

# SUSTAINABLE PROCUREMENT POLICY

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## 1 Introduction

- 1.1 The City of Edinburgh Council spends hundreds of millions of pounds each year on a diverse range of goods, services and works from third parties (£679m in 2010/11). It is important that this enormous spending power is used to support key Council objectives. The Sustainable Procurement Policy is required to help the Council deliver key strategic objectives and meet a range of duties relating to sustainable development and climate change.
- 1.2 This policy expands on the commitment to sustainable procurement set out in the Council's Corporate Procurement Strategy. It is important that all procurement is in line with the procurement strategy, and crucially, that departmental requirements are always discussed with the Corporate Procurement Unit. This will ensure that all procurement complies with Council policy, national and EU procurement regulations - that protect and encourage open and transparent public procurement throughout the European Union - and the requirement to achieve value for money.
- 1.3 This policy sets out the general principles the Council will follow across all its procurement and commissioning to ensure it is undertaken in a sustainable manner. There is accompanying practical guidance on how to implement the policy. In particular, the guidance provides sources of best practice standards and specifications, primarily the Government Buying Standards, which should be adopted when working up requirements within procurement plans. It is not intended to be comprehensive and is no substitute to obtaining expert guidance from the Corporate Procurement Unit.
- 1.4 The Sustainable Procurement Policy and Guidance has been developed jointly by the Council's Carbon, Climate and Sustainability Team and Corporate Procurement Unit.

## 2 Background and Linkages

- 2.1 There are a number of important legislative and policy drivers for the Sustainable Procurement Policy.

### **Climate Change (Scotland) Act 2009**

- 2.2 The Council has duties imposed by the Climate Change (Scotland) Act 2009 – to reduce carbon emissions, adapt to climate change and act in a way the Council considers most sustainable. The Council has committed to reduce Edinburgh's carbon emissions by at least 40% by 2020, on the way to creating a carbon-free city by 2050. Council procurement must play its part by minimising its contribution to climate change and supporting goods, services and works that are well-adapted to the consequences of our changing climate.

### **Local Government in Scotland Act 2003 and Community Benefits**

- 2.3 Under section 1(5) of the Local Government in Scotland Act 2003 the Council must discharge its best value duties in a way which contributes to the achievement of sustainable development. The Act gives Local Authorities the power to do anything they consider is likely to promote or improve the well-

being of local people and places. One way that this can be achieved is by building 'community benefits' into key procurement projects.

- 2.4 In March 2011 the Council agreed to include the following community benefits in Council contracts and this decision is enacted in the Sustainable Procurement Policy:

"Community benefits in the context of social issues include not only targeted recruitment and training but also equal opportunities, contributions to education, encouraging bids from SMEs and the third sector, the environmental benefits which may be gained from the use of sustainable materials, the use of recyclable materials, the use of low emission vehicles and the use of local supplies to reduce food miles. Community Benefits may also include opportunities to lower unemployment and provide good quality jobs, create economically successful areas, regeneration, provide good facilities for the young and old and collaborative working with the third sector."  
(Report to Finance and Resources Committee, 29 March 2011)

### **Sustainable Edinburgh 2020**

- 2.5 The Council has a sustainable development strategy for the city – Sustainable Edinburgh 2020. The vision is that 'Edinburgh in 2020 will be a low carbon, resource efficient city, delivering a resilient local economy and vibrant flourishing communities in a rich natural setting'.
- 2.6 The strategy presents 10 commitments that apply to all Council functions, including all Council procurement. These are to:
- promote good governance;
  - promote good management;
  - protect and conserve the environment;
  - encourage responsible consumption and lifestyle choices;
  - plan and design for sustainability;
  - promote sustainable transport;
  - protect and promote health;
  - achieve a vibrant and sustainable local economy;
  - secure inclusive and supportive communities; and
  - reduce our impact on the global environment.
- 2.7 These commitments demonstrate that sustainable development is about more than just the "environment". Issues such as health, education and employment are considered as key to sustainability as transport, energy or waste. Sustainable development takes place when social, economic and environmental issues are addressed in an integrated way taking into account the long term impact of our activities.

- 2.8 The Council recognises that sustainable procurement has an important part in achieving the Council's Corporate Procurement Vision:

"To be recognised as the leading Scottish local authority, driving forward procurement reform, achievement of best value, exceeding customer expectations and delivering a professional trusted service within the corporate framework and governance that will enable us to operate as an integrated strategic procurement service across the Council."

