

Sustainable Procurement

Key Tools and Tips!

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Key Tools Available

Defra sponsor a range of tools that will help you to develop and implement sustainable procurement within your organisation.

Prioritisation methodology



Government Buying Standards (GBS)



Prioritisation Methodology

1

Spend

- This is Risk and Opportunity Based
- Helps focus resources
- Helps to integrate sustainability throughout the procurement process

➤ **This is an essential first step when deciding which are the most important categories or product groups to focus on.**

Prioritisation Methodology

1

Spend

The SP Prioritisation methodology (which is available from <http://sd.defra.gov.uk/advice/public/nsppp/prioritisation-tool/>) starts by identifying the amount of spend per category. The detail below shows the spend input page within this tool:

Expenditure Input Page

Guidance:

Enter spend for each product group into the yellow column. (Over a suitable period eg. annual - and use the same period for each product group.)

Product Groups	Spend	Spend Score
Waste	£ 600,000.00	1
Transport	£ 2,000,000.00	5
ICT	£ 2,000,000.00	5
Total spend:	£ 4,600,000.00	

Prioritisation Methodology

1

Spend

2

Environmental risks

3

Socio-economic risks

4

Risk (other)

- Level of existing activity,
- Scope to do more,
- Reputational risk

Overall risk

- This is Risk and Opportunity Based
- Helps focus resources
- Helps to integrate sustainability throughout the procurement process

Prioritisation Methodology

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Risk (other)

