

Sustainable Procurement – ISO 20400:2017

Helen Carter & Ross Primmer



- ✓ Welcome & Introductions
- ✓ The Sustainable World Today
- ✓ Session 1 Sustainable Procurement
 - ✓ Sustainable Procurement
 - ✓ Definitions
 - ✓ Fundamentals
 - ✓ Policy & Strategy
 - ✓ Organisation
 - ✓ Process
- ✓ *Lunch*
- ✓ Session 2 – Setting Priorities
- ✓ Session 3 – Implementing Strategic Requirements
- ✓ Session 4 – Next Steps
- ✓ *Close*



Some principles for today's session

- ✓ Interactive
- ✓ Challenging
- ✓ Pose questions
- ✓ Focus is on actions:
 - ✓ For today and tomorrow
 - ✓ For you and colleagues
 - ✓ To help you meet targets and achieve objectives



Introduction

- ✓ **Helen Carter**
- ✓ **Lead Consultant – Action Sustainability**
- ✓ @action_sustain
- ✓ @helenjc72

- ✓ Who am I ?
- ✓ What do we do?



Introduction

- ✓ **Ross Primmer**
- ✓ **Consultant – Environmental Impact/E-Learning Development**
- ✓ **@action_sustain**

- ✓ Who am I ?
- ✓ What do we do?





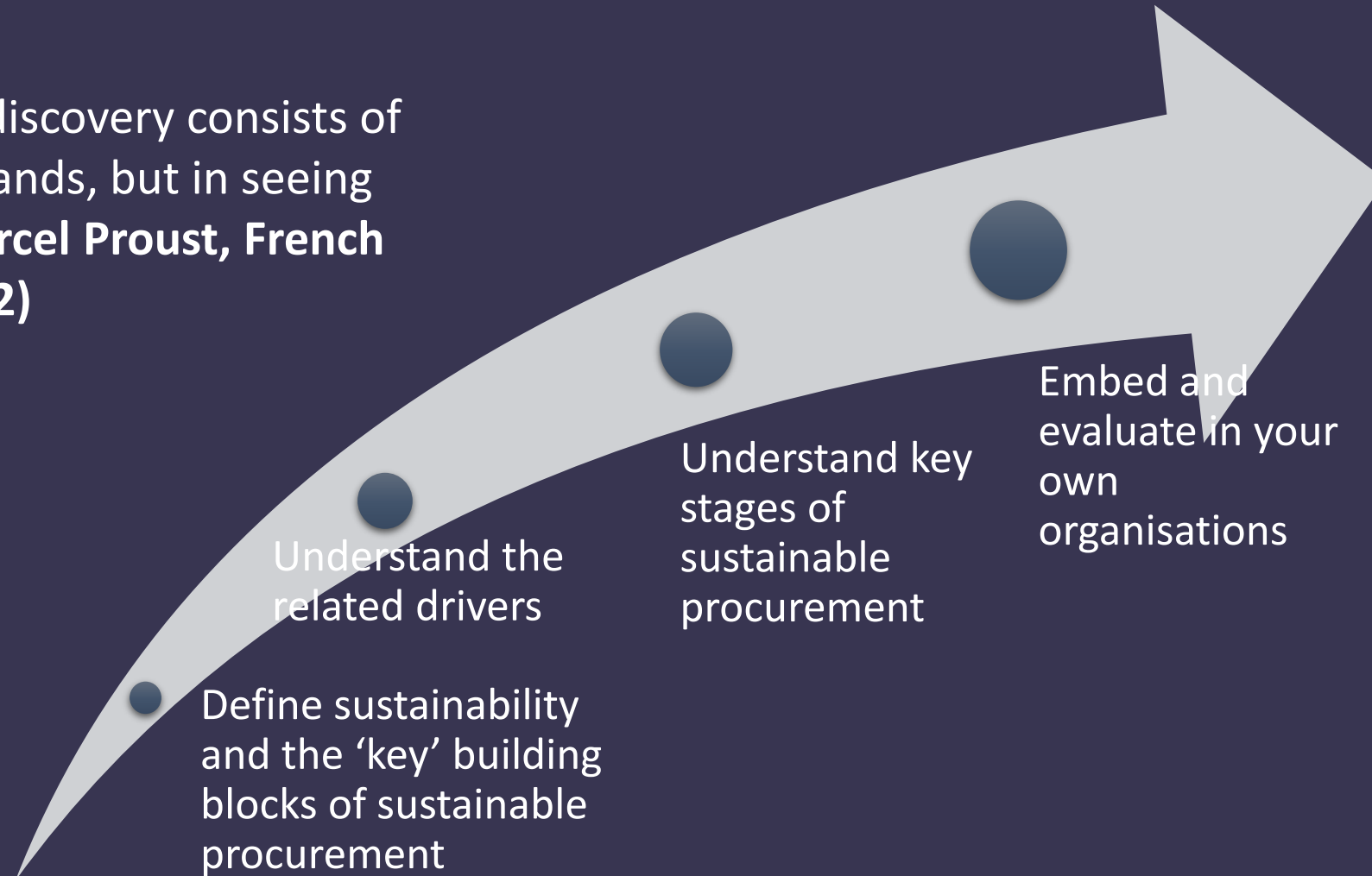
sustainability



Introductions

By the end of the workshop, I hope that you should be able to:

‘The real voyage of discovery consists of not in seeking new lands, but in seeing with new eyes’ – **Marcel Proust, French novelist (1871 - 1922)**



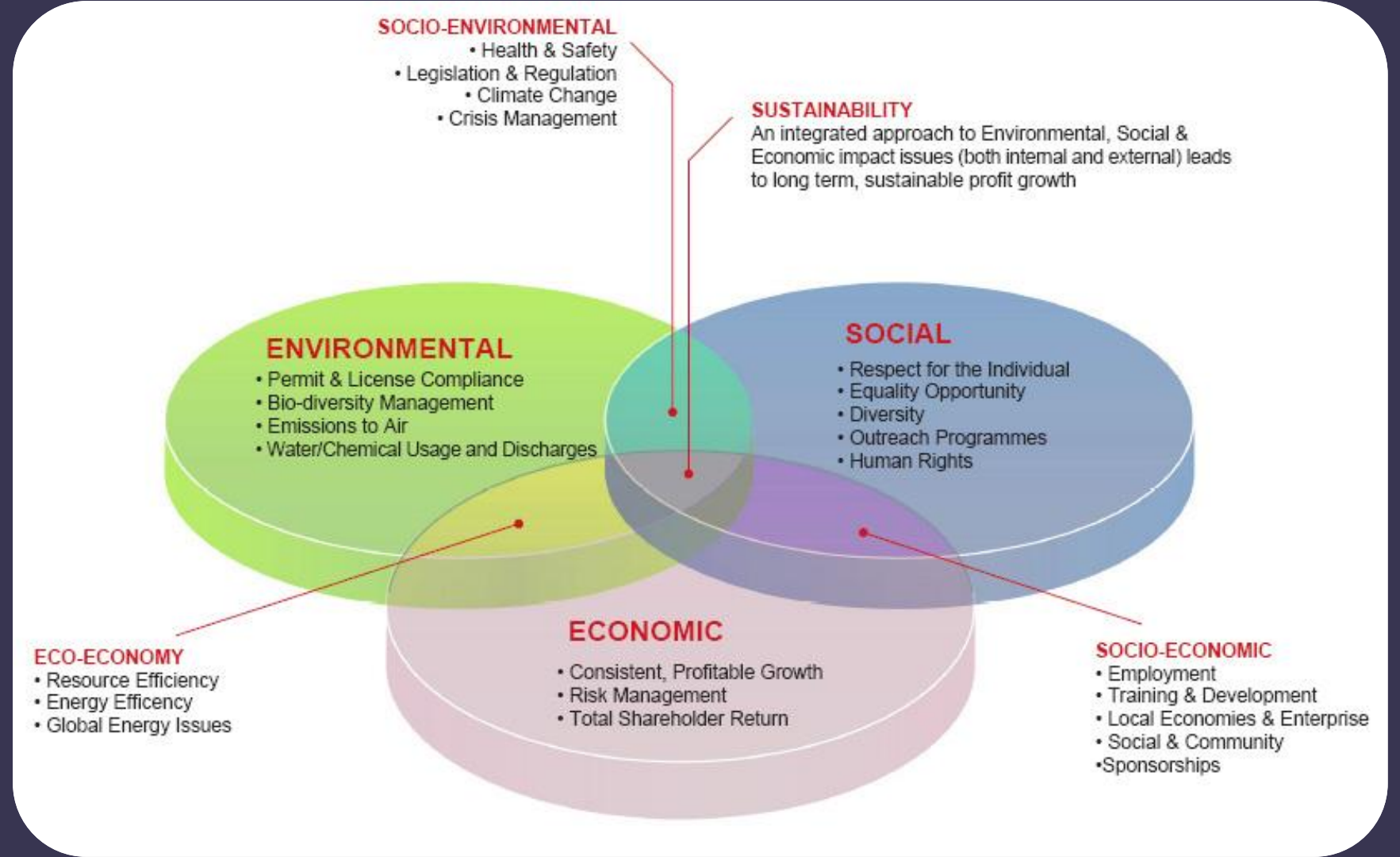
The Sustainable World Today





Sustainability - What It Looks Like...

"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs"



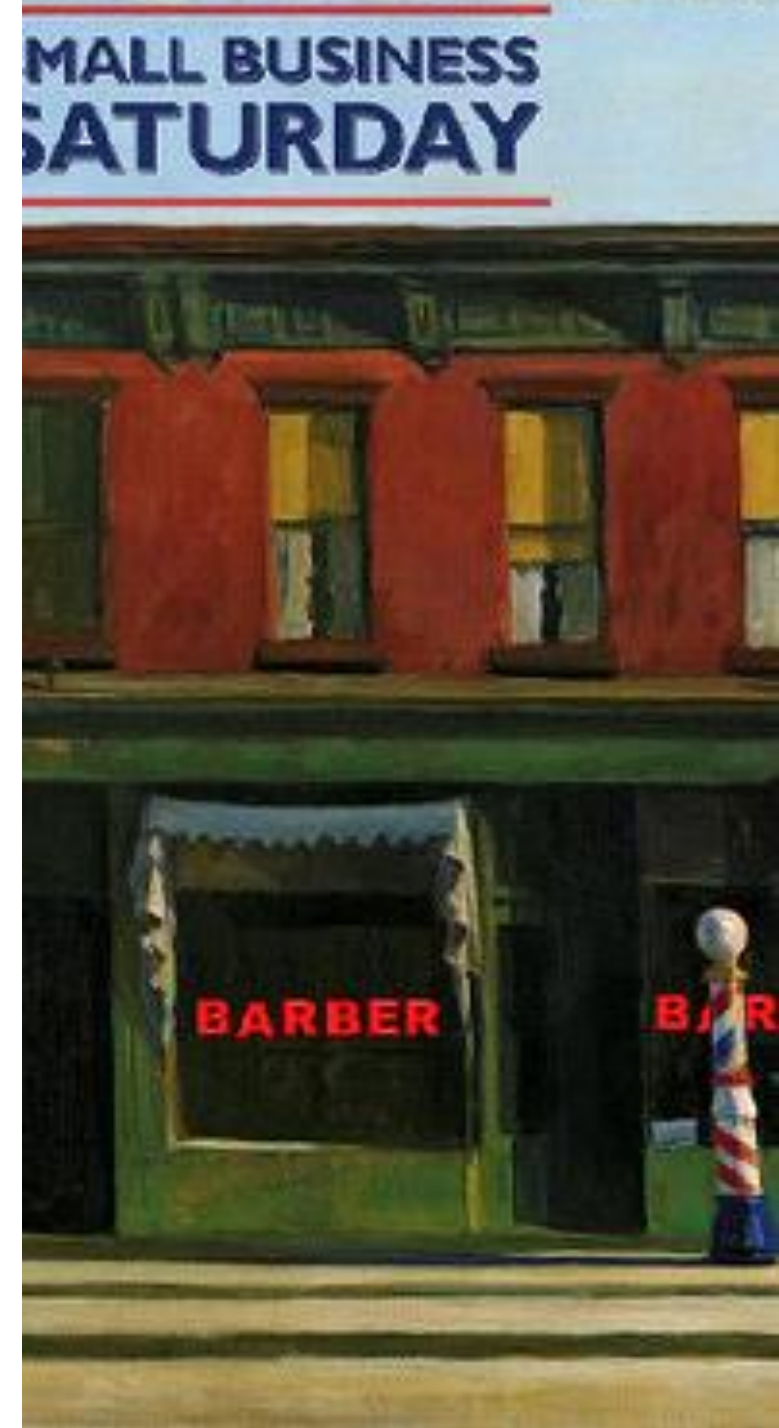
What is Sustainability?

SUSTAINABLE DEVELOPMENT GOALS



Social & Economic Sustainability

- Human Rights
- Labour Standards
- Skills & Development
- Use of local businesses
- Equality, Diversity & Inclusion
- Fair Payment



Hot Topic Socio Economic Issues

Slavery & Exploitation



Skills Shortage



Equality & Diversity



Apprentices



Localism



Environmental Sustainability

- The physical environment
- Impacts to air, land and sea
- Impacts to the climate
- Impacts to plants and animals (biodiversity)
- Resource use, including renewable and non-renewable (finite) resources



Hot Topic Environmental Issues



Air Quality



**Climate Change –
storm severity**



Habitat Loss



Ocean Plastic



Renewable Energy



**Vegetarian/Ve
ganism**

Some facts and figures...

