

ITEM NO: 16 Appendix 1

Sustainable Procurement Policy

The council will meet its needs for goods, services, works and utilities in a way that achieves value for money and ensures benefits to the economy and society whilst minimizing damage to the environment.

Subject to the requirements of procurement law and the need to ensure that potential contractors are treated in a non-discriminatory way, the council will, through its procurement activities and using appropriate and effective evaluation techniques, strive to:

- Promote use of local products and services
- Create job opportunities for local people, including NEETS, and increase the number of apprentices in employment
- Address the issue of worklessness through providing training and job opportunities
- Engage effectively with the third sector, SMEs, and HE and FE institutions
- Influence the supply chain to deliver sustainable procurement
- Reduce carbon emissions and mitigate the impacts of Climate Change
- Increase the proportion of renewable energy and the use of energy efficient products
- Increase the percentage of reused, recycled and sustainable or ethically sourced materials, resources and products
- Reduce the percentage of waste to landfill
- Reduce water use

Background

Southampton City Council is committed to achieving value for money and delivering economic, environmental and social benefits through our procurement activities. As a major purchasing power in the city, the council intends to improve its sustainability performance. The council's ambition is to ensure that sustainable procurement is being consistently undertaken in practice across the organisation.

Through encouraging staff, suppliers and contractors to follow more sustainable procurement practices, this can be achieved. Sustainable Procurement need not cost more. As part of an improved procurement process which questions the need to spend, cuts out waste, seeks innovative solutions and is delivered by well trained professionals, sustainable procurement will reduce rather than add to public spending in both the short and long term.

The UK Sustainable Procurement Action Plan defines Sustainable Procurement as a process where organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis - in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment.

The public sector needs to procure more sustainably in order to offer real value for money in the long term and to ensure wider benefits are achieved. Sustainability cannot be driven by procurement alone and wider ownership needs to be gained across the Council particularly in terms of those Officers that commission goods, services and works and develop specifications at all contract value levels.

The Council's Sustainable Procurement Policy and Action Plan underpin the Sustainability Principles, which are:

1. Protect and preserve natural resources
2. Take account of sustainable procurement and budgeting
3. Reduce energy consumption and waste production
4. Create vibrant and safe places
5. Reduce traffic and the impact of transport on the environment
6. Maintain a vibrant city economy
7. Involve people in decision-making
8. Promote health and healthy living
9. Develop people and communities
10. Reduce our impact on the climate and promote environmental justice

Why do we need sustainable procurement?

There are a number of national, regional and local drivers for sustainable procurement, as illustrated in Figure 1 below.

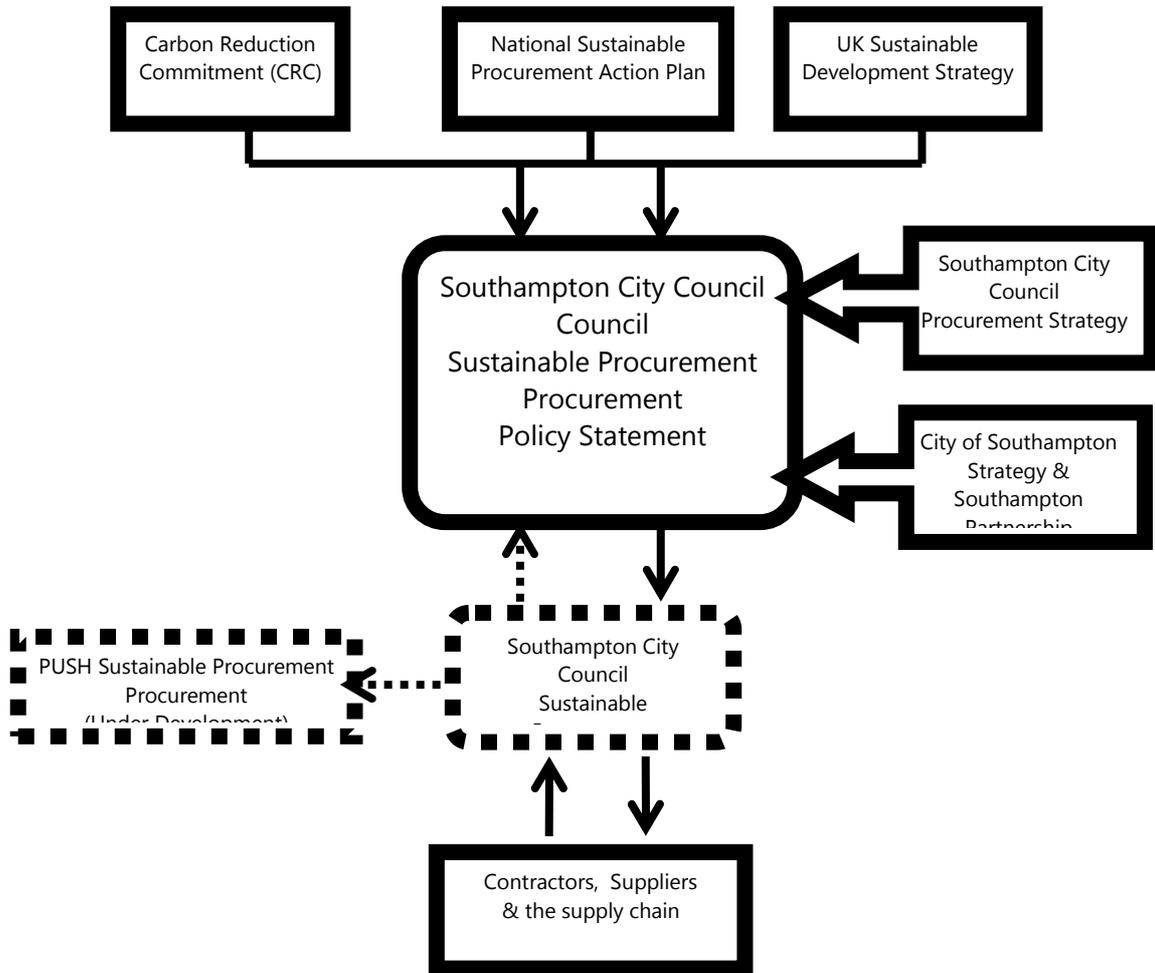


Figure 1 Drivers for the Sustainable Procurement Policy

Appendix 1 SCC Flexible Framework Position

Highlighted sections show measures already achieved.

	Foundation - Level 1	Embed Level - 2	Practice Level - 3	Enhance Level - 4	Lead Level - 5
People	Sustainable procurement champion identified. Key procurement staff have received basic training in sustainable procurement principles. Sustainable procurement is included as part of a key employee induction programme.	All procurement staff have received basic training in sustainable procurement principles. Key staff have received advanced training on sustainable procurement principles.	Targeted refresher training on latest sustainable procurement principles. Performance objectives and appraisal include sustainable procurement factors. Simple incentive programme in place.	Sustainable procurement included in competencies and selection criteria. Sustainable procurement is included as part of employee induction programme.	Achievements are publicised and used to attract procurement professionals. Internal and external awards are received for achievements. Focus is on benefits achieved. Good practice is shared with other organisations.
Policy, Strategy & Communications	Agree overarching sustainability objectives. Simple sustainable procurement policy in place endorsed by CEO. Communicate to staff and key suppliers.	Review and enhance sustainable procurement policy. In particular consider supplier engagement. Ensure it is part of a wider sustainable development strategy. Communicate to staff, suppliers and key stakeholders.	Augment the sustainable procurement policy into a strategy covering risk, process integration, marketing, supplier engagement, measurement and a review process. Strategy endorsed by CEO.	Review and enhance the sustainable procurement strategy, in particular recognising the potential of new technologies. Try to link strategy to EMS and include in overall corporate strategy.	Strategy is: reviewed regularly, externally scrutinised and directly linked to organisations' EMS. The sustainable procurement strategy recognised by political leaders, is communicated widely. A detailed review is undertaken to determine future priorities and a new strategy is produced beyond this framework.
Procurement Process	Expenditure analysis undertaken and key sustainability impacts identified. Key contracts start to include general sustainability on the basis of value for money, not lowest price. Procurers adopt quick wins.	Detailed supplier expenditure analysis undertaken, key sustainability risks assessed and used for prioritisation. Sustainability is considered at an early stage in the procurement process of most contracts. Whole life cost analysis adopted.	All contracts are assessed for general sustainability risks and management actions identified. Risks managed throughout all stages of the procurement process. Targets to improve sustainability are agreed with key suppliers.	Detailed sustainability risks assessed for high impact contracts. Project/contract sustainability governance is in place. A life-cycle approach to cost/impact assessment is applied.	Life-cycle analysis has been undertaken for key commodity areas. Sustainability key performance indicators agreed with key suppliers. Progress is awarded or penalised based on performance. Barriers to sustainable procurement have been removed. Best practice shared with other organisations.
Engaging Suppliers	Key supplier spend analysis undertaken and high sustainability impact suppliers identified. Key suppliers targeted for engagement and views on procurement policy sought.	Detailed supplier spend analysis undertaken. General programme of supplier engagement initiated with senior management involvement.	Targeted supplier engagement programme in place, promoting continual sustainability improvement. Two way communication between procurer and supplier exists with incentives. Supply chains for key spend areas have been mapped.	Key suppliers targets for intensive development. Sustainability audits and supply chain improvement programmes in place. Achievements are formally recorded. CEO involved in the supplier engagement programme.	Suppliers recognised as essential to delivery of organisations' sustainable procurement strategy. CEO engages with suppliers. Best practice shared with other/peer organisations. Suppliers recognise they must continually improve their sustainability profile to keep the clients business.
Measurements & Results	Key sustainability impacts of procurement activity have been identified.	Detailed appraisal of the sustainability impacts of the procurement activity has been undertaken. Measures implemented to manage the identified high risk impact areas.	Sustainability measures refined from general departmental measures to include individual procurers and are linked to development objectives.	Measures are integrated into a balanced score card approach reflecting both input and output. Comparison is made with peer organisations. Benefit statements have been produced.	Measures used to drive organisational sustainable development strategy direction. Progress formally benchmarked with peer organisations. Benefits from sustainable procurement are clearly evidenced. Independent audit reports available in the public domain.