



Sustainable Commissioning & Procurement Policy

2012 - 2015

1. INTRODUCTION

This document sets out the Council's Sustainable Commissioning & Procurement Policy for 2012-2015. It is intended to give an overview of the Council's strategic commitment to generating positive social, economic and environmental outcomes for the County, region and wider world through all of its commissioning and procurement activities. Complementary to the **Corporate Strategy for Commissioning & Procurement**, alongside which it should be read, this policy sets out how we intend to achieve whole life value for people, place and money in support of the **Council Plan** and the **Sustainable Community Strategy**. Its scope is for a four year period which matches the Council's other strategic plans, including the **Medium Term Financial Plan**. As with the **Corporate Strategy for Commissioning & Procurement**, this Policy will be reviewed annually, to reflect the changing needs and priorities of local people and regional and national agendas.

The Council first adopted a Sustainable Commissioning & Procurement Policy in 2010. This version was adopted in April 2012 and represents the first major update.

Definitions

Procurement is the process of acquiring goods, works and services. The process spans the whole cycle, from identification of needs through to the end of a services contract or the end of the useful life of an asset.

Commissioning is a whole service approach to the design, management, delivery and monitoring of a specialist service. It is an ongoing, cyclical process to secure the strategic development of services provided from public, private or voluntary organisations and involves planning, designing, and implementing a range of services that are required. It is frequently facilitated by procurement activity.

Sustainable Commissioning and Procurement is a principle and process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life value basis, generating benefits not only to the organisation, but also to society and the economy, while minimising damage to the environment.

Whole Life Cost – is the cost of an asset over the duration of its lifetime; from the identification of need to the end of the useful life of the asset. This includes not only the cost of purchasing the asset, but also such costs as the cost of any energy consumed during its lifetime, the cost of maintenance, spare parts and consumables, and any costs associated with disposal.

Whole Life Value – extends the above definition to include the social, economic and environmental considerations in the value assessment of a product, service or project.

2. CONTEXT AND BACKGROUND

Sustainable Procurement has been gathering momentum in recent years. In March 2005, the Government published its Sustainable Development Strategy – ‘Securing the Future’, followed by ‘Procuring the Future’ the following year. The strategy recognised the need to use procurement and commissioning to support the wider social, economic and environmental objectives of the public sector and resulted in the establishment of the Sustainable Procurement Task Force. The Task Force has provided guidance for the Public Sector and developed the *Flexible Framework* to ensure that the UK is recognised as being amongst the leaders in sustainable procurement across EU member states.

One of the main driving forces behind the Sustainable Procurement Policy is the **Sustainable Community Strategy**, which aims to create a long-term, sustainable vision for the county.

Durham County Council recognises its responsibility to carry out commissioning and procurement activities collaboratively and in an economically, environmental and socially responsible manner on behalf of the Council and its key stakeholders.

The Council is a member of the North East Procurement Organisation (NEPO), which in its 2011-13 Business Plan has set a key objective of achieving at least Level 3 on the Flexible Framework across all the region’s local authorities. In December 2011 it was agreed that the Council would lead on sustainable procurement for NEPO and the 12 member authorities, working with regional colleagues and national experts to develop and implement an updated version of the Flexible Framework for sustainable procurement.

3. POLICY OBJECTIVES

The main objective of this policy is to ensure that all Durham County Council commissioning and procurement activity is undertaken in an economically, environmentally and socially sustainable manner.

Sustainable Commissioning and Procurement encompasses three themes for consideration: social, economic, and environmental. Key topics in sustainability are shown in the table below:

