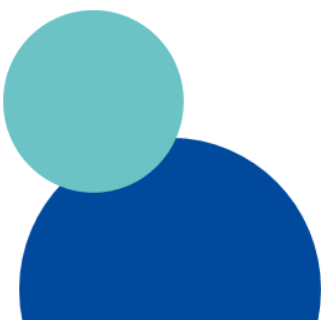


Waverley Borough Council

# Sustainable Procurement Policy

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## **Introduction**

This document draws upon the work of

- a working group consisting of environmental and procurement officers from other District and Borough councils as well as Orbis Procurement (representing Surrey County Council, East Sussex County Council and Brighton & Hove City Council);
- scrutiny of ethical and sustainable procurement policies of other organisations;
- comments from members of the Waverley Borough Council Climate Emergency Board and others.

Sustainable procurement is the commissioning, purchase and management of goods, works and services in a way that reduces or negates negative impacts within the supply chain. This policy should be read in conjunction with the council's Strategic Response to the Climate Emergency - Carbon Neutrality Action Plan 2020 – 2030 and the councils Contract Procurement Rules.

## **Background**

Over 300 councils in the UK have declared a climate emergency with the majority pledging to better the 2050 requirements set by the government. On 18 September 2019 Waverley Borough Council declared a climate emergency acknowledging the urgency to act and committed to becoming a carbon neutral council by April 2030.

Data released by [Oxygen Finance](#) in April 2022 stated that Nationally, Local Authority supply chains are responsible for over 10% of UK carbon emissions which equates to 43,666,540 tonnes of CO<sub>2</sub> emitted during 2020/2021.

Local Authority supply chains are estimated to account for up to 96% of their total carbon footprint. Emissions (90% in Waverley's case) from goods, works and services procured by the council form part of the "scope 3" emissions and, where possible, we are seeking to decarbonise these in line with council specific carbon reduction targets.

The procurement of goods, works and services is an area within the councils influence which is capable of driving significant carbon reductions and improving the natural environment. Officers should refer to the councils Greenhouse Gas Emissions Annual Report to better understand the services which are significant contributors to the councils emissions.

The council is committed to ensuring their operations are environmentally sustainable and resilient to future change. The council recognises that a healthy and properly functioning environment is a foundation of a thriving economy, employment stability, prospering communities and personal wellbeing. The council is aware that their procurement of goods, works and services will have environmental implications, both in their respective local areas and around the planet and, as a result, the council is actively working to reduce and minimise these negative effects where possible.

This policy will set out the Councils' expectations of prospective suppliers in line with their own environmental commitments. In addition to this it will also establish how sustainable procurement is

broader than just environmental considerations and encompasses the benefits that can be achieved and supported by including social value in the councils award criteria, as defined in The Public Services (Social Value) Act 2012.

As a result of this policy, environmental and societal considerations will be built into the procurement and delivery of goods, works and services through specifications, tender questions, evaluation criteria, key performance indicators and clauses of contracts.

This policy will be reviewed by officers on an annual basis and updated as and when required.

## **Scope and Aims**

The scope of this policy covers the councils expectations of prospective suppliers in procurement activities performed by the council including commissioning, procurement and contract management.

This policy aims to minimise negative and promote positive environmental and societal impacts, where possible, within the councils supply chain. This will be done by:

- Engaging with the market to identify opportunities and encourage innovative solutions;
- Evaluating social value and environmental implications and their relation to council targets in commissioning, design and procurement processes including qualification and evaluation of bidders;
- Building commitments and targets into relevant supplier contracts, these may include carbon focused outcomes that align with the councils' carbon targets for example;
  - Monitoring and measuring supplier performance against contractual environmental commitments; and
  - Seeking opportunities for continuous improvement with suppliers throughout the life cycle of the contract.

The measures referenced in this policy are not exhaustive and if officers are aware of subject specific measures that can be taken, these should be considered as part of the procurement process. The expectation is that this policy will be in addition sector specific best practice and all applicable legislation, including but not limited to suppliers obligations under the Modern Slavery Act 2015 and the Equality Act 2010.

