

CLIMATE CHANGE SUB-COMMITTEE

Thursday 16th July 2020

PROCUREMENT BRIEFING NOTE

Joint Procurement Strategy 2020-2023: Considerations for Sustainable Sourcing and Environmental Actions

1.0 Introduction

- 1.1 To procure in a sustainable way involves looking beyond short-term needs and considering the longer term impacts of each purchase. Sustainable procurement is used to ensure that purchasing reflects broader goals linked to resource efficiency, climate change, social responsibility and economic resilience, for example.
- 1.2 Procurement professionals have the opportunity to influence all functions within organisations and throughout supply chains to deliver innovative products and services that meet the evolving needs of consumers and society.

2.0 Sustainable Joint Procurement Strategy

- 2.1 The Joint Procurement Strategy for both Staffordshire Moorlands DC and High Peak BC is currently being drafted. A discussion paper will be released in the coming weeks encouraging Councillors to feedback and input into the Strategy prior to formal approval later in the year.
- 2.2 The focus for the next three years will be to continue to drive value for money and achieve financial savings, but to also consider environmental, social and ethical responsibilities to drive procurement in a sustainable way and effectively work with local suppliers to enhance the local economy.
- 2.3 Environmental considerations in supply chain management and sustainable 'green' sourcing strategies will be one of the priorities over the next 3 years. The focus will be on ensuring the Council's sustainable procurement is further embedded, looking beyond short-term needs and considering the longer term impacts of each and every purchase.

3.0 Current Position

- 3.1 To date, the Councils have been proactive in ensuring that suppliers meet environmental standards and legislation as part of the qualification validation, to ensure that we are not exposed to risk of non compliance or breach of Environmental Legislation for management of waste and any activity that may have a negative environmental impact.
- 3.2 As standard protocol all open issued contract opportunities above £5,000 have the following pass / fail criteria questions as part of the qualification selection process:

Sub-Section	Environmental	
Question	Does your organisation have an Environmental Policy?	If yes, please attach a copy of the policy.
Question	Does your organisation operate an Environmental Management system certified to an International or European standard (e.g. ISO 14001)?	If yes, please attach a copy of the certificate If no, do you operate an equivalent environmental management system based on the principles of ISO 14001? Please attach a copy of your equivalent environmental management system
Question	Has your organisation been convicted of breaching environment legislation, or had any notice served upon it, in the last three years by any environmental regulator or authority (including a local authority)?	If yes, please provide details of the prosecutions or notice(s) served and give details of any remedial action or changes to procedures you have made as a result of any breach or notice(s) served.

- 3.3 The Council implemented an electronic procurement platform in 2015, all processes are automated and there is no longer a requirement for hard copy tenders or bids to be submitted. Implementing a fully electronic sourcing platform to facilitate our Procurement processes has resulted in valued business efficiencies and is a direct win in terms of reduced carbon footprint, costs and improved efficiency by reducing paper based processes with streamlined electronic ones for both buyer and suppliers.
- 3.4 This can be taken one step further through reducing business travel and commuting and using webinars or conferencing as meeting alternatives where appropriate, which has seen an evident increase in investment during the COVID-19 pandemic for the Council and other market sectors. Businesses need to be agile, flexible and lean in their operation, as a Council we need to lead by example if we are to work with our suppliers to deliver best value and reduce our negative impact on the environment.
- 3.5 Print rationalisation projects delivered over the last 3 years have resulted in a reduction of onsite printing and post distribution from our sites. The Hybrid mail project has enabled the Council to ensure letter communication to the customer is produced in the most efficient, cost effective and environmentally friendly process. The web-based system allows users to generate an electronic mail image from their desktop, send to print at an off site data capture and print hub, the items then enters downstream mail channels to end with door step delivery.
- 3.6 The data capture / print hub operates its facility using energy efficient print production units and products all compliant to BS EN ISO 14001: 2004 standards. The Hybrid Mail process has resulted in the Council being able to replace the old obsolete print units in house and replace with a reduced number new energy efficient print units.
- 3.7 It is important that the Council works with its key suppliers to understand environmental impacts through their supply chain. To demonstrate this as an example, PSL Print Management's (our hybrid mail supplier) environmental policy states their commitment to ensuring that they deliver their products and services through a sustainable supply network. The following quotes are included in the company's Environmental Policy:

“PSL Print Management Ltd uses a number of paper merchants all of which merchants purchase, whenever possible, from ISO14001 compliant mills. The large majority of our paper merchants now supply recycled paper.”

“PSL Print Management Ltd traceability systems are third-party audited and are certified by The Forest Stewardship Council (FSC) Chain of Custody standards. A wide choice of FSC certified paper products are available and used therefore reassuring the user that the wood fibre originates from well managed sources.”

