



# Sustainable Procurement Guide

## **Introduction**

‘Towards Sustainable Procurement:’

By adopting and implementing purchasing policies that embrace sustainable procurement, Wrexham County Borough Council can work towards economies in its procurement costs and achieve environmental and social targets. In addition, the adoption of sustainable procurement will educate and encourage others in the community and supply chains to embrace sustainability principals, thereby impacting positively on the social welfare and the environment.

## **Objectives**

This guide is to encourage and explain in straightforward, non-specialist terms, how we at Wrexham County Borough Council can introduce sustainable procurement practices into our organisation and systems.

This guide seeks to demonstrate current good practice and identifies the opportunities available to pursue sustainable procurement while staying within the framework of public procurement law and obtaining value for money.

## **Value for money**

The Procurement Strategy of Wrexham County Borough Council requires that goods and services purchased by the Council represent the best value for money by taking into account whole life costs and quality. Sustainable purchasing meets this requirement, by considering the costs throughout the entire life cycle of product or service, the most economically, environmentally and socially sustainable choices can be made.

## **What is sustainable procurement?**

Sustainable procurement is the process by which organisations buy assets, supplies, services and works by taking account a number of factors including:

- Value for money considerations such as, price, quality, availability, functionality;
- The entire life cycle of products;
- Environmental aspects; the effects on the environment that the assets supplies and/or services have over the whole lifecycle ('green procurement');
- Social aspects: effects on issues such as poverty eradication, inequality in the distribution of resources, labour conditions, human rights, fairtrade;
- Sustainable or recycled materials/products.

Traditional procurement has focused upon value for money considerations. The aim of sustainable procurement is to integrate environmental and social considerations into the purchasing process with the goal of reducing adverse impacts upon health, social conditions and the environment, thereby saving valuable costs for Wrexham County Borough Council and the community at large. Sustainable procurement forms a key part of an overall push for sustainable development by the Government and public bodies.

## **Reasons for purchasing sustainable goods and services**

Buying in a sustainable manner can help to:

- Achieve best value for money – by taking whole life costs into account
- Fulfil the Welsh Assembly Government's commitment to sustainable development
- Withstand increased public scrutiny
- Stimulate the market for sustainable technologies
- Maintain and improve our standard of living
- Improve health and the environment
- Save Money

## **Legislation**

As from January 2006, public procurement in the EU became influenced by two new public sector procurement Directives (Directive 2004/18/EC and Directive 2004/17/EC) (published April 2004). These Directives include simplification and consolidation of existing Directives for public works, supplies, services and utilities and contain provisions that are supportive of sustainable procurement criteria.

The new Directives introduce new processes that aim to reduce complexities. They set out clearly how social and environmental criteria can be applied in awarding contracts. It is vital that we embrace sustainable procurement and these new processes and ensure compliance with the new Directives. The procurement directives apply only to purchases over specified high value thresholds. However it is important to remember that sustainable procurement principals are relevant to all levels of purchasing ranging from low value frequent purchases to large-scale capital projects.

## **The local supply community**

Under the fundamental principles of the EU legislation, to invite only local firms in the region to tender for larger value contracts to the exclusion of others would not be consistent with the principals of a free market. Furthermore, attempts to purchase locally e.g. through specification of varieties of products could be deemed restrictive to trade as they rule out alternative varieties, which could legitimately meet the organisations requirements. However, we need to support local suppliers' in training and encourage local suppliers to compete effectively for our contracts.

Adoption of the Opening Doors Charter into our Procurement Strategy – (the Charter for SME friendly Procurement) addresses not only how to implement the above but addresses issues of particular concern to our SME community.

Following its direction will have an important role to play in creating a sustainable future for Wales.

