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Warwick District Council

Sustainable Procurement Policy

1. Introduction

1.1 Warwick District Council recognises that sustainable development considerations should be incorporated into the procurement of goods, works and services. The Council wishes to promote the adoption of more sustainable practices and procedures amongst the wider business community.

2. Guiding Principles

2.1 Sustainable development means achieving four objectives:

- Effective protection of the environment
- Prudent use of natural resources
- Social progress which recognises the needs of everyone
- Maintenance of high and stable levels of economic growth and Employment

2.2 Efficient procurement of goods, works and services depends upon balancing considerations of cost and quality. Sustainability issues need to be incorporated into both aspects as follows:

- When considering the **costs** of goods and services, the life-span of the product or the whole life costs, need to be considered. This takes into account running costs such as energy usage, CO2 emissions, maintenance requirements, staff training needs, reuse, recycling and disposal costs. These costs need to be taken into account in addition to the initial purchase price.
- When considering the **quality** of goods and services offered, their environmental issues and standards need to be taken into account.

2.3 Obtaining value for money when procuring goods, works and services is not just about obtaining the lowest price. Consideration of environmental factors needs to be undertaken at an early stage in the procurement process as a key element of the wider 'value' that can be obtained.

3. Benefits of Sustainable Procurement

3.1 Adopting a consistent approach to the environmental implications of procuring goods, works and services can have the following benefits:

- Long-term efficiency savings
- More efficient and effective use of natural resources
- Reduction in harmful impacts of pollution and waste

- Reduction of the impact of hazardous substances on human health and the environment
- Encourages business innovation
- Provides strong signals to the sustainable products market
- Represents a practical expression of the Council's commitment to sustainable development in the local community

4. Achieving Sustainable Procurement

4.1 As an initial step in the procurement of any goods, works or services, an assessment of environmental risk will need to be undertaken to determine the extent to which issues of sustainability will need to be taken into account the procurement process. The assessment will need to take account of the environmental factors set out in Annex B to this policy. For example, some goods, works and services may constitute a high environmental risk where it is expected that higher levels of energy consumption and/or CO₂ may be generated by the goods or services being purchased or where there may be an adverse impact on the environment due to the need to use chemicals etc. In these cases, the procurement process to be adopted must seek to take full and proper account of these factors. Where environmental risk is assessed to be lower or, in some cases, minimal, the extent to which sustainability is taken into account may be proportionately less. Further advice on likely impacts can be obtained from the Council's Climate Change and Sustainability Officer.

4.2 For **procurement exercises of under £50,000** in value, environmental factors need to be taken into fully into account where the assessed risk is judged to be medium/high. For all other exercises, the extent to which environmental factors are taken into account should be proportionate to the nature of the goods or services being procured.

4.3 In **Non EU procurement exercises** that involve a formal tender procedure, for goods or works with a value in excess of £50,000 but below the current EU threshold of £164,176.00 (or for capital works, £3,927,260.00), it will be expected that environmental issues must be taken into account in the procurement process and that this should be informed by the risk assessment. Note that EU thresholds are changed bi-annually and it is recommended that those undertaking procurement exercises of this scale should check the latest thresholds with the Procurement Manager.

4.4 When formal contract documents are prepared as part of the formal tendering process, sustainable procurement should be encouraged by incorporating social and environmental factors into the contract specification. Any conditions must relate directly to the particular contract activity and be capable of objective assessment. The environmental requirements for contracts will vary depending upon the types of goods or services being procured. A guide as to the requirements that could, where relevant, be included in the invitation to tender documentation is set out at Annex B to this policy.

4.5 The tender evaluation process must include some assessment of environmental impacts. The relative weight to be applied to these will depend on the environmental risk balanced with other factors such as cost and quality of the service or goods to be provided. The weights to be applied to each criterion will be set out in the invitation to tender letter.

4.6 For **EU Service Contracts**, environmental considerations can only be taken into account if they are directly relevant to the particular contract activity and are capable of objective assessment. There are strict rules on what can be taken into account in assessing contractors at the pretender stage so environmental considerations should predominantly be considered when specifying the services required and in tender evaluation when assessing how the contractor will operate the Service (where relevant) as set out in paras 4.4 and 4.5 above.

4.7 Warwick District Council's Climate Change and Sustainability Officer should be consulted on all procurement exercises where environmental issues may arise and where the risk assessment is medium/high.

4.8 The application of this policy is subject to the proper application of national and EU rules on open and fair competition in the procurement of goods, works and services and the Council's own adopted financial and contract procedure rules.

4.9 Warwick District Council is committed to working with small businesses and the voluntary sector to promote sustainable procurement, remove any barriers for them doing business with the Council and via corporate social responsibility processes, encourage these sectors to adopt an environmentally friendly approach when providing goods and services to the Council.