

NHS Purchasing and Supply Agency

Sustainable purchasing strategy

Draft December 2005¹

Overall aim

This strategy describes how the NHS Purchasing and Supply Agency (the Agency) will conduct its purchasing activity to support the achievement of sustainable development objectives. It supports the implementation of the Agency's [sustainable development policy](#) and [environmental policy](#) and is compatible with the Agency's [overarching procurement policy](#). Wider public procurement policy drivers, such as achieving value for money, efficiency, risk management and legal compliance are not covered specifically within this strategy as they are already addressed by existing policies and procedures.

The aim of this strategy is to ensure that goods and services purchased by the Agency for use by the NHS and for its own use are manufactured, delivered, used and managed at end-of-life in an environmentally and socially responsible manner. This strategy has been developed in order to meet the procurement targets set under the [Framework for Sustainable Development on the Government Estate](#), as required by the Agency's *Strategic Priorities and Objectives for 2006 – 2009*.

The strategy

The Agency's purchasing activity will contribute to the achievement of Government sustainable development objectives, by seeking to optimise the wider social and environmental benefits to society that can derive from effective purchasing decisions and efficient purchasing procedures.

Scope

This strategy applies to the Agency when conducting procurement activities on behalf of the NHS, and its own for internal procurement procedures. This strategy may be used as guidance by other NHS organisations when developing their own sustainable procurement strategies, or when assessing their progress against the procurement section of the NHS [Good Corporate Citizen Self Assessment Toolkit](#).

Context

The Government has a crucial role to play in furthering sustainable development through its procurement of goods, services and buildings. With a budget of over £125bn, it can transform markets and collaborate with the private sector to pursue sustainable purchasing policies. The Government has set a target that the UK should be among the leaders in sustainable procurement within the EU by 2009. This strategy sets out how the Agency will help create a step-change in sustainable public procurement, in support of [Securing the Future - the UK Government Sustainable Development Strategy](#).

The need to incorporate sustainable development considerations into procurement is especially pertinent to the NHS. Every year the NHS in England spends in excess of £17 billion on goods and services essential to the running of the health service. Of this, around £4 billion is influenced on a national basis by the Agency. Embracing sustainable procurement will facilitate the Agency's mission of *'maximising the contribution of purchasing and supply to improve the health and well-being of the*

¹ Please note that this strategy will remain in draft until the publication of the Sustainable Procurement Task Force Action Plan in April 2006, to ensure consistency between government policy and the final version of this strategy.

population of England' and deliver wider government policies where procurement has a role.'

Everything purchased and used by the Agency and the NHS has an impact on the environment, on people and communities, but these impacts are not always apparent. Impacts can arise at any stage of the product lifecycle as a result of raw material extraction, processing, manufacture, distribution, use and end-of-life management. In many cases, however, the environmental and social impacts associated with goods and services are not taken into account during the procurement process. The EU Consolidated Procurement Directive advocates the consideration of environmental and social factors in the procurement process, as does the UK Office of Government Commerce and the Treasury when aiming to achieve value for money through procurement.

Key Strategic Objectives

This strategy will be implemented to achieve the following strategic objectives, to ensure the Agency remains a leader in the field of sustainable procurement.

- 1: Develop policies to facilitate and promote sustainable procurement, taking into account government-wide priorities and guidance.
- 2: Develop and embed tools that enable sustainability objectives to be addressed in the procurement process.
- 3: Deliver training that helps embed sustainable procurement objectives within the Agency.
- 4: Work with suppliers to improve the sustainability performance of the supply chain.
- 5: Communicate progress to achieve sustainable procurement objectives to stakeholders.

Implementation

The strategy will be implemented through a Sustainable Purchasing Action Plan detailing key milestones and responsibilities (see Annex 1).

Supporting objectives

The supporting objectives to achieve the five key objectives are:

1: Develop policies to facilitate and promote sustainable procurement, taking into account government-wide priorities and guidance

1.1 Implement existing policies that support the achievement of sustainable development, such as environmental purchasing, race equality, supporting small to medium enterprises and social enterprises and ethnic and minority businesses

1.2 Develop policies as required to meet wider government priorities, such as Public Sector Food Procurement Initiative, Food and Health Action Plan, sustainable timber and Capturing Innovation to meet specific targets

1.3 Review emerging policies and priorities as required, and develop appropriate courses of action

2: Develop and embed tools that enable sustainability objectives to be addressed in the procurement process

2.1 Ensure that contract specifications meet minimum government standards, such as Quick Wins, sustainable timber, recycled paper, green energy