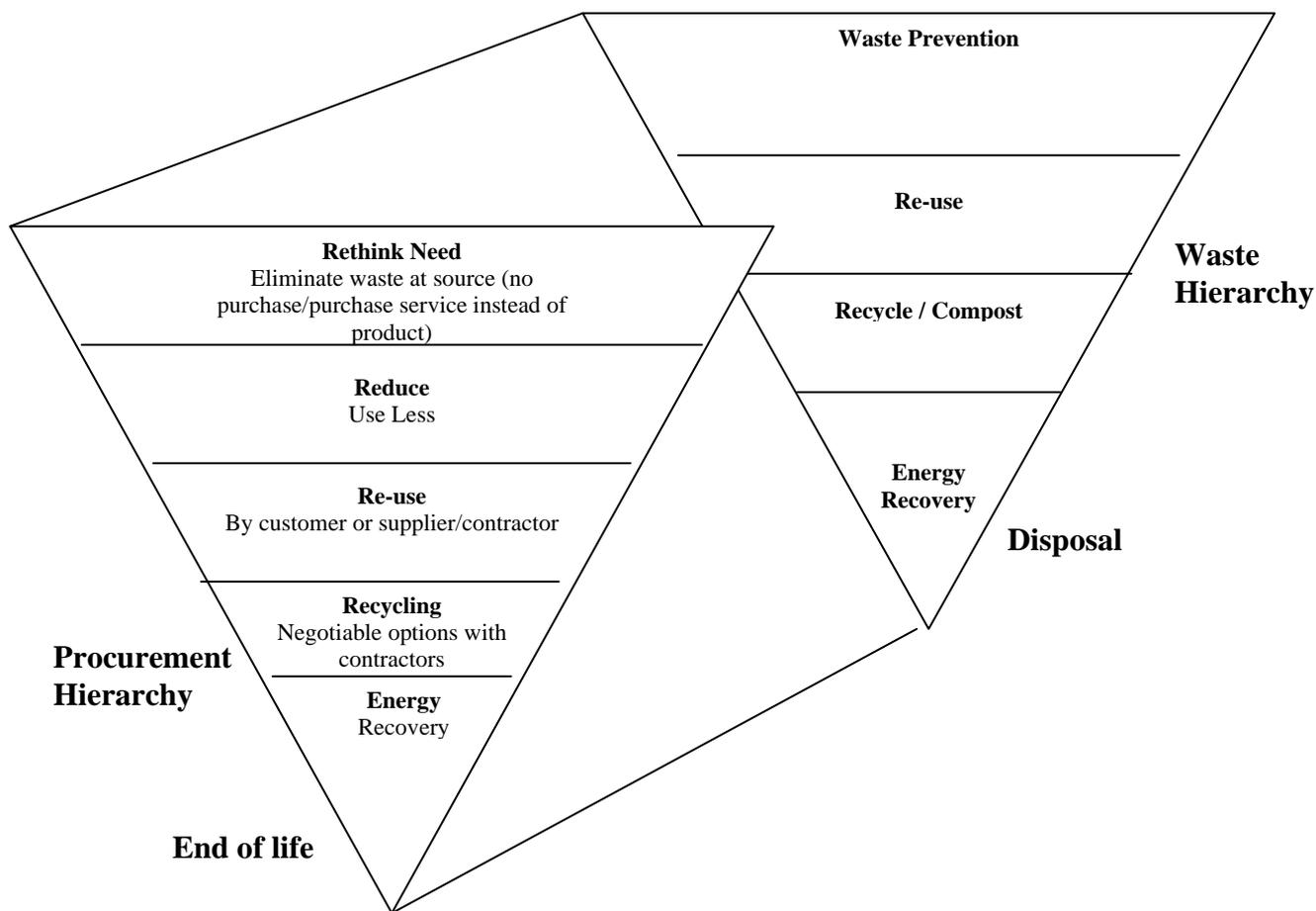
**Before we enter into a procurement process**

**Consider:-**

**Reduce – Reuse – Recycle – Rethink**

**The 4 R’s**

The principles of waste hierarchy can be useful in guiding more sustainable purchasing, these include:



## **Reduce**

Reducing unnecessary purchasing is the best way to integrate sustainability into procurement:

- Ensure products are definitely needed
- Ensure products are fit for the purpose to avoid costly and wasteful mistakes
- Ensure products are durable and covered by a long warranty
- Ensure packaging is the minimum necessary for protection
- Avoid disposable products designed for single use

## **Reuse**

- Find out if there is redundant equipment in other departments which could be put to use
- Specify goods which are repairable and easily upgraded
- Specify goods which come with clear and comprehensive maintenance, repair and operating instructions and which are supported with guaranteed stocks of easily replaceable parts
- Consider suppliers that operate take back schemes for end of life equipment and packaging

## **Recycle**

- Specify products made from recovered or recyclable materials
- Purchase products on which the materials are identified for ease of recycling
- Wherever possible avoid products made from mixed materials as these are more difficult to recycle

## **Rethink**

Sometimes the way we do things requires a complete rethink. For example:

- Have all products been considered? Does your choice provide the right benefits and timing at the right costs? Are the risks and uncertainties acceptable?
- It is feasible to join other organisations in a collaborative approach and use the extra buying power to promote environmental alternatives and establish good deals with suppliers?

