

# Sustainable Procurement Policy



**NHS Purchasing and Supply Agency  
Sustainable Procurement Policy  
October 2006**

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This document should be read in conjunction with the sustainable procurement strategy and action plan available on [www.pasa.nhs.uk/sustainabledevelopment/](http://www.pasa.nhs.uk/sustainabledevelopment/).

## 1. Overall aim

- 1.1 This policy aims to set out the parameters for contributing towards sustainable development through the application of a sustainable procurement policy and explains the key issues and principles associated with this objective.

## 2. The policy

- 2.1 The NHS Purchasing and Supply Agency (the Agency) will demonstrate leadership in sustainable procurement to support central government commitments in this area of policy and will work with its supply chains to achieve this by addressing specific aspects of sustainable procurement under four broad themes, namely:

- responsibility
- opportunity
- innovation
- efficiency.

A framework of additional issue specific policies exist beneath this policy to support effective sustainable procurement practice across the diverse range of procurement categories.

## 3. Scope

- 3.1 The policy aims to establish overarching commitments that are applicable to all procurement activities under the Agency's influence. It is recommended that all healthcare organisations involved in procurement observe the principles of this policy in order to meet their individual obligations to comply with government policy on sustainable development.

## 4. Context

- 4.1 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<sup>1</sup>.”*
- 4.2 Successive investigations by the House of Commons environmental audit committee, the National Audit Office, the Sustainable Development Commission and (latterly) the business-led Sustainable Procurement Task Force (SPTF) have highlighted that Government is not doing enough to meet its objective of being amongst the leaders in sustainable development in the EU by 2009. The SPTF published its report and national action plan, *Procuring the Future*, to government in June 2006 setting out a clear pathway for all organisations involved in public procurement to improve their performance in sustainable procurement helping to achieve this target. The NHS in England spends approximately £17 billion per annum on goods and services. This level of

expenditure therefore represents a significant opportunity for leveraging change within the context of public sector procurement as a whole.

4.3 The Agency is an executive agency of the Department of Health and responsible, at a national level, for procurement activity across a wide range of goods, services, works and utilities for the NHS. The Agency is committed to pursuing principles of sustainable development as set out in its sustainable development policy. Consumption of goods and services is a necessary element of development and, therefore, it follows that sustainable procurement is a necessary and fundamental element of contributing directly towards sustainable development.

## 5. Key issues

5.1 The main issues addressed by this policy are the need for:

- continued improvement in sustainable procurement practice and performance within the NHS purchasing and supply function at national, sub-national and local level
- the sharing of expertise and best practice, and making the best use of available resource
- emphasising that sustainable procurement activity is consistent with the principles of value and efficiency in public procurement

## 6. Key policy principles

6.1 To address the issues outlined above, the following principles apply:

- measure sustainable procurement process, practice and performance against government targets
- determine the need for procurement through the development of business cases and, as part of that process, consider alternative solutions to deliver the required outcomes
- procure to support the delivery of effective and efficient healthcare services, underpinning improvement in public health and the reduction of health inequalities
- procure from legal sources
- minimise pollution and adverse impacts on the environment resulting directly or indirectly from procurement decisions
- minimise adverse impacts on individuals, communities, cultures resulting directly or indirectly from procurement decisions
- drive efficiency throughout the supply chain and reduce the impact of consumption by seeking to utilise sustainable resources
- stimulate and support innovation which provides more sustainable solutions
- utilise principles of evidence-based procurement to inform procurement decisions
- promote transparency of sustainable procurement practice and decision-making, limiting the scope for unethical conduct (e.g. bribery, corruption, deception, intimidation, fraud)

- promote the adoption of minimum labour standards and worker rights throughout supply chains in line with principles set out in ILO conventions on human and employee rights
- ensure opportunity is not removed or restricted from any sector of society as a result of processes and practices
- promote equitable working relationships throughout the supply chain
- incorporate minimum government standards and quick wins (as per OGC) into all relevant contracts
- provide support for the development of awareness, understanding and competency in relation to sustainable procurement across all procurement professionals in the Agency and wider NHS procurement function
- make this policy publicly available and communicate it within the Agency and to relevant representatives of the Department of Health, NHS, suppliers and contractors (current and potential) and other key stakeholders.

## 7. Implementation and monitoring

7.1 Delivery of the commitments made in this policy will be supported through the implementation of the Agency's sustainable procurement strategy and action plan. In turn, delivery of the sustainable procurement action plan will be managed through the Agency's ISO14001 Certified Environmental Management System (EMS). Progress against stated objectives and targets will be reported internally on a quarterly basis and externally annually.

## 8. Impact assessment

8.1 An impact assessment on the introduction of this policy has been conducted. The overall impact of this policy is assessed as beneficial.

8.2 It was concluded that the policy would not impact negatively on any of the stakeholder groups assessed and, in the majority of cases, would have a positive impact. The stakeholder groups assessed to be impacted positively to the greatest degree by the policy in the long-term are NHS trusts and suppliers.

## 9. Review

9.1 This policy and its sustainable procurement strategy and action plan will be reviewed annually, as a minimum, to ensure that it is dealing with the issues it was designed to address.

## 10. Policy contacts

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