2.2 Embed government policy and related guidance into the Agency's purchasing procedures, as required

2.3 Develop a sustainability risk assessment tool, furthering the outcomes of the current environmental risk assessment procedure, and implement for all contracts

2.4 Introduce relevant sustainability clauses into the Agency's Operations and Policy Procedure Manual, and its Terms and Conditions of Contract, as appropriate

2.5 Work with the Agency's Sustainable Procurement Group to ensure sustainability tools are effective and embedded within practice

3: Deliver training that helps embed sustainable procurement objectives within the Agency

3.1 support the ongoing research agreement into sustainable development and procurement with the University of Bath Centre for Research in Strategic Purchasing and Supply (CR/SPS)

3.2 deliver annually to Agency and NHS procurement staff the sustainable procurement training program developed with the University of Bath

3.3 maintain the Sustainable Procurement Network across the NHS, to research and share best and current practice

3.4 maintain the NHS Sustainable Development and Environmental Purchasing Supply Forum

3.5 publish information to help develop sustainable procurement practices and good corporate citizenship within the NHS

4: Work with suppliers to improve the sustainability performance of the supply chain

4.1 ensure that suppliers complete the online Supplier Environmental Questionnaire upon contract award, and roll out to the wider NHS

4.2 attribute a minimum of 5% of contract award criteria to supplier sustainability performance, as determined by the Supplier Sustainability Assessment Framework (Annex 2)

4.3 Ensure that category managers measure sustainability performance as part of the contract management process

- 4.4 Develop an ethical code of practice to implement throughout the supply chain, in association with the Ethical Trading Initiative, and implement projects within high risk contract areas

5: Communicate progress to achieve sustainable procurement objectives to stakeholders

- 5.1 report on research into sustainable procurement through publications and workshops with CRiSPS
- 5.2 report progress in the Agency’s annual Sustainability Report
- 5.3 provide updates to the NHS and suppliers through articles in PS and Procurement Bulletin
- 5.4 publish information on the sustainability performance of products, services and suppliers as part of contract award information, to support NHS decisions for Good Corporate Citizenship and sustainability.

Evaluation and review

The strategy and progress against the Action Plan will be evaluated and reviewed on an ongoing basis to ensure that it continues to meet its objectives and remains pertinent.

The success of the strategy will be evaluated by a number of measures including:

- Agency progress towards compliance with targets set under the [Framework for Sustainable Development on the Government Estate](#)
- the number of related non-conformances arising from internal and external audit processes
- performance measurement of related Corporate and Business Plan objectives.

Consultation

The strategy has been developed in consultation with a wide range of key stakeholders including, but not limited to:
 NHS PASA: Management Executive Team, Sustainable Procurement Group
 NHS: Sustainable Development and Environmental Purchasing and Supply Forum
 Sustainable Development Commission
 Department of Health: Commercial Directorate, Sustainable Development Procurement Working Group
 Suppliers: requests for comments through PS

Policy contacts

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Chief Executive (for sign off of final version only)

Document revision control

Version	Author/editor	Notes	Date published
1.01-2005	Darian McBain	First release – draft for consultation	1 December 2005

Annex 1 Sustainable Purchasing Action Plan

Objective	Action	Responsibility	Proposed Deadline
1: Develop policies to support sustainable procurement, taking into account government wide priorities and guidance			
1.1 Implement existing policies that support the achievement of sustainable development, such as environmental purchasing, race equality, supporting small to medium enterprises and social enterprises, supporting ethnic and minority businesses	1 Include Environmental Purchasing Procedure in the OPPM, and audit as part of procurement procedures	PE Director, Quality Manager	December 2005 Ongoing
	2 Continue implementation of the Race Equality Action Plan, and participation in the MOSAIC project	CS Director, Head of Policy, NHS Policy Manager	Ongoing
	3 Continue work to support supplier diversity, including work with small to medium enterprises, social enterprise, ethnic and minority businesses	Head of Policy, NHS Policy Manager	Ongoing
1.2 Develop and implement policies as required to meet wider government priorities, such as Public Sector Food Procurement Initiative, Food and Health Action Plan, sustainable timber to meet specific targets, as required	1 Implement the Food Procurement Action Plan, and report quarterly on progress to DEFRA and FPIG (note this includes healthy eating, fairly traded food, organics, fair treatment of suppliers etc for both contracting and Agency activities)	Category Manager, Food, Head of Policy	Ongoing
	2 Publish updated information, as required, on website relating to sustainable timber and maintain contract conditions. Implement contract conditions in relevant contracts with timber content.	SD Manager, purchasing managers	Ongoing
1.3 Review emerging policies and priorities, as required and develop appropriate courses of action	Participate on cross government working groups, attend briefings as required.	Head of Policy, SD Manager	Ongoing
2: Develop and embed tools to enable procurement decisions to include sustainability objectives			
2.1 Ensure contract specifications cover minimum government standards, such	Promote the use of eco-label and Government "quick win" criteria to influence specifications for products.	SD Manager, Category Managers	Ongoing

