Sustainable Procurement in Action

February 2022
House Rules

- Get involved in our poll questions
- ‘Use the chat box for tech support and the Q&A box for questions
- Share your feedback at the end
- Slides will be shared
Get Ready to play:

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The Approach to Sustainable Procurement
ISO 20400 Definition

‘Procurement that has the most positive environmental, social & economic impacts on a whole life basis.’
Sustainable Procurement - What is ISO 20400?

• ISO guidance standard on sustainable procurement
• Provides an understanding of:
  • what sustainable procurement is;
  • what the sustainability impacts and considerations are across the different aspects of the procurement activity: policy, strategy, organisation, process; and
  • how to implement sustainable procurement practically.
• Applies to:
  • any organisation, regardless of its sector, size and location.
  • any stakeholder involved in or impacted by procurement decisions and processes.
• Does not replace legislation, policy and ethical frameworks that regulate procurement activities.
Consider all impacts and opportunities:

The Three Spheres of Sustainability

- **Environmental**
  - Natural resource use,
  - Environmental Management,
  - Pollution Prevention

- **Economic**
  - Energy Efficiency,
  - Subsidies/Incentives for use of Natural Resources

- **Social**
  - Education, Community,
  - Standard of Living, Equal Opportunity

- **Social-Economic**
  - Fair Trade, Workers’ Rights,
  - Business Ethics

Sustainability

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Education, Community, Standard of Living, Equal Opportunity

Profit, Cost Savings, Economic Growth, R & D

Environmental Justice, Local and Global Natural Resources Stewardship

Fair Trade, Workers’ Rights, Business Ethics

Energy Efficiency, Subsidies/Incentives for use of Natural Resources

Environmental Management, Pollution Prevention

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Golden Thread:

Fundamentals
- Core Subjects
- Principles
- Considerations
- Drivers
- Leadership & Accountability
- Aligning with Organisational Goals
- Managing Implementation
- Understanding your Supply Chains

Policy & Strategy
- Establishing a Grievance Mechanism
- Governing Procurement
- Enabling People
- Setting Priorities
- Engaging Stakeholders
- Measuring & Improving Performance

Enablers
- Reviewing & Learning
- Planning
- Selecting Suppliers
- Integrating Sustainability into the Specifications
- Managing the Contract

Procurement Process
The Outcome:
“Social value is a way of describing the benefits to society from the delivery of goods and services, it includes **environmental, economic, or social benefits** which, when experienced by people create added well-being and a better quality of life”

London Sustainable Development Commission
What Buyers and Suppliers need to do:

**BUYERS**
- Embed social value throughout the project
- Don’t ask for everything
- Make everyone accountable
- Carefully consider what questions are asked at tender stage
- Make it contractual
- Monitor
- Ask for data to back it up
- Share positive outcomes

**SUPPLIERS**
- Set out clear, measurable targets
- Demonstrate added social value’
- Focus on quality, not quantity
- Be specific

Tips from Crown Commercial Services
Sustainable Procurement in action
Any Questions?
Feedback form
Thank you for your time

For more information, please contact:

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Low Carbon Procurement Approach for the West London Alliance

Designed and developed by Action Sustainability
Rationale, Objectives and Drivers

1. **Reason** - The Climate crisis – net zero 2050
2. **Aim** - drive consistency and action on carbon reduction across the eight local authorities
3. **Scope** - covers all areas of commissioning and procurement cycle, irrespective of contract value and duration
4. **Intended for** – councillors senior management teams, procurement, commissioners, delivery contract managers, suppliers, strategic suppliers, potential/new suppliers, residents and local stakeholders
5. **Purpose** – provide a framework for participating authorities
Approach to embedding Low Carbon Procurement

Several key elements to low carbon procurement:

1. **An overarching Charter**: suppliers commitment to contributing to the net zero aims of the WLA
2. **A Low Carbon Procurement Policy**: scope, objectives, obligations and strategic approach to carbon reduction
3. **A toolkit**:
   - how to embed carbon into the commissioning cycle
   - a database of questions, answers and KPIs for carbon
Climate Commitment Charter: Partnering with our Suppliers to reduce our carbon impacts

1. We cannot deliver this alone
2. Commitment by the supplier
3. Expectations from the supply chain
4. Our commitment to work closely with the supply chain
5. KPI on commitment

West London Low Carbon Procurement Policy

1. The Vision
2. Who is this intended for
3. The Scope
4. Purpose
5. Objectives
6. Bringing our Supply Chain along on the journey
7. Our Priorities
8. How we will deliver on this policy
9. Governance
The Low Carbon Procurement Toolkit weaves in sustainability, carbon and climate change in the commissioning cycle.