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Overall risk

5

Scope to do more

6

Influence over the market

Outputs: graphs

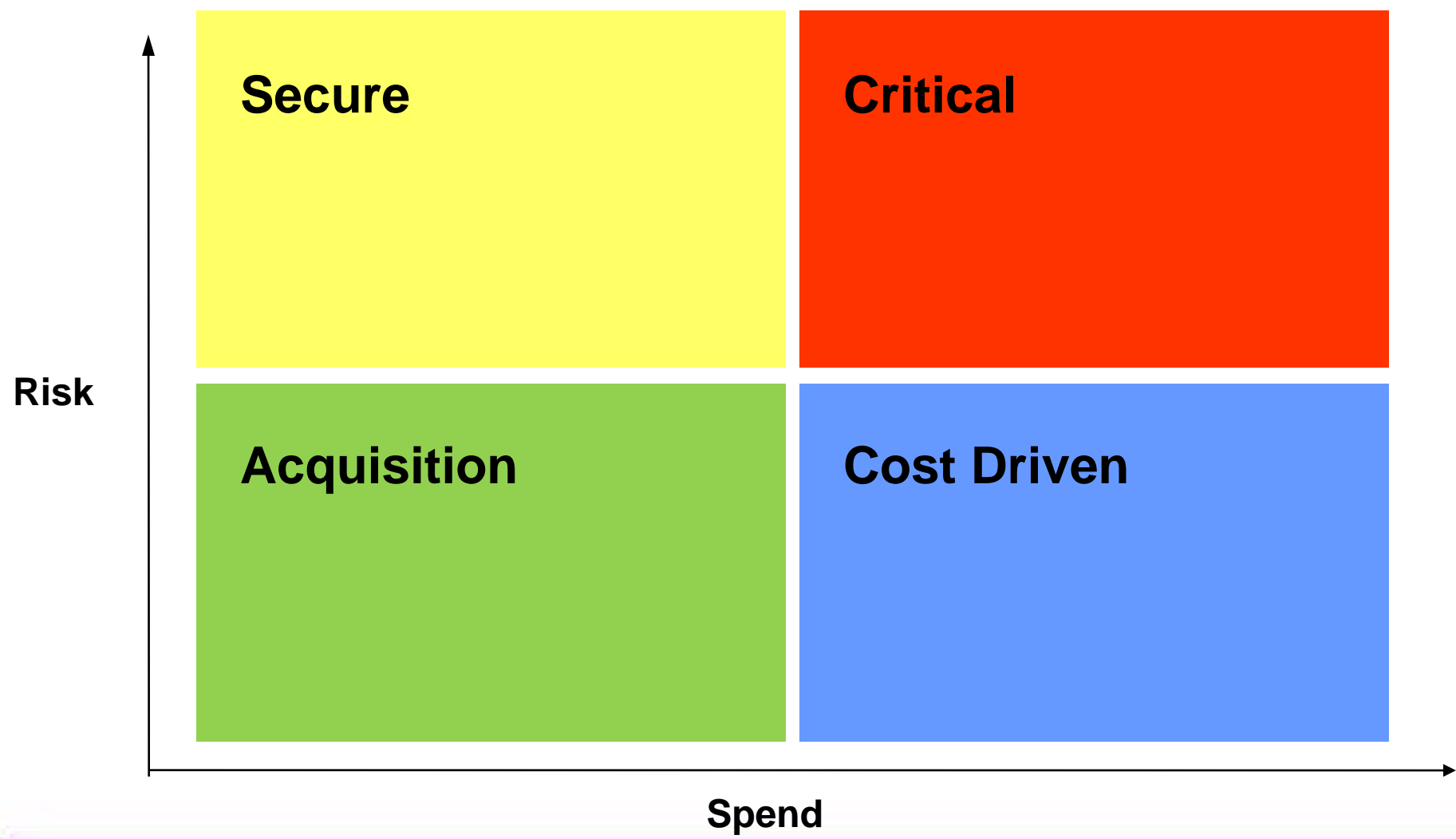


The spend data by category is then correlated with an assessment of environmental and social risks and opportunities.

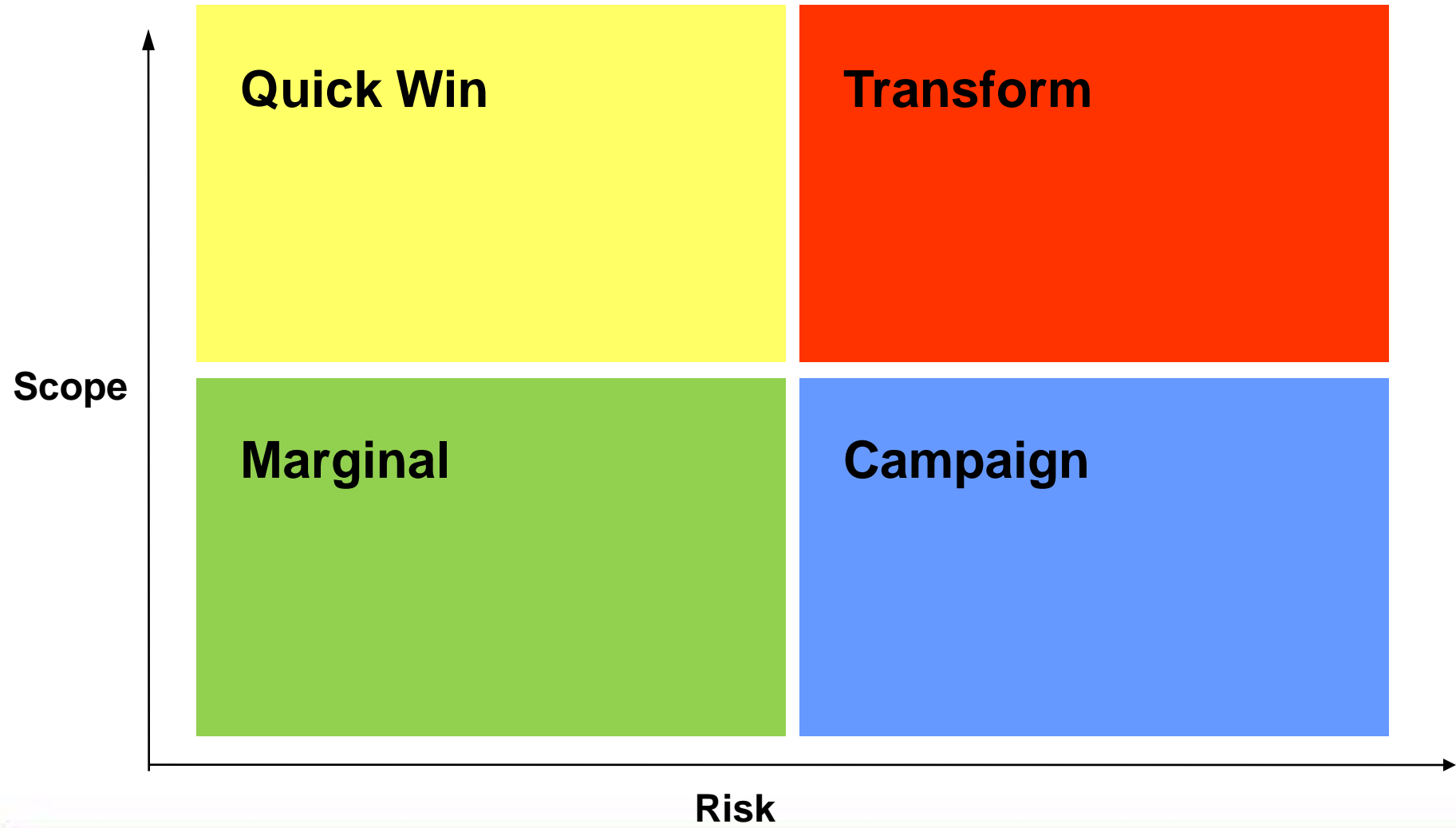
In addition existing organisational activity to address the sustainability risks, the scope to do more and the potential impact on the organisation's reputation are taken into account to assess the overall risk.