3.8 The current Energy Supply (Electricity and Gas) for Council Assets is procured through a national framework ESPO (Eastern Shires Purchasing organisation). The purchase of the supply is made through Total Gas and Power (TG&P) who are the current contracted supplier to the Councils.

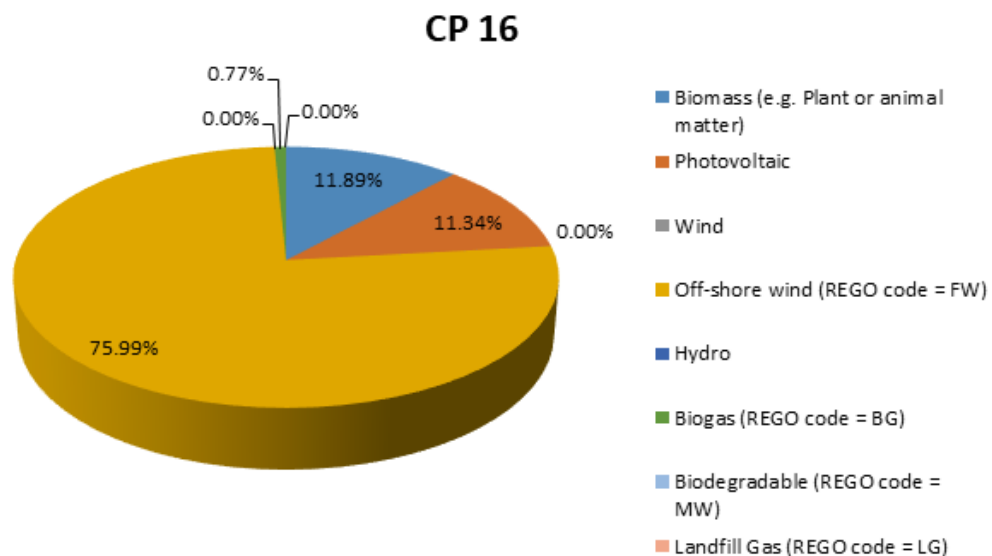
3.9 Electricity supplied by Total Gas & Power has been sourced from a number of different fuels. This is shown on the following ‘fuel mix’ table.

TG&P: Electricity FUEL MIX DISCLOSURE 2017/18

The data provided below is for the period April 2017 to March 2018.

Electricity supplied by Total Gas & Power has been sourced from the following fuels	Percentage of electricity supplied by Total Gas & Power	Average for the UK (for comparison)
Coal	10%	7.6%
Natural Gas	31%	41.2%
Nuclear	9%	20%
Renewable (see below)	47%	29%
Other	3%	2.2%

3.10 The below chart shows the Renewable energy fuel mix disclosure from CP16: 1st April 2017 to 31st March 2018.



3.11 Whilst we already have some measures in place, the Council recognises that there is more to do, and so the actions we're proposing as part of the updated Strategy are provided in Section 6.0 of this paper.

4.0 Carbon Emissions – Sustainable Development Goals

4.1 It is Procurement's responsibility to consider the carbon footprint of products and activities and their effect on the environment when making sourcing decisions.

4.2 To help bring carbon emissions under control, the UN set a 2030 agenda for Sustainable Development to act as a blueprint to how the World can achieve a better and more sustainable future. It addresses the challenges we face and sets goals adopted by all United Nations Member States;

- Poverty
- Inequality
- Climate
- Environmental Degradation
- Prosperity
- Peace and Justice

4.3 In total 193 Governments have agreed to meet the UN's 17 Sustainable Development Goals (SDG's) by 2030.

4.4 Procurement can make a real difference when cutting carbon emissions as carbon is associated with the assembly, packaging, transport, storage and handling of products and materials which account for a significant proportion of an organisations carbon footprint.

4.5 For many companies, the majority of their emissions and cost reduction opportunities lie outside their own operations. These are known as indirect or "scope 3" emissions. These include everything, from the development of a product or service through to supply chain, logistics, sales and distribution, and customer usage.

4.6 The Council (through AES and working with our Joint Venture partners ANSA) is working on a scheduled commercial vehicle replacement programme for Waste, Grounds and Streets replacement fleet over the next 4 yrs.

4.7 To take this further, the Council is looking to develop a Fleet Strategy to focus on a longer term vehicle replacement programme. This will ensure that minimum environmental requirements for basic specifications of new vehicles includes that the required Euro standards on emissions are met and that opportunities to source alternative fuel options, hybrid or fully electric vehicles should be appraised.