- By 2050 there will be **more plastic in the ocean than fish**
- Germany: **82% decline in insect biomass** from 1989-2018
- USA: **Hurricanes** are getting **stronger** and lasting **longer**
- Czech Republic: approx. **50% energy from coal**. Government wants to invest in **nuclear**
- Pregnant women are not recommended to eat some **seafood** (e.g. swordfish) due to **mercury concentrations**
- 17% of the Amazon rainforest has been lost in the **last 50 years**



What sustainability impacts are you addressing if any in your organisation?- Discuss in your groups



Session 1 – Sustainable Procurement





A strategic framework

1. SCOPE

2. NORMATIVE REF.

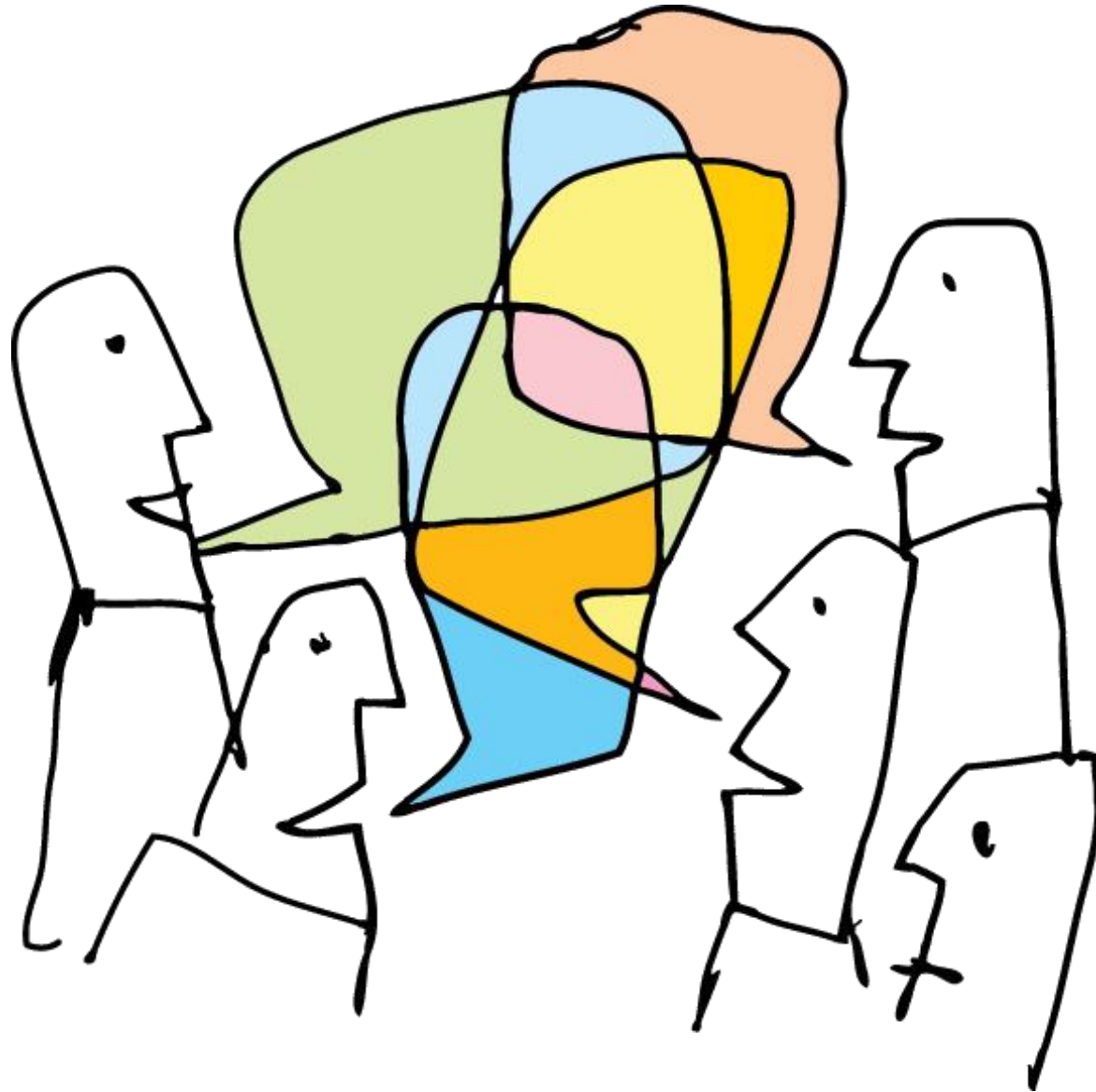
3. DEFINITIONS

4. FUNDAMENTALS

5. POLICY/STRATEGY

6. ORGANISATION

7. PROCESS



SOCIAL PROCUREMENT

Buying Social

Responsible Sourcing

GREEN PURCHASING

**Ethical and
Sustainable
Procurement**

SUSTAINABLE PROCUREMENT

Sustainable Purchasing

**SUPPLY CHAIN
SUSTAINABILITY**

Buying green

Green Procurement

Ethical procurement and supply

ISO 20400

‘Procurement

*that has the most positive
environmental, social &
economic impacts
on a whole life basis.’*

Sustainable Procurement Myths



Sustainable Procurement Risks And Opportunities



**Attracting customers,
competitive advantage,
innovation**



**Risk management,
supply chain security**



**Workers productivity,
supplier commitment,
Total Cost of Ownership**



**Licence to operate:
stakeholders, regulation,
public policies**



**Investors confidence,
rating agencies**



**Personal leadership,
organisational ethics**

Smart Procurement

1. SCOPE

2. NORMATIVE REF.

3. DEFINITIONS

4. FUNDAMENTALS

5. POLICY/STRATEGY

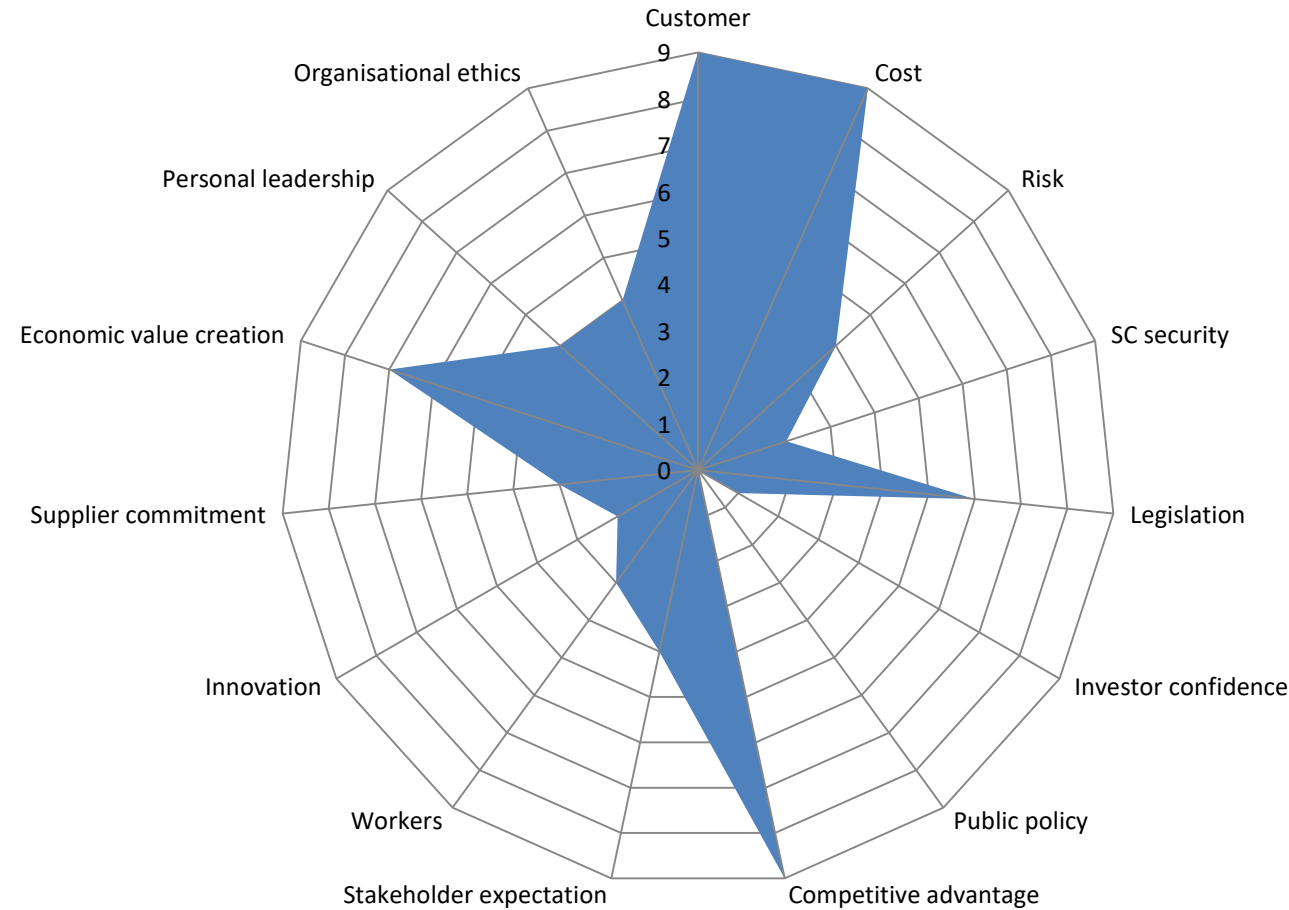
6. ORGANISATION

7. PROCESS



'Drivers'

'The motivations of organisations for practising sustainable procurement differ depending on the type of organisation and the context in which they operate.'



'Drivers for sustainability should be analysed to help define the sustainability objectives and goals for the supply chain and to aid internal communication.'

Who/What are the current 'drivers' in the rail industry? How do they differ from the above?

[Drivers](#)

Key Considerations



Managing risks

'identify, prioritize and manage sustainability risks related to procurement'



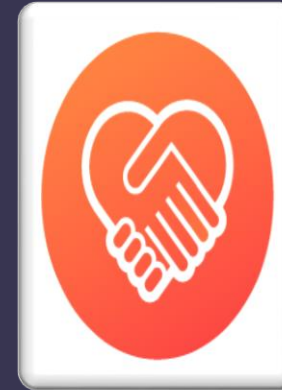
Due diligence

'due diligence is a way to address adverse sustainability impacts'



Setting priorities

'setting priorities enables the organisation to focus its efforts on managing risks'



Avoiding complicity

'through its procurement activities, organisations should avoid being complicit in wrongful acts'



Exercising influence

'an organisation should exercise its capacity to influence the behaviour of suppliers and other stakeholders'

1. SCOPE

2. NORMATIVE REF.

3. DEFINITIONS

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Leadership

‘Management is doing things right; leadership is doing the right things.’

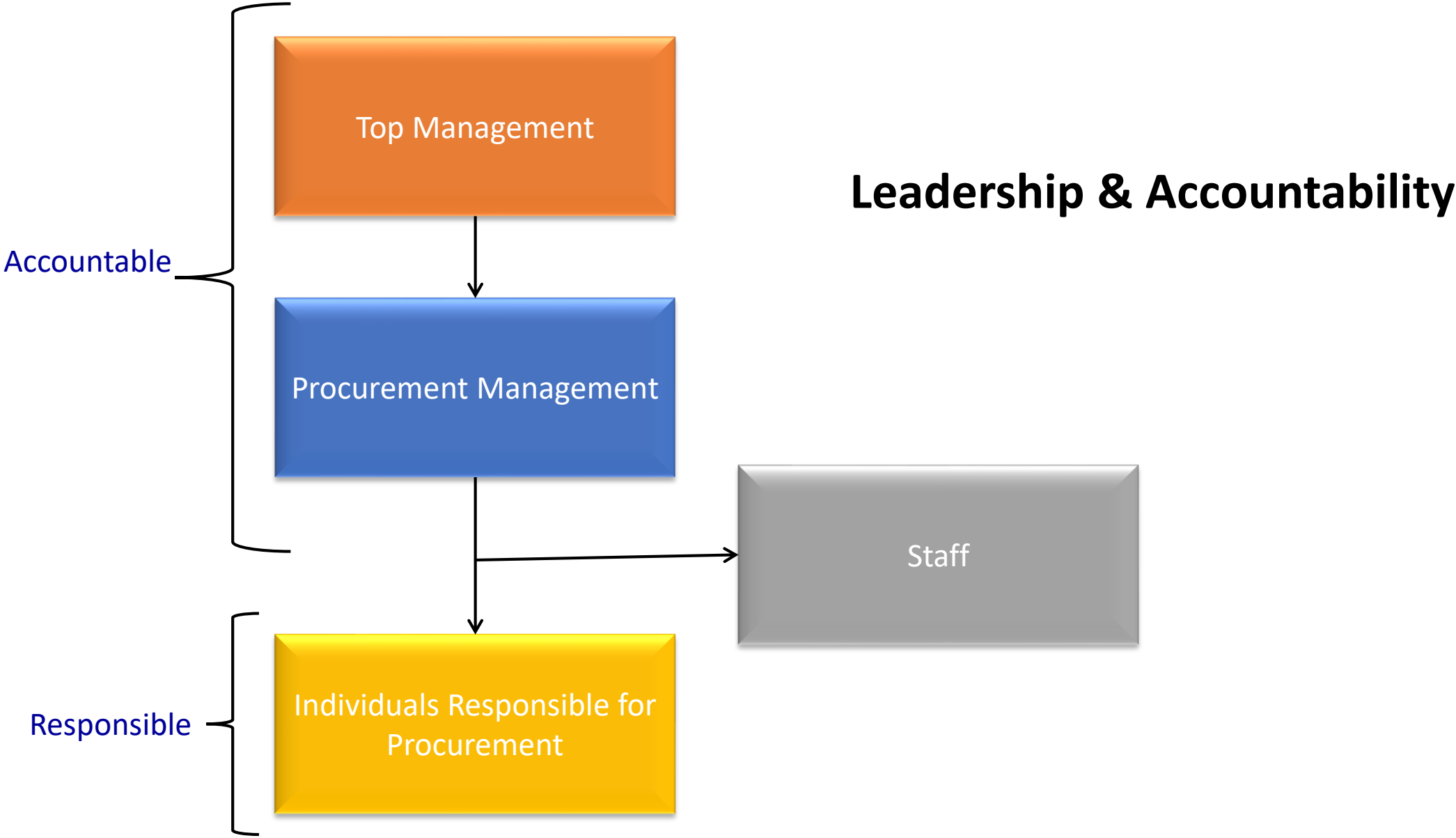
Peter F. Drucker

‘Leadership is the art of getting someone else to do something you want done because he wants to do it.’