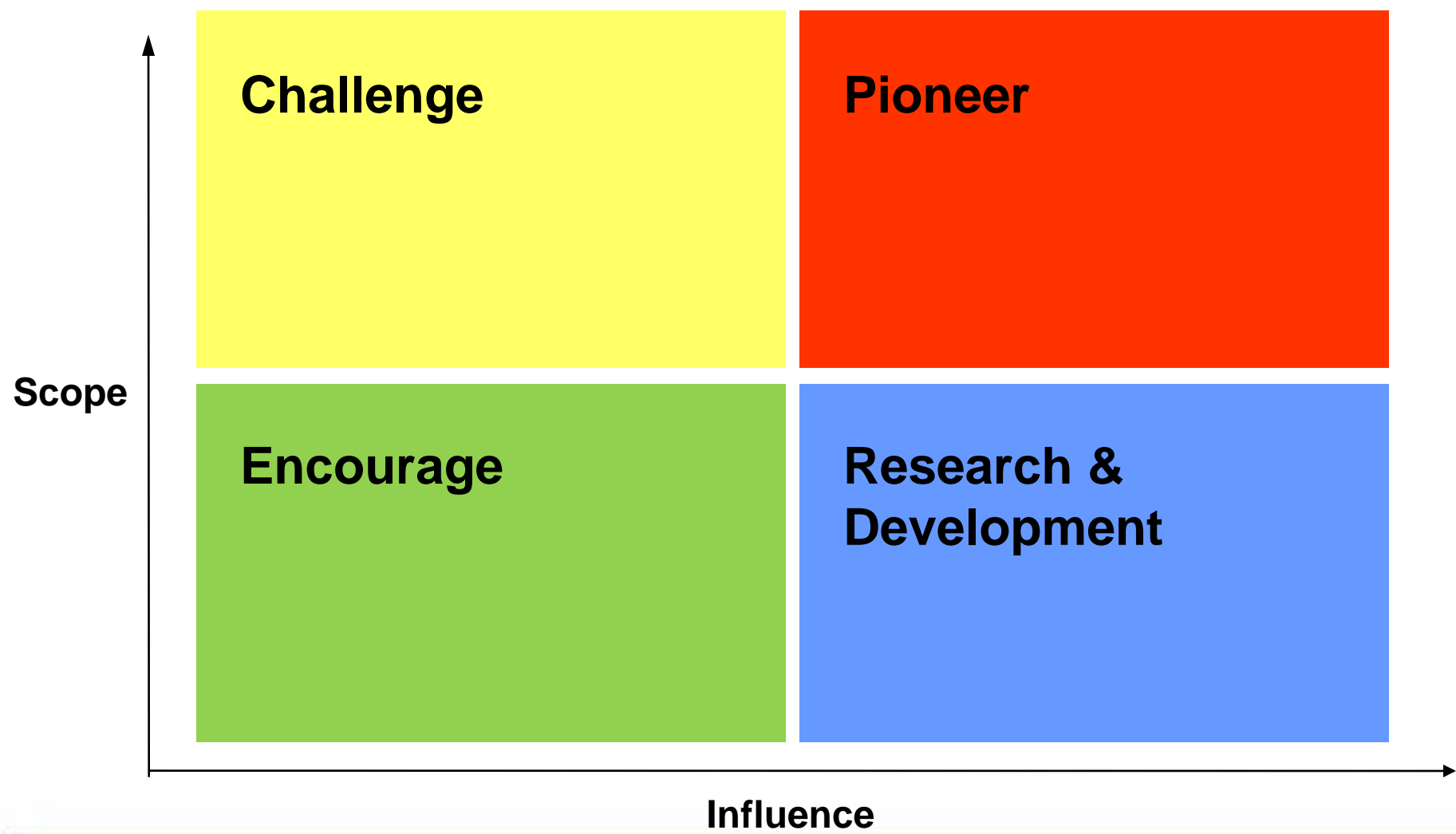
Once the overall risk is determined:

- the **Scope to do more** to mitigate this risk is considered in more detail, as well as
- the organisation's **Influence over the market**.



Buyer Approach - Scope and Risk





Government Buying Standards

1. Cleaning products
2. Construction – covering new builds and refurbishments and a range of construction products
3. Electrical goods – such as TVs and ovens
4. Food
5. Furniture
6. Horticulture and parks services – including soil products and hydraulic fluids
7. Office ICT equipment – computers, printers, scanners etc
8. Paper and paper products
9. Textiles
10. Transport



Government Buying Standards

Government Buying Standards are designed to make it easier for public sector buyers to buy sustainably - therefore cutting costs and reducing carbon whilst looking after the environment.

They are a set of sustainable specifications for a range of commonly purchased products. The GBS are mandatory for central government and related organisations.

They are optional for the wider public and private sectors.

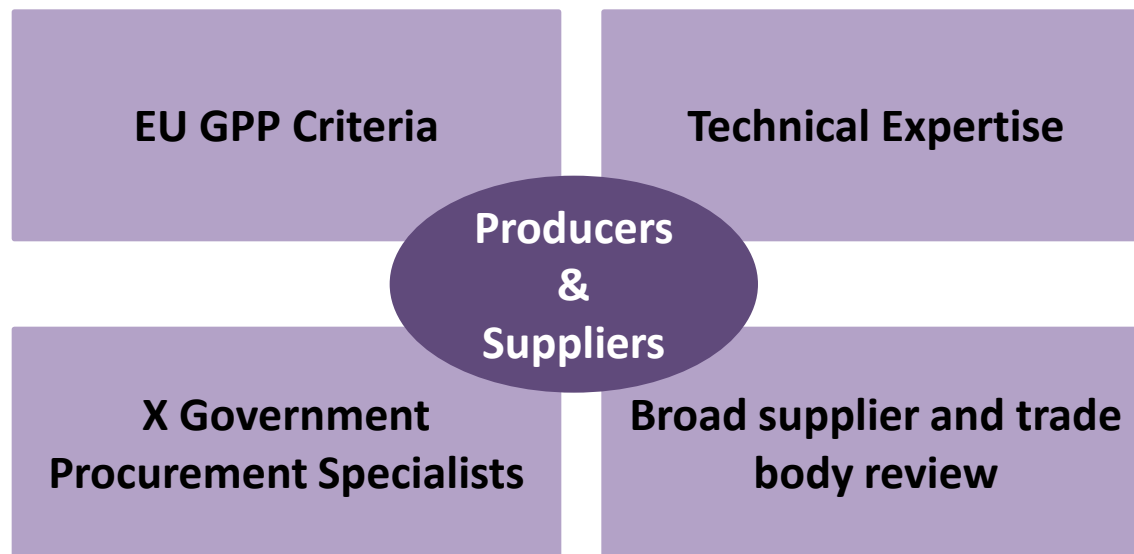
But why would a procurer bother to use the GBS?????