<i>Themes</i>			
	<i>Society</i>	<i>Economy</i>	<i>Environment</i>
<i>Topics</i>	<i>Whole life cost</i>	<i>Whole life cost</i>	<i>Whole life cost</i>
	<i>Waste reduction, reuse and recycling</i>	<i>Waste reduction, reuse and recycling</i>	<i>Waste reduction, reuse and recycling</i>
	<i>Employee health & wellbeing</i>	<i>Energy efficiency</i>	<i>Energy efficiency</i>
	<i>Equality and diversity</i>	<i>Supplier diversity and third sector</i>	<i>CO₂ emissions</i>
	<i>Supplier diversity and third sector</i>	<i>Regeneration</i>	<i>Climate change</i>
	<i>Regeneration</i>	<i>Material security</i>	<i>Water</i>
	<i>Culture and heritage</i>	<i>Ethical supply</i>	<i>Material scarcity</i>
	<i>Accessibility</i>	<i>Supporting SMEs</i>	<i>Timber</i>
	<i>Transport</i>	<i>Local economy</i>	<i>Transport</i>
	<i>Ethical supply</i>	<i>Training, education and employment opportunities</i>	<i>Biodiversity</i>
	<i>Local economy</i>	<i>Stakeholders</i>	<i>Land use (green/brown field)</i>
	<i>Training, education and employment opportunities</i>		<i>Reducing usage</i>
	<i>Raising awareness of sustainability</i>		<i>Stakeholders</i>
	<i>Stakeholders</i>		

4. SPECIFIC COMMITMENTS

In addressing the key topics in sustainability set out in Section 3, Durham County Council makes the following commitments:

Whole life cost

We will:

- Apply a whole life costing approach to major purchases – leading to a clearer understanding of the full impacts of purchasing decisions.
- Encourage suppliers to adopt this approach in their own purchasing decisions.

Waste reduction, re-use and recycling

We will:

- Reduce the impact of goods, services and works through waste minimisation - including packaging waste, construction waste, the disposal of any consumables, and the disposal of assets at end of life.
- Encourage suppliers to take action to reduce waste and promote re-use, remanufacture and recycling at every level of the supply chain.
- Engage with appropriate sources of expertise to identify emerging technologies and new approaches which can further reduce the volume of waste being sent to landfill.

Employee health and well-being

We will:

- Encourage suppliers to sign up to the Mindful Employer initiative, which aims to increase awareness of mental health at work and support businesses in recruiting and retaining staff.
- Encourage suppliers to work towards the regional NHS Better Health at Work Award Scheme, to recognise the vital role that employers play in providing information, guidance and support to help employees make healthier lifestyle choices.
- Encourage suppliers to inform and support employees, their families and the wider community to access health improvement services such as Health Checks, Stop Smoking Services, Health Trainers, Community Alcohol Services, Leisure Services, Healthy Eating courses.
- Encourage suppliers to consider how, in other ways, they can look after the health and well-being of their workforce.

Equality and diversity

We will:

- Communicate the Council's commitment to our Single Equality Scheme to suppliers.
- Encourage suppliers to be aware of, and to tackle, equalities issues in the industries or market sectors in which they operate.
- Seek to reward suppliers who are active in promoting inclusiveness in their operations, their supply chain, and in the wider community.

Supplier diversity and third sector

We will:

- Recognising that a flourishing, sustainable economy requires interaction between a diverse range of private, public and third-sector organisations, seek to reward suppliers who can demonstrate the diversity of their supply base.
- Encourage suppliers to take steps to make supply chain opportunities accessible to local SMEs and third sector organisations.
- Recognise the commitments made in the *County Durham Compact* when engaging with third sector suppliers.

Regeneration

We will:

- Encourage suppliers to support regeneration projects or initiatives in the communities in which they operate, and seek to reward those which make significant efforts in doing so.

Culture and heritage

We will:

- Encourage suppliers to support culture and heritage projects in the communities in which they operate, and seek to reward those which make significant efforts in doing so.

Accessibility

We will:

- Encourage suppliers to consider accessibility in the workplace for the benefit of both employees and visitors.

Transport

We will:

- Consider the potential transport requirements associated with any contract, and how these may be minimised.
- Encourage suppliers to take steps to reduce the negative impact of their transport operations, and those of their supply chain.

Ethical supply

We will:

- Encourage suppliers to consider fairly-traded alternatives (including, but not limited to, those carrying the “Fairtrade” mark) where these are available – both in terms of goods supplied to the Council and in their own purchasing.
- Encourage suppliers who source products, raw materials or labour from overseas, especially in the developing world, to be aware of the impact of these sourcing decisions.
- Seek to reward suppliers who make ethical sourcing decisions.

Local economy

We will:

- Encourage suppliers to support a sustainable local economy – wherever they operate.
- Encourage suppliers to take steps to make supply chain opportunities accessible to local SMEs and third sector organisations.
- Seek to reward suppliers who create and support long-term, sustainable employment opportunities, local to their operations.