## **The Procurement exercise**

### **How do we define our requirements to incorporate sustainable procurement?**

There is a great deal of scope when defining requirements to incorporate environmental/social specifications. However, the motivations and reasoning behind such specifications and criteria must not be discriminatory and shall allow for equivalent means to meet the requirement. In procurements of high value, provided that the technical specifications observe the requirements of the procurement Directives we could prescribe that in specific contracts, sustainability sourced materials should be used.

It must be remembered that even in a small value procurements the criteria must not be discriminatory and the principals of sustainable procurement are still applicable.

### **Key points**

The initial stage of the process is where the strongest opportunities for achieving sustainable procurement are to be found, we are free to define the subject matter of a contract in the way we consider to be the most sustainable.

When contemplating a new procurement it is important to decide precisely what it needs to acquire. Consider the broad requirement rather than a specific asset supply or service. Adopt a functional based approach and challenge historic purchase patterns, look at the requirements in a wider context.

### **Key question to ask at the initial stages could include the following:-**

- Is this asset, supply or service essential?
- Can the need be met in an alternative manner and have all possible alternative asset, supplies and services been investigated?
- Is a suitable asset, supply or service available elsewhere in the organisation to be reused?
- Is the requirement appropriate and does it reflect current availability?
- If relevant, has a whole life costing assessment been undertaken?
- Can renting or sharing, rather than purchasing meet the requirement?

## **Issues to consider when writing requirements and specifications**

- Take account of recognised environmental and social performance standards and systems e.g. Fairtrade or Emas (the Eco-Management and Audit Scheme).
- Take account of any new or evolving legislation concerning environmental standards or social initiatives.
- Take account of stakeholders, including environmental managers and potential suppliers who can advise on objectives, constraints and new initiatives that could be applicable to the procurement.
- Require bidders as part of their plans, to explain how they will comply with the environmental and social requirements. This might involve preparation of an environmental and/or social impact assessment by bidders of their proposed work.

## **Remember Good Practice**

- Encourage suppliers and contractors to consider the major impacts of their products and services, and if necessary, to offer more sustainable alternatives.
- Specify clearly what is wanted. Environmental standards can be set as part of the specifications, for example the use of recycled materials, energy efficiency or the ability of products to be recycled or reused.
- Specify that sustainable goods and services can be provided, for example that all timber used is independently certified to be from a sustainable source. Contractors can also be expected to provide services in accordance with the environmental strategies, as long as the strategy's requirements are specified in the tender document and they are relevant to the service being provided.
- Do not specify sustainable products by brand name, particular brands may only be available from one source and this would be anti competitive. Instead specify what a product does, as this will allow all contractors equal opportunity to supply products that meet the specification.
- Ask suppliers to advise on alternative products or methods that may be more sustainable.