- 2.9 The strategy acknowledges that procurement has a vital role in furthering sustainable development and that procurement decisions can have major socio-economic and environmental implications, both locally and globally, now and for future generations.

### **Scottish Sustainable Procurement Action Plan**

- 2.10 In 2009, the Scottish Government published the 'Scottish Sustainable Procurement Action Plan' which provides guidance for all public sector bodies in Scotland to help achieve sustainability in their procurement activities. It also describes the behaviours and progressive actions which will embed sustainability in the procurement process and outlines a self assessment methodology against a 'Flexible Framework' which will assist each organisation in creating its own successful delivery plan. The development of a Sustainable Procurement Policy is an essential part of the embedding process described in the plan.

## **3 What is Sustainable Procurement?**

- 3.1 Definition:

"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 basis and generates benefits not only to the organisation, but also to society, the economy and the environment".

- 3.2 Sustainable procurement considers the social, economic and environmental consequences of what is procured through all stages of its life-cycle. This includes considering design, resource extraction and sourcing, manufacturing and production, transportation, service delivery, operation and maintenance, reuse, recycling and disposal. It is also about questioning whether the purchase requires to be made at all.
- 3.3 Sustainable procurement also considers the capacity of suppliers to address these consequences throughout the entire supply chain.

## **4 Benefits of Sustainable Procurement**

- 4.1 In addition to contributing to the social, economic and environmental well-being of people and places, sustainable procurement can deliver additional benefits for the Council. It will enable the Council to:

- achieve value for money by avoiding unnecessary purchasing, by considering and then lowering the whole life-cycle costs of goods, services and works and through improved resource efficiency;
- report on progress towards meeting its legal duties and other obligations in relation to climate change and sustainable development;
- stimulate the market and encourage innovation for sustainable products and services;
- support the local supply community by engaging with Small and Medium Enterprises and Third Sector organisations so they can compete for Council contracts;
- help build a sustainable supply chain for the future and improve supplier relationships;
- enhance its reputation locally, nationally and internationally by being an exemplar of sustainable procurement; and
- strengthen synergies with other key Council strategies eg the policy supports the Economic Strategy by aiming to help unemployed people into work and ensuring local Small and Medium Enterprises can compete for Council contracts.

## **5 Scope, Implementation and Monitoring**

- 5.1 This policy outlines the key sustainable procurement commitments which will be applied to all procurement activity carried out by the Council. Compliance with this policy and other linked policies set out in this document is mandatory.
- 5.2 Where the Council employs third party organisations to undertake procurement activities on its behalf they will be required to comply with this policy.
- 5.3 The initial focus for sustainable procurement will be priority suppliers and commodities i.e. those which are identified by the Council as having the highest social, economic and environmental risks.
- 5.4 Delivery of the commitments made in this policy will be supported through the implementation of the Council's Sustainable Procurement Action Plan. All progress against the stated objectives and targets will be monitored and reported on an annual basis by the Corporate Procurement Unit.
- 5.5 Corporate Procurement will develop and implement appropriate systems for monitoring the sustainability elements of our purchases. Supplier performance in relation to sustainability will be monitored by the Corporate Procurement Unit, which will report progress annually.
- 5.6 This policy, the associated Sustainable Procurement Action Plan and accompanying guidance will be reviewed by the Corporate Procurement Unit and the Carbon, Climate and Sustainability Team annually as a minimum to ensure that they remain up to date in terms of any relevant new legislation or guidance.

## **6 The City of Edinburgh Council's Sustainable Procurement Policy**

- 6.1 This policy should be read in conjunction with the Council’s Corporate Procurement Strategy and Council Standing Orders relating to procurement. It applies to the procurement of all goods, services and works. It aims to ensure that Council procurement contributes to the social, economic and environmental well-being of people and places, both present and in the future. The policy sets out the Council’s general approach to sustainable procurement and to its commitments in relation to meeting the following four outcomes:
- the social and economic benefits from our procurement are maximised;
  - the environmental impacts are minimised and the environmental benefits maximised from our procurement;
  - Edinburgh has a more sustainable supply chain; and
  - sustainable procurement is embedded across Council activities.

### **General approach to sustainable procurement**

- 6.2 The Council will ensure that its procurement of goods, services and works contributes to achieving our vision for a sustainable city as set out in Sustainable Edinburgh 2020:

“Edinburgh in 2020 will be a low carbon, resource efficient city, delivering a resilient local economy and vibrant flourishing communities in a rich natural setting.”

