

## APPENDIX 6

### SUSTAINABLE PROCUREMENT POLICY

**Sustainable Procurement is a process whereby organisations meet their 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 to society and the economy, whilst minimising damage to the environment.**

The Council recognises it has a vital role in furthering sustainable development, through its procurement of buildings, goods, works and services. Procurement decisions have a major socio-economic and environmental implication, both locally and globally, now and for future generations. The Council will therefore strive to:

#### **People, Education and Awareness**

- Educate, train and encourage internal purchasers to review their procurement spend with a goal of reduced usage and adopting more environmentally friendly alternative products
- Communicate the sustainable procurement policy to all staff, suppliers and stakeholders

#### **Policy, Strategy & Communication**

- Consider the costs and benefits of environmentally preferable good/services as alternatives
- Investigate the impact of the Council's expenditure on goods and services to identify potential environmental impacts
- Investigate opportunities for the recycling and re-use of materials where appropriate
- Assess the environmental and corporate risks to the organisation with a commitment to continually improving sustainable performance related to the supply chain
- Work with our key partners and suppliers to improve sustainable procurement

#### **Procurement Process**

- Promote best practice for sustainable procurement
- Ensure that where appropriate, suppliers' environmental credentials are, as far as legally practicable considered in the supplier evaluation process and that environmental criteria are used in the award of contracts
- Ensure that consideration is given to inclusion, within all specification, of a facility for suppliers to submit offers for environmentally friendly alternatives
- Specify, wherever possible and practicable, the use of environmentally friendly goods

#### **Engaging Suppliers**

- Educate our suppliers regarding the Council's environmental and sustainability objectives
- Encourage and persuade suppliers to adopt environmentally friendly processes and supply environmentally friendly goods/services
- Address barriers to entry in order that Small and Medium Sized Enterprises (SMEs), local suppliers and the third sector are encouraged to bid for the Council's business
- Work with key suppliers to make changes and thereby extend sustainability improvements throughout the supply chain

#### **Measurements and Results**

- Comply with all relevant environmental legislation
- Reach level 3 of the National Action Plan Flexible Framework by 2009
- Reach Level 5 of the National Action Plan Flexible Framework by 2011

This procurement policy has a vital role to play in achieving the council's climate Change Strategy objectives. A detailed Action Plan setting out how we will achieve the policy objectives is now in place and will be closely monitored in the coming years against the Flexible Framework.

**CHORLEY COUNCIL  
FLEXIBLE FRAMEWORK FOR SUSTAINABLE PROCUREMENT DEVELOPMENT**

<b>Flexible Framework</b>	<b>Foundation Level 1</b>	<b>Action Planned</b>	<b>By When</b>	<b>By Whom</b>	<b>Progress at March 2008</b>
<b>People</b>	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.	<p>Identify Champions.</p> <p>Provide training in sustainable procurement</p> <p>Include sustainable procurement principles in key employee induction programme</p>	<p>Feb 2008</p> <p>July 2007 and ongoing</p> <p>May 08</p>	<p>JD/JH</p> <p>JD/JH</p> <p>JD/LC</p>	<p>Champions indentified as Cllr Cullens and Gary Hall</p> <p>Procurement training programme delivered during July 2007. Key corporate staff have also attended external, appropriate training events.</p> <p>Sustainable procurement policy forwarded to Director of HR for inclusion in key employee induction packs with reference to staff guidance on the Loop.</p>
<b>Policy, Strategy &amp; Communications</b>	Agree overarching sustainability objectives. Simple sustainable procurement policy in place endorsed by CEO. Communication to staff and key suppliers.	<p>Sustainable procurement policy to be prepared.</p> <p>Forward draft sustainable procurement policy to key partners and suppliers for comment.</p> <p>Incorporate Sustainability principles in the Council's Framework</p>	<p>March 2008</p> <p>April 2008</p> <p>May 2008</p>	<p>JD/JH</p> <p>JH/EE</p> <p>JH</p>	<p>Draft policy now internally approved. Formal ratification planned for May 2008, as part of the Council's Corporate Climate Change Strategy.</p> <p>Incorporated in draft for approval at May Executive Cabinet.</p>

