



EPQW

European Pathway to **Zero Waste**
Demonstrating the route to zero landfill

Implementing sustainable procurement: overcoming common barriers



*Sustainable procurement is good procurement.
Addressing the barriers using an inclusive approach
that embodies change management is key to
successful implementation.*

We have highlighted examples which demonstrate a real difference in delivering sustainable outcomes through procurement. Delegates who undertook Defra's **National Sustainable Public Procurement Programme** (NSPPP) in 2010/2011 have offered these insights.

Taking a strategic approach

Within the public sector there are common barriers that repeatedly hold back commissioning and procurement from playing its full part in delivering sustainability outcomes. Regulation and legislation increasingly offers ways to achieve sustainable procurement, such as applying an approach that takes into account the life time costs and impacts of a project.

What is sustainable procurement?

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 not only to the organisation, but also to society and the economy, whilst minimising damage to the environment¹.

The benefits of sustainable procurement to your organisation can include environmental, economic, and social and can relate to the local economy. Cost savings, reduced carbon emissions, less waste, lower energy and fuel consumption, improved health outcomes, more skills, apprenticeships and training, plus more contract opportunities for small and medium sized enterprises are some practical examples to consider and include within procurement.

¹ Procuring the Future, 2006

Common barriers to implementing sustainable procurement

An EPOW²-commissioned survey of NSPPP delegates based in the south east, identified the top five barriers as:

Barrier 1: Lack of senior (executive) and organisational support

Barrier 2: Structural and organisational change

Barrier 3: Lack of coherent corporate procedures, systems and approaches

Barrier 4: Lack of time resources, knowledge and capacity

Barrier 5: Costs, perceived costs and cashable savings

These barriers are typically interrelated.

...And what are the solutions to overcoming these barriers?

Adopting an inclusive approach that embodies change management is a key ingredient for successfully implementing sustainable procurement with securing **senior and organisational support** being central to addressing all of them. Figure 1 (over) highlights how these barriers are interrelated, and why adopting a strategic approach provides the best outcome.

Reviewing your organisation's procurement structure and identifying a programme of **structural and organisational change** will ensure normal working practices are aligned with your sustainable procurement policy. This can provide the means to assess knowledge and achievement. Continuous monitoring and reporting will allow for economic, environmental and social savings to be achieved, where **costs and perceived costs** are understood **and where cashable savings** can be realised.

² EPOW is the European Pathway to Zero Waste, a LIFE+ funded programme, demonstrating the route to zero waste to landfill.

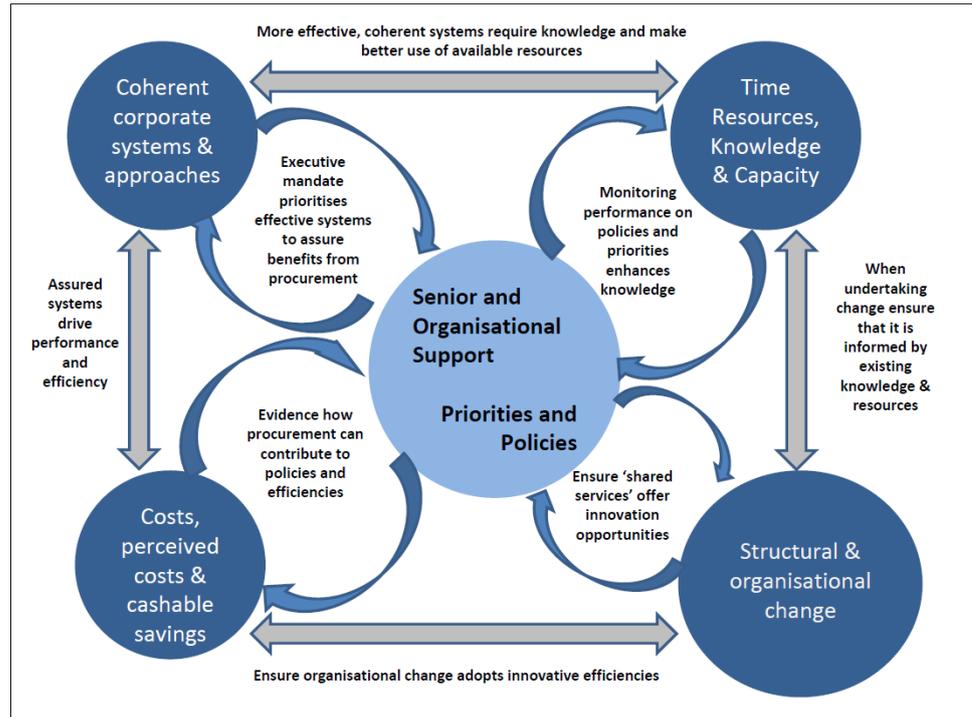


Figure 1

The development of ‘shared services’, for example within groups of local authorities offer key opportunities for innovation, establishing **coherent corporate systems and approaches** that embrace sustainability objectives.

Communication is vital. People need to understand the purpose of the change. Be clear about how their work adds value to the priorities and policies of the organisation, and how greater sustainability benefits and outcomes can be achieved through all their commissioning and procurement activities.

Time, resources, knowledge and capacity to develop confidence in adopting new tools, procedures and techniques, needs an on-going commitment from senior executive staff, continuous monitoring of progress and regular reporting at Board level.

The following are examples of real and workable solutions which have enabled NSPPP delegates to further embed sustainability into their organisation's policy and practice.

Barrier 1: Lack of senior (executive) and organisational support

- Secure senior support to take sustainable procurement forward from strategic directors, trustees, and elected members. Clarify what the priorities are for the organisation. A mandate from senior executives sets out the strategic direction of the organisation and provides a clear reporting framework for updating on progress.
- Ensure monitoring and reporting forms part of normal everyday working practices by including it within the reporting framework, principles and guidelines. Track and report progress against targets to the Board and wider organisation, on a regular basis, highlighting achievements where sustainable procurement has delivered savings.

Embedding Sustainability: Metropolitan Police Service

“Sign-off of the sustainable procurement policy must be corporately backed up by an agreed organisational strategy with defined actions and outcomes. Nominate a clear sustainable procurement champion for driving and reporting on pre-defined targets at a senior level, making clear their responsibility and authority to act. Set up a core team to collaborate and share knowledge throughout the organisation to embed sustainability within your procurement. The team should also develop the strategic overview for continuous improvement, defining what success looks like for the organisation.”

Source: Fay Howard, Supplier Diversity and Environmental Manager, Procurement Services, Metropolitan Police Service

Delivering efficiencies: London Fire Brigade

“Our top-down commitment to responsible procurement is delivering real benefits to London in terms of increased efficiency and delivering both cost and environmental savings. Through increased trading with SMEs and our leading carbon reduction initiatives we have maintained both the Gold standard of the Mayor of London’s Green Procurement Code and our ISO 14001 environment management system certification.”

Source: Nicole Fletcher, Head of Sustainable Development, London Fire Brigade

The apprenticeship programme: Transport for London

“Managed through the GLA Group’s Supplier Skills Team, this programme is focusing on highways technician apprenticeships. The three year structured training programme covers a broad range of highway engineering activities, supporting the borough’s traffic and highways team to ensure that London’s road network is maintained and operated effectively. The apprentices will achieve their BTEC National Certificate in Civil Engineering and an NVQ level3 in Construction Contracting Operations. By the end of the scheme the trainee will have achieved or be close to achieving technician membership of the Institution of Civil Engineers.”

Source: www.supplierskills@TfL.gov.uk

Barrier 2: Structural and organisational change

- Reconfiguring the structure of an organisation and its services enables different kinds of skill sharing and professional relationships to emerge, engaging staff in new ways. A shift to category management or transformation into shared services opens up innovation opportunities for enhancing the sustainability of a product or service.

Collaborative Procurement: Bedford NHS Hospital Trust

"During 2011/12 the Trust entered into collaborative procurement with two other trusts. The trusts felt strongly that they could deliver improved savings due to the actual commitment they could deliver to the market, as opposed to estimated or aspirational demand forecasts. Real commitment is a currency that the supplier market can work with and it is hoped that as well as delivering improved savings it will also assist in driving forward the sustainable procurement agenda"

Source: Tom Devine, Head of Procurement, Bedford NHS Hospital Trust

Reviewing Sustainable Procurement: Hastings Borough Council.

"2011/2012 has been a review year for the East Sussex Hub. Greater liaison between East and West Sussex looked at sustainability as a special item. A lead officer for sustainable procurement at East Sussex County Council helped us enormously; he co-ordinated the template for sustainable procurement policy for all councils in East Sussex and implemented the development of the government-sponsored Sustainable Procurement Task Force (SPTF) Flexible Framework. This proved really useful. It is noted that this co-ordinated collaboration and knowledge sharing would help us to advance and make progress."

Source: Tom Davies, Head of Audit, Investigations and Procurement, Hastings Borough Council

Opportunities from the transition to tri-borough working

“The Royal Borough of Kensington and Chelsea (RBKC), London Borough of Hammersmith and Fulham (LBHF) and Westminster City Council (WCC) are undergoing a major transformation programme which will involve the merging of structures within three neighbouring boroughs. Each borough retains sovereignty over their finances and services however we have combined management and commissioning structures.

Cost is not the only driver in commissioning services and financial constraints do not prevent us from thinking innovatively and striving for quality. For example a part of the new multi-agency service arrangements has meant moving into a building that needed full refurbishment. It is very encouraging that sustainability considerations were integrated into this project from the outset. This will help us achieve greater efficiencies including reducing carbon emissions to assist the borough in its targets.

The NSPPP training helped me put sustainability into context, and not treat it as an afterthought. As a result I have been considering how well it is actually being promoted and embedded into provider services, and how they are delivered. Within the tri-borough commissioning structures there’s the opportunity to select the best practices that relate to improving sustainability, and factor these into the new working arrangements.”

Source: Gaynor Driscoll, Tri Borough Head of Commissioning - substance misuse and offender care

Barrier 3: Lack of coherent corporate procedures, systems and approaches

Providing clear guidelines and procedures for an end to end procurement process is essential for creating a coherent approach. It needs to be applied from the outset, from identifying the need and making the business case, to getting approval for the delivery of strategic procurement.

Standardised Documentation: Transport for London

“Document templates which prompt consideration of sustainability during the early stages of a procurement are an effective way of embedding sustainable procurement as business as usual. For example, at TfL our procurement strategy template, which is the document that sets out how a procurement is going to be delivered, requires officers to consider responsible procurement issues and their possible impacts. In addition, a suite of standard contract clauses relating to sustainable procurement have been developed and are held on a central intranet site. This makes it easy for officers to decide which clauses are appropriate to include within the contract they are developing.

*The standardisation of what to do and when to do it, with balances and checks for sign-off means it is impossible for officers not to consider sustainability. Sufficient flexibility and discretion is built into our templates and processes to allow officers to interpret and apply a proportionate response for the level and scale of the type of procurement. Use of standard specifications, such as– **Government Buying Standards**, or **Green Public Procurement** as well as TfL’s social criteria are also factored in.*

Officers often need hand-holding support to help them modify and apply sustainable procurement to suit their specific circumstances; however access to expert knowledge and trustworthy advice is available from TfL’s responsible procurement advisors.”

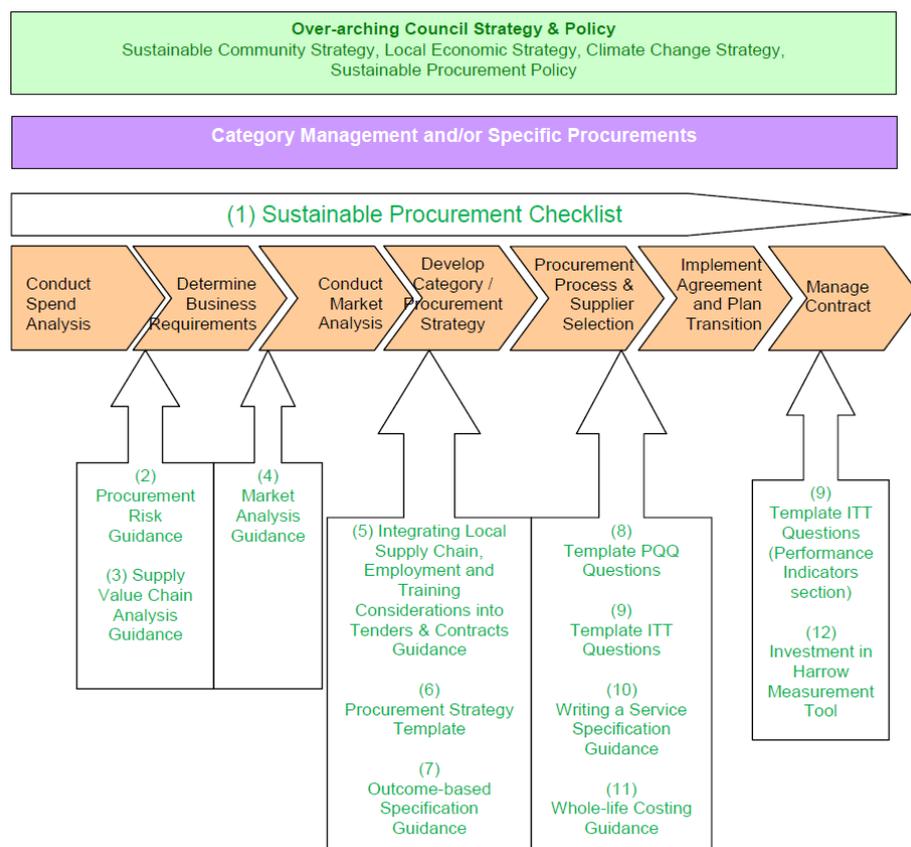
Source: Amri Denton and Edd Burton, Procurement Managers, Commercial - S, Transport for London (TfL)

Sustainable Procurement Toolkit: Harrow Council

This is a step by step procurement approach with training provided to those required to adopt it across the whole organisation. The systematic approach provides the greatest assurance for effective procurement. It includes the use of checklists, specific advice for categories, analysis and guidance.

"Harrow Council's Sustainable Procurement Policy seeks to achieve best value for money from council spend. Procurement decision-making is heavily devolved and so the participation of all directorates is required. Corporate Procurement has compiled a Sustainable Procurement Toolkit to help officers implement the policy.

The following diagram indicates the various elements of the toolkit and where they can be used at each stage of category management and procurement."



Source: Varsha Dadlani and Liz Holford, Corporate Procurement, Harrow Council

Barrier 4: Lack of time resources, knowledge and capacity

- Creating access to on-going reliable support and making the most of in-house expertise is vital for successful procurement. Establishing a core team responsible for framing succinct business cases, securing senior level support for ‘make time to save time’, can develop a common understanding of sustainable procurement and a common approach across the organisation. The Flexible Framework and Prioritisation Methodology tools guide the user on where to focus first and how to move forward, given the unique circumstances of the organisation.

The Value of Training: East Sussex Procurement Hub

“As a result of the NSPPP training we raised and extended knowledge of the Government Buying Standards – promoting these minimum standards to be embedded in our future contracts, for example in our print and also in our cleaning supplier contracts.”

Source: Ian Roadnight, Procurement Advisor, East Sussex Procurement Hub

Minimum Standards: Royal Bournemouth and Christchurch NHS Hospitals Trust

“Sustainability has to be covered now when we set out our business case template, which asks if there are any advantages to reducing carbon emissions. This is then reviewed by our sustainability manager. She’s been in post for nine months now and takes a lead on a lot of products.

The whole department is more aware and has a uniform approach to sustainable procurement. Suppliers know the minimum standards now, and if they want to deal with us they know what they have to do.”

Source: Nicola Herbert, Contracts Officer, Royal Bournemouth & Christchurch NHS Hospitals Trust

Building Team Resilience: Borough of Poole Council

“We have 19 different business unit areas and a procurement team of eight staff, operating as ‘a hub and spoke model’. We support departments in running their own procurements when the procurement is over a value of £150,000. Creating a ‘fit for purpose’ procurement team, for us to be all in the same place in terms of what we understand by sustainable procurement and what you can do about it, was vital. Key to driving this forward will be getting a Sustainable Procurement Policy in place, and producing an officers’ guide on how to apply sustainable procurement.

The NSPPP training leads you to plan your approach recognising the value in doing an annual review to understand and identify your organisation’s sustainable procurement risks, and sustainable procurement opportunities, and where to focus your resources. Defining and targeting your approach is fundamental as you can’t do everything. Building the resilience of the procurement team is essential for any organisation.

It’s about empowering procurers, beyond our central team, to do it for themselves and to make the know-how more accessible. You can increase your capacity if you use established relationships between staff and suppliers, rather than taking ownership of all the council’s sustainable procurement goals.

Having access to good examples of alternative more sustainable products and where it’s been applied to demonstrate benefits, will help to change the mind set of those that might be reluctant to move from an established solution (e.g. substituting imported quarried stone from China with recycled plastic kerbstones).”

Source: Stuart Bickel, Senior Procurement Manager, Borough of Poole

Barrier 5: Costs, perceived costs and cashable savings

- Understanding the whole life value of a product or service, as opposed to the initial up front cost, can identify cashable savings, as well as to other benefits such as a reduction in carbon emissions or waste generated. Adopting a whole life value approach to procurement is fundamental to developing an understanding and practical know how for applying different whole life costing tools as appropriate to a specific category of procurement.

Leading by example: University of London

“Sustainability is becoming increasingly important in Higher Education Institutions, who have the ability to lead by example and influence the student population to go on to make responsible decisions in their business and personal lives. Our efforts on sustainable procurement will enrich their learning. We will look to embed Whole Life Costing into our procurement processes and will make use of the software on the [Sustainable Procurement Centre of Excellence for Higher Education](#) website which is a complex but useful tool.”

Source: Gill Fawcett, Purchasing Manager, Royal Holloway, University of London

Evaluating cost: Bournemouth Borough Council

“A means of comparing/evaluating cost and short-term gains versus long term sustainability is something we feel will really make a difference. If this can be industry driven, then the cost is not seen as much as an extra cost, but is embedded. Tender submissions on waste-related services for example, already have sustainability well incorporated. But in other areas this is not yet the case. We are working on this.”

Source: Larry Austin, Strategic Operations Manager, Technical Services, Bournemouth Borough Council

Continuous optimisation of plant and services: Imperial College London

Imperial College London was one of 240 entrants and Highly Commended winners of the 2011 Awarding Sustainability Excellence Scheme, The Green Gown Awards.

“Imperial College London is committed to providing a more sustainable operation of its estate, despite a strategy of refurbishment, new build and staff/student growth. To support this Imperial has implemented a methodical application of Continuous Optimisation (ConCom) re-commissioning of plant and services, delivering cuts in carbon consumption, conservation of energy and reduction in operational costs. With consultant support facilities management has to date accumulated real sustainable savings amounting to £518,350 and 2,846 tonnes of CO₂. ‘ConCom’ is now an embedded component of the university’s carbon management plan and is expected to contribute savings of up to 4,900 tonnes of CO₂ over the next five years. The lessons learnt are now being incorporated into refurbishment and new-build strategies.”

Source: Kevin Cope EAUC
<http://www.greengownawards.org.uk/welcome/>

Improving commercial terms: Royal Bournemouth & Christchurch NHS Hospitals Trust

“I’d never had training on sustainable procurement before, and finding out about whole life costing was useful in how you can factor in on-going costs for example for electricity use in our financial analysis. We are involved in re-tendering for services to see how we can improve the commercial terms over a group of tenders.”

Source: Daniel Legg, Sourcing and Contracts Specialist, Royal Bournemouth and Christchurch Hospitals Trust

Action to take within your organisation

Addressing the barriers in an inclusive approach that embodies change management is a key ingredient to successful implementation of sustainable procurement.

- Equally, identifying which barriers affect your organisation's ability to embed sustainability through procurement and prioritising an action plan around these will have a positive impact.
- Evaluate the benefits your organisation could realise from addressing all of the barriers inclusively or addressing them sequentially.
- Develop the business case in order to secure senior and organisational support together.
- Develop an action plan for delivering against the objectives as part of everyday working practices.
- Set up a core team responsible for implementing the action plan.
- Appoint a champion for reporting progress at Board level.

Following up and finding out more

Hyperlinks are provided on the following pages to key resources that may be helpful. Also included is the link to the final EPOW project report: ***Assessing the barriers to implementing sustainable procurement*** featuring more information on the EPOW survey and examples of how to overcome the common barriers described above.

The National Sustainable Public Procurement Programme

seeks to make it clear to public sector employees that sustainable procurement is simply good procurement practice which can generate significant benefits, including:

- increased efficiency;
- reduction in carbon; and
- cost savings.

The programme explains public procurement and demonstrates how to apply sustainable procurement good practice throughout the purchasing cycle.

This site also provides helpful links to Government Buying Standards, EU Green Public procurement, Flexible Framework and Prioritisation Methodology.

The **Government Buying Standards** (formerly the Buy Sustainable – Quick Wins) are designed to make it easier for government buyers to buy sustainably. Currently, there are around 50 standards across the priority groups and more are being added on an on-going basis.

The standards provide official specifications that all government buyers must follow when procuring:

- buildings;
- cleaning products and services;
- construction projects;
- electrical goods;
- food and catering services;
- furniture;
- horticulture and park services;
- office ICT equipment;
- paper and paper products;
- textiles;
- transport; and
- water using products.

The standards also contain information about sustainable procurement and how to apply it within your tender documentation when buying, as well as direct links to websites with lists of products which meet the standards.

Many public sector organisations have adopted the **Flexible Framework** developed by the Sustainable Procurement Task Force (SPTF) in 2006, endorsed by Defra. This progression route map shows where and how effort needs to be sustained across five core themes from 'foundation – level 1' through to 'lead – level 5'. The **Prioritisation Methodology** is another useful tool, developed by the SPTF that many have adopted in the south east of England and beyond. It was fine-tuned by Defra to develop the Excel tool as part of the NSPPP in 2011.

DG Environment within the European Union has stated that it will use the tool to prioritise the development of new Green Public Procurement product groups in 2012' (Defra, 7 March 2012).

Whole Life Costing takes account of the total cost of a product or service over its life from determining the need for it, through to its eventual disposal and replacement.

For example, for equipment it includes the costs of maintaining and operating the product, as well as the outright purchase, hire or lease price; the cost of consumables, utilities, training; and the cost of disposal or potential sale value at the end of its life. In some cases the elements, which are difficult to calculate (life expectancy, accuracy, ease of use, speed etc.), are of paramount importance in making the final choice.

For services, costs such as full budget costs, overtime, staff training, perhaps redundancy or re-location (should the unit close at some future time) need to be considered when evaluating a service contract and comparing in-house costs against those of buying in the service from an external provider.

A range of tools is available from the **Sustainable Procurement Centre of Excellence** website

Greater London Authority Responsible Procurement website provides regularly updated progress reports on a wide range of sustainable procurement initiatives and useful exemplar case studies.

The Sustainable Procurement Centre of Excellence for Higher Education provides a knowledge base of information on:

sustainable procurement; commodity areas; carbon reduction; whole life costing; legislation; toolkits; case studies; and best practice, as well as updates on the latest sustainability news, events and training. Whilst it is provided for the higher education sector, much of its content is equally relevant and helpful to the wider public sector.

The Smart SPP – Innovation Through Sustainable Procurement

This EU project focused on the introduction of new, innovative low carbon emission technologies and integrated solutions onto the European market. This was done by encouraging early market engagement between public sector procurers and suppliers and developers of new innovative products and services in the pre-procurement phase of public tendering. Eastern Shires Purchasing Organisation and the London Borough of Bromley helped develop and apply a whole life costing tool.

The Local Government Association Knowledge Hub Group (formerly 'community of practice') **Sustainable Procurement: Overcoming barriers and finding Solutions.** Register first and then click on 'Group Hub' to access the following documents:

Borough of Poole:

Sustainable Procurement policy, Jan. 2012

Officers' Guide - How to ensure your procurement meets our sustainable procurement policy, Oct. 2011

Durham County Council:

Sustainable Commissioning and Procurement Policy, Jan. 2012

Whole Life Value Overview Presentation, Nov. 2011

WWF Gold Pledge for Sustainable Timber - Durham County Council Progress Report, Nov. 2011

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