Objective	Action	Responsibility	Proposed Deadline
as Quick Wins, sustainable timber, recycled paper, green energy			
	Purchase Quick Wins specified products for Agency use	Facilities Manager, SD Manager	Ongoing
2.2 Embed government guidance into procedures, as required	Embed Joint Note on Environmental Issues in Purchasing through Environmental Purchasing Procedure, and emerging advice such as Social Issues in Purchasing	PE Director, Quality Manager	December 2005 Ongoing
2.3 Develop a sustainability risk assessment tool, furthering the outcomes of the current environmental risk assessment procedure, and implement for all contracts	1. Research current PASA practices, and investigate tools and procedures used in other public sector organisations	Head of Policy, SD Manager	January 2006
	2. Prepare a paper for ME, outlining the proposed impact assessment tool and how it integrates risk assessment into Agency decisions	Head of Policy, SD Manager	March 2006
	3. Pilot the tool for a 6 month period to determine its effectiveness, adapt as required	Head of Policy, SD Manager , MET All employees	April 2006
	4. Formally adopt the tool and integrate into the Agency's established procedures and management systems	Head of Policy, SD Manager ,MET	December 2006
	5. Rollout the tool across the Agency, and ensure the provision of adequate training and resources, including developing additional support resources on website.	Director (P&I), Head of Policy, SD Manager , Training	January 2007
2.4 Introduce relevant sustainability clauses into the Agency's Operations and Policy Procedure Manual, and its Terms and Conditions of Contract, as appropriate	1. Gain MET approval to incorporate the revised environmental purchasing procedure into the OPPM (with cross reference to EMS).	Head of Policy, Director (P&I)	December 2005
	2. Introduce new procedures and supplementary Ts&Cs on the WEEE Regulations, as appropriate	Head of Policy, SD Manager ,NHS Policy Manager	April 2006
	3. Introduce new procedures and supplementary	Head of Policy, SD Manager ,	Ongoing

Objective	Action	Responsibility	Proposed Deadline
	Ts&Cs as required, according to new legislation	NHS Policy Manager	
2.5 Work with the Agency's Sustainable Procurement Group to ensure sustainability tools are effective and embedded within practice	1. Form a Sustainable Procurement Group, comprising of representatives from across the Agency, to embed sustainable procurement and advice/guidance.	Head of Policy, SD Manager , Lead Category Managers	December 2006 (Ongoing)
	2. Work with the Sustainable Procurement Group to feed back advice and guidance to procurement teams. Meetings to be held by video conference quarterly. Minutes to be published on the intranet.	Head of Policy, SD Manager , Lead Category Managers, Purchasing directorates	ongoing
3: Deliver training that helps embed sustainable procurement objectives within the Agency			
3.1 support the ongoing research agreement into sustainable development and procurement with the University of Bath Centre for Research in Strategic Purchasing and Supply (CRiSPS)	1. Hold joint research events on sustainable development and procurement	Head of Policy, CRiSPS	December 2006, Ongoing
	2. Contribute to research and the development of academic papers	Head of Policy, Head of Research and Innovation, Sustainable Development Manager, CRiSPS	Ongoing
	3. Analyse results from research and training program	Head of Policy, CRiSPS	Ongoing
	4. Use research to inform strategic direction of procurement	Head of Policy, SD Manager , Head of Research and Innovation	Ongoing
3.2 deliver annually to Agency and NHS procurement staff the sustainable procurement training program developed with the University of Bath	1. Invite participation in course by NHS and PASA staff	Training	March 2005
	2. Update course with new material, as required. Course will cover wider sustainability issues such as working with SMEs and SE, race equality, innovation etc	Head of Policy, CRiSPS	April 2006
	3. Deliver 8 week training program	Head of Policy, CRiSPS, Head of Research and Innovation	May/June 2006
	4. Conduct follow up evaluation of course	CRiSPS	December 2006