- 6.3 We will ensure that our procurement minimises its contribution to climate change and supports goods, services and works that are well-adapted to the consequences of a changing climate.
- 6.4 We will deliver value for money by realistically assessing the whole life-cycle costs of our procurement and not simply considering the initial purchase price.
- 6.5 We will ensure that what we intend to purchase is necessary and that there is a strong business case for doing so. We will robustly specify our requirements so as to meet the needs of users and to avoid purchasing more than is needed.
- 6.6 We will carry out sustainable procurement whilst complying with national and EU procurement regulations that protect and encourage open and transparent public procurement throughout the European Union.
- 6.7 We will ensure that when developing our requirements for goods, services and works we assess the possible social, economic and environmental impacts of our procurement and actively seek to contribute to the social, economic and environmental well-being of people and places, both present and in the future. Furthermore, we will not knowingly procure goods, services and works that impact negatively on places, people and other species both locally and across the world.
- 6.8 We will consult with the people whose needs we aim to meet through our procurement to ensure that we procure goods, services and works that actually meet their needs.

- 6.9 We will not intentionally discriminate against specific groups of people when undertaking our procurement activities. We will assess whether a full equalities impact assessment is required at key points in commissioning and procurement cycles and report these through the appropriate management groups or committees.
- 6.10 We will consider at the outset the need for effective adaptation to climate change impacts over the estimated lifetime of what we procure so as to minimise the risk of disruption and the need to take expensive remedial or retrofitting measures.
- 6.11 We will, when available, procure goods, services and works in line with current best practice standards and specifications for sustainability. This includes adopting the Government Buying Standards and EU Green Public Procurement criteria. Where possible, we will use criteria from recognised sustainable labelling schemes in our specifications.

**Outcome 1: the social and economic benefits from our procurement are maximised**

- 6.12 We will, where practical and possible, build into the procurement process options for suppliers to offer training, employment, work experience placements, apprenticeships and volunteering opportunities for members of our local communities including people experiencing long-term unemployment and young people not in employment, education or training.
- 6.13 We will encourage suppliers to communicate employment opportunities to our local communities arising from our procurement activities.
- 6.14 We will encourage suppliers to make a positive contribution to the local communities they serve on our behalf.
- 6.15 We will support local and regional small and medium sized enterprises, voluntary and community groups, social enterprises, charities and cooperatives, black and ethnic minority enterprises and women and disability-owned businesses to participate in procurement opportunities.
- 6.16 We will, where possible, reserve contracts for supported factories, supported businesses and supported employment programmes under Regulation 7 of the Public Contracts (Scotland) Regulations 2006, which implements Article 19 of the Public Sector Procurement Directive of the European Parliament, where their prices and capacity to deliver is comparable to the rest of the market.
- 6.17 We will only work with suppliers who promote fair employment practices, employee welfare and equality of opportunity and encourage suppliers to improve workforce diversity so that it is representative of the communities they serve.
- 6.18 We will only work with suppliers who operate and actively sustain a clear ethical sourcing policy, spanning the full supply chain. We will not knowingly work with suppliers who support the trade in slavery, prostitution, arms, illegal drugs and tobacco. We will not knowingly work with suppliers who breach International Labour Organisation conventions.

- 6.19 We will follow the Council's [Commissioning Strategy for Care and Support Services](#) when procuring social care and support services.
- 6.20 We will, where practicable, purchase fairly traded goods in line with [Edinburgh's Fair Trade Policy](#).
- 6.21 We will specify fresh, seasonal, nutritious, and where possible, organic food.
- 6.22 We will not purchase genetically modified food or food with genetically modified ingredients.
- 6.23 We will consider animal welfare when making procurement decisions, and wherever possible, will not purchase goods which have been developed using animal testing.

