
To: Procurement Sub Committee

On: 8 June 2016

Report by: The Strategic Commercial and Procurement Manager

Heading: Renfrewshire Council's Sustainable Procurement Strategy

1. Summary

- 1.1. The purpose of this report is to seek approval and inform the Procurement Sub-Committee that as a result of the Statutory Guidance published on 17 March 2016 and Renfrewshire Council's Sustainable Procurement Strategy has been updated.
- 1.2. The Statutory Guidance takes effect on or after 1 June 2016 and supports the Procurement Reform (Scotland) 2014 Act and the wider application of the new procurement legislation in Scotland. Renfrewshire Council as a contracting authority must have regard to the Statutory Guidance when undertaking regulated procurements commencing on or after 1 June 2016.
- 1.3. Renfrewshire Council as contracting authority must have regard to Statutory Guidance when undertaking regulated procurements in order to improve the social, environmental, economic wellbeing of the area. As well as reducing inequality and facilitating the involvement of SMEs, third sector bodies, supported businesses and promote innovation.
- 1.4. Renfrewshire Council as a contracting authority continues to achieve sustainable procurement with the use of the standard procurement tools which are embedded as part of the development of contract strategy. This approach continues to ensure that spending decisions are based on sustainable choices by actively considering social, economic and environmental impacts.

2. Recommendations

- 2.1. It is recommended that the Procurement Sub Committee:
 - 2.1.1. Approve the Sustainable Procurement Strategy 2016- 2018 attached as Appendix 1.
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3. Background

- 3.1. Renfrewshire Council remains committed to making every effort to minimise its reliance on non-renewable resources and make resource efficiency a core requirement of all its operations. The Council actively promotes and facilitate the

reduction, re-use and recycling of waste; energy management; energy efficiency and the development and use of renewable energy resources whose long-term security is assured. During 2010 Renfrewshire Council demonstrated its commitment with the publication of the Corporate Social Responsibility Policy

- 3.2. To achieve compliance with the sustainable procurement duty Renfrewshire Council's procurement activities actively consider social, economic and environmental impacts with the aid of the standard tools namely, Sustainable Public Procurement Prioritisation Tool, Sustainability Test, Life Cycle Impact Mapping and the Scottish Flexible Framework.
- 3.3. Creating a sustainable Renfrewshire is a key strategic priority set out in Renfrewshire Council's Plan, 'A Better Future, A Better Council' which is aligned to the 'Community Plan/Single Outcome Agreement contributing to the National Outcomes. Reducing carbon emission set out in the Council's Carbon Management Plan and as a active partner in the Clyde Valley Residual Waste initiative making significant contribution to Scotland's Zero Waste Plan.
- 3.4 The sustainable procurement duty may support compliance with other legislation that place specific requirements on Renfrewshire Council as a contracting authority relevant to procurement activities. In particular Equality Act 2010, The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012, the Climate Change (Scotland) Act 2009 and The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015.

Implications of the Report

1. **Financial** – None
2. **HR & Organisational Development** – None
3. **Community Planning** – Sustainable procurement contributes to the National Outcomes identified in Renfrewshire's Community Plan/SOA.
4. **Legal** – Renfrewshire Council as a contracting authority must give regard to the Statutory Guidance published on 17 March 2016 and supports the Procurement Reform (Scotland) 2014 Act and the wider application of the new procurement legislation in Scotland.
5. **Property Assets** – None.
6. **Information Technology** – None.
7. **Equality & Human Rights**
The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because the approach adopted to achieve sustainable procurement is aligned to ensuring compliance with the procurement fundamental principles of transparency, equal treatment and non-discrimination, proportionality and mutual recognition.

8. **Health & Safety** – None.
 9. **Procurement** – The requirements of the statutory guidance will be incorporated within the procurement procedures that enable actively considering social, economic and environmental impacts with the aid of the standard tools namely, Sustainable Public Procurement Prioritisation Tool, Sustainability Test, Life Cycle Impact Mapping and the Scottish Flexible Framework.
 10. **Risk** – None.
 11. **Privacy Impact** – None.
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List of background papers

- (a) Scottish Government's – Guidance under the Procurement Reform (Scotland) Act 2014.
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Renfrewshire Council

Sustainable Procurement Strategy 2016 - 2018



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Foreword

This Sustainable Procurement Strategy has been prepared to support the aims of sustainable procurement of making best use of public money. This Strategy will contribute towards the Scottish government's goals aligned to the National Outcomes and Renfrewshire Council's vision for a 'fair and inclusive place where all our people, communities and business thrive'.

Renfrewshire Council as a contracting authority will continue to ensure that the procurement process and activities meet the requirements of the sustainable procurement duty to improve the social, environmental and economic wellbeing of the area, focussing on reducing inequality. As well as facilitate the involvement of SMEs, third sector bodies and supported businesses and promote innovation.

As part of the commitment to continuous improvement Renfrewshire Council will actively incorporate the need to promote innovation. In order to identify and optimise economic, social and environmental outcomes from the Council's procurement activities the standard tool utilised to support compliance with the Sustainable Procurement Duty.

Signature

Name

Title

Date



Introduction

Renfrewshire Council spends around £200 million a year on a diverse range of goods, works and services. The Council is a major procurer of ICT supplies and services, food, paper, furniture, energy, cleaning equipment, services, healthcare, construction and vehicles etc. The approach taken to this spending has a significant impact on the community and the Council's resources. Everything procured, from stationery to waste management services has an impact on the environment and the society, and therefore the Corporate Procurement Unit is well placed to make positive contributions to sustainable development through its procurement decisions, with sustainability being considered in the development of all Contract(s) Strategies.

Statutory Requirements

Renfrewshire Council as a contracting authority must have regard to the Statutory Guidance to ensure compliance with the sustainable procurement duty under section 8 (2) of the Act relevant to regulated procurements which commence on or after 1 June 2016. The application of the sustainable procurement duty to all regulated procurement is to be proportionate.

Compliance with the sustainable procurement duty may support compliance with other legislation that place specific requirements on Renfrewshire Council as a contracting authority relevant to procurement activities. In particular Equality Act 2010, The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012, the Climate Change (Scotland) Act 2009 and The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015.

Statutory Definition of Sustainable Procurement

The sustainable procurement duty is defined in section 9 of the Act as follows;

- “(1) For the purposes of this Act, the sustainable procurement duty is the duty of a contracting authority;
- (a) Before carrying out a regulated procurement, to consider how in conducting the procurement process it can;
 - (i) Improve the economic, social and environmental wellbeing of the authority's area,
 - (ii) Facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses in the process, and
 - (iii) Promote innovation and
 - (b) In carrying out the procurement, to act with a view to securing such improvements identified as a result of paragraph (a)(i).
- (2) The contracting authority must consider under subsection (1) only matters that are relevant to what is proposed to be procured and, in doing so, consider the extent to which it is proportionate in all the circumstances to take those matters into account.



Renfrewshire Council's Commitment

Renfrewshire Council remains committed to making every effort to minimise its reliance on non-renewable resources and make resource efficiency a core requirement of all its operations where possible. In particular and where practicable the Council will promote and facilitate the reduction, re-use and recycling of waste; promote responsible energy management; practice energy efficiency and support the development and use of renewable energy resources whose long-term security is assured. As a major procurer of goods and services the Council has a significant impact on both the local and wider environment and it is the Council's responsibility to implement appropriate controls and policies to ensure that negative impacts on the environment are kept to a minimum. During 2010 Renfrewshire Council demonstrated its commitment with the publication of the Corporate Social Responsibility Policy.

Creating a sustainable Renfrewshire is a key strategic priority set out in Renfrewshire Council's Plan, 'A Better Future, A Better Council' which is aligned to the 'Community Plan/Single Outcome Agreement. As well as Procurement Strategy and Service plans which detail the activity that will be undertaken to contributing towards the Council's commitment to achieving sustainability. Community benefits are a key element of sustainable procurement duty which is also considered within Renfrewshire Council's Community Benefit Strategy 2016-2018.

Renfrewshire Council is determined to play a key role in the sustainability agenda by reducing carbon emission from Council buildings, fleet, waste, street lighting and employee travel. This will be achieved from the targets set out in the Council's Carbon Management Plan. A key commitment is to replace all street lights within Renfrewshire with LED lanterns which use 60% less energy. To support the reduction in carbon emissions the Council's fleet will be made up of more electric and other alternative fuel vehicles.

A significant contribution is being made towards the delivery of Scotland's Zero Waste Plan. A range of measures are in place to encourage residents to minimise and recycle waste. This includes being an active partner in the Clyde Valley Residual Waste Initiative for the treatment and disposal of residual waste as a significant contribution to complying with the Zero Waste Plan.

As a contracting authority Renfrewshire Council will ensure that where it is practical organic and fair trade food and drinks will be purchased. As well as ensure that goods purchased by the Council are derived from natural sources and do not have an adverse effect on the environment and comply with the European Union and international trading rules.



Achieving Sustainable Procurement

Sustainable procurement is an integral part of the procurement process and is embedded as part of the development of a Contract Strategy. This approach has been adopted to ensure that spending decisions are based on sustainable choices by actively considering social, economic and environmental impacts.

To ensure compliance with the sustainable procurement duty Renfrewshire Council's procurement activities includes utilising the four standard tools detailed below.

Sustainable Public Procurement Prioritisation Tool

In order to understand the spend categories across the whole of Council the Corporate Procurement Unit has adopted the use of the Sustainable Public Procurement Prioritisation Tool (SPPPT) as a standard structured approach to;

- Prioritise categories/sub-categories according to sustainability risks and opportunities and actions;
- Develop a better understanding of the categories where particular risks and opportunities are relevant;
- Identify how category strategies may seek to mitigate relevant risks or capture opportunities;
- Highlight a relevant focus on market engagement;
- Support the development of contracts and frameworks, through the sustainability test; and
- Ensure that category strategies and contract requirements are evidence based. .

The results of the assessment are being used to understand where resources need to be focussed that enable generating benefits such as financial savings, reduce emissions and waste, community benefits and identifying areas for innovation.

The Sustainability Test

The sustainability test is currently embedded in the contract strategy template used for individual procurements at a contract level. The sustainability test is enabling the application of a lighter touch assessment to identify risks and opportunities relevant to individual procurements.

Life Cycle Impact Mapping

Renfrewshire Council's procurement processes has adopted the life cycle mapping approach to consider the risks and opportunities for raw materials, manufacturing and logistics, use and disposal or end of life management. The standard and consistent approach supports the identification of economic, social and environmental impacts at each stage in the product or service and address that are then addressed as part of the contract strategy development process.



Scottish Flexible Framework

As part of the continuous improvement commitment Renfrewshire Council's Corporate Procurement Unit utilises the Flexible Framework to self-assess the current level of performance and the actions required to improve key areas of the procurement activity. The improvement actions identified from the self-assessment continue to be implemented to ensure that good procurement practice is embedded to realise sustainable outcomes across the key elements of the procurement activity as follows;

- People,
- Objectives, strategy and communication
- Procurement process
- Engaging stakeholders and
- Monitoring and reporting

Considering economic wellbeing

Renfrewshire Council is committed to facilitating the involvement of small and medium enterprises (SMEs), Third sector bodies and supported businesses in line with the fundamental principles of equal treatment and proportionality. In order to ensure that the costs associated with submitting a tender are kept to a minimum and barriers to participation by small firms, self-employed and the third sector are removed.

To ensure transparency, simplicity of processes of Renfrewshire Council's procurement processes the Corporate Procurement Unit engages and works with Engage Renfrewshire the Third sector interface and as a member of the Ready for Business Community Benefits Champions Network. Renfrewshire Council has also established a Community Benefit Forum, accessing Renfrewshire Council's contracting opportunities as part of the supplier development is a key agenda item. Sustainable procurement is actively promoted and articulated across the diverse supply chain partners.

Continuous improvement and Reporting

As a contracting authority we will improve the procurement processes by actively applying and monitoring the use of the standard procurement tools to ensure that good procurement practice is embedded to achieve sustainable outcomes.

We will utilise the Prioritisation tool on an annual basis to inform Procurement Strategy, individual commodity strategies and to prioritise a forward plan to help inform subsequent strategies.

Build on what has been achieved by working in partnership with private, public and voluntary sector organisations and commercial operators to support facilitating access to Renfrewshire Council's contract opportunities by SMEs, Third sector organisations and supported businesses.

Progress on sustainable procurement will be reported as an integral part of the annual Procurement Strategy progress report.