For more information on GBS see <http://sd.defra.gov.uk/advice/public/buying>

Government Buying Standards

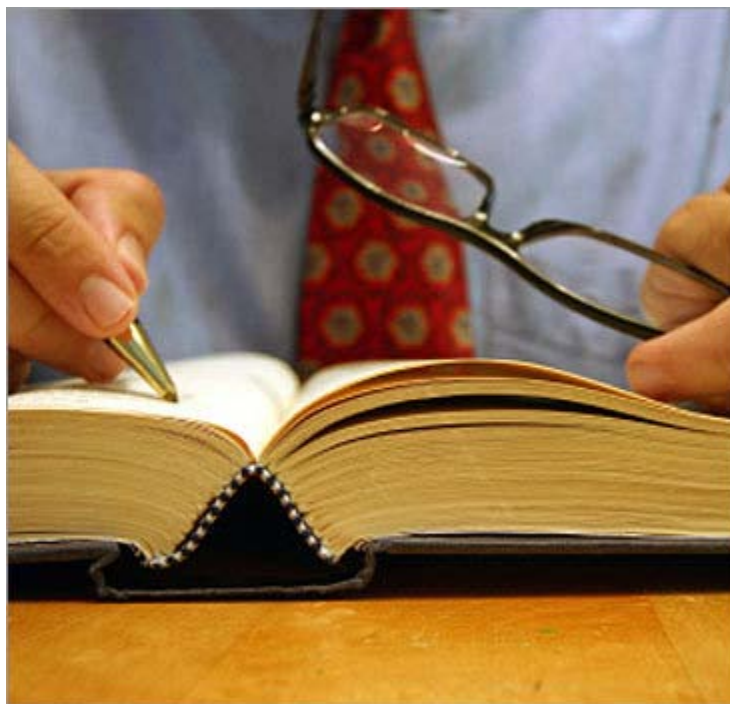
- Procurement specialists review industry research and analysis on a product, evaluate existing industry-recognised standards to establish appropriate criteria for each listed product



 **Government
BUYING
STANDARDS**

Government Buying Standards

Legal advice
Compliance with the EU
Procurement Directives



 **Government
BUYING
STANDARDS**

Government Buying Standards

Cost/Benefit Analysis

- The UK are the only country in the EU to carry out a full CBA on sustainable procurement specifications. We:
 - Understanding if there is a rationale for intervention
 - Gathering of evidence and analysis
 - Quantification of costs and benefits
 - Quantifying costs and benefits of preferred option



Government Buying Standards

•Furniture:	£40m
•Food:	£39m
•Imaging:	£46m
•IT:	£27m
•Water Using Products:	£4m
•Transport:	£7m



 **Government
BUYING
STANDARDS**

Case Study – GBS for Furniture

- Aligned with EU GPP, including components and spare parts available for at least 5 years after sale
- Furniture to be eco-designed
- Government departments and their agencies are encouraged to re-use 5% of the office furniture and 10% of the domestic/residential items.
- Re-manufacturing??

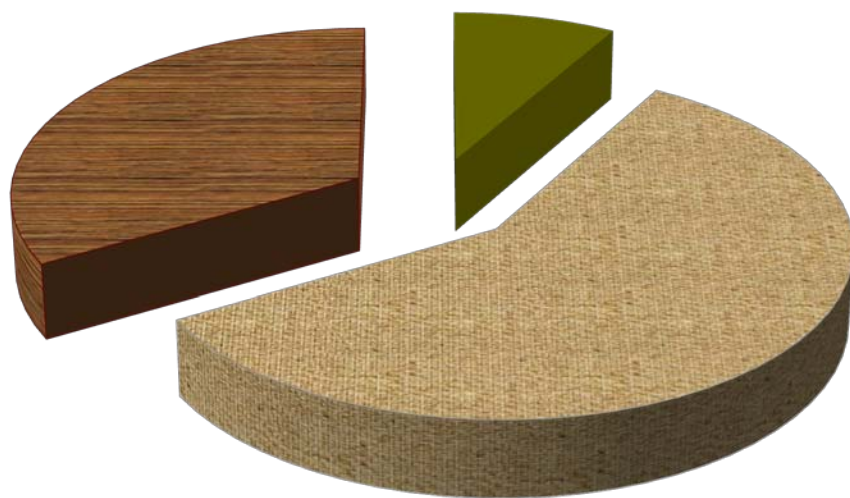


 **Government
BUYING
STANDARDS**

Case Study – GBS for Furniture

M1

Furniture - WLC Benefits >£60m



■ Spare Parts Available
for 5 years - £5m

■ Eco-design and re-use
targets - £35m

■ Remanufacturing -
£20m

 Government
**BUYING
STANDARDS**

What do I use?