**Outcome 2: the environmental impacts are minimised and the environmental benefits maximised from our procurement**

- 6.24 We will procure goods, services and works that minimise carbon based energy-use and its associated emissions, use of non-renewable resources, waste-creation and pollution to air, water and land. In doing so, we will consider all stages of the life-cycle including design, resource extraction and sourcing, manufacturing and production, transportation, service delivery, operation and maintenance, reuse, recycling and disposal.
- 6.25 We will minimise waste and consumption by following the Council's [Resource Use Policy](#).
- 6.26 We will purchase fewer new goods by re-using, repairing or refurbishing existing goods.
- 6.27 We will, where appropriate, specify goods and materials made with a high content of recycled material and/or goods and materials that can be re-used or recycled.
- 6.28 We will specify minimum packaging, reusable packaging and packaging take-back.
- 6.29 We will specify the most energy efficient goods, services and works in line with current best practice standards and specifications.
- 6.30 We will ensure that vehicles we purchase, lease or hire have low emissions of greenhouse gases and air pollutants.
- 6.31 We will procure new buildings and the refurbishment of old buildings in line with the [Edinburgh Standards for Sustainable Building](#). This covers:
- provision of a carbon reduction of 30%;
  - minimisation of energy needs through a combination of design for energy efficiency and the incorporation of low or zero carbon equipment;
  - promotion of water conservation;

- ensuring there is no increase in rate of surface water run-off in peak conditions;
  - provision of facilities to encourage recycling; and
  - maximisation of the use of materials from local and/or sustainable sources.
- 6.32 We will achieve a minimum sustainability performance of BREEAM 'Very Good' rating, and aspire to BREEAM 'Excellent' rating, when procuring new buildings and refurbishing old buildings. [BRE Environmental Assessment Methodology]
- 6.33 We will ensure that the procurement, maintenance and management of Council buildings and other similar construction works embrace national and Council policies and guidance aimed at providing functional, efficient, sustainable assets of high aesthetic quality, in compliance with the Council's [Policy and Guidance for the Procurement and Management of Sustainable Council Assets](#).
- 6.34 We will ensure that Council construction projects incorporate life-cycle analysis, go beyond minimum sustainability requirements, and seek environmental solutions through innovative thinking and stakeholder involvement, in compliance with the Council's [Sustainable Design and Construction Policy Statement](#).
- 6.35 We will procure timber and timber-based goods from verifiable sustainable sources that evidence clear chains of custody in line with the Council's [Purchasing Policy for Sustainable Timber and Timber Products](#).
- 6.36 We will, in exercising our procurement function, meet the duty to further the conservation of biodiversity arising from the Nature Conservation (Scotland) Act 2004. We will, where appropriate, specify through our procurement processes requirements which protect and enhance green spaces, habitats, species and biodiversity both locally and globally. In particular, we will protect and enhance priority habitats and species in Edinburgh as set out in the [Edinburgh Local Biodiversity Action Plan](#).

### **Outcome 3: Edinburgh has a more sustainable supply chain**

- 6.37 We will work with suppliers to educate them on sustainable procurement and our policy, to encourage them to use more sustainable goods, processes and working practices in their own business operations and encourage them to engage in sustainable procurement activities within their own supply chain. This may include, but is not limited to, conducting energy efficiency audits and improvements, promoting sustainable travel options and fleet management and waste reduction measures.
- 6.38 We will encourage suppliers, through the inclusion of sustainability criteria in our tendering process, to develop innovative and competitively priced sustainable goods, services and works.
- 6.39 We will adopt indicators and a monitoring system to monitor and review the performance of suppliers in improving sustainability in their supply chain.

- 6.40 We will ensure suppliers comply with their commitments to the sustainability criteria within our specifications and their tender submissions by building in effective monitoring and management into contract arrangements.

**Outcome 4: sustainable procurement is embedded within the Council**

- 6.41 We will establish clear leadership to drive the embedding and continuous improvement of sustainable procurement within the Council.
- 6.42 We will communicate this policy and accompanying guidance to all Council staff and elected members.
- 6.43 We will undertake an assessment of third party expenditure to identify high risk suppliers and contracts based on spend, risk and the impact on sustainable development.
- 6.44 We will develop and continuously improve the sustainable procurement skills and knowledge of Council staff involved in procurement activities.
- 6.45 We will subject all requirements for goods, services and works to a sustainability test during the development of procurement plans. This will question whether requirements can be reduced or avoided all together by delivering outcomes in other ways; that social, economic and environmental impacts and benefits have been identified and that whole life-cycle costs have been considered.
- 6.46 We will include sustainability criteria in tender documentation and our tender evaluation process. This will include ensuring, where appropriate, that climate change adaptation is weighted sufficiently in tender evaluation criteria.
- 6.47 We will measure and report on our progress in embedding and continuously improving sustainable procurement and its contribution to delivering sustainable development annually.

**7 Policy Contacts**

- 7.1 For any queries about the content of this policy or if you require any additional support and guidance on this policy or the accompanying guidance, please contact the [Corporate Procurement Unit](#) or the [Carbon, Climate and Sustainability Team](#).