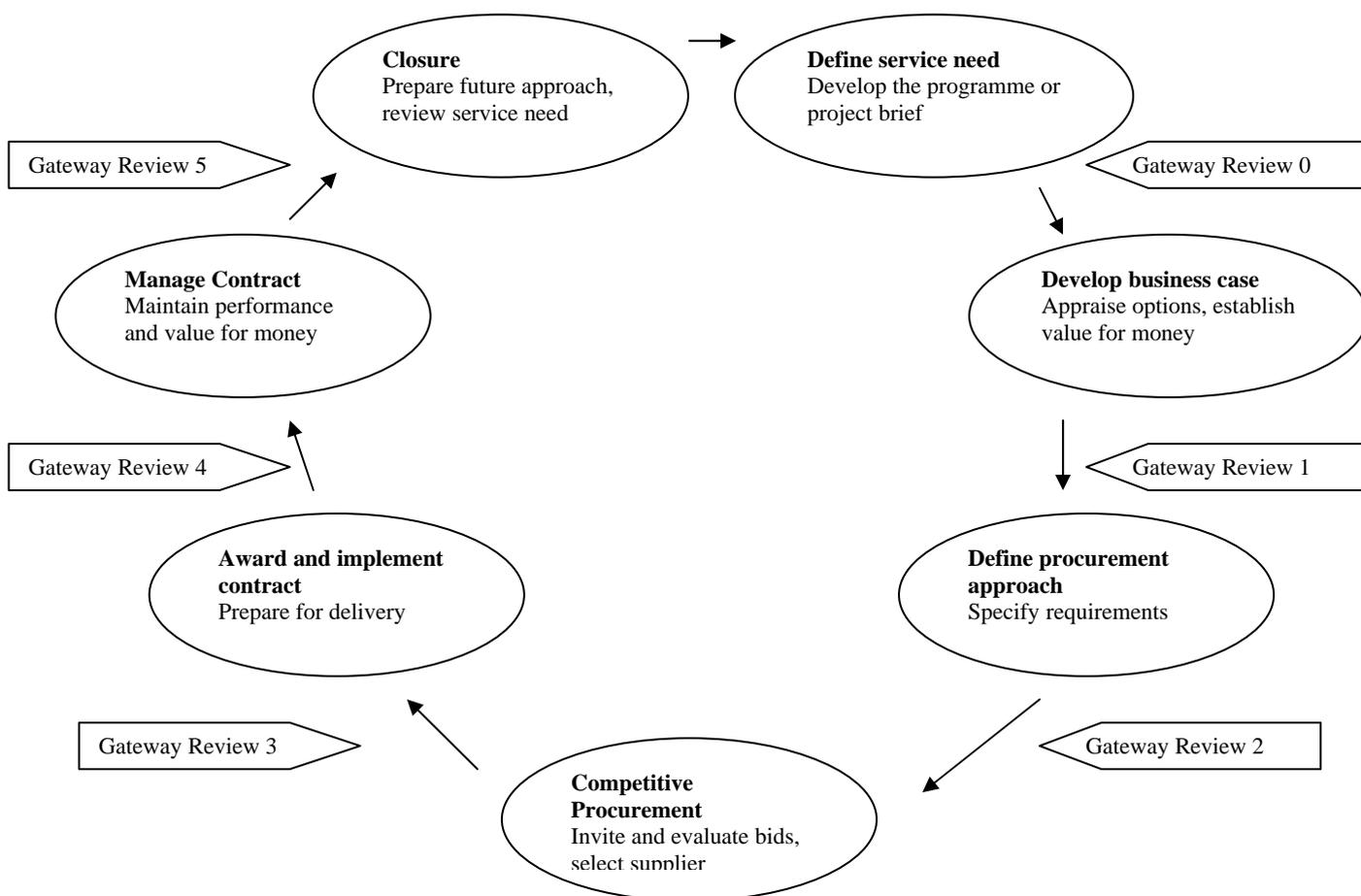
**The principals of the Procurement Strategy, the Financial Regulations and the Code of Practice should always be followed, always adhere to the UK and EU public purchasing regulations.**

**All potential suppliers and contractors must have equal opportunity to provide the goods and services required by the Council.**

## Build sustainability into the full procurement process

- Sustainability can be incorporated into the whole procurement process: defining the need, evaluating options, design and specifying, supplier selection, tender evaluation, post-contract management and supplier development.
- Environmental criteria should be used in evaluation of award of contract provided they are relevant to the subject of the contract and provide a value for money benefit for the Council.

## Check that sustainability has been taken into account at each review stage .



## **It may not cost more!**

Conclusions drawn from many good practice examples of successful sustainable procurement initiatives demonstrate that on a whole life costing assessment there can be significant cost savings as well as environmental and social gains to be made.

This method of assessment analyses the whole life cost of assets, supplies or services not only the cost at the point of acquisition. It is an approach that addresses all the elements of the cost from design to use through to disposal/recycling. This approach may produce the result that, when looking at items throughout their whole lifespan, products that are more expensive initially can save costs when they are assessed throughout their life cycle from acquisition, operation and disposal. Examples range from energy efficient light bulbs to efficient and sustainable buildings.

## **In Conclusion**

Wrexham's direct procurement spend is in excess of £80 million. By using this buying power to opt for goods and services that also respect the environment, we can make an important contribution to towards sustainable development.

Environmental procurement for Wrexham is about setting examples and influencing markets. By promoting environmental procurement that considers the effect on the environment of goods and services we can help to provide industries with real incentives to change manufacturing processes, develop new markets, increase their share of existing markets, and provide more freely environmentally friendly goods and services.

Many of the goods and services we buy have potential to cause damage to the environment of Wrexham and to the wider global environment.

**When assessing the cost of a service or goods consideration should be given to life cycle costs of the contract.**

**Environmental procurement can save money and protect the environment at the same time.**