



## DERBYSHIRE DALES DISTRICT COUNCIL

### **Sustainable Procurement Policy**

#### **1. INTRODUCTION**

This policy is produced to complement the Environmental Purchasing Policy and describes the Council's commitment to sustainability through its procurement principles.

#### **2. SUSTAINABILITY**

Sustainability is a state in which activities provide good quality of life for all through a just and healthy society, without jeopardising the environmental system that enables our survival.

The transition towards this state includes social, economic and environmental components. There is a strong link between the objectives of sustainability and the Corporate Plan Aims & Objectives.

#### **3. THE SUSTAINABLE PROCUREMENT POLICY**

The sustainable procurement policy is a public statement of the Council's commitment to environmental, economic and socially sustainable procurement. This policy has been produced to meet the Council's commitment to sustainable procurement. This policy has drawn from the IDeA publication "Sustainability and Local Government Procurement."

Sustainable procurement should be seen as part of the process of managing business risk. In introducing environmental and social criteria to the process of acquiring goods and services, the Council needs to integrate these issues as closely as possible into routine business practice. Sustainable development should be seen as another aspect of commercial relationships. Environmental & social factors can then be fully integrated into day-to-day procurement operations.

Sustainable procurement risk varies according to the actual environmental impact of the procurement and also with the perception of those outside the authority. A procurement can be classified as having a high or low 'environmental risk' in terms of:

- Sustainability of the raw materials used
- Energy consumed in the conversion process
- Environmental impact 'in use'

- Ability to be reused or recycled
- Biodegradability at the end of its useful life

The assessment of the environmental risk should be based on a formal risk assessment. A procurement can be classed as having a high or low 'profile risk' in terms of:

- Public's perception of whether the procurement is environmentally friendly
- Potential for adverse publicity associated with the procurement
- Potential to detract from the authority's 'good environmental and social/community objectives'

#### **4. SUSTAINABLE PROCUREMENT**

Procurement is the purchase or commissioning of goods, services & works. The Government's definition of value for money, in the context of procurement is:

*"The optimum combination of whole-life cost and quality (or fitness of purpose) to meet users' requirements."*

Procurement therefore has a broader meaning than purchasing, buying or commissioning. It is about securing purchases and products that best meet the needs of users and the local community in its widest sense. The Council takes sustainability as well as cost and quality into account when choosing suppliers.

Local government expenditure on goods, works & services has significant economic, social and environmental impacts. Minimising our impact in these areas, and where possible having a positive influence helps to improve local quality of life & promote sustainable development.

The cornerstone of sustainability is achieving development & progress that meets the needs of the present without compromising the ability of future generations to meet their own needs.

#### **5. THE COUNCIL'S PROCUREMENT STRATEGY**

The principles of procurement are enshrined in the Strategy. Members' and Officers' operational responsibilities are defined together with the adopted methods for procurement option evaluation and appraisal. It is appropriate to consider the effects of sustainability within the operational provisions.

##### **5.1. Identifying needs and appraising options**

At the first stages of the procurement cycle members and officers need to re-examine the need for the procurement. Fundamental questions should be asked, including:

- Do we need this product, service or construction project?
- Can the need be met in another way?
- Can the requirement be met by renting or sharing, rather than procurement?
- Is the quantity requested essential?
- Does the product/service/project need to meet the specification currently used?
- Can the product serve a useful purpose after its initial use?
- Can one or more outcome be linked to this service, e.g. tasks carried out plus training/skills acquired?

Effective sustainable procurement requires that 'repeat purchases' should be challenged and questioned. Members and Officers may apply the principles of the familiar waste hierarchy, namely: eliminate, reduce, reuse, recycle and dispose ('end-of-life management').

Technical specifiers need to appreciate the environmental characteristics and social impacts of the products, works and services bought. This knowledge is built up from a number of sources including:

- Environmental and social expertise within the authority
- Information provided by suppliers and contractors
- External sources of environmental information such as trade associations and government books, community and social groups, community health and poverty organisations etc.

## **5.2. Developing a business case**

The consideration of sustainable alternatives should inform the business case. A properly constructed business case including a formal risk assessment may indicate that procurement is not the best or most sustainable solution.

## **5.3. Design and Specification**

Members and Officers should look at opportunities to reduce impacts through design and specifications. Three types of specifications are generally used:

- Functional; those which define the functions or duty to be performed by the product or service
- Performance; those which define the performance required of an item
- Technical; those which define the technical and physical characteristics of an item

Placing an emphasis on functional and performance based specifications provides an opportunity for the supply market to utilise its technical know how and bring forward innovations, cost effective solutions, improve quality and minimise environmental impact. By building in environmental and social

considerations there is a clear indication to suppliers that sustainable development is important to the authority.

#### **5.4. Encouraging Product and Service Innovation**

Under EU rules 'Variants' are permitted which encourage suppliers to offer alternative products or services which have improved environmental performance but meet the service specification. This enables suppliers to bring forward solutions which the Council may not have thought feasible.

#### **5.5. Selecting Suppliers/Tender Evaluation**

Procurement regulations contain an exhaustive list of evidence that can be sought to establish suppliers' eligibility, financial and technical capacity. An environmental management system (e.g. ISO14000 or EMAS) can be considered as evidence of a supplier's technical capacity provided it is relevant to the subject matter of the contract.

Environmental and social criteria can be built into the contract award stage if it has not been possible to manage them out at design/specification stage or where the innovation has been sought through the competitive process.

#### **5.6. Promoting And Improving Well Being**

The Local Government Act 2000 gives Councils the power and duty to promote the well being of the local area and contribute to achieving sustainable development in the UK

Councils may build into specifications and contracts requirements relating to community benefits to be delivered in a locality, provided there is no direct or indirect discrimination against non-UK suppliers or workers and EU law is observed. It is important that the requirements are specific and that proposals are costed. Transparency is maintained together with a level playing field for competition. The added value that bidders can bring to the community strategy will become part of the competition.

### **6. FURTHERING SUSTAINABILITY VIA PROCUREMENT**

The Council will:

- Only purchase goods and services that reflect best practice specifications or standards for environmental or economic or social sustainability.
- Consider the whole life cost of products when we seek to select a supplier (Energy efficient products for example often have an increased capital cost that is more than offset over time by the reduced operational cost)
- Never buy products that are harmful to the environment if a less damaging alternative is available (for example never use Tropical

hardwood that is not independently certified as being from a sustainable forest)

- Always specify goods, products and materials that cause minimum damage to the environment including the impact of their manufacture, distribution, use & disposal.
- Aim to promote sustainability within all our contract and tendering documentation, and promote awareness amongst our members and officers.
- Continually review our purchasing of goods and services through our contract specifications, with the intention of decreasing our environmental impact and increasing our positive impacts on society, the local economy and producer.
- Draw the Sustainable Procurement Policy to the attention of key suppliers and communicate it as widely as is practicable to the potential supply market.
- Work with key suppliers to improve their overall environmental performance, encouraging them to reduce the environmental impacts of their products and processes, and develop environmentally friendly products where possible.