



Sustainable Procurement Policy and Guide

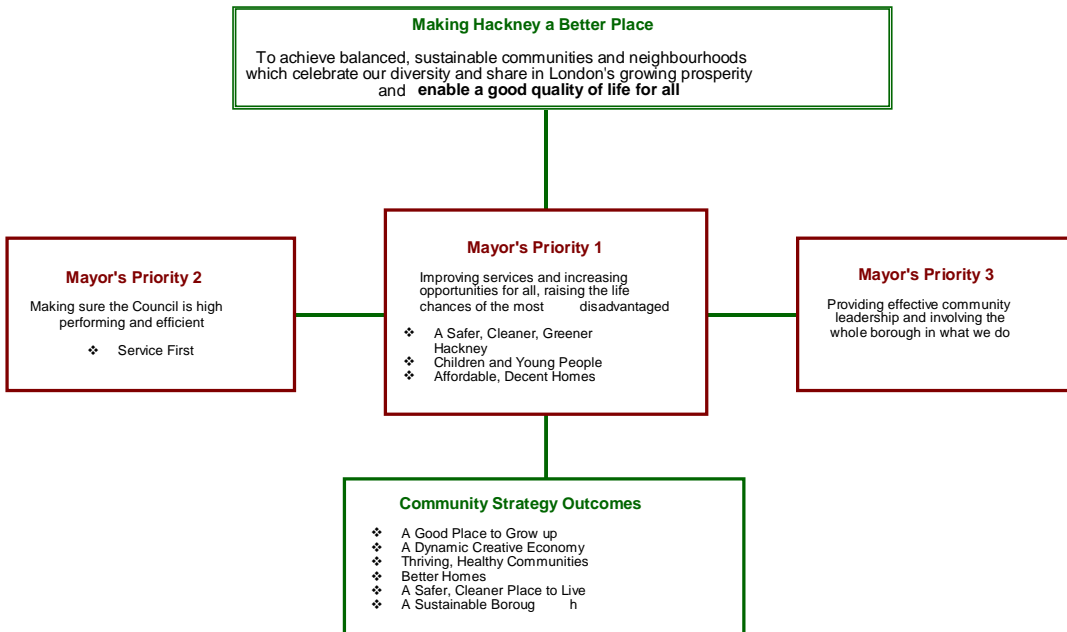
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Introduction by the Deputy Mayor

The Mayor has set clear priorities for the Council that build upon our current achievements and that will continue to make Hackney a better place to live, work and play. This Sustainable Procurement Policy and Guide supports these priorities and complements other Council service strategies which do the same.



Mayor's Priority 1

Environmentally Sustainable Procurement contributes towards a safer, cleaner, greener Hackney. Economically sustainable procurement promotes local jobs and training, helping everyone, especially young people entering the job market.

Mayor's Priority 2

Good procurement practice and systematically seeking Best Value helps to ensure we are high performing and efficient and frees up resources to spend on enhancing amenities and services.

Mayor's Priority 3

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Maximising the social benefits from expenditure, and where necessary and appropriate, spending a bit more to ensure that we get the quality of provision and sustainable services required, demonstrates that the Council is prepared to lead by example.

Community Strategy Outcomes

The Community Strategy sets out to achieve a sustainable borough – this policy and guide sets out the contribution that the Council can make through procurement.

Our Council's commitment to Best Value, to green procurement and to responsible procurement is long standing. However, we are continuing to develop and refine our policies and practice to meet new challenges and to meet old challenges in new ways. This document does just this, and as Deputy Mayor and the Lead Cabinet Member responsible for Procurement I am pleased to commend it.

Councillor Jamie Carswell

Deputy Mayor

The Principles of Sustainable Procurement.

Background

Sustainability is a large and growing part of our local agenda. As a London Borough we also understand the importance of co-operating with our neighbours and we recognise the part we must play in achieving regional and national sustainability goals to realise local benefits.

The Council spends around one third of its annual budget on externally purchased works, goods and services. The process through which these are obtained is called procurement. To support the Council's implementation of its sustainability priorities consistently and effectively these priorities are reflected in our procurement practices.

This document sets out our vision for promoting sustainability through procurement. It incorporates and replaces our Green Procurement Policy and Guide published in 2004 and forms an important part of the Council's Procurement Strategy for 2007-2010. For clarity, our policy commitments are highlighted in bold green text throughout this document.

Principles

Hackney endorses and adopts the approach set out by the Sustainable Procurement Task Force in 2006.

The Council's vision is making Hackney a better place through achieving balanced, sustainable communities and neighbourhoods which celebrate their diversity, share in London's growing prosperity and enable a good quality of life for all. Delivery of our vision is the purpose of every service provided by the Council and is therefore also the purpose of every contract that we let.

We will strive to meet our needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the Council, but also to local residents and the local economy, whilst minimising damage to the environment.

In pursuing sustainability goals Hackney will always have primary regard to the need to obtain Best Value i.e. the optimum combination of whole life costs and benefits to meet the service requirement.

Hackney recognises three broad themes underpinning sustainability within procurement and will pursue policies in support of each. These are:

- ***Environment,***
- ***Equality and***
- ***Economy.***

Environmental Sustainability



Definition

Hackney will strive to conduct activities in a resource efficient manner such that they seek to avoid or minimise any adverse environmental impact and do not compromise the ability of future generations to meet their own needs.

Links to Best Value

Resource efficient products may sometimes cost more to buy, but may have lower operating costs over their life than less efficient competitors or have longer replacement cycles.

Hackney will consider “whole life costs” to the fullest practicable extent in order to take this into account.

Nevertheless, it is recognised that some technologies or approaches may cost more to buy than less environmentally efficient alternatives. Because environmental efficiency is always an integral part of our requirements, we believe that it is fully consistent with the principles of Best Value to pay more if necessary to obtain these benefits.

- ***This criterion will be notified to all bidders within bid documents as part of our quality requirements and will be considered alongside other relevant award criteria having regard to available budgets and taking account of both capital and revenue costs as appropriate.***
- ***Where the award of a contract turns on this issue the environmental advantages of the preferred product or service over the alternative(s) shall be appreciable, demonstrable and so far as is reasonable, quantifiable.***

We know that individual staff need guidance on applying the Council's policy.

We will introduce a programme of Sustainability in Procurement Training Courses aimed initially at holders of the Level Two Procurement Driving Licence and commencing April 2007.

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When determining the environmental advantages of one product or service over another the Council will have regard to the factors set out in Annex.

For all contracts valued at £25,000 or more, we will undertake a pre-procurement environmental impact assessment using our PrImAs tool, set out in Annex 2.

We want to track our progress on environmental issues in procurement.

We will develop a programme for implementation of the recommendations of the Sustainable Procurement Task Force as set out in “Procuring the Future” published in June 2006 (see summary at Annex 3 and workplan at Annex 4).

We recognise the greenest procurement of all is no procurement (reduce and re-use). Energy saved from reducing waste is particularly advantageous – but we need to influence the actions of individual staff to be effective. Similarly, ensuring recycling of office waste and that green alternatives are chosen for everyday incidental purchases requires wide understanding and buy-in.

We will work with and if necessary establish a network of Hackney Green Liaison Officers (H-GLOs) to promote initiatives including “Turn-it-Off”, “Recycle-It!” and “Buy Green”

Legal Framework

The Council procures on the basis of accepting the Most Economically Advantageous Tender (MEAT) and not simply lowest price. This is consistent with the recommendations of the Sustainable Procurement Task Force and ODPM Circular 03/2003 on Best Value and Performance Improvement which states “Within procurement, the Government’s definition of “Best Value” is “the optimum combination of whole life costs and benefits to meet the customer’s requirement”. This approach enables sustainability and quality to be taken into account. For example, the consideration of whole life costs allows factors such as fuel efficiency and replacement cycles to be considered.

In the technical specifications of a tender, process and production methods can be requested where these help to specify the performance characteristics of the performance or service. This includes both process and production methods that physically affect the end product (for example, absence of chemicals) and those that do not but nevertheless affect the nature of the end product – for example organic food, or furniture produced from sustainable timber). But it is not possible to require that the factory producing the goods use recycled paper in its office, as this does not relate to the production of the goods.

At the award of contract the Council can only have regard those environmental criteria that have a link to the subject matter of the contract and give us a direct economic benefit. This could include giving a bonus to products that are more energy efficient, that will last longer, or that will cost less to dispose of. In case the environmental aspects do not bring an economic benefit to the Council, these

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aspects can only be taken into account at the beginning of the tender procedure, where we define the technical requirements of the contract. Furthermore the technical requirements must be consistent with the principles of Best Value.

Environment - Priority Areas

Priority areas have been selected on the basis of deliverability and impact.

1. Construction *
2. Highways Maintenance*
3. Office Equipment
4. Paper
5. Vehicles
6. Energy and Fuel
7. Facilities Management*

* Common Priority Area with Equality and/or Economy strands.

Economic Sustainability



Definition

Hackney recognises that goods and services delivered by local businesses support and boost the local economy and in some cases may reduce the environmental impact and costs associated with transportation.

Links to Best Value

We will take into account in a manner consistent with Best Value and our statutory procurement obligations:

- **The need to have or establish a local base of operations for the effective delivery of a contract.**
- **The size of a contract so not to unnecessarily exclude small firms from bidding**
- **Proposals to engage local suppliers in the supply chain.**
- **Proposals to promote local jobs and training.**

We will take steps, including organising workshops to familiarise potential suppliers with Council requirements and publicising smaller contracts on our internet site to facilitate Small and Medium Enterprises and Black and Minority Owned Businesses to bid for Council Contracts and sub-contracts.

We seek a “Very Good” assessment from the “buying a Better London” group for business access to our website.

A local presence of a supplier may be essential to effective service delivery (for example the delivery of a drop-in advice service, vehicle maintenance for the Council’s fleet or the delivery of hot meals. These aspects of a service will be built into service specifications.

Advertising

We will advertise low value contracts which may be particularly attractive to SME and BME firms on the Council’s website in order to secure the best possible response from SME and BME firms.

Where we use national pre-registration systems, we will choose those which allow the inclusion of suitably qualified SMEs and BMEs at nil or low cost.

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We will publicise which systems are used by the Council and provide encouragement and opportunities for local firms to register.

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 local choice or back-up. Collectively these factors are known as “contract packaging”.

We will always carefully consider contract packaging when seeking tenders. When the optimum balance between small and large “lots” cannot be reasonably predicted in advance the Council will allow alternative bids so that this can be assessed upon tender return.

Procedures and documents

We will try to keep our advertisements and contract documents clear and straightforward.

Supply Chain and Social Objectives

We will promote the use of local supply chains to our larger contractors. On longer-term service and works contracts we will encourage bidders to enhance local employment opportunities and vocational training. We will undertake annual monitoring of the impact of these measures

Legal Framework

The European Procurement regime embodies two principles at its core: non-discrimination between competitors and the free movement of goods and services between member states. Criteria that relate to the location of supplier or its conduct in matters unrelated to the contract (provided it complies with EU law) as preconditions of consideration for invitation to tender would generally be deemed as unfair. For example: a requirement that a supplier be based in any geographical location as a precondition of invitation to tender would breach this principle (and requirements regarding the use non-commercial considerations set out in the Local Government Act 1988). A requirement for the successful supplier to establish a local presence, where this is necessary for the discharge of the contract is however permissible. The location of a business may not by itself and without reference to the goods services required be a determining factor in the award of a contract.

It is most appropriate to take social considerations into account in the procurement once the contract has been awarded. The procurement can be used as a means of encouraging social objectives. For example: Contracting authorities can require the successful tenderer to comply with contractual clauses relating to the manner in which the contract is to be performed, which may include clauses in favour of

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certain categories of persons and positive actions in the field of employment or training.

Options for packaging of a contract options must not breach EU Procurement rules on desegregation i.e. a large contract cannot be arbitrarily divided into smaller "lots" solely or principally for the purpose of remaining below the applicable value thresholds for the application of the full advertising and evaluation requirements.

Economy - Priority Areas

1. Construction*
2. Highways Maintenance*
3. Catering
4. Leisure Management*

* Common Priority Area with Equality and or Economy strands

Equalities and Sustainability



Definition

Hackney is proud of its cultural and social diversity and will ensure that its services are appropriately designed to meet the wide range of needs and aspirations which result.

We will also ensure that the social benefits of procurements are accessible to all sections of the community with particular emphasis on those sections that are economically disadvantaged.

Links to Best Value

Best Value services are fit for purpose. This means that **procurement will always be based on a business case that considers stakeholder consultation.**

A contract can have primary and secondary objectives. The purpose of a construction contract may be refurbished homes or a new school. However, the project can create local job opportunities or provide local training. The legacy of the project is therefore an improved physical and social infrastructure.

We will identify contracts and programmes that are most promising to deliver community benefits and will seek the best outcomes from identified opportunities.

Such criteria will be notified to all bidders within bid documents as part of our quality requirements and will be considered alongside other relevant award criteria having regard to available budgets and taking account of both capital and revenue costs as appropriate.

Where the award of a contract turns on this issue the advantages of the preferred product or service over the alternative(s) shall be appreciable, demonstrable and so far as is reasonable, quantifiable.

¹ Photos – London Borough of Hackney

Most service contracts will constitute and “Undertaking”.

The Council will promote the proper application of TUPE in both primary and secondary (and beyond) transfers. There will be proper consultation with staff when any primary transfer is envisaged, and the Council will facilitate and encourage the same for secondary and subsequent transfers.

Best Value is best served by a strong and diverse supplier base.

Through the steps set out under Economic Sustainability we will promote access to trade opportunities with the Council by SME and BME businesses.

Like all local authorities, we depend on diversity of supply nationally and internationally. It is important

We will promote the use Fair Trade (and equivalent) products within our contracts.

We will always require our suppliers to offer wages and benefits that at least meet relevant industry benchmarks and nationally required standards.

We will consider pay and workforce conditions in our service and works contracts in a manner consistent with Best Value.

Legal Framework

It is permissible to take social considerations into account in the procurement process once the contract has been awarded. The procurement can be used as a means of encouraging social objectives. For example: Contracting authorities can require the successful tenderer to comply with contractual clauses relating to the manner in which the contract is to be performed, which may include clauses in favour of certain categories of persons and positive actions in the field of employment or training.

Care must be taken not to compromise the primary objective of a project. A construction contract must produce a building that is fit for purpose and within budget.

For large and long-term projects many suppliers are willing and even enthusiastic to offer added value. It is quite permissible to see what benefits can be obtained in the fields of employment and training during the bidding process. These can then be incorporated into contract conditions upon award.

With regard to “Fair Trade” products, specifications for catering services and supplies cannot be framed in terms of fair or ethically traded requirements, as such “social” labels do not define the end product in terms of characteristics or performance as required by the EU rules;

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- however, advertisements and invitation to tender documents can make it clear that fair trade options can be included in the products provided to meet catering requirements. For example, fair trade coffees might be included in a range of coffees which providers can offer;
- and the contract documents can make it clear that, where the winning tenderer is able to provide fair trade options, such products should be made available, as required, for internal meetings, conferences and hospitality purposes;
- in referring to the possible inclusion of fair trade options, specific marks or trade names should be avoided. It can, however, be pointed out that, where providers do offer fair trade options, the FAIRTRADE Mark or equivalent is a helpful way of demonstrating that fair trade standards are being met;
- contracts for catering services and supplies should be awarded on the basis of the best value for money bid (in EU terms “the most economically advantageous tender) for the whole requirement - regardless of whether fair trade options have been included. Quality aspects, as well as price, will be relevant. A bid cannot be rejected or considered non-compliant simply because it does not include any desired fair trade options; and
- in all cases, we must be clear that it is meeting all its refreshment and catering services needs in a way which makes efficient and effective use of public expenditure and which delivers Best Value.
- Where the canteen service provider sells teas, coffees etc. direct to staff or the public as part of a service operated on behalf of the Council (e.g. a Leisure Centre), and there is no contract for the supply of such goods between the authority and the provider for consideration, public procurement policy and EU rules do not apply. In these cases, there are no procurement policy or public expenditure constraints on the supply or use of fair trade goods. Of course, the principles of Best Value will apply to the procurement for the canteen service provider itself.²

Equalities - Priority Areas

1. Construction*
2. Homecare
3. Cleaning
4. Security and CCTV
5. Parking Enforcement
6. Leisure Management*
7. Facilities Management*

* Common Priority Area with Equality and or Economy strands

² Acknowledgement to “Guidance on Fair and Ethical Trading” issued by the Office of Government Commerce.

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Specification, Measurement and Contract Management



Were practicable, we will define clear sustainability outputs and outcomes in our significant contracts and report on these within the Benefits Realisation (Review Point 5) reports.

Specification and Measurement should be rooted in the three themes; examples in relation to each theme are given below:

Environment

Specification:

- Consider the points in Annex 1 to this Strategy and Guide.
- Use established external benchmarks where possible e.g. for construction use Building Research Establishment Environmental Assessment Method (BREEAM) <http://www.breeam.org> . Specify the standard e.g. very good or excellent.
- Timber – consider the specification of material from certified renewal sources such as that accredited under the Forest Stewardship Council (FSC) scheme <http://www.fsc-uk.org>.
- Consider the energy consumption, emissions levels and other sourcing requirement for equipment.
- The method of production may be relevant –e.g. “Organic” for foodstuffs.
- Requirements for the end-of-lifecycle disposal of the product or consumables, or for reusing or recycling material arising from the operation of the contract

Measurement:

1. BREEAM standard achieved
2. % of FSC timber used
3. % of material recycled or utilised
4. Energy saved (KWh) comparing product A to B

5. Reduction in carbon emissions (tonnes)
6. Whole Life cost (including disposal)

Economy

Specification.

- Consider the size of contract; can it be split into smaller lots to make it more accessible to smaller businesses without increasing costs or reducing quality control?
- For Works and Services contracts consider their capacity to provide jobs and training opportunities for local people. Where relevant, ask suppliers about their proposals for using local suppliers, their methods for achieving them and the expected results. Include the results as targets within the contract.
- Staff training and conditions may be relevant to the efficient delivery of the contract.
- Location may be relevant to the service or product e.g. a requirement for “fresh” produce precludes frozen produce and requires sourcing from a sufficiently local supplier depending on the shelf life of the product.
- A service may require a supplier to have or to establish a local base for delivery.

Measurement

1. Number and percentage of local people employed on the contract
2. Number and percentage of local people offered training and apprenticeships
3. Amount and Percentage of spending with local subcontractors
4. Amount and Percentage of direct spending with local suppliers*
5. Amount and Percentage of direct spending with Small and Medium Size Enterprises*

Equality

Specification.

- For Services; is the design of the service appropriate to the communities being served? Consider the equalities Standard for Local Government - <http://www.idea.gov.uk/idk/core/page.do?pageId=5145192>.
- Are services actively marketed to address historical under representation of take-up?

- What are the accessibility requirements?
- Is take-up of the services delivered under the contract monitored to inform the design of service delivery in the future? This would include deliverables such as training and local employment where these are relevant to the contract

Measurement

Service usage by take-up. Use the Council standard monitoring format. Remember the complexity of monitoring should be proportionate to the level of engagement – advice is available from the Councils Equalities Team and on the intranet: http://156.61.41.112/hackney_archive/equalities-diversity-monitoring.htm

1. Number and percentage of the Council's identified 'equality groups' using the services delivered under the contract
2. Number and percentage of the Council's identified 'equality groups' employed on the contract
3. Number and percentage of the Council's identified 'equality groups' offered training and apprenticeships
4. Amount and Percentage of spending with BME subcontractors
5. Amount and Percentage of spending with BME suppliers*

Contract Management

Given clear deliverables and reasonable targets the vast majority of contractors will have no difficulty in meeting contractual commitments on sustainability. However, as with any aspect of contract performance, service delivery may fall short of what is required. This will be highlighted by the monitoring information produced under the contract.

Performance management action will take the same form as for any other aspect of underperformance and should start with an attempt at swift and sensible rectification. However, the actual loss to the Council from a persistent or severe failure to deliver what may constitute some of the "softer" elements of a contract may be difficult to establish. Use of a pre-established "points" system for performance shortfalls can address this. A financial deduction can be ascribed to each point lost, with sufficient points lost in a given period giving rise to a right to terminate. This kind of structure will be too complex for many contracts, but for some key service and works contracts it may be appropriate and proportionate. Contact your Directorate Procurement manager or HPS for guidance

* These targets relate to the Council's corporate spending and will be monitored by HPS and reported annually as set out in the Flexible Framework Workplan.

Environmentally Sustainable Procurement Considerations

Before undertaking any procurement activity, a contracting officer must ensure that the environmental dimension is fully considered and is viewed as an integral part of the process. This will entail specification development, appropriate pre-tender and tender evaluation criteria and contract conditions that give sufficient prominence to environmental and sustainability issues.

We have developed a Procurement Impact Assessment (PrImAs) tool to assist in this task (Annex 2).

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.

REDUCED TRANSPORT

Where possible choose products which have not been transported over long distances. This reduces the pollution from vehicle exhausts and helps to support the local community.

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.

Hackney Procurement Centre – Procurement Impact Assessment (PRIMAS)

For the Environmental, Equalities and Efficiency Assessment of Hackney Procurements

Document Reference: PD4

Comment: Detailed guidance on completing the PRIMAS is contained within the Procurement Manual BPG 4.4 Equalities, Financial and other Risk Assessments

Directorate							
Service Area							
Contract being assessed							
Officer conducting assessment, including telephone ext.							
Date of assessment							
Main Reason for Assessment (Tick the appropriate box)							
New Contract	<input type="checkbox"/>	Contract Renewal	<input type="checkbox"/>	Change In specification	<input type="checkbox"/>	Contract Extension	<input type="checkbox"/>

Question	Yes	No	Don't Know	Details
EQUALITIES QUESTIONS				
Q1. Are there any concerns, and or evidence that this procurement could have an impact on people due to their age, disability, ethnicity, gender, sexual orientation or religion/belief?				
Q2. Could the impact amount to an adverse impact?				
Q3. Can this adverse impact be justified on the grounds of promoting equality of opportunity?				
Q4. Can the procurement be altered (in terms of objectives or specification) to eliminate the adverse impact and still meet the overall aims.				
Q5. Has the service/policy to be procured already been subject to a corporate equalities impact assessment (INRA)?				
ENVIRONMENTAL/COMMUNITY IMPACT QUESTIONS				
Q6. Does this procurement have an environmental impact - through purchase, usage, delivery or disposal?				
Q7. Could the impact amount to an adverse impact?				

Comment: If there is an impact, describe it, whether adverse or no. If the answer to Q1 or Q2 is **NO**, go to Environmental Questions

Comment: Sometimes the impact may have a beneficial effect on one group and an adverse effect on the other. The adverse effect may be justified if the advantages to the benefiting group are greater or the group has a greater priority within the Council's objectives

Comment: Put the mitigating actions in here if you know what they will be. They might be different objectives, targets, monitoring procedures or additional checks in the procurement process such as evaluation criteria to ensure service provider has sufficient experience in delivering services to the impacted group

Comment: If yes, attach or refer to document.

Comment: Ask yourself whether the procurement (or contract usage - i.e. the use of the goods supplied or service received) could have impact on sustainable sources - including GM foods, energy usage or costs, pollution or recycled goods. If the answer to Q5 or Q6 is **NO** go to Question Q8

Question		Yes	No	Don't Know	Details
Q8.	Can the impact be mitigated through the policy, specification or tendering process				<p>Comment: Put the mitigating actions in here if you know what they will be. They might be different objectives, targets, monitoring procedures or additional checks in the procurement process such as evaluation criteria to ensure supplier has proper environmental procedures / protection</p> <p>Comment: Ask yourself whether the procurement (or contract usage) could have impact on the local economy or community in terms of environmental impact - such as cleaner streets or better leisure facilities, or economic impact - such as greater or lesser employment. If the answer to Q8 or Q9 is NO go to Procurement and Financial Implications</p> <p>Comment: Put the mitigating actions in here if you know what they will be</p> <p>Comment: Describe the impact, whether positive or negative.</p> <p>Comment: Put the mitigating actions in here if you know what they will be</p>
Q9.	Does this procurement have an impact on the Local Community or Economy?				
Q10.	Could the impact amount to an adverse impact?				
Q11.	Can the impact be mitigated through the policy, specification or tendering process				
HEALTH AND SAFETY IMPACT QUESTIONS					
Q11.	Does this procurement have an impact on Health and Safety				<p>Comment: Describe the impact, whether positive or negative.</p> <p>Comment: Put the mitigating actions in here if you know what they will be</p>
Q12.	Could the impact amount to an adverse impact?				
Q13.	Can the adverse impact be mitigated through the policy, contractor checks/accreditation, specification or process?				
PROCUREMENT AND FINANCIAL IMPLICATIONS					
Q14.	Does this procurement impact on the delivery of "cashable" or "non-cashable" savings?				<p>Comment: If the procurement or contract variation will have an impact here, describe it.</p>
OTHER COMMENTS/CONSULTATION					
<p>Comment: Include here any comments or details of consultation carried out relevant to this exercise.</p>					
Officer Name				Directorate Procurement Manager	
Signed				Signed	
Date				Date	

Figure 9: the Flexible Framework

	Foundation Level 1	Embed Level 2	Practice Level 3	Enhance Level 4	Lead Level 5
People	Sustainable procurement champion identified. Key procurement staff have received basic training in sustainable procurement principles. Sustainable procurement is included as part of a key employee induction programme.	All procurement staff have received basic training in sustainable procurement principles. Key staff have received advanced training on sustainable procurement principles.	Targeted refresher training on latest sustainable procurement principles. Performance objectives and appraisal include sustainable procurement factors. Simple incentive programme in place.	Sustainable procurement included in competences and selection criteria. Sustainable procurement is included as part of employee induction programme.	Achievements are publicised and used to attract procurement professionals. Internal and external awards are received for achievements. Focus is on benefits achieved. Good practice shared with other organisations.
Policy, Strategy & Communications	Agree overarching sustainability objectives. Simple sustainable procurement policy in place endorsed by CEO. Communicate to staff and key suppliers.	Review and enhance sustainable procurement policy, in particular consider supplier engagement. Ensure it is part of a wider Sustainable Development strategy. Communicate to staff, suppliers and key stakeholders.	Augment the sustainable procurement policy into a strategy covering risk, process integration, marketing, supplier engagement, measurement and a review process. Strategy endorsed by CEO.	Review and enhance the sustainable procurement strategy, in particular recognising the potential of new technologies. Try to link strategy to EMS and include in overall corporate strategy.	Strategy is: reviewed regularly, externally scrutinised and directly linked to organisations' EMS. The Sustainable Procurement strategy recognised by political leaders, is communicated widely. A detailed review is undertaken to determine future priorities and a new strategy is produced beyond this framework.
Procurement Process	Expenditure analysis undertaken and key sustainability impacts identified. Key contracts start to include general sustainability criteria. Contracts awarded on the basis of value-for-money, not lowest price. Procurers adopt Quick Wins.	Detailed expenditure analysis undertaken, key sustainability risks assessed and used for prioritisation. Sustainability is considered at an early stage in the procurement process of most contracts. Whole-life-cost analysis adopted.	All contracts are assessed for general sustainability risks and management actions identified. Risks managed throughout all stages of the procurement process. Targets to improve sustainability are agreed with key suppliers.	Detailed sustainability risks assessed for high impact contracts. Project/contract sustainability governance is in place. A life-cycle approach to cost/impact assessment is applied.	Life-cycle analysis has been undertaken for key commodity areas. Sustainability Key Performance Indicators agreed with key suppliers. Progress is rewarded or penalised based on performance. Barriers to sustainable procurement have been removed. Best practice shared with other organisations.
Engaging Suppliers	Key supplier spend analysis undertaken and high sustainability impact suppliers identified. Key suppliers targeted for engagement and views on procurement policy sought.	Detailed supplier spend analysis undertaken. General programme of supplier engagement initiated, with senior manager involvement.	Targeted supplier engagement programme in place, promoting continual sustainability improvement. Two way communication between procurer and supplier exists with incentives. Supply chains for key spend areas have been mapped.	Key suppliers targeted for intensive development. Sustainability audits and supply chain improvement programmes in place. Achievements are formally recorded. CEO involved in the supplier engagement programme.	Suppliers recognised as essential to delivery of organisations' sustainable procurement strategy. CEO engages with suppliers. Best practice shared with other/peer organisations. Suppliers recognise they must continually improve their sustainability profile to keep the clients business.
Measurements & Results	Key sustainability impacts of procurement activity have been identified.	Detailed appraisal of the sustainability impacts of the procurement activity has been undertaken. Measures implemented to manage the identified high risk impact areas.	Sustainability measures refined from general departmental measures to include individual procurers and are linked to development objectives.	Measures are integrated into a balanced score card approach reflecting both input and output. Comparison is made with peer organisations. Benefit statements have been produced.	Measures used to drive organisational sustainable development strategy direction. Progress formally benchmarked with peer organisations. Benefits from sustainable procurement are clearly evidenced. Independent audit reports available in the public domain.

Priority 1 – Assessed as Level 2 by Dec - 2008

	Target : Level 2(Embed) by December 2009	Action	Responsible	Timescales
People	All procurement staff have received basic training in sustainable procurement principles. Key staff have received advanced training on sustainable procurement principles.	Basic level Sustainable Procurement Training Programme rolled out to Level Two Procurement Driving Licence holders	Merle Ferguson	Sept 2007
		Two sessions of advance level Sustainable Procurement Training to be targeted at Directorate Procurement Managers and senior procurers.	Merle Ferguson	Jan 2008
		Revise presentation slides for Corporate and Finance Directorate Staff Induction sessions to include sustainability	Michael Robson	Sept 2007
		Presentation slides for Procurement Driving Licence Training to be revised to include Sustainability.	Merle Ferguson	Sept 2007
Policy, Strategy & Communications	Review and enhance the Council's sustainable procurement policy, in particular consider supplier engagement. Ensure it is part of a wider Sustainable Development strategy. Communicate to staff, Members, suppliers and other key stakeholders.	Sustainable Procurement Policy and Guide ratified by Cabinet Procurement Committee and agreed by Cabinet.	Chris Hudson	Oct 2007
Procurement Process	Detailed expenditure analysis undertaken, key sustainability risks assessed and used for prioritisation. Substantiality is	Review Procurement impact assessment tool (PRIMAS) to increase effectiveness in capturing and managing sustainability issues	Merle Ferguson	Oct 2007
		Complete quarterly 10% random audit sample of completed PRIMAS for quality assurance purposes.	Merle Ferguson	Nov 2007

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	considered at an early stage in the procurement process of most contracts. Whole-life-cost analysis adopted	Amend the RP2, RP4 and RP5 report templates to address and continually track progress on sustainability (Equalities Environmental and Economic) issues relating to each procurement exercise. Gateway Reviews : <ul style="list-style-type: none"> ▪ Whole-Life-Costs impact at RP2 stage. 	Merle Ferguson	Sept 2007
			Michael Robson	Sept 2007
Engaging Suppliers	Detailed suppliers spend analysis undertaken. General programme of supplier engagement initiated, with senior manager involvement.	Suppliers spend analysis conducted - 6 monthly	Hauwa Abashiya	November 07 and ongoing
		Annual Council / Hackney Enterprise Network Conference to launch Council's Sustainable Procurement Policy.	Merle Ferguson	Nov 2007
		At least one supplier engagement event annually which focuses on Sustainability.	Merle Ferguson	Annually commencing Nov 2007 (above)
		Review Council Website with a view to achieving a "Very Good" assessment from the "buying a Better London" group for business access.	Merle Ferguson	Sept 2007
		Advertise ALL Low Risk procurement on the Council's web-site.	Merle Ferguson	Jan 2008
		Sustainable Procurement Policy: <ol style="list-style-type: none"> 1. Posted and (available for download) from the internet 2. Internet location referenced in ITT doc. 	Merle Ferguson Merle Ferguson	October 2007 October 2008
Measurements & Results	Detailed appraisal of the sustainability impacts of the procurement activity has been undertaken. Measures implemented to manage the identified high risk impact areas.	Mayor's Green Procurement Code – Increase spend data supplied to London Remade by : <ol style="list-style-type: none"> 1. Value number 2. Number of categories 	Merle Ferguson/ Hauwa Abashiya	July 2007
		Seek mechanism for benchmarking progress	Michael Robson	April 2008

		against other/peer organisations.		
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Priority 2 – Assessed as Level 3 by end of December 2009

	Target: Level 3 (Practice)	Action	Responsible	Timescales
People	Targeted refresher training on latest sustainable procurement principles. Performance objectives and appraisal include sustainable procurement factors. Simple incentive programme in place.	Ensure LBH representation on all major forums e.g. <ul style="list-style-type: none"> ▪ LCE ▪ LCSG ▪ OGC 	Michael Robson	On going
		Champion a network of Hackney Green Liaison Officers to incentivise and promote procurement related initiatives e.g. "Turn-it-Off", "Recycle-It!" and "Buy Green"	Michael Robson	April 2008*
Policy, Strategy & Communications	Augment the sustainable procurement policy into a strategy covering risk, process integration, marketing, supplier engagement, measurement and a review process. Strategy endorsed by CEO.	Review Sustainable Policy Guide and Action Plan and revise as appropriate.	Chris Hudson	October 2008 and annually
Procurement Process	All contracts are assessed for general sustainability risks and management actions identified. Risks managed throughout all stages of the procurement process. Targets to improve sustainability are agreed with key suppliers	Directorate Procurement Managers to encourage the principles / or voluntary use of the PRIMAS for contracts less than £25K	Michael Robson	April 2008
		Develop, in with Legal Services, a suite of Community Benefit Clauses which can be used to promote the use of local supply chains to our larger contractors and encourage bidders to enhance local employment opportunities and vocational training on longer-term service and works contracts.	Michael Robson	April 2008

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		Undertake annual review of the impact of these measures from RP5 reports including % of local spend	Michael Robson	October 2008
Engaging Suppliers	Targeted supplier engagement programme in place, promoting continual sustainability improvement. Two way communication between procurer and supplier exists with incentives. Supply chains for key Spend areas have been mapped.	Maximise opportunities to recognise and celebrate supplier achievements.	Merle Ferguson	Ongoing
		Develop a gallery of past events for Council Website.	Merle Ferguson	Oct 2008
		Support the Borough's business support network in introducing uniformity of approach to capacity building programmes.	Merle Ferguson	Ongoing
Measurements & Results	Sustainability measures refined from general departmental measures to include individual procurers and are linked to development objectives	Annual monitoring of % of spending with local suppliers and BME suppliers.	Michael Robson	October 2008
		Use RP5 review to monitor activities by directorates	Michael Robson	October 2008
		Agree sustainability improvement targets for construction and facilities management	Michael Robson	April 2008

Priority 3 – Assessed as Level 5, in one area by December 2009**

	Target: Level 5 (Lead)	Action	Responsible	Timescales
People	Achievements are publicised and used to attract procurement professionals. Internal and external awards are received for achievements. Focus is on benefits achieved. Good practice shared with other	Working with Hackney Enterprise Network - establish an annual suppliers' awards scheme to recognise and celebrate achievements.	Merle Ferguson	Dec 2008
		Reference to Sustainability in all relevant external communications and recruitment advertising	Mike Robson	Now and ongoing

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	organisations			
Policy, Strategy & Communications	Strategy is: reviewed regularly, externally scrutinised and directly linked to organisations' EMS. The Sustainable Procurement strategy recognised by political leaders, is communicated widely. A detailed review is undertaken to determine future priorities and a new strategy is produced beyond this framework.	Sustainable Procurement Strategy annually reviewed with major revision as part of Procurement Strategy renewal 2010	Chris Hudson	Dec 2009
Procurement Process	Life-cycle analysis has been undertaken for key commodity areas. Sustainability Key Performance Indicators agreed with key suppliers. Progress is rewarded or penalised based on performance. Barriers to sustainable procurement have been removed. Best practice shared with other organisations	Facilitate cross organisation meetings/events on a regular basis.	Michael Robson	April 2008
Engaging Suppliers	Suppliers recognised as essential to delivery of organisations' sustainable procurement strategy. CEO engages with suppliers. Best practice shared with other/peer organisations. Suppliers recognise they must continually improve their sustainability profile to keep the clients	Provide feedback to suppliers on their individual performance Jointly host supplier engagement events with other/peer organisations and partners.	Michael Robson Merle Ferguson	Annually starting April 2008 Annually from Dec 2007

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	business			
Measurements & Results**	Measures used to drive organisational sustainable development strategy direction. Progress formally benchmarked with peer organisations. Benefits from sustainable procurement are clearly evidenced. Independent audit reports available in the public domain.	Annual benchmarking exercise against other/peer organisations.	Michael Robson	Oct 2008
		All independent reports available for download from Council Website.	Merle Ferguson	Oct 2008

* assumes that there is a coordination function either within HPS or externally

** LBH target is for achievement at level 5 in this area.

EXAMPLES OF POLICY IN PRACTICE

9.1 Street Scene (Highways / Footways / Street lighting). Gateway Review Point 2 October 2005 (awarded January 2007). Extract from RP2 report.

“The successful contractors will work to agreed Key Performance Indicators that will be developed in line with best practice and London Remade with Recycling initiatives. Including:

- a) waste materials such as bi-products and materials excavated from site will be recycled where possible;
- b) recyclable materials will be specified in the schedules of rates where economically viable”.

“Contractors will be required to agree a policy of local employment, with particular emphasis on training scheme for local people”.

9.2 Recycling Contract Award – October 2006.

Award was made for Kerbside sorting option that delivered higher quality recyclables and which had better developed delivery proposals than the multi-stream alternative.

9.3 Procurement of Refuse Collection Vehicles – Award of Contract January 2006.

The decision was made to wait for the availability of Euro 4 emissions standard vehicles rather than opt for cheaper (at point of purchase) Euro 3 vehicles. Euro 4 offers an overall pollutant reduction of approximately 25 percent over current standards of Euro 3 and approximately a 90 percent pollutant reduction over the old owned fleet. Other innovation in this fleet included on-board weighing to check weighbridge rates for landfill costs, to charge appropriately for commercial waste collections and prevent overloading to ensure safe operation. This fleet is now in service.

9.4 Award of Multifunctional Devices Framework (MFD) contract – Hackney Procurement Board Sept 2006.

These devices replace standard printers, fax machines and photocopiers. This reduces the environmental impact of print operations and saves office space. It was a requirement that the chosen machine can use recycled paper (some high speed machines cannot). These machines begin roll-out this month.

- 9.3 **Town Hall Annex Jan 2006 / July 2006** – careful design making effective use of space whilst removing a need for reliance on air conditioning, allowing use alternative of comfort cooling. Construction ongoing.
- 9.5 **Building Schools for the Future (ongoing)**. Use of Building Research Establishment Environmental Assessment Method (BREEAM) for school design to “Very Good” standard. This includes a range of factors from energy efficiency, through to the environmental footprint of construction materials, to the requirements for transportation. A BREEAM pre-assessment was built into the scoping designs and is a quality criteria for selection of the Local Education Partner. The LEP’s approach to training and promoting local supply chains is also being tested in the selection process.
- 9.6 **Office Stationery – Awarded September 2005**. Environmental issues including packaging built into quality criteria.
- 9.7 **Heating Oil and Diesel Fuel – Awarded September 2006**. Bunkered Vehicle fuel provided for Waste and Street cleansing fleets is now 5% blended Biodiesel (the maximum Biodiesel content permitted without affecting vehicle warranties). The contract has the capacity to provide higher blend Biodiesel if requested.
- 9.8 **Decent Homes – Ongoing Contracts**. Main contractors encouraged to use local subcontractors. One contractor presented to small business event in February 2006.
- 9.9 **Agency Staff Supply – June 2006**. “Master Vendor” agreement allows local agencies to contract as secondary suppliers.
- 9.10 **Electricity Supply – March 2007**. Hackney Electricity is sourced from Hydroelectric Generation.
- 9.11 **Office Furniture – July 2007**. Materials Sourcing and ISO 14001 (Environmental Management Systems) integral to new LCSG Consortium contract

Sustainable Procurement.

The overarching purpose of this contract is to facilitate delivery of the Council's vision to achieve balanced, sustainable communities and neighbourhoods which celebrate their diversity and share in London's growing prosperity and enable a good quality of life for all.

The capacity of this Contract to deliver specific outcomes in respect of the Council's vision shall be defined by its technical specifications and terms and conditions. These shall include matters relating to the methods of production, the nature of goods works or services supplied and the manner of their delivery and may encompass undertakings concerning the provision of training, local employment or supply chain opportunities that may arise from performance of this contract.

- 1.2 The Supplier shall, within three months of the date of this Agreement, submit the Sustainable Procurement Plan to the Council's representative for approval, which approval shall not be unreasonably withheld.
- 1.3 The Supplier shall carry out the Services in accordance with the approved Sustainable Procurement Plan.
- 1.4 The Council may monitor the Supplier's compliance with the requirements of this clause and, for the avoidance of doubt; any failure by the Supplier to comply with such requirements shall be deemed a breach of a material term or condition of this Agreement for the purpose of clause XX.X (termination).
- 1.5 The Supplier shall ensure that the provisions of this clause X are incorporated in any sub-contracts, and that the employees, agents or representatives of all or any of the sub-contractors comply with the same."