## **Expectations**

Where relevant, affordable and appropriate to the contract and decided on a case by case basis, the council expects prospective suppliers to:

### **Climate Change Mitigation**

- Commit to mitigating impact on climate change throughout operations through carbon reduction initiatives as well as encourage and support this practice throughout their own supply chains, with the ultimate ambition to becoming a net zero carbon organisation by a defined date;
- Minimise the transport requirements associated with any contract through local sourcing and servicing, efficiency improvements or transport alternatives (such as using postal services, active transport or electric vehicles) to improve air quality and reduce air pollution and carbon impact of transport operations;
- Use and procure energy-efficient processes, products, buildings and services and source electricity from renewable energy sources, green energy tariffs and low carbon fuels;
- Ensure that goods, works and services take into account changing weather impacts as a result of climate change (such as severe storms, heat waves and flooding) to mitigate against future redundancy and ensure resilience;
- Seek opportunities to work with the council to improve mitigation efforts on environmental impacts;

### **Organisational culture and reporting**

- Increase organisational understanding in the importance of the environment and approaches to minimise negative impacts through staff training and, where appropriate, supplier training;
- Meet requirements for environmental impact improvement and reporting (such as carbon and local air pollutant emission reduction) which have been built into the specification of contracts, where appropriate, and measure and report on these requirements throughout the contract lifetime, taking corrective and remedial actions if necessary;
- Provide requested information and details of environmental impacts (including carbon emissions scopes 1 and 2 with estimations on scope 3), corporate commitments and plans for improvement during the procurement process;
- Declare any related organisational Environment Agency enforcement actions, or actions taken by similar bodies, within the previous 3 years as a result of environmental incidents or breaches in environmental permits and any associated remedial actions;
- Explore the possibility of paying staff the Real Living Wage as defined by the Living Wage Foundation;

## **Sustainable Resource Use and Consumption**

- Avoid and minimise consumption and waste through smart design and innovation where products, packaging and assets can be easily reused, repurposed, repaired or recycled (removing single-use plastics, where there are suitable alternatives) without jeopardising the quality of products or services provided;
- Treat and manage waste following all legal requirements and industry best practice throughout the supply chain;
- Adopt and promote circular economy principles throughout product life cycles with considerations to making and using products made from non-virgin, repurposed and local materials (where possible);
- Make, use and promote products made from natural, biodegradable and renewable materials where appropriate and avoid the use of toxic chemicals;
- Where possible and appropriate, avoid the use of materials which are scarce or at risk of becoming so and find sustainable alternatives;

## **Protection and Restoration of Biodiversity**

- Avoid and minimise the use of products, chemicals and materials that cause habitat destruction and degradation (such as deforestation for palm oil), demonstrating industry certifications where appropriate;
- Commit to remove adverse effects on biodiversity and natural habitats, avoiding damage and achieving measurable, long-term and secured biodiversity net gain and restoring natural capital, when possible;
- Support and promote use of products, materials and services that protect and enhance native biodiversity;
- Implement measures to eliminate the escape of pollutants and waste, including litter, associated with service delivery;
- Determine and minimise the risk of negative water impact, with particular focus on water use, waste water and discharges into the water system;
- Have regard to the Clean Air Strategy For Waverley and priority actions needed to improve air quality throughout operations and supply chains;
- Continue to explore innovative solutions to reducing or negating environmental damage as well as promote environmental improvements during the lifetime of contracts.

## **Social Value**

Waverley officers should ensure social value is considered when procuring contracts. The Public Services (Social Value) Act 2012 requires public authorities to have regard to economic, social and environmental well-being in connection with public services contracts, however this requirement should also be considered for works and supply contracts. Where appropriate, social value should form part of the award criteria and be evaluated alongside the other qualitative responses.

Where social value is to be built into a procurement, they should have its own tailored social value question, specific to the nature of the contract, however, examples of social value topics can include;

- The creation of local employment opportunities
- Initiatives involving local residents or institutions such as schools
- Organising or sponsoring community events
- Improving supplier diversity, innovation and resilience
- The delivery of skills based training

## **Compliance**

Prospective suppliers may be asked to provide evidence of environmental initiatives, credentials, industry certifications, plans or commitments at the tender stage (environmental obligations and related KPI's will be contained clearly in the tender documentation) and contract delivery stages. Depending on the procurement, failure to provide these may result in lost scoring opportunities or exclusion from prequalification or tender. Where bidders make commitments as part of their tender response, such as the delivery of apprenticeships, evidence should be provided to ensure that they are delivered.