Dwight Eisenhower

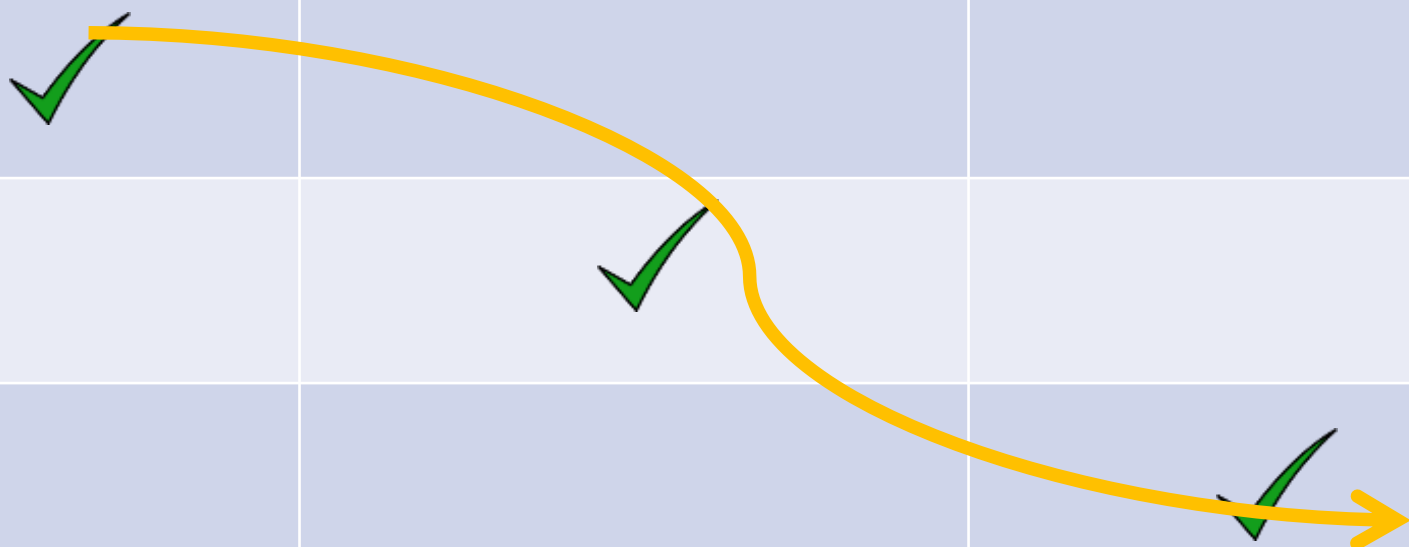
“Many business leaders are seeing the relationship between long term success and sustainability, and that's very heartening”

Jacqueline Novogratz



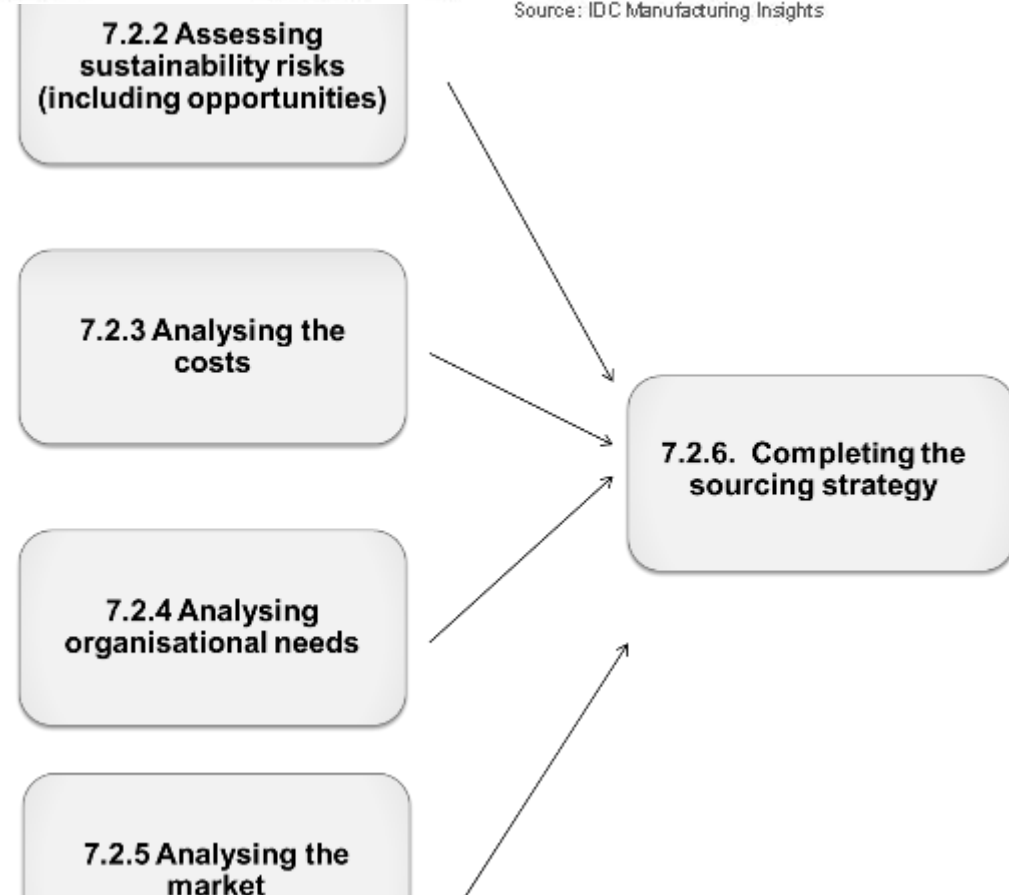
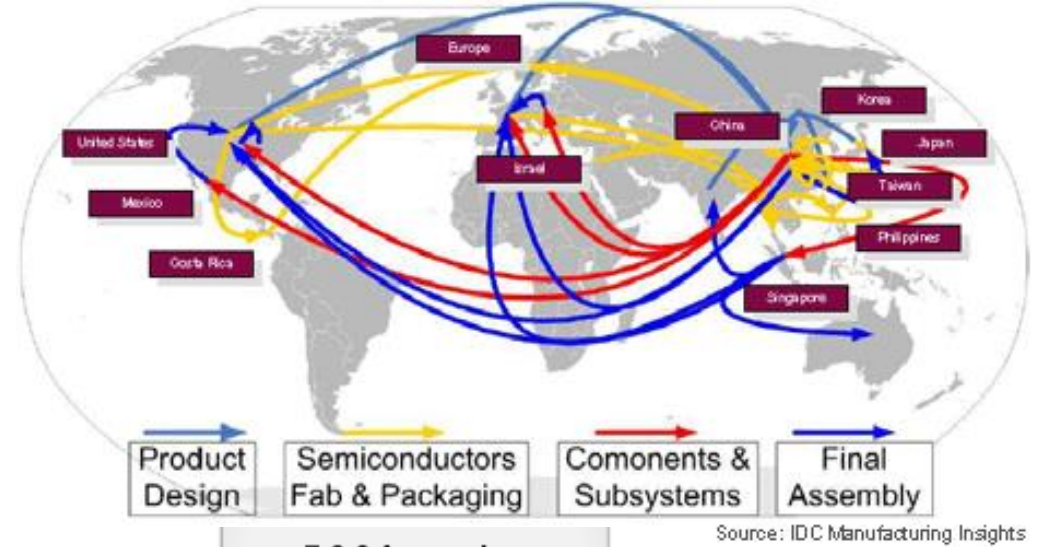
Aligning With Organisational Goals – The **Golden Thread**

	POLICY	ORGANISATIONAL CAPACITY	SUPPLY CHAIN REQUIREMENTS
FUNDAMENTALS	✓		
ORGANISATION		✓	
PROCESS			✓



Understanding Your Supply Chains

- ✓ Consider The Following:
 - ✓ Core Processes;
 - ✓ Complexity And Number Of Tiers;
 - ✓ Transparency Within The Supply Chains;
 - ✓ Important Actors And Partners;
 - ✓ External Influences;
 - ✓ Sustainability Impacts.





Managing Implementation

- ✓ Validate Objectives
- ✓ Establish Smart Goals
- ✓ Communicate
- ✓ Endorsement & Sponsorship
- ✓ Ensure There Are Clear Roles And Responsibilities
- ✓ Assess & Monitor

Policy & Strategy Examples

Sustainable Supply Chain Charter



Purpose

We believe that procuring in a responsible and innovative manner delivers better value to customers, improves resilience, reduces risk and ensures compliance. Signatories to this charter have agreed to support us in delivering social, economic and environmental benefits from our supply chain, taking medium to long term sustainable value to our customers.

Whilst specific may vary for individual signatories the fundamental principles of this charter will be consistent and apply across all suppliers. This text is here to set the approach. We expect our partners and strategic suppliers to demonstrate their processes and performance against the contents of this charter. We'll engage with preferred and approved suppliers, many of which are Small and Medium Enterprise (SMEs), to understand where areas are most important to their business and set meaningful, fair, realistic and achievable targets. We will monitor this through our Supplier Relationship Management process. We expect all suppliers to promote the principles and standards set out in this charter with their supply chain.

For the purpose of this charter, the term 'supplier' refers to all organizations within our supply chain providing goods, services, works or utilities in return for payment. Others we have used 'our expert' and 'invest' these should be seen as a minimum standard for all signatories. Others we use 'because age' these are aspirational requirements where we would like to see progress over the next few years.



Health and safety

All suppliers must have in place effective health and safety management systems, appropriate for the nature and scale of their business and the goods, works or services they provide, ensuring compliance with health and safety law generally, as well as standards and codes specific to their industry.

Suppliers working on our sites must comply with our health and safety standards, and where applicable, we will seek to ensure compliance and look to drive continuous improvement.

We continue to prioritize the purchase of materials that we not have been tested for asbestos, lead or other hazardous substances.

Business ethics and governance

We will not tolerate corruption, bribery and unfair anti-competitive actions and expect our suppliers to:

- Comply with applicable legal, regulatory and accounting requirements including but not limited to competition, procurement and financial laws;
- Never offer or accept any undue payment or other consideration, directly or indirectly, for the purpose of inducing any person or entity to act contrary to their prescribed duties;
- Act in a reasonable manner in relation to their tax affairs;

DB2020 Strategy

Our three dimensions

Economic
Profitable market leader

Social
Top employer

Environmental
Eco-pioneer

Sustainability Policy

Purpose:

This policy sets out HS2 Ltd's ambition to build the most sustainable high speed railway of its kind in the world. We want a high speed railway network which changes the mode of choice for inter-city journeys, reinvigorates the rail network, supports the economy, creates jobs, reduces carbon emissions and provides reliable travel in a changing climate throughout the 21st century and beyond.

Principles:

Sustainability at HS2 is about delivering social, environmental and economic benefits. This includes delivering value to the UK taxpayer and passenger through taking decisions that seek to get the best value for money through the whole operating life of the railway.

Our sustainability approach at HS2 groups our work into five themes reflecting the economic, environmental and social aspects of sustainability. These themes support the HS2 vision of being a catalyst for growth across Britain and our mission, which includes being an exemplar project in our approach to engagement with communities, sustainability and respecting the environment.

Our five sustainability themes are:



Our four strategic directions

Customer and quality
Profitable growth

Cultural change/
employee satisfaction

Resource preservation/
emissions and noise reduction

ENVIRONMENTAL SUSTAINABILITY:

WE EXPECT OUR SUPPLIERS AS A MINIMUM

WE WILL SET A CHALLENGE



PETER WINSTANLEY
PRESIDENT
AND CEO

“Doing business the right way has always been the Molson Coors way. It's part of our heritage and guides our collective journey to becoming a top performing global brewer. We have a responsibility to ourselves, the communities we live in, the suppliers we work with, the customers we serve and the beer drinkers we seek to delight. To always do the right thing.”



