

Chapter 16

Sustainable Procurement

DWP have a third party spend of £3.67 billion (2007/08) so it is vital that we maximise our potential for making social, economic and environmental improvements through our contracts. For five years it has been policy for contract specifications to

routinely stipulate sustainable goods and services where ever possible and this approach is reinforced throughout the revised Sustainable Procurement Strategy, produced in late 2007.

To support that strategy, the Sustainable Procurement Risk Assessment Methodology (SPRAM) has also been revised. Application of this tool is mandatory and will help to ensure that our contracts consider any relevant sustainability issues and risks. SPRAM allows identification of risks and

At a glance...

- Revised DWP Sustainable Procurement Strategy.
- Revised Sustainable Procurement Risk Assessment Methodology (SPRAM).
- Mandatory use of SPRAM across category teams.
- Sustainable Procurement Implementation Group (SPIG) now has full membership.
- Programme of awareness raising with commercial staff under way.
- Sustainable Procurement Awareness Sheet for suppliers launched and rolled out across supply base.
- European Social Fund (ESF) programme contracts now contain contractual requirements on environmental aspects.

Commitment from the UK Strategy

- Stretching targets will be set for initiating a sustainable procurement strategy.

Government mandate

- Implement the 'Sustainable Task Force National Action Plan'.

requires that mitigation action be taken to reduce or eliminate those risks where possible.

Ensuring that this tool is correctly applied and given the appropriate level of consideration has been the subject of a series of workshops, successfully delivered to various category teams. A programme is in place to ensure all other relevant commercial teams take part in these workshops in the coming months.

The outcomes of completed SPRAM's are being scrutinised to identify and develop good practice examples to share with the commercial community. Where weaknesses are identified via SPRAM, challenges are being made to strengthen the safeguards put in place.

Developments are shared with the procurement community through the Sustainable Procurement newsletter published every 6 months and through updates on the intranet. To provide additional focus, a well attended Sustainable Procurement Conference was held in December 2007, with a dual theme of climate change and the potential social

impacts that procurement has on people and communities.

This year the sustainable procurement conference is being combined with the general procurement conference. This will reinforce the message that sustainable thinking must be embedded into the commercial function. Sustainability will flavour the whole event, demonstrating how it is integral to, not additional to excellence in procurement.

Every four months, the Sustainable Procurement Implementation Group (SPIG) meets at a community venue, which directly benefits from the hire of their facilities. This group is a demonstration of the increasing commitment within the DWP to take practical measures and is supported by a membership that represents all category teams and other commercial areas. It facilitates knowledge exchange, sharing of experiences and practical examples but it also applies discreet peer pressure to those areas that are not proactive. Emphasis is jointly placed on DWP and those within the supply chain to address social/community, economic and environmental issues and members can share their views on how this



is best approached in the various commercial areas.

In June 2008 the Sustainable Procurement Awareness Sheet for suppliers was launched. This information leaflet contains details of the DWP vision for sustainable procurement, the SOGE targets that we are working towards and how DWP must try and further its social objectives through procurement. The leaflet has been shared with existing suppliers and will be included with Invitation to Tender documents to ensure that potential suppliers are aware of our commitment to sustainable procurement at the earliest possible opportunity.

Contracts delivered as part of the ESF Programme now require suppliers to have an SD Policy Statement and SD Plan in place within 6 months of the contract start date. This is a contractual requirement and contract managers have received training to ensure that they have the appropriate knowledge and skills to work with suppliers and drive continuous improvement.

We aim to roll out the above environmental requirements schedule across all DWP service contracts by the end of 2008.

An equality and diversity schedule is also planned for all service contracts. Suppliers will be required to demonstrate how they will identify and address any equality and diversity issues or risks that are present throughout the life of a contract. This is of particular importance to DWP given the nature and welfare objectives of the Department.

Some of the measures taken in addition to those above are:

- Incorporation of DWP SD Policy Statement and Sustainable Procurement Strategy into tender documents.

Conference and Events Management

The recently let contract with Live Group incorporates a number of good environmental initiatives. For example, the contractor's registration web site offers advice to delegates on public transport, pedestrian directions and encourages car sharing for those attend from the same event or area. Delegate travel data is collected and used as part of a calculation

to ascertain the CO₂ emissions from the event. It is the contractor's company policy to offset the emissions for all their events. Other initiatives include the use of tap water instead of bottled, use of timber from sustainable sources and working with venues to maximise use of fair trade and locally sourced produce.

- Requesting details of suppliers SD policy statements, action plans and environmental management systems and ensuring that SD is a standing agenda item on all contract reviews.
- Application of 'quick wins' in to contract specifications and monitoring of supplier compliance.
- Looking at the whole life of products with suppliers – e.g. asking for reduced or recycled packaging on IT equipment.
- Regular dedicated SD meetings with suppliers, such as IT and Facilities Management, to explore technical advancements that support the sustainable development agenda.
- Encouraging suppliers to consider utilising Supported Factories and Businesses such as 'Remploy', which LST have successfully done.
- Looking at ways to reduce carbon footprints/emissions, such as reorganising routes, amalgamating journeys and meeting by video or teleconference.
- Sourcing goods, particularly food, in a way that where possible, reduces transport miles, supports local economies or supports fair trade – whilst still abiding by the UK and EU Public Procurement Regulations.

The Sustainable Procurement Task Force Flexible Framework, self-assessment tool has been applied dispassionately to guarantee that the result is fair and accurately reflects the progress made within our commercial function. The Task Force believes that most public sector organisations are not yet at 'Level 1 (Foundation)'. The aim is for Departments to have reached 'Level 3 (Practice)', in all areas by 2009, and 'Level 5 (Lead)', in at least one. Progress is reviewed annually, with our current position being:



People	Level 1 (Foundation)
Policy, Strategy & Communications	Level 4 (Enhance)
Procurement Process	Level 2 (Embed)
Engaging suppliers	Level 1 (Foundation)
Measurement & Results	Level 1 (Foundation)

The next review is scheduled for November 2008 where it is expected that further progress will be recorded.

Consultancy for Interim Personnel and HR Services

The recently let contract for Interim Personnel contains a number of social, equality and diversity requirements which were emphasised in the 'Invitation to Tender' documents. These included questions relating specifically to current policy, review periods, training of staff and benchmarking activities through recognised programmes. To ensure that no bias was applied to the assessments the equality and diversity policy

statements were analysed by HR experts and failure to provide this information meant they were disregarded from further consideration. In addition, and in line with the Departments policy to reduce travel and encourage smaller businesses, proposals were requested around local sourcing opportunities and the possibility of using small and medium enterprises as part of the supply chain involvement.