Objective	Action	Responsibility	Proposed Deadline
3.3 maintain the Sustainable Procurement Network across the NHS, to research and share best and current practice	1. Maintain email distribution list	Head of Policy, SD Manager	ongoing
	2. Update members and consult on documents to maintain interest in group, and share knowledge	Head of Policy, SD Manager	Ongoing
	3. Invite members to meetings of NHS SDEPSF	Head of Policy, SD Manager	Ongoing
	4. Link with collaborative procurement hubs and confederations, and consider sharing information through e-room	Head of Policy, Collaborative Hub Managers, Communications	Ongoing
3.4 maintain the NHS Sustainable Development and Environmental Purchasing Supply Forum	1. Meetings to be arranged quarterly in advance for the year.	SD Manager, Chair NHS SDEPSF	March 2006 (ongoing)
	2. Invitation to join to remain open to all interested NHS parties, including representatives from supply management confederations and hubs.	NHS SDEPSF	March 2006 (ongoing)
	3. Meeting papers to be circulated at least one week prior to meeting date.	SD Manager	March 2006 (ongoing)
	4. Minutes of meeting to be put on website within a month of the meeting and circulated to supplies managers.	SD Manager, Website Manager	March 2006 (ongoing)
	5. Delivery of an informative programme of talks and presentations on environmental procurement and sustainable development issues pertinent to the NHS.	Chair NHS SDEPSF, Head of Policy, SD Manager	March 2006 (ongoing)
	6. Where appropriate, make the presentations available to the wider NHS via the Agency's website.	SD Manager, Website Manager	Ongoing
3.5 publish information to help develop sustainable procurement practices and good corporate citizenship within the NHS	1. Promote existing guidance on the implementation of an environmental/sustainable procurement strategy, and other government agendas such as Public Sector Food Procurement Initiative, sustainable timber, Food and Health Action Plan, Better Regulations Task	Head of Policy, SD Manager , NHS SDEPSF	Ongoing

Objective	Action	Responsibility	Proposed Deadline
	Force, Healthcare Innovation Task Force		
	2. Promote and disseminate the DH/SDC Good Corporate Citizen Self Assessment Toolkit	Head of Policy, SD Manager, NHS SDEPSF	Ongoing
	3. Provide resources, as required, to help individual NHS bodies develop a site-specific environmental/sustainable purchasing policy and strategy.	Head of Policy, SD Manager	Ongoing
	4. Liaise with other organisations to understand current best practice and share lessons learned	Head of Policy, SD Manager , NHS SDEPSF	Ongoing
4: Work with suppliers to improve the sustainability performance of the supply chain			
4.1 ensure that suppliers complete the online Supplier Environmental Questionnaire upon contract award, and roll out to the wider NHS	1. Promote the SEQ to suppliers and ensure buyers address at contract review meetings.	Head of Policy, SD Manager, category managers, Communications, NHS Directorate	ongoing
	2. Consider roll-out of SEQ to Trusts, to encourage improvements in local NHS supply chains	HP / SDM / Communications / IT Development	June 2006
	3. Hold Sustainable Development Supplier Event, jointly with OGCbuying.solutions, to promote sustainable development in the supply chain and get commitment to the SEQ	Head of Policy, Communications, OGC	March 2006
4.2 attribute a minimum of 5% of contract award criteria to supplier sustainability performance, as determined by the Supplier Sustainability Assessment Framework (annex 2)	1. Consult on Supplier Sustainability Assessment Framework with PASA and NHS buyers on validity to the procurement process	Head of Policy, Sustainable Procurement Group, NHS SDEPSF	January 2006
	2. Trial use of framework, and percentage attributed to performance in award criteria	Head of Policy, SD Manager, Category Managers	June 2006
	3. Include use of Framework as a procedure within the OPPM	HP/Quality Assurance Manager	December 2006
4.3 Ensure that category	1. All contracts to include section on sustainability	Category Managers	Ongoing