ETHICS & EMPLOYMENT STANDARDS:

EQUAL OPPORTUNITY
Molson Coors recognizes our responsibility under the UK Global Compact to ensure a set of core values in the area of human rights and labor standards to include:

- FREEDOM OF ASSOCIATION
- GRIEVANCE PROCEDURES
- FREEDOM OF MOVEMENT BY EMPLOYEES
- HEALTHY AND SAFE WORKING CONDITIONS
- CHILD LABOR
- WORK HOURS
- BRIBERY & CORRUPTION
- BULLYING AND HARASSMENT



SKANSKA

Skanska Sustainable Procurement

Incorporating procurement policies for supply chain:

- Health, safety and wellbeing
- Responsible sourcing
- Equality, diversity and inclusion
- Environmental management and green sourcing
- Best Value
- Quality management
- Supply chain response

is in our DNA. Sustainability is a way of life. It promotes innovation to find solutions. We cannot deliver our ambition to ensure we get the innovation we need.

responsible for maintaining the accuracy and circumstances.

Wolfgang

Approved on: 18 May 2017
Winstanley, Chief Executive Officer, HS2 Ltd

Network Rail

Sustainability Brief

Version 1 – December 2013



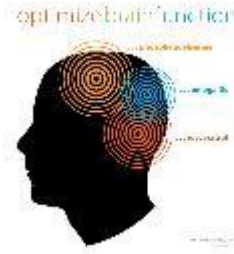
Great Western Electrification

Our approach to integrating sustainability in design and construction

What Does Good Look Like

- ✓ ENDORSED BY SENIOR MANAGEMENT
- ✓ CORPORATE OBJECTIVE:
 - ✓ “TO DELIVER A LEGACY OF SOCIAL AND ECONOMIC BENEFITS FOR LONDONERS”
- ✓ PROCUREMENT SMART OBJECTIVE:
 - ✓ “BY DECEMBER 2020, OUR COMBINED PORTFOLIO OF PROJECTS WILL ACHIEVE THESE GOALS ANNUALLY:
 - ✓ 20% OF OUR TOTAL SUPPLY CHAIN EXPENDITURE WILL BE SOURCED FROM BUSINESSES OPERATING (I.E. 25% OF THE CONTRACT VALUE) WITHIN LONDON BOROUGH
 - ✓ 25% OF THE SUPPLY CHAIN WORKFORCE ON OUR SITES WILL BE RESIDENT IN LONDON BOROUGH
 - ✓ 6% OF THE SUPPLY CHAIN WORKFORCE ON OUR SITES WILL BE APPRENTICES OR TRAINEES”
- ✓ COMMUNICATED TO STAKEHOLDERS





What is in your policy



- ✓ In Your Groups discuss:
 - ✓ What sustainability priorities do you have in your policies in your organization
 - ✓ Can you think of any examples of good policies you have come across amongst your peers and within your supply chain?
 - ✓ 10 minutes
 - ✓ Feedback

1. SCOPE

2. NORMATIVE REF.

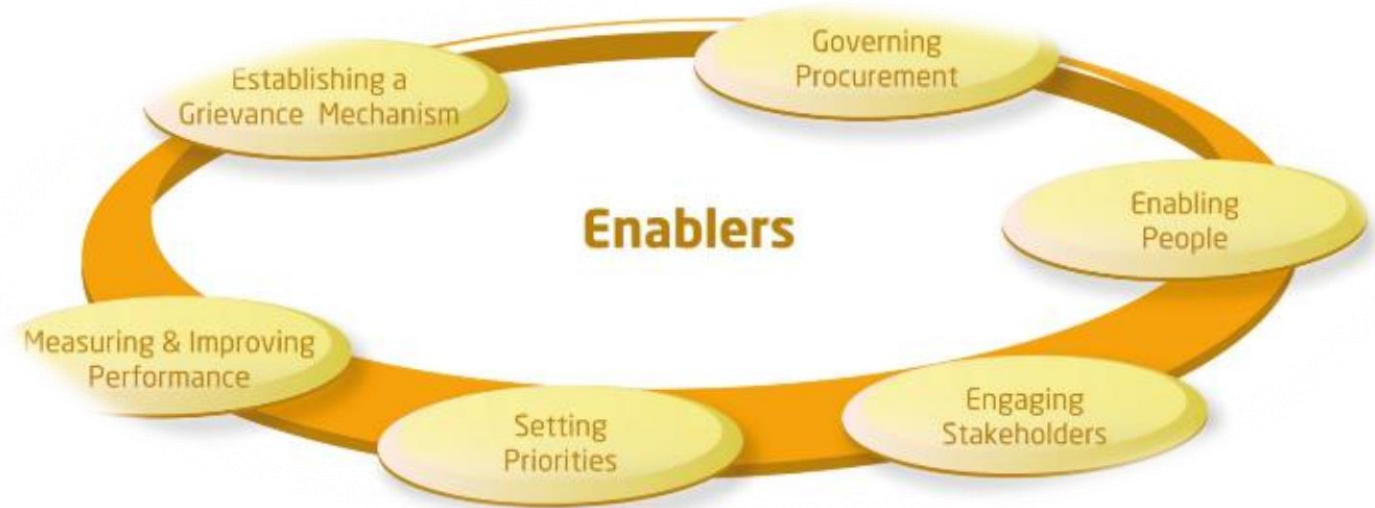
3. DEFINITIONS

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Governance

- ✓ Accountability And Management Involvement In Procurement Planning
- ✓ Systems, Processes And Controls To Improve Assurance
- ✓ Increasing Trend Towards Reporting Sustainability Intentions





People

Competency.....

- ✓ Knowledge and experience
- ✓ Skills
- ✓ Attitude



Example Training Options

E-learning modules and toolbox talks



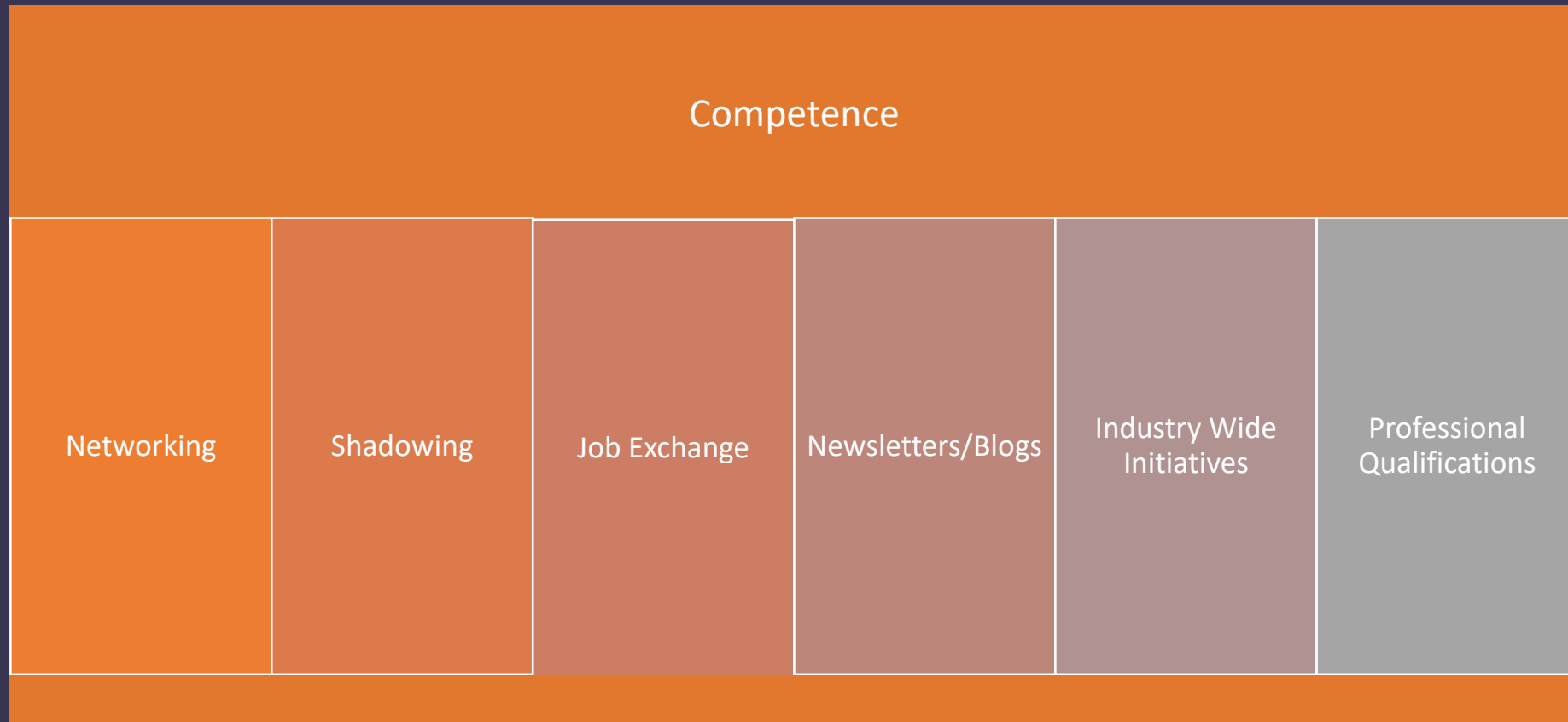
Face to face training!



Conferences



Gaining competence





Other people issues

- ✓ Job descriptions
- ✓ Recruitment
- ✓ Personal objectives
- ✓ Reward and recognition
- ✓ Career opportunities
- ✓ Governance

Stakeholder groups

- ✓ Those that shape the sustainability agenda.....
 - ✓ Shareholders
 - ✓ Political leaders
 - ✓ NGO's
- ✓ Those that deliver the objectives.....
 - ✓ Staff
 - ✓ Suppliers



The Stakeholder Model

Stakeholder Mapping

Stakeholder	Example of Interest
Shareholders/Directors	Profit, Performance, Growth, Reputation
Government (Regulators)	Legislation, Policy Implementation, VAT, Taxation
Senior Management	Growth, Performance, Targets
Employees (Non Managerial)	Job Security, Job Satisfaction, Pay, Working Conditions
Trade Unions	Job Security, Pay Levels, Working Conditions, Legal Requirements
Customers	Value for money, Reputation, Quality, Service Levels and Customer Support
Pressure Groups	Reputation, Working Conditions, Risk Management
Media	Reputation, Performance
Suppliers	Fair Terms, Profit and Cost Management, Growth,
Community	Job Creation, Fair Working Practices, Environmental Management, Engagement
Creditors	Reputation, Liquidity, Credit Scores

Engaging your supply chain

Engaging a Diverse Supply Chain
A Contractor's Perspective

Lend Lease

[Engagement](#)

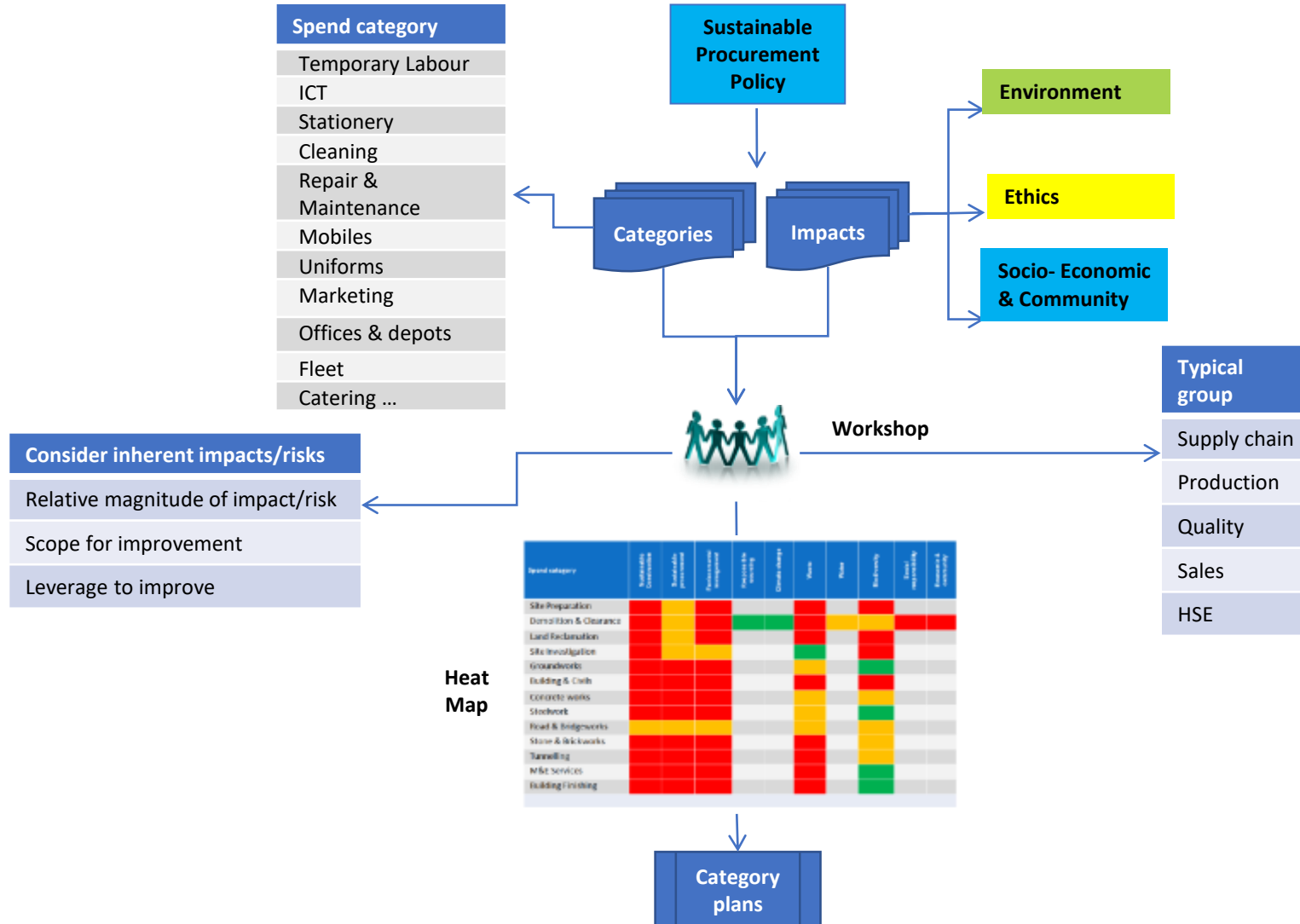
Sustainability issues	Issue 1 (e.g. climate change)	Issue 2 (e.g. health and safety)	Issue 3 (e.g. local employment)	Issue n
Purchase category				
Category 1 (e.g. cleaning services)				
Category 2 (e.g. building construction)				
Category 3 (e.g. packages)				
Category n				
	High impact			
	Medium impact			
	Low impact			

