- Re-organisation of service provision
- Opportunities for innovation
- Advice and technical support

Example 3

Sustainability is one of the key principles which underpin Public Body X’s Procurement Strategy 2015-18. One of the main procurement principles identified in the strategy states that “Procurement should be carried out in line with current legislation to deliver competition, sustainability, equal opportunities and ultimately best value.”

Public Body X also has a specific Sustainable Procurement Policy. Within this policy the Climate Change Act is referenced in relation to the duty placed on public bodies.

All sourcing strategies for specific procurement projects include sections relating to sustainability. As it is mandatory to consider sustainability specifications as appropriate to the product or service being procured, and we consider a life cycle analysis of products to minimise the adverse effects on the environment resulting directly or indirectly from products.

The Sustainable Procurement Policy also references the organisation’s Carbon Management Plan as a related document, and includes a commitment for the organisation to use the flexible framework self-assessment which relates to the Scottish Government’s Sustainable Procurement Action Plan.

We have appointed a Sustainability Lead Officer within the Procurement Team and a Sustainability Procurement Champion within the organisation, who ensure compliance with these policies. We also have a detailed Procurement Manual which has a section on sustainability. We have regular reporting on levels of community benefits achieved through procurement activity.

4(b) How has procurement activity contributed to compliance with climate change duties?

Example 1

1. Managed Print Contract – “Print Smart” power saving models are vastly superior to previous fleet models. The contract aims to eliminate the use of small, inefficient desktop printers requiring regular replacement of peripherals. New contract leads to less archiving and scanning, desktops and mono are very strongly promoted in policy designed to reduce print volumes, eliminate waste, reduce resources and energy consumed. The contract ensures hybrid mail roll out (less road miles for deliveries/less paper) and ensures all used print cartridges are recycled responsibly by the supplier.

2. Energy from Waste - Development of an ambitious project to fulfill the requirements of the Zero Waste Plan. The project will provide a long-term solution for non-recyclable waste produced in the north east of Scotland. The project represents a viable solution for residual waste that provides local benefits – electricity and heat for local residents and using waste to reduce fuel poverty. Forecasts demonstrate the plant will deal with circa 150,000 tonnes of non-recyclable waste per annum with a facility combining waste reception, combustion chamber, steam turbine, air cooled condensers, gas treatment and welfare. Modern combustion technology – a proven, tested concept using cutting-edge process control, offers flexibility and future proofing. The output from high temperature combustion is the production of steam used to provide electricity and heat. Forecasts show this will include around 10MW of electricity, and/or 20MW of heat as steam or hot water. The project has the potential to heat 10,000 homes that would otherwise rely on fossil fuel extraction.

3. Electric Vehicles – Public Body X continues to expand the network of electric vehicle charge points across the region. Four charge point installations were completed in June 2015. One additional installation was completed and two are nearing completion. Going forward, it is planned to expand the network further in FY 2016/2017.

4. Construction Procurements – follow industry terms and conditions (NEC3, SBCC ICE etc) as well as Building Standards Building Performance policies. Specifications incorporate sustainability, energy and environmental considerations to a challenging but proportionate and relevant extent per project. There is a strong ethos that value for money can only be demonstrated by whole of life costing and the best price-quality ratio.

The organisation works in close collaboration with Scotland Excel (the centre of procurement expertise for the local government sector in Scotland) in terms of the development and usage of national frameworks.


Sustainability criteria is aligned with the Scottish Sustainable Procurement Action Plan which encourages buyers to take a holistic view of the social, economic and environmental implications of product and service choices.

Example 2

Public Body X encourages its supply base to propose innovative opportunities to reduce our carbon footprint. One example is the introduction of real time feedback on driving performance provided by an add-on to our vehicle telematics system. A traffic light display gives visual and audio feedback to the driver on their driving style, for instance, highlighting instances of harsh braking. We are rolling this system in 20 light vehicles and have realised a 7% increase in fuel efficiency.

Public Body X has recently awarded a new multi-supplier framework for supply of quarry materials. In order to minimise the travel distance between the quarry and site where the material is required, our Procurement Team identified the best supplier for each of the 514 post code areas across Scotland. This approach ensured a good geographic spread of suppliers with a mix of regional and national providers.

Public Body X takes account of a supplier’s track record of innovation and product development in its selection process. This approach facilitates continuous reduction of carbon footprint within our supply chain. For example, X installs c1400 water hydrants each year. Investment in product development by the supplier reduced the weight of each hydrant by 11% with a saving in embodied carbon and carbon emissions from manufacture and transportation.
4(c) Supporting information and best practice

Example 1

In the reporting period, Commercial and Procurement Services (C&PS) has developed a themed approach to community benefits intended to provide procurers and suppliers with a clear, compliant, data-driven framework to work consistently within. Guidance makes it explicitly clear that value secured under the sustainable procurement duty is a form of "community benefit". Statutory requirements are not incompatible with socially responsible, ethical and sustainable good procurement practice.

As with all aspects of procurement, procurers are encouraged to look at community benefits/sustainable procurement from the bidder’s perspective. Research shows that: i) a themed approach is popular with suppliers; ii) corporate social responsibility can become "business as usual" and iii) the greatest successes occur where the buyer’s expectations are clear and realistic and iv) committed suppliers exceed those expectations. Procurers are encouraged to be creative, encourage creativity in suppliers and adopt an ambitious and challenging approach within the confines of proportionality and relevancy.

C&PS guidance makes it clear that not all community benefits/sustainability considerations are best achieved through separate community benefit clauses. A "Statement of Requirements" also referred to as a "Specification" can often competently address environmental/energy efficiency measures. Such measures can be specified to become an enforceable contractual condition e.g., if it’s proportionate and relevant to require that a product is made of particular materials or manufactured to a particular eco or industry standard then procurers are encouraged to consider these aspects carefully.

A statement of requirements can (amongst other considerations) address:
- Environmental/energy/efficiency performance levels
- Legislation or regulatory standards (e.g., health and safety, equality Climate Change Scotland Act 2009 etc)
- Waste water standards and accreditations
- Production processes and methods at any stage of the life cycle of the supply or service.

This innovative approach to sustainable procurement was recognised at the Scottish GO (Government Ownership) Awards ceremony held in Glasgow (October 2016). The submission was also recognised National Go Awards held in Manchester (March 2016).

Example 2

Public Body X has been recognised as a world leader in the field of procurement by the Chartered Institute of Procurement and Supply (CIPS). In October 2013 we became the first company in Scotland, the first utility company in the UK and the first water company in the world to receive the CIPS Gold Award. In July 2015 we built on that success to become the first public sector organisation, and one of only nine organisations worldwide, to receive the CIPS Platinum Award.

In May 2016 the UK government launched a new standard to encourage a consistent approach to the management of carbon by all involved in infrastructure. PAS2050 sets out the principles and components of a carbon management system and requirements on the whole value chain. Public Body X will be championing adoption of this standard by its supply chain.