

EPOW Targeted Assistance Case Study

Develop a Sustainable Procurement Policy and Realise the Benefits



The European Pathway to Zero Waste (EPOW) programme seeks to deliver practical ways of achieving zero waste to landfill in the south east of England.

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With the contribution of the LIFE financial instrument of the European Community.

As part of the programme the EPOW Team worked with a number of organisations to develop a sustainable procurement policy or integrate sustainability considerations into their existing strategy. This case study provides an outline of the steps that need to be taken to support sustainability becoming ‘business as usual’ for procurement professionals.

Introduction to developing a sustainable procurement policy

Within the UK Public Sector there is an opportunity to drive and influence change in its private sector supply chain to support the delivery of its sustainability objectives. Improving procurement decisions is the key to realising this opportunity.

Developing the organisation’s sustainable procurement policy is the first step to helping ensure that sustainability is embedded in the procurement process. This will help deliver:

- ✓ long-term savings through whole life costing;
- ✓ improved risk management;
- ✓ progress towards achieving organisational sustainability targets, as well as being better prepared for emerging EU and UK legislation and policy; and,
- ✓ improved supplier diversity, for example through the use of small and medium enterprises and third sector organisations.

A sustainable procurement policy signals the buy-in at highest level of the organisation and articulates the ambition and intentions. It also provides a mandate for action by budget holders as well as procurement practitioners and can also help to motivate staff, raise awareness and the profile of the benefits associated with procuring sustainably. Externally, it promotes co-operation and dialogue with stakeholders, clients and the supply chain, and influences the market to develop more sustainable products and services.

Over time, sustainability typically becomes incorporated in the organisation's procurement strategy. The London Borough of Bexley recognises this. Mike Sexton, Procurement Manager, commented:

“A public body spending public money is tasked to spend that money as wisely and as sensibly as possible. This involves keeping an eye on developments and trends in terms of the Council's impact locally in terms of the economy and employment, as well as the wider environmental and social impacts of Bexley's commercial transactions. A sustainable procurement policy provides the necessary guide to making those commercial decisions in a timely and ethical manner.

The policy is a visible message that can be communicated to staff at all levels, demonstrating Council commitment to issues that are seen as key by the Bexley tax-payer, the political leadership and the wider public.

The EPOW project has concentrated minds on what the Council's priorities are going forward and in prioritising sustainability as a key component in the Council's future”.

Developing a sustainable procurement policy:

Maximising the success of implementing any business process requires senior level sponsorship and commitment; sustainable procurement is no different. By adopting a strategic approach, the procurement department can help ensure that limited resources are aligned to the initiatives which are most likely to generate the greatest return on investment. In this case, delivering value for money and reducing sustainability impacts or risks.

When developing the policy it is important that organisations understand the:

- need to involve and secure buy in from the highest level of the organisation;
- importance of identifying individual(s) accountable for embedding sustainability within the organisation and the procurement process;
- Government's sustainable procurement policy landscape;
- business drivers and benefits that can be realised from sustainable procurement;
- departmental procurement spend and use of a risk and opportunity based approach to identify priorities;
- internal customer base who are responsible for specifying the product or service requirements as communicating the policy is the first step of its adoption;
- planned procurement activities, including opportunities for change;
- capability of procurement professionals and their internal customers;
- key performance indicators that will be used to measure and report success and how to measure and report on the indicators;
- opportunities for dialogue with suppliers to identify other priorities and options; and

- 'message to market' that will be consistently used across your department, internal customers, and external stakeholders to convey the importance and value of sustainability.

Defining a policy in this way provides practitioners with a foundation upon which to progress the integration of sustainability in a prioritised and targeted way.

Figure 1 illustrates the five key areas that need to be addressed when developing a sustainable procurement policy. Under each area a description of the main activities that should be undertaken is provided.

A sustainable procurement policy alone is unlikely to have the desired effect.

An action plan, developed from the policy, will help to drive implementation.

As a natural extension of the policy, the action plan must have clearly defined objectives and timescales. These objectives should be outcome focused and measurable. The action plan should also cover leadership engagement, risk, process integration, talent/people, communications, supplier engagement, new technologies and innovation.

City University London recognised the need to go beyond policy and as a result of the EPOW project has implemented SMART targets. Dawn White, Environmental Officer at City University London, commented:

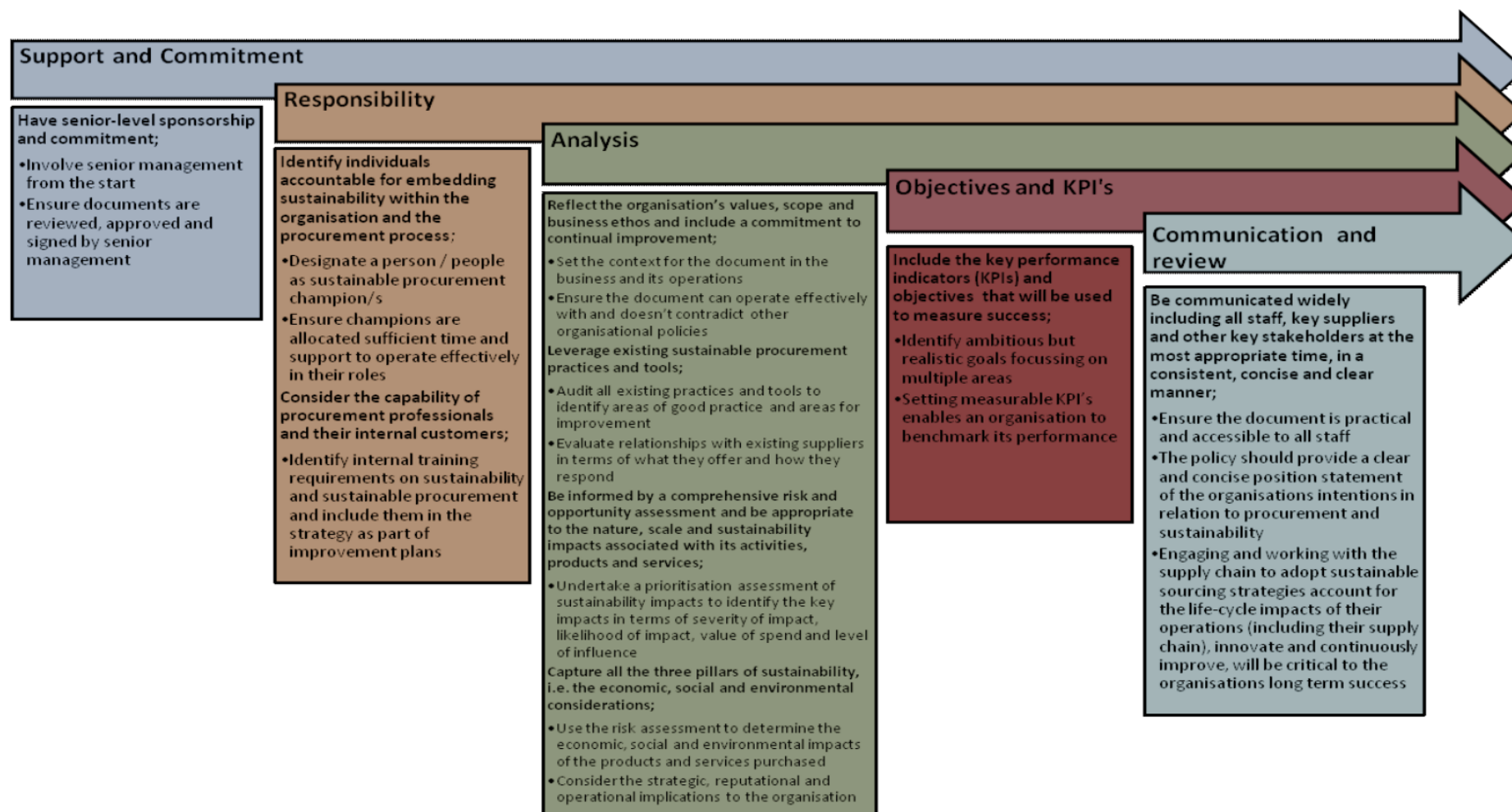
"Procurement is increasingly taking a more prominent role in the sustainability agenda across most businesses. Here at City, it forms an integral part of our overall sustainability goals and objectives, and is identified within our Environmental Management System and reported on within our Annual Sustainability Report.

Up until now, however, we have only really had a sustainable procurement policy, without any actual SMART targets identified to help drive forward our policy implementation. That's where the EPOW project really helped us out.

Thanks to the output we received from the EPOW evaluation we now have a very useful set of action points to enable us to take the necessary steps towards ensuring sustainability is embedded with our procurement practices."

For more information on The European Pathway to Zero Waste (EPOW) programme and WRAP tools and resources for embedding sustainable procurement, please visit <http://www.wrap.org.uk/content/sustainable-procurement>

Figure 1: Developing a sustainable procurement policy, 5 main considerations



Published by:

European Pathway to Zero Waste
Waste & Resources Action Programme,
The Old Academy, 21 Horse Fair,
Banbury, OX16 0AH

Email: epow@environment-agency.gov.uk
www.environment-agency.gov.uk/epow

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Task Ref: 3.2

Project Ref: MPP001-001

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