Training, education and employment opportunities

(Including “targeted recruitment and training”)

We will:

- Encourage suppliers to support employment opportunities for people from disadvantaged categories – such as those not in education, employment or training (NEET), long term unemployed, people with physical disabilities, learning disabilities or mental health problems, or ex-offenders, where appropriate.
- Evaluate potential suppliers’ capacity to deliver targeted recruitment and training at relevant stages of the procurement process;

- Support suppliers in identifying relevant sources of support to assist in meeting the training and employment needs of target groups.

Raising awareness of sustainability

We will:

- Encourage suppliers to communicate with their supply chain, their customers, and the communities in which they operate, to raise awareness of the importance of doing business sustainably.

Stakeholders

We will:

- Consult with service users and other client-side stakeholders to clearly define their needs and to design and establish methods to meet these needs in a sustainable manner.

Energy efficiency

- Commission and procure energy-efficient products and services.
- Encourage suppliers to use energy efficient products and services, and seek to reward those who improve the sustainability of their business by doing so.

Material security

We will:

- Monitor issues of material security, including conflict, political or economic instability, weather, and market fluctuations to ensure such issues can be taken into consideration in the tendering process, and to mitigate any risk posed to the Council in terms of service delivery.
- Encourage suppliers to take steps to ensure their business model is not at risk from issues of material security.

Supporting SMEs

We will:

- Support suppliers in identifying local supply chain and sub contracting partners.
- Encourage suppliers to take steps to make supply chain opportunities accessible to local SMEs.

CO₂ emissions

We will:

- Encourage suppliers to measure the carbon footprint of their organisation, and to ask their supply chain partners to do the same.
- Encourage suppliers to take steps to reduce the CO₂ emissions of their business activities, and seek to reward suppliers who achieve significant outcomes in doing so.
- Build a requirement for CO₂ reduction into the specification of certain contracts, where appropriate.

Climate change

We will:

- Encourage suppliers to be aware of the impacts of greenhouse gases other than CO₂ and to take steps to reduce emissions of these in addition to CO₂ reduction.
- Build a requirement for non- CO₂ greenhouse gas reduction or control into the specification of certain contracts, where appropriate, based on the risk from such emissions.
- Encourage suppliers to take steps to understand the likely long-term implications of climate change on their supply chain, and to consider taking steps to mitigate or adapt for such effects.

Water

We will:

- Consider the risk of negative water impact in specific contracts, with particular focus on water use, waste water and discharges into the water system.
- Encourage suppliers to take steps to control and reduce water usage, and to prevent or mitigate harmful discharges into the water system, and seek to reward suppliers who achieve significant outcomes in doing so.

Material scarcity

We will:

- Monitor issues of material scarcity, with particular regard to negative environmental impacts from the over-extraction of materials from under-pressure environments.
- Encourage suppliers to seek sustainable alternatives to materials which are scarce or at risk of becoming so.

- Seek to reward suppliers who demonstrate innovation in moving away from the use of scarce or under-pressure materials and towards more sustainable alternatives.

Biodiversity

We will:

- Consider the Council's statutory duty to protect biodiversity when scoping contracts, to ensure our procurement activity supports the requirements of the Durham Biodiversity Action Plan.
- Encourage suppliers to consider the biodiversity impacts of their operations, and those of their supply chain, and to take steps to prevent or mitigate any negative impacts.
- Build a requirement for specific biodiversity risks to be managed, into the specification of certain contracts, where appropriate.

Land use (green / brown field)

We will:

- Encourage suppliers to consider the impact of their operations on land use, and to take steps to ensure efficient and responsible land use throughout their supply chain.

Reducing usage

We will:

- Consider opportunities for reduced or more efficient use of resources, especially when preparing to re-tender for existing contracts.
- Encourage suppliers to consider ways in which the usage of products can be reduced, and work with them to achieve more efficient and sustainable use of resources.

Further commitments:

In addition to the above commitments based on specific themes within sustainability, we will also:

- Comply with and maintain awareness of all national and European legislation, making reference to sustainable commissioning and procurement.
- Work closely with current and potential suppliers to help them understand how to do business with the Council, inform them of our current and forthcoming needs, and encourage innovation and ongoing research and development activities to drive positive, sustainable, value for money outcomes.