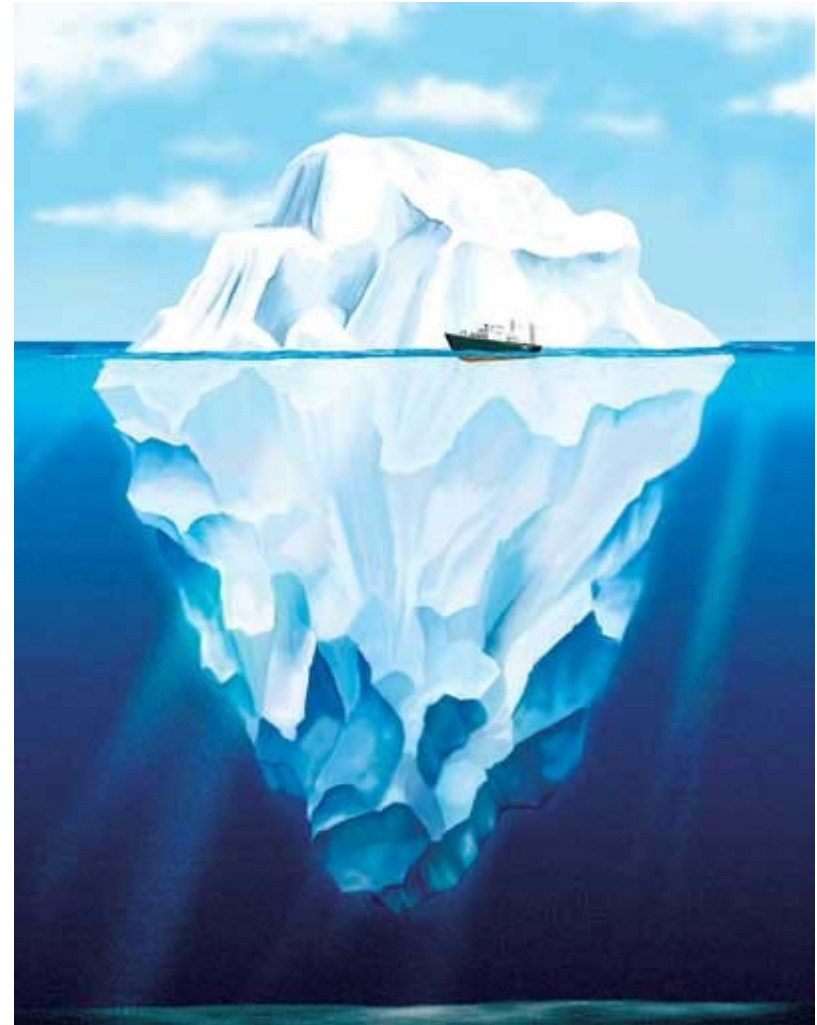


Embedding Sustainability in an Organisation

1. Review your procurement policy
2. Adopt a strategic approach to procurement (board, level etc)
3. Adopt a category management approach & aggregate volumes
4. Procurement/Commissioners/Suppliers – Re-think, reduce demand
5. Where you have to buy - *buy sustainable goods and services, consider end of use*– use **Government Buying Standards!**
6. Work with suppliers to reduce costs and carbon
7. Make sure that procurers are qualified

Benefits of working across organisations

By the time the procurement team are asked to buy the materials, 80% of the sustainable procurement opportunities in the average construction contract have been missed!



Ethical procurement

Development of:

- Optional Ethical sourcing tender criteria
- Guidance - How to use criteria and evaluate responses
- How to apply criteria through life of contract;
- 5 pre contract award actions;
- 5 Key Performance Indicators (post contract award).



Further information

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Sustainable procurement policy and standards

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Government Buying Standards

<http://www.defra.gov.uk/sustainable/government/advice/public/buying/index.htm>