Description	Focus Areas							
	Energy	Air emissions	Natural resources	Biodiversity	Water	Waste	Pollution	Labour & Ethics
SMALL PACK MATERIALS								
BOTTLES								
LABELS								
CORRUGATED								
CROWNS								
GLUE								
CANS & CAN ENDS								
CARTON BOARD								
HICONE								
SHRINKWRAP								
DISPENSE								
OEM EQUIPMENT								
REPAIR EQUIPMENT								
SERVICE PROVIDERS								
FRIDGES								
MOBILE BARS								
MUST BUY, MUST SELL								
RAW MATERIALS								
BARLEY								
MALTS								
HOPS								
SUGARS/SYRUPS								
ADIUNCTS								

Prioritise

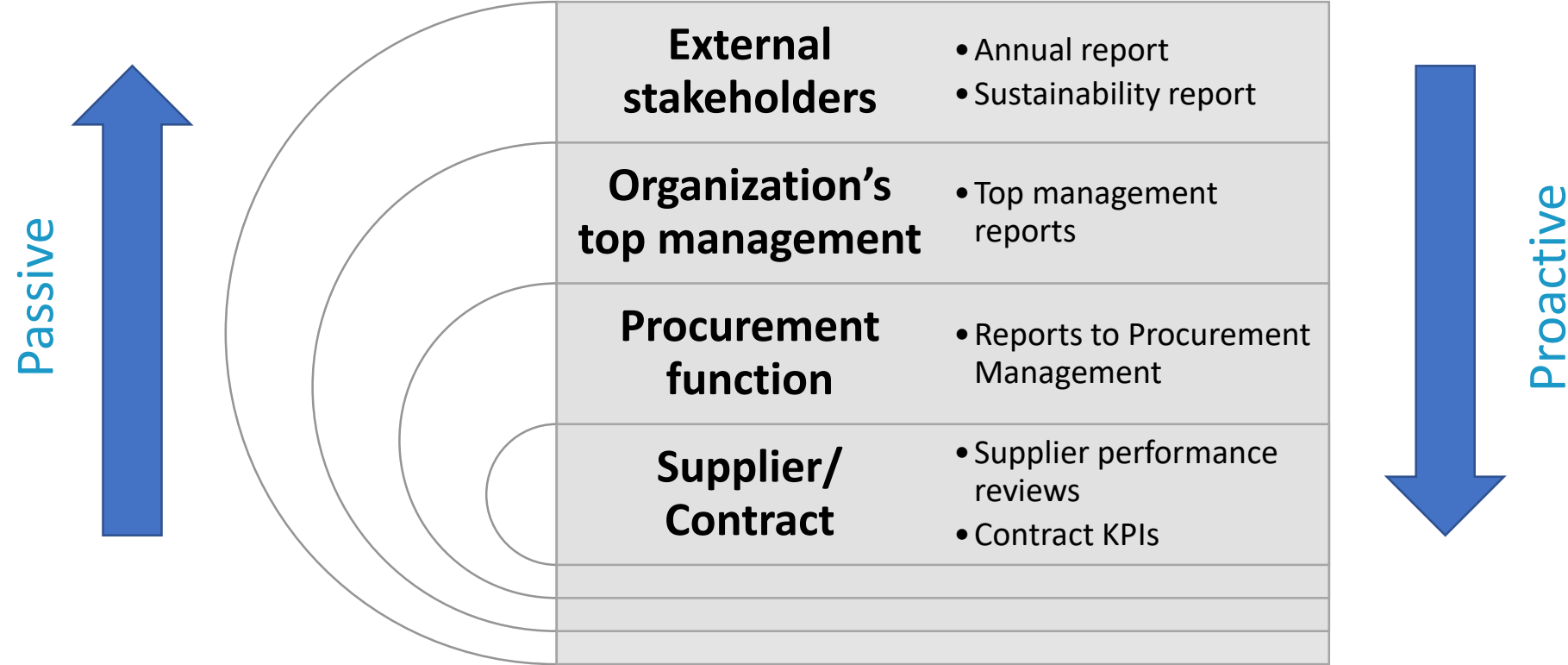
Risk & opportunity analysis

Developing a Priority 'Heat Map'

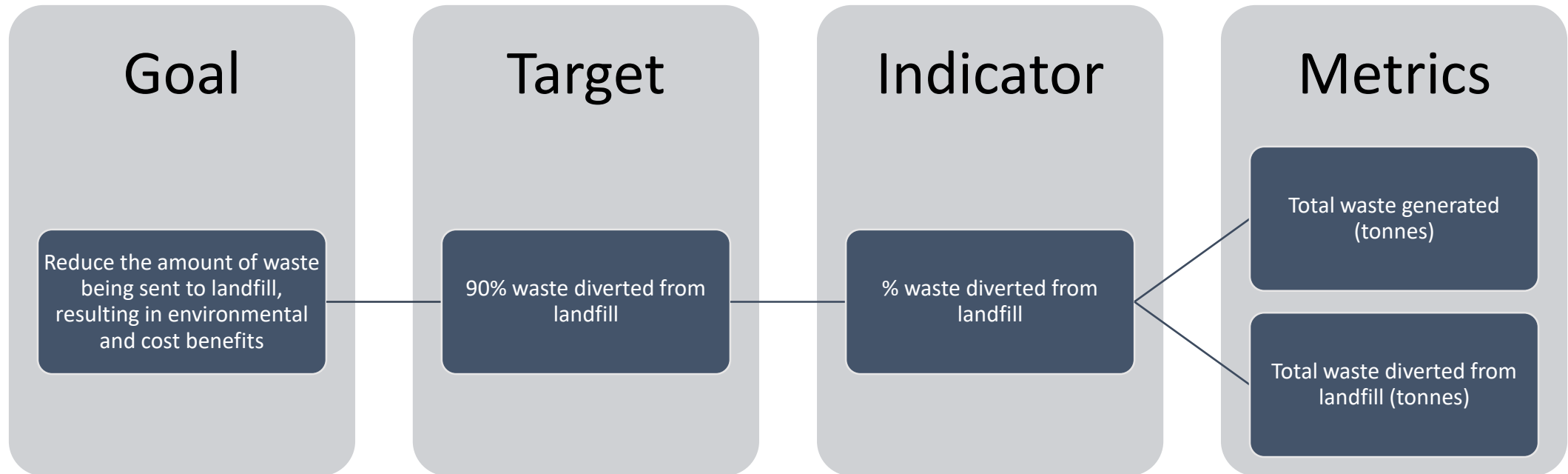


Why Measure?

- ‘Reporting’ v. ‘Performance Management’



Measurement Terminology





Measurement Lessons

- ✓ Be clear and upfront about *units & definitions*. Very difficult and potentially costly to retrospectively correct
- ✓ Commentary is important so that you understand context and go 'beyond the data'
- ✓ Consider qualitative and quantitative data
- ✓ Be clear about the difference between sustainable supply and sustainable supplier
- ✓ Use sub-metrics when you can so that you can understand the information in a different way
- ✓ Try to use standard measures where possible
- ✓ Defining baselines is vital to defining targets
- ✓ No 'one size fits all' approach

GRIEVANCE MECHANISMS

- ✓ Provide Individuals And Organization's Opportunities To Report Unethical Behaviour
- ✓ Mechanisms Should Include Whistleblowing Facilities, Systems To Review Complaints And Opportunities To Provide Compensation Or Support Where Wrong Doing Is Discovered
- ✓ Particularly Important In Order To Comply With The Modern Slavery Act 2015



1. SCOPE

2. NORMATIVE REF.

3. DEFINITIONS

4. FUNDAMENTALS

5. POLICY/STRATEGY

6. ORGANISATION

7. PROCESS



The Wind Mill Checklist



PLAN

- ✓ Needs
- ✓ Risks and Impacts
- ✓ Market
- ✓ Strategy

SOURCE

- ✓ Requirements
- ✓ Supplier Selection
- ✓ Award

MANAGE

- ✓ Transition
- ✓ Contract Management
- ✓ Contract Review



PLAN

- ✓ Needs
 - ✓ Risks and Impacts
 - ✓ Market
 - ✓ Strategy
-
- ✓ Cross-functional Teams To Open Up Ideas
 - ✓ Understanding Demand Both Past And Future
 - ✓ Structured Approach To Challenging What We Really Need
 - ✓ Early Market Engagement To Leverage Suppliers' Creativity
 - ✓ Identify How New Technologies Can Change What We Do
 - ✓ Innovative Sourcing And Contracting Strategies
 - ✓ Focus On Life-cycle Impacts And Costs



SOURCE



- ✓ Requirements
 - ✓ Supplier Selection
 - ✓ Award
-
- ✓ Focus On Life-cycle Impacts And Costs
 - ✓ Agree Your Sourcing Strategy
 - ✓ Define Your Sustainability Criteria
 - ✓ Consider The Nature Of The Sustainability Requirements
 - ✓ Build Sustainability into the Specification/Tender
 - ✓ Evaluate Requirements In Your PQQ's And ITT's
 - ✓ Ensure Contractually Deliverable



MANAGE



- ✓ Transition
 - ✓ Contract Management
 - ✓ Contract Review
-
- ✓ Develop Supplier Relationships
 - ✓ Encourage Innovation And Continuous Improvement
 - ✓ Implement The Contract
 - ✓ Engage Key Stakeholders In Contract Implementation
 - ✓ Manage Supplier Failure
 - ✓ Manage Disposal And End Of Life
 - ✓ Review And Learn

Lunch





Session 2 – Setting Sustainable Procurement Priorities



ISO 20400 reference: clause 6.4 - Setting sustainable procurement priorities

[illegible]

- ✓ In Your Groups Take Your Area Of Spend
- ✓ Complete Your 'Risk And Opportunity Analysis'. Consider Your Company's Policies/Strategy.
- ✓ Consider The Key Challenges Associated With This Activity
- ✓ Be Prepared To Feedback



Feedback

Feedback

Key steps to managing risk/opportunity

Organizational objectives

- Clearly understand your organizational sustainability objectives
- What are the key issues and how do they apply to procurement and your supply chains?

Risk/opportunity assessment

- Understand /map key supply chains and identify the main risks and opportunities
- Understand the size of those risk/opportunities and prioritize them to ensure resources and activity are focussed where most difference can be made

Risk/opportunity implementation

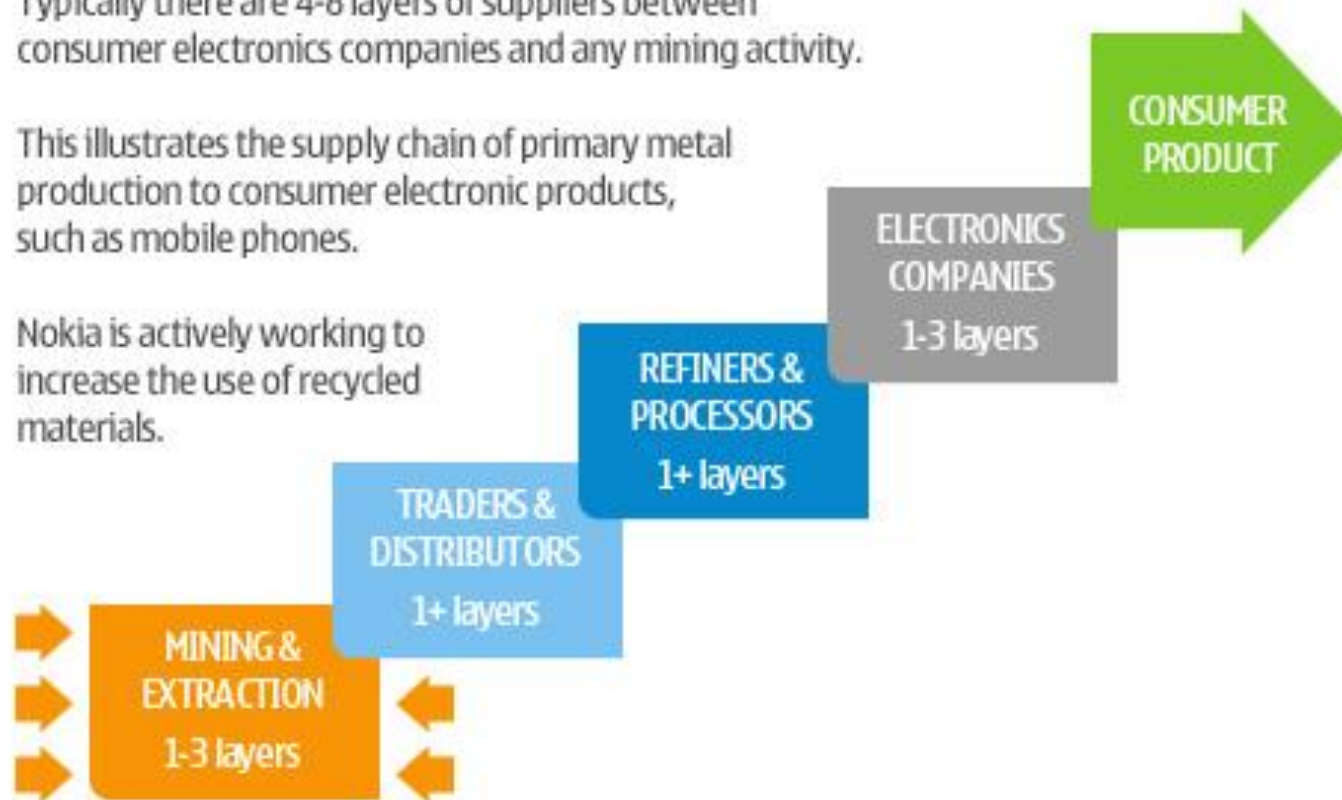
- Work with stakeholders to identify actions to manage or mitigate priority risks/ impacts
- Implement actions and continue to revisit risk assessment to ensure risks are identified as they emerge

Simplified supply chain illustration from mines to consumer electronics

Typically there are 4-8 layers of suppliers between consumer electronics companies and any mining activity.

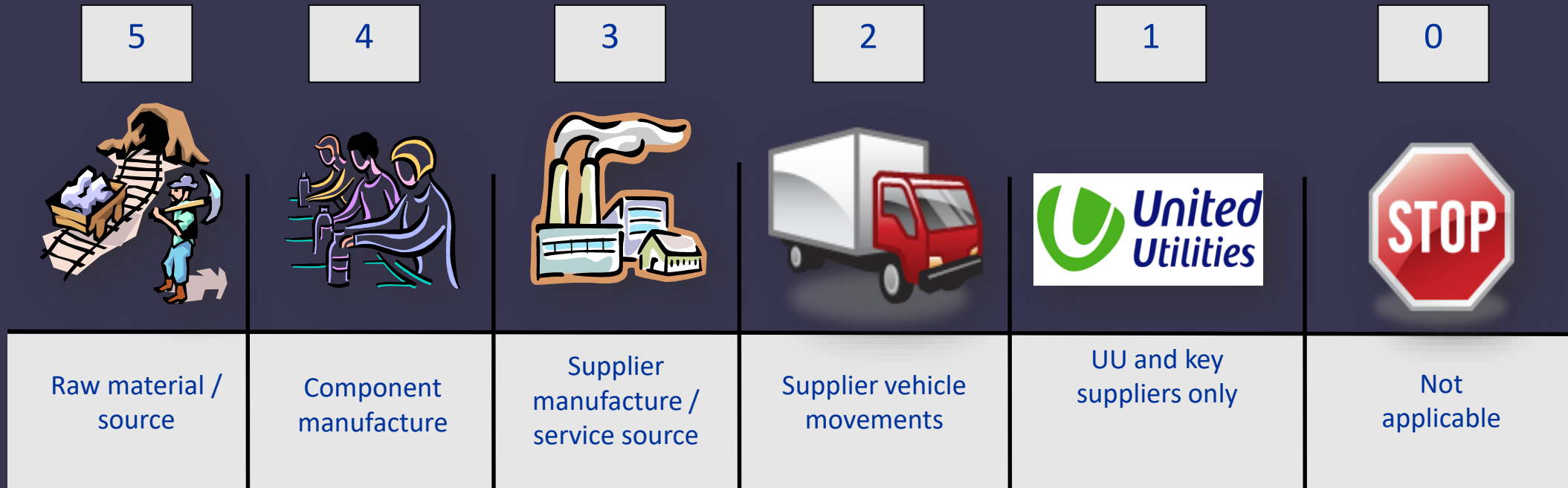
This illustrates the supply chain of primary metal production to consumer electronic products, such as mobile phones.

Nokia is actively working to increase the use of recycled materials.



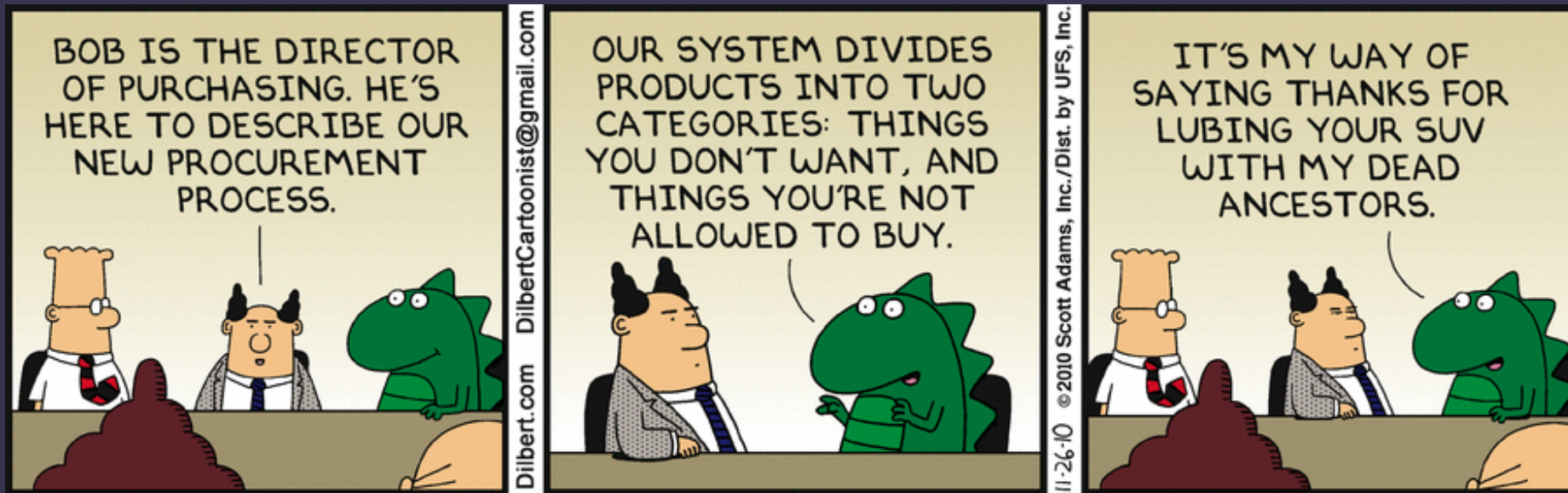
Understand your supply chains

Sustainable Supply Chain Scope





Session 3 – Implement A Strategy



ISO 20400 reference: clause 7.2 - Planning

‘Market Evaluation’ Activity

In Your Groups Take Your Category Of Spend.
Consider:

- ✓ Scope, Relevant Policies/Examples, Regulatory Issues, Relevant Standards, Codes of Practice or the like relating to the (Heat Map) Impacts.
- ✓ Who Are The Key Stakeholders That Require Consultation/Involvement In The Procurement Activity?



Identify the business need

- ✓ Requirement For Goods, Works Or Services
- ✓ Business Issue
- ✓ Strategy Objectives
- ✓ Identify And Challenge Business Requirements
- ✓ Consider Resources
- ✓ Stakeholder Map



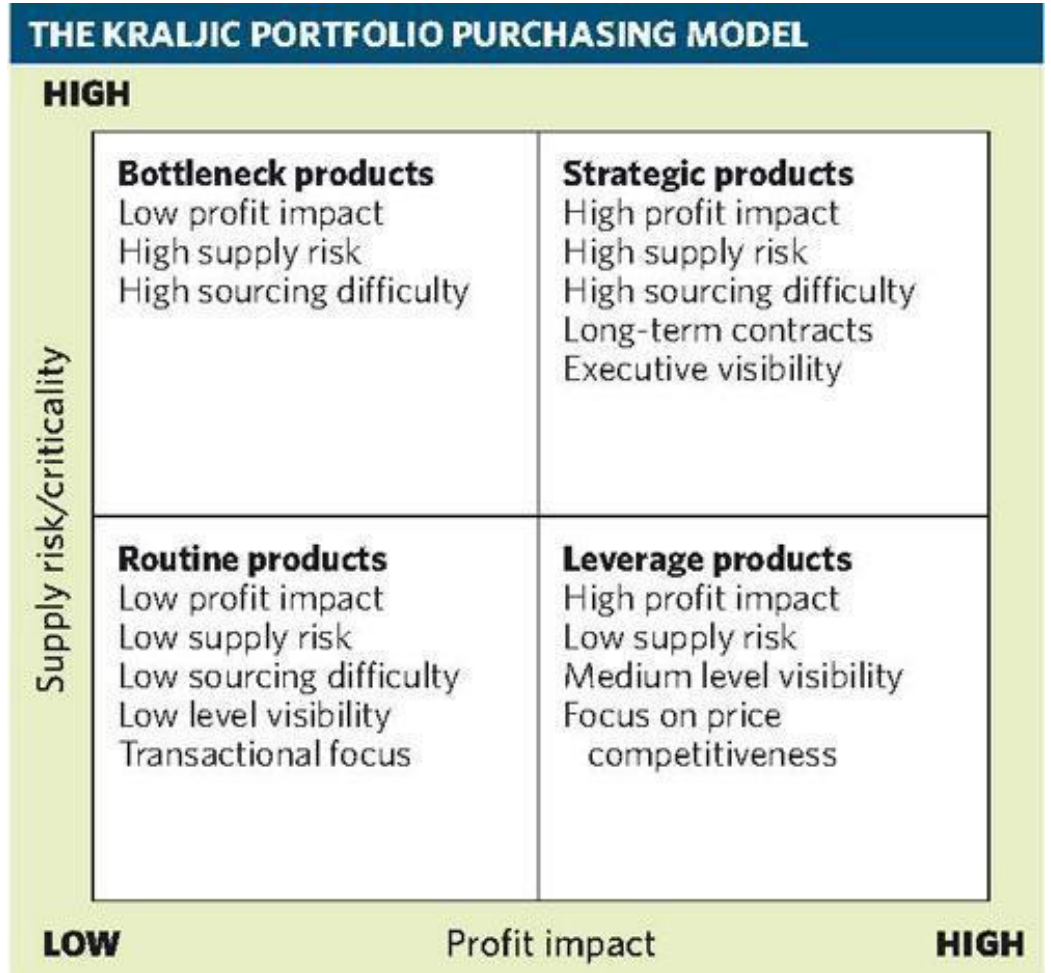
Sourcing strategy

Market Intelligence

- ✓ What Is Available And What Is Possible- Best Practice?
- ✓ Trends And Dynamics
- ✓ Helps Consider All Stages Of Production
- ✓ Understand Supplier Perceptions Of Your Organisation
- ✓ Understand The Need For Innovation

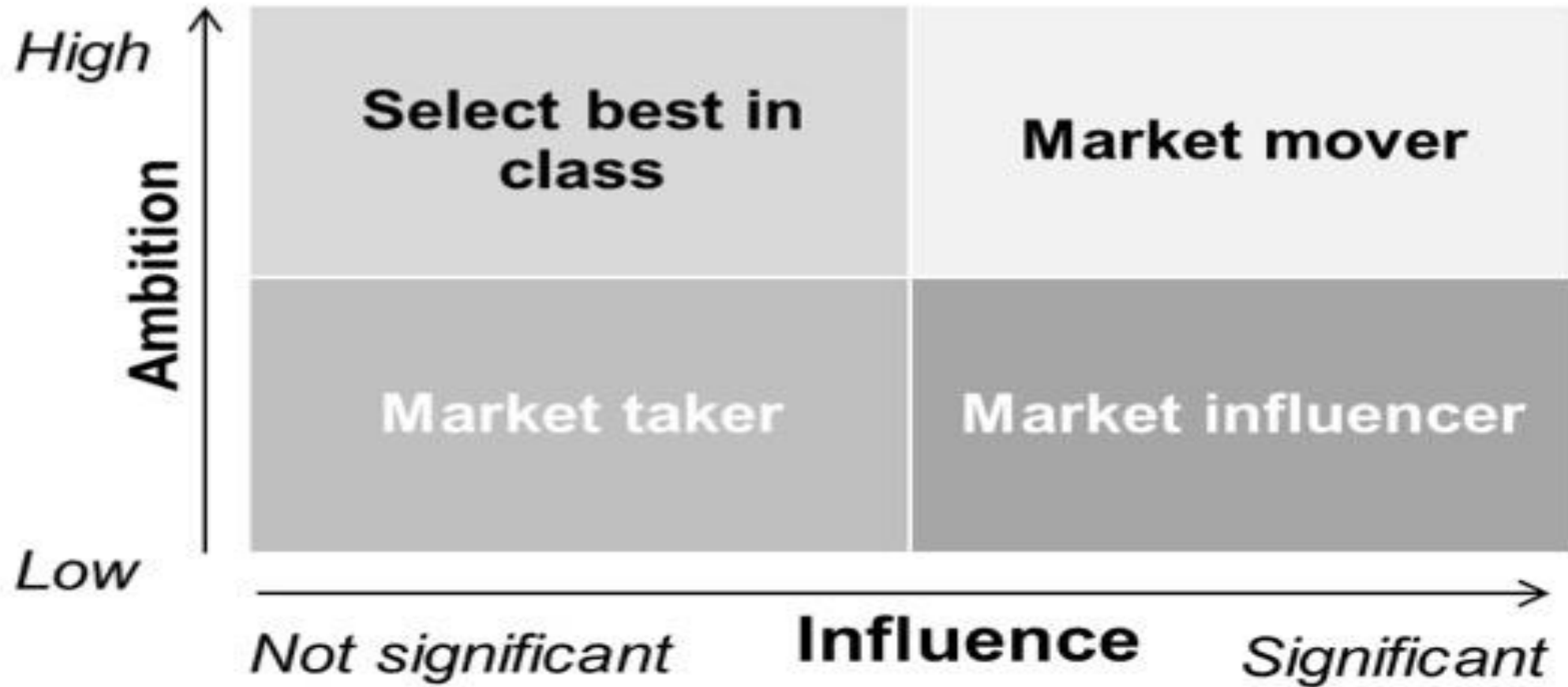
Sourcing tools

- ✓ Lifecycle/Impact Assessment
- ✓ Carbon Measurement
- ✓ RISK AND OPPORTUNITY ASSESSMENT – ‘HEAT MAP’
- ✓ Costing Models
- ✓ Weighted Decision Making
- ✓ Procurement Route



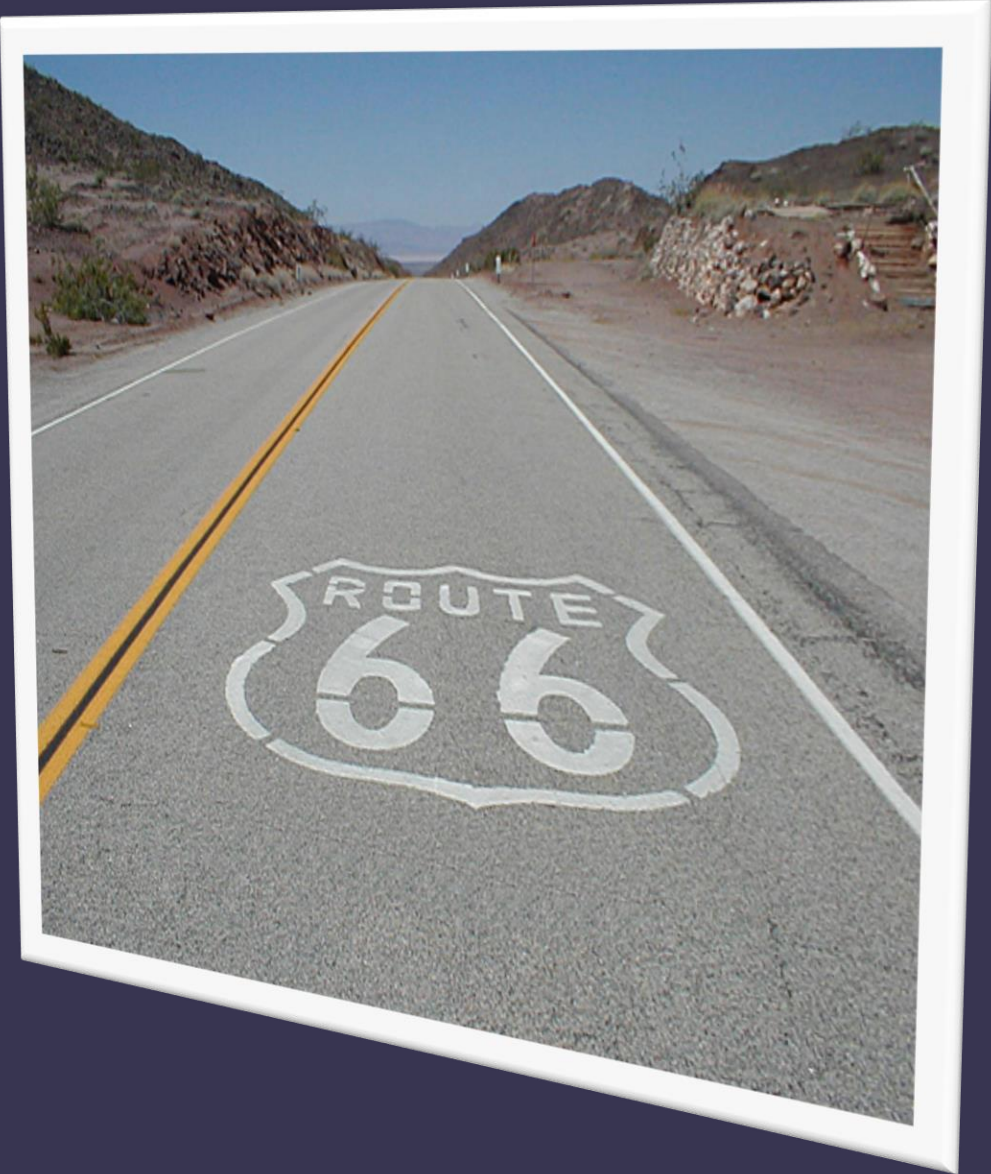
Know and understand your supply chain and where goods and/or services fit in.

[Spend Analysis Model.](#)



Procurement Route

PROCEDURE	DESCRIPTION
Open	All those interested may respond to an advertisement (in the OJEU) by submitting a tender for the contract.
Restricted	A selection is made of those who respond to an advertisement and only they are invited to submit a tender for the contract.
Negotiated	A selection is made of those who respond to an advertisement and the Purchaser enters into dialogue with potential tenderers to develop one or more suitable solutions for its requirements and on which chosen tenderers will be invited to tender
Competitive Dialogue	A selection is made of those who respond to an advertisement and only they are invited to submit an initial tender for the contract. The Purchaser may then open negotiations with the tenderers to seek improved offers.
Innovation Partnership	The Supplier tenders to work with the Purchaser to develop a new 'innovative' product or service.





Procurement techniques

Sustainability requirement decision matrix						
Requirement	Pre-tender		Pre-award		Post-award	
	Specification	Pre-qualification	WLC	Weighted criteria	KPI	Continuous improvement
Recognized minimum standard ^{A)}	✓	✓				
Bespoke minimum standard	✓	✓				
Quantifiable requirement ^{B)}	✓	✓		✓		✓
Requirement can be monetized ^{C)}			✓			
Performance requirement ^{D)}	✓				✓	
Aspirational requirement ^{E)}						✓

^{A)} E.g. Forestry Stewardship Council or Ethical Trading Initiative base code.

^{B)} E.g. Recycled content.

^{C)} E.g. Energy, landfill.

^{D)} E.g. Reducing energy usage through facilities management services.

^{E)} E.g. Embedded impacts.

Prequalification

- ✓ Questionnaires
- ✓ Supplier Site Visits
- ✓ Audits
- ✓ Supplier Presentations
- ✓ Proprietary Industry Databases

Consider:

- ✓ Relevance
- ✓ Depth Of Questioning
- ✓ Risk Associated With Procurement Activity
- ✓ Competence Of Assessors
- ✓ Quantity Of Information Required
- ✓ Method Of Questioning E.G. Closed/Open
- ✓ Industry Minimum Level Of Qualification



Questionnaire-Hints and tips

Remember

- ✓ Keep questions SMART
- ✓ All information must be effective in assessing capability and selecting candidates
- ✓ Avoid jargon-keep it simple
- ✓ Establish 'must have' criteria
- ✓ Publicise requirements
- ✓ Don't re-invent the wheel- use standard questions but tailor as needed
- ✓ Pre-qualification databases can streamline the process but probably will not provide the whole answer

HELPFUL
TIPS



'Prequalification/ ITT Requirements' Activity

- ✓ In Your Groups Take Your Category Of Spend.
- ✓ Develop A Prequalification Document
- ✓ Draft PQQ Questions Relating To The Sustainability Performance Required
- ✓ Draft Some Tender Questions In Order To Address Your Key Sustainability Requirements





Finalise specification

- ✓ 3 Main Types Of Specification
 - ✓ Attribute
 - ✓ Process
 - ✓ Performance/Functional
- ✓ Specification Most Effective Method For Delivering Sustainable Solutions
- ✓ Requirements Must Be Relevant
- ✓ Establish Minimum Acceptable Performance
- ✓ Exclude Undesirable Features
- ✓ Must Satisfy Organisational Objectives
- ✓ Agreed By All Key Stakeholders



Finalise specification

Different specification approaches and example criteria

NOTE This also illustrates how criteria should be linked back to the wider organizational objective such as climate change mitigation

Specification approach	Examples of impact criteria linked to organization objectives		
	Climate change mitigation	Waste reduction	Social risk/benefit
Attribute (Physical features)	Energy efficiency standards for goods (e.g. quick wins, energy star etc.)	Re-useable or recyclable product	Product for disposal for some social gain (e.g. use by a charity)
Process	Standards for embedded energy impacts in manufacture or service provision/construction	Waste targets in manufacturing process or "take back" arrangement at end of life	Materials that are not harmful to health in manufacture (e.g. PVC) or from sources causing social damage (e.g. Coltan)
Performance/Functional	Energy targets for service contracts (e.g. facilities management)	Waste targets for projects (e.g. construction)	Labour requirements for services (e.g. apprenticeships)

GPP – Food Specification

http://www.sustainable-procurement.org/fileadmin/user_upload/layout/homepage/NGO_Network/Ecolabel_documents/EEB_comments_on_GPP_criteria_Food_and_Catering_Services_03.2017.pdf

- 1) Organic Food products (TS1, AC1)
- 2) Marine and aquaculture food products (TS2, AC2)
- 3) Integrated production (TS3, AC3)
- 4) Animal welfare (TS4, AC4)
- 5) Fairly traded products (AC5)
- 6) Sustainable palm oil (AC6)

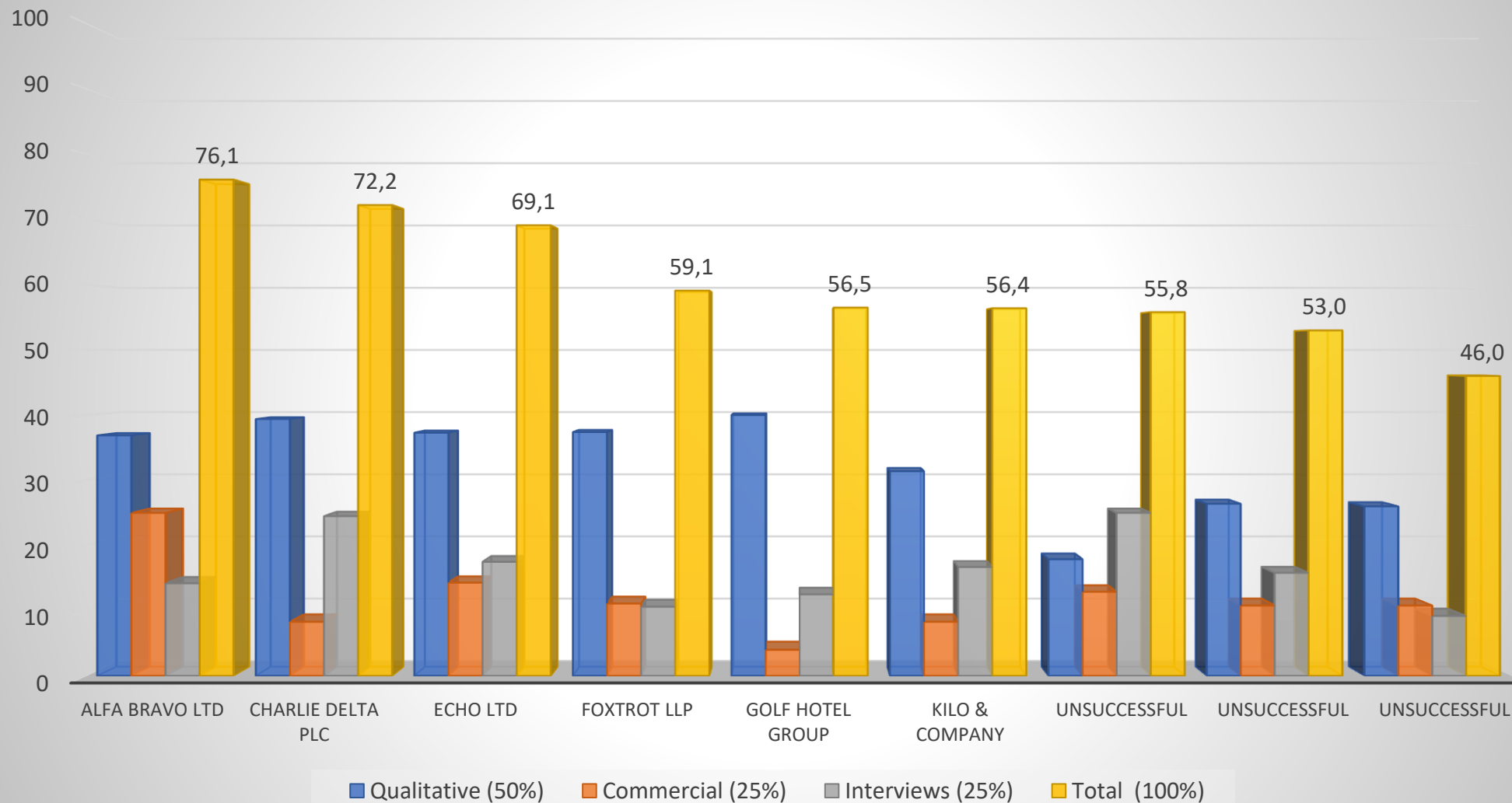


Evaluation considerations

- ✓ Use Predetermined Evaluation Scoring Methodology
- ✓ Specification Captures As Many Sustainability Aspects As Possible
- ✓ Can Be Supported By:
 - ✓ Rewarding Superior Standards And Performance
 - ✓ Qualitative Judgements
 - ✓ Fit For Purpose Assessments
 - ✓ Whole Life Costing
- ✓ Fiscal Evaluation Can Be Supported By:
 - ✓ Supplier Audits
 - ✓ Interviews
 - ✓ Presentations
- ✓ Dependent On Risk, Organisational Priorities And Extent Of Innovation