Flexible Framework	Foundation Level 1	Action Planned	By When	By Whom	Progress at March 2008
		for Partnership Working and Contract Procedure Rules.			
<b>Procurement Process</b>	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	<p>Undertake expenditure analysis.</p> <p>Include sustainability criteria in key contracts.</p> <p>Award contracts on the basis of whole life costs.</p> <p>Identify and adopt quick wins.</p>	<p><u>March 2008</u></p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>	<p>JH/EE</p> <p>Key Procurement Officers/JH</p> <p>Key Procurement Officers/JH</p> <p>Key Procurement Officers/JH</p>	<p>Expenditure Analysis completed March 2008.</p> <p>All new key contracts now include sustainability criteria.</p> <p>Policy of awarding contracts on the basis of whole life cost well established and embedded throughout the council.</p> <p>Meetings held with Directors to discuss sustainable procurement issues. Corporate list of good practice including quick wins maintained and posted on the Loop.</p>
<b>Engaging Suppliers</b>	Key suppliers spend analysis undertaken and high sustainability impact suppliers targeted for engagement and views on procurement policy sought	<p>Forward draft sustainable procurement policy to key partners and suppliers for comment.</p> <p>Incorporate Sustainability principles in the Council's Framework for Partnership Working and Contract Procedure Rules.</p>	<p>April 2008</p> <p>May 2008</p>	<p>JH/EE</p> <p>JH</p>	<p>Incorporated in draft for approval at May Executive Cabinet.</p>

<b>Flexible Framework</b>	<b>Foundation Level 1</b>	<b>Action Planned</b>	<b>By When</b>	<b>By Whom</b>	<b>Progress at March 2008</b>
<b>Measurements &amp; Results</b>	Key sustainability impacts of procurement activity have been identified	Sustainability impacts including major environmental, economic and social are evaluated at the start of any major procurement exercise.	Ongoing	All key procurement officers/JH	Good progress has already been made, for example , the Sustainable Resources Development Plan sets stringent standards for new developments, the Council's waste services deliver top performing recycling rates and a key priority in the procurement of the Council's Property Services contract is the delivery and implementation of an effective and sustainable energy management plan.

**CHORLEY COUNCIL  
FLEXIBLE FRAMEWORK FOR SUSTAINABLE PROCUREMENT DEVELOPMENT**

<b>Flexible Framework</b>	<b>Embed Level 2</b>	<b>Action Planned</b>	<b>By When</b>	<b>By Whom</b>	<b>Progress at March 2009</b>
<b>People</b>	All procurement staff have received basic training in sustainable procurement principles. Key staff have received advanced training on sustainable procurement principles	<p>Provide training in sustainable procurement</p> <p>Documented staff guidance encapsulating key sustainable procurement principles to be produced and issued to all procurement staff and published on the Loop.</p> <p>Include sustainable procurement principles in key employee induction programme</p>	<p>July 2007 and ongoing</p> <p>July 08</p> <p>May 08</p>	<p>JD/JH</p> <p>JH</p> <p>JD/LC</p>	<p>Procurement training programme delivered during July 2007. Key corporate staff have also attended external, appropriate training events.</p> <p>Some sustainable procurement guidance already incorporated in main staff guidance doc.</p> <p>Sustainable procurement policy forwarded to Director of HR for inclusion in key employee induction packs with reference to staff guidance on the Loop.</p>
<b>Policy, Strategy &amp; Communications</b>	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	Sustainable procurement policy key part of the climate change strategy due to be approved in May 08. Key partners and suppliers to be consulted at draft stage to capture supplier	<p>May 08</p> <p>April 08</p>	<p><u>JD/LN</u></p> <p>JH</p>	

