



# Sustainable Procurement Policy

## Report Information

### What is the policy for?

This Sustainable Procurement Policy sets out how Derbyshire County Council will achieve value for money and deliver environmental, social, and economic benefits through its procurement and commissioning of goods, works, services and utilities.

### Who does the policy affect?

The Sustainable Procurement Policy will affect:

- All staff employed by Derbyshire County Council (DCC)
- All Derbyshire County Council premises
- All events held at or involving Derbyshire County Council
- Suppliers of Derbyshire County Council contracts

### Authors

County Procurement, CST

### Does this policy relate to any laws?

The Public Services (Social Value) Act 2012

### Is this policy linked to any other Derbyshire County Council policies?

- Corporate Environment Policy
- Derbyshire Climate and Carbon Reduction Manifesto (2019)
- Climate Change Strategy: Achieving Net Zero 2021-2025
- Derbyshire Environment and Climate Change Framework
- Single Use Plastic Policy

### Other key relevant documents / initiatives

- Council Plan 2021-2025
- Procurement Strategy 2021-2025
- Thriving Communities

## **1. Sustainable Procurement Policy**

### **1.1 Purpose**

This Sustainable Procurement Policy sets out the proposals for Derbyshire County Council to achieve the best commercial outcome and value for money from our procurement activities whilst delivering environmental, social, and economic benefits.

Derbyshire County Council recognises its responsibility to carry out procurement and commissioning activities collaboratively and in an economically, environmentally, and socially responsible manner, aiming to create a long-term, sustainable vision for the county. The Council's supply chain must have a strong focus on people, the environment, and ethics within their business.

The sustainable procurement policy is designed to:

- Increase awareness of sustainable procurement principles within the Council.
- Promote the sustainable procurement policy, aims and objectives to key internal stakeholders when working on relevant procurement projects.
- Promote the sustainable procurement policy to external stakeholders and suppliers through supplier engagement.
- Embed good practice in sustainable procurement in day to day working and as part of the procurement process.
- Consider the whole life cycle impacts of the procurement and contract management.
- Assist in measuring, understanding, monitoring, and reducing negative environmental, social and economic impacts of procurement activities.
- Ensure that environmental, social, and economic impacts are appropriately considered in the assessment of value for money when setting up contracts or framework agreements.
- Eliminate and mitigate risks of potential adverse impacts
- Identify and unlock opportunities for financial and other benefits.
- Manage tendering and lotting strategies that ensure fair access to contracting opportunities for businesses of all sizes and types.
- Collaborate with other Local Authorities and organisations to improve knowledge and understanding of sustainable procurement and to seek shared opportunities and benefits.
- Promote the value of human rights, environmental rights and equality within its supply chain.

### **1.2 Sustainable Procurement**

Sustainable procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a

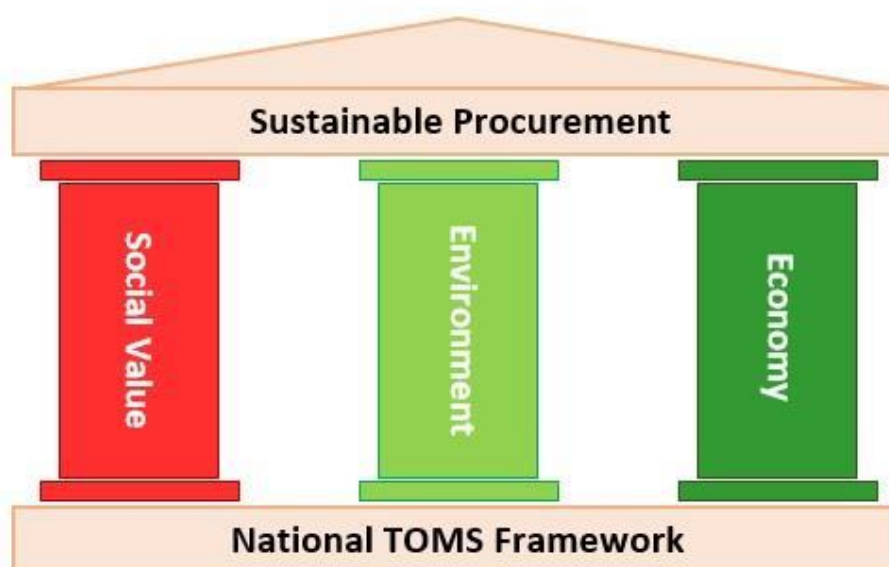
whole life basis. This means generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to and promoting the health of the environment.

Sustainable procurement requires the Council to work in partnership with suppliers and the supply chain to consider the whole lifecycle, environmental, social and economic impact of procured goods and services.

Sustainable procurement is not limited to environmental considerations alone (such as carbon, waste, and water). It also covers economic impacts from procurement actions, such as encouraging increased participation from SME's and supporting local skills and employment, and social impacts such as ensuring human rights, environmental rights and employment standards are always met.