Evaluate & Award



A 'Balanced' Tender Evaluation

Award considerations

- ✓ Use Agreed Terms And Conditions
- ✓ Ensure Approval From All Internal Stakeholders
- ✓ Inform External Stakeholder Community
- ✓ Promote Sustainability Benefits
- ✓ Tie In With Organisational Priorities
- ✓ Inform Unsuccessful Bidders
- ✓ Finalise Contract Conditions



Manage Performance

- ✓ Balanced Scorecard – Sustainability Being One Key Element
- ✓ Set Continuous Improvement Plans
- ✓ Face To Face
- ✓ Encourage 2 Way Assessment Of Performance
- ✓ Involve All Key Stakeholders
- ✓ Procurement Play A Facilitation Role
- ✓ Positive In Nature:
 - ✓ Foster Relationships
 - ✓ Share Concerns
 - ✓ Gain Market Knowledge
 - ✓ Promote Organisational Goal Awareness



Measurement

Goal

Reduce the amount of waste being sent to landfill, resulting in environmental and cost benefits

Target

90% waste diverted from landfill

Indicator

% waste diverted from landfill

Metrics

Total waste generated (tonnes)

Total waste diverted from landfill (tonnes)

Measurement tips....

- ✓ Consider qualitative and quantitative measures
- ✓ Try to use standard measures where possible
- ✓ Defining baselines is vital to defining targets
- ✓ No 'one size fits all' approach
- ✓ Set measures in context
- ✓ Aim for less than 12 KPIs
- ✓ Aim for a 'balanced' picture
- ✓ Consider reciprocal measures
- ✓ Re-visit measures- they are not set in stone
- ✓ Finally - If they're not meaningful don't bother



Review and Learn

- ✓ Continuous Improvement
- ✓ Market Intelligence
- ✓ Improves Procurement Activity
- ✓ Fosters Stakeholder Relationships
- ✓ Use Existing Review Processes

Consider:

- ✓ Are Sustainability Benefits Being Realised?
- ✓ Were The Correct Stakeholders Involved In The Procurement Activity?
- ✓ Are The Organisational Policies And Strategies Specific Enough And Relevant?
- ✓ Was The Procurement Route The Correct One?
- ✓ What Additional Market Knowledge Is Needed To Improve The Next Tender?



Session 4 – Case Studies



School Meals

Technical Requirements

- ✓ Organic food
- ✓ Seasonality
- ✓ Packaging waste
- ✓ Food waste

Award Criteria

- ✓ Price (30 points)
- ✓ Development of a food plan
- ✓ Guarantees of quality, freshness and continuity in the origin of food (20 points)
- ✓ The measures taken in terms of impact on the environment, health and support staff (10 points)
- ✓ Performance in terms of socio-professional integration of people far from employment (10 points)
- ✓ Suggestions and implications for the planning and organisation of school restaurants, kitchens and service (5 points).
- ✓ Proposals for awareness raising and education in sustainable food and taste (5 points).

Preparation and delivery of healthy and sustainable school meals

City of Ottignies-Louvain-la-Neuve (Belgium)

Background

The [City of Ottignies-Louvain-la-Neuve](#) (OLLN) is a city of around 30,000 people located in the Walloon region of Belgium. It provides 700 meals per day to nine schools in its territory. Since 2010, the City has been implementing a procurement policy focused on offering children quality food, which is seasonal, environmentally friendly and healthy.

At the core of this ambition is the belief that healthy eating should be accessible to everyone, and that sustainable eating habits should be introduced to a growing generation of school children.

Procurement objectives

The current contract for catering services of sustainable school meals in OLLN runs from September 2018 to August 2022. Its objectives include: increasing the awareness and interest in healthy and sustainable food among children (as well as parents and school staff); training people far from employment; and, motivating the market to provide more sustainable food by using the city's purchasing power as leverage. In addition, this procurement has been accompanied by an active approach to reducing food waste, through educating children, monitoring of food waste, and the provision of feedback to the supplier.



http://ec.europa.eu/environment/gpp/pdf/news_alert/Issue_86_Case_Study_166_Ottignies.pdf

Socially Responsible Cleaning

Technical Requirements

- ✓ Cleaning chemicals
- ✓ Hand soap
- ✓ Toilet Paper
- ✓ Garbage bags

Award Criteria:

Quality plan (40 points in total)

Training (25 points)

Training centres (10 points)

Environmental criteria (15 points)

Quality in the provision of services (10 points)

Socially responsible cleaning framework using green cleaning products

Government of Catalonia (Spain)

Background

The [Government of Catalonia](#) is an autonomous government within Spain, responsible for certain legislative and policy areas for the region of Catalonia. Its [Ministry of Territory and Sustainability](#) acts as an expert body for environmental policy and the promotion of green public procurement (GPP).

The Ministry of Territory and Sustainability works closely with the government's Central Purchasing Authority (the Central Supplies Commission of the Ministry of Economy) to incorporate environmental criteria into framework agreements, and since 2005, this cooperation has resulted in most framework agreements of the Catalan Government including environmental criteria, including its framework agreement for cleaning services.



Procurement objectives

The Catalan Government uses GPP to support several strategic policies, including: reducing the negative impacts of production and consumption; ensuring the environmental performance of government actions; promoting eco-innovation and market transformation to transition towards a circular, green and competitive economy; and supporting other policies and instruments pursuing these objectives.

The framework agreement for cleaning services, valid between December 2014 and November 2017, was divided into six territorial lots (Barcelona City Council, the rest of the province of Barcelona, as well as the provinces of Girona, Lleida, Tarragona, and the offices of the Government of Catalonia based in the city of Madrid).

http://ec.europa.eu/environment/gpp/pdf/news_alert/Issue_84_Case_Study_163_Catalonia.pdf

Office Furniture

Design The specifications were developed to ensure key issues for PHW were addressed, that is:

- The need for a design which would meet collaborative workspace requirements.
 - The need to re-use as much of the existing furniture as possible and augment this with pre-owned items, with new furniture being the least favoured option.
- Plans also needed to take into account the sustainability requirements of the Well-being of Future Generations (Wales) Act 2015.

The design brief and specification was orientated around seven key areas: Functionality, Collaboration, Focus, Learning, Socialisation, Departmental Operational Requirement, and Environment.

- ✓ Timber
- ✓ Chemicals
- ✓ Packaging
- ✓ Community Benefits

Reusing and refurbishing furniture in a new office

Public Health Wales (PHW) National Health Service (NHS) Trust, Wales (United Kingdom)

Background

Public Health Wales (PHW) is a statutory body, established in 2009, which aims to improve public health and well-being and reduce health inequalities in Wales. As part of its mission, PHW aims for all of its activities to contribute towards its public health objectives, including procurement of goods and services.

In 2016 the organisation relocated from nine smaller satellite offices to a new larger 4,700m² open-plan office in Cardiff Bay. It decided to use this move as an opportunity to embed the core principles of 'sustainability' and 'maximising public value' in the new office, and created a vision for a space which encouraged collaboration, socialisation, focus and learning.



By embedding these principles, PHW aimed to address numerous challenges, including: achieving cost efficiency in a time of public sector austerity; meeting the legal duties placed on public bodies by the Wellbeing of Future Generations (Wales) WFGA) Act 2015, which requires the adoption of sustainable development as a key tenet; avoiding the disposal of a high volume of items; overcoming staff resistance to open-plan working; and securing value for money while also achieving sustainable procurement outcomes.

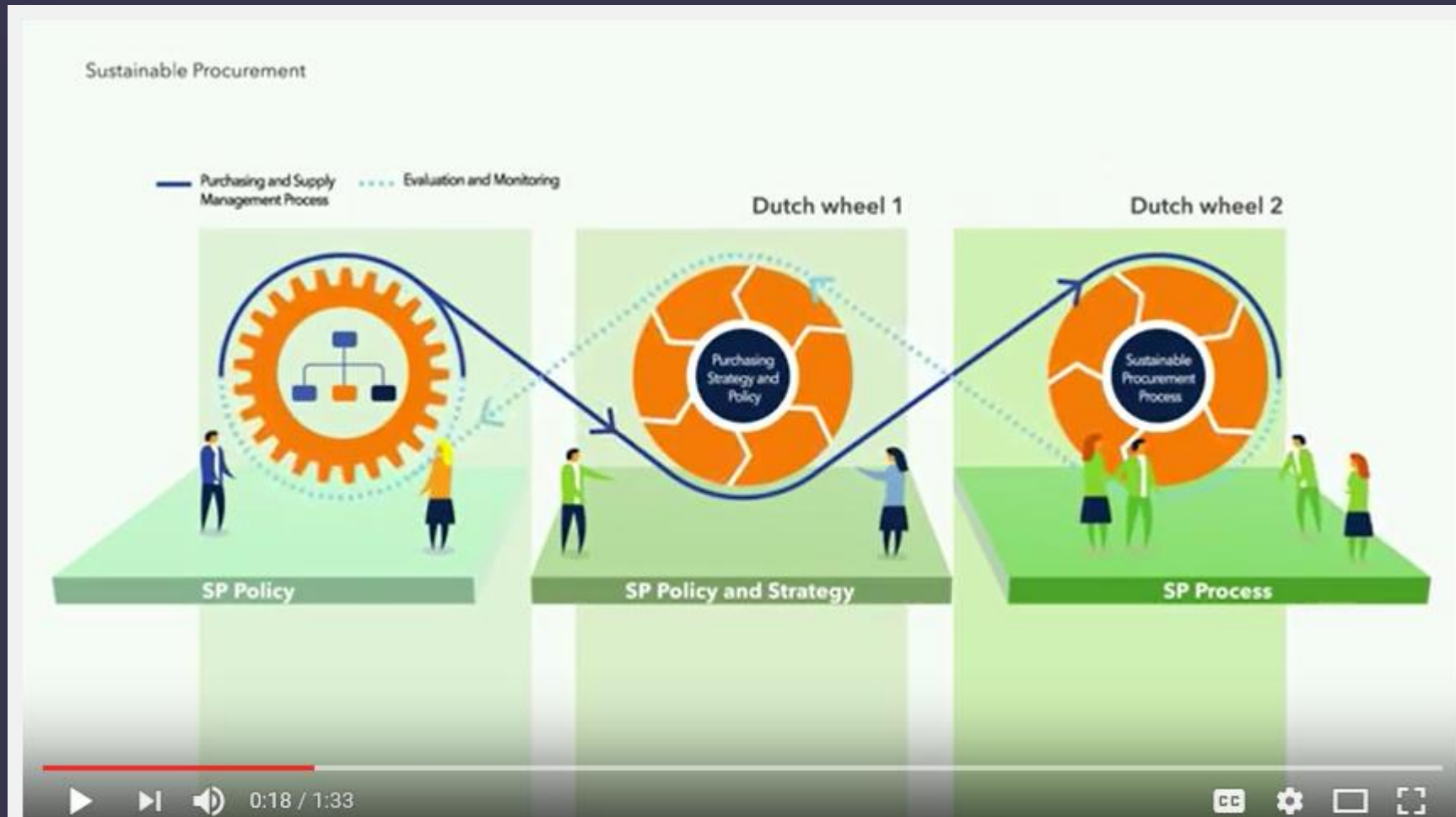
Procurement objectives

http://ec.europa.eu/environment/gpp/pdf/news_alert/Issue77_Case_Study_152_Wales.pdf

Session 5 – ‘Next Steps’



To Summarise....



Progressing Sustainable Procurement within your Organisation

- ✓ What actions – objectives (SMART)
- ✓ What can YOU do?
- ✓ Who else needs to be involved?
- ✓ How will they be involved?
- ✓ What needs to happen next?
- ✓ What difference will it make?



Thank you for your time

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