The council recognise that not all suppliers will currently be able to provide data, credentials, plans or commitments to environmental initiatives due to multiple reasons, such as organisational maturity or size. As a result, the council will aim to work collaboratively with these organisations to understand what options could be taken to support the supplier and improve any environmental considerations, both during the tender process and progressing through the lifetime of contracts.

Where it is decided that the council will work with a provider to assist in implementing environmental changes to the service, methods for how the council will do this will be included in the tender documentation. However, the council will look to gradually increase and improve environmental considerations in future procurement activity as suppliers and sectors grow in environmental maturity.

The council will aim to set performance measures that are proportional and relevant to the contract. Suppliers are expected to meet all performance measures which are built into the contract and will be required to evidence progress on their environmental commitments, which may include reporting on information from other parties in their supply chain (scope 3 emissions and material sources for example). If there is continued or significant failure to meet performance measures and sustainability obligations, remedial actions may need to be taken. This may include, but is not limited to, requests for approved carbon offset project payments, payment reductions, or lastly, contract termination.

In the unlikely event of any significant environmental incident in the supply chain, the supplier is obligated to inform the council as soon as possible. If a supplier is responsible for significant environmental damage (such as a chemical spill or illegal dumping) due to negligence or disregard within their operations, the council will take remedial actions and may seek remedies for incurred costs and retain the right to terminate the contract with the offending supplier if necessary.

Suppliers are encouraged to raise any environmental concerns, feedback or improvement opportunities they have identified with the council. Where viable, the relevant council will seek to explore and action environmental improvement opportunities with suppliers.

## **Definitions**

**Biodiversity** – Biodiversity describes the variety of all life on Earth, in all its forms, interactions and interconnectedness. It incorporates all habitats and species, both rare and common, and includes genetic diversity within species.

**Circular Economy** – A model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible. In this way, the life cycle of products is extended, to be considered alongside whole life costing.

**Climate Emergency** – A declaration made by an organisation committing it to take urgent action to reduce greenhouse gas emissions and detrimental actions affecting the stability of the climate. Without action to help mitigate and reverse the effects of climate change, the impacts will be felt across the country, which will affect our services and our most vulnerable residents.

**Environment Agency Enforcement Actions** – Formal cautions and prosecutions carried out by the Environment Agency to enforce laws and permits that protect the environment.

**Environmental Maturity** – An organisation's ability to implement more ambitious, complex, robust and resilient environmentally conscious practices. Maturity differs among organisations and industries because of the unique obstacles they each must overcome.

**Greenhouse Gases** – A gas that contributes to the greenhouse effect and climate change by absorbing infrared radiation. Carbon dioxide, methane, nitrous oxide and chlorofluorocarbons are examples of greenhouse gases. For simplicity in this policy, we use the term 'carbon' as shorthand for all greenhouse gases.

**Net Zero** – Achieving a balance between the carbon emitted into the atmosphere, and the carbon removed from it. This balance will happen when the amount of carbon we add to the atmosphere is no more than the amount removed.

**Scope 1 Carbon Emissions** – Those emissions that an organisation makes directly. For example, emissions from fuel that is directly used while running boilers and vehicles.

**Scope 2 Carbon Emissions** – Emissions coming indirectly from an organisation. This is mainly the generation and distribution of electricity the organisation buys from the National Grid.

**Scope 3 Carbon Emissions** – Emissions associated with the goods, works and services that are produced elsewhere but consumed by the organisation. This category includes all the emissions the organisation is indirectly responsible for, up and down its supply chain.

**Significant Environmental Incident** – An event that would need to be reported to the Environment Agency, or similar national body, or where damage is of a nature or quantity which poses a threat to the health or safety of humans, animals or vegetation that is not expected to dissipate within twenty-four hours either naturally or by human intervention.

**Social Value** – Defined by the Public Services (Social Value) Act 2012 as anything that may improve the economic, social and environmental well-being of the relevant area.