- When establishing specifications, consider specifying sustainably sourced goods, works and services and the use of sustainable processes.
- Evaluate any risks associated with the sustainable elements of the contract process and manage appropriately throughout the procurement life-cycle.
- Incorporate provisions in contracts, where appropriate, to offer training and employment opportunities within local communities.
- Explore opportunities for developing appropriate contractual provisions to deliver specific community benefits.
- Undertake market testing and market engagement to understand the appetite and capacity of suppliers, and encourage additional opportunities for collaboration, development and innovation.
- Encourage a diverse supply base by exploring opportunities for working with local suppliers, Small and Medium Enterprises (SMEs) and the third sector.

To deliver on these commitments the Council will:

- Develop and maintain a consistent suite of harmonised procurement documents, including specific sustainability-based selection and award criteria.
- Develop and maintain guidance and protocols to support and embed the practices of sustainable procurement across the organisation.
- Identify and implement relevant changes to the procurement process, development of specifications and use of appropriate lot sizes to support and encourage local suppliers, Small and Medium Enterprises and the third sector to compete for contracts.
- Promote and develop the inclusion of 'social impact clauses' into relevant contracts.
- Promote and develop outcome-based specifications to encourage innovative and sustainable solutions.
- Make continued use of the Flexible Framework to further embed sustainability into our procurement activity, and contribute to the further development of the Framework.
- Work with NEPO to develop and implement a regional peer review-based approach to assessing and verifying member authorities' achievements against an updated Flexible Framework.
- Establish and co-ordinate a network of officers responsible for sustainable procurement across the 12 NEPO member authorities, as well as other related partner organisations, to share best practice and collaborate on further sustainable procurement activity.

- Provide sustainable procurement training as part of the induction process for officers in procurement and commissioning roles.
- Ensure all officers of the Council are aware of their roles in implementing this policy, through programmed training for existing officers.
- Ensure co-ordination between Corporate Procurement and staff in procurement and commissioning roles in other Service Areas to ensure consistent application of the policy, and consistency in communication with suppliers.
- Establish and embed a corporate approach to contract management and contract monitoring to ensure that sustainability-related promises made by suppliers are delivered upon through the lifetime of a contract.

Appendix 1 – Web Links and Contact Details

Other Strategy and Policy Documents:

The Council Plan

<http://www.durham.gov.uk/Pages/Service.aspx?ServiceId=7559>

Sustainable Community Strategy

http://www.durham.gov.uk/MINAGENDASPDF/Cabinet/100310_Item10_Strategy.pdf

Corporate Procurement Policy and Strategy pages

(Including the Corporate Strategy for Commissioning and Procurement and Sustainable Timber Procurement Policy)

<http://www.durham.gov.uk/Pages/Service.aspx?ServiceId=829>

County Durham Compact

http://content.durham.gov.uk/PDFRepository/Compact_June_2011.pdf

Employee Health & Wellbeing Links:

Mindful Employer initiative

<http://www.mindfulemployer.net/>

NHS Better Health at Work Award Scheme

<http://www.northeast.nhs.uk/yourhealth/FC2ADCC00654421DB8C236B200E9D5B6.aspx>

Health improvement services

(including Health Checks, Stop Smoking Services, Health Trainers, Community Alcohol Services, Leisure Services, Healthy Eating courses).

<http://www.health-improvement.cdd.nhs.uk/>

Other Links:

Guide on How to do Business with Durham County Council

<http://www.durham.gov.uk/Pages/Service.aspx?ServiceId=830>

DCC's Equality and Diversity webpage

(Including details of our Single Equality Scheme)

<http://www.durham.gov.uk/Pages/Service.aspx?ServiceId=861>

DCC's Biodiversity webpage

<http://www.durham.gov.uk/Pages/Service.aspx?ServiceId=6398>

North East Procurement Organisation (NEPO) portal

<http://www.nepoportal.org>

Contacts for Further Information:

For further information on any of the details in this document or any other aspect of the Council's approach to sustainable procurement, please feel free to contact us:

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