Warwick District Council

Sustainable Procurement Policy

1. Introduction

1.1 Warwick District Council recognises that sustainable development considerations should be incorporated into the procurement of goods, works and services. The Council wishes to promote the adoption of more sustainable practices and procedures amongst the wider business community.

2. Guiding Principles

2.1 Sustainable development means achieving four objectives:

- Effective protection of the environment
- Prudent use of natural resources
- Social progress which recognises the needs of everyone
- Promotion of high and stable levels of economic growth and Employment

2.2 Efficient procurement of goods, works and services depends upon balancing considerations of cost and quality. Sustainability issues need to be incorporated into both aspects as follows:
- When considering the **costs** of goods and services, the life-span of the product or the whole life costs, need to be considered. This takes into account running costs such as energy usage, CO2 emissions, maintenance requirements, staff training needs, reuse, recycling and disposal costs. These costs need to be taken into account in addition to the initial purchase price.
- When considering the **quality** of goods and services offered, their environmental issues and standards need to be taken into account.

2.3 Obtaining value for money when procuring goods, works and services is not just about obtaining the lowest price. Consideration of environmental factors needs to be undertaken at an early stage in the procurement process as a key element of the wider 'value' that can be obtained.

3. Benefits of Sustainable Procurement

3.1 Adopting a consistent approach to the environmental implications of procuring goods, works and services can have the following benefits:
- Long-term efficiency savings
- More efficient and effective use of natural resources

• Reduction in harmful impacts of pollution and waste
• Reduction of the impact of hazardous substances on human health and the environment
• Encourages business innovation
• Provides strong signals to the sustainable products market
• Represents a practical expression of the Council's commitment to sustainable development in the local community

4. Achieving Sustainable Procurement

4.1 As an initial step in the procurement of any goods, works or services, an assessment of environmental risk will need to be undertaken to determine the extent to which issues of sustainability need to be taken into account during the procurement process. The assessment will need to take account of the environmental considerations set out in the Annex to this policy. For example, some goods, works and services may constitute a high environmental risk where it is expected that higher levels of energy consumption and/or CO2 may be generated by the goods or services being purchased or where there may be an adverse impact on the environment due to the need to use chemicals etc. In these cases, the procurement process to be adopted must seek to take full and proper account of these factors. Where environmental risk is assessed to be lower or, in some cases, minimal, the extent to which sustainability is taken into account may be proportionately less. Further advice on likely impacts can be obtained from the Council's Climate Change and Sustainability Officer.

4.2 For **procurement exercises of under £50,000** in value, environmental factors need to be taken into fully into account where the assessed risk is judged to be medium/high. For all other exercises, the extent to which environmental factors are taken into account should be appropriate to the nature of the goods or services being procured.

4.3 In **Non EU procurement exercises** that involve a formal tender procedure, for goods or works with a value in excess of £50,000 but below the EU threshold (currently £164,176 or for capital works, £3,927,260), it will be expected that environmental issues must be taken into account in the procurement process and that this should be informed by the risk assessment.
Note that EU thresholds are changed bi-annually (the next realignment will take place 1st January 2017) and those undertaking procurement exercises of this scale should check the latest thresholds with the Procurement Manager.

4.4 When formal contract documents are prepared as part of the formal tendering process, sustainable procurement should be encouraged by incorporating social and environmental factors into the contract specification. Any conditions must relate directly to the particular contract activity and be capable of objective assessment. The environmental requirements for contracts will vary depending upon the types of goods or services being procured. A guide as to the requirements that could, where relevant, be

included in the invitation to tender documentation is set out at Annex B to this policy.

4.5 The tender evaluation process must include some assessment of environmental impacts. The relative weight to be applied to these will depend on the environmental risk balanced with other factors such as cost and quality of the service or goods to be provided. The weights to be applied to each criterion will be set out in the invitation to tender letter.

4.6 For **EU Service Contracts**, environmental considerations can only be taken into account if they are directly relevant to the particular contract activity and are capable of objective assessment. There are strict rules on what can be taken into account in assessing contractors at the pretender stage so environmental considerations should predominantly be considered when specifying the services required and in tender evaluation when assessing how the contractor will operate the Service (where relevant) as set out in paras 4.4 and 4.5 above.

4.7 Warwick District Council's Climate Change and Sustainability Officer should be consulted on all procurement exercises where environmental issues may
arise and where the risk assessment is medium/high.

4.8 The application of this policy is subject to the proper application of national and EU rules on open and fair competition in the procurement of goods, works and services and the Council's own adopted financial and contract procedure rules.

4.9 Warwick District Council is committed to working with small businesses and the voluntary sector to promote sustainable procurement, remove any barriers for them doing business with the Council and via corporate social responsibility processes, encourage these sectors to adopt an environmentally friendly approach when providing goods and services to the Council.

Annex

Environmentally Sustainable Procurement Considerations

The following points are a guide to the issues that should be considered during the contracting process:

QUANTITY

Remember - Reduce, Reuse, Recycle. Only order what you need, help save resources and don't over order beyond requirements. A moment's thought will save money for other priorities and will help the environment.

PACKAGING

Excess packaging generates large amounts of unnecessary waste, most of which goes to landfill. Encourage reduced packaging with a product and the use of recycled and recyclable packaging over less desirable alternatives such as polystyrene.

RECYCLED CONTENT

The manufacture of products using raw materials (such as sand and metal ore), causes destruction of the landscape (during excavation), air pollution (during transportation), and uses large amounts of energy and water during production. Use recycled products where possible.

ENERGY EFFICIENCY

Energy efficient products benefit the environment by using less energy and therefore reducing energy generation. The generation of energy from fossil fuel sources produces vast amounts of carbon dioxide, causing destruction of the landscape, natural habitats and visual pollution.

LONG LIFE

Consider products which are more durable and do not need to be replaced as frequently, improving cost effectiveness and reducing the amount of material going to landfill. It is worthwhile spending more on a product that will last and remain effective for appreciably longer.

IMPACT OF DISPOSAL

Consider products which can be easily recycled, repaired or reused after they have been finished with to reduce the amount of waste going to landfill. Disposal to landfill should be the option of last resort.
Seek to ensure the by-products or waste from a project e.g. office refurbishment are disposed of well e.g. consider requiring the contractor

to re-use a certain percentage of the materials found on site during a refurbishment or asking for products still of usable quality to be sent to a furniture or other recycling centre for re-sale or re-use such as old office chairs, desks etc.

REDUCED TRANSPORT

So far as it is permissible under EU procurement regulations and is relevant, choose products which have not been transported over long distances. This reduces the pollution from vehicle exhausts and helps to support the local community. If locally available products cannot meet requirements, advise local suppliers why.

LOW POLLUTION

Choose products which cause lower levels of pollution, either through their manufacture, usage or disposal. This could relate to lower levels of raw materials used, lower levels of energy or water used, reduced transportation, reduction in chemical content or reduction in packaging.

SUSTAINABLE SOURCES

Ensure that products derived from natural sources, such as timber, are produced in a sustainable manner and comply with all national and international legislative requirements.

CONTRACT PACKAGING

Sometimes bulk purchasing produces savings or facilitates the level investment necessary to develop a service or deliver innovation. But sometimes smaller locally sourced contracts give better value by reflecting reduced overheads or delivery costs. Smaller contracts can sometimes provide better security of supply by spreading the risk between several providers and may give the capacity for the exercise of local choice or back-up. Collectively these factors are known as “contract packaging”.