The three key principles of Sustainable procurement are:

- **Social**
- **Environmental**
- **Economic**



County Procurement aim to embed all three principles of sustainable procurement in the procurement process, so they become an integral part of all relevant contracts. Sustainable procurement will be included and monitored at pre-tender, tender and post-contract award stages (including monitoring and evaluation), through to the end of the life of the contract and including any disposal of equipment or handover costs for services.

To enable us to do this, we are using the National TOMs (Themes, Outcomes and Measures) Framework that has been developed by The National Social Value Taskforce (NSVTF) which operates as a subgroup of the LGA's National Advisory Group for procurement.

The National TOMs Framework is a method of reporting and measuring added value to a consistent standard and identifies specific Themes, Outcomes & Measures that relate to the different areas that sit under the banner of Sustainable procurement. We will look to compare and align this to the Council Plan to develop a 'Derbyshire' version of the framework which will ensure that we are focussing on the areas that are most relevant to the Council. This will be something that can then be used across all procurements.

### **1.3 Sustainability in the Procurement Process**

We can support the delivery of sustainable solutions in various areas of the procurement process, primarily:

- Carrying out a sustainability assessment of the business need during the tender preparation.
- Asking relevant sustainability questions in the evaluation of supplier suitability to ensure that bidders meet sustainability legislation.
- Using Outcome Based Specifications (OBS) which focus on the desired outcome of a service, rather than using detailed technical specification of how services are to be provided; this allows bidders scope to propose innovative sustainable solutions that might not have been considered
- Asking specific, target-setting questions at the Tender stage of relevant procurements – allowing bidders to propose specific targets and delivery plans to reduce emissions, create local employment opportunities, and provide other sustainable outcomes.
- Including where appropriate specific sustainable requirements as part of the specification of a contract, where possible, for example to ensure that goods and services meet sustainable environmental standards.
- Ensuring that all sustainable requirements identified in specifications and contracts are applied to all subcontractors and throughout the supply chain.
- Reserving below threshold contracts by supplier location or for Small and Medium sized Enterprises (SMEs), Voluntary, Community and Social Enterprises (VCSEs), where appropriate. We will instigate changes in our procurement decision-making process to ensure that the potential to reserve a contract is properly considered.
- Using wherever possible life-cycle costing techniques when awarding contracts. The assessment of the sustainability impact over the life cycle of key categories will be established as regular practice, including consideration of, for example:

- Environmental/social cost of manufacturing process.
  - Cost of transportation, stockholding, packaging, and delivery.
  - Cost of training.
  - Cost of operation (e.g. cost of energy, consumables).
  - Environmental/social impacts during operation
  - Cost of repairs, maintenance, down-time, and spares.
  - Cost of decommissioning, removal, and safe disposal.
  - Environmental/social cost of final disposal and any impacts arising.
- Taking steps to improve the accessibility of the procurement process itself, allowing a diverse range of bidders to participate. For example:
    - Removing or reducing financial turnover thresholds, where financial risk is not high, to ensure small firms or start-ups are not excluded.
    - Dividing contracts into lots where appropriate so that small organisations with limited capacity can bid for part of the contract.
    - Ensuring the procurement process is accessible to bids from consortia or partnerships.
    - Carrying out supplier engagement with the market, prior to major tender exercises, to ensure local bidders understand the process.
    - Providing regular supplier communication and training events as well as working with the Chamber of Commerce and Federation of Small Businesses.
  - We will work closely with key suppliers and those that pose a high risk of environmental impact to ensure that they are compliant with relevant legal and ethical responsibilities with consideration on the three key themes (environmental, social, and economic).

## 1.4 Key Focus

The key topics on which our sustainable procurement approach is focused are:

- Reducing greenhouse gas emissions to net zero carbon by 2032, or sooner.
- Enhancing resilience and adaptation to climate change impacts.
- Using water efficiently in the Council's buildings and operations.
- Waste reduction, re-use and recycling, including the Circular Economy
- Protecting and enhancing the natural and built environment
- Equality, diversity, and employee well-being
- Ethical supply
- Local goods and produce
- Regeneration
- Supporting SMEs, Third Sector, Social Enterprise, and local business
- Timber and other sustainable materials
- Training, education and employment

- Engaging stakeholders and raising awareness

When addressing the Key Focus areas above the Council makes the following commitments:

#### **1.4.1 Reducing greenhouse gas emissions to net zero carbon by 2032, or sooner**

We will:

- Build a requirement for CO<sub>2</sub>e (Carbon Dioxide Equivalent including CO<sub>2</sub> and other greenhouse gases) reduction into the specification of certain contracts, where appropriate. This should include steps to reduce the CO<sub>2</sub> emissions of their business activities as well as in the goods and services that they provide.
- Ask suppliers to set ambitious targets for CO<sub>2</sub>e reduction throughout the life of relevant contracts and set out clear ways for measuring and reporting these impacts.

#### **1.4.2 Enhancing resilience and adaptation to climate change impacts**

We will:

- Ask suppliers to take steps to ensure the goods and services that they provide do not increase the Council's or county's vulnerability to the negative impacts of climate change.
- 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.

#### **1.4.3 Using water efficiently in the Council's buildings and operations**

We will:

- Assess the risk of water pollution in specific contracts, with focus on water use, waste water and what is discharged 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.

#### **1.4.4 Waste reduction, re-use and recycling, including the Circular Economy**

We will:

- Seek to minimise and eliminate the use of Single Use Plastics (SUP)
- Seek to 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.
- Consider opportunities for reduced or more efficient use of resources, especially when preparing to re-tender for existing contracts and set out specific requirements in contracts with a potentially high waste impact.
- Engage with appropriate sources of expertise to identify emerging technologies and new approaches which can further reduce waste.

#### **1.4.5 Protecting and enhancing the natural and built environment**

We will:

- Consider the Councils duty to protect, conserve and enhance the environment, habitats, biodiversity, and heritage when scoping and procuring contracts.
- Encourage suppliers to formally adopt the same environmental targets that the Council has set itself, and encourage suppliers to deliver them by the same deadline dates.
- 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.
- 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.
- Encourage suppliers to consider the impact of their operations on air and water, and to take steps to ensure good stewardship of these throughout their supply chain.

#### **1.4.6 Equality, diversity, and employee well-being**

We will:

- Encourage suppliers to be aware of, and to tackle, equalities issues in the industries and market sectors in which they operate.
- Encourage suppliers to consider accessibility in the workplace for the benefit of both employees, service users and visitors, and to make accessibility arrangements a specific requirement of relevant contracts.
- Recognise the benefits of workforce volunteering in providing well-being to both employees in our supply chain, and to the communities and environments they live and work in.
- Encourage suppliers to consider how, in other ways, they can look after the health and wellbeing of their workforce.

#### **1.4.7 Ethical supply**

We will:

- Promote the sourcing of fair-trade alternatives where these are available – both in terms of goods supplied to the Council and in our suppliers' 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 and to mitigate any negative impacts.
- Identify, prevent and mitigate modern slavery in the supply chain.

#### **1.4.8 Local goods and produce**

We will:

- Recognise the importance of sourcing local goods and produce, where possible, taking account of the complexities of local sourcing - noting that locally-based suppliers may not always source products locally, whereas non-local firms may sometimes be able to offer us locally-made goods.
- When letting major supply contracts, consider opportunities for local primary producers to be included in the supply chain.

#### **1.4.9 Regeneration**

We will:



- Encourage suppliers to support economic regeneration initiatives in the communities in which they operate.
- Encourage suppliers to support socially beneficial cultural and heritage projects in the communities in which they operate.

#### **1.4.10 Supporting SMEs, Third Sector, Social Enterprise and local business**

We will:

- Take steps to ensure our procurement process is as accessible as possible to SME bidders, local third sector organisations and social enterprises by identifying and removing barriers to participation and by recognising alternative bidding models, including partnership and consortium bids.
- Encourage suppliers to support a sustainable local economy – wherever they operate.
- Support suppliers in identifying local supply chain and sub-contracting partners.
- Encourage suppliers to take steps to make supply chain opportunities accessible to local organisations, including SMEs, third sector organisations and social enterprises.
- Provide regular engagement and information sessions to ensure local SMEs, third sector organisations and social enterprises understand the procurement process, and to receive their feedback.

#### **1.4.11 Timber and other sustainable materials**

We will:

- Minimise the amount of timber and paper products used by the Council.
- Where possible ensure that all timber and paper products purchased by the Council are recycled, or sourced from sustainable forests, with a clear chain of custody.
- Encourage suppliers of timber and paper products to source sustainably at all points of their supply chain and to provide evidence proving the sustainability of their products.
- 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.

#### **1.4.12 Training, education & employment**

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, ex-offenders, and ex-armed forces personnel.
- Evaluate potential suppliers' capacity to deliver targeted recruitment and training
- Support suppliers in identifying relevant sources of support to assist in meeting the training and employment needs of target groups.

#### **1.4.13 Engaging stakeholders & raising awareness**

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.
- Consult with service users and other client-side stakeholders, when procuring major contracts for social and community services, to clearly define their needs and to design and establish methods to meet these needs in a sustainable manner

### **1.5 Sustainable Buying Standards**

To help implement the Sustainable Policy commitments outlined above, and to ensure the goods and services the Council procures, and commissions meet acceptable environmental and social standards the Council will endeavour to meet the minimum mandatory [Government Buying Standards \(GBS\)](#).

The GBS are part of public procurement policy, with individual standards developed with input from across government, industry and wider stakeholders. The standards have been extensively reviewed with market research and analysis to establish criteria that take long-term cost effectiveness and market capacity into account.