4.8 Working with our strategic delivery partners we can ensure that key targets and performance measures on carbon reduction, environmental impact reporting and energy usage is continually monitored throughout the life of the contract and to ensure that our front line and back office services are delivered with optimum value to our communities with reduced environmental impact.

5.0 Government Regulatory Framework

Local Government Association (LGA):

- 5.1 The LGA passed a motion at its 2019 annual conference in support of the UN Sustainable Development Goals (SDGs) and the role of local government in delivering them.
- 5.2 This included a declaration of a 'Climate Emergency' and committed to supporting Councils in their work to tackle climate change by providing a strong unified voice for local government, and sharing best practice across all Councils.

Public Contract Regulations 2015 (PCRs15):

- 5.3 Under the revision of the Public Sector Regulatory framework for Contracting, there is considerable flexibility for contracting authorities to include social, labour law and environmental criteria in the stages of the procurement process and during contract performance than previous regulations.
- 5.4 There are also new obligations in the Regulations that require procurers to take certain actions to ensure compliance with various international laws. These include national social, environmental and labour laws.

6.0 Climate Change - Our Procurement Priorities & Actions

- 6.1 It is proposed that the revised Joint Procurement Strategy will look to contribute towards the key aim **'protect and improve the environment including responding to the climate change emergency'** by ensuring that effective sustainable procurement practice is embedded in the Councils sourcing activities, as set out below:

Aim 4: Protect and improve the environment including responding to the climate emergency			
Key objectives for 2019-2023 are:	In order to meet these objectives we will...	Our key priorities will be...	We will deliver this by...
<ul style="list-style-type: none"> Meeting the challenge of climate change and working with residents and business across the Staffordshire Moorlands to implement the climate change action plan 	<ul style="list-style-type: none"> Develop a Climate Change Strategy and an action plan of response to a declared climate emergency 	<ul style="list-style-type: none"> Reduced carbon emissions A deliverable climate emergency plan 	<p>Procurement Strategy focus:</p> <ul style="list-style-type: none"> Encouraging local organisations and businesses to reduce their carbon footprint Set clear standards in our specifications to reduce or eliminate impact on the environment Products to be manufactured to embrace the circular economy Reducing waste throughout the procurement cycle Work with our key strategic partners to establish clear links for sourcing strategies Buying sustainable timber products Rethinking the needs of the organisation through demand management analysis Aim for % reduction in fleet emissions to meet carbon neutral targets by 2030 Mitigate noise, air pollution and water wastage in manufacturing supply chains

6.2 The below summarises the Environmental actions, controls and measurers that we are considering as part of the Joint Procurement Strategy implementation over the period 2020-23:

- Continuation of qualification of supplier's minimum international standards for Environmental Compliance in qualification of suppliers and products e.g.: ISO certification; clean waste management systems and reduction in toxic waste disposal
- Include specific scored selection assessment criteria for carbon reduction, water consumption efficiency, clean fuels, through our contracts
- Ensure specifications include required minimum standards to meet environmental and sustainable targets
- Fleet purchases meet relevant Euro emissions standards (currently EURO 6 for Light Commercial Vehicles)
- Include KPIs in contracts on carbon reduction targets through supply chain
- Continue to source renewable and alternative energy supplies and natural heat / energy sources
- Switching from traditional lighting solutions in Assets to LED technology – benefits energy and cost savings (LED bulb uses 75% less energy)
- Evaluation % weightings in selection process, proportioned with higher emphasis on Corporate Social Responsibility (CSR)
- Advocate Green Procurement policy – incorporating human health and environmental concerns into the search for high quality products and services at competitive prices
- Encourage and support Local engagement in our supply chain to reduce distribution
- Construction projects design and product considerations to environmental impact
- Closed loop cycles in contracts, keeping materials in economic systems and not wasting them at end of life

6.3 It is essential that as a nation we tackle climate change and protect our natural environment as we need to continue to improve air quality, protect against flooding, and ensure our transport, waste and energy policies are environmentally sustainable.

6.4 As a direct buying organisation we can lead by example to contribute to the reduction of negative environmental and social impact for our future generations, by maintaining ethical and sustainable sourcing approaches and controls with our supply chain. We should be actively considering the importance of the longer term consequences of our procurement decision making now.

- 6.5 However, we do need to carefully consider the above in line with other areas of focus within the Procurement Strategy. For example, another priority area is spending money locally, utilising local businesses – which in light of the impact Covid-19 has had on local economies is even more important. By introducing some of the measures above, we may inadvertently exclude some local businesses and it may also have an adverse impact on cost. All these competing factors need to be considered collectively to satisfy all priorities.
- 6.6 Feedback from the Climate Change Working Group in order to shape the Procurement Strategy would be very welcome.