Objective	Action	Responsibility	Proposed Deadline
managers measure sustainability performance as part of the contract management process	benefits, to be published with contract award notification		
	2. Sustainability benefits (and other policy benefits including working with community, health, race equality etc) to be measured as part of benefits tracking over life of contract	Category Managers, procurement enablement	Ongoing
	3. Supplier performance on SEQ to be monitored, and performance updated online, as part of contract management process	Category Managers, procurement enablement	Ongoing
4.4 Develop an ethical code of practice to implement throughout the supply chain, in association with the Ethical Trading Initiative, and implement projects within high risk contract areas	1. Identify best practice in understanding ethical issues in the supply chain, including discussions with DFID and the Ethical Trading Initiative.	Head of Policy, SD Manager	March 2006
	2. Gain ME approval to adopt the Ethical Trading Initiative base code, and develop a formal policy on ethical trading	Head of Policy, SD Manager, Sustainable Procurement Group, MET	April 2006
	3. Integrate ethical trading procedures within sustainability risk assessment methodology, update relevant Ts&Cs	Head of Policy, SD Manager	June 2006
	4. Work with the Ethical Trading Initiative to improve outcomes in specific areas such as food procurement.	Head of Policy, SD Manager buyers	September 2006
	5. Publish activities and progress in annual sustainability report.	Head of Policy, SD Manager	September 2006
5: Communicate progress to achieve sustainable procurement objectives to stakeholders			
5.1 report on research into sustainable procurement through publications and workshops with CRiSPS	See 3.1 above		
5.2 report progress in the	1..Collate information on the sustainability	Head of Policy, SD Manager ,	June 2006

Objective	Action	Responsibility	Proposed Deadline
Agency's annual Sustainability Report	performance of the Agency over the last financial year.	Communications Manager / all employees	
	2. Assess progress against the Agency's sustainable development action plan and the EMS workplan and relate these to the GRI indicators.	Head of Policy, SD Manager	June 2006
	3. Prepare a stand-alone report on the sustainability performance of the Agency.	Head of Policy, SD Manager , Communications Manager	August 2006
	4. Disseminate the report to stakeholders via the Agency's website and invite feedback.	Head of Policy, SD Manager , Website Manager	September 2006
5.3 provide updates to the NHS and suppliers through articles in PS and Procurement Bulletin	Write articles and updates in PS and Procurement Bulletin, as required	Head of Policy, SD Manager Communications	Ongoing
5.4 publish information on the sustainability performance of products, services and suppliers as part of contract award information, to support NHS decisions for Good Corporate Citizenship and sustainability	See 4.3 above. Publish information on the internet, and as part of contract award information (eg within PS magazine). Pick out best examples for use as case studies in annual Sustainability Report.	Head of Policy, SD Manager Communications/Category Managers	Ongoing

Annex 2 Supplier Sustainability Assessment Framework

	POLICY	ACCOUNT-ABILITY	STAKEHOLDER & SUPPLY CHAIN MANAGEMENT	OPERATIONAL PROCEDURES	FUTURE PROOFING	CONTINUOUS IMPROVEMENT /CONTINUOUS ASSESSMENT	
EMBEDDED	Published, with clear and assertive targets, fully integrated into corporate culture and values with continuous reviews and communication cycle in place.	Overall responsibility with a senior manager with regular progress reviews by the Board.	Regular dialogue with key stakeholders and supply chain, with performance used as a major focus for reports. Information published on Supplier Environmental Questionnaire, if already on OGC/NHS contract.	Procedures integrated into a manual, widely promoted and regularly updated.	Action plan for future proofing, regularly updated and supported by research	company wide audit scheme conforms to quality schemes such as IIP, ISO14001, with regular review and independent auditing linked to review of action plan	4
SUPPORTERS	Comprehensive internal statement, with indicators for remaining issues	Management responsibilities assigned within each project team	Information on sustainability issues reported to senior managers, shared with key stakeholders	public commitment to award schemes. Routine use of performance indicators for all projects	Prediction of longer term market and regulatory trends, analysis of business development needs	all projects audited and reported-results feedback to clients and supply chain	3
EMERGENT	Formal statement setting out position on sustainable development however no alignment of corporate objectives and operational plans.	Responsibility for sustainability assigned to one manager with no committed resources or senior management championing.	Stakeholder agreements in place with sustainability objectives and targets. Data collected on most sustainability issues.	routine use of sustainability design and planning tools and codes of practice.	medium term skills and competency needs identified and recruitment and training initiated	major projects audited to assess performance against a target set with clients, results reported to senior management	2
ENTHUSIAST	Informal guidelines setting out position on some environmental issues social and economic aspects with no alignment to corporate or operational plans	One or more individuals have assumed informal sponsorship role however no dedicated resources or senior management champion.	some data requested routinely on issues such as health and safety and pollution	procedures for site related compliance with regulated issues	ad-hoc reviews of business impact on recent or imminent environmental and social regulation	occasional project audits environmental and regulatory issues, with no qualification/quantification of costs and impacts and no follow-up.	1
DETRACTOR	No written policy	No staff resource actively assigned to management of sustainability issues	no awareness of sustainability and no dialogue with stakeholders.	no refs to sustainability	no consideration of future sustainability of the business	no management audits of performance	0

Supplier Score:
Supplier Status: