

# Sustainable Procurement Overview



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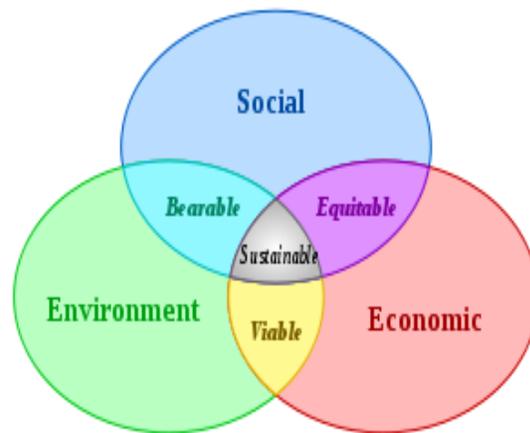
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# Introduction

Sustainable procurement is about incorporating environmental, social and economic concerns into all procurement activities. The previous Labour Government established the Sustainable Procurement Task Force which defined sustainable procurement as:

*'...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 **environment**'.*

- Environment: measurement of the carbon footprint, supplied food products supply chains; renewable and recycled materials and white goods in the context of energy efficiency and end of life disposal
- Economic: analysis of barriers to local SME suppliers submitting and winning bids for public contracts; provision of guidance to clients, contract managers and suppliers and organising events for suppliers on submitting and winning public contracts
- Social: reserved procurement and increasing business with Social Economy Enterprises (SEEs); equalities e.g. long term unemployed, disability, gender, ethnicity, religion.



## DID YOU KNOW?

**On average, 16% of the money you spend on a product pays for the packaging, which ultimately ends up as rubbish (recycling-guide, 2010).**

Sustainability can and should be brought into the whole procurement cycle from writing the specification to tender evaluation to post-contract management; it is a key part of the procurement process and should be considered from the very beginning when you are defining your need, it is not something that can be added on at the end.

## Sustainability in Practice

The best way to make our activities more sustainable is to minimise consumption. Before making a procurement consider if you really need to buy that item/service; could you borrow, hire or share instead? And make sure you buy the amount you actually need and don't buy 'spares'. By asking yourself these kinds of questions you can cut down significantly on your impact on the environment as well as saving money to spend elsewhere. Try and remember the three 'Rs': **reduce** the amount you use; **reuse** what you can and **recycle** what you can't reuse.

When making any kind of procurement it is always worth thinking about how you could make it more sustainable.

- Can you reduce the environmental impact by sourcing sustainable timber or by reducing the distances that goods need to be transported?
- Can you purchase something that has a social label, such as a fair trade label?
- Can you deliver additional training opportunities through the delivering of a contract?

## Benefits of Sustainable Procurement

Sustainable procurement can often cost less over the whole life of the purchase.

Some key benefits include:

- value for money
- environmental benefits
- more efficient use of resources
- greater social inclusion
- better risk management
- lower whole-life costs
- improved supplier relationships

In addition be aware of the issues. Sustainable procurement is a constantly evolving issue and it takes time to address issues in complex supply chains. You need to be up to date with today's issues and have a clear view of things that will impact on your organisation in the future. Also understand impacts and risks. A robust analysis will lead to a clear understanding of what you are trying to achieve and why. Finally understand your supply chain. Good procurement officers should already know where excessive costs may lie within their supply chain.

<p><b>What is a sustainable product?</b></p> <p>A sustainable product can be described as being:</p> <ul style="list-style-type: none"> <li>• Durable, easily upgraded and repairable</li> <li>• Energy efficient and resource efficient</li> <li>• Ethically sourced</li> <li>• Fit for purpose and provides value for money</li> <li>• Made with minimum use of virgin materials</li> <li>• Non (or reduced) polluting</li> <li>• Reusable and recyclable</li> </ul>	<p><b>The basic principles of green procurement</b></p> <p>Before buying any goods/services, you should consider the following questions:</p> <ul style="list-style-type: none"> <li>• Is the product really needed?</li> <li>• Is the product made in part or wholly from recycled material?</li> <li>• Is the product made from a material that came from a sustainable source?</li> <li>• Is the product made from a material that can be recycled after use?</li> <li>• How energy and water efficient is the purchase?</li> <li>• Avoid excessive packaging</li> </ul>
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# Small and Medium Sized Enterprises (SMEs)

The Committee for Finance and Personnel, (Northern Ireland Assembly, 2010) listed some recommendations in relation to SMEs and accessing public contracts (for a full list of the recommendations click [here](#) and the Procurement Boards response can be found [here](#).)

However, some of the barriers are not easily dealt with by policy change:

- many SME are reluctant to supply the public sector, preferring to supply solely to the private sector
- there are far more SMEs than there are contract opportunities, leading to complaints by those who are not successful
- as the vast majority of businesses are SMEs, if the incumbent supplier loses the contract on retendering it is likely that another SME be successful - the displacement effect
- splitting contracts to into smaller lots may be inefficient and if it is deemed by the European Commission to contravene rules on disaggregation of contract to avoid advertising could result in heavy fines.

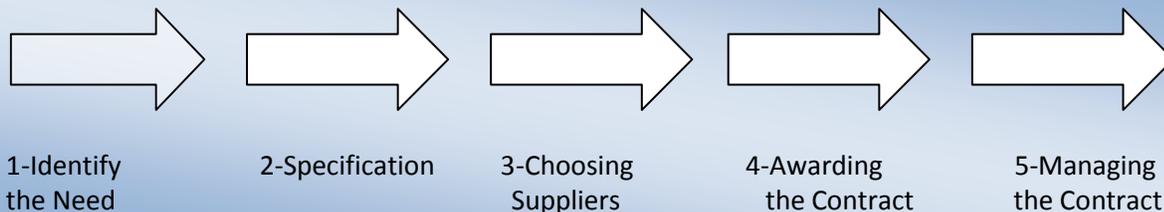
The key issue is that SMEs with which PaLS do business can demonstrate that they can provide competitive supply, often by having been successful in bidding for contracts not only in Northern Ireland but also in more competitive markets in the rest of the UK and further afield.

# Social Economic Enterprises (SEES)

***“A social enterprise is a business with primary social objectives whose surpluses are re-invested, for that purpose, in the business or in the community rather than being driven by the need to maximise profit for shareholders or owners.” (DETI)***

In 2007, DETI carried out a survey among 400 known social enterprises in Northern Ireland. It found that they employed 6,000 people, had 5,000 volunteers and a turnover of £335m per annum. It is estimated that there are over 1,000 social enterprises in Northern Ireland and that social economy activity accounts for approximately 5% of economic activity. SEEs can often offer lower costs and greater flexibility for smaller pieces of work.

## The Procurement Process



### **Stage 1 - Identify the Need**

The process of identifying the need is the most important point in the procurement process for considering environmental and sustainability issues. You may want to question whether the purchase is really essential, or could use be made of an existing product or a more environmentally friendly product or service.

### **Stage 2 – Specification**

Consideration needs to be given to the way goods/services are specified in tender documents.

Environmental requirements can be included in contracts provided that they:

- Apply equally to all tenderers
- Are appropriate and relevant to the product or service required
- Are not anti-competitive or specify branded products
- Do not refer to non-commercial matters
- Are included in the tender documents
- Use a recognised European Standard

### **Stage 3 - Choosing Suppliers**

In choosing suppliers, care must be taken to ensure all potential suppliers are treated fairly and that they are each assessed using the same criteria. There is an opportunity to consider environmental matters in both of these cases. Suppliers may also be considered on their track record on sustainability issues

### **Stage 4 - Awarding the Contract**

The evaluation criteria must be defined for all tenders undertaken within the European Procurement Directives in the tender advertisement, and within the tender documentation. In assessing bids, the 'whole life cost' of goods/services should be taken into account.

### **Stage 5 - Managing the Contract**

The contract forms the framework within which both parties (the Contracting Authority and the supplier/contractor) can work together for continuous improvement and mutual benefit. The process of contract management involves monitoring the contractor's performance against the standards laid down in the contract conditions and specification.

# Food

## Good Practice

- Consider food products with low levels of packaging
- Only order the amount of food needed in order to reduce wastage
- Where possible, buy food grown locally as it helps the local agricultural economy and reduces pollution from long distance transportation
- Use jugs and avoid the purchase of single serving catering packs of milk, sugar etc., as these generate enormous amounts of waste
- Consider packaging which can be easily recycled
- Where practical, compost waste food taking into account health considerations - although food waste which goes to landfill biodegrades, it produces methane which is a greenhouse gas which contributes to global warming
- Consider fair trade options – tea, coffee, bananas, chocolate etc. and look out for the mentioned food labels.

Check out [Government Buying Standards](#) for more good practice on [Food](#)



## DID YOU KNOW?

**It is estimated that consumers are throwing away more than £400 worth of food waste per year (Environment Business Journal)**

The [RAFAEL](#) project was designed to support and promote 'authentic' food in the different regions of the Atlantic coastal of Europe. The main objectives were:

*Local:* Food that is consumed as close as possible to where it is grown and processed, thus enabling money to remain circulating within the local economy.

*People Focused:* Production and trade systems where the role of the producer, the processor and the consumer, in producing high quality, healthy food is fully recognised.

*Sustainable:* Food produced and processed to deliver integrated economic, health, social and environmental benefits.

# Cleaning Materials



**Cleaning materials stored inside**

## Good Practice

- Purchase products that are preferably 100% biodegradable
- Purchase concentrated versions and dilute properly before use, as up to 90% of general purpose cleaner is water which requires extra packaging, energy and resource to transport.
- Try to avoid products that contain chlorine bleaches, buy products based on fruit and organic acids
- Consider vegetable based cleaning products rather than petroleum which take longer to break down and degrade
- Try to avoid aerosols as some are classified as hazardous waste once used, use pump or trigger action sprays wherever possible
- Try to specify against products that contain or have used ozone depleting substances in their manufacture
- Where possible give preference to manufacturers who take back packaging for reuse/disposal after use or offer refill services
- If possible avoid excess packaging, especially polystyrene foam
- Consider bulk purchase – to avoid unnecessary transport impacts

Check out [Government Buying Standards](#) for more good practice on [Cleaning Materials](#)

## DID YOU KNOW?

### Natural v. Synthetic

**It is a common misconception that an ingredient from a plant or other naturally-derived source will necessarily be superior in terms of human safety, biodegradability, aquatic toxicity and sustainability than one from a petrochemical source. Vegetable oil raw materials are already extensively used by cleaning product manufacturers. Although 'green purchasing' criteria sometimes specify 'naturally' based materials, each ingredient must be assessed on its individual merit, and on how it affects the sustainability of the whole formulation, not simply on whether it is from a plant derived or petrochemical source. (UK cleaning products industry association)**

# IT Equipment and Consumables

## Good Practice

- Buy laser printers and photocopiers with an ozone filter
- Ensure equipment can produce double-sided copies
- Set equipment, including printers to default to printing double-sided and save settings to print on 'EconoMode' for daily print outs where practicable
- Specify equipment that is energy efficient – those that have the Energy Star label or EPEAT Silver standard
- Specify equipment with an automatic sleep or power down mode
- Turn off monitors and computers when not in use
- Consider buying equipment that can easily be upgraded and/or repaired
- Consider if you actually need to buy new equipment at all – is it really necessary?

Check out [Government Buying Standards](#) for more good practice on [IT Equipment](#)



## DID YOU KNOW?

**Energy saving light bulbs produce light using a fraction of the electricity needed for conventional light bulbs – which means they last up to 12 times longer and go on saving you money year after year. (Energy Saving Trust, 2010)**

## Waste Electrical and Electronic Equipment (WEEE) Directive

The WEEE Directive 2002/96/EC and 2003/108/EC aimed to:

- Reduce waste arising from electrical and electronic equipment (EEE)
- Make producers of EEE responsible for the environmental impact of their products, especially when they become waste
- Encourage separate collection and subsequent treatment, reuse, recovery, recycling and sound environmental disposal of EEE
- Improve the environmental performance of all those involved during the lifecycle of EEE

# Paper

## Good Practice

- Reduce the amount of paper used – think before you print, use scrap paper for notes, print and photocopy double-sided, use email, re-use envelopes especially for internal distribution
- Wherever possible, buy recycled paper that is comprised of at least 75% post-consumer waste
- Consider recycled paper when commissioning publications
- Always recycle waste paper that cannot be reused
- Try to buy paper with the National Association of Paper Merchants (NAPM), Nordic Swan and Blue Angel standards
- Try to avoid buying paper which uses chlorine in the bleaching process, wherever possible buy totally chlorine free papers or at least elemental chlorine free papers

Check out [Government Buying Standards](#) for more good practice on purchasing [Paper](#)



## DID YOU KNOW?

**Most UK paper production uses recovered waste or imported pulp. Graphic paper (including newsprint) accounted for 42.6% of the total UK paper production, packaging materials for 35.4% and sanitary and household papers for 16%. (UK wood Production and trade 2008)**

# Transport



## DID YOU KNOW?

**School journeys can account for 1 in 5 cars on urban roads at the peak time of 8.50am. With more and more cars on the roads the fumes and noise they produce are a major source of pollution both in towns and in the countryside where pollutants drift on prevailing winds. The main pollutants are benzene, nitrogen dioxide, 1/3 butadiene, lead, ozone, particulates, sulphur dioxide and carbon dioxide. (NE Derbyshire Council, 2010)**

## Good Practice

- Reduce the use and impact of vehicles by: reducing your journey (i.e. is it really necessary), use public transport, cycle or walk, car share, keep your car regularly maintained.
- Consider alternative technologies that produce less air pollution when buying vehicles (i.e. those which run on compressed natural gas, bio diesel, liquid petroleum, gas and electric)
- Consider buying Ultra Low Sulphur Diesel (ULSD) or bio-diesel for diesel engine vehicles
- Consider the fuel efficiency when purchasing or leasing new vehicles. Specify the latest Euro Emissions standard.
- Consider reducing the size and power of vehicles
- Consider using retread tyres and re-refined oil.

Check out [Government Buying Standards](#) for more good practice on [Transport](#)

# Timber Products

## Good Practice

- Purchase timber and products from sustainable forests – those that take into account environmental implications. There are labeling schemes for sustainable timber e.g. the Forrest Stewardship scheme (FSC)
- Specify environmental standards for wood products e.g. furniture
- Purchase durable furniture and fittings with at least a five year warranty
- Consider buying reclaimed timber and products made from reclaimed timber
- When buying plywood and chipboard ensure they are manufactured with low formaldehyde resins and without formaldehyde glue, and from sustainably managed forests

Check out the [Central Procurement Directorate website](#) for more good practice on [Timber Products](#)



DID YOU KNOW...?

**Forests cover approximately 30% of the earth's land surface and are a major carbon reservoir and sink, regulating the global climate (DEFRA, 2010)**

## Useful Links



Promoting the social economy sector in Northern Ireland