Procurement and Commissioning Cycles

West London Alliance - Low Carbon Procurement Toolkit, Part 2

Instructions

This Document complements the Low Carbon Procurement Charter, Policy and Toolkit part 1, and provides several key elements of the Low Carbon Procurement Toolkit:

1. The Heatmap.
   * The heatmap shows the prioritisation of carbon impacts, across the life cycle of products and services, for the main categories of supply agreed with the WLA group.
   * It works left to right, from manufacture (embodied carbon), through logistics and packaging to use phase and end of life disposal.
   * As well as carbon impacts, it accounts for associated air quality emissions, where relevant.
   * It is informed by scheme authorities, have a risk or opportunity with respect to carbon, but also shows there is leverage and scope to do something about it.
   * Red indicates a high risk or opportunity, yellow is medium, and green is low risk or leverage.
   * This heatmap should be used to identify the relevant carbon priorities for the products or services you are procuring, and then take that forward to the relevant model questions and answers, below.

NOTE: this heatmap is a template for general use across a wide variety of categories. It is strongly recommended that it is adjusted and developed where a procurement is being undertaken that is financially and or reputationally significant, in order to get a greater level of granularity.

2. The Model Questions and Answers.
   * This section of the Toolkit provides a set of model questions to ask suppliers, related to the priority impacts for carbon in the heatmap across the life cycle of the products and services at hand.
   * It provides a description of the information expected in supplier responses - model answer content.
   * Once you have identified the key risks in the heatmap, then choose the relevant questions that match the heatmap rating, therefore focusing on the most relevant climate impacts for that product or service. For example, Transport and Vehicles have a red risk for Use Phase GHG emissions, due to the use of the vehicles, and hence go to the Use Phase section of the Model Questions to find the relevant input for Transport.

NOTE: as stated above, the questions are adaptable and can be adjusted to different circumstances; they are not set in stone. Moreover, we strongly recommend that the model answers are adapted to your requirements and suppliers.

Introduction & Instructions

Heatmap

Model Questions, Answers & KPIs

Glossary, Acronyms & Definitions

Authors: Mike O’Shea and James Cameron, Action Sustainability

Version 1.0

Date: October 2021
The Low Carbon Procurement Toolkit weaves in sustainability, carbon and climate change in the commissioning cycle.

**Procurement and Commissioning Cycles**

1. **Plan for low carbon**
   - Early Market Engagement - support thinking of what do we want to buy. Engage with suppliers to gauge company site, capacity, and capability to deliver on low carbon.

2. **Source for low carbon**
   - Determine what is being procured - the scope: goods, works or services.
   - Identify the priorities for Carbon from the Heatmap based on what is being procured.
   - Consider duration and value of contract award.

3. **Manage for low carbon**
   - Select relevant carbon ITT questions.
   - Form tender list based on SQ selection.
   - Evaluate SQ.
   - Evaluate tender responses based on model carbon responses.
   - Contract Award including KPIs for carbon.
   - Select relevant carbon questions for SQ and send to suppliers.

4. **Contract Review and Lessons learned**
   - Supplier Performance Measurement and Management for carbon.
   - Supplier Relationship Management.
## Heatmapping for GHG impacts

The Heatmap:
- prioritisation of carbon impacts
- across the life cycle of products and services
- accounts for associated air quality emissions
- a risk or opportunity with respect to carbon
- leverage and scope to do something about it
- leads naturally on to the questions on carbon

<table>
<thead>
<tr>
<th>Sustainability Impact</th>
<th>Supply Chain</th>
<th>Logistics / delivery - GHG and AQ emissions</th>
<th>Packaging - embodied carbon</th>
<th>Use phase - GHG emissions</th>
<th>Use phase - Air quality emissions</th>
<th>End of life, waste &amp; circular economy - GHG emissions</th>
<th>Examples</th>
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- E.g. Aggregates, Bituminous Materials & Surface Dressings, Concrete, Health & Safety (PPE), Paving & Kerbstones, Roads (Design, Drainage, Emergency Guard Rails & Safety Fencing, Proprietary Surfacing, Reconstruction & Resurfacing, Road Markings, Surveys, Construction, Repair & Maintenance), Rock Salt, Signage, Street Furniture & Ironworks, Street Lighting
- E.g. Fleet Management, Fuel, Large construction plant and equipment, and Haulage HGV, Smaller plant and equipment, Commercial coaches, Minibuses, Passenger Transport, Taxis and Fleet, including SEN, secure transport, hiring and leasing, Signage & Livery, Maintenance, Repair: Parts, Repair: Tools & Equipment, Vehicle Recovery
- E.g. Cleaning & Janitorial (Laundry equipment and services), Energy Efficiency, Furniture & Soft Furnishings, Health and Safety products and services., Lifts (install and maintain), Portable Building Hire, Property Management, Removals, Room Hire, Security equipment, Storage (Materials and service)
- E.g. laptops, screens, peripherals such as keyboards, data servers, and services linked to that
- E.g. catering services
- E.g. those not picked up elsewhere, above, where there is a clear product at the core of the service (e.g. food and catering, or IT). Examples here include health & adult social care, housing, parking, streets, waste, libraries, leisure, parks, sports
### The main part of the toolkit:

- **Based on the heatmap**
- **A set of questions by stage of the procurement cycle they are relevant to - SQ or ITT; and supplier size - SME vs large organisation**
- **Content of model answers**
- **Glossary of acronyms and definitions**
- **KPIs**

#### Model Questions, Answers and KPIs

<table>
<thead>
<tr>
<th>Broad Product Category</th>
<th>City Product Categories</th>
<th>Supply Chain Management – Green and Circular Economy</th>
<th><strong>Example KPIs</strong></th>
<th>Logistics delivery – Green and Circular Economy</th>
<th><strong>Example KPIs</strong></th>
<th>Packaging – embodied carbon</th>
<th><strong>Example KPIs</strong></th>
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SME Guidance Document

**SME Guidance Document: Low Carbon Procurement Policy**

**Partnering with our Suppliers to reduce our carbon impacts**

1. **Why do we need the policy?**
   The eight local authorities in West London – Brent, Ealing, Hammersmith & Fulham, Harrow, Hillingdon, Hounslow, Richmond upon Thames, and Wandsworth – and West London Waste (the West London Authorities) have declared their climate emergency and set out their targets and goals in this regard. To reduce the impact on the environment through our procurement activity and mitigate climate change, we are being proactive in embedding low carbon considerations in our process.

2. **What is it about?**
   The Procurement Policy, and the Toolkit that sits behind it, provides advice and guidance to procurers in the local authorities to reduce carbon emissions in the procurement cycle – planning, sourcing, and managing – to help them achieve the targets set out in the climate action plans for each individual local authority. The Toolkit aims to drive a coordinated and consistent approach across the Participating Authorities to Net Zero objectives, thereby reducing administrative burden and duplication of effort in trying to achieve a common goal.

3. **Where do I fit in?**
   If each local authority is going to achieve its aims and targets on net zero carbon, they need the supply chain to collaborate – the overwhelming majority of our carbon impacts comes from the products and services we procure and use. We need your support.

4. **What should I expect as part of the tender process?**
   As part of the procurement process, the local authorities will be including questions within the Supplier Questionnaire (SQ) and Invitation to Tender (ITT) on carbon-related topics such as embodied carbon, air quality and greenhouse gas emissions in the various stages of the manufacture, delivery, installation, use, and end-of-life for goods, works and services that you may provide. The questions have been made relevant to the nature, size of the organisation and the works, services and goods being offered.

5. **How do I respond?**
   You will be expected to provide information on what you are doing to reduce carbon from your organisation and from the products and services you offer, both in general terms and specifically for the contract opportunity you are tendering for. For example, providing copies of your environmental sustainability policy or strategy, action plans for reducing carbon footprint, and any other relevant information.
Grosvenor’s Supply Chain Charter

Sophie Winterbotham
Head of Supplier Management, Grosvenor Property UK
Purpose

“Partnering with businesses that share our values and commitment to delivering social, economic and environmental change”

• Sets out the standards and expectations we have of ourselves at Grosvenor and our suppliers that we work with

• Provides an ethical and responsible framework through the twelve commitments on how we do business

• The charter demonstrates that we operate to the highest standards and expect this of our supply chain
Journey

• Established in 2019 – working with Action Sustainability, it is the result of a comprehensive review of our working practices in the UK and our supplier relationships

• We take a proportionate approach

• We expect all suppliers to support our Supply Chain Charter in principle

• Our ultimate goal is that our whole supply chain has embedded the ethos of the Supply Chain Charter's Commitments
Working with our Suppliers

• Using a proportionate approach, we have established a framework for new and existing suppliers that sets out our expectations

• Collaborative approach to drive improvements down our supply chain

• Resources to support delivery of our SCC:
  • Sustainability Tool (reporting tool)
  • Carbon Calculator
  • Sustainability School

• Charter is also a useful tool to help deliver our net zero 2030 targets, and other ambitions
Key Learnings

- Charter sets out principles and expectations not detailed metrics
- Significant support amongst suppliers
- Demonstrate and explain benefits
- Simple, straight forward, approach
- Focus on key insights that will help drive improvements
- Be flexible