<b>Flexible Framework</b>	<b>Embed Level 2</b>	<b>Action Planned</b>	<b>By When</b>	<b>By Whom</b>	<b>Progress at March 2009</b>
		<p>feedback prior to policy approval.</p> <p>Sustainable principles also to be included in the framework for partnership working which will also be issued for key partner consultation.</p>	April 08	JH	
<b>Procurement Process</b>	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.	<p>Undertake detailed expenditure analysis including sustainability risk assessment.</p> <p>Consider sustainability at an early stage in the procurement process in key, appropriate contracts.</p> <p>Adopt whole life cost analysis.</p>	<p>May 08</p> <p>Ongoing</p>	<p>JH/EE</p> <p>All procurement officers/ JH/EE</p>	<p>In progress</p> <p>Sustainability is now a key factor in all key, appropriate contracts.</p> <p>Whole life costing is embedded as part of good procurement practice across the organisation.</p>
<b>Engaging Suppliers</b>	Detailed supplier spend analysis undertaken. General programme of supplier engagement initiated, with senior manager involvement	Commence programme of supplier engagement.	April 08	JH/Key Senior Managers	Preparatory work underway to consult with key partners and suppliers in April 08.

<b>Flexible Framework</b>	<b>Embed Level 2</b>	<b>Action Planned</b>	<b>By When</b>	<b>By Whom</b>	<b>Progress at March 2009</b>
<b>Measurements &amp; Results</b>	Detailed appraisal of the sustainability impacts of the procurement activity has been undertaken. Measures implemented to manage the identified high risk impact areas	Compile a corporate wide list of effective sustainable procurement practice. Identify impacts in conjunction with relevant procurement officers.	June 08	EE	Preparatory work underway through consultation with all Directorates.

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FLEXIBLE FRAMEWORK FOR SUSTAINABLE PROCUREMENT DEVELOPMENT**

<b>Flexible Framework</b>	<b>Practice Level 3</b>	<b>Action Planned</b>	<b>By When</b>	<b>By Whom</b>	<b>Progress at March 2009</b>
<b>People</b>	Target refresher training on latest sustainable procurement principles. Performance objectives and appraisal include sustainable procurement factors. Simple incentive programme in place	Implement refresher training in sustainable procurement principles.  Liaise with D of HR to ensure that sustainable procurement principles are incorporated within the performance management framework.	March 09  April 08  Sept 08	JH/EE  JD/LC  LC	
<b>Policy, Strategy &amp; Communications</b>	Augment the sustainable procurement policy into a strategy covering risk process integration, marketing, supplier engagement, measurement and a review process. Strategy endorsed by CEO	Augment principles and requirements of the sustainable procurement policy into the Procurement Strategy during the 2009 Strategy refresh.  Ensure Strategy endorsed by CEO	July 09  July 09	JD/JH  JD	Current Procurement Strategy expires July 2009 and preparatory work is now underway for a strategy refresh taking account of the new shared services arrangement with SRBC and capturing all of the sustainability principles identified.
<b>Procurement Process</b>	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	Assess all contracts for general sustainability risks and identify management actions.  Manage sustainability risks throughout the procurement process.	March 09	All Procurement officers/ JH/EE  All Procurement officers/ JH/EE	



Flexible Framework	Practice Level 3	Action Planned	By When	By Whom	Progress at March 2009
		Agree targets to improve sustainability with key suppliers.		All Procurement officers/ JH/EE	Recycling targets included in Household Refuse and Recycling Collection contract. Requirement for Property partner to monitor and manage energy efficiency in council buildings and to produce and implement energy management plan. Draft energy management plan received.
<b>Engaging Suppliers</b>	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	Adopt supplier engagement programme with targeted suppliers promoting continual sustainability improvement.  Incorporate incentive scheme into key relevant contracts with two way communication.  Map supply chains for key spend area.	March 09  March 09  March 09	All Procurement officers/ JH/EE  All Procurement officers/ JH/EE	Preparatory work underway to consult and engage with key suppliers and partners in April 08 which will help to inform and set the standards and targets for promoting continual sustainability improvement.  Incentive schemes are now incorporated into relevant key procurements eg property services partnership.
<b>Measurements &amp; Results</b>	Sustainability measures refined from general departmental measures to include individual procurers and are linked to development objectives	Liaise with D of HR to ensure that sustainable procurement principles are incorporated within the performance management framework and that sustainability measures	<u>April 08</u>  Sept 08	<u>JD/LC</u>  LC	

<b>Flexible Framework</b>	<b>Practice Level 3</b>	<b>Action Planned</b>	<b>By When</b>	<b>By Whom</b>	<b>Progress at March 2009</b>
		are linked to the development objectives for individual procurers.			

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FLEXIBLE FRAMEWORK FOR SUSTAINABLE PROCUREMENT DEVELOPMENT**

<b>Flexible Framework</b>	<b>Enhance Level 4</b>	<b>Action Planned</b>	<b>By When</b>	<b>By Whom</b>	<b>Progress at March 2009</b>
<b>People</b>	Sustainable procurement included in competencies and selection criteria. Sustainable procurement is included as part of employee induction programme	Liaise with HR to determine how to integrate to employee induction	May 08	JD/LC	
<b>Policy, Strategy &amp; Communications</b>	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	Carry out a detailed corporate review of sustainable procurement progress as part of the corporate procurement strategy refresh	July 09	JD/JH	
<b>Procurement Process</b>	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	Assess all contracts for general sustainability risks and identify management actions.  Manage sustainability risks throughout the procurement process.	March 09	All Procurement officers/ JH/EE  All Procurement officers/ JH/EE	

<b>Flexible Framework</b>	<b>Enhance Level 4</b>	<b>Action Planned</b>	<b>By When</b>	<b>By Whom</b>	<b>Progress at March 2009</b>
		Agree targets to improve sustainability with key suppliers.		All Procurement officers/ JH/EE	Recycling targets included in Household Refuse and Recycling Collection contract. Requirement for Property partner to monitor and manage energy efficiency in council buildings and to produce and implement energy management plan. Draft energy management plan received.
<b>Engaging Suppliers</b>	Key suppliers targeted for intensive development. Sustainability audits and supply chain improvement programme in place. Achievements are formally recorded. CEO involved in the supplier engagement programme	Build on platform established under level 3 attainment. Select small number of key partners and conduct a joint sustainability audit of their supply chain	April 09	JH/EE	

Flexible Framework	Enhance Level 4	Action Planned	By When	By Whom	Progress at March 2009
<b>Measurements &amp; Results</b>	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	<p>Establish corporate guidance on measuring protocols so that sustainable issues and improvements established in supplier/key partner relationships are effectively followed through and recorded.</p> <p>Work with the centre of excellence and nearest neighbour group to establish effective benchmarking arrangements to assess progress and establish areas of good practice</p>			

**CHORLEY COUNCIL  
FLEXIBLE FRAMEWORK FOR SUSTAINABLE PROCUREMENT DEVELOPMENT**

<b>Flexible Framework</b>	<b>Lead Level 5</b>	<b>Action Planned</b>	<b>By When</b>	<b>By Whom</b>	<b>Progress at March 2009</b>
<b>People</b>	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.	Liaise with HR and communications to ensure effective promotion of good practice.  Include sustainable procurement in CEO's annual awards.	<u>July 09</u>  Feb 09	JD/LC/SW  JD/SW	
<b>Policy, Strategy &amp; Communications</b>	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.	Conduct annual review of strategy including external scrutiny.  Conduct end of period review to determine and include future priorities in strategy refresh.	July 09 annually  April 2011	JD/JH  JD/JH	
<b>Procurement Process</b>	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.	Ensure life cycle analysis process is embedded across the authority.  Liaise with RCE, neighbouring authorities and key suppliers to implement robust,	April 09  July 09	JD/JH  JD/JH	

<b>Flexible Framework</b>	<b>Lead Level 5</b>	<b>Action Planned</b>	<b>By When</b>	<b>By Whom</b>	<b>Progress at March 2009</b>
		common KPI's to enable effective comparison and promote good practice.			
<b>Engaging Suppliers</b>	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.	Ensure that sustainability principles are fully embedded in supplier relationships.  Include incentives for continual improvement in key contracts.	July 09  July 09	JD/JH/EE/all procurement officers  JD/JH/EE/all procurement officers	
<b>Measurements &amp; Results</b>	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	Liaise with RCE, neighbouring authorities and key suppliers to implement robust, common KPI's to enable effective comparison and promote good practice.  Publicise success and good practice on the Loop and web site and via the RCE.	July 09  Ongoing	JD